

# Level of Financial Capability Among Collegiate Level Teachers

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## ABSTRACT

Financial attitude and financial knowledge is the key terms that leads to financial capability. Person with good financial capability have greatest skills to manage their personal finances. Teachers are the key component of the national building especially who thought in collegiate level. The Study focus on the financial attitude and financial knowledge of collegiate level teachers that leads to the financial capability. The study used a quantitative descriptive approach to evaluate the financial capability. By conducting the research collecting data from the 60 respondents from Kerala and data analyzed by using various statistical tool for finding the results. The study concludes that the level financial knowledge and financial capability among collegiate level instructors are favorable or satisfactory. Collegiate level educators have potential financial skills and capable of imparting the financial knowledge with the students.

**Keywords:** Financial Attitude; Financial Knowledge; Financial Skill

## INTRODUCTION

The greatest way to assess someone's financial capacity is to look at how they actually handle money. We cannot say that a person is financially capable even when he is financially knowledgeable. Financial literacy and financial capability are interchangeable terms. They are financially literate if they possess the information, comprehension and abilities necessary to effectively handle their personal finances. However, the UK financial Service first used the phrase "financial capability" in 2003 when it announced its plans to spearhead the creation and execution of a national financial capability strategy.

Financial capability is the ability of an individual to successfully manage the financial resources for long term financial wellbeing through financial knowledge and skill. It is the method by which people recognize their financial status and learn how to improve it over time, forming sound financial habits such as savings, planning, and budgeting that lead to good financial decisions (Surendar & Sarma, 2017).

Regretfully, a lot of people lack awareness, and their attitudes on saving and spending are concerning as well. It is the ability to interpret the information that is absent, not the information itself. By taking out loans at exorbitant interest rates, many people even appear to be blind to the hardship they may face in the future. Around the world, interest in financial competence as a measure of financial well-being has grown since the 2007 financial crisis. (Guo & Huang, 2023).

The most powerful individuals in our society are teachers. Teachers are quite knowledgeable about money, but they still need to learn more about investment strategies and technique (Divelen Gonzales Arroyo & Rammel T. Bayani, 2024). A person with sound financial judgement may better manage their personal finances, especially teachers who play a significant role in the advancement of the society.

However, being a financial expert is not the goal of financial competence projects. Instead, they are meant to assist individual in making efficient use of their, or their families, financial resources in order to attain favorable results, even if those results are not optimal. Being able to identify when and how to seek out further information or expert guidance when necessary is one component of having financial capability.

## **REVIEW OF LITERATURE**

### **Financial capability**

Financial knowledge, financial behavior and financial confidence are the important indicator that measure the financial capability. at the time of pandemic age financial knowledge directly affect financial affairs positively and also financial behavior also direct positive effect on financial affairs. Financial knowledge and financial behavior leads to financial confidence this leads to negative impact on financial affairs (Xiao & Meng, 2024). Females and children have less financial independence have to respond don't know to set financial literacy frequently. The category have well educated and older , retired have higher income persons have respond don't know financial literacy less frequently (Pearson et al., 2024). Financial anxiety decreases through financial education but high quality financial education programs increase financial anxiety. Ensure better financial capability need better financial education (White et al., 2024).

Middle-income and low income group of people are serious about their finances. They were paying of one's credit card immediately, deliberately focusing on needs , and tracking ones finances (Buckland et al., 2024). Digital financial capability helps to household to improve their online shopping experience, information search and social interaction. Through digital financial literacy helps to improve the financial wellbeing of the household (Meng, 2024).

### **Financial attitude**

Financial attitude, financial knowledge and financial behavior are sophisticated connection to acquire financial literacy. There are various interventions are need to better attitude on finances and behavior to improve the individual's decision making process (Singh & Katoch, 2024). Provide more dedication in financial education and positive social interaction that leads to higher level of financial literacy. financial literacy among youth increased by presence of knowledgeable peers , friends, and family. (Tan et al., 2024). By being independent of financial position generally improve young people perceptions of the agricultural businesses (Rashid et al., 2024).

### **Financial knowledge and financial literacy**

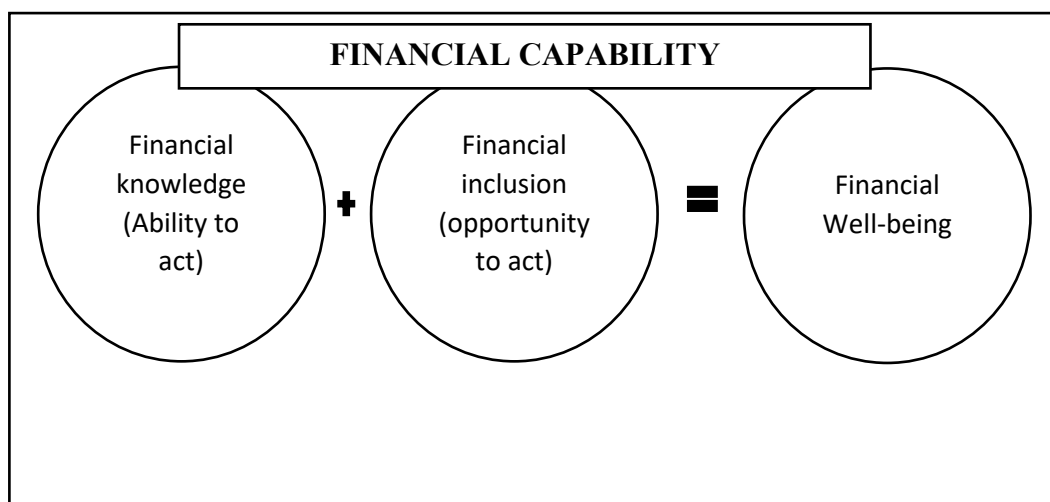
Investment in financial education benefit to mental health of adults in china. Financial knowledge leads to mental health and that help control household finances (Guan et al., 2024). Future planning is crucial for investors to inspire high return and tax benefits. Usually investors choose portfolio investment to averse risk (Chabaeffe & Qutieshat, 2024). The value of specialist financial education , training, and intervention programs these programs must be carefully crafted , taking in to consideration the unique objectives and millennials inclination toward social media and peer pressure. emphasize the value of specialist financial education , training and intervention programs. These programs must be carefully crafted , taking in to consideration the unique objectives (Lim & Cordova, 2024)

## **CONCEPTUAL FRAMEWORK OF FINANCIAL CAPABILITY**

The ability to make ends to meet , plan ahead , select and handle financial products , and have the know – how to make financial judgement are all indicators of financial capability (Lusardi, 2011).

Studies on financial literacy have employed a variety of interpretation, leading to a lack of standard definition. Financial literacy has been used interchangeably within terms such as debt literacy, financial empowerment, financial competence, financial knowledge, and economic literacy in a number of research. Major studies' definitions center on the abilities necessary to achieve such goals as well as the knowledge and capacity to make wise decisions in order to achieve a desired result, like lifetime financial security.

According to Center for Financial Inclusion “Financial capability is the combination of attitude, knowledge, skill, and self-efficacy needed to make and exercise money management decision that best fit the circumstances of one’s life within an enabling environment that includes, but is not limited to, access to appropriate financial services.”



## STATEMENT OF THE PROBLEM

The study aimed to explain the connection between financial attitude, financial wellbeing, financial literacy and financial skill of higher education teachers addressing specific questions.

1. What is the level of financial capability among college teachers?
2. What are the factors that are leading and hindering the financial decision?
3. How to higher education find out different investment avenues to make better financial planning?

## OBJECTIVES OF THE STUDY

1. To assess the level of financial capability among the collegiate level teachers.
2. To identifying the various factors that leading and hindering the financial decision.
3. To find out various investment avenues and planning of personal finance among the collegiate level of teachers.

## HYPOTHESIS

1. There is no significant relationship among selected variables of financial attitude among the collegiate level of teachers
2. There is no significant difference between different selected variable of investment decision among the collegiate level teachers

- There is no relationship between test value of items and the financial capability of collegiate level teachers.

## METHODOLOGY

The study used a quantitative descriptive approach to evaluate the financial capabilities of instructors in higher education. This approach was chosen because it aligns with evaluating the respondents' level of financial capacity, identifying the factors that influence and impede their financial decisions, and identifying the various investment paths they have chosen. Analyzing the variables of financial attitude, risk-taking ability, financial knowledge, and investment plan familiarity was made easier by descriptive design. This study included both primary and secondary data sources. One hundred respondents in the state of Kerala provided primary data via a Google Form. The Likert 5-point scale, percentage analysis, ranking scale, and student t-distribution test statistics were used to examine the data that was gathered utilizing the questionnaire approach.

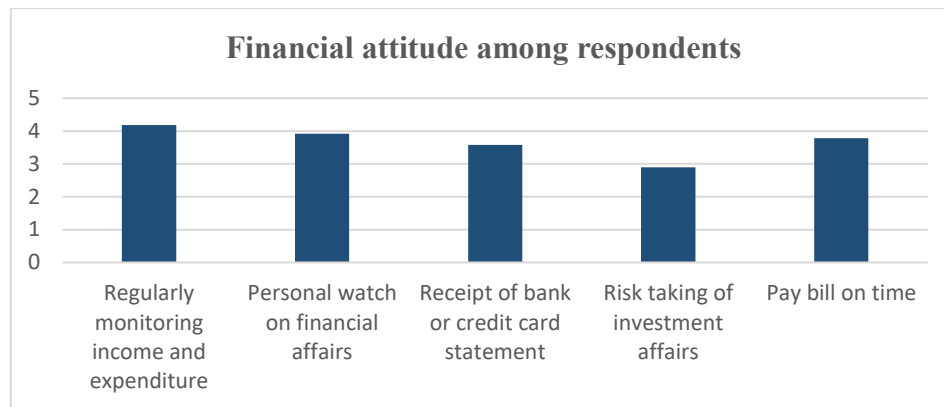
To get important information from the respondents, a structured questionnaire method through Google forms was used for this study. The financial capability measured among the collegiate level teachers in terms of financial attitude, risk taking ability of collegiate level teachers, familiarity with investment plans and level of financial knowledge among the college teachers.

Data from 60 respondents in the state of Kerala was gathered for this study. The convenience sampling method is used to choose the respondents. The study carried out in 2023. To measure financial attitude 5 statements are asked and data assessed by assigning a weight of five to strongly agree, four to agree, three to neutrally two to disagree and one to strongly disagree. To evaluate investment choices, risk-taking skills, and financial understanding using descriptive statistics such as percentage, frequency table, and ranking techniques. To assess the importance of a number of sub variable to the primary variable using the students t-distribution was applied using the SPSS program.

## DATA ANALYSIS AND INTERPRETATION

### Level of financial attitude among higher collegiate level teachers

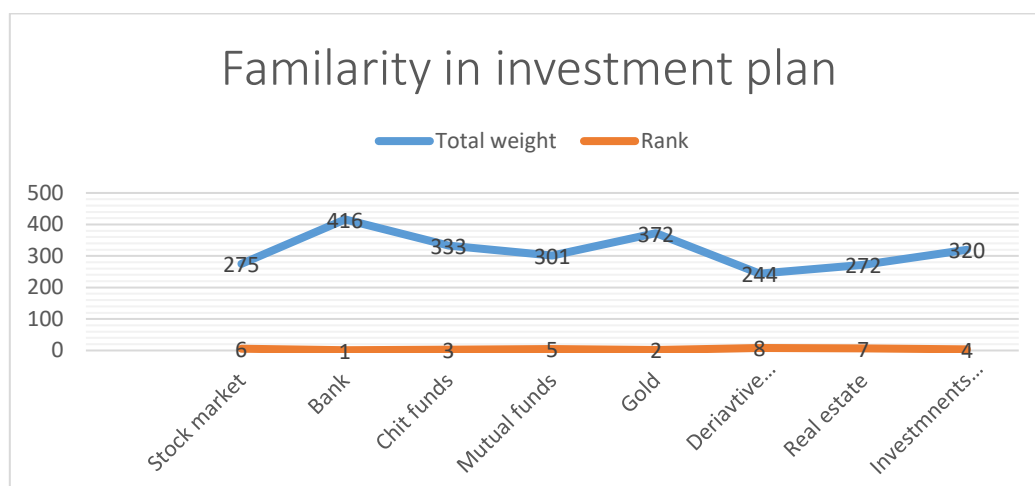
Particulars	SA	N	DA	SDA	Rating scale	Interpretation	Mean score
Regularly monitoring income and expenditure	21	8	4	0	4.183	Positive	3.67
Personal watch on financial affairs	24	19	1	0	3.917	Positive	
Receipt of bank or credit card statement	22	17	7	2	3.58	Positive	
Risk taking of investment affairs	14	22	16	5	2.9	Negative	
Pay bill on time	28	8	7	2	3.78	Positive	



The degree of financial attitude among instructors at the collegiate level is displayed in table 1. The entire mean score (3.67) is clearly higher than the average scale (3), according to the likert scale analysis. Since the mean score is more than 3 we can thus conclude that respondents have a favorable financial attitude.

## Familiarity in investment plan

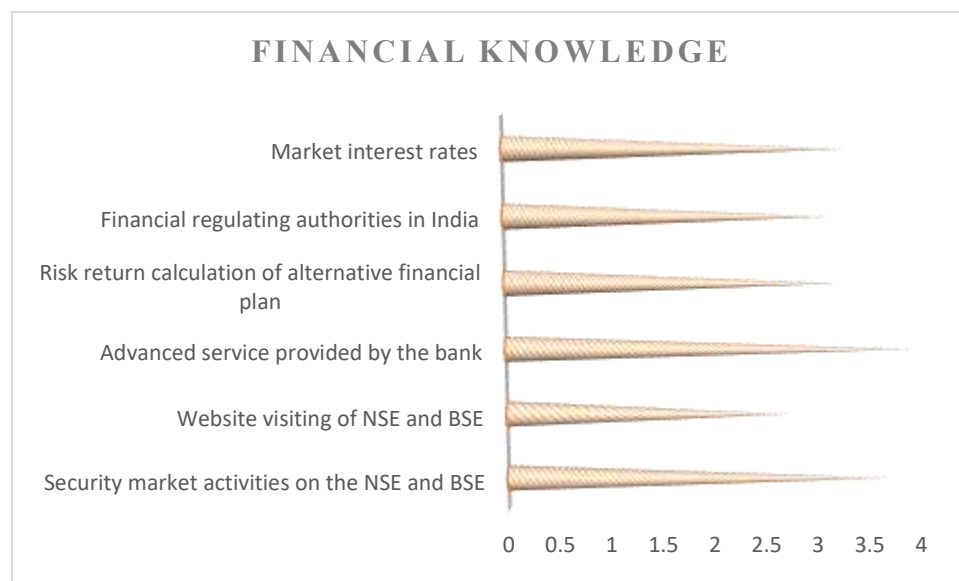
Particulars	Rank								Total weight	Rank
	1	2	3	4	5	6	7	8		
Stock market	6	7	18	2	3	9	6	9	275	6
Bank	34	11	7	1	1	4	2	0	416	1
Chit funds	8	13	18	6	3	5	6	1	333	3
Mutual funds	5	6	19	11	4	8	3	4	301	5
Gold	15	18	12	5	4	3	1	2	372	2
Derivative Market	3	6	13	5	6	8	8	11	244	8
Real estate	5	7	16	3	8	8	3	10	272	7
Investments in 80C	15	9	12	4	3	7	2	8	320	4



It is evident from looking at the chart and table that the respondents most familiar investment plans include banks and gold investments. Additionally the respondents do not favor real estate and derivative market investments. Still 80C investment is taken into account into account , the ranking would favor the fourth spot.

## Financial knowledge among collegiate level teachers

Particulars	SA	A	N	DA	SDA	Rating scale	Interpretation	Mean Score
Security market activities on the NSE and BSE	16	23	12	6	3	3.7167	Positive	3.302
Website visiting of NSE and BSE	4	7	29	9	11	2.7334	Negative	
Advanced service provided by the bank	24	16	13	3	4	3.8833	Positive	
Risk return calculation of alternative financial plan	8	24	10	6	12	3.1667	Positive	
Financial regulating authorities in India	7	19	16	8	10	3.0833	Positive	
Market interest rates	9	21	15	5	10	3.23	Positive	

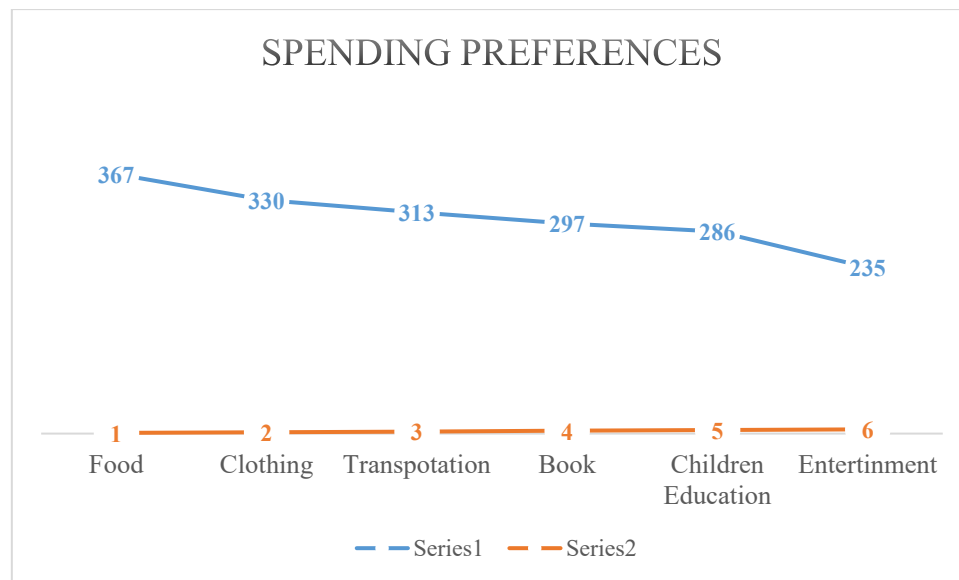


According to an assessment of respondent's financial knowledge, they possess a great deal of financial information. According to the Likert rating scale study, respondents total mean score for financial

knowledge was 30303, which is higher than the average score of 3. This suggest that college instructors have good financial knowledge.

## SPENDING PREFERENCES OF RESPONDENTS

Particulars	Rank							Total weight	rank
	1	2	3	4	5	6	6		
Food	31	14	10	3	1	0	1	367	1
Clothing	10	27	14	4	3	1	1	330	2
Transportation	11	17	19	6	2	4	1	313	3
Book	13	12	15	10	3	3	4	297	4
Children Education	14	8	16	5	10	3	4	286	5
Entertainment	4	16	12	7	8	10	3	235	6

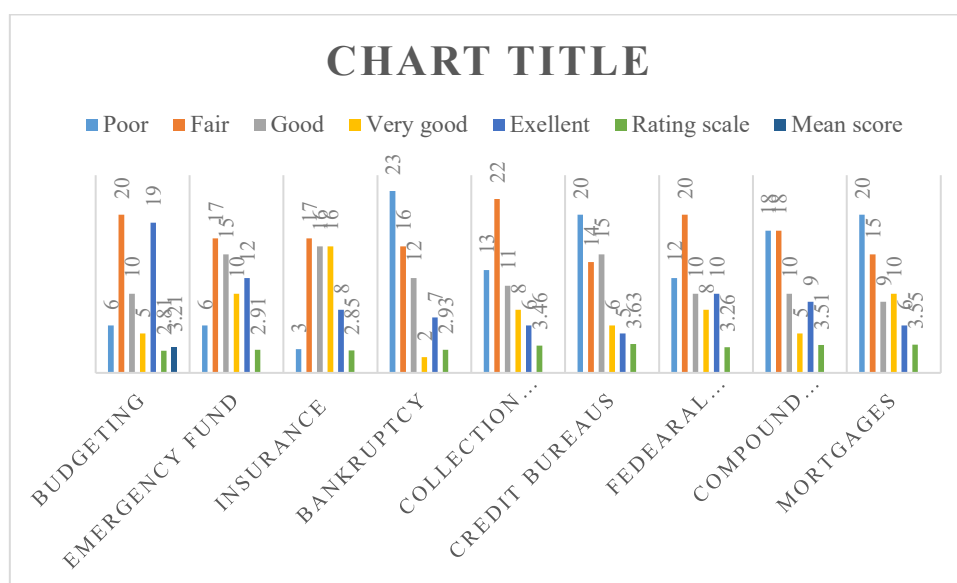


The majority of respondents use their financial resources to buy necessities, according to an evaluation of their spending preference. Books are the primary tool used by teachers, so it is evident from examining the teachers', responses that college instructors also spend a portion of their income on books. The entertainment was the least preferred by the respondents.

## KNOWLEDGE ABOUT VARIOUS TERMS OF FINANCE

Particulars	Poor	Fair	Good	Very good	Excellent	Rating scale	Mean score
Budgeting	6	20	10	5	19	2.81	3.21
Emergency fund	6	17	15	10	12	2.91	
Insurance	3	17	16	16	8	2.85	
Bankruptcy	23	16	12	2	7	2.93	

Collection practices	13	22	11	8	6	3.46
Credit bureaus	20	14	15	6	5	3.63
Federal income taxes	12	20	10	8	10	3.26
Compound interest	18	18	10	5	9	3.51
Mortgages	20	15	9	10	6	3.55



Based on the Likert scale analysis the teachers are much knowledge about various terms of finance that budgeting, bankruptcy, federal income tax, mortgages etc. because calculated mean score is higher than the average mean score.

## Student t-Distribution

H0: There is no significant relationship among selected variables of financial attitude among the collegiate level of teachers.

H1: There is significant relationship among selected variables of financial attitude among the collegiate level of teachers.

Items	mean	Std. Deviation	t-value	Significance (2 tail)	Reject /Accept
Monitoring income and expenditure	3.95	1.099	3.489	0.001	Reject
Personal watch on Financial affairs	3.86	0.863	3.28	0.001	Reject
Regular bank statement	3.43	0.857	-2.13	0.035	Reject



Risk in investment affairs	3.03	1.122	-5.531	0.001	Reject
Punctuality on payment	3.93	0.95	0	0.001	Reject

Analysis of the student t-distribution table reveals a favorable correlation between a few chosen variables, namely the improvement in the financial attitude of collegiate level teachers.

HO- There is no significant difference between different selected variable of investment decision among the collegiate level teachers.

H1- There is significant difference between different selected variable of investment decision

Items	mean	Std. Deviation	t-value	Significance (2 tail)	Reject /Accept
Food	2	1.25	-6.484	0.000	Reject
Clothing	2.43	1.15	-3.001	0.000	Reject
Transportation	2.71	1.088	-3.19	0.750	Accept
Book	3.03	1.159	2.772	0.006	Reject
Children Education	3.04	1.293	2.557	0.012	Reject
entertainment	3.28	1.182	5.034	0.000	Reject

Food, clothing, books, children's education, and entertainment all have a favorable correlation with college level teacher's investment decisions, according to the table analysis. The financial choice then demonstrates a negative correlation with transportation.

HO: There is no significant relationship between test value of items and the financial capability of collegiate level teachers.

H1-There is significant relationship between test value of items and the financial capability among collegiate level teachers.

Items	mean	Std. Deviation	t-value	Significance (2 tail)	Reject /Accept
Knowledge	3.62	0.758	2.553	0.012	Reject
Frequency of visit	2.62	1.132	7.971	0.000	Reject
Advance service	3.72	1.189	2.548	0.012	Reject
Risk and return	3.68	0.889	3.000	0.003	Reject
Regulation of Market	3.6	0.703	2.493	0.004	Reject

Market Interest rates	3.69	0.877	3.142	0.002	Reject
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The teacher's financial capability is positive, according to the analysis of student t- distribution. The instructors are sufficiently knowledgeable about finance to access the risk and return of investments and regularly monitor market interest rates. They are adept at providing progressive financial services.

## DISCUSSION

There are college –level teachers who have positive financial attitude on their financial matters, according to the study's finding on financial capability. Analyzing the variables of risk taking, bank statements, personal watch of finances, monitoring and on time billing reveals that instructors have a positive financial mindset. as usual the respondent's primary choices are banks and gold investments. Additionally, the study demonstrates that both scientific and art curriculum teachers possess strong financial literacy.

## LIMITATION

Furthermore, both government-paid collegiate teachers and non-government – paid teachers were the focused group of these study. As a result, there are significant income difference between the two classes. The research does not make a comparative study on financial attitude among these two classes

## SCOPE FOR FURTHER RESEARCH

More urgent research and ongoing advancements in the study of financial capabilities are required nowadays. There is a need for more research that compares and systematically examines the financial capacity of both governments paid teachers and private paid collegiate level teachers.

## CONCLUSION

The study's conclusion about the financial capabilities of college – level instructors are encouraging; they indicate a favorable correlation between their financial decision making and their educational background. The majority of educators are better at budgeting and allocating their financial resources. Financial planning is the most crucial component of financial competency. College instructors are more adept at creating financial plans so they can teach their pupils the essential skills for the nation's economic growth.

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