

# Impact of Financial Literacy on Saving Behavior Among Youth in Higher Education in Context of Biratnagar

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| Abstract                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Article Info                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p>This study investigates how financial literacy dimensions influence saving behaviour among higher-education youth in Biratnagar. Using primary data from 210 respondents via a structured questionnaire, the analysis employs correlation and multiple regression to examine the effects of financial knowledge, attitude, behaviour, skills, and self-efficacy on saving behaviour. Results reveal that financial knowledge, attitude, and behaviour each exert a significant positive influence on saving behaviour, indicating that greater knowledge, more favourable attitudes, and prudent financial practices enhance savings. Conversely, financial stress negatively affects saving behaviour, suggesting that heightened stress reduces propensity to save. Although financial self-efficacy shows a positive association, it is statistically insignificant, implying it does not meaningfully predict saving behaviour in this context. Notably, financial behaviour emerges as the strongest predictor of saving behaviour among all variables. These findings underscore the importance of promoting practical financial behaviours and mitigating financial stress to foster healthier saving habits among young students.</p> <p><i>Keywords:</i> saving behaviour, financial knowledge, financial attitude, financial behaviour, financial skills, financial self-efficacy</p> | <p><i>Corresponding Email</i><br/>Niroj Kafle</p> <p><i>Email</i><br/><a href="mailto:metalfuture16@gmail.com">metalfuture16@gmail.com</a></p> <p><i>Article History</i><br/>Received: May 11, 2026<br/>Accepted: July 12, 2026<br/>Published: August 06, 2026</p> <p><i>Cite</i><br/>Kafle, N., &amp; Sah, R. K. (2026). Impact of financial literacy on saving behavior among youth in higher education in context of Biratnagar. <i>Intellectual Journal of Academic Research (IJAR)</i>, 4(1), 29–43. <a href="https://doi.org/10.3126/ijar.v4i1.98340">https://doi.org/10.3126/ijar.v4i1.98340</a></p> |

## Introduction

Financial literacy broadly defined as the knowledge, attitudes, behaviors, skills, and self-efficacy required to make informed and effective financial decisions has become an indispensable life competency in contemporary financial environments characterized by the rapid expansion of digital banking, consumer credit, and investment (Atkinson & Messy, 2012). Financial systems have become so large and complicated that people without basic understanding of finance are at

greater risk for financial instability, accumulating excessive amounts of debt and failing to prepare for retirement (Lusardi & Mitchell, 2014). Therefore, policymakers and researchers agree that having knowledge about how to understand various financial instruments; evaluate their own risks; and develop plans for the future are essential for creating sustainable financial well-being for households (Atkinson & Messy, 2012). The connection between literacy in finance and saving behavior is explained using social cognitive theory which indicates

that knowledge, attitudes and self-efficacy affect what people do. Furthermore, theory of planned behavior stated perceived behavioral control and subject norms together influence an individual's intention regarding his/her financial behavior. (Ajzen, 1991). Additionally, there is support from the life cycle hypothesis. This hypothesis suggests that individuals who are knowledgeable about finances will use saving strategies to create stable consumption patterns throughout their lives (Modigliani & Brumberg, 1954). Together, these theories suggest that knowledge about finance does more than provide information. It serves as an enabling factor of behavior with effects on the types of decisions made by all members of society. Sayinzoga et al. (2016) identified a positive effect of financial education on the behavior of saving and borrowing for rural families in Rwanda which was based on data collected during a randomized controlled trial that demonstrated a causal relationship between financial education and saving and borrowing behavior. Morgan and Trinh (2019) study based on Cambodia and Vietnam stated financial literacy is a significant determinant of saving behavior and also accounted for the effects of socio-economic factors. Morgan and Long (2020) findings showed that both attitudes toward finances and the actual behavior related to finances contribute to decision-making about whether to save in Laos, in excess of the contribution provided by knowledge about finances. Ramirez-luzuriaga et al. (2021) study illustrated men and women with high levels of financial literacy in MENA (Middle East/North Africa) countries are more likely to save formally and less likely to borrow informally. Miller et al. (2015) based on a meta-analysis concluded that evidence from more than 180 evaluations of financial education programs. Their analysis concluded that financial education increases desired financial behaviors, especially saving and budgeting behaviors. Grohmann et al. (2018) determined that financial literacy is a significant predictor of formal financial activity, including retirement planning and investing in the stock market, in particular for low- and middle-

income countries. Additionally, Bucher-Koenen and Lusardi (2011) demonstrated that individuals who are educated about finances in Germany were significantly more likely to plan for retirement and accumulate greater wealth than those who did not receive financial education and demonstrated the significant relationship between financial education and long-term saving behavior.

Although previous studies provided the empirical evidences on the positive relationship between financial education and desirable financial behaviors (e.g. saving), the majority of previous studies treat financial literacy as a unidimensional concept, whereas many argue that it should be viewed as a multidimensional concept. Huston (2010) argued that if a clear conceptual definition and standard measure of financial literacy is lacking, then the ability to explain results using prior research may be severely limited, as well as the ability to apply them to policy development. Remund (2010) reviewed the literature concerning financial education and noted financial education is often defined similarly across research projects; however, most definitions are inconsistent, and financial education is typically defined based upon several constructs such as knowledge; skills; attitudes; behaviors; and/or confidence/self-efficacy. And further emphasized for the clear and more standardized conceptual framework to improve consistency in measurement and research comparability. Nguyen et al. (2017) study is based on data from a survey administered to Vietnamese consumers which demonstrated that both objective and subjective knowledge regarding finance had significant independent relationships with saving behavior. Berwal et al. (2025) found that favorable attitudes toward finances facilitate future-oriented financial planning and disciplined money management thereby increasing motivation to save. Henager and Cude (2016) demonstrated that responsible financial behavior positively influenced both short- and long-term outcomes related to personal finance among younger adults. However, Nazimuddin et al. (2024) showed that financial skill positively predicted saving behavior.

That is, individuals who possess strong abilities for managing their finances are more likely to practice effective saving methods. Asebedo and Seay (2018) demonstrated that financial self-efficacy (i.e. one's belief in their ability to manage financial tasks) was a significant positive predictor of financial behaviors including saving, regardless of the demographic/socioeconomic status of the individual. Finally, van Rooij et al. (2012) reinforced these arguments by demonstrating that a primary reason why some individuals fail to participate in the stock market or achieve adequate household savings is due to limited knowledge about finance. Overall, the collective results of these studies emphasize the importance of developing a multidimensional operationalization of financial literacy in studies examining saving behaviors.

In the context of Nepal, Nepal Rastra Bank (2020) reported stated low financial literacy across the dimensions of financial knowledge, attitude, and behavior which was measured under OECD/INFE framework, and younger individuals demonstrating weaker financial literacy outcomes. Subedi et al. (2025) study show that university students in Nepal have lower financial literacy in terms of their knowledge and behavior related to finances. Adhikari (2025) study concluded that university students in Nepal have lower than average knowledge, attitudes and self-efficacy regarding financial literacy. Furthermore, identified that measuring financial literacy using multiple dimensions (knowledge, attitude, self-efficacy) is important when assessing how financial literacy affects students' savings behaviors. Thapa and Jha (2022) stated saving behavior influenced by financial literacy, peer influence, and parental influence, whereas demographic factors such as age, gender, income, and education level were not significant predictors of saving behavior among the university students. Thapa et al. (2025) study explained financial literacy significantly influences students' saving behavior, both directly and indirectly through behavioral factors i.e. parental socialization, peer influence, and self-control, which indicated the multidimensional impact

on youth financial outcomes. Financial literacy significantly enhances saving behaviours among youth attending higher education in Biratnagar, as greater knowledge, favourable attitudes, and disciplined financial practices foster stronger intentions and habits of saving (Adhikari et al. 2024; Celestin & Mishra, 2025). Empirical evidence from Nepal indicates that financially literate students not only save more but also exhibit better self-control and reduced susceptibility to impulsive spending, aligning with behavioural accounting insights that emphasise the psychological underpinnings of financial decision-making (Celestin et al., 2026). Moreover, in emerging markets like Nepal, where digital finance and AI-driven analytics are reshaping financial oversight, literacy equips young adults to navigate complex financial environments responsibly, thereby reinforcing prudent saving as a strategic component of personal financial management (Celestin et al., 2026). These findings underscore the value of integrating financial literacy into higher-education curricula to cultivate sustainable saving behaviours among Nepali youth.

Empirical evidence regarding the relationship between financial literacy and saving behaviors among university students is inconsistent. International and Nepali contexts previous studies indicated financial literacy has an influence on savings via knowledge, attitudes, behaviors, skills, and self-efficacy. However, some pervious study also suggested positive and strong relationship between financial literacy and savings which is influenced by a variety of socio-economic characteristics, educational experiences, and behavioral attributes. Further, studies in the context of Nepal have examined either financial literacy in general or specific aspects of it and rarely assessed all of them collectively as they relate to saving behaviors of youth enrolled at higher education institutions.

## Research Objective

The main objective of the study is to examine the impact of financial literacy on saving behaviors for youth attending higher education in Biratnagar. More specifically, the study examines

the relationships between financial knowledge; financial attitudes; financial behaviors; financial skills; and financial self-efficacy and savings behaviors. By examining all of these elements together within one conceptual model, the study seeks to provide a better overall understanding of how FL impacts saving behaviors among university students in the Nepali setting.

## Methodology

The study is based on quantitative data i.e. primary data which were collected from 210 respondents through the questionnaires with the help of the google survey from among the youth in higher education in context of Biratnagar. The respondent respond was collected on the impact of financial literacy on saving behaviour. The study is based on quantitative research design i.e. descriptive as well as comparative research designs.

## The Model

The model used in the study is based on the assumption saving behaviour among the youth in Biratnagar depends on financial literacy. The dependent variables selected for the study is saving behaviour. And the selected independent variables are financial knowledge, financial attitude, financial behaviour, financial skills, financial self-efficacy. Therefore, the model used is presented below in the following form:

Saving behaviour =  $f$  (financial knowledge, financial attitude, financial behaviour, financial skills, financial self-efficacy)

More specifically,

$$SB = \beta_0 + \beta_1 FK + \beta_2 FA + \beta_3 FB + \beta_4 FS + \beta_5 FSE + \varepsilon$$

Where,

SB = Saving behaviour

FK = Financial knowledge

FA = Financial attitude

FB = Financial behaviour

FS = Financial Skills

FSE = Financial self-efficacy

The dependent variable used in the study i.e. saving behaviour is measured with a 5-point Likert-type scale. Respondents are requested to reply using 1 as “strongly disagree” and 5 as “strongly agree”. The items relate to five questions such as “I set aside an equal amount each month from my allowance or income.” etc. These items were assessed for reliability through use of Cronbach’s alpha ( $\alpha = 0.874$ ). The independent variable used in the study i.e. financial knowledge was also measured with a 5-point Likert-type scale. Respondents replied using 1 as “strongly disagree” and 5 as “strongly agree”. Items related to five financial knowledge statements; “I can calculate how much interest I will earn from a savings account,” “I am familiar with the process of compounding and the way in which this influences my long-term savings.” etc. Cronbach’s alpha ( $\alpha = 0.846$ ) was used to assess the reliability of these items.

Financial attitude was assessed with a 5-point Likert scale in which participants had to provide their answers using 1 as “strongly disagree” and 5 as “strongly agree.” Five statements are included: “Saving money regularly is an important priority for me,” “Having a financial plan will lead to better financial results,” etc. Reliability of the items was measured through Cronbach’s alpha ( $\alpha = .858$ ).

Financial behaviour was assessed with a 5-point Likert scale in which participants provided their answers using 1 as “strongly disagree” and 5 as “strongly agree.” Five items are used for the construct e.g. examples of items included are: “I monitor my everyday or weekly spending habits on a routine basis,” “When handling my allowance or income, I adhere to a personal budget,” etc. Reliability of the items was measured through Cronbach’s alpha ( $\alpha = .842$ ).

Financial skill was assessed with a 5-point Likert scale in which participants provided their answers using 1 as “strongly disagree” and 5 as “strongly agree.” Examples of five items are included: “On my own, I am capable of creating a comprehensive, detailed plan for my personal budget,” “I have the capability to determine how

much I would need to save in order to reach one of my financial objectives,” etc. Reliability of the items was measured through Cronbach’s alpha ( $\alpha = .836$ ).

Financial self-Efficacy was assessed with a 5-point Likert scale in which participants provided their answers using 1 as “strongly disagree” and 5 as “strongly agree.” Examples of five items are included: “I am sure I am capable of managing my finances in a cost-effective manner based upon a limited amount of funds,” “If I make a savings objective for myself, I feel confident that I will be successful in reaching it,” etc. Reliability of the items was measured through Cronbach’s alpha ( $\alpha = .862$ ).

The following section describes the relationship among the variables (independent and dependent) used in the study and the hypothesis formulation is done based the empirical evidences of previous studies.

### **Financial Knowledge**

Financial knowledge has a significant positive effect on saving behavior, indicating that individuals with higher levels of financial literacy are more likely to engage in both formal and informal saving practices (Morgan & Long, 2020). Financial literacy has a positive influence on saving behavior, as individuals with higher financial knowledge are more likely to make effective financial decisions and utilize appropriate saving practices (Grohmann, 2018). Financial knowledge gained through financial education programs has a significant positive effect on individuals’ saving behavior, improving their financial decision-making and encouraging better financial practices (Kaiser et al., 2022). Financial literacy has a significant positive influence on saving behavior, indicating that individuals with higher financial knowledge are more likely to develop disciplined and effective saving practices (Silwal, 2026). Financial knowledge is associated with better money-management practices, including saving behavior, as students with higher financial knowledge tend to demonstrate more

effective financial control and disciplined saving habits (Cappelli et al., 2024). Based on it, this study develops following hypothesis:

H1: There is positive relation between financial knowledge and saving behaviour.

### **Financial Attitude**

Financial attitude has a significant positive effect on saving behavior, as individuals with a more positive perception of their financial situation are more likely to maintain savings and demonstrate better saving practices (Maison et al., 2019). Additionally, financial attitude significantly influences saving behavior, as individuals with stronger saving-oriented attitudes are less likely to engage in borrowing and gambling and are more likely to demonstrate responsible financial behavior (Silinskas et al., 2021). Similarly, financial attitude plays a significant and positive role in shaping saving behavior, as individuals with stronger positive financial attitudes are more likely to demonstrate disciplined saving practices and make better financial decisions (Rai et al., 2019). Furthermore, Financial attitude has a significant positive effect on saving behavior, indicating that individuals with a more favorable financial attitude are more likely to practice disciplined saving and make better financial decisions (Mpaata et al., 2021). Financial attitude has a statistically significant and positive influence on saving behavior, indicating that individuals with a more responsible and positive financial outlook are more likely to engage in regular saving practices and make prudent financial decisions for future needs (Perangin-angin et al., 2022). Based on it, this study develops following hypothesis:

H2: There is positive relation between financial attitude and saving behaviour.

### **Financial Behavior**

Pandey (2024) stated financial attitude (attitude toward money) has a positive relationship with financial behavior. Individuals with a better financial attitude are more likely to exhibit responsible financial behaviors such as saving and budgeting. Similarly, According to Tohar and

Akron (2025) financial attitude has a significant relationship with financial behavior. Individuals with a stronger financial attitude are more likely to exhibit positive financial behaviors such as saving and responsible spending. Furthermore, Ananda et al. (2024) study showed that financial behavior has a positive relationship with saving behavior among investors in the GCC region. Individuals with better financial behavior were more likely to demonstrate improved saving practices. Additionally, Sabri et al. (2024) mentioned in the study that financial behavior has a significant positive relationship with financial well-being among young Malaysians during the COVID-19 pandemic. Individuals with better financial behavior were more likely to achieve higher financial well-being. Furthermore, Sheet al. (2024) found in the study that financial behavior has a significant positive relationship with financial well-being among Millennials. Individuals with better financial behavior were more likely to experience higher financial well-being. Based on it, this study develops following hypothesis:

H3: There is positive relation between financial behaviour and saving behaviour.

### **Financial Skills**

Financial literacy positively influences saving behavior by improving individuals' financial knowledge and money management skills. Individuals with higher financial literacy are more likely to engage in responsible saving behavior, which can further support better entrepreneurial and financial outcomes (Alshebami & Marri, 2022). As well as Financial skills positively influence saving behavior through better budgeting ability, financial knowledge, and self-confidence in managing finances. The study found that individuals with stronger financial capability are more likely to engage in effective saving behavior (Núñez-Letamendia et al., 2024). According to Melisa et al. (2025) financial literacy has a significant positive effect on saving behavior among students. Individuals with higher financial literacy are more likely to engage in better saving behavior. Similarly financial skills, particularly budgeting

skills, are strongly associated with households' saving behavior. The findings also suggest that a broader concept of financial capability beyond financial knowledge is important in explaining saving behavior (Núñez-Letamendia et al., 2025). Financial literacy positively influences saving behavior among university students. The study found that students with better financial literacy and financial skills demonstrated stronger saving behavior and improved financial decision-making (Thapa et al., 2025). Based on it, this study develops following hypothesis:

H4: There is positive relation between financial skills and saving behaviour.

### **Financial Self-Efficacy**

Asebedo and Seay (2018) study conducted among 847 U.S. pre-retirees aged 50 to 70 examined the relationship between financial self-efficacy and saving behavior. The findings of the study stated that financial self-efficacy positively influences saving behavior which indicated that individuals with higher confidence in managing financial matters are more likely to save effectively. According to Lown et al. (2015) Social cognitive theory examined the relationship between self-efficacy and saving behavior among middle- and low-income households. The findings indicated that individuals with higher self-efficacy were more likely to save, confirming that self-efficacy positively influences saving behavior. Farrell et al. (2016) study conducted among Australian women examined the role of financial self-efficacy in influencing personal finance behavior. The findings revealed that higher financial self-efficacy is positively associated with savings and investment behavior, while lower financial self-efficacy is linked with greater use of debt-related financial products. Asebedo et al. (2018) conducted study among 1,380 U.S. pre-retirees examined the influence of psychological characteristics on saving behavior using the 3M Model of Motivation and Personality. The findings revealed that financial self-efficacy directly and positively influences saving behavior, while personality traits and emotional factors indirectly affect saving behavior

through financial self-efficacy. The systematic review of financial self-efficacy (FSE) research from 1992 to 2024 examined the role of FSE in various financial outcomes, including saving behavior, financial capability, and retirement planning which highlighted that financial self-efficacy is a significant factor influencing financial decision-making and positive financial behaviors, emphasizing its importance in improving individuals' financial well-being (Gulati et al., 2026). Based on it, this study develops following hypothesis:

H5: There is positive relation between financial self-efficacy and saving behaviour.

**Table 1**

*Demographic Analysis*

| Demographic Details                      | Description           | Frequency | Percentage (%) |
|------------------------------------------|-----------------------|-----------|----------------|
| Age Group                                | 18–23 years           | 55        | 26.2           |
|                                          | 24–29 years           | 84        | 40.0           |
|                                          | 30–35 years           | 71        | 33.8           |
| Gender                                   | Female                | 135       | 64.3           |
|                                          | Male                  | 75        | 35.7           |
| Academic Qualification                   | Graduate and above    | 120       | 57.1           |
|                                          | Undergraduate         | 90        | 42.9           |
| Primary Source of Financial Support      | Parents / Family      | 55        | 26.2           |
|                                          | Part-time / Full-time | 49        | 23.3           |
|                                          | Scholarship / Grant   | 46        | 21.9           |
|                                          | Others                | 60        | 28.6           |
| Personal Savings Account                 | No                    | 110       | 52.4           |
|                                          | Yes                   | 100       | 47.6           |
| Formal Financial Literacy Course/Seminar | No                    | 96        | 45.7           |
|                                          | Yes                   | 114       | 54.3           |

Table 1 represents the demographic details of the 210-respondent used in the study. The majority (40%, n=84) of the respondent are of 24-29 years age group followed by 30-35 years where the number of respondents is (33.8%, n=71). Male respondent size is (35.7%, n=75) where (64.3%, n=135) were female respondents. On the basis of

## Results and Discussion

### Demographic Details

The demographic analysis consists of the demographic information of the 210-respondent used in the study. And it is presented in the tabular format below in table 1.

### Demographic Information

This table presents demographic details of the 210-respondent used in the study. The demographic details consist of age group, gender, academic qualification, primary source of financial support, personal saving account and formal financial literacy course/seminar.

academic qualification, the majority of respondent (57.1%, n=120) were graduates and above and (42.9%, n=90) respondents were undergraduate. The primary source of financial support shows majority of (26.2%, n=55) was provided by family / parents. Respondent size of (52.4%, n=110) do not possess the personal saving account where in

the context of formal financial literacy courses (54.3%, n=114) have obtained the formal financial courses.

### Correlation Analysis

The primary data collected through the survey form with help of google form for the construct used in the study. Karl Pearson correlation coefficients along with mean and standard deviation has been calculated and the outcome has been presented in the table 2 below:

**Table 2**

*Karl Pearsons Correlation Coefficients Matrix*

| Variables |                     | Mean | SD   | FK      | FA     | FB     | FS      | FSE  | SB |
|-----------|---------------------|------|------|---------|--------|--------|---------|------|----|
| FK        | Pearson Correlation | 3.01 | 0.82 | 1       |        |        |         |      |    |
| FA        | Pearson Correlation | 3.20 | 0.85 | .315**  | 1      |        |         |      |    |
| FB        | Pearson Correlation | 3.75 | 0.81 | .032    | .013   | 1      |         |      |    |
| FS        | Pearson Correlation | 3.12 | 0.80 | -.203** | -.028  | -.107  | 1       |      |    |
| FSE       | Pearson Correlation | 3.05 | 0.83 | .024    | .079   | -.156* | .115    | 1    |    |
| SB        | Pearson Correlation | 2.98 | 0.84 | .307**  | .274** | .300** | -.247** | .009 | 1  |

Note. \*\*, Correlation is significant at the 0.01 level (2-tailed) and \*, Correlation is significant at the 0.05 level (2-tailed).

Table 2 presents the Karl Pears correlation coefficient among the construct (independent and dependent variables) used in the study. The outcome of the correlation coefficient shows positive and significant relationship between SB and FK ( $r=.307$ ), Financial attitude (FA) ( $r = .274$ ), and financial behaviour (FB) ( $r = .300$ ). This indicates that higher the level of financial knowledge, positive financial attitude, and sound financial behaviour are associated better saving behaviour among respondents. But in the context of financial skills there is significant negative relationship with Saving behaviour ( $r = -.247$ ), indicating that an increase in financial skills is associated with lower saving behaviour in this study.

As well as Financial self-efficacy (FSE) has a very weak and insignificant relationship with Saving behaviour ( $r = .009$ ), suggesting that it does not significantly influence saving behaviour. Financial knowledge and financial attitude are

### *Karl Pearsons Correlation Coefficients Matrix*

This table presents Karl Pearson correlation coefficients between dependent and independent variables used in the study. The correlation coefficients analysis is based on 210 observations. The construct used in the study i.e. dependent variable is (SB) Saving behaviour and independent variables are FK (Financial knowledge), FA (Financial attitude), FB (Financial behaviour), FS (Financial skills), FSE (Financial self-efficacy).

positively and significantly correlated ( $r = .315$ ,  $p < 0.01$ ). Overall, the correlation coefficients are moderate and below the multicollinearity threshold, indicating that multicollinearity is not a serious concern in the study.

### *Collinearity Diagnostics*

Collinearity diagnostics are statistical measures used to assess whether strong correlations exist among independent variables in a regression model. High collinearity can distort coefficient estimates and reduce the reliability of the regression results. It is commonly examined using Tolerance and Variance inflation factor (VIF) values, where VIF values below 10 and tolerance values above 0.1 generally indicate no serious multicollinearity problem.

This table 3 presents Collinearity diagnostics of all the construct i.e. dependent and independent variables used in the study and based on 210 observations. The dependent variable is (SB)

Saving behaviour and independent variables are FK (Financial knowledge), FA (Financial attitude),

FB (Financial behaviour), FS (Financial skills), FSE (Financial self-efficacy).

**Table 3**

*Collinearity Diagnostics*

| Dimension | Eigenvalue | Condition Index | (Constant) | FK  | FA  | FB  | FS  | FSE |
|-----------|------------|-----------------|------------|-----|-----|-----|-----|-----|
| 1         | 5.713      | 1.000           | .00        | .00 | .00 | .00 | .00 | .00 |
| 2         | .092       | 7.874           | .00        | .16 | .09 | .04 | .27 | .12 |
| 3         | .079       | 8.513           | .00        | .05 | .11 | .52 | .02 | .13 |
| 4         | .058       | 9.968           | .00        | .01 | .27 | .06 | .29 | .50 |
| 5         | .047       | 11.056          | .00        | .59 | .49 | .07 | .11 | .08 |
| 6         | .012       | 22.159          | 1.00       | .19 | .04 | .31 | .32 | .17 |

Table 3 presents the collinearity diagnostics reflecting multicollinearity is not a serious concern in this regression model. The condition indices range from 1.000 to 22.159 which is below the threshold of 30 indication no multicollinearity issues. The independent variables used in the study i.e. financial knowledge (FK), financial attitude (FA), financial behavior (FB), financial stress (FS), and financial self-efficacy (FSE) can be considered sufficiently independent of one another, supporting the validity of the regression estimates.

**Regression Analysis**

After the Karl Pearsons coefficient and collinearity diagnostics, the regression analysis has been carried out, and the results are presented in Table 4. More specifically, it shows the regression results of (SB) Saving behaviour, FK (Financial

knowledge), FA (Financial attitude), FB (Financial behaviour), FS (Financial skills), FSE (Financial self-efficacy) among youth in higher education in context of Biratnagar.

Table 4 Estimated regression result of FK (Financial knowledge), FA (Financial attitude), FB (Financial behaviour), FS (Financial skills), FSE (Financial self-efficacy) on Saving Behaviour among youth in higher education in Biratnagar

The results are based on 210 observations using linear regression model. The model is  $SB = \beta_0 + \beta_1 FK + \beta_2 FA + \beta_3 FB + \beta_4 FS + \beta_5 FSE + \varepsilon$  where the dependent variable is SB (Saving behaviour). The independent variables are FK (Financial knowledge), FA (Financial attitude), FB (Financial behaviour), FS (Financial skills), and FSE (Financial self-efficacy).

**Table 4**

*Multiple Regression Analysis of Factors Influencing Financial Behavior*

| Model | Intercept $\beta$    | FK                  | FA                  | FB                  | FS | FSE | Adj. R <sup>2</sup> | SEE   | F-value  |
|-------|----------------------|---------------------|---------------------|---------------------|----|-----|---------------------|-------|----------|
| 1     | 2.023<br>(9.530) **  | 0.317<br>(4.650) ** | —                   | —                   | —  | —   | 0.090               | 0.804 | 21.62 ** |
| 2     | 2.164<br>(10.559) ** | —                   | 0.271<br>(4.117) ** | —                   | —  | —   | 0.071               | 0.812 | 16.95 ** |
| 3     | 2.041<br>(9.579) **  | —                   | —                   | 0.312<br>(4.541) ** | —  | —   | 0.086               | 0.806 | 20.63 ** |

| Model | Intercept $\beta$       | FK                     | FA                     | FB                     | FS                       | FSE              | Adj. R <sup>2</sup> | SEE   | F-value              |
|-------|-------------------------|------------------------|------------------------|------------------------|--------------------------|------------------|---------------------|-------|----------------------|
| 4     | 3.757<br>(17.047)<br>** | —                      | —                      | —                      | -0.261<br>(-3.670)<br>** | —                | 0.056               | 0.818 | 13.47<br>**          |
| 5     | 2.435<br>(11.203)<br>** | —                      | —                      | —                      | —                        | 0.118<br>(1.734) | 0.009               | 0.841 | 3.01                 |
| 6     | 1.632<br>(6.565)<br>**  | 0.252<br>(3.580)<br>** | 0.195<br>(2.889)<br>** | —                      | —                        | —                | 0.121               | 0.790 | 15.37<br>**          |
| 7     | 1.147<br>(4.132)<br>**  | 0.307<br>(4.721)<br>** | —                      | 0.302<br>(4.614)<br>** | —                        | —                | 0.171               | 0.767 | 22.51<br>**          |
| 8     | 2.753<br>(8.424)<br>**  | 0.276<br>(4.045)<br>** | —                      | —                      | -0.203<br>(-2.903)<br>** | —                | 0.121               | 0.790 | 15.41<br>**          |
| 9     | 0.760<br>(2.525)<br>*   | 0.243<br>(3.618)<br>** | 0.194<br>(3.018)<br>** | 0.301<br>(4.695)<br>** | —                        | —                | 0.202               | 0.753 | 18.63<br>**          |
| 10    | 2.376<br>(6.921) **     | 0.208<br>(2.947)<br>** | 0.203<br>(3.063)<br>** | —                      | -0.211<br>(-3.076)<br>** | —                | 0.155               | 0.774 | 13.82<br>**          |
| 11    | 1.831<br>(4.606) **     | —                      | 0.257<br>(4.173)<br>** | 0.294<br>(4.482)<br>** | -0.228<br>(-3.432)<br>** | —                | 0.195               | 0.756 | 13.63<br>**          |
| 12    | 1.295<br>(3.023) **     | 0.204<br>(3.019)<br>** | 0.197<br>(3.096)<br>** | 0.291<br>(4.535)<br>** | -0.187<br>(-2.810)<br>** | —                | 0.225               | 0.742 | **<br>13.16<br>** ** |

*Note.* (i) Figures in parenthesis are t-values. (ii) The asterisk signs (\*\*) and (\*) indicate that the results are significant at one percent and five percent level respectively. (iii) Customer satisfaction is dependent variable.

The table 4 represents the regression results of Models 1–12 provide a theoretically differentiating and a nuanced understanding of the interrelationships among the five financial literacy factors and savings behavior. All hypotheses regarding the positive impacts of financial knowledge (Hypothesis 1), financial attitudes (Hypothesis 2) and financial behaviors (Hypothesis 3) were supported by the data. Each had positive

and statistically significant coefficients in each of the two sets of model specifications. Among the three variables, financial behavior (Hypothesis 3) was identified as having the largest magnitude and was the most consistent predictor of savings, as reflected by coefficients of  $\beta = .312$  in Model 3 and  $\beta = .291$  in Model 12, while also being larger than the coefficients for the remaining two factors in all models where they co-existed. Likewise,

financial knowledge (Hypothesis 1) and financial attitudes (Hypothesis 2) maintained significance throughout. Their coefficients converged to values of  $\beta = .204$  and  $\beta = .197$ , respectively, in Model 12 a predictable attenuation that can be attributed to shared variances rather than instability of constructs. Additionally, the maximum adjusted R-squared (.225) achieved in Model 12 indicates that including simultaneously these three dimensions along with financial skills produces the best explanation for the savings variable among the tested models and supports the use of a multidimensional perspective when measuring financial literacy. In contrast, hypothesis H4, which predicts a positive relationship between financial skills and savings behavior, was rejected. Financial skills have a statistically significant negative effect in all models in which it has been included ( $\beta = -.261$  in Model 4;  $\beta = -.187$  in Model 12), indicating that technical competence in finance diverts funds from traditional savings vehicles rather than increasing them. Finally, hypothesis H5, which predicts a positive relationship between financial self-efficacy and savings behavior did not achieve statistical significance in either of the model specifications ( $\beta = .118$ ;  $p > .05$ ), and the near zero-adjusted R-squared (.009) in Model 5 demonstrates that there is no meaningful direct effect on savings behavior in this sample.

The cross-model comparisons produce a number of additional implications for theory that go beyond what would be implied by individual hypothesis determinations. The ability to maintain a greater degree of dominance over savings across all of the combined model specifications for financial behavior (Hypothesis 3) is supportive of the dual process perspectives proposed by Pandey (2024) and Ananda et al. (2024); according to these authors, the most proximal factor determining savings outcomes is behavioral engagement in saving, with cognitive/attitudinal factors producing at least some portion of their impact through this dimension. The coefficient stability associated with financial knowledge (Hypothesis 1) and financial

attitudes (Hypothesis 2) across increasingly complex models also suggest that these constructs represent separate conceptual routes to influencing saving behavior rather than merely correlated measures of the same phenomenon; findings consistent with Grohmann et al. (2018), Maison et al. (2019), and Perangin-angin et al. (2022). Conversely, the continued negative association of financial skills (Hypothesis 4) represents the single most theoretically interesting result of this study and contrasts with the previously documented positive associations reported by Núñez-Letamendia et al. (2024), Alshebami & Marri (2022). These contrasting results could arise because high levels of technical competence related to finance allows individuals to recognize that conventional saving vehicles will offer minimal returns on their investments and therefore redirect those resources toward alternative investments outside of this study's definition of saving behavior. Alternatively, the reversed relationship may be indicative of methodological, or sampling level issues related to how one defines construct or how individuals within a particular population behave relative to one another. Finally, the lack of statistically significant association found between financial self-efficacy (Hypothesis 5) and savings behavior, although supported theoretically by Asebedo & Seay (2018), Lown et al. (2015), and Farrell et al. (2016), suggests an indirect as opposed to direct route between self-efficacy and saving; that is, self-efficacy may have an effect on savings through its influence on knowledge, attitudes or behaviors toward finances a mediated relationship that this cross sectional design does not permit evaluation of and that future structural equation modeling designs should include tests for directly examining such mediations.

## Conclusion

The study analyzed how different areas of financial literacy (i.e., financial knowledge; financial attitude; financial behavior; financial skills; and financial self-efficacy) affect saving behaviors of youth in higher education in Biratnagar. The study is based on survey-based method to gather

our sample. There were 210 participants who represented a variety of demographics in terms of gender, age, academic background, and sources of financial support. Correlation analysis and multiple regression were performed for the analysis of both types of association and level of significance between all of the construct used studied.

The outcome of the study indicated that financial knowledge, financial attitude, and financial behavior are all positively related to savings behaviors and have a high degree of statistical significance. These findings suggest that these three key dimensions of financial literacy are very important for developing good money management decisions among young people. On the other hand, financial skills had a negative and statistically significant relationship with savings behaviors, indicating that some types of financially skilled adult can encourage young people to use their money to buy things or invest instead of save it. Although financial self-efficacy is also positively related to savings behaviors, it did not meet statistical significance which suggested the limitations created by low incomes, dependency on others for financial support and the larger socio-economic conditions of students at the post-secondary education level could limit the effect of financial self-efficacy.

The study provides insight into the multi-dimensional aspects of financial literacy and how they can affect saving behaviors in an emerging market. The results provide evidence that not all financial literacy components function equally and that specific social contexts (such as economic dependence and institutional environments) can influence the effectiveness of various components of financial literacy. Therefore, policymakers, educators and organizations involved in providing financial services should develop strategies for improving overall financial literacy through education programs that do more than just teach basic financial skills but help create comprehensive attitudes about money and improve knowledge which ultimately lead to long-term savings behavior among the younger generation.

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