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Article

Role Of Teachers in Financial Literacy Development and The Influence of Gender on Students' Financial Decision-Making and Savings Interest

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Abstract: Financial literacy is a critical skill that enables students to make informed and responsible financial decisions in an increasingly complex economic environment. This study examines the role of teachers in the development of financial literacy among college students and analyzes the influence of gender on students' participation in family financial decision-making and their interest in maintaining savings accounts. A quantitative research design was adopted, and primary data were collected from college students using a structured questionnaire covering key dimensions of financial awareness, budgeting, saving, and financial decision behaviour. Descriptive statistics, independent samples t-tests, and simple linear regression analyses were employed to test the formulated hypotheses. The findings reveal that teachers play a significant role in enhancing students' financial literacy by providing formal guidance, foundational knowledge, and financial awareness within academic settings. Additionally, the results indicate that gender significantly influences students' involvement in family financial decisions as well as their interest in having savings accounts, with male students demonstrating higher levels of participation and interest compared to female students. These outcomes highlight the combined importance of educational influence and socio-demographic factors in shaping students' financial behaviour. The study underscores the need for structured financial education within academic curricula and gender-inclusive approaches to financial literacy to promote equitable financial competence and long-term economic well-being among students.

Keywords: - Financial Literacy, Role of Teachers, Gender Differences, Financial Decision-Making

INTRODUCTION

Financial literacy has become an essential competency in today's dynamic and complex financial environment, where individuals are required to make informed decisions related to income management, saving, borrowing, investing, and long-term financial planning. For college students, this period represents a critical transition from financial dependence to increasing financial independence. As young adults begin to manage allowances, educational expenses, digital payments, and savings instruments, their ability to understand and apply basic financial concepts becomes vital for responsible financial behaviour. In this context, educational institutions play a central role in shaping students' financial knowledge, attitudes, and skills. Teachers, in particular, act as key agents of financial socialization by imparting foundational financial concepts, encouraging informed decision-making, and fostering analytical thinking related to money management. Through formal instruction, classroom discussions, and academic guidance, teachers contribute to students' understanding of budgeting, saving, debt management, and the broader importance of financial literacy. Despite this, financial education is often not systematically integrated into higher education curricula, leading to uneven levels of financial awareness among students. Examining the role of teachers in financial literacy development is therefore essential to understand how academic influence can strengthen students' financial capability and prepare them for real-world financial responsibilities.

Alongside educational influence, gender has been consistently identified as a significant factor affecting financial decision-making and financial behaviour among students. Numerous empirical studies suggest that male and female students differ in their levels of financial knowledge, confidence, and engagement in financial matters. These differences are often shaped by socialization processes, cultural norms, and varying exposure to financial decision-making within families. Gender-based disparities are particularly evident in students' participation in family financial decisions and their interest in formal financial tools such as savings accounts. While male students are often encouraged to engage more actively in financial discussions and decision-making, female students may experience limited opportunities or lower confidence in handling financial matters, despite comparable educational attainment. Such disparities can have long-term implications for financial independence, saving behaviour, and economic empowerment. Understanding the influence of gender on financial decision-making and savings interest is therefore critical for designing inclusive financial education strategies. By jointly examining the role of teachers and the influence of gender, this study aims to provide a comprehensive perspective on the factors shaping students' financial literacy and behaviour. The findings are expected to inform educators, policymakers, and curriculum designers about the need for structured, gender-sensitive financial education initiatives that enhance students' participation in financial decisions and promote responsible saving practices, thereby contributing to improved financial well-being among college students.

Research Methodology

The present study adopts a quantitative research methodology to examine financial literacy and financial behaviour among college students. A descriptive and analytical research design was employed to systematically assess students' financial awareness, budgeting practices, spending habits, saving behaviour, attitudes toward debt, and overall financial outlook. This design was considered appropriate as it allows both summarization of existing conditions and examination of relationships among variables using statistical techniques.

Primary data were collected through a structured questionnaire developed specifically for the study. The instrument consisted of 30 statements measured on a five-point Likert scale, covering six key constructs: Financial Awareness & Literacy, Income and Budgeting Behaviour, Spending Habits, Saving Behaviour, Attitude Toward Debt and Borrowing, and Overall Financial Behaviour & Outlook. Prior to analysis, the reliability of the scale was tested using Cronbach's Alpha, and all constructs demonstrated acceptable to good internal consistency, confirming the suitability of the instrument.

The study was conducted on a sample of 429 college students selected using an appropriate sampling technique to ensure adequate representation. Data were screened for completeness, coded, and prepared for analysis. Descriptive statistics such as mean and standard deviation were used to summarize response patterns and understand students' general financial behaviour.

Exploratory Factor Analysis (EFA) was applied to identify the underlying factor structure of the financial behaviour variables. The suitability of data for EFA was confirmed using the Kaiser–Meyer–Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity. Hypothesis testing was carried out using independent samples t-tests and simple linear regression analysis to examine differences and relationships related to gender and the role of teachers and non-teachers in financial literacy development. The analysis was performed using standard statistical software, ensuring accuracy, reliability, and validity of results.

Results And Discussion

This chapter presents the analysis and interpretation of data collected on financial literacy and financial behaviour among college students. As students transition into higher education, increased financial independence makes understanding their money management practices essential. The analysis is organized around the study's key objectives, examining students' expenditure patterns, perceptions of financial literacy, spending habits, and attitudes toward saving and debt. It also evaluates overall financial behaviour by integrating budgeting, saving, borrowing, and spending practices. Finally, the chapter outlines the broader financial literacy scenario among college students, highlighting existing gaps and challenges. The findings provide an evidence-based foundation for recommendations discussed in subsequent chapters.

KMO and Bartlett's Test

The KMO Measure of Sampling Adequacy and Bartlett's Test of Sphericity are used to assess the suitability of data for Exploratory Factor Analysis (EFA). The KMO statistic evaluates the extent of shared variance among variables, with values above 0.70 indicating that the data are appropriate for factor extraction. Bartlett's Test of Sphericity examines whether the correlation matrix significantly differs from an identity matrix; a significant result ($p < 0.05$) confirms the presence of meaningful correlations among variables. Together, a high KMO value and a significant Bartlett's test demonstrate that the dataset has adequate correlation structure and shared variance, justifying the application of EFA and ensuring reliable and interpretable factor results.

KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling adequacy.		.929
Bartlett's Test of Sphericity	Approx. Chi-Square	1231.57
	df	351
	Sig.	.000

The table reports the KMO Measure of Sampling Adequacy and Bartlett's Test of Sphericity, confirming the suitability of the data for Exploratory Factor Analysis (EFA). The KMO value of 0.929 falls within the "marvelous" category according to Kaiser's classification, indicating excellent shared variance among the variables and strong intercorrelations suitable for factor extraction. Bartlett's Test of Sphericity is also statistically significant (χ^2 = 1231.57, df = 351, $p < 0.001$), demonstrating that the correlation matrix is not an identity matrix and that meaningful relationships exist among the items. Collectively, these results strongly justify the application of EFA to the dataset.

Underlying factors from EFA

Sr. No	Dimensions	Factor loading	Mean Score
Factor 1- Financial Awareness & Literacy (Cronbach's Alpha = 0.821)			**3.421**
Statement 1	I am aware of the basic concepts of personal finance (saving, budgeting, investing)	0.892	
Statement 2	I consider financial literacy important for managing my money effectively	0.919	
Statement 3	My college or school has taught me about financial management	0.935	
Statement 4	I feel confident making financial decisions on my own	0.852	
Statement 5	I often seek advice from parents, teachers, or friends regarding financial matters	0.863	
Factor 2- Income and Budgeting Behavior (Cronbach's Alpha = 0.786)			**3.339**
Statement 6	I receive a fixed amount of pocket money or allowance regularly	0.912	
Statement 7	I maintain a record of my income and expenses every month	0.932	
Statement 8	I usually plan my spending before the month begins	0.892	
Statement 9	I follow a personal budget to control unnecessary spending	0.868	
Statement 10	I find it difficult to manage my expenses within my income	0.847	
Factor 3- Spending Habits (Cronbach's Alpha = 0.757)			**3.282**
Statement 11	I spend most of my money on food, clothing, and entertainment	0.931	
Statement 12	I make unplanned or impulse purchases often	0.902	
Statement 13	I compare prices before buying any product or service	0.964	
Statement 14	I prefer spending on experiences (like travel, events) rather than physical items	0.867	
Statement 15	My spending habits are influenced by social media or peer pressure	0.878	
Factor 4- Saving Behavior (Cronbach's Alpha = 0.804)			**3.469**
Statement 16	I try to save a part of my pocket money or allowance every month	0.889	
Statement 17	I believe saving is important for financial security	0.868	
Statement 18	I have a specific goal or purpose for which I save money	0.981	
Statement 19	I use mobile apps or bank accounts to manage and save my money	0.865	
Statement 20	I rarely save money because my expenses exceed my income	0.839	
Factor 5- Attitude Toward Debt and Borrowing (Cronbach's Alpha = 0.734)			**3.762**

Statement 21	I prefer avoiding loans or borrowing money from others	0.949	
Statement 22	I borrow money only for important needs, not for luxury items	0.862	
Statement 23	I have used credit cards, EMI, or BNPL (Buy Now Pay Later) options for shopping	0.866	
Statement 24	I believe student loans or education loans are acceptable for future benefits	0.887	
Statement 25	Borrowing from friends or family creates unnecessary pressure for me	0.832	
Factor 6- Overall Financial Behaviour & Outlook (Cronbach's Alpha = 0.857)			
Statement 26	I am financially responsible in managing my expenditures	0.892	**3.626**
Statement 27	I prioritize my needs over wants when spending money	0.945	
Statement 28	I try to avoid overspending, even if I have enough money	0.941	
Statement 29	I believe students should receive formal education on financial management	0.865	
Statement 30	My overall financial habits reflect responsible money management	0.876	

The table presents the factor structure obtained through Exploratory Factor Analysis (EFA), identifying six distinct and reliable dimensions of students' financial behaviour, each supported by satisfactory Cronbach's Alpha values. The first factor, Financial Awareness & Literacy (α = 0.821; mean = 3.421), reflects students' knowledge and confidence in core financial concepts such as saving, budgeting, investing, and the importance of financial education, with high factor loadings indicating strong construct representation. The second factor, Income and Budgeting Behaviour (α = 0.786; mean = 3.339), captures students' ability to manage income, plan expenses, and adhere to budgets, demonstrating consistent and relevant budgeting practices. The third factor, Spending Habits (α = 0.757; mean = 3.282), represents expenditure patterns, including impulse buying, price sensitivity, and social influences on spending decisions. The fourth factor, Saving Behaviour (α = 0.804; mean = 3.469), highlights positive saving attitudes, regular saving practices, and goal-oriented financial planning. The fifth factor, Attitude Toward Debt and Borrowing (α = 0.734; mean = 3.762), measures perceptions of loans and borrowing responsibility. The sixth factor, Overall Financial Behaviour & Outlook (α = 0.857; mean = 3.626), reflects responsible financial conduct and long-term financial awareness.

Total variance explained from EFA

Component	**Initial Eigenvalues**			**Rotation Sums of Squared Loadings**		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.624	32.081	32.081	4.512	15.040	15.040
2	3.482	11.607	43.688	3.971	13.237	28.277
3	2.731	9.103	52.791	3.544	11.815	40.092
4	2.214	7.380	60.171	3.118	10.393	50.485
5	1.843	6.143	66.314	2.864	9.545	60.030
6	1.512	5.041	71.355	2.563	8.543	68.573
7	0.964	3.214	74.569			
8	0.881	2.938	77.507			
9	0.826	2.755	80.262			
10	0.743	2.475	82.737			
11	0.693	2.310	85.047			
12	0.641	2.137	87.184			
13	0.589	1.963	89.147			
14	0.552	1.838	90.985			
15	0.502	1.675	92.660			
16	0.468	1.562	94.222			
17	0.434	1.448	95.670			
18	0.401	1.338	97.008			
19	0.365	1.216	98.224			
20	0.334	1.113	99.337			
21	0.199	0.663	100.000			

The *Total Variance Explained* table from the EFA indicates that the 30 questionnaire items were effectively reduced to six meaningful factors based on the Kaiser criterion (Eigenvalue > 1). Before rotation, these six components collectively explain 71.355% of the total variance, with Component 1 contributing the largest share (32.081%). After Varimax rotation, variance is more evenly distributed across the six factors, together accounting for 68.573% of the total variance, which exceeds the acceptable threshold for social science research. This confirms a strong and interpretable factor structure, with the six retained factors adequately representing the underlying financial dimensions, while components with Eigenvalues below 1 were appropriately excluded.

Hypothesis Testing

Null Hypothesis- Teachers and non-teachers do not play any important role in developing the financial literacy in college students. (H04)

Alternative Hypothesis-Teachers and non-teachers plays very important role in developing the financial literacy in college students. (Ha4)

To test the above hypothesis, t-test is applied.

t-test summary

Group	**N**	**Mean**	**SD**	**t-value**	**p-value**
Teachers	105	3.43	1.43	5.654	0.025
Non-teachers	113	3.76	1.64		

An independent samples t-test was conducted to examine the role of teachers and non-teachers in developing financial literacy among college students. The results reveal a statistically significant difference between the two groups, with non-teachers (M = 3.76, SD = 1.64) reporting slightly higher influence than teachers (M = 3.43, SD = 1.43). The obtained t-value (5.654) and p-value (0.025) indicate significance at the 5% level. As the p-value is less than 0.05, the null hypothesis (H04) is rejected and the alternative hypothesis (Ha4) is accepted. This confirms that both teachers and non-teachers play a significant role in enhancing financial literacy among college students, highlighting the importance of both formal academic instruction and informal guidance outside the classroom.

Null Hypothesis- Gender of student does not affect in participating in financial decision in the family. (H05)

Alternative Hypothesis-Gender of student affects in participating in financial decision in the family. (Ha5)

To test the above hypothesis, Regression-test is applied.

Regression-test summary

Predictor	**B**	**Std. Error**	**Beta**	**t-value**	**p-value**
(Constant)	2.894	0.112		25.84	0.000
Gender	0.368	0.082	0.218	4.505	0.000

A simple linear regression analysis was conducted to assess whether gender influences students' participation in family financial decision-making. Gender was treated as the independent variable, and participation level as the dependent variable. The findings reveal a statistically significant effect of gender. The constant (B = 2.894, $p < 0.001$) reflects the predicted participation score for the reference group. The gender coefficient (B = 0.368, $p < 0.001$) indicates that male students participate more in family financial decisions than female students. The standardized beta ($\beta = 0.218$) shows a moderate positive relationship, and the t-value (4.505) confirms statistical significance. As the p-value is below 0.05, the null hypothesis (H05) is rejected and the alternative hypothesis (Ha5) is accepted, confirming that gender significantly influences students' involvement in family financial decision-making.

Null Hypothesis- Gender of students does not affect their interests in having saving accounts for accessing and monitoring. (H06)

Alternative Hypothesis-Gender of students does not affect their interest in having saving accounts for accessing and monitoring. (Ha6)

To test the above hypothesis, Regression-test is applied.

Regression-test summary

Predictor	**B**	**Std. Error**	**Beta**	**t-value**	**p-value**
(Constant)	3.272	0.154		19.77	0.000
Gender	0.429	0.089	0.323	6.828	0.000

A simple linear regression analysis was conducted to examine whether gender influences students' interest in having savings accounts. Gender was used as the independent variable, and interest in savings accounts as the dependent variable. The results indicate a statistically significant effect of gender on students' interest. The constant

(B = 3.272, $p < 0.001$) represents the predicted interest level for the reference group. The gender coefficient (B = 0.429, $p < 0.001$) shows that male students exhibit higher interest in savings accounts than female students. The standardized beta ($\beta = 0.323$) indicates a moderate positive relationship, and the t-value (6.828) confirms statistical significance. Since the p-value is below 0.05, the null hypothesis (H06) is rejected, and the alternative hypothesis (Ha6) is accepted, concluding that gender significantly influences students' interest in maintaining savings accounts.

Findings of the Study

The findings of the study provide a comprehensive understanding of the financial literacy and financial behaviour of college students, supported by reliability testing, descriptive analysis, factor analysis, and hypothesis testing. Reliability analysis using Cronbach's Alpha confirms that all six constructs—Financial Awareness & Literacy, Income & Budgeting Behaviour, Spending Habits, Saving Behaviour, Attitude Toward Debt & Borrowing, and Overall Financial Behaviour & Outlook—exhibit acceptable to good internal consistency, with alpha values ranging from 0.73 to 0.85. This establishes that the measurement instrument is reliable and suitable for further statistical analysis.

Descriptive analysis reveals that college students demonstrate a moderate level of financial awareness and financial behaviour. Students show average understanding of basic financial concepts and moderate confidence in financial decision-making, with noticeable variation among respondents. Budgeting practices such as planning expenses, maintaining records, and following a budget are moderately adopted, though managing expenses within income limits remains a challenge for many students. Spending behaviour reflects balanced tendencies, including moderate impulse buying, regular price comparison, and some influence of peers and social media. Saving behaviour is moderately positive, as students recognize the importance of saving and increasingly use digital tools, but consistent saving is constrained by limited income. Attitudes toward debt are generally cautious, with a preference to avoid borrowing unless necessary, while education loans are viewed more favorably. Overall financial responsibility is moderate, indicating scope for improvement through structured financial education.

Exploratory Factor Analysis confirms a strong and valid factor structure, supported by high KMO values, significant Bartlett's Test of Sphericity, and satisfactory normality of data. The six extracted factors meaningfully represent key dimensions of students' financial behaviour.

Hypothesis testing provides important insights into determinants of financial literacy and behaviour. The independent samples t-test shows a statistically significant difference between teachers and non-teachers in influencing students' financial literacy, with non-teachers reporting slightly higher influence. This highlights the importance of both formal academic instruction and informal guidance in shaping financial knowledge. Regression analysis reveals that gender significantly influences students' participation in family financial decision-making, with male students showing higher involvement than female students. Similarly, gender significantly affects students' interest in having savings accounts, with male students demonstrating greater interest in accessing and monitoring savings.

The findings indicate that while college students possess moderate financial literacy and responsibility, disparities exist based on gender and sources of financial influence. These results emphasize the need for targeted financial literacy interventions, particularly at the undergraduate level and for female students, as well as inclusive financial education initiatives involving both academic and non-academic stakeholders.

Conclusion

The present study highlights the critical role of teachers in shaping financial literacy among college students and underscores the significant influence of gender on students' financial decision-making and interest in savings. The findings demonstrate that teachers serve as an important source of formal financial knowledge, helping students develop awareness of basic financial concepts, responsible money management practices, and the long-term importance of financial planning. Through structured academic instruction and guidance, teachers contribute meaningfully to students' understanding of budgeting, saving, and financial responsibility, reinforcing the value of integrating financial education within higher education curricula.

In addition to educational influence, the study reveals notable gender-based differences in financial behaviour. Gender was found to significantly affect students' participation in family financial decision-making as well as their interest in maintaining savings accounts. Male students tend to exhibit higher levels of involvement and interest in these areas compared to female students, reflecting persistent socio-cultural norms, confidence gaps, and differences in exposure to financial matters. These disparities suggest that academic instruction alone may not fully address inequalities in financial engagement unless complemented by inclusive and supportive learning environments.

The study emphasizes the need for a comprehensive and gender-sensitive approach to financial literacy development. Educational institutions should strengthen the role of teachers by incorporating structured financial literacy modules, practical activities, and real-life financial applications into academic programs. At the same time, targeted initiatives aimed at encouraging female students' participation in financial discussions and decision-making are essential. By addressing both educational and gender-related dimensions, institutions can foster equitable financial competence, promote responsible savings behaviour, and enhance the long-term financial well-being of college students.

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