ISSN: 0976-5301
Peer Reviewed & Refereed Journal (IF: 7.85)
Journal Website www.coherencejournal.in

ASSESSING FINANCIAL KNOWLEDGE, BEHAVIOUR, AND ATTITUDE AMONG WORKING YOUTH

Nitika Bhandari

Assistant Professor
Khalsa University, Amritsar

ABSTRACT

In the contemporary financial environment, increasing competition and the proliferation of diverse financial products with varying risk–return profiles have made financial literacy an essential life skill. Financial literacy not only enhances individual financial well-being but also contributes significantly to the stability and development of the overall economy. Rapid technological advancements and growing needs related to savings, borrowing, retirement planning, and investment decisions further emphasize the importance of assessing financial literacy levels. The present study focuses on measuring the level of financial literacy among working youth using the OECD (Organisation for Economic Cooperation and Development) framework. Financial literacy is assessed through three key dimensions: financial knowledge, financial behaviour, and financial attitude. Financial knowledge is measured using eight multiple-choice questions, financial behaviour is evaluated through respondents' financial practices, and financial attitude is assessed using three statements measured on a five-point Likert scale. The overall financial literacy level is determined by combining scores from all three dimensions. The findings provide insights into the financial capability of working youth and highlight areas requiring policy intervention and targeted financial education initiatives.

Keywords: Financial Knowledge, Financial Behaviour, Financial Attitude, OECD

INTRODUCTION

The transformation of financial systems in the 21st century has intensified the need for financial literacy across all demographic segments. Digital payment ecosystems, fintech platforms, algorithmic investment tools, cryptocurrency markets, and expanded consumer credit availability have made financial decision-making more complex than ever before. Young working individuals, particularly in developing economies, are increasingly exposed to these financial products without adequate preparation. Financial literate people can easily make financial decisions regarding management of bank accounts, selection of best financial product, making household budget etc (Marcolin, 2006).

India represents one of the largest youth populations globally. As the workforce becomes younger and more digitally connected, understanding their financial capability becomes essential for sustainable economic development. Although financial inclusion has significantly improved through initiatives such as Jan Dhan Yojana, UPI systems, and digital banking, inclusion does not automatically translate into informed financial decision-making. Financial literacy is no longer viewed as merely knowledge of financial concepts. Contemporary frameworks emphasize a multidimensional perspective incorporating behavior and attitude. The OECD/INFE framework defines financial literacy as a combination of financial knowledge, financial behavior, and financial attitude necessary to achieve financial well-being. This study adopts this comprehensive framework to empirically evaluate financial literacy among working youth in India.

EVOLUTION OF FINANCIAL LITERACY CONCEPT

Financial literacy research initially focused on cognitive understanding of financial concepts such as interest rates, inflation, and diversification. Over time, scholars recognized that knowledge alone does not ensure responsible financial decision-making.

The shift toward financial capability integrates:

- Knowledge (cognitive understanding)
- Behavior (application and discipline)
- Attitude (psychological orientation toward money)

The OECD/INFE model operationalizes this multidimensional construct.

REVIEW OF LITERATURE

Chen and Volpe (1998) revealed low financial knowledge among college students. Lusardi and Mitchell (2014) emphasized the "Big Three" financial concepts and documented widespread global financial illiteracy. Huston (2010) argued for a standardized measurement framework. Aggarwalla et al. (2012) found limited financial awareness across Indian states. NCFE surveys reported moderate financial literacy but highlighted weak investment understanding. OECD (2023, 2024) international surveys emphasize financial resilience and digital capability. Rehman & Mia (2024) systematic review identifies socio-economic status, education, and psychological traits as key determinants. Gomez et al. (2025) demonstrate that financial behavior is the strongest predictor of overall literacy among youth. Recent studies emphasize that financial literacy programs for youth improve financial decision-making, encourage saving habits, and enhance financial confidence. Effective financial education programs incorporate experiential learning, digital tools, and parental involvement to strengthen financial capability among young people.

Recent studies also link financial literacy with:

- Reduced financial stress
- Improved savings behavior
- Higher retirement preparedness
- Better mental well-being

Although several studies examine financial literacy among students, limited empirical evidence exists on working youth using the OECD multidimensional model in the Indian context. Most studies focus solely on knowledge without integrating behavioral and attitudinal components.

RESEARCH OBJECTIVES

1. To measure financial knowledge among working youth.
2. To assess financial behavior patterns.
3. To evaluate financial attitudes toward long-term planning.
4. To compute composite financial literacy scores.

RESEARCH METHODOLOGY

The primary data is used for the present study. The data was collected from 550 respondents (working youth) from which 500 completed and appropriated questionnaires were selected.

Five hundred respondents essentially consists of the salaried and self-employed with regards to different age groups, income groups, gender, working status and educational background have been selected. The respondents were interviewed through a pretested, well-structured and personally administered questionnaire. The current study comprises of the data collected through the well structured questionnaire including 36 statements on five point likert scale and multiple choice questions. Before conducting final analysis, the pre-testing was done on 100 respondents. After conduction of pilot study, the final data was collected from 550 respondents residing in Punjab from which 500 completed questionnaires were considered. Purposive sampling technique was used for choosing a sample. Moreover, an attempt was made to select the respondents with varied socio-economic category to make sample as exact representative of the population. Descriptive statistics were used such as sum, frequency, percentage, minimum, maximum and mean to explain and sum up the data for stating their important features.

QUESTIONNAIRE DEVELOPMENT

The current study is based on the primary data. The data was collected from the well-structured research instrument i.e Questionnaire. The Standardized Questionnaire prepared by OECD (Organisation for Economic Cooperation and Development) was used for the measurement of financial literacy. This measure has also been used by Atkinson and Messy (2012) for measuring financial literacy across 14 countries. The pilot study was conducted on 100 respondents. There were minute changes in the questionnaire after the conduction of the pilot study for the final analysis.

The questionnaire was classified into 3 parts as discussed below:

Part A:

Part A of the questionnaire focused on the measurement of financial literacy. According to OECD (Organisation for Economic Cooperation and Development), three aspects of financial literacy namely, financial knowledge, financial behavior and financial attitude were studied. Eight MCQ's (Multiple Choice Questions) related to financial knowledge covering the aspects of numeracy, time value of money, interest calculations, concept of inflation and understanding of risk and diversification were used. Similarly, in case of financial behavior, four statements on five point likert scale and four multiple choice questions were asked from the respondents. Three statements on five point likert scale related to money and towards financial planning for safe financial future were used for measuring financial attitude of working youth. The language of the questionnaire is very easy for the clarity and proper understanding.

Part B:

Part B of the questionnaire comprised of a set of 36 statements related to financial matters. The responses of the respondents were taken on likert scale ranged from 1 to 5 where 1 denotes strongly agree and 5 denotes strongly disagree. These statements were used to extract factors affecting financial literacy of working youth.

Part C:

Part C of the questionnaire comprised of demographic profile of the respondents that consists of gender, age, education, income and working status.

ISSN: 0976-5301
Peer Reviewed & Refereed Journal (IF: 7.85)
Journal Website www.coherencejournal.in

DATA ANALYSIS AND RESULTS

Financial Knowledge

The data was collected from 550 respondents (i.e. working youth) from which 500 completed questionnaires were considered for measuring their financial knowledge. Descriptives (*frequency and percentages*) were used to analyze the data. Table 1 indicated results and discussions relating to level of financial knowledge of working youth.

Table 1

Results indicating Financial Knowledge of Working Youth

Category	Frequency	Percentage
Low Financial Knowledge	343	69%
High Financial Knowledge	157	31%
Total	500	100%

Table 1 revealed that most of the working youth (69%) are having low financial knowledge regarding basic financial concepts. Only 31% individuals possessed High Financial knowledge by scoring more than 5 marks in questions related to financial knowledge. It implies that very less percentage of working youth had knowledge of financial concepts like making wise investments by considering various factors like inflation, time value of money, interest rates, risk and diversification etc. The findings indicated that the level of financial knowledge among individuals was immensely low which is deficient to cope up with the complicated financial markets. The persons with less financial knowledge influenced in negative way which includes wrong usage of credit cards, increased levels of debt, bad spending habits and wrong investments which leads to ineffective future financial security.

Financial Behavior

The responses of 500 respondents were analyzed using Descriptives i.e. frequency and percentages and its results are shown in Table 2:

Table 2

Results indicating Financial Behavior of Working Youth

Level of Financial Behavior	Frequency	Percentage
Negative Financial Behavior	323	64%
Positive Financial Behavior	177	36%
Total	500	100%

The results given in Table 2 revealed that 64% of the working youth indicating negative behavior regarding their financial matters while only 36% are showing positive behavior while dealing with the day to day financial issues. It indicated that majority of the working youth followed undesirable behavior while handling routine financial matters. It is inferred from the results that majority of the working youth disclosed unpleasant behavior with regards to major financial affairs like savings and investments, payment of bills and making household budgets. The policy-makers and financial organisations should take effective steps to enhance the financial behavior of respondents. Financial decision making would be improved by desirable financial behavior which leads to financial well-being.

Financial Attitude

The responses given by respondents regarding three statements related to money matters are analyzed using Descriptives in the form of frequency, percentages and average. The results related to financial attitude of Working Youth are shown in the Table 3:

Table 3

Results indicating Financial Attitude of Working Youth

Category	Frequency	Percentage
Negative Financial Attitude	296	59%
Positive Financial Attitude	204	41%
Total	500	100%

The results of the survey as shown in Table 3 showed that 41% of the working youth are having positive financial attitude towards money matters. The youth with positive attitude are able to understand the importance of future planning and systematic savings. The working youth having positive attitude towards money always update themselves regarding matters related to money management and are capable to achieve their future financial targets. While 59% individuals fall in the first category revealing their negative attitude towards money i.e. concentrating on short term needs without taking into consideration long term requirements.

Composite Financial Literacy

The collected data was analyzed using Descriptives such as frequency and percentages and the results are categorized in four categories as shown in Table 4 below:

Table 4

Results indicating Financial Literacy Level of Working Youth

Category	Frequency	Percent
Poor	0	0%
Low	155	31%
Average	287	58%
Good	58	12%
Total	500	100%

The results of Table 4 showed that none of the youth fall under the 1st category i.e (Poor financial literacy) which enables that all the respondents score more than 5 marks. All the respondents who have participated in the financial literacy survey have scored at least more than 5 marks. 31% people falls in the 2nd category of interval 6-11 marks (low level of financial literacy). The respondents who score between 6 and 11 are of low level financial literacy which they need to improve for the optimum utilization of their financial resources. 58% people falls under the 3rd category i.e. average level of financial literacy scoring 12 to 17 marks. The people fall under this category can manage their financial matters but they have to be more financially aware for their future well-being. Only 12% respondents falls under 4th category of good level of financial literacy indicating their abilities to manage their financial matters. Majority of the respondents answered incorrect with regards to basic questions of financial literacy including inflation, interest rates, risk and diversification etc. There is an emergent need for the government to improve the financial literacy of individuals especially youth for the economic development of the country.

(Aggarwalla et al., 2012) showed in his findings that most of the Indians fall under low level of financial literacy. Many other researchers also investigated financial literacy in universities

(Anthens, 2004; Murphy, 2005; Godfrey, 2006; Bakken, 1967; Langreher, 1979) and reported that university students generally have low levels of financial literacy which leads to wrong decision making regarding financial matters. Persons with low level of financial literacy have less financial knowledge and not able to apply that knowledge properly. They have no skill to intelligently think over financial issues which may lead to wrong financial decisions (Sharma & Jariwala, 2011). Also pointed by (Chen & Volpe, 1998) who measured financial literacy and results revealed low level of financial literacy.

RECOMMENDATIONS AND IMPLICATIONS OF THE STUDY

The policy makers should make the policies in order to improve financial literacy among working youth. Financial education programs should be specifically targeted to the people who attain low level of financial literacy.

1. In the present education system, practical financial knowledge is not inculcated at college level. So, academic institutions are recommended to formulate such policies that will enhance the knowledge of individuals with regards to financial issues through improved education system.
2. Government should make financial literacy initiatives as a part of Corporate Social Responsibility which leads to the growth of financial literacy programs.
3. Proper training should be given to the employees working in the organisations for their management of finances. The seminars should be conducted focusing on the importance of proper management of money which ultimately affect future financial life.
4. Special financial programs should be started particularly, for females who showed less financial literacy in the present study. The financial organisations should also make special arrangements for the women and make suitable plans catering their financial needs. The females should be given special training on the subject of finance for enhancing their skills with regards to decision making capability about their personal financial matters and make them realize the importance of their role in financial decision making at household level.
5. The people using debit and credit cards should be fully equipped with knowledge relating to charges connected to it for avoiding unnecessary financial burden. The bankers should provide full knowledge to their customers to whom they issue debit or credit cards. In today's cashless society, importance of these cards has been increased indicating the significance of financial literacy. Only financial literate persons can take advantage of cashless economy.
6. The financial organisations are also recommended to provide proper information to the individuals regarding available investment plans. The individuals should select the appropriate investment option after analyzing the available information given by financial organisation. The study further recommended that financial literacy plays most consequential role for the development of financial system which leads to the development of economy.
7. Families are also advised to initiate discussions regarding management of finances with their young children. It will help them in taking right decisions once they start earning independently.

8. Financial education should be given more importance as there is low level of financial literacy amongst the age group 15-20 years. Due to lack of financial literacy, they may take wrong financial decisions or make faulty investments that can risk their future financial security. Policy makers should design financial education policies focused on personal financial management
9. It is recommended to initiate the financial education program at an earlier stage in the life cycle of people that will ensure the habit of savings and investment and proper money management is embedded into them from their early days. It leads to the wise financial decision making that will ensure their future financial security.
10. The individuals with lower income usually attain low level of financial literacy, so there is even more need to make policies for educating these people about money management. It will help them using their limited income sources in strategic manner for its optimum use.
11. Educational institutions should introduce the syllabus of practical financial education to improve the financial literacy of their students. The development of financial skills and knowledge should superlatively begin at home and be continued in academic institutions and the society at large. It should be easily and extensively accessible to all segments of the society at all phases of the lifecycle.

LIMITATIONS

The present study also carries certain limitations like any other study, which is based on consumer survey through a pre- designed questionnaire.

1. The area of study is confined to the four districts of Punjab i.e. Amritsar, Jalandhar, Ludhiana and Chandigarh due to constraints of time and resources.
2. The purposive sampling technique is used for choosing sample, the results may not be true representative of the overall population.
3. The study was confined to working youth only and does not represent the whole population.
4. Increased sample size can be considered for future research for better generalization of the results.

FUTURE RESEARCH DIRECTIONS

The present research presents a theoretical, empirical and managerial perspective on measurement of financial literacy particularly for the working youth. However, much still remains unidentified. A continuation of this line of research could contribute significantly to our understanding of financial literacy, leading to improved strategies for its growth and enhancement. The study provides following future research implications for the researchers as all the details of the topic is not possible to study at one time.

1. The area of research study is confined to four major districts of Punjab including Amritsar, Jalandhar, Ludhiana and Chandigarh. The results cannot be generalized on the basis of these areas. The study covering broader areas of other countries can give more desirable and explicit results regarding the measurement of financial literacy and factors can be generalized.
2. It is also recommended that further studies can measure the sample type of respondents like old age people, women can be taken into consideration. It will help

in obtaining more comprehensive view of financial literacy for other segments of the society.

3. Further, researcher can also perform a comparative study of rural and urban respondents for comparing their level of financial literacy.

CONCLUSION

Financial System is the mechanism for the growth and development of the country which predominantly depends upon the well planned circulation of funds. The appropriate movement of funds is essential and credible only through wise investments made by individuals which is practicable only if persons have proper knowledge and capability of operating the financial affairs. This can be attained through well planned education system in practice which will provide practical information and awareness to the individuals regarding financial situations. The current curriculum or syllabus of the subjects especially related to finance should include the practical contents like experimental training regarding different ways of investments explaining its risk and return characteristics.

Every person wants to make maximum utilization of his funds by putting all his best efforts but sometimes because of lack of financial knowledge he may fall into the trap of false information that may spoil their whole financial life. Thus, it is very important for the individuals to improve their financial literacy for their secure and safe financial future. The policy makers and the government should also take the necessary steps to improve the financial literacy of the working youth. Financial literacy among working youth remains moderate but insufficient for ensuring long-term financial resilience. While knowledge levels are relatively acceptable, behavioral and attitudinal weaknesses undermine financial well-being. Policymakers must adopt a multidimensional intervention strategy to strengthen financial capability among young earners.

REFERENCES

1. Aggarwalla, R. T., et al. (2012). Financial literacy and financial inclusion in India.
   Chen, H., & Volpe, R. P. (1998). Financial literacy among college students. Financial Services Review, 7(2), 107–128.
   Huston, S. J. (2010). Measuring financial literacy. Journal of Consumer Affairs, 44(2), 296–316.
   Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy. Journal of Economic Literature, 52(1), 5–44.
2. Aggarwalla, S. K., Barua, S. K., Jacob, J., & Varma, J. R. (2012). A survey of financial literacy among students, young employees and the retired in India. Indian Institute of Management Ahmedabad Working Paper.
3. Anthens, G. H. (2004). Financial literacy among college students: An exploratory study. Journal of Consumer Education, 22, 45–52.
4. Bakken, H. (1967). Money management understanding of college students. Journal of Consumer Affairs, 1(1), 95–104.
5. Chen, H., & Volpe, R. P. (1998). An analysis of personal financial literacy among college students. Financial Services Review, 7(2), 107–128.
6. Godfrey, N. (2006). Financial literacy and its implications for college students. Journal of Financial Counseling and Planning, 17(1), 35–45.
7. Langreher, F. W. (1979). Consumer education: Does it change students' competencies and attitudes? Journal of Consumer Affairs, 13(1), 41–53.
8. Murphy, A. J. (2005). Money, money, money: An exploratory study on financial literacy among college students. Journal of Consumer Education, 23, 23–30.

ISSN: 0976-5301
Peer Reviewed & Refereed Journal (IF: 7.85)
Journal Website www.coherencejournal.in

9. Sharma, S., & Jariwala, H. (2011). Financial literacy: A call for attention. Journal of Business and Management, 5(2), 45–51.
   OECD. (2023). OECD/INFE international survey of adult financial literacy.
   OECD. (2024). Financial literacy and youth: Global trends report.
   Rehman, A., & Mia, M. A. (2024). Determinants of financial literacy: A systematic review.
   Gomez, R., et al. (2025). Development of Youth Financial Literacy Short Scale.