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Demographic Drivers Of Financial Knowledge And Behaviour: A Non-Parametric Analysis

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Abstract:

Despite having similar levels of education, income, and financial backgrounds, individuals often display notable differences in the financial assets they accumulate. This disparity can be attributed to varying attitudes toward financial management, which are shaped by a person's financial knowledge and behaviour. When individuals adopt sound financial behaviours—such as budgeting, saving, and investing—they are better equipped to achieve major life goals, including funding children's education, planning weddings, and securing retirement. Financial behaviour is influenced by several factors, including personal financial knowledge, family financial history, peer interactions around investments, and broader social influences. Demographic variables such as education level and gender may also impact an individual's financial knowledge and behaviour. This study examines the role of gender and education in shaping financial knowledge and behaviour using non-parametric statistical methods. Our findings suggest that education has a significant influence on financial knowledge, while gender does not exhibit a statistically significant effect. Furthermore, we observed that financial behaviour is strongly associated with the level of financial knowledge a person possesses.

Keywords: Financial Knowledge, Financial Behaviour, Demographic Variables, Financial Attitude

Introduction

In today's fast-changing financial world, people are expected to manage their money wisely—making smart decisions about saving, spending, borrowing, and investing. A growing number of studies have pointed to one key ingredient behind these decisions: financial knowledge. It's not just an academic idea—it directly influences how individuals handle everyday financial situations (Kamela & Sahid, 2021; Arofah, 2019). Understanding basic money concepts plays a big role in shaping behavior like budgeting, saving regularly, or staying out of unnecessary debt (Rai, Dua, & Yadav, 2019; Garg & Singh, 2018). Research shows that people who are well-informed financially tend to develop more thoughtful and forward-looking financial habits (Winanto, Najmudin, & Widiastuti, 2023; Swiecka et al., 2020). However, financial literacy doesn't exist in a vacuum. It's influenced by many personal and social factors such as education, gender, income level, confidence, and even family dynamics (Potrich, Vieira, & Kirch, 2015; Marinov, 2023; Mireku, Appiah, & Agana, 2023). In fact, several studies have shown that groups such as women, low-income earners, and individuals without higher education often experience lower levels of financial literacy (Karakurum-Ozdemir, Kokkizil, & Uysal, 2018; Anshika, Singla, & Mallik, 2021).

Beyond just knowledge, psychological aspects like attitude and confidence also shape financial behavior. While knowing how money works is important, too much confidence can lead people to make risky decisions, while too little may hold them back from taking advantage of opportunities (Aristei & Gallo, 2021; Riitsalu & Murakas, 2019). A number of studies also link financial literacy to broader benefits like personal well-being, financial satisfaction, and effective long-term planning (Obaid, Hama, & Yasir, 2023; Zulaihati, Susanti, & Widyastuti, 2020).

Even though research in this area is growing, most existing studies rely on traditional statistical methods and focus on specific groups. There's still a lack of empirical work that looks at how financial knowledge leads to financial behavior using non-parametric methods, especially in diverse and real-world settings. This study aims to fill that gap by taking a closer look at the direct relationship between what people know about money and how they actually behave financially.

Literature Review

In recent years, financial knowledge has been widely recognized as an important factor influencing individuals' ability to make sound financial decisions. It goes beyond understanding numbers—research consistently shows that financial literacy is closely tied to behaviors, attitudes, and personal experiences (Rai, Dua, & Yadav, 2019; Garg & Singh, 2018). Multiple studies agree that people who are more financially knowledgeable often show stronger habits around saving, budgeting, and investing (Kamela & Sahid, 2021). This link appears especially strong among students and working adults who apply what they know in everyday life, using their knowledge to set financial goals and make informed choices (Arofah, 2019).

Winanto, Najmudin, and Widiastuti (2023) found that university students with greater financial understanding displayed more responsible financial habits, such as planning ahead and managing spending. These actions were supported not just by knowledge, but also by positive financial attitudes and a belief in their ability to handle money. Similarly, Zulaihati, Susanti, and Widyastuti (2020) observed that students with high levels of both financial literacy and self-confidence tended to be more cautious with debt and more focused on saving and investing.

The role of education has drawn attention, as well. While formal education does contribute to financial awareness, it doesn't always lead to responsible behavior. In fact, practical experience can sometimes play a more decisive role than academic instruction (Marinov, 2023). Students who managed their own finances—regardless of their field of study—often demonstrated more disciplined behaviors than those who relied only on theoretical knowledge.

Demographics such as gender, age, and income also influence financial literacy. For instance, men often report higher confidence in financial matters, although actual knowledge levels may not differ as much (Potrich, Vieira, & Kirch, 2015). Younger people, especially those at the start of their careers or academic journeys, generally show lower financial literacy but are more adaptable to learning (Zaimovic et al., 2023). Interestingly, financial behavior is not always linked to income—many lower-income individuals with strong financial knowledge handle their money better than some high-income counterparts with limited understanding (Bahovec, Barbić, & Palić, 2015). Family influence and early exposure to financial topics also matter. When young people grow up in households where money is openly discussed and parents have a good educational background, they are more likely to develop healthy financial habits (Mireku, Appiah, & Agana, 2023). This suggests that personal environment and upbringing are just as important as formal education in shaping financial choices.

Psychological factors add another dimension. Overconfidence in one's financial skills can lead to risky decisions, while under confidence can limit opportunities for financial growth. Aristei and Gallo (2021) stress the importance of balancing knowledge with self-awareness for better outcomes. Globally, the need for inclusive and accessible financial education has become more urgent. Many people—especially women, youth, and those in disadvantaged communities—still face significant gaps in understanding basic financial concepts. Researchers suggest using digital tools and culturally appropriate education strategies to bridge these divides (Goyal & Kumar, 2020; Morgan & Trinh, 2019).

Taken together, the literature makes it clear that while financial knowledge lays the groundwork for responsible financial behavior, it works best in combination with personal confidence, real-life practice, and supportive environments. For financial education programs to be truly effective, they must go beyond teaching concepts—they need to build skills, shape attitudes, and reach people where they are.

Research gap

While numerous studies have explored the relationship between financial knowledge and financial behaviour, most have relied on parametric methods and focused primarily on students or working adults across various regions. However, there remains a noticeable gap in research applying non-parametric techniques to analyze this relationship, particularly within educational institutions and broader societal contexts. Although financial attitude

and self-efficacy have been studied extensively as influencers of financial behaviour, limited attention has been given to financial knowledge as a standalone and significant factor in shaping behaviour. This study seeks to address this gap by employing robust and adaptable non-parametric testing methods that better accommodate sample diversity and irregular data distributions, thereby providing deeper insights into how financial knowledge influences financial behaviour.

Objectives of the Study:

1. To evaluate the level of financial knowledge according to demographic factors among individuals.
2. To investigate the influence of demographic variables on financial knowledge.
3. To examine financial behaviour patterns and how demographic factors shape them.
4. To explore the relationship between financial knowledge and financial behaviour.

Research Methodology:

This empirical study draws on data collected from a random sample of 147 individuals residing in the Delhi-NCR region. The research framework is divided into three key segments:

In the first part participants' understanding of core financial concepts—such as mutual funds, inflation, compound interest, and distinctions between debit and credit cards—is evaluated through a structured questionnaire. Descriptive statistical methods are employed to analyze and interpret the overall level of financial literacy. Second section explores how demographic variables, including age, gender, and educational attainment, influence financial knowledge. To test the statistical significance of these variables, non-parametric tests such as the Mann–Whitney U test and the Kruskal–Wallis test are applied. At last, the financial behaviour is assessed based on demographic segmentation, with behavioural aspects measured using a Likert scale. The study also investigates the correlation between individuals' financial knowledge scores and their financial behaviour, offering insights into how knowledge may drive decision-making patterns.

Data Analysis and Discussion

descriptive analysis of financial knowledge based on sample survey

N	Valid	147
	Missing	0
Mean		4.60
Median		5.00
Mode		5
Std. Deviation		1.408
Skewness		-1.153
Std. Error of Skewness		.200
Kurtosis		.983
Std. Error of Kurtosis		.397
Minimum		0
Maximum		6
Sum		676

The descriptive statistical analysis suggests that the literacy levels are generally moderate, with a mean of 4.60 and a median of 5.00. The mode of 5 indicates that most individuals have a literacy level of 5. The negative skewness indicates that there are more individuals with higher literacy levels than lower ones. Kurtosis value 0.983 indicates a slightly platykurtic distribution i.e., flatter than a normal distribution. The moderate standard deviation suggests that there is some variability in literacy levels, but it is not extreme. Overall, the analysis provides a comprehensive understanding of the distribution and central tendency of literacy levels in the sample.

descriptive statistics based on gender

MALE		FEMALE	
Mean	4.71	Mean	4.5
Median	5	Median	5
Std. Deviation	1.37	Std. Deviation	1.44
Kurtosis	1.6	Kurtosis	0.71
Skewness	-1.4	Skewness	-1

Based on the analysis of financial literacy scores across genders, the findings reveal slight differences between male and female respondents in the Delhi-NCR sample. For males the average financial knowledge score was approximately 4.71 out of a maximum of 6. Their median score was 5.0, indicating that at least half of the male participants scored at the higher end of the scale. The relatively low standard deviation (1.37) suggests that most male respondents clustered around the average, and the negative skewness (-1.35) further indicates that a larger number of them scored above the mean. Additionally, the kurtosis value (1.604) implies a slightly sharper distribution with more values concentrated near the center and a few high outliers. For females the average score was slightly lower at 4.50, with the same median of 5.0. This points to similar central performance but with slightly more variation, as seen in the standard deviation (1.44). Like the male group, the distribution is also left-skewed (-1.019), meaning that many women performed well, though there was a slightly broader spread of scores. The kurtosis value of 0.711 indicates a less peaked distribution compared to males, suggesting a more even distribution of scores across the range. Both groups exhibited strong financial knowledge overall.

The normality tests (Kolmogorov–Smirnov and Shapiro–Wilk) examined p-values less than 0.001 for each gender group, indicating that the financial literacy scores do not follow a normal distribution. This statistical outcome supports the use of non-parametric methods, such as the Mann–Whitney U test, for comparing financial knowledge across gender groups in subsequent analysis.

Gender wise Financial Knowledge Test:

tests of normal distribution

LITERACY LEVEL	GENDER	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	Df	Sig.	Statistic	df	Sig.
LITERACY LEVEL	Male	.279	69	<.001	.817	69	<.001
	Female	.200	78	<.001	.866	78	<.001

Hypotheses

H₀: There is no significant difference in financial literacy levels between males and females.

H₁: There is a significant difference in financial literacy levels between males and females.

There is a significant difference in financial literacy levels between males and females.

mann whitney test

Mann-Whitney U	2438.000
Wilcoxon W	5519.000
Z	-1.018
Asymp. Sig. (2-tailed)	.309

Grouping Variable: GENDER

Since the data did not meet the assumptions required for parametric testing (normal distribution, equal variances), the Mann–Whitney U test was used to examine whether there is a statistically significant difference in financial literacy levels between male and female respondents.

Based on the results of the Mann–Whitney U test, there is no statistically significant difference in financial literacy levels between male and female respondents. Although the mean rank for males (77.67) was slightly higher than that for females (70.76), this difference was not

strong enough to be considered meaningful in statistical terms. The Mann–Whitney U test yielded a p-value of 0.309, which is well above the conventional threshold of 0.05. Therefore, we fail to reject the null hypothesis, indicating that gender does not play a significant role in determining financial literacy levels among the individuals sampled in this study. While the data suggests that males may exhibit marginally higher financial knowledge, the difference could be attributed to random variation rather than a true underlying effect.

education wise descriptive statistics

Up to 12th		Graduate		Post Graduate	
Mean	3.21	Mean	4.72	Mean	4.77
Median	3	Median	5	Median	5
Variance	3.104	Variance	2.071	Variance	1.348
Std. Deviation	1.762	Std. Deviation	1.439	Std. Deviation	1.161
Minimum	0	Minimum	0	Minimum	1
Maximum	6	Maximum	6	Maximum	6
Skewness	0.015	Skewness	-1.352	Skewness	-1.116
Kurtosis	-0.424	Kurtosis	1.616	Kurtosis	1.186

Participants with education up to 12th grade had the lowest average financial literacy score of 3.21, with a median of 3.00. The scores in this group were widely spread, as reflected by a high standard deviation (1.76) and a full range from 0 to 6. The distribution of their scores was roughly symmetrical, indicated by a near-zero skewness value (0.015), and fairly flat, as seen in the negative kurtosis (-0.424), suggesting varied responses without strong clustering. Among graduates, the mean financial literacy score increased to 4.72, with a median of 5.00. Their scores were more tightly grouped, as shown by a lower standard deviation (1.44) compared to the "up to 12th" group. The distribution was left-skewed (-1.352), suggesting that a larger portion of graduates scored on the higher end. The positive kurtosis value (1.616) implies a sharper peak in the distribution, with scores clustering more around the mean. For postgraduates, the highest mean score was observed at 4.77, again with a median of 5.00. This group also had the least variability in scores (standard deviation of 1.16), and their scores ranged only from 1 to 6. The distribution was similarly left-skewed (-1.116), indicating strong performance, and had a mild positive kurtosis (1.186), showing some concentration around the central values.

tests of normality

	Education	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
LITERACY LEVEL	up to 12	.120	14	.200*	.961	14	.745
	Graduate	.245	60	<.001	.817	60	<.001
	post graduate	.251	73	<.001	.843	73	<.001

Regarding the normality tests, the financial literacy scores of the "up to 12th grade" group followed a normal distribution, as both the Kolmogorov–Smirnov and Shapiro–Wilk tests returned non-significant p-values ($>.05$). In contrast, for both the graduate and postgraduate groups, the p-values were well below 0.001, indicating that their financial literacy scores significantly deviated from a normal distribution. Therefore, non-parametric tests should be used for comparing financial knowledge across these educational groups. The findings suggest a positive relationship between educational attainment and financial knowledge with postgraduates scoring the highest and individuals with education up to the 12th grade scoring the lowest.

Hypotheses

H_0 : There is no significant difference in financial literacy levels among individuals with different educational qualifications.

H_1 : At least one educational group differs significantly in financial literacy levels compared to others.

ranks kruskal wallis test			
	Education	N	Mean Rank
Financial Knowledge	Up to 12	14	39.57
	graduate	60	78.66
	post graduate	73	76.77
	Total	147	

Financial knowledge	
Kruskal-Wallis H	10.944
Df	2
Asymp. Sig.	.004

a. Kruskal Wallis Test

b. Grouping Variable: Education

Since the data did not meet the assumptions required for parametric testing—even after attempted transformations—the Kruskal–Wallis H test, a non-parametric alternative to one-way ANOVA, was applied to assess whether financial knowledge differ significantly across various education groups. The results yielded a Kruskal–Wallis H value of 10.944 with a p-value of 0.004. As the p-value is less than the conventional threshold of 0.05, we reject the null hypothesis. This indicates that education level has a statistically significant impact on financial knowledge among participants. In simpler terms, individuals' financial literacy scores differ meaningfully based on their level of education, with at least one group (such as postgraduates) showing a noticeable difference compared to others.

descriptive statistics of financial behaviour based on 5. likert scale

Mean		3.7879	0.04824
95% Confidence Interval for Mean	Lower Bound	3.6925	
	Upper Bound	3.8832	
Median		3.8182	
Variance		0.342	
Std. Deviation		0.58485	

Minimum	2	
Maximum	4.82	
Skewness	-0.546	0.2
Kurtosis	0.628	0.397

The descriptive statistics provide insights into respondents' financial behavior, measured using a 5-point Likert scale, where 5 represents "Strongly Agree" and 1 represents "Strongly Disagree." The mean score of 3.79 suggests that, on average, respondents lean toward agreement with statements related to financial habits, such as budgeting, saving consistently, and setting financial goals. The median score of 3.82 is close to the mean, indicating a balanced distribution of responses without extreme variations.

The standard deviation of 0.58 and variance of 0.342 show that while responses varied, most were clustered around the mean, suggesting a general consensus among respondents. The skewness of -0.546 suggests a slight left-skew, meaning that higher ratings (Agree and Strongly Agree) were more common than lower ones. This indicates a positive tendency toward good financial behavior. Additionally, the kurtosis of 0.628 suggests a slightly peaked distribution, meaning responses were somewhat concentrated rather than widely spread. The 95% confidence interval (3.69 to 3.88) confirms that the true mean would likely fall within this range if the survey were repeated, reinforcing the reliability of the findings. Overall, the analysis suggests that respondents generally exhibit positive financial behavior, with a tendency toward agreement on budgeting, saving, and goal-setting. While some variation exists, extreme disagreements are rare, and the data reflects a moderate to strong financial awareness among the surveyed individuals.

gender wise descriptive statistics of financial behaviour based on 5. likert scale

Male		statistics	Std.error	Female		statistics	Std.error
Mean		3.8801	0.07222	Mean		3.7063	0.06369
95% Confidence Interval for Mean	Lower Bound	3.736		95% Confidence Interval for Mean	Lower Bound	3.5795	
	Upper Bound	4.0242			95% Confidence Interval for Mean	Upper Bound	3.8331
Median		3.8182		Median		3.7727	
Variance		0.36		Variance		0.316	
Std. Deviation		0.59989		Std. Deviation		0.56249	
Skewness		-0.769	0.289	Skewness		-0.42	0.272
Kurtosis		1.435	0.57	Kurtosis		0.192	0.538

The gender-wise analysis of financial behavior shows that male respondents (mean = 3.88) tend to agree more with financial habits like budgeting, saving, and goal-setting compared to female respondents (mean = 3.71). Both groups exhibit positive financial behavior, but males lean slightly more toward agreement. The median scores (3.82 for males, 3.77 for females) indicate similar central tendencies, though male responses show slightly more variation (standard deviation: 0.60 for males, 0.56 for females).

Males also have a stronger left-skew (-0.769), meaning higher ratings (Agree/Strongly Agree) were more frequent, while females show a milder left-skew (-0.42) with more evenly spread responses. The 95% confidence interval (3.74 to 4.02 for males, 3.58 to 3.83 for females) confirms that men consistently scored higher. Overall, both genders demonstrate financial awareness, with males showing a slightly stronger tendency toward disciplined financial behavior.

		tests of normality					
		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Gender	Statistic	Df	Sig.	Statistic	Df	Sig.
mean	Male	.140	69	.002	.917	69	<.001
	Female	.104	78	.035	.980	78	.262

The normality tests assess whether financial behavior scores for males and females follow a normal distribution. For males, both Kolmogorov-Smirnov ($p = 0.002$) and Shapiro-Wilk ($p < 0.001$) indicate significant deviation from normality, suggesting skewed responses or outliers. For females, the KS test ($p = 0.035$) suggests slight deviation, but the Shapiro-Wilk test ($p = 0.262$) confirms normality, meaning female responses are more evenly distributed. Overall, male financial behavior scores show greater variability, while female responses are more consistent and closer to a normal distribution. The normality tests indicate that male financial behavior scores are not normally distributed. In contrast, female scores are approximately normal meaning their responses are more evenly spread.

Since male data is not normally distributed, a non-parametric test like the Mann-Whitney U test would be more appropriate to compare the mean financial behavior scores between genders. If both groups were normally distributed, a parametric test like the Independent Samples t-test could be used. However, given the non-normality in male responses, a non-parametric approach is recommended for assessing the significance of mean differences.

Hypothesis

H₀: There is no significant difference in the financial behavior scores between male and female respondents.

H₁: There is a significant difference in the financial behavior scores between male and female respondents.

test statistics: mann whitney u

	Mean
Mann-Whitney U	2238.500
Wilcoxon W	5319.500
Z	-1.761
Asymp. Sig. (2-tailed)	.078

a. Grouping Variable: Gender

Since the p-value (0.078) is greater than 0.05, we fail to reject the null hypothesis (H₀). This means that the observed difference in financial behavior scores (males: 3.88, females: 3.71) is not statistically significant. While males scored slightly higher, the difference could be due to chance rather than a meaningful gender-based variation. The analysis suggests that both genders exhibit similar financial behavior, and there is no statistically significant difference between male and female respondents in terms of budgeting, saving, and financial goal-setting.

qualification wise descriptive statistics of financial behavior based on 5. likert scale

Up to 12			value	Std. Error	Graduate			Statistic	Std. Error	Post Graduate	value	Std. Error
	Mean	3.507	0.2039		Mean	3.7439	0.07882			Mean	3.8775	0.06
95% Confidence Interval for Mean	Lower Bound	3.066		95% Confidence Interval for Mean	Lower Bound	3.5862		95% Confidence Interval for Mean	Lower Bound	3.7574		
	Upper Bound	3.947			Upper Bound	3.9017			Upper Bound	3.9977		

Median	3.59 1		Median	3.8182		Median	3.909 1	
Variance	0.58 2		Variance	0.373		Variance	0.261	
Std. Deviation	0.76 3		Std. Deviation	0.6105		Std. Deviation	0.511 3	
Skewness	-.007 0.597		Skewness	-0.627 0.309		Skewness	-.0291 0.283	
Kurtosis	0.27 7	1.154	Kurtosis	0.819 0.608		Kurtosis	-.0007 0.559	

The qualification-wise analysis of financial behavior shows that higher education levels correlate with better financial habits like budgeting, saving, and goal-setting. Postgraduates (mean = 3.88) exhibit the strongest financial discipline, followed by graduates (mean = 3.74), while respondents with education up to 12th grade (mean = 3.51) show comparatively weaker financial behavior.

Variation decreases with higher education, as postgraduates (SD = 0.51) have more consistent responses, while those up to 12th grade (SD = 0.76) show greater variability. Skewness values indicate that graduates (-0.627) lean most toward agreement, while postgraduates (-0.291) are more balanced, and less-educated respondents (-0.073) have mixed responses. The 95% confidence interval confirms that postgraduates (3.76–3.99) consistently score higher, suggesting that financial discipline improves with education, with postgraduates demonstrating the most stable and positive financial behavior.

tests of normality							
Qualification		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
mean	upto 12	.156	14	.200*	.968	14	.842
	Graduate	.115	60	.047	.957	60	.032
	post graduate	.093	72	.200*	.962	72	.030

The normality tests show that financial behavior scores for graduates ($p = 0.047$, 0.032) and postgraduates ($p = 0.200$, 0.030) deviate from normality, while responses from those up to 12th grade ($p = 0.200$, 0.842) follow a normal distribution. Since graduate and postgraduate data are not fully normal, a non-parametric test (Kruskal-Wallis) is recommended to compare financial behavior across education levels instead of a parametric test (ANOVA)

Hypothesis:

H_0 : There is no significant difference in financial behavior across different education levels.

H_1 : There is a significant difference in financial behavior based on education level.

non-parametric test:

kruskal wallis h

	Mean
Kruskal-Wallis H	4.538
Df	2
Asymp. Sig.	.103

a. Kruskal Wallis Test

b. Grouping Variable:
Qualification

Since the data was not normally distributed, the Kruskal-Wallis test was used to compare financial behavior across education levels. The test result shows a Kruskal-Wallis H value of 4.538, with $df = 2$ and a p-value of 0.103. Since the p-value (0.103) is greater than 0.05, we fail to reject the null hypothesis (H_0). This means that while postgraduates (mean = 3.88) scored higher than graduates (mean = 3.74) and those up to 12th grade (mean = 3.51), the difference is not statistically significant. The variation in financial behavior across education levels could be due to chance rather than a meaningful distinction. Although higher education levels show a trend toward better

financial behavior, the difference is not statistically significant. This suggests that financial habits like budgeting, saving, and goal-setting do not vary significantly based on education level in this dataset.

Correlations test between financial knowledge and financial behavior

Hypothesis:

H₀: There is no significant correlation between financial knowledge and financial behavior.

H₁: There is a significant correlation between financial knowledge and financial behavior.

			Fin behaviour	Financial knowledge score
Kendall's tau_b	fin behaviour	Correlation Coefficient	1.000	.226**
		Sig. (2-tailed)	.	<.001
		N	147	147
	Financial knowledge score	Correlation Coefficient	.226**	1.000
		Sig. (2-tailed)	<.001	.
		N	147	147
Spearman's rho	fin behaviour	Correlation Coefficient	1.000	.285**
		Sig. (2-tailed)	.	<.001
		N	147	147
	Financial knowledge Score	Correlation Coefficient	.285**	1.000
		Sig. (2-tailed)	<.001	.
		N	147	147

**. Correlation is significant at the 0.01 level (2-tailed).



Since the data was not normally distributed, non-parametric correlation tests (Kendall's tau-b and Spearman's rho) were used to examine the relationship between financial knowledge and financial behavior. The results show a positive correlation, with Kendall's tau-b (0.226, $p < 0.001$) and Spearman's rho (0.285, $p < 0.001$), indicating that individuals with higher financial knowledge tend to exhibit better financial habits, such as budgeting, saving, and goal-setting. Since the p-values are statistically significant (< 0.001), the relationship is not due to chance. Given this, we reject the null hypothesis (H_0) and accept the alternate hypothesis (H_1), confirming that financial literacy plays a meaningful role in shaping financial behavior.

Result: Most people in the study from the Delhi-NCR area had a decent understanding of financial topics, with many scoring near the top of the scale. When looking at gender, men did a bit better than women in terms of financial knowledge, but the difference wasn't big enough to say one group truly outperformed the other. However, education clearly made a difference—people with higher education levels, especially postgraduates, tended to understand financial concepts better, and this difference was confirmed to be meaningful through statistical testing.

When it came to financial behavior—like budgeting, saving, and setting financial goals—both men and women showed positive habits, with men again scoring a little higher. Still, just like with knowledge, the gender difference here wasn't strong enough to be considered significant. Education also showed a pattern: those with more education practiced better money habits, but the variation across education levels wasn't strong enough to say it wasn't just by chance.

The most important finding was that people who knew more about finances also tended to behave more responsibly with their money. This connection between financial knowledge and financial behavior was statistically strong, meaning it likely exists in the real world—not just in this small sample.

Conclusion

To sum it up, this study found that knowing more about finances really does help people manage their money more responsibly. While factors like gender didn't show much effect, education clearly influenced how much people knew about financial matters. Even though financial behavior didn't differ much by gender or education level, it was closely tied to how financially knowledgeable someone was. These results suggest that boosting people's understanding of financial concepts can make a real difference in how they handle their money in everyday life.

Although this study offers valuable insights into how financial knowledge affects behavior, it does have a few limitations. Since the data was collected only from a sample in the Delhi-NCR region, the results might not reflect financial trends across the wider population. Also, because participants self-reported their knowledge and behavior, their responses may be influenced by personal biases or inaccurate self-assessment. The study also focuses on select variables, so other factors—like income, occupation, or access to digital banking tools—might also play a role but weren't deeply explored. To strengthen financial literacy and encourage responsible habits, financial education should start early, ideally in schools, and focus on real-life skills like budgeting, goal-setting, and responsible use of credit. Learning tools should be practical, offered in local languages, and accessible both in-person and online. Community-level workshops and mobile apps can make financial knowledge easier to understand and apply in daily life. On the policy front, there's a need for stronger efforts to make financial education universal. This could include mandatory financial literacy classes in schools and colleges, media campaigns to build public awareness, and partnerships with banks and fintech platforms to deliver user-friendly learning content. Programs should also be tailored to reach women, young people, and underserved communities to make financial inclusion more equitable and impactful.

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