IJNRD.ORG ISSN : 2456-4184
INTERNATIONAL JOURNAL OF NOVEL RESEARCH AND DEVELOPMENT (IJNRD) | IJNRD.ORG
An International Open Access, Peer-reviewed, Refereed Journal

Assessment of Digital Financial literacy among College students

[1] H. Bella Josepha and [2] G. John

[1] Research scholar , [2] Associate professor

[1&2] PG and Research Department of Commerce,

St. Joseph's College (Autonomous),Trichy, Affiliated to Bharathidasan University, Tiruchirappalli-620002, Tamil Nadu, India.

[1] bellajosepha_phdco@mail.sjctni.edu , [2] johnsjctry@gmail.com

Abstract

Technology has changed how the financial system operates as a whole. Technology and finance were combined to form the Financial Technology industry. Digital Natives mostly have a variety of electronic devices like computers, tablets, and smartphones, which they commonly use for leisure and less productively for financial aspects. Why digital natives are not using financial technology is a genuine issue; do they face issues with it? The intention of the research is to seek insight into the degree of digital financial literacy among students pursuing graduate and post-graduate degrees at St. Joseph's College in Tiruchirappalli. The research objectives and hypotheses were formulated. The sample size was 351, and sample units were selected using proportionate stratified random sampling. Online surveys and the appropriate instruments were employed as part of the research technique to measure students' degree of digital financial literacy. The analysis revealed that, on average, students accurately answered 64.87 percent of the queries about digital financial literacy, and also that 63.33 was the median score. The next objective was to examine the association between socioeconomic variables and the degree of digital financial literacy. Even if the current group of respondents is familiar with it, they do not use it adequately. In order to improve their lives, it came to light that there exists a persistent disparity within the degree of digital financial literacy. Priority in their higher education should be given to programmes that encourage digital financial literacy education and awareness. Success depends on both technological advancement and the ability of the person to use that technology to enrich their own circumstances.

Keywords: Financial System, Financial Technology, Digital Financial Literacy, Digital Divide, Digital Natives.

1. Introduction

Technology has changed how the financial system operates as a whole. Technology and finance were combined to form the Financial Technology industry. Digital natives must have the necessary skills, knowledge, and habits to use digital devices effectively in the digital age. The ability to utilise digital devices and one's degree of basic financial literacy are both factors that are evaluated together for one's performance in terms of digital financial skills. Digital literacy is the potential to interact with and utilise information in a culture where digital networks like social media, the web, and handheld gadgets are prevalent. The effective use of money management techniques in the areas of earning, investing, spending, borrowing, and safeguarding is referred to as financial literacy. Consequently, the notion of digital financial literacy has evolved. It has to do with someone's ability to use digital devices for financial technology. Youths raised on

modern technologies are unable to adjust to their environment. They encounter difficult circumstances as they strive tremendously to survive in the digital age due to the bias among digital natives caused by the digital divide in our society. In the current predicament, low adoption of digital financial literacy was determined by a multitude of factors, which include lack of familiarity, lack of trust in technology, low digital proficiency, inability to use, inadequate broadband connections, ambiguous nature, and sociological, ethical, and economic issues that must be rectified before accomplishing digital financial literacy.

1.1 Conceptual Definition

1. Digital Financial literacy is possessing the skills, information, and essential behaviours to effectively use technological gadgets for financial activities.
2. The digital divide indicates any disparities in accessing, implementing, or even understanding information and communication technology that exist between groups or countries.
3. "Digital Native" refers to a person who was born after digital technology became extensively utilised.

2. Statement of problem

The root of financial literacy is that financial matters are not addressed in schools, and we are not taught how to handle our money. Digital Natives mostly have a variety of electronic devices like computers, tablets, and smartphones, which they commonly use for leisure and less productively for financial aspects. The internet and digital gadgets are used to carry out daily operations. Why digital natives are not using financial technology is a genuine issue; do they face issues with it? Therefore, the demand for digital financial literacy becomes more critical. The intention of the research is to seek insight into the degree of digital financial literacy among students pursuing graduate and post-graduate degrees at St. Joseph's College in Tiruchirappalli and the numerous variables that affect the degree of digital financial literacy.

3.Research Objectives

1. To map a comprehensive picture of digital financial literacy among students at St. Joseph's College, Tiruchirappalli.
2. To examine the numerous variables that affect the degree of digital financial literacy.

4.Research Hypothesis

The hypothesis guiding the research includes

1. Ho: There is no significant disparity between genders and the degree of digital financial literacy among St. Joseph's College students.
2. H_O:There is no significant disparity between levels of education and the degree of digital financial literacy among St. Joseph's College students.
3. H_O:There is no significant disparity between residences and the degree of digital financial literacy among St. Joseph's College students.

5.Literature Review

The researcher came across various sources to assess digital financial literacy using frameworks developed by previous academics. Digital competence, financial behaviour and attitude, technical and non-technical skills, and digital intelligence are just a few of the numerous dimensions of digital financial literacy that they look at. (Lo Prete, 2022) evaluated "digital and financial literacy as determinants of digital payments and personal finance" by employing standard surveys. It covered a wide range of topics related to technology and finance, and the information given emphasises how significant it is to consider both concepts when assessing individual investors' readiness for digitization. (Ray et al., 2022) insisted on the digital financial inclusion barriers as the root cause of the low literacy rate. The gender gap, as well as socio-cultural norms that prevent them from utilising and accessing it. This made the urge of G20 countries to bring to light the requirement of financial education, which can be empowered with the financial technology company to solve the issue. (Lyons & Kass-Hanna, 2021) constructed "A Multidimensional Approach to Defining and Measuring Financial Literacy in the Digital Age," which gauges different dimensions and subdimensions using indicators. The component "set of knowledge, awareness, and abilities in financial and digital literacy, as well as specific risk features

to digital financial services," was introduced to the framework. The framework was evaluated using a weighted scheme metric to determine those literacy levels. Setiawan(2020) examined the "current saving behavior, current spending behavior and foresight of future saving with digital financial literacy" by employing the method constructed among the millennials of Indonesia and found that the socio-economic variables play a significant role in determining the level of literacy.

5.1 Research Gap

There is numerous research on both financial literacy and digital literacy, but few specifically on digital financial literacy. In light of this, it is suggested that the researcher conduct the current study in order to gain insightful knowledge about the degree of digital financial literacy among students of St. Joseph's College in Tiruchirappalli.

6.Research Methodology

The study was of a descriptive kind. It describes the characteristics of a population or phenomenon that is being studied. The researcher employed both primary and secondary sources to gather data. Although primary data was acquired from the students who seek higher education at St. Joseph's College, Tiruchirappalli, secondary data came from journals, papers, books, and official records of higher education (AISHE).

Researchers use the Framework to assess the degree of digital financial literacy among students at St. Joseph's College. An approach with a total of four elements was implemented in this study. The "digital financial literacy framework" propounded by (Morgan et al., 2019) is:

1. "Knowledge of Digital Financial Products and Services: It refers to the awareness of users regarding digital financial products and services.
2. Awareness of Digital Financial Risk: It refers to awareness of various digital financial risks like phishing, pharming, spyware etc.
3. Digital Financial Risk Control: It measures DFS users practises that protect themselves from risks arising from such use.
4. Knowledge of Consumer Rights and Redress Procedures: It refers to understanding the rights of the consumer and the process to be followed in case of a problem (fraud)" . (Morgan et al., 2019; Rajdev et al., 2020)

6.1 Population and sample size

As of the current academic year, St. Joseph's College has a total student population of 7,026, encompassing both undergraduate and postgraduate programs offered across both shifts. The sample size for this population is determined using the Krejcie and Morgan formula. As a result, the sample size is 351 with a 95% confidence degree and a 5% confidence interval. The sample units were selected at random from the population by the researcher using proportionate **stratified random** sampling.

7.Analysis

Based on the "Digital Financial Literacy Framework", a questionnaire has been developed for assessing the degree among St. Joseph's College students. The test score technique was eventually employed to analyse the results of the 30 items used for assessing digital financial literacy. The research's hypotheses were tested using statistical methods. Finally, SPSS and Excel software were used to analyse the data. The overall score for digital financial literacy was taken into account when calculating the respondents' percentage of correct answers. in addition to the socioeconomic variables of the respondents, such as their gender, age, level of education, course discipline (major), and residence.

The profile of the respondents to this study is shown in Table 1.

Variable		Frequency	Percent
Gender	Male	259	73.8
	Female	92	26.2
Age	18 years	98	27.9
	19 to 20 Years	189	53.8
	21 to 23 Years	64	18.2
Level of Education	Graduate	287	81.8
	Post Graduate	64	18.2
Course Discipline (major)	Arts	154	43.9
	Science	197	56.1
Residence	Rural	154	43.9
	Semi- Urban	147	41.9
	Urban	50	14.2

Source: Primary Data

Table 1 lists the variables regarding the students at St.Joseph's College. The degree of digital financial literacy is anticipated to be influenced by socioeconomic variables like gender, age, level of education, discipline (major), and residence.

Table 2: Descriptive Statistics Regarding Digital Financial Literacy Score

Central Tendency	Value
Mean	64.87
Median	63.33
Mode	50.00
SD	19.89

Source: Primary Data

The statistical information about the results for digital financial literacy is shown in Table 2. Based on the median score of 63.33 and the average percentage of respondents who answered each question correctly, we may divide the students into two groups: low degree and high degree, who, respectively, scored lesser and greater than the median score.

7.1.1 Knowledge of digital financial products and services

Each question's right response percentage by the respondents is shown in declining sequence. students from St. Joseph's College were ranked according to how well they knew about digital financial goods and services. The respondents' scores fell short of those for the following categories and were greater than the median percentage: UPI abbreviation (86.4%), online payment benefits (83.5%), ATM abbreviation and knowledge of e-cash (78.4%), debit card purpose (75%), and fintech knowledge (74.4%). Knowledge of credit card offers (63.1%), the concept of cryptocurrency (62.5%), knowledge of E-Banking (61.4%), the concept of Bitcoin currency (52.8%), and the purpose of Digi-Locker (47.2%) were lower than the median.

7.1.2 Awareness of Digital Financial Risk

Each question's right response percentage by the respondents is shown in declining sequence for the performance of the awareness of digital financial risk. Respondents performed greater than and lesser than the median percentage in categories such as UPI money limit (71.6%), vishing concept (62.5%), knowledge of suspicious emails (61.4%), smishing concept (57.4%), e-banking skimming method (54%), and scams through websites (52.3%) and bogus websites (31.3%).

7.1.3 Awareness of Digital Financial Risk Control

Each question's right response percentage by the respondents is shown in declining sequence regarding their awareness of digital financial risk control and was classified. The respondents performed greater than the median percentage in several categories, including knowledge of regulatory body-issued KYC guidelines (87.5%), the abbreviation of CVV and KYC (75%), use of the IFSC code (67.6%), and knowledge of credit score (65.9%). purpose of KYC and authentication (61.9%), and requirements for secure passwords (50%) all received lesser scores than the median.

7.1.4 Knowledge of Consumer Rights and Redress Procedures

Organizations releasing bank ombudsman schemes (69.9%) and knowing about cyber security (64.8%) had the highest percentages compared to the median of respondents who responded rightly the questions about consumer rights and redress procedures. The percentage of respondents who scored below the median was as follows: features of the bank ombudsman scheme and knowledge of bank norms (58.5%); features of cyberattacks and cybercrime (50.6%); and maximum compensation through the Ombudsman (43.2%). The degree of college students' digital financial literacy has been evaluated using the test score.

7.2 Testing of Research Hypotheses

The hypothesis was put to the test using the mean scores of digital financial literacy driven by socioeconomic variables such as gender, level of education, and residence. The discrepancies in digital financial literacy scores based on gender and level of education have been examined using the independent samples t-test, and by employing a one-way ANOVA approach, the association between residence and degree of literacy was assessed.

7.2.1 H_O:There is no significant disparity between genders and the degree of digital financial literacy among St. Joseph's College students.

Table 3 shows t- test of gender and digital financial literacy scores.

Gender	N	Mean	Std. Deviation	t	Sig.(2 tailed)
Male	259	65.1093	20.48562	.375	.708
Female	92	64.2029	18.21002	.397	.692

Source: Primary Data

Table 3 shows t-test results for gender, which indicate no significant disparity in average scores for digital financial literacy scores (p=0.708, 0.692), which is greater than 0.05 for male and female students, thus the null hypothesis is agreed upon. There is no significant disparity between genders and the degree of digital financial literacy among St. Joseph's College students.

7.2.2 H_0: There is no significant disparity between levels of education and the degree of digital financial literacy among St. Joseph's College students.

Table 4 shows t- test of level of education and digital financial literacy scores.

Education Qualification	N	Mean	Std. Deviation	t	Sig.(2 tailed)
UG	287	65.8536	20.38778	1.966	.050
PG	64	60.4684	16.95347	2.210	.029

Source: Primary Data

Table 4 shows the test results for education qualification, which indicate a significant disparity. in average scores of digital financial literacy score (p = 0.050, 0.029; $P<0.05$), and for UG (undergraduate) and PG (postgraduate) students, the null hypothesis is denied. There is significant disparity between levels of education and the degree of digital financial literacy among St. Joseph's College students. UG (undergraduate) students were identified as having a greater grasp of digital financial literacy than PG (postgraduate) students.

7.2.3 H_0: There is no significant disparity between residences and the degree of digital financial literacy among St. Joseph's College students.

Table 5 shows the ANOVA of residences and the digital financial literacy score

	Sum of Squares	Mean Square	F	Sig.
Between Groups	823.284	411.642	1.040	.354
Within Groups	137680.975	395.635		
Total	138504.259			

Source: Primary Data

Table 5 shows the result of a one-way ANOVA indicating whether there is a significant disparity or not for residential status and digital financial literacy scores. Since the p value is greater than 0.05 (p =0.354), the null hypothesis has been agreed upon. There is no significant disparity between residences and the degree of digital financial literacy among St. Joseph's College students.

8. Findings and Conclusion

The researcher's effort was intended to figure out the degree of digital financial literacy of St. Joseph's College students. We revealed that, on average, students accurately answered 64.87 percent of the queries about digital financial literacy, and also that 63.33 was the median score. The next objective was to examine the association between socioeconomic Variables and the degree of digital financial literacy. In terms of digital financial literacy, we discovered no significant disparities between both genders of students. However, graduate students surpassed post- graduate students in terms of digital financial literacy, and they have an understanding of it. In a similar vein, we encountered no significant disparity in digital financial literacy when considering residence.

Youth who are raised with modern technology are unable to adapt to their surroundings. Every sector offers numerous prospects, but the correct person will only be able to seize them if he possesses the relevant skills; as a result, digital financial skills is essential in every profession. Even if the current group of respondents is familiar with it, they do not use it adequately. In order to improve their lives, it came to light that there exists a persistent disparity within the degree of digital financial literacy. Priority in their higher education should be given to programmes that encourage digital financial literacy education and awareness. Success depends on both technological advancement and the ability of the person to use that technology to enrich their own circumstances.

9. Scope for future direction

The researcher may also employ a framework such as " Multidimensional framework for measuring digital financial literacy" developed by Lyons, A., & Kass-Hanna, J. (2021) to figure out the degree of literacy in the intended community. This research may be further applied to other institutions and industries that require breakthroughs in technology in work settings.

10.References

1. APAC (2018). Digital Payments: Thinking beyond Transactions (APAC-Jun 2018). APAC Research Report. APAC, PayPal Inc. Retrieved from https://www.paypalobjects.com/digitalassets/c/website/marketing/global/shared/global/media-resources/documents/PayPal_Asia_Research_Report_Digital_ Payments.pdf
2. Assessment of the Progress of Digitization from Cash to Electronic – RBI Report (2019) retrieved from https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/ CASHB74203395BD64E2ABC1BD5F68D8AEF13.PDF
3. Gomber, P., Koch, J. A., & Siering, M. (2017). Digital Finance and FinTech: Current Research and Future Research Directions. Journal of Business Economics, 87(5), 537-580.
4. Institute, M. G. (2016). Digital Finance for All: Powering Inclusive Growth in Emerging Economies.

5. Lo Prete, A. (2022, April). Digital and financial literacy as determinants of digital payments and personal finance. *Economics Letters, 213*, 110378. https://doi.org/10.1016/j.econlet.2022.110378
6. Lyons, A. C., & Kass-Hanna, J. (2021, June). A methodological overview to defining and measuring "digital" financial literacy. *FINANCIAL PLANNING REVIEW*, *4*(2). https://doi.org/10.1002/cfp2.1113
7. Lyons, A., & Kass-Hanna, J. (2021). A Multidimensional Approach to Defining and Measuring Financial Literacy in the Digital Age. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3873386
8. Morgan, P. J., Huang, B., & Trinh, L. Q. (2019). The need to promote digital financial literacy for the digital age.
9. Ozili, P. K. (2018). Impact of digital finance on financial inclusion and stability. Borsa Istanbul Review, 18(4), 329-340.
10. Rajdev, Amit. (2020). An Analysis of Digital Financial Literacy among College Students.
11. Rana, N. P., Luthra, S., & Rao, H. R. (2019). Key challenges to digital financial services in emerging economies: the Indian context. *Information Technology & People*.
12. Ray, Saon & Morgan, Peter & Thakur, Vasundhara. (2022). Digital Financial Inclusion and Literacy from a G20 Perspective. 6.
13. The Report of the Committee on Deepening of Digital Payments (2019), retrieved from https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CDDP03062019634 B0EEF3F7144C3B65360B280E420AC.PDF
14. Saini, S. (2019). Digital financial literacy: awareness and access. *International Journal of Management, IT and Engineering*, *9*(4), 201-207.
15. Setiawan, M., Effendi, N., Santoso, T., Dewi, V. I., & Sapulette, M. S. (2020). Digital financial literacy, current behavior of saving and spending and its future foresight. *Economics of Innovation and New Technology*, 1-19.