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FINANCIAL LITERACY AND SAVING BEHAVIOUR AMONG TERTIARY STUDENTS

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ABSTRACT

In this study, the level of financial literacy of university students from Kumasi Technical University was analysed. The aim of the research was to examine the financial literacy and saving behaviour of tertiary students using Kumasi Technical University as a case study. An online survey tool was used to collect the data. A sample size of 377 was drawn from the population by the convenience sampling method with data from primary sources. The quantitative data was analysed through descriptive statistics. Statistical Packages for Social Science (SPSS version 20) was employed to analyse the data. It was found out that

the financial literacy among the respondents was average, especially among students studying business and management courses. This could be due to the fact that most of their courses of study are finance-related as compared to other students in other programmes. It was also found that the majority of respondents across different age groups felt that seeking financial information and advice had an impact on their decisions. However, a significant percentage (13.5 percent) of respondents aged 18 to 24 said that even if they had sought financial information and advice, their decisions had not been impacted. This study will provide guidance to policymakers and other regulators on how to develop appropriate strategies to increase savings among young people.

Keywords: Financial literacy, savings behaviour, tertiary students, Ghana.

INTRODUCTION

Savings have played a major role in the economic development of countries in recent decades. Saving is the part of income that is not spent on current consumption. Individual consumption behaviour determines their saving decisions (Zakaria & Sabri, 2013; Baidoo et al., 2018). Saving is considered an important factor influencing the economic growth of developing countries (Jagadeesh, 2015). In developing countries, saving is an essential part of household well-being. For individuals and family units, savings provide security against future crises, while national savings provide resources needed for country development (Gedela, 2012; Jagadeesh, 2015). Savings are essential for a country's economic development since low savings rates also translate into poor investment, which lowers capital accumulation. According to Owusu (2016) and Mireku (2015), the ability to save money and the savings rate impact the rate of economic growth since higher savings rates result in higher investment rates, which in turn spur economic growth.

Lack of financial literacy impacts individuals' ability to achieve long-term goals such as day-to-day money management, home buying, college education, and financing retirement. Financial illiteracy can result in poor money management habits that make people more susceptible to severe financial crises (Ergn, 2017). In addition to having

an adverse effect on an individual's well-being, financial mistakes can also have an adverse effect on the economy as a whole (Huston, 2010). Financially illiterate family members may make poor decisions that have an impact not only on themselves but also on their families and the wider community (Ergn, 2018). To make informed decisions regarding currently available products and interact with today's increasingly complex financial services and products, consumers need financial literacy (Isomidinova et al., 2017). Financially aware people typically pay less interest on both credit card debt and mortgage loans (Huston, 2012). Consumers that are financially savvy typically save for the future, retirement, and emergencies (Yeh, 2022). People who at least have rudimentary financial knowledge save more effectively (Lusardi & Mitchell, 2017).

On the other hand, developing financial literacy among young people has become one of the most fundamental issues for policymakers. The first reason is that young people's financial choices are different today than they used to be. Financial systems, services, and products are becoming more sophisticated. The second reason is that young people will face greater risks in the future due to longer life expectancies, lower wealth, employment challenges, and uncertain economic prospects (Danquah, Gyimah, Poku, and Osei-Poku, 2018). This study will also add to the available literature on financial literacy and provide the necessary atmosphere for future research in Ghana.

Financial literacy has gained attention in many circles of academia and the corporate environment worldwide. In Ghana, the proliferation of many financial institutions, the exploration of oil, and the springing up of many small and medium enterprises called for a study on the knowledge of financial issues among various stakeholders (Francis et al., 2022). Therefore, the need for the study of financial literacy cannot be overemphasised. It is very crucial to ascertain students' level of financial knowledge now so that we can design courses that will help close the financial knowledge gap. The university environment provides a perfect and conducive atmosphere for the young and the old who are pursuing different degrees on campus to receive sound financial education. Thus, the intended final outcomes of the research will provide evidence of students' knowledge in personal finance for the development of guidelines for implementing an effective financial literacy programme so as to improve the quality of life of the people in Ghana. This study will also be useful to policymakers regarding the

financial literacy of the citizenry. The study covered all year groups of students at Kumasi Technical University (KsTU) for the 2021–2022 academic year. The study was limited to KsTU as a case study because of the inability to cover all tertiary institutions in Ghana. The study focused on the financial literacy and savings behaviour of students.

LITERATURE REVIEW

Definition of Financial Literacy

According to Mireku (2015), financial literacy is becoming more prominent among various stakeholders such as financial institutions, government, consumers, international organizations (such as the Organization for Economic Co-operation and Development, the World Bank) and other organizations. In this regard, financial literacy, as described by Kuchciak and Wiktorowicz (2021), is the measurement of how well an individual understands and uses personal finance-related information in financial decision-making. That is, it is about a person's ability and confidence to use his/her financial knowledge to make financial decisions (Sulaiman et al., 2023).

Definition of Savings

Saving is the part of income that is not spent on current consumption (Cheema et al., 2018). People save their money for different purposes. Saving benefits not only individuals but the whole country, contributing to infrastructure development and long-term investments in the country. At the same time, austerity poses a hurdle for countries to face financial crises and economic downturns (Baidoo et al., 2018). The percentage of earnings not used for current expenses is saved. Since no one can predict what will happen in the future, this is done (Htet, 2020). Funds should therefore be set aside to cover unforeseen circumstances or crises. A person's dishwasher could leak, their car could break down, or they could have a medical emergency. Unexpected events can lead to significant financial difficulties if you do not have savings.

Determinants of Savings Behaviour

The intention to save is influenced by many factors. These include the following: social security systems, personal income levels of

individuals, interest rate on savings, demographic factors, dependency ratio, and urbanization (Acheampong & Siiba, 2020). Research by Shilimi (2021) found a negative association between age and savings and investments. Furthermore, there was no significant association between family size and savings. However, a study by Owusu et al. (2023) found that the age distribution and income level of rural households in the Ho community is the most important determinants of families' saving and investment behavior in the study area.

Relationship between Financial Literacy and Savings Behaviour

Lopus et al. (2019), in their research examining the impact of business and financial literacy on young entrepreneurs in Bosnia and Herzegovina, found that both below- and above-average financial literacy entrepreneurs have changed some of their business practices, such as: Despite keeping personal and business accounts separate and investing in their businesses, only those with above-average financial literacy at baseline reported increased sales and profits as a result. They also found that the training program increases sales for business owners who have high levels of financial literacy.

To measure the level of financial literacy among teachers in Ghana's Sekyere East District, Owusu (2015) conducted a study. Using practical and stratified sampling techniques, 150 teachers were sampled. With an overall average score of 53.68 percent for correct education, the overall financial literacy results show that teachers in the district have insufficient or poor levels of financial literacy overall. Therefore, the ability to make relevant financial decisions is limited.

The research by Okicic et al. (2021) found a positive association between financial knowledge and financial behaviors (such as saving, investing, insurance) among business administration students at the KNUST School of Business. This is consistent with the study by Aydin and Akben Selcuk (2019) who found that positive financial attitudes and behaviors among students are significantly related.

Challenges of Savings

Research by BenonzaolTiere (2016) found that the challenges faced by small business owners in the Kumasi Central Business Center were fraud when attempting to withdraw some of their savings,

light outages, system failures, network issues, delays and sometimes problems with cashiers declaring denominations.

MATERIALS AND METHODS

The aim of this study is to gather enough information about financial literacy, the challenges that tertiary students face when it comes to saving, and students' saving behaviors. Therefore, we use an explanatory, descriptive, and exploratory research design (Saunders et al., 2009). According to Saunders et al. (2009), the population of a study is the total number of students with certain characteristics that are of interest to the researcher. For this study, the population consists of all students at Kumasi Technical University. Data on the estimated total population of university students is 12990 (Office of Planning Unit, 2022). We used convenience sampling to select three hundred seventy-seven (377) students for research. Our research uses primary data collected through self-administered questionnaires. We adapted the Mireku (2015) survey instrument to examine knowledge of the concepts and principles of personal financial literacy and saving behavior. A key benefit of this method is that it helped us collect data for each specific objective of the study. The collected data is processed, coded and analysed using SPSS software. The study uses crosstabulations to analyze the variables. We adapt all measurements from Sarpong-Danquah et al. (2018) and Peiris (2021).

RESULT

Respondents Information

The demographic information of respondents revealed that 177 students were male, which represents 46.9 percent of those who answered the questionnaires. The females were 200, which constitutes 53.1 percent of the respondents. According to the findings, more than half of the respondents were female. The reason that may account for this result is the calmer nature of women than men in any activity. Also, according to BenonzaolTiere (2016), it is believed that women have a higher appetite for saving than men. The results revealed that no respondent was younger than 18 years old. However, 58.1 percent, 39 percent, and 2.9 percent of the respondents were within the age groups of 18–24 years, 25–30 years, and 31 and above, respectively.

From the findings, it is significant to note that more than half of the respondents were within the age range of 18 to 24 years. This finding is not strange, since most students in tertiary institutions in Ghana are normally found between the ages of 18 and 24. As regards marital status, 337 respondents, representing 89.4 percent, were single, whereas 40 respondents, representing 10.6 percent, were married. The result indicates that the majority of the respondents were not married, and this is not strange in the Ghanaian tertiary educational system. In terms of respondents working experience, 40 respondents representing 10.6 percent had no work experience, 181 respondents representing 48 percent had less than two years of work experience, and 102 respondents representing 27.1 percent had two to four years of work-related experience. In addition, 43 respondents, representing 11.4 percent, and 11 respondents, representing 2.9 percent, have five to 10 years and 11 or more years, respectively. This is not surprising, as a large proportion of the respondents were post-high school undergraduate students, where it is expected that they will have less than two years of working experience.

Age Group and Annual Personal Income of Students

The age distribution and personal annual income of the respondents were also examined by the researcher. The focus was on incomes from students’ loans, salaries, commissions, and monies from family members and friends, as well as the age group that earned more income in our tertiary institutions.

Table 1

Crosstabulation of Age and Annual Personal Income of Respondents

		Annual Personal Income				
		Under GH¢500	GH¢500 - GH¢1,499	GH¢1,500 - GH¢4,999	GH¢5,000 - GH¢14,999	Total
Age	18-24	80 (21.2%)	123 (32.6%)	16 (4.2%)	0 (0.0%)	219 (58.1%)
	25-30	24 (6.4%)	75 (19.9%)	24 (6.4%)	24 (6.4%)	147 (39.0%)
	31 +	0 (0.0%)	8 (2.1%)	0 (0.0%)	3 (0.8%)	11 (2.9%)
Total		104 (27.6%)	206 (54.6%)	40 (10.6%)	27 (7.2%)	377 (100.0%)

Source: Field Data, 2022

From Table 1, 80 (21.2%) of the respondents within an age bracket of 18 to 24 years earned less than GH¢500, 123 (32.6%) of the

respondents earned between GH¢500 - GH¢1,499 and 16 (4.2%) of the respondents earned between GH¢1,500 - GH¢4,999 annually. However, no respondent within an age bracket of 18 to 24 years earned above GH¢4,999. Also, within the age bracket of 25 to 30 years, 24 (6.4%) earned less than GH¢500, 75 (19.9%) of the respondents earned between GH¢ 500 - GH¢1499 and 24 (6.4%) of the respondents earned between GH¢1500-GH¢4900 and between GH¢5000-GH¢14999 annually respectively. Finally, with an age range of 31 years and above, 8 (2.1%) earned between GH¢500 - GH¢1,499 and 3(0.8%) of the respondents earned between GH¢5,000 - GH¢14,999 annually respectively. From the findings above, it can be deduced that most of the respondents within the age group of 18 to 30 years (54.6%) earned between GH¢500 - GH¢1,499 annually. The result showed that most of the respondents have low personal incomes. This could be attributed to the fact that a large number of the respondents might be working, but with minimal jobs.

Descriptive Statistics of Financial Literacy of Tertiary Students

The first objective of the research was to ascertain the level of financial knowledge of tertiary students. As illustrated in Table 2, the respondents rated themselves on a list of statements relating to finance to determine their level of financial knowledge. They were required to use the scale of three (3) as a large extent, two (2) as a reasonable extent, and one (1) as not at all to determine their level of financial knowledge.

Table 2

Level of Financial Literacy of Tertiary Students

Responses	N	Mean	Std. Deviation
I manage my own finance	377	1.6870	0.58589
I am conversant with financial matters	377	1.7294	0.64082
I have confident in making financial decisions	377	1.4668	0.57851
I understand financial information	377	1.6101	0.56888

Scale: mean of 2.1-3.0 is large extent; 1.1-2.0 is reasonable extent and mean of 0.0- 1.0 is not at all

Source: Field Data, 2022

The descriptive statistics from Table 2 revealed that the majority of the respondents confirmed that they have reasonable knowledge (mean

=1.6870) of finance when it comes to managing their own finances. The respondents also indicated that, in terms of being well conversant with matters relating to finances, they showed reasonable knowledge with a mean of 1.7294. Similar findings were also revealed in relation to being confident in making financial decisions (mean = 1.4668) and understanding financial information (mean = 1.6101), where most of the respondents considered their knowledge of those statements to be of a reasonable extent.

From the findings, it is significant to argue that most students in tertiary institutions in Ghana have reasonable knowledge when it comes to financial issues. This finding is, however, in contrast with the argument made by Ansong (2011) that there is a general financial ignorance among level 100 students who were admitted to offer business programmes at the University of Cape Coast, Ghana.

Familiarity with Financial Products

In addition to assessing the financial knowledge of the respondents, they were also required to indicate their familiarity with certain financial products in the financial system. Table 3 clearly shows the results.

Table 3

Familiarity of Financial Products

Responses	Number of Respondents	Percentage
Fixed deposit accounts	207	54.9
Savings accounts	369	97.9
Current accounts	171	45.4
Business Loans	72	19.1
Mortgage loans	27	7.2
Vehicle loans	9	2.4
Student loans	63	16.7
Insurances	108	28.6
Investment	63	16.7
Mobile Money	252	66.8

N = 377

Source: Field Data, 2022

From Table 3, out of the total of 377 respondents, 54.9 percent indicated they are familiar with fixed deposit accounts as a financial product, and 97.9 percent of the respondents are familiar with savings accounts. Also, 45.4 percent and 19.1 percent of the respondents indicated they were aware of current accounts and business loans, respectively. In addition, 7.2 percent, 16.7 percent, 28.6 percent, and 66.8 percent of the respondents indicated they are familiar with mortgage loans, student loans, investment, insurance, and mobile money as financial products, respectively. However, the least familiar financial product to the respondents was a vehicle loan, with just 2.4 percent confirming their awareness of the product. From the analysis, it is significant to note that most tertiary students in Ghana are familiar with the following financial products: fixed deposits, savings, mobile money, current accounts, student loans, and insurance plans.

Seeking of Financial Information and Advice

The researcher tried to ascertain whether or not the respondents sought financial information and advice. This could have an effect on the savings behavior of students.

Table 4

Crosstabulation of Demographic Data & Seeking of Financial Advice

		Yes	No	Total
Gender	Male	177 (46.9%)	0 (0.0%)	177 (46.9%)
	Female	157 (41.7%)	43 (11.4%)	200 (53.1%)
Total		334 (88.6%)	43 (11.4%)	377 (100.0%)
Age	18-24	184 (48.8%)	35 (9.3%)	219 (58.1%)
	25-30	139 (36.9%)	8 (2.1%)	147 (39.0%)
	31 +	11 (2.9%)	0 (0.0%)	11 (2.9%)
Total		334 (88.6%)	43 (11.4%)	377 (100.0%)
Marital status	Single	294 (78.0%)	43 (11.4%)	337 (89.4%)
	Married	40 (10.6%)	0 (0.0%)	40 (10.6%)
Total		334 (88.6%)	43 (11.4%)	377 (100.0%)
Working experience	None	40 (10.6%)	0 (0.0%)	40 (10.6%)
	< 2	149 (39.5%)	32 (8.5%)	181 (48.0%)
	2 - 4	91 (24.1%)	11 (2.9%)	102 (27.0%)
	5 - 10	43 (11.4%)	0 (0.0%)	43 (11.4%)
	11 +	11 (2.9%)	0 (0.0%)	11 (2.9%)
Total		334 (88.6%)	43 (11.4%)	377 (100.0%)

(continued)

		Yes	No	Total
Income level (GH¢)	< 500	80 (21.2%)	24 (6.4%)	104 (27.6%)
	500 - 1,499	187 (49.6%)	19 (5.0%)	206 (54.6%)
	1,500 - 4,999	40 (10.6%)	0 (0.0%)	40 (10.6%)
	5,000 - 14,999	27 (7.2%)	0 (0.0%)	27 (7.2%)
Total		334 (88.6%)	43 (11.4%)	377 (100.0%)

Source: Field Data, 2022

From Table 4, all 177 male respondents, representing 46.9 percent, responded “Yes” meaning they sought financial information. On the other hand, out of the 200 female respondents, 157 respondents, representing 41.7 percent, indicated they sought financial information, while the rest of the respondents, who were 43 respondents, representing 11.4 percent, said “No”. From the analysis, it can be deduced that some women in this current financial dispensation still shy away from seeking financial information. However, the majority of the respondents, whether men or women, seek financial information in various forms before taking any form of financial decision.

With respect to the age group that seeks financial information and advice, 184 (48.8%) respondents within an age bracket of 18 to 24 years said they seek financial information and advice when in need, while 35 (9.3%) respondents said “No” meaning they do not seek any form of financial information and advice when in need. Also, with respect to students between the age groups of 25 and 30, 139 (36.9%) respondents indicated they seek financial information and advice, and 8 (2.1%) respondents indicated the opposite. Finally, all 11 respondents, representing 2.9 percent, indicated they seek financial information and advice when in need. From the findings, it can be seen that the majority of the respondents within the different age groups seek financial information and advice when in need. However, a significant percentage of respondents (9.3 percent) within the age bracket of 18 to 24 years still do not seek any form of financial information or advice. This may be a result of the low-income levels of this age group.

On the demographics of marital status, 294 (78.0%) who were not married indicated they sought financial information and advice, while 43 (11.4%) of the respondents responded on the contrary. On the other hand, with those that are married, all 40 (10.6%) respondents said “yes,” saying they seek financial information and advice at all times

when making financial decisions. The result shows that a significant percentage (11.4 percent) of unmarried people do not seek any form of financial information or advice. However, their married counterparts seek financial information and advice because of their additional family roles.

Also from Table 4, all 40 respondents, representing 10.6 percent, who do not have any form of working experience, responded “Yes when asked if they sought financial information. With respect to those with less than two years of working experience, 149 (39.5%) of the respondents said “yes,” while 32 (8.5%) of the respondents answered the opposite. Also, among those with two to four years of working experience, 91 (24.1%) of the respondents said “Yes” while 11 (2.9%) answered “No”, They do not seek any form of financial information when in need. In addition, among those respondents with five to 10 years of working experience, all 43 (11.4%) indicated they seek financial advice, and those with 11 or more years of working experience also seek financial advice when making financial decisions. The result shows that with whatever number of years of working experience they have, the majority of the respondents always seek financial advice.

Finally, with respect to the income levels of the respondents, 80 (21.2%) of the respondents who earned less than GH¢500.00 responded “Yes”, they sought financial information, while 24 (6.4%) of the respondents answered the opposite. Also, among those who earned between GH¢500.00 and GH¢1499.00, 187 (49.6%) of the respondents indicated they sought financial information and advice, while 19 (5.0%) of the respondents answered “No”. With respect to the respondents who earned between GH¢1500.00 and GH¢4999.00, all the 40 (10.6%) respondents indicated they always seek financial information and advice, and finally, those who earned between GH¢5000.00 and GH¢14999.00, all the 27 (7.2%) respondents responded “Yes”, they seek financial information and advice. From the finding, it can be deduced that people with higher income levels are always skeptical about their finances and seek financial information and advice when making financial decisions, compared to those with lower income levels.

Source of Seeking Financial Information and Advice

This section of the research sought to examine the principal sources of seeking financial information and advice that students in the study area normally undertake. This is presented in Table 5 below.

Table 5

Source of Seeking Financial Information and Advice

Source	Number of Respondents	Percentage
Friends	51	13.5
Relatives	48	12.7
Financial experts	222	58.9
Media	8	2.1
Others	5	1.3
Total	334	88.6
Missing System	43	11.4
Total	377	100.0

Source: Field Data, 2022

From table 5 above, 13.5 percent of the respondents seek financial information and advice from their friends, while 12.7 percent seek information from their relatives. A significant number of respondents (58.9 percent) rely on financial expectations for their information. On the other hand, 2.1 percent and 1.3 percent of the respondents sought financial information from the media and other sources, respectively. Also, it is significant to note that 11.4 percent did not answer that question, thereby giving a missing response in the Table.

Influence of Financial Information and Advice on Decision Making

The researcher further tried to find out whether or not seeking financial information and advice has any effect on decision-making. The result is shown in Table 6 below.

Table 6

Crosstabulation of Demographic Data and Decision Making

		Yes	No	Total
Gender	Male	150 (39.8%)	27 (7.2%)	177 (46.9%)
	Female	141 (37.4%)	59 (15.6%)	200 (53.1%)
Total		291 (77.2%)	86 (22.8%)	377 (100.0%)
Age	18-24	168 (44.6%)	51 (13.5%)	219 (58.1%)
	25-30	112 (29.7%)	35 (9.3%)	147 (39.0%)
	31 +	11 (2.9%)	0 (0.0%)	11 (2.9%)
Total		291 (77.2%)	86 (22.8%)	377 (100.0%)

(continued)

		Yes	No	Total
Marital status	Single	267 (70.8%)	70 (18.6%)	337 (89.4%)
	Married	24 (6.4%)	16 (4.2%)	40 (10.6%)
Total		291 (77.2%)	86 (22.8%)	377 (100.0%)

Source: Field Data, 2022

From Table 6, all 150 male respondents, representing 39.8 percent, responded “Yes” meaning the financial information and advice they seek have an influence on their decisions, while 27 (7.2%) of the respondents indicated there is no effect on their decisions. On the other hand, out of the 200 female respondents, 141 respondents, representing 37.4 percent, indicated that the financial information they seek has an influence on their decision-making, while the rest of the respondents, who were 59 respondents, representing 15.6 percent, said “No”. From the analysis, it can be deduced that there is a significant effect on most of the respondents’ decisions after seeking financial information.

With respect to the age group, 168 (44.6%) respondents within an age bracket of 18 to 24 years said there is an influence on their decisions when they seek financial information and advice, while 51 (13.5%) respondents said “No”, there is no effect on their decisions. Also, with regards to students between the age groups of 25 and 30, 112 (29.7%) respondents indicated there is an effect on their decisions when they seek financial information and advice, while 35 (9.3%) respondents held a contrary view. Finally, all 11 respondents, representing 2.9 percent, who are 31 years of age or older, indicated there is an effect on their decisions when they seek financial information and advice. From the findings, it can be noticed that the majority of the respondents within the different age groups were of the view that it has an effect on their decisions when they seek financial information and advice. However, a significant percentage (13.5 percent) of respondents within the age bracket of 18 to 24 years indicated there was no effect on their decisions even after seeking any financial information and advice.

On the demographics of marital status, 267 (70.8%) who were not married indicated there is an influence on their decisions when they seek financial information and advice, while 70 (18.6%) of the respondents responded on the contrary. On the other hand, with those that are married, 24 (6.4%) respondents said “Yes that there is an influence on their decisions after seeking financial information and advice, while 16 (4.2%) of the respondents said there is no impact.

The result shows that there is an impact on the decision-making of students when they seek financial advice.

Financial Literacy and Decision Making

The researcher also found out the association among financial literacy and decision making in relation to savings and investments. The study used a set of questions to test for financial knowledge on interest on savings and returns on investments. A cross-tabulation of the results based on field of study and decision-making is presented in the proceeding sections.

Field of Study and Savings Decisions

In trying to find out the association among fields of study and saving decisions of tertiary students, the researcher asked a simple question on savings about the effect of saving an amount at 10% per annum with an inflation rate of 12% per year. The expected correct answer was “one can buy less with the money in the account”. However, “one can buy more with the money in the account” and “one can buy the same with the money in the account” were considered to be incorrect answers. Table 7 presents a cross tabulation of the field of study and savings decisions of the respondents.

Table 7

Cross-Tabulation of Field of Study and Savings Decisions

Incorrect Answers		Savings Decisions		
		Correct Answer	Total	
Field of Study	Business and Management Studies	77 (38.9%)	121 (61.1%)	198 (100.0%)
	Health Sciences	8 (100.0%)	0 (0.0%)	8 (100.0%)
	Applied Sciences and Technology	16 (100.0%)	0 (0.0%)	16 (100.0%)
	Engineering and Technology	16 (100.0%)	0 (0.0%)	16 (100.0%)
	Built and Natural Environment	8 (100.0%)	0 (0.0%)	8 (100.0%)
	Creative Arts and Technology	48 (54.5%)	40 (45.5%)	88 (100.0%)
	IDLCE	8 (22.9%)	27 (77.1%)	35 (100.0%)
	IEED	8 (100.0%)	0 (0.0%)	8 (100.0%)
Total		165 (43.8%)	212 (56.2%)	377 (100.0%)

Source: Field Data, 2022

Table 7 provides a summary of the performance of tertiary students in the assessment of savings decisions based on field of study. It was found out that, out of 198 students studying Business and management-related programmes, 121 respondents, representing 61.1 percent, answered the savings question correctly, while 77 respondents, representing 38.9 percent, answered the question incorrectly.

It was again found out that, out of the eight (8) students who took part in the research studying Health Sciences programmes at the institution, all of them answered the savings question incorrectly. On the contrary, all 16 students who took part in the research studying Applied Sciences and Technology got the answer to the question wrong.

Sixteen (16) students studying Engineering and Technology programmes took part in the survey. It was found out that all of them got their answers correct, with the exception of the eight (8) students who were studying Built and Natural environments and also answered the question correctly.

Eighty-eight (88) students offering Creative arts and Technology also took part in the research. Out of this, 40 students, representing 45.5 percent, answered the question correctly, and 48 students, representing 54.5 percent, could not answer the question correctly.

With respect to students studying under IDLCE, out of the 35 students who took part in the study, eight (8) students, representing 22.9 percent, answered the question correctly, while 27 students, representing 77.1 percent, could not answer the question correctly. Finally, eight (8) students studying programmes under IEED took part in the study, and it was found out that all of them answered the question wrong.

In all, 212 (56.2%) students who took part in the study answered the question on savings correctly, and 165 (43.8%) answered the question wrongly. The results indicate that the level of savings decisions among tertiary students at KsTU is average. However, the average scores are among the Business and management students, and the majority of the students from IDLCE were able to answer correctly. Also, all the students from engineering and technology, building, and Natural Environment answered all correct questions for saving. This can be attributed to the fact that they usually study a lot of finance

courses, which are key in making savings decisions (Oppong-Boakyie & Kansanba, 2013).

Field of Study and Investment Decisions

The study set a question to test knowledge on returns on investments. The researcher asked a simple question about the likelihood of having a risky investment. The correct answer is expected to be “high risk”. However, “low risk” and “not sure” were considered to be incorrect answers. A cross-tabulation of the results based on field of study and investment decisions is presented in Table 8 below.

Table 8

Cross-Tabulation of Field of Study and Investment Decisions

Correct Answer		Investment Decisions		
		Incorrect Answer	Total	
Field of Study	Business & Management Studies	171 (86.4%)	27 (13.6%)	198 (100.0%)
	Health Sciences	8 (100.0%)	0 (0.0%)	8 (100.0%)
	Applied Sciences & Technology	8 (50.0%)	8 (50.0%)	16 (100.0%)
	Engineering and Technology	16 (100.0%)	0 (0.0%)	16 (100.0%)
	Built and Natural Environment	8 (100.0%)	0 (0.0%)	8 (100.0%)
	Creative Arts and Technology	56 (63.6%)	32 (36.4%)	88 (100.0%)
	IDLCE	35 (100.0%)	0 (0.0%)	35 (100.0%)
	IEED	8 (100.0%)	0 (0.0%)	8 (100.0%)
Total		310 (82.2%)	67 (17.85)	377 (100.0%)

Source: Field Data, 2022

It was found out that 198 students studying Business and management-related programmes took part in the study, out of this, 171 respondents, representing 86.4 percent, answered the investment decision question correctly, while 27 respondents, representing 13.6 percent, answered the question incorrectly.

From Table 8, out of the eight (8) students who took part in the research studying Health Sciences programmes at the institution, all of them answered the investment decision question correctly. On the

contrary, out of the 16 students who took part in the research studying Applied Sciences and Technology, 50 percent got the answer to the question wrong, and the other 50 percent got the answer right.

Sixteen (16) students studying Engineering and Technology programmes took part in the survey. It was found out that all of them got their answers correct, with the exception of the eight (8) students who were studying Built and Natural environments and also answered the question correctly.

Eighty-eight (88) students offering Creative arts and Technology also took part in the research. Out of this, 56 students, representing 63.6 percent, answered the question correctly, and 32 students, representing 36.4 percent, could not answer the question correctly.

With respect to students studying under IDLCE, out of the 35 students who took part in the study, all the students answered the question correctly. Finally, eight (8) students studying programmes under IEED took part in the study, and it was found out that all of them also answered the question correctly.

In all, 310 (82.2%) students who took part in the study answered the question on investment decisions correctly, and 67 (17.85%) answered the question wrongly. The results indicate that the level of investment decisions among tertiary students at KsTU was high. This can be a result of the maturity level of all the respondents, who are capable of making appropriate investment decisions.

Savings Behaviour of Tertiary Students

The second objective of this study was to find out the savings behavior of tertiary students. Table 9 shows the findings.

Table 9

Savings Behaviour of Tertiary Students

Responses	Number of Respondents	Percentage
Yes	377	100.0
No	0	0.0
Total	377	100.0

Source: Field Data, 2022

The data collected indicated that, in general, all the respondents (100%) have been saving part of their personal annual income in one way or another for future gain or commitment.

Regularity of Savings

On the regularity of savings, the finding is presented in Table 10 below.

Table 10

Regularity of Savings

Responses	Number of Respondents	Percentage
Daily	64	17.0
Weekly	72	19.1
Monthly	233	61.8
Quarterly	8	2.1
Total	377	100.0

Source: Field Data, 2022

From Table 10, 14 percent of the respondents save on a daily basis; 19.1 percent save weekly; 61.8 percent save monthly; and 2.1 percent of the respondents save quarterly. From the analysis, it is significant to suggest that more than half of the respondents save on a monthly basis. This might be because most people in Ghana have monthly income sources.

Percentage of Personal Income Towards Saving

The result on the percentage of annual personal income that is made towards saving is presented in Table 11 below:

Table 11

Percentage of Personal Income Towards Saving

Responses	Number of Respondents	Percentage
Below 11%	136	36.1
11-20%	91	24.1
Above 20%	118	31.3
Not sure	32	8.5
Total	377	100.0

Source: Field Data, 2022

From Table 11 and Figure 4.3 above, 36 percent of the respondents save 10% or less of their annual personal income; 24 percent save between 11 and 20%; 31 percent save above 20%; and 9 percent of the respondents were not sure of the percentage they always made towards savings. This finding is not supervising because the respondents are students and their income level is very low. They are therefore not expected to commit much of their income to savings above 11%.

Savings Financial Intermediaries of Respondents

This part of the study sought to ascertain the places where respondents preferred to save their funds. Table 12 indicates their preference with respect to savings.

Table 12

Savings Financial Intermediaries of Respondents

Responses	Number of Respondents	Percentage
Bank	273	72.4
Insurance plan	16	4.2
Credit union	32	8.5
Home	56	14.9
Total	377	100.0

Source: Field Data, 2022

From Table 12, the majority of the respondents (72.4 percent), 4.2 percent, and 8.5 percent of the respondents save with formal financial intermediaries like banks, insurance companies, and credit unions, respectively. On the other hand, a significant number (14.9 percent) of the respondents kept their money home.

Purpose of Saving

This part of the study required the respondents to state their opinion about the purpose of saving using a five-liked scale with five (5) being strongly agree; four (4) being agree; three (3) representing neutral; two (2) being disagree; and being one (1) being strongly disagree. Table 13 shows respondents' view.

Table 13

Descriptive Statistics of Purpose of Saving

Purpose of Saving	Min.	Max.	Mean	Std. Deviation
Help to meet emergencies	2.00	5.00	4.3899	0.85003
For the purpose of retirement	1.00	5.00	3.8408	1.10180
To further one education	2.00	5.00	4.0000	0.99199
For future financial gain	1.00	5.00	4.0743	0.99456
To buy expensive items in the future	1.00	5.00	2.8143	1.35761

Scale: mean of 4.1-5.0 is strongly agree; 3.1-4.0 is agree; 2.1-3.0 is neutral; 1.1-2.0 is disagree and mean below 1.1 is strongly disagree

Source: Field Data, 2022

The descriptive statistics from Table 13 revealed that the respondents agreed that they saved purposefully to help meet emergencies (mean = 4.3899), to further their education (mean = 4.0), and for financial gain (mean = 4.0743). On the other hand, the respondents were neutral about saving purposefully to depend on it during retirement (mean = 3.8408), while the respondents disagreed that they save purposefully to buy expensive items in the future (mean = 2.8143).

From the findings, it is significant to argue that most students in tertiary institutions in Ghana save purposefully to help meet emergencies, further their education, and for future interest earnings. This, according to Htet (2020), is a place of saving that has financial gain in the form of interest on savings.

Challenges in Savings Behaviour of Tertiary Students

The last objective of the research was to find out whether there are any challenges encountered by students in an attempt to save. Various challenges were presented to the respondents to indicate their views on the challenges they encounter in attempt to save with the financial institutions.

Table 14

Descriptive Statistics on Challenges in Saving

Challenges in Saving	Min.	Max.	Mean	Std. Dev.
Transacting with financial institutions is time consuming	1.00	5.00	3.2202	1.36515
Inadequate savings and loans institutions outlets	1.00	5.00	2.8382	1.17048
Complication of banks operations	1.00	5.00	3.4430	1.27895
Rate of inflation affects the real value of money	1.00	5.00	3.9098	1.07304
Financial institutions cost of transaction-fee are too high	1.00	5.00	3.7294	1.13504

Scale: mean of 4.1-5.0 is strongly agree; 3.1-4.0 is agree; 2.1-3.0 is neutral; 1.1-2.0 is disagree and mean below 1.1 is strongly disagree

Source: Field Data, 2022

The descriptive statistics from Table 14 revealed that the respondents were neutral to the challenges that it was time-consuming transacting with financial institutions (mean = 3.2202), bank operations were too complicated for individuals (mean = 3.4430), the rate of inflation affects the real value of money (mean = 3.9098), and financial institutions transaction fees were also too high (mean = 3.7294). On the other hand, the respondent's express disagreement on the challenge that there are inadequate savings and loan institutions outlets (mean = 2.8382) was a challenge. Based on the results, it is important to argue that most respondents do not see inadequate financial institutions offering outlets as a challenge, as there have been many financial institutions in Ghana recently.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

This section presents a summary of findings, a conclusion, and recommendations for future related studies on the financial literacy and savings behavior of citizens in Ghana.

Findings

The main objective of the study is to investigate financial literacy and the behaviour of tertiary students towards savings, using Kumasi

Technical University as a case study. To achieve this, three specific objectives were set. They include: finding out the level of financial literacy among tertiary students; finding out the saving behaviour among tertiary students; and finally, finding out the challenges tertiary students faced in saving. Literature was reviewed from empirical sources, which were made up of previous research on the problem both in Ghana and other countries.

From the study, it was found that most students in tertiary institutions in Ghana have reasonable knowledge when it comes to financial issues. This finding was in contrast with the argument made by Ansong (2011) that there was a general lack of financial knowledge among first-year business students at the University of Cape Coast. It was further found out that most tertiary students are familiar with most financial products such as fixed deposits, savings, mobile money, current accounts, student loans, and insurance plans.

With the aspect of seeking financial information and advice when in need, it was observed that some women (11.4%) in this current financial dispensation still shy away from seeking financial information. However, it was found out that the majority of the respondents, whether men or women, seek financial information in various forms when taking any form of financial decision. Also, it was noticed that the majority of the respondents within the different age groups sought financial information and advice when in need. However, a significant percentage of respondents (9.3 %) within the age bracket of 18 to 24 years still do not seek any form of financial information or advice. The research further revealed that people with higher income levels are always sceptical about their finances and seek financial information and advice when making financial decisions, compared to those with lower income levels. In addition, a significant percentage (58.9 %) of the respondents rely on financial expectations for their financial information.

Also, with regards to the influence of financial information and advice on decision-making, it was observed that there was a significant effect on most of the respondents' decisions after seeking financial information. Also, it was noticed that the majority of the respondents within the different age groups were of the view that it has an effect on their decisions when they seek financial information and advice. However, a significant percentage (13.5 %) of respondents within the

age bracket of 18 to 24 years indicated there was no effect on their decisions even after seeking any financial information and advice.

On the saving behaviour of tertiary students, it was found that all the respondents save part of their annual income in one way or another, and they save on a monthly basis with less than 10 percent of their annual personal income. It was again found out that the majority of the respondents save with formal financial intermediaries like banks, insurance companies, and credit unions.

On the relationship between financial literacy and savings and investment decisions, the results indicate that, the level of savings and investment decisions among tertiary students at KsTU was high, especially among students studying business and management courses.

The main challenges to tertiary students' inability to save were identified as being time-consuming in transacting business with financial institutions, banks operations were too complicated for individuals; the rate of inflation affects the real value of money; and financial institutions transaction fees were also too high. However, they were neutral in their assertions. On the other hand, the respondents disagreed that inadequate financial institutions saving outlets in the country were a challenge.

CONCLUSION

The study concludes that financial literacy and saving behaviour among tertiary students are very important to the socio-economic development of Ghana. The study concludes that the financial literacy of tertiary students at KsTU was high and therefore had a significant effect on the saving behaviour of individual students. However, there were factors that restricted the saving behaviour of the students, such as time consumption when transacting with financial institutions, the complexity of bank operations, and the high cost of transaction fees at financial institutions. This study will provide guidance to policymakers and other regulators on how to develop appropriate strategies to increase savings among young people. Therefore, authorities could take action to improve individuals' financial literacy and, in turn, expect improved savings behaviour from individuals. In

addition, financial institutions can pay more attention to improving individuals' saving intentions by educating them about savings products and investment opportunities.

Recommendations

From the findings in the study, the study recommends that finance courses be included in the educational curriculum at the secondary and tertiary educational levels. This will help students from non-business departments have basic knowledge about financial issues. The study revealed that females and students between the ages of 18 and 30 still do not have enough knowledge of finance. Therefore, specific financial-related programmes should be developed and tailored to that group. It is also recommended that a course in financial management be introduced at the senior high school level. It should be one of the subjects under other non-business-related programmes. We also recommend that a financial literacy education program be required to increase the understanding of financial issues among tertiary students.

Limitations of the Study

The study did not cover all students in Ghana. It was only limited to Kumasi Technical University. This was therefore a limitation for generalisation purposes. Also, another limitation encountered was access to relevant information on the study area because some of the students were reluctant to provide the needed information for the research. Another limitation the researcher encountered was insufficient funds to conduct intensive research on the literacy level of Ghanaian tertiary students in terms of finances.

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