

Training to Decide: Impact of Financial Literacy on the Economic Decision-Making of University Students

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ABSTRACT

The objective of this research is to analyze the connection between financial literacy and the economic decisions made by accounting students at the Toribio Rodríguez de Mendoza National University (UNTRM). A quantitative approach was adopted, with a non-experimental, correlational, and cross-sectional design. The sample included 99 students enrolled in the third to ninth academic cycles. To collect the data, a structured questionnaire with a Likert scale was used, validated by expert judgment and with high reliability. The results reveal that 64.6% of students have a high level of financial literacy and 68.7% show a high capacity for making economic decisions. Likewise, a significant positive correlation was identified between both variables, indicating that higher levels of financial literacy lead to more informed and responsible economic decisions.

Keywords: Financial Literacy, Economic Decisions, University Students, Financial Education, Personal Management.

INTRODUCTION

Financial literacy is crucial for properly managing personal finances and making responsible economic decisions today. The OECD (2021) highlights that solid financial knowledge facilitates better planning for the economic future and prevents problems such as indebtedness. In Peru, only 46% of the population has an average or adequate level of financial education (Superintendency of Banking and Insurance of Peru, 2019), which particularly affects young people who face increasingly complex financial decisions during their university education. Research indicates that Peruvian university students have basic financial skills but lack skills in areas

such as planning and long-term investment (t al., 2020; Pham & Le, 2023). This deficiency hinders their ability to make sound economic decisions in both their personal and academic lives.

Financial education at the university level is essential, as students must take on complex financial responsibilities related to credit, savings, and expenses (Santoyo-Ledesma & Luna-Nemecio, 2021). Improving this education is critical to successfully meeting these challenges. At UNTRM, particularly in the accounting program, financial literacy takes on even greater importance; future accountants require advanced skills to manage their finances and perform critical professional functions.

Currently, there is no empirical evidence describing the level of financial literacy or its relationship to the decisions made by these students. This limits the development of educational programs aimed at enhancing their comprehensive financial skills. It is crucial to investigate this relationship between financial literacy and economic decision-making in accounting students at UNTRM with a view to contributing to sustainable development in the Amazon region and strengthening their university education. Similar studies suggest that financial education significantly improves the ability to make responsible decisions, positively impacting student economic well-being (Velasco, 2025; Rodríguez & Gómez, 2024). This study seeks to determine the relationship between the two variables mentioned above.

THEORETICAL FRAMEWORK

Financial literacy is defined as the ability to understand and apply financial concepts in everyday situations, enabling individuals to make responsible economic choices and plan adequately for the future (OECD, 2018). This skill is essential for achieving financial well-being and avoiding problems such as over-indebtedness (Lusardi & Mitchell, 2014). Financial education is a vital process for acquiring knowledge about financial resources and promoting both economic inclusion and personal protection (Atkinson & Messy, 2012). Well-structured educational programs increase decision-making skills and encourage healthy financial practices, especially among young university students (World Bank, 2015).

Research conducted in Peru shows that low literacy levels limit adequate money management among young people; only 46% reach medium or high levels, with notable regional differences and even within the university segment (Superintendency of Banking and Insurance, 2019; INEI, 2020). In Amazonas, it has been identified that the lack of adequate educational programs contributes to this low literacy among university students, limiting their ability to make informed financial decisions (Amazonas Statistics Unit, 2020; Amazonas Regional Government, 2022).

At UNTRM, a clear lack of advanced training in finance has been observed; assessments have shown that although students have basic knowledge, they also lack the decision-making skills necessary to deal with complex financial situations, which highlights the urgent need to strengthen their practical education in this area (UNTRM, 2022; Faculty of Economic Sciences, 2023).

METHODOLOGY

This study is designed using a quantitative, non-experimental, correlational approach, the purpose of which is to find out how the variables of financial literacy and economic decision-making are related among university students enrolled in accounting, without manipulating any variables but rather observing existing relationships.

The study population consists of all active students in the aforementioned program at UNTRM. To select our sample, simple random sampling was used to ensure representativeness and avoid unintentional bias.

The instruments applied were structured questionnaires whose items were previously validated by measuring knowledge, attitudes, and skills regarding financial topics specifically tailored to our objectives, as well as the initial hypotheses of the proposed research work.

To analyze our data, we first used descriptive statistics to characterize both the selected sample and the different variables found. We then applied normality tests to determine whether to use Pearson's correlation coefficient or Spearman's Rho, finally evaluating the observed relationships. All statistical analysis processing was performed using SPSS software, generating accurate and reliable results that corroborated the existence of a corresponding binding magnitude between the factors investigated.

RESULTS

OE1. Measure the Level of Financial Literacy among Accounting Students.

Table 1. Level of financial literacy

	N	%
Average (21 to 32)	35	35.4
High (33 to 45)	64	64.6
TOTAL	99	100

Interpretation:

Table 1 shows that 64.6% of the students evaluated have a high level of financial literacy, while 35.4% are at the intermediate level. This indicates that, in general terms, accounting students have a good understanding of financial concepts, skills for managing income and expenses, and a favorable attitude toward planning and saving. No cases of low literacy were recorded, reflecting an academic profile that favors financial education.

OE2. Evaluate the Ability of Accounting Students to Make Economic Decisions.

Table 2. Economic decision-making ability

	N	%
Average (21 to 32)	31	31.3%
High (33 to 45)	68	68.7
TOTAL	99	100

Interpretation:

Table 2 shows that 68.7% of accounting students have a high capacity for economic decision-making, while 31.3% are at an average level. No students are reported to be at a low level, indicating a predominance of adequate skills to deal with everyday financial situations, such as managing personal budgets, evaluating spending alternatives, and prioritizing needs. This result reveals a favorable trend in the development of economic analysis and judgment skills in this university population.

OE3. Analyze the Evaluation between Financial Literacy and Economic Decision-Making

Table 3. Evaluation of the relationship between financial literacy and economic decision-making

		V2_Economic Decision-Making				Total			
		Medium (21 to 32)		High (33 to 45)		N		%	
		N	%	N	%				
V1_Financial Literacy	Medium (21 to 32)	23	74.2	12	17.6	35	35.4		
	High (33 to 45)	8	25.8	56	82.4	64	64.6%		
Total		31	100.0	68	100.0%	99	100.0		

Interpretation:

Table 3 reveals a clear association between the level of financial literacy (V1) and economic decision-making (V2) among accounting students. It can be seen that, of the total number of students with a high level of financial literacy, 82.4% also have a high level of economic decision-making, while only 25.8% of those who make medium-level economic decisions have high financial literacy. On the other hand, 74.2% of students with medium financial literacy also fall into the medium decision-making level. These results reflect a significant correlation: the higher the financial literacy, the greater the ability to make appropriate economic decisions.

OG: To Determine the Relationship between Financial Literacy and Economic Decision-making among Accounting Students at the Faculty of Economic and Administrative Sciences of the UNTRM.

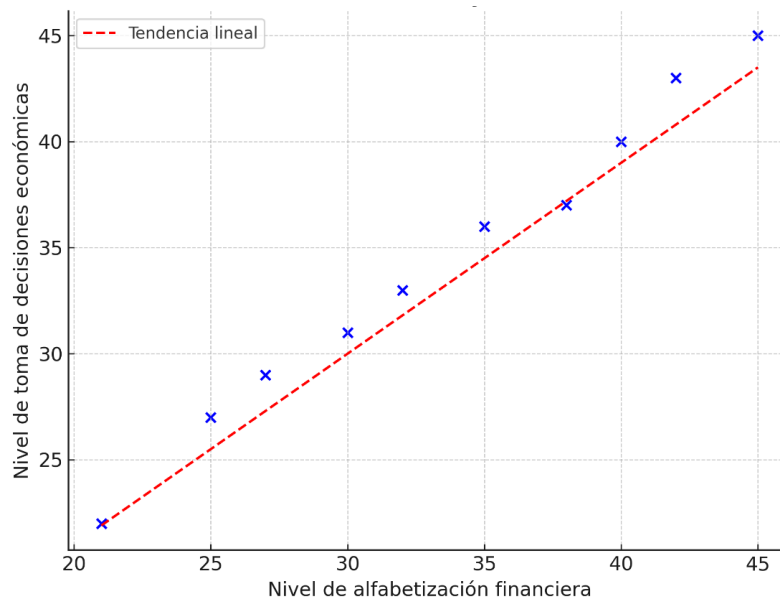


Figure 1. Relationship between financial literacy and economic decision-making

Based on the contingency table between the variables "level of financial literacy" and "level of economic decision-making," Pearson's correlation test was performed, resulting in a coefficient of $r = 0.549$ and a p -value of 0.000 ($p < 0.05$). This indicates a moderate and statistically significant positive correlation between the two variables.

Interpretation

The findings show that the majority of students evaluated have high levels of financial literacy (64.6%) and, consistently, also score high on economic decision-making (68.7%), suggesting a direct correspondence between the two variables. This relationship is reaffirmed in Table 3, where 82.4% of students with high financial literacy also make optimal economic decisions, while 74.2% of those with average financial literacy also reflect average economic decisions. This distribution reflects a significant and consistent link between the two variables, suggesting that greater financial literacy directly contributes to improving the economic decision-making skills of university students. This pattern is consistent with economic rationality theory and empirical studies such as those by Lusardi and Mitchell (2014) and Palacios (2023), who highlight the positive impact of financial education on individual economic behavior.

DISCUSSION

The results obtained, which show high levels, coincide notably with previous studies highlighting the importance of formal accounting education in strengthening related skills. Lusardi and Mitchell emphasize the relevance of understanding key concepts such as compound interest, inflation, and risk, equating it with the effective ability to make appropriate choices in uncertain contexts, ensuring sound and responsible money management. Likewise, the OECD highlights the importance of improving knowledge and attitudes regarding the effective use of financial resources through the curriculum, in line with Contreras De Los Ríos, who found notable differences in the greater presence of these concepts in Chilean accounting courses compared to other disciplines, attributing this to specific curricular approaches designed specifically for this purpose.

Despite the optimism initially described, there is a continuing need to strengthen specific areas of active pedagogy to ensure solid, comprehensive training in line with the current challenges facing the productive sector, supported by recent contributions from López Rodríguez, who emphasize that professional courses generate better patterns of reasonable responses to the uncertainties arising in the contemporary context.

Additional studies reaffirmed these educational positions, translating them into real practice by emphasizing the creation of awareness of the impacts and consequences of everyday activities, allowing for the evaluation of future possibilities from broader perspectives and providing the strategic tools necessary to face the overwhelming

changes that will inevitably occur in today's crowded globalized markets, which will drive the collective social progress of future generations.

CONCLUSIONS

It is concluded that a high percentage corresponds to an adequate level of understanding of financial issues related to education, finding a coherent professional trajectory developed, while a considerable proportion still requires special attention to strengthen essential skills in preparation for the current competitive and challenging work environment, providing them with relevant and effective tools to face everyday situations appropriately and meet future work expectations, ensuring the desired and aspirational success obtained through a determined, firm, and consistent collective effort developed consistently, supporting each other and guaranteeing competitiveness, advance collectively, achieve ambitious goals, and make significant, lasting achievements over time.

It is also concluded that there is a strong, significant, verifiable positive link directly linking concentration, qualitative educational performance, prior acquisition, training, decision-making potential, and the creation of healthy habits that substantially project stability and widespread well-being for the future population. It is necessary to commit to growing social demands and natural particular requirements. Modern institutional structures will require joint co-responsibilities to ensure solidity, effective joint action, necessary corrective measures at the right time, and clearly defined strategic objectives. guidelines based continuously on solid foundations supporting the main principles of democracy, justice, equity, total accessibility for all citizens, forming open spaces for constructive, conciliatory, inclusive, permanent dialogues generously promoted actively by all parties involved closely, deepening affectionate emotional bonds constantly, nourishing us with diverse complementary knowledge, enriching us eternally, deeply understanding human nature and essence, sharing experiences, emotions, and feelings, celebrating them serenely, honoring them remembering them honorably, giving true meaning to existence, receiving infinite gratitude, remaining together, celebrating it eternally, grateful, happiness, diversity, humanity, singular beauty, individual, collective, diverse, rich, deeply beautiful, colorfully full of unique, wonderful nuances, recognizing ourselves, reflecting ourselves, spiritual communion, invaluable, faith, hope, strength, resilience, always sharing it, caring for it, nurturing it, protecting it, preserving it, beautiful, glorious, vibrant, millennial permanence.

RECOMMENDATIONS

It is recommended to establish additional workshops focused specifically on the active application of practical teachings related to real everyday aspects, allowing all participants to become more familiar with the functioning of financial products, evaluate associated risks, gradually consolidate their learning, and ensure that they achieve a successful outcome, reaching optimal levels, satisfactory final results, and a satisfactory conclusion that will lead to the successful continuation of , based on secure foundations, future creative potential, and surprising, innovative, cutting-edge opportunities.

In addition, it is suggested that existing practical modules be integrated into current courses to consolidate intermediate and advanced learning by conducting real simulations and solving specific cases, which will promote effective practical skills, especially for those who still need to strengthen their competencies, significantly raising the quality of education and enabling continuous improvement, generating advantageous conditions, promoting significant advances, and unquestionably demonstrating clear and immediate positive effects on individual, group, and collective strengths. The rewards will be unique, memorable, unforgettably beautiful, and unforgettably rewarding experiences!

It is also recommended to disseminate carefully designed intelligent cross-curricular content, incorporating practical activities, collaborative projects, and counseling that will significantly bring learning closer, facilitate adaptability and resilience, and respectfully address diverse local peculiarities and cultural specificities in a creative and sensitive manner, considering existential differences. Socialize personally strategic outlines that will give meaning to an inclusive, omnipresent, connected sense of belonging, using interactive models to provide technical assistance.-comprehensive permanent emotional support, facilitate fluid, close communicative interaction, promote cohesion, foster belonging, family unity, fraternity, share positive, optimistic, contagious, enlightening messages, provide inspiration, motivate, open doors, refreshing new learning, continue to cultivate a garden of beauty, splendor, abundance, invaluable natural wealth, learn to sow respect, tolerance, equality, justice, defense of essential human rights, respect for historical achievements, tireless fighters dignify memory, honor sacrifices made, paying eternal tribute.

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