

Determinants of Financial Literacy with Special Reference to Young Adults in Western Province of Sri Lanka

Malavithanthila, M.K.T.N.¹ and Perera, L.A.S.²
Department of Finance, University of Kelaniya, Sri Lanka^{1,2}
thisurimalavi1@gmail.com, shanakala@kln.ac.lk

ABSTRACT

Purpose: The aim of this study is to investigate and evaluate the factors affecting financial literacy among the young adults of western province of Sri Lanka. The fact that this study expands on the idea of financial literacy and its factors is one of its strengths.

Design/methodology/approach: The research has a quantitative survey-based data collection, and it also uses both structural equation modeling (SEM) and Regression analysis. The population of the study is the young adults that is young adults whose age is between 17 to 30 in Western province of Sri Lanka. The sampling method of the study is convenience sampling, and the sample size was determined using Cochran's formula which is 384.91.

Findings: The results of the study showed that the young adults are more confident with financial literacy, financial behavior, financial knowledge, and financial experience whereas they should concentrate more on improving their financial goals, financial decisions and financial wellbeing. With the help of the regression models, it also proved that financial Technology is a new determinant of financial literacy and the model built showed the interrelationship between the financial literacy determinants.

Originality: This study fills a gap in the body of knowledge about the several variables that affect financial literacy. It offers data to aid decision-makers in creating plans to improve societal financial literacy.

Keywords: *Financial Literacy, Financial Technology, Young Adults, Sri Lanka*