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Financial Literacy among Nepalese Stock Market Investors: A Demographic Perspective

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Abstract

Financial literacy includes knowledge, skills, attitudes, and practices that contribute to financial well-being for an individual. The rising complexity of financial instruments has changed the financial sector completely. The financial illiteracy of a significant part of the Nepalese community is an impediment to building wealth; financial illiteracy compromises financial security. The objective of this research is to determine the level of financial literacy in terms of the four knowledge areas: knowledge, attitude, behavior, and risk tolerance, for different demographic features such as age, educational status, and financial status. An online survey with multiple-choice questions and five-point Likert scales was employed to collect data and opinions of respondents for descriptive and comparative research methodology. An analysis of variance and descriptive statistics was conducted to analyze 304 valid responses. The findings show that a better status in terms of the four knowledge areas: knowledge, attitude, behavior, and risk tolerance is established. Consequently, financial literacy differs across different demographic features. There is no significant difference in financial knowledge, behavior, and attitude amongst the different groupings. The financial risk tolerance for different groupings is significantly varied by age factor. The educational status is also statistically different for the plan of financial knowledge, attitude, as well as risk tolerance, whereas financial behavior remains less affected. As far as income is concerned, it differs significantly in financial knowledge but not in financial behaviour, attitude, and risk tolerance. The study underlines the exigencies of multi-channel, age-, and education-tailored financial education to support long-term planning and risk-aware outcomes.

Keywords: Financial attitude, financial behavior, financial knowledge, financial literacy, demographics, risk tolerance

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1. Introduction

Financial literacy is one of the bases upon which the contemporary economy has been built. This encompasses issues to do with budgeting, saving, investments, and management of debt—essentially issue that hold the most importance regarding the financial security of an individual. Well-literate people would be better positioned towards examining investment options and strategies of differing risk levels. The significance of financial literacy has gained paramount recognition on the global platform. This not only highlights the importance of a comprehensive understanding of personal finance and investing strategies for individuals. At the bottom line, financial literacy holds the power of the skills/knowledge required for people to make effective financial choices. It means the application of the knowledge of the relevant principles of finance in everyday life (Huston, 2010). To be more specific, financial literacy 'is a set of awareness, knowledge, skills, attitudes, and behaviors necessary and essential for prudent money management and individual financial well-being' (OECD in 2018; Subha & Priya in 2014). An individual with greater familiarity with these concepts would be better able to effectively manage his or her finances and make appropriate investment choices (Thapa et al., 2025).

Literacy is especially important given the complex nature of modern financial environments. It requires an ability to understand basic monetary terms, make sense of information, and make choices that are aligned with an individual's goals. The Nepalese financial sector has experienced many transformations over the last two decades, with an increase in the number of financial intermediaries as well as an increase in financial products available (NRB, 2022). A substantial portion of Nepalese still remains financially illiterate, which works as an obstruction to building wealth as well as to achieving financial stability. The demand for financial literacy is increasing given the continued evolution of financial markets, which can partly be attributed to social networks, namely friends, relations, or colleagues affecting monetary knowledge as well as investing trends spread through social networks such as Facebook and others, which might differ globally due to adaptation to cultures, economies, or societies (Bönte & Filipiak, 2012). True financial literacy skillfully applies knowledge while making choices beyond mere awareness of monetary instruments or products (Kumari & Ferdous, 2019).

Enhancing financial literacy is essential for increasing household economic engagement in Nepal. According to Sadiq and Khan (2019), social networks, risk preferences, as well as financial literacy contribute to asset-holding inequality. According to Nepal

Rastra Bank, roughly 58% of respondents self-assessed themselves as somewhat financially literate, with varying levels among individuals with distinct demographic characteristics, such as age, income level, and educational attainment (NRB, 2022). Enhancing financial literacy is very important for household resilience, entrepreneurial activity, as well as mutual prosperity due to the growth of the formal as well as informal sectors within Nepal. This aligns with its goals for inclusive and sustainable growth.

On the above premises, this paper hopes to show the prevalence of financial literacy among people of different ages, education levels, and incomes in a socio-economic setting known for its diversity in rural-urban factors and developments in the financial sector. It pinpoints the discrepancies in the levels of savings, investment, and debt for a developing nation in the above aspects of financial literacy with regard to age, education, and income.

2. Literature Review

2.1 Concept and Significance of Financial Literacy

'Financial literacy' refers to the skills, practices, attitudes, behaviors, and know-how that help individuals make good decisions on their financial management. It includes understanding basic concepts such as budgeting, savings, managing debt, understanding credits, investing, and risk management, among many others, with the goal to apply such skills to achieve financial well-being (Huston, 2010). The concept is expanded by the Organization for Economic Cooperation and Development (OECD, 2018) to encompass awareness, knowledge, skills, attitudes, and behaviors that promote wise financial decisions and sustained financial health (Subha & Priya, 2014). When combined, these viewpoints highlight both practical application and cognitive comprehension.

The effects of financial literacy on people, households, and economies are profound. At the individual level, it equips people with the skills to create budgets, manage debt, save effectively, and make informed investment decisions. This may result in better long-term wealth building, less vulnerability to fraud, and increased financial security. Individual resilience and well-being are improved when people are financially educated because they are better equipped to handle financial shocks like emergencies or recessions (Huston, 2010).

A good understanding of financial management helps households make more informed decisions. Financial management results in more secure borrowing, improved credit management, and more prudent household financial management. Moreover, financial

know-how provides a solid financial foundation for the future generation. Financial know-how promotes financial planning and thrift, thereby allowing households to save enough for education and retirement. Beyond the reach of the household economy, financial know-how also ensures that the entire economy makes efficient use of its resources. Financial know-how achieves this because with more households understanding financial risk, financial markets function more effectively. A more effectively operating financial market results in increased financial participation of everyone in the economy, thereby ensuring consistent economic growth. Moreover, financial know-how can ensure reduced discrepancies in society as well. Financial know-how achieves this because it extends financial services accessibility for households previously considered marginalized. When these households achieve more wealth, discrepancies are naturally reduced in society because fairness increases.

According to Atkinson and Messy (2012), financial literacy translates to an increase in financial prosperity and accumulation as a result of superior financial thoughts and decision-making processes. According to Lee and Chen (2023) and Smith (2022), risk analysis and ethical investment strategies contribute to optimal financial performance, while previous research work proves a relation between financial literacy and the creation of financial wealth. Additionally, Wang, Liu, and Azam (2023) confirmed an increase in superior financial capability, which was related to greater achievements regarding overall wealh. The ability to make superior financial choices also enables individuals to identify potential prospects together with lowered risks, hence promoting superior investment performance (Patel & Singh, 2023; Huang & Xu, 2023). Previous research work done within Pakistan (Awais et al., 2016) as well as Nepal (Subedi, 2023) proves that financial literacy remains an essential factor affecting wealth conditions.As per Martin and Gonzalez (2023), the higher the financial literacy, the higher the savings, and they are associated with healthier financial practices. Similarly, Smith and Roberts (2023) and Srinivasan and Lakshmanan (2023) have also stated that healthier savings and investing practices, achieved through increased financial literacy, are necessary for maintaining a healthy wealth position.

2.2 Demographic Characteristics and Financial Literacy

Kim and Chatterjee (2020) claim that demographic parameters, including gender, age, income, and education have a constant impact on financial literacy levels, which differ significantly between nations. While literacy is positively associated with income and education, older age and, in certain samples, male gender exhibit mixed relationships, indicating that cultural context influences the development of financial knowledge.

Perry and Sabelhaus (2020) also reported that family structure, income, age, and education all predict debt, investment, and saving behavior, demonstrating the strong correlation between demographic characteristics and household finance outcomes. Higher income and education are linked to healthier financial practices, but life transitions (such as marriage and retirement) alter the need for risk and preparedness.

2.3 Age and financial literacy. Studies show that financial literacy is significantly influenced by age, and recurring patterns appear in a number of contexts. Lusardi and Mitchell (2014) highlighted that elderly people are generally more financially literate than younger people. Life experience, lack of direct involvement in financial decision-making processes for a long time, and accumulating knowledge from debt, income, and retirement-related experience are pointed out as the rationale for the gap in the level of knowledge. Young people tend to be less knowledgeable or confident about financial terms, such as compound rates of interest, diversification of risks, and long-term planning approaches, despite being more eager to adopt new financial tools or information systems (Huston, 2010). There are several reasons for the variations based on age. Experience-related knowledge is accessible with age and learning tends to be beneficial for the older age group.

In addition, seniors engage with financial bodies on a regular basis to handle their assets, provide home financing, and develop retirement strategies, which improves literacy levels (Fazal, 2017). Although they may not have experience, some young people demonstrate expertise in digital financial literacy through the use of fintech services that may improve their overall financial ability (Lusardi & Mitchell, 2014). Tailoring financial education to age groups has implications both from a policy and a practical point of view. The young will find a useful learning curriculum that lays a foundation on examples, and the senior will require advanced learning curricula that can cover planning. It is therefore imperative that institutions embed lifetime financial learning within adult learning and the school learning curriculum, ensuring that members of all age groups are able to access the learning.

2.4 Education and financial literacy. The level of educational background influences not only practical money skills but also the conceptual understanding of financial ideas. Indeed, higher levels of formal education are found to be constantly related to higher levels of financial literacy because education develops mathematical skills, abstract thinking, and familiarity with concepts pertinent to saving and investment decisions (Huston, 2010). Beyond formal credentials, curriculum content is important: solid financial education covering risk, basic investing concepts, budgeting, and debt

management typically yields greater financial capability than piecemeal or ignored instruction (Lusardi & Mitchell, 2014).Inequality within the educational system impacts financial literacy skills through early exposures and resource accessibility. In fact, previous works, for instance, Fazal, 2017, show how people, as a result of increased educational attainment, have more exposure to information related to finances and more experience developing skills related to making decisions as well as looking for reliable information and/or guidance either from reliable institutions or authoritative individuals, which makes them more capable of correctly reviewing terms of products, determining costs, and making decisions related to goals.

Informal education that involves media literacy education, parental guidance, and workplace training is also equally important to in-classroom education. The students would become more financially literate if they were able to use budgeting skills in application, solve by instance principles, and be provided with feedback information about decision consequences. Thus, great education merges basic numeracy skills in scenario-based application training and adequate examples to meet different requirements. This should entail such education policy implications as equal access, an integrated program for comprehensive financial education beginning from infancy through maturity stages, and assessment of different programs for their application efficacy. Financial education in general influences financial awareness and practices; therefore, excellent individual financial performance and economic vigor result.

2.5 Income level and financial literacy. The financial literacy of an individual is largely influenced by his or her level of income since this determines the opportunity and availability of financial information. People who are high-income earners will be more financially literate compared to those who earn low income, since high-income earners will have better access to formal education and will have the opportunity to engage in financial planning exercises. They will be more involved in savings schemes and will consult financial experts with the aim of improving their knowledge and skills accordingly. On the contrary, Fazal (2017) argues that time constraints, uncertain resources, and limited access to good financial education have become common for people with low income since this may influence their financial literacy.

In fact, the difference in structures of opportunity widens the disparity. Richer people are more likely to find the resources of financial literacy through job programs, formal schooling, and online platforms, whereas poorer individuals rely more on unofficial advice that is less comprehensive or reliable. For this reason, there exists a never-ending cycle where literacy leads to more income and literacy leads to better financial decisions

that sustain or increase income status (Huston, 2010). For bridging these gaps, specific interventions are necessary, such as readily available financial education incorporated into community agencies, schools, and businesses. These interventions should be tailored to the needs of the lower-income people and should result in knowledge as well as useful saving and budgeting practices (Subha & Priya, 2014)

3. Research Gaps

Although financial literacy has long been acknowledged as crucial for personal and macro-economic success, many research gaps exist in this area, especially within the Nepalese framework. The majority of existing research tends to have worldwide perspectives without proper attention to cultural and economic nuances. The main research gaps would include a lack of longitudinal research related to wealth outcomes, an ignorance of digital literacy aspects within finances, and little information available related to cumulative influences of demographic variables such as age, sex category, income levels, and levels of education. There is also little understanding related to intergenerational divides and income differentials in relation to economic training success.

4. Research Methods

This research employed descriptive and comparative designs. Whereas the descriptive design aims at assessing financial literacy domains – financial knowledge, financial behavior, financial attitude, and risk tolerance – along with demographic characteristics of the respondent, on the other hand, the comparative design has been used to analyze differences of financial literacy domains across these demographic characteristics – age, education, and income of the respondents. The target population consisted of individual stock investors in urban and suburban areas of three districts, namely Kathmandu, Lalitpur, and Bhaktapur. A total of 400 questionnaires were distributed via the internet and administered as an online survey. During 40 days, 313 responses were received, and only 303 responses with complete submissions were analyzed. Five-point Likert scales, ranging from 1 (strongly disagree) to 5 (strongly agree), were used to score closed-ended questions on financial literacy and demographics. Prior to the full-scale survey, a pilot study was carried out to guarantee clarity and reliability. Table 1 presents the reliability test results using Cronbach's alpha for each of the study variables.

Table 1. Reliability Test

Variables	Cronbach's Alpha	No of items
Financial knowledge and skills	0.78	5
Financial behavior	0.79	5
Financial attitude	0.84	5
Risk tolerance	0.86	5

Results show that every scale exhibits strong reliability, meaning that the items measure their intended constructs consistently. In particular, there is strong consistency in financial knowledge and skills, with alpha above the acceptable level (0.70; Nunnally, 1978). Like the knowledge domain, financial behavior has a high degree of internal coherence. Out of the four, financial attitude has the highest reliability, indicating extremely consistent item responses. Excellent internal consistency is also demonstrated by risk tolerance. There are five elements for each dimension, signifying that having a consistent scale length is important to make a proper assessment. Descriptive analysis and ANOVA test form the two pillars of data assessment. There was a consideration for ethics on human participants for this research. To ensure that the participants were fully cognizant about the nature, voluntary nature, and withdrawal from the study, research consent was obtained. This study aimed to avoid any discomfort for the respondents through a survey that avoided sensitive topics. They were not exposed to any third party, and it was for academic use only.

5. Definitions of Study Variables

Financial knowledge. This includes the knowledge of facts related to concepts of finance (interest, inflation, diversification, and more). Knowledge about finances is the basic determinant that makes it possible to make wise decisions.

Financial attitude. Beliefs, values, and motivations related to money and financial planning (e.g., confidence in managing finances, perceived importance of saving). It influences willingness to engage in financial learning and to adopt prudent financial behaviors.

Financial behavior. The actual actions people take with their money (e.g., budgeting, saving, investing, debt management). This is the observable outcome of financial literacy, knowledge, and attitudes. It reinforces or updates knowledge and attitudes through experience.

Risk tolerance (risk attitude). The degree to which a person is willing to take financial risks (e.g., investing in equities vs. keeping funds in cash). It guides choices in portfolios, insurance, and other financial decisions and interacts with knowledge and attitudes to shape behavior.

6. Results

6.1 Demographic Characteristics of the Respondents

Table 2 reports frequencies and percentages of varying degrees of demographic characteristics of the study variables.

Table 2. Demographic profile of the respondents (n=303)

Variables	Variable groups	Frequency	Percent
Age (In years)	Below 20	28	9.20
	21-35	90	29.70
	36-50	130	42.90
	51-65	49	16.20
	Above 65	6	1.90
Education	Less than high school	88	290
	High school or equivalent	128	42.20
	Bachelors	73	24.10
	Masters	14	4.60
	Above masters	0	00
Income (Rs. Per month)	Below 20000	112	36.90
	20001-50000	138	45.50
	50001-70000	43	14.20
	70001-90000	3	1.00
	90001-110000	4	1.30
	Above 110000	3	1.00

Table 2 presents the demographics of the respondents in three main groups: age, education, and income. As per the report, the largest portion of respondents is in the middle-aged brackets, with many people in the younger adult range as well, and fewer in the oldest group. The youngest group has a relatively small presence, while the oldest bracket is quite small. Similarly, the majority of the respondents completed high school or its equivalent, followed by those with less than a high school education, and fewer

respondents have a bachelor's or a master's degree, and there are almost no participants with more than a master's degree. In consideration of income, most respondents earn modest incomes, with the second-highest group earning a mid-range amount, and there are smaller shares in the higher income brackets and only a few in the lowest high-income categories.

6.2 Descriptive Analysis of the Financial Literacy Components

Table 3 consists of the respondents' self-evaluation regarding financial literacy and proficiency in the following five items, along with the Mean and Standard Deviation (S.D.).

Table 3. Perception towards Financial Knowledge and Skills (n=303)

Items	Mean	SD
I understand the basic principles of investing.	4.48	0.76
I keep myself informed about the current financial market trends.	4.11	0.75
I feel confident in my ability to make informed wealth positions.	4.22	0.87
I understand the risks and benefits of different investment options.	4.30	0.80
I can effectively manage my personal finances.	4.26	0.84
Weighted average	4.27	0.81

The highest mean for the understanding of the basics of investment is 4.48 (SD 0.768), showing a high level of understanding on a fundamental basis. A mean value of 4.11 (SD 0.756) for monitoring updates on ongoing financial trends in the market shows high levels of monitoring, but not to the same intensive level. A high level of confidence with respect to forming well-informed investment decisions is 4.22 (SD 0.870). The mean score of 4.30 (SD 0.802) reflects that there is a strong awareness of techniques to grasp risk-reward implications of assorted investment approaches. A score of 4.26 (SD 0.842) reflecting personal finance management skills reveals superior self-management skills.

Table 4. Perception towards Financial Behavior

Items	Mean	SD
I can create and follow a personal financial plan.	4.40	0.81
I effectively manage my debts and obligations.	4.05	0.77
I have access to emergency funds for unexpected financial needs.	4.17	0.94
I feel confident managing my day-to-day financial activities.	4.22	0.86
I can meet my long-term financial goals.	4.34	0.73
Weighted average	4.24	0.83

Table 4 shows the five indicators of financial behavior with their means and standard deviations. A mean of 4.40 (SD = 0.818) and a mean score of 4.34 (SD = 0.731) indicate that the ability to develop a personal financial plan and the ability to maintain any long-term objectives are the best. Improvements are needed in the mean of 4.05 (SD = 0.772) to effectively manage the aspect of liability and debts. Access to emergency sources is at a mean of 4.17 (SD = 0.940). Trust is reflected by the mean score of 4.22 (SD = 0.866) for daily financial management. The overall mean of 4.24 (SD = 0.83) indicates that responders are exhibiting good practice, but the management of emergency savings and the management of debts is necessary to improve.

Table 5. Perception towards Financial Attitude

Items	Mean	SD
I believe financial planning is important for long-term success.	4.59	0.73
I am optimistic about my financial future.	4.13	0.64
I believe that saving and investing are crucial for financial stability.	4.34	0.81
I feel a strong sense of responsibility in managing my finances.	4.4	0.79
I prefer to delay gratification in favor of long-term financial benefits.	4.24	0.85
Weighted average	4.34	0.77

Table 5 shows that the most strongly agreed upon items are the significance of financial planning for long-term success, with a mean score of 4.59 (SD 0.732). A careful yet optimistic view is reflected in the 4.13 (SD 0.645) optimism score for the financial future. A 4.34 (SD 0.817) belief in saving and investing for stability highlights good financial management. Financial management responsibility has a score of 4.40 (SD 0.799), indicating a high level of accountability. The mean of delayed fulfillment for long-term advantages is 4.24 (SD 0.853). A very optimistic financial attitude with potential to strengthen long-term initiatives is indicated by the weighted mean of 4.34 (SD 0.77) overall.

Table 6. Perception towards Risk Tolerance (n=303)

Items	Mean	SD
I am comfortable taking risks with my investments.	4.31	0.92
I prefer high-risk, high-reward investment opportunities.	4.04	0.87
I can handle significant fluctuations in the value of my investments.	4.14	0.91
I lose some of my initial investment for the chance of higher returns.	4.09	0.91
I do not get anxious about the potential losses of my investments.	4.21	0.90
Weighted average	4.16	0.91

Using means and SDs, Table 4 presents respondents' perceptions of the five claims. Strong risk willingness is indicated by the highest mean of 4.31 (SD 0.925) for "I am comfortable taking risks with my investments." "I do not get anxious about potential losses" had a close of 4.21 (SD 0.909), demonstrating emotional resilience. Other findings indicate a preference for high-risk, high-reward alternatives (4.04, SD 0.872) and favorable views toward uncertainty management (4.14, SD 0.919). 4.09 (SD 0.912) is the willingness to risk capital for greater rewards. Weighted mean overall: 4.16 (SD 0.91), indicating a typically high risk tolerance with the potential for larger rewards but a higher risk of loss in the absence of appropriate risk management.

6.3 Differences in Financial Literacy Domains across Demographic Determinants

Tables 7, 8, and 9 show the results of the ANOVA test statistics comparing various demographic characteristics.

Table 7. Financial literacy across age groups of the respondents

Statistics		SS	Df	Mean Square	F	Sig.
Financial Knowledge	Between Groups	1.25	4	0.31	1.36	0.24
	Within Groups	69.08	299	0.23		
	Total	70.34	303			
Financial behavior	Between Groups	0.62	4	0.15	0.98	0.41
	Within Groups	47.65	299	0.15		
	Total	48.28	303			
Financial attitude	Between Groups	0.56	4	0.14	0.85	0.49
	Within Groups	49.11	299	0.16		
	Total	49.67	303			
Risk tolerance	Between Groups	1.64	4	0.41	2.68	0.03
	Within Groups	45.87	299	0.15		
	Total	47.51	303			

Table 7 shows the results of a one-way ANOVA that investigated whether age groups differed on four dependent variables in a sample of N = 304 (df between = 4, df within = 299, total = 303). These variables are financial knowledge, financial behavior, financial attitude, and risk tolerance. Based on the results, there is no statistically significant difference in three of the financial literacy determinants—financial knowledge, financial behavior, and financial attitude—among the respondents' different

age groups. Nonetheless, it was found that risk tolerance varied significantly among age groups.

Table 8. Financial literacy across educational status

Statistics		SS	Df	Mean Square	F	Sig.
Financial knowledge	Between Groups	3.15	3	1.05	4.69	0.00
	Within Groups	67.18	300	.22		
	Total	70.34	303			
Financial behavior	Between Groups	0.46	3	0.15	0.97	0.40
	Within Groups	47.81	300	0.15		
	Total	48.28	303			
Financial attitude	Between Groups	1.88	3	0.62	3.93	0.00
	Within Groups	47.79	300	0.15		
	Total	49.67	303			
Risk tolerance	Between Groups	1.04	3	0.34	2.24	0.08
	Within Groups	46.47	300	0.15		
	Total	47.51	303			

The results of an ANOVA evaluating whether education groups differ on four financial literacy characteristics are shown in Table 8. The findings show significant variations in respondents' risk tolerance, financial attitude, and financial knowledge across a range of educational backgrounds. However, there was no significant difference in respondents' financial behavior based on their level of education.

Table 9. Income and Financial Literacy

Statistics		SS	Df	Mean Square	F	Sig.
Financial knowledge	Between Groups	3.50	4	0.87	3.92	0.00
	Within Groups	66.83	299	0.22		
	Total	70.34	303			
Financial behavior	Between Groups	1.39	4	0.34	2.21	0.06
	Within Groups	46.88	299	0.15		
	Total	48.28	303			
Financial attitude	Between Groups	0.84	4	0.21	1.29	0.27
	Within Groups	48.83	299	0.16		
	Total	49.67	303			
Risk tolerance	Between Groups	0.84	4	0.21	1.34	0.25
	Within Groups	46.67	299	0.15		
	Total	47.51	303			

The results (Table 9) demonstrate that there are significant differences in the level of financial knowledge of the respondents based on their income. The other dimensions include risk tolerance, financial behavior, and financial attitude, on which significant differences in income were not found among the respondents.

7. Discussion and Implications

The present study focuses on assessing the current status of financial literacy in four dimensions: risk tolerance, behavior, attitude, and knowledge. According to the findings, the overall profile is excellent; a sound knowledge base and confident decision-making abilities have been achieved. The findings clearly reflect the successful comprehension of market forces, risk-versus-benefit strategies, investment concepts, and effective management of personal finance; nevertheless, further learning is required to remain updated with evolving aspects. Debt management and emergency savings also fluctuate and demand attention; nevertheless, behavior gives high importance to everyday finance management, long-term strategies, and sound planning. The attitude reflects sound financial discipline and a focus on building on existing gains by developing long-term strategies and sound risk management practices.

Moreover, the ANOVA also examined variations in four domains of financial literacy based on income, education, and age, showing significant variations in a number of areas. Three dimensions: knowledge, behavior, and attitude, were found non-significant

across age, meaning skills are age-independent, although skills are similar across groups, are contradicted by the overall studies, where generally older people are found more financially literate due to their experiences in life, as shown in studies such as Lusardi & Mitchell, 2014, Huston, 2010, Fazal, 2017). But risk tolerance across age groups was found significant, supporting the point that aging leads to a change in investment preference, as well as their willingness to take financial risks, suggesting that financial literacy in the areas of retirement planning investments increases with age, although the younger generation may excel in digital literacy but are ignorant in the usual concepts, as stated in Huston, 2010).

There were significant differences in knowledge, attitude, and risk tolerance based on the level of education, as anticipated by past studies, as formal education directly relates to good decision-making and awareness of financial literacy. Being more financially literate relates to increased levels of formal education (Huston, 2010; Lusardi & Mitchell, 2014), as formal education helps individuals understand terms, costs, and matching actions better (Fazal, 2017). Being able to apply concepts to practical problems while using budgeting software and receiving feedback, the students exhibited a significant ability to connect concepts to practical problems (Subha & Priya, 2014). It is pertinent to note that there are no significant differences identified for behavioral differences within levels of formal education, since knowledge and attitudes may vary from behavior, which can be distinguished within levels of formal education. With respect to emphasizing the need for overall financial literacy education within schools, colleges, and even the adult education segment, remaining within the context of youth development within the framework of Nepalese culture (Huston, 2010).

Furthermore, the findings also suggest that there is some variation in financial literacy based on the income group of the respondent. For example, the result attests to the claim that people earning more money are more financially literate since they are more inclined to use advice, invest, and save services (Lusardi & Mitchell, 2014). Nevertheless, there were no significant variations in financial conduct, attitude, or risk tolerance based on income, suggesting that customized efforts beyond income can be necessary for improving actual budgeting and saving practices (Fazal, 2017; Huston, 2010). Moreover, the policy implication is that low-income people need easy access to comprehensive financial literacy, either through communities, schools, or businesses, in order to enhance literacy in terms of actual financial skills (Subha & Priya, 2014).The results also suggest that personalized financial education is required for all groups. Give highest priority to the basics of financial education among children and senior individuals, and to budgeting among those with lower incomes. It is the need of the hour

to blend offline and online learning, from schools to offices, with the aim of instilling knowledge and developing abilities to make long-term plans to make risk-conscious decisions.

8. Conclusion

This paper shows the robust overall pattern of financial literacy across four areas: solid knowledge, disciplined behavior, positive attitudes, and distinct risk tolerance. Knowledge, behavior, and attitude were consistent across the different ages, but risk tolerance differed across ages, implying changes in risk tolerance across ages. Although behavior did not differ across education levels, education level affected knowledge and attitude, emphasizing the value of formal education for knowledge acquisition and prudent decision-making. Though behavior, attitude, and risk tolerance did not differ across incomes, income affected knowledge, proving the relation between income and knowledge. This indicates that targeted budgeting and savings intervention strategies can be achieved irrespective of income. To keep long-term planning and risk-aware financial performance on track, the combined findings emphasize the use of multi-channel and age- and education-specific financial education.

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