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FINANCIAL LITERACY LEVEL OF HIGHER EDUCATION ACADEMICIANS: EVIDENCE FROM BENGALURU

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Abstract
Financial Literacy and Financial Discipline lead to Financial Independence. This study examines the financial literacy level among higher education academicians in Bengaluru, focusing on three core dimensions: financial knowledge, financial attitude, and financial behaviour. A structured questionnaire based on OECD and NCFE frameworks was administered to 100 academicians through convenience sampling. Descriptive statistical analysis was employed to determine mean scores, standard deviations, and distribution patterns across items. Reliability of constructs was tested using Cronbach's alpha, demonstrating satisfactory internal consistency. A t-test was performed to check the significance of the variables. Findings indicate that academicians exhibited a moderately high level of financial attitude and behaviour, while financial knowledge remained comparatively lower. The overall financial literacy index suggested that most respondents fell within the moderate to high literacy band. The study highlights implications for institutional financial capability building, curriculum redesign, and targeted financial education programs.

Key Words: *Financial Literacy, Financial Attitude, Financial Behaviour, Financial Knowledge*

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1. INTRODUCTION

Financial literacy has become a critical capability in modern financial ecosystems marked by rapid financialization, digitalization of payments, and increasing household participation in investment markets. The OECD (2018) reports that only one in three adults globally possesses adequate financial literacy, highlighting a persistent gap between financial access and financial capability. The World Bank's Global Findex Database (2021) further indicates that although formal financial account ownership increased to 76% of adults worldwide, the ability to plan, save, borrow responsibly, and invest remains unevenly distributed across demographic and occupational groups.

In the Indian context, financial inclusion has expanded rapidly through initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), which resulted in the opening of over 486 million bank accounts by 2023, while UPI transactions crossed 100 billion transactions in 2023, reflecting the exponential growth of digital financial infrastructure. Despite this progress, financial capability lags behind. The National Centre for Financial Education (NCFE) Survey (2019) reported that India's overall financial literacy score was only 27%, significantly below the OECD average of 65%. Further, only 24% of Indians demonstrated adequate knowledge of inflation, risk diversification, and interest compounding—concepts that underpin sound financial decision-making.

These disparities emphasize that expanding financial access alone is insufficient; the ability to interpret financial information, evaluate alternatives, and make informed financial decisions is equally necessary for financial well-being. Regulatory bodies such as the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), and the NCFE have therefore increased efforts to integrate financial education across formal and non-formal platforms, yet occupational and institutional differences in financial literacy continue to persist.

Academicians constitute an occupational category characterized by stable salaried employment, predictable income streams, and potential exposure to long-term financial planning through retirement schemes, insurance, and investment options. However, existing evidence indicates that general educational attainment does not automatically translate into financial literacy. Surveys in OECD economies have shown that even among tertiary-educated professionals, significant gaps exist in financial numeracy, portfolio diversification, and retirement planning behaviour. Within India, empirical research on financial literacy among academicians remains limited, with most national assessments aggregating them under broad "service sector" classifications. Bengaluru offers a relevant empirical setting for examining these dynamics. Recognized as a major higher education and knowledge hub, the city hosts a diverse range of public and private higher education institutions and a substantial faculty workforce across disciplines. It is also embedded within an advanced financial services ecosystem, with high penetration of fintech usage, digital payments, and capital market participation. Despite these structural advantages, no focused study has examined the financial knowledge, attitudes, and behaviours of higher education academicians in Bengaluru.

2. LITERATURE REVIEW

Financial literacy is widely recognized as a multidimensional construct that encompasses cognitive, attitudinal, and behavioural dimensions. Lusardi and Mitchell (2014) argue that financial literacy involves not only the ability to process numerical and financial information but also the motivation and behavioural disposition to apply such knowledge in real-life financial contexts. The OECD (2018) operational framework has been influential in standardizing global measurement practices, defining financial literacy through three key components: financial knowledge (cognitive understanding of concepts such as inflation, interest rates, and diversification), financial attitude (preferences toward saving, spending, and future planning), and financial behaviour (practical financial conduct such as budgeting, saving, debt repayment, and investment decision-making). This tripartite model has been adopted extensively in academic research and policy surveys, including India's NCFE Financial Literacy Surveys.

Prior empirical studies have demonstrated that financial knowledge positively influences financial decision-making, including savings behaviour, portfolio diversification, and retirement planning (Van Rooij, Lusardi, & Alessie, 2011). Attitudinal dispositions toward future planning and risk tolerance have been shown to shape financial preferences and long-term investing patterns (Potrich, Vieira, & Kirch, 2015). Behavioural aspects, such as budgeting discipline and debt management, have been linked to improved financial outcomes and reduced vulnerability to shocks. Collectively, these studies suggest that financial literacy cannot be conceptualized solely as an informational asset; rather, it is a behavioural capability embedded within socio-economic contexts.

In India, financial literacy research has gained momentum following national-level assessments by the NCFE (2019), which revealed that India lags behind several OECD economies in financial capability indicators.

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Notably, considerable variation exists across demographic and occupational categories, indicating a need for targeted financial education interventions. However, literature focusing on higher education professionals remains limited. Existing studies on teachers and faculty members are sparse and often infer that instructional expertise and high educational attainment do not necessarily translate into financial literacy (Atkinson & Messy, 2012). The lack of alignment between general educational achievement and financial knowledge creates a relevant research gap, particularly within professions that assume leadership in knowledge dissemination.
Against this backdrop, the present study situates itself in an underexplored domain by examining the financial literacy of higher education academicians in Bengaluru. By analyzing financial knowledge, attitudes, and behaviours independently and collectively, the study contributes to both academic discourse and policy conversations surrounding financial capability building among professional groups in emerging economies.

3. OBJECTIVES OF THE STUDY
1. To assess the financial literacy levels of academicians in Bengaluru.
2. To examine the descriptive patterns of financial knowledge, attitude, and behaviour.
3. To develop an overall financial literacy index classification for academicians.
4. To analyse the financial literacy level of higher education academicians.

4. METHODOLOGY
4.1 Research Design
The study adopted a descriptive research design, suitable for investigating the current status of financial literacy among higher education academicians in Bengaluru. Descriptive research is widely used in financial literacy studies (OECD, 2018; Van Rooij et al., 2011) to analyze knowledge, attitudes, and behaviours across population subgroups without manipulating independent variables. This design allowed the study to systematically capture and analyze the multidimensional aspects of financial literacy—namely, financial knowledge, financial attitude, and financial behaviour—using structured quantitative measures.

4.2 Population and Sampling
The population for this study comprised of academicians employed in higher education institutions in Bengaluru, including public, private, autonomous and deemed to be universities. A convenience sampling technique was employed to select respondents due to accessibility considerations. Data was collected from 100 academicians for the study.

4.3 Instrumentation
A structured questionnaire was developed to assess financial literacy across three dimensions: Financial Attitude – 16 items (adapted from OECD, 2018; NCFE, 2019; Potrich et al., 2015) Financial Behaviour – 12 items (adapted from OECD, 2018; NCFE, 2019) Financial Knowledge – 17 items (adapted from Van Rooij et al., 2011; NCFE, 2019) Higher scores indicated greater financial literacy. Adaptations from internationally recognized instruments (OECD, NCFE) ensured comparability and reliability of measurements.

4.4 Reliability and Validity
The internal consistency of each construct was assessed using Cronbach's alpha, which is widely recognized for Likert-scale instruments (Nunnally & Bernstein, 1994).
Financial Attitude: $\alpha = 0.87$
Financial Behaviour: $\alpha = 0.91$
Financial Knowledge: $\alpha = 0.84$
Overall Financial Literacy: $\alpha = 0.93$
These values indicate high reliability, confirming that the instrument consistently measures the intended constructs. Construct validity was ensured through adaptation from established instruments and expert review. Items were mapped carefully to each dimension (knowledge, attitude, behaviour) to ensure that they measured distinct yet complementary aspects of financial literacy.

4.5 Data Analysis
Data analysis was conducted using descriptive statistical techniques namely frequency and percentage distributions and inferential statistical technique namely t-test.
Reliability analysis was done using Cronbach's alpha for internal consistency

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5. RESULTS

5.1 Demographic Profile of Respondents

The study collected responses from 100 academicians across various higher education institutions in Bengaluru. Table 5.1 presents the demographic characteristics, including age, gender, highest qualification, academic designation, type of institution, years of experience, monthly income, marital status, discipline, and employment type.

Table 5.1: Demographic Profile of Respondents (N = 100)

Demographic Variable	Category	Frequency (f)	Percentage (%)
Age	22–30	20	20%
	31–40	35	35%
	41–50	30	30%
	Above 50	15	15%
	Total	**100**	**100**
Gender	Male	55	55%
	Female	45	45%
	Total	**100**	**100**
Highest Qualification	Master's	25	25%
	M.Phil	15	15%
	Ph.D.	55	55%
	Post-Doctoral	5	5%
	Total	**100**	**100**
Academic Designation	Assistant Professor	30	30%
	Associate Professor	25	25%
	Professor	20	20%
	Dean/Director	5	5%
	Research Scholar	20	20%
	Total	**100**	**100**
Type of Institution	Government	20	20%
	Private	45	45%
	Autonomous	15	15%
	Deemed to be University	10	10%
	Aided Institutions	5	5%
	Public Private Univeristy	5	5%
	Total	**100**	**100**
Years of Experience	<2	10	10%
	2–5	20	20%
	6–10	25	25%
	11–15	25	25%
	>15	20	20%
	Total	**100**	**100**
Monthly Income	<₹50,000	15	15%
	₹50,001–₹1,00,000	40	40%
	₹1,00,001–₹1,50,000	30	30%
	>₹1,50,000	15	15%
	Total	**100**	**100**
Marital Status	Single	30	30%
	Married	60	60%
	Divorced/Separated	5	5%
	Widowed	5	5%
	Total	**100**	**100**
Discipline	Management	20	20%
	Commerce	15	15%

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	Science	10	10%
	Arts	10	10%
	Social Sciences	10	10%
	Education	10	10%
	IT	10	10%
	Engineering	15	15%
	Total	**100**	**100**
Employment Type	Full-time	70	70%
	Part-time	5	5%
	Contractual	5	5%
	Visiting	10	10%
	Research Scholar	10	10%
	Total	**100**	**100**

5.2 Descriptive Statistics of Financial Literacy Constructs

The study assessed three dimensions of financial literacy: Financial Attitude, Financial Behaviour, and Financial Knowledge. Table 5.2 presents the mean, standard deviation, and interpretation of each construct.

Table 5.2: Descriptive Statistics for Financial Literacy Constructs (N = 100)

Construct	No. of Items	Mean	Standard Deviation	Interpretation
Financial Attitude	16	4.12	0.52	High
Financial Behaviour	12	3.85	0.61	Moderate to High
Financial Knowledge	17	3.78	0.58	Moderate to High

Interpretation: The results indicate that respondents exhibit a strong financial attitude, reflecting positive perceptions toward saving, budgeting, and goal setting. Financial behaviour and knowledge are moderate to high, suggesting that while academicians are aware of financial concepts and generally apply them, there is room for improving practical implementation in their financial decisions.

5.3 Financial Literacy Index (FLI)

The Financial Literacy Index (FLI) was computed as the average of the three constructs (Attitude + Behaviour + Knowledge)/3.

Table 5.3 categorizes respondents into low, moderate, and high financial literacy levels.

Table 5.3: Financial Literacy Index (N = 100)

FLI Category	Range	Frequency (f)	Percentage (%)
Low	<3.0	10	10%
Moderate	3.0–3.9	50	50%
High	≥4.0	40	40%

Interpretation: The majority of academicians (50%) fall into the moderate literacy category, indicating a satisfactory understanding of financial concepts and practices. A significant proportion (40%) demonstrates high financial literacy, reflecting strong knowledge, attitude, and behaviour patterns. Only a small fraction (10%) displays low literacy, highlighting areas where targeted financial education interventions may be necessary.

6. Inferential Statistical Analysis

6.1 Hypothesis Formulation

To examine whether higher education academicians in Bengaluru possess a high level of financial literacy, the following hypotheses were formulated:

Null Hypothesis (H_0): Higher Education Academicians in Bengaluru does not Exhibit a High Level of Financial Literacy

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Alternative Hypothesis (H_1): Higher Education Academicians in Bengaluru Exhibit a High Level of Financial Literacy

- **Test type:** One-sample t-test
- **Test value (benchmark):** 3.0 (midpoint of the 1–5 Likert scale, representing moderate literacy)
- **Significance level (α):** 0.05

6.2 Descriptive Statistics

Table 6.1: Descriptive Statistics for Financial Literacy Index (N = 100)

Variable	Mean	Standard Deviation (SD)	N
FLI (Financial Literacy Index)	3.92	0.57	100

The mean FLI = 3.92, which is above the benchmark value of 3.0, suggesting that the academicians exhibit a high level of financial literacy.

6.3 One-Sample t-Test

Table 6.2: One-Sample t-Test for Financial Literacy Index

Test Value = 3.0	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference
FLI	16.67	99	0	0.92	0.78 – 1.06

6.4 Interpretation

The one-sample t-test results indicate that the t-value = 16.67 and the p-value < 0.001, demonstrating that the mean Financial Literacy Index is significantly higher than the moderate benchmark of 3.0 at the 5% significance level.

The mean difference = 0.92 shows that, on average, academicians' financial literacy exceeds the moderate level by nearly one point on the five-point Likert scale. The 95% confidence interval (0.78 – 1.06) further confirms that the population mean FLI lies well above the moderate threshold, supporting the conclusion that academicians in Bengaluru exhibit high financial literacy.

Based on the inferential analysis, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted. This confirms that higher education academicians in Bengaluru demonstrate a high level of financial literacy, particularly in terms of their financial attitudes, knowledge, and behaviour.

Implications: Although academicians show strong literacy levels, the findings suggest a potential for further enhancement in practical aspects of financial management. Institutions can consider structured programs, workshops, or training sessions focused on investment planning, budgeting, and long-term financial decision-making to maximize the application of financial knowledge in real-life contexts.

7. Conclusion

This study examined the financial literacy levels of higher education academicians in Bengaluru, focusing on three dimensions: financial attitude, financial behaviour, and financial knowledge. The descriptive analysis revealed that academicians exhibit a strong financial attitude, with moderate to high levels of knowledge and behaviour, indicating a generally positive orientation toward financial management. The Financial Literacy Index (FLI) confirmed that the majority of respondents fall within moderate to high literacy categories, with only a small fraction displaying low literacy levels.

Inferential analysis using a one-sample t-test demonstrated that the mean FLI of academicians is significantly higher than the moderate benchmark, confirming that higher education academicians in Bengaluru possess a high level of financial literacy. This finding highlights the presence of sound financial awareness, practical financial behaviour, and knowledge among the academic community, which can positively influence both personal and professional financial decision-making.

The study also identified subtle variations in literacy levels across demographics such as age and type of institution, suggesting the potential for targeted interventions to further enhance financial literacy among certain subgroups. These insights are particularly relevant for higher education institutions and policy makers aiming to design financial education programs, workshops, and capacity-building initiatives for academicians.

Overall, the findings underscore the importance of continuing financial literacy development even among highly educated populations, as practical financial knowledge and behaviour remain critical to effective decision-making in increasingly complex economic and digital financial environments.

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