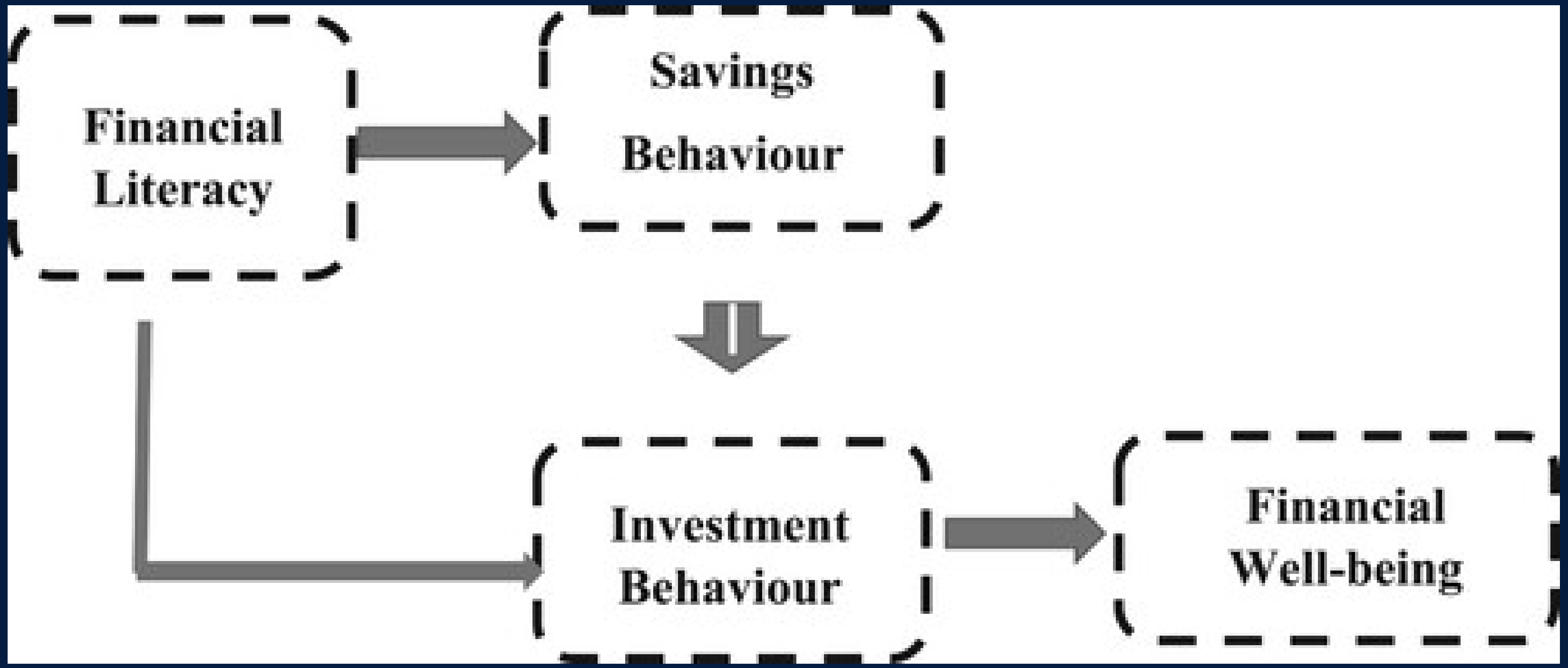
# A SURVEY ON FINANCIAL LITERACY, WELL-BEING, AND BEHAVIORS AMONG SRI LANKAN ADULTS

***Presented By***
*Galwatta B.L.N. - 25836ON*

# INTRODUCTION

- Financial literacy, well-being, and behaviors are critical for economic stability and personal financial security.
- Lack of understanding of financial concepts can lead to poor financial decisions, debt accumulation, and reduced quality of life.
- Globally, studies have shown that demographic factors such as education, income, and age significantly influence financial literacy levels.
- Limited research exists on how these factors interact among Sri Lankan adults, particularly in the post-pandemic economic context.

This study bridges this gap by assessing the current state of financial literacy, well-being, and behaviors and identifying their inter-relationships.



# OBJECTIVES OF THE STUDY

### 1. Assess Financial Literacy:

- To assess financial literacy levels across key financial concepts (e.g., Interest accumulation, Compound Interest, Inflation, Risk Diversification, Investment risk).

### 2. Analyze Financial Behaviors:

- To analyze financial behaviors ( e.g., saving, budgeting, expense tracking, , usage of digital financial tools, investment practices)

### 3. Evaluate Financial Well-being:

- To evaluate the financial well-being of Sri Lankan adults using standardized measures.

### 4. Examine Demographic Influence & Relationships:

- To determine how demographic factors (e.g., education, income, gender) influence financial literacy, behavior, and well-being.
- To explore the relationship between financial literacy, behavior, and well-being.

# METHODOLOGY

**Sample:** 123 Sri Lankan adults

**Data Collection:** Structured online questionnaire distributed using Google Forms

**Measures:**

- Financial Literacy: 5 multiple-choice questions (scored 0–5)
- Financial Well-being: 6 Likert-scale questions (1–5 scale)
- Financial Behavior: 7 questions (including multi-response)

**Demographics:**

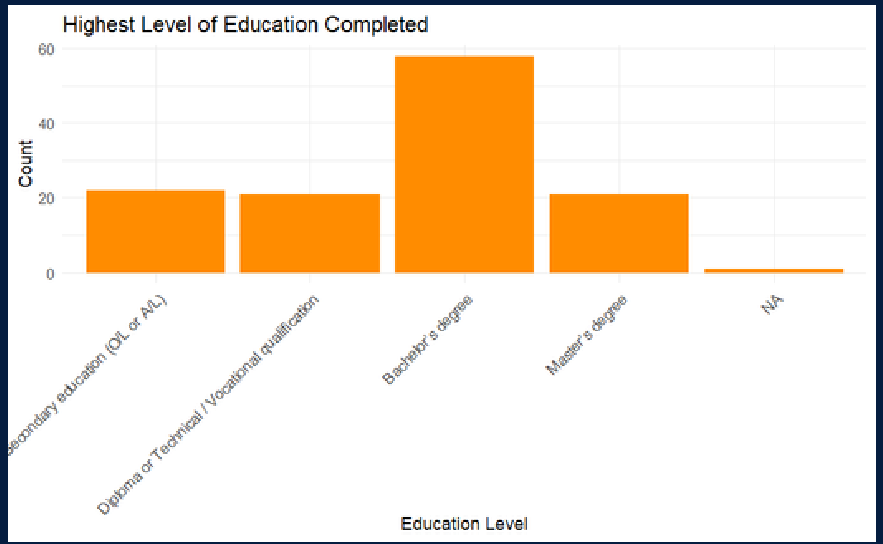
- Gender, age, education, employment status, income

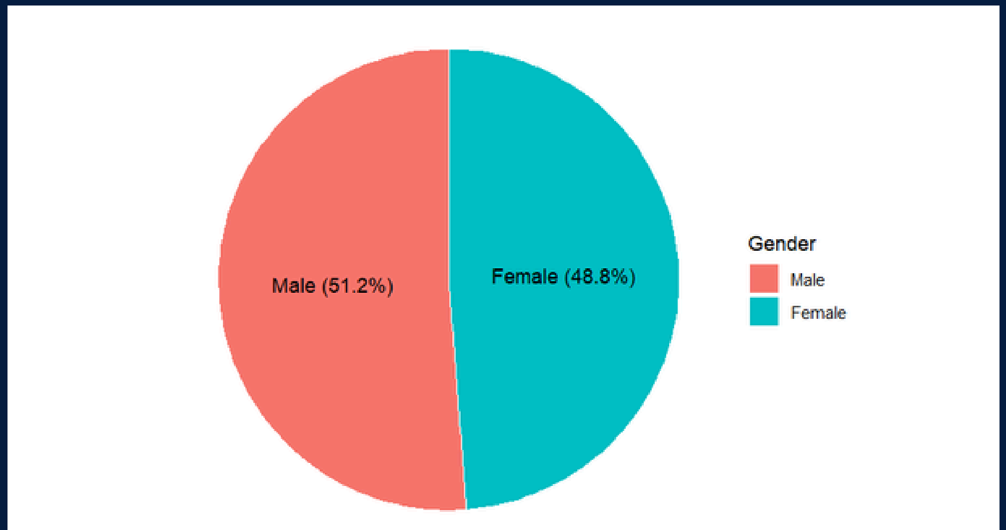
**Data Analysis:**

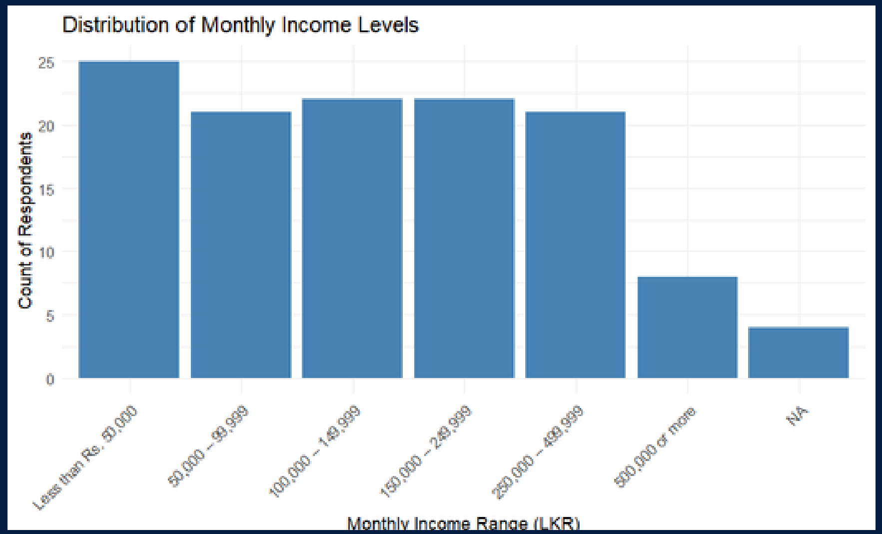
- Descriptive statistics
- Chi-square tests, t-tests, ANOVA
- Linear regression for predictors

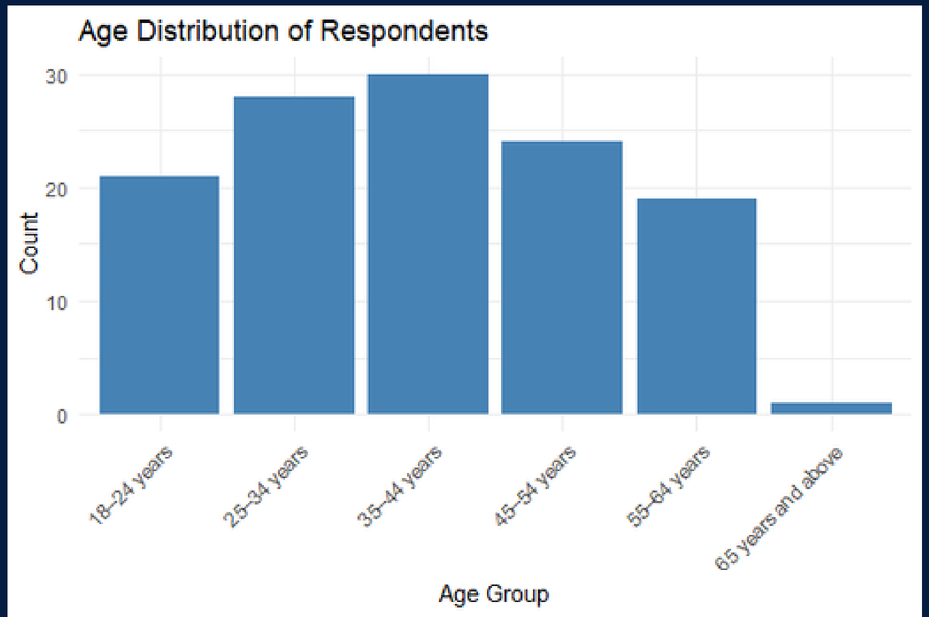
# DEMOGRAPHICS

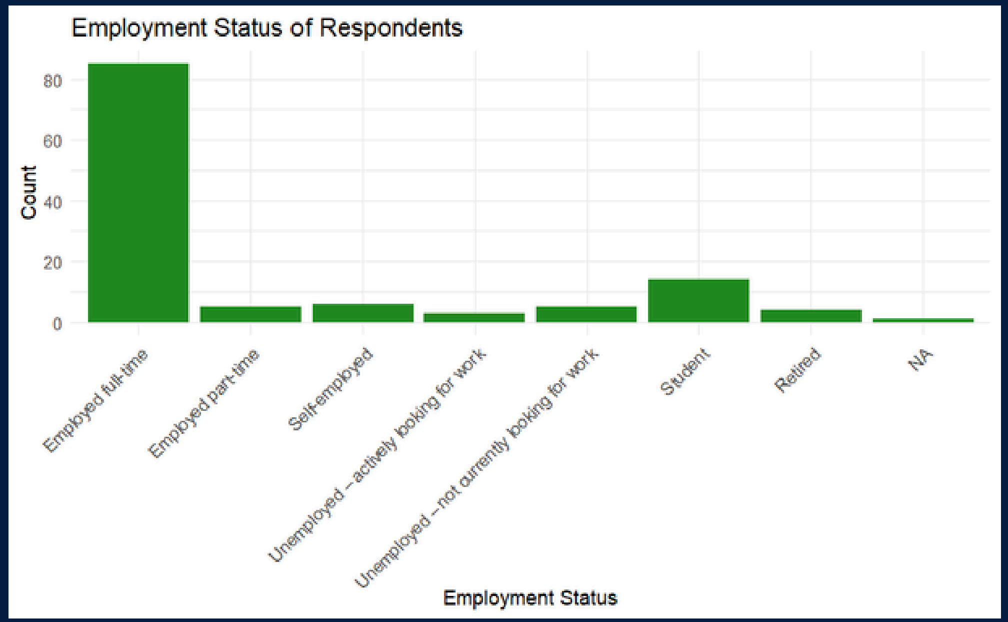
- Age groups: 18–65+
- Gender: Male/Female
- Education: Secondary, Diploma, Bachelor’s, Master’s, PhD
- Income levels: <50,000 LKR to >500,000 LKR
- Employment Status - Fulltime, parttime, retired etc.



# FINANCIAL LITERACY RESULTS

**Inflation:**

- 94.3% correct

**Investment risk:**

- 91.1% correct

**Compound interest:**

- 85.4% correct

**Risk Diversification:**

- 78% correct

**Interest accumulation:**

- 65% correct (needs attention)

**Education and income were significant predictors (Chi-Square Test, ANOVA & Linear Regression).**

# FINANCIAL BEHAVIOR RESULTS

**Positive Behaviors:**

- 72.4% save regularly; 87.8% compare prices consistently.
- Indicates strong cost-consciousness and planning.

**Mixed Practices:**

- 79.7% track expenses at least sometimes; 82.1% budget occasionally or regularly.
- Gaps in consistent tracking highlight partial financial discipline.

**Digital Finance & Investments:**

- 65.9% use mobile banking apps; structured tools (e.g., spreadsheets) are less used.
- Fixed deposits (69.9%) dominate investments; cryptocurrency and business ventures remain rare.

**Education, age, income, and employment status significantly impact financial behavior ( ANOVA).**

# FINANCIAL WELL BEING RESULTS

## Moderate well-being:

- Participants feel confident meeting monthly expenses but show lower satisfaction with current financial status and emergency preparedness.

## Stress Level:

- High digital financial anxiety and future financial stress observed.

- **Education, gender, age, and employment show no significant effect on well-being.**
- **Income is key: Strong positive impact on well-being ($p = 0.031$); those earning LKR 500,000+ have significantly higher scores. (ANOVA, Linear Regression)**

# KEY RELATIONSHIPS

### Financial Literacy → Financial Behavior:

- Strong positive relationship. Individuals with higher financial knowledge tend to practice better budgeting, saving, and cost-conscious habits.

### Financial Literacy → Financial Well-being:

- Indirect and limited.
- Financial Knowledge alone doesn't guarantee well-being.
- It depends on income, economic stability, and personal context.

### Income and Education:

- Strongest predictors of both financial literacy and behavior.
- Income is the most critical factor influencing financial well-being.

### Other Demographics:

- Age and employment status significantly impact financial behavior.
- Gender has no direct effect on financial literacy, behavior or well-being.

# CONCLUTION & RECOMENDATIONS

- **Financial literacy** is generally strong, particularly in inflation and risk, but gaps remain in interest accumulation understanding.
- **Income and education** consistently shape financial literacy and behavior. Financial well-being is primarily driven by income level.
- **Behavioral strengths:** High rates of saving and price comparison.
- **Weaknesses:** Inconsistent budgeting and digital financial planning.
- Policy Recommendations:
  - Launch community-based financial education tailored to local needs.
  - Promote use of structured budgeting tools (e.g., apps, spreadsheets).
  - Support income-enhancing programs to improve financial well-being.
  - Design multi-channel education campaigns leveraging media and technology.

# Thank you