

**IMPACT OF FINANCIAL LITERACY ON SAVING BEHAVIOR
OF THE NEPALESE EMPLOYEE**

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CERTIFICATE OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “*IMPACT OF FINANCIAL LITERACY ON SAVING BEHAVIOR OF THE NEPALESE EMPLOYEE*” The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

Ms. Pabina Thapa Magar has defended research proposal entitled “*IMPACT OF FINANCIAL LITERACY ON SAVING BEHAVIOR OF THE NEPALESE EMPLOYEE*” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidance of supervisor Teacher’s name and submits the thesis for evaluation and viva voce examination.

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We have examined the dissertation “*IMPACT OF FINANCIAL LITERACY ON SAVING BEHAVIOR OF THE NEPALESE EMPLOYEE*” presented by Mr. Pabina Thapa Magar for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Pabina Thapa Magar
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TABLE OF CONTENTS

	Page No
<i>Certificate of Authorship</i>	<i>ii</i>
<i>Report of Research Committee</i>	<i>iii</i>
<i>Approval Sheet</i>	<i>iv</i>
<i>Acknowledgements</i>	<i>v</i>
<i>Table of Contents</i>	<i>vi</i>
<i>List of Tables</i>	<i>viii</i>
<i>List of Figures</i>	<i>ix</i>
<i>Abbreviations</i>	<i>x</i>
<i>Abstracts</i>	<i>xi</i>
CHAPTER I	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 Statement of Problem.....	2
1.3 Objectives of the Study	3
1.4 Rationale of the Study	3
1.5 Limitations of the Study.....	4
CHAPTER II.....	5
LITERATURE REVIEW	5
2.1 Theoretical Review	5
2.1.1 Saving Behaviour Theory.....	5
2.1.2 Financial Socialization Theory.....	7
2.1.3 Social Capital Theory.....	8
2.2 Empirical Review	9
2.4 Research Gap.....	27
CHAPTER III	29
RESEARCH METHODOLOGY	29
3.1 Research Design.....	29
3.2 Population and Sample Size.....	29
3.3 Instrumentation.....	30

3.4 Data Collection Procedure	30
3.5 Methods of Analysis.....	31
3.5.1 Descriptive Analysis	31
3.5.2 Correlation Analysis.....	31
3.5.3 Multiple Regression Analysis	32
3.6 Reliability.....	33
3.7 Research Framework and Definition of Variables.....	34
3.7.1 Definition of Variables.....	34
3.7.2 Independent Variable	35
CHAPTER IV	36
RESULTS AND DISCUSSION	36
4.1 Results	36
4.1.1 Demographic Profile of Respondents.....	37
4.1.2 Descriptive Statistics	39
4.1.3 Inferential Analysis.....	40
4.2 Discussion	48
CHAPTER V	51
SUMMARY AND CONCLUSION	51
5.1 Summary	51
5.2 Conclusion.....	53
5.3 Implications	54
5.3.1 Managerial Implications	54
5.3.2 Area for Future Research.....	55
<i>REFERENCES</i>	
<i>APPENDIX</i>	

LIST OF TABLES

Table 1 Summary of Empirical Review	21
Table 2 Cronbach Alpha of Variables	33
Table 3 Demographic Profile of Respondents	37
Table 4 Mean and standard deviation	40
Table 5 Correlation Analysis	42
Table 6 Model summary	45
Table 7 ANOVA.....	46
Table 8 Coefficients.....	47

LIST OF FIGURE

Figure 1 Research Framework.....	34
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ABBREVIATIONS

AD	:	Anno Domini
ANOVA	:	Analysis of Variance
ATM	:	Automated Tailor Machine
BS	:	Bikram Sambat
e.g.	:	Example
F/Y	:	Fiscal Year
FI	:	Firms Image
i.e.	:	That is
ID	:	Investment Decision
IN	:	Information
KSE	:	Kuwait Stock Exchange
Ltd	:	Limited
MBS	:	Master of Business Studies
OLS	:	Ordinary Least Squares
PF	:	Psychological Factor
RP	:	Regulatory Policies
SD	:	Standard Deviation
SEM	:	Structural Equation Modelling
SI	:	Social Interaction

ABSTRACTS

The study's primary goal is to investigate how parents and peers affect Nepalese employees' saving habits and determine which variables have the most impact on these behaviors. The purpose of this study was to investigate the effects of parents and peers on Nepalese employees' saving habits and determine which variables had the most impact on these behaviors. This research contributes to the understanding of how peer influence affects Nepalese employees' saving behavior and the extent to which peer influence does so. Parents and peers who have an impact on saving behavior are taken into account. This thought came from a thorough analysis of earlier research. Few fundamental and significant facts were obtained in this way by the careful and in-depth literature examination, self-conceptualization, and comprehension of the relevant researchers. several demographic factors, such as age, gender, marital status, education, monthly income, and monthly savings. The outcome is predicated on the responses of 225 respondents. The correlation analysis's findings indicate that peer and parental influences have a beneficial relationship with the Nepalese employee's saving habit. Furthermore, this number indicates a somewhat beneficial relationship between peer and family influences and the saving habits of Nepalese workers. The correlation's findings indicate that the Pearson Correlation There is a favorable correlation between Nepalese workers' saving habits and their level of self-control and financial knowledge. Furthermore, this figure indicates a little but favorable relationship between the saving habits of Nepalese workers and their self-control and financial knowledge. Parental factors also have a big effect on the Nepalese employee's saving habit. The desire, total savings, and capacity to save all increase as a consequence of receiving financial education. Since parents facilitate and promote saving behavior, Nepalese employees are more likely to continue practicing solid saving habits if their parents support them in doing so. There was a phrase in Nepal that said "home is the first school to learn" and "parents are the first teacher." Therefore, a Nepalese employee's saving behavior is influenced by their parents.

Key words: *Peer influences, parental influences, financial literacy, and self-control, saving behaviour*

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The global economy is expanding and changing quickly every day, and savings are a key component of economic growth that is essential to its continuance. In order to improve their position in the world of survival, emerging nations are making an effort to stay up with this process. Savings may increase in the course of this economic growth in order to gain speed.

In order to develop and practice sound financial skills throughout their life, people must practice saving behavior. This will help them choose how to handle any future financial choices on their own. Saving teaches people how to manage their own consumption and how to make prudent financial decisions (Ariffin et al., 2017). Effective saving habits are not always evident; they may be developed by encouraging, guiding, and disseminating knowledge about money management strategies via the shared impact of friends, family, and coworkers. However, saving for the future is a dynamic decision that requires prudent saving behavior (Gerhard et al., 2018). Savings are essential to progress in underdeveloped nations like Bangladesh because they provide a significant push that breaks the vicious cycle of poverty and the so-called equilibrium trap.

A child's parents are their first teachers. The majority of children's habits and implicit socialization are brought about by the unspoken exchange of norms and expectations, behavior imitation or watchfulness, and subliminal clues from parental conduct (Jorgensen and Savla, 2010). Children's conduct is thus greatly influenced by their parents' personalities, backgrounds, cultures, influencing abilities, saving habits, and spending perspectives. Because of this, the researcher also attempted to determine whether or not this variable had any impact on students' saving habits.

The main socializing factors that have the most impact on a child's development are their parents. They have an impact on people of all ages and cultures, especially Nepalese society, which is influenced by eastern traditions. Parents are positioned at the top of the family hierarchy, and their directives must be followed. However, as a

result of the difficulties posed by the globalized world and the encroaching contemporary lifestyles, parental influence has become a major worry as other socialization agents, like the media, have gradually replaced them. Without anticipating information from their parents, children are more likely to be exposed to a variety of financial practices and get up-to-date knowledge from the media. As a result, parents now face more challenges than those in the past.

Individuals make different decisions and handle their finances differently. Many people and families lack the information and skills necessary to manage financial choices such as borrowing, spending, retirement savings, short-term saving, and asset purchases. Young people are a crucial demographic in the household sector since they will be the leaders of tomorrow and have a lot to offer in terms of development. Long-term inclusive growth in the nation may be impacted by this; hence, it is essential for development to comprehend how various socioeconomic groups save money, as their activities may influence the economy. Thus, gaining insight into young people's financial conduct promotes national growth and development.

1.2 Statement of Problem

Savings are crucial to sustaining economic growth. Despite playing a significant role at several levels—households, businesses, and the government—the three organizations are interconnected. For example, young people who save too little may experience both financial hardship and a lack of emergency funds, which may exacerbate anxiety and result in major health issues (Khadka & Khadka, 2024). From a wider standpoint, the government will not have enough money to invest in physical and social infrastructure. Money invested in financial assets is routed via financial intermediaries for investments, which benefits the nation by increasing economic growth and productivity (Coskun & Dalziel, 2020).

However, it may be argued that the lack of financial literacy, excessive spending on useless products or impulsive purchases, and maintaining opulent lifestyles that lead people to turn to loans in order to meet their demands are the primary causes of the debt crisis, especially among young Nepalese adults. Furthermore, the development of technology, especially online shopping platforms that allow consumers to place orders online, receive rewards for their purchases, and have their purchases delivered to their

doorstep, has created a new, exciting, and convenient shopping experience (Antoni et al., 2019).

The younger generations in Nepal are spending more and more recklessly these days. Compared to earlier generations that are less interested in the materialistic world, they have a tendency to place a lower value on money. Due to the notable improvement in Nepal's level of living, the younger generations now have more freedom to shop and choose what they want to buy, which has caused changes in the country's spending patterns and way of life (Lamichhane, 2023).

The following are the research questions:

- i. What are the Nepalese employee's saving habits and financial literacy factors?
- ii. What is the link between elements of financial literacy and the saving behavior of the Nepalese employee?
- iii. Does the Nepalese employee's saving behavior depend on any aspects of financial literacy?

1.3 Objectives of the Study

This study's main goal is to comprehend how peers and parents affect Nepalese employees' saving habits. The particular goals are:

- i. To evaluate Nepalese employees' saving habits and financial literacy characteristics.
- ii. To investigate the connection between Nepalese employees' saving habits and financial literacy variables.
- iii. To examine how financial literacy characteristics affect Nepalese employees' saving habits.

1.4 Rationale of the Study

Peers and family have a significant impact on a person's financial literacy, which in turn affects financial literacy understanding, particularly among younger generations. Better financial decision-making, ongoing wealth creation, and financial planning are the main focuses of financial literacy. However, personal issues and ignorance often lead to individuals being financially illiterate. These circumstances lead to the younger generations making poor decisions and without sufficient information about financial matters.

Very little study has been done in Nepal on the role that parents, peers, financial knowledge, and self-control play in Nepalese employees' saving habits, and I haven't come across any studies that directly address this issue.

1.5 Limitations of the Study

This research may have a limited number of limitations. For example:

- The study only had 225 respondents, which may not accurately reflect the situation throughout the whole nation;
- The study was done among a small number of respondents.
- Data was gathered via a self-administered survey. Data collecting is predicated on respondents' individual comprehension.

CHAPTER II

LITERATURE REVIEW

Through the summary, categorization, and comparison of earlier research, literature reviews, and theoretical works, a literature review critically examines a portion of the published body of knowledge. There are three components to it. The first part includes various Nepalese evaluations as well as a thorough analysis of relevant research in the context of the global banking business. The study's conceptual framework is covered in the second part. Finally, the final thoughts on the empirical review are presented in the third part.

2.1 Theoretical Review

This chapter's primary goal is to examine earlier research on young people's saving habits. It becomes evident what has been done in the past and what has to be done today after reading through the literature. This chapter goes into great depth on relevant journals, papers, and other resources.

2.1.1 Saving Behaviour Theory

The economic concepts that explain why people and families save money and how they decide how much to save are referred to as saving theory. The hypothesis is predicated on the idea that saving is a kind of consumption in which people save aside a part of their present income for future purchases.

In the 1950s, Franco Modigliani and Richard Brumberg presented the life cycle theory, one of the first theories of saving (Modigliani & Brumberg, 1954). According to the life cycle concept, people save money to cover future costs like retirement and future consumption requirements. A number of variables, including income, projected future income, and anticipated future costs, influence how much money is saved (Ando & Modigliani, 1963).

The perpetual income hypothesis, first proposed by Milton Friedman in 1957, is another significant explanation of saving (Friedman, 1957). According to the permanent income theory, people choose to save money based more on their future income than their present income. This hypothesis states that regardless of

fluctuations in their present income, people save to maintain a steady level of consumption throughout time.

The intertemporal consumption choice theory, the behavioral economics theory of saving, and the psychological theory of saving are some of the various theories of saving that have been established throughout time in addition to the life cycle hypothesis and the permanent income hypothesis.

Policy and practice are significantly impacted by the philosophy of saving. Savings theory, for instance, may be used by policymakers to comprehend the elements that affect saving behavior and create measures to promote saving. Financial firms may also utilize saving theory to create savings solutions that satisfy customer demands and motivate saving.

The choices that people and families make on how much money to put away for future needs are referred to as saving behavior. Numerous variables, such as income, anticipated future income, anticipated future costs, and personal preferences and views on saving, all have an impact on this behavior.

The life cycle theory, which holds that people save for future consumption requirements and to cover future costs like retirement, is one of the most well-known theories of saving behavior (Modigliani & Brumberg, 1954). A number of variables, including income, projected future income, and anticipated future costs, influence how much money is saved (Ando & Modigliani, 1963).

The permanent income hypothesis, which contends that people base their saving choices on their future income rather than their present income, is another significant explanation of saving behavior (Friedman, 1957). This hypothesis states that regardless of fluctuations in their present income, people save to maintain a steady level of consumption throughout time.

Understanding how people save money is also influenced by behavioral economics. This area of research acknowledges that people often make non-rational judgments and that habits and emotions might affect people's decision to save (Thaler, 2015). For instance, when automated savings systems are in place or when people get rewards for saving, such employer-matched contributions, they may be more inclined to save (Gneezy & List, 2006).

The intertemporal consumption choice theory, the psychological theory of saving, and the intergenerational theory of saving are some of the other theories of saving behavior that have been developed over time in addition to behavioral economics, the life cycle hypothesis, and the permanent income hypothesis.

In conclusion, a number of variables, such as income, projected future income, anticipated future costs, personal preferences and attitudes on saving, and behavioral characteristics, all have an impact on saving behavior. Policymakers and financial institutions may endeavor to promote saving and enhance the financial well-being of people and families by comprehending these aspects and how they impact saving behavior.

2.1.2 Financial Socialization Theory

The study of financial behavior and how social variables influence financial attitudes and actions is the foundation of financial socialization theory. The desire for a more thorough understanding of why individuals act in certain ways when it comes to money led to the development of this theory in the latter half of the 20th century.

According to the financial socialization hypothesis, a complex interaction between personal, family, and environmental influences shapes financial behavior. This process starts in childhood and lasts the whole of a person's life. Formal education, family influence, media exposure, and personal experiences are said to be some of the ways that people learn about money, spending patterns, and financial principles.

In 1991, Michael Sherraden carried out one of the first investigations of financial socialization. Early experiences and family history were proven to be powerful determinants of subsequent financial behavior by Sherraden (1991). He discovered, specifically, that children from low-income households were less likely to be financially literate and to have access to financial resources. The notion of financial socialization has been used in recent years to study a variety of subjects, such as personal finance, financial literacy, and consumer behavior. For instance, studies have looked at how young individuals' financial views and actions are influenced by their families' financial habits. The influence of media exposure on consumer attitudes and behaviors, as well as the efficacy of financial education initiatives at educational institutions, have also been examined.

The process by which people learn and grow their financial attitudes, abilities, and knowledge is referred to as financial socialization theory. According to this hypothesis, financial socialization starts in infancy and lasts the whole of a person's life. Numerous elements, including family, education, employment, the media, and individual life events, have an impact on the process. One of the most significant environments for financial socialization is the family. Parents and grandparents teach children about money, spending patterns, and financial ideals. A child's views and opinions around money are also greatly influenced by their family. For example, if the parents save money and are thrifty, the kid is more likely to follow suit.

Schools are important for financial socialization as well. They provide seminars and courses that offer formal financial education. Additionally, via financial literacy initiatives and school culture, schools can influence kids' views about money. Financial socialization is also influenced by experiences in the workplace, media, and personal life. People may acquire useful financial skills via employment, like controlling spending, creating a budget, and setting aside money for retirement. Public perceptions and attitudes toward money and financial markets are also influenced by the media. Marriage, childbirth, bankruptcy, and other personal life events may also have an impact on financial socialization.

2.1.3 Social Capital Theory

The idea that social networks and connections may provide people and societies useful resources and advantages is known as social capital theory. The term "social capital" describes the networks, trust, and social norms that are present in a society and how these assets may be used to accomplish certain objectives. French sociologist Pierre Bourdieu initially proposed the idea in the 1970s, and it has since been expanded upon and used in a number of disciplines, such as political science, economics, and sociology. Both the person and the community may gain from social capital. Social capital may provide people access to important resources including assistance, knowledge, and employment possibilities on an individual basis. Social capital may support social cohesiveness, political stability, and economic growth at the local level. According to social capital theory, social networks and connections may be beneficial assets that help both people and communities. French sociologist Pierre Bourdieu initially proposed the idea in the 1970s, and it has since been

expanded upon and used in a number of disciplines, such as political science, economics, and sociology (Bourdieu, 1972).

The notion of social capital has significant ramifications for practice and policy. Governments and organizations, for instance, may foster social capital by funding activities like volunteer programs and community development projects that foster trust and collaboration within local communities. Furthermore, community-led initiatives to combat poverty, crime, or environmental degradation are examples of how social capital may be used to solve social issues and encourage constructive change. The three primary categories of social capital identified by social capital theory are relational, cognitive, and structural (Putnam, 2000). The quantity and quality of social networks and connections within a community are referred to as structural social capital. A community's common values, attitudes, and beliefs are referred to as cognitive social capital. The degree of trust and collaboration among members of a network is referred to as relational social capital (Portes, 1998).

Both the person and the community may gain from social capital. Social capital may provide people access to important resources including assistance, knowledge, and employment possibilities on an individual basis (Coleman, 1988). Social capital may foster social cohesiveness, political stability, and economic growth at the local level (Putnam, 2000). The notion of social capital has significant ramifications for practice and policy. Governments and organizations may foster social capital, for instance, by funding community development projects or volunteer programs that foster trust and collaboration within local communities (Putnam, 2000). Furthermore, community-led initiatives to combat poverty, crime, or environmental degradation are examples of how social capital may be used to solve social issues and encourage constructive change (Burt, 2005).

2.2 Empirical Review

The previous research and other papers pertaining to this topic will be included in this part. They are gathered from a variety of international periodicals and magazines. This will further broaden our comprehension of the problems associated with our study.

Khadka and Khadka (2024) examined the connection between personal savings behavior and financial literacy, which has attracted a lot of interest in the field of personal finance. The purpose of the research was to investigate how university employees' personal savings and their level of relationship were impacted by their financial knowledge, risk tolerance, education, and job experience. Correlational analysis of the data gathered from a thorough survey (N=210) showed a strong positive relationship between personal savings and financial literacy ($r = 0.623$, $p < 0.01$). A regression analysis was also performed, demonstrating the predictive significance of job experience ($\beta = 0.124$, $p < 0.01$), education level ($\beta = 0.126$, $p < 0.05$), and financial literacy ($\beta = 0.585$, $p < 0.001$) in predicting individual saves behavior. These results highlight the possibility for specialized educational interventions for improved financial well-being and the critical role that financial literacy plays in forming wise financial choices.

In the Kathmandu Valley, Lamichhane (2023) investigated the relationship between investing behavior and financial literacy. The dependent variable is investment behavior. Financial knowledge, financial awareness, financial experience, financial skills, financial competence, and financial aspirations are the independent variables that have been chosen. The respondents' views on investing behavior and financial literacy are evaluated using the main source of data. 158 respondents provided primary data for the research. To accomplish the study's goal, a systematic questionnaire is created. To determine the relevance and impact of financial literacy on investment behavior in the Kathmandu Valley, regression models and correlation coefficients are calculated. The outcome demonstrated that investing behavior is positively impacted by financial literacy. It suggests that as financial literacy rises, so does investing behavior. The outcome also showed that investing behavior is positively impacted by financial literacy. It suggests that rising financial literacy causes rising investing behavior. Additionally, investing behavior is positively impacted by financial experience. It suggests that as financial experience grows, so does investing behavior. Additionally, there is a positive correlation between financial competence and investing behavior, suggesting that as financial abilities improve, so does investment behavior. Likewise, the outcome demonstrated that investing behavior is positively impacted by financial capabilities. It suggests that as financial skill rises, so does investing behavior. Furthermore, investing behavior is positively

impacted by financial goals. It suggests that increased investing behavior is a result of improved financial objectives.

The degree of financial literacy among students pursuing bachelor's and master's degrees at the College of Siddharthanagar municipality was examined by Pandey and Bhandari (2022). To determine their impact on the degree of financial literacy, demographic factors (gender, age, parents' income, occupation, and ethnicity) and educational factors (level, stream, and division) are considered independent variables. There were seven colleges in the Siddharthanagar municipality, with a total population of 6794. Using the Yamane formula, 378 sample sizes were taken from the population, and quota sampling was used to distribute questionnaires to each of them. Frequency, percentage, mean, and standard deviation were used to characterize the collected data. Two hypotheses were assessed using the independent sample T-test, while the other six hypotheses were examined using one-way ANOVA. The Post-Hoc Test is used to further compare groups inside the ANOVA test. The statistical analysis of the data indicates that although parents' work and income had no effect on pupils' financial literacy, demographic characteristics such as age, gender, and ethnicity were relevant to financial literacy. On the other hand, students' financial literacy was significantly impacted by educational characteristics such as level, stream, and division.

Coskun and Dalziel (2020) examined the relationship between financial issues and various aspects of an individual's attributes, specifically financial knowledge, attitude, and behavior. They also looked at whether financial attitude strengthened the relationship between financial behavior and financial knowledge. In order to do this, 396 Turkish university students are asked to complete an online survey on their financial behavior, views toward financial matters, and degree of financial literacy. The link between the survey respondents' financial knowledge and their financial attitude and behavior, as well as the role that financial attitude plays as a mediator in this relationship, are examined using factor analysis, Cronbach's Alpha, and structural equation modeling (SEM). We discover that the link between financial conduct and financial knowledge is mediated by financial attitude, and that this relationship is strengthened by financial attitude intervention.

Coskun and Dalziel (2020) investigated how financial attitude mediated the relationship between Turkish university students' financial conduct and financial knowledge. According to the findings of an online survey given to 396 college students, all three of the topics looked at by SEM analysis had a positive link with one another. University students' financial attitude and financial conduct are favorably impacted by their degree of financial knowledge, although the latter are less positively impacted. However, the SEM analysis shows that the relationship between knowledge and behavior becomes stronger when we use the survey respondents' financial attitudes as a mediator. It is the duty of policymakers to enhance the financial inclusion of their constituents. Regulations should be put in place when needed to encourage more people to become involved. To reach more individuals, you may also employ tools like public service announcements and seminars. Access to financial instruments is a crucial step in achieving sustainable economic growth, since the UN has made financial inclusion a mandatory aim to meet the Sustainable growth Goals.

Antoni et al. (2019) looked on the methods parents used for financial socialization in order to affect their children's financial behavior. Few students have enough understanding of financial principles, and as a consequence, they often suffer with excessive debt levels. Parents often neglect to teach their children money management skills, despite the fact that they may have a significant impact on how kids grow and behave financially. According to studies, parents' financial socialization of their children should improve if they are to exhibit appropriate financial behavior. Seven financial socialization strategies are used by parents to teach their children about financial ideas, according to the research study. Parental connections, financial conflict, financial education, financial behavior modeling, financial behavior monitoring, financial behavior reinforcement, and financial secrecy are a few of these. A self-administered, structured questionnaire was used to collect the answers of 350 South African students as part of a quantitative research design. Only six methods of financial socialization were taken out of the exploratory factor analysis. To explore the connections between parents' financial socialization strategies and kids' financial behavior, hypotheses were reformulated. According to the research findings, kids' financial behavior is greatly influenced by three financial socialization strategies used by parents: financial education and monitoring, financial behavior modeling, and financial behavior reinforcement. Thus, in order to enhance their children's financial

behavior, parents should boost financial education and supervision, financial behavior modeling, and financial behavior reinforcement. These findings have ramifications for parents and financial educators, and putting the study's suggestions into practice may eventually help South African kids behave better financially.

Antoni et al. (2019) looked on the methods parents used for financial socialization in order to affect their children's financial behavior. Few students have enough understanding of financial principles, and as a consequence, they often suffer with excessive debt levels. Parents often neglect to teach their children money management skills, despite the fact that they may have a significant impact on how their children grow and behave financially. According to studies, parents' financial socialization of their children should improve if they are to exhibit appropriate financial behavior. Thus, in order to enhance pupils' financial behavior, parents should strengthen financial education and supervision, financial behavior modeling, and financial behavior reinforcement. These findings have ramifications for parents and financial educators, and putting the study's suggestions into practice may eventually help South African kids behave better financially.

According to Esmail and Salleh (2018), financial literacy has grown to be a major social issue, particularly for the younger population. The concept of financial literacy encompasses specific knowledge, behavior, and normative influences related to financial literacy. It will assist the younger generation in making wise financial decisions. The unique capacity to comprehend financial concepts and analyze data is another aspect of financial literacy. Therefore, the goal of this research is to evaluate the level of financial literacy among Malaysia's youth. Since it is believed that family, peers, attitude, saving, and spending habits have a big impact on financial literacy among young generations, it leads to the development of a distinctive representation of financial literacy within this demographic. A sample of 500 survey respondents from Kedah, Perlis, Perak, Johor, and Kuala Lumpur were used to test the linkages under consideration. There were around 410 responses from the participants. There were forty-two items on the survey. The findings showed that behavior and financial literacy were significantly positively correlated. Additionally, the results demonstrated that peer and family/parental influences on financial literacy were substantial. Therefore, this research suggests that increasing financial literacy via the implementation of various financial educational programs is connected to the general

public, academic and university administrators, the government, and financial advisors. In the end, this research is regarded as one of the ones that has advanced financial literacy concerns and added to the body of literature.

Khatun (2018) investigated how parental socialization and financial literacy affected college students' saving habits. Four hundred university students in Pakistan were given questionnaires using the main data collecting technique. SPSS is used to do multiple regression analysis and Pearson correlation. Our findings show that parental socialization and financial knowledge have a favorable impact on kids' saving habits. According to our findings, children who possess financial literacy demonstrate greater saving behavior than those who lack it. Additionally, it was shown that students' inclination to save rose as a result of their parents' financial education.

Dangol and Maharjan (2018) investigated how peer and parental influences affect young people's saving behavior. This study is based on a structured questionnaire that includes many aspects of peer and parental impact as well as saving behavior. Data from 390 employed Kathmandu Valley respondents with master's degrees was gathered using convenience and judgmental sample procedures. According to the research, saving behavior and peer influence are significantly correlated. Likewise, there is a strong correlation between saving behavior and parental financial education. Mechanisms that affect saving behavior include independence, control, habit building, and saving encouragement. Nonetheless, parental encouragement to save has a significant impact on saving behavior. Thus, parental financial education guarantees prudent saving practices.

According to an analysis by Karunaanithy and Santhirasekaram (2018), Malaysian household debt was 83% of GDP in 2018. As a result, households who are mostly unprepared for retirement did not save enough money. However, young people in developing nations are said to be the primary demographic ensnared in the financial issue. According to the Theory of Planned Behavior, individual variances in financial literacy, peer pressure, parental socialization, and self-control all contribute to people's varying propensity to save. 133 students in Malaysia, a developing nation, participated in a study to find out what variables influenced their saving habits. Convenient sampling was used to disseminate structured questions. The findings showed that parents' socialization, peer pressure, and financial literacy all

significantly impact kids' saving habits. In order to promote more saving behavior in developing nations, policymakers are using the findings to guide their plans for improving kids' financial literacy and maximizing the influence of peers and parents.

According to Alekam et al. (2018), financial literacy has grown to be a major problem in society, particularly for the younger generation. The concept of financial literacy encompasses specific knowledge, behavior, and normative influences related to financial literacy. It will assist the younger generation in making wise financial decisions. The unique capacity to comprehend financial concepts and analyze data is another aspect of financial literacy. Therefore, the goal of this research is to evaluate the level of financial literacy among Malaysia's youth. Since it is believed that family, peers, attitude, saving, and spending habits have a big impact on financial literacy among young generations, it leads to the development of a distinctive representation of financial literacy within this demographic. A sample of 500 survey respondents from Kedah, Perlis, Perak, Johor, and Kuala Lumpur were used to test the linkages under consideration. There were around 410 responses from the participants. There were forty-two items on the survey. The findings showed that behavior and financial literacy were significantly positively correlated. Additionally, the results demonstrated that peer and family/parental influences on financial literacy were substantial. Therefore, this research suggests that increasing financial literacy via the implementation of various financial educational programs is connected to the general public, academic and university administrators, the government, and financial advisors. In the end, this research is regarded as one of the ones that has advanced financial literacy concerns and added to the body of literature.

Khatun (2018) investigated how parental socialization and financial literacy affected Bangladeshi university students' saving habits. University students are the future peddlers of one of the most important motors of economic growth: savings. Furthermore, there are 872891 university students overall, which is a respectable quantity. Therefore, the economy greatly benefits from their saving behavior. However, student loans are now widely accessible, but students spend poorly and are unable to save because they lack financial literacy. However, students are not aware of the many elements that affect their saving habits. Demographic data has been generalized via the use of descriptive statistics. The impacts or connection are examined using multiple regression analysis and Pearson correlation, both of which

indicated a modest association with financial literacy and a good relationship with parental socialization. The F test revealed a significant association in the multiple regression analysis. All of these results are crucial because they will assist the loan provider in creating policies that will appeal to young savers and make parents more aware of the need of encouraging their children to save money during their formative years.

Dangol and Maharjan (2018) investigated how peer and parental influences affect young people's saving behavior. Peer influence and saving behavior are significantly correlated, according to the research, which attempts to investigate the parental and peer influences that affect young people's saving habit. Likewise, there is a strong correlation between saving behavior and parental financial education. Mechanisms that affect saving behavior include independence, control, habit building, and saving encouragement. Nonetheless, parental encouragement to save has a significant impact on saving behavior. Thus, parental financial education guarantees prudent saving practices. A research on the impact of parents and peers on saving behavior is being carried out among Nepalese employees in the Kathmandu Valley who have earned master's degrees. It is investigated how friends, parental financial education, and parental educational background affect saving behavior.

Research on savings has been done in a variety of settings, but there aren't many studies on how young people save in war-torn places (Karunaanithy et al., 2017). This research aims to highlight the psychological elements that affect the saving habits of students in Sri Lanka's northern and eastern regions. Four variables were selected and hypotheses were developed to examine their impact on saving behavior based on the idea of planned behavior. To assess the degree, relationship, and influence of the variables, central tendency measurements, regression analysis, and correlation analysis were performed. The results showed a favorable correlation with peer influence, parental socialization, and financial literacy, but not with self-control. Financial knowledge, peer pressure, and parental socialization each made for 6.5%, 10%, and 31.5% of the variation in saving behavior. The lack of importance of self-control necessitates further study in this field.

Thapa (2015) looked at their financial literacy and how personality, educational, and demographic traits affected it. The study was conducted using logistic regression, mean, and ANOVA. The majority of students, according to the results, have a rudimentary grasp of finance, but they are not well-versed in credit, taxes, the stock market, financial statements, or insurance. Students have a favorable attitude about saving money and are greatly impacted by their parents at home. The research also found that students' attitudes, income, age, educational background, and college type all impact their financial understanding, whereas gender, university affiliation, and financial conduct and influence had no effect. It has been shown that college students possess a fundamental understanding of finance. However, certain of the students' demographic, educational, and personality traits have an impact on their total financial literacy.

According to an analysis by Jamal et al. (2015), more savings will promote economic development and further fortify the economy. However, in Malaysia, the dramatic rise in the family debt to disposable income ratio, especially in the last decade, has cast doubt on Malaysians' capacity to save and make plans for the future. Because of this, overall household savings have remained low, and Malaysians are at a greater risk of not having enough money saved for retirement. The fact that young folks are apparently the primary demographic ensnared in this financial predicament is even more concerning. Concern has been expressed about the need of teaching young Malaysian individuals the basic value of saving money in order to guarantee their retirement financial security. Due to differences in mindset, behavior, knowledge, and social surroundings, people have varying demands when it comes to saving money. The purpose of this research is to investigate how Kota Kinabalu, Sabah, higher education students save money. The research specifically aims to: (i) look at the factors that influence saving behavior; and (ii) look at how attitude affects the link between financial literacy and saving behavior. A structured questionnaire was used to gather data, and SMART-PLS, a second-generation structural equation modeling program, was used for analysis. According to the findings, peer pressure and financial awareness are the next most important factors in fostering students' saving habits, after family participation. Additionally, it is stated that financially knowledgeable pupils have a more positive attitude about money. However, the association between financial literacy and saving behavior is not mediated by financial attitude. It is

anticipated that this study will add to the corpus of information in the area of personal financial planning and financial wellbeing.

According to Bashir et al. (2013), financial literacy refers to a person's comprehension of financial words and tools. People in Pakistan are only aware that they are making deposits into different institutions in the hopes of increasing their wealth via profit. They have no idea what they're doing, and they don't realize that financial markets exist or how they work. This situation makes it necessary to research and assess Pakistan's financial literacy. The study made use of data from Pakistan's National Savings Centers, which has never before been utilized in Pakistan for research purposes. The association between financial literacy and psychosocial characteristics was examined using ordinary least square regression. Pakistanis were found to be financially illiterate after basic and advanced financial knowledge tests were conducted. Additionally, there was a positive correlation between financial literacy and other psychosocial factors, including risk preference, hopelessness, religiosity, financial satisfaction, and retirement plan intention. Age, employment, marital status, and level of education were all positively correlated with financial literacy; those who were older, more educated, married, and in business had higher levels of financial literacy. Gender, despair, and retirement plan intention were significantly positively correlated with financial literacy. This study has ramifications for scholars, researchers, and decision-makers.

Salikin et al. (2013) looked at how parents may teach their kids to act responsibly in all facets of life, including money management. The purpose of this study is to determine how students' attitudes on saving at a local university in Malaysia are influenced by their parents' backgrounds. The research's conclusions advise parents and the general public about the value of exposing kids to financial planning early on in order to promote a saving habit. USIM students from a variety of familial backgrounds were given 2146 surveys. In addition to bar charts, cross tabulation is used for further analysis. The findings demonstrated that kids were less likely to set away money for savings the more educated their parents were. Similar to this, students are less likely to set away money for savings the greater their home income. Higher parental educational attainment and family income did not seem to be associated with more effort on the part of students in saving money. According to the study's findings, kids' saving behavior is influenced by their parents' backgrounds.

Saving money becomes even more crucial for students who still rely on their families for financial support while they pursue their degree. Their ability to acquire healthy attitudes about cash management, such as having a solid personal financial plan, particularly when it comes to handling costs and investments to secure their future, will be impacted by their present conduct.

Bashir et al. (2013) looked for differences in saving habits between the sexes in Pakistan's poor and developed economies. Evaluating gender differences in saving behavior and factors influencing saving behavior between males and females in Punjab, Pakistan, is the main goal of this study. Both men and women are included in the study's sample size. A total of 400 questionnaires—124 from females and 276 from males—were chosen for the research. linear regression for the factors influencing saving behavior used in the research and the non-parametric chi-square test for gender differences in saving practices. According to the study's findings, men and women save money in quite different ways. While men also save for medium- and long-term requirements, women save more for short-term needs than men do. With the exception of education, employment position, house ownership, degree of risk tolerance, and medical costs, the effects of saving variables on saving behavior varied considerably between men and women. This study is unique since it is the first investigation of this subject conducted in Punjab, Pakistan, particularly in the four locations chosen for examination.

Azlan et al. (2013) examined how Pakistan's emerging economy differs from established nations in terms of how men and women save. Evaluating gender differences in saving behavior and factors influencing saving behavior between males and females in Punjab, Pakistan, is the main goal of this study. Both men and women are included in the study's sample size. A total of 400 questionnaires—124 from females and 276 from males—were chosen for the research. linear regression for the factors influencing saving behavior used in the research and the non-parametric chi-square test for gender differences in saving practices. According to the study's findings, men and women save money in quite different ways. While men also save for medium- and long-term requirements, women save more for short-term needs than men do. With the exception of education, employment position, house ownership, degree of risk tolerance, and medical costs, the effects of saving variables on saving behavior varied considerably between men and women. This study is unique since it

is the first investigation of this subject conducted in Punjab, Pakistan, particularly in the four locations chosen for examination.

Using data from young adults and teens in Europe, Webley and Nyhus (2013) examined the influence of economic socialization on the financial behavior and wealth accumulation of young adults by their parents. This article attempts to investigate the association between several economic socialization strands and young adults' asset accumulation and economic conduct. Using a Dutch sample of young people, we investigate the function of four different economic socialization strands. The capacity to regulate spending, saving preferences, future orientation, conscientiousness, and saving are all positively correlated with parental encouragement, according to the results. The socialization of teenagers from less affluent and less educated households differs somewhat, according to analyses: they are more likely to have piggy banks and savings accounts at a younger age, but they are less likely to get pocket money and work part-time. The significance of financial education in schools is highlighted by differences in the economic socialization of parents.

According to Firmansyah (2013), parents serve as their children's main community and are crucial to their education. The way parents educate their kids to save money is linked to poor income management. While they don't concentrate on teaching their kids how to manage their money, they often feel secure about their savings. College students in Jabodetabek, Indonesia, were selected as the research's source of data in order to determine the impact of family backgrounds on students' saving behaviors. 300 questionnaires are distributed around the Jabodetabek region in order to gather data about their saving habits using quantitative data analysis. The relationship between parents' backgrounds and their children's saving habits is the topic of debate.

In a sample of 2246 Malaysian workers, Delafrooz and Paim (2011) examined the connections between financial difficulties and saving behavior and financial literacy, financial stress, and financial management practices. The results showed that financial management practices and financial stress were significant predictors of financial problems; financial management practices and financial literacy were significant predictors of saving behavior; financial literacy and financial problems were not significantly correlated; and financial stress and saving behavior were not

significantly correlated. These results underline the need of financial education initiatives aimed at promoting modifications in money management techniques, lowering financial stress, and enhancing financial literacy among employees. Researchers have shown that by lowering financial stress, workplace financial education initiatives might help employees with their financial issues. Employees who participated in financial education workshops and seminars reported fewer financial issues and less financial stress than their counterparts.

Webley and Nyhus (2006) examined how parents affect their children's saving and future orientation. This research aims to explore the idea that parental behavior, specifically that pertaining to intertemporal choice, affects their children's economic behavior. Using Dutch panel data, we examine the idea that a generational attitude to economic issues and choices is passed down by comparing the future orientation, conscientiousness, and saving of children aged 16 to 21 with those of their parents. We also investigate whether elements of economic socialization have an impact on an adult's economic behavior. The findings demonstrate the small but evident influence of parental behavior (e.g., talking to children about money) and orientations (e.g., future orientation, conscientiousness) on children's economic behavior and adult economic behavior.

Table 1

Summary of Empirical Review

Authors (Date)	Topic	Objectives	Methodology	Findings
Khadka and Khadka (2024)	The Influence of Financial Literacy on Individual Savings: A Study of University Staff	The purpose of the research was to investigate how a university employees' personal savings and their level of relationship	210 students' answers were gathered using a self-administered, structured questionnaire as part of a quantitative research	Personal savings and financial literacy are significantly positively correlated, according to this investigation. Additionally, a

		were impacted by their financial knowledge, risk tolerance, education, and job experience.	strategy.	regression analysis was performed, emphasizing how job experience, education level, and financial literacy all influence an individual's saves behavior.
Pandey and Bhandari (2022).	Financial Literacy of College Students of Siddharthanagar Municipality	This research examined the degree of financial literacy among college students in the Siddharthanagar municipality pursuing bachelor's and master's degrees.	There were seven colleges in the Siddharthanagar municipality, with a total population of 6794. Out of the population, 378 sample sizes were removed, together with the percentage, mean, and standard deviation. Two hypotheses were evaluated using the one-way ANOVA and the independent	The statistical findings indicate that although parents' income and employment had no effect on pupils' financial literacy levels, demographic characteristics such as age, gender, and ethnicity were important to financial literacy.

sample T-test.

Coskun and Dalziel (2020)	Mediation effect of financial attitude and financial knowledge on financial behavior: The case of university students	The purpose of this research was to investigate financial attitude strengthens the link between financial conduct and financial knowledge.	An online survey of 396 Turkish university students is conducted to find out how they feel about money matters, how much they know about money matters, and how they handle money. Factor analysis is what we use.	We discover that the link between financial conduct and financial knowledge is mediated by financial attitude, and that this relationship is strengthened by financial attitude intervention.
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Antoni et al. (2019)	The influence of parental financial socialization techniques on student financial behaviour.	This research looked at the financial socialization strategies parents used to shape their children's financial behavior.	350 South African students were asked to complete a self-administered, structured questionnaire as part of the study's quantitative research approach.	
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Alekan et al. (2018)	The effect of family, peer, behavior, saving and spending behavior on financial literacy among young generations	The aim of this research is to evaluate the level of financial literacy among Malaysia's youth.	A sample of 500 survey respondents from Kedah, Perlis, Perak, Johor, and Kuala Lumpur were used to test the linkages under consideration. There were around 410 responses from the participants. There were forty-two items on the survey.	According to the research findings, kids' financial behavior is greatly influenced by three financial socialization strategies used by parents: financial education and monitoring, financial behavior modeling, and financial behavior reinforcement.
Khatun (2018)	Effect of financial literacy and parental socialization on students savings behavior of Bangladesh	This research sought to determine how parental socialization and financial literacy affected university students' saving habits.	Four hundred university students in Pakistan were given questionnaires using the main data collecting technique. SPSS is used to do multiple regression analysis and Pearson correlation.	The findings showed that behavior and financial literacy were significantly positively correlated. Additionally, the results demonstrated that peer and family/parental influences on

financial literacy were substantial. Therefore, this research suggests that increasing financial literacy via the implementation of various financial educational programs is connected to the general public, academic and university administrators, the government, and financial advisors.

Dangol and Maharjan (2018)	Parental and peer influence on the saving behavior of the youth.	This study investigates how peer and parental influences affect young people's saving habits.	390 respondents from the Kathmandu Valley who have earned master's degrees and are working had their data gathered using convenience and judgmental sample procedures.	All of these results are crucial because they will assist the loan provider in creating policies that will appeal to young savers and make parents more aware of the need of encouraging their children to save
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				money during their formative years.
Karunaanithy et al. (2017)	Influence of demographics on saving behavior: a case in jaffna district	133 students in Malaysia, a developing nation, participated in a study to find out what variables influenced their saving habits.	According to the research, saving behavior and peer influence are significantly correlated. Likewise, there is a strong correlation between saving behavior and parental financial education. Mechanisms that affect saving behavior include independence, control, habit building, and saving encouragement. Nonetheless, parental support for saving has a significant impact on saving behavior.	
Thapa (2015)	Financial literacy	This research in looks at their	Mean, ANOVA and	In order to promote more

	Nepal: A survey analysis from college students.	financial literacy as well as how personality traits, educational background, and demographics affect it.	logistic regression were used in carrying out analysis.	saving behavior in developing nations, policymakers are using the findings to guide their plans for improving kids' financial literacy and maximizing the influence of peers and parents.
Jamal et al. (2015)	The effects of social influence and financial literacy on savings behavior: A study of students of higher learning institutions in Kota Kinabalu,	The purpose of this research is to investigate how Kota Kinabalu, Sabah, higher education students save money.	A structured questionnaire was used to gather data, and SMART-PLS, a second-generation structural equation modeling program, was used for analysis.	The majority of students, according to the results, have a rudimentary grasp of finance, but they are not well-versed in credit, taxes, the stock market, financial statements, or insurance. Students have a favorable attitude about saving money and are greatly impacted by their parents

					at home.
Bashir et al. (2013)	Financial literacy influence psychosocial factors	and of	This research sought to examine the connection between financial literacy and psychological characteristics.	The National Savings Centers of Pakistan provided the data for the research, which used ordinary least square regression.	When pupils are financially knowledgeable, they are considered to have a more positive financial attitude. However, the association between financial literacy and saving behavior is not mediated by financial attitude. It is anticipated that this study will add to the corpus of information in the area of personal financial planning and financial wellbeing.

2.4 Research Gap

Savings are crucial to sustaining economic growth. Despite playing a significant role at several levels—households, businesses, and the government—the three organizations are interconnected. For example, young people who save too little may experience both financial hardship and a lack of emergency funds, which may

exacerbate anxiety and result in major health issues. From a wider standpoint, the government will not have enough money to invest in physical and social infrastructure. Money invested in financial assets is routed via financial intermediaries for investments, which benefits the nation by increasing economic development and productivity.

However, it may be argued that the lack of financial literacy, excessive spending on useless products or impulsive purchases, and maintaining opulent lifestyles that lead people to turn to loans in order to meet their demands are the primary causes of the debt crisis, especially among young Nepalese adults. Additionally, the development of technology, especially online shopping platforms, has created a new and exciting shopping experience by enabling consumers to make orders online, get incentives for their purchases, and have their purchases delivered right to their door.

Research on the effects of peers and parents on saving behavior, particularly among young people, is scarce. This research investigates the variables influencing young people's saving habits in Nepal. Designing more successful financial education programs for Malaysians will need an understanding of if and how peer and family influences may affect savings issues. As a result, when they start working and raising their own families, they will be capable personal financial managers.

CHAPTER III

RESEARCH METHODOLOGY

The approach used to perform the study is covered in this chapter. This chapter provides a comprehensive overview of the research methodology. The goal of the current study is to determine how friends and parents affect Nepalese employees' saving habits. The data gathering process and the methods used by the researcher to analyze the existing data are also explained in this chapter. It involves creating the survey that the public will fill out. The process and methodology used to gather and examine the data have been described. This chapter's primary goal is to evaluate and understand the information gathered for the research.

3.1 Research Design

A descriptive and informal comparative research approach was used in this study. Because it uses statistics to explain facts and features about the population under study without any modification, the research is descriptive in nature. The main survey serves as the only foundation for the study's conclusions. The statistical tests used in the research include linear regression and Pearson correlation. The data is analyzed and interpreted by the computation of correlation and regression.

3.2 Population and Sample Size

Employees from various departments of Kathmandu Valley's commercial banks make up the study's population. Since there is no record of who visits the retail shops, the population for this research is unknown. Thus, 225 people made up the study's sample size. Convenience sampling methods were used in the research to choose the sample. Through the use of social media and other electronic channels, a structured questionnaire was sent to the people who were making money.

3.3 Instrumentation

The original data collection from bank workers served as the study's basic foundation. In essence, the internet, books, journals, and similar articles served as the secondary source of information. The structured questionnaire, a crucial tool for gathering data for this study, served as the main source of information. It was divided into two

sections. The questions in the structured questionnaire part were taken from Dangol and Maharjan (2018). The main technique of data collection was used to get the information. The necessary data, which included peer and parental influence and saving behavior, was gathered by the distribution of a structured questionnaire. For all of the variables built in the suggested theoretical framework, the research mostly employs Likert scale assessment. Four questions are used to gauge the degree of peer influence, while five questions about willingness to save, eight questions about capacity to save, and one question about total savings are used to gauge saving behavior. The greatest degree of education was selected for the research after the respondents were questioned about the parents' educational backgrounds. To evaluate the data, Likert scale, multiple choice, and single choice questions were used. The questionnaire is broken up into two pieces. Section A asks about the respondents' demographics, while Section B asks about the three independent factors and the dependent variable.

3.4 Data Collection Procedure

Since this study was only undertaken for academic purposes, an appropriate protocol was followed in order to complete the job. In essence, both primary and secondary data served as the foundation for this study. Identification (literature review and expert opinion), preliminary questionnaire preparation and approval, finalization of the questionnaire, and data collection via printed and online questionnaire distribution are all included in the overall data collection procedures.

Numerous books, journals, studies, and institutional publications have provided the secondary data and information. To gather data and information for this study, social media sites and other electronic media were visited and submitted. Structured surveys, respondent interviews, and other contacts with various respondents will all be part of the data gathering process.

3.5 Methods of Analysis

The secondary data used in this research was gathered from five commercial banks using a straightforward sampling technique. The chosen banks' annual reports for the years 2012–2021 will be the source of the secondary data for the study. Using SPSS

26 software, the gathered data will be examined using multiple regression analysis, correlation analysis, and descriptive analysis.

3.5.1 Descriptive Analysis

According to Mugenda and Mugenda (2003), descriptive analysis is often the best method for obtaining data that demonstrates relationships and depicts the world as it is, including the rate or frequency, distribution, mean, and change impacting the share price of commercial banks. This analysis, which provides the basic contours of the example and measurements, may be helpful in identifying the essential highlights of the material in the examination.

3.5.2 Correlation Analysis

To determine relationships between variables, correlation analysis was used. The relationship between several independent and dependent variables related to the study is ascertained using Pearson's Correlation analysis. It calculates any two variables' linear correlation.

The following five traditional guidelines serve as the foundation for correlation interpretation:

- $r = 0$ to .20 indicates little or no connection.
- ($r = .20$ to .40) shows a modest but positive degree of connection.
- ($r = .40$ to .60) shows a somewhat favorable connection.
- ($r = .60$ to .80) shows a strong and positive degree of connection.
- ($r = .80$ to 1.00) shows a strong and positive association.

Every variable is handled equally, meaning that dependent and independent variables are not distinguished. When two variables have a tendency to change in the same direction at the same time, they are said to be correlated. A correlation is considered direct or positive if both variables have a tendency to rise or fall together. A negative or inverse correlation occurs when one variable tends to rise while the other falls.

3.5.3 Multiple Regression Analysis

Only the presence of a strong association between two variables may be determined by a correlation study. However, it is impossible to pinpoint the precise nature of the

link between two variables, even if a correlation coefficient suggests that there is a significant association between them. Regression analysis in this instance offers more details on the relationship's slope. It is used to forecast and explain the characteristics of a connection. This section ascertains which independent variable accounts for result variability and the extent to which dependent variable variability is important (in comparison to other factors) in explaining the dependent variable's variability.

Regression analysis makes the assumption that two or more variables are causally related, while correlation analysis makes no such assumption. Multiple linear regressions display the impacts of many independent factors on a single dependent variable, while simple linear regressions only display the impact of one independent variable. Only the strength of the association between two variables is provided by correlation analysis. Regression analysis is thus performed in order to have a better understanding of the degree of correlation between two or more variables. To examine the effects of many independent factors on a single dependent variable, multiple regression analysis is used. Therefore, the influence of several independent factors on the saving behavior of Nepalese employees is examined using multiple regression analysis. Peer, parental, financial literacy, and self-control impacts on Nepalese employees' saving behavior are also examined using multiple regression analysis.

The study used linear regression analysis to determine the correlation between the dependent variables (the saving behavior of Nepalese employees) and the independent factors (parental and peer influences, financial literacy, and self-control). One benefit of using linear regression analysis was the capacity to assess many independent factors that have an impact on the dependent variables at the same time. The effect of the independent variables of self-control, financial literacy, parental influences, and peer influences is predicted using multiple linear regression analysis. The following equation is the equation for the impact of independent variables:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where,

\hat{Y} = Saving behaviour of the Nepalese employee (dependent variable)

X_1 = Peer influences

X_2 = Parental influences

X_3 = Financial literacy

X_4 = Self-control

α = Constant

$\beta_1, \beta_2, \beta_3,$ and β_4 = Regression coefficients of factor 1, 2, 3 and factor 4.

e_i = Error term

3.6 Reliability

Reliability is defined as "the degree to which measurements can be repeated by different individuals under different circumstances, on different occasions, and ostensibly using different instruments that measure the construct or skill." It may also be described as the extent to which a construct's measure is reliable or consistent. For example, if many individuals estimate your weight, the result may not be accurate since it will differ from the true number; hence, the measurement is considered unreliable.

In order to increase reliability, previous research has been analyzed, and supervisors have been given structured and semi-structured questionnaires to evaluate their validity. The necessary repair and change have been made in accordance with the supervisor's recommendation. In a similar vein, all responder groups received comprehensive guidance on creating clearly comprehensible questionnaires that aid in the collection of trustworthy data.

The reliability of the acquired data is also determined by testing the Cronbach alpha of each variable. Cronbach's Alpha coefficients below 0.6 are regarded as bad, those above 0.6 but below 0.8 as acceptable, and those over 0.8 as high, according to Sekaran (2000). The Cronbach alpha for each variable is shown in Table 2.

Table 2

Cronbach Alpha of Variables

Variables	N	Cornbach Alpha
Saving Behaviour	6	0.878
Peer Influences	5	0.767
Parental Influences	6	0.877
Financial Literacy	6	0.833
Self-Control	6	0.918

Table 2 demonstrates that each variable's Cronbach alpha is more than 0.70, indicating the reliability of the data.

3.7 Research Framework and Definition of Variables

Every aspect of the research endeavor is built upon the Conceptual Framework. The variables of peer influences, parental influences, financial literacy, and self-control of Nepalese employees will be used to assess the impact of these factors on the saving behavior of the Nepalese employee.

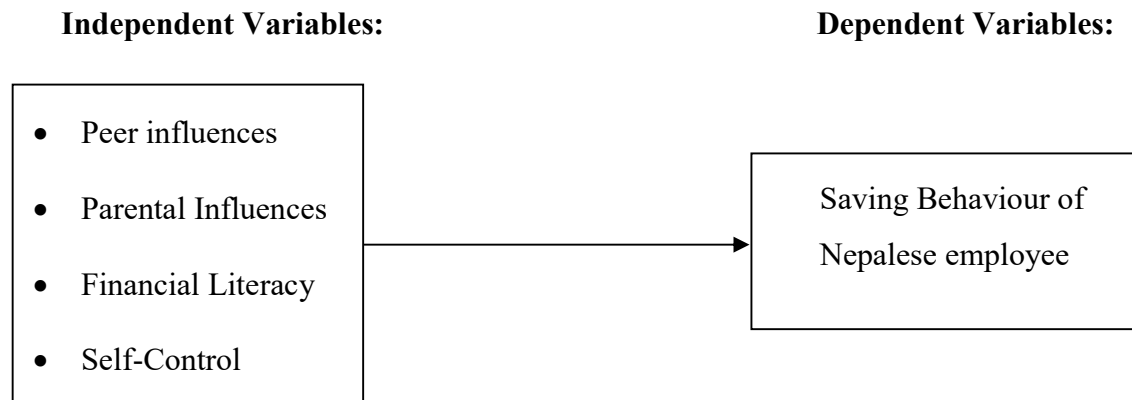


Figure 1 Research Framework

Source: Dangol and Maharjan (2018); Khantu (2018)

3.7.1 Definition of Variables

Saving Behaviour

Numerous studies have been conducted to determine the factors influencing students' saving habits. However, parents have the most impact on their children's saving habit. According to the study, family education lays the groundwork for their children's future, influencing who they become depending on what they learn from their families. This issue becomes significant since college students are morally mature and not only possess superior knowledge and skills, but also need to manage their financial issues (Salikin et al., 2012).

3.7.2 Independent Variable

Peer Influences

According to a research by Jamal, Ramlan, Karim, and Osman (2015), a student's capacity to save money is significantly influenced by their friends. Noor (2016) discovered that even when parents or guardians have instilled sound financial habits in their kids, peer socialization still plays a role in kids' saving habits because students' saving habits may be impacted by their peers' sharing of ideas about money management issues and their participation in spending activities during social time.

Peer pressure may also have an impact on people's financial behavior, claim Jamal, Ramlan, Karim, and Osman (2015). According to Alwi, Amir Hashim, and Ali (2015), peer pressure always affects Generation Y's decision-making.

Parental Influences

According to Buccioli and Veronesi's (2014) research, children's desire to save will rise by around sixteen percent if they are encouraged to do so by their parents. Parents' support will foster positive behavioral habits in their kids. Furthermore, children inherit their family's attitude and behavior, which might foretell the kind of financial choices and management they will make in the future, claims Firmansyah (2014).

Financial Literacy

The purpose of the six questions is to gauge respondents' degree of agreement with their level of financial literacy. Cude et al. (2006) and Hira and Loibl (2005) are the primary sources of these issues. Respondents with higher scores are more financially literate, and vice versa.

Self-Control

To gauge the respondents' impulsivity, six more questions were created using data from Multistate North Central Research Project 1013 (2007), Otto (2009), and Esenvalde (2011). Respondents with higher scores are more impulsive, which leads to a lack of self-control, and vice versa.

CHAPTER IV

RESULTS AND DISCUSSION

This chapter explains how the outcomes of the data collecting procedure were analyzed, and it attempts to accomplish the study's goals by conducting an empirical analysis of the information gathered from the respondents. The outcomes of the data analysis and research methods covered in chapter three are attempted to be presented in this chapter. The research questions and hypotheses serve as the basis for the analysis of the data obtained. The information gathered from the process described in chapter three was then taken for presentation and analysis. After coding the questionnaires, the data was imported into SPSS and the necessary computations were made. Data from almost any kind of file may be used by SPSS to create tabulated reports, distribution and trend charts and plots, descriptive statistics, and statistical analyses. The research attempted to investigate the effects of parents and peers on the saving habit of Nepalese employees using primary data collected from the 225 respondents.

The demographic profile of the respondents, descriptive statistics of the variables, hypothesis testing, and a discussion of the analysis's findings are all included in this chapter. Basic details such gender, age, marital status, educational attainment, monthly income, monthly savings, and the respondent's mother and father's educational backgrounds were summed up in the respondent profile. The mean value, standard deviations, regression, and correlation of the related items of the study variables are examined under the analysis section. In order to achieve the study's goals, the hypothesis is finally explored. To facilitate interpretation, the data is shown using tables and graphs.

4.1 Results

There are five sub-sections within this section. The profile and demographics of the respondents are covered in the first section. Descriptive analysis, the second section, uses measures of central tendency and frequency analysis to examine the gathered data. Inferential analysis, which includes correlation analysis and hypothesis testing, is used in the third section to examine the data that was gathered. Regression analysis

is the fourth section. Discussion and conclusions are covered in the fifth and last section of this chapter.

4.1.1 Demographic Profile of Respondents

The demographic analysis and interpretation of primary data gathered from the respondents are covered in this part. All of the 225 respondents that were chosen for the survey are Nepalese employees. This part presents the respondent's demographic profile, including gender, age, marital status, educational attainment, monthly income, monthly savings, and the respondent's mother and father's educational backgrounds. The table and figures indicate the respondent's demographic profile.

Table 3

Demographic Profile of Respondents

		Frequency	Percent
Gender	Male	130	57.78
	Female	95	42.22
Age Group	16-24	42	18.67
	25-32	97	43.11
	33-40	86	38.22
Educational Level	Plus two	48	21.33
	Graduation	67	29.78
	Masters	110	48.89
Marital Status	Single	139	61.78
	Married	86	38.22
Monthly Income	Less than 15,000	12	5.33
	15,001 - 30,000	89	39.56

	30,001 - 45,000	81	36.00
	45,001 - 60,000	14	6.22
	60,001 above	29	12.89
	Below 5,000	21	9.33
	5,001 - 10,000	28	12.44
Monthly Saving	10,001 - 15,000	47	20.89
	15,001 - 20,000	97	43.11
	20,001 above	32	14.22

The respondents' gender is shown in Table 3. There were 130 male respondents and 95 female respondents out of the 225 total respondents; the male to female proportion is 57.78% and 42.22%, respectively, indicating that there were more male respondents than female respondents in the sample size of 225.

Likewise, the respondents' age group. Among the 225 respondents, 42 were between the ages of 16 and 24, 97 were between the ages of 25 and 32, and 86 were between the ages of 33 and 40. This means that the percentage of respondents who were between the ages of 16 and 24 was 18.67%, that of respondents who were between the ages of 25 and 32 was 43.11%, and that of respondents who were between the ages of 33 and 40 was 38.22%. This indicates that the participation of respondents who were between the ages of 25 and 32 was higher than that of the sample size of 225.

Similarly, the respondent's educational background. Of the 225 respondents, 48 were +2, 67 were graduating, and 110 were masters passed. This means that the percentage of +2 respondents was 21.33%, the percentage of graduation was 29.78%, and the percentage of masters passed was 48.89%. This indicates that the masters respondents participated at a higher rate than the other respondents in the sample size of 225.

This also applies to the respondent's marital status. The percentage of single respondents was higher than that of married respondents in the sample size of 225, with 139 of the 225 respondents being single and 86 being married. The percentage of single respondents is 61.78%, while the percentage of married respondents is 38.22%.

Similarly, the respondent's monthly income. Twelve respondents made less than \$15,000, 89 made between \$15,001 and \$30,000, 81 made between \$30,001 and \$45,000, 14 made between \$45,001 and \$60,000, and 29 made over \$60,000. These respondents' percentages—5.33%, 39.56%, 36.0%, 6.22%, and 12.89%, respectively—indicate that the number of respondents with incomes between \$15,001 and \$30,000 was higher than that of the other respondents in the sample size of 225.

Finally, the respondent's monthly income. There are 21 respondents who save less than \$5,000, 28 respondents who save between \$5,000 and \$10,000, 47 respondents who save between \$10,000 and \$15,000, 97 respondents who save between \$15,001 and \$20,000, and 32 respondents who save more than \$20,000. These percentages indicate that the number of respondents who save between \$15,001 and \$20,000 was higher than that of the other respondents in the sample size of 225.

4.1.2 Descriptive Statistics

The descriptive analysis of the information gathered from the respondents via the questionnaires used in the research process is explained in this section. Descriptive analysis uses statistical metrics and methods to interpret the data. The mean, frequency, and standard deviation are those statistical measurements. The tabular form is used to display this mean and standard deviation. Nepalese employees were given "Five Point Likert Scale" questions for this survey, which ranged from:

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

Table 4 displays the independent and dependent variables' means and standard deviations.

Table 4

Mean and standard deviation

Variables	N	Mean	Std. Deviation	Minimum	Maximum
Peer influences	225	3.18	0.697	1.00	5.00

Parental influences	225	3.23	0.584	1.00	5.00
Saving behaviour	225	3.25	0.479	1.00	5.00
Financial Literacy	225	3.15	0.896	1.00	5.00
Self-control	225	3.49	1.004	1.00	5.00

The mean and standard deviation of each independent and dependent variable are shown in Table 4. According to the table, financial literacy has the lowest mean (3.15, with a standard deviation of 0.896) and self-control has the greatest mean (3.49, with a standard deviation of 1.004). It demonstrates that the self-control component has a greater impact on the Nepalese employee's saving behavior than other factors. All of the means in the tables above are more than 3, indicating that the majority of customers in Nepal are saving money.

4.1.3 Inferential Analysis

Presenting the methodology for evaluating the empirical findings and testing the hypothesis established in the preceding chapter are the primary goals of this part. Procedures known as inferential statistics enable researchers to extrapolate or generalize findings from samples to the broader population from which they were drawn. It makes it possible to employ one or more observational samples to comprehend population values. To ascertain whether observed differences between groups or variables are genuine or the result of pure chance, inferential analysis tests hypotheses. By drawing generalizations and predictions from samples, it generates new knowledge. There are two analytic tools in this area, which are:

- i. Correlation analysis
- ii. Regression analysis

The relationship between several independent and dependent variables related to the study is ascertained using correlation analysis. It calculates any two variables' linear correlation. Additionally, regression analysis is used to better understand how strongly two or more variables are related to one another. To examine the effects of many independent factors on a single dependent variable, multiple regression analysis is used. Therefore, the influence of several independent factors on job-hopping

behavior is examined using multiple regression analysis. The impact of perceived risk on the relationship between behavioral intention and willingness to learn and adapt is also examined using multiple regression analysis.

Correlation Analysis

To determine relationships between variables, correlation analysis was used. The relationship between several independent and dependent variables related to the study is ascertained using Pearson's Correlation analysis. It calculates any two variables' linear correlation.

The following five traditional guidelines serve as the foundation for correlation interpretation:

- (r = 0 to .20) indicates negligible or no correlation
- (r = .20 to .40) indicates positive but low degree of correlation
- (r = .40 to .60) indicates positive moderate degree of correlation
- (r = .60 to .80) indicates positive and marked degree of correlation
- (r = .80 to .1.00) indicates positive and high degree of correlation

Every variable is handled equally, meaning that dependent and independent variables are not distinguished. When two variables have a tendency to change in the same direction at the same time, they are said to be correlated. A correlation is considered direct or positive if both variables have a tendency to rise or fall together. A negative or inverse correlation occurs when one variable tends to rise while the other falls.

Table 5

Correlation Analysis

Variables	Saving Behaviour	Peer Influences	Parental Influences	Financial Literacy	Self-control
Saving Behaviour	1				
Peer Influences	.442** (0.00)	1			
Parental Influences	.521** (0.00)	.427** (0.00)	1		
Financial Literacy	.174** (0.00)	.041** (0.00)	.254** (0.00)	1	
Self-control	.381** (0.00)	.221** (0.00)	.148** (0.00)	.247** (0.00)	1

** . Correlation is significant at the 0.01 level (2-tailed).

N= 225

The link between the independent and dependent variables is shown in Table 4-13.

a. Relationship between peer influences and saving behaviour of Nepalese employee

According to the correlation analysis findings shown in the above table, there is a positive link between the two variables, as indicated by the Pearson Correlation Coefficient of $r = 0.442$ between peer influences and the saving behavior of Nepalese employees. Additionally, this figure shows a somewhat good association between Nepalese employees' saving behavior and peer influences. Since the p-value is smaller than alpha, or $0.000 < 0.01$, the correlation is significant at the 1% threshold of significance.

b. Relationship between parental influences and saving behaviour of Nepalese employee

According to the correlation analysis findings shown in the above table, there is a positive link between the two variables, as indicated by the Pearson Correlation Coefficient of $r = 0.521$ between the saving behavior of Nepalese employees and parental influences. Additionally, this figure shows that there is a somewhat good association between Nepalese employees' saving behavior and parental influences. Since the p-value is smaller than alpha, or $0.000 < 0.01$, the correlation is significant at the 1% threshold of significance.

c. Relationship between financial literacy and saving behaviour of Nepalese employee

According to the correlation study findings shown in the above table, there is a positive link between the two variables, as indicated by the Pearson Correlation Coefficient of $r = 0.174$ between Nepalese employees' saving behavior and financial literacy. Additionally, this number shows that there is a positive, lower degree of link between Nepalese employees' saving habits and their financial knowledge. Since the p-value is smaller than alpha, or $0.000 < 0.01$, the correlation is significant at the 1% threshold of significance.

d. Relationship between self-control and saving behaviour of Nepalese employee

According to the correlation analysis findings shown in the above table, there is a positive link between the two variables, as indicated by the Pearson Correlation Coefficient of $r = 0.381$ between the self-control and saving behavior of Nepalese employees. Additionally, this number shows a positive but weak association between Nepalese employees' saving behavior and self-control. Since the p-value is smaller than alpha, or $0.000 < 0.01$, the correlation is significant at the 1% threshold of significance.

Regression Analysis

Only the presence of a strong association between two variables may be determined by a correlation study. However, it is impossible to pinpoint the precise nature of the link between two variables, even if a correlation coefficient suggests that there is a significant association between them. Regression analysis in this instance offers more

details on the relationship's slope. It is used to forecast and explain the characteristics of a connection. This section ascertains which independent variable accounts for result variability and the extent to which dependent variable variability is important (in comparison to other factors) in explaining the dependent variable's variability.

Regression analysis makes the assumption that two or more variables are causally related, while correlation analysis makes no such assumption. Multiple linear regressions display the impacts of many independent factors on a single dependent variable, while simple linear regressions only display the impact of one independent variable. Only the strength of the association between two variables is provided by correlation analysis. Regression analysis is thus performed in order to have a better understanding of the degree of correlation between two or more variables. To examine the effects of many independent factors on a single dependent variable, multiple regression analysis is used. Therefore, the influence of several independent factors on the saving behavior of Nepalese employees is examined using multiple regression analysis. Peer, parental, financial literacy, and self-control impacts on Nepalese employees' saving behavior are also examined using multiple regression analysis.

The study used linear regression analysis to determine the correlation between the dependent variables (the saving behavior of Nepalese employees) and the independent factors (parental and peer influences, financial literacy, and self-control). One benefit of using linear regression analysis was the capacity to assess many independent factors that have an impact on the dependent variables at the same time. The effect of the independent variables of self-control, financial literacy, parental influences, and peer influences is predicted using multiple linear regression analysis. The following equation is the equation for the impact of independent variables:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where,

\hat{Y} = Saving behaviour of the Nepalese employee (dependent variable)

X_1 = Peer influences

X_2 = Parental influences

X_3 = Financial literacy

X_4 = Self-control

α = Constant

$\beta_1, \beta_2, \beta_3,$ and β_4 = Regression coefficients of factor 1, 2, 3 and factor 4.

e_i = Error term

The following tables display the findings from the model summary, analysis of variance (ANOVA), and beta coefficients of the independent variables' effects on the Nepalese employee's saving behavior.

Table 6

Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.650 ^a	0.422	0.416	0.41727

a. Predictors include self-control, financial literacy, parental and peer influences, and constant

The coefficient of determination, or R-squared, is shown in the model summary and may be used to explain variation. Table 6 shows that the R-squared value is 0.703, meaning that peer, parental, financial literacy, and self-control effects account for 70.3% of the variance in the Nepalese employee's saving behavior. However, this study still fails to explain the remaining 29.7% (100% - 70.3%). To put it another way, this study has not taken into account other significant factors that contribute to the saving behavior of Nepalese employees.

Similarly, after controlling for degree of freedom (df), the adjusted R-square is 0.487, meaning that peer and parental factors, financial literacy, and self-control account for 48.7% of the Nepalese employee's saving behavior. Additionally, the model summary displays the standard error of the estimate of 0.343, demonstrating the unpredictability of the observed value of the Nepalese employee's saving behavior.

Table 7

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
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1	Regression	52.722	4	13.181	40.186	0.000 ^b
	Residual	72.256	220	0.328		
	Total	124.978	224			

a. Dependent variable: Nepalese employee's saving habits

b. Predictors include self-control, financial literacy, parental and peer influences, and constant

Table 7 shows that independent factors have an impact on the Nepalese employee's saving behavior. The F value is 71.731 and the p value is.000, meaning that the p value is smaller than the alpha.

The p-value, as determined by ANOVA, is 0.000, which is less than the alpha value of 0.01. As a result, the model accurately forecasts how the dependent and independent variables will interact. Therefore, the independent variables—parental and peer influences, financial literacy, and self-control—are important in understanding the variation in the Nepalese employee's saving behavior.

Table 8

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.596	0.186		3.208	0.001
Peer influences	0.204	0.035	0.239	5.847	0.000
Parental influence	0.329	0.040	0.345	8.264	0.000
Financial literacy	0.121	0.039	0.125	3.086	0.002
Self-control	0.215	0.029	0.301	7.496	0.000

a. Dependent variable: Nepalese employee's saving habits

The model is built using the following equation, which takes two aspects of the Nepalese employee's saving behavior—peer and parental influences, financial literacy, and self-control—as independent variables (X_1 , X_2 , X_3 , and X_4) and the employee's saving behavior as the dependent variable.

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where,

\hat{Y} = Saving behaviour of the Nepalese employee (dependent variable)

X_1 = Peer influences

X_2 = Parental influences

X_3 = Financial literacy

X_4 = Self-control

α = Constant

β_1 , β_2 , β_3 , and β_4 = Regression coefficients of factor 1, 2, 3 and factor 4.

e_i = Error term

The regression equation for the Nepalese employee's saving behavior may be expressed as follows based on the coefficients:

$$\hat{Y} = 0.596 + \beta_1 0.204 + \beta_2 0.329 + \beta_3 0.121 + \beta_4 0.215 + e_i$$

Peer influences, parental influences, self-control, and financial literacy had respective regression coefficients of 0.204, 0.329, 0.121, and 0.215.

The beta for each of the characteristics or independent factors used in the research to ascertain their impact on the Nepalese employee's saving behavior is also shown in Table 8. Additionally, the beta coefficient indicates that a one-unit change in the Nepalese employee's saving behavior results in a 0.204-unit change in the peer influences factor with other factors remaining unchanged. Similarly, the beta coefficient indicates that a one-unit change in the Nepalese employee's saving behavior results in a 0.329-unit change in the parental influences factor with other factors remaining unchanged.

Furthermore, the beta coefficient indicates that a one-unit change in the saving behavior of a Nepalese employee results in a 0.121-unit change in the financial literacy factor with other factors remaining unchanged. Similarly, the beta coefficient indicates that a one-unit change in the saving behavior of a Nepalese employee results in a 0.215-unit change in the self-control factor with other factors remaining unchanged.

4.2 Discussion

The findings of this research demonstrated that self-control, financial literacy, parental influence, and peer influence may all be used to foster saving habit. Numerous academics' arguments, including those of Shim et al. (2009), Jorgensen & Savla (2010), and Kim et al. (2011), are supported by this empirical data. A noteworthy discovery is that parents may have a significant impact on their children's saving habit from an early age, either directly or indirectly. Statistics that demonstrate a substantial positive correlation between parental effects and the observation of saving behavior reinforce this data. At the 1% level of significance, the coefficient pertaining to parental effects is shown to be statistically significant. The findings show that the two factors have a favorable association. It suggests that the Nepalese

employee's saving habit may be influenced by their parents. The results go counter to Falahati and Paim's (2012) conclusions.

At the one percent significance level, the coefficient for peer influences is shown to be statistically significant. The findings show that the two factors have a favorable association. It suggests that the Nepalese employee's saving habit may be influenced by their peers. According to earlier studies, peers have a significant influence on the choice of saving behavior (Bachmann et al. 1993). As a result, in order to minimize the high cost of retirement savings, people should seek the appropriate counsel from their peers. In addition to the fact that parents play a significant role in influencing financial behavior, the consumer needs to take a more active role in practicing money management and learn from other socialization agents, including peers, the media, and customer organizations, in order to handle increasingly complex financial issues.

Whereas the Delafrooz and Paim (2011) study looked at the effects of demographic characteristics (gender, marital status, ethnicity, age, income, and level of education) on saving behavior, this study found that parental factors have the greatest influence. They also looked at factors like financial management practices, financial literacy, and demographic variables that affect saving behavior among Malaysian employees. Their findings showed that saving habits varied significantly by age, income, and educational attainment. Additionally, it was shown that the most significant determinants of saving behavior were age, income, financial management, and financial literacy.

CHAPTER V

SUMMARY AND CONCLUSION

The study's results and conclusion are summarized in this chapter. Additionally, it presents the study's results and conclusion, which are based on the data analysis and hypothesis testing completed in the preceding chapter. This chapter's results are summarized in the first part, followed by a conclusion in the second and suggestions in the third.

5.1 Summary

The study's primary goal is to investigate how parents and peers affect Nepalese employees' saving habits and determine which variables have the most impact on these behaviors. The research aids in determining the extent to which peer pressure affects Nepalese employees' saving habits and how big of an effect such influences have. Parents and peers who have an impact on saving behavior are taken into account. This thought came from a thorough analysis of earlier research.

The purpose of this study was to investigate the effects of parents and peers on Nepalese employees' saving habits and determine which variables had the most impact on these behaviors. This research contributes to the understanding of how peer influence affects Nepalese employees' saving behavior and the extent to which peer influence does so. Parents and peers who have an impact on saving behavior are taken into account. This thought came from a thorough analysis of earlier research. Few fundamental and significant facts were obtained in this way by the careful and in-depth literature examination, self-conceptualization, and comprehension of the relevant researchers. several demographic factors, such as age, gender, marital status, education, monthly income, and monthly savings. The outcome is predicated on the responses of 225 respondents.

The correlation analysis's findings indicate that peer and parental influences have a beneficial relationship with the Nepalese employee's saving habit. Furthermore, this number indicates a somewhat beneficial relationship between peer and family influences and the saving habits of Nepalese workers. Because the p-value is less than alpha, the correlation is significant at the 1% threshold of significance. As in the last case, the correlation's findings indicate a favorable relationship between Nepalese workers' saving habit and their financial literacy and self-control Pearson Correlation

Coefficient. Furthermore, this figure indicates a little but favorable relationship between the saving habits of Nepalese workers and their self-control and financial knowledge.

The alpha value is greater than the p-value. Consequently, the model can effectively anticipate the link between the independent and dependent variables. This is why the independent variables—parental and peer influences, financial knowledge, and self-control—are crucial in understanding the differences in Nepali customers' saving habits. According to the beta coefficient, while all other variables stay the same, a one unit change in the Nepalese employee's saving habit causes a 0.204 unit change in the peer influences component. According to the beta coefficient, the parental effects component changes by 0.329 units for every unit change in the customer's saving behavior. Similarly, self-control of saving has a beta of 0.215. This means that, while all other variables stay the same, a one-unit change in the Nepalese employee's saving behavior results in a 0.215-unit change in the self-control component. Similarly, saving behavior's financial literacy has a beta of 0.121. The beta coefficient also suggests that, while all other variables stay the same, a one-unit change in the financial literacy factor results in a 0.121-unit change in the financial literacy factor.

The research's conclusions are predicated on primary data that was gathered via a series of questionnaires. The questionnaire was split into two sections: the customer's demographic profile about their saving behavior and peer-influencing variables, and their saving behavior and parental-influencing factors.

Regression analysis was used to test the hypothesis. Peer and parental influences are independent variables, and the reporting standard was evaluated with the dependent variable—the Nepalese employee's saving behavior. Results comparing the impacts of social pressure on Nepalese employees' saving behavior show that peer pressure has a major impact on these employees' saving behavior. Additionally, the findings of the study show that there is a considerable impact of parental influences on the saving habit of Nepalese employees.

5.2 Conclusion

A research on the impact of parents and peers on saving behavior is being undertaken among Nepalese employees. It is investigated how peer and parental factors affect saving behavior. The global economy is expanding and changing quickly every day,

and savings are a key component of economic growth that is essential to its continuance. In order to improve their position in the world of survival, emerging nations are making an effort to stay up with this process. Savings may increase in the course of this economic growth in order to gain speed. The younger generations in Nepal are spending more and more recklessly these days. Compared to earlier generations that are less interested in the materialistic world, they have a tendency to place a lower value on money. Since Nepal's quality of living has significantly increased, younger generations now have more freedom to shop and choose what they want to buy, which has led to changes in the country's spending patterns and way of life.

Peer and parental impacts on Nepalese employees' saving behavior are shown by this research. Peer pressure has a big effect on the Nepalese employee's saving habit. The younger generations in Nepal are becoming more reckless in their spending habits these days. Compared to earlier generations who are less interested in the materialistic world, they place a lower value on money. Additionally, Nepal's quality of living has significantly increased, and the younger generations now have more freedom to shop and choose what they want to buy. As a consequence, Nepal has seen changes in spending patterns and lifestyle. In this instance, friends' saving habits are influenced by their peers. They ask their classmates for advice when they go shopping, demonstrating that the younger generation is incapable of doing tasks alone. Peers thus have an impact on Nepali consumers' saving habits.

Parental factors also have a big effect on the Nepalese employee's saving habit. The desire, total savings, and capacity to save all increase as a consequence of receiving financial education. Since parents facilitate and promote saving behavior, Nepalese employees are more likely to continue practicing solid saving habits if their parents support them in doing so. There was a phrase in Nepal that said "home is the first school to learn" and "parents are the first teacher." Therefore, a Nepalese employee's saving behavior is influenced by their parents.

The study's findings suggest that Nepalese workers take their parents' and peers' participation into account while making financial choices and acting in certain ways. For children to make wise choices, parents must mentor and assist them in managing their own finances.

5.3 Implications

In order to determine which elements had a greater impact on Nepalese employees' saving behavior, the research was carried out to evaluate the effects of parents and peers. The study's findings have the following ramifications:

5.3.1 Managerial Implications

Parental influence is quite prevalent in many facets of life in Nepalese communities. Children are taught to respect their parents, and they have the power and obligation. Because they have a significant impact on consumers, parents should take advantage of the chance to let their kids see their good saving habits while also training them to compete in the adult global market. In addition, some rural locations have restricted internet access, which makes it hard for customers to get financial information. For this reason, it's crucial for parents to set an example of saving. To help kids understand the value of money and develop their shopping skills, parents should teach them about the difference between buying necessities and desires and prioritize their purchases.

In a similar vein, parents must provide their kids the chance to learn the value of sound money management. by explaining the advantages of conserving money and providing guidance on how to handle everyday costs. Children and parents having candid conversations about money matters may help them develop sound financial habits in the future. However, in light of the present financial difficulties, the client should also understand that having the appropriate financial skills is necessary to be more proactive and accountable with respect to their own finances. Given that parents have little financial expertise, customers should make an effort to engage with and emulate the successful peers.

This study aids banks in creating savings accounts. For the banker to persuade their friends or children, they must first persuade their parents and peers. According to this research, parents have a greater impact on their kids than their peers. If a bank offers a lunch program, they must first target the parents of its clients.

5.3.2 Area for Future Research

This study only covers the area around the Kathmandu. In the future research may be conducted in the taking data of the zones, province and whole nation. That type of study helps to provide clear vision about the peer and parental influences on saving

behaviour of customer and it may more accurate. And also, future research should be conducted to identify impact of financial knowledge on saving behaviour of customer. This shows the educational level of the customers and its effectiveness on the saving behaviour of the customers. Furthermore, future research should be done in the relating factor effecting saving behaviour of households.

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