

AN EMPIRICAL ANALYSIS OF FINANCIAL LITERACY OF UNIVERSITY STUDENTS IN CAPE TOWN

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ABSTRACT

With approximately two-thirds of the global population considered financially illiterate, enhancing financial literacy to foster greater financial well-being and security has become increasingly urgent. This study investigated the relationship between financial literacy and socio-demographic factors, financial behaviours, and sources of financial knowledge among university students at a major tertiary institution in Cape Town (“the University”). Using a cross-sectional survey and quantitative analysis, the research aimed to assess students' financial literacy levels and identify significant predictors of financial literacy. A structured questionnaire was administered to 355 students, and the data were analysed using multiple linear regression. Key findings indicated that gender, age, self-assessed financial knowledge, and faculty affiliation significantly influenced financial literacy. Moreover, experiential learning emerged as a crucial source of financial knowledge, whereas financial behaviour did not correlate significantly with financial literacy. The results highlight the need for targeted financial education initiatives, particularly for female students, those aged 18 to 20, and those in non-commerce faculties, to address gaps in financial literacy and improve students' overall financial well-being. Universities should consider integrating financial literacy programs into the broader curriculum, targeting younger, non-commerce students who may have less exposure to financial concepts.

Keywords: Financial literacy; financial behaviour; financial knowledge