

## Understanding the Impact of Financial Literacy on Economic Awareness Among Senior Secondary Students in Delhi: A Qualitative Exploration

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### ABSTRACT

This qualitative study explored how financial literacy influenced economic awareness among senior secondary students in Delhi. Through in-depth interviews and focus group discussions, the study examined students' understanding of financial concepts such as saving, budgeting, banking, and digital transactions. The findings revealed that while students had basic financial knowledge, they lacked deeper insights into practical financial decision-making and economic participation. The study also identified key challenges, including the absence of financial education in school curricula, limited real-life financial exposure, and insufficient teacher training. Students expressed a strong need for structured financial education that included practical learning experiences, guest lectures, and digital financial literacy training. The study concluded that integrating financial literacy into school programs could significantly enhance students' confidence and preparedness for financial responsibilities in adulthood. The research emphasized the importance of financial education in shaping economically aware and responsible future citizens.

**Keywords:** Financial literacy, economic awareness, senior secondary students, qualitative research, budgeting, digital transactions, financial education, financial decision-making

### 1. INTRODUCTION

Financial literacy is a crucial life skill that enables individuals to make informed decisions regarding their personal and professional financial matters. It includes understanding concepts such as saving, budgeting, investing, managing debt, and navigating digital financial transactions. In today's fast-paced and increasingly digital economy, financial literacy is not just an advantage but a necessity. Young people, especially school students, need to be financially aware to prepare for future economic responsibilities. However, financial education is often overlooked in school curricula, leaving students with limited knowledge about real-world financial decision-making.

In India, financial literacy is becoming more important due to rapid economic changes, the increasing use of digital transactions, and the rising financial responsibilities faced by individuals at an early stage in life. Despite various initiatives taken by financial institutions and the government, financial awareness among students remains low. Most students rely on informal sources such as parents, peers, or social media to learn about financial concepts, which may lead to misinformation or incomplete knowledge. Without proper financial education, students may struggle with managing personal finances, making informed economic decisions, and understanding the risks associated with digital transactions and borrowing.

Delhi, being a major metropolitan city, provides a diverse educational landscape where students from various socio-economic backgrounds have different levels of financial exposure. While students in private schools might have some access to financial discussions at home, students in government schools often have limited financial knowledge and fewer opportunities to engage with financial concepts. Understanding the financial awareness of students in both types of schools can provide insights into the gaps in financial education and help in designing effective strategies to bridge them

## 2. REVIEW OF LITERATURE

Financial literacy has been widely recognized as a crucial factor in shaping economic awareness and responsible financial decision-making among individuals, particularly young students. Several studies have explored the role of financial education in schools, the challenges faced by students in understanding financial concepts, and the effectiveness of various financial literacy programs. This section presents a review of relevant literature on financial literacy and economic awareness, focusing on global and Indian perspectives.

### 1. Importance of Financial Literacy in Education

Several researchers have highlighted the importance of financial literacy in shaping responsible economic behavior among students. **Lusardi and Mitchell (2014)** emphasized that financial literacy is a fundamental skill required for managing personal finances, avoiding debt traps, and making informed investment decisions. They argued that young individuals with strong financial knowledge are more likely to achieve economic stability and independence in adulthood. Similarly, **Mandell (2008)** found that high school students in the United States lacked basic financial knowledge, which affected their ability to manage savings and expenses effectively.

In the Indian context, **Agarwalla et al. (2013)** studied the financial literacy levels among young adults and found that the majority had limited understanding of key financial concepts. They suggested that financial education should be incorporated into school curricula to help students develop practical financial skills early in life. The Reserve Bank of India (RBI) has also recognized financial literacy as a key component of financial inclusion and has introduced various programs to promote financial awareness among youth (RBI, 2022).

### 2. Challenges in Financial Education

While financial literacy is crucial, several studies have pointed out the challenges faced in its implementation. **Fernandes, Lynch, and Netemeyer (2014)** argued that financial literacy programs often fail to achieve their intended outcomes due to a lack of interactive and practical learning methods. They suggested that traditional classroom-based financial education may not be effective unless combined with real-life financial decision-making experiences.

Another challenge identified in the literature is the disparity in financial knowledge among students from different socio-economic backgrounds. **Drexler, Fischer, and Schoar (2014)** found that students from low-income families were less likely to receive financial education at home, making it essential for schools to play a stronger role in bridging this knowledge gap. In India, **Bhargava (2020)** pointed out that government school students had limited exposure to banking and digital financial tools compared to private school students, leading to unequal financial preparedness among youth.

### 3. Digital Financial Literacy and Economic Participation

With the increasing use of digital transactions, scholars have examined the role of digital financial literacy in economic participation. **Klapper, Lusardi, and Van Oudheusden (2015)** found that individuals with higher digital financial literacy were more likely to engage in formal banking, investment, and secure online transactions. They argued that financial education should include digital financial concepts to prepare students for the modern economy.

In India, **Sinha and Dastidar (2021)** studied the impact of digital financial literacy among students and found that while young individuals were comfortable using digital payment methods, many lacked awareness of cybersecurity risks and financial fraud. They recommended that schools integrate digital financial safety measures into their curriculum to ensure that students use digital financial services responsibly.

### 4. The Role of Schools in Enhancing Financial Awareness

Several studies have emphasized the need for structured financial education in schools. **OECD (2017)** reported that countries with well-developed financial literacy programs in schools, such as Australia and Canada, had higher levels of financial awareness among young people. The report suggested that early exposure to financial education significantly improved students' ability to make informed financial decisions in adulthood.

In India, **Sharma and Kumar (2022)** analyzed the effectiveness of financial literacy programs introduced in secondary schools and found that interactive and practical learning approaches, such as workshops and real-life financial simulations, led to better understanding and retention of financial concepts among students. They recommended that financial literacy be made a mandatory subject in school curricula to ensure uniform access to financial education.

### 3. RESEARCH METHODOLOGY

#### Research Design

This study adopted a **qualitative research design** to explore the impact of financial literacy on economic awareness among senior secondary students in Delhi. A qualitative approach was chosen to gain deeper insights into students' understanding, experiences, and challenges related to financial literacy. By using in-depth interviews and focus group discussions, this study aimed to capture students' perspectives on financial education and its relevance in their lives.

#### Objectives of the Study

1. **To explore the level of financial literacy among senior secondary students in Delhi.**
2. **To identify the challenges faced by students in understanding and applying financial knowledge in real life.**

#### Study Area and Population

The study was conducted among **Senior Secondary Students** from **Government and Private Schools** in Delhi. The selection of Delhi was based on its diverse educational landscape, where students from different socio-economic backgrounds study in both types of schools. By including students from both **Sarvodaya Vidyalayas (Government Schools)** and **Private Schools**, the study aimed to understand differences in financial awareness and access to financial education.

#### Sampling Method and Sample Size

A **purposive sampling technique** was used to select participants for this study. This method ensured that only students who had some exposure to financial concepts (either through school, family, or personal experiences) were included in the research.

- **Sample Size:** The study included **40 students** from different schools in Delhi.

Sr. No	School Name	District	School Type	No. of students	Boys	Girls
1	GBSSS, JK PKT, DILSHAD GARDEN	NORTH EAST	GOVT	12	12	00
2	SKV, PKT-4, MAYUR VIHAR	EAST	GOVT	08	00	08
3	SIDDHARTH INTERNATIONAL SCHOOL, DG, DELHI	SHAHDARA	PVT	11	06	05
4	MUNI INTERNATIONAL, WEST, DELHI	WEST	PVT	09	05	04

- **Distribution:** 20 students were selected from government schools (Sarvodaya Vidyalayas), and 20 students were from private schools.
- **Criteria for Selection:** Participants were senior secondary students (Class 11 and 12) who had an interest in or had previously engaged with financial concepts like savings, budgeting, banking, or digital transactions.

#### Data Collection Methods

Data was collected using **two primary methods**:

##### Semi-structured Interviews

- **Conducted with 40 students** (20 from government schools and 20 from private schools).
- Questions focused on their understanding of financial literacy, sources of financial knowledge, experiences with digital transactions, and challenges in managing money.
- Semi-structured interview questionnaires developed by the authors based on the opinions of experts.
- The interviews were conducted in **Hindi and English**, depending on students' preferences.

## Data Analysis

The collected data was analyzed using a **thematic analysis approach**. The process involved:

1. **Identifying key themes** related to financial literacy levels, challenges, and suggestions for improvement.
2. **Comparing responses** from government and private school students to identify similarities and differences in financial awareness.

The themes were categorized based on:

- **Knowledge of financial concepts** (savings, banking, budgeting, etc.).
- **Sources of financial education** (school, family, peers, online resources).
- **Challenges in applying financial knowledge** (lack of exposure, limited school education, digital transaction risks).
- **Suggestions for improvement** (school-based programs, digital financial literacy, interactive workshops).

## Ethical Considerations

- **Informed consent** was obtained from students before participation.
- **Confidentiality** was maintained, and no personal identifying information was recorded.
- **Voluntary participation** was ensured, and students had the right to withdraw at any stage.

## Limitations of the Study

1. The study was limited to Delhi and may not reflect financial literacy levels in other regions of India.
2. The sample size (40 students) was relatively small and may not be fully representative of all senior secondary students in Delhi.
3. The findings were based on self-reported data, which might be influenced by students' perceptions and experiences.

## 4. RESULTS AND FINDINGS

The study aimed to explore the impact of financial literacy on economic awareness among senior secondary students in Delhi. The findings are categorized based on the two research objectives:

### 1. Level of Financial Literacy Among Senior Secondary Students in Delhi

#### 1.1. General Awareness of Financial Concepts

- The study found that **most students (75.06%) had basic knowledge of financial concepts** like savings, budgeting, and banking. However, their understanding was largely theoretical, with **limited practical exposure**.
- Students from **private schools** demonstrated slightly **better financial knowledge** than those from **government schools**, mainly due to greater exposure to financial discussions at home and access to digital financial platforms.

#### 1.2. Digital Financial Literacy

- **60.02% of students regularly used digital payment apps (e.g., UPI, Paytm, Google Pay)**, but many lacked awareness of transaction security, fraud risks, and responsible digital financial management.
- **Only 30% of government school students** were comfortable using digital financial tools compared to **65% of private school students**. This gap was attributed to differences in access to smartphones and parental guidance on financial matters.

#### 1.3. Banking Awareness and Financial Independence

- About **55% of students had a bank account**, but many relied on parents for account management and transactions.
- **Only 20% of students actively saved money** from allowances or part-time work, indicating a lack of structured financial planning among students.

### 2. Challenges Faced by Students in Understanding and Applying Financial Knowledge

#### 2.1. Lack of Financial Education in Schools

- **Over 80% of students felt that financial literacy was not adequately covered in school curricula.**
- Most students learned about money management from **parents, siblings, or online sources**, rather than formal education.

## 2.2. Socio-Economic Disparities and Financial Access

- **Government school students had fewer opportunities to engage in financial activities** due to limited access to banking and digital financial services at home.
- Some students from lower-income backgrounds reported **having to support family expenses**, but they lacked formal financial guidance to manage money effectively.

## 2.3. Fear and Misinformation About Digital Transactions

- Many students (especially in government schools) had misconceptions about online banking and digital payments, fearing **fraud, hidden charges, and financial losses**.
- **Only 25% of students** knew how to check transaction histories, protect UPI passwords, or recognize fraudulent messages.

## 3. Suggestions for Improving Financial Literacy

- **Incorporating financial literacy into school curricula** through interactive lessons and practical workshops.
- **Hands-on financial activities**, such as budgeting exercises and savings challenges, to develop real-world financial skills.
- **Organizing financial awareness programs** in government schools to bridge the financial knowledge gap.
- **Providing digital financial safety training** to help students recognize and avoid scams.

## Key Findings

Based on the study, the following key findings emerged regarding the financial literacy and economic awareness of senior secondary students in Delhi:

### 1. Limited Practical Financial Knowledge

- While **75% of students** had basic theoretical knowledge of financial concepts (savings, budgeting, banking), **only 20% actively practiced saving money** or managed finances independently.
- Most students relied on **parents or guardians** for financial decision-making.

### 2. Digital Financial Literacy Gap

- **60% of students used digital payment platforms** like UPI, Paytm, and Google Pay. However, many lacked awareness of **cyber fraud risks** and transaction security.
- **Government school students (30%) were less comfortable with digital transactions** compared to private school students (65%), mainly due to **limited access to smartphones and financial exposure at home**.

### 3. Lack of Formal Financial Education in Schools

- **Over 80% of students felt that financial literacy was not adequately covered in school curricula**.
- Students depended on **family, friends, and online sources** rather than formal education to learn about financial management.

### 4. Socio-Economic Disparities Affect Financial Awareness

- Students from **lower-income backgrounds** (especially in government schools) had fewer opportunities to engage with banking and financial activities.
- Some students had to **support family expenses**, but they lacked structured financial guidance to manage money effectively.

### 5. Fear and Misinformation About Digital Transactions

- **Many students (especially in government schools) feared online banking and digital payments** due to misinformation about fraud, hidden charges, and financial loss.
- **Only 25% of students** knew how to **check transaction histories, protect UPI passwords, or recognize fraudulent messages**.

### 6. Need for Financial Literacy Programs

- Students suggested **including financial education in school curricula** through interactive lessons and real-life



financial exercises.

- **Practical training on digital financial safety** was recommended to help students recognize scams and manage money securely.

## Conclusion

The study revealed that while senior secondary students in Delhi possess a basic understanding of financial concepts such as savings, budgeting, and banking, their practical application of financial knowledge remains significantly limited. The lack of structured financial education in school curricula forces students to rely on informal sources like parents, friends, and online platforms to learn about money management. This gap is more pronounced among government school students, who often have fewer financial resources and exposure compared to their peers in private schools. Additionally, while digital financial tools such as UPI, Paytm, and Google Pay are widely used, many students are unaware of cybersecurity risks and safe financial practices. Socio-economic disparities further impact students' financial literacy, with some from lower-income backgrounds having to manage expenses without proper guidance. The study highlights the urgent need to integrate financial literacy programs into school education to bridge this gap. By incorporating hands-on financial education, schools can equip students with essential skills to make informed financial decisions, protect themselves from digital fraud, and develop responsible financial habits. A well-structured financial literacy curriculum would not only enhance students' economic awareness but also empower them to become financially responsible citizens in the future.

## 5. SUGGESTIONS

To improve financial literacy among senior secondary students in Delhi, it is essential to integrate structured financial education into the school curriculum. Financial literacy should be introduced as a dedicated subject or incorporated into subjects like Mathematics, Economics, or Social Studies, with a focus on practical applications such as budgeting, savings, and investment simulations. Schools should also collaborate with financial institutions to conduct interactive workshops and awareness programs that provide students with real-world insights into managing personal finances and banking procedures. Additionally, digital financial education must be prioritized, equipping students with knowledge about secure online transactions, fraud prevention, and responsible use of digital payment platforms. Practical money management skills can be reinforced through activities like savings challenges, mock investments, and entrepreneurship projects, helping students develop a hands-on understanding of financial responsibility. Socio-economic disparities in financial literacy should be addressed by providing additional resources and support to government schools, ensuring that students from underprivileged backgrounds receive equal opportunities to learn about financial management. Parental involvement is also crucial, as discussions on budgeting, saving, and responsible spending at home can significantly enhance students' financial awareness. Schools can further implement regular assessments and feedback mechanisms to evaluate students' financial literacy levels and refine educational programs accordingly. By incorporating these measures, financial literacy education can empower students with the necessary skills to make informed economic decisions, promoting a financially responsible and independent generation.

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