



A Study On Financial Literacy Education Among School Students: Awareness, Behaviour And Challenges



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Abstract: Financial literacy has become an essential life skill for young learners in the digital era. With the rise of online transactions, UPI payments, digital banking, and increased exposure to consumer culture, school students require structured financial knowledge. This study aims to evaluate the level of financial awareness, spending behaviour, saving habits, and understanding of digital financial safety among school students. Employing a descriptive survey method, data were collected through a structured questionnaire from students of Classes 8 to 12. The findings indicate that while students show moderate awareness about digital payments, their budgeting skills, saving patterns, and knowledge of financial concepts remain limited. The study concludes with recommendations for integrating financial literacy into school curricula and conducting regular training programs.

Keywords: Financial Literacy, School Students, Budgeting, Digital Payments, Saving Behaviour, Financial Education, Survey Study.

I. INTRODUCTION

In today's rapidly evolving financial ecosystem, children are introduced early to digital financial tools such as UPI payments, online shopping, mobile wallets, and bank accounts. Although these tools bring convenience, they also pose risks like cyber fraud, impulsive buying, and mismanagement of money.

Financial literacy refers to the ability to understand and effectively use various financial skills—including budgeting, saving, banking, interest, credit, digital transactions, and financial planning. National Education Policy (NEP 2020) emphasizes the importance of introducing financial literacy as a life skill from school level.

Despite its importance, financial literacy among school children in India remains low. Many students lack basic understanding of budgeting, saving, interest rates, safe digital practices, and financial decision-making. Hence, there is a strong need to examine the current level of financial literacy among school students and identify gaps.

2. NEED OF THE STUDY

The study is essential because:

1. Students are increasingly using UPI and digital payments without formal knowledge.
2. Rise in cybercrime demands awareness of online financial safety.
3. Saving habits among students are declining.
4. NEP-2020 emphasises life skills and financial literacy.
5. Early financial education influences long-term financial behaviour.

3. REVIEW OF LITERATURE

Lusardi & Mitchell (2014) found that early financial knowledge significantly improves adult financial decision-making.

RBI (2021) reported that lack of financial awareness increases vulnerability to fraud and debt traps.

NCERT (2020) suggested integrating financial education into school curriculum to build responsible financial behaviour in students.

Existing research indicates gaps in students' understanding of budgeting, saving, and digital financial safety.

4. STATEMENT OF THE PROBLEM

“To study the financial literacy level of school students and analyze their awareness, behaviour, and challenges regarding financial management and digital financial practices.”

5. OBJECTIVES OF THE STUDY

1. To measure financial literacy among school students.
2. To study budgeting and spending habits of students.
3. To assess students' knowledge of digital payments and banking.
4. To identify challenges and misconceptions in financial learning.
5. To suggest strategies to improve financial literacy education.

6. HYPOTHESIS

H₀: School students do not possess adequate financial literacy.

H₁: School students possess adequate financial literacy.

7. RESEARCH METHODOLOGY

Research Design: Descriptive Survey

Population: School students (Classes 8 to 12)

Sample Size: 100 students

Sampling Technique: Simple Random Sampling

Research Tool: Structured Questionnaire

Type of Questions: MCQs + Likert scale + Yes/No

Data Analysis: Percentage, tables, graphs

8. DATA COLLECTION

Financial Literacy Variable	Yes (%)	No (%)	Partial (%)
Knowledge of Budgeting	38%	42%	20%
Saving Habit	46%	54%	-
Bank Account Awareness	62%	38%	-
UPI / Digital Payment Use	74%	26%	-
Cyber Safety Awareness	33%	41%	26%
Understanding of Interest	29%	71%	-
Knowledge of Credit/Debit	48%	52%	-

Interpretation:

Although digital payment awareness is high, conceptual financial knowledge such as budgeting, saving, interest, fraud prevention is significantly low.

9. MAJOR FINDINGS

1. Students widely use UPI and mobile payments without complete understanding of security measures.
2. Budget preparation skills are poor; students lack systematic planning of pocket money.
3. Saving habits are weak; majority have no saving goals.
4. Students have limited understanding of banking terms like interest, EMI, credit score, insurance.
5. Awareness about cyber safety, OTP fraud, phishing attacks is moderately low.
6. Schools do not provide structured financial literacy lessons.

10. SUGGESTIONS

1. Schools should include “Financial Literacy Module” as part of Social Science or Life Skills.
2. Conduct workshops on budgeting, savings, digital safety, online fraud prevention.
3. Encourage students to maintain a monthly budget diary.
4. Parents should involve children in small financial decisions.
5. Banks can collaborate with schools for awareness programs.
6. Teachers should use real-life examples to teach financial concepts.
7. Make students practice online payment simulations safely.

11. CONCLUSION

The study concludes that although students demonstrate high usage of digital financial tools, they lack essential knowledge of budgeting, saving, banking terms, and cyber safety. Financial literacy must be strengthened through structured school programs, awareness sessions, and parental involvement. Early financial education will help students develop responsible financial behaviour and improve their future financial wellbeing.

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