

Financial Literacy and Money Management of University Students in Oman

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Abstract

Financial literacy helps young adults to attain financial freedom and avoid intergenerational poverty. Recent evaluations, however, show that youth financial literacy is insufficient. The purpose of this study is to investigate the level of financial literacy among Omani students and its effects on students' personal financial management. The data were collected using a survey instrument adopted from Organization for Economic Co-operation and Development (OECD) survey for financial literacy from 310 university students in Oman. An analysis was made to determine the influence of education and field of education on financial literacy scores. The results are Students scored 5.26 out of 8 on the financial knowledge section, 1.20 out of 3 on the financial attitude section, 2.26 out of 4 on the financial behavior section, and 8.12 out of 15 on the overall financial literacy section. Students having a business background scored 8.35 out of 15, whereas students without a business background scored 8.03. This demonstrates that financial education somewhat increased financial literacy scores. A multiple regression study revealed that educational background had little bearing on financial literacy. We also reveal and discuss the factors that affect the level of financial literacy and saving behavior of university students in Oman. Relevant recommendations are provided for Omani financial authorities and institutions.

Keywords: Financial literacy, Emerging markets, financial knowledge, OECD benchmarking, Omani Students, Financial attitude