

# Impact of Financial Education Level of University Students on Economic Benefits: Moderating Role of Financial Behavior in Public and Private Universities of Pakistan

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**Abstract:** This research paper examines the relationship between the financial education level of university students in public and private universities in Pakistan and their economic benefits. Additionally, it explores the moderating role of financial behavior in this relationship. A quantitative research design was employed, and data was collected through a survey from a sample of university students. The results indicate that the financial education level positively influences economic benefits. Moreover, financial behavior was found to moderate the relationship between financial education and economic benefits. These findings underscore the importance of financial education and the need for promoting positive financial behavior among university students.

**Keywords:** Financial Education, Economic Benefits, Financial Behavior, Financial Literacy, Education Policy, Economic Growth.

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## Introduction

In routine life, individuals have taken monetary choices about uses to limit their consumptions. Assuming they have furnished with monetary schooling, they will be more ready to shape a spending plan so that they will actually want to meet their consumptions in the correct manner, as well as to expand their reserve funds. At the point when they will actually want to save their sums, they will have better choices for speculations too. For the execution of monetary information for the prosperity of individuals, it is important to be outfitted with concerned information too.

A few monetary elements show that monetary schooling ought to be a piece of training. Along these lines, individuals will be more successful in taking their monetary choices with respect to their consumptions and reserve funds. These social variables cause the prosperity of that concerned individual. Monetary information goes about as a safeguard for the monetary prosperity of individuals.

### 1.1 Background of the Study

Monetary training is one of the most talked about issue on the planet due to their significance. On the off chance that an individual knows how to save and spend, his monetary condition will be preferable over others. Individual monetary information goes about as survivor for that concerned individual. Monetary information makes individual normal in his life. Numerous analysts had characterized monetary information as it is the capacity to settle on normal choices in regards to burning through and reserve funds of cash (Schagen and Lines, 1996). Personal finance has been categorized in different areas as savings, interest, expenditures and knowledge (Chen & Volpe, 1998).

### 1.2 Financial Education

Financial education helps to maintain financial decisions to measure that improve financial well-being (Arnone, 1999).

Remund (2010) Defines personal financial education into five categories

- ✚ Education of financial concepts
- ✚ Communication regarding financial concepts,
- ✚ Management of finance,
- ✚ Appropriate financial decisions,
- ✚ Forecasting of future needs financially

### 1.3 Financial behavior

Monetary interaction is the course of how individual represents speculation choices. People will actually want to show monetary thoughts and information. Monetary conduct shows conduct of individuals with respect to reserve funds, uses and speculation.

### 1.4 Economic Benefits

Economic benefits are quantified in terms of money generated. It can also be money saved to reduce cost.

### 1.5 Problem Statement

Youthful grown-ups from families with higher wages had more significant levels of monetary training. Grown-ups of monetarily frail families don't obtain monetary training, as they are occupied in positions or study with investigation of subjects of minor nature. Avoidance of monetary information in the educational program might bring about grown-ups unequipped for dealing with their assets and family costs, causing serious social and financial boundaries. They should secure monetary schooling, with the goal

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that they ought to have the option to take monetary choices to push forward.

### 1.6 Research Question

- Does the economic benefits affected by the financial education of University Students?
- Do the economic benefits have a strong relationship with the financial education of university students in the context of financial behavior?

### 1.7 Scope of the Study

The focal point of this study is to direct an experimental outline of monetary information among college understudies. This concentrate anyway centers around a few chose colleges in Faisalabad since the area is loaded with individuals with different foundations and thus, gives the genuine impression of the individual budget schooling of college understudies in Pakistan. A few limitations experienced during the review incorporate the insufficient period or term for the review.

### 1.8 Objectives of the Study

The purpose of this study is to provide evidence of financial education among university Students in Pakistan. To achieve this, the research will be conducted around the following specific objectives.

- ✦ To examine students understanding of knowledge in money management, savings, and borrowing.
- ✦ To examine whether some groups of students are relatively more knowledgeable than others.
- ✦ To examine how a student's knowledge influences his or her opinions and decisions on personal finance.

## Literature Review

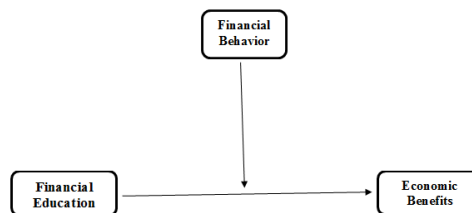
### 2.1 Literature Review

Monetary information settled on capable person to shape sane conclusions about the administration of money (Schagen and Lines, 1996). These judicious choices were viable for the administration of cash.

Remund (2010) Depicted monetary schooling in five stages that were information, correspondence, fitness, abilities, and powerful preparation's of monetary ideas, Ibrahim, Harun, and Isa (2010) said that administration of money showed a positive job in spending and saving propensities. Understudies who had not furnished with monetary information caused an absence of suitable reserve funds and speculation propensities. Ali (2013) said that monetary information finished dependable choices making in regards to monetary limit with respect to better monetary help.

Researchers expressed that there was solid worry from guardians that kids ought to mean to learn cash the executives information. Understudies gained from guardians how to deal with their money (Alhabeeb, 1999).

### 2.2 Theoretical Framework



### 2.3 Hypothesis

Following are the hypothesis:

**H<sub>1</sub>:** There is effect of financial education of university students on economic benefits.

**H<sub>2</sub>:** There is effect of financial education of university students on economic benefits with moderating role of financial behavior.

**H<sub>3</sub>:** There is effect of financial behavior on economic benefits.

### Research Design & Methodology:

This examination utilizes a blended strategies approach, consolidating quantitative overviews and subjective meetings. The review members comprise of a different example of college understudies from both public and confidential colleges in Pakistan. The review estimates the monetary training levels of understudies, as well as their monetary way of behaving and financial results. The subjective meetings give further bits of knowledge into understudies' encounters, mentalities, and insights with respect to monetary schooling and its effect on their monetary prosperity.

Following things will be remembered for this exploration plan.

#### 3.1 Nature of Research

Research kind used to see the Effect of Monetary Schooling Level of College Understudies on Monetary Advantages: Directing Job of Monetary Way of behaving is elucidating. Enlightening review means to depict the elements of the develop and afterward makes sense of the impact of factors with one another.

#### 3.2 Research Approach

To see the impact of financial education and financial behavior on economic benefits, the approach will be quantitative. It translates the idea and construct then changes it into numbers.

#### 3.3 Type of Data

Essential information will be gathered to check the Effect of Monetary Schooling Level of College Understudies on Financial Advantages: Directing Job of Monetary Way of behaving. Essential information will be gathered by survey with the assistance of college understudies of public and confidential colleges. Essential information will assist with showing the genuine, genuine and genuine idea of the subject.

### 3.4 Population

Graduate and post graduate students of Public and Private HEC recognized universities in Faisalabad will be the population of the study.

Sr. #	Name of University	Category / Sector	Main / Sub Campus
1	Govt. College University Faisalabad	Public	Main Campus
2	Govt. College for Women University Faisalabad	Public	Main Campus
3	University Of Agriculture Faisalabad	Public	Main Campus
4	The University of Faisalabad	Private	Main Campus
5	National University of Modern Language, Islamabad (Faisalabad)	Federal (Public)	Sub Campus
6	Virtual University of Pakistan, Lahore (Faisalabad Campus)	Federal (Public)	Sub Campus
7	University of Engineering and Technology (UET), Lahore (Faisalabad Campus)	Public	Sub Campus
8	University of Education Lahore (Faisalabad Campus)	Public	Sub Campus
9	University of Sargodha, Sargodha (Women Campus Faisalabad)	Public	Sub Campus
10	University of Sargodha, Sargodha (Lyalpur Campus Faisalabad)	Public	Sub Campus
11	National University of Computer and Emerging Sciences, Islamabad (FAST) (Chiniot, Faisalabad Campus)	Private	Sub Campus
12	The Riphah International University, Rawalpindi (Faisalabad campus)	Private	Sub Campus

### 3.5 Sample

Graduate and post graduate understudies of Government colleges and confidential colleges will be chosen for this proposed study. All out number of Colleges and perceived grounds are 12 in Faisalabad City in which 9 are Public Area Colleges and 3 Confidential Area colleges. Public area colleges and perceived grounds are 75% in quantities of all out colleges working in Faisalabad city though staying 25% are Private Area colleges. There are 47 quantities of inquiries in survey on the off chance that we take somewhere around twenty reactions against each inquiry than the example size will be 940. For this reason, the information will be gathered from both public and confidential area colleges. 75% of reactions will be gathered from public area colleges and perceived grounds and 25% from private colleges as per the proportionate number of colleges.

### 3.6 Unit of Analysis

Students of Universities in Faisalabad will be selected to see Impact of Financial Education Level of University Students on Economic Benefits.

### 3.7 Data Collection Method

In this investigation, questionnaire will be used to collect data from students. Questionnaire with 5 points on Likert scale will be used.

### 3.8 Instrument Development

In this review, monetary training is free factor, financial advantages are reliant variable and monetary way of behaving is directing variable. For monetary training, survey created by (da Silva, Dal Magro, Gorla, and Nakamura, 2017) will be adjusted.

For financial advantages, survey created by (da Silva et al., 2017) will be adjusted. For monetary way of behaving, poll created by (Armstrong, 2015) will be adjusted.

### 3.9 Data Collection Procedure

For collection of responses, questionnaires will be distributed via email and personally visits will also be conducted in the universities. After the permission of HOD of respective department, questionnaire will be distributed to the students of that university.

### 3.10 Data Analysis

Information will be examined with the assistance of SPSS. In information examination of the review, dependability and legitimacy of survey will be checked. Then, at that point, Barannen kayani and Amos examination will be directed.

Most importantly, legitimacy and unwavering quality of survey will be checked. Legitimacy of survey will be checked through Cron Bunch alpha method. Pilot testing procedure will be utilized to really take a look at dependability of poll.

### Recommendations

In view of the discoveries, this examination paper presents a few proposals to different partners:

By executing these proposals, colleges, policymakers, understudy support administrations, and monetary establishments can add to upgrading the monetary proficiency levels and financial prosperity of college understudies in Pakistan.

- **Instructive Establishments:** Colleges ought to coordinate monetary schooling into their educational plan and proposition particular courses or studios to upgrade monetary proficiency among understudies. This will better prepare understudies to go with informed monetary choices and further develop their financial prosperity.

- **Policymakers:** The public authority ought to focus on monetary training drives, including creating public monetary proficiency structures and teaming up with colleges to integrate monetary proficiency into the school system. Policymakers ought to likewise consider giving monetary impetuses to colleges to empower the joining of monetary training in their projects.

- **Understudy Backing Administrations:** Colleges ought to lay out devoted understudy support benefits that give customized monetary advising and direction. These administrations can help understudies in creating solid monetary ways of behaving, for example, planning, saving, and money management, prompting worked on financial results.

- **Monetary Establishments:** Banks and other monetary foundations ought to team up with colleges to offer monetary proficiency projects, temporary jobs, and grants. These drives can assist understudies with acquiring functional monetary information and abilities and lay out sure associations with monetary organizations.

- **Exploration and Assessment:** Further examination is expected to evaluate the drawn out effect of monetary training on the financial results of college understudies. Longitudinal examinations can give experiences into the steadiness of monetary conduct changes and financial advantages after some time.

## Conclusion

All in all, this examination paper investigated the effect of monetary schooling level on the financial advantages of college understudies, with a particular spotlight on the directing job of monetary way of behaving. The review was led in both public and confidential colleges in Pakistan, giving significant bits of knowledge into the monetary proficiency and practices of understudies in advanced education. Besides, the review shed light on the directing job of monetary conduct in the connection between monetary schooling and financial advantages. It was found that understudies with a more significant level of monetary schooling, combined with positive monetary way of behaving, experienced considerably more prominent financial benefits. This highlights the significance of securing monetary information as well as making an interpretation of it into pragmatic activities and ways of behaving.

Right off the bat, it features the requirement for colleges, both public and private, to integrate extensive monetary training programs into their educational plans. By furnishing understudies with fundamental monetary information and abilities, colleges can enable them to settle on informed monetary choices and explore the intricacies of individual budget successfully.

Also, policymakers and instructive organizations ought to consider carrying out intercessions and backing components that empower positive monetary ways of behaving among college understudies. This could incorporate studios, workshops, and mentorship programs pointed toward advancing mindful monetary practices, for example, planning, saving, effective money management, and overseeing obligation.

Finally, this exploration adds to the current group of information on monetary education and conduct in the Pakistani setting, especially inside the college understudy populace. It highlights the meaning of tending to the monetary instruction hole and encouraging positive monetary ways of behaving among youthful grown-ups, who are at a basic phase of their monetary excursion.

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