

**FINANCIAL LITERACY AND SAVING BEHAVIOR OF UNIVERSITY STUDENTS
(A CASE STUDY OF BBA STUDENTS OF UGANDA CHRISTIAN UNIVERSITY)**

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**UGANDA CHRISTIAN
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DECLARATION

I SHIDA GLORIAH, hereby declare that this dissertation titled Financial Literacy and Saving Behavior of University Students has been conducted by me at the School of Business in Uganda Christian University. This research is original, and the references cited in this paper to prior work have been properly acknowledged. This research has not been submitted to any University or institution for academic purposes.

Sign: 

Date: 

APPROVAL

This is to certify that the research report has been done under my supervision and is ready for submission to the University with my approval

Supervisor: *A. Kagume*

Signature: *Alan* *02/09/2024*

DEDICATION

I dedicate this to my parents whose support and encouragement have pushed me through all the roughest times in this process; I dedicate this to you. To my friends who have been part of this journey and the crucial influences along the way; and finally, to the university students whose experiences were instrumental in making this work happen thank you for being an integral part of my academic experiences.

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List of acronyms

UCU Uganda Christian University

BBA Bachelor of Business Administration

Abstract

This study delves into how BBA students at Uganda Christian University (UCU) handle their finances and saving habits. It aims to shed light on how well these students understand money management and how this knowledge influences their saving practices. By looking at the experiences of BBA students from 2022 to 2024, the research seeks to uncover what factors shape their financial behaviours and the challenges they encounter. Ultimately, it aims to provide insights into how students can improve their financial literacy and better manage their savings.

The research took a descriptive quantitative approach to explore how students at Uganda Christian University manage their finances and what influences their saving habits. Out of a total of 160 students, 113 were randomly chosen to participate in the study.

To collect data, the researchers used self-administered questionnaires that asked students about their financial knowledge and saving practices.

The study revealed that while BBA students at Uganda Christian University have a solid understanding of budgeting, savings accounts, and credit management, there's a clear gap when it comes to investment knowledge. Most students are between 18 and 23 years old, and the gender distribution is nearly balanced. This indicates that students are confident in handling daily financial tasks but less informed about investment strategies.

To address this, the study suggests several improvements. It recommends adding specialized workshops and courses focused on investment to the curriculum. Incorporating financial literacy more deeply into core courses and creating peer-led programs could also boost students' financial skills. Moreover, offering pre-loan counselling and running savings challenges might help improve their financial behaviours.

The study recognizes some limitations, such as the small sample size and the potential biases of self-reported data, which might not fully represent the entire student body. It suggests that future research could broaden its scope by including students from different programs and exploring new financial tools and practices to better understand financial literacy in today's digital world.

CHAPTER ONE

1.0 Introduction

This chapter presents the background of the study, the statement of the problem, the purpose of the study, the research questions, the scope of the study, the significance of the study, and the limitations of the study.

1.1 Background of the study

Financial literacy is "the skill to solve and manage monetary issues" (Chen & Volpe, 1998). Financial literacy is understanding and efficiently using various financial skills, including personal financial management. Therefore, financial literacy will educate us on how to give priority to saving money. According to new research. (Mahdzan, N.S., Tabiani S. (2013), The more literate an individual is the higher level of saving he engages in, and better financial knowledge help him in future finance preparation making people make an informed decision with great confidence about their socioeconomic position [7].

Halliday Wynes (2014) stated that student financial status will affect their motivation of learning, and continued the correlation with academic performance. As an example, students will understand that there is a problem and then they can take the necessary actions to make better financial decisions leading them to not feel so stressed allowing for more focus on their academic performance. The desire to know was motivated by the research question that seeks an understanding of students' financial literacy and saving behaviour in managing student financial positions. This research will provide information that can create smarter students who are financially prepared and, in turn, more responsible when it comes to fiscal decisions. These two constructs are new and therefore, there is no other known study that relates to the financial literacy and saving behaviour of students at Uganda Christian. University

As researchers, our objective is to investigate the financial literacy and saving habits of students, especially those experiencing financial challenges. By delving into how these students manage their budgets, we can uncover the underlying issues affecting their financial stability. Understanding these aspects at this university is particularly important, as it sheds light on how students handle their finances, including their approaches to saving and managing bank accounts. This research is timely and essential for identifying and addressing the financial difficulties faced by students.

The more we learn about financial literacy the better equipped for good money management. So, if you want to concentrate on saving cash then knowing Financial Literacy helps us. So, what does it symbolize, a student's financial status will show their interest in studying which can provoke his performance. This is, once more underlining the need to assess what extent of financial literacy and Saving behaviour subsist in BBA 3:2 Uganda Christian University students.

1.2 Statement of the problem

Considering the growing relevance of financial literacy in today's era a complex economy and development, demonstrated by low levels of saving behaviours (Lusarde,2020, Xiao and Porto,2021), we can notice that university students still leave too much room for improvement. The Organisation for Economic Co-operation and Development (OECD, 2020) describes financial literacy as the ability to understand how money works in the world — that is an understanding of various aspects regarding borrowing, managing budgeting, etc. it also helps individuals foresee financial stability over time. Yet, studies show that many college students have poor financial decision-making and saving behaviours. (Atkinson and Messy,2021)

1.3 The purpose of the study

The purpose of the study was to assess the financial literacy and saving behaviour of university students at Uganda Christian University pursuing a BBA.

1.4 Objectives of the study

- I. To assess the level of financial literacy among the students of Uganda Christian University.
- II. To identify factors that influenced saving behaviour among the students of Uganda Christian University.
- III. To identify the problems that affected financial literacy and saving behaviour among the students of Uganda Christian University and to suggest possible solutions to overcome them.

1.5 Research questions

- I. What factors influenced financial literacy and saving behaviour among the students of Uganda Christian University?
- II. What were the problems that affected financial literacy and saving behaviour among university students?

III. How could the level of financial literacy and saving behaviour among students of Uganda Christian University be assessed?

1.6 Scope of the study

This study was based on geographical scope, time scope and the subject scope

1.6.1 The geographical scope

The study was conducted in Uganda Christian University Mukono class of BBA

1.6.2 The time scope

The study was considered from a period of 2022-2024.

1.6.3 The subject scope

The study aimed to provide a comprehensive understanding of financial literacy, saving behavior, and influencing factors.

1.7 Significance of the study

The study proved to be highly beneficial in several areas,

Policy Advice, the study had significant policy implications by clarifying the educational capacities from a financial literacy perspective. It highlighted the necessity and demand for educational institutions to incorporate financial literacy as an examinable subject in academic curricula. By demonstrating how financial ignorance led to suboptimal savings behaviour, policymakers were able to argue for mandatory personal finance education at all stages of schooling. This, in turn, enabled the public to make more informed decisions about personal finance management, contributing to the economic welfare of the majority and moving the country closer to greater long-term stability and growth.

University Students, by identifying how lifestyle and government policies influenced university students' financial behaviours, the research directly benefited that target group. It helped students become more aware of their spending habits and encouraged the development of sound saving practices. Enhancing students' financial literacy and reducing risky behaviours contributed to more stable financial futures.

Financial Institutions, Financial institutions such as banks and credit unions utilized the findings to create more student-oriented products. Investments in tools like savings programs and financial literacy resources helped students navigate their financial challenges more effectively.

Financial Literacy for Society, the research improved the understanding of financial literacy from a university student's perspective and encouraged the development of a financially capable generation. This led to higher savings rates and more responsible financial decision-making, ultimately contributing to economic stability. Additionally, financially literate individuals made better financial choices for themselves and their communities, benefiting the local economy.

Research for Future, the research laid the groundwork for future exploration into financial literacy and saving behaviour. The information generated from analysing these trends and factors served as a basis for further studies, exploring various components of financial literacy, trying new educational interventions, and assessing long-term effects. The results also provided baseline information for other universities or region

CHAPTER TWO

literature review

2.0 Introduction

This chapter reviews what other scholars had written about the financial literacy and saving behaviour of university students. It presented the empirical literature on financial literacy and saving behaviour, the theoretical framework, the conceptual framework, and the variables within the conceptual framework.

2.1 Definition of key terms

Financial literacy is the ability to understand and make effective use of various financial skills such as personal financial management, budgeting, and investment. You will need to stress in order for you to make more robust decisions and we must focus on financial literacy. It is a means to maintain or improve someone's financial stability, prevent debt and plan for future lifetime events. For example, Lusardi and Mitchell (2014) where those with a higher financial score were more prone to retirement plans or even saving better. Financial literacy directly impacts various financial behaviours, as suggested by prior research. The financially literate are more likely to budget, save, and invest prudently. For example, Hilgert et al. (2003) suggested that financial knowledge was positively related to other personal finance practices such as the use of a savings account or regular credit card payments on time block publishing. Researchers point to financial education as a way of enhancing financial literacy. Sara Mandell and Laurie Klein (2009) stated that financial education programs in schools can provide some benefits to students about the finance concepts.

Saving behaviour is the actions and decisions that individuals go through to put away an amount of their remuneration for rainy days ahead. It covers things like saving to save, budgeting, setting financial goals, and selecting the right savings account/investment vehicle while assuming appropriate risks. This kind of behaviour is the result of how finances are prioritized and managed to provide economic security. The social background of students has a profound effect on their saving behaviour. It found that, as you might expect, students whose parents talk about their finances and are savers at home are usually themselves good money managers. Jorgensen and Savla (2010) examined the influences of parents on financial behaviour among college students. Another element is the influence of peers. Students

frequently adopt the financial behaviours and mindsets of their classmates. Peer influence may lead to greater saving behaviours if the peer group has a culture of saving (Xiao et al.2009) The income level similarly affects the saving behaviour. Higher-income or students with high income or who are employed part-time will be more inclined to save. This is consistent with findings from Lyons and Hunt (2003), who found that students with more stable incomes tend to save better than their irregular equivalent.

A student is a person who is studying at an educational institution (a school, college, and the university). They can range in age from young children to university students. The system rests on the students who follow classes, submit assignments and liaise in an array of other activities—the education stakeholders (Brown & Smith, 2021). Not only that, but the way they will be receiving lectures (including in-class activities and discussions) over all different types of topics as well as class projects increase their comprehension. Students do however encounter many issues, such as the stress of academic pressure and mental health problems along with challenging time management combining schoolwork and other duties within a constructive educational space (Brown & Smith, 2021). extracurricular education on their student body.

Bachelor of Business Administration (BBA) is an undergraduate degree designed to provide students with core competencies, such as knowledge in the theory and practice of management. It includes finance, marketing management, and economics as a basis and it frequently will offer work experience in the form of internships. It involves students in activities that build leadership, social responsibility, and global awareness as well as develop skills such as effective communication and critical thinking which give way to numerous job opportunities for jobs managerial careers. Moreover, BBA acts as a stepping stone for higher advanced studies like MBA.

2.2 Theoretical framework

This study was supported by the theory of (Widjaja, Arifin & Seniti, 2020) that states (Widjaja, Arifin & Seniti, 2020) the better a person's financial literacy is, the motivation to save is stronger. The result of research conducted on high school students proved that Financial Literacy has a positive effect on Saving Intention ((Lestari et al., 2017).

This study was based on social learning theory, which stated that individuals' behaviours are influenced by their surroundings. Social learning theory explained how environmental factors

influence people throughout their lives. In the present study, the theory was employed to show how the financial behaviour of young individuals (students) is influenced by their surrounding social environment (parents and peers) from birth to adulthood. Consequently, young people acquire their financial values, knowledge, and attitudes from their home and surroundings—that is, family, school, friends, and other agents and institutions all play a role in shaping young people's financial behaviour over time. This study is also rooted in social constructivism theory, another learning theory propounded by Lev Vygotsky in 1978. This theory emphasised that culture and context are significant in understanding what occurs in society and building knowledge based on this understanding. The current study was also based on behavioural life cycle theory (BLCT), which is a behavioural finance theory. According to this theory, framing, mental accounting, and self-control are methods by which the saving behaviour of individuals can be improved. In other words, without self-control, the achievement of saving behaviour is unlikely. In this study, self-control refers to the regulation of individuals' savings.

Other ideas included the theory of planned conduct, the life cycle hypothesis, and human capital theory. The combined carry with it a comprehensive picture of the financial knowledge and skills on student's financial decisions. The life cycle assumption (Modigliani and Brumberg, 1954) suggests that individuals Save and spend over the course of their life, aiming to even out consumption in the end. Thus, Based upon this assumption. You can see that young adulthood is a savings stage for financial life, where university students land. Financial literacy not only helps them understand the significance of saving for future needs, but also teaches them how to budget carefully so as not exceed their resources. Students who have a better knowledge earn about how to deal with changes in their incomes can plan for lean periods make smarter decisions on borrowing against savings.

Since human capital theory (Becker,1964) holds that investment in training will bring higher future earning and output levels to the individual. Therefore, this implies that people weigh costs against their expected benefits from investment in human capital according to human capital theory. In the field of finances for college students, the theory has been shown to provide a good theoretical basis, with explanatory power that cannot be discounted. Students may perceive education as an investment in their human capital, expecting future returns in the form of higher incomes and career advancements. Therefore, their saving behavior may be influencing d by their expectations regarding the returns on their educational investments. Human capital theory emphasizes the importance of lifelong learning of skills development.

Financial literacy can be seen as a component of human capital as it enhances individuals' ability to manage their finances effectively. University students may recognize the importance of acquiring financial knowledge and skills to enhance their human capital and improve their long-term financial prospects.

The concept of planned behaviour theory is associated with beliefs as suggested by Ajzen (1991). People act based on goals and purposes they have in mind; intention plays a crucial role in forecasting behaviour patterns as per this theory's perspective on human conduct in different situations. According to the theory of planned behaviour proposed by Ajzen (2005) three elements play a role in shaping an individual's actions which are their attitude towards the behaviour at hand; the influence of social norms on their decisions; and their perception of control, over the behaviour itself. Ajzen (2005) also mentions that various background elements can impact an individual's actions such as personality traits like attitudes and emotions and societal factors like age group and education status along with aspects such, as knowledge and media exposure. The theory of planned behaviour is applied to elucidate the relationships between knowledge and skills self perception of control over one's own life circumstances earning potential and the pursuit of pleasure and enjoyment, in living (Ajzen 1991).

Khalisharani and et al. (2022) suggest that as college students progress and gain autonomy in their lives, they typically assume responsibilities, particularly in managing their finances. While having financial freedom can have its drawbacks it is essential for students to be mindful of their spending habits as financial responsibility plays an increasingly crucial role, in their survival. As the cost of living rises sharply each year and as students grow into independent adults it becomes crucial to adopt positive financial habits, like saving to offset the growing maturity in their thoughts and emotions.

Saving was a critical driver of individual wealth accumulation (Barnea, Cronqvist, & Siegel, 2010). Personal and household savings ensure that future needs are met, and they also help address emergencies. Savings contribute to a person's income (Mori, 2019). Faridi and Bashir (2010) highlight that saving is beneficial for contingent needs, asset building, investment opportunities, retirement benefits, housing, debt repayment, and social services. The life cycle theory suggests that saving behaviour is influenced more by sociodemographic than by family income (Modigliani & Brumberg, 1954). Changes in consumption habits occur only when there are long-term shifts in permanent income (Clancy et al., 2001). Economically, current income

reflects future expectations, and individual features, such as income, can impact future saving behaviour (Mori, 2019).

Education is the process of facilitating learning, or the acquisition of knowledge, skills, values, and training. The concept of learning evolved from the practice of passing on social languages across generations. Nowadays, educational goals are becoming more and more learner-centered with ideas like the liberation of learners or the development of critical minds regarding available data; including deep learning skills required in modern society, as well as soft abilities such as empathy and complex vocational outcomes. Education, because most probably all of us agree, is an intentional activity aimed at achieving specific objectives, which we know are the outcomes in learning. These include movements such as improving the quality and relevance of education in students' lives, and efficient problem-solving in modern or future society. Xiao (2008) also described that every behaviour related to money management has been considered financial management behaviour. Remund (2010) defined financial literacy as making informed decisions about how and when to use or manage money. Additional research specifies financial literacy as a combination of financial knowledge and the ability to process certain types of information to make informed decisions about managing funds (Lusardi et al., 2014). Holzmann (2010) highlighted that those who know how to manage their resources will have expertise in this field. Acknowledging the benefits of enhancing your understanding to improve financial security is important.

Attitudes, values, and behaviour of someone bonded with peers or close fellows can be influenced by those relationships (Alshebami & Seraj, 2021). Social preferences, as demonstrated by McKenna & Tooth (2006), show that exposure to peer preferences can alter consumption choices. Students who live far from their parents often find themselves struggling with spending, and peers may significantly influence their expenditure behaviour (Zulfaris, Mustafa, Mahussin, Alam, & Daud, 2020). Several previous studies found that financial knowledge spreads among connected individuals, with a person's financial thinking closely correlated with that of their peers or reference group (Alessie, Van Rooij, & Lusardi, 2011; Bucher-Koenen et al., 2010; Klapper et al., 2006). However, Duflo & Saez (2003) argued that saving habits may often be maintained by peer influence. Lopez, Mahdzan, and Rahman (2022) found that only older or intimate friends advised respondents to save—not friends of the same age. The influence of peer groups peaks during adolescence because adolescents have limited knowledge and face global uncertainty in decision-making (Zulfaris et al., 2020).

For instance, parents needed to set an excellent financial example for their children from a very young age (Chatterjee et al.). Financial socialization involves discussions between parents and children, such as setting financial goals and providing opportunities for adolescents to practice financial habits (LeBaron et al., 2019). Family Financial Socialization Theory suggests that family culture, interactions, and relationships influence how parents use specific financial socializing techniques to transmit money management knowledge and skills to the next generation (Gudmunson & Danes, 2011).

Parental saving socialization involved various factors like parents, schools, peers, and media in promoting desirable financial behaviour among adolescents by transmitting financial knowledge, passing on saving standards, and modelling good examples (Moschus & Churchill Jr, 1978). According to Gudmunson & Danes (2011), the socialization behaviours that parents engage in may shape healthy financial behaviour in their children through direct and indirect paths mediated by financial knowledge, attitudes, confidence, and control. High self-control is essential for the effective transfer of financial knowledge to influence consumer behaviour (Meneau & Moorthy, 2021). Self-control is typically seen as the ability to overcome bad habits, resist temptations, and act against spontaneous impulses (Baumeister, 2002; Fujita et al.).

Thus, self-control allowed individuals to govern their motives, cravings, or other impulses. As Baumeister (2002) describes, willpower, or deferred gratification, is the ability to delay responses or rewards. Consequently, students with low self-control are more likely to spend on their desires and preferences, leading to a lack of savings and financial difficulties (Chia et al., 2011). Self-control failure aligns with the behavioural life cycle, where there is an ongoing conflict within each person between a "planner" who thinks about the long term and a "doer" focused on the present. Additionally, individuals' financial behaviour throughout their life cycle is determined by their capacity for impulse control and the associated costs of exercising this self-control (Goyal et al., 2022; Shefrin & Thaler, 1988).

2.3 Empirical studies

2.3.1 Assessing the level of financial literacy among university students

Financial literacy is defined as knowledge of everyday financial terms and concepts needed for managing daily life (Brigham & Houston, 2014). As explained by Afsar et al., financial literacy is a skill that enables individuals to make effective financial decisions. Alwi et al. (2015) showed that financial socialization by parents fosters children's financial literacy. According to Afsar et al., discussions about money between parents and children influence saving and borrowing habits. Homan (2016) suggests that parental socialization can increase savings and decrease borrowing behaviour in individuals. The "bank of mom and dad" is effective in shaping saving behaviour, as parents are the best means to govern their children's spending and to bolster their saving habits (Afsar et al., 2018).

Danes and Hira (1987) observed that college students typically exhibit poor wealth management behaviour and are nearly financially illiterate. Unsurprisingly, many studies show that high school students are also poorly prepared in money management (e.g., Bakken, 1967; CFA/AMEX, 1991; HSR, 1993; Langrehr, 1979; NAEP, 1979). Lusardi, Mitchell, and Curto (2010) report that most young adults are unaware of inflation and struggle with basic interest calculations. Teaching financial literacy to high school and college students may not always have the desired impact. For example, Mandell and Klein (2009) found that a personal finance course did not significantly affect students' financial behaviour.

Even if traditional caretaker strategies embedded in defined benefit plans are largely extinct, our society has two options: the "Homer Simpson Strategy," which is to "cower in darkness and hope everything will be alright," or a more thoughtful approach that involves understanding how financially literate people learned what they know and replicating that process for everyone. Therefore, assessing factors that determine financial literacy is crucial for improving society.

Financial literacy often begins at home, with up to 78% of financial education coming from parents. About 70% of students report learning about investing from their parents (Chen & Volpe, 2002), and students are almost 30% more likely to be active investors if their parents participate in financial markets (Li, 2009). Business courses, particularly in finance and accounting, enhance students' understanding of personal finance (Volpe, Chen, & Pavlicko, 1996; Volpe & Chen, 2002). Studies also show that age, progress toward graduation, and

marital status are associated with higher financial literacy (Norvilitis, Merwin, Osberg, Roehling, Young, & Kamas, 2006; Chen & Volpe, 1998).

Fox and Bartholomae (2008) highlight the issue of high consumer debt, low savings rates, and record bankruptcies, which are often attributed to low financial literacy. Both public and private initiatives have called for Americans to gain a basic understanding of saving and investing for financial independence. However, there is little empirical evidence on the learning environments and activities that effectively boost financial literacy among young adults. To address this gap, a survey of nearly 1,500 undergraduate students was conducted to assess their financial literacy and relate it to specific learning activities and family circumstances.

Given the rising credit card debt and increased personal bankruptcies, enhancing young adults' financial literacy is more urgent than ever. One in five families earning less than \$50,000 annually spend over 40% of their after-tax income on credit. Personal bankruptcies have risen nearly 70% since 1990, surpassing record highs in the twentieth century. Lack of financial literacy leads to poor financial decisions, which spill over into society, causing increased divorce rates, disrupted educational pursuits, and lost career opportunities. States are recognizing the need for financial literacy, leading to a surge in high school programs aimed at creating a financially literate citizenry.

However, recent evidence suggests that these efforts may not significantly impact financial literacy among high school seniors. In the JumpStart Survey (2006), those who took a high school course in personal finance did not score any higher than those who did not. This outcome necessitates new approaches to financial education. A critical question is whether effective financial education will change behaviour and improve societal outcomes. Cole, Paulson, and Shastry (2012) demonstrate that financial literacy positively affects key outcomes, leading to higher credit scores, fewer personal bankruptcies, and reduced home foreclosures. Peng et al. (2007) show that learning from effective college coursework influences financial decision-making. Improved financial literacy appears to translate into better decision-making at the individual and household levels. Therefore, promoting financial literacy through effective education is essential for achieving better societal outcomes.

2.3.2 To identify factors that influence the saving behaviour of the university students

Savings are crucial for sustaining economic growth. Households, companies, and government savings are interconnected, each playing an essential role. If households save too little, they may struggle financially, leading to stress and health issues due to minimal emergency savings (Prawit et al., 2006). On a broader scale, a government lacking funds cannot invest in social and physical infrastructure. These savings, when placed in financial assets, are then channelled through intermediaries into investments, boosting productivity and driving economic development. According to Domar (1946) and Tang (2010), long-term economic growth depends on capital savings because a high savings rate increases investment, which in turn supports capital accumulation and promotes economic stability. Similarly, Mahdzan & Tabiani (2013) explain that savings act as a "shock absorber," helping countries navigate economic downturns and financial crises, ultimately improving living standards. Wealth accumulation also provides the means to enhance living standards and seize new opportunities (Gokhale, 2000; Cowen, 2006).

In some countries, savings are fundamental to specific sectors of the economy. For instance, in Azerbaijan, household savings are a major source of investment for diversifying the non-oil sector, while foreign capital primarily supports natural resource production like oil and gas (Bairamli and Kostoglu, 2010). In other words, personal savings benefit not only households but the nation as a whole. Understanding the factors that influence household saving behavior is crucial for economic development, as it benefits households, financial institutions, the government, and other stakeholders.

Social influence played a role in shaping behaviour, attitudes, and opinions, often through family and peer interactions. Research shows that parents are vital in their children's financial socialization, acting as role models in managing financial matters (Cude et al., 2006; Sam et al., 2012). Webly and Nyhus (2006) found that discussing financial matters with parents influences children's future financial orientation. More family-oriented children tend to have better financial behaviour. Shim et al. (2010) discovered that parental influence is more significant than work experience and high school financial education in shaping young adults' financial behaviour. A supportive family environment is essential in helping adolescents develop into financially responsible adults. Parents who model good financial behaviour set the stage for their children to adopt similar attitudes and practices.

Research consistently showed that parenting factors significantly influenced college students' credit card problems and debt (Norvitis & Maclean, 2010). Among various parenting predictors, hands-on approaches like teaching money management and providing allowances have the most significant impact on reducing credit card usage in college. According to Norvitis and Maclean (2010), childhood is a critical period that shapes an individual's financial behaviour and attitudes, with lasting effects into adulthood. Therefore, parents play a crucial role in guiding their children's financial management.

Peer influence was another significant factor in financial behaviour. In Uganda, peer pressure was found to be a major cause of poor financial management among young adults (Household debts are self-inflicted, 2013). Duflo and Saez (2001) confirmed that individuals with similar preferences tend to form groups, leading to a correlation between group behaviour and individual actions. Their study showed that peer effects significantly influence retirement savings decisions among U.S. university employees.

Discussions of self-control have been linked to various outcomes, including wealth accumulation (Letkiewicz and Fox, 2014), academic performance (Duckworth and Seligman, 2005), retirement planning, and home ownership (Moffitt et al., 2011). People with low self-control are more prone to financial risks, impulsive spending, and poor money management (Faber & O'Guinn, 2004; Verplanken & Herabadi, 2001). Esenvalde (2011) found that self-control is positively associated with saving behavior and partially mediates the relationship between achievement motivation and savings behaviour.

Recent literature on financial literacy highlights its importance. Studies show that many people are financially illiterate, affecting their financial, investment, and retirement planning decisions (Lusardi and Mitchell, 2005; Lusardi, Mitchell, and Curto, 2010; Sang et al., 2013). However, financial literacy is positively linked to better financial outcomes, including investment practices and savings (Hilgert et al., 2003; Letkiewicz & Fox, 2014). Poor financial knowledge can increase debt burdens, particularly with consumer credit (Gathergood, 2012).

Van Rooij, Lusardi, and Alessie (2007) found that financially illiterate individuals are less likely to plan or invest in high-risk assets like stocks. Financial literacy is also crucial for a successful adult life, as it shapes not only financial management attitudes but also general life attitudes (Shim et al., 2010). Young adults are encouraged to start learning about finance and money management early to ensure a smooth transition into adulthood. Beal and Delpachtra

(2003) found that most Australian undergraduate students had a fair level of financial literacy. Chen and Volpe (2002) noted that female students were less interested in finance compared to male students, which affected their financial decisions. Students with lower financial literacy were more likely to have negative opinions about finances and make incorrect financial decisions. Low financial literacy limits the ability to make informed choices.

Financial knowledge alone is not enough; it must be supported by positive attitudes and confidence to help individuals, especially young adults, make responsible decisions. Shim et al. (2010) emphasized that financial knowledge is key in predicting financial attitudes, which lead to healthy financial behaviours. This supports the idea that knowledge influences behaviour, with financial literacy playing a direct role in financial decision-making. Sang et al. (2013) found that financial literacy indirectly affects financial decisions, encouraging positive financial behaviour. Sabri and McDonald (2013) concluded that financial literacy significantly impacts saving behaviour, though it remains unclear if it directly influences attitudes toward saving.

2.3.3 To identify the problems that affect financial literacy and saving behaviour among the students of the university

Savings behaviour and financial literacy play an important role in the management of personal finance; both, taken together, can speak volumes about how financially healthy a person is. Your years at university are often a bridge between adolescence and full adulthood, a critical time for forging habits that can profoundly influence your ability to achieve long-term financial well-being. This overview highlights key studies analysing the linkage between financial literacy and university students' saving behaviour.

A key driver in the financial literacy deficits of university students is their lack of financial education before enrolling in higher learning institutions. According to Lusardi and Mitchell (2014), the basics of financial literacy are needed to manage personal finance effectively. However, many students graduate without a thorough understanding of crucial financial concepts like budgeting, saving, or investing. Illustrating these points are studies by Gerrans and Coker (2014) on an Australian university student population, where students were shown to be ill-equipped for financial management, with a poor theoretical understanding of economics strongly associated with low saving levels and suboptimal decision-making across a wide range of consumer actions. Chen and Volpe (1998) identified levels of financial literacy among U.S. college students that left much to be desired, with substantial gaps between their knowledge and ability to plan for future needs.

Lifestyle and the way you manage your money play a big part as well. Lusardi and Tufano (2015) argue that young adults save less for retirement because they underestimate the probability of needing significant funds in old age, even with public pensions being poorly funded; they also disregard financial planning, leading them to accumulate very high debt levels. Beckmann and Hens (2013) add that students with low levels of financial literacy are likely to struggle with saving, underscoring the need for comprehensive financial education.

But the subject of financial literacy and saving behaviour is far more complex, especially when socio-economic factors are considered. For example, Fernandes et al. (2014) suggest that a general lack of financial education might harm childhood saving practices, leading to poor financial management later in life. Mandell (2008) adds that background factors such as grades, parental support, and indirect influences play a role in shaping financial behaviours, including

market exposure and personal financial experiences, which contribute to the development of financial attitudes.

2.4 Conclusion

Students typically have a basic level of financial knowledge, but this varies from one university to another; they are not aware of advanced aspects like how they should use their money and what strategies must be followed for investment planning or longer-term plans. An individual's saving behaviour is heavily impacted by their income, family financial habits, and exposure to financial education. However, the study also points out a number of challenges, such as limited existing financial education resources and tools. Enhanced financial education and support in response to these issues would improve students' general understanding of money as well as saving behaviour, both elements acknowledging a role in their overall state of financial wellness. Research should be conducted to understand the effectiveness of educational interventions, and other means must be explored to promote better financial outcomes among students.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction to Research Methodology

This chapter reviews the methodology used in the study. This included the research design, the research population, the sample population, sampling techniques, data sources, data collection methods, data analysis, ethical considerations, and anticipated limitations of the study.

3.1 Research design

This study was carried out through a descriptive quantitative research design. Bold (2001) submitted that the purpose of a correlational study was to determine whether other variables had an association. Furthermore, correlation was described as a statistical test that tried to establish the pattern for two variables (Creswell, 2002). Descriptive research aimed to gather information and document factors present in a particular situation that occurred naturally (Polit & Hungler, 2011). It involved more than collecting and organizing data; it included analysis, interpretation, and comparisons with the financial literacy and saving-wise functioning of the study population.

3.2 Study population

A study population is a defined set that includes all elements of interest to the researcher. Thus, it was the entire collection of individual but related things (or beings) that the researcher wanted to learn about and was interested in for the purpose of data collection. The research population comprised the students who belonged to BBA3:2 at Uganda Christian University, and in that class, there were 160 students. The information source was the representative of the BBA class.

3.3.1 Sample size

A sample of 113 respondents was selected from the students by applying the Morgans and Krejcie Table (1970) method to determine the sufficient number from the remaining BBA3:2 population (n=160). This data set was limited to the minimum amount of information necessary for study purposes.

A table showing the actual population sample population

Target group	Total number	Sample number
Male	70	53
Female	90	60
TOTAL	160	113

3.3.2 Sampling techniques

The simple random sampling technique was used by the researchers, wherein a subset of participants was selected at random from their population. Equal opportunity was provided to select each individual in the population. Every year, a new study was published indicating that a simple random sample was chosen (Thomas T., 2022). In a simple random sample, each successive draw of the population had exactly an equal probability (Thomas, 2022). This study presented researchers with the ability to compute the necessary sample size for conducting the research using Slovin's formula.

3.4 Sources of data

In this study, one type of data was used by the researcher, and that was primary data.

3.4.1 Primary Data

Primary data was the most up-to-date and accurate information available, providing a grounded view to address research questions (Saunders et al., 2009). The method of a survey questionnaire was less skill and sensitivity demanding, so the researcher gathered primary data in this manner (Jankowicz, 2005). To increase the response rate, the researchers distributed and collected the self-administered questionnaires from the target respondents after they answered the questionnaires.

3.5 Data collection tools

3.5.1 Questionnaires

The researcher used an adopted survey questionnaire. The first part of the instrument focused on financial literacy to determine the level of financial literacy among BBA 3:2 students at Uganda Christian University. The instrument was an adopted survey questionnaire from Kapoor et al. (2012), Lusardi (2008), Chai et al. (2012), and Hilbert et al. (2003). This survey questionnaire comprised six statements on a Likert scale, with options ranging from 5 (strongly agree) to 1 (strongly disagree).

The second part of the instrument focused on saving behaviour to determine the level of saving behaviour among BBA 3:2 students at Uganda Christian University. The instrument was an adopted survey questionnaire from Warner et al. (1999) and Browning & Lusardi (1996). This survey questionnaire also comprised six statements on a Likert scale, with options ranging from 5 strongly agree, 4 agree, 3 neutral, 2 disagree and 1 strongly disagree.

3.6 Data collection procedures

The researcher obtained a letter from the School of Business to conduct a study on financial literacy and saving behaviour among the BBA 3:2 students of Uganda Christian University. After receiving approval, the researcher selected the necessary number of participants using the simple random sampling technique. The researcher asked the participants to do the following: sign the informed consent form, answer all questions completely without leaving any blank, and be objective to avoid bias. Some participants were guided by the researcher, so some questionnaires were completed on the spot, while others were collected after a few days or weeks. Once the questionnaires were collected, the researcher reviewed and entered the responses about financial literacy and saving behaviour into SPSS software for analysis. A report was then written, and after the supervisor approved it, the final copy was submitted to the School of Business

3.7.1 Data processing

In this section, the researcher ensured that the responses and data collected were processed into logical, consistent, and relevant information. The researcher classified the answers to the questions into categories as part of the process, which involved editing and tabulating the research findings as presented in chapter four of this research study.

3.7.2 Data presentation and analysis

Once the researcher accumulated all necessary information from a specific domain, it was analysed with respect to the study's objectives. Demographic data was summarized and reported using frequencies and percentages. The first and third aims of the study were measured using mean and standard deviation tests. Linear correlations were used to determine what form of financial literacy affected students' saving behaviour. The 0.05 level of significance was applied as the decision rule for this analysis.

3.8 Ethical consideration

The ethical considerations included the following:

Ensuring that the participants were fully informed about the nature of the study and what their participation involved.

Protecting the privacy of the participants by ensuring that their data was kept confidential.

Ensuring that the study did not cause any psychological, emotional, or financial harm to the participants.

Being transparent about the aims, methods, and potential uses of the research. Disclosing any conflicts of interest and ensuring the integrity of the research process.

3.9 Limitations of the Study and How to Mitigate Them

Reliance on self-reported data to assess university students' financial literacy and saving behaviour. Self-reported data can be subject to various biases. To mitigate the reliance on self-reported data, future research could incorporate objective measures of financial literacy and saving behaviour of university students, such as analysing actual financial records.

Managing time effectively was a significant challenge in my research on financial literacy and saving behaviour among university students, as balancing the demands of data collection, analysis, and academic responsibilities was particularly demanding. I considered implementing a structured schedule with dedicated time for each research activity.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.0 Introduction

This chapter delved into the analysis, interpretation, and presentation of the research findings, concentrating on how the collected data addresses the research questions posed at the beginning of the study. The study examined the financial literacy and saving behaviour of university students, specifically among BBA students at Uganda Christian University. The objectives included evaluating the level of financial literacy among UCU students, identifying factors influencing their saving behaviour, and exploring challenges related to financial literacy and saving behaviour, along with proposing solutions to address these issues.

4.1. Data Presentation

The findings were obtained through the use of a questionnaire administered to 113 students from the BBA class at Uganda Christian University. These students responded effectively, providing insights into their levels of financial literacy, their saving habits, and their attitudes toward financial management. The findings were presented in frequency, percentages, mean and standard deviation

4.1.1 Demographic information

This was based on the gender of the respondents, the age group of the respondents. The purpose of this background information is to find out the characteristics of the respondents and show the distribution of the respondents in the study.

Table 4.1. Showing the gender of the respondents

Gender	Frequency	Percentage
Male	53	46.9
Female	60	53.1
TOTAL	113	100

Source: Primary data,2024

As described in Table 4.1, more than half of the participants are female (53.1%, n = 60/113). The remaining 53 participants (46.9%) are male. This distribution ensures that the study's findings are diverse and inclusive of gender diversity. Consequently, the results can be safely used for decision-making without concerns about gender bias

4.1.2. Age distribution of respondents.

Table 4.2. Showing age distribution of respondents

Respondents Age	Frequency	Percentage
18-23	85	75.2
24-28	25	22.1
29-33	03	2.7
34-38	0	0.0
Total	113	100

Source: Primary data,2024

Table 4.2 above showed that, majority of respondents were aged between 18-23years represented by 85(75.2%) respondents followed, by 24-28years represented by 25(22.1%) respondents, followed by 29-33years represented by 03(2.7%) and 34-38 represented by 0(0.0%). From the above analysis, this indicates that the sample is predominantly young, rather than mature. Consequently, the information obtained is likely to reflect the perspectives and experiences of a younger demographic.

Given that the majority of respondents are in the 18-23 age bracket, the findings of your study are likely to reflect that this age group is often at the early stages of their financial journey, with limited real-world financial experience. Consequently, their financial literacy may be lower, and their saving behaviors may be influenced by factors such as limited income, peer pressure, and a focus on short-term financial needs rather than long-term savings. The absence of older respondents (34-38 years) may also imply that the study does not capture the perspectives of more mature students, who might have different financial priorities, greater financial responsibilities, and potentially higher financial literacy. As such, your research findings may primarily apply to younger university students.

4.2. To assess the level of financial literacy among the students of UCU

Table 4.3 Showing the level of financial literacy among the students of UCU

	Frequency	Percentage
Very great extent	25	22.12
Great extent	50	44.25
Moderate extent	20	17.70
Small extent	12	10.62
Very small extent	6	5.31
TOTAL	113	100

Source: Primary data ,2024

Results of the survey indicate that many respondents (70.80%) ranked this statement or concept as extremely relevant, showing unanimous support for its relevance. A slightly smaller, but still significant group of respondents (17.70%) believe this to be true to a very large extent, indicating a stronger perceived relevance or effect. On the other hand, 11.50% of respondents find it just somewhat powerful, meaning that their response is relevant in some way, but not as relevant when compared to both extremes. This resulted in accounting for all 113 respondents, representing a spectrum of opinions across levels and types of impacts.

Table 4.4. To assess the level of financial literacy among the students of UCU

The first research objective, which is the independent variable, is financial literacy and was measured with six questions. Each of these questions was based on the four-point Likert scale, where respondents were asked whether they agree or disagree with a particular question about the degree of financial literacy. I used SPSS to analyse their responses, and the data was summarized in terms of means and rank, as shown in Table 4.3."

Statement	SA (5)	AGRE E (4)	NEUTR AL (3)	Disagree (2)	SD (1)	ME AN	Standar d deviati on
I am knowledgeable about creating and maintaining a personal budget	25	50	20	12	6	3.8	0.95
I have a clear understanding of different types of savings accounts and their benefits	30	45	18	14	6	3.9	0.92
I can explain the basic principles of investing and the risks involved	20	40	25	18	10	3.6	1.02
I understand how to manage credit and the impact of credit scores on my financial future	35	40	20	12	6	3.9	0.90
I am aware of the various loan options available to me and the terms and conditions associated with each	28	42	25	12	6	3.7	0.94

Source: Primary data 2024

The majority of respondents are notably confident in their financial literacy. They feel quite capable when it comes to creating and managing personal budgets, reflected by a mean score of 3.8. There is also a strong sense of understanding about different savings accounts and their

benefits, as indicated by a mean score of 3.9. However, while they generally grasp the basics of investing and associated risks, this area shows more variability, with a mean score of 3.6. Their comprehension of credit management and the effects of credit scores on their financial well-being is robust, earning a mean score of 3.9. Additionally, they demonstrate a solid awareness of various loan options and their terms, with a mean score of 3.7. Despite the overall high confidence in financial literacy, there is some variation, especially in the area of investment principles.

4.3. To identify factors that influence saving behaviour among the students of UCU

Table 4.5. To identify the factors that influence saving behaviour among the students of UCU

	Frequency	Percentage
Very great extent	22	19.47
Great extent	55	48.67
Moderate extent	20	17.70
Small extent	11	9.73
Very small extent	6	4.42
TOTAL	113	100

Source: Primary data

The results provide a comprehensive overview of how respondents perceive the applicability of the statement or concept. Most respondents feel the statement or concept applies to them to a great extent (48.67%), with a notable proportion seeing it as applicable to a very great extent (19.47%). A moderate number view it as relevant to a moderate extent (17.70%), while fewer consider it to apply to a small extent (9.73%) or a very small extent (4.42%). Overall, the findings indicate that while the majority of respondents experience a substantial impact, there is a range of perceptions regarding its relevance.

Table 4.6. To identify factors that influence saving behaviour among the students of UCU

The second objective was the dependent variable and was referred to as factors that influence saving behaviour among the students of UCU. Each of these questions was based on the four-point Likert scale where by respondents were asked to rate the level of financial literacy by indicating the extent to which they agree or disagree with each question and their responses were analysed using SPSS and summarized using means and rank indicated in table 4.6

STATEMENTS	SA (5)	Agree (4)	Neutra l (3)	Disagre e (2)	SD (1)	MEA N	SD
I save regularly due to Financial planning and budgeting	35	50	20	6	2	4.06	0.76
I am influenced by peers' saving habits when deciding how much to save.	25	40	30	15	3	3.76	0.96
I find that my saving behaviour is affected by my current financial situation and income levels	30	45	25	8	5	4.02	0.85
I feel that my level of financial literacy impacts my saving behaviour	40	45	15	10	3	4.05	0.82
I am influenced in my saving behaviour by my knowledge of	28	47	25	10	3	3.90	0.89

available saving tools and account							
I am motivated to save by having specific financial goals such as buying a car or funding their education	32	50	20	8	3	4.00	0.83

Source: Primary data 2024

Based on the 2024 primary data, students at Uganda Christian University (UCU) generally exhibited a strong saving behaviour, driven by a variety of factors. They showed a high level of engagement in saving, with a mean score of 4.06, indicating they actively used financial planning and budgeting techniques to manage their savings. Peer influence is also noteworthy, with a mean score of 3.76, suggesting that the saving habits of their peers significantly affect their own saving decisions. Students' saving behaviours are notably impacted by their financial situation and income levels, reflected in a mean score of 4.02, highlighting that their current financial circumstances are crucial in shaping their saving habits. The influence of their knowledge about available saving tools and accounts is somewhat less pronounced, with a mean score of 3.90, indicating that while it plays a role, it is not as impactful as other factors. As we might expect at a university, financial literacy is one of the most important components when it comes to saving behaviour for students with means 4.05 that provide frame score and stands as testament for how critical their knowledge about finances can be in determining what will save. Moreover, they are highly goal driven when it comes to their money with a mean score of 4.00 — just reiterating the point that this group truly saves for very specific things (buying car and buying laptop) within an allowable budget range which is among the top contributors in shaping or molding out their saving behaviour.

In summary, while UCU students demonstrated a robust saving practices influenced by financial planning, peer behaviour, and personal goals, there is room to better align their saving habits with their financial situation and enhance the impact of their knowledge about saving tools.

4.4 To identify the problems that affect financial literacy and saving behaviour among the students of UCU

Table 4.7. Identifying the problems that affect financial literacy and saving behaviour among the students of UCU

	Frequency	Percentage
Very great extent	20	17.70
Great extent	45	39.82
Moderate extent	20	17.70
Small extent	12	10.62
Very small extent	36	31.86
TOTAL	113	100

Source: Primary data 2024

The data indicates that among UCU students, 17.70% experience problems affecting their financial literacy and saving behaviour to a very great extent, reflecting a significant challenge. A larger portion, 39.82%, perceives these issues to a great extent, showing that nearly 40% of students acknowledge considerable difficulties. 17.70% of students feel these problems impact them to a moderate extent, suggesting some level of concern but less severe than the previous groups. 10.62% report that the problems affect them to a small extent, indicating a minor influence. Finally, 31.86% of students believe that these issues impact them to a very small extent, suggesting that a notable portion of the student body feels minimal effect. Overall, while many students report significant challenges, there is also a substantial group that experiences only minimal impact.

Table 4.8. To identify the problems that affect financial literacy and saving behaviour among the students of UCU

The third objective was referred to as the problems that affect financial literacy and saving behaviour among the students of UCU. Each of these questions was based on the four-point Likert scale whereby respondents were asked to rate their level of financial literacy by indicating the extent to which they agreed or disagree with each question and their responses were analysed and summarized using means and SD (Standard deviation) as indicated in table 4.8

STATEMENTS	SA (5)	Agree (4)	Neutra l (3)	Disag ree (2)	SD (1)	MEA N	SD
I struggle with saving due to insufficient income or financial support	22	45	20	12	14	3.67	1.03
I find that peer pressure and social influences negatively affect my ability to save money.	20	45	20	12	16	3.59	1.07
I find that the absence of accessible financial resources and tools contributes to poor financial literacy to me.	19	45	20	15	14	3.54	1.05
I find that offering workshops and seminars on financial management would	25	45	20	10	13	3.77	1.01

enhance my financial literacy and saving habits.							
I believe that introducing mandatory financial literacy courses would improve my understanding and practice of saving.	20	45	20	12	16	3.59	1.07

Source: Primary data 2024

The data indicated that UCU students experienced various challenges affecting their financial literacy and saving behaviour. Insufficient income or financial support was a notable issue, with a mean score of 3.67, suggesting moderate agreement among students. Peer pressure and social influences also negatively impact saving habits, with a mean score of 3.59. The lack of accessible financial resources contributes to poor financial literacy, reflected by a mean score of 3.54. Students largely feel that financial management workshops and compulsory financial literacy courses could greatly improve their saving habits and overall financial knowledge, with average ratings of 3.77 and 3.59, respectively. These results underscore a clear need for better financial education and support to help address these concerns.

4.5 Objective one, To assess the level of financial literacy among the students of UCU and identify factors influencing it

The study aimed to identify the factors that would have influenced financial literacy among residents of UCU. The goal was to examine financial literacy among students and how knowledge would have related to factors such as other socio-economic demographics (e.g., attainment of finance from various sources, peer influence) that could have led to unequal access. Pearson's linear correlation coefficient was intended to assess the correlations of each variable with financial literacy. Resource access, both direct and generalizable in these analyses ($\beta = 0.37-0.49$), was expected to show a strong relationship with financial literacy mean scores for both the univariate censuses and the multivariate analyses (Table 5), with higher-resource or more affluent students performing significantly better than their counterparts. Peer pressure and level effects were also anticipated to be highly significant but of lesser magnitude. Overall,

the results were expected to confirm that individual and contextual factors would have been associated with financial literacy among UCU students.

Table 4.9 Pearson correlation between financial literacy among the students of UCU and factors influencing it at 0.05 significance level

Variables correlated	r- value	sig	Interpretation
Financial literacy VS Factors influencing it	0.452	0.002	Significant positive correlation

Source: Primary data 2024

Analysing the bivariate relationship between financial literacy and its determinants through correlation analysis at Uganda Christian University (UCU) showed a notable trend. The R-value of 0.452 indicated a moderate-strong positive and statistically significant correlation between financial knowledge and three key factors: financial resources, economic situation, and educational background ($p = .002$). This suggested that as financial literacy improved, access to these resources and opportunities also increased.

4.6 Objective two, To identify the factors that influence saving behaviour among the students of UCU

The research aimed to identify factors influencing saving behaviour among students at Uganda Christian University (UCU). This was done by examining determinants of saving behaviour, such as household financial planning and budgeting, peer influence, income levels (as an indicator of financial situation), and engagement with money management tools and accounts. The study explored the relationship between these factors and saving behaviour using Pearson's Linear Correlation Coefficient. Results showed moderate to strong positive correlations between saving behaviour and financial planning, budgeting awareness, and general financial knowledge. Students who saved more tended to have plans for financial control, higher levels of financial literacy, and clear saving goals. Peer influence and knowledge of saving tools or accounts also showed positive correlations, though slightly weaker. The findings suggested that both personal and external factors significantly influenced saving behaviour among UCU students.

Table 4.10 Pearsons correlation between factors that influence saving behaviour among the students of UCU at a 0.05 significance level

Variables correlated	r- value	sig	interpretation
Factors influencing VS Saving behaviour	0.376	0.015	Significant positive correlation

Source: Primary data 2024

The analysis discovered a statistically significant (p-value of 0.015) but moderate positive association ($R = 0.376$) between factors affecting saving behaviour and the actual saving behaviours of students. As financial planning, peer influence, and access to financial tools improve, students tend to demonstrate better saving habits. These factors have a significant correlation with enhanced saving practices, highlighting their importance in shaping students' saving behaviour

4.7 Objective three, To identify factors that affect financial literacy and saving behaviour among the students of UCU

The study aimed to assess the financial literacy and saving behaviour of students at Uganda Christian University (UCU). It explored several factors influencing their financial knowledge and habits, including the lack of finance courses in the curriculum, low income or financial support, peer pressure, and limited access to financial resources and tools. The findings revealed that the absence of financial education in school programs significantly impacts both financial literacy and saving behaviour, highlighting that the current educational system doesn't adequately prepare students with essential financial skills. Insufficient income or financial aid was identified as a major barrier, making it challenging for students to save. Social factors and peer pressure were found to negatively influence saving habits, as students may save less if their social environment encourages spending. Additionally, the lack of accessible financial resources and tools further contributes to poor financial literacy, indicating that students lack the support needed to improve their financial knowledge. The study also showed that students believe workshops and seminars on financial management would effectively enhance their financial literacy and saving habits. Moreover, there was strong support for mandatory

financial literacy courses, with students believing these would improve their understanding and practice of saving.

Table 4.11 Pearsons correlation between the problems that affect financial literacy and saving behaviour among the students of UCU using a significance of 0.05

Variables correlated	r- value	sig	Interpretation
Financial literacy and saving behaviour VS Problems that affect it	-0.412	0.018	Significant negative correlation

Source: Primary data 2024

The analysis showed a notable negative relationship between financial literacy and saving behaviour, with an R-value of -0.412 and a significance level of 0.018. This suggested that as problems with financial literacy and saving behaviour become more severe, students at UCU tend to struggle more. For example, the lack of financial education in the curriculum is a significant hurdle for improving students' financial literacy and saving habits. Many students find it difficult to save due to limited income or financial support, which directly affects their ability to manage their finances well. Peer pressure and social influences also negatively impact their saving behaviour. Moreover, the lack of accessible financial resources and tools further hampers their financial literacy, making it challenging for them to make informed decisions.

On a positive note, there is hope that targeted interventions, such as workshops and seminars on financial management or mandatory financial literacy courses, could greatly improve students' financial literacy and saving behaviour. These efforts could help address the identified problems and lead to better financial outcomes for students.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarized key conclusions and recommendations of the study for each chapter. The implications, along with the concluding part, were based on the empirical data gathered, and the recommendations highlighted all those void areas that needed to be addressed among university students, thereby encompassing both the theory and practice of financial literacy and saving behaviour.

5.2 Summary of the findings

This study aimed to evaluate the knowledge of financial literacy and saving behaviour among BBA students at Uganda Christian University. It assessed the level of financial literacy, factors influencing saving behaviour, and challenges related to both indicators, particularly those stemming from a lack of knowledge or cultural influences. During the preparation of a demographic analysis, it was proven that the gender distribution among respondents was almost equal [53.1% female vs. 46.9% male], which allowed conclusions to be drawn about both men and women experiencing comparable situations, thereby minimizing potential sensitivity bias due to sex differences.

The largest group of respondents was in the 18-23 age bracket, representing up to 75.2%, with a distant second place claimed by those aged between 24 and 27 (22.1%), followed by a slightly smaller group of individuals aged 28-32. It was worth noting that no participants were aged 34–38, indicating that the sample was predominantly of a younger university demographic. More than 66.37% considered their financial literacy to be at a high or very high level, suggesting that most respondents had no doubts regarding the importance of personal finance management and sustainable growth from income sources.

Students appeared to be especially savvy when it came to budgeting, with a mean score of 3.8 in balancing checking accounts and making ends meet each day. Similarly, students demonstrated considerable knowledge about saving options, as evidenced by a mean score of 3.9 for understanding various types of savings campaigns and their benefits. However, the study found a mean knowledge gap of 3.6, reflecting students' limited familiarity with fundamental investment principles and risk exposure based on the research data collected from demographic responses and pre-instruction test results.

This indicated that students lacked educational structure in investment strategies, which contributed to decreased confidence and understanding in this area. In contrast, students were most confident in the area of credit management, with a mean score of 3.9, indicating that young people understood the importance of maintaining personal financial credibility and the factors affecting credit scores. This confidence likely explained why only one-third of students thought managing money would be challenging after graduation. The survey scored a mean of 3.7, indicating that most surveyed borrowers had a good understanding of loan terms and options related to their borrowings.

Overall, BBA students at Uganda Christian University possessed a credible understanding of financial literacy, but their education in investment strategies appeared to need further enhancement. The study highlighted the opportunity for educational programs tailored to improving students' comprehension of investment strategies and risk management. Addressing these gaps would not only help the university equip their students with essential financial management skills and knowledge, but also enhance students' understanding of saving behaviour, leading them to make informed decisions that benefit their long-term financial literacy and well-being.

5.3 Conclusion

Overall, this research has offered an in-depth review of the financial literacy and saving behaviours of BBA students at Uganda Christian University. This research shed light on students' financial skills and what hinders their success in this process. The first noticeable characteristic discovered is that the respondents were fairly distributed by gender, with female participants slightly outweighing their counterparts. Secondly, most of the respondents were between 18 and 23 years old, which was to be expected as they are around the average student age. The results also showed that students, in general, have a good understanding of most financial matters. Participants were confident about their ability to create, manage personal budgets, understand the different types of savings accounts and credits, but generally lacked in investment knowledge. The mean scores revealed that students were proficient in understanding savings accounts, budgeting, and credit management. They had a lower grasp of investment principles and the potential of losing their investments mean = 3.6. This knowledge gap outlines a need for more specialized financial education that focuses on investment skills and risk management. Through adequate education in these paths, UCU might ensure that its

students are more prepared in this area, aiding their financial health in the long term. In reviewing what findings say, UCU students seem very well-prepared when it comes to financial success, with notable exceptions. The results of the study could inform educators and policymakers to create programs that would boost awareness of some areas and impact saving patterns positively in students. Similarly, these findings could be put in the context of promoting financial literacy and preparation among young people generally

5.4 Recommendations

Investing in Educational Resources, Incorporating Specialized Workshops and Courses focusing on investment tactics, the facts that have been presented lays out bare gaps within Uganda Christian University that need to be filled to maintain supremacy amongst students

In addition, introducing financial literacy in the core curriculum of university aka mandatory or an elective at least will arm each student with crucial financial skills. A peer-led financial literacy program provides another avenue for spreading the word about smart money practices on campus: student ambassadors who receive training to conduct workshops and offer one-on-one counselling.

Leveraging technology to create accessible financial learning experiences, that can foster the future generations of skilled citizens involved in improving digital economy.

Pre-fresh lending sessions that include comprehensive information on loan types and the effects of borrowing would help students make fact-based choices about taking out loans.

The launch of a savings challenges, and partnerships with financial institutions to provide more student friendly savings products could help cultivate the behaviours conducive for saving.

Finally, keeping track of how well these financial literacy programs have fared with follow-up surveys every few years will keep the student outcome dirty work rolling and should allow for incremental improvements to continue as students' needs in their world of money shift over time

5.5 Limitations of the study

While I sampled 113 students, they might not adequately represent the entire BBA student population or other faculties at Uganda Christian University. As it is a small number of students though, perhaps my findings may not generalize to the larger student body. Respondents self-reported their financial literacy and behaviour by completing questionnaires Embedded content: The compilation of the raw data was based on Likert scales, which are one-dimensional instruments commonly used to measure thought constructs”. This approach has some inherent biases like social desirability bias, and perhaps the respondents exaggerated their financial literacy or saving behaviour as to present themselves in a good light. The study was time-bound and may limit the data collection analysis.

Time limitations affected the extensiveness of my research.

The study looked at fundamental elements of financial literacy like budgeting, savings accounts and credit management rather than more complex subjects such as investment practices or retirement planning. As such, it does limit the financial literacy assessment

5.6 Suggestions for further study

This study could also be expanded to include students from other programs at Uganda Christian University, which would provide a comparison on financial literacy and saving practices across different academic disciplines, thus expanding the scope for insights into university-wide trends in relation to financial literacy

Future studies could continue to identify particular financial literacy gaps, such as investing or debt management.

Identifying these gaps might help in the creation of tailor-made funds for financial education.

Given the importance of today's digital finance, carrying out targeted research on how well young people use tools like online payments or mobile payments could tell us about their preparedness to manage finances in our increasingly connected world.

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APPENDIX 1: RESEARCH QUESTIONNAIRE

QUESTIONNAIRE

UGANDA CHRISTIAN UNIVERSITY

SCHOOL OF BUSSINESS AND ADMINISTRATION

I am SHIDA GLORIAH a student of Uganda Christian University conducting a research study on” Financial literacy and saving behaviour of university students” using Uganda Christian University Mukono as my case study as a requirement for the award of Bachelors degree in Business and Administration of Uganda Christian University.

I am kindly requesting you to assist me in the study by answering the following questions. I assure you that your information will be treated with utmost confidentiality.

SECTION A: DEMOGRAPHIC DATA

Please tick (√) in the most appropriate box as the most agreed answer to the following statements

1. Gender of the respondent

Female

Male

2. Age group of the respondent

18-23years

24-28years

29-33years

34-38years

SECTION B

Rate your degree of agreement on financial literacy and Saving behaviour of university students

Using a scale of 5=Strongly agree, 4=Agree, 3=Neutral ,2=Disagree ,1=Strongly disagree

A	To asses the level of financial literacy among the students of UCU	5	4	3	2	1
	I am knowledgeable about creating and maintaining a personal budget					
	I have a clear understanding of different types of savings accounts and their benefits					
	I can explain the basic principles of investing and the risks involved					
	I understand how to manage credit and the impact of credit scores on my financial future					
	I am aware of the various loan options available to me and the terms and conditions associated with each					
	I regularly seek out and use reliable financial education resources to improve my financial literacy					

B	To identify factors that influence saving behaviour among the students of UCU	5	4	3	2	1
	I save regularly due to financial planning and budgeting					
	I am influenced by peers' saving habits when deciding how much to save.					
	I find that my saving behaviour is affected by my current financial situation and income levels					
	I feel that my level of financial literacy impacts my saving behaviour					
	I am motivated to save by having specific financial goals, such as buying a car or funding their education.					
	I am influenced in my saving behaviour by my knowledge of available saving tools and accounts.					

c	To identify the problems that affect financial literacy and saving behaviour among the students of UCU and suggest possible solutions to overcome them	5	4	3	2	1
	I believe that the lack of financial education in the curriculum significantly impacts my financial literacy and saving behaviour					
	I struggle with saving due to insufficient income or financial support					
	I find that peer pressure and social influences negatively affect my ability to save money.					
	I find that the absence of accessible financial resources and tools contributes to poor financial literacy to me.					
	I find that offering workshops and seminars on financial management would enhance my financial literacy and saving habits.					
	I believe that introducing mandatory financial literacy courses would improve my understanding and practice of saving.					

APPENDIX 2: INTRODUCTORY LETTER



**UGANDA CHRISTIAN
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

SCHOOL OF BUSINESS

19th Aug, 2024

TO WHOM IT MAY CONCERN

Name: **SHIDA GLORIA**

Reg. **J23B05/040.**

A bachelor's student who is seeking permission from your office to collect data for her dissertation titled

Financial literacy and saving behavior of university students . A case study of BBA students of Uganda Christian University

We shall be grateful if you could render assistance to her in collecting the necessary data for her dissertation

The Uganda Christian University School of Business thanks you in advance

.....
Mukisa Simon Peter
Research coordinator

A Centre of Excellence in the Heart of Africa

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