IMPACT OF FINANCIAL LITERACY ON SAVING AND SPENDING BEHAVIOR OF WORKING PEOPLE IN KATHMANDU METROPOLITAN

A Dissertation Submitted to the Office of the Dean, Faculty of Management in Partial Fulfillment of the Requirements for the Masters of Business Studies (MBS)

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **Impact of Financial Literacy on Saving and Spending Behavior of Working People in Kathmandu Metropolitan**. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has 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

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ABBREVIATIONS

%	:	Percentage
&	:	And
ADRL	:	Autoregressive Distributed Lag
ANOVA	:	Analysis of Variance
CI	:	Confidence Interval
df	:	Degrees of Freedom
FA	:	Financial Attitude
FB	:	Financial Behavior
FK	:	Financial Knowledge
FL	:	Financial Literacy
FS	:	Financial Skill
p-value	:	Probability Value
R^2	:	Coefficient of Determination
SB	:	Saving Behavior
SEBON	:	Security Board of Nepal
Sig.	:	Significance Level
SPB	:	Spending Behavior
SPSS	:	Statistical Package for the Social Sciences
α	:	Cronbach's Alpha
β	:	Regression Coefficient

ABSTRACT

This paper has discussed how financial literacy affects the saving and spending habits of working Kathmandu Metropolitan. The specific objectives have been to measure the levels of FK, FA, FB and FS and to measure their relationships with SB and SPB and to discuss their respective and interactive effects on the saving and spending decisions. The research design has assumed a descriptive and causal-comparative research design. Kathmandu Metropolitan has been dominated by working people and a final revised sample of 413 respondents has been chosen on the convenience basis. A structured questionnaire has been used to collect primary data, and secondary data have been generated upon the basis of the available relevant literature. Reliability testing, demographic analysis, descriptive statistics, correlation analysis, and multiple regression analysis have been applied in analyzing the data. Dependent variables have been taken as SB and SPB, whereas the independent variables have been taken as FK, FA, FB, and FS. High internal consistency has been found in the reliability results of all constructs. The demographic findings have reflected that there are more male respondents with 25-45 age brackets and bachelors or masters. The descriptive statistics have demonstrated moderate high scores of all financial literacy measures and generally disciplined saving and spending habits. Correlation analysis has revealed that FK, FA, FB, and FS are significantly positively correlated with SB, as well as that FA, FB and FS are significantly positively correlated with SPB. Regression findings have affirmed that four variables have significant predictive values of SB but FA, FB and FS are significant predictors of SPB with FB and FS being the strongest predictors. The research has found that the financial literacy plays an important role in the formation of the level of saving and expenditure and has suggested the necessity of the specific financial education and skills-based interventions.

Keywords: *Financial Knowledge, Financial Socialization, Financial Behavior, Financial Strain, Saving Behavior, Spending Behavior.*

CHAPTER I
INTRODUCTION

1.1 Background of the Study

Financial literacy has emerged as a mandatory aspect of facilitating financial health and good financial decision-making by people across the world (Lusardi & Mitchell, 2014). It is the capacity to learn, comprehend, and properly utilize knowledge on financial concepts to make wise choices on saving, expenditure, investing, and debting (Johnson et al., 2023). The results of international studies had repeatedly proven that financial literacy affected saving behavior, expenditure, investment choices, and financial security in the long term (Mpaata et al., 2025). As an example, Towo et al. (2023) stated that financial literacy was significantly positive in affecting saving behavior, whereas demographic factors age, gender, and education level produced only a significant moderating impact. In the same manner, Widjaya et al. (2020) highlighted that the subjective norms along with the financial knowledge influenced the saving and spending behavior, which advocates the applicability of the Theory of Planned Behavior (Ajzen, 1985).

Financial attitude was concerned with the way people acquired financial values, beliefs, saving, spending and investment tendencies, as a result of personal experience, observations and education (Bandura, 1977). Research had demonstrated that people who had a positive financial attitude tended to use saving habits, responsible spending habits, and efficient financial management habits (Afsar et al., 2018; Owusu et al., 2020). It was also discovered that digital platforms improved the financial awareness among young people, their saving behavior, spending behavior, and financial planning in the future (Setiawan et al., 2022).

Financial behavior implied the carrying out of practical action with respect to budgeting, spending, saving, and investment (Khadka & Thapa, 2024). Financial behavior was positive (including saving on the regular and spending wisely) and led to financial well-being in the long term, and was poor (including having enough savings, spending too often, and financial stress) (Chong et al., 2021). Financial skill was the skill in the efficient management of financial resources, such as budgeting, planning and making efficient decisions to achieve financial objectives (Sabri et al., 2021). Financial skill was found to have a positive impact on saving behavior and decreasing impulse spending

through the amplification of the ability to attain scheduled financial goals (Ahmad et al., 2024).

There was a complex of cognitive, social, and environmental factors that determined saving behavior, which is the purposeful decision to spend a part of the present income in the future, and spending behavior, which is the purposeful decision to spend financial resources on consumption (Peiris, 2021). This was indirectly validated by the fact that past research indicated that higher financial literacy levels showed people to be more responsible in their spending habits which corroborated the fact that they were able to save (Ahmad et al., 2024).

Theoretical frameworks that formed the basis of the study were Theory of Planned Behavior (Ajzen, 1985), which assumed that intentions and behavior were influenced by attitudes, subjective norms and perceived behavioral control. It was based on the Life-Cycle Hypothesis (Modigliani & Brumberg, 1954), that described how people planned consumption and savings throughout their lives, and the Social Learning Theory (Bandura, 1977) whose focus was on learning through observation and modelling. It was also integrated with Financial Literacy Theory which held that financial wisdom enhanced the decision-making process and Behavioral Life-Cycle Hypothesis (Shefrin & Thaler, 1988) that explained the self-control and mental accounting. Last but not least, the paper was informed by the Financial Capability Framework (World Bank, 2001), meaning that it combined knowledge, skills, and practical capacity to act in personal financial interest.

In Nepalese scenario, it had been found that research showed similar trends. Khadka and Thapa (2024) found a positive effect of financial literacy on the saving, spending, and investing habits of sugarcane farmers, but no significant effect on the borrowing behavior. Oli (2020) emphasized that awareness and attitude towards personal planning of finances played a significant role in shaping the saving and spending habits of Nepalese. Chaulagain (2019) found out that financial literacy played a part in individual and institutional financial practice with small borrowers in Nepal. Mad et al. (2024) discovered that more financially literate youth had better savings and spending behaviors, but the level of financial literacy varied depending on gender.

The current research topic is working individuals in Kathmandu Metropolitan City, whereby financial literacy, financial attitude, financial behavior, and financial skills are

used to determine the saving and spending behavior. The population according to the census of 2021 is 862,400, 438,256 boys, and 424,144 girls (CBS, 2021). The labor force is also significant in the city, as evidenced by a population of 653,307 people in the working-age category (15-64 years old) (CBS, 2021). The city is located in the area of 49.45 square kilometers and has the population density of about 17,440 people per square kilometer and is one of the densely populated local units of Nepal (KMC, 2021). The urban population is relatively educated since the overall literacy in the city is high at 90.47 percent (KMC, 2021). Considering these demographic and socioeconomic features, such as a high population density, large working-age share, a high level of education, the sector in which people work, and their level of income, and years of working experience, it becomes specifically significant to pay attention to the demographic factor when analyzing saving and spending behavior in Kathmandu Metropolitan City among working people.

This study gives a comprehensive knowledge of what influences saving and spending behavior by studying how financial knowledge, financial attitude, financial behavior, and financial skills of working people in Kathmandu Metropolitan interrelate with each other. The results inform policy makers, financial intermediaries, and higher education to develop interventions to improve saving behaviors, sound expenditure, financial security, and long run financial health of urban working Nepalese.

1.2 Problem Statement

Financial literacy has come to be considered as one of the primary determinants in saving and spending habits and financial well-being. Lot of working citizens in the world did not have enough financial literacy which meant that they were not in a position to plan, save, spend rationally and invest in the most effective manner (Lusardi & Mitchell, 2014). Research found that financial literacy enhanced saving and spending patterns especially when controlled by self-control (Mpaata et al., 2025). A positive impact of financial literacy on saving and spending in tertiary educators was reported by Towo et al. (2023), with a relatively insignificant impact of demographic factors. As Widjaja et al. (2020) have highlighted, financial intentions and actions were determined by social norms and financial knowledge. Moreover, financial literacy was also observed to interact with access to financial resources, exposure to financial education programs and peer influence which impacted on practical financial decision-making. These papers suggest that despite

the importance of financial literacy, other financial factors in combination with it had not been studied thoroughly, particularly among urban Nepal working population.

The same pattern has been noted in Nepal in terms of association between the level of financial literacy and financial behavior. Khadka and Thapa (2024) established that those with higher financial literacy had better saving, spending and investment habits and Oli (2020) established that personal financial planning awareness and personal financial attitudes had more significant effects on saving and spending behavior with only a minor influence of demographic factors. Chaulagain (2019) also found that individual and institutional financial behavior had a close relationship with financial literacy and Mad et al. (2024) demonstrated that better saving and spending habits among youths with greater levels of financial literacy, though gender differences were still apparent. In general, these results suggest that financial literacy and other related variables are significant in determining saving and spending behavior in Nepal, but the little studies have been done to determine the effects that these variables have on working populations in Kathmandu Metropolitan City.

There are also a number of theoretical frameworks that support this focus. It is explained by the Theory of Planned Behavior (Ajzen, 1985) that attitudes, subjective norms and behavioral control determine intentions and behaviors. The Life-Cycle Hypothesis (Modigliani & Brumberg, 1954) explains the plans that people make consumption and savings at various times of their lives. Social influence in forming the financial behavior is highlighted by the Social Learning Theory (Bandura, 1977) focusing on learning through observation and modeling. On the same note, Behavioral Life-Cycle Hypothesis (Shefrin & Thaler, 1988) provides explanations on the financial decision-making based on self-control and mental accounting. The Financial Capability Framework (World Bank, 2001) also highlights that in order to gain financial well-being, financial knowledge and practical skills are also necessary. Although these theoretical views have some relevance, the application of this in the interpretation of the financial behaviour of working people in Kathmandu has not been extensively used.

The exposure to complex financial products, inflation and socio-cultural pressures on financial choices are increasing to the working people in Kathmandu. The majority of Nepal literature focused on the individual elements like financial literacy, financial attitude or financial skill and did not show the overall impact. The evidence on an

international scale showed that a combination of studying these factors helps to gain a deeper insight into saving and spending behavior (Mpaata et al., 2025; Setiawan et al., 2022). Thus, the current paper is aimed at the working population of Kathmandu Metropolitan and the discussion of how financial knowledge, financial attitude, financial behavior, and financial skills predetermine saving and spending behavior. In particular, it discusses the following research questions:

i. What is the current situation of financial literacy and saving and spending behavior among working people in Kathmandu Metropolitan?
ii. Is there any relationship between financial knowledge, attitude, behavior and skill with saving and spending behavior of working people in Kathmandu Metropolitan?
iii. Do financial knowledge, attitude, behavior and skill have individual and combined impact on saving and spending behavior of working people in Kathmandu Metropolitan?

1.3 Objectives of the Study

The general objective of this study is to evaluated the impact of financial literacy on saving and spending behavior of working people in Kathmandu Metropolitan. To achieve this main objective and address research questions, specific objectives are as follows:

i. To assess the current situation of financial literacy and saving and spending behavior among working people in Kathmandu Metropolitan.
ii. To examine the relationship between financial knowledge, attitude, behavior and skill with saving and spending behavior of working people in Kathmandu Metropolitan.
iii. To analyze the individual and combined impact of financial knowledge, attitude, behavior and skill on saving and spending behavior of working people in Kathmandu Metropolitan.

1.4 Rationale of the Study

The present research is significant and important since it fills a clear gap in knowledge regarding the role of financial literacy in saving and spending habits of working individuals in Kathmandu Metropolitan who are increasingly exposed to the intricate financial products, digital transactions, credit opportunities, and rising prices of living. Past studies have established the beneficial impacts of financial literacy on monetary performance. As an example, Mpaata et al. (2025) have discovered that financial literacy

correlates positively with savings behavior, Ahmad et al. (2024) have found that financial literacy positively affects spending responsibility among university students, Khadka and Thapa (2024) have found that financial literacy positively affects saving, spending, investing, and borrowing behavior among Nepalese farmers, Peiris (2021) has identified that financial literacy has a direct positive impact on savings behavior and Setiawan et al. (2022 In spite of this fact, a number of studies have not focused on working adults in Kathmandu Metropolitan or have not analyzed the collective effect of financial knowledge, financial attitude, financial behavior, and financial skills on saving and spending behavior. Thus, the present research has a value because it contributes to the available knowledge, offers empirical support to enhance financial practices and educates policy-makers, financial institutions, and employers in developing specific financial literacy programs and interventions at the workplace. Moreover, it provides real-world advice on how people can improve their financial skills, acquire disciplined saving skills, become more responsible in their spending, and make better financial decisions. In terms of these purposes, the research will be able to make a direct contribution to the enhancement of personal financial welfare and contribute to the overall economic stability in Kathmandu Metropolitan.

1.5 Limitations of the Study

In this study, there are several limitations which are as follows:

i. The descriptive and causal-comparative research design can be a constraint in the determination of definite causal relationships.
ii. The sample and convenience sampling of 413 respondents was necessary to the population of working people in Kathmandu metropolitan, and this might decrease the possible generalizability of the findings.
iii. Field surveys have been used to collect data using a structured questionnaire, and this could be prone to response biases.
iv. The quantitative approach restricted the examination of more qualitative understanding of the saving behavior.
v. Financial knowledge, financial attitude, financial behavior, and financial skills have been taken as the independent variables only and other potential factors affecting saving and spending behavior have not been studied.

CHAPTER II
LITERATURE REVIEW

This chapter aims to conduct the review of the relevant literature in order to comprehend how the aspects of financial literacy affect the saving and spending habits of working people in Kathmandu Metropolitan and to categorize academic evidence relevant to the study variables in a systematic way. The chapter is divided into three main parts, conceptual review discussing the major concepts and components of financial knowledge, attitude, and behavior and saving and spending behavior, theoretical review discussing the main theories supporting the nature of relationship between financial literacy factors and saving and spending practices, and empirical review explaining the national and international studies on financial literacy and its influence on saving and spending practices. The research gap is also stated in the chapter as it gives a clear base and justification of the current research. These are summarized and the details of reviews have been discussed below.

2.1 Conceptual Review

This section gives a conceptual discussion of the financial literacy and the main dimensions of financial literacy, as well as, saving and spending habits of working populations in Kathmandu Metropolitan. Financial literacy is discussed as an interdisciplinary concept that includes the elements of financial knowledge, financial attitude, financial behavior, and financial skill that are all important in determining individual financial decisions. The conceptual review provides a theoretical structure to comprehend how these aspects of financial literacy affect the capacity of people to control income, expenditure, and allocate resources between current consumption and financial security in the future. Connecting the financial literacy to saving and spending behavior, this section would give a systematic base on analysis of financial behavior of working people in an urban metropolitan setup.

2.1.1 Concept of Financial Literacy

Financial literacy is described as the ability of a person to comprehend financial elements and implement financial knowledge to make well-informed choices about an economy. It entails the knowledge, understanding, and use of financial concepts of income control, saving, expenditure, borrowing, and long-term financial planning (Lusardi & Mitchell, 2014; OECD, 2018). Financial literacy helps people to consider financial options, foresee

financial outcomes and efficiently use money resources (Atkinson & Messy, 2012). A financially literate individual is in a better position to address the current consumption and financial security in the future, enhancing financial well-being in general (Owusu et al., 2020). Financial literacy plays a significant role in the context of working people, as they need to manage regular income, spend it, and save it to achieve short-term and long-term financial objectives (Oli, 2020).

2.1.2 Components of Financial Literacy

Financial literacy is a multidimensional concept that consists of a number of interrelated elements that have an overall impact on the decision-making on financial matters (OECD, 2018).

Financial Knowledge (FK) is the knowledge of the person about simple and complicated financial information like budgeting, interest rates, inflation, saving, customer loans, and investment choice. Proper financial knowledge enables people to evaluate financial data properly and make well-researched and effective saving and expenditure choices (Lusardi & Mitchell, 2014; Ahmad et al., 2024).

Financial Attitude (FA) is one of the most important perspectives, beliefs or values of individuals about money management, saving, and spending. Positive attitude to finance promotes planning, self-discipline, long-term financial security orientation, and a negative attitude can lead to impulsive consumption behavior and poor saving (Peiris, 2021; Mad et al., 2024).

Financial Behavior (FB) is the actual behavior and practice that people engage in when they handle their finances, the way they plan their budgets, how they pay their bills on time, how they save regularly and how they spend under control. Responsible financial behavior illustrates how financial knowledge and attitudes are used in real-life financial practices (Wong et al., 2022; Chong et al., 2021).

Financial Skill (FS) can be defined as the skill of successfully applying financial knowledge and attitudes to real-life scenarios. This encompasses financial skills, like cash flow management, financial products comparisons, banking and digital financial service use, and good financial decisions in the dynamic economic environment (Setiawan et al., 2022; Jhonson et al., 2023).

2.1.3 Saving and Spending Behavior of Working People in Kathmandu Metropolitan

Saving behavior is the degree to which people make habitual saving income to cover future needs, emergency or long term goal whereas spending behavior is the ability of people to spend on consumption, necessities, and discretionary spending. Financial literacy, income trends, the cost of living in the city, and the individual financial priorities determine the way working people in Kathmandu Metropolitan save or spend money. People who possess greater financial knowledge, good financial attitudes, responsible financial behavior, and great financial skills tend to save regularly and spend wisely. On the other hand, poor financial literacy may lead to reckless expenditure, poor savings and economic susceptibility.

This is necessary to understand the differences in monetary decision-making among people who are employed in Kathmandu Metropolitan, by understanding saving and spending behavior. It is based on this conceptual knowledge that financial knowledge, financial attitude, financial behavior and financial skill can be analyzed on the relationship and influence on saving and spending behavior which is the topic of the study.

2.2 Theoretical Review

The theoretical review explores theories related to financial literacy and saving and spending behavior, focusing on their interconnections in the context of working people in Nepal. In this section, the researcher has explored the theories relevant to this study that are important in giving valuable insights to the issue at hand of how financial literacy, financial attitude, financial behavior, and financial skill affect saving and spending behavior. These theories are further analyzed below.

2.2.1 Theory of Planned Behavior

In social psychology, Ajzen developed the Theory of Planned Behavior (TPB) in 1985 to understand how attitudes, personal norms, and the perceived behavioral control determine intentions and actions of human beings. TPB was a continuation of the previous Theory of Reasoned Action that included the aspect of perceived behavioral control as not all behavior is purely in a state of volitional control. The main idea is that the intention of someone to carry out a behavior is driven by whether the behavior is positively or negatively viewed, whether the person believes that he or she can carry out the behavior successfully due to the perceived social pressure to do it. The major assumptions are the

rational calculability of consequences and the assumption that behavior is goal oriented. Widjaja et al. (2020) have previously established that financial literacy and subjective norms had a considerable impact on saving behavior, which aligns with what TPB focuses on attitudes and social influence. On the same note, Owusu et al. (2020) established that financial literacy and parental financial behavior influenced saving and spending habits, which is the subjective norms aspect of TPB. The current research can be especially applied to the Theory of Planned Behavior because the financial literacy, financial attitude, financial behavior, and financial skills are all relevant in determining both saving and spending behavior. This theory argues that such factors influence the intention of individuals by making them feel positive about the wise use of the available financial resources, supporting the norms in the society, and increasing the perception of behavioral control regarding the available financial resources. Subsequently, people become more financially motivated and more confident in dealing with earnings, costs, and savings. Such enhanced level of control and disciplined decision-making ultimately lead to realization of the long-term personal and social financial goals.

2.2.2 Life-Cycle Hypothesis

Life-Cycle Hypothesis (LCH) was proposed by Modigliani and Brumberg in the early 1950s, in the area of economics to describe the way people use income and savings throughout their life to ensure that consumption does not change. The historic background of the theory is in the post-war economic theory which attempted to relate individual financial planning to macroeconomic saving policies. Its main idea is that people save when they are working, and disave when they retire and smooth consumption throughout the various life stages. The main assumptions include that individuals are rational decision makers, future-oriented and, they optimize total utility over a life span. Previous studies, to which Towo et al. (2023) relate, reported that financial literacy had a significant effect on saving behavior among educators, which is why the LCH concept holds that more informed individuals plan their future consumption. Mad et al. (2024) also noted that financial literacy enhanced saving behavior by the young people although there were gender gaps in the levels of literacy. The present research may be subjected to the application of the Life-Cycle Hypothesis (LCH) because the financial literacy and financial behavior allow working people to plan the financial intentions over a long period, whereas financial attitude predetermines their attitudes to saving and spending. Moreover, financial competency enhances good management of resources, which helps

people to save well and maintain balanced consumption patterns in the long term. The school of thought highlights a central role of informed financial planning and good financial management practices as a way of attaining steady patterns of lifetime consumption and financial security in the long run.

2.2.3 Social Learning Theory

In 1977, Albert Bandura presented in the field of psychology the Social Learning Theory (SLT) in order to describe the process of acquiring new behavior, based on watching others. In the past, SLT has progressed as a behaviorist theory; it has incorporated cognitive mechanisms and made it clear that learning is not only achieved through reinforcement but also modeling and imitation. The main idea is that people look at role models, think over the observed behavior and choose whether to follow it, especially when it is perceived that a particular model has credibility or success. The significance of observational learning, reinforcement, and environmental factors are considered the main assumptions. Afsar et al. (2018) also revealed in their previous research that financial literacy and parental socialization had a positive correlation on saving behavior among university students, which means that the effects of being taught about financial practices by their families affect financial performance. Equally, Owusu et al. (2020) suggested that financial behavior on the part of parents forecasted financial literacy and saving and spending behavior, which confirms the modeling focus by SLT. In the current research, Social Learning Theory can be used in the current research since financial attitudes are usually formed through internalization of financial behaviors of individuals within their families, peers and colleagues, which subsequently affect the saving and spending habits of employees. People learn and embrace financial practices through observation, interaction as well as socialization which influence their daily financial choices. Moreover, financial skills help in increasing the capabilities of converting these observed behaviors and attitudes into effective financial management practices. All these factors combined would foster responsible money management, support positive long-term financial behavior and facilitate disciplined financial decision-making based on social learning experiences.

2.2.4 Financial Literacy Theory

Financial Literacy Theory is a theory that was developed based on the writings of Lusardi and Mitchell and that helps individuals to gain, comprehend, and utilize financial knowledge in order to make successful financial decisions. Traditionally, the

development of the theory was due to the increased complexity of financial products and the necessity to make informed decision-making to guarantee financial well-being. Its main idea is that the greater the financial knowledge a person has the better the sound decisions people make when it comes to financial judgment budgeting, saving, investing and debt management. The most important assumptions are the notion that financial knowledge is the essential ability to be financially stable and that financial literacy can be trained with the help of education and experience. Wong et al. (2022) reported results in a prior study that revealed the financial literacy and demographic variables (gender and income) to have a significant effect on the financial behavior of students. On the same note, Khadka and Thapa (2024) also indicated that the better the financial literacy the better farmers made better decisions regarding saving, spending, and investment. The Financial Literacy Theory can be directly applied to the present research since financial literacy is likely to be directly related to financial attitude, financial behavior and financial skills which are all relevant to successful saving and spending behavior. More financial literacy can make people responsible financial decision-makers by enhancing their planning, budgeting and efficient management of money. It further contributes to the acquisition of viable money management skills that result into informed financial decisions, wealth building in the long run as well as viable saving and spending patterns in day to day life.

2.2.5 Behavioral Life-Cycle Hypothesis

Their theory, the Behavioral Life-Cycle Hypothesis (BLCH), combines psychological and economic understanding to provide explanations of the deviation of the classical Life-Cycle Hypothesis by taking into consideration the problems of self-control, mental accounting and the framing effects. Traditionally, the theory developed as a reaction to empirical studies which demonstrated that people tend to do less saving in order to save towards their retirement dates even though rational planning models would predict the ideal saving behavior. Its fundamental principle is that people is mentally segmenting wealth into current income, current assets, and future income and the psychological variables play a dominant role in saving and consumption choices. Some of the assumptions are imperfect self-control, higher propensity to spend the present income instead of long-term assets, and the effects of mental framing on financial decisions. The relevance of BLCH to the study of financial behavior has empirical support. As an example, Mpaata et al. (2025) discovered that financial literacy and social influence had a

much more positive impact on saving behavior, with self-control having a moderating effect. Equally, Peiris (2021) affirmed that intention to save mediated the relationship between financial literacy and saving behavior, which underscored the psychological processes involved in making financial decisions. The Behavioral Life-Cycle Hypothesis is applicable to the present study since it forms the rationale of effects of psychological variables like self-control and mental accounting on financial decision-making. Financial literacy, in this case, improves the awareness and self-control of individuals in financial resource management allowing them to differentiate between the consumption of money now and saving it later. Financial attitude impacts on the mental accounting behaviours by affecting the methods people use to label income, manage finances, and the saving or spending priorities. Simultaneously, financial competence enhances the power of enforcing financial plans and budget systems in the face of short-term temptations. All these together determine the saving and consumption behavior of working citizens, and in the end, lead to the financial well-being and the fulfillment of the wealth accumulation goals of the long-term.

2.2.6 Financial Capability Framework

Conceptualized by financial institutions like the World Bank and the UK Financial Services Authority in the early 2000s, the Financial Capability Framework is not to be confused with financial literacy since it focuses not only on financial knowledge but also on the practical capacity to act in his/her financial interest. Traditionally, the structure was created to enhance consumer financial resilience to an increasing household debt, market sophistication, and economic turmoil. Its idea is that the result of financial well-being is the product of knowing financial information and successfully implementing it in the real aspects of finances. The main assumptions are that only knowledge is not enough without suitable skills, attitudes, confidence, and opportunity to act, and social and institutional background influences the financial abilities of an actor. This framework is backed up by empirical evidence. Sabri et al. (2021) discovered that financial knowledge, attitudes and financial behavior had a positive impact on financial well-being with limited financial capability having a negative impact on financial outcomes. Equally, Johnson et al. (2023) revealed that digital financial literacy enhanced financial well-being due to the use of positive financial behaviors such as saving and spending decisions. The Financial Capability Framework is pertinent to the current research because it involves financial knowledge, attitude, behavior, and skills in the explanation of how working people utilize

their saving and spending. The framework highlights the importance of financial competence in the realization of effective financial planning by taking into consideration the knowledge of the financial field and their practical application. It shows how good financial ability cannot make people achieve a long term purpose, can start living with a good habit of saving, a good habit of spending, and generally stay financially secure in their daily life.

2.3 Empirical Review

Mpaata et al (2025) determined the effect of financial literacy and social influence on savings behavior of micro and small business owners in Kampala, Uganda (with self-control as a moderating factor). The research design adopted by the study was a cross-sectional design based on a structured questionnaire that was conducted on 373 registered owners of MSE. Financial literacy and social influence were the independent variables, self-control was the moderating variable and savings behavior was the dependent variable. Data analysis was done with the help of PROCESS Macro Model 3.2. These results indicated that financial literacy and social influence had a great impact on savings behavior and self-control moderated these associations, and the individuals with high self-control had a stronger savings behavior.

Ahmad et al. (2024) examined how financial literacy and spending habits are related to students in the university of Malaysia. The research design applied was a quantitative one which utilized a structured questionnaire given to students of universities. Financial literacy was an independent variable and spending habits were a dependent one. Pearson correlation was conducted with the help of SPSS version 26.0 as a data analysis method to determine the strength and tendency of the linear correlation. The results of the analysis showed a positive correlation between monetary literacy and expenditure behavior, and students with superior financial literacy were capable of making responsible financial choices.

Khadka and Thapa (2024) determined the effects of financial literacy on financial behavior of sugarcane farmers. The research design was a quantitative design through face-to-face interviews and a structured questionnaire was given to 350 sugarcane farmers in Bardibas, Mahottari, Nepal. The independent variables were financial literacy and the dependent variable was financial behavior. The results indicated that financial literacy was positively related to saving, spending, investing, and borrowing behavior whereas

low financial literacy level was related to less involvement in saving, spending and investing behaviors and the borrowing behavior was not affected.

Mad et al. (2024) assessed how financial literacy influenced the savings of Malaysian young individuals, including gender variations. The research design was the quantitative one done via an online survey to 332 respondents of less than 30 years. Financial literacy was the independent variable and saving habits were dependent variable. Analysis of data was done using SPSS, descriptive statistics, correlation analysis as well as regression analysis. The results showed that, the financial literacy had a positive effect on saving behavior, which explained about 26.5% of the variance, and although the males were found to have a greater financial literacy level than the females, the saving patterns between the two genders were similar.

Jhonson et al. (2023) established the role of digital financial literacy and financial well-being in Indonesia based on spending, saving, and investing populations. The design of the study was a quantitative research design through the use of an online survey which was done on 403 respondents with a response rate of 77. Digital financial literacy was the independent variable and financial well-being the dependent variable, and spending, saving and investment behavior as the mediating variables. The Structural Equation Modeling was done on SmartPLS. The research showed that digital financial literacy had a positive impact on financial well-being mediated by spending, saving, and investment behaviour.

Towo et al. (2023) used the financial literacy of tertiary educators on saving behavior and the role of demographic variables in moderating this relationship in Mashonaland Central Province, Zimbabwe. The research was based on a quantitative explanatory design and a structured questionnaire, which was conducted on 384 educators selected randomly. The independent variable was financial literacy, the moderators were demographic factors (age, gender, education, subject taught, length of service), and saving behavior was the dependent variable. The analysis of data was done by descriptive statistics and the regression analysis which indicated that financial knowledge and calculating skills were very important in shaping saving behavior but demographics did not act as moderating factors.

Jumena et al. (2022) conducted a systematic literature review to determine the factors that influence saving choices. The research design utilized in the study was qualitative since it

reviewed 124 articles that were published by Elsevier since 2012 and 2021. The independent variables consisted of personal wealth, individual needs and dependency, financial literacy, anticipatory and psychological factors, social factors, self-obligation, self-preference, and financial goals, profit, and job profile as internal factors and macroeconomic conditions, demographic factors, financial services, savings product marketing, and geographic factors as external factors, and saving decision was used as the dependent variable. The analysis of the data was carried out using meta-analysis and meta-synthesis. It was found that when the fifteen internal and external factors were combined they had a significant effect on the individual saving decisions and it was also noted that the determinants of saving behavior were multifaceted over the last ten years.

Setiawan et al. (2022) examined how digital financial literacy is associated with current saving and spending behavior and future foresight of saving and spending in the context of Indonesian millennials. The research design adopted in the study was quantitative in which a survey was conducted on millennials between the ages of 25 and 40 years in various urban centres in Java Island. Digital financial literacy was the independent variable, and current saving behavior, current spending behavior and future foresight of saving and spending were these dependent variables. Structural equation modeling was used to analyze data. The results showed that digital financial literacy, which was dependent on socio-economic status, had a positive impact on the present saving and spending behavior, which, in turn, benefited the foresight of the future saving and spending behavior.

Wong et al. (2022) compared financial literacy level and its effect on financial behavior of higher education students at KDA University. A quantitative research design was utilized in the study wherein a structured questionnaire was used to conduct the study on 186 undergraduate students in order to measure the financial knowledge, attitude and behavior. Financial literacy, gender, and household income were the independent variables and the financial behavior was the dependent variable. Reliability tests, regression and Pearson correlation coefficient were the tools used in data analysis. The findings revealed that students possessed a medium level of financial literacy, and financial literacy, gender, and household income significantly influenced their financial behavior.

Chong et al. (2021) examined the connection between financial literacy, self-efficacy, self-coping, and financial behavior among young individuals. The research design adopted by the study was quantitative research design which involved the use of structured questionnaire where 790 respondents aged 40 and below were surveyed in 11 Credit Counselling and Debt Management centres in Malaysia. Financial literacy, self-efficacy, and self-coping were the independent variables, and the dependent variable was financial behavior. Pearson correlation, multiple regression, and independent sample t-tests were used to analyze the data, to find out the relations and the comparison of financial behavior scores in both sexes. The results showed that there was a high level of differences in the financial behavior between females and males, regression analysis showed that financial literacy, self-efficacy, and self-coping were strong predictors of financial behavior, and the regression analysis revealed that the percentage of variables in which financial behavior was explained was 13.4.

Ninan and Kurian (2021) examined how financial literacy influences financial behavior of college-going students in India. The research design that was used was a quantitative survey design where the researcher utilized a structured questionnaire to gather data about the financial literacy, financial behavior, and demographic information of students such as their gender, nature of courses, and income. Financial literacy was the independent variable and financial behavior was the dependent variable. Regression analysis was used to analyze the data and identify the effect of financial literacy and demographic factors. The results indicated that financial literacy significantly influenced the financial behavior of students positively and the demographic variables also demonstrated significant relationship with financial literacy.

Peiris (2021) evaluated how financial literacy influences the savings behavior of an individual and how intention to save mediates this relationship. The study used a quantitative design with a structured questionnaire for 206 employed individuals in Colombo, Sri Lanka, examining financial literacy, intention to save, and savings behavior, analyzed through structural equation modeling with Three Stage Least Squares and path analysis. The results showed that financial literacy significantly impacted on savings behavior in a direct and positive manner, and the mediation effect of intention to save was also significant, which means that financial knowledge has a positive influence on savings behavior and intention to save.

Sabri et al. (2021) evaluated how financial knowledge, financial socialization, financial behavior, and financial strain affect financial well-being of the youth in Malaysia. The research design applied in the study was a quantitative research design, which involved self-administered questionnaire, sent to 651 respondents that were selected using a multi-stage random sampling approach. Financial knowledge, financial socialization, financial behavior, and financial strain were the independent variables and financial strain the dependent variable. Multiple regression analysis was used to analyse the data. The results indicated that the four determinants were significantly influencing financial well-being with financial knowledge, financial socialization and financial behavior having positive impact, and financial strain having a negative impact, which explained 16.1 percent of the variation in financial well-being.

Oli (2020) examined how the concept of financial literacy affects personal financial planning in Nepal. The quantitative design applied in the study involved a structured questionnaire that was used to conduct the study on 700 respondents spread out among seven provinces of Nepal. The independent variable was the financial literacy whereas personal financial planning was the dependent variable. It was found that financial awareness and planning attitude were the significant elements on personal financial planning, whereas demographics were insignificant. Conventional financial investments were more than current assets and though information on insurance, investment, cash management and retirement planning were on the increase, it was not adequate.

Owusu et al. (2020) examined the financial behavior of young people in terms of savings and investment, including the financial literacy and the parental financial behavior. The researchers did quantitative survey of 646 undergraduates in Ghana. The independent variables were financial literacy and parental financial behavior and the dependent variable was savings and investment behavior. Structural Equation Modeling which used covariance revealed that financial literacy was positively associated with savings and investment, and parental financial behavior was a significant predictor of financial literacy as well as savings and investment behavior.

Uddin (2020) concluded the effect of financial literacy on the individual savings in the Omanian setting. The research design used was a quantitative research design involving a survey undertaken on 200 people in Oman with socio-demographic factors gender, age and education. Financial literacy was used as an independent variable, and individual

savings was the dependent variable. The relationships between the variables were analyzed using logistic regression to analyze data. The results showed that financial literacy positively impacted the level of individual savings at significant level, and such demographic variables as age and education also had the positive impact on the probability of saving.

Widjaya et al. (2020) compared the impact of financial literacy and subjective norms on saving behavior. The research design adopted in the study was quantitative research design with a structured questionnaire as the method of collecting data. Financial literacy and subjective norms were the independent variables and the saving behavior was the dependent variable. Statistical methods were employed in the analysis of data according to the Theory of Planned Behavior model. The results showed that financial literacy and subjective norm significantly positively affected saving behavior, which means better financial knowledge and social effects increase the future saving propensity of the individuals.

Chaulagain (2019) established the role of financial literacy in financial behavior of small borrowers in Nepal. The research design adopted in the study is quantitative research design and is rooted in the theory of planned behavior and the social cognitive theory, which was based on a survey of 393 small borrowers in the cooperatives chosen using multi-stage systematic random sampling. Financial literacy was the independent and financial behavior was the dependent variable. The results indicated that there was a positive significant influence of financial literacy on personal and institutional financial behavior, which shows that financial education and financial literacy have a significant positive impact on the financial behavior and overall welfare of small borrowers.

Kalwij et al. (2019) investigated the impact of financial education on financial literacy and savings behavior in Dutch primary school children. The researchers used a field experiment which was controlled and involved fifth and sixth graders who were subjected to a 45 minutes' financial education program. Financial education was used as the independent variable and financial literacy and savings behavior were the dependent variables. The analysis was done through comparing pre- and posttest outcomes to determine the program impact. The results obtained indicated that the program enhanced financial literacy and enhanced the likelihood of willingness to save by 4 percentage points, and the impacts on financial literacy were stronger among girls.

Afsar et al. (2018) used financial literacy and parental socialization as independent variables and the effects on saving behavior among university students in Pakistan as dependent variables. The research design adopted in the study was quantitative research design with the use of a structured questionnaire that was administered to 400 students in different universities. Financial literacy and parental socialization were taken as independent variables, and saving behavior was considered as a dependent variable. Pearson correlation and multiple regression analysis were employed in the analysis of data. The results found out that financial literacy and parental socialization played a positive role in saving behavior among students whereby students with financial literacy showed a higher rate of saving behavior and that parental guidance enhanced the willingness of students to save.

Table 1

Summary of Empirical Review

Author(s)	Objectives	Variables	Methodology	Findings
Mpaata et al. (2025)	To investigate the impact of literacy and social influence on savings behavior among MSE owners with self-control as a moderator.	DV: Savings behavior. IVs: Financial literacy, social influence. Moderator: Self-control.	Cross-sectional design; structured questionnaire to 373 MSE owners; data analyzed with PROCESS Macro Model 3.2.	Financial literacy and social influence significantly influenced savings behavior, with self-control strengthening these effects.
Ahmad et al. (2024)	To analyze the relationship between financial literacy and spending habits among university students in Malaysia.	DV: Spending habits. IV: Financial literacy.	Quantitative; questionnaire to university students; Pearson correlation via SPSS 26.0.	Positive relationship between financial literacy and spending habits; higher knowledge led to more responsible decisions.
Khadka and Thapa (2024)	To assess the impact of financial literacy on financial behavior among sugarcane farmers in Nepal.	DV: Financial behavior. IV: Financial literacy.	Quantitative design; face-to-face interviews with 350 farmers; structured questionnaire.	Financial literacy positively influenced saving, spending, investing, and borrowing, though borrowing was less affected.
Mad et al. (2024)	To evaluate the impact of financial literacy on saving	DV: Saving habits. IV: Financial	Online survey to 332 youth under 30; SPSS	Financial literacy positively influenced saving habits; gender

Author(s)	Objectives	Variables	Methodology	Findings
	habits among Malaysian youth with a gender focus.	literacy.	descriptive, correlation, regression.	differences in literacy but not saving habits.
Jhonson et al. (2023)	To determine the influence of digital financial literacy on financial well-being through spending, saving, and investment behavior.	DV: Financial well-being. IV: Digital financial literacy. Mediators: Spending, saving, investment behavior.	Online survey to 403 participants; SEM using SmartPLS.	Digital financial literacy improved financial well-being via positive effects on spending, saving, and investment behavior.
Towo et al. (2023)	To investigate the impact of tertiary educators' financial literacy on saving behavior and moderating effects of demographics.	DV: Saving behavior. IV: Financial literacy. Moderators: Age, gender, education level, subject taught, service length.	Quantitative explanatory design; structured questionnaire to 384 educators; descriptive and regression analysis.	Financial literacy significantly affected saving behavior; demographics had no significant moderating effect.
Jumena et al. (2022)	To analyze factors affecting saving decisions through a systematic literature review.	DV: Saving decision. IVs: Multiple internal (wealth, needs, literacy, etc.) and external (macroeconomy, demographics, etc.) factors.	Qualitative design; review of 124 Elsevier articles (2012–2021); meta-analysis and meta-synthesis.	Fifteen internal and external factors jointly influenced saving decisions over the last decade.
Setiawan et al. (2022)	To investigate links among digital financial literacy, saving/spending behavior, and foresight of future saving/spending.	DVs: Current saving behavior, current spending behavior, future foresight. IV: Digital financial literacy.	Quantitative design; survey of millennials aged 25–40 in Java; SEM analysis.	Digital financial literacy, shaped by socio-economic status, improved current saving/spending and enhanced future foresight.
Wong et al. (2022)	To evaluate financial literacy levels and its	DV: Financial behavior. IVs:	Regression, Pearson	Students had medium literacy; financial

Author(s)	Objectives	Variables	Methodology	Findings
	influence on financial behavior among university students.	Financial literacy, gender, household income.	correlation.	literacy, gender, and income significantly influenced financial behavior.
Chong et al. (2021)	To explore relationships between financial literacy, self-efficacy, self-coping, and financial behavior among emerging people.	DV: Financial behavior. IVs: Financial literacy, self-efficacy, self-coping.	Quantitative design; structured questionnaire to 790 respondents; Pearson correlation, regression, t-tests.	Financial literacy, self-efficacy, and self-coping significantly predicted financial behavior (13.4% variance explained); gender differences observed.
Ninan and Kurian (2021)	To analyze the impact of financial literacy on financial behavior of college students in India.	DV: Financial behavior. IV: Financial literacy.	Quantitative design; structured questionnaire; regression analysis.	Financial literacy had a significant positive effect on financial behavior; demographics also related to literacy.
Peiris (2021)	To assess the effect of financial literacy on individual savings behavior with the mediating role of intention to save.	DV: Savings behavior IVs: Financial literacy Mediator: Intention to save	Three Stage Least Squares + path analysis	Financial literacy had a direct and positive effect on savings behavior, and intention to save mediated the relationship positively.
Sabri et al. (2021)	To assess the influence of financial knowledge, financial socialization, financial behavior, and financial strain on financial well-being of young people in Malaysia.	DV: Financial well-being IVs: Financial knowledge, financial socialization, financial behavior, financial strain	Quantitative; questionnaire (651 respondents, multi-stage random sampling); multiple regression	All four determinants significantly affected financial well-being; first three had positive effects, financial strain had negative effect (16.1% variance explained).
Oli (2020)	To explore the influence of financial literacy on personal financial planning among	DV: Personal financial planning IV: Financial literacy	Quantitative; closed-ended questionnaire (700 respondents, Nepal); statistical	Financial literacy (awareness, attitude) significantly influenced planning; demographics had little effect;

Author(s)	Objectives	Variables	Methodology	Findings
	Nepalese individuals.		analysis	traditional investments more popular; awareness still insufficient.
Owusu et al. (2020)	To investigate the savings and investment behavior of young people focusing on financial literacy and parental financial behavior.	DV: Savings and investment behavior IVs: Financial literacy, parental financial behavior	Quantitative; survey questionnaire (646 undergraduates, Ghana); Covariance-Based SEM	Financial literacy positively influenced savings/investment; parental behavior predicted both financial literacy and savings/investment behavior.
Uddin (2020)	To determine the impact of financial literacy on individual savings in Oman.	DV: Individual savings IV: Financial literacy	Quantitative; survey (200 individuals, Oman); logistic regression	Financial literacy positively affected savings; age and education also increased likelihood of saving.
Widjaja et al. (2020)	To evaluate the effects of financial literacy and subjective norms on saving behavior.	DV: Saving behavior IVs: Financial literacy, subjective norms	Quantitative; structured questionnaire (Indonesia); Theory of Planned Behavior framework	Both financial literacy and subjective norms positively affected saving behavior.
Chaulagain (2019)	To determine the contribution of financial literacy to the financial behavior of small borrowers in Nepal.	DV: Financial behavior IV: Financial literacy	Quantitative; survey (393 borrowers, Nepal); theory-based analysis (TPB & SCT)	Financial literacy positively influenced personal and institutional financial behavior.
Kalwij et al. (2019)	To explore the effects of financial education on literacy and savings behavior among Dutch primary school children.	DVs: Financial literacy, savings behavior IV: Financial education	Quantitative; controlled field experiment (45-min program, Netherlands); pre- and posttest	Education improved literacy and willingness to save by 4%; stronger effects for girls.
Afsar et al. (2018)	To analyze the impact of financial	DV: Saving behavior	Quantitative; questionnaire (400	Both variables positively influenced

Author(s)	Objectives	Variables	Methodology	Findings
	literacy and parental socialization on the saving behavior of university students in Pakistan.	IVs: Financial literacy, parental socialization	students, Pakistan); correlation + regression	saving behavior; literacy increased saving, parental guidance boosted willingness to save.

2.4 Research Gap

The majority of past research works on financial literacy and financial behavior have adopted cross-sectional, descriptive or quantitative designs (Ahmad et al., 2024; Afsar et al., 2018; Chaulagain, 2019; Khadka & Thapa, 2024; Mpaata et al., 2025), and usually examined only one aspect of financial behavior. The causal-comparative and descriptive design used in the current study has allowed the overall evaluation of the financial knowledge, financial attitude, financial behavior, and financial skill on the saving and spending behavior. With respect to population and sampling, previous studies focused on students, educators, or farmers based on purposive or other non-probability sampling (Afsar et al., 2018; Mad et al., 2024; Owusu et al., 2020; Towo et al., 2023; Wong et al., 2022). The present research has concentrated on the working population in Kathmandu Metropolitan and gathered their information based on 413 respondents and has used method of convenience sampling which is one of the varied urban working population. The data collected by preceding researches are in the form of primary cross-sectional information where scholars have used structured questionnaires to gather the data (Afsar et al., 2018; Jhonson et al., 2023; Peiris, 2021; Setiawan et al., 2022; Widjaja et al., 2020), whereas the present study has also used structured online questionnaires to ensure timely and valid responses. To analyze the data, descriptive statistics, correlation, regression, and SEM were used in previous studies (Jhonson et al., 2023; Mad et al., 2024; Peiris, 2021; Setiawan et al., 2022; Widjaja et al., 2020), whereas in the current study, the reliability tests, demographic analysis, descriptive statistics, correlation, and regression in SPSS have been utilized, which enables us to assess the relations and predictions in detail. On the variables, the past studies tended to provide separate research on financial literacy, socialization, self-efficacy, or financial behavior (Afsar et al., 2018; Chaulagain, 2019; Sabri et al., 2021; Widjaja et al., 2020), whereas the present study has taken financial knowledge, financial attitude, and financial behavior, and financial skill as independent variables and saving and spending behavior as dependent variables, and thus provides a comprehensive view of the matter. All in all, the present research has managed to fulfill

the lack of the past research with a larger population, a combined set of variables, and a detailed design and analysis.

CHAPTER III
RESEARCH METHODOLOGY

The analysis procedures, tools and techniques applicable in the data analysis process to give the report are described in the methodology section. The chosen methodology applied in this study has been capable of achieving the general and specific aims. Research methodology has included (i) research design, (ii) population and sample, (iii) sampling design, (iv) nature and source of data, and data collection instruments in this paper, (iv) methods of analysis and (v) research framework and definition of variables. The following are these all research methods:

3.1 Research Design

This research has been done in a descriptive and causal-comparative design depending on the objectives of the study. The first objective has been applied through the descriptive research design to evaluate the status of financial literacy and saving and spending behavior among working people in Kathmandu Metropolitan to address the current state of affairs. Moreover, the causal-comparative research design has been implemented as descriptive study does not provide the opportunity to investigate relations and determine the role of causal impact of variables. This is an appropriate design in the second objective that seeks to determine the relationship between financial knowledge, financial attitude, financial behavior, and financial skills and the saving and spending behavior. Moreover, it can also be applied to the third objective, which aims at establishing the individual and combined effect of these financial literacy elements on saving and spending behavior. These two designs are chosen with a lot of care and other research designs were deemed to be inappropriate to the study objectives.

3.2 Population and Sample, and Sampling Design

The target population has included all the working individuals in Kathmandu Metropolitan. The area under study has been chosen due to Kathmandu Metropolitan being a home to a variety of dense work force in government, private and informal sectors, making it a good environment to be studied on to determine the financial literacy and saving and spending behavior. Financial products, increasing living expenses, and socio-cultural factors that affect financial decision-making in Kathmandu are exposed to working people, which makes the selection of this population appropriate in the study. There are large numbers of working people in the Kathmandu Metropolitan, and therefore

the total population makes it difficult to define the specific population; thus, to obtain the sufficient and viable sample, Cochran formula (1977) is used, which is suitable in large or unknown population. The Cochran formula is given below:

$$n = \frac{Z^2.p.\ (1-p)}{e^2}$$

Where;

n = Required sample size for an infinite population

Z = Critical value corresponding to the desired confidence level

p = Estimated proportion of the attribute present in the population

q = 1− p

e = Margin of error

With Confidence Interval of 95% and 5% level of significance

Here,

Z =1.96, p = 0.5, q = 0.5, e = 0.05

Now,

$$n = \frac{(1.96)^2 0.5 \times 0.5}{0.05^2} = 384.16 \approx 384$$

The best sample size, therefore, is 384.16, which has been rounded up to 384 because a person cannot be counted as a fraction. A sample of 413 working individuals have been employed in the study to enhance representation and to correct the possibilities of non-responses and errors of the study and this is the sample that was used. In reference to the sampling design, despite the fact that probability sampling was taken into account, it was not practicable because the list of working individuals in Kathmandu Metropolitan did not include everyone. Thus, a non-probability method of sampling was used, namely, convenience sampling. It is a method which picks up participants according to their availability and willingness.

3.3 Nature and Sources of Data, and the Instrument of Data Collection

It is a quantitative study, and has been of a purely primary data based on the information gathered through the working people of Kathmandu Metropolitan. The primary tool of data collection is a structured questionnaire that consists of two parts: Section A deals with demographic data of the respondents, which should be specified in a subjective manner, whereas Section B includes the statements connected to the study variables, and the answers are to be provided in numerical terms on a 5-point Likert scale (1 = Strongly

Disagree to 5 = Strongly Agree). The questionnaire has been administered using Google Forms and physical copies in order to cover a broader number of participants. Under this method, the researcher has obtained the answers of 413 working people and such data have been utilized in the subsequent analysis under statistics.

3.4 Method of Analysis

The process of analysis is the tools applied to explain the data collected with the help of proper statistical tools. The statistics that have been applied in this study are reliability statistics, demographic profile analysis, descriptive statistics such as mean and standard deviation and inferential statistics such as correlation analysis and regression analysis. These tools have been outlined as detailed below.

3.4.1 Reliability Statistics

Reliability is a concept used to refer to the degree at which a research instrument is able to measure the intended constructs. This paper has employed Cronbach's alpha (α) to test the internal consistency of the questionnaire items to the study variables. A value of 0.7 and above can be regarded as an acceptable alpha in social science research (Nunnally & Bernstein, 1994; Tavakol & Dennick, 2011). Alpha is usually understood as follows: 0.9 and higher is excellent, 0.8–0.9 good, 0.7-0.8 acceptable, 0.6-0.7 questionable, 0.5-0.6 poor or below 0.5 unacceptable respectively (Cronbach, 1951). These standards were used to evaluate the validity of all the variables, and the instrument generated similar and plausible measures, which offered a solid foundation of further examination. The findings of the reliability test of the variables under the present study are shown below.

Table 2

Reliability Test of Study Variables

Study Variables	No. of Items	Cronbach's Alpha
FK	5	0.856
FA	5	0.840
FB	5	0.838
FS	5	0.834
SB	5	0.834
SPB	5	0.806

Table 2 presents the results of the reliability test of the study variables measured using Cronbach's alpha. Financial Knowledge (FK) has an alpha of 0.856, and it is good. The alpha of the Financial Attitude (FA) is good 0.840. Financial Behavior (FB) is the alpha

of 0.838 which is also stable and consistent. The alpha of Financial Skill (FS) is 0.834, which proves good consistency. Dependent variable Saving Behavior (SB) has a good alpha of 0.834 which means that the measurement is reliable whereas Spending Behavior (SPB) has a good alpha of 0.806 which also means that the measurement is reliable. As having a Cronbach alpha of 0.7 and above is acceptable, all the variables, which are above 0.8, exhibit good internal consistency. In general, these findings indicate that there is consistency of all the variables in the study, their reliability and suitability in further analysis.

3.4.2 Major Statistical Tools

This research was carried out with a sample of 413 working people in Kathmandu Metropolitan. Once the appropriateness of the data collected was verified, the data were examined in relation to the definite purposes of the research through the help of the corresponding statistical tools in SPSS software. Descriptive and inferential statistics were used as the best methods to analyze the existing situation, relationships and effect of Financial Knowledge (FK), Financial Attitude (FA), Financial Behavior (FB) and Financial Skill (FS) on Saving Behavior (SB) and Spending Behavior (SPB). Chapter Four shows the findings of these analyses. The statistical tools that are used in this study are briefly explained below.

3.4.2.1 Descriptive Statistics

To accomplish the first objective of the research, the present state of financial knowledge, financial attitude, financial behavior, financial skill, saving behavior, and spending behavior of the working people in Kathmandu Metropolitan have been evaluated using descriptive statistics to assess the current situation. This analysis gives details about the minimum, maximum, and the mean standard deviation of each variable and assists in assessing the distribution and variation of the variables. The descriptive statistics provide the overview of the general trend of the respondents regarding the mean values and standard deviation illustrating the variability that underlies the following correlation and regression analysis. The findings of the descriptive analysis are as follows:

Arithmetic Mean

One of the measures of central tendency that is widely used is the arithmetic mean or average, which represents a central value of a data set. It is calculated by summing all the amounts and then dividing the figure with the total number of observations. The mean

provides one figure, against which the data were added to give the overall impression on the average value of the data. It is highly used in statistics and social sciences so as to gain an understanding of overall general trends and patterns. However, outliers may cause bias to the mean hence altering its trend of the data set. Therefore, one can use it to obtain an idea but not be representative of the data in the extreme cases. Arithmetic mean can be determined in the following way:

Arithmetic mean ($X\square$) = $\frac{\sum X}{n}$

Where,

n = Total number of values in the dataset

$\sum X$= Sum of all values in the dataset

Standard Deviation

Standard deviation is a statistical value, which demonstrates the degree of fluctuation or scattering of a data group. It shows the extent to which the individual values deviate as compared to the mean. A low standard deviation of less than 1 indicates that the data are concentrated closely around the mean whereas a high standard deviation implies that the variation is greater. In the framework of this research, the standard deviation is important in assessing coherence and stability of response concerning the financial knowledge, financial attitude, financial behavior, financial skills, saving and spending behavior among the working population. It aids in the comparison of datasets, detection of abnormal responses, the evaluation of trends in financial practices as well as the predictability and stability of financial literacy and measures of financial behavior. Standard deviation is determined by the following formula:

Standard deviation (σ) = $\sqrt{\frac{\sum(X-\bar{X})^2}{n-1}}$

Where,

X Represents each individual data point in the dataset

$\bar{X}$ Represents the mean (average) of the dataset

n is the total number of data points in the dataset

3.4.1.2 Inferential Statistics

Correlation and regression analyses and hypothesis testing are the inferential statistics used in this study. The second objective of the study is accomplished through correlation analysis that determines how the independent variables FK, FA, FB and FS relate to the

dependent variables SB and SPB. The third objective was met by regression analysis to assess the effect of FK, FA, FB, and FS on SB and SPB individually and in combination. The significance of results is determined by the manner in which hypothesis testing is applied through comparing p-values with the standard levels of significance of 0.01 and 0.05. Chapter Four shows the results of inferential analyses. The following gives a brief description of the inferential statistical methods applied in this study:

Correlation Analysis

The Correlation analysis determines the strength and direction of the relationship between variables and the value of the correlation coefficient (r) is between +1 and -1. The positive value implies a positive relationship, the negative value implies an inverse relationship and the zero value implies no relationship. This analysis is done to analyze associations and inform any further testing of statistics. It fulfills the second goal of the study that is to examine the relationship between financial knowledge, financial attitude, financial behavior and financial skills with saving behavior and spending behavior of working people in Kathmandu Metropolitan. The calculation of the correlation coefficients has been done by the method of Karl Pearson on SPSS version 29. The correlation is also made with potential predictors which are useful in justification of the use of data in social sciences, economics, and finance. To obtain the Pearson correlation coefficient, the following formula is to be used:

$$r = \frac{n\,(\sum XY) - (\sum X)\,(\sum Y)}{\sqrt{[n\,(\sum X^2) - (\sum X)^2]}\,\sqrt{[n\,(\sum Y^2) - (\sum Y)^2]}}$$

Where;

n = the number of data pairs

$\sum XY$ = the sum of the product of each pair of scores

$\sum X$ And $\sum Y$ = the sums of X and Y scores respectively

Regression Analysis

Regression analysis is a statistical method employed in the measurement of the effect of independent variables on a dependent variable. This is used in this study to answer the third objective that is to investigate the role of financial knowledge, financial attitude, financial behavior, and financial skills on the saving behavior and spending behavior of working people in Kathmandu Metropolitan. This method determines patterns, considers the effects of predictors and gives credible results. It can also be used in predicting the results, to enhance the model by estimating the most significant variables and a clear

picture of the influence of the financial literacy variables in saving and spending habits. Moreover, regression analysis serves to test hypotheses, determine the strength of relationships and make well informed suggestions on how one can make better financial decisions. In this research, multiple regression model has been used as discussed in the following section:

Model Specification

This research has also conducted two regression models to establish the influence of financial literacy elements on saving and expenditure behaviour. In Model 1, the independent variables have the FK, FA, FB and FS. The dependent variable is a SB that is affected by the independent variables. In Model 2, the Departmental variable comes out to be SPB with the same group of independent variables (FK, FA, FB, FS). These models enable them to figure out the individual and summative impact of the elements of financial literacy on every facet of financial behavior of working individuals in Kathmandu Metropolitan. The models can be discussed as:

Model 1: $SB = \beta_0 + \beta_1 FK + \beta_2 FA + \beta_3 FB + \beta_4 FS + \varepsilon_i$

Model 2: $SPB = \beta_0 + \beta_1 FK + \beta_2 FA + \beta_3 FB + \beta_4 FS + \varepsilon_i$

Where;

β_0 = Intercept/constant term

SB = Saving Behavior

SPB = Spending Behavior

FK = Financial Knowledge

FA = Financial Attitude

FB = Financial Behavior

FS = Financial Skill

ε_i = Error term

Betas including β_1, β_2, β_3 and β_4 are coefficients of independent variables

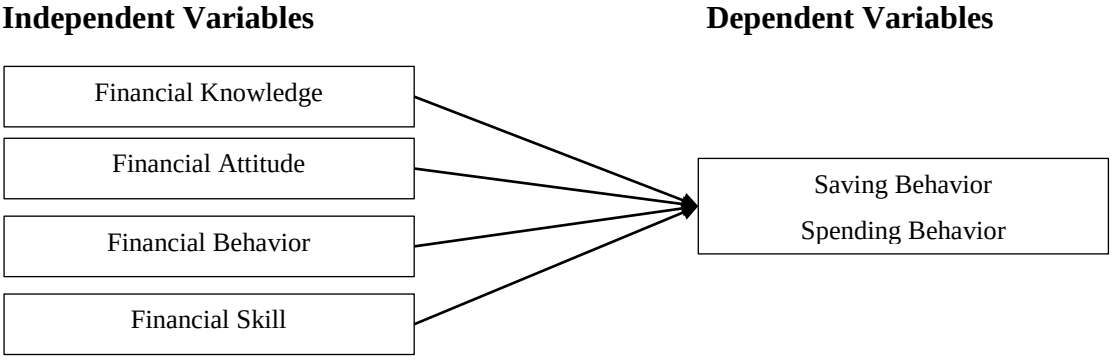
3.5 Research Framework and Definition of Variables

The research framework explores how each of the financial literacy elements can individually and collectively affect the saving and spending behavior, how knowledge, attitude, behavior patterns, and financial skills influence financial judgment. The research aids in the realization of the contribution of the different financial literacy dimensions including FK, FA, FB and FS in shaping the financial practices and behavior of working

people. The figure below is the research design, which shows the hypothesized correlation between the element of financial literacy and saving and spending behavior:

Figure 1

Research Framework



Source: Sabri et al. (2021)

Definition of Study Variables

Financial Knowledge

Financial knowledge is the knowledge of financial concepts, financial product, financial decision making processes such as budgeting, saving, investing and managing debts. The Financial Literacy Theory underlines that when people possess greater financial literacy, they are capable of making an informed choice and improving their financial status (Lusardi and Mitchell, 2014; Peiris, 2021). Financial knowledge in Nepal allows the working population to make sound decisions, allocate resources optimally and realize individual financial aspirations (Oli, 2020; Owusu et al., 2020).

Financial Attitude

Financial attitude is defined as beliefs, values, and perceptions that cover financial decisions such as money management, planning as well as saving tendencies. According to Social Learning Theory, attitude development is based on the observation of the role models within family, peers and social networks (Afsar et al., 2018; Bandura, 1977; Mpaata et al., 2025; Owusu et al., 2020). Financial attitude allows working people in Nepal to acquire practical abilities, embrace disciplined money management, and gain decision-making skills (Chaulagain, 2019; Oli, 2020).

Financial Behavior

The financial behavior is actual financial activities in the management of money which include saving, spending, investing and budgeting. According to the Financial Capability Framework, knowledge and action can help to enhance financial well-being (Chong et al.,

2021; Khadka and Thapa, 2024; Johnson et al., 2023; Sabri et al., 2021; World Bank, 2001). Financial behavior in Nepal means the way working individuals use literacy and socialization to use finances, which helps to maintain a stable situation and goal accomplishment (Oli, 2020; Widjaja et al., 2020).

Financial Skill

Financial skill necessitates the skill in using financial resources to plan, handle and adapt personal or household finances to encompass obligations and objectives. Behavioral Life-Cycle Hypothesis accentuates the fact that knowledge, experience, and psychological elements regulate self-control and financial competence (Setiawan et al., 2022; Shefrin and Thaler, 1988). Research indicates that better financial skills enhance the saving and spending patterns. In Nepal, those working are financially skilled enough to plan and manage resources better, prepare to meet future needs, and remain financially stable (Oli, 2020; Owusu et al., 2020).

Saving Behavior

Saving behavior entails saving a part of earnings to be used later or in case of emergency or investments. According to Life-Cycle Hypothesis and Behavioral Life-Cycle Hypothesis, rational planning and self-control dictate the saving during the life stages (Mad et al., 2024; Mpaata et al., 2025; Modigliani and Brumberg, 1950; Towo et al., 2023; Widjaja et al., 2020). It has been proven that saving behavior is improved by financial literacy, attitude, and behavior. Saving behavior provides financial security, goal achievement, and prudent money management of working people in Nepal.

Spending Behavior

Spending behavior refers to patterns of expenditure on goods, services, and lifestyle choices. Financial Literacy Theory and Financial Capability Framework emphasize that informed financial decisions lead to controlled and rational spending (Ahmad et al., 2024; Johnson et al., 2023; Lusardi & Mitchell, 2014; Setiawan et al., 2022; Wong et al., 2022; World Bank, 2001). In Nepal, effective spending behavior allows working people to balance immediate needs with long-term savings and maintain financial stability (Oli, 2020; Sabri et al., 2021).

CHAPTER IV
RESULTS AND DISCUSSION

The information provided in this chapter has been discussed in a sufficient format, as statistically and argued. The research questions asked in the first chapter were the ones attempted to be answered in the analysis, and the hypothesis set was confirmed. The results have been taken into account as the results of the analyses. The findings have since been analyzed and justified concerning the theories and empirical studies being relevant to arrive at a conclusion. The chapter has hence been structured under Results and Discussion section.

4.1 Results

This part shows the results obtained using the primary data used in the current research in order to meet the main and specific research objectives. The analysis was done on the SPSS version 29 software according to the study requirements. The analysis involves the demographic profile of the respondents, the descriptive statistics, and the inferential analysis. The respondents would be grouped in terms of their gender, age group, level of education, sector of work, monthly income, and years of working experience. The levels of financial knowledge (FK), financial attitude (FA), financial behavior (FB), financial skill (FS), saving behavior (SB) and spending behavior (SPB) are evaluated by the use of descriptive statistics in terms of minimum, maximum, mean, and standard deviation. Inferential analysis includes correlation and regression analysis, which is backed by hypothesis testing. The correlation analysis has been used to study the relationships between FK, FA, FB and FS and SB and SPB. The regression analysis measures the impact of FK, FA, FB, and FS on saving and spending behavior and the hypothesis testing compares the p-values with 0.01 and 0.05 levels of significance to test whether there is statistical significance. The demographic profile, descriptive and inferential results are described in the following subsections in detail.

4.1.1 Respondents' Demographic Profile

In this section, the demographic profile of the respondents is given according to the primary data gathered through structured questionnaires. The demographic variables are the gender, age, level of education, the sector where one works, the level of monthly income and the number of years of working experience. The demographic profile analysis offers a major background on which the results would be interpreted and how these

factors could affect the saving and spending behavior of working people in Kathmandu Metropolitan. The table below shows the demographic data of the respondents.

Table 3

Respondents' Demographic Profile N = 413

Demographic Factors	Options	Frequency	Percent
Gender	Male	273	66.1
	Female	140	33.9
Age Group	Below 35 years	86	20.8
	25 – 35 years	139	33.7
	36 – 45 years	130	31.5
	46 – 55 years	47	11.4
	Above 55 years	11	2.7
Level of Education	Literate	38	9.2
	Secondary level	174	42.1
	Bachelor's level	151	36.6
	Master's level	37	9.0
	Above master's level	13	3.1
Working Sector	Government	128	31.0
	Private	285	69.0
Monthly Income Level	Below NPR. 25,000	132	32.0
	NPR. 25,000 – NPR. 50,000	146	35.4
	NPR. 50,001 – NPR. 75,000	87	21.1
	NPR. 75,001 – NPR. 100,000	36	8.7
	Above NPR. 100,000	12	2.9
Years of Work Experience	Less than 3 years	100	24.2
	3 – 6 years	168	40.7
	7 – 10 years	104	25.2
	More than 10 years	41	9.9

(Source: Field Survey, 2025)

Table 3 shows the demographic characteristics of the respondents of this study (413 respondents in total). The bulk of the respondents belong to the male population (66.1 percent); moreover, most of them are aged between 25 and 45 years (65.2 percent), which implies early to mid-career representation. The higher education has been relatively educated with most of them having +2 level or bachelor's degrees (78.7 percent). The sample is dominated by the employees of the private sector (69 per cent) and those of the government (31 per cent). The majority of the respondents have between NPR 25, 000 and NPR 50,000 incomes monthly (35.4 percent) and a sizeable proportion of the income falls below NPR 25, 000 (32 percent), falling within a low to middle income range. In terms of work experience, most of them have 3-6 years (40.7 percent), then less than 3 years (24.2 percent), and 7-10 years (25.2 percent), and only 9.9 percent of people have over 10 years. This demographic profile offers appropriate background to the role played

by financial knowledge, attitude, behavior and skill on behavior of saving and spending by working people in Kathmandu Metropolitan.

4.1.2 Descriptive Statistics

The questionnaire data have been examined through descriptive statistics such as minimum, maximum, mean and standard deviation to obtain the answers of the respondents. In this research, financial knowledge (FK), financial attitude (FA), financial behavior (FB), and financial skill (FS) are considered as independent variables whereas saving behavior (SB) and spending behavior (SPB) are the dependent variables. Descriptive statistics assist in the determination of distribution, central tendency, and variability of responses. The main goal is to evaluate the present condition of the financial literacy aspects and how they affect the saving and expenditures pattern of the working population within Kathmandu Metropolitan. The descriptive statistics of each variable have been given in the table below with a summary being interpreted at the end.

Table 4

Descriptive Statistics of Financial Knowledge

Code	Statements	Mean	S.D.
FK1	I understand basic financial concepts such as budgeting, saving, and interest rates.	4.19	0.89
FK2	I feel confident in making informed financial decisions.	3.87	0.78
FK3	I am aware of different saving and investment options available to me.	3.71	0.89
FK4	I understand how to plan my finances for short-term and long-term goals.	3.77	0.97
FK5	I keep myself updated with financial information relevant to my income and expenses.	3.83	0.92

(Source: Field Survey, 2025)

The table 4 indicates descriptive statistics of Financial Knowledge (FK) in which the mean gives the current average perception whereas the standard deviation gives variability or risk in the responses. The mean of FK1 is 4.19 with SD of 0.89, which means that people have good knowledge of the basic financial concepts with a moderate level of dispersion. FK2 has a mean of 3.87 and SD of 0.78, which shows that there is confidence in making informed decisions regarding finances. The mean of FK3 is 3.71,

SD of 0.89, which means moderate awareness of saving and investment option with nearly the same variance as FK1. FK4 has an average of 3.77 and SD of 0.97, which means that there were relatively higher variations in financial planning between short and long-term objectives. FK5 depicts a mean of 3.83 and SD of 0.92, which means that there are consistent attempts to be informed about financial data. FK1 has the largest mean, and the perception of this product among respondents is the strongest, whereas FK2 has the smallest SD, which means that the responses given by this group of people are the most consistent. These differences can aid the decision-making process through determining where financial knowledge is more robust or more varied among respondents to that end of comprehending the existence of variances in the awareness levels of the respondents and how these variances might affect financial behaviour, preparedness and general ability in dealing efficiently with personal finances.

Table 5

Descriptive Statistics of Financial Attitude

Code	Statements	Mean	S.D.
FA1	I believe managing money carefully is important.	3.91	0.86
FA2	I feel responsible for planning my personal finances.	3.93	0.91
FA3	I prefer saving money over unnecessary spending.	4.06	0.83
FA4	I believe financial planning improves financial security.	3.82	0.83
FA5	I think about future financial outcomes before spending money.	3.85	0.86

(Source: Field Survey, 2025)

Table 5 gives the descriptive statistics of Financial Attitude (FA) the mean of which is the general average perception of the respondents and the standard deviation is the variability of the responses given by the respondents. FA1 has an average of 3.91 and SD of 0.86, which depict quite similar awareness of the necessity to carefully manage money. FA2 mean is 3.93 with SD of 0.91 which indicates that there is a little more variability in the sense of personal responsibility in planning own finances. FA3 has the largest mean of 4.06 and SD of 0.83 implying that saving preference is high and stable as compared to unnecessary spending. FA4 having a mean of 3.82 and SD of 0.83 illustrates that there is a consistent belief in the use of financial planning in ensuring financial security. FA5 has a mean of 3.85 and SD of 0.86 meaning that there is moderate consistency on considering

future financial outcomes before one makes a decision on spending money. As a whole, FA3 is the most perceived dimension followed by FA3 and FA4 exhibiting the least change, indicating that respondents have a more pronounced agreement with these aspects. Such trends indicate that the financial attitude is a key factor that determines financial habits, encourages informed decision making, and sustainable and responsible saving and spending patterns amongst working population of Kathmandu Metropolitan. Furthermore, the findings suggest that a positive financial attitude can be developed to increase financial discipline and long-term financial planning among the employees.

Table 6

Descriptive Statistics of Financial Behavior

Code	Statements	Mean	S.D.
FB1	I regularly track my income and expenses.	3.84	0.89
FB2	I maintain a budget to manage my finances effectively.	3.88	0.86
FB3	I plan my financial decisions in advance rather than spending impulsively.	3.91	0.87
FB4	I set financial goals and try to achieve them systematically.	3.99	0.86
FB5	I make financial decisions based on knowledge rather than habits or emotions.	4.02	0.85

(Source: Field Survey, 2025)

Table 6 demonstrates the descriptive statistics of Financial Behavior (FB) whereby the mean presents the existing average perception and the standard deviation represents variability or riskiness in responding. The mean of FB1 is 3.84 and SD is 0.89, which means that income and expenses are regularly tracked with an average variability. FB2 depicts an average of 3.88 and SD of 0.86, which implies that the budgeting practice is consistent. FB3 has a mean of 3.91 and SD of 0.87, which represents a consistent preparation of the financial choices other than an impulsive spending. The mean and SD of FB4 are 3.99 and 0.86, respectively, which means that goals are set systematically, and the response patterns are consistent. The mean of FB5 is 4.02, and the SD is 0.85, which means that the element is highly dependent on knowledge rather than habits or emotions to make financial choices. FB5 has the greatest mean, as it has the best financial behavior perception, and FB5 has the least SD, as it has the most consistent responses of all indicators. These tendencies indicate that financial habits are in general disciplined and that the standard deviation is not very high meaning that the respondents have consistent

and predictable behavioral patterns that can be used to make good financial decisions in various circumstances. Also, the outcomes demonstrate the significance of strengthening financial behavior with the help of education and practice and the role of self-regulation and conscious planning in long-term financial sustainability among working members in Kathmandu Metropolitan.

Table 7

Descriptive Statistics of Financial Skill

Code	Statements	Mean	S.D.
FS1	I can prepare a personal or household budget.	3.91	0.86
FS2	I can accurately calculate my income and expenses.	3.88	0.84
FS3	I can compare different financial products before choosing one.	3.92	0.85
FS4	I can manage my money to meet my financial needs.	3.93	0.85
FS5	I can adjust my financial plans when my income changes.	3.94	0.83

(Source: Field Survey, 2025)

Table 7 shows the descriptive data of Financial Skill (FS), where the mean was used to represent the general perception of the respondents in regards to their financial skills and the standard deviation is used to represent the variation or stability of responses. FS1 has 3.91 as the mean and SD of 0.86 that displays the moderate and relatively consistent skills on preparing personal or household budgets. The mean of FS2 is 3.88 and SD is 0.84, indicating that there is a stable ability in computing income and expenses correctly, which is a critical element of successful financial management. FS3 means 3.92, SD 0.85 indicating that the respondents were careful in comparison of various financial products before decision making, which also shows that the respondents are careful in evaluating financial options. FS4 records mean and SD of 3.93 and 0.85 respectively, which serves a good financial discipline with regard to managing money to satisfy the current financial requirements. FS5 has the best mean of 3.94 and the lowest SD of 0.83 showing the strongest perception of skill in changing financial plans when income varies with highly consistent responses. FS5 is considered the most favorable perceived competency, whereas the rather low standard deviation of all the items indicates that the respondents tend to have a similar level of financial ability. On the whole, these findings indicate that financial skill is an essential skill which helps in the daily management of finances and

enhances saving, as well as, long-term and short-term financial decision-making. The findings also indicate the role of strengthening the practical financial skills and strategies to improve the total financial competence of working people in Kathmandu Metropolitan.

Table 8

Descriptive Statistics of Saving Behavior

Code	Statements	Mean	S.D.
SB1	I save a portion of my income regularly.	3.96	0.86
SB2	I prioritize saving for future needs before spending on non-essentials.	3.98	0.86
SB3	I have clear short-term and long-term saving goals.	3.85	0.80
SB4	I use appropriate saving instruments (bank accounts, deposits, or other methods) effectively.	3.88	0.84
SB5	I am consistent in my saving habits even when expenses increase.	3.84	0.86

(Source: Field Survey, 2025)

Table 8 shows the descriptive statistics of Saving Behavior (SB), the mean is used to show the average perception of the respondents whereas the standard deviation is used to portray the variability or consistency of the respondents. SB1 has the mean of 3.96 and SD of 0.86, which indicates the regular income saving with average regularity among the respondents. SB2 has the mean and SD of 3.98 and 0.86 respectively, which means that people save much towards the future and less on unnecessary purchases, which show foresight in financial planning. SB3 values 3.85 and SD of 0.80 and indicates a stable, albeit slightly worse, ability to balance between short-term and long-term saving goals, indicating that there is a potential to enhance the goal-setting behaviors. SB4 has mean and SD of 3.88 and 0.84 respectively, which signifies that the saving tools are efficiently used and variability is moderate, thus practical involvement of the existing available financial tools. The mean of SB5 is 3.84, SD of 0.86, which reveals that the individual has regular saving patterns despite rise in expenses, which is a sign of disciplined spending habits. SB2 has the best mean and best perception of prioritizing savings whereas SB3 has the least SD indicating the most consistent responses across the participants. All these findings, in general, imply that working citizens in Kathmandu Metropolitan tend to have a disciplined saving habit, and the standard deviation between items is also low, indicating predictable and stable financial plans. The results also

indicate how financial advice can be offered, especially, to increase clarity in the establishment of both short- and long-term saving requirements and consistency in financial changes, which ultimately leads to the rise in financial preparedness and economic prosperity in the long term.

Table 9

Descriptive Statistics of Spending Behavior

Code	Statements	Mean	S.D.
SPB1	I spend money thoughtfully and avoid impulsive purchases.	3.94	0.85
SPB2	I prioritize necessary expenses over luxury or non-essential items.	3.96	0.86
SPB3	I plan major purchases in advance to manage my budget effectively.	3.80	0.87
SPB4	I review my expenses regularly to control unnecessary spending.	3.86	0.83
SPB5	I feel satisfied when I manage my spending responsibly.	3.83	0.85

(Source: Field Survey, 2025)

Table 9 shows descriptive statistics of Spending Behavior (SPB) whereby the mean is the average image of respondents and the standard deviation is the inconsistency or the consistency of their response. The mean score of SPB1 is 3.94 and SD is 0.85, which is associated with a relatively thoughtful spending with average consistency among the participants. The mean of SPB2 is 3.96 with SD of 0.86 indicating high predisposition to focus on the expenses needed to be incurred than non-important items which is a sign of good financial judgment. The SPB3 has a mean of 3.80 and SD of 0.87 which implies a little lower planning regarding major purchases with moderate variability, indicating opportunities of better budgeting. The mean of SPB4 is 3.86 and SD of 0.83, which means that expenses are monitored and reviewed regularly to maintain unnecessary spending, and there is a regular financial self-discipline. SPB5 presents the mean value of 3.83 and SD of 0.85, which indicates the consistent satisfaction with responsible spending tendencies. The largest mean is that of SPB2 which shows the best perception of prioritizing needs based expenditure whereas the least SD reflects the most stable responses by participants in SPB4. In general, these findings indicate that employed individuals in Kathmandu Metropolitan tend to have organized expenditures, but there is also a moderate degree of variance, indicating that it can be possible to use financial

planning and budgeting interventions. The patterns point to the need to plan the major purchases more effectively and constantly reconsider spending to reinforce the overall financial stability in the long run and make the respondents adopt responsible spending habits.

Table 10

Summary of Descriptive Statistics

Variables	N	Min	Max	Mean	S.D.
FK	413	1.00	5.00	3.87	0.71
FA	413	1.00	5.00	3.91	0.67
FB	413	1.20	5.00	3.93	0.67
FS	413	1.00	5.00	3.92	0.65
SB	413	1.00	5.00	3.90	0.66
SPB	413	1.20	5.00	3.88	0.64

(Source: SPSS Calculation)

Table 10 presents the summary of the descriptive statistics of the key variables according to the answers of 413 individuals on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). The mean and SD of FK are 3.87 and 0.71 meaning that there is moderately strong knowledge about the fundamentals of financial concepts with a certain degree of variation. FA reveals a mean and SD of 3.91 and 0.67 respectively, which demonstrates that generally, people have positive attitudes towards handling money and saving. The mean and SD of FB are 3.93 and 0.67, respectively, indicating that the respondents have disciplined financial habits. The average values in FS are 3.92 and SD 0.65 which shows that the financial management is at a moderate level. SB has a mean of 3.90, SD of 0.66, which depicts a normal saving and anticipating future of needs, whereas SPB has a mean of 3.88, SD of 0.64, which displays careful and consistent spending pattern. On the whole, these findings demonstrate the moderately adequate financial literacy, positive financial attitudes, disciplined behavior, and competent financial skills that affect saving and spending behaviors in the abundant way. This discussion relates to the objective the first one since it indicates the existing financial habits and points of interventions to be made among working individuals in Kathmandu Metropolitan.

4.1.3 Inferential Statistics

The inferential statistics comprise of correlation, regression and hypothesis testing. Correlation is used to analyze the level and direction of the relationship between FK, FA, FB, and FS with the dependent variables SB and SPB. Their effect is determined in regression, which factors have the most effect on SB and SPB among employed

individuals in Kathmandu Metropolitan. The statistical significance of these relationships and effects is determined through hypothesis test at the 0.01 and 0.05 levels of significance. These analyses serve the second goal of exploring relationships and the third goal of assessing the impact on saving decision and expenditures, specifying significant factors to increase to improve financial behaviors. The specific analysis of the results of this statistics is given in the following sections.

Correlation Analysis

The correlation analysis is used to study the direction and strength of the relationships between the independent variables FK, FA, FB, and FS, and the dependent variables SB and SPB. The degree of correlation is taken according to the set guidelines: 0.00 means that there is no correlation, 0.20-0.39 weak, 0.40-0.59 moderate, 0.60-0.79 strong, 0.80-0.99 very strong, and 1.00 is a perfect correlation (Guilford, 1956; Evans, 1996). The output of correlation is shown in the table below.

Table 11

Correlation Matrix

Variables	FK	FA	FB	FS	SB	SPB
FK	1					
FA	0.853**	1				
FB	0.816**	0.868**	1			
FS	0.812**	0.824**	0.843**	1		
SB	0.782**	0.809**	0.833**	0.827**	1	
SPB	0.734**	0.759**	0.787**	0.774**	0.929**	1

**. Correlation is significant at the 0.01 level (2-tailed).
(Source: SPSS Calculation)

Table 11 represents the correlation analysis conducted on the independent variables like FK, FA, FB, FS and the dependent variable SB. In case of saving behavior (SB), FK positively correlates with SB (r = 0.782, p = 0.000), which means that an increase in financial knowledge leads to improved saving behavior. FA is positively correlated with SB with very high level (r = 0.809, p = 0.000) indicating that positivity towards finances increases the saving behavior. There is a very strong positive correlation between FB and SB (r = 0.833, p = 0.000) indicating that being disciplined in financial behavior promotes consistency in saving, whereas there is a very strong positive correlation between FS and SB (r = 0.827, p = 0.000) indicating that strong financial skill encourages saving. FK works in positive correlation with SPB (r = 0.734, p = 0.000) on behalf of SPB, which means that the greater the financial knowledge, the better expenditure behaviors. FA has a

good positive relationship with SPB (r = 0.759, p = 0.000), which indicates that positive financial attitude has a positive relationship with controlled spending. FB is also highly positively correlated with SPB (r = 0.787, p = 0.000) which represents that disciplined financial behavior is in support of responsible spending. FS and SPB have close positive relationship (r = 0.774, p = 0.000) which shows that increased financial skill promotes prudent spending. None of the correlations with SB and SPB are greater than 0.01 hence all are significant at the level of 0.01 and this highlights the significance of the relationship between financial knowledge, attitude, behavior and skill and the saving and spending behavior.

Regression Analysis

The effect of FK, FA, FB and FS on SB and SPB is investigated with the help of regression analysis (Hair et al., 2019; Field, 2018). There are two discrete regression models in this research. Model 1 incorporates FK, FA, FB, and FS as independent variables and their combined impact on SB in working people in Kathmandu Metropolitan. In Model 2, FK, FA, FB and FS are again independent variables but their combined effect on SPB is considered. In the two models, the analysis has the model summary, ANOVA, and regression coefficients, which can be used to demonstrate the extent to which the independent variables would account for the differences in each dependent variable. Both models have detailed findings as discussed below.

Model Summary

The table below summarizes the model of the regression analysis. It demonstrates the extent that the independent variables, FK, FA, FB, and FS, can be used to explain the variance in the dependent variables, SB and SPB. The model summary gives a general idea of the explanatory potential of financial literacy dimensions on saving and spending habits of working people in Kathmandu Metropolitan. The table below shows the model summaries of both the Model 1 (SB) and Model 2 (SPB).

Table 12

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.872	0.761	0.758	0.32251
2	0.820	0.672	0.669	0.36856

a. Predictors: (Constant), FK, FA, FB, FS

(Source: SPSSS Calculation)

Table 12 shows the model overview of the regression analysis. The R square value of 0.580 shows that the independent variables, HC, UC and DC, account 58 percent of the variance of the Employee Performance (EP) whereas the rest of the 42 percent is explained by other variables (not included in the model). The Adjusted R Square of 0.576 attests that the model is competent and gives a good fit. This correlation of 0.761 can be observed and the standard error of the regression, 0.31238, shows that there is a small difference in the observed and the predicted EP values, proving that the communication practices as a whole have significant influence on employee performance in the Nepalese private institutions.

Analysis of Variance

Analysis of Variance (ANOVA) has been applied to involve in the determination of whether the regression models involving the independent variables FK, FA, FB and FS significantly predict the dependent variables. Model 1 address the impact of FK, FA, FB, and FS on Saving Behavior (SB), whereas Model 2 address the impact of the same on Spending Behavior (SPB). The results of ANOVA of both models are given in the table below that indicates whether or not each regression model is statistically significant in predicting differences between saving and spending habits of working individuals in Kathmandu Metropolitan.

Table 13

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	134.965	4	33.741	324.386	0.000
	Residual	42.438	408	0.104		
	Total	177.403	412			
2	Regression	113.487	4	28.372	208.871	0.000
	Residual	55.420	408	0.136		
	Total	168.907	412			

a. Dependent variables: SB for Model 1 and SPB for Model 2
b. Predictors: (Constant), FK, FA, FB, FS

(Source: SPSSS Calculation)

Table 13 presents the ANOVA results of the regression models for the current study. In the case of Model 1 that looks at the impact of FK, FA, FB and FS on Saving Behavior (SB), the F-value (324.386) and significance value (Sig. = 0.000) imply that the model is statistically significant. This indicates that the independent variables combined make a

good account of the variation in SB among working people in Kathmandu Metropolitan. The F-value of 208.871 and Sig.=0.000 when considered as Model 2 which tests the impact of FK, FA, FB, and FS on Spending Behavior (SPB) also indicate that model is statistically significant implying that these financial literacy dimensions together explain a significant percentage variance in SPB. Generally, the result of ANOVA shows that the two regression models are effective to predict saving and spending behavior by working individuals in Kathmandu Metropolitan.

Coefficients

The coefficients indicate the individual impact of each predictor variable on the dependent variables. This study focuses on the unstandardized coefficients because both models include constant terms. The regression models for the current study are: Model 1: $SB = 0.352 + 0.108FK + 0.151FA + 0.315FB + 0.333FS + \varepsilon_i$, and Model 2: $SPB = 0.625 + 0.096FK + 0.131FA + 0.316FB + 0.287FS + \varepsilon_i$. These models include all financial literacy dimensions along with the constant term, showing the individual contribution of each variable to saving and spending behavior. The results indicate that FK, FA, FB, and FS each positively influence SB and SPB among working individuals in Kathmandu Metropolitan. The table of coefficients is presented below.

Table 14

Coefficients

Model	Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Sd. error	Beta		
1	(Constant)	0.352	0.100		3.509	0.000
	FK	0.108	0.047	0.117	2.316	0.021
	FS	0.151	0.056	0.154	2.677	0.008
	FB	0.315	0.054	0.324	5.845	0.000
	FST	0.333	0.050	0.332	6.655	0.000
2	(Constant)	0.625	0.115		5.457	0.000
	FK	0.096	0.053	0.107	1.802	0.072
	FA	0.131	0.064	0.138	2.041	0.042
	FB	0.316	0.062	0.333	5.132	0.000
	FS	0.287	0.057	0.294	5.020	0.000

a. Dependent Variables: SB for Model 1 and SPB for Model 2

(Source: SPSS Calculation)

Table 14 gives the regression coefficients which investigate the effect of FK, FA, FB, and FS individually on Saving Behavior (SB) and Spending Behavior (SPB) among working

people in Kathmandu Metropolitan. In Model 1 that examines the effects of SB, the effect of FK on saving behavior is significant, F K = 0.108 and p = 0.021, meaning that one unit of FK positively affects SB by 0.108 units. The positive impact of FA is also significant with B = 0.151 and p = 0.008, and this implies that a one-unit increase in FA raise SB by 0.151 units. FB demonstrates positive significant effect with B = 0.315 and p = 0.000, whereas FS has the largest positive significant effect with B = 0.333 and p = 0.000 and implies an increase in SB per unit of FS by 0.333 units. Based on the standardized coefficients, FS may be ranked highest in terms of positive impact (Beta = 0.332) and FK the lowest (Beta = 0.117). In general, the results provide that all independent variables have a significant and positive impact on saving behavior, with the financial skill having the highest and the financial knowledge having the lowest effect, which shows the interdependence of the knowledge, the attitude, behavior, and the skill to improve saving behavior.

In the Model 2 where SPB is analyzed, FK has a positive correlation with B = 0.096 and p = 0.072, which is not significant, maybe because of variation in the sample or because the respondents have different financial knowledge. FA has a positive influence on SPB with a =0.131 and p=0.042 which means that a one-unit increase in FA elevates SPB by 0.131 units. There is a strong significant positive effect in FB (B = 0.316, p = 0.000) and FS (B = 0.287, p = 0.000), where an increase of 1 unit in FB and FS would increase SPB by 0.316 and 0.287 units, respectively. By using standardized coefficients of significant predictors, FB has the highest positive effect (Beta = 0.333) and FK the lowest (Beta = 0.107). On the whole, the results indicate that all the important independent variables have positive impacts to spending behavior with financial behavior and financial knowledge as the most influential factor and financial skill as the least influential factor in facilitating responsible spending among working people in Kathmandu Metropolitan.

4.2 Discussion

This paper has offered the relevance of financial literacy in determining the saving and spending patterns of the working population in Kathmandu Metropolitan. It targets the major elements of financial literacy as independent variables, such as FK, FA, FB, and FS, whereas the dependent variables are SB and SPB. Primary data was collected using structured questionnaires consisting of 413 respondents who were a representative of a diverse working population. To give detailed analysis, the study used statistical tests, which included descriptive statistics which involved mean and standard deviation and

inferential statistics, which involved correlation and regression analysis which were all done using SPSS to make sure that the results would be accurate and reliable.

The demographic profile has given an almost all male sample (66.1) with females at 33.9. The majority of them are aged 2535 years (65.2%), have +2 or bachelor degrees (78.7%), are in the private sector (69%), earn between NPR 25000500000 (35.4%), and 36 years of experience (40.7%). This review gives a background to the role of financial literacy in shaping saving and spending habits.

Descriptive analysis presents an overall positive financial literacy and behavior among the respondents. FK = 3.87 (SD = 0.71), FA = 3.91 (SD = 0.67), FB = 3.93 (SD = 0.67), FS = 3.92 (SD = 0.65), SB = 3.90 (SD = 0.66) and SPB = 3.88 (SD = 0.64). This means that the financial knowledge of the respondents is moderately high, they have positive financial attitudes, have a disciplined financial behavior and moderate financial skill that influence their saving habits and spending habits respectively.

Financial Knowledge (FK) in the current research has a high positive and significant correlation with Saving Behavior (SB, $r = 0.782$, $p < 0.01$), which is in line with Mpaata et al. (2025), Khadka and Thapa (2024), Mad et al. (2024), and Peiris (2021) and is supported through the Life-Cycle Hypothesis (Modigliani and Brumberg, 1950s) and Financial Literacy Theory Nevertheless, unlike Ahmad et al. (2024), which identified a positive interaction between financial knowledge and spending behavior, FK has the weaker and non-significant correlation with Spending Behavior (SPB, $r = 0.734$ $p > 0.05$). Financial Attitude (FA) has strong positive correlations with SB ($r = 0.809$, $p < 0.01$) and SPB ($r = 0.759$, $p < 0.01$), which are in line with Afsar et al. (2018), Owusu et al. (2020), and Sabri et al. (2021), and they can be explained by the Social Learning Theory (Bandura, 1977) and the Theory of Planned Behavior (Ajzen, The positive correlations of Financial Behavior (FB) with SB ($r = 0.833$, $p < 0.01$) and SPB ($r = 0.787$, $p < 0.01$) are very strong and in line with Khadka and Thapa (2024), Wong et al. (2022), and Chong et al. (2021), which is also supported by the Behavioral Life-Cycle Hypothesis (Shefrin and Thaler, 1988). The positive correlations between Financial Skill (FS) and SB ($r = 0.827$, $p < 0.01$) and SPB ($r = 0.774$, $p < 0.01$) are also very strong, and in accordance with Sabri et al. (2021) and the Financial Capability Framework (World Bank and UK Financial Services Authority, 2005) but have the opposite effect as Peiris (2021), partially contradicting.

Regression-wise, the total model has $R^2 = 0.761$ ($F = 324.386$, $p < 0.01$) and $R^2 = 0.672$ ($F = 208.871$, $p < 0.01$) as explanations of saving and spending behavior, respectively, which makes financial literacy dimensions a significant source of variance. In the case of SB, FK ($B = 0.108$, $p = 0.021 < 0.05$) is a significant predictor of saving as could be expected by Mpaata et al. (2025) and Khadka and Thapa (2024), but its predictivity of SPB ($B = 0.096$, $p = 0.072 > 0.05$) is not significant, which is the opposite of Ahmad et al. (2024). FA has a positive effect on SB ($B = 0.151$, $p = 0.008 < 0.01$) and SPB ($B = 0.131$, $p = 0.042 < 0.05$) as well as in accordance with Afsar et al. (2018) and Owusu et al. (2020). FB positively affects SB ($B = 0.315$, $p = 0.000 < 0.01$) and SPB ($B = 0.316$, $p = 0.000 < 0.01$) most of all, which agrees with Khadka and Thapa (2024), Wong et al. (2022), and Chong et al. (2021). FS also predicts SB ($B = 0.333$, $p = 0.000 < 0.01$) and SPB ($B = 0.287$, $p = 0.000 < 0.01$) significantly as well as is consistent with Sabri et al. (2021), but somewhat inconsistent with Peiris (2021) in the case of SPB.

On the whole, These results highlight the fact that disciplined financial behavior and skill are the most significant motivators of saving and spending habits, knowledge and attitude are also significant motivators, which can allow policy makers, employers, and financial educators to effectively develop financial literacy programs and stimulate informed financial decision-making among working people in Kathmandu Metropolitan.

CHAPTER V
SUMMARY AND CONCLUSION

This chapter is an effort to give a brief description of the study, which includes its key findings. To achieve this, it has been divided into three portions including summary, conclusion and implications:

5.1 Summary

The study examined how financial literacy affects saving and spending habits of working citizens in Kathmandu Metro. The following objectives were aimed to measure the amount of financial literacy dimensions and behavior, analyze the relationships between FK, FA, and FB with both SB and Spending SPB and the effects of these financial variables on saving and spending behavior individually and combined. The research design utilized in the study was descriptive and causal-comparative. Convenience sampling and structured questionnaires were used to collect data on a sample of 413 working people. The procedures involved in analysis were reliability test, demographic analysis, descriptive statistics, correlation analysis, regression analysis and hypothesis test.

The measurement instruments proved to be reliable in the study as all the variables of the study showed high internal consistency reflected by Cronbach alpha. The demographic profile indicated that the sample was mostly male with majority falling within the 25 to 45 years age bracket who are early to mid-career working individuals. The majority of the respondents were students who had obtained a bachelor or masters degree and worked in the private, government or self-employed industry with a minor representation of the students. Most of them had average experience in financial management and were financially literate which showed a fair level of financial skills and competency.

The analysis of the descriptive statistics revealed that the respondents had a moderate level of FK, FA, FB, and FS. The results indicate that employed individuals have disciplined saving and spending, and FB and FS are even more variable, which means that the patterns of financial behavior and abilities are more heterogeneous than knowledge or attitude.

The analysis of the correlation demonstrated that FK, FA, FB, and FS are strongly positively related with SB, whereas the relationships between FA, FB, and FS and SPB

have a significant correlation. There is also a very high amount of interrelations among the independent variables, which means that financial knowledge, attitude, behavior, and skill interact to make financial decisions. It indicates that the enhancement of one of the factors like financial attitude can also result in the enhancement of financial behavior and skill, and this indicates the interdependent and integrated relationship of financial decision-making among working individuals.

Regression analysis revealed a positive and significant predictive value of FK, FA, FB, FS and SB, but not SPB. The strongest predictors among them included FB and FS and FK has the weakest impact on SPB. These findings verify that the financial knowledge, attitude, behavior, and skill are pivotal in determining saving patterns, and that attitude, behavior, and skill together determine optimal spending choices.

In general, the research objectives have been met as it was shown that FK, FA, FB, and FS have a significant impact on SB whereas F, FB, and FS have a significant impact on SPB. The results offer practical implications to working individuals, financial educators, and policymakers, and that is, financial literacy, positive financial attitudes, and disciplined behavior as well as skill development are important in improving financial planning, saving behavior, spending control, and overall economic well-being in Kathmandu Metropolitan.

5.2 Conclusion

The first aim of the study, which was undertaken first, was to determine the situation of FK, FA, FB and FS amongst working individuals in Kathmandu Metropolitan. Moderately high FK, FA, FB, and FS, and a fairly steady saving and spending pattern were demonstrated in descriptive statistics. This is an indicator that the respondents have relatively well organized and disciplined financial management behaviors, moderate to high financial awareness, good attitude and self-regulation. The second aim was to test the associations between these financial variables with the Saving Behavior (SB) and Spending Behavior (SPB). The findings reveal that there are great positive relationships between FK, FA, FB, and FS with SB, and FA, FB, and FS with SPB. The interdependence of these variables means that the key factors influencing financial decisions include knowledge, attitude, behavior, and skill, which are interdependent and mutually reinforcing in influencing financial management.

The third aim was to examine the effect of FK, FA, FB and FS on SB and SPB by regression analysis. Results have been consistent that the four predictors have a positive and significant predictive value on SB and positive but not significant predictive value on SPB, FA, FB and FS. The decision making process of saving and spending behavior is the most impacted by FB and FS and underscores the need to have disciplined behavior and realistic financial skills in decision-making about finances. On the whole, the research shows that FK, FA, FB, and FS play a significant role in determining saving and spending patterns of working Kathmandu Metropolitan residents. The implications of these findings are that, financial educators, trainers and policymakers ought to emphasize on increasing financial knowledge, fostering positive attitudes, encouraging disciplined behavior and training realistic skills as a way of facilitating informed and sustainable financial decision making.

5.3 Implications

This study has various implications to the policymakers, practitioners and the academic community.

Policy Implications: The fact that financial knowledge, financial attitude, financial behavior, and financial skill have a positive impact on saving/spending behavior creates the necessity of specific financial literacy programs. The policy makers ought to come up with programs to raise awareness on finance, instill responsible financial behavior and introduce practical skills to the working population especially in places such as Kathmandu Metropolitan. The interventions can help in enhancing financial planning, saving in a disciplined manner and making educated spending choices.

Practical Implications: These findings can be utilized by employers, financial educators, and trainers to design employer-provided training, workshops, and counseling programs to promote positive financial behaviors and practical financial management skills. The focus on attitude and skill development as well as on knowledge can be used to improve the financial welfare of employees in general, decrease financial pressures, and promote sustainable financial behavior.

Theoretical and Practical Implications: The article presents empirical data on the contribution of financial literacy dimensions in influencing financial behaviors, which can be used in financial education studies. The future studies may address other aspects including the use of financial technology, behavioral biases, or cultural influences and test

longitudinal impacts of financial literacy interventions on saving and spending behaviors among diverse populations.

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APPENDIX

Questionnaire

Dear Respondent,

I am **Dhan Maya Gurung**, a Master of Business Studies (MBS) student at Shanker Dev Campus, Putalisadak, Kathmandu. As part of my dissertation, I am conducting a research titled **Impact of Financial Literacy on Saving and Spending Behavior of Working People in Kathmandu Metropolitan**. I am collecting primary data for this research and kindly seek your valuable participation in completing this questionnaire. The information you provide will be kept strictly confidential and used solely for academic purposes. I sincerely request you to take a few minutes to complete the following sections:

Section A: Demographic Information

Please select the option below that best describes you for each demographic factor:

1. Gender

a) Male
b) Female

2. Age Group

a) Below 25 years
b) 25 – 35 years
c) 36 – 45 years
d) 46 – 55 years
e) Above 55 years

3. Level of Education

a) Literate
b) Secondary level
c) Bachelor's level
d) Master's level
e) Above master's level

4. Working Sector

a) Government
b) Private

5. Monthly Income Level

a) Below NPR. 25,000
b) NPR. 25,000 – NPR. 50,000
c) NPR. 50,001 – NPR. 75,000
d) NPR. 75,001 – NPR. 100,000
e) Above NPR. 100,000

6. Years of Work Experience

a) Less than 3 years
b) 3 – 6 years
c) 7 – 10 years
d) More than 10 years

Section B: Statements for Study Variable

The following statements are related to the variables of this study. Please indicate your level of agreement with each statement. Your responses will be measured numerically using a five-point Likert scale, defined as follows:

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

(Source: Likert, 1932)

Financial Knowledge (FK)

Code	Statements	Ratings
		5 4 3 2 1
FK1	I understand basic financial concepts such as budgeting, saving, and interest rates.	
FK2	I feel confident in making informed financial decisions.	
FK3	I am aware of different saving and investment options available to me.	
FK4	I understand how to plan my finances for short-term and long-term goals.	
FK5	I keep myself updated with financial information relevant to my income and expenses.	

(Source: Modified by Sabri et al., 2021)

Financial Attitude (FA)

Code	Statements	Ratings
		5 4 3 2 1
FA1	I believe managing money carefully is important.	
FA2	I feel responsible for planning my personal finances.	
FA3	I prefer saving money over unnecessary spending.	
FA4	I believe financial planning improves financial security.	
FA5	I think about future financial outcomes before spending money.	

(Source: Modified by Sabri et al., 2021)

Financial Behavior (FB)

Code	Statements	Ratings
		5 4 3 2 1
FB1	I regularly track my income and expenses.	
FB2	I maintain a budget to manage my finances effectively.	
FB3	I plan my financial decisions in advance rather than spending impulsively.	
FB4	I set financial goals and try to achieve them systematically.	
FB5	I make financial decisions based on knowledge rather than habits or emotions.	

(Source: Modified by Sabri et al., 2021)

Financial Skill (FS)

Code	Statements	Ratings
		5 4 3 2 1
FS1	I can prepare a personal or household budget.	
FS2	I can accurately calculate my income and expenses.	
FS3	I can compare different financial products before choosing one.	
FS4	I can manage my money to meet my financial needs.	
FS5	I can adjust my financial plans when my income changes.	

(Source: Modified by Sabri et al., 2021)

Saving Behavior (SB)

Code	Statements	Ratings
		5 4 3 2 1
SB1	I save a portion of my income regularly.	
SB2	I prioritize saving for future needs before spending on non-essentials.	
SB3	I have clear short-term and long-term saving goals.	
SB4	I use appropriate saving instruments (bank accounts, deposits or other methods) effectively.	
SB5	I am consistent in my saving habits even when expenses increase.	

(Source: Modified by Sabri et al., 2021)

Spending Behavior (SPB)

Code	Statements	Ratings
		5 4 3 2 1
SPB1	I spend money thoughtfully and avoid impulsive purchases.	
SPB2	I prioritize necessary expenses over luxury or non-essential items.	
SPB3	I plan major purchases in advance to manage my budget effectively.	
SPB4	I review my expenses regularly to control unnecessary spending.	
SPB5	I feel satisfied when I manage my spending responsibly.	

(Source: Modified by Sabri et al., 2021)

Thank you for your participation and for filling out the questionnaire!

PAPER NAME

IMPACT OF FINANCIAL LITERACY ON S AVING AND SPENDING BEHAVIOR OF W ORKING PEOPLE IN KATHMANDU METR OPOLITAN

AUTHOR

Dhan Maya Gurung

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