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Influence of Demographics on Financial Literacy among Millennials: An Empirical Analysis

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ABSTRACT

This study is focused on measuring the financial literacy of millennial in Indonesia and determine the effect of socio-demographic variables which are gender, age, marital status, education, income level, occupation, and religion to their financial literacy. Apart from that, it applies financial management behavior scale to assess subjects' financial behavior. 176 participants filled in online questionnaires and this resulted in 227 observations across multiple respondents. Statistical methodology like Pearson's Chi-square and binary logistic regression was used to analyze the data. That finding suggests that young adults, and especially high-income ones, have a greater capacity to manage their credit and investments. Additionally, this study found that men were more are financially literate than women. Findings of the study show that men have higher levels of financial literacy than females, which negatively affects their ability to take informed financial decisions. This study's most essential contribution is the lesson of adopting a proactive financial strategy for participants in financial markets. In addition, it highlights the importance of improving financial literacy and disclosure of reliable financial advice for the policymakers.

Keywords: Financial literacy; Financial behavior; Financial knowledge; Millennials; Binary logistic regression

INTRODUCTION

Financial literacy has been receiving ever more attention from researchers and policymakers alike in recent years as one of the most critical factors in building peoples' ability to make informed financial choices and thus determine their future well-being (Mahendru et al., 2022). These days, people must manage many financial decisions every day in terms of expense management, wealth management, credit management, and investment (Kurniasari & Ratnawati, 2023). For instance, they need to know how to budget their income, save for the rainy day, pay their bills, manage credit card debt, and how these things ultimately impact where they choose to invest their savings. Several studies have emphasized the capability of financial literacy in making sound financial choices (Kumar et al., 2023; Jariwala, 2015) Studies have demonstrated that those with greater financial literacy are more likely to reach their financial objectives and experience improved financial well-being.

Financial literacy is defined by the Organization for Economic Cooperation and Development (OECD, 2017) as comprising knowledge of finance-related matters, knowledge of risk and the skills to accordingly to the knowledge gained to make competent and beneficial financial decisions across diverse experiences. This competences are crucial because they will help not only to improve the financial well-being of individuals and society, but also to invest in greater economic participation and lower financial inequality, particularly among the Millennial generation (Atkinson & Messy, 2012; OECD, 2017).

Millennials, also known as Gen-Y or the Internet generation, are those for born from the early 1981s to mid-1996s (Dimock, 2019). The Millennial generation consists of those born between 1981 and 1996, thus by 2024, they will range from ages 28 to 43. The millennial generation, widely known as the first group to come of age in the 21st

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century, faces new challenges and new chances in their quest for financial security (Norris, 2023). With millennials facing new financial challenges in the evolving economy, they need to prioritize financial literacy. Financial literacy became very essential to handle debt effectively, considering the sheer number of people that are encumbered by large loans such as student loans and credit cards (Bapat, 2020a).

Moreover, Millennials face challenges to save for major life events like retirement and homeownership, to find an effective saving and investing strategy (Rey-Ares et al., 2021). Financial products and services cover a vast range; from loans to complicated investments and well-informed decision making becomes essential as wrong decisions can have negative long-term consequences (Kumari, 2020). Considering economic uncertainty arising from the effects of the 2008 finance crisis and the COVID-19 pandemic, financial literacy can help Millennials determine how to overcome obstacles and adapt to changing environments. Having a good understanding of finance, millennials can earn money from various jobs, pursue business opportunities, and support legislation that calls for equitable and inclusive financial systems. This way, they can secure their financial future while also providing a great service to society.

As per the Standard & Poor's Global Financial Literacy Report, India's financial literacy rating is quite poor relative to other countries. 26465175000 India ranks 73rd among 144 nations when it comes to financial literacy, that too at 24%. 92. However, as of now only 24% of the Indian adult population has financial literacy, the ability to understand basic financial concepts and to make informed decisions about saving, investing, borrowing, and other financial issues (Rout, 2023). India has been ranked lowest among other major growing economies in the Financial Literacy Index according to this report. We Will Suffer Consequences Of Low Financial Literacy Among Millennials In India This can lead to poor financial choices, like falling victim to financial scams, and also hinder people from achieving their financial objectives (Greene, 2022). This may further expand financial disparities and make it more difficult for this generation to engage economically. Moreover, it can cause permanent economic instability, as well as few chances of building monetary power.

The Indian government has an accolade of being a forerunner in functional financial literacy initiatives, schemes, and services (Singla & Mallik, 2021) The government along with other suitable institutions could increase the financial literacy of every one (Atkinson & Messy, 2012; Potrich et al., 2016). This is a critical issue for the government, individuals and policymakers (Shambare & Rugimbana, 2012). For instance, the literacy rate among young population and adults have increased, with the help of technology advancement and government-sponsored financial advice (Sundarasen et al., 2023). There is a constant endeavor between Reserve Bank of India (RBI) and Indian Government to regularly encourage financial literacy by providing various training programs, educational workshops and other types of assistance (Kumar & Pathak, 2022). These steps have enhanced public awareness and are relatively less than the global standard.

This study aimed to answer three separate research questions. Our first objective was to measure to what degree there exists financial literacy across the population. Part of this included assessing people's understanding of various financial concepts and their ability to make wise decisions about personal finance. Additionally, we explored the association between socioeconomic variables and the levels of financial literacy. Q1: Analyzing the potential impact of four factors (age, gender, education and income) on a person's level of understanding of basic financial principles. We explored the association between sociodemographic factors and financial literacy. Among them is looking into the effects of occupational, marital status, family size and demographic characteristics on the financial literacy of a person. By exploring the study issues, our aim was to gain a comprehensive understanding of financial literacy across the population.

The main contributions of this study are as follows. It, initially, looks into the level and breadth of financial literacy across various socio-economic groups in the Indian context. Additionally, the study offers new data examining how differences in financial literacy skills affect financial management behavior.

The structures for this study are as follows: Section 2 is a brief overview of a literature review outlining financial literacy, financial behavior, and the Financial Management Behaviour Scale. Section 3 explains the process of data collection and the study technique. Section 4 includes an in-depth analysis of the results and a comprehensive comparison with the literature study. The last section of the research paper discusses the study's findings, limits, and implications.

LITERATURE REVIEW

Financial literacy

Financial Literacy Impact on Personal or Organization Finances One must have financial literacy to attain financial wealth (Shi et al., 2025; Santini et al., 2019). Financial literacy is defined as financial knowledge and the ability to implement the knowledge to achieve financial well-being (Obaid et al., 2023). In order to address the financial literacy issue, the researcher elaborates on various definitions related to financial literacy. Financial literacy is generally defined as financial knowledge that supports rational long-term financial planning and short-term decision-making while enabling individuals to stay up to date on unpredictable occurrences and financial conditions transition (Remund, 2010; Santini et al., 2019).

Financial literacy is necessary for individuals, firms, and society. Financial literacy is important so that can be a strategic financial literacy needs to be developed at all levels (Murugiah, 2016). When aimed at improving skills for related goals, rather than teaching fact knowledge about specific financial products and services, financial education may be more effective (Cossa et al., 2022). The quality of life of the people is improved with financial literacy, providing knowledge that is needed to manage economic aspect of life (Nanda & Banerjee, 2021). Financially literate individuals intend to those who are retired, who are more likely to avoid taking out high-interest loans, are vulnerable to stock market investment, and broaden their portfolios. Financial literacy builds wealth positively creates a decrease in stress levels that generally lead to happiness (Canfield, 2019).

There have been several research studies focusing on the factors affecting financial literacy (Alkan et al., 2020; Iacovoiu, 2018; Damayanti et al., 2018). There are many different variables representing different types of people, including independent variables such as demographics, socio-economic variables, and Internet banking. Age, gender, martial status, occupation, income level and educational background affect individual financial literacy (Kadoya & Khan, 2020). Hassan and Anood Bin Kalli (2009) stated that men are superior to females with respect to the financial literacy on socioeconomic features, like employment and status, personal and household income, risk preferences, and features of investing, such as the quantity of investment options and the framing of investment options.

Financial Behavior

Financial behavior means decision-making and activities undertaken by people or organization about their finances (Ramadani et al., 2023). It shows that financial management is appropriate, which is compiling and realizing a budget, saving regularly, controlling costs, investing wisely, and paying debts on time (Wahyudi et al., 2020). It also means making informed choices about money, looking for the relevant information and weighing long-term financial goals.

As mentioned by Budiyono and Sukamulja (2023) financial behavior behaviors of individuals or groups in managing financial conditions. The concepts are budget, savings, investing, and expenditure management. While financial behavior is influenced by several factors such as financial attitude, financial literacy, self-control, locus of control, and financial knowledge (Wachjuni et al., 2022). In addition, financial behavior issues also apply to external factors, such as economic conditions, etiquette and social pressures. Making good decisions depends on financial behavior, such as timely pay of bills, debt financing, strategic development of the business, and keeping the books (Adewumi, 2022). By the knowledge and practice of good financial behavior, individuals can improve their financial well-being, achieve their long-term goals, and foster overall economic stability. According to Budiyono & Sukamulja (2023), financial behavior is one of the essential components of personal finance which covers the steps of selection and action of activities associated with money.

Financial Management Behaviour Scale

The Financial Management Behavior Scale is a measure of the financial management behaviors and beliefs of a person (Asandimitra & Kautsar, 2019). The assessment encompasses various areas such as budgeting, saving, investing, debt management and timely bill payment (Bapat, 2020b). The determinant also examines the impact

of financial literacy and sociocultural factors on the financial outcomes (Mutlu & Gökhan, 2022) People with a high Financial Management Behavior Scale score are typically responsible and forward-looking about their money management. They demonstrate budgeting, planning for tomorrow, making informed financial decisions, and ensuring bills are paid to be solid and secure financially. The Financial Management Behavior Scale was developed explicitly to assess the behaviors related to financial management, use of credit, investment, savings, and intended consumption (Jorgensen et al., 2017).

Financial Management Behavior Scale was written by Dew and Xiao in 2011 for a measure of people's financial management behavior. The FMBS was explicitly designed to be multi-dimensional and theoretically sound, encompassing multiple aspects of financial behavior (Grable et al., 2020). This provides a comprehensive framework to evaluate finances behaviors and understand how individuals make financial decisions (Goyal et al. 2021). Considerable effort went into developing and validating the FMBS, in order to document its reliability and validity (Dew & Xiao, 2011). This scale has been widely adopted in financial behavior research, and has contributed to understanding how individuals retain their resources and make financial decisions (Dew & Xiao, 2011). The FMBS scale has been utilized in studies examining the relationship between financial behavior and financial well-being (Ksendzova et al., 2017). Moreover, it has been used for the assessment of financial behavior across different demographic categories and for assessing associations between financial behavior with a range of financial factors and factors associated with demographics (Riyazahmed, 2021).

RESEARCH METHODOLOGY

Sampling and Survey Instrument

The purpose of this research is to analyze millennial generation financial literacy. A cross-sectional research technique will be employed in the study to objectively investigate the factors that influences their financial literacy. The primary data from the participants was collected using a standardized questionnaire in this study. The data was gathered through a Google form that was circulated to the participants by email, WhatsApp, LinkedIn, and Instagram, among other social media channels. Since we did not have a sample frame, we used non-probability sampling techniques, specifically snowball sampling. A single survey was conducted to confirm the accuracy of the data. A total of 238 replies were collected, with 11 being eliminated due to incomplete data. Consequently, a total of 227 valid replies are being taken into account for further data processing.

Questionnaire Design

The questionnaire in the survey was structured, and it had various sections that included many variables. The questionnaire was divided into two parts- The first consisted of questions that elicited information regarding the demographics of the participants (Table 1). Socioeconomic status of each participant was assessed, including age, gender, household size, education, occupations, residence places, and income. In addition, their behaviors in using mobile devices, social network sites, online shopping applications, and time spent in financial management applications. In addition, the researchers used the revised Financial Management Behavior Scale (FMBS) developed by Dew and Xiao (2011) to assess participants' financial literacy. It contains four subscales: cash and credit management, saving, investing, and insurance. However, in this study, the researcher utilized only two sub-scales to measure financial literacy. The subscale has at least three items that is noteworthy. The credit management and investments subscales contain: 3 and 4 items, respectively. The response options for the items were 1=Yes and 0=No, the questionnaire has now been finalized following some minor amendments and text adjustments that had to be made due to some conditions, to also include elements of financial behaviour.

Data analysis

In order to achieve the objectives of this study, several types of statistical methods were used, such as descriptive statistics, regression analysis, and the chi-square test. The demographic characteristics of the research participants were described using descriptive statistical analysis. The regression analysis was chosen due to its ability to represent the outcome variable as a logit variable via a log-linear transformation. This transformation involves taking the natural logarithm of the probabilities of the outcome variable happening or not. For the computed binary

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logistic regression analysis, the research variables were encoded using the recoding tool in SPSS. Specifically, binary digits, namely 0 or 1, were used. Moreover, regression analysis has been used to determine the factors linked to the overall score of the financial management behavior scale and its sub-scale. A p-value below 0.05 was considered to be statistically significant.

Evaluate the correlation in binary logistic regression between a binary dependent variable and one or more independent variables that might be discrete or continuous. Logistic regression is a statistical method used to forecast the probability of a response variable taking a given binary value. This prediction is based on a combination of explanatory or predictor variables. The binary variable in logistic regression is the response variable, whereas the independent variable is the explanatory variable. The dependent variable in this study is financial literacy, which consists of two different subscales: credit management and investment. The independent variables include gender, age, marital status, income, level of education, location of residence, profession, religion, household size, and earning person.

The logit model takes the following form:

$$\text{Credit management} = \beta_0 + \beta_1(\text{gender}) + \beta_2(\text{age}) + \beta_3(\text{marital status}) + \beta_4(\text{income}) + \beta_5(\text{Edu}) + \beta_6(\text{place}) + \beta_7(\text{prof.}) + \beta_8(\text{rel.}) + \beta_9(\text{household}) + \beta_{10}(\text{earn}) + \varepsilon i \quad \text{(Model 1)}$$

$$\text{Investment} = \beta_0 + \beta_1(\text{gender}) + \beta_2(\text{age}) + \beta_3(\text{marital status}) + \beta_4(\text{income}) + \beta_5(\text{Edu}) + \beta_6(\text{place}) + \beta_7(\text{prof.}) + \beta_8(\text{rel.}) + \beta_9(\text{household}) + \beta_{10}(\text{earn}) + \varepsilon i \quad \text{(Model 2)}$$

RESULTS

Descriptive statistics

Table 1 shows the demographic profile of the respondents who were part of the study. The results of the study showed that the males outnumbered the females (64.8%, 35.2%, respectively). Regarding age, the majority of the respondents were in the age group of 28-35 years (57.3%) followed by 36-43 years (42.7%) which shows that the study was mostly of economically active age group of the population. On the marital status front, 55.5% were otherwise and 44.5% were single. The educational level of the respondents varied. The largest percentage of respondents (33%) were undergraduates, followed by the postgraduates (28.6%) and the ones who completed the senior secondary level (28.1%). The fewest respondents (10.1%) had qualifications of a Ph.D.

The arts stream respondents were slightly outnumbered by the non-arts, representing 52.9% and 47.1%, respectively. The respondents were distributed across different places of living, with 51.5% reporting living in non-urban or other areas and 48.5% living in urban areas, indicating even representation from various places of living. Analysis of the household composition shows that the majority of respondents (70%) were in the 6–10 member household category, which suggests that larger household sizes are common.

Additionally, there were higher dependency ratios, with 39.2% of families comprising only one earner. By profession, the major proportion (61.7%) of the respondents were working in non-business occupation. As per social and economic background, the majority of the respondents were Hindu (67.4%) and 54.6% were general caste. The pattern of income distribution was relatively balanced with 51.5% having an income of more than ₹25,000 per month. The study was however mostly confined to the economically weaker sections of the society, as 78% of the respondents were in the Below Poverty Line (BPL) category.

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Table 1. General information of participants (n = 227)

Variable	Category	Frequency	Percent
Gender	Male	147	64.8
	Female	80	35.2
Age	28-35	130	57.3
	36-43	97	42.7
Marital status	Single	101	44.5
	Otherwise	126	55.5
Education level	Up to Senior Secondary	64	28.1
	Under-Graduate	75	33
	Post-Graduate	65	28.6
	PH. D	23	10.1
Education Stream	Arts	120	52.9
	Non- Arts	107	47.1
Place of living	Urban	110	48.5
	Otherwise	117	51.5
Household size	01-05	68	30
	06-10	159	70
Earning person	1	89	39.2
	2	64	28.2
	3	40	17.6
	more than 4	34	15
Professional	Business	87	38.3
	Non-Business	140	61.7
Religion	Hindu	153	67.4
	Non-Hindu	74	32.6
Caste	General	124	54.6
	Non-General	103	45.4
Income level per month	Less than 25000	110	48.5
	More than 25000	117	51.5
Economic status	APL [above poverty line]	50	22
	BPL [below poverty line]	177	78
	Total	277	100

The digital and financial usage characteristics of the respondents are given in table 2. The results show that most participants (94.7%) used smartphones, which is a high rate of access to digital technology. The majority of respondents (77.1%) used the internet for 11–20 hours a day, indicating high levels of Internet engagement. When it comes to digital financial services, 69.2% used UPI payment systems, 60.4% used mobile wallets and 63.9% used online banking. Additionally, 74% of the respondents utilized online shopping applications. But use of financial management applications (34.4%) and buying insurance online (34.4%) were less common than these. Furthermore, the respondents who took financial services involving interest or loan, were only 33%. The results overall show a significant engagement in the use of digital financial and online services by the respondents.

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Table 2. Digital and Financial Usage characterises of participants (n = 227)

Variable	Category	Frequency	Percent
Types of Mobile devices use	Smartphone	215	94.7
	Non-Smartphone	12	5.3
How many hours do you spend on the internet per day?	0-10	52	22.9
	11-20	175	77.1
Do you use online banking?	No	82	36.1
	Yes	145	63.9
Do you use a Mobile wallet?	No	90	39.6
	Yes	137	60.4
Do you use UPI payment	No	70	30.8
	Yes	157	69.2
Do you use the financial management application	No	149	65.6
	Yes	78	34.4
Do you use an online shopping application?	No	59	26
	Yes	168	74
Have you taken an interest?	No	152	67
	Yes	75	33
Have you purchased insurance online	No	149	65.6
	Yes	78	34.4
	Total	277	100

Level Of Credit Management and Investment by Demographic

To examine the correlations between demographic variables and the likelihood of persons being involved in credit management and investment used the chi-square test (table 3). The analysis revealed a strong correlation between gender and credit management ($\chi2$ = 7.3, p-value = 0.007) and investment ($\chi2$= 7.71, p-value = 0.005). This suggests that males are more inclined to participate in these financial activities than females. Societal customs, traditional gender roles, or variations in financial objectives and risk perceptions may drive the gender disparity in issues (Guiso & Zaccaria, 2023). Age and credit management were significantly correlated ($\chi2$= 6.82, p-value = 0.009), indicating that those under 28-35 are more likely to manage their credit. The analysis revealed a strong correlation between education level and credit management ($\chi2$= 14.45, p-value = 0.006). People who had an education of a twelfth-grade at most proved more likely to engage in the management of credit. It is well known that People with higher education level will affect to an attitude towards awareness of finance and more planned credit utilization (Dewi et al. 2020).

There was a strong relationship between place of residence and credit management ($\chi2$= 7.29, p-value = 0.007). Simply put, people living in metropolitan areas have higher chances of managing their credit. The analysis showed significant association between religion and investment ($\chi2$ = 10.25, p-value = 0.001), implying a higher investment rate among non-Hindus. Analysis showed that there is a significant correlation of household size with investment ($\chi2$= 7.74, p-value = 0.005) That means larger family size or households of 6-10 are more likely to be involved in investment. Income shows a significant correlation with credit management ($\chi2$ = 20.09, p-value = 0.000), suggesting that those earning less than 25000 are inclined to be linked with credit management. Although criteria such as marital status, professional category, and the number of earning individuals did not show significant correlations with credit management and investment, these results provide vital insights into the intricate relationship between demographic factors and financial behaviors.

Table 3: Level of Credit Management and Investment

Variables		Credit Management				Investment			
		Yes	No	Chi-square	p-value	Yes	No	Chi-square	p-value
Gender	Male	79	68	7.3	0.007	76	71	7.71	0.005
	Female	28	52			26	54		
Age	28-35	71	59	6.82	0.009	66	64	4.18	0.041
	36-43	36	61			36	61		
Marital status	Single	54	47	2.92	0.087	55	46	6.66	0.14
	Otherwise	53	73			47	79		
Education level	Up to Senior Secondary	18	46	14.45	0.006	30	34	0.82	0.935
	UG	38	37			32	43		
	PG	36	29			29	36		
	Ph. D	13	7			9	11		
Place of living	Urban	62	48	7.29	0.007	50	58	0.47	0.492
	Otherwise	45	72			52	67		
Professional	Business	48	39	3.65	0.056	43	44	1.15	0.284
	Non-Business	59	81			59	81		
Religion	Hindu	70	83	0.36	0.548	80	73	10.25	0.001
	Non-Hindu	37	37			22	52		
Income	Less than 25000	35	75	20.09	0	50	60	0.02	0.878
	More than 25000	72	45			52	65		
Household size	1-5	33	35	0.07	0.783	21	47	7.74	0.005
	6-10	74	85			81	78		
Earning Person	1	35	54	10.25	0.017	40	49	0.36	0.948
	2	26	38			27	37		
	3	26	14			19	21		
	More than 4	20	14			16	18		

Determinants of knowledge of credit management and investment

Table 4 shows the results of two logistic regression models that examine the factors influencing financial literacy, including credit management (Model-1) and investment (Model-2). The independent variables consist of gender, age, marital status, location of residence, level of education, household size, earner, religious affiliation, occupation, income, and a constant term. The significance levels are represented using Wald statistics, where *** indicates significance at the 0.01 level, ** at the 0.05 level, and * at the 0.10 level.

Model-1: Credit Management

Several variables in this model have significant correlations with credit management. The gender variable significantly and positively affects the level of credit management knowledge ($\beta = 0.988$, $p<0.01$). Based on the odds ratio, male respondents had a 2.6 times higher likelihood of being knowledgeable about credit management.

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In addition, age has a positive and significant effect on knowledge (β= 0.772, p<0.10). This implies that younger individuals have shown superior understanding compared to older individuals.

The probability of a family in an urban region having a higher level of education is increasing (β=0.474, p<0.01). Based on the odds ratio figures, a single-unit gain in education enhances the likelihood of knowing by a value of 1.6. Professional business significantly and favorably impacts the amount of knowledge in credit management (β=0.5999, p<0.01). According to the odds ratio, those not involved in the business are 1.8 times more likely to have expertise in credit management. Professional business significantly and favorably impacts the amount of knowledge in credit management (β=0.5999, p<0.01). Based on the odds ratio, those not involved in business are 1.8 times more likely to possess expertise in credit management.

Table 4: Determinants of Financial Literacy

Explanatory Variable	Model-1: Credit Management (Yes=1, No=0)				Model -2: Investment (Yes=1, No=0)			
	B	Wald	sig.	Exp(B)	B	Wald	sig.	Exp(B)
Gender	0.988	8.23	0.004	2.685	0.835	6.444	0.011	2.305
Age	0.772	3.595	0.058	2.165	-0.025	0.004	0.949	0.975
Marital status	-0.391	0.888	0.346	0.676	0.519	1.632	0.201	1.68
Place of living	0.243	0.509	0.475	1.275	0.193	0.334	0.563	1.213
Education level	0.474	7.196	0.007	1.607	0.085	0.249	0.618	1.089
Household size	0.119	0.108	0.742	1.126	0.751	4.521	0.033	2.119
Earning Person	0.209	1.785	0.182	1.232	-0.017	0.013	0.911	0.983
Religion	-0.046	0.019	0.891	0.955	0.952	8.26	0.004	2.59
Professional Business	0.599	3.269	0.071	1.821	0.77	5.483	0.019	2.16
Income	-0.885	7.324	0.007	0.413	0.2	0.382	0.536	1.222
Constant	-2.527	10.07	0.002	0.08	-2.81	12.74	0	0.06

Model summary		
percentage correct	52.9	55.1
Chi-square	22.596	8.998
2 Log likelihood	256.740a	280.236 a
Cox & Snell R Square	0.191	0.132
Nagelkerke R square	0.255	0.177

Model-2: Investment model, the findings clearly show a gender-based difference, with males having a significantly higher likelihood of having investing knowledge (β=0.835, p<0.01). Larger household sizes also benefit investment awareness, as the significant regression coefficient (β=0.751, p<0.05) indicates that households with more members are 2.1 times more likely to possess knowledge about investments. Furthermore, it is essential to highlight that religious affiliation has a significant role since Hindus are much more likely to be knowledgeable about investing methods (β=0.952, p<0.01). The research further emphasizes the impact of one's professional background, demonstrating a strong and statistically significant link. Specifically, it reveals that persons not involved in business are more inclined to have investing expertise (β=0.77, p<0.01). Moreover, the generated models demonstrate strong explanatory ability, highlighting essential factors for credit management and investing expertise. The results together enhance our understanding of the complex aspects that influence degrees of financial awareness and emphasize the varied elements that contribute to people's knowledge of investing practices.

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The model summaries provide further insights. Both models show a modest level of accuracy, with Model-1 achieving an accurate percentage of 52.9% and Model-2 achieving 55.1%, suggesting an acceptable level of predictive accuracy. The chi-square values evaluate the general adequacy of fit, while the 2 log likelihood values indicate how well the models match the data. The Cox & Snell R Square and Nagelkerke R square values explain how the models explain the variation in investing knowledge. Model 2 demonstrates a more remarkable ability to explain more of this variance.

DISCUSSION

This study aims to determine the level of financial literacy among the population and identify critical factors that significantly impact financial behavior and abilities. The findings indicated that the degree of financial literacy regarding credit management and investment was average. Gender, age, marital status, internet access, and money management software are the main factors that affect financial literacy. The results of our study confirmed prior studies indicating that being female and having an older age was correlated with lower levels of financial literacy (Van Rooij et al., 2011; Alessie et al., 2011). Multiple studies indicate an absence of financial education among females (Kadoya & Khan, 2020). Even at an early age, this can assist younger in making better financial decisions (Goyal & Kumar, 2021). Our research indicates that younger respondents exhibit higher levels of financial literacy. They exhibit careful financial decision-making when it comes to handling credit and investments.

The study indicates that the investor's conduct significantly undermines financial literacy. As the degree of financial knowledge increases, behavioral biases among investors are less probable. Luo & Salterio (2022) revealed that female investors had worse financial understanding than their male counterparts. Most respondents depend on publications or the internet as their primary sources of information and allocate their investments towards favored shares. Our findings revealed that a significant proportion of the participants had a high level of financial literacy, as shown by their understanding of essential financial concepts. Most responders, however, displayed a notable level of decision-making bias.

A noteworthy finding from this research reveals a disparity between genders, as males exhibit higher levels of financial literacy than women. Additionally, a correlation is shown between income, education, and financial literacy. In contrast, more comprehensive research indicates that education mainly functions as a facilitator. There is a substantial and positive correlation between education and financial literacy. There is a correlation between a lower education level and a population with limited financial literacy. However, it should be noted that possessing a Ph.D. does not necessarily ensure a high degree of financial literacy (Sekita, 2011; Kadoya & Khan, 2020).

In addition, our research indicates that many respondents have not utilized financial management applications. However, a prior study on individual searches revealed that individuals who utilize smart devices for financial management applications possess a higher level of financial literacy than those who do not use any of these tools. The solutions aim to improve financial authority as they ease the financial handling process and advocate for financial information. The advantages of utilizing their financial management tools are indisputable, despite some research suggesting that it may incentivize users to make unnecessary purchases and perhaps accumulate further debt or loans (Panos & Wilson, 2020).

French et al. (2020) conducted a recent randomized trial more specific about how giving financial smartphone apps developed by them increased financial literacy and skills successively as well as fintech habits such as monitoring of revenues and expenses and resilience in front of financial challenges. Carlin et al. (2019) discovered that smartphone applications could be considered externalized source of financial information. By using these apps, participants could reduce their financial penalties (Carlin et al., 2019). Hence, enhancing financial literacy and personal financial management can mitigate their life's unpredictability (Rahman et al., 2021). This study differs from prior research. The author demonstrated that people mostly use cell phones, although they have not utilized financial management apps, financial guidance, or financial initiatives such as fintech. Enhancing the financial literacy of the general population enhances their ability to effectively use financial services and products to enhance the well-being of individuals (Tulcanaza-Prieto et al., 2025).

Additionally, our studies showed that many individuals know about insurance but hesitate to purchase insurance coverage. Scant individuals purchase insurance plans in the absence of adequate financial acumen. Most

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respondents primarily used online banking services, mobile wallets, and online purchasing, in contrast to the relatively low levels of financial literacy.

CONCLUSIONS AND IMPLICATION

This research aims to bridge the gap between financial literacy activities and assuring participants' financial behavior to promote financial well-being. To enhance financial literacy, it is advisable to provide theoretical and practical sessions to improve people's knowledge, experience, and skill sets in the future. Financial literacy education programs should comprehensively address financial planning, budgeting, credit management, resources mobilization, debt management, and other related subjects and provide a solid basis for understanding financial concepts.

The results of our study have important policy implications. Policymakers have increasingly recognized the growing importance of financial literacy in promoting the economic welfare of individuals and countries. This helps them better manage their money from an early age and be more at ease with financial responsibilities. Promoting consumer financial education across the public sector may instill behaviors for saving money and educate them on proper credit and money management. Understanding the situation and finding ways to increase financial literacy across different demographic groups is critical, but also not as simple as it might seem, given the number of factors that impact financial literacy.

Findings indicate that lower financial literacy is related to being female and to being older, to lower income, and to no use of financial management programs. The results indicate that even individuals with higher levels of education can improve their financial knowledge, and thus positively affect their financial behaviour. Understanding this gender disparity is necessary when designing approaches on how to improve the knowledge of finances among women. The tradition of men taking charge of family finances could be responsible for the low ratings, as this may prevent women from learning about financial matters or doing due diligence in managing their money.

According to the above survey, A) Consumers devote more of their income to investments and are less likely to rely on borrowing through short-term loans. B) Individuals with higher levels of education have a greater propensity to engage in credit management and investment activities. C) Households led by males are likelier to use credit and engage in investment activities. D) Individuals residing in metropolitan regions are more inclined to engage in such behavior.

In conclusion, the logistic regression model used to evaluate and forecast the level of financial literacy among the millennial generation indicates that higher pay negatively impacts financial literacy. However, being male, age group 1, and working in a non-business field have favorable effects. The study's results suggest certain conclusions. To provide individuals with valuable resources and essential repositories of financial knowledge, the government must establish educational initiatives that enhance individuals' conduct and skills in financial management. Promoting the use of financial management software on smart devices is crucial. The influence of several factors, such as gender, age, credit management behavior, and investment determinants, on financial literacy evaluation allowed policymakers to detect gaps and provide suitable solutions. Enhancing the population's future knowledge, experience, and skill sets may be a way to determine financial literacy levels.

The primary limitation of the research is its exclusive examination of the influence of socio-demographic characteristics on people's financial behavior, neglecting the consideration of cultural standards. Several suggestions for further study may be used within the specified restrictions. The research used a cross-sectional approach as its primary methodology. The need for longitudinal study stems from the potential for individuals' beliefs to change over time. Furthermore, the researcher used a limited sample size for the study, suggesting the need for further investigations with a more prominent and more representative population. Furthermore, this study only used two specific subscales for investigation. It is recommended that future researchers direct their attention towards the other subscales, using more significant sample numbers for more comprehensive analysis.

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AUTHOR DECLARATIONS

CRediT Author Statement / Author contributions

Rahisha: Conceptualization; Methodology; Software; Formal Analysis; Investigation; Data Curation; Writing - Original Draft Preparation.

Mohammed Jamshed: Validation; Data Interpretation; Writing – Review & Editing; Visualization; Supervision; Writing – Review & Editing.

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