

An Empirical Analysis on Financial Literacy Elements Influencing Financial Wellbeing amongst Selected Academicians in Gujarat

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ABSTRACT:

One of the Governments of India's key initiatives is the promotion of financial literacy. In our culture, teachers/ academicians are among the most powerful figures. They can serve as role models for their pupils and aid in their development as socially and financially responsible adults by practising good personal finance management and financial literacy. When it comes to making decisions about investments, financial literacy has grown to be a crucial component of a person's existence. The purpose of the study is to determine the extent to which financial well-being, particularly among academicians, is impacted by elements of financial literacy.

KEYWORDS: Financial Literacy, Financial Knowledge, Financial Attitude, Financial Behavior, Financial Well-being, Academicians

1. INTRODUCTION:

The growth and development of the Indian economy and the expansion of financial markets through liberalization, privatization and globalization have given a way to abundance of financial products as an investment alternative. It is imperative on the part of an individual to analyse the situation and make right decisions for managing his or her finances as the global competition is high. The efficient movement of money towards economic activities enhances the efficiency and effectiveness of the overall money circulation of the economy, eventually resulting in economic development. Thus, assessing financial literacy would make it easier to take action to raise literacy levels.

Being financially educated requires more than just being aware of a few financial ideas. Researchers have used different dimensions of financial literacy. *The Organization for Economic Cooperation and Development (OECD)* has given a comprehensive view of financial literacy. According to OECD, financial literacy is a combination of financial attitudes, financial behaviour and financial knowledge. Therefore, financial attitudes, financial behaviour and financial knowledge must be studied thoroughly, in order to know the relationship between different dimensions of financial literacy. One's awareness of financial matters is referred to as financial knowledge. Subjective financial knowledge was defined by Rosen et al. (2017, p. 5) as the confidence in one's own knowledge of financial issue. To ensure a country's financial stability, financial knowledge is a necessary first step. Since the past ten years, every regulatory body in India has been trying to increase financial literacy., mainly the RBI, NCFE, NISM, IRDA, SEBI etc.

Financial attitude is a state of mind of a person about finances, which is generally a result of his background and environment. Financial behaviour concerns with a human's action with respect to money management. We can say that both are closely related and are part of the same family. An individual's financial wellbeing is dependent upon daily financial decisions. Knowledge serves as a guiding light for mind and attitude leads the path of decision making but it is how the individuals behave that defines their financial prosperity. When it comes to financial behaviour, the main aim is to comprehend how individuals take decisions and figure out the mistakes committed by them in financial markets.

1.1 CONCEPTUAL DEFINITIONS

Various researchers have characterised the idea in different ways.

1. Financial Literacy:

Financial literacy, according to the OECD (2013), it is the mix of awareness, skill, attitude, knowledge, and behaviour required to make wise financial decisions and, in the end, attain individual financial wellbeing. Jang et al. (2014) proposed, Financial literacy includes fundamental knowledge of major financial concepts, skills such as the capacity to calculate interest rates and build a family budget, a positive attitude towards money, and the ability to save and spend, and behaviour to protect one's financial future. Kapadia (2019) stated, "financial literacy is the ability to know, effectively use financial resources and monitor to enhance the wellbeing and economic security of oneself, one's family, and goes beyond the provision of financial information and advice".

Elements of Financial Literacy:

Financial literacy is an important topic to understand because it encompasses a variety of elements, including "financial attitude, financial knowledge, and financial behaviour." A person can become financially literate by learning the fundamentals of finance-related ideas, forming a favourable attitude towards money management, and finally modelling appropriate financial behaviours while making decisions. The study has taken into consideration the OECD (2013) proposed dimensions.

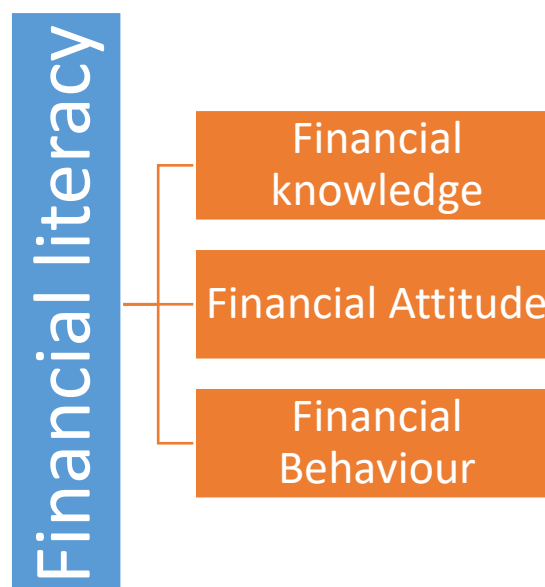


Fig. 1: Elements of Financial Literacy

➤ **Financial Knowledge**

The financial knowledge notion was equated to financial literacy in the Bucher-Koenen et al. (2017) study. Huston (2010), however, believed it to be a crucial component of financial literacy rather than a synonym. Numerous researchers have defined the notion taking into account various factors. Huston (2010) distinguished four key categories: concepts of borrowing and protection, fundamental financial concepts, concepts of savings, and concepts of investments. The definition embracing three independent topics—risk diversification, inflation, and interest rate calculation—was summarised by Lusardi and Mitchell (2011). According to Delavande et al. (2008), "learning how to manage income, expenditure, and savings in a safe way" is how one learns to acquire financial knowledge. Financial knowledge, according to Huang et al. (2013), is the comprehension of the eight financial concepts by an individual. The seven fundamental elements taken into account by OECD-INFE (2018) were interest identification, simple interest, inflation concept, the effect of inflation on purchasing power, risk & reward relationship, compound interest, and risk diversification. Therefore, financial literacy necessitates familiarity with terms connected to finance, such as risk-return of financial products and services, interest rate, risk diversification, etc. With the aid of this knowledge, risk may be reduced and the financial environment can remain stable.

➤ **Financial Attitude**

In today's technologically advanced and creative world, the development of the attitude towards managing personal funds has become increasingly important. since people should budget for long-term speculative expenses like retirement and family expenses like children's schooling, marriage, and so forth. According to Shim et al. (2009), it is possible to gauge a person's financial attitude by looking at how well they manage their money and how well they understand how to save money and invest it. According to Shockey (2002), "financial attitude is a set of ideas, facts, and feelings about learning that produce a propensity to respond favourably."

According to Moore (2003), "financial attitude is a factor that influences how an individual behaves when making decisions during transactions." Financial attitude, according to Rajna and Anthony (2011), is the use of financial principles to manage resources and make decisions in order to produce and maintain value. Financial attitude was defined by Ibrahim and Alqaydi (2013) as "a personal disposition towards the financial matter." So, according to OECD (2013) and Setyawati and Suroso (2016), it is regarded as an essential part of financial literacy.

➤ **Financial Behaviour**

Financial behaviour demonstrates how people act while making decisions about their savings, investments, loans, expenditures, etc. Financial literacy is important and necessary since it can result in constructive attitude towards financial matters, which has been further reinforced by the global economic crisis and the closing of financial institutions. According to Shim et al.'s definition from 2009, "financial behaviour" is human behaviour related to handling money. According to Atkinson and Messy (2012), comprehending fundamental financial ideas on its own is useless unless it is accompanied with appropriate financial action. Financial behaviour is regarded as a crucial component of financial literacy by the OECD (2013) and Setyawati and Suroso (2016) since it influences a person's financial well-being. It is determined by how people act and make financial decisions, such as paying their bills on time, keeping track of their finances, saving money, being less reliant on loans, and keeping their spending under control. Financial literacy, according to Santini et al. (2019), is demonstrated by people's good financial behaviour. Financial

behaviour is the term used to explain how people act when making decisions about their finances and investments.

➤ **Financial wellbeing**

One of the most important steps towards financial wellbeing is financial literacy. It prevents people from going into financial trouble and provides knowledge about the risk and return characteristics of financial products and services, which eventually alters people's behaviour. These altered behaviours help people make better financial decisions and raise their sense of financial well-being. Through the process of financial education, people develop a high degree of financial literacy and make wise financial and investment decisions, which eventually improve their financial well-being. Scheresberg (2013) In the study, which looked at young individuals in the USA, inadequate financial literacy was identified, particularly among women and underrepresented groups. Chu et al. (2016) Researchers studied households and discovered that having a high degree of financial literacy led to favourable financial outcomes, such as favourable investment returns, which in turn helped households have a higher level of financial well-being. Kamakia et al. (2017) The results of the study demonstrated how financial knowledge affects financial wellbeing.

2. REVIEW OF LITERATURE:

| INTERNATIONAL RESEARCH PAPERS | | | |
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| Author | Year | Title of paper | Major Findings |
| Zsófia Vörös, Zoltán Szabó, Dániel Kehl, Olivér Béla Kovács, Tamás Papp, Zoltán Schepp | 2021 | The forms of financial literacy overconfidence and their role in financial well-being | The findings show that the financial outcomes of households are strongly correlated with FL and its overestimation (OE). As a result, perceived FL is a more accurate indicator of financial health than real FL skills. The findings also contribute to the corpus of research by demonstrating that the effects of various types of overconfidences vary, with over precision and OE potentially having negative effects. The article thus offers proof that FL overconfidence is a multidimensional concept and that its many manifestations have varying effects on financial well-being. |
| Muhammad S. Tahir, Abdullahi D. Ahmed, Daniel W. Richards | 2021 | Financial Literacy and Financial Well-being of Australian Consumers: A Moderated Mediation Model of Impulsivity and Financial Capability | For two distinct purposes, they test a moderated mediation model. In order to better understand the relationship between financial literacy (FL) and financial well-being (FW), we must first look at the mediating role that financial capability (FC) plays. The second goal is to determine if non-impulsive future-oriented behaviour (NIB) modifies the relationships between FL and FC and FL and FW. |

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| | | | According to the empirical investigation, FC helps explain some of the relationship between FL and FW. The moderated mediation analysis further demonstrates that NIB enhances the relationships between FL and FC and FL and FW. For those customers who score highly on NIB, the favourable connections of FL with FC and FL with FW particularly increase. |
| Nikolaos D. Philippas & Christos Avdoulas | 2021 | Financial literacy and financial well-being among generation-Z university students: Evidence from Greece | The findings demonstrate that pupils who are more financially literate are male, keep expense records, or have highly educated fathers. The findings indicate that financially educated students are better able to deal with an unanticipated financial shock. They also look at the characteristics of financial fragility. As a result, among Greek university students, financial literacy may be a significant factor in determining financial well-being. |
| Mehmet Akif Sözer | 2020 | The examination of primary school teachers' financial literacy attitudes and behaviors in terms of different variables | The purpose of the study was to evaluate primary school teachers' attitudes and behaviours towards financial literacy in terms of various factors. The research sample, which included 211 primary school teachers, revealed that teachers' attitudes and behaviours regarding financial literacy did not differ significantly by gender, monthly family income, or personal expenditure; however, a significant difference was discovered in terms of age. |
| Sri Zulaihatia, Santi Susantia and Umi Widyastutia | 2020 | Teachers' financial literacy: Does it impact on financial behaviour? | The goal of this research was to ascertain how secondary school teachers' financial behaviour was impacted by their financial literacy. Information was gathered from 142 respondents. The reflective measurement model was used to examine the data. As a result, financial literacy had a big impact on how people handled their money in terms of saving, shopping, and making short-term and long-term plans. |
| Danila, N., Shahwan, Y., Ali, Z., & Djalaluddin | 2019 | The linkages between financial literacy and its application in | By examining 200 responses, they discovered that all of the respondents had the same level of financial literacy. The sociodemographic features of the respondents have a substantial |

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| | | financial decision-making among academicians in Indonesia | impact on their level of financial literacy and their capacity for managing cash flow. Furthermore, there is a connection between financial literacy—the understanding of financial products—and its use in making financial decisions. |
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| NATIONAL RESEARCH PAPERS | | | |
|--|------|---|---|
| Author | Year | Title of Paper | Major Findings |
| Rajesh Mishra | 2022 | Financial Literacy and Financial Wellbeing among Indian Households | The study clearly shows that a person's financial attitude and behaviour have a significant, beneficial impact on their financial well-being. Although actual financial knowledge may not have much of an impact on financial wellbeing, subjective financial knowledge, or self-assessed financial knowledge, may have a significant impact. Age, education, employment status, and the urban-rural area classification all significantly affect financial wellbeing, but gender does not have a significant effect. |
| Nisha Shankar, Smitha Vinod and Rajashree Kamath | 2022 | Financial well-being – A Generation Z perspective using a Structural Equation Modelling approach” | The findings show that while financial fragility is adversely correlated with financial well-being, financial behaviour is positively correlated. However, neither financial technology nor financial literacy significantly impact financial well-being. The findings also demonstrate that factors such as gender, parental education, employment status, and monthly income variation have a substantial impact on financial well-being. |
| Kanchan Sehrawat, Madhu Vij and Gaurav Talan | 2021 | Understanding the path toward Financial Well-Being Evidence from India | Twelve out of the seventeen assessed effects and eight hypotheses are supported by the findings. The creation of effective policies and curriculum that supports individuals' efforts to achieve higher FWB and responsible FinBs may be made easier with an awareness of the routes that increase an individual's FWB. |
| Utkarsh, Asheesh Pandey, Arvind Ashta, Eli | 2020 | Catch them young: Impact of financial socialization, financial literacy | we discovered that there is no statistically significant correlation between financial literacy and financial well-being. The study also shows that a person's financial well-being is strongly predicted by their attitude towards money. The |

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| Spiegelman, Angela Sutan | | and attitude towards money on financial well-being of young adults | findings have significance for educational and financial organisations as well as policymakers for enhancing young adults' financial security. |
| Devlina Chatterjee, Mahendra Kumar, Kapil K. Dayma | 2019 | Income security, social comparisons and materialism Determinants of subjective financial well-being among Indian adults | The strongest beneficial impact on FWB comes from the IS, whilst the biggest negative impact comes from unemployment. OM (Over Materialism) has a negative impact on FWB. Income, education, and stable employment are among the demographic factors that raise FWB. The levels of FWB are lower in men. |
| L. A I. Arthasad and R P C R Rajapakse | 2018 | Does Financial Knowledge and Attitudes Influence the Finance related Behaviour of University Academics | The study's main goal was to assess how financially literate university students were. According to the report, the academic community as a whole (68.52%) has a medium degree of financial literacy. Both the knowledge and attitudes components—75.9% and 69.7%, respectively—are at a medium level. Academics only exhibit low levels of appropriate financial behaviour, at a rate of 59.96%. According to the findings, it is important to understand financial knowledge and attitudes in order to understand how academics behave financially. |
| Dr. G. Surendar and Prof. V.V. Subramanya Sarma | 2018 | Financial Literacy and Financial Planning among Teachers of Higher Education- A Study of Critical Factors of Select Variables | They discovered that most higher education instructors had a good level of financial literacy, are knowledgeable about several facets of personal financial planning, and are capable of making their own plans regardless of their field. It was discovered that important elements including retirement planning, tax planning and control, financial planning, financial capacity, and inflation play crucial roles in individualised financial planning. |
| G Surendar & V V Subramanya Sarma | 2017 | Financial Literacy and Financial Planning among Teachers of Higher Education – A Comparative | Researchers discovered that higher education professors have an acceptable level of financial knowledge. Additionally, there is no discernible difference between technical and non-technical teachers' perspectives on financial planning and literacy. |

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| | | Study on Select Variables | |
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3. OBJECTIVES:

1. To study the level of financial knowledge amongst academicians.
2. To examine the impact of financial knowledge, financial behavior and financial attitude towards financial wellbeing.
3. To study the impact of financial knowledge on financial behaviour.

4. RESEARCH METHODOLOGY:

The nature of the current study is descriptive in nature. Primary data was collected from academicians and convenience sampling method was used. A non-disguised structured questionnaire was prepared and primary data was collected by passing on the questionnaire mode in physical form as well as via google link. The google link and questionnaire was passed to around 130 academicians known to the researchers from which 117 responded it completely and correctly. All the responses were securitized properly before taking into consideration and the ones which were incomplete, were removed. From the total responses surveyed, majority of the respondents belonged to Gandhinagar and Ahmedabad. The questionnaire consisted of five sections: Demographic profile, Financial Knowledge, Financial Behaviour, Financial Attitude and Financial Well-being.

Appropriate 5 point Likert scale ranging from (1) Strongly Disagree to (5) Strongly Agree were used to measure the level of awareness amongst the respondents. Before administering the final questionnaire, a pilot study was conducted on 20 academicians. Some minor changes were made in the questionnaire and then it was passed for the survey. The internal scale of reliability was carried on and all scales showed a range from 0.807 to 0.906, which is within the acceptable limit of 0.7 and higher. Further, the collected primary data was analyzed via SPSS – 21. Frequency distribution, Mean, Standard Deviation and Cronbach Alpha were calculated.

5. DATA ANALYSIS AND FINDINGS:

Table 1: Demographic profile of Respondents

| Respondent’s Profile | Particulars | Respondents | Percentage |
|---------------------------|----------------|-------------|------------|
| Gender | Male | 65 | 55.6 |
| | Female | 52 | 44.4 |
| Age | 22 to 30 years | 42 | 35.9 |
| | 30 to 40 years | 53 | 45.3 |
| | 40 to 50 years | 18 | 15.4 |
| | Above 50 years | 3 | 2.6 |
| Educational Qualification | Masters | 67 | 57.3 |
| | B.Ed. | 22 | 18.8 |
| | M.Ed. | 4 | 3.4 |
| | Doctorate | 24 | 20.5 |

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|-----------------------|------------------------------|----|------|
| Type of Academicians | Tutor | 12 | 10.3 |
| | Teacher | 37 | 31.6 |
| | Professor | 10 | 8.5 |
| | Assistant Professor | 50 | 42.7 |
| | Principal | 8 | 6.8 |
| Residential Status | Rural | 22 | 18.8 |
| | Urban | 95 | 81.2 |
| Employer | Government | 34 | 29.1 |
| | Private | 83 | 70.9 |
| Respondent City/Town: | Gandhinagar | 55 | 47 |
| | Ahmedabad | 44 | 37.6 |
| | Others | 18 | 15.4 |
| Monthly Income: | Less than Rs. 50,000 | 64 | 54.7 |
| | Rs. 50,001 to Rs. 1,00,000 | 31 | 26.5 |
| | Rs. 1,00,001 to Rs. 1,50,000 | 10 | 8.5 |
| | Above Rs. 1,50,000 | 12 | 10.3 |
| Marital Status | Single | 22 | 18.8 |
| | Married | 93 | 79.5 |
| | Divorced | 2 | 1.7 |

Demographic data from the respondents, including gender, academicians kinds, educational background, and monthly income, were collected as part of the study. Our data set consists of male (55.6%) and (44.4%) of female respondents. Coincidentally the ratio of male and female respondents is almost equal. It has been found that the majority of responders (57.3%) hold a postgraduate degree, which is the minimum requirement to teach in higher education, and 20.5% of faculty members hold doctoral degrees. Very few respondents (3.4%) have a degree in master’s in Education. The study found that the majority of the respondents were at the post of Assistant professor (42.7%) while (6.8%) at the post of principal. The data revealed that 54.7 percent of respondents reported having a monthly salary of less than 50,000 rupees. 10.3%, however, earned more than 1,50,000 Rs. every month.

How would you assess your own Financial Knowledge?
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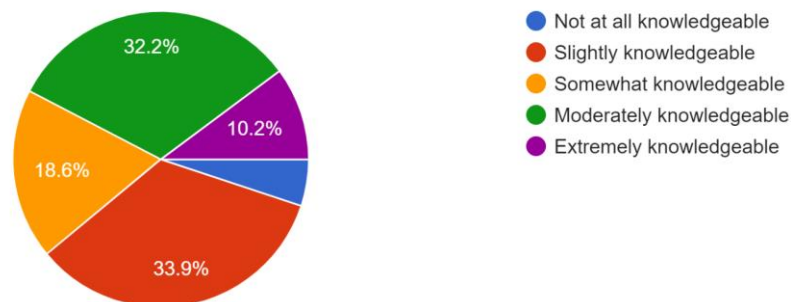


Fig 1: Financial Knowledge level of Respondent

The respondents were asked to assess their own Financial Knowledge. As presented in Fig. 1, maximum academicians believe that they are slightly knowledgeable (33.9%) or Moderately knowledgeable (32.2%). But it must be noted that the least selected respond remains as not at all knowledgeable. So, the study reflects that respondents are either slightly or moderately aware of Financial Knowledge.

Table 2: Financial Knowledge of Respondents

| Statement | SD | D | N | A | SA | Mean | S.D. |
|---|----|----|----|----|----|-------|--------|
| I am aware that I will have to pay compounded interest on my credit card if I don't make the payment by the due date. | 6 | 6 | 24 | 52 | 29 | 3.786 | 1.0408 |
| I feel that my financial decisions should include adequate short term and long-term investments. | 4 | 6 | 24 | 46 | 37 | 3.906 | 1.0170 |
| I feel that being financially literate has led me to form healthy spending and saving habits. | 4 | 2 | 26 | 46 | 39 | 3.974 | .9690 |
| I feel that the systematic investment plan (SIP) is a futuristic investment strategy. | 4 | 6 | 34 | 38 | 35 | 3.803 | 1.0359 |
| I always compare interest rates of banks before procuring loan. | 4 | 6 | 32 | 50 | 25 | 3.735 | .9684 |
| My financial decisions are facilitated with the aid of digital platform and investment apps. | 6 | 14 | 38 | 40 | 19 | 3.444 | 1.0622 |
| I am able to understand and comprehend all the information in the financial statements. | 8 | 8 | 34 | 46 | 21 | 3.547 | 1.0788 |

Table 3: Financial Behaviour of Respondents

| Statement | SD | D | N | A | SA | Mean | S.D. |
|--|----|---|----|----|----|-------|-------|
| I always make sure to pay all my bills in time | 2 | 2 | 10 | 42 | 61 | 4.350 | .8440 |
| I keep a personal watch on all my financial affairs | 2 | 4 | 14 | 58 | 39 | 4.094 | .8609 |
| I maintain a household budget and adhere to it | 4 | 4 | 32 | 45 | 32 | 3.829 | .9852 |
| I purchase a financial product only after comparing it with similar products from other companies. | 4 | 2 | 18 | 55 | 38 | 4.034 | .9278 |
| I try to regularly save a portion of my monthly income | 4 | 0 | 20 | 46 | 47 | 4.128 | .9335 |

Table 4: Financial Attitude of respondents

| Statement | SD | D | N | A | SA | Mean | S.D. |
|--|----|----|----|----|----|-------|--------|
| I consider risk and return when investing. | 4 | 6 | 24 | 56 | 27 | 3.821 | .9615 |
| I can change my financial situation if I invest wisely. | 2 | 0 | 24 | 62 | 29 | 3.991 | .7823 |
| I try to stay informed about money matters and finances. | 2 | 2 | 30 | 62 | 21 | 3.838 | .7982 |
| I research a lot before making financial investment decisions. | 2 | 6 | 30 | 55 | 24 | 3.795 | .8861 |
| I am influenced by the views/opinions of my family members with respect to investment decisions. | 4 | 10 | 30 | 47 | 26 | 3.692 | 1.0210 |
| Financial investments can be extremely risky; hence I prefer to maintain liquidity. | 2 | 10 | 38 | 41 | 26 | 3.675 | .9723 |

Table 5: Financial Well-being of Respondents

| Statement | SD | D | N | A | SA | Mean | S.D. |
|---|----|----|----|----|----|-------|--------|
| I am satisfied with my financial status. | 4 | 16 | 32 | 48 | 17 | 3.496 | 1.0139 |
| I am satisfied with my present standard of living. | 4 | 12 | 32 | 48 | 21 | 3.598 | 1.0091 |
| I have enough money for necessities. | 8 | 12 | 30 | 48 | 19 | 3.496 | 1.0956 |
| I have money left over at the end of the month always. | 4 | 8 | 34 | 50 | 21 | 3.650 | .9677 |
| I could handle a major unexpected expense. | 2 | 8 | 34 | 52 | 21 | 3.701 | .9027 |
| I have too much loan right now. (Personal loan, vehicle , housing etc.) | 31 | 32 | 16 | 24 | 14 | 2.641 | 1.3800 |
| My income is enough to pay my monthly expenses. | 8 | 14 | 30 | 48 | 17 | 3.444 | 1.0942 |
| I can enjoy life because of the way I am managing my money. | 2 | 16 | 40 | 46 | 13 | 3.444 | .9233 |
| I am more confident about my financial decisions | 2 | 10 | 38 | 44 | 23 | 3.650 | .9497 |

Table 6: Reliability Test

| <u>Reliability of Financial Knowledge</u> | | | |
|--|--------------|---|-------------------------------------|
| Constructs | Items | Statements | Cronbach α |
| <i>Financial Knowledge</i> | FK1 | I am aware that I will have to pay compounded interest on my credit card if I don't make the payment by the due date. | 0.906 |
| | FK2 | I feel that my financial decisions should include adequate short term and long-term investments. | |
| | FK3 | I feel that being financially literate has led me to form healthy spending and saving habits. | |
| | FK4 | I always compare interest rates of banks before procuring loan. | |
| | FK5 | I always compare interest rates of banks before procuring loan. | |
| | FK6 | My financial decisions are facilitated with the aid of digital platform and investment apps. | |
| | FK7 | I am able to understand and comprehend all the information in the financial statements. | |
| <u>Reliability of Financial Behaviour</u> | | | |
| Constructs | Items | Statements | Cronbach α |
| <i>Financial Behaviour</i> | FB1 | I always make sure to pay all my bills in time | 0.903 |
| | FB2 | I keep a personal watch on all my financial affairs | |
| | FB3 | I maintain a household budget and adhere to it | |
| | FB4 | I purchase a financial product only after comparing it with similar products from other companies. | |
| | FB5 | I try to regularly save a portion of my monthly income | |
| <u>Reliability of Financial Attitude</u> | | | |
| Constructs | Items | Statements | Cronbach α |
| | FA1 | I consider risk and return when investing. | |
| | FA2 | I can change my financial situation if I invest wisely. | |

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|---|--------------|--|-------------------------------------|
| <i>Financial Attitude</i> | FA3 | I try to stay informed about money matters and finances. | 0.807 |
| | FA4 | I research a lot before making financial investment decisions. | |
| | FA5 | I am influenced by the views/opinions of my family members with respect to investment decisions. | |
| | FA6 | Financial investments can be extremely risky; hence I prefer to maintain liquidity. | |
| <u>Reliability of Financial Well-being</u> | | | |
| | | | |
| Constructs | Items | Statements | Cronbach α |
| <i>Financial Well-being</i> | FW1 | I am satisfied with my financial status. | .809 |
| | FW2 | I am satisfied with my present standard of living. | |
| | FW3 | I have enough money for necessities. | |
| | FW4 | I have money left over at the end of the month always. | |
| | FW5 | I could handle a major unexpected expense. | |
| | FW6 | I have too much loan right now. (Personal loan, vehicle , housing etc.) | |
| | FW7 | My income is enough to pay my monthly expenses. | |
| | FW8 | I can enjoy life because of the way I am managing my money. | |
| | FW9 | I am more confident about my financial decisions | |

As represented in Table:6, Construct reliability and validity were quantitatively assessed by the researcher. Inter-item internal consistency was ascertained using Cronbach α , and the score was determined to range from 0.807 to 0.906, which is within the acceptable limit of 0.7 and higher. The above tables represent the reliability test carried on for various constructs of Financial Knowledge, Financial Behavior, Financial Attitude and Financial Well-being.

6. SCOPE FOR FUTURE STUDY:

A future study could repeat the current one, with a significant number of respondents from Gujarat's major cities. More importantly, the study solely included academics. There is a big opportunity for others to explore various populations.

In addition to the study on higher education instructors, the study should include instructors at all grade levels and workers from all industries. With this, one should be able to see clearly how people organize their own finances. The conclusions drawn therefrom ought to help practitioners and policymakers develop effective methods to close any gaps in financial literacy.

7. LIMITATIONS OF THE STUDY:

One of possible drawbacks of any social science research is that the sample of respondents chosen for the study does not accurately represent the entire population of the selected districts in Gujarat. The survey responses are prone to numerous sorts of bias. The chosen sample is a convenience sample, and despite the benefits of selecting such a sample can lead to measurement issues.

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