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Student Economic Literacy: An Exploratory Assessment of Knowledge and Awareness"

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Abstract

Understanding economics is a foundational skill that empowers individuals to make informed decisions; yet, economic literacy remains a significant challenge worldwide. As economic forces increasingly shape everyday life, the gap in economic knowledge poses risks to both individual prosperity and societal stability. This paper explores the importance of economic literacy, its current state across various demographics, and the strategies needed to bridge this knowledge gap, particularly from the students' perspective. By evaluating students' economic literacy, the study aims to identify areas of weakness, examine factors that influence economic understanding, and contribute to ongoing discussions about enhancing financial education within academic curricula. The study employs statistical tools, including ANOVA, Chi-Square, and Factor Analysis, to analyze the data and uncover patterns that impact students' economic literacy and ways to improve it.

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Introduction

Economic literacy refers to an individual's understanding of fundamental economic concepts and principles, such as supply and demand, inflation, taxation, and the role of government in the economy. It enables individuals to apply this knowledge to make informed decisions that affect their personal lives and the broader economy. In today's complex global economy, economic literacy is more important than ever, as it equips people to navigate decisions related to personal budgeting, employment, and economic policies.

Despite its significance, numerous studies highlight a concerning gap in economic literacy, especially among students. Research by Husted et al. (2009) found that high school students in the U.S. exhibited a low level of economic knowledge, with many unable to understand basic concepts such as the role of the government in economic markets. Similarly, Lusardi and Mitchell (2014) identified that even adults in developed nations often struggle with basic economic concepts like inflation and interest rates, which are essential for making informed decisions in both personal and public spheres.

In the context of India, this gap in economic literacy is particularly pressing. As the country aims to achieve a $5 trillion economy by 2025, enhancing the economic literacy of its citizens is critical. Sundararajan et al. (2020) emphasized that economic literacy is fundamental for fostering a better understanding of India's economic challenges and opportunities, such as inflation, taxation, and trade. Furthermore, a study by Rangarajan and Srivastava (2019) highlighted that improving economic literacy can empower individuals to make better-informed decisions regarding economic policies, thus supporting national economic growth and development.

The importance of economic literacy also extends beyond personal decision-making. Research by Behrman and Deolalikar (2012) suggests that improving economic literacy among youth can encourage entrepreneurship, promote effective participation in democratic processes, and reduce the potential for economic instability. As India's demographic dividend grows, an informed and economically literate population will be better equipped to participate in the economy, support inclusive growth, and contribute to sustainable economic development.

Thus, economic literacy is not only a tool for better personal decision-making but also a key driver of national prosperity, particularly in emerging economies like India. The development of economic literacy among students will enable them to understand and navigate critical economic concepts, contributing to more rational decision-making at both the individual and societal levels.

The present study aims to evaluate the economic literacy levels of college students due to the fact that a foundational understanding of economic concepts is essential for informed decision-making and effective participation in today's complex economic landscape.

Objectives of Study

1. To evaluate the level of Economic Literacy amongst college students in selected colleges of Ludhiana city.
2. To analyze the impact of demographics on level of Economic Literacy amongst college students in selected colleges of Ludhiana city.

Review of Literature

Research on economic literacy consistently highlights the gap in understanding basic economic concepts among students and adults, with several studies emphasizing the importance of addressing this issue for better decision-making.

Pristiani et al. (2021) conducted a study that revealed 56.30% of students lacked knowledge of fundamental economic concepts, indicating that while students may be exposed to economics, they are not mastering the subject. This lack of understanding was attributed to incomplete coverage of topics, which prevents students from building a strong foundation necessary for success in exams and real-world applications of economic principles. In a similar vein, a national survey by the National Council on Economic Education (2005), which involved 3,512 U.S. adults, found that 62% of respondents considered a good understanding of economics "very important," while 35% regarded it as "somewhat important," underscoring the widespread recognition of the need for economic literacy in informed decision-making and active participation in the economy. Furtuna (2008) also studied economic literacy, examining 367 students at Lynchburg College, and found that only 40% of questions related to economic and financial knowledge were answered correctly. The study revealed that 83% of students struggled with questions on annual percentage rates (APR), suggesting that limited exposure to comprehensive financial education was a key factor contributing to this low level of economic literacy. Further research by Nunoo and Afful Jr. (2015) explored how respondents accessed economic knowledge and found that 54.3% relied on television, 16.3% on the internet, and only 12.1% on magazines, highlighting a preference for passive sources of information over more active and detailed reading. In contrast, Lusardi and Mitchell (2014) emphasized that individuals with higher levels of economic literacy are better equipped to manage personal finances, particularly in areas like retirement planning, debt management, and investments. They concluded that economic literacy is crucial for promoting financial well-being and safeguarding against economic vulnerabilities. Zhao and Jiang (2019) found that university students in China who received formal economic education performed better in tests of economic knowledge, indicating that structured education plays a vital role in enhancing understanding of macroeconomic issues like inflation and unemployment. Similarly, Van Rooij, Lusardi, and Alessie (2011) examined the relationship between economic literacy and retirement planning in the Netherlands and concluded that individuals with higher economic literacy are more likely to make informed investment choices and save adequately for the future, ensuring long-term

financial security.

In Latin America, Garcia (2016) investigated the state of economic literacy among youth and found significant gaps in understanding basic concepts like inflation, taxation, and economic growth. The study emphasized that improving economic literacy in developing countries is essential for fostering responsible citizenship and encouraging entrepreneurial activity. Nicolaisen and Pedersen (2014) also addressed the importance of economic literacy, suggesting that individuals with a strong understanding of economic principles are better able to respond to economic shocks, such as recessions, by making informed decisions about spending, saving, and investing. They argued that economic literacy is key to economic resilience and advocated for its inclusion in school curricula to ensure future generations are better prepared for the economic realities of adulthood. Collectively, these studies underscore the critical role of economic literacy in enhancing personal financial decision-making and contributing to broader economic stability. They highlight the need for comprehensive economic education at both the individual and institutional levels to equip citizens to navigate an increasingly complex global economy.

Research Methodology

The research methodology for this study involved a sample of 200 college students selected through random sampling to ensure the representativeness of the broader student population. Primary data were collected using a structured questionnaire, which included multiple choicequestions to gather quantitative and qualitative insights on the research topic. The data were analysed using several statistical techniques: Chi-square tests were employed to assess the relationship between categorical variables, while ANOVA was used to examine differences between groups. Mean scores provided an overall measure of central tendency for the responses, and factor analysis was utilized to identify underlying factors or patterns in the data. This combination of methods ensured a comprehensive analysis of the research questions while maintaining statistical rigor and validity.

Demographic Profile

The data presented in Table 1 reflects the demographic characteristics of the sample of 200 college students. In terms of age, 54.5% of the respondents were between 18 and 20 years old, while 45.5% were in the 21 to 23-year age range. Regarding academic domain, the majority of students (52.5%) were from the Science field, followed by 35% from Management/Commerce, and 12.5% from Information Technology. The sample was equally divided by area of residence, with 50% of participants living in urban areas and the other 50% in rural areas. Gender distribution was also balanced, with 50% female and 50% male participants. This breakdown ensures a diverse representation across key demographic factors in the study.

Table 1: Demographic Profile of Respondents

		Frequency	Percent
Age Groups	**18-20 yrs**	109	54.5
	21-23 yrs	91	45.5
Academic Domain	**Science**	105	52.5
	Management/Commerce	70	35
	Information Technology	25	12.5
Area of Residence	**Urban**	100	50
	Rural	100	50
Gender	**Female**	100	50
	Male	100	50

Measures/Scales

Table 2 Scoring Methodology

Questions asked in the questionnaire to examine the Economic Literacy of the Respondent	Scoring
Correct Answer	One Mark
Incorrect/Don't Know Answer	Zero Mark

Reliability Analysis

Table 3 Cronbach Alpha

Reliability Statistics	
Cronbach's Alpha	N of Items
.804	15

Table 3 presents the Cronbach's Alpha Reliability Statistics. The Cronbach's Alpha value of 0.804 indicates a high level of internal consistency for the 15 items in the scale. A value above 0.70 generally suggests that the items are reliably measuring the same underlying construct. With a Cronbach's Alpha of 0.804, the scale can be considered reliable for assessing the intended variable, ensuring consistency in the responses and the instrument's validity for further analysis.

Economic Literacy (Descriptives)

Table 4: Economic Literacy Score (Descriptives) presents key descriptive statistics for the economic literacy scores of the 200 respondents. The mean score is 10.19, indicating that, on

average, students scored slightly above the midpoint of the possible score range. The median score is 10.00, suggesting that half of the respondents scored below 10 and half scored above it, indicating a relatively symmetrical distribution of scores. The standard deviation is 3.531, showing a moderate level of variability around the mean, meaning that while most students scored near the average, there were some with scores that deviated more significantly. The minimum score was 2, and the maximum score was 15, indicating that scores ranged widely within the possible scoring range. The sum of all the scores was 2038, which is the total of the individual scores across all participants.

Table 4 Economic Literacy Score (Descriptives)

Descriptives		
N	Valid	200
	Missing	0
Mean		**10.19**
Median		**10.00**
Std. Deviation		3.531
Minimum		2
Maximum		15
Sum		2038

Figure 1 shows the levels of economic literacy within a population, where 49% have high economic literacy, 38% have low economic literacy, and only 13% fall in the medium category. This indicates that while nearly half of the population demonstrates strong economic understanding, a significant portion lacks basic economic knowledge. Efforts to improve economic literacy should prioritize addressing the needs of the low and medium literacy groups to create a more economically informed society.

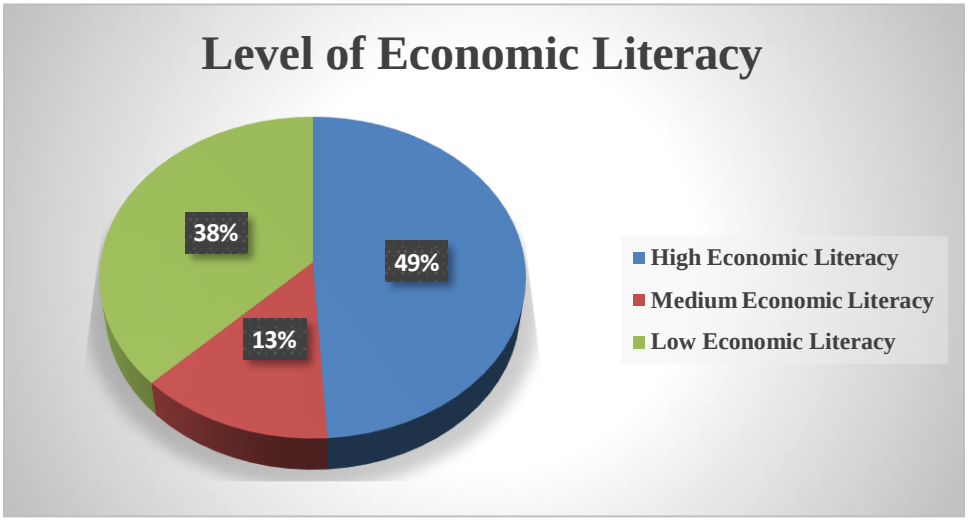

Figure 1 Level of Economic Literacy of Respondents

Factor Analysis

Table 5 KMO & Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.843**
Bartlett's Test of Sphericity	Approx. Chi-Square	730.678
	Df	91
	Sig.	**.000**

Table 5 shows that the data is suitable for factor analysis. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy is 0.843, which exceeds the recommended threshold of 0.8, indicating that the sample is adequate. Bartlett's Test of Sphericity is significant (Chi-Square = 730.678, df = 91, p = 0.000), confirming that the correlation matrix is not an identity matrix and that the variables have sufficient interrelationships for factor analysis.

The Rotated Component Matrix (Table 6) presents the results of a factor analysis conducted using the principal component extraction method with Varimax rotation. Four components (factors) were identified, each grouping variables based on their high loadings, which reflect strong relationships.

The first factor, Financial Aspect, includes variables such as High Growth rate (0.767), Risk Taking (0.698), GDP (0.694), Coffee Growers Case (0.638), Loan (0.630), and Profits (0.623), indicating that these variables are closely related and represent financial growth and performance indicators The second factor, Economic Upsurge, is represented by variables such as Banking System (0.667), Government Increase in wages (0.664), and Inflation (0.660), highlighting relationships between economic system performance, government income, and inflation.

The third factor, Basic, is defined by Basic Economic question (0.849), Small Business (0.752), and Opportunity Cost (0.641), emphasizing foundational economic concepts and their impact on small businesses and opportunity costs.

The fourth factor, Production Aspect, includes Surplus Production (0.756) and Labour Specialisation (0.638), focusing on production surplus and labor specialization as key contributors to this component. The rotation method (Varimax) ensured the factors are orthogonal (independent), and the model converged in nine iterations, confirming the stability and clarity of the factor structure. These results provide valuable insights for interpreting the relationships among variables and their underlying dimensions.

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Table 6 Rotated Component Matrix

	Rotated Component Matrix[a]				
Factors	**Components**	Component			
		1	2	3	4
Financial Aspect	**High Growth**	.767			
	Risk Taking	.698			
	GDP	.694			
	Coffee Grower	.638			
	Loan	.630			
	Profits	.623			
Eco Upsurge	**Banking System**		.667		
	Government Increase in wages		.664		
	Inflation		.660		
Basic	**Basic Economic question**			.849	
	Small Business			.752	
	Opportunity Cost			.641	
Production Aspect	**Surplus Production**				.756
	Labour Specialisation				.638
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.[a]					
a. Rotation converged in 9 iterations.					

Correlation

Table 7 Correlation among Different Factors

		Total	Basics	Eco Upsurge	Financial Aspect	Production Aspect
Total	**Pearson Correlation**	1	**.633****	**.713****	**.822****	**.534****
	Sig. (2-tailed)		**.000**	**.000**	**.000**	**.000**
	N	200	200	200	200	200
Basics	**Pearson Correlation**	**.633****	1	**.265****	**.356****	**.166***
	Sig. (2-tailed)	**.000**		**.000**	**.000**	**.019**
	N	200	200	200	200	200
C	**Pearson Correlation**	**.713****	**.265****	1	**.411****	**.397****

	Sig. (2-tailed)	**.000**	**.000**		**.000**	**.000**
	N	200	200	200	200	200
Financial Aspect	**Pearson Correlation**	**.822****	**.356****	**.411****	1	**.240****
	Sig. (2-tailed)	**.000**	**.000**	**.000**		**.001**
	N	200	200	200	200	200
Production Aspect	**Pearson Correlation**	**.534****	**.166***	**.397****	**.240****	1
	Sig. (2-tailed)	**.000**	**.019**	**.000**	**.001**	
	N	200	200	200	200	200
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

Table 7: Correlation among Different Factors highlights the relationships between the identified factors (Basics, Eco Upsurge, Financial Aspect, and Production Aspect) and their overall contribution to the Total score. The Total score shows significant positive correlations with all factors, with the highest correlation observed with Financial Aspect ($r = .822$, $p < .01$), followed by Eco Upsurge ($r = .713$, $p < .01$), Basics ($r = .633$, $p < .01$), and Production Aspect ($r = .534$, $p < .01$). This suggests that the Financial Aspect is the most strongly associated with the Total score, indicating its critical role in contributing to the overall framework. The relationships among the individual factors also reveal meaningful connections.

Basics shows a moderate positive correlation with Eco Upsurge ($r = .265$, $p < .01$) and Financial Aspect ($r = .356$, $p < .01$), indicating that foundational economic concepts are moderately linked to economic system performance and financial growth. However, the correlation between Basics and Production Aspect is weaker but still significant ($r = .166$, $p < .05$), suggesting a less pronounced relationship. Eco Upsurge, on the other hand, displays moderate correlations with both Financial Aspect ($r = .411$, $p < .01$) and Production Aspect ($r = .397$, $p < .01$), signifying its influence on financial and production-related dynamics.

Lastly, Financial Aspect and Production Aspect exhibit a weaker but significant correlation ($r = .240$, $p < .01$), indicating some level of interconnection between financial factors and production-related activities. These correlations highlight the interconnected nature of the factors, with varying degrees of association. The significant positive correlations throughout suggest that all factors contribute meaningfully to the Total score, albeit with differing levels of influence, with Financial Aspect playing the most dominant role. This analysis provides valuable insights into how different economic dimensions interact and their overall impact.

Economic Literacy and Socio-Economic Demographics

H_0: There lies no significant association between demographics and Economic literacy levels.

H_1: There lies significant association between demographics and Economic literacy levels.

Table 8 Mean Scores and Socio-Economic Demographics

Demographics		Economic Literacy Factors			
		Basics	**Eco Upsurge**	**Financial Aspect**	**Production Aspect**
Total Sample		**2.15**	**1.92**	**4.33**	**1.40**
Age Group	18-20 years	2.23	2.01	3.93	1.50
	21-23 years	2.04	1.81	4.05	1.27
	F-Value	1.614	1.708	**8.119**	**4.717**
	Significance	.205	.193	**.005***	**.031***
Academic Domain	Science	2.23	1.77	4.44	1.39
	Information Technology	1.79	2.01	4.80	1.76
	Management/Commerce	2.80	2.28	3.99	1.27
	F-Value	**10.608**	2.811	2.341	**4.362**
	Significance	**.000**	.063	.099	**.014**
Gender	Female	1.95	1.95	4.44	1.29
	Male	2.34	1.89	4.21	1.50
	F-Value	**7.411**	.160	.812	**4.298**
	Significance	**.007**	.689	.369	**.039**
Residential Place	Urban	2.15	2.01	4.38	1.42
	Rural	2.14	1.83	4.27	1.37
	F-Value	**.005**	**1.451**	**.605**	**.239**
	Significance	**.945**	**.230**	**.668**	**.626**

Table 8: Mean Scores and Socio-Economic Demographics presents the analysis of economic literacy factors (Basics, Eco Upsurge, Financial Aspect, and Production Aspect) across different demographic groups. For the total sample, Financial Aspect has the highest mean score (4.33), indicating a strong understanding in this area, while Production Aspect has the lowest mean score (1.40), suggesting it is the least developed. When comparing age groups, significant differences are observed for Financial Aspect ($F = 8.119$, $p = .005$) and Production Aspect ($F = 4.717$, $p = .031$), with younger participants (18-20 years) generally scoring higher, particularly in Production Aspect. Academic domain significantly influences Basics ($F = 10.608$, $p = .000$) and Production Aspect ($F = 4.362$, $p = .014$). Students in Management/Commerce show the highest mean score in Basics (2.80), while those in Information Technology excel in Financial Aspect (4.80) and Production Aspect (1.76). These findings highlight that educational background plays a crucial role in shaping economic literacy, with domain-specific exposure enhancing understanding of particular factors.

Gender-based analysis reveals significant differences in Basics (F = 7.411, p = .007) and Production Aspect (F = 4.298, p = .039), with males scoring higher in both. In contrast, no significant differences are observed for Eco Upsurge and Financial Aspect. Residential place (Urban vs. Rural) does not show significant differences across any factor, indicating that urban and rural participants have comparable levels of economic literacy. These results underscore the importance of demographic factors like academic domain, age, and gender in influencing specific aspects of economic literacy, while residential location appears less impactful.

Socio Economic Demographics and Economic Literacy Factors (One-Way ANOVA)

The results of the one-way ANOVA (Table 9) reveal that gender has a significant impact on certain aspects of economic literacy, particularly in the "Basics" and "Production Aspect" categories. For basic economic knowledge, a significant difference was found between genders (F = 7.411, p = 0.007), suggesting that one gender may have a stronger understanding of fundamental economic concepts. Similarly, there was a significant difference in the "Production Aspect" (F = 4.298, p = 0.039), indicating that gender influences knowledge related to economic production.

However, gender did not have a significant effect on other areas of economic literacy, such as "Eco Upsurge" (F = 0.160, p = 0.689) and "Financial Respect" (F = 0.812, p = 0.369), as shown in Table 9. These findings imply that while gender can play a role in shaping economic knowledge in some areas, it does not uniformly affect all aspects of economic understanding. This suggests that other factors may contribute more strongly to literacy in areas like eco upsurge and financial respect.

Table 9 Gender and Economic Literacy (Factors)

One Way ANOVA						
		Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Basics	Between Groups	7.605	1	7.605	**7.411**	**.007**
	Within Groups	203.190	198	1.026		
	Total	210.795	199			
Eco Upsurge	Between Groups	.180	1	.180	.160	.689
	Within Groups	222.540	198	1.124		

	Total	222.720	199			
Financial Respect	Between Groups	2.645	1	2.645	.812	.369
	Within Groups	645.230	198	3.259		
	Total	647.875	199			
Production Aspect	Between Groups	2.205	1	2.205	**4.298**	**.039**
	Within Groups	101.590	198	.513		
	Total	103.795	199			

Table 10 Academic Domain and Economic Literacy (Factors)

One Way ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Basics	Between Groups	20.495	2	10.247	**10.608**	**.000**
	Within Groups	190.300	197	.966		
	Total	210.795	199			
Eco Upsurge	Between Groups	6.180	2	3.090	2.811	.063
	Within Groups	216.540	197	1.099		
	Total	222.720	199			
Financial Respect	Between Groups	15.042	2	7.521	2.341	.099
	Within Groups	632.833	197	3.212		
	Total	647.875	199			
Production Aspect	Between Groups	4.402	2	2.201	**4.362**	**.014**
	Within Groups	99.393	197	.505		
	Total	103.795	199			

Table 10: Academic Domain and Economic Literacy (Factors) highlights the impact of academic domain on different economic literacy factors through one-way ANOVA. The analysis shows that Basics (F = 10.608, p = .000) differs significantly across academic domains, with students from Management/Commerce displaying the highest scores, suggesting that this domain provides stronger exposure to foundational economic knowledge. This indicates that the academic discipline plays a substantial role in shaping students' understanding of basic economic concepts.

For Eco Upsurge (F = 2.811, p = .063) and Financial Aspect (F = 2.341, p = .099), the differences across academic domains are not statistically significant at the 0.05 level, although there is a trend suggesting some influence. However, there is a significant difference for the Production Aspect (F = 4.362, p = .014), with students from Information Technology showing higher mean scores. This suggests that certain academic domains, particularly those related to technology and business, may have a greater focus on production-related aspects of economics. Overall, the results emphasize that academic background influences economic literacy, particularly in the areas of basics and production.

Table 11 Age Group and Economic Literacy (Factors)

One Way ANOVA						
		Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Basics	Between Groups	1.705	1	1.705	1.614	.205
	Within Groups	209.090	198	1.056		
	Total	210.795	199			
Eco Upsurge	Between Groups	1.905	1	1.905	1.708	.193
	Within Groups	220.815	198	1.115		
	Total	222.720	199			
Financial Respect	Between Groups	25.518	1	25.518	**8.119**	**.005**
	Within Groups	622.357	198	3.143		
	Total	647.875	199			
Production Aspect	Between Groups	2.415	1	2.415	**4.717**	**.031**
	Within Groups	101.380	198	.512		
	Total	103.795	199			

Table 11: Age Group and Economic Literacy (Factors) examines the influence of age on economic literacy factors (Basics, Eco Upsurge, Financial Aspect, and Production Aspect) using one-way ANOVA. The results reveal no significant differences in Basics (F = 1.614, p = .205) or Eco Upsurge (F = 1.708, p = .193) across age groups, suggesting that foundational economic knowledge and understanding of economic trends are consistent regardless of age. This indicates that these aspects of economic literacy may not be heavily influenced by age or could be uniformly addressed through education or exposure. However, significant differences are observed for Financial Aspect (F = 8.119, p = .005) and Production Aspect (F = 4.717, p = .031). Younger participants appear to perform differently in these areas, with higher mean scores in some age groups. The findings suggest that Financial Aspect and Production Aspect are more age-sensitive, potentially influenced by factors such as experience, educational exposure, or practical engagement with financial or production-related activities. These results highlight the need to consider age-related differences when designing interventions to improve economic literacy in specific areas.

Table 12 Residential Place and Economic Literacy

One Way ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
	Between Groups	.005	1	.005		

Basics	Within Groups	210.790	198	1.065	.005	.945
	Total	210.795	199			
Eco Upsurge	Between Groups	1.620	1	1.620	1.451	.230
	Within Groups	221.100	198	1.117		
	Total	222.720	199			
Financial Respect	Between Groups	.605	1	.605	.185	.668
	Within Groups	647.270	198	3.269		
	Total	647.875	199			
Production Aspect	Between Groups	.125	1	.125	.239	.626
	Within Groups	103.670	198	.524		
	Total	103.795	199			

Table 12: Residential Place and Economic Literacy examines the relationship between participants' residential location (urban vs. rural) and economic literacy factors (Basics, Eco Upsurge, Financial Aspect, and Production Aspect) using a one-way ANOVA. The results show no significant differences across any of the factors based on residential place. For Basics, the F-value is 0.005 with a significance level of 0.945, indicating no meaningful variation. Similarly, Eco Upsurge ($F = 1.451$, $p = 0.230$), Financial Aspect ($F = 0.185$, $p = 0.668$), and Production Aspect ($F = 0.239$, $p = 0.626$) also exhibit no statistically significant differences between urban and rural participants.

These findings suggest that residential location does not have a notable impact on economic literacy levels across any of the factors. This could imply that access to information, education, and economic awareness might be relatively uniform across urban and rural settings, or that other factors, such as individual characteristics or broader societal influences, play a more dominant role in shaping economic literacy. Further research may be needed to explore other variables that contribute to economic understanding.

Conclusion

The study provides valuable insights into the demographic profile and economic literacy levels of a sample of 200 college students, emphasizing the importance of socio-economic factors in shaping economic understanding. The participants were fairly representative in terms of age, academic domain, gender, and residential location, with a balanced mix of students from urban and rural areas, as well as diverse academic backgrounds. The findings reveal that nearly half of the students demonstrated a high level of economic literacy, while a significant portion had low levels, highlighting the need for targeted efforts to improve economic understanding among these groups.

Reliability analysis confirmed that the scale used to measure economic literacy had high internal

consistency, making it a reliable tool for future studies. The descriptive statistics on economic literacy scores indicated that students, on average, displayed moderate economic knowledge, with financial aspects being the strongest area of understanding. The results of the factor analysis revealed distinct components related to economic literacy, such as Financial Aspects, Economic Upsurge, Basics, and Production Aspects, offering a deeper understanding of how students engage with different dimensions of economics.

In examining the influence of demographic factors on economic literacy, the study found that academic domain, age, and gender significantly affected specific aspects of economic knowledge, while residential location showed little impact. Students in management and commerce fields tended to score higher on foundational economic concepts, while IT students excelled in financial aspects. Age differences were significant in the areas of financial and production knowledge, suggesting that younger students may have a different understanding or exposure to these topics compared to their older peers. Gender differences were also observed in basic economic knowledge and production aspects, with males generally scoring higher.

The analysis of correlations between different factors of economic literacy highlighted their interrelationships, with financial aspects being the most influential factor in shaping overall economic literacy scores. The study emphasizes the importance of targeted educational interventions based on academic backgrounds and demographic characteristics to enhance economic literacy. While residential location did not significantly influence economic literacy, it is clear that other demographic variables, particularly academic domain and gender, play crucial roles in shaping students' economic understanding. Future research could explore the impact of additional variables, such as personal experiences or exposure to economic content outside of formal education.

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