Examining Financial Literacy, Knowledge and Socialization in Student Financial Behaviour in Nepal

Prabhat Paudel
Teaching Assistant, Butwal Kalika Campus

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Prabhat Paudel
Teaching Assistant, Butwal Kalika Campus

Email
prabhatpaudel2000@gmail.com

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Abstract

In today's multifaceted financial world, it is more important than ever to help students learn how to make smart financial decisions. University students, as future professionals, are at a critical stage where financial literacy, knowledge, and social influences shape lifelong financial behavior. This study aims to understand the extent to which financial literacy, knowledge, and socialization affect financial behavior among university students in the Rupandehi District of Nepal and also the relationship among these variables and assess their combined effect through regression analysis. Information was obtained from 450 university students using a well-designed structured questionnaire. Students' attitudes toward financial behavior were measured using a five-point Likert scale, while other structured questions were used to assess their financial status and objective knowledge. The findings indicate that most of the students are financially literate and have sufficient knowledge for useful financial decisions. Furthermore, interactions with family, friends, and media play a key role in shaping students' financial behavior. The regression analysis confirms that financial literacy, knowledge and socialization each have a statistically significant and positive impact on financial behavior. The evidence indicates the crucial role of enhancing financial education and leveraging social influences enhance students' ability to make responsible financial choices.

Keywords: financial literacy, financial knowledge, financial socialization, financial behavior

Introduction

Financial literacy typically assessed via the "Big Three" questions measuring understanding of interest compounding, inflation, and risk diversification has long been recognized as essential for effective financial decision-making (Lusardi, 2019). Effective financial behavior encompasses budgeting, saving, borrowing, and investing, which together determine individuals' long-term financial well-being. Although financial literacy is vital, worldwide proficiency in this area continues to be low. Only about 30–35% of adults across major economies could answer all three questions correctly, with even developed nations failing to exceed roughly 50% proficiency (OECD, 2017). The S&P Global Financial Literacy Survey, covering 148 countries, reinforced this stark picture: only 49% correctly answered the interest-rate question, and just 30% of women and 35% of men demonstrated financial literacy overall (Lusardi & Mitchell, 2014). These findings emphasize that financial complexity transcends economic development; both advanced and emerging markets exhibit similar deficiencies. Beyond knowledge, financial behavior is shaped by literacy and social environment. Kramer (2015) demonstrated that each additional correct response on the literacy questions increases the likelihood of retirement planning by 3 to 4 percentage points across diverse countries. Yet, even when individuals possess knowledge, its translation into responsible behavior often hinges on socialization processes: parental role modeling, peer influence, and media messaging (Shim et al., 2010). A recent Indonesian study confirmed this: family, peer, and media inputs all positively influenced student financial knowledge, though only formal literacy efforts produced measurable behavioral change (Putri & Wijaya, 2020).

Fintech penetration in emerging markets brings both opportunity and risk: broader access to credit may increase financial inclusion but also exposure to over-indebtedness (Thomas et al., 2024). This highlights the need to study literacy, knowledge, and socialization together in formative youth populations. In Nepal, financial inclusion has progressed e.g., through digital banking, but literacy remains under-researched particularly among university students. Thapa and Nepal (2015) surveyed 436 college students and concluded that while basic saving behavior is understood, knowledge of credit, insurance, investment, and financial statements is limited; parental influence was noted as substantial (Oberrauch et al., 2024). Rupakheti (2020) studying 60 BBS students at Nilkantha Multiple Campus, found that literacy scores averaged just 49.8%, with budgeting and planning rated below average leading to appeals for aggressive financial education initiatives. However, like prior domestic studies, these investigations isolated either literacy or behavior without comprehensively integrating financial socialization into their analytical models. In Nepal, though some financial awareness exists among university students, they frequently lack practical financial knowledge and structured decision-making behavior

(Kharel et al., 2024; Rupakheti, 2020; Thapa & Nepal, 2015). Existing research in Nepal has predominantly explored financial literacy in isolation, overlooking the joint impression of financial literacy, knowledge and socialization. This study responds to this gap by studying how these three factors collectively influence financial behavior among bachelor-level university students in Nepal.

Thus, Clear research gap emerges while international literature validates the joint impression of literacy, knowledge and socialization on financial behavior, and Nepalese findings establish low literacy and knowledge levels, no study in Nepal has simultaneously measured all three variables particularly among university students approaching financial autonomy. To bridge this gap, the study seeks to answer the following research questions: What are the levels of financial knowledge, literacy, socialization, and financial behavior among university students? Additionally, how do financial literacy, knowledge and socialization relate to the financial behavior of university students? Accordingly, the objectives of this research are to assess the current status of these variables and examine their interrelationships. This integrated approach advances theory by testing the socialization literacy behavior model in a Nepali context, and informs policy by highlighting leverage points be it curriculum design, family engagement, or media-based interventions. As Nepal transitions into an increasingly formal and digital economic environment, fostering not just financial knowledge but behaviorally supportive ecosystems becomes vital. This research thus fills a critical void, offering both academic contribution and practical pathways for student-centered financial empowerment.

Literature Review

Lusardi and Mitchell (2014) examined data from 15 countries and observed that higher levels of financial literacy were strongly associated with more effective saving and retirement planning. Fernandes et al. (2014) in a meta-analysis of 201 studies, reported that even short financial education interventions lead to improved financial outcomes. OECD (2017) emphasized that youth with higher financial knowledge were more likely to budget, save regularly, and avoid unnecessary. Shim et al. (2010) showed that early financial socialization predicts long-term financial well-being. Similarly, Jorgensen and Savla (2010)attitudes, and behaviors and (b revealed that college students who learned money management from their parents demonstrated more disciplined financial behavior. In the Asian context, the role of familial influence and collectivism is profound. Agnew (2015) found that in Malaysia, students rely heavily on parents and social media for financial learning. In Indonesia, Khawar and Sarwar (2021) found financial literacy, family socialization, and formal education all positively influenced financial decisions among students. Kumari et al. (2024)given their mammoth share in maintaining the socio-economic equilibrium and inclusive growth of the economy. Despite their contribution to India's economy, they are still confronted with several on-ground hurdles, such as inadequate financial literacy among entrepreneurs, inaccessibility to affordable credit, financial mismanagement and lack of innovation. The extant literature has revealed that financial illiteracy and lack of innovation have raised pertinent concerns across the world, given the increasing rate of business failures. Nonetheless, the effect of financial literacy on organisational performance and innovativeness remains underexplored and fragmented. This study aims to examine the effect of financial literacy on the business performance and innovativeness of the micro-entrepreneurs in Delhi-National Capital Region (NCR observed that students with higher financial knowledge exhibited better saving and investment behavior, especially when guided by parents. Bhushan and Medury (2014) emphasized the role of mobile apps and informal peer groups in shaping financial behavior. Thapa and Nepal (2015) found that while most Nepali students understand basic saving principles, knowledge of investments, credit, and insurance is limited. Parental influence was noted as a significant socializing factor. Rupakheti (2020) in a study of 60 BBS students, showed that budgeting skills and saving habits were underdeveloped, calling for institutionalized financial education. Recently, Kharel et al. (2024) highlighted that although digital banking has improved access, students still lack the knowledge to evaluate financial products critically. Financial socialization particularly through family and media continues to shape decision-making more than formal education.

Conceptual Review

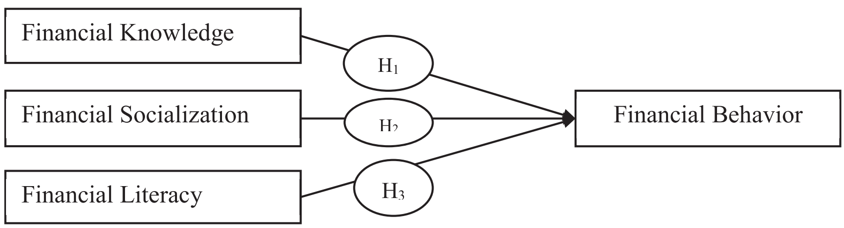
Financial Literacy: Lusardi and Mitchell (2014) emphasized that financial literacy comprises numeracy and knowledge of basic financial concepts like inflation and interest rates. According to OECD (2017) financial literacy also entails behaviors and attitudes toward financial decision-making. In the context of youth, financial literacy helps avoid over-indebtedness and encourages future-oriented planning (Abdul Jamal, 2022; OECD, 2017).

Financial Knowledge: It refers to the cognitive understanding of financial products, terms, and concepts (Xiao & Porto, 2017). It is often measured through factual quizzes assessing knowledge of credit, savings, insurance, and investment. Hastings et al. (2013) argue that while financial literacy and knowledge are interrelated, the latter forms the informational basis for decision-making. Valdes et al. (2024) found that young adults in many developing nations struggle with basic financial knowledge, which impairs effective budgeting and saving behaviors.

Financial Socialization: Financial socialization is the process through which individuals acquire financial norms, values, knowledge, and behaviors, primarily via interactions with social agents such as parents, peers, schools, and media (Gudmunson & Danes, 2011). Shim et al. (2010) argue that financial socialization lays the groundwork for financial habits formed during adulthood. In South Asia, familial influence plays a crucial role due to intergenerational dependence and collectivist cultural values (Kumari et al., 2024).

Financial Behavior: Financial behavior refers to observable practices like saving, spending, budgeting, and investing. It reflects the outcomes of financial literacy, knowledge, and socialization processes (Xiao & Porto, 2017). Responsible financial behavior is influenced not just by knowledge but also by motivation, access, and social context (Amagir et al., 2018). University students' financial behavior is often linked with their exposure to financial tools, role models, and education.

Research Framework



Adapted from:(Khawar & Sarwar, 2021; Maria, 2022)

Lusardi (2019) demonstrated that higher financial literacy reduces susceptibility to debt traps. Sinnewe and Nicholson (2023) showed that young adults with greater literacy are more likely to track expenses and set savings goals. In Nepal, Thebe (2024) confirmed that university students with higher financial literacy reported more frequent saving and less impulsive spending.

H_1: Financial literacy positively influences financial behavior.

Xiao and Porto (2017) identified financial knowledge as a direct predictor of healthy budgeting, especially among students. Kiril (2020) noted that factual financial understanding boosts confidence in money management. Gyawali et al. (2024) studying Nepali students, found that knowledge of interest rates and inflation directly influenced their willingness to invest or save.

H_2: Financial Knowledge positively influences Financial Behavior.

Gudmunson and Danes (2011) and Shim et al. (2010) emphasized that early financial education via socialization predicts responsible adult behavior. In Nepal, Thapa and Nepal (2015) confirmed the impact of parental modeling on budgeting. A recent study by Dangol and Maharjan (2018) showed that students who discussed money matters with parents were more likely to maintain personal budgets and avoid debt.

H_3: Financial Socialization significantly affects Financial Behavior.

Methodology

This study adopts a positivist research philosophy and follows a deductive approach, aligning with the research onion framework proposed by Saunders and team (Saunders et al., 2003). The research is designed as a quantitative, cross-sectional, and explanatory study to examine the impact of financial literacy, knowledge and socialization on the financial behavior of university students. Data was collected using a structured questionnaire, distributed both through online forms and hard copy formats to ensure wider reach and accessibility. Out of 478 questionnaires distributed, after screening, 450 valid responses were included in the study, reflecting a high response rate. A convenience sampling technique was employed, targeting university students from various academic levels within Rupandehi District, Nepal. Students' attitudes toward financial behavior were measured using a five-point Likert scale, and the questionnaire was designed to assess the status and interrelationship of financial knowledge, literacy, socialization, and behavior. Descriptive statistics were employed to evaluate the situation of each variable, while regression analysis was conducted to determine the influence of the financial literacy, knowledge, and socialization on the financial behavior. Methodological choices made in this study ensure objectivity, reliability, and a systematic examination of the hypothesized relationships. Adding a statement on ethical considerations (e.g., consent, confidentiality) would enhance methodological rigor.

Data Analysis

Respondents Details

Table 1

Gender

Gender	Frequency	Percent	Cumulative Percent
Male	176	39.1	39.1
Female	272	60.4	99.6
Others	2	.4	100.0

Note: Financial Behavior Survey 2025

Table 1 reflects, out of a total of 450 participants, 176 were male, accounting for 39.1% of the sample. A larger proportion of the respondents, 272 individuals or 60.4%, were female, indicating a higher female representation in the study. Additionally, 2 respondents (0.4%) identified as "Others." The cumulative percentage confirms that all categories collectively represent 100% of the sample. IT highlights a predominance of female participants in the survey, which may influence the interpretation of gender-related findings in the research.

Table 2

Age Group

Age Group	Frequency	Percent
16-18	100	22.2
18-20	108	24.0
20-24	175	38.9
24-30	65	14.4
30 above	2	.4
Total	450	100.0

Note: Financial Behavior Survey 2025

Table 2 reflects, majority of participants fall within the younger age brackets, reflecting a student-dominated sample. Specifically, the largest proportion of respondents (38.9%) are aged between 20-24 years, followed by 24.0% in 18-20 age group, and 22.2% in the 16-18 group. This indicates that over 85% of the participants are between the ages of 16 to 24. Additionally, 14.4% are between 24-30 years old, suggesting the inclusion of postgraduate students or individuals who may be engaged in both work and study. Only a small fraction 0.4% are above 30, highlighting minimal representation from older adults. Overall, the sample is heavily concentrated among young individuals, making it well-suited for studies related to youth behavior, education, and financial decision-making among university students.

Table 3

Family monthly Income

Family monthly Income	Frequency	Percent
Below 20K	41	9.1
20K-40K	119	26.4
40K-60K	237	52.7
60K-100K	29	6.4
Above 100K	24	5.3
Total	450	100.0

Note: Financial Behavior Survey 2025

Table 3 shows, 52.7% respondents belong to families with income of NPR 40,000 to 60,000 per month, presenting a middle-income background. About 26.4% fall within the 20,000 to 40,000 range, while 9.1% belong to households earning below NPR 20,000, reflecting lower-income groups. 6.4% reported family incomes between NPR 60,000 to 100,000, and only 5.3% come from families earning above NPR 100,000, representing higher-income households. Overall, the data shows that the sample is predominantly from middle- and lower-middle-income families, which is significant for analyzing financial behavior patterns.

Table 4

Educational Specialization

Educational Specialization	Frequency	Percent
Management Stream	402	89.3
Non-Management Stream	48	10.7
Total	450	100.0

Note: Financial Behavior Survey 2025

Table 4 shows 89.3% are from the management stream, while only 10.7% come from non-management backgrounds. This indicates that the sample is predominantly composed of students pursuing education in business, finance, or management-related fields. The limited representation of non-management students may slightly restrict the generalizability of the findings across all academic disciplines but strengthens the focus on financially oriented academic backgrounds.

Do you consider yourself knowledgeable enough to make sound financial decisions?

Table 5

	Frequency	Percent
Yes	373	82.9
No	77	17.1
Total	450	100.0

Financial Knowledge

Note: Financial Behavior Survey 2025

Table 5 reflects that the majority of respondents, 373 out of 450 (82.9%), reported having adequate financial knowledge to make informed decisions. Most participants feel confident to understand and manage personal financial matters such as budgeting, investing, saving, and handling credit. On the other hand, 77 respondents (17.1%) indicated they do not possess sufficient financial knowledge, which points to requirement of literacy program for financial knowledge. Overall, the results suggest a generally strong perception of financial competence among the surveyed population.

Are your financial activities influenced by your family members, peers, or teachers?

Table 6

Financial Socialization

	Frequency	Percent
Yes	385	85.6
No	65	14.4
Total	450	100.0

Note: Financial Behavior Survey 2025

This table 6 reveals that a substantial 385 respondents (85.6%) acknowledged that their financial activities are influenced by family members, peers, or teachers. Only 65 individuals (14.4%) denied such influence. This indicates that financial behavior is strongly influenced by social and environmental factors. The high percentage of socially influenced financial behavior highlights the importance of financial socialization, implying that financial practices and attitudes are often educated through close personal networks.

Do you believe that you are financially literate?

Table 7

Financially Literacy

	Frequency	Percent
Yes	353	78.4
No	97	21.6
Total	450	100.0

Note: Financial Behavior Survey 2025

According to the results, 353 participants (78.4%) believe they are financially literate, whereas 97 respondents (21.6%) do not. These findings reflect a positive self-perception among the majority of respondents regarding their awareness of financial matter such as loans, inflation, interest rates, savings, loans, and investments. Nonetheless, the presence of over one-fifth of respondents lacking confidence in their promoting financial literacy points to the importance of expanding education and awareness about financial matters.

Do you have saving and spending habits, and do you usually pay your bills on time?

Table 8

Financial Behavior

	Frequency	Percent
Yes	297	66.0
No	153	34.0
Total	450	100.0

Note: Financial Behavior Survey 2025

The data illustrate that 297 respondents (66.0%) reported having saving and spending habits and regularly paying their bills on time, which reflecting responsible financial behavior. However, 153 participants (34.0%) admitted to not consistently following these practices. While a majority show positive financial habits, a considerable portion still struggles with managing routine financial responsibilities. These results suggest a potential area for behavioral improvement and the importance of promoting budgeting skills, discipline, and timely payment practices.

Reliability Statistics

Table 9

Reliability Statistics

Cronbach's α	Items
0.942	32

Note: Extracted from IBM SPSS 20

Cronbach's Alpha was used to determine the internal consistency. As shown in the table, the Cronbach's Alpha value for the 32 items included in the study was 0.942. This indicates an excellent level of internal consistency among the items, suggesting that the scale is highly reliable for measuring the intended constructs (George & Mallery, 2003). According to reliability guidelines, a Cronbach's Alpha value above 0.9 reflects excellent reliability, which implies that the items consistently represent the underlying theoretical concepts.

Descriptive Statistics

Table 10

Descriptive Statistics

Item code	Mean	Std. Deviation	N
FL1	3.34	0.911	450
FL2	3.15	1.207	450
FL3	3.28	0.949	450
FL4	3.34	0.926	450
FL5	3.30	0.936	450
FL6	3.30	0.942	450
FL7	3.40	1.160	450
FL8	3.36	1.161	450

Item code	Mean	Std. Deviation	N
FK1	3.44	1.139	450
FK2	3.41	1.182	450
FK3	3.40	1.183	450
FK4	3.42	1.146	450
FK5	3.40	1.152	450
FK6	2.29	0.649	450
FK7	3.30	1.001	450
FK8	3.31	1.037	450
FS1	3.31	1.016	450
FS2	3.27	1.023	450
FS3	3.25	1.063	450
FS4	3.39	1.191	450
FS5	3.73	0.666	450
FS6	3.29	0.959	450
FS7	3.25	0.926	450
FS8	3.67	0.723	450
FB1	3.21	1.019	450
FB2	3.12	1.026	450
FB3	3.17	1.019	450
FB4	3.18	1.021	450
FB5	3.20	1.028	450
FB6	3.24	1.029	450
FB7	3.70	0.815	450
FB8	3.10	1.143	450

Note: Financial behavior Survey 2025

Correlation

Table 11

Correlation

	FL	FK	FS	FB
FL	1			
FK	.832**	1		
FS	.803**	.824**	1	
FB	.797**	.817**	.761**	1

Note: IBM SPSS 20 Results

The results, as presented in the table, indicate statistically significant and strong positive correlations among all variables at the 0.01 level (2-tailed). Specifically, FL shows high correlation with FK r = 0.832, FS r = 0.803, and FB r = 0.797. Similarly, FK also shows powerful correlations with FS r = 0.824, and FB r = 0.817. Furthermore, FS is strongly associated with FB r = 0.761. The output suggest that financial literacy, knowledge, and socialization are associated with better financial behavior. The significant correlations support the theoretical expectation that financial literacy components are interrelated and jointly contribute to individuals' financial behaviors.

Model Summary

Table no. 12

Model Summary

Model	R	R^2	Adj R^2	Std. Error of the Estimate
1	0.848[a]	0.719	0.717	0.3716

Note: Results Extracted from IBM SPSS 20

The correlation coefficient R is 0.848, indicating a high degree of correlation between the determinants and the outcome variable. The R Square 0.719 shows that approximately 71.9% of the variance in the dependent variable can be explained by the model. Adjusted R^2 0.717, which adjusts for the number of predictors in the model, remains high and close to the R Square, suggesting that the model is robust and not over fitted. According to Hair et al. (2022), an R Square above 0.70 demonstrates a substantial level of explanatory power in social science research. Therefore, the model can be considered highly effective in predicting the outcome variable.

Anova

Table 13

Anova

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	157.531	3	52.510	380.147	.000[b]
	Residual	61.607	446	.138		
	Total	219.137	449			

a. Dependent Variable: FB

b. Predictors: (Constant), FS, FL, FK

Note: Results Extracted from IBM SPSS 20

The ANOVA (Analysis of Variance) examines the overall significance of the multiple regression model used in the study. The regression results, showing an F-statistic of 380.147 and a p-value of 0.000, reveal a highly significant model. This means that Financial Literacy (FL), Financial Knowledge (FK), and Financial Socialization (FS) meaningfully influence Financial Behavior (FB). The model's regression sum of squares (157.531) relative to the residual sum of squares (61.607) shows that it effectively explains much of the variation in financial behavior. The model is properly specified, with 3 degrees of freedom for the regression and 446 for the residual. The significance level affirms that the predictors, when gathered, have a meaningful influence on FB. As noted by Field (2024), a statistically significant F-test confirms that the overall regression model fits the data better than a model with no predictors.

Coefficients

Table 13

Coefficients

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	β		
1	(Constant)	0.147	0.116		1.264	0.207
	FL	0.338	0.051	0.323	6.624	0.000
	FK	0.398	0.048	0.422	8.216	0.000
	FS	0.201	0.062	0.154	3.220	0.001

a. Dependent Variable: FB

Table no. 13 presents the results of a multiple regression analysis. The findings reveal that all three independent variables significantly predict financial behavior. Among them, financial knowledge (FK) shows solid effect $\beta = 0.422$, $p < 0.001$, suggesting that individuals with greater financial knowledge tend to exhibit better financial behavior. Financial literacy (FL) exhibits a strong positive influence ($\beta = 0.323$, $p < 0.001$), suggesting that individuals with better financial literacy tend to display more responsible financial behavior. Financial socialization (FS) contributes positively as well ($\beta = 0.154$, $p = 0.001$), though its impact is comparatively smaller.

Based on the unstandardized coefficients (B values), the regression equation for predicting financial behavior (FB) is as follows:

$$FB = 0.147 + 0.338(FL) + 0.398(FK) + 0.201(FS)$$

Here, 0.147 is the constant (intercept), and the coefficients 0.338, 0.398, and 0.201 represent the respective contributions of FL, FK, and FS to financial behavior. The non-significant constant term ($p = 0.207$) suggests that the baseline value of financial behavior (FB) has no meaningful implication when all predictors are held at zero. Overall, the results reveal that better financial literacy, socialization and knowledge lead to improved financial behavior.

Findings

Table 14

Hypothesis Testing

Hypothesis	Statement	β	t-value	p-value	Result
H_1	Financial Literacy has a significant positive impact on Financial Behavior.	0.323	6.624	0.000	Accepted
H_2	Financial Knowledge positively influences Financial Behavior.	0.422	8.216	0.000	Accepted
H_3	Financial Socialization significantly affects Financial Behavior.	0.154	3.22	0.001	Accepted

A significant majority of the students from Rupandehi (82.9%) reported having adequate financial awareness that enables individuals to make wise decisions, indicating a strong perception of financial competence. Likewise, 78.4% of the participants considered themselves financially literate, suggesting familiarity with foundational financial ideas such as inflation, interest, savings, and loans. However, around one-fifth of the respondents still lacked confidence in their financial literacy, suggesting that stronger financial education initiatives are required. Additionally, financial socialization plays a crucial role, as 85.6%

of the respondents acknowledged that their financial decisions are influenced by family members, peers, or teachers. In terms of actual financial behavior, 66% reported practicing responsible habits such as saving, budgeting, and timely bill payments, while 34% admitted to struggling with these practices.

The reliability analysis of the research instrument showed powerful internal consistency of $\alpha=0.94$ for 32 items questionnaire. The regression analysis revealed that the model was statistically significant, with an R value of 0.848 and an R^2 of 0.719, indicating that 71.9% of the variance in financial behavior is explained by financial literacy, financial knowledge, and financial socialization. The ANOVA results confirmed the model's significance, with an F-value of 380.147 ($p < 0.001$). Examining the individual predictors, all three independent variables had positive and significant effects on financial behavior. Financial knowledge ($\beta = 0.422$, $p < 0.001$) exerted the strongest influence, followed by financial literacy ($\beta = 0.323$, $p < 0.001$) and financial socialization ($\beta = 0.154$, $p = 0.001$). The regression equation derived from the model is: $FB = 0.147 + 0.338(FL) + 0.398(FK) + 0.201(FS)$, where FB denotes financial behavior, and FL, FK, and FS represent financial literacy, financial knowledge, and financial socialization, respectively. Correlation analysis further supported these results, showing strong and significant positive relationships between financial behavior and all three predictors, particularly financial knowledge ($r = 0.817$). Overall, these findings underscore the crucial role of financial knowledge, literacy, and social influences in shaping responsible financial behavior among university students.

Discussion

This study primarily aimed to investigate the impact of financial literacy, financial knowledge, and financial socialization on the financial behavior of university students in Rupandehi District, Nepal. This objective was achieved through a cross-sectional study utilizing data collected from 450 university students via a structured questionnaire. This research makes a unique contribution by simultaneously measuring and integrating financial literacy, financial knowledge, and financial socialization into a single analytical model to predict financial behavior within the Nepali context. While prior domestic studies isolated these variables, this integrated approach addresses a critical gap by testing the socialization-literacy-behavior model among students approaching financial autonomy. The findings strongly align with recent literature. The significant and strongest positive impact of financial knowledge ($\beta= 0.422$) supports the systematic review findings by Azizah et al. (2024), who concluded that higher financial knowledge among students enables better financial behavior, such as budgeting and saving. This result is further reinforced by Arellano (2023), who demonstrated that financial education programs significantly increase college students' financial test scores, which in turn correlates with improved savings behavior. Similarly, the strong role of financial literacy ($\beta= 0.323$) is consistent with the findings of the 2023 US National Financial Capability Study by Lusardi, (2019), which associated literacy with crucial outcomes like planning for retirement and financial resilience. Moreover, this is corroborated by Asian studies Dhungana & Shrestha (2025) from the Nepali context, who established a strong positive association between financial literacy and sound financial decisions. Finally, the positive, though comparatively smaller, influence of financial socialization (β= 0.154) aligns with recent findings from Indonesia by Ghaysani (2025), who confirmed that parental and family financial socialization positively influences financial literacy and subsequent behavior. The finding that family interaction is crucial is also highlighted by Ghafoor & Akhtar (2024), whose work in Nepal showed that family socialization factors significantly enhance the financial well-being of Gen Z students. Overall, the results emphasize the vital role of all three components cognitive knowledge, practical skills,

Conclusion

This study concludes that financial: knowledge, literacy and socialization each play an important and encouraging role in shaping the financial behavior students. Among the three factors, knowledge determined as most influential predictor, followed closely by literacy and socialization. It reveal that while a majority of students perceive themselves as financially literate and knowledgeable, there remains a notable gap in consistently responsible financial behavior, highlighting the need for practical financial education. Furthermore, the strong role of socialization highlights the impact of peers, family, and educational environments on sound financial decision-making. The regression model accounted for a substantial proportion of the variance in financial behavior, supporting the strength and reliability of the relationships among the variables studied. Overall, the findings highlight that enhancing students' financial outcomes requires a comprehensive approach that combines financial knowledge and skills with the reinforcement of positive social influences. These insights offer valuable guidance for educators, policymakers, and financial institutions in developing effective, youth-focused financial literacy programs that promote informed and responsible financial behavior.

Recommendations

Considering the results of this research, the following recommendations are put forward to the key stakeholders involved in promoting financial well-being among university students. Universities and colleges should integrate comprehensive financial education into their curricula. Beyond theoretical knowledge, practical modules on budgeting, saving, investing, and responsible borrowing should be introduced. Workshops, simulations, and interactive financial literacy sessions can help students apply their knowledge effectively in real-life situations. The government should implement national-level financial literacy campaigns targeting youth, particularly university students. Policies should foster collaboration between financial institutions and educational organizations to implement structured financial literacy programs. Incentivizing schools and colleges that adopt financial education can further institutionalize these efforts. It is important for parents and guardians to engage their children in discussions about financial matters. Encouraging budgeting habits, savings plans, and transparent conversations about money from an early age can greatly enhance students' financial behavior. Schools can facilitate this by offering family-involvement financial education sessions. Banks and financial service providers should design youth-focused financial products and educational outreach programs. Initiatives such as campus banking, financial literacy drives, and online resources tailored to students can promote both awareness and inclusion.

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