International Journal of Social Statistics - USJ
Volume 01 | Issue 01 | April, 2024

The Determinants of Financial Behavior of the Final-year Undergraduates of the University of Sri Jayewardenepura

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Abstract

The potentiality of an individual to manage their financial assets has a substantial influence on their quality of life in a culture where financial issues frequently take precedence over commercial ones. Among other social groups, undergraduates are significant as they are navigating the dynamic financial landscape. While a large number of scholars worldwide have examined the factors that impact financial behavior of undergraduates, Sri Lanka has paid less attention to this area of research. By analyzing the underlying determinants that influence financial behavior of undergraduates and concentrating on final-year students at the University of Sri Jayewardenepura, Sri Lanka, this study seeks to contribute to this existing gap. 247 undergraduates from five faculties were chosen as the sample through simple random sampling. Using a web-based structured questionnaire built on a five-point Likert scale, the researchers gathered data. Partial Least Square-Structural Equation Modeling (PLS-SEM) was deployed to analyze the phenomena under consideration. Financial Literacy, Financial Attitude, and Financial Self-efficacy have been indemnified as significant and positively influencing determinants of undergraduates' financial behavior. Furthermore, the most significant determinant is financial literacy ($r = 0.62$, $P = 0.000$) in relation to the University of Sri Jayewardenepura. In order to get more diversified results, the researcher encourages future studies to concentrate on different state and private university demographics and conduct cross analyses. Thus, the study provides valuable implications for policymakers to the creation of efficient financial policies that are distinctive to this particular demography.

Keywords: *Financial Behavior, Financial Literacy, Financial Self-efficiency, Undergraduates*

1. Introduction

The analysis of intricate ways that individuals and other entities manage, share, and interact with their financial resources within the quickly evolving global economy are the central focus of the study of financial behavior, and has grown to be an important field of research in contemporary words. In a world that is more financially driven than commercially oriented, the capacity of an individual to manage their finances plays a pivotal role in their quality of life. Undoubtedly, a degree of financial literacy of a particular person will improve their quality of life and make daily financial decisions simpler to make and carry out. Studying the cognitive, psychological, and social determinants that influence individuals and business entities' financial actions from straightforward purchase decisions to complex investment decisions have become the focus of analyzing financial behavior (Popovich et al., 2020). Using concepts from behavioral science, psychology, sociology, and economics, the Consumer Financial Protection Bureau of the United States (2015) claims that this multifaceted issue highlights the incentives and biases that frequently influence financial decisions. For everyone who is keen to achieve financially, understanding financial behavior is essential. Knowledge of the complex relationship between money and human behavioral psychology in a time when the financial environment is growing increasingly complex and interconnected requires a knowledge of financial behavior. In essence, financial behavior studies how people and organizations choose to allocate their financial resources when faced with financial difficulties. Financial behavior analysis discloses a multitude of themes, such as cognitive biases, cultural norms, risk perceptions, and personal and societal financial ambitions. The foundation of economic theories was the idea that rational actors would always choose to use their finite financial resources in a way that would maximize their financial well-being. These notions may not hold true in practice as described. Research on financial behavior and how young people make financial decisions has received more attention because of the recent launch of novel financial products. As a result, this study seeks to analyze what are the underlying determinants that influence the final year undergraduates at University of Sri Jayewardenepura to behave financially and assess how well they can apply business information to make personal financial decisions (Bucher et al., 2016).

Background of the Study

Understanding the factors determining undergraduates' financial behavior implies an important role in the Sri Lankan context, where the country has been characterized by recent economic expansion. Identifying the main factors that influence these undergraduates' financial decisions not only provides a wide insight into their current level of financial situation while offering a lens through which to analyze more general concerns like financial literacy, financial self-efficiency, and financial attitude in relation to the undergraduates. The Sri Lankan economy has undergone a remarkable transformation over the last few decades where it was moving from an agrarian-based economy to a service-centered, manufacturing, and emerging technologies economy. But as the economy evolves, it becomes increasingly important to develop good money-spending habits, especially among the young generation of the country. Undergraduates are considered to be an important population segment to understand when it comes to financial behavior because they are frequently at a crossroads in their educational paths and personal aspirations. These young individuals must make difficult financial choices involving work, discretionary spending, and possible savings. Therefore, understanding the elements that determine their financial behavior becomes essential for both their own financial well-being and the stability and growth of the country's economy collectively. This study is highly concentrated on clarifying the intricate relationship between individual determinants, and socio-demographic factors that collectively shape the financial behavior of final-year undergraduates of the University of Sri Jayewardenepura, Sri Lanka. Policymakers, educators, and financial institutions can learn important lessons from examining these characteristics that will help them build focused interventions and strategies for raising a generation of financially responsible young adults (Jobst, 2014; Wann, 2016).

Primary Objective:

The primary objective of this study relies upon identifying the most crucial determinants of the financial behavior of final year undergraduate students at the University of Sri Jayewardenepura, Sri Lanka.

Secondary Objectives:

Identify how each of the determinants affects the overall financial behavior of the final year undergraduates of the University of Sri Jayewardenepura.

2. Review of Literature

Our lives are significantly impacted by money (Furnham, 1998; Oleson, 2004). Given that the rates of bankruptcy and credit card debt in the United States are at all-time highs, it is obvious that more financial literacy is needed and that the best teaching strategies need to be researched (Hogarth, 2002). Although there are many different definitions of financial literacy (Hogarth, 2002), for the sake of this study, it was determined that it meant knowing how to handle money and making prudent financial decisions. Financial behavior has been shown to help undergraduate students invest in themselves, pay off debt, and manage their money effectively by sticking to a calculated budget throughout their university life. It has been a great indicator of how undergraduates utilize their income and expenses in a wise manner. Further, they support this statement by claiming that students who lack financial knowledge, which is simply known as financial literacy, frequently experience financial hardship while continuing their daily chores. According to Knapp (1991), increasing financial literacy can be a useful strategy for raising people's quality of life because better financial behavior fosters positive attitudes toward quality of life, which in turn improves decision-making and the efficient use of financial resources to uplift the standards of living of the undergraduates. Numerous studies revealed a positive relationship between financial behavior and self-helpful financial conduct. The countrywide Survey of Consumer Finances includes questions on financial behavior and financial literacy: Hilgert, Hogarth, and Beverly (2003). Based on actions in four areas: cash-flow management, credit management, savings, and investment strategies, they created a financial strategies Index, to well explain the matter. When the findings of this index were compared to the results of the financial literacy test, it became clear that financial knowledge and behavior are highly associated because those who were more financially literate had higher Financial Practices Index scores.

Research based on Dutch citizens which was conducted by Rooij, Lusardi, and Alessie in 2007 has found that those with low financial literacy are less inclined to invest in stocks and more likely to rely their decisions on financial advice taken from friends. According to research by Mandell (2006), high school seniors who scored higher on the financial literacy scale were less likely to have a check bounce and were more likely to balance their checkbooks than their peers. Although financial literacy seems to have a positive impact on the financial behavior of undergraduates, it is less certain how various forms of financial education could influence that behavior. Danes (2004) and Danes, Casas, and Boyce (1999) found that in the short run, self-reported financial behavior improved right away after exposure to the university curriculum using a national survey of students who had completed the high school personal finance curriculum offered by the National Endowment for Financial Education (NEFE). After conducting a three-month follow-up survey, they discovered that more than half of the respondents had altered their spending and saving patterns. Students were more likely to compare prices, save money for the future, and make timely loan payments. The students believed they knew more about the costs associated with borrowing money, according to the study, and they thought their financial management will have an impact on their future. Consistently discovered large-scale, biennial surveys on undergraduate students that those who had taken a course in personal finance or money management at the university were no more financially knowledgeable than those who had not (Mandell, 2009). Particularly, student responses to fundamental, age-appropriate financial literacy and financial behavior questions were used to create a financial literacy and behavior index. The survey's four main topics were income, money management, saving and investment, and credit and spending. Between 1997 and 2008, six polls were conducted, and the average score was never higher than 58%. Additionally, there was no financial benefit to students who attended a full semester of a personal finance or money management subject at the university. According to research conducted by Mandell and Klein in 2007, motivated adults gain from specialized financial education. They have found shreds of evidence that student motivation is a factor in improving respondents' financial literacy and financial behavior. By examining a longer-term impact on both financial literacy and subsequent behavior, this study adds to the evidence of these conflicting findings regarding the effects of financial education.

According to one study, taking a college personal finance course improved students' overall financial Literacy, which reduced the gap in financial behavior between genders and age groups (LaBorde & Mottner, 2016). These studies have shown that financial behavior, financial knowledge, and financial education exhibit strong positive connections. It is possible to forecast financial behaviors or results using a financial literacy score, but this does not guarantee that undergraduates will act in a way that many academics, decision-makers, or educators would consider ideal. In other words, it is incorrect to simply assume that having more knowledge and abilities will result in better financial conduct, as mentioned. Robb and Woodyard (2011) have emphasized that in addition to the external influences of political and economic forces, an individual's financial well-being and behavior depend on their activities. Because of this, the crucial significance of comprehending the connection between information and personal financial concerns is being increasingly acknowledged. Apart from that, the level of income that an individual earns, and the type and status of the employment play a main role in determining the financial behavior of an individual. However, it is well acknowledged that the degree of financial knowledge, mostly the subjective knowledge, as determined by the self-assessed individual knowledge degree is, in reality, a significant determinant of individual financial behaviors. Further, a study conducted by Jayasinghe, Karunarathne, and Kalinga (2022), has revealed that the level of education in relation to finance has a significant influence on the financial knowledge and the behavior of individuals. Numerous studies demonstrate that women are less confident and knowledgeable about money than men, which may put them at a disadvantage. Even individuals who are likely to find financial literacy to be crucial such as widows or single women know little about the ideas involved in making daily financial decisions. This is consistent with a paper by Bucher-Koenen et al. (2016) that examines gender disparities in the US, Germany, and the Netherlands and discovers an ongoing gender gap in financial literacy that is unaffected by socioeconomic status, cultural background, or institutional context. When considering the previous studies, researchers have paid a huge attention to identifying the relationship existing between financial literacy and financial behavior, which leads to identifying that financial literacy plays a vital role in defining the financial behavior of individuals, especially the financial behavior of undergraduates.

Furthermore, few studies have examined the effects of college-level financial education on students' financial behavior in relation to their financial well-being, habits, attitudes, and knowledge. Even though many schools and universities offer personal financial education in a certain capacity, their cause is less understandable. College-level financial education is frequently elective, presenting significant bias in the form of self-selection, in contrast to state-mandated financial education programs that may be administered uniformly to a set of students. Like state-mandated high school curricula, college personal finance courses are not uniform. Their breadth, depth, length, and content all vary (Education Commission, 2015). According to earlier assessments of the effectiveness of financial education at the college level, financial education and financial knowledge, habits, attitudes, and behavior are positively correlated with each other. For instance, Popovich et al. (2020) discovered that when community college students completed a series of online self-study modules with digital learning objectives, the students showed improved financial knowledge as well as modifications to their financial attitudes and behaviors. In-depth personal finance courses that are available as electives in colleges have been found to be positively correlated with responsible financial conduct (Jobst, 2014; Wann, 2016). It could be identified that the financial attitude of university students has become a crucial factor in determining their financial behavior.

Studies on financial attitude and behavior assessments only discovered two items designed to evaluate financial self-efficacy, and both were used in research on young students, particularly in connection to university undergraduates. The researcher went on to say that the two components might be utilized to determine a "person's perception of being able to deal effectively with a situation." Using the Roy Adaptation Model—a conceptual framework used in healthcare applications data from the 2010 "Ohio Student Financial Wellness Survey" were analyzed using proportion tests and multivariate logistic regressions to investigate the factors related to financial stress among college students Grable, Archuleta, and Nazarinia (2010). Financial stress was less common among students who felt more confident about their financial situation. To test financial self-efficacy, however, only the phrase "I manage my money well" is employed. The previous four-point Likert-type scale ranged from 1 (strongly disagree) to 4 (strongly agree). Previous research that measured financial self-efficacy used similar, one-item measures. The Self-Efficacy Scale (FSES) was developed in 2011 to evaluate self-efficacy especially in the financial domain, replacing the Self-Efficacy Scale (SES). The Financial Services Emotion Scale (FSES) is a self-efficacy measure used in the financial business. According to a study by 30, which used an econometric model to examine the relationship between financial self-efficacy and women's personal financial behavior, financial self-efficacy is successful in describing its role towards personal financial behavior. To the best of our knowledge, no studies utilizing the FSES have been conducted in the context of Malaysia, Danes, and Haberman (2007). A person's level of financial self-efficacy has a major impact on their ability to handle their available funds. Previous empirical investigations have found a greater association between financial self-efficacy and smarter financial judgements. Higher financial self-efficacy individuals are more likely to engage in financial responsibility behaviors like investing and saving. As a result, universities have a unique opportunity to improve undergraduate students' financial well-being by fostering and boosting their financial self-efficacy. The results of these earlier research demonstrate the important influence that financial self-efficiency has had in shaping undergraduates' financial behavior.

Identifying financial behavior is significant in a world where money plays a vital role in relation to daily chores. University undergraduates, representing the young demography of the country are highly exposed to the making of wise financial decisions in their daily academic and other related works, it is important to identify the underlying determinants of their financial behavior. Though many researchers from different geographical areas in the world have given their consideration in identifying the key determinants of the financial behavior of undergraduates, Sri Lanka is lacking studies in this particular area and previous studies have not considered the university-specific factors that determine the financial behavior of the undergraduates. To fill the existing gap, this research intends to identify the most crucial determinants of the financial behavior of the undergraduates of the University of Sri Jayewardenepura. Accordingly, the researchers of this research have focused on the research question; What are the determinants of the financial behavior of the Final Year Undergraduates of the University of Sri Jayewardenepura?

3. Materials and Methods

This section clarifies the materials and methods which have been used to conduct the research. It includes subsections such as the conceptual framework of the research, research approach, population, sample and sampling techniques, sources of data and data collection methods, and the ways of analyzing the gathered data.

Conceptual Framework

The conceptual framework of research specifies the relationship existing between the dependent and independent variables which are under consideration in the study. This study indicates the relationship existing between the four main independent variables namely: Financial Literacy, Financial Attitude, and Financial Self-efficiency which determine the Financial Behavior of the undergraduates of the University of Sri Jayewardenepura which is considered to be the dependent variable of the study.

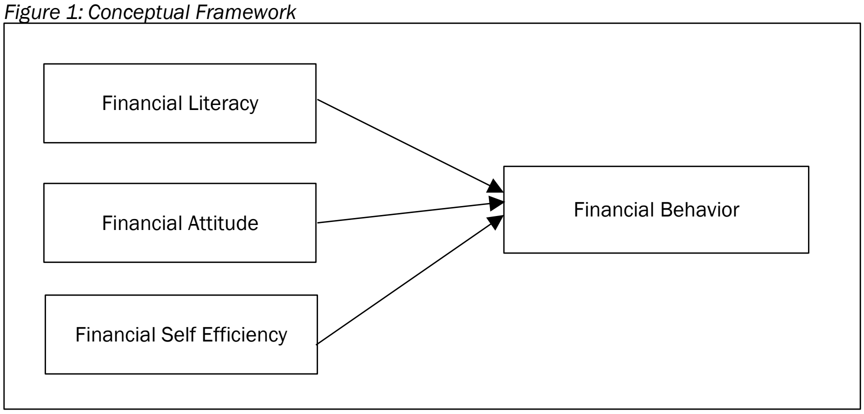
Research Approach

There are two basic research approaches that are frequently used while conducting research in relation to the social sciences. Research approaches are plans and procedures for conducting research, and they span everything from general hypotheses to specific strategies for acquiring, analyzing, and interpreting data. The researchers of this study employ the deductive research approach to examine the phenomenon under consideration. A theory, hypothesis, or generalization is the starting point for deductive inquiry, which is subsequently tested by observations and data gathering. By starting with a broad hypothesis and testing it with specific data, the researcher uses a top-down strategy. The researchers use a deductive research approach to address the issue more precisely and comprehensively. To explain how the undergraduates of the University of Sri Jayewardenepura behave financially, which is determined by Financial Literacy, Financial Attitude, and financial self-efficiency while analyzing the magnitude of influence made by each independent variable on the dependent variable.

Population, Sample, and Sampling

The research mainly focuses on the final-year undergraduates of the University of Sri Jayewardenepura as the population relevant to the study. Accordingly, the researchers have selected five main faculties from the university including the Faculty of Humanities and Social Sciences, the Faculty of Management Studies and Commerce, the Faculty of Applied Sciences, the Faculty of Technology, and the Faculty of Allied Health Sciences considering them as the main faculties functioning within the university in terms of the student count. The researchers have considered the final year undergraduates of each faculty assuming that they are continuing their undergraduate internship program at the time of conducting the research. The sample of the study has been selected through combined usage of the purposive sampling and simple random sampling technique which includes 247 final-year undergraduates from all the faculties collectively.

Figure 1: Conceptual Framework



Source: Field Survey, 2023

Sources of Data, Data Collection Methods, and Analytical Tools

The research solely depends on the primary data sources as the main source of data relevant to the study. The researchers have constructed a structured questionnaire to gather the most precise data for the study from the final-year undergraduates of the University of Sri Jayewardenepura. The question on the questionnaire was constructed upon the five-point Likert scale which ranges from 1 to 5, indicating 1- Strongly Disagree, 2- Disagree, 3- Neutral, 4 – Agree, 5 – Strongly Agree. Apart from that, short answer questions were added to the questionnaire to gather the Socio-Demographic factors. The research employs analysis of the dependent variable financial behavior of the Undergraduates of the University of Sri Jayewardenepura based on their Financial Literacy, Financial attitude, Financial Self Efficiency. The researchers rely upon a Structural Equation Model to explain the relationship existing between the variables under consideration. Smart PLS 4 software has been utilized to analyze the phenomenon of the study.

Limitations

The study may be limited by its reliance on a quantitative technique; self-reported data from a structured questionnaire which may introduce response bias due to participants providing socially desired responses, or because the answers may not accurately reflect the true experiences of the participants and their perspectives. The University of Sri Jayewardenepura in Sri Lanka is the only university which is included in the randomized sample of this study; therefore, it might not entirely represent the experiences and behaviors of undergraduates at other state universities, private universities, or other higher education institutions in the country.

4. Result and Discussion

The results and discussion section specifies the results that have been generated by carrying out the statistical analysis as mentioned in the previous section.

Assessment of Reliability

Table 1: Reliability and validity of the data

Construct	Cronbach's alpha	Composite reliability	Composite reliability	Average variance extracted (AVE)
FA	0.854	0.855	0.902	0.696
FB	0.895	0.896	0.92	0.656
FL	0.875	0.876	0.909	0.667
FSE	0.859	0.859	0.895	0.587

Source: Field Survey, 2023

Cronbach's alpha, which represents the lower bound or yields a low reliability score, and Composite Reliability, which represents the upper bound or yields a greater reliability value, are the two criteria that have been used to determine the internal consistency reliability criterion. The reliability of both measurements ranges from 0 to 1, with higher values indicating more reliability. According to Nunnally and Bernstein (1994), composite reliability scores between 0.6 and 0.7 are regarded as acceptable, and values between 0.7 and 0.9 are regarded as satisfactory. Lack of internal consistency reliability is indicated by low composite reliability. According to these generated results it could be concluded that the variables under consideration are reliable satisfactorily.

Assessment of Convergent Validity

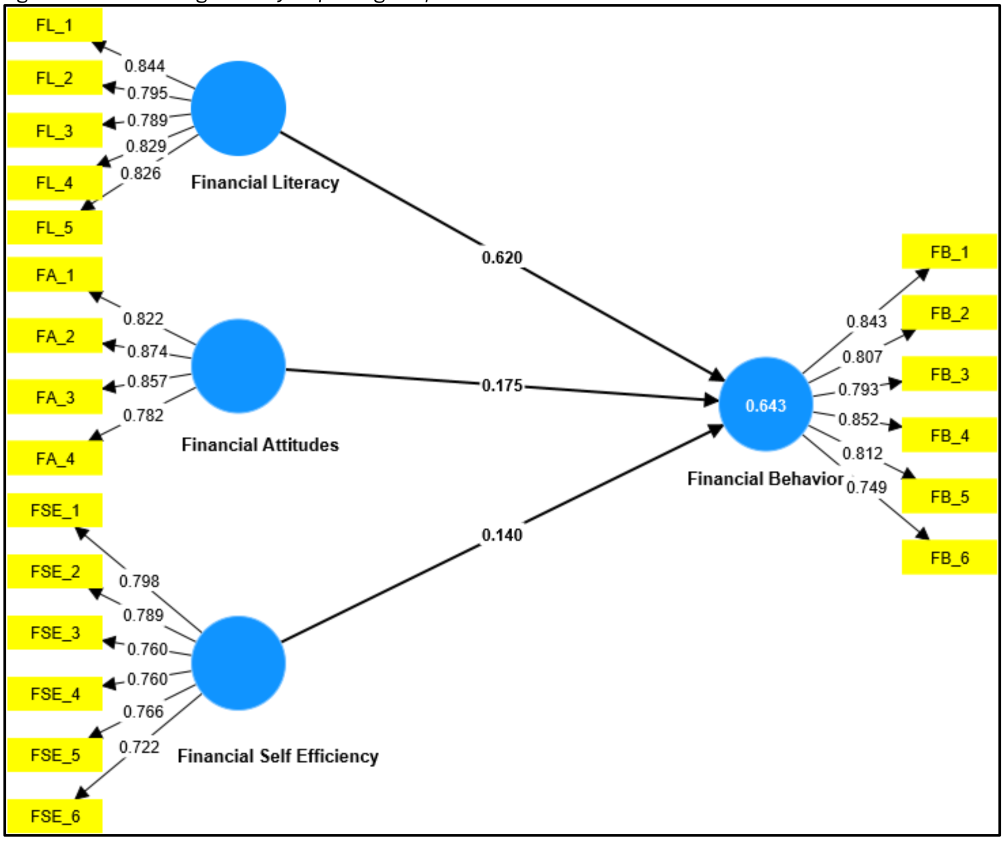
Table 2: Outer loading of the latent variables

Path	Financial Attitudes	Financial Behavior	Financial Literacy	Financial Self Efficiency
FA_1	0.822			
FA_2	0.874			
FA_3	0.857			
FA_4	0.782			
FB_1		0.843		
FB_2		0.807		
FB_3		0.793		
FB_4		0.852		
FB_5		0.812		
FB_6		0.749		
FL_1			0.844	
FL_2			0.795	
FL_3			0.789	
FL_4			0.829	
FL_5			0.826	
FSE_1				0.798
FSE_2				0.789
FSE_3				0.76
FSE_4				0.76
FSE_5				0.766
FSE_6				0.722
FSE_5				0.766
FSE_6				0.722

Source: Field Survey, 2023

Cronbach's alpha, which represents the lower bound or generates a low-reliability score, and Composite Reliability, which represents the upper bound or shows a greater reliability value, are the two criteria that have been used to determine the internal consistency reliability criterion. The reliability of both measurements ranges from 0 to 1, with higher values indicating that the variables are more reliable. According to Nunnally and Bernstein (1994), composite reliability scores between 0.6 and 0.7 are regarded as acceptable, and values between 0.7 and 0.9 are regarded as satisfactory. Lack of internal consistency reliability is indicated by low composite reliability.

Figure 2: Outer loading value by inspecting the path model



Source: Field Survey, 2023

Hair et al., (2022) have emphasized that the indicators with a loading of 0.4 to 0.7 may be retained in a reflection measurement model, provided that deletion of these indicators does not result in an increase in the average variance that has been extracted. The convergence validity of a construct is measured by the average variance that it captures in relation to the level of measurement error. The composite reliability is measured by the sum of the squared factor of the loadings of indicators. As a rule of thumb, an AVE of 0.5 indicates that the construct accounts for more than 50% of the variability of its indicators.

Assessment of Discriminant Validity

Table 3: Summary statistics of employee retention

	FA	FB	FL	FSE
FA	**0.835**			
FB	0.542	**0.81**		
FL	0.482	0.772	**0.817**	
FSE	0.483	0.525	0.483	**0.766**

Source: Field Survey, 2023

Discriminant validity is defined as the degree to which the construct is empirically different from other constructs in the structural equation model. There are three ways to measure the discrimination of reflective constructs: Cross-loadings, where the factor loadings for each indicator are compared with their own construct and with other constructs. Fornell and Larker criterion, where the square root of AVE (average variance extracted) of each construct is compared with correlations between constructs (Fornell & Larcker, 1981) HTMT, which compares correlations between indicators of various constructs with correlations between indicators of a single construct. Full Collinearity test for formative constructs can be used to test for discrimination 64 by looking at the variances in VIF (variables of the construct scores).

Assessment of Multicollinearity

Table 4: Variance Inflation Factor Values of the Variables

Construct	VIF
FA_1	2.044
FA_2	2.701
FA_3	2.302
FA_4	1.549
FB_1	2.373
FB_2	2.089
FB_3	2.05
FB_4	2.487
FB_5	2.076
FB_6	1.758
FL_1	2.253
FL_2	1.909
FL_3	1.883
FL_4	2.156
FL_5	2.012
FSE_1	2.231
FSE_2	2.092
FSE_3	1.879
FSE_4	1.856
FSE_5	1.76
FSE_6	1.563

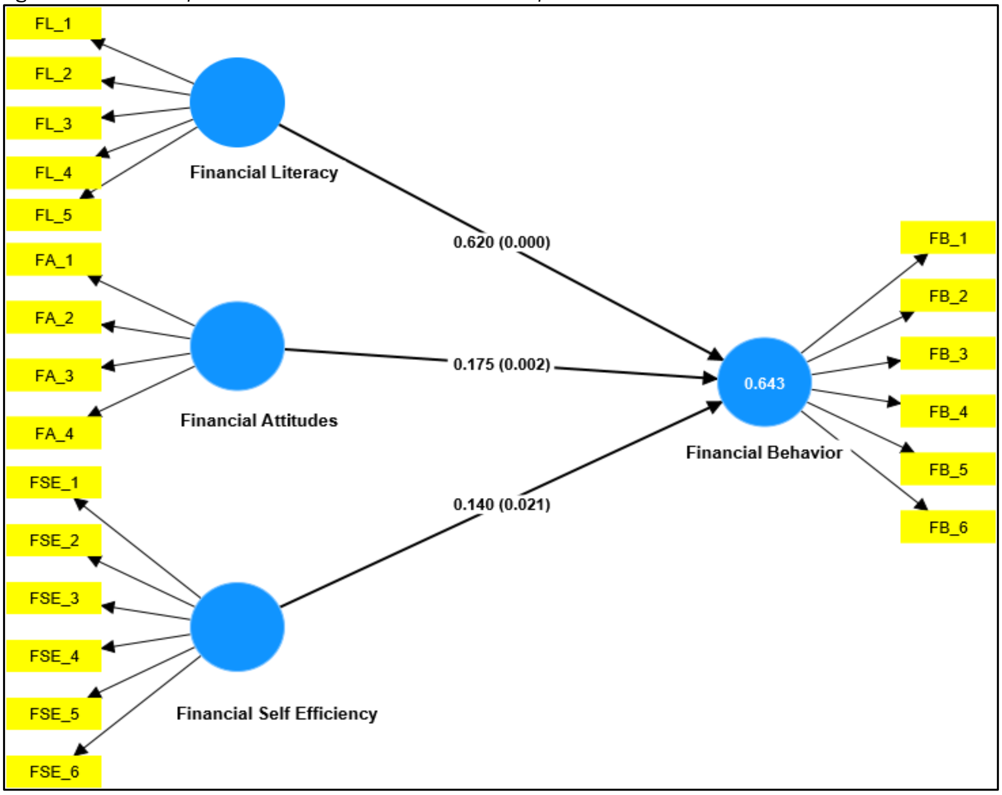
Source: Field Survey, 2023

Variance Inflation Factors (VIF) measure the degree of multicollinearity among the predictor variables in a regression model. The construct variable collinearity statistics are presented in Table 4. VIF shows how much multicollinearity has increased a coefficient estimate's variation. VIF values should generally be less than 5 to avoid multicollinearity issues. We can therefore conclude that collinearity is not a concern for the model because all VIF values are below this limit. Although it is ineffective in detecting multicollinearity among predictor variables, HTMT is an alternative method for assessing discriminant validity in structural equation models.

Identify the Relationship between Financial Behavior and independent Constructs

The estimated model and the saturated model exhibit identical fit indices, per Table 5's findings from the partial least squares structural equation modeling (PLS-SEM) analysis. The fit indices for both models are as follows: The normed fit index (NFI) is equal to 0.867, the unweighted least squares (d_ULS) d-value is equal to 0.76, the geodesic distance d-value is equal to 0.283, the chi-square value is equal to 459.424, and the standardized root mean square residual (SRMR) is equal to 0.057. The goodness of fit of the models is described by these fit indices, which give 68 data. In this instance, all fit indices for both models have the same values, indicating a comparable degree of fit. However, additional elements and theoretical concerns must be considered before making a final determination regarding model fit.

Figure 3: Relationship between Financial Behavior and independent Constructs



Source: Field Survey, 2023

Goodness of the Fit of the Model

Table 5: Goodness of the Fit of the Model Statistics

	Saturated model	Estimated model
SRMR	0.057	0.057
d_ULS	0.76	0.76
d_G	0.283	0.283
Chi-square	459.424	459.424
NFI	0.867	0.867

Source: Field Survey, 2023

According to Table 6, there is a substantial positive correlation between financial attitude and total financial behavior (r = 0.175, p = 0.002). Thus, it can be said that Financial Attitude has a favorable impact on all aspects of Financial Behavior. It implies that as the level of financial attitude rises, so does the general level of financial behavior among university students.

Table 6: The effect of the independent variables on Financial Behavior

Path	Path coefficients	P values	Decision
Financial Attitudes -> Financial Behavior	0.175	0.002	Supportive
Financial Literacy -> Financial Behavior	0.62	0.000	Supportive
Financial Self Efficiency -> Financial Behavior	0.14	0.021	Supportive

Source: Field Survey, 2023

According to Table 6, there is a highly significant positive correlation between the overall degree of job financial behavior and Financial Self-Efficiency (r= 0.14, P = 0.021). As a result, it can be said that Financial Self-Efficiency has a favorable impact on all aspects of Financial Behavior. It implies that when financial self-efficiency rises, so does financial behavior. Because the relationship between Financial Literacy and Financial Behavior is statistically significant when all variables are considered at once, Table 6 also shows that Financial Literacy has a significant positive relationship with the overall level of Financial Behavior (r = 0.62, P = 0.000).

Implications of the Study

The results of the study signify financial literacy as the most influential factor of undergraduates' financial behavior. This indicates that financial literacy initiatives that attempt to improve knowledge of final-year undergraduates of University of Sri Jayewardenepura and comprehension of personal finance topics should be given top priority by educational establishments. In order to offer undergraduates, the necessary financial information, and abilities at an early stage of their academic careers, universities including the University of Sri Jayewardenepura should give the consideration in including financial education courses into their curricula. Given that final-year undergraduates are at a critical spot in their journey towards maturity and financial autonomy, specific programs and resources must be made available to assist them in making well-informed financial decisions and cultivating sound financial practices. Further, authorities should consider putting in place programs that encourage financial inclusion and self-determination among undergraduates. This entails making financial services more widely accessible, giving grants or scholarships, and setting up financial counseling services in universities.

Further Research Suggestions

The study encourages future studies to focus on comparative analysis on undergraduates at public and private to get insights into possible disparities in financial drivers and behaviors. Policymakers and educators could be benefitted from this cross analytical approach by learning about the demands and difficulties experienced by students in various kinds of institutions. Moreover, legislators could think about putting in place programs that encourage financial inclusion and self-determination among undergraduates, especially those from disadvantaged families. This might entail making financial services more widely accessible, giving grants or scholarships, and setting up financial counseling services in universities. Future studies that follow students' financial behavior over time are encouraged to identify patterns, trends, and shifts in how people make financial decisions as they advance in their academic and professional careers.

5. Conclusions

Based on the conducted statistical analysis, it could be concluded that all three dependent variables Financial Literacy, Financial Attitude, and Financial Self-efficiency have significantly and positively determined the Financial Behavior of the final-year undergraduates of the University of Sri Jayewardenepura. Furthermore, the study revealed that financial literacy is the most significant determinant of the final year undergraduates' financial behavior. To promote responsible financial decision-making, the study highlights how crucial it is to incorporate financial education into university curriculum and offer specific help to final-year undergraduates. In order to inform policy and educational solutions, the research also encourages future studies focusing on examining financial behaviors across a range of demographic groups and comparing university students at public and private institutions, as this study has been constrained by a sample selected from the University of Sri Jayewardenepura. Overall, the results show that focused initiatives are required to support financial inclusion and empowerment among undergraduates in Sri Lankan universities. Furthermore, the study emphasizes focus on conducting a cross-analysis of the differences in the determinants of the financial behavior between public and private university undergraduates in Sri Lanka. The study provides valuable implications for relevant authorities in constructing their financial policies and financial inclusion focusing on this particular user demography.

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