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Unlocking the Flavour of Financial Literacy among Higher Education Teachers: An Insight

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Abstract

Enhancing one's financial literacy is crucial, and it is equally difficult to manage savings in today's increasingly complex financial markets, which leaves many people with little or no wealth. Understanding finance allows one to participate more and choose wisely when making investments, which leads to sensible plans for long-term financial growth. This study assesses the awareness of financial literacy among higher education teachers to determine how well financially literate they are. A descriptive survey approach was employed, utilizing the Simple Random Sampling Technique, to gather data from 117 Higher Education Teachers in Bangalore suburbs. The standardized tool was used for the survey. The test of normality was run before moving on to parametric testing under the assumption of the null hypothesis. Both descriptive and inferential statistics were employed to examine the percentile analysis and variations in financial literacy. The 0.05 level of significance was used for the formulated hypotheses. It was revealed that there are no appreciable differences in financial literacy within gender, age, and locale of higher education teachers. In terms of their teaching level, designation, and discipline, there was a discernible difference. Commerce teachers are found to be more financially literate than Arts and Science teachers. Professors are considered better planners compared to associate and assistant professors. It is possible that the differences result from their qualifications, experience, and service rendered in the organization as a result of enhanced education, or they may have other reasons.

Keywords: *Financial Literacy, Higher Education Teachers, Financial Growth, Financial Wellbeing.*

Developing financial literacy is of utmost importance. With increasingly complex financial markets, retirement savings can be challenging to navigate, leading to minor to no wealth for many individuals. Educating oneself on finances makes it possible to increase participation and make informed investment decisions, resulting in sound strategies for long-term financial success, which leads to a country's financial growth (Hanna et al., 2010). The significance of higher education cannot be overstated. It provides the workforce necessary for numerous fields, including production, planning, management, and technological development. Its impact on national activities is far-reaching, ultimately shaping the future of our nation. Financial literacy has become necessary due to the proliferation of complex financial products, the shift towards personal responsibility, and the advent of electronic banking, encouraging saving, budgeting, and responsible credit use, financial literacy increases access to financing. A more knowledgeable person can use their savings more effectively for emergencies, retirement, and

unanticipated events. Higher financial literacy teachers can help students make sound financial decisions by serving as role models, **Matey et al. (2021)**.

Dimension of Financial Literacy

Financial literacy has several dimensions. Financial knowledge, financial behaviour, financial attitude, and financial risk are some of the elements of financial literacy. Financial behaviour refers to how people handle their money daily, whereas financial knowledge entails knowing fundamental economic concepts. Financial planning and consumption attitudes are correlated with financial attitudes. Taking risks is essential while making financial decisions. A strong financial attitude can result in less acceptable financial behaviour, whereas a low financial knowledge can influence both economic behaviour and attitude.

Conceptual Model of Financial Literacy

Acquiring financial literacy requires both hands-on learning and active integration of existing information. People grow more competent and financially smart as their literacy levels rise. Due to the complexity of financial markets and the aging population in many Asian countries, financial literacy is becoming more and more crucial. Due to insufficient savings and the necessity to learn about investing for the future, many people have little money when they retire. Due to complicated financial products, an increasing number of seniors, individual retirement funding responsibility, and Internet banking, financial literacy is required. It encourages budgeting, savings, credit utilization sensibly, and financial accessibility. Financially literate people may choose suitable products, save money more effectively, and establish a strong financial system. More resources are needed to protect financially illiterate people, especially those at the bottom of the pyramid—from losing investments or savings. They avoid complicated financial items, which makes them less likely to create bank accounts, buy investment products, and participate in the market. Encouraging prudent investment practices through financial education can boost involvement and facilitate the effective use of the financial market's resources. The financial prospects of the impoverished can be greatly impacted by their access to safe savings.

Need and Emergence

Financial literacy is crucial for higher education teachers, ensuring personal stability and effective student mentorship. Despite their role in shaping future generations, educators often face financial challenges such as managing income, retirement planning, and debt management. A lack of financial awareness can lead to stress, poor investment choices, and an uncertain financial future. Teachers must navigate economic uncertainty, diverse income sources, and long-term security, and serve as financial role models. Enhancing financial literacy among

teachers leads to better decision-making and stability. Financially empowered teachers can focus more on their teaching responsibilities without financial stress. Institutions and policymakers must prioritize financial education at early stages to benefit prospective students, ensuring that teachers receive the resources and training necessary to secure their financial future and positively influence and educate future generations.

Objectives

To study the awareness of financial literacy among Higher Education Teachers.

To compare the difference in financial literacy awareness among Male and Female Higher Education Teachers.

To find the difference in financial literacy awareness among the Urban and rural Higher Education Teachers.

To ascertain the significant difference between the financial literacy and levels of teaching (PU/UG/PG), designation (Prof/Associate Prof/Asst Prof and lecturer), Streams of Education (Arts /Commerce/Science, etc.) and different age groups.

Hypotheses

To make the prediction about the main study and to get the answers to research questions, the following null hypotheses were framed and tested. The outcomes were discussed under each.

H01: There is no significant difference between male and female higher education teachers concerning their Financial Literacy.

H02: There is no significant difference between urban and rural higher education teachers concerning their Financial Literacy.

H03: There is no significant difference among Streams of Education concerning their Financial Literacy.

H04: There is no significant difference among designation of higher education teachers concerning their Financial Literacy.

H05: There is no significant difference among undergraduate, postgraduate, and pre-university lecturers concerning their Financial Literacy.

H06: There is no significant difference among the different age groups of higher education teachers concerning their Financial Literacy.

LITERATURE REVIEW

According to **Prasad, G.R.K., (2022),** teachers in Hyderabad's higher education institutions have the lowest levels of financial literacy of any group, making them the most inspiring. It was discovered that female teachers have a marginally greater level of financial literacy than their male counterparts. The factors influencing digital financial literacy were investigated in

the study "Digital Financial Literacy and its Determinant: An Empirical Evidence from Rural India". Age, gender, landholding, education level, married status, and socioeconomic groupings all have a significant correlation with knowledge and proficiency in digital finance (**Fida Muthia et al., 2023**). They are not correlated with income, occupation, type of ration card holder, or size of family. Significant determinants of digital financial literacy were also found to include gender, occupation, property, income, and education**. Matey et al. (2021)** investigated how financial literacy instruction affected Ghanaian teachers' social and economic lives. The study's findings demonstrated a positive correlation between financial literacy and teachers' lifestyles, as assessed by their proficiency with budgeting, understanding investment rates, conserving money, and preventing identity theft (exchanging private information about credit or debit cards, for example). **Prasad and John (2021)** looked at Hyderabadi teachers' financial literacy and conduct. The study found that professors might know more about general finance. Just 21% of educators possess excellent financial literacy, 23% possess strong financial understanding, and 48.5% demonstrate prudent financial practices. **Zulaithi et al. (2020**) researched to determine the impact of financial literacy on the financial behaviour of secondary school teachers in Jakarta, Indonesia. It has been found that having a good understanding of finance influences one's economic behaviour. It was found that respondents with high financial literacy set up their finances for both short- and long-term goals, made more investments, shopped about and compared prices, and effectively created budgets. **(Bongini & Zia, 2018)** investigated women's financial literacy at work. The results of the survey show that women have low overall financial literacy. The study's recommendations can be used by employers, groups, governments, and legislators to create doable programs that will increase public financial literacy and offer reliable resources for financial advice. To assess financial literacy and its influence on Gujarat State investors' investment decisions, conducted a study. The findings indicated that 44% of the respondents were deemed to be economically illiterate, whereas 56% of the respondents were financially literate. When it came to financial literacy, men were more knowledgeable than women. Furthermore, based on the findings of **Boon, Yee, and Ting, (2011),** the financial literacy of the respondents was highly influenced by their age and income level. Better financially literate people place higher value on personal financial planning to prevent the negative impacts that insufficient financial planning may have on their lives. A university is a symbol of truth, reason, tolerance, humanism, and inquiry. Because of computerized banking, personal responsibility, and sophisticated financial products, financial literacy is essential. Budgeting, managing credit responsibly, and saving are all encouraged by financial literacy. Increased financial literacy promotes effective and independent living.

Higher financial knowledge among educators can help students make sound financial decisions. This study evaluates the awareness of financial literacy among higher education teachers to determine how well financially literate they are.

MATERIALS AND METHODS

Population, Sample, and Sampling Techniques

In the present endeavour, the faculties of Higher Educational Institutions in Bangalore's Urban and Rural areas form the population. The sample of 117 higher education teachers was taken from the whole population of Higher Education Institutions in Bangalore's Urban and Rural areas using the Simple Random Sampling method.

Tool of Research

Data was collected using the Virginia University Financial Literacy Test, a standardized tool based on the OECD questionnaire and modified for local use. Reliability was determined by Cronbach's alpha, with a recorded value of 0.62, and it was fair enough to proceed further.

The respondents' profile is depicted here under.

Table 1: Demographic profile of Respondents'

Gender	**Numbers**	**Percentage (%)**
Male	49	41.88 %
Female	68	58.12 %
Total	117	100 %
Designation	**Numbers**	**Percentage (%)**
Professor	11	09.40 %
Associate Professor	06	05.13 %
Assistant Professor	48	41.03 %
Lecturer	52	44.44 %
Total	117	100 %
Teaching Level	**Numbers**	**Percentage (%)**
Post-Graduation Level	27	23.08 %
Undergraduate Level	55	47.01 %
Pre-University Level	35	29.91 %
Total	117	100 %
Teaching Discipline	**Numbers**	**Percentage (%)**
Arts and Humanities	17	14.53%
Commerce	27	23.08 %

Science	22	18.80 %
Business	02	01.71 %
Education	34	29.06 %
Others	15	12.82 %
Total	117	100 %
Locality	**Numbers**	**Percentage (%)**
Urban	101	86.32 %
Rural	16	13.68 %
Total	117	100 %
Age group	**Numbers**	**Percentage (%)**
31 to 40 years	66	56.41 %
41 to 50 years	28	23.93 %
51 to 60 years	07	05.98 %
Above 60 years	16	13.68 %
Total	**117**	**100 %**

Descriptive analysis provided the data for empirical and statistical analysis to determine the main determinants of finance. Sample attributes are analyzed by computing frequencies and percentages to compare with the obtained results. This endeavor aimed to analyze the awareness of financial literacy among higher education teachers. The sample attributes were analysed using percentages and t-tests. The 0.05 level of significance was used to formulate and evaluate the hypotheses.

Hypotheses Testing

H01: There is no significant difference between male and female higher education teachers concerning their Financial Literacy.

Table: Difference between male and female higher education teachers

	Gender	N	Mean	Std Dev	df	t-calculated	t-critical	Sig.
Financial Literacy	Male	49	64.00	12.89	115	0.53976	1.962	NS
	Female	68	65.26	9.36				

Not Significant at 0.05 level

In terms of gender, there is no significant difference between male and female higher education teachers' financial literacy awareness. Therefore, there is no discrimination between male and female teachers regarding their financial literacy.

H02: There is no significant difference between urban and rural higher education teachers concerning Financial Literacy.

Table: Difference between urban and rural higher education teachers

	N	Mean	Std Dev	df	t-calculated	t-critical	Sig
Urban	101	65.08	10.77	115	0.395	1.96	NS
Rural	16	62.56	12.15				

Not Significant at 0.05 level

It is concluded that the financial literacy awareness between urban and rural higher education teachers is the same.

The implications of this conclusion may indicate that financial literacy programs could be equally effective across different geographical settings, as the baseline awareness appears to be consistent. Overall, the research highlights the importance of addressing financial literacy in higher education, regardless of the urban or rural context.

H03: There is no significant difference among arts, commerce, science, and other education teachers concerning their Financial Literacy.

Summary and Analysis of Variance

Table 4: ANOVA (single factor) – Teaching Discipline

Groups	***Count***	***Sum***	***mean***	***Variance***		
Arts	17	1159	68.18	182.03		
Commerce	27	1804	66.81	105.77		
Science	22	1356	61.64	98.91		
Others	51	3255	63.82	111.67		
Source of Variation	***Sum of Squares***	***df***	***Mean Square***	***F***	***P-value***	***F critical***
Between Groups	571.74	3.00	190.58	1.62	0.19	2.68
Within Groups	13323.05	113.00	117.90			
Total	13894.79	116	F statistics < F critical #Test is Significant			

Significant at 0.05 level

Concerning teaching discipline, there is a significant difference among the Arts, Commerce, Science, and other faculties, and the Arts faculty is seen as better than others. The text highlights a notable distinction in teaching discipline across various academic faculties, specifically emphasizing the Arts, Commerce, and Science disciplines. It suggests that the Arts faculty is

perceived as superior compared to the others. This perception may stem from differing educational approaches, methodologies, and the value placed on creative and critical thinking skills inherent in the Arts.

H04: There is no significant difference among Professors, Associate Professors, Assistant Professors, and Lecturers concerning their Financial Literacy.

Table 5: ANOVA (single factor) - Designation

Groups	***Count***	***Sum***	***mean***	***Variance***		
Professor	12	826	68.83	115.61		
Associate Professor	6	372	62	306.4		
Assistant Professor	48	3064	63.83	98.61		
Lecturer	51	3312	64.94	123.38		
Source of Variation	***Sum of Squares***	***df***	***Mean Square***	***F***	***P-value***	***F critical***
Between Groups	287.63	3	95.88	0.80	0.50	2.68
Within Groups	13607.16	113	120.42			
Total	13894.79	116	F statistics < F critical #Test is Significant			

Significant at 0.05 level

Regarding designation, there is a significant difference among professors, associate professors, assistant professors, and lecturers. This explains the distinctions between academic titles in universities, emphasizing the importance of understanding these differences for recognizing the hierarchy and roles within academic institutions. It highlights the roles of professors, associate professors, assistant professors, and lecturers.

H05: There is no significant difference among undergraduate, postgraduate, and pre-university lecturers concerning their Financial Literacy.

Table 6: ANOVA (single factor) – Teaching Level

Groups	***Count***	***Sum***	***mean***	***Variance***
Pre University level	35	2388	68.23	71.01
Under Graduate level	55	3413	62.05	120.87
Post Graduate Level	27	1773	65.67	158.00

Source of Variation	***Sum of Squares***	***df***	***Mean Square***	***F***	***P-value***	***F critical***
Between Groups	845.78	2.00	422.89	3.69	0.03	3.08
Within Groups	13049.01	114.00	114.46			
Total	13894.79	116	F statistics > F critical #Test is Not Significant			

Not Significant at 0.05 level

Teaching level showed no significant difference among undergraduate, postgraduate, and pre-university lecturers concerning their Financial Literacy. The study found that there is no significant difference in financial literacy levels among lecturers at various teaching levels, including undergraduate, postgraduate, and pre-university. This suggests that the financial literacy of educators does not vary based on their teaching experience or the academic level they are involved. The findings highlight a potential area for improvement in financial education across all teaching levels, indicating that further training or resources may be beneficial for lecturers to enhance their financial literacy skills.

H06: There is no significant difference among the different age groups of higher education teachers concerning their Financial Literacy.

Table 7: ANOVA (single factor) – Age Group

Groups	***Count***	***Sum***	***Mean***	***Variance***		
Age Group (31-40)	68	4460	65.59	118.99		
Age Group (41-50)	44	2783	63.25	107.49		
Age Group (51-60)	5	331	66.20	285.70		
Source of Variation	***Sum of Squares***	***df***	***Mean Square***	***F***	***P-value***	***F critical***
Between Groups	157.2657	2	78.63	3.69	0.03	3.08
Within Groups	13737.52	114	120.50			
Total	13894.79	116	F statistics < F critical #Test is Significant			

Significant at 0.05 level

The different age groups revealed a significant difference in financial literacy. As stated earlier, in some cases the differences may be attributed to both the qualifications and the experience he/she has gained, as well as the enhanced education that they have undergone. The analysis indicates a notable disparity in financial literacy across various age groups. This difference can be linked to factors such as educational qualifications and the practical experience individuals

have acquired over time. Additionally, the level of education attained plays a crucial role in shaping financial literacy, suggesting that enhanced educational opportunities contribute to better financial understanding.

DISCUSSION

Financial literacy is crucial for the growth and development of a country's financial system **(Hanna et al., 2010).** It involves understanding economics and how it affects household decisions. Financial literacy is positively correlated with education level and individual aggressiveness, as noted by **Agarwal et al. (2010**). Various factors influence financial literacy, including gender, education, income, employment type, and workplace location, according to **Bhushan and Medury (2013**). Additionally, the study concludes that there is no significant difference in financial literacy awareness between urban and rural higher education teachers. This finding suggests that both groups possess a comparable level of understanding regarding financial concepts and practices. Furthermore, **Jappelli (2009)** points out that financial literacy levels differ significantly across countries, with educational achievement and social interactions playing crucial roles in these variations. The study discovered no significant variation in financial literacy levels among lecturers at all teaching levels, including undergraduate, postgraduate, and pre-university. This shows that educators' financial literacy is unaffected by their teaching experience or academic degree of involvement **(P. Bhushan and Y. Medury, 2013**). Overall, the findings highlight the need for a more consistent approach to financial literacy teaching across instructors, regardless of academic status. The study reveals a substantial difference in financial literacy among different age groups. This distinction can be attributed to factors such as educational background and practical experience gained over time **Lusardi et al. (2007)** highlight a strong relationship between financial literacy and socio-demographic characteristics, as well as family financial sophistication. Furthermore, the amount of education achieved has a significant impact on financial literacy, implying that increased educational possibilities lead to improved financial awareness.

CONCLUSION

The results show that there is no discernible difference in financial literacy between urban and rural teachers, or between male and female higher education teachers. Higher Education Teachers differ significantly in awareness of financial literacy in terms of their teaching level, designation, discipline, and different age groups. The findings showed that financial literacy is higher among teachers of commerce than among teachers of arts and science. Professors are perceived as better future planners than Associate and Assistant Professors, these differences may be attributed to their education, experiences, and service rendered within the organization

through enhanced education. Overall, the results emphasize the need for a more uniform approach to financial literacy education among educators, regardless of their academic position, stream, or level of teaching.

Educational Implications

Financial literacy education in higher secondary or pre-university college-level courses can improve financial literacy, leading to economic well-being. It also benefits educational institutions by increasing enrollment and retention, community awareness, and potential grants and sponsorships. For success, it is expected that the government should initiate the right curriculum for students to grasp financial literacy along with their regular studies. It is essential to provide financial expertise from the early levels of education.

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