

The Impact of Digital Finance literacy and financial socialization on Personal Finance management - Evidence from Undergraduates of University of Kelaniya

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Abstract

Introduction: The purpose of this study is to understand the connection between the digital finance literacy and financial socialization on personal finance management among university students in Sri Lanka. Effective personal financial management is the cornerstone of building a secure and prosperous future. As the society continues to embrace the use of digitally enabled financial products, it becomes important to unravel the importance of digital finance literacy particularly for the young people who are in preparatory stages of joining the working world. Also financial socialization which is the socialization of families, peers and cultures affects the financial attitudes and behaviors.

Methodology: The study identified a sample of 384 undergraduates at the University of Kelaniya. This study was carried out based on primary data and followed the survey questionnaire research strategy. Digital Finance attitudes, Digital finance knowledge, Digital finance awareness, Parental financial socialization, Peer influence on financial socialization, Media influence on financial socialization were used as independent variables and Personal finance management was used as the dependent variable. The major technique to collect data from the undergraduates was the five-point Likert scale questionnaire. A multiple regression analysis was conducted, and the SPSS statistical package was used to analyze the data.

Findings: According to the study's findings, all of six independent variables had a statistically significant positive relationship with the dependent variable among the undergraduates in University of Kelaniya. Independent variables do not influence each other much because the results, inter-correlation matrix, VIF and tolerance values and Cronbach alpha value show all the data is more reliable. In light of the outcomes of the analysis, the authors nod towards the centrality of digital finance literacy and financial socialization, building on the cumulative research evidence.

Conclusion: The final result highlights that the overall model is statistically significant, and the researcher suggests that future researchers might consider employing long-term panel surveys to monitor shifts in Digital financial behavior and attitudes over an extended timeframe.

Keywords: Digital Financial Attitudes, Digital Financial Knowledge, Digital Financial Awareness, Parental Financial Socialization, Peer Influence, Media Influence