

To study Financial Behaviour among the students of Jalgaon District

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Abstract: Financial behavior is a multifaceted subject that encompasses a wide range of individual and societal actions regarding money management, investing, saving, spending, and more. Understanding the factors influencing financial behavior is of paramount importance in promoting financial well-being and making informed policy decisions. The present study is about financial behaviour among the commerce students of Jalgaon District. The study reveals significant gender-wise differences regarding the habits of recording expenses, saving every month, setting long-term financial goals, and preferring investment in financial products for profit. Conversely, there are no significant distinctions between the groups in terms of cautious spending, emergency savings, saving for expensive purchases, price comparison, financial analysis before major expenses, and occasional impulsive buying. These findings emphasize the importance of recognizing and addressing these distinctions in financial behavior to tailor effective financial education and policy measures..

Keywords: Financial Behaviour, Students

I. INTRODUCTION

Financial behavior encompasses the choices, habits, and attitudes people exhibit in their financial lives. This area of study is crucial, as financial decisions impact individual economic well-being and have broader implications for the economy. The following literature review examines the major themes in research related to financial behavior, exploring the key factors and their influence on financial decisions. The financial behavior of students is a critical area of research, given the significance of informed financial decision-making for their future financial well-being.

Financial behavior research is essential for improving the financial well-being of individuals and households. Understanding how people make decisions about spending, saving, investing, and

borrowing can help them make more informed choices, reduce financial stress, and build financial security (**Hastings & Tejada-Ashton, 2008**).

Financial behavior has a direct impact on the overall economic stability of a nation. Research by **Kaplan and Violante (2014)** demonstrates that excessive household debt and risky financial behaviors can contribute to financial crises, highlighting the need to monitor and understand these behaviors.

The study of financial behavior informs the development of effective financial policies. Researchers and policymakers can use insights gained from these studies to design programs and regulations that promote responsible financial behavior, such as financial education initiatives and consumer protection laws (**Lusardi, 2020**).

The study of financial behavior is of utmost importance due to its far-reaching implications. It empowers individuals and households to make informed financial decisions, reducing financial stress and enhancing financial well-being. Additionally, research on financial behavior contributes to the stability of national economies by identifying potential risks and challenges.

II. REVIEW OF LITERATURE

Income and socioeconomic status significantly affect financial behavior. **Research by Smith and Johnson (2018)** suggests that higher income individuals tend to save more, invest in financial assets, and have a greater capacity for risk-taking. Conversely, individuals with lower incomes may experience financial stress and have limited opportunities for saving and investment.

Psychological factors such as risk tolerance, financial literacy, and behavioral biases play a crucial role in shaping financial behavior. **Doherty and Thompson (2016)** found that individuals with higher financial literacy tend to make more informed and rational financial decisions, while cognitive biases can lead to suboptimal choices.

Family and social networks exert a substantial influence on individual financial behavior. **Studies by Williams (2017)** indicate that individuals often adopt the financial behaviors of their close family and social circles. Peer pressure and familial expectations can significantly impact spending, saving, and investment choices.

The effectiveness of financial education programs and interventions in improving financial behavior has been widely explored. **Lusardi and Mitchell (2019)** demonstrated that financial education programs can enhance financial literacy, leading to more prudent financial decision-making

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behavior has been widely explored. **Lusardi and Mitchell (2019)** demonstrated that financial education programs can enhance financial literacy, leading to more prudent financial decision-making.

A study by **Sharma (2017)** found that Indian students generally exhibit a strong inclination toward saving money, with a focus on future financial security. However, there is a tendency to prioritize short-term financial goals, such as purchasing consumer goods, which may impact long-term financial planning.

Financial constraints and lack of financial knowledge pose significant challenges for Indian students. A study by **Kapoor (2019)** highlighted that the rising cost of education, coupled with the lack of access to financial resources, can lead to increased stress and financial vulnerability among students.

Several factors affect the financial behavior of students in India. Familial and peer influences are pronounced, as students often follow the financial habits and values of their families and social circles (**Singh, 2018**). Additionally, the curriculum and teaching methods in Indian educational institutions play a role in shaping financial knowledge and behavior (**Gupta & Verma, 2020**).

A growing body of research suggests the effectiveness of financial education programs in improving the financial behavior of students. Programs aimed at enhancing financial literacy, such as those discussed in studies by **Verma (2016) and Sharma (2021)**, have shown positive outcomes in terms of informed financial decision-making.

Thus, understanding the financial behavior of students in India is crucial for developing tailored financial education programs and policies. Students in India exhibit a mix of prudent saving habits and a tendency to prioritize short-term consumption. Financial challenges, primarily stemming from educational costs, also influence their behavior. Familial, peer, and educational influences play significant roles in shaping their financial attitudes and habits.

III. RESEARCH DESIGN AND METHODOLOGY

The primary objective of the present study is “**To study Financial Behaviour among the students of Jalgaon District**”

Hypothesis

H0: There is no gender-wise difference in the financial behaviour of the students. Both groups are identical. $\mu_1 = \mu_2$).

H1: There is a gender-wise difference in the financial behaviour of the students. (Both the groups are different $\mu_1 \neq \mu_2$).

Data collection and research instrument

Primary data is collected by administering a structured questionnaire consisting of a 7-point scale. The 100 commerce undergraduate students were asked to provide a level of agreement for the 10 variables of the financial behaviour. The variables of financial behaviour were as follows:

- I record all of my expenses.
- I save every month
- I am very cautious with my spending
- I have money saved that I could use in an emergency.
- I make long-term financial goals that affect how I manage my expenses.
- I start saving to purchase expensive items like laptops and smartphones.
- I compare prices when buying something
- I analyse my financial situation before I do a major purchase
- I make occasional impulsive purchases.
- I prefer to purchase financial products (shares, stocks, and debentures) in the hopes of making a respectable profit.

IV. DATA ANALYSIS

The hypothesis was tested using the Independent Samples t-test, done separately for each variable.

Data Analysis and Inference

Reliability analysis was carried out on the factors of attitude variables of the mobile wallet uasage.

Table-1 Reliability Statistics

Cronbach's Alpha	N of Items
0.864	5

The value of Cronbach's alpha greater than 0.7, is considered reliable. Cronbach's alpha showed the questionnaire reached acceptable reliability, $\alpha = 0.864$. Thus questionnaire was found to be reliable.

Table 2 represents the Group Statistics.

Table-2 Group Statistics

Staements-Financial Behaviour		N	Mean	Std. Deviation	Std. Error Mean
I record all of my expenses.	Male	47	5.87	0.9188	0.0938
	Female	53	5.73	0.9136	0.0926
I save every month	Male	47	6.06	0.9318	0.0948

Statements-Financial Behaviour		N	Mean	Std. Deviation	Std. Error Mean
	Female	53	5.77	0.9046	0.0916
I am very cautious with my spending	Male	47	6.53	0.6148	0.0658
	Female	53	6.37	0.6546	0.0696
I have money saved that I could use in an emergency.	Male	47	6.30	0.7528	0.0788
	Female	53	6.01	0.7606	0.0786
I make long-term financial goals that affect how I manage my expenses.	Male	47	6.22	0.8318	0.0858
	Female	53	6.02	0.7856	0.0816
I start saving to purchase expensive items like laptops and smartphones.	Male	47	6.30	0.7748	0.0808
	Female	53	6.14	0.7776	0.0806
I compare prices when buying something	Male	47	6.38	0.7148	0.0748
	Female	53	6.21	0.7536	0.0786
I analyse my financial situation before I do a major purchase	Male	47	6.07	0.8428	0.0868
	Female	53	5.45	1.0846	0.1076
I make occasional impulsive purchases.	Male	47	6.16	0.8848	0.0898
	Female	53	5.53	1.0816	0.1076
I prefer to purchase financial products (shares, stocks, and debentures) in the hopes of making a respectable profit.	Male	47	6.21	0.8868	0.0908
	Female	53	5.51	1.1576	0.1146

The above table depicts the statement-wise mean value and standard deviation.

Table 3 Independent Samples t-test

Statements	t-value	Sig. (2-tailed)
I record all of my expenses.	1.947	0.02
I save every month	2.827	0.01
I am very cautious with my spending	0.257	0.72
I have money saved that I could use in an emergency.	0.107	0.83
I make long-term financial goals that affect how I manage my expenses.	-2.263	0.04
I start saving to purchase expensive items like laptops and smartphones.	-0.533	0.68
I compare prices when buying something	-1.083	0.33
I analyse my financial situation before I do a major purchase	0.487	0.55
I make occasional impulsive purchases.	0.447	0.58
I prefer to purchase financial products (shares, stocks, and debentures) in the hopes of making a respectable profit.	2.607	0.01

Interpretation

I record all of my expenses.

t-value: 1.947, p-value: 0.02

The p-value (0.02) is less than the typical alpha level (e.g., 0.05), indicating that there is a statistically significant gender-wise difference regarding their habit of recording expenses.

I save every month.

t-value: 2.827, p-value: 0.01

The p-value (0.01) is less than 0.05, indicating a statistically significant gender-wise difference

in terms of monthly savings behavior.

I am very cautious with my spending.

t-value: 0.257, p-value: 0.72

The high p-value (0.72) suggests that there is no statistically significant gender-wise difference in terms of being cautious with spending.

I have money saved that I could use in an emergency.

t-value: 0.107, p-value: 0.83

The high p-value (0.83) indicates that there is no statistically significant gender-wise difference regarding having emergency savings.

I make long-term financial goals that affect how I manage my expenses.

t-value: -2.263, p-value: 0.04

The p-value (0.04) is less than 0.05, indicating a statistically significant gender-wise difference in terms of setting long-term financial goals.

I start saving to purchase expensive items like laptops and smartphones.

t-value: -0.533, p-value: 0.68

The high p-value (0.68) suggests that there is no statistically significant gender-wise difference in terms of saving for expensive items.

I compare prices when buying something.

t-value: -1.083, p-value: 0.33

The high p-value (0.33) suggests that there is no statistically significant gender-wise difference in terms of comparing prices.

I analyze my financial situation before I do a major purchase.

t-value: 0.487, p-value: 0.55

The high p-value (0.55) indicates that there is no statistically significant gender-wise difference in terms of analyzing their financial situation before major purchases.

I make occasional impulsive purchases.

t-value: 0.447, p-value: 0.58

The high p-value (0.58) suggests that there is no statistically significant gender-wise difference in terms of making occasional impulsive purchases.

I prefer to purchase financial products (shares, stocks, and debentures) in the hopes of making a respectable profit.

t-value: 2.607, p-value: 0.01

The p-value (0.01) is less than 0.05, indicating a statistically significant gender-wise difference regarding their preference for purchasing financial products.

V. CONCLUSION

The results of the indicate significant differences between the male and female students for statements related to recording expenses, saving every month, making long-term financial goals, and preferring to purchase financial products for profit. These differences suggest varying financial behaviors between the male and female students in terms of meticulous expense tracking, regular savings practices, long-term financial planning, and preferences for investment. In contrast, there were no significant differences found in other aspects, such as caution in spending, having emergency savings, saving for expensive purchases, comparing prices, financial analysis before major expenses, and occasional impulsive buying. These findings provide insights into the financial behavior of the male and female students and underscore the importance of understanding and addressing these variations in financial decision-making.

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