

Financial Literacy and Saving BehaviorAuthor: Christy Bou Frem¹*Affiliation:*

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Abstract:

This study explored the relationship between financial literacy and saving behavior among university students while also considering financial inclusion and self-control. The study utilized secondary empirical data from Irfan et al. (2023), who investigated accounting students at a private Islamic university in Medan City, Indonesia. Irfan et al. (2023) conducted a survey among 97 students selected from a population of 3,747 students and analyzed the data using Partial Least Squares (PLS). The results reported a significant relationship between financial literacy, financial inclusion, and students' saving behavior, whereas self-control was not reported as a significant moderator. Similarly, previous research has demonstrated a relationship between financial literacy and students' financial and saving behavior (Prempeh et al., 2024; Faramida et al., 2023). The results suggest that the improvement of students' financial knowledge and access to financial services can lead to better saving behavior. The results should be interpreted in the context of the original participants, as the current research is based on published evidence, not original data collection.

Keywords:

Financial literacy, saving behavior, university students, financial inclusion, self-control, financial education.

Introduction:

Managing money has become an important part of students' daily lives, especially as university students begin making more independent financial decisions. Students have to deal with expenses related to education, transportation, food, entertainment, and other personal needs while often having limited income. Because of this, the ability to understand financial concepts and manage money effectively can influence how students spend and save.

Financial literacy is generally associated with an individual's ability to understand financial concepts and make informed financial decisions. For students, this knowledge can be particularly important because financial habits developed during university may continue into later stages of life. Previous research has examined the relationship between financial literacy and saving behavior among university and tertiary students. For example, Prempeh et al. (2024) examined 377 tertiary students in Ghana and found that financial literacy and financial information were relevant to students' financial decisions. Similarly, Faramida et al. (2023) found a significant positive effect of financial literacy on saving behavior among students.

However, saving behavior is not necessarily determined by financial knowledge alone. Access to financial services may also affect the way students manage and save their money. Financial inclusion can provide individuals with access to accounts, financial products, and other services that make saving easier. Irfan et al. (2023) therefore examined both financial literacy and financial inclusion in relation to students' saving behavior, while also considering self-control as a moderating variable. Their study found significant effects of financial literacy and financial inclusion on saving behavior, whereas self-control did not significantly moderate these relationships.

The main research question of this study is: To what extent are financial literacy and financial inclusion associated with the saving behavior of university students? The study also considers whether self-control changes these relationships. The objective is to examine the available empirical evidence and determine whether students with stronger financial knowledge and greater access to financial services demonstrate different saving behavior.

Literature Review:

Previous research generally indicates that financial literacy is an important factor in understanding students' financial behavior. Irfan et al. (2023) examined the relationship between financial literacy, financial inclusion, and saving behavior among accounting students in Indonesia. Their study found that financial literacy and financial inclusion had significant effects on saving behavior. The researchers also examined self-control as a moderating variable but found no significant moderating effect.

Other studies provide similar evidence concerning the relationship between financial literacy and saving behavior. Prempeh et al. (2024) studied 377 tertiary students at Kumasi Technical University in Ghana and found that students demonstrated an average level of financial literacy. The study also found that seeking financial information and advice was relevant to financial decision-making among students. Faramida et al. (2023), in a study of students at Universitas Sebelas Maret, also reported a significant positive effect of financial literacy on saving behavior. Their research additionally considered mobile banking services, gender, and self-control, showing

that saving behavior can be influenced by several financial and behavioral factors rather than financial literacy alone.

More recent research has continued to investigate the connection between financial literacy and saving decisions. Ananda et al. (2024), for example, examined the relationship between financial literacy and saving behavior among investors in the Gulf Cooperation Council region and reported a positive relationship between financial literacy and saving behavior. Their study also considered financial confidence and risk aversion, showing that financial behavior can involve additional psychological and behavioral factors.

Overall, the literature suggests that financial literacy is an important factor associated with saving behavior, but it does not operate independently from other conditions. Financial inclusion, access to financial services, self-control, financial information, and other personal characteristics may also influence financial decisions. The existing literature therefore provides support for examining financial literacy together with financial inclusion when studying students' saving behavior. The present research builds on this literature by using the empirical findings of Irfan et al. (2023) as secondary evidence and focusing specifically on university students.

Methodology:

This study uses a quantitative research approach based on secondary empirical data to examine the relationship between financial literacy and saving behavior among university students. The research is based on the empirical study conducted by Irfan et al. (2023), which investigated the impact of financial literacy and financial inclusion on students' saving behavior. The original study was conducted among accounting students at a private Islamic university in Medan City, Indonesia. The population consisted of 3,747 students, from which a sample of 97 students was selected using the Slovin sampling formula. The original researchers collected data through questionnaires and observation.

For the purpose of this research, the published empirical findings of Irfan et al. (2023) are used as secondary data. The main variables considered are financial literacy, financial inclusion, saving behavior, and self-control. Financial literacy represents students' knowledge and ability to manage financial matters, while financial inclusion refers to their access to and use of financial products and services. Saving behavior is the dependent variable and reflects students' practices and decisions related to saving money. Self-control is considered as a moderating variable that may influence the relationship between financial literacy, financial inclusion, and saving behavior.

The original study used Partial Least Squares (PLS) to analyze the relationships between the variables. The analysis examined the direct effects of financial literacy and financial inclusion on students' saving behavior, as well as the moderating effects of self-control. The statistical findings reported in the original study are used as the basis for the empirical results of this research. Since the present research relies on published secondary findings rather than newly collected questionnaire responses, no new survey was conducted.

The research focuses on university students and specifically examines how financial knowledge and access to financial services are associated with saving behavior. Because the original sample

consisted of accounting students from one university in Medan City, the findings are interpreted within the context of this sample and are not assumed to represent all university students.

Results:

The results are based on the empirical findings reported by Irfan et al. (2023). The original study used Partial Least Squares (PLS) to test the relationships between financial literacy, financial inclusion, saving behavior, and self-control. The study reported significant direct effects of financial literacy and financial inclusion on students' saving behavior. In contrast, the two reported moderating effects involving self-control were not statistically significant, with p-values of 0.957 and 0.836.

Table 1: Main Statistical Results Reported by Irfan et al. (2023)

Relationship / Effect	Original Sample (β)	T-Statistic	P-Value	Result
Financial inclusion → saving/financial behavior	0.259	3.289	0.001	Significant
Financial literacy → financial behavior	0.190	2.031	0.043	Significant
Moderating Effect 1 → financial behavior	0.006	0.054	0.957	Not significant
Moderating Effect 2 → financial behavior	-0.023	0.207	0.836	Not significant

Note. The table reproduces the statistical values reported in Table 3 and Table 4 of Irfan et al. (2023). The published article contains some inconsistent variable labels between its tables and explanatory paragraphs; therefore, the values are presented as reported rather than reinterpreted.

The results show that the reported direct relationships were statistically significant because their p-values were below 0.05. The original authors specifically concluded that financial literacy and financial inclusion significantly affect students' saving behavior. The reported moderating effects, however, were not significant because their p-values were substantially higher than 0.05. Therefore, the study did not find statistical evidence that self-control significantly changed the relationships between the main financial variables and saving behavior.

Discussion and Conclusion:

This study explored the relationship between financial literacy and saving behavior among university students using secondary empirical evidence from Irfan et al. (2023). The findings indicate that financial literacy and financial inclusion are significantly associated with students' saving behavior. This suggests that the financial knowledge of students and their access to financial services can have an important impact on how they manage and save their money.

The findings are generally consistent with previous research, as Prempeh et al. (2024) and Faramida et al. (2023) also identify a relationship between financial literacy and students' financial

decisions and saving behavior. However, the saving behavior of students is affected by multiple determinants beyond their financial literacy, and factors such as their access to financial services, financial information, and personal characteristics can also be relevant.

One limitation of the research is that it relies on secondary data from another study exploring the financial behavior of 97 accounting students at one private Islamic university in Medan City, Indonesia. Therefore, the results should not be generalized to all university students or students in other countries. In addition, the current research does not test the original respondents or reproduce the PLS analysis using the raw questionnaire data that produced the reported results. Future research should explore the financial behavior of a larger sample of students from different universities and countries and should also consider relevant financial and behavioral aspects such as income, parental influence, financial technology, employment, and spending.

Furthermore, the study does not address the impact of the new trend, AI, on either financial literacy or on saving behaviors, which is an important limitation given that we live in a data-driven culture (Azoury et al., 2024), additionally, the subjects of sustainability (Kaspard et al., 2026) and ESGs are not tackled (Kaspard et al., 2025), neither the impact of greenwashing on saving and purchasing behaviors (Daou et al., 2025). Future research can focus on big data analytics (Subrahmanyam et al., 2024) to better measure financial literacy.

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