

**IMPACT OF FINANCIAL LITERACY ON SAVINGS AMONG UNIVERSITY
STUDENTS IN UGANDA: A CASE STUDY OF MAKERERE UNIVERSITY
BUSINESS SCHOOL**

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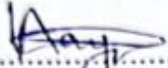
DECLARATION

I Katali Phillipa Happy, declare that this information is truly my own effort. Nevertheless, I accord the required respect and recognition to the writers and presenters of the work I referred to, as cited in the references.

Signature: Katali
Date: 9th April, 2026

APPROVAL

This research report has been prepared and submitted for further examination with the approval of my supervisor:

Signature..........
Date.....09/04/2020.....

DEDICATION

I dedicate my efforts to my parents, Mr. and Mrs. Muwaya for the unending support both emotionally and financially, their unwavering prayers and guidance during this period of research.

ACKNOWLEDGMENT

I would like to express my deepest gratitude to the Lord Almighty for life and strength to successfully complete this research, which has brought me closer to the end of my academic journey.

To my supervisor, Ms. Lorraine Akinyi, I would like to express my sincere gratitude for her unwavering support, guidance, and feedback throughout my research.

To my respondents from MUBS, I would like to express my sincere appreciation for their cooperation and willingness to provide me with vital information.

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ABSTRACT

This study sought to investigate the effect of financial literacy on savings among university students. Makerere University Business School (MUBS) formed the case study. It is important to note that the study was informed by the following three objectives: assessing the effect of financial knowledge on saving among university students, analyzing the effect of financial awareness on saving among university students, and exploring the effect of financial skills on the creation of a saving culture among university students.

This study employed a cross-sectional survey design with a quantitative research approach. It targeted 370 university students pursuing the Bachelor of Commerce course at the third year. A simple random sampling design was employed to select 192 participants.

The results indicated that the level of financial literacy among MUBS students is very high, with mean scores of 3.86 for financial knowledge, 3.79 for financial awareness, and 3.91 for financial skills. Moreover, financial skills were found to be the strongest among the three, with the highest mean score recorded for budgeting skills (4.22), where 87.6% of the students confirmed their ability to create and follow budgets. However, gaps in financial literacy were also identified. Compound interest understanding recorded the lowest mean among the financial knowledge variables (3.68), with only 62.1% of the students confirming its importance.

Emergency planning skills recorded the lowest mean among the financial skills variables (3.42), with only 58.2% of the students confirming their ability to do so. Most alarmingly, the saving culture recorded a mean of 3.42, which is lower than all three financial literacy variables. Only 53.0% of the students save a portion of their income on a monthly basis, and only 50.3% have emergency funds, despite 81.7% confirming the importance of emergency funds. Furthermore, only 54.3% of the students save before entertainment and leisure.

The conclusion of the study is that despite the high level of financial literacy among MUBS students, there is a lack of saving due to social pressures and irregular income.

CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

This chapter puts in detail the background of the study, the problem statement, the purpose or main objective of the study, the specific objectives of the study, the research questions, the scope of the study and the significance of the study.

1.1 BACKGROUND OF THE STUDY

Financial Literacy refers to the possession of skills and knowledge that allows individuals to make informed and appropriate decisions regarding money (Chen & Volpe, 1998). Financial literacy” refers to the ability to understand and manage personal finances effectively. "Financial literacy" simply means knowing how to manage your money. It includes understanding how to budget, save, and avoid debt.

Going to university is often the first-time youth in Uganda manage their own money. They receive money from allowances, part-time work, or their families. Learning how to handle this money wisely is a very important skill for their future success and stability (Lusardi & Mitchell, 2014).

However, research has shown that the level of financial literacy among the general population is not very high. This is a concern because money management skills can lead to poor financial decisions, debt, and stress.

The case of Makerere University Business School (MUBS) is of interest for this research. It is a university that specializes in the education of business, finance, and management. It is assumed that the students of this institution have more money management skills compared to those in other fields of study.

This research hopes to investigate whether the money management skills that students of MUBS learn in class translate to better saving habits in life. Understanding this can help in improving education, thus securing the future of students (Irumba & Zikusooka, 2025).

1.2 PROBLEM STATEMENT

Financial literacy aims at imparting skills to people that will enable them to achieve a high score in money management, thus adopting habits such as constant saving, which leads to financial stability (Atkinson & Messy, 2012). Financial literacy aims at helping people to make

sound financial decisions, create a budget, and save money to achieve long-term financial stability. However, university students in Uganda still demonstrate low levels of financial literacy, which affects their ability to save money effectively (Lusardi & Mitchell, 2014). There is evidence that university students in Uganda, even those undertaking business courses, lack knowledge on budgeting, interest rates, and financial planning, as indicated in Irumba & Zikusooka, 2025. This has led to a situation where university students in Uganda fail to make sound financial decisions, thus affecting their readiness to manage money on their own.

Because of this limited financial knowledge, university students have poor saving habits such as saving in an irregular manner, lacking emergency funds, and poor long-term financial planning (Atkinson & Messy, 2012). Further studies have shown that financial issues such as income uncertainty, increasing living costs, and social demands have contributed to poor saving habits among university students (Namutamba et al., 2025). Even though university students have some level of financial knowledge, they have difficulties in applying such knowledge. This has made it hard for these students to develop a strong financial base. This has therefore presented a major problem that requires further exploration.

This study, therefore, sought to investigate the level to which financial literacy influences saving habits among university students in Makerere University Business School. Although previous studies have shown that financial literacy can influence saving habits among university students, there is limited literature on how financial knowledge, awareness, and skills influence saving habits among university students in Uganda (Rodríguez-Correa et al., 2025). This study aims to fill this gap by examining the level to which financial literacy influences saving habits among university students.

1.3 PURPOSE OF THE STUDY

The purpose of the study was to investigate impact of financial literacy on savings among university students in Uganda at Makerere University Business School (MUBS).

1.4 SPECIFIC OBJECTIVES

1. To assess the influence of financial knowledge on saving among university students in Uganda.
2. To analyze how financial awareness affects saving among university students in Uganda.

3. To explore the role of financial skills in shaping a saving culture among university students in Uganda.

1.5 RESEARCH QUESTIONS

1. How does financial knowledge influence saving among university students in Uganda?
2. How does financial awareness affect saving among university students in Uganda?
3. What role do financial skills play in improving the saving culture among university students in Uganda?

1.6. SCOPE OF THE STUDY

This was based on the content scope, time scope and geographical scope.

1.6.1 Content Scope

This study aimed at providing a comprehensive understanding of financial literacy, saving behaviour, and influencing factors among university students in Uganda at Makerere University Business School (MUBS).

1.6.2 Time Scope

This study covered the post covid period between 2021 to 2025. This helped the researcher to analyze how the covid 19 period disrupted household finances which intern affected the students' welfare and earnings like upkeep, and this shifted how students view and practice saving.

1.6.3 Geographical Scope

The research was conducted in Makerere University Business School (MUBS), which is in Nakawa, Kampala, Uganda. The choice of MUBS by the researcher is not arbitrary, as it becomes a good case scenario in the sense that there are many banks, mobile money services such as MTN MoMo, and many retail outlets that encourage spending habits among students, while at the same time there are learning opportunities through academic programs offered in this area. Through this particular urban area, the research was conducted in a careful manner to examine the effect of urbanization on students' saving habits.

1.7. SIGNIFICANCE OF THE STUDY

The implications of these findings extend to:

University Students: The study will provide them with a clearer understanding of their personal money management habits and the importance of having a basic level of financial literacy.

University Administrators/Planners: The implications will provide a factual basis for planning and designing courses in financial literacy, which can either be a prerequisite or a co-curricular activity.

Policy Makers: The Bank of Uganda and Ministry of Education and Sports will be in a position to use this research in developing a national policy on youth-centered financial inclusion and literacy, which will go beyond the confines of the university.

Financial Institutions: Banks, other credit facilities, and SACCOs will be in a position to use this research in developing tailor-made, convenient, and attractive packages for students.

Academic Research: The research will contribute to existing knowledge on financial literacy in emerging economies and will provide a basis for further research in this area

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

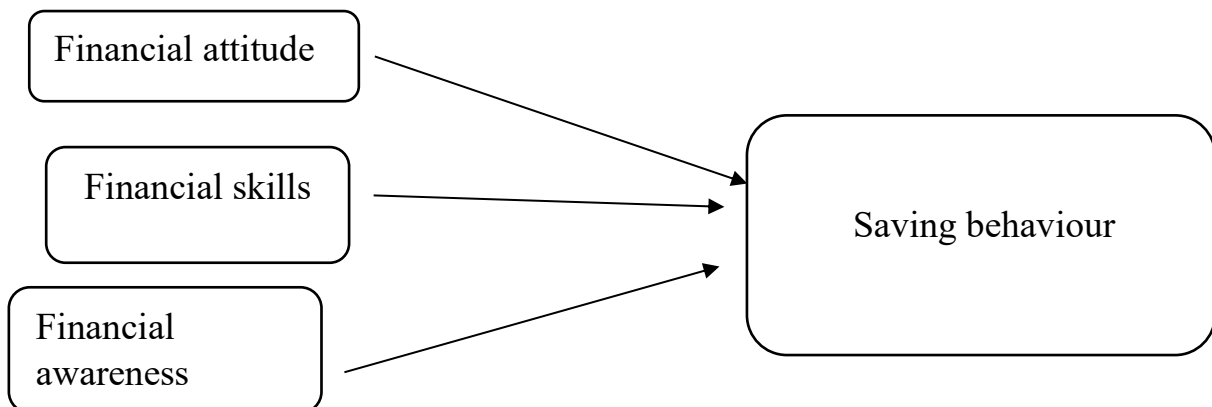
This chapter outlines the conceptual and theoretical frameworks guiding the study. It also reviews literature related to the specific objectives of the research.

2.1 CONCEPTUAL FRAMEWORK

The conceptual framework for the current study represents the relationship that exists between the key variables, as identified in the objectives. It is based on the premise that the saving behavior of university students in Uganda is directly affected by three core components of financial literacy, namely, Financial Knowledge, Financial Awareness, and Financial Skills. Although these components are linked, they form different dimensions.

INDEPENDENT VARIABLE

Financial literacy



Source: Adopted from Ismail et al. (2020) and modified by the researcher (2025)

The framework suggests that financial literacy would have a direct effect on saving, which would, in turn, influence students' attitudes, intentions, and capabilities to make informed decisions, according to the Theory of Planned Behaviour (Ajzen, 1991). Therefore, a high level of financial literacy would result in good budgeting, saving, investing, and debt management habits among students in MUBS, as revealed by other studies indicating a significant relationship between financial literacy and students' financial behaviors (Mbabazi et al., 2019; Atuhaire & Mutebile, 2021). The socio-economic conditions in Uganda provide a general setting in which these relationships would take place.

2.2. THEORETICAL FRAMEWORK

The Theory of Planned Behaviour (TPB) (Ajzen 1991), which is based on the assumption that the behaviour of an individual is directly influenced by the intention of that individual to behave in a certain way. The intention is influenced by attitude towards the behaviour, which is the positive or negative evaluation of performing the behaviour (Is saving money a good thing to do?), subjective norms that are perceived social pressure from others such as friends and family to either perform or not perform the behaviour (My friends expect me to spend money socially, not save it), and perceived behavioural control, which is the perceived ease or difficulty of performing the behaviour and includes beliefs about having the requisite resources and opportunities (Do I have enough money to save? and Do I know how to save?).

Thus, financial literacy has a direct impact on perceived behavioral control. This is because if a student has knowledge, is familiar with savings options, and has skills to manage his/her budget, he/she will be more in control and thus more motivated to save, as noted by Lusardi & Mitchell (2014). TPB also provides an explanation for why knowledge alone might not be enough if other factors, such as social influences or lack of confidence, are strong enough to overcome an individual's intention to save.

2.3. TO ASSESS THE INFLUENCE OF FINANCIAL KNOWLEDGE ON SAVING AMONG UNIVERSITY STUDENTS IN UGANDA

The seminal work undertaken by Lusardi and Mitchell in 2011 created a basic measurement tool consisting of "The Big Three" to measure basic financial knowledge pertaining to compound interest, inflation, and diversification of risk. The cross-country studies undertaken demonstrated a "startlingly low level of basic financial knowledge" and established a strong relationship between a lack of financial knowledge and suboptimal financial outcomes, such as a lack of retirement savings and precautionary savings. They contended that people who lack knowledge pertaining to interest compounding fail to realize the benefits of "starting to save early," thus missing an opportunity to create long-run wealth. This, therefore, emphasizes the importance of financial knowledge as a skill, not merely an academic achievement.

However, this relationship remains relevant and consistent in different economic environments, including developing countries. In Africa, for instance, where the penetration of the financial sector is low, knowledge plays an even greater role in the process of inclusion. In a study conducted by Murendo and Mutsonziwa (2016) on the Zimbabwean population, the authors revealed a strong link between knowledge of finance and formal saving. The study showed that

those individuals who have a high level of knowledge of finance are significantly more likely to save formally than those who do not have such knowledge. This implies that knowledge of concepts such as security and interest rates helps individuals to rise above the traditional forms of saving and take part in the mainstream economy.

Furthermore, a research study carried out by Bongomin et al. (2016) among university students in Uganda supported the global research findings by showing that financial knowledge is a key driver of financial inclusion. The research showed that students who were able to answer financial knowledge questions were not only likely to have a saving account but also to use other formal financial services. This implies that a good understanding of financial concepts helps students gain confidence and knowledge to open a saving account and use other financial services, thereby creating a saving culture among them.

Further nuance is provided by international comparative studies. In a cross-country study on Indonesian and Malaysian undergraduate students by Khalisharani, Johan, and Sabri (2022), interesting trends were observed; while Indonesian students performed better in terms of financial knowledge, Malaysian students performed better in terms of financial attitudes and behaviors. This indicates that knowledge is not always converted to action, but rather some mediating factor is at play. In another cross-country study on Hungarian-speaking students by Szikszai et al. (2024), while male students performed better on average in terms of financial knowledge, female students performed better in terms of financial attitudes. This further reinforces the complex gender dynamics involved.

The recent comparative study on university students in Türkiye and Lithuania by Ergün (2025) further proved that students in Lithuania showed more responsible behaviour in their savings than students in Türkiye, despite both groups having equal opportunities to benefit from higher education.

The study by Gelrot et al. (2024) revealed that students who were aware of their level of knowledge in personal finance were willing to seek advice, which indicates that knowledge of one's level of knowledge is a potential driver of good personal financial behaviour, and hence there is a need to examine other dimensions of personal financial capability.

For university students in Uganda, having knowledge of compound interest may not necessarily result in their saving behaviour if they are aware of high fees associated with bank accounts, their level of income, or their knowledge of available student-friendly saving schemes.

2.4. TO ANALYZE HOW FINANCIAL AWARENESS AFFECTS SAVING AMONG UNIVERSITY STUDENTS IN UGANDA

A report by the Bank of Uganda (2019) indicated that awareness of mobile money is near universal in Uganda and among university students. The near ubiquity of mobile money awareness has contributed to its adoption for different purposes, including saving. The university students are aware that mobile money is a safe and convenient method for saving and are thus primarily using it for small-scale and informal saving. The high visibility and use of mobile money have created a powerful awareness effect that has normalized mobile money use for different purposes, including saving and financial management.

The research by Mutebi et al. (2022) directly examines this problem among university students in Uganda. The research indicated that despite the students having the basic knowledge of saving and the desire to save, a major impediment to saving among them was a lack of awareness of what to save with. The students were not aware of what products were available for them to save with and how to open such accounts. The lack of awareness made the knowledge of saving useless to them since they could not connect the knowledge of saving with the ability to save.

International studies support this significant role of awareness in influencing financial behaviour. In Europe, Alexeeva-Alexeev et al. (2025), in their study of university students from Romania, Poland, and Spain, stressed the importance of financial awareness as a key element in the OECD's concept of financial literacy, which encompasses "financial awareness, knowledge, skills, attitudes, and behaviors." Their investigation revealed that although students may gain knowledge through their educational system, their financial awareness of particular financial products and services may result from their experiences, work, and entrepreneurial activities. Another international investigation conducted by Szikszai et al. (2024) on Hungarian-speaking students found significant differences in their level of financial awareness, which resulted from their exposure to financial systems and services in various countries, indicating that students' information environment influences their level of financial awareness, with students from regions with a more developed financial system showing higher levels of financial awareness of different mechanisms for saving.

This relationship is further complicated by the digitalisation of financial services. Gelrot et al. (2024) established that financial assistance and digital financial tools for students resulted in

high levels of financial literacy and the tendency to save and create emergency funds. This indicates that awareness is not fixed and can be improved. In the context of Asia, Abdul Razak et al. (2025) established that financial inclusion among university students in Malaysia and Türkiye is largely explained by financial attitudes, behavior, and literacy, with awareness of financial services being a prerequisite for financial inclusion. Students with access to and awareness of financial services recorded improved financial performance.

Mutebi et al. (2022) went on to propose that this lack of awareness is a significant factor in the low savings in formal channels. The above study can thus be interpreted as meaning that having passive knowledge of finance is not enough; one has to have active and targeted awareness of the opportunities available in one's ecosystem.

This could thus mean having awareness programs conducted in a university setting by banks and SACCOs themselves, sharing information among students regarding good saving behaviors, or having information included in a university's curriculum.

2.5 TO EXPLORE THE ROLE OF FINANCIAL SKILLS IN SHAPING A SAVING CULTURE AMONG UNIVERSITY STUDENTS IN UGANDA

This distinction is highlighted by Lusardi and Mitchell (2014) in their discussion of how knowledge is not enough without skills in implementation. A student may know what a budget is (knowledge) and may be aware of a budgeting app available at their bank (awareness), yet they may lack the basic skill in creating a personal and workable budget in line with their irregular income from allowances and/or part-time jobs.

The development of these skills is a fundamental step in creating a "saving culture" – a term used to describe a culture in which saving is not a one-off event but a way of life. The move from sporadic and residual saving (i.e., saving what is left at the end of each month) towards more systematic and habitual saving is achieved by applying skills in a consistent manner. A study by Nyarko (2022) on university students in Ghana is a compelling indicator of this link.

The research also emphasized that those practical financial abilities, such as the ability to effectively budget, were the most important determinant of regular saving behaviors, even over knowledge itself. Nyarko also discovered that students who regularly conducted financial self-assessments, such as tracking their expenses relative to a budget, were shown to be better at

managing impulse purchases and therefore had a greater amount of disposable income to save. This illustrates the clear and direct link from a skill to a behavior to an outcome.

In this context, it is important to understand the role of international comparative research in terms of the valuable insights it can offer. For instance, the cross-country research carried out by Ergün (2025), which compared the financial skills of Turkish and Lithuanian university students, indicated interesting findings. It was evident that although the Turkish students exhibited responsible behavior in terms of budget planning, the Lithuanian students were exceptional in terms of responsible savings behavior. It is possible to understand the role of different skill sets being developed in different contexts. Alexeeva-Alexeev et al. (2025), in their research carried out in different European countries, indicated that financial literacy training, as well as work and business experience, plays a significant role in enabling university students to effectively manage their personal finances. It is evident that experience gained in business environments is far more valuable in terms of skill development compared to theoretical knowledge.

The distinction between skills and other components of financial capability is further supported by the research conducted by Khalisharani et al. (2022) in Indonesia and Malaysia. The research revealed that financial attitude significantly positively influenced financial behaviour, while financial literacy sometimes resulted in negative outcomes. This is an intriguing finding and implies that without the skills to act on knowledge and awareness of concepts, knowledge and awareness may cause anxiety and inaction. The research highlights the importance of financial education programs that not only cover knowledge domains but also include positive attitudes and skills.

Specific to Uganda, the lack of financial skills training in the formal education system has been cited as one of the major gaps in development. Kasozi (2021), in his argument, posits that while Ugandan students in school might learn some economic theories, they might not learn the skills to help them in their individual financial management. The education system, he argues, might concentrate more on teaching microeconomic survival skills than concentrating on teaching students about macroeconomic issues. The lack of financial skills training means that students might be entering adulthood and financial independence without the skills to build a successful future. While they might wish to save, they might not know how to plan and execute the plan.

This emphasis on the importance of skills development is also seen in other research conducted in other developing societies. Research conducted in Indonesia and Malaysia, as discussed in Khalisharani et al. (2022), emphasizes that "financial education and socialization should not only be focused on knowledge transmission, but also on skill and attitude building to support positive financial behavior." The role of parental financial education and peer influences has also been identified as important in skill development, implying that skill development is part of a broader socialization process.

CHAPTER THREE:

METHODOLOGY

3.0 INTRODUCTION

This chapter will outline how the research will be conducted at Makerere University Business School (MUBS), and the methods to be used in carrying out the research. The methods to be used will include research design, area of study, sample size, methods of data collection, validity, reliability, and ethical considerations.

3.1 RESEARCH DESIGN

A cross-sectional survey design was adapted in this study. This is where the researcher gathers data from students at a given period, such as getting a snapshot of their financial awareness and saving practices at the current moment. The researcher adopted the design because it is cost-effective and timesaving as far as researching a sample of students that is very big in a short period is concerned. Saunders et al (2019) clarify that the procedure in this manner allows the researcher, in an orderly fashion, to investigate patterns among differing variables. In this study, the variables are financial literacy (what students know) and saving behaviour (what the students in reality are doing). This cross-sectional survey design is especially appropriate for the researcher because she (the researcher) was interested in learning the current situation of saving behaviour and financial literacy among students at MUBS. It allowed the researcher to observe if the students who possess superior financial literacy possess superior saving ability, without the need to track them over an extended duration.

3.2 AREA OF STUDY

The research was conducted at Makerere University Business School, which is located in the Nakawa division in the Kampala district. This school is well-known for its focus on business education, and the student population is comprised of people from different backgrounds. By choosing this location, the researcher hoped to get information from students who are at different levels of financial literacy as well as saving habits.

3.3. SAMPLE POPULATION

The study targeted third-year students from different courses in Makerere University Business school (MUBS) in the academic year 2025/2026. The sample used was 370 students, both male and female, from Bachelor of Commerce (BCOM).

This was because they were mature enough to understand financial issues and were most likely to make real financial decisions, like budgeting, saving, or investing, during their time in school.

This sample was important in giving a clear view of the impact of financial literacy on saving behavior among students because they were mature and most likely to make financial decisions.

3.4 SAMPLE SIZE

Katamba and Nsubuga (2014) define sample size as the percentage or subset of the entire population. Using Taro Yamane's (1970) sample calculation formula, the sample size was ascertained as follows.

$$n = \frac{N}{1+N(e^2)}$$

“n” is sample size

“N” is population

“e” is margin of error 0.05 for 5% margin

The table below shows the sample size determined by the Yamane’s formula (1970) as stated above.

RESPONDENTS/ COURSE	POPULATIO N (students)	SAMPLE SIZE (students)
Bachelor of Commerce (BCOM)	370	192
TOTAL	370	192

Table 1: Summary of sample size of respondents

3.5 SAMPLING TECHNIQUES

The researcher used the simple random sampling technique to select the respondents. In this method, every third-year student has an equal chance of being chosen. Random sampling is to be used because it reduces bias and makes the results more reliable and generalizable to all third-year students at MUBS.

3.6 DATA COLLECTION SOURCES

The researcher used both primary and secondary data collection sources while carrying out this research.

3.6.1 PRIMARY SOURCES

Under the primary data collection sources, the researcher used questionnaires which were designed to capture the students' levels of financial knowledge, financial awareness, financial skills and their corresponding saving behaviors.

3.6.2 SECONDARY SOURCES

Under secondary data collection sources, the researcher obtained the required information from already existing and published literature and materials from other researchers like articles, journals, reports from financial institutions and government reports.

3.7. DATA COLLECTION METHODS

The study used primary data collected directly from the students. The main method of data collection will be through a questionnaire survey. This method has been selected because it allows the researcher to collect information from many respondents in a short period of time and at a low cost.

3.7.1. QUESTIONNAIRE SURVEY

Questionnaire surveys were used because they are simple to administer and help gather responses from a large group of people. The researcher distributed printed questionnaires to selected students within the MUBS campus. The respondents are to be given enough time to fill in the questionnaires and return them. The researcher clearly explained the purpose of the study to the respondents to encourage honest and accurate answers being provided.

3.8. DATA COLLECTION TOOLS

The main data collection instrument used in this study was the questionnaire. Questionnaires were chosen because they can easily collect both qualitative and quantitative data and help maintain the privacy of respondents.

3.8.1. QUESTIONNAIRES

A questionnaire according to Cresswell (2011) is a form used in a survey design that participants in a study choose some potential responses followed by a scale, the participants have to select the response on the scale that reflects their beliefs and opinions about the statement or study. The questionnaire had closed ended questions. Closed ended questions give students a chance to select an option using the five-point Likert scale in ascending order of 1(strongly disagree) to 5 (strongly agree). This method enabled the researcher to get both specific and detailed information necessary for the study.

3.9. VALIDITY AND RELIABILITY

To ensure the quality of the research, the researcher focused on two important aspects: validity and reliability.

3.9.1. DATA VALIDITY

Data validity means that the questions in the questionnaire measure what the researcher wants to study. To ensure validity, the researcher pre-tested the questionnaire with a small group of students before the main study that will not take part in the main study. This process helped identify any confusing questions and make necessary adjustments. According to Creswell (2014), ensuring that the instruments measure what they are intended to measure is crucial for producing accurate results.

3.9.2. DATA RELIABILITY

Data reliability means that the study is performed again, and the results are the same. The researcher used the same questions for all the respondents to ensure the reliability of the data. The same procedures were followed during the collection of the data. This helped the researcher to reduce the differences that might occur during the study. As Bryman (2016) stated, reliability is the consistency of the data.

3.10 ETHICAL CONSIDERATION

The subjects were made aware of the entire experiment, its purpose, and their rights before they were involved in the experiment. Consent forms are to be made available for voluntary participation. The subjects have the option of leaving the experiment at any time. All the data gathered has been kept at the highest level of confidentiality. Personal information such as names has been removed from the data. The data has been used for the experiment only.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 INTRODUCTION

This chapter will discuss the analysis and interpretation of the data collected from 153 respondents out of 192 distributed questionnaires, indicating a 79.7% response rate. The data will be presented in a tabular format for frequencies, percentages, and descriptive statistical analysis to answer the objectives of this study.

4.1 RESPONSE RATE AND DEMOGRAPHIC CHARACTERISTICS

4.1.1 RESPONSE RATE

Table 4.1: Questionnaire Response Rate

Category	Frequency	Percentage
Questionnaires Distributed	192	100%
Questionnaires Returned	153	79.7%
Valid Questionnaires	153	79.7%
Invalid/Unreturned	39	20.3%

Source: Primary Data, 2025

Table 4.1 indicates the response rate for the questionnaire used in this specific study. Of the total of 192 questionnaires sent to third-year Bachelor of Commerce students at Makerere University Business School, a total of 153 were returned, making the response rate 79.7%. This response rate can be regarded as excellent for academic purposes. As noted by Mugenda and Mugenda (2012), a response rate of over 70% can be regarded as very good for statistical purposes since it allows for generalization of the data to a larger population. Only 39 questionnaires, representing a response rate of 20.3%, were either not returned or were incompletely filled in and therefore could not be used for data analysis. The high response rate was made possible by constant follow-up on those who received the questionnaire, a clear explanation of the study's purpose, and a willingness on the part of students to participate in this research study. This high response rate makes this research study's results, as discussed in this chapter, reliable and representative.

4.1.2 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

TABLE 4.2: SUMMARY OF DEMOGRAPHIC CHARACTERISTICS

Demographic Variable	Category	Frequency	Percentage
Gender	Male	82	53.6%
	Female	71	46.4%
	Total	153	100%
Age	18-20 years	4	2.6%
	21-23 years	114	74.5%
	24-26 years	29	19.0%
	Above 26 years	6	3.9%
	Total	153	100%
Source of Income/Allowance	Parents/Guardians	118	77.1%
	Part-time Job	27	17.6%
	Student Loan/Scholarship	4	2.6%
	Other (Hustle, Baking, Events)	4	2.6%
	Total	153	100%
Self-Reported Knowledge on Savings	Knowledgeable	82	53.6%
	Partially Knowledgeable	70	45.8%
	Don't Know	1	0.6%
	Total	153	100%

Source: Primary Data, 2025

Table 4.2 offers a detailed summary of the demographic characteristics of the 153 respondents who took part in this study. The table offers a comprehensive profile of the sample since it combines information on gender, age, source of income, and knowledge of savings.

Gender Distribution of the Respondents: The findings show that male respondents made up 53.6%, representing 82 people, while female respondents comprised 46.4%, representing 71

people. This shows that both genders were adequately represented in this sample, although males were slightly higher in number than females. This gender composition of the sample means that the study reflects the composition of business students at Makerere University Business School, where there have always been more males than females. This is important for the purposes of this study since it is ensured that both the views of males and females on the topic of financial literacy are adequately addressed in the findings of this study. This is because the views of males alone, though slightly more in number, should not be emphasized in the findings of this study to the exclusion of those of females, since both play an equally important role in saving.

Age Distribution: The results revealed that the majority of the respondents, which totaled 114 and represented 74.5%, fall in the age bracket of 21-23 years. This is an acceptable age distribution for third-year university students since this age group represents the age of students undertaking their third year of university education in Uganda. Therefore, it is clear that this study is representative of the target population for this study. The second age distribution is for those whose age falls in the bracket of 24-26 years, which totaled 29 and represented 19% of the population. This could comprise students who enrolled in school late or those whose education was delayed. The smallest percentage of those who fall within the range of 18-20 years and those who are older than 26 years are represented by a total of 4 and 6, respectively, making up a total of 2.6% and 3.9%. The distribution of this study's sample, whose ages fall within the range of 21-23 years, is particularly representative for this study, as students of this age are mature enough to make independent financial decisions, receive remittances, and have developed certain financial habits during their time.

Source of Income/Allowance: The results show that the majority of students, 118 students representing 77.1%, have their source of income/allowance from their parents or guardians. This is not surprising, as most university students in Uganda are still not in the workforce full-time and are still receiving support from their parents. The second source of income is part-time jobs, where 27 students (17.6%) reported that they are involved in some kind of income-generating activity while in school. This is a good sign that some students are taking the initiative to earn additional income or support themselves independently. Only 4 students (2.6%) reported that they get income from student loans or scholarships. Similarly, 4 students (2.6%) reported that they get income from other sources such as hustles, baking, or events. The

implications of this result are significant, as students may not have control over when and how much money they receive, which can impact their ability to save on a regular basis..

Self-Reported Knowledge on Savings: The findings indicate that slightly over half of the participants, totaling 53.6% or 82 participants, considered themselves knowledgeable about savings. This suggests that the majority of the students at MUBS feel that they have sufficient knowledge about savings. This is not surprising, considering that the students were pursuing a course of study that led to the award of a Bachelor of Commerce degree. It is expected that the students had adequate knowledge about savings, considering that the course of study involved the study of business. However, it is interesting to note that a large number of the participants, totaling 45.8% or 70 participants, considered themselves partially knowledgeable. This shows that the students had sufficient knowledge, but it is not clear whether the knowledge that the students had was adequate. Only one participant, representing 0.6% of the participants, considered themselves not knowledgeable about savings. This shows that the participants had sufficient knowledge about savings. It is expected that the participants had sufficient knowledge, considering that the course of study involved the study **of business**.

4.2. DESCRIPTIVE STATISTICS OF STUDY VARIABLES

Before presenting the objective-specific analyses, it is important to establish the interpretation guidelines for mean scores used throughout this chapter. These guidelines help in understanding what the numerical scores represent in terms of respondents' levels of agreement with various statements.

TABLE 4.3: INTERPRETATION OF MEAN SCORES

Mean Range	Interpretation
1.00 - 1.80	Very Low / Strongly Disagree
1.81 - 2.60	Low / Disagree
2.61 - 3.40	Moderate / Neutral
3.41 - 4.20	High / Agree
4.21 - 5.00	Very High / Strongly Agree

Source: Adapted from Oxford University, 2020

Table 4.3 shows the interpretation framework adopted for making meaning of the mean scores derived from the respondents' ratings on a five-point Likert scale. According to this framework,

mean scores ranging from 1.00 to 1.80 are interpreted to mean very low or strong disagreement with the statement. Mean scores ranging from 1.81 to 2.60 are interpreted to mean low or disagreement with the statement. Mean scores ranging from 2.61 to 3.40 are interpreted to mean moderate or neutral; hence, it is neither a matter of agreement nor disagreement with the statement. Mean scores ranging from 3.41 to 4.20 are interpreted to mean high or agreement with the statement, while mean scores ranging from 4.21 to 5.00 are interpreted to mean very high or strong agreement with the statement.

4.3 TO ASSESS THE INFLUENCE OF FINANCIAL KNOWLEDGE ON SAVING AMONG UNIVERSITY STUDENTS

This section presents findings on how financial knowledge influences saving behaviour among MUBS students. Respondents were asked to rate six statements related to financial knowledge on a five-point Likert scale, and their responses are analyzed in detail with frequencies and percentages for each response category.

4.3.1 DESCRIPTIVE ANALYSIS OF FINANCIAL KNOWLEDGE

TABLE 4.4: FINANCIAL KNOWLEDGE - FREQUENCY DISTRIBUTION AND DESCRIPTIVE STATISTICS

Cod e	Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)	Mea n	Std. Dev	Interp retati on
B1	Understanding how compound interest works influences your saving	12 (7.8%)	18 (11.8%)	28 (18.3%)	46 (30.1%)	49 (32.0%)	3.68	1.24	High
B2	Your ability to create and	2 (1.3%)	5 (3.3%)	10 (6.5%)	46 (30.1%)	90 (58.8%)	4.42	0.98	Very High

	follow a personal budget helps you to save								
B3	Understanding the difference between various types of savings accounts (e.g. fixed deposit, regular saving) encourages you to save	3 (2.0%)	8 (5.2%)	18 (11.8%)	52 (34.0%)	72 (47.1%)	4.18	1.05	High
B4	Your understanding of inflation and its effects on the value of money affects your savings	7 (4.6%)	15 (9.8%)	24 (15.7%)	48 (31.4%)	59 (38.6%)	3.85	1.18	High
B5	Your knowledge of basic financial calculations helps you set	5 (3.3%)	12 (7.8%)	22 (14.4%)	56 (36.6%)	58 (37.9%)	3.92	1.08	High

	realistic saving goals								
B6	Understanding the risks and returns associated with different saving options encourages saving	8 (5.2%)	16 (10.5%)	26 (17.0%)	52 (34.0%)	51 (33.3%)	3.75	1.21	High
Average Financial Knowledge Score							3.86	0.72	High

Source: Primary Data, 2025

The detailed findings on each of the six statements used to measure financial knowledge are presented in table 4.4.

The highest mean score was recorded on the statement on the ability to create and follow a personal budget (B2) with a mean of 4.42 and a standard deviation of 0.98, which falls under the very high category.

From the distribution of the responses to this statement, an overwhelming number of 58.8% of the respondents strongly agreed with the statement, while another 30.1% agreed with the statement, meaning that a total of 88.9% of the students agreed that budgeting helps them save. Only 4.6% of the respondents were found to have disagreed with the statement, while another 6.5% were found to be neutral on the statement.

The high score on this statement indicates that the students at MUBS have realized the importance of budgeting as a financial skill that helps them save money. This assertion can be supported by the work of Lusardi and Mitchell (2014) who emphasized that budgeting is an

important financial skill that enables an individual to track their income and expenses and also identify areas where savings can be realized in the future.

The statement pertaining to the understanding of different types of savings accounts (B3) had the second highest mean score of 4.18, indicating a high score. The frequency distribution indicates that the majority of the students, that is, 47.1% strongly agreed, while 34.0% agreed with the statement, indicating that overall, 81.1% of the students affirmed that the knowledge of various savings products encourages them to save. Only 7.2% of the students disagreed with the statement, while 11.8% were found to be neutral. This shows that the students are aware that the knowledge of various savings products, such as fixed deposit accounts, regular savings accounts, etc., encourages them to save.

Knowledge of basic financial calculations for setting realistic saving goals (B5) had a mean of 3.92, which is a high level of agreement among the respondents. This shows that the majority of the respondents, i.e., 37.9%, strongly agreed with the statement, while another 36.6% agreed with the statement, making a total of 74.5%. The percentage of those who disagreed with the statement is 11.1%, while those who are neutral about the statement constitute 14.4%. The students are aware that knowing financial calculations is essential in determining the amount to save as well as the period required to save in order to attain their financial goals.

The level of understanding of inflation and its effects on money (B4) had a mean of 3.85, which is also in the high category. From the distribution of the responses, it is clear that 38.6% strongly agreed and 31.4% agreed, which is a total of 70.0% acknowledging that their level of understanding of inflation's effect on money influences their saving decisions. The number of students who disagreed with the statement stood at 14.4%, while 15.7% were neutral. This shows that students understand that the value of money is lost over time due to inflation. It, therefore, shows that students who understand the effect of inflation will be motivated to save their money using instruments that earn them money, unlike keeping it idle without any interest.

Understanding risks and returns of different saving options (B6) had a mean of 3.75. From the distribution of the responses, it is evident that 33.3% strongly agreed, while 34.0% agreed, totaling 67.3% who acknowledged the importance of understanding the risks and returns of different saving options. The number of students who disagreed with the statement stood at 15.7%, while 17.0% were neutral.

Understanding the concept of compound interest on savings (B1) posted the lowest mean among financial knowledge variables at 3.68, although this was within the high interpretation range. The frequency distribution indicated that 62.1% of the respondents strongly agreed and agreed to the statement, indicating affirmation of the importance of understanding compound interest on savings. However, 19.6% of the respondents were recorded to have disagreed, comprising 7.8% who strongly disagreed and 11.8% who disagreed, while 18.3% were recorded to be neutral. This explains the lower mean recorded for understanding compound interest on savings, although this variable is of critical importance in understanding the growth of money through the earning of interest on both principal and interest.

4.4 TO ANALYZE HOW FINANCIAL AWARENESS AFFECTS SAVING AMONG UNIVERSITY STUDENTS

This section examines the role of financial awareness being informed about financial products, services, and the financial environment in shaping saving behaviour among MUBS students.

4.4.1 DESCRIPTIVE ANALYSIS OF FINANCIAL AWARENESS

TABLE 4.5: FINANCIAL AWARENESS - FREQUENCY DISTRIBUTION AND DESCRIPTIVE STATISTICS

Code	Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)	Mean	Std. Dev	Interpretation
C1	Awareness of various mobile money saving and loan services available (e.g. MTN mobile money, Airtel Money) affects saving	14 (9.2%)	16 (10.5%)	24 (15.7%)	44 (28.8%)	55 (35.9%)	3.71	1.32	High
C2	Awareness of formal financial institutions (e.g.	9 (5.9%)	14 (9.2%)	22 (14.4%)	52 (34.0%)	56 (36.6%)	3.82	1.18	High

	banks, SACCOs) and the saving products they offer to students affects how they save								
C3	Regularly receiving information on financial awareness affects saving	10 (6.5%)	17 (11.1%)	26 (17.0%)	48 (31.4%)	52 (34.0%)	3.68	1.21	High
C4	Awareness of the importance of having an emergency fund affects saving.	4 (2.6%)	8 (5.2%)	16 (10.5%)	52 (34.0%)	73 (47.7%)	4.12	1.08	High
C5	Advertisements or success stories about saving motivate you to save your own money	10 (6.5%)	15 (9.8%)	25 (16.3%)	45 (29.4%)	58 (37.9%)	3.75	1.24	High
C6	Awareness of the potential consequences of not having any savings motivates your saving.	8 (5.2%)	12 (7.8%)	20 (13.1%)	50 (32.7%)	63 (41.2%)	3.88	1.19	High
Average Financial Awareness Score							3.79	0.68	High

Source: Primary Data, 2025

Table 4.5 shows the results of the individual statements used in measuring the level of financial awareness of the respondents.

From the table, the statement about the level of awareness of the importance of having an emergency fund (C4) had the highest mean at 4.12, with a standard deviation of 1.08, which is high. The frequency distribution shows that 47.7% strongly agreed, while 34.0% agreed with the statement, making up 81.7% who affirmed that the level of understanding the importance of having an emergency fund affects their saving decisions. Only 7.8% disagreed, out of which 2.6% strongly disagreed, while 5.2% disagreed, while 10.5% were neutral about the statement. This shows that students strongly agree that the level of understanding why they need an emergency fund affects their saving decisions, which is in line with the study by Atkinson & Messy (2012) that awareness campaigns are important in supplementing individuals' knowledge, as they cannot act on something they are not aware of. The high level of awareness about the need for an emergency fund implies that students are aware of the need for saving for unexpected expenses such as medical bills, urgent trips, or the loss of their job, hence the

The statement concerning their awareness of the potential consequences of not having any savings (C6) recorded the second highest mean score at 3.88. This was also a high score. From the distribution curve, it can be noted that 41.2% strongly agreed, while 32.7% agreed, which sums up to 73.9% who recognized that their motivation to save stems from their awareness of the negative consequences that may result from not having any savings. Those who disagreed with the statement constituted only 13.0% of the responses, while 13.1% were neutral. This shows that students can be motivated to save through their fear of the negative consequences that may result from not having any savings, such as their inability to deal with emergencies, accumulation of debt, among other factors.

Their awareness of formal financial institutions' existence and their student saving products (C2) recorded a mean score of 3.82. From the distribution curve, it can be noted that 36.6% strongly agreed with the statement, while 34.0% agreed, which sums up to 70.6% who recognized the influence that formal institution awareness has on their motivation to save. The population who did not agree with the statement only made up 15.1%, while 14.4% were neutral.

Advertisements or success stories about saving (C5) had a mean of 3.75. The distribution showed that 37.9% strongly agreed, and 29.4% agreed, which made up 67.3% agreeing to

advertisements motivating them to save. The number of those who disagreed with the advertisements was 16.3%, while those who were neutral were also 16.3%. This showed that advertisements about saving indeed motivate students to save to a certain level, although this level is considered to be moderate compared to more intrinsic motivations, like understanding the consequences of not saving.

The statement concerning awareness of mobile money saving and loan services (C1) recorded a mean of 3.71. From the frequency distribution, it can be noted that 35.9% strongly agreed, while 28.8% agreed. This makes a total of 64.7% acknowledging the influence of mobile money awareness. However, there was a notable number that disagreed with the statement, at 19.7%. This comprised 9.2% who strongly disagreed and 10.5% who disagreed. Additionally, there was a number that was neutral to the statement, at 15.7%.

It was noted that even though there was an extensive availability of mobile money services like MTN Mobile Money and Airtel Money in Uganda, the score obtained was not an indication that awareness of mobile money leads to saving behavior. This was an interesting finding, especially considering the report by the Bank of Uganda (2019), which noted that awareness of mobile money was almost universal among the youth. It could be that students in Uganda are not aware of the saving features of mobile money, like MoKash.

The average score for the students' financial awareness level was 3.79, which proves that students in MUBS have a high level of awareness concerning financial products, services, and the general financial environment. This can be used as a base to make the right financial decision, considering that one has knowledge.

4.5 TO EXPLORE THE ROLE OF FINANCIAL SKILLS IN SHAPING A SAVING CULTURE

This section discusses the findings on the impact of the ability to apply financial knowledge, i.e., the financial skill, on the saving culture among the students at MUBS. The role of understanding the contribution of financial skill is particularly important because the skill is the bridge between knowing about finance and practicing the right financial habits.

4.5.1 DESCRIPTIVE ANALYSIS OF FINANCIAL SKILLS

TABLE 4.6: FINANCIAL SKILLS - FREQUENCY DISTRIBUTION AND DESCRIPTIVE STATISTICS

Co de	Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)	Mean	Std. Dev	Interpr etation
D1	Your ability to effectively track your daily expenses enables you to save	4 (2.6%)	8 (5.2%)	18 (11.8%)	58 (37.9%)	65 (42.5%)	4.08	1.04	High
D2	Your ability to compare and contrast different saving options helps you to save	6 (3.9%)	12 (7.8%)	24 (15.7%)	56 (36.6%)	55 (35.9%)	3.85	1.12	High
D3	Your ability to resist impulse purchases/ unnecessary spending encourages you to save for more important goals	3 (2.0%)	8 (5.2%)	16 (10.5%)	55 (35.9%)	71 (46.4%)	4.15	1.02	High
D4	Your ability to create and consistently	2 (1.3%)	5 (3.3%)	12 (7.8%)	52 (34.0%)	82 (53.6%)	4.22	0.95	Very High

	follow a personal budget for your finances helps you to save								
D5	You can effectively plan for unexpected expenses without negatively affecting your saving goals	12 (7.8%)	20 (13.1%)	32 (20.9%)	48 (31.4%)	41 (26.8%)	3.42	1.28	High
D6	Your ability to set and achieve short-term and long-term saving goals improves your savings	5 (3.3%)	10 (6.5%)	22 (14.4%)	58 (37.9%)	58 (37.9%)	3.96	1.08	High
Average Financial Skills Score							3.91	0.65	High

Source: Primary Data, 2025

Table 4.6 below shows the detailed results for each of the six statements that are used to assess the respondents' financial skills. The results show that the statement relating to the ability to create and maintain a personal budget (D4) recorded the highest mean at 4.22, which is consistent with a standard deviation of 0.95. The results show that this statement is in very high range. The results show that 53.6% of respondents strongly agreed with this statement, while 34.0% agreed. The results show that 87.6% agreed that their ability to create and maintain a personal budget was important in helping them save. Only 4.6% disagreed, where 1.3% strongly disagreed and 3.3% disagreed.

The results show that 7.8% were neutral. The results show that students are able to budget effectively and therefore can save money. The results are consistent with those obtained in the financial knowledge section where budgeting was found to be very important. The results show that there is a strong link between knowing how to create a personal budget (B2 where 88.9% agreed) and being able to create one (D4 where 87.6% agreed). It is therefore encouraging to know that for this skill, knowledge is effective.

The trait of resisting impulse buying and unnecessary spending (D3) got the second-highest mean score of 4.15, which is interpreted as high. The graph indicates that 46.4% of the respondents strongly agreed, and 35.9% agreed, making up 82.3% of the respondents who understand the significance of impulse control in saving. The group which disagreed with this was only 7.2%, while 10.5% were neutral in their opinions. This particular result is significant in that it highlights the importance of having self-control in order to effectively manage finances. The students realize that by having control over their spending, they will actually save money which they can then redirect to other meaningful saving goals, especially since they are tempted to spend their money on impulse goods, whether this is on snacks, entertainment, clothing, or other leisure activities. This is especially true in a university setting, where they are constantly tempted to spend their money on goods and services offered by vendors, classmates, and other social events.

The ability to effectively track daily expenses (D1) had a mean of 4.08. This skill, just like the preceding one, was also rated highly. The figure indicates that 42.5% strongly agreed, and 37.9% agreed, meaning 80.4% affirmed that they can save because they can track their expenses. Only 7.8% did not agree, while 11.8% were neutral. This skill is fundamental because it enables the student to know where his/her money is going and thus can take appropriate measures to change his/her behavior to enable more savings. The students who can track their expenses will be in a position to know where they can cut back to enable more savings.

The ability to set and achieve short-term and long-term saving goals (D6) had a mean of 3.96. This figure indicates that 37.9% strongly agreed, and 37.9% agreed, meaning 75.8% of those who responded to the question recognize the importance of setting goals to enable savings. The ones who did not agree with the statement were 9.8%, while 14.4% were neutral. This skill, just like the preceding one, was rated highly, indicating that the students understand the importance of setting goals to enable savings.

The ability to compare and contrast different options for saving (D2) had a mean of 3.85. The distribution indicates that 72.5% of the students strongly agreed and agreed by 36.6%, while 35.9% of the students strongly agreed. The number of students who disagreed is 11.7%, and 15.7% of the students were neutral. The skill here is to evaluate different options for saving based on different parameters such as interest rates, accessibility, safety, etc., and choose the best option for them. Though the figure is high, a lower figure may indicate that the students find it a bit difficult to handle different options for saving that are available to them. The average financial skills of 3.91 is the highest among the three components of financial literacy. This indicates that the students of MUBS are quite confident about their financial skills to manage money in a practical situation. This is a good sign and will work in their favor in the future.

CHAPTER FIVE

DISCUSSION, SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. INTRODUCTION

This chapter presents a discussion of the major findings in relation to existing literature, a summary of the study, conclusions drawn from the evidence presented in Chapter Four, and recommendations for policy and practice.

5.2 SUMMARY AND DISCUSSION OF FINDINGS

In this section, the synthesis of the study findings in relation to the existing literature is provided. The discussion is organized in relation to the three objectives of the study while addressing the overarching theme of the knowledge-action gap in the financial behavior of MUBS students.

5.2.1 FINANCIAL KNOWLEDGE AND ITS INFLUENCE ON SAVING

The research also established that the MUBS students are well knowledgeable about financial concepts. This is understandable, as the Bachelor of Commerce program that the students are undertaking covers a wide range of financial knowledge. This is also in line with other academic research. For example, in a study conducted by Chen and Volpe (1998), it was established that financial literacy among university students studying business-related disciplines is higher than that of their counterparts in other disciplines. Similarly, research conducted by Bongomin et al. (2016) on financial inclusion among Ugandan university-going students also established that financial knowledge is a crucial factor that allows business students to effectively utilize financial services.

Of all aspects of financial knowledge, knowledge of budgeting emerged as a strong area of understanding. An overwhelming majority of students concurred that their ability to create a personal budget directly helped them save money. This is particularly important as it is a core financial activity. As financial literacy experts Lusardi and Mitchell (2014) point out, a personal budget is a tool which allows an individual to monitor their income as well as expenses, identify areas of potential wastage, as well as proactively plan towards future financial goals. This strong showing in this area indicates that MUBS students have not only learned this concept but also understand its application towards helping them save money.

The high results in this area may be attributed to both academic learning and real-life relevance. The business course offered by MUBS does include a study of budgets in a number of classes. However, unlike concepts such as compound interest and the impact of inflation, which may seem remote and abstract, a student can relate budgets to their real lives in a tangible way. A student will be able to relate that by creating a budget one week, they will have money left over by the weekend to spend as they wish. This supports the assertion made by Atkinson & Messy in their report to the OECD in 2012 that financial education is most effective when it is connected to the immediate needs and realities of the learners.

5.2.2 Financial Awareness and Its Effect on Saving

The study also showed that the level of financial awareness among MUBS students is also quite high. This means that the students are not just knowledgeable but are also well-informed about the financial environment they are in. This is also in line with the financial environment in the country. In a report by the Bank of Uganda published in 2019, it was noted that the awareness of financial services among the youth in the country, especially the use of mobile money services, is almost universal. Therefore, financial awareness is already a given among the youth in the country. In this aspect of financial literacy, the students performed quite well. The students agreed quite overwhelmingly that the awareness of the importance of having an emergency fund is a factor that could influence their saving behavior. This is important because it ties in with the basic principle of personal finance. Students are aware that unexpected events could affect their financial situation and that an emergency fund could serve as a safety net.

This is an important aspect because it highlights an important point given by Atkinson and Messy (2012), which is that awareness is an important complement to financial knowledge. Atkinson and Messy further state that people cannot do anything with information they are not aware of. A person may be aware of how to save, but they may not be aware of the reasons for saving for specific needs such as an emergency.

5.2.3 Financial Skills and Their Role in Shaping Saving Culture

Financial skills were recognized as the strongest financial literacy dimension among MUBS students, according to the study. This is a very promising result, as financial skills represent the practical application of knowledge and awareness. It is the difference between knowing what to do and knowing how to do it. The best financial skills were recognized in the students' budgeting skills and impulse control.

Budgeting Skills: The study established that a very high percentage of students agreed that they are able to, as well as stick to, a personal budget. This is a very important finding, as it shows that the students are successful in moving from knowledge to practice. It shows that, for this particular skill, the education students receive is translating into effective practice in the real world. The relationship between budgeting skills and healthy saving habits is further reinforced in studies carried out in Ghana, as recognized in the research carried out by Nyarko (2022) in the country, which established that, among financial skills, the ability to budget was the strongest predictor of healthy saving habits among university students.

Impulse Control: Perhaps one of the more interesting findings was the level of agreement among students that they are able to control the impulse to buy and spend. This speaks directly to the importance of self-control and discipline in the management of personal finance.

This area is often neglected in more traditional approaches to financial education, where the focus is so heavily placed on the cognitive domain and the importance of knowledge and awareness. However, this finding speaks to the importance of behavior as well, and indeed perhaps more so. Saving is an act of delayed gratification. One must give up something pleasurable now for something more important later. One of the major components of this is the ability to control oneself and avoid impulsive behavior.

This is perfectly in sync with what is learned in the field of behavioral economics. The traditional economic theory is based on the assumption that humans are rational in their decision-making. However, behavioral economics understands that psychological factors play a large role in impeding this rationality. Studies conducted by researchers such as Thaler and Benartzi (2004) have indicated that lack of self-control is one of the biggest hindrances in effective savings planning. The high level of impulse control ability among MUBS students indicates that they have an important behavioral trait that will help them in the formation of an effective savings habit.

5.3 CONCLUSIONS

The study examined the impact of financial literacy on savings among university students in Uganda at Makerere University Business School (MUBS). Based on the comprehensive findings of this study, the following conclusions can be drawn:

The students of MUBS have a high level of financial literacy this was justified by high financial knowledge, financial awareness, and financial skills among the students.

The financial skills of the students are found to be the strongest among the financial literacy factors. This means that the students are relatively confident about their financial literacy and are capable of handling their money in a better way through activities such as budgeting and controlling unnecessary expenditures. This will be a good start for developing a saving habit among the students.

It was found that saving culture was the lowest among all the financial literacy factors. This means that despite having a good level of financial literacy, the students are poor in developing a saving culture.

5. 4. RECOMMENDATIONS

5.4.1. RECOMMENDATIONS BASED ON THE FINDINGS

On the basis of the findings of the study, the following recommendations can be made:

Launching a Targeted 'Emergency Fund Campaign' to Address the Awareness-Action Gap.

Makerere University Business School (MUBS), in collaboration with financial institutions, should develop and implement an extensive 'Emergency Fund Campaign' to help students develop an emergency fund.

Developing a Peer-Led Financial Education Program to Address Social Pressures

MUBS should establish formal partnerships with financial institutions, SACCOs, and mobile money operators to create automated saving mechanisms that will be available to students.

5.4.2. RECOMMENDATIONS FOR FURTHER RESEARCH

While the present study provided some useful insights, there are still areas that need further research, such as:

Further studies are recommended to investigate whether financial literacy and saving culture vary from one university to another, even from one academic discipline to another.

Further studies are recommended to investigate the role of parental financial behavior, financial attitudes, and financial communication on financial literacy and saving culture.

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QUESTIONNAIRE

For students at Makerere University Business School, Kampala district

Introduction and Purpose of Study

Dear Respondent,

I **Katali Phillipa Happy**, a student pursuing a bachelor's degree in business administration at Uganda Christian University. I am working on a study titled "*The impact of financial literacy on savings among university students in Uganda.*" Your contribution is essential to the type of data needed for this study, which is why you were chosen to take part. Your submitted information will be kept completely secret and used only for academic purposes. Kindly spare a few minutes to respond to the following questions.

Section A: Background Data

Please **TICK** the numbers representing the most appropriate responses for you in respect of the following items:

1. Gender:

- Male
- Female

2. Age:

- 18-20 years
- 21-23 years
- 24-26 years
- Above 26 years

3. Year of Study:

- Year 1
- Year 2
- Year 3

4. Source of Income/Allowance:

- Parents/Guardians
- Part-time Job
- Student Loan Scholarship

Other (Specify): _____

5. Program of Study:

Bachelor of Commerce

Other (Specify): _____

6. Knowledge on Savings

Knowledgeable

Partially knowledgeable

Don't know

SECTION B: INFLUENCE OF FINANCIAL KNOWLEDGE ON SAVING

Instructions: The following statements relate to your understanding of financial concepts. Please indicate your level of agreement with each statement by ticking [√] the box that best represents your opinion, based on the following scale:

1 - Strongly Disagree, 2 - Disagree, 3 - Neutral, 4 - Agree, 5 - Strongly Agree

NO	STATEMENTS	RESPONSES				
		5	4	3	2	1
1.	Understanding how compound interest works influences your savings					
2.	Your ability to create and follow a personal budget helps you to save.					
3.	Understanding the difference between various types of savings accounts (e.g., fixed deposit, regular savings) encourages you to save.					
4.	Your understanding of the concept of inflation and its effects on the value of money affects your savings					
5.	Your knowledge of basic financial calculations helps you set realistic saving goals.					

6.	Understanding the risks and returns associated with different saving options encourages saving.					
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SECTION C: ANALYSIS OF HOW FINANCIAL AWARENESS AFFECTS SAVING

Instructions: The following statements relate to your awareness of financial products and your financial environment. Please indicate your level of agreement with each statement by ticking [√] the box that best represents your opinion, based on the following scale:

1 - Strongly Disagree, 2 - Disagree, 3 -Neutral, 4 - Agree, 5 - Strongly Agree

NO	STATEMENTS	RESPONSES				
		5	4	3	2	1
1.	Awareness of the various mobile money-saving and loan services available (e.g. MTN Mobile Money, Airtel Money) affects saving.					
2.	Awareness of formal financial institutions (e.g., banks, SACCOs) and the saving products they offer to students affects how they save.					
3.	Regularly receiving information on financial awareness affects saving.					
4.	Awareness of the importance of having an emergency fund affects saving.					
5.	Advertisements or success stories about saving motivate you to save your own money.					
6.	Awareness of the potential consequences of not having any savings motivates your saving.					

SECTION D: ROLE OF FINANCIAL SKILLS IN SHAPING A SAVING CULTURE

Instructions: The following statements relate to the role played by financial skills in shaping saving culture. Please indicate your level of agreement with each statement by ticking [√] the box that best represents your opinion, based on the following scale:

1 - Strongly Disagree, 2 - Disagree, 3 -Neutral, 4 - Agree, 5 - Strongly Agree

NO	STATEMENTS	RESPONSES				
		5	4	3	2	1
1.	Your ability to effectively track your daily expenses enables you to save.					
2.	Your ability to compare and contrast different saving options helps you to save.					
3.	Your ability to resist impulse purchases/unnecessary spending encourages you to save for more important goals.					
4.	Your ability to create and consistently follow a personal budget for your finances helps you to save.					
5.	Can you effectively plan for unexpected expenses without negatively affecting your saving goals.					
6.	Your ability to set and achieve short term and long-term saving goals improves your savings.					

Thank You for Your Participation!