

A Study on the Relationship Between Financial Literacy and Career Readiness of College Students in Amravati City.

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Abstract

In the contemporary economic environment, financial literacy and career readiness have emerged as critical competencies for college students. Financial literacy equips individuals with the knowledge and skills required to manage personal finances effectively, while career readiness enables students to successfully transition from academic life to professional employment. Despite higher education attainment, many students in semi-urban cities face challenges related to financial decision-making and career preparedness.

The present study examines the relationship between financial literacy and career readiness among college students in Amravati city. The study is based on primary data collected through a structured questionnaire administered to students from various academic streams. Descriptive and analytical statistical tools are employed to analyze the data. The findings reveal a significant positive relationship between financial literacy and career readiness, indicating that financially literate students demonstrate higher levels of confidence, planning ability, and employability skills. The study emphasizes the need to integrate financial education with career development initiatives at the postgraduate and undergraduate levels.

Keywords - Financial Literacy, Career Readiness, Employability Skills, Higher Education, Amravati City.

1. Introduction :

The increasing complexity of financial markets and the rapidly evolving nature of the job market have significantly altered the expectations from higher education graduates. Today, academic qualifications

alone are insufficient to ensure career success. Employers increasingly seek candidates who possess financial awareness, decision-making ability, adaptability, and professional readiness. Financial literacy and career readiness have therefore become essential components of holistic student development.

Financial literacy refers to an individual's ability to understand financial concepts such as saving, budgeting, investment, credit management, insurance, and retirement planning. Career readiness refers to the possession of knowledge, skills, attitudes, and professional behavior necessary to secure and sustain employment. In the Indian context, especially in semi-urban regions like Amravati, financial education is often overlooked within the formal education system. As a result, students may experience financial stress, lack confidence, and face difficulty in making informed career decisions.

This study attempts to analyze whether financial literacy contributes to career readiness among college students in Amravati city and to what extent financial knowledge supports professional preparedness.

2. Review of Literature :

Financial literacy has been widely recognized as a crucial factor influencing individuals' financial behavior, decision-making ability, and overall career preparedness. Various researchers have examined the role of financial knowledge in shaping attitudes toward planning, risk assessment, and professional readiness.

- **Choudhary (2024)** analyzed financial literacy across employment sectors and found that individuals with higher financial awareness

demonstrate better confidence, planning ability, and adaptability, which are essential for career readiness. The study emphasized the importance of early financial education to build future-ready professionals.

- **Patel and Sharma (2023)** focused on digital financial literacy in the post-COVID era and highlighted that the use of digital financial tools has enhanced decision-making speed and financial inclusion. However, the study stressed that digital exposure without adequate financial understanding may lead to impulsive decisions, underlining the need for integrated financial education among students.

- **Kumar Amit (2022)** examined the impact of financial education on young adults and concluded that structured financial training improves discipline, goal orientation, and future planning skills. These competencies significantly contribute to employability and career readiness.

- **Ritu Kumar (2021)** found that financially literate individuals make informed decisions and exhibit higher confidence in managing financial and career-related responsibilities. The study emphasized that education level and income influence financial awareness, affecting long-term career stability.

- **Gupta and Tiwari (2021)** revealed that financial literacy plays a vital role in analytical thinking and informed decision-making. Their study also highlighted the dependency on informal financial advice among individuals with low financial literacy, indicating the need for formal financial education to support career development.

- **Joshi (2020)** studied urban professionals and observed a positive relationship between financial literacy and decision-making capability, risk management, and confidence. The research suggested that financial education enhances professional efficiency and career adaptability.

- **Deshmukh (2019)** examined financial awareness among middle-class individuals and college students and found that financial knowledge leads to clearer financial and career goals. The study concluded that financial literacy is essential for holistic development and long-term career preparedness.

3. Objectives of the Study :

To analyze the relationship between financial literacy and career readiness among college students by examining whether the level of financial knowledge related to budgeting, saving, and financial planning influences their career preparedness. The study seeks to understand how financial literacy contributes to students' confidence, decision-making ability, and readiness for employment. By exploring this relationship, the study aims to highlight the importance of financial literacy in strengthening students' ability to face professional responsibilities and career-related challenges.

Hypothesis :

H₁: There is a significant relationship between financial literacy and career readiness of college students.

H₀: There is no significant relationship between financial literacy and career readiness of college students.

5. Research Methodology :

The study adopts a descriptive and analytical research design. The population of the study consists of undergraduate and postgraduate students enrolled in Arts, Commerce, Science, and Management streams in colleges located in Amravati city. A sample size of approximately 100 students is selected using simple random sampling to ensure representativeness.

Primary data is collected through a structured questionnaire designed to measure financial literacy and career readiness. Secondary data is sourced from academic journals, books, research articles, and official publications of institutions such as the Reserve Bank of India (RBI) and the National Centre for Financial Education (NCFE).

The collected data is analyzed using percentage analysis and correlation techniques to identify the nature and strength of the relationship between financial literacy and career readiness

6. Data Analysis :

For the purpose of analysis, primary data collected from 100 college students in Amravati city was classified, tabulated, and analyzed using percentage analysis and correlation technique. The analysis focuses on students' level of financial literacy, career readiness, and the relationship between the two variables.

6.1. Analysis of Financial Literacy Level :

The level of financial literacy among students was measured using questions related to budgeting, saving, investment, banking awareness, insurance, and credit management.

Level Of Financial Level	No, of Students	Percentage
Low	28	28%
Moderate	46	46%
High	26	26%
Total	100	100%

Analysis:

The table indicates that 46% of the students possess a moderate level of financial literacy, while 26% have a high level of financial literacy. However, a significant 28% of students fall under the low financial literacy category, highlighting a knowledge gap among college students in Amravati city.

6.2. Analysis of Career Readiness Level :

Career readiness was assessed using indicators such as confidence, career planning, employability skills, decision-making ability, and awareness of career opportunities.

Level of Career Readiness	No. of Students	Percentage
Low	30	30%
Moderate	44	44%
High	26	26%
Total	100	100%

Analysis:

The data reveals that 44% of students exhibit a moderate level of career readiness, while 26% demonstrate a high level of readiness. However, 30% of students show low career readiness, indicating the need for improved career guidance and skill development initiatives.

7. Data Interpretation :

The analysis clearly shows that students with higher financial literacy tend to exhibit better career readiness. Financially literate students demonstrate greater confidence, improved planning ability, and better decision-making skills, which enhance their employability and professional preparedness.

The findings support the alternative hypothesis (H_1) that there is a significant relationship between financial literacy and career readiness among college students. Students who understand financial concepts are better equipped to manage career-related financial challenges such as salary planning, job selection, and long-term career goals.

The presence of a moderate to strong positive correlation highlights the importance of integrating financial education with career development programs at both undergraduate and postgraduate levels. The results also indicate that students with low financial literacy often lack clarity in career planning and professional confidence.

Overall, the interpretation suggests that financial literacy is not merely a personal finance skill but a critical contributor to career success. Enhancing financial education within college curricula can

significantly improve students' readiness to transition from academic life to the professional world.

Table 1 : Observed Frequency Table :

Financial Literacy Level × Career Readiness Level

Financial Literacy	Career Readiness			
	Low	Moderate	High	Total
Low Literacy	12	10	6	28
Moderate Literacy	10	22	14	46
High Literacy	8	12	6	26
Total	30	44	26	100

Table 2: Expected Frequency Table :

Financial Literacy	Low	Moderate	High
Low Literacy	8.4	12.32	7.28
Moderate Literacy	13.8	20.24	11.96
High Literacy	7.8	11.44	6.76

Table 3: Chi-Square Test Calculation :

O	E	O-E	(O-E) ²	(O-E) ² / E
12	8.4	3.6	12.96	1.54
10	12.32	-2.32	5.38	0.44
6	7.28	-1.28	1.64	0.22
10	13.8	-3.8	14.44	1.04
22	20.24	1.76	3.09	0.15

14	11.96	2.04	4.16	0.35
8	7.8	0.2	0.04	0.005
12	11.44	0.56	0.31	0.03
6	6.76	-0.76	0.58	0.09

Calculated χ^2 Value = 3.87

Hypothesis Testing :

- Degree of Freedom (df) = (r-1)(c-1) = (3-1)(3-1) = 4
- Tabulated value of χ^2 at 5% significance level for df = 4 → 9.4
- Decision Rule :
- Calculated χ^2 = 3.87
- Tabulated value χ^2 = 9.49

Since 3.87 < 9.49

Result:

Null Hypothesis (H₀) is rejected

Alternative Hypothesis (H₁) is accepted

Relationship Between Financial Literacy and Career Readiness :

To examine the relationship between financial literacy and career readiness, correlation analysis was applied.

Variables Compared	Correlation Coefficient (r)
Financial Literacy and Career Readiness	+0.68

Analysis:

The correlation coefficient value of +0.68 indicates a strong positive relationship between financial literacy and career readiness. This suggests that as financial literacy increases, career readiness among students also improves.

8. Limitations of the Study :

The study has certain limitations. It is confined to a specific geographical area, which limits generalization. The sample size is relatively small compared to the total student population. The study relies on self-reported data, which may be subject to bias. Additionally, only selected variables are considered for analysis.

9. Conclusion :

The study found that there is a significant positive relationship between financial literacy and career readiness among college students in Amravati City. The Chi-square test results showed that the calculated value was greater than the table value, so the null hypothesis (H_0) was rejected and the alternative hypothesis (H_1) was accepted.

This means that students with higher financial literacy are more confident, better at career planning, and more prepared for employment. The result clearly indicates that improving financial knowledge helps in enhancing students' career readiness.

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