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IS THERE A REFLECTION OF FINANCIAL LITERACY ON MILLENNIALS' FINANCIAL ATTITUDES AND BEHAVIOUR?

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ABSTRACT

Financial literacy refers to an individual's understanding and ability to manage and utilize financial resources prudently. It is the set of skills that individuals possess while arranging, managing, and utilizing financial resources. Millennials live in the digital age and have access to a plethora of innovative financial products that provide adequate financial outcomes. The attitudes and behaviors of millennials with stable regular incomes are very important from both an individual and a macro perspective. Individual financial stability, as well as economic growth and development, require prudent use of financial resources. The research in this area will lead to a better understanding of the millennials' level of financial literacy within the state, as Kerala is ranked first in the country in terms of literacy level. The study focuses on the financial literacy of salaried-class millennials in the state of Kerala, financial literacy is assessed based on five components namely Budgeting, interest rate, prioritizing savings and investment, credit/debt cycle traps, and cybercrime; the reflections of these factors on attitude and behavior are made in this study and indicates that there is a positive reflection of financial literacy on financial attitude and behavior among the millennials. The study also tries to identify the socio-economic characteristics of millennials that affects their attitude and behavior toward savings and investments which is quite essential for the better prospect of our economy.

KEYWORDS: Budgeting, Cybercrimes, Financial Attitude, Financial Behaviour, Millennials, Financial Literacy

INTRODUCTION

India is one of the vast countries in the world with diversity as a unique feature in terms of its geographical, linguistic, religious, and socio-cultural aspects and its population constitutes around 18% of the world's total population. India is a developing nation with vast potential human resources. Morgan Stanley's research report (2017), India will become the youngest country in the world by 2020, and out of the total population, one-third will constitute millennials, and of the total workforce, 46% will be Gen Y's. The report highlights the upcoming spending trends of these generations which would bring an economic transformation in India, where the spending pattern is mostly directed

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toward technology and automobiles. Economic Times (Aug 2018) these generations set goals for the short term and prefer to lease on properties than purchase properties. Wealth is the long-term goal for most of the millennial population. 'This generation is more sensible than the previous one but is prone to a lot of financial traps. If they can navigate these, they will do well,' Jayant Pai, Head, Marketing, PPFAS Mutual Fund. A financial literacy survey conducted in 2015 by the National Centre for Financial Education (NCFE) found that 20% of Indian adults are financially literate. The West Zone in India had the highest level of financial literacy among its five regions (27%), followed by the South Zone (25%). With a score of 14%, the central zone had the lowest financial literacy rate. Over 75% of Indian citizens, according to an S&P survey, do not fully comprehend fundamental financial concepts. When it comes to women, it's even worse. Over 80% of women lack basic financial literacy. Millions of Indians make poor financial decisions as a result, which has devastating effects on those who suffer the most as well as driving away other people who could otherwise use financial products and services. OECD Report (2016), State-owned banks in India are required by the Reserve Bank of India to open financial literacy centres in order to spread financial literacy among the general public through indoor and outdoor activity camps. The central bank has created materials to be used as the standard curriculum on financial products and services in order to ensure the uniformity of the messaging reaching the excluded persons during these camps. In order to explain how to run the camps and integrate the financially excluded into the banking system, the central bank also publishes operational guidelines. Due to the fact that around two-thirds of adults in India do not have access to formal financial services, financial inclusion, and consumer protection, financial awareness is directly linked to these aspects. The main goals of financial education are to increase consumer awareness of basic products, develop the ability to translate information into responsible financial behavior, and inform customers of their rights and responsibilities.

Millennials (Y's) are the people reaching young adulthood in the early twenty-first century. As these generations are too close to the new millennium and were raised in a digital age, they are termed Millennials (Kaifi, 2012). They are the youngest generation whose investment is very crucial for the development of any country. They indulge more in affordable indulgences and set fewer future priorities. These generations are in an era where technological development is happening within a blink of an eye. The financial products and services are at their doorstep and available at any time at their fingertips. If financial literacy is not bringing a positive change in the attitude and behavior of the younger generation it may usher adverse effects on the effective utilization of the available innovative products. Financial literacy not only affects how an individual direct and controls their finance, cope with their financial issues, and make their future secured by opting for wise investment strategies but it also has implications for the individual's ability to make personal financial choices like financial risk tolerance, savings proportion, borrowing capability assessment, and the choice of lifestyle. The country's median age is 28.4 years, making it one of the world's youngest major nations,

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especially when compared to the aging populations and workforces of the United States, China, Germany, and Japan. This factor is expected to keep India afloat for the foreseeable future. It is expected that the Indian workforce will be dominated by this demographic for at least the next decade. According to Morgan Stanley, India's millennials will spend $330 billion annually by 2020, therefore Indian and global consumer brands are paying special attention to them. The Indian millennial generation will play a critical role in the country's economic growth trajectory, as their percentage share of the budget increases. The Securities Exchange Board of India conducted a study on financial literacy among the Indian population and identified that only 27% of the total population is literate. As a corollary, unlike earlier generations, this generation's involvement is likely to be particularly important, as they will rebuild and reinvent India's consumer growth. The role of Indian millennials in the future will be crucial, not only in India but around the world. Antoni et al. (2019) concluded that financial teaching and modeling, reinforcement, and modeling of financial behavior had a positive impact on financial behavior.

Previous studies found a connection between young people's financial attitudes and financial literacy (Grable & Lytton, 1998; Kasman, Heuberger, & Hammond, 2018). (Shim, Xiao, Barber, & Lyons, 2009) a young person's attitude toward money can influence their financial literacy. Students' behavior to develop financial literacy and improving financial understanding might be influenced by their attitude toward money and finances. However, a bad attitude will reduce their ability to make sound financial decisions. The model developed in this research work is to assess the reflections of financial literacy on the attitude and behavior of millennials who have a regular source of income from the state of Kerala. Financial literacy is assessed based on five components namely Budgeting, interest rate, prioritizing savings and investment, credit/debt cycle traps, and cybercrime; the reflections of these factors on attitude and behavior are made.

2. RELATED LITERATURES

Dewi et al. (2020) it was concluded that financial attitude and financial skills both have a correlation with financial management behavior among millennials. However, it was found that the relationship between financial knowledge and behavior is not significantly strong. It was identified that the financially literate millennial generations are capable of planning their financing decisions for their economic stability and future well-being. Susilowati et al. (2020), the study explains the direct and indirect influence of financial literacy on financial behavior on the attitude toward money as the mediating factor. The result indicates that financial literacy among the sample is high and there existed a direct relationship between financial literacy and behavior which will contribute to their future financial well-being. Mila Arlinawati et al. (2020), in their research findings, identified the correlation between various variables of financial position and the financial behavior of young workers in Indonesia. It was concluded from the study that financial knowledge has no impact on the financial

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behavior of young workers. It was further identified that locus of control, attitude, and income has a significant correlation with financial behavior. The study was analyzed using Path analysis and PLS tools. Muhammed Fazli Sabri et al. (2019), focused on the role of financial information sources on financial literacy and the resultant outcomes like direct investment or appointment of a financial planner. The study revealed that the influence of media and the internet as information sources has a direct and positive impact on financial literacy. The assistance of financial planners has a direct bearing on the increase in financial information and has a positive investment behavior.

Nasrullah Hamza and Imtiaz Arif (2019), focused on the effect of financial literacy on investment decisions based on the five personality traits namely openness, conscientiousness, extraversion, agreeableness, and neuroticism. It was identified that financial literacy had a direct and positive influence on the traits like openness, agreeableness and extraversion, and investment decision. It was concluded from the study that the investors will take rational decisions based on these personality traits and their level of financial literacy; also, it was suggested that the managers or policymakers should provide counseling to the prospective investors based on their behavioral profile. Joshua J. Beck and Richard O. Garris III (2019), in their research article, explored how different generation cohort views personal finance education and its applicability. Findings revealed that Gen X, Y, and Z were worried about their future financial stability. Gen X and Y were more knowledgeable about personal finance than Z. The study concludes that the more education on personal finance the more will lead to knowledge of financial concepts, which results in better management of personal finance. Aang Kunaifi et al (2019) are of the view that the Indonesian Millennials irrespective of gender are a consumptive generation. The research article concluded that the investment behavior of millennials is better predicted through their financial knowledge and practice. The study pointed out that age and gender have a direct impact on investment behavior. They suggested that policymakers have to make better financial inclusion plans and also take measures to empower younger women, as they are more involved in investments as compared to their counterparts. Yahaya et al. (2019), the study identified a positive effect of financial knowledge and attitude on financial behavior among university students in Malaysia. It is also pointed out that financial knowledge does not have a direct bearing on the financial behavior of the students. They examined that the students who acquired financial management courses have a high level of financial knowledge than others. The study helps to point out the fact that both the financial knowledge and attitude of the young generation need to be enhanced to have a prospective and healthy financial behavior. Cheng-Cheng Yong et al. (2018), developed a conceptual framework formulated on the Theory of Planned Behavior to identify the impactful relationship between financial education and knowledge of financial attitude and behavior which leads to financial literacy, based on working adults in Malaysia. The study revealed a strong positive impact of financial education on knowledge, which in turn influenced attitude and behavior. There found some ethnic diversities in how people do have their financial attitudes and behavior based on their financial literacy. Andrea Hornyák (2018), the study identified the various determinant factors of financial literacy ie; financial knowledge, financial attitude, and financial behavior. The paper pointed out the differences in attitude and behavior among Hungarian high school students based on their sex, school type, and family background and compared them with OECD and PISA findings. The results were varying and the assessment sheds light on acceptable behavior and abilities that may determine future financial conditions. Daniel Kim et al. (2018), in their review article on financial literacy among millennials and Gen Z, pointed out that savings and investment are not a primary focus of the generation. Investment is considered a factor that is to be done at a later age. They concluded that financial literacy is an important part of the curriculum which will positively affect the upcoming generation.

Kumar Saurabh (2018), attempted to identify the relationship between financial knowledge, financial risk attitude, financial socialization, and financial satisfaction. It was observed from the study that a financial risk-bearing attitude has a mediating effect between financial knowledge and satisfaction and financial socialization and satisfaction. There was a significant positive relationship between the variables under study. Yuresh Nadishan (2018), the study analyzed the financial literacy of business undergraduates of a recognized institute in Srilanka. The various demographic factors were assessed to arrive at the fact that there was no gender gap in defining financial literacy and the students lack adequate financial knowledge. The study depicted a low and moderate level of financial knowledge and skill among the undergraduate students of the Business school. He suggested that the institution must provide different workshops and course additions to enhance the financial capabilities and skills. Andrea Bolognesi et al. (2018), in their study, analyzed data from NFCS to define the financial management practices and behavior among millennials of the United States when compared to the older generations of the same age group during the previous years. The major findings of the study revealed that millennials hold a lot of debt and involve expensive financial management behaviors and are highly concerned about debt settlement because of low savings which create a lot of financial fragility and stress. Low financial literacy is the mirroring factor of these causes and was identified in the survey. Therefore, it was recommended to provide more awareness programs to enhance financial literacy among millennials to strengthen the economic prospect.

3. METHODOLOGY:

The research conducted is explanatory in nature. The conceptual framework for the study is being designed through an extensive review of the available literature to have a proper array for conducting the research. Both primary and secondary sources were relied on for gathering adequate data. The Primary data is collected through a structured questionnaire that is developed by reviewing the OECD questionnaires so as to compare with another research. Data is collected from 300 samples from the state of Kerala.

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Conceptual model:

Based on the review of various literature relating to the study, the conceptual model for the study is developed as shown in Figure.1

Figure.1: Conceptual model.

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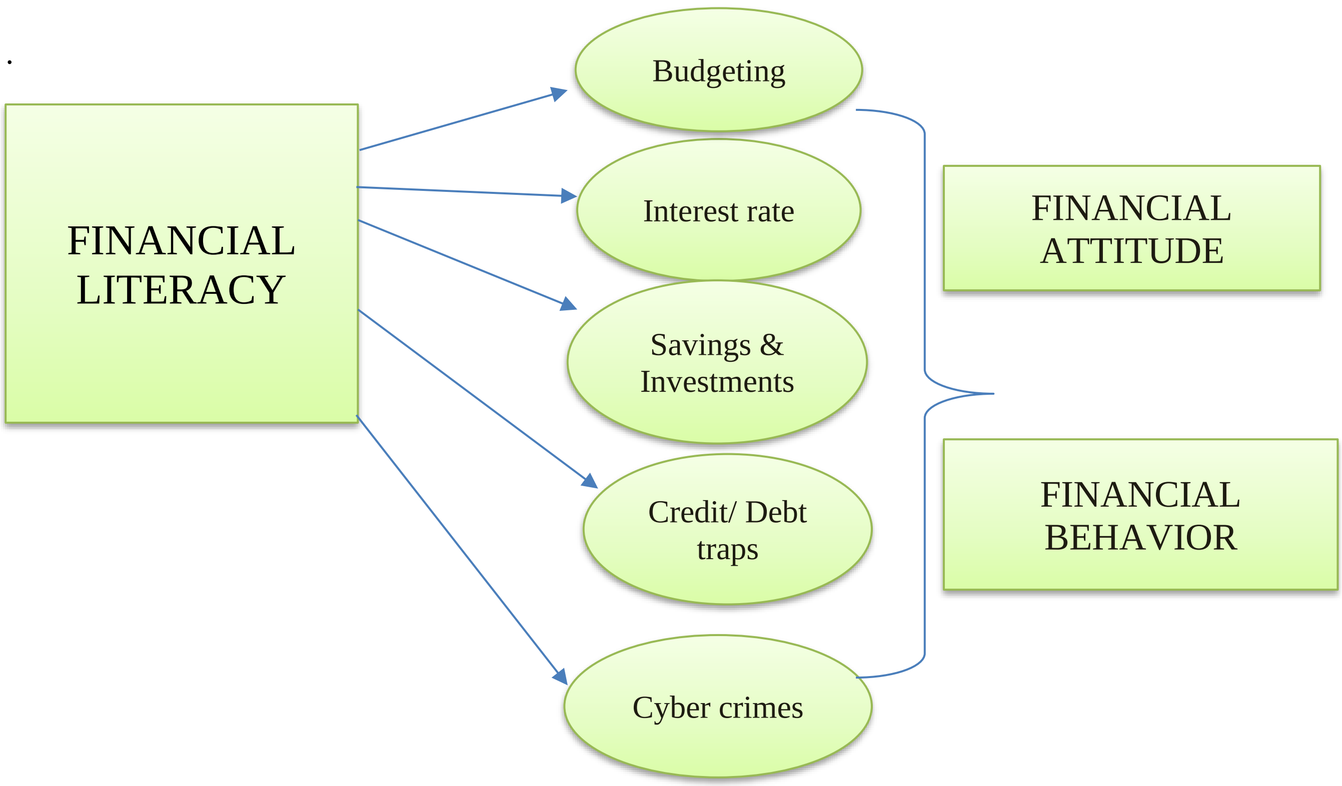

The Organization for Economic Co-operation and Development (OECD) has defined financial literacy as "a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual wellbeing". Financial literacy is the skill required by an individual to model their spending, savings, and investment in appropriate instruments to retrieve maximum benefit. This ability helps one to make informed financial decisions and improves their ability to develop sound personal finance. There are many skills required to be inculcated to arrive at sagacious money management. In order to acquire this adroitness, the individual should have a thorough knowledge of basic financial concepts like budgeting, credit management, interest rates, opportunity costs, present and future value of money, etc. Furthermore, financial literacy will also ensure financial well-being and helps in protecting individuals from financial fraud. As the world is becoming highly integrated and complex, financial management within a family or of an average individual is quite essential for a developing country like India for its growth and development.

Financial fraud especially through online platforms is becoming more evident these days with the increasing number of cases every second. Financial literacy not only brings profit to individuals but also provides financial capability and capacity.

Lusardi (2019), in a broader economy it is important to understand and evaluate what people know and what people should know to take proper financial decisions and the gap between these two has to be assessed. Important concepts like interest calculation, inflation management, and risk diversification are universal and applied to every economic situation. When checking on the cross-country analysis, it was identified as a common factor that many people post-retirement or arriving retirement are burned with debt than the previous generations did. Financial literacy not only relates to savings and investment but also borrowings and debt management. Lusardi and Tufano (2015), the least financially literate individuals incurred more transaction processing costs and the majority finance their requirements using high-cost borrowing methods. It was identified that the less knowledgeable individuals have excessive debt loads, that is they are unable to judge their debt position.

The impact of FinTech on the millennial generation is too high, as the transactions could be undertaken within a short span of time as and when required by them. Mobile payment technology helps the younger generations to assess easily and conveniently, but on the negative side may lead to excessive dependence on debt for financing their needs without deeply assessing the impact on their future. Therefore, one of the key concepts to be inculcated in young minds is money management skills. All over the world, education is imparted to bring knowledge and the ultimate focus is on a career and retirement; it becomes a need to impart knowledge on financial retirement among the upcoming generation. Financial retirement is a concept where at an early age people are educated to save and invest prudently so that their future is safe and riskless. Retirement planning can be commenced at any age but it’s always better to start at an early age. One of the major advantages of the millennials is that they are provided with tech-savvy and innovative financial products and services. According to OECD (2017), “financial literacy is universally recognized as a core component of the financial empowerment of individuals”.

The broadest and most thorough global assessment of financial literacy is the Standard & Poor's Ratings Services Global Financial Literacy Survey. It tests an individual's understanding of risk diversification, inflation, numeracy, and interest compounding, four fundamental financial concepts. The survey identified that even though 18% of the world’s population constitutes Indians, it’s 76% of the adult population is not aware of the basic financial concepts. It is identified that four out of the ten Indians are financially broken and only three out of ten have the knowledge of compound interest. Out of the total Indian adult population, only 24% is financially literate.

Components of financial literacy:

The different aspects of financial literacy are correlated to each other and it's quite essential for any individual to assess these facts before going into debt or saving or investing. The components basically provide input into the key concepts of money management including reduction of expenditure, budgeting, providing for emergency funds, understanding of interest rates, use of credit cards, etc. which provides a deep grip on one's personal finance. The key components that have been taken into consideration for this research are budgeting, Interest rate, Prioritizing savings and investment, Credit/ Debt cycle traps, and Cybercrime.

Budgeting: one of the foremost criteria for sound financial management is the budgeting of the finances. As there are lots of websites and applications available for budgeting it's quite tech-savvy and less costly to make budgeting of financial resources. Understanding the basics of budgeting is quite essential to identify the inflow and outflow of money. Therefore, budgeting helps in balancing one's expenses and income.

Interest rates: knowledge of interest rates and their numeracy is also a key factor in financial literacy. The interest rate is a percentage of the amount charged on the principal sum by a creditor or financial institution. The compounding effects of interest rates are to be taken into consideration while incurring debt and delay in repayment is there. Understanding the simple rate of interest, compounded effects of interest, fixed interest, and floating interest is essential while borrowing or investing. It is either the cost incurred on using the money or a reward for disposing of the money. While availing loan from a financial institution, knowledge of the fixed or variable interest is also required. Fixed interest rates remain the same during the term of the credit availed and this creates a sense of certainty among the people regarding the repayment of interest and principal portion. But the rate of fixed interest will be slightly inflated compared to the variable interest rates. Floating interest rates fluctuate according to the discount rates of banks. It's always beneficial to opt for floating-rate loans if there is a general perception that the bank rate will be stable or may decline for a reasonable period of time. In this situation, the interest rate on the loan will be either constant or may fall. If a potential rise in income is expected by the debtor, choosing a floating rate loan will be beneficial, as floating interest allows for the prepayment of excess money which will reduce the principal portion and interest thereon.

Prioritizing savings and investment: savings and investment are entirely different concepts that may bring an impact on financial decision-making. Savings helps in setting aside the excess income after meeting the expenditure. Financial literacy also must be viewed from this basic concept of an individual's financing decisions. Investment on the other hand is diverting the excess income to productive segments and anticipating a favorable return. The return depends upon the risk-taking capacity of the investor. Awareness of risk-return relationships at a basic level is also to be acquired to understand investment decisions.

India and many other nations have paid significant attention to the role that domestic saving and investment play in fostering economic growth. Lewis's (1955) traditional theory's main contention was that raising savings would hasten economic growth, whereas the early Harrod-Domar models identified investment as being essential to fostering economic growth. The neoclassical Solow (1956) model contends, however, that the increase in the saving rate increases steady-state production by more than its direct impact on investment because the induced gain in income enhances saving, which then causes an increase in investment. Savings increase investment and GDP growth in the near run, according to Jappelli and Pagano (1994).

(RBI Bulletin 2020-21) In the first quarter of 2020–21, household savings had increased as a result of considerable growth in household financial assets and a modest decline in household liabilities. The considerable increase in household holdings of mutual funds, insurance products, and the currency was the driving force behind the expansion in household financial assets. This increase in household financial savings as a never-before-seen rate needs to be viewed in the context of COVID-19, which has caused shocks to the countries' supply and demand.

Credit/ Debt cycle traps: The financial products and services available in the global as well as domestic markets are innumerable. Choosing the right products or services will cost less and reduces the risk involved in managing the same. Losing credit is quite easy but maintaining the same is difficult if the decision is not taken wisely, especially at a young age. Previous studies indicate that the current generations are more into debt traps as they are unaware of the disposal criteria available. It’s quite essential that knowledge of debt traps should be acquired at a younger age to avoid complications in adulthood.

Cybercrime: In this modern digital world, knowledge, products, services, and technology are available at one’s personal choice and can be availed at any time of the day. Since every aspect of our lives is digitalized and there are a lot of cyber threats on one’s data and finances. Awareness of these is one of the major aspects of financial literacy. Threats like hacking, identity theft, cookies, spyware, and salami attacks need to be addressed properly like changing security passwords frequently, especially for monetary transactions, avoiding sharing of OTP or passwords, installing antivirus/ firewalls, care while using public networks, never exchange information without authentication, etc. The knowledge or awareness of cyber information and authority is also indispensable in this modern era of Information and Communication Technology.

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CNN News 18 on the cybercrimes in India for the last decade reported that over 60% of the cybercrimes reported in 2020 were committed with fraudulent intent, whereas only 7% were motivated by sexual exploitation and 5% by extortion. It was found that there was a nearly nine times increase in cybercrimes between the time frame 2013 to 2020 and the cases rapidly shot up from the period 2018-2020 showing a hike of 85%.

4. RESULTS AND DISCUSSIONS:

The explanatory research design is used to explain the reflections of financial literacy on financial attitude and behavior. Three hundred samples comprising salaried-class millennials are selected for collecting relevant data from the state of Kerala. The data on the demographic variables of these samples are:

Table 1: Demographic Profiles of the respondents

Individual-level variables	Level	Frequency	Percent	
Gender	Male	154	51.3	
	Female	146	48.7	
Age (years)	20-30	71	23.67	Mean 33.51,
	31-39	229	76.33	Median 34
Educational Qualification	Higher secondary	29	9.7	
	Graduation	116	38.7	
	Post-Graduation & above	145	48.3	
	Diploma/Certificate	10	3.3	
Occupation	State Government	190	63.3	
	Central Government	110	36.7	
Monthly Income	10,000-20,000	30	10.0	
	20,001-30,000	95	31.7	
	30,001-40,000	51	17.0	

	40,001-50,000	49	16.3	
	Above 50,000	75	25	
Marital Status	Married	247	82.3	
	Unmarried	50	16.7	
	Divorced/separated	03	1.0	

(Source: Primary data)

From the demographic profile, it can be identified that the male and female respondent samples to some extent are equitable. As the Millennials are the subject matter of the study, the age group is between 20 to 39 and most of the respondents are married. The study is done on the salaried class, who are working under the state or central government organizations. Most of the respondents are state government employees. The respondent's educational qualification in mass indicates that they are either graduates or postgraduates or above. The Cronbach Alpha Test was done to check the internal consistency of the major questions used to assess Financial Literacy among millennials. The test shows a high level of internal consistency of 0.927 for the questions used for assessing financial literacy in the study.

4.1 Financial Literacy and Demography:

To assess the relationship between the demographic variables and the financial literacy level, an independent sample t-test is applied and if normality is not maintained- the Mann-Whitney U test and ANOVA with a post hoc test are used, and if normality is not maintained Kruskal Wallis test. To check the normality of the distribution Shapiro Wilk test and Box Plot was applied. The Mann-Whitney U test indicates the mean value of Males is comparatively more than Female millennials from the selected sample. The Independent samples Mann Whitney Test (U= 11127.000) displayed an asymptotic significance of .878, which is higher than the agreed alpha risk of .05, therefore it is concluded that there is no significant difference between gender and Financial Literacy. It is concluded that the distribution of financial literacy is same across the gender. A Kruskal-Wallis H test showed that there was a statistically significant difference in financial literacy among the different income levels, $\chi2(2) = 98.884$, $p = 0.000$. The Independent samples Mann Whitney Test (U= 9290.000) displayed asymptotic significance .108, which is higher than the agreed alpha risk of .05, therefore it is concluded that there is no significant difference between occupation and Financial Literacy. There is no significant difference in financial literacy among the married, unmarried, and Separated millennials, $\chi2(2) = 4.289$, $p = 0.117$, with a mean rank financial literacy of 199.33 for the divorced/separated group, 149.78 for the married group and with a mean rank financial literacy of

142.52 for the unmarried group.

4.2 Financial Attitude and Demographic Variables:

To measure the relationship between the demographic variables and the financial literacy attitude, an independent sample t-test is applied and if normality is not maintained- the Mann-Whitney U test and ANOVA with a post hoc test are used, and if normality is not maintained Kruskal Wallis test is applied. To establish whether there is an influence of gender on financial attitude, the Mann-Whitney U test is done and indicates that the mean rank of females is comparatively more than Male millennials, which shows a higher financial attitude among the female sample group. The Independent samples Mann Whitney Test (U= 10059.000) displayed an asymptotic significance of .133, which is higher than the agreed alpha risk of 0.05, therefore it is concluded that there is no significant difference between gender and Financial Attitude. A Kruskal-Wallis H test showed that there was a statistically significant difference in financial attitude among the different income levels, $\chi2(2) = 45.608$, $p = 0.000$. The Independent samples Mann Whitney Test (U= 8433.000) displayed an asymptotic significance of .005, which is lower than the alpha risk of .05, therefore it is concluded that there is a significant difference between the financial attitude and occupation. Kruskal-Wallis H test showed that the p-value is 0.391, which is greater than the significance level of 0.05, and therefore, there is no enough evidence to reject the assumption that there is no significant difference in financial attitude and marital status. The result indicates that, there is no significant difference in financial attitude among the married, unmarried and Separated millennials, $\chi2(2) = 1.879$, $p = 0.391$, with a mean rank financial attitude of 177.50 for the divorced/separated group, 151.31 for married group and with a mean rank financial attitude of 140.62 for the unmarried group.

4.3 Financial Behavior and Demographic Variables:

The Mann-Whitney U test indicates that the mean rank of the female is comparatively more than Male, which shows that there exhibits a higher financial behavior among the female sample group. The Independent samples Mann Whitney Test (U= 10468.000) displayed an asymptotic significance of .299, which is higher than the alpha value of 0.05, as such it is concluded that there is no significant difference among males and females in financial behavior. A Kruskal-Wallis H test showed that there is a statistically significant difference in financial behavior among the different income levels, $\chi2(2) = 34.762$, $p = 0.000$. The Independent samples Mann Whitney Test (U= 9452.500) displayed asymptotic significance .165, which is higher than the alpha risk of .05, therefore it is concluded that there is no significant difference between the financial behavior among Central or State Government employees. Kruskal-Wallis H test showed that the p-value is 0.877, which is greater than the significance level of 0.05, and therefore, there is no enough evidence to reject the null hypothesis. The result indicates that there is no significant difference in financial behavior among the married, unmarried, and Separated millennials, $\chi2(2) = 0.877$, $p = 0.877$, with a mean rank of financial behavior for 138.13 divorced/separated group, 150.86 for married group and with a mean rank financial behavior of 151.72 for the unmarried group. The mean rank shows that there is more money management among the unmarried and married groups.

4.4 Relationship between Financial Literacy and Financial Attitude:

To identify the relationship between financial literacy and attitude among millennials, Karl Pearson's Correlation analysis was conducted. The correlation analysis indicates that financial literacy and financial attitude have a statistically significant linear relationship as $r = 0.632$ and $p < 0.01$. The direction of the relationship is also positive, which shows that the financial attitude tends to increase with the level of financial literacy. The absolute value of r is 0.632 which indicates a moderate relationship between financial literacy and financial attitude.

4.5 Relationship between Financial Literacy and Financial Behaviour:

The correlation indicates that the direction of the relationship between literacy and behavior is positive, which shows that financial behavior tends to change with the level of financial literacy. The correlation analysis indicates that financial literacy and financial behavior have a statistically significant linear relationship as $r = 0.418$ and $p < 0.01$. The absolute value of r indicates that only a moderate relationship exists between financial literacy and financial behavior.

4.6 Is there a reflection of Financial Literacy on Financial Attitude and Behavior?

The study is intended to analyze whether there is a reflection of financial literacy on financial attitudes and behavior among salaried-class millennials. The regression model was developed to identify the relationship between the independent variables financial attitude and financial behavior and the dependent variable financial literacy.

H1: Reflections of Financial Literacy on Financial Attitude and Financial Behaviour are quite high.

$$\text{Model: } \hat{Y}1 = \alpha + \beta X1 + e$$

Where $\hat{Y}1$ denotes the variable financial literacy, upon the independent variables financial attitude and financial behavior, α and β are the constants, and e being the standard error.

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Table 2 Summary of Regression analysis of financial literacy on financial attitude and behavior

Variable	Unstandardized Coefficient	Standardized Coefficients Beta	Standard error
Financial Attitude	.744	.579	.069
Financial Behaviour	.167	.096	.094

Note: R^2 = 0.406, Adjusted R^2 = 0.402, p <.05

(Source: Primary data)

It is inferred that financial literacy on financial attitude and behavior is having a significant positive relationship. The relationship between financial attitude and financial literacy is quite high. This regression model significantly explains the dependent variable as the p < 0.000, which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable. The R^2 shows that 40.6% of the independent variables explain the dependent variable which is moderate. This explains that the total variations in the dependent variable financial literacy can be moderately explained by the independent variables.

The key Indicators of Financial literacy focused in the study namely budget rule, Return on Investment & Duration, savings, and investments, interest rate awareness, and cybercrimes. The awareness of the budget rule was low and the respondents were not following the key principles of saving, spending, and investments. Only 14% of the total respondents were aware of the budget rule. 21% of the respondents were aware of the investment return on different securities and the relationship with the term of the investment. Nearly 30% of respondents agree that making a choice between either saving or investing will depend on the goal for the money and the risk involved in it. 50% of the total respondents were aware of the interest rates prevailing in the market and there was awareness of the types of interest rates and their benefits. 75% of the respondents was having awareness of the cyber issues and implications while dealing with electronic financial transactions.

4.7 Indicators on financial attitude:

A person's attitude towards money can influence their financial literacy. Students' attitudes regarding money and finance can influence their behavior in terms of achieving financial literacy and expanding their financial knowledge. However, their financial decision-making skills would be weakened as a result of their pessimistic attitude (Shim et al., 2009). The financial attitude of an individual may be ingrained through financial or nonfinancial beliefs. Attitude is the personal proclivity towards monetary or financial matters. The key indicators identified from the study are:

Table 3: Indicators of Financial Attitude

Indicators	Results
Exploring investment opportunity	More than half of the total respondents are of the view that they prefer to explore newer investment avenues to park their finances.
Preference for long term investment	Nearly one-half of the respondents prefer to invest in long-term investment to reap more returns, the rest prefer for immediate returns instead of appreciation for their investments.
Risk return association	Most of the respondents are not willing to risk their money for a higher return.
Rate of return	More than half of the total respondents prefer a fixed rate of interest to a floating rate.
Preventive measures for cyber threats	80% of the respondents suggest taking preventative measures like password protection and limiting the amount of information shared online.

(Source: Primary data)

The study indicates that the results of indicators on financial attitude are moderate, as half of the total respondents are willing to explore the newer investment opportunities and have the vantage point of getting more return with the risk element involved. As the respondents are millennials who are born in the digital world, they are highly conscious of the online threats and the preventive measures that are to be adopted.

4.8 Financial Behavior indicators: The twenty-first-century financial market has now become increasingly complicated. As financial products and services proliferate and new delivery methods for financial services emerge, information and the capacity to comprehend and apply it in decision-making become increasingly important. As market forces continue to increase the spectrum of providers of financial services, customers will have considerably more choice and flexibility in how they manage their financial affairs (Greenspan 2001). They will also need to acquire the necessary skills on how to use new technology and make smart financial decisions. The indicators identified for the financial behavior patterns under the study include Budgeting and cash management, regular savings and investments, online banking habits, use of credit, and asset accumulation.

4.8.1 Budgeting and cash management: Budgeting is made in order to bring financial planning for spending, saving, and investment. Millennials are in the digital world and are mostly managing their cash through online and mobile banking services. Around 80% of millennials use net banking and Unified Payment Interface systems to pay utility bills, mobile recharges, grocery payments, and all other day-to-day activities. They mostly prefer cashless transactions to avoid handling cash. Most of the millennials under the study prefer informal mental budgets over written budgets; they employ short-term budgets for a month or certain months, and they favor approaches that demand less mental exertion. Some prefer digital applications for the purpose of accounting for their spending and expenditure to manage personal cashflows. The majority have the temptation to spend more as they are in the cyber world full of products and ads to promote them.

4.8.2 Regular savings and Investments: Savings are an essential part of the financial management of any individual. Fintech companies' automation and machine-learning skills are being embraced by millennials to help them achieve their savings goals without having to worry about it. 34% of the respondents indicated that they regularly save, and 15% of the respondents are of the view that savings are not essential, it's the investment that matters and opined that they tend to live today and tomorrow will take care of itself. The majority prefer to make investments in securities and banks. Only 10% of millennials are of the view that there is no point in thinking about the short-term return. They never consider the return on investments that they generate. 42% of the respondents agree that they review their investment decisions frequently.

4.8.3 Online Banking Habits: Millennials are considered digital natives who use technology for managing their life easier. Fintech companies can provide normal banking services like checking and savings accounts, as well as a wider range of products and services like payment apps and money transfer services, investing and savings applications, online personal and corporate loan providers, apps for bill payment, and expense tracking, etc. 80% of the respondents prefer cashless transactions and are regular users of UPI systems, mobile banking, and net banking systems. Online shopping is

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also viewed as one of the major purchasing modes which increases online payment among the respondents. Millennials prefer to deal with their banking transactions with the least trouble possible, and they frequently rely on technology to assist them in doing it. The respondents opined that they use their mobile banking apps the most to schedule interbank and intrabank money transfers, manage their finances, and verify their previous transactions. 57% of the respondents are concerned about the security issues in online banking facilities and change their online security passwords to avoid cyber threats.

4.8.4 Use of Credit: Nowadays money could be raised through various credit facilities from various banking and financial institutions. The credits acquired by the respondents are usually for housing finance, educational loans, and consumer credit. 36% of the respondents have credit cards and use them as the main source of spending, even though they are aware of the fact that it brings in more spending and reduces savings and investments. The creation of a credit line is one of the most appealing ways to obtain credit, use of credit cards, overdrafts, etc are some of the traditional ways of creating a credit line. Buy now pay later, and other alternatives like EMI options are some of the new lucrative ways of creating and maintaining credit. 39% of the respondents indicate that they are willing to risk some of their money in investment and also while taking a debt they are not much concerned. 46% of the respondents are risk-averse and are not willing to risk their money while making a risky investment or going into a debt trap.

4.8.5 Asset accumulation: The total value of a person's assets which may include house property, cash balances, stocks, securities, etc. after any debts or liabilities may be defined as wealth. The respondents under the study are of the opinion of investing in various avenues like gold, security, etc. but the majority are of the view of investing initially in real estate or simply owning a house property of their own. Real estate investments have piqued the curiosity of millennials. There is more awareness now, because of the advent of the Pradhan Mantri Awas Yojana, which provides homes for all. This asset class is well-known among the general public, and many young people invest in it. 76% of the respondents are of the view of setting aside for the future rather than entirely spending what they earn. The millennials are responsible for their future and they tend to live for today is what is perceived from the research.

The recommendations derived from the study are:
Millennials are more into the digital world and are highly accessible to smart tools and applications. A change in attitude towards money management is quite essential in the fast-changing world, as the study reveals that many tend to live today rather than keep aside for the future. Mobile applications may be utilized for budgeting their finances rather than opting for mental budgeting which is subject to mismanagement of money.

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Financial socialization plays a vital role in the development of financial attitude and behavior, it may begin from parental upbringing, peer interaction, media influence, etc. Parental financial socialization along with other socialization factors needs to be triggered to bring the generations in developing better attitudes and behavior towards money matters.

The majority of transactions are nowadays done through digital platforms and are subject to cyber insecurities. It is always suggested to be alert and take adequate measures against fraudsters like not sharing the passwords, encrypting the transactions, changing the security passwords frequently, by not using public platforms for financial transactions, etc.

Financial literacy programs should be incorporated into the basic education system and the updation of knowledge regarding the financial aspects is the need of the hour. Meeting with a financial advisor to discuss the best options can be a good alternative, even if it cost a bit, as they will aid in developing the most effective strategy to achieve the highest financial capacity.

CONCLUSION:

The financial market offers a wide range of financial products and instruments in a complicated and globalized environment, and product accessibility has also expanded. As a result, it is critical for individuals to have the appropriate financial knowledge and awareness in order to make the most use of their financial resources. The millennials are in the digital world and have access to innumerable innovative financial products with adequate financial outcomes. The attitude and behavior of the millennials who have stable regular incomes are very much relevant from the individual point of view as well as from the macro aspects. The financial resources should be prudentially utilized to have individual financial stability and also for economic growth and development. The research in this relevant area will lead to a better understanding of the millennials' level of financial literacy within the state as the state of Kerala is placed at the country's top list as far as the literacy level is concerned. The research was conducted to check the reflections of financial literacy on financial attitude and behavior among millennials and reveals that there is a positive reflection of financial literacy on financial attitude and behavior among the salaried class millennials. The study helped to focus on the indicators of financial literacy and the major effect of such indicators on attitude and behavior. The research implications will help the financial markets and institutions to increase the level of awareness to trigger the attitude and behavior of millennials, especially through the digital world.

The study recommends the following for future researchers: The study shows that there is no significant difference between gender and financial attitude, but with a comparatively higher mean rank for the female group. It is therefore recommended further research investigate the reasons and relate financial attitude and financial behavior among the female millennial groups. The study has chosen limited variables of financial literacy and their reflections on attitude and behavior. Future studies may include a wider perspective on financial literacy like taxation, retirement plans, personal financial management, and so on. Financial literacy programs initiated by the government and their implication on the attitude and behavior among Millennials or Generation Z can be undertaken.

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