

A STUDY ON ANALYSIS OF DIGITAL FINANCIAL LITERACY AMONG STUDENTS OF HIGHER EDUCATION IN HYDERABAD OF TELANGANA STATE

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Abstract

Given the rise in technology and the digital financial landscape, it is very significant that students should have proficiency in digital skills along with financial knowledge. The primary objective of this study is to assess students' proficiency in utilizing online financial services and examine any notable variations in digital financial literacy based on demographic factors. For measuring the Digital financial literacy, a survey was conducted through structured questionnaire and a sample of 56 students were selected using convenient sampling method. It is observed that an average of 86% of students have knowledge on various digital financial products. Also, it is observed that students are more confident in making use of digital platforms for various investment transactions. However, there is a knowledge gap in certain financial services like Public Provident Fund, Recurring Deposits, Mutual Funds, bonds & securities. The data was analysed using SPSS. Digital financial literacy among student's benefits them in managing their personal finance along with contributing to the country's economic progress.

Keywords: Financial Literacy, Digital Finance, Financial services, Digital financial products & services, Digital Payments.

Introduction:

In the contemporary landscape, Banking, Financial Services, and Insurance play a pivotal role in shaping and sustaining the global economy. These industries act as the driving force behind economic activities, supporting essential functions for People, enterprises, and governmental bodies.

The digital transformation of BFSI due to technological advancements underscores the vital importance of ensuring that every individual should possess the knowledge and skills to make right use of these services digitally. As the accessibility of diverse products, services, and information continues to expand online, the world is gravitating towards embracing digital facilities as it saves time, effort, and energy. This urges the need of financial literacy which enhances the knowledge, capability and decision-making ability of an individual in money management. Encouraging savings habits in individuals not only fosters personal financial growth and social stability but also contributes to a stronger national economy through the exploration of diverse

investment avenues. The most recent OECD survey on adult financial literacy reveals that a significant number of countries within the G7 and G20 bloc exhibit low levels of financial literacy.

The research concentrates on evaluating students' awareness of digital financial literacy and exploring how demographic factors influence the level of digital financial literacy. Students being the future pillars of our nation, need to be equipped with the knowledge of financial literacy along with the usage of financial services digitally. Research in this domain helps in formulating strategies to educate students on recognising and avoiding fraudulent activities in digital space. Nations with digitally literate population are better positioned for global economic competitiveness. Digital financial literacy promotes sustainable financial practices.

Students who are aware of the environmental impact of financial decisions, contribute to a more sustainable global economy by advocating for responsible and eco-friendly financial behaviours.

In summary, digital financial literacy among students has far-reaching implications for global economic development, financial inclusion, innovation, and the overall well-being of societies around the world. As students become proficient in digital financial skills, they play a vital role in shaping a more inclusive, resilient, and interconnected global financial landscape.

Literature Review

Annur Fitri Hayati¹, Rita Syofyan², Analysis of Student Digital Financial Literacy in the Era of Industrial Revolution 4.0, 2021 PICEEBA This research identifies the critical role of financial literacy among students which contributes in their well-being along with betterment of the communities and nations. The study observed that students from Economics branch have more financial acumen compared to their counterparts in other disciplines. Ensuring the inclusion and education of students across various academic disciplines is of utmost importance for the government to proactively initiate educational strategies aimed at incorporating and augmenting digital financial knowledge among students.

Ayushi Agarwal Research Scholar, The Impact of Financial Literacy Intervention on enhancing the Financial Literacy of students at Banasthali Vidyapith, 2021. The research reveals a substantial increase in financial literacy scores from pre-program to post-program assessments. Notably, students in high-intensity programs (B Com, BBA, and MBA) exhibit higher financial literacy scores compared to those in low-intensity programs (BA LLB, B tech, and MA), indicating the impact of the academic discipline on financial literacy. The study suggests that prolonged exposure to financial literacy programs tends to be more effective in increasing students perceived levels of financial well-being

T Ravikumar, B Suresha, N Prakash, Kiran Vazirani & T.A. Krishna, Digital financial literacy among adults in India: measurement and validation. This study ascertains that key factors like knowledge of financial aspect along with technical knowledge, awareness on frauds and measures to control them, and confidence in usage plays an important role in adopting the digital financial services.

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Students' Financial Literacy: Digital Financial Literacy Perspective The study, conducted in Selangor, Malaysia, assesses students' digital financial literacy, revealing a relatively high overall proficiency attributed to the COVID-19-induced surge in online payments, but it emphasizes a lack of financial management skills, leading to instances of bankruptcy, and underscores the imperative for policymakers to implement measures enhancing students' awareness of risks and controls in digital transactions to improve overall financial literacy.

Rahayu, R., Ali, S., Aulia, A., & Hidayah, R. (2022) The Current Digital Financial Literacy and Financial Behaviour in Indonesian Millennial Generation, *Journal of Accounting and Investment*, 23(1), This research endeavours to explore the correlation between digital financial literacy (DFL) levels and financial behaviours, specifically focusing on saving, spending, and investment behaviours among millennials in Indonesia. The study was conducted by survey method considering the millennial (age group of 25-40 years) from various cities of Indonesia. The study has revealed the fact that there is a positive impact of DFL on financial behaviour of saving, spending and investment activities of the respondents. It also identified that there is a great influence of Income on DFL. (it matches with the present study) The results of this research will aid policy makers in formulating effective policies tailored to meet the specific needs of millennials.

Research Questions:

1. Does age, gender, income and education have any influence on the Online financial knowledge.
2. Is there a notable impact of employment type on students' digital financial literacy?

Research Objectives:

1. To explore the level of digital financial literacy among students of higher education.
2. To study the significant difference in the financial literacy according to demographic factors.

Sub Objectives:

1. To study student's awareness on digital financial services based on gender.
2. To examine the impact of education on knowledge of digital financial services.
3. To identify if stream of education has any influence on awareness of E-financial services.
4. To identify if the type of employment has any impact on digital financial services.
5. To examine the awareness of digital financial services on the basis of level of Income.

Research Hypothesis:

- Ho1: The awareness of Virtual financial services among male and female students shows no significant difference.
- Ho2: The level of educational qualification of students have no significant difference on awareness of digital financial services.
- Ho3: The stream of education has no significance on knowledge of digital financial services.
- Ho4: The type of employment of students has no significance on knowledge of digital financial services.
- Ho5: The level of income of students has no significance on knowledge of digital financial services.

Research Methodology

Research Design

This is a descriptive research which reports the details of what has happened. The present research is

undertaken with students who have enrolled for higher education in Hyderabad.

Sampling Design

This study focusses on assessing the awareness of online financial facilities among students enrolled for higher education. This includes primary data collection through convenient sampling method by way of a structured questionnaire.

Research Tools for Data Collection

For the study data has been collected through closed-ended questionnaire containing 30 questions, employing a 5-point scale. The analysis involved the application of tools and techniques such as averages, percentages, and ANOVA, conducted using SPSS.

Sources for data collection

The study was conducted by way of collection of data from Primary and Secondary sources.

Data Analysis:

Tables and figures:

Table: 1: Frequencies of Demographics:

Frequencies

		Statistics							
		Age	Gender	Education	Stream of Education	Working status	Employment	Income	Account
N	Valid	56	56	56	56	56	56	56	56
	Missing	0	0	0	0	0	0	0	0

Table: 2: Averages of Demographic variables:

Age			Gender			Education		
	N	%		N	%		N	%
<29	7	12.5%	Male	36	64.3%	Graduate	17	30.4%
>20	1	1.8%	Female	20	35.7%	Post Graduate	37	66.1%
20-24	46	82.1%				4	3.6%	
25-29	2	3.6%						

Working status			Employment			Income		
	N	%		N	%		N	%
Working	13	23.2%	Private Employee	15	26.8%	None	36	64.3%
Non Working	43	76.8%	Public Employee	1	1.8%	Upto 20,000	7	12.5%
			Self Employee	2	3.6%	20,000-40,000	6	10.7%
			Business	1	1.8%	40,000-60,000	6	10.7%
			None	34	60.7%	80,000-1,00,000	1	1.8%
			Others	3	5.4%			

Table: 3: Test of Homogeneity of Variances:

S.No.	Impact of Demographic variables on DFL	P Value	Level of Significance @ 5%
1	Gender	0.319	No Significance
2	Level of Education	0.365	No Significance
3	Stream of Education	0.428	No Significance
4	Working Status	0.006	Significance
5	Type of Employment	0.019	Significance
6	Level of Income	0.043	Significance

Data Analysis & Interpretation

Awareness of digital financial aspects based on Gender:

Ho1: The awareness of digital financial services among male and female students shows no significant difference.

In examining the awareness of digital financial services among students, Levene's Test for Equality of Variances was employed through SPSS to test the research hypothesis. The test indicated that equal variances are assumed, as the significance value exceeded 0.05 ($p > 0.05$) ($0.319 > 0.05$). Hence null hypothesis is accepted and we can say that the awareness of digital finance services has no significance difference with respect to the student gender.

Level of Education-Awareness on Digital Financial Literacy

Ho2: The level of educational qualification of students have no significant difference on awareness of digital financial services.

Since the value of $p > 0.05$ ($0.365 > 0.05$), we accept the null hypothesis stating that there is no significant difference between level of education of students on their knowledge on digital financial services.

Stream of Education -Awareness on Digital Financial Literacy:

Ho3: The stream of education has no significance on knowledge of digital financial services.

Since the value of p is 0.428 which is greater than 0.05, therefore we accept the null hypothesis stating that there is no significant difference between stream of education of students on awareness of digital financial services.

Type of Employment– Awareness on Digital Financial Literacy

Ho4: The type of employment of students has no significance on knowledge of digital financial services.

Since the value of p is 0.019 which is less than 0.05, hence rejecting the null hypothesis leads us to assert that a notable difference exists in awareness of digital financial services among various employment types.

Level of Income - Awareness on Digital Financial Literacy

Ho5: The level of income of students has no significance on knowledge of digital financial services.

With a p -value of 0.043, which is below the 0.05 threshold, we reject the null hypothesis. This implies a significant difference in awareness of digital financial services among various income levels.

Findings

- A significant number of participants were noted to 82% are in the age group of 20-24 years with 66% having highest education qualification of post-graduation.
- 76.8% of the respondents are non-working with 64% of no income in unemployed category.
- 26.8% of the respondents are working under private sector.
- There is no significance difference between independent variables like gender, level of education and the streams of education of higher education institutions on the dependent variable understanding of digital financial services.
- A notable disparity exists among independent variables, such as employment status, type of employment, and income level among students in higher education institutions concerning their awareness of digital financial services.

Suggestions:

1. Mounting of digital technology underscores the pivotal necessity for students to acquire proficiency in digital financial knowledge and its applications. Hence it is of utmost importance to include digital financial courses in the academic curriculum.
2. Financial institutions shall conduct educational programs to guide users in utilizing digital financial tools, offering insights into their usage, and concurrently raising awareness about online fraudulent activities while educating users on security measures.
3. The government plays an essential role in improving the awareness of digital financial literacy among students by implementing educational policies, supporting initiatives for integrating digital finance into school curricula, conducting awareness campaigns, and collaborating with financial institutions and educational bodies to ensure widespread access to resources and programs that promote digital financial literacy.

Conclusion:

Abundant with significant advantages of digital technology and increase in usage of digital finance it is imperative for students to continually update their technological skills in the era of fast advancement in technology and to be globally competent. The investigation was made with a small sample size of 56 respondents considering convenient sampling method. Data was gathered via a primary source through the administration of a survey employing a structured questionnaire.

The study revealed the fact that gender, level of education and the streams of education has no significance difference on digital financial knowledge whereas working status, employment type and level of income has significant difference on digital financial knowledge. Also, it is evident many studies that digitalisation encourages economic growth and national development, hence this study significantly contributes to the policy makers and practitioners. The present study reveals that employment status and income status significantly influence the awareness of digital financial literacy. This fact makes it clear that it is equally important for the students who are currently not under employment status or with no income to be enriched with digital financial knowledge as it is very imperative to promote and augment digital financial literacy which will prove to be invaluable in effectively managing their finances once they are into employment brackets.

Also, it helps in aiding in financial matter to their parents, friends, relatives and their dear ones. The digital financial knowledge would boost the confident usage of digital finance with due diligence by minimising the

risk and avoiding fraudulent situations. Students will equip themselves with prudent financial decisions in future.

Research Limitation:

This study specifically focuses on students from higher educational institutions in Hyderabad, Telangana. Therefore, the findings may not be generalizable to other cities within the country.

Since the study exclusively examines the awareness of digital financial knowledge among students, its applicability may be limited to this demographic and may not extend to working professionals, homemakers, senior citizens, etc.

Scope for further study:

Additional research is needed to explore the potential influence of family background on personal finance knowledge. Moreover, there is an opportunity to conduct studies encompassing working professionals, homemakers, retired employees, and individuals from both rural and urban populations. Such investigations could unveil insights into their awareness and utilization of digital financial services.

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