

Financial Literacy Among Young Adults: A Study Conducted on Mysuru

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ABSTRACT

This study focuses on the level of financial literacy among young adults and its influence on their financial behaviour and decision-making. Financial literacy refers to the knowledge and skills required to manage personal finances effectively, including budgeting, saving, investing, borrowing, and the responsible use of digital financial services. As young adults become financially independent, understanding these concepts is essential for achieving long-term financial security. The study uses a descriptive research design with a quantitative approach. Primary data is collected through a structured questionnaire from 100 young adults aged 18–30 years using convenience sampling. Secondary data is collected from books, research journals, articles, government reports, and other reliable sources. The collected data is analysed using percentage analysis, mean analysis, tables, charts, and the Chi-square test where required. The study aims to assess the financial literacy level of young adults, examine their financial behaviour, identify factors influencing financial literacy, and understand its impact on financial decision-making. The findings are expected to help educational institutions, policymakers, and financial organizations develop effective financial education programs that improve financial awareness, encourage responsible money management, and promote long-term financial well-being among young adults.

Introduction

In today's world, money plays an important role in everyone's life. From managing daily expenses to saving for future goals, having knowledge about financial matters is essential. Financial literacy refers to the ability to understand and effectively use various financial skills such as budgeting, saving, investing, and managing debt. It helps individuals make informed decisions about their money and achieve financial security. Young adults are at a stage where they begin to make independent financial decisions. Many students and young professionals earn their own income, use digital payment applications, maintain bank accounts, and make spending decisions on their own. However, despite having access to various financial services, many young adults may not possess adequate knowledge about financial planning and money management. As a result, they may face difficulties in handling expenses, saving money, or making wise financial choices. The rapid growth of technology and digital financial services has made financial transactions easier than ever before. Online banking, mobile wallets, credit cards, and investment platforms have become common among young people. While these services offer convenience, they also require a certain level of financial understanding to use them responsibly. Therefore, financial literacy has become an important skill for young adults in the modern era. This study focuses on understanding the level of financial literacy among young adults and examining their awareness, attitudes, and financial practices. The study aims to identify how well young adults understand financial concepts and whether they are capable of making sound financial decisions. The findings of this research may help create awareness about the importance of financial education and encourage young people to develop better financial habits for a secure future. This version sounds more human-written, simple, and suitable for an MBA/B.Com/BBA research project.

LITERATURE REVIEW

Zaimovic et al. (2023) conducted a study on financial literacy and its recent trends. The researchers found that factors such as education, income, and financial experience play an important role in improving financial literacy. The study also highlighted that financially literate individuals are more likely to make better financial decisions and achieve financial security. Muat, **Mahdzan, and Sukor (2024)** reviewed studies related to the financial capabilities of

young adults. The authors found that financial knowledge, family background, financial attitude, and education significantly influence the financial behavior of young people. The study emphasized the need for financial education at an early age. **Rehman and Mia (2024)** examined the major factors affecting financial literacy. Their review revealed that demographic, social, economic, and psychological factors all contribute to an individual's level of financial literacy. The authors suggested that financial literacy programs should consider these factors while designing educational initiatives. Sundarasan, Rajagopalan, and **Ibrahim (2025)** studied the financial behavior of young adults and found that financial literacy, financial capability, and social influences significantly affect how young adults manage money. The study concluded that improving financial knowledge can encourage responsible financial behavior. **ArockiaDass and Nithya (2025)** conducted a systematic review on the development of financial literacy research. The study highlighted that financial literacy has become increasingly important due to the growth of digital financial services and changing economic conditions. The authors stressed the importance of continuous financial education. **Rodríguez Correa et al. (2025)** reviewed financial literacy among college students and found that many students still lack sufficient knowledge about savings, investments, and debt management. The study recommended introducing practical financial education programs in colleges and universities. **Haag and Brahm (2025)** examined the gender gap in financial literacy and found that female students and young adults generally reported lower levels of financial knowledge compared to males. The researchers emphasized the need for targeted financial education programs to reduce this gap. **Yakushova (2025)** reviewed recent studies on financial literacy and financial behavior. The study found that financial knowledge alone is not enough; financial awareness, habits, and social influences also play an important role in shaping financial behavior among young adults. **Aristei and Gallo (2025)** investigated the relationship between financial literacy and the use of digital financial advisory services. Their findings showed that young adults with higher financial knowledge are more confident in using digital financial tools and making investment decisions. **Du et al. (2025)** studied the role of data visualization in improving financial literacy. The researchers found that visual learning tools help young people understand complex financial concepts more easily and improve their financial decision making skills.

OBJECTIVES

1. To assess the level of financial literacy among young adults.
2. To examine the financial behavior of young adults.
3. To identify the factors influencing financial literacy among young adults.
4. To study the impact of financial literacy on financial decision-making. These are short, simple, and suitable for a research project.

STATEMENT OF THE PROBLEM

Financial literacy has become an essential skill in today's world, especially for young adults who are beginning to manage their own finances. They regularly make financial decisions related to saving, spending, budgeting, borrowing, and investing. With the increasing use of digital banking, online payment applications, credit cards, and investment platforms, it is important for young adults to have a good understanding of financial concepts. However, many of them still have limited financial knowledge and often make financial decisions without proper planning. A lack of financial literacy can lead to poor money management, unnecessary debt, low savings, and financial insecurity. Although financial information is widely available through educational institutions, financial institutions, and digital platforms, many young adults do not have adequate awareness or practical knowledge to manage their finances effectively. Therefore, this study aims to assess the level of financial literacy among young adults and understand how it influences their financial behaviour and decision-making.

NEED FOR THE STUDY

Financial literacy plays an important role in helping young adults make informed financial decisions and develop responsible financial habits. As young people become financially independent, they need the knowledge and skills to manage their income, control expenses, save regularly, and plan for future financial goals. Without proper financial knowledge, they may face financial difficulties that can affect their long-term financial well-being. This study is needed to understand the current level of financial literacy among young adults and identify the areas where they require greater financial awareness. The findings of this study may help educational institutions, policymakers, and financial organizations promote financial education programs and encourage young adults to develop better financial management

skills for a secure financial future.

HYPOTHESIS

Null Hypothesis (H_0):

There is no significant relationship between financial literacy and the financial decision making of young adults. Alternative Hypothesis (H_1): There is a significant relationship between financial literacy and the financial decision making of young adults.

RESEARCH METHODOLOGY

Research Approach

This study follows a quantitative research approach, where data is collected from young adults using a structured questionnaire. The purpose of the study is to understand the level of financial literacy among young adults and examine how it influences their financial behaviour and decision-making. The collected data is analyzed using appropriate statistical tools to draw meaningful conclusions.

Research Design

Descriptive Research Design

The study uses a descriptive research design to understand the current level of financial literacy among young adults. This design helps in collecting information about their financial knowledge, saving habits, spending patterns, and financial behaviour without influencing the respondents. It provides a clear picture of the existing level of financial literacy.

SAMPLING DESIGN

Sampling Method: Non-Probability Sampling

This study adopts a non-probability sampling method, where every individual in the population does not have an equal chance of being selected. Respondents are chosen based on their availability and willingness to participate in the study. **Sampling Technique: Convenience Sampling**

Convenience sampling is used to collect data from young adults who are easily accessible and willing to participate. This method is suitable because it allows the researcher to gather information within the available time and resources.

Sampling Unit or Population

The population for this study consists of young adults between the ages of 18 and 30 years. These respondents are selected because they are actively involved in managing their personal finances, such as saving, spending, budgeting, and using digital financial services.

Sample Size

The study collected data from 51 respondents through a structured questionnaire. The selected sample size is considered sufficient to understand the financial literacy level and financial behaviour of young adults.

SOURCES OF DATA

Primary Data

Primary data is collected directly from young adults through a structured questionnaire prepared for the purpose of this study.

Secondary Data Secondary data is collected from books, research journals, articles, government reports, websites, and other published sources related to financial literacy.

PLAN OF ANALYSIS

The collected data will be analyzed using simple statistical tools to understand the financial literacy level among young adults.

- Percentage Analysis
- Tables and Charts
- Mean Analysis

- Chi-Square Test (if required)
- Interpretation of Questionnaire Responses

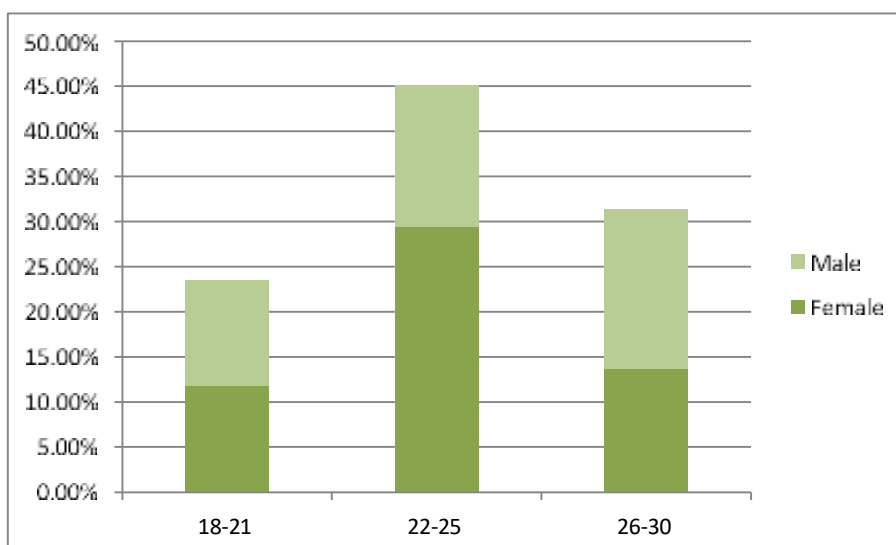
LIMITATIONS OF THE STUDY

- The study is limited to a selected group of young adults.
- The findings are based on the responses provided by the respondents.
- Time and resource constraints limited the scope of the study.
- The results may not represent the opinions of all young adults.

DATA ANALYSIS INTERPRETATION:

DEMOGRAPHIC DATA

Age group			
	Female	Male	Grand Total
18-21	11.76%	11.76%	23.53%
22-25	29.41%	15.69%	45.10%
26-30	13.73%	17.65%	31.37%
Grand Total	54.90%	45.10%	100.00%



Analysis

The findings indicate that the study is mainly represented by respondents aged 22–25 years, suggesting that this age group forms the largest portion of the sample. Female participation is slightly higher than male participation, which may influence the overall responses. The distribution across all age groups provides a balanced demographic profile, making the sample suitable for further analysis and interpretation of the research objectives.

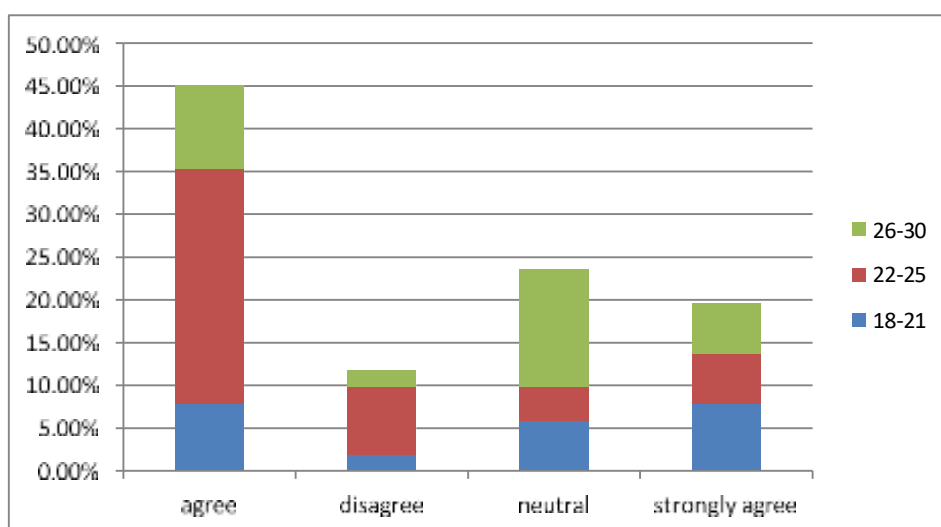
Interpretation

The table shows that the 22–25 years age group has the highest number of respondents, accounting for 45.10% of the total sample. This is followed by the 26–30 years age group with 31.37%, while the 18–21 years age group has the lowest share at 23.53%. Overall, 54.90% of the respondents are female and 45.10% are male, indicating that female respondents slightly outnumber male respondents in the study.

DEPENDENT DATA

I clearly understand how compound interest works on savings and loans.	Column Labels			
Row Labels	18-21	22-25	26-30	Grand

				Total
agree	7.84%	27.45%	9.80%	45.10%
disagree	1.96%	7.84%	1.96%	11.76%
neutral	5.88%	3.92%	13.73%	23.53%
strongly agree	7.84%	5.88%	5.88%	19.61%
Grand Total	23.53%	45.10%	31.37%	100.00%



Analysis

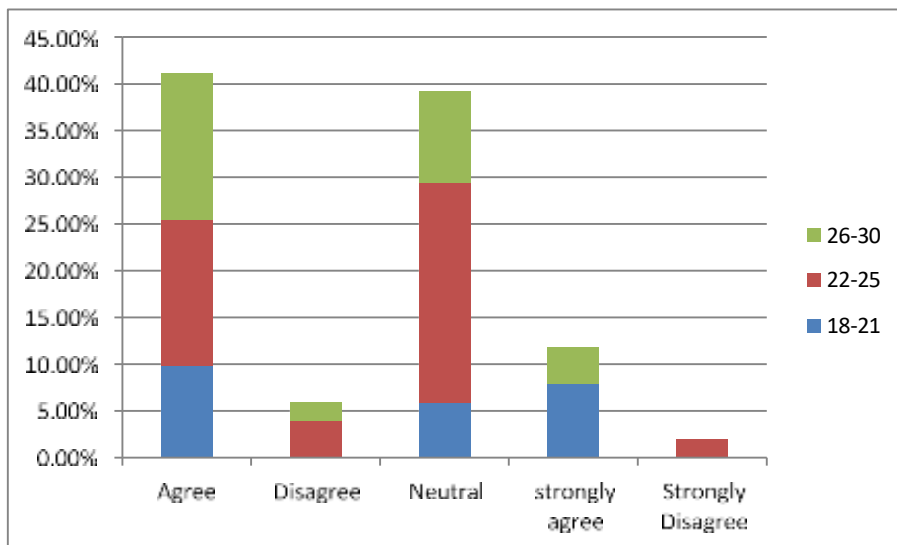
The findings indicate that awareness of compound interest is highest among respondents in the 22–25 years age group, as they represent the largest proportion of the sample. The 26–30 years group also shows a good level of representation, while the 18–21 years group has the lowest participation. Overall, the results suggest that young adults, particularly those aged 22–25 years, are the major contributors to the responses regarding financial literacy.

Interpretation

The table shows the distribution of respondents who stated that they clearly understand how compound interest works on savings and loans across different age groups. The 22–25 years age group has the highest percentage of respondents (45.10%), followed by the 26–30 years age group (31.37%) and the 18–21 years age group (23.53%). This indicates that respondents aged 22–25 form the largest group in the study.

I feel confident in my ability to understand and compare financial products (e.g., credit cards, insurance, investment accounts).	Column Labels			
Row Labels	18-21	22-25	26-30	Grand Total
Agree	9.80%	15.69%	15.69%	41.18%
Disagree	0.00%	3.92%	1.96%	5.88%
Neutral	5.88%	23.53%	9.80%	39.22%
strongly agree	7.84%	0.00%	3.92%	11.76%

Strongly Disagree	0.00%	1.96%	0.00%	1.96%
Grand Total	23.53%	45.10%	31.37%	100.00%



Analysis

The results indicate that most respondents have confidence in comparing financial products. However, the high percentage of disagreement shows that many young adults still lack sufficient financial knowledge. This highlights the need for better financial literacy and awareness programs to improve their confidence in making financial decisions.

Interpretation

The table and chart show the confidence level of respondents in understanding and comparing financial products. The highest percentage (41.18%) of respondents agreed that they are confident, while 39.22% disagreed. Around 11.76% were neutral, 5.88% strongly agreed, and 1.96% strongly disagreed. The 22–25 years age group recorded the highest number of responses.

INDEPENDENT DATA

I believe my formal education (school/college) provided me with sufficient practical financial knowledge.	Column Labels			
Row Labels	18-21	22-25	26-30	Grand Total
Agree	9.80%	17.65%	19.61%	47.06%
Disagree	0.00%	7.84%	3.92%	11.76%
Neutral	5.88%	9.80%	3.92%	19.61%
strongly agree	3.92%	7.84%	1.96%	13.73%
Strongly Disagree	3.92%	1.96%	1.96%	7.84%
Grand Total	23.53%	45.10%	31.37%	100.00%

Analysis

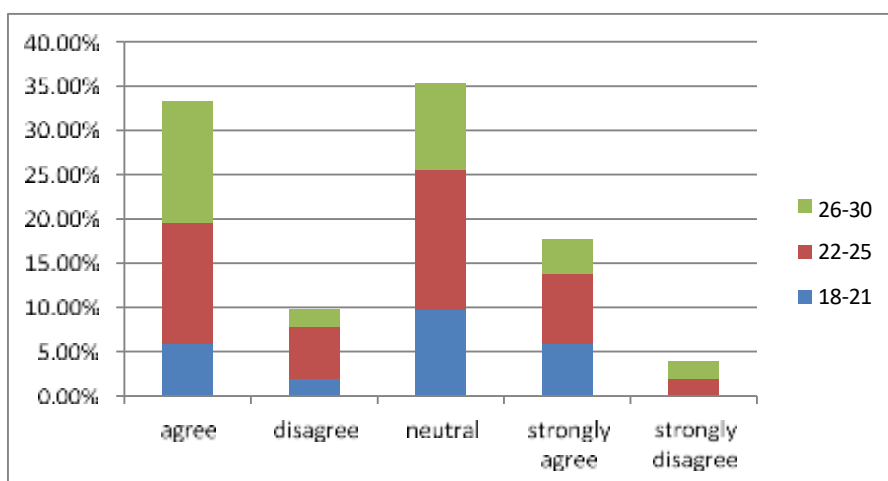
The findings indicate that most respondents believe their formal education has provided them with practical financial knowledge. However, a notable percentage disagreed or remained neutral, suggesting that financial education in schools and colleges can still be improved. This highlights the need for more practical financial literacy programs in the

education system.

Interpretation

The table and chart show respondents' opinions on whether formal education (school/college) provided them with sufficient practical financial knowledge. The highest percentage of respondents (47.06%) agreed, while 19.61% disagreed. Around 13.73% were neutral, 11.76% strongly agreed, and 7.84% strongly disagreed. The 22–25 years age group recorded the highest number of responses.

Count of 10. I maintain a consistent monthly budget and track my spending regularly.	Column Labels			
Row Labels	18-21	22-25	26-30	Grand Total
agree	5.88%	13.73%	13.73%	33.33%
disagree	1.96%	5.88%	1.96%	9.80%
neutral	9.80%	15.69%	9.80%	35.29%
strongly agree	5.88%	7.84%	3.92%	17.65%
strongly disagree	0.00%	1.96%	1.96%	3.92%
Grand Total	23.53%	45.10%	31.37%	100.00%



Analysis

The findings indicate that many respondents are uncertain about maintaining a regular budget, as the highest percentage selected the neutral option. However, half of the respondents agreed or strongly agreed that they track their spending. This suggests that while budgeting habits are developing among young adults, there is still a need to encourage regular budgeting and financial planning practices.

Interpretation

The table and chart show respondents' opinions on maintaining a consistent monthly budget and regularly tracking their spending. The highest percentage of respondents (35.29%) were neutral, followed by 33.33% who agreed. Around 17.65% strongly agreed, while 9.80% disagreed and 3.92% strongly disagreed. The 22–25 years age group recorded the highest number of responses.

SPSS TEST

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
12	The categories of 12. Proper waste management reduces the risk of infection among staff and patients occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
13	The categories of 13. The waste disposal process complies with environmental safety standards. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
14	The categories of 14. The waste management process improves overall hospital hygiene. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
15	The categories of 15. The existing waste management system is effective in handling biomedical waste. occur with equal probabilities.	One-Sample Chi-Square Test	.006	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

DESCRIPTIVE STATISTICS

N	Minimum	Maximum	Mean	Std. Deviation
11. I set aside a portion of my income/allowance for savings or future goals before spending on non-essentials.	1	5	3.53	.857
9. I believe my formal education (school/college) provided me with sufficient practical financial knowledge.	1	5	3.47	1.120
10. I maintain a consistent monthly budget and track my spending regularly.	1	5	3.51	1.027
Valid N (listwise)	51			

CHI-SQUARE TEST

Frequencies

Observed N	Expected N	Residual
1 2	10.2	-8.2
2 5	10.2	-5.2
3 18	10.2	7.8
4 17	10.2	6.8
5 9	10.2	-1.2
Total 51		

TEST STATISTICS

Residuals Statistics					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.19	2.24	2.22	.013	51
Residual	-1.238	.810	.000	.730	51
Std. Predicted Value	-1.945	1.729	.000	1.000	51
Std. Residual	-1.680	1.098	.000	.990	51
a. Dependent Variable: 6. Waste is properly segregated at the point of generation in the hospital.					

Anova						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.008	1	.008	.015	.902 ^b
	Residual	26.619	49	.543		
	Total	26.627	50			

FINDINGS

- Most young adults have basic knowledge of financial concepts such as saving, budgeting, and banking.
- Many young adults use digital payment applications and online banking services for their daily financial transactions.
- Financial literacy helps young adults make better financial decisions and manage their money more effectively.

4. Education plays an important role in improving the financial literacy level of young adults.

Social media, the internet, and educational institutions are major sources of financial information for young adults.

5. Many respondents believe that financial education should be introduced at an early stage.
6. Young adults with better financial knowledge are more likely to save regularly and plan their future finances.
7. Some respondents still lack awareness about investments, insurance, and long-term financial planning.
8. Financial literacy encourages responsible spending habits and reduces unnecessary financial risks.
9. Overall, the study found that financial literacy has a positive influence on the financial behaviour and decision-making of young adults.

CONCLUSION

The study concludes that financial literacy plays an important role in improving the financial knowledge and decision-making ability of young adults. Most respondents are aware of basic financial concepts, but there is still a need to improve their understanding of investments, insurance, and long-term financial planning. Financial education helps young adults develop better saving habits, manage their expenses wisely, and make informed financial decisions. Overall, improving financial literacy can contribute to better financial well-being and a more secure financial future.

SUGGESTIONS

1. Educational institutions should organize financial literacy programs and workshops for young adults.
2. Young adults should be encouraged to develop the habit of budgeting and saving regularly.
3. Financial institutions should create simple and easy-to-understand financial awareness programs.
4. Government and educational institutions should promote financial education through seminars, online platforms, and awareness campaigns.
5. Parents should encourage young adults to develop good financial habits from an early age.
6. Young adults should make use of reliable financial websites, books, and online courses to improve their financial knowledge.
7. Banks and financial institutions should conduct regular financial awareness campaigns to educate young adults about saving, investing, and responsible money management.

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