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A Study on Personal Finance among Gen-Z Special Reference to Undergradute Students of Maris Stella College, Vijayawada

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Abstract
Making smart financial decisions and proper money management is not only a good habit to learn but it also contributes to future financial success. Since Gen Z are considered as the backbone of anycountry,to equip themselves with financial knowledge is essential for the well-being of the nation. While the need is predominant in developing country like India, there have been no evident research on the factors influencing. This study aims to fill this gap by exploring various factors that influence money-management behaviour of Gen-Z in Vijayawada, one of the fast-developing cities in the country. This study has deepened the authors'understanding of how the Gen-Z respond to the factors relating to their money-management behaviour. Primary data was generated using a questionnaire as the research instrument.The findings from this study will be useful for financial institutions, educational institutions, parents and those who have a keen interest in encouraging healthy money-management behaviour in Gen-Z. Overall community as a whole will benefited with the present analysis and conclusions.

Keywords: Money Management, Gen-Z, Vijayawada, Investment

1. Introduction

Money management refers to the strategies and techniques to determine the use of an individual, company, or institution's capital. In personal finance, money management covers budgeting, spending, and saving (investing). Money management can be proactive with periodic or regular financial planning [1].Practicing good money management skills among youth is good for their bright future and thereby for the society and nation itself.

Irresponsible spending behaviour can influence undergraduates' academicperformance, social relationships and physical and emotional well-being [2]. Research has shown that the average Gen-Z today does not know a lot about investing despite the number of programs available to them to develop their financial literacy. Without adequate guidance or information, most young adults must learn how to manage their money by trial and error, and they often join the workforce without knowing how to balance their checkbooks or control their credit card spending [3]. A lackof financial knowledge can contribute to poor decisions that harm individuals, families, andultimately entire communities. This void of knowledge may be a function oflack of access, opportunity and perhaps even fear [4].

Researchers have found a relationship between financial debt and budgeting (e.g., Lunt & Livingstone, 1992; Raynard& Craig, 1995). Personal factors, such as higher perceived budgeting ability (Lea & Webley, 1995), and behavioralfac- tors, such as improved money-management practices (e.g., Walker, 1996), can lead to reduced spending and lower financial debt (Heath & Soll, 1996).
Researchers have found a relationship between financial debt andbudgeting [5]. Personal factors, suchas higher perceived budgeting ability and behavioural factors, such as improved money-management practices from undergraduate level are proven to lead to reduced spending and lower financial debt in further career [6]. It is necessary to shed more light on the importance of young people developing a propensity to save a portion of their income/pocket money and develop a rigorous discipline of money management based upon thriftiness and well-informed investment decisions.

1.1Financial Literacy

Financial literacy refers to the knowledge and skills required to make informed and effectivedecisions about money management. It includes understanding concepts such as budgeting, saving,investing, and debt management, as well as knowing how to access financial products and services.Financial literacy is crucial for individuals of all ages, especially for youngsters who are juststarting out in their financial journey [7].

The extraordinary transformation of financial markets over the past decade has placed a new premium on financial literacy, making it nothing less than an essential survival tool. Technological advances and an array of new consumer products, services and providers have made modern banking much more complicated. In today's marketplace, it is more important than ever for consumers to be educated about their rights and options regarding financial offerings [4].

1.2 Gen-Z

The younger generation, known as Generation Z or Gen Z emerged into crucial population influencing ever possible sector. Born between 1997 and 2012, Gen Zs have grown up in a digital age and are known to be tech-savvy and socially conscious [8]. As the newest generation of consumers, Gen Zs are increasingly becoming an important market for businesses to target. With their significant buying power and uniquecharacteristics, understanding their likelihood of purchase decisions is critical for companies to succeed in the market. Generation Z adults—individuals who are between 18 and 25 years old—prove to be more financially sophisticated than any previous generation was at their age. More than half of Gen Z adults are already invested—with 26% of that group invested in the stock market—yet only one in four feel they understand the stock market well enough to explain how it works to a friend. And of all financial concepts, they feel most confident about spending and saving [9].

The 2022 Investopedia Financial Literacy Survey, which polled 4,000 U.S. adults via an online questionnaire studied that only 46% of Gen Z feel confident about their financial knowledge, for instance, which is a lower percentage than baby boomers, Gen X, and millennials who said the same. Part of the reason why could be that, in 2022, there are so many places for people to consume information—think YouTube, podcasts, and TikTok, in addition to traditional news articles.

From these points, this study explores the opinion of the undergraduate students who fall in Gen-z generation on financial literacy. The study also looks into various variables that influences financial plans of the students.

3. Review of Literature

In the research carried on by Huston [10], financial literacy is defined as 'The ability to make informed judgments and to take effective decisions regarding the use and management of money'. Financial literacy is proficiency in money management, involving both the application of knowledge andthe understanding. The research concludes that food insecurity happens not only due to insufficient income but also because of deficient financial ability.

In their study, Caracciolo&Santeramoopined that financial literacy is very important for the households to cope up with their limited resources and helps them to manage their money in a better way which guides them to keep away from food insecurity[11]. The global financial literacy (Puneet 2012), survey conducted in many countries shows that due to lack of discussion within the families on the money management results in low financial knowledge within the people.

"Personal financialplanning attitudes: a preliminary study of graduate students", is the study taken up by David S. Murphy, Scott Yetmar [12] who reflected thatmost respondentsfelt that financial planning is substantial and that they are interested indeveloping a financial plan, while only a very few felt that they have thenecessary skills and knowledge to prepare their own plan. A perceived need ofrespondents is to feel that their financial planner will put their needs first.Though some professionals believe this to be the hallmark of ―independence, the respondents placed less importance on planner independence. In order topromote client conf Heckman [13] evaluated the determinants of personal finance knowledge amongcollege students and how this knowledge affects their perceived self-efficacy in dealing withfinancial issues. A 20-item personal finance index was used tomeasure personal financial knowledge. Holding age and gender constant, the study found thatfinancial knowledge was significantly and positively associated with self-efficacy, whichsuggests that more knowledgeable students should be more effective and confident infinancial matters.

Ramaswamy through his study assessed the level of awareness of financial literacy amongmanagement students. The study considered four fundamental aspects of financial literacyviz. level and importance, definition and theories, constraints and measures. Based on thesurvey performed, it was analysed that there was no impact of age, gender, language, raceand income level on financial education [14].

Volpe et alconducted a study which examined the personal investmentliteracy of 454 students at Youngstown State University. The study explored the relationshipbetween level of investment literacy and gender, academic discipline, and experience. The meanscore indicated that studentshad inadequate knowledge of personalinvestment. The results revealed that female students and non-business majors were lessknowledgeable about personal investment than were males and business majors [15].

4. Gap Identification

While the need is predominant in developing country like India, there have been no evident research on the factors influencing especially among undergraduate students. This study aims to fill this gap by exploring the educational and personal factors that influence money-management behaviour of Gen-Z in Vijayawada, one of the fast-developing cities in the country with special reference to undergraduate students of Maris Stella college.

Therefore, this study was guided by the following specific questions:

RQ1: Does including topics on saving/investment in the curriculum at under graduation level have any impact on level of financial literacy?

RQ2: Does guidance from parents have any impact on level of awareness on saving/investment and financial literacy?

Objectives of the Study

After formulating the research questions, the study was dedicated to achieving the objectives as follows:

1. To ascertain if including topics on saving/investment in the curriculum at under graduation level have any impact on level of financial literacy
2. To investigate the if guidance from parents have any impact on level of awareness on saving/investment and financial literacy

Hypothesis

Based on the variables selected for this study, the following hypothesisis formulated.

H01: Topics on saving/investment in the curriculum at under graduation level do not have any impact on level of awareness and habit of saving/investment and financial literacy

H02: Guidance from parents do not have any impact on level of awareness and habit of saving/investment and financial literacy

Research Methodology

A. Model

The study was conducted by descriptive approach with a specificend goal to determine if curriculum in under-graduation and parental guidance would impact the financial literacy in students. It involves a descriptivedesign and uses both quantitative and qualitative data. Data are collected from students of under-graduate courses like BBA, B.Com and B.A. These respondents were advised to readall the questions completely and then answer based on their understanding.The study was carried out in Maris Stella College, Vijayawada.

B. Sample

The study population was represented by under-graduated students of Maris Stella College between the age group of 15 to 25 referred to as Gen-z. A sample of (70) respondents were selected in this study based on voluntarily participation to respond to the questionnaire. The distribution method for the questionnaire to the potential respondents was done through Google Forms. After applying the questionnaire to the samplemembers, (67) valid responses were obtained for statistical analysis with a rate of (95.71%), which is statistically acceptable. SPSS was used to analyse the gathered data. The data collection was conducted within the months of March and April of 2023.

C. Sampling Technique

The study uses stratified random sampling, which is a probability sampling technique as researcher has prior knowledge of thepopulation from which a random sample is to be drawn.

6. Analysis Framework

6.1. Simple Percentage Analysis

The selected sector respondents are taken for the study based on the demographic factorssuch as age, gender, the stream of education; income, nature of the job, etc are measured in the analysis.

Percentage analysis = Number of respondents / Total Number of Respondents x 100

6.2 Correlation

Correlation is applied to study the relationship between the variables involved in the analysis. Correlation coefficient is calculated using SPSS software as the tool. Microsoft Excel is used to calculate the average and draw various graphs-Bar graphs and Pie charts.

8. Analysis and Interpretation

In this section, the responses are scrutinized by utilizing descriptive statistics. The questionnaire contains total 15 questions specific for the students pursuing under-graduation courses in Maris Stella College.

A. This section shows the correlation between the variables 'saving/investment topics in the curriculum at under graduation level', 'awareness on saving/investment topics', and 'habit of saving/investing'

Table 8.A.1

Variables	**Category**	**Frequency**	**Percentage**
Saving/investment topics in the curriculum at under graduation Level	Yes	16	23.88
	No	51	76.11
	Total	67	100
Awareness scale on saving/investment topics	5	5	7.46
	4	7	10.44
	3	17	25.37
	2	17	25.37
	1	21	31.34
	Total	67	100
Habit of saving/investing	Yes	27	40.29
	No	40	59.70
	Total	67	100

From table 8.A.1 it can be interpreted that 16 under-graduate students i.e., 23.88 percentage of the total respondents stated that they don't have saving/investment topics in their curriculum while 51 students contributing to 76.11 percentage confronted that they have saving/investment topics in their curriculum. Referring to the awareness scale on saving/investment topics at their under-graduation level, it can be inferred that most of the students placed them at level III and II. From the table it can also inferred that 59.70 percentage of students i.e., 40 opted that they don't have a habit of saving/investing while 40.29 percentage i.e., 27 students agreed that they have a habit of saving/investing at the under-graduation level.

Table 8.A.2

	saving/investment topics in the curriculum in UG	awareness on saving/investment topics	habit of saving/investment
saving/investment topics in the curriculum in UG	1		
awareness on saving/investment topics	0.029266	1	
habit of saving/investment	0.103327	0.04756	1

Table 8.A.2 shows the correlation analysis between the 'saving/investment topics in the curriculum in UG', 'awareness on saving/investment topics' and 'habit of saving/investment'. The significance values are tabulated which are less than 1 and positive which indicates that there is significant positive relationship between the variables.

Therefore, it can be stated that having saving/investment topics in the curriculum in under-graduation level has direct impact on awareness on saving/investment and thereby inculcating a habit of saving/investment among Gen-Z.

B. This section shows the correlation between the variables 'guidance from parents', 'level of awareness'and 'habit of saving/investment and financial literacy'

Table 8.B.1

Variables	Category	Frequency	Percentage
Guidance from parents	Yes	27	40.29
	No	40	59.70
	Total	67	100
Awareness scale on saving/investment topics'	5	5	7.46
	4	7	10.44
	3	17	25.37
	2	17	25.37
	1	21	31.34
	Total	67	100
Habit of saving/investing'	Yes	27	40.29
	No	40	59.70
	Total	67	100

From table 8.B.1 it can be interpreted that27 under-graduate students i.e., 40.29 percentage of the total respondents stated that their parents encourage them to save/invest while 40 students contributing to 59.70 percentage confronted that they don't have any guidance from parents. Referring to the awareness scale on saving/investment topics at their under-graduation level, it can be inferred that most of the students placed them at level III and II. From the table it can also inferred that 59.70 percentage of students i.e., 40 opted that they don't have a habit of saving/investing while 40.29 percentage i.e., 27 students agreed that they have a habit of saving/investing at the under-graduation level.

Table 8.B.2

	Guidance from parents for saving/investing	Awareness on saving/investment topics	Habit of saving/investment
Guidance from parents for saving/investing	1		
Awareness on saving/investment topics	0.096963	1	
Habit of saving/investment	0.007407	0.04756	1

Table 8.B.2 shows the correlation analysis between the 'guidance from parents for saving/investing', 'awareness on saving/investment topics' and 'habit of saving/investment'. The significance values are tabulated which are less than 1 and positive which indicates that there is significant positive relationship between the variables.
Therefore, it can be stated that having guidance from parents for saving/investing has direct impact on awareness on saving/investment and thereby inculcating a habit of saving/investment among Gen-Z.

9. Findings of the study

1. Guidance from parents: Students badly needed parents support and same is lacking as per study.
2. Awareness scale on saving/investment topics: As per the study very few had awareness as per the five rating scale.
3. Habit of saving/investment: Very poor response in the habit of savings

10. Limitations

The study has a few limitations that must be considered when interpreting its findings. Firstly, thesample size is relatively small, and the results may not accurately represent the entire GEN-Z population in the institution. The study relies on self-reported data, which can be influencedby biases and inaccuracies. The study only concentrated on the various factors effecting the personal finance but not various investment options available. Finally, the research is restricted to Maris Stella College and the findings may not be generalizable to other regions in state. These limitations suggest that cautionmust be exercised when applying the results of this study to other populations or contexts.

10. Conclusion: Parental support and guidance are needed to develop savings and investment habits among this particular age group. Actually, schools have to play a crucial role, which is really far away from the type of skills needed by a boy or girl who comes out of the school. A mentoring system should be encouraged not only in personal areas and in academics but also for the all-round development of a student to become a good saver as well as a good investor. Otherwise, the economic and financial success or support of an individual in society may not be achieved.

Our findings underscore the importance of examining the multivariate nature of money management attitudes and behavior. Such variables are complex in nature, and although our data revealed strong relationships between several con- structs (attitude toward maintaining a budget and the behavior of maintaining a budget), any change that focuses on individual variables is likely to have a lim- ited effect on behavior. Thus, the models tested in this study (Figures 1 and 3) provide some guidance on the variables that must be addressed if we are to mod- ify attitudes toward budgeting and subsequent budgeting behavior in young, college-aged adults

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