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PERCEIVED FINANCIAL LITERACY AND REPORTED SAVING AND INVESTMENT DECISIONS AMONG UNIVERSITY STUDENTS IN CHIPATA ZAMBIA A DESCRIPTIVE STUDY AT DMI ST EUGENE UNIVERSITY CHIPATA CAMPUS

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2. ABSTRACT

Financial knowledge may support informed financial choices, but self-assessed understanding and demonstrated competence are different measures. This study describes perceived financial literacy and reported saving and investment decisions among 50 students at DMI St. Eugene University, Chipata Campus, Zambia. A descriptive cross-sectional survey used a 20-item structured questionnaire and convenience sampling. Aggregate responses were analysed using frequencies and percentages. Ninety per cent strongly agreed that they understood interest rates and inflation; all strongly agreed with statements about risk-return trade-offs and diversification. Eighty per cent reported having made or currently holding an investment. Small business was the most frequently reported saving or investment category, accounting for 70% of all responses. Seventy per cent reported saving or investing frequently or very frequently. Financial knowledge was the most frequently selected greatest influence on decisions, followed by expected return. Responses also showed strong agreement that financial knowledge was relevant to decision-making. These are perceptions and reported practices, not objective literacy scores or statistically tested relationships. Product categories and participation answers cannot be linked using aggregate data, and the single-campus convenience sample limits generalisation. The findings support practical financial education paired with objective assessment and evaluation of actual behaviour. Respondent-level data, clearer product definitions and prospective research are needed to assess how knowledge relates to investment choices.

3. KEYWORDS: Financial literacy; investment decisions; saving behaviour; university students; financial education; Zambia.

4. INTRODUCTION

University students make decisions about spending, saving, borrowing and committing money to future needs. Financial literacy can help them interpret information and consider alternatives, but their choices also depend on available resources, financial access, responsibilities and preferences. Lusardi and Mitchell (2014) explain the economic importance of financial knowledge while identifying questions about its relationship with behaviour and wellbeing.

Measurement matters. The OECD/INFE toolkit distinguishes knowledge, behaviour and attitudes within financial literacy (OECD, 2022). Agreement with a statement such as 'I understand inflation' measures a person's assessment of understanding; it does not demonstrate that the person can calculate inflation's effect on purchasing power. Confidence, factual knowledge and actual investment behaviour should therefore be examined separately.

Zambia's FinScope 2025 survey provides a broader national context through its multidimensional measurement of financial literacy (Bank of Zambia, n.d.). Its national adult population and instrument differ from a small campus survey, so national scores cannot be directly compared with students' agreement ratings. Campus-level evidence remains useful for understanding students' reported experiences and identifying questions for financial education.

This study describes students' perceived understanding of financial concepts, their reported saving and investment practices, and the factors they identify as influencing decisions. It focuses on DMI St. Eugene University, Chipata Campus. The central contribution is a description of responses within that setting, with particular attention to the difference between reported awareness and demonstrated financial competence.

5. MATERIALS AND METHODS

Design population and sampling

A quantitative descriptive cross-sectional survey was conducted among students at DMI St. Eugene University, Chipata Campus, Zambia. Convenience sampling recruited available and willing students. The analysis included 50 completed questionnaires. The sample contains

third- and fourth-year students and is not a probability sample of the campus or of university students nationally.

Questionnaire and interpretation of measures

The structured questionnaire contained 20 items covering respondent characteristics, perceived financial literacy, saving and investment decisions, perceived links between knowledge and decisions, and influences on choices. Knowledge-related statements used agreement responses. Other items recorded investment participation, product categories, frequency of saving or investing, confidence and the greatest reported influence on decisions.

The analysis treats the knowledge statements as self-assessments, without constructing an objective literacy score. 'Saving or investment choice' retains the questionnaire's broad grouping of small business, mobile-money savings and savings accounts. These categories represent different financial activities and are not treated as interchangeable investment instruments. Confidence and willingness to compare risk and return are reported perceptions or practices, not independently observed skills.

Data analysis

Responses were summarised using counts and percentages with 50 as the denominator. Where the source summary states a percentage without a count, the corresponding count was calculated as $\text{percentage} \times 50 / 100$. Only reported categories are displayed. The graphs use the same aggregates as the text and preserve the distinction between agreement, strong agreement and neutrality.

Respondent-level records were not analysed. No correlation, regression, reliability coefficient, statistical significance test or causal effect was calculated. Agreement that knowledge influences a decision is not an estimated association between measured knowledge and an observed outcome. The participation and product questions are shown separately because their responses cannot be linked at the individual level.

Permission and confidentiality

Permission was obtained to conduct the campus study. The questionnaire did not request respondents' names, and information was treated as confidential for academic use. This article reports aggregate responses without identifying individual students. Institutional permission should be distinguished from any separate research ethics review requirement.

6. RESULTS AND DISCUSSION

Respondent profile

Table 1: Respondent Characteristics.

Characteristic	Category	N	%
Gender	Male	25	50
	Female	25	50
Age	20-24 years	27	54
	25-29 years	23	46
Year of study	Third year	20	40
	Fourth year	30	60
Main financial support	Personal income or business	30	60
	Parents or guardians	15	30
	Employment	5	10

The sample was equally divided by gender and comprised students aged 20-29 years. Fourth-year students accounted for 60%. Personal income or business was the most frequently reported source of financial support (Table 1). The profile gives context to the responses but does not establish whether students with different sources of support had different levels of knowledge or participation.

Perceived financial knowledge and budgeting

Forty-five respondents strongly agreed that they understood interest rates and 45 strongly agreed that they understood inflation; five were neutral on each item. All 50 strongly agreed that higher potential returns may involve higher risk and that diversification is important. For preparing budgets and monitoring money, five strongly agreed, 40 agreed and five were neutral (Figure 1).

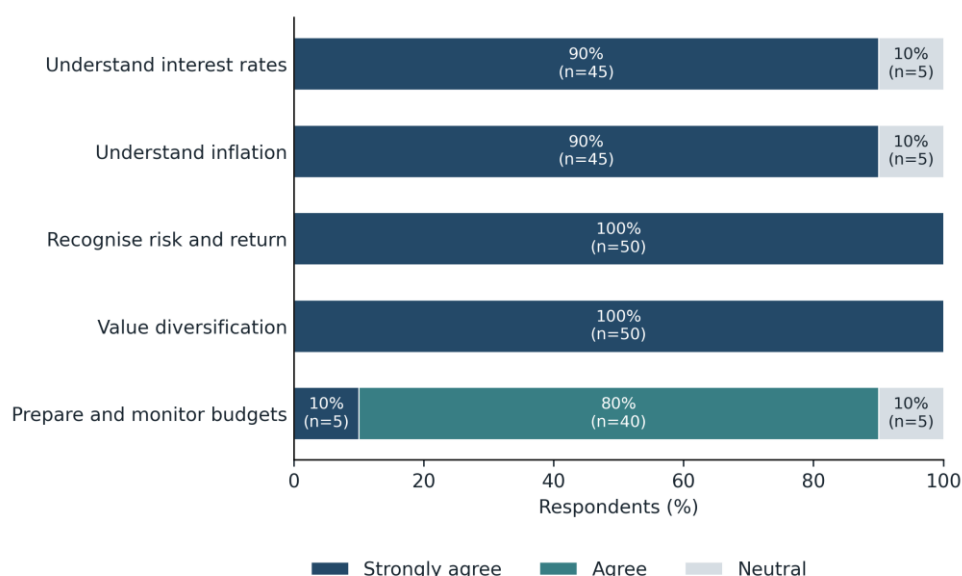


Figure 1: Agreement with financial understanding and budgeting statements.

Source: Reported study summaries; n = 50 per item. Counts are reported or calculated from the stated percentages. The items measure self-reports rather than performance on knowledge tests.

The responses show high perceived familiarity with the concepts. They do not establish that respondents could calculate interest, distinguish nominal and real returns or construct a diversified portfolio. Unanimous responses also leave no variation on some items, limiting their usefulness for analysing differences between students. Objective questions would help determine whether confidence is accompanied by demonstrated understanding.

This distinction is consistent with OECD (2022), which measures several dimensions of financial literacy. It also helps explain why the campus percentages should not be interpreted as evidence that students outperform Zambia's general population. Such a comparison would require comparable measures, sampling and scoring.

Reported investment participation and product categories

Forty respondents reported having made or currently holding an investment, while 10 did not. In the separate saving or investment choice summary, small business accounted for 35 responses, mobile-money savings for 10 and savings accounts for five (Figure 2). The category totals represent all 50 respondents, not just the 40 who reported investment participation.

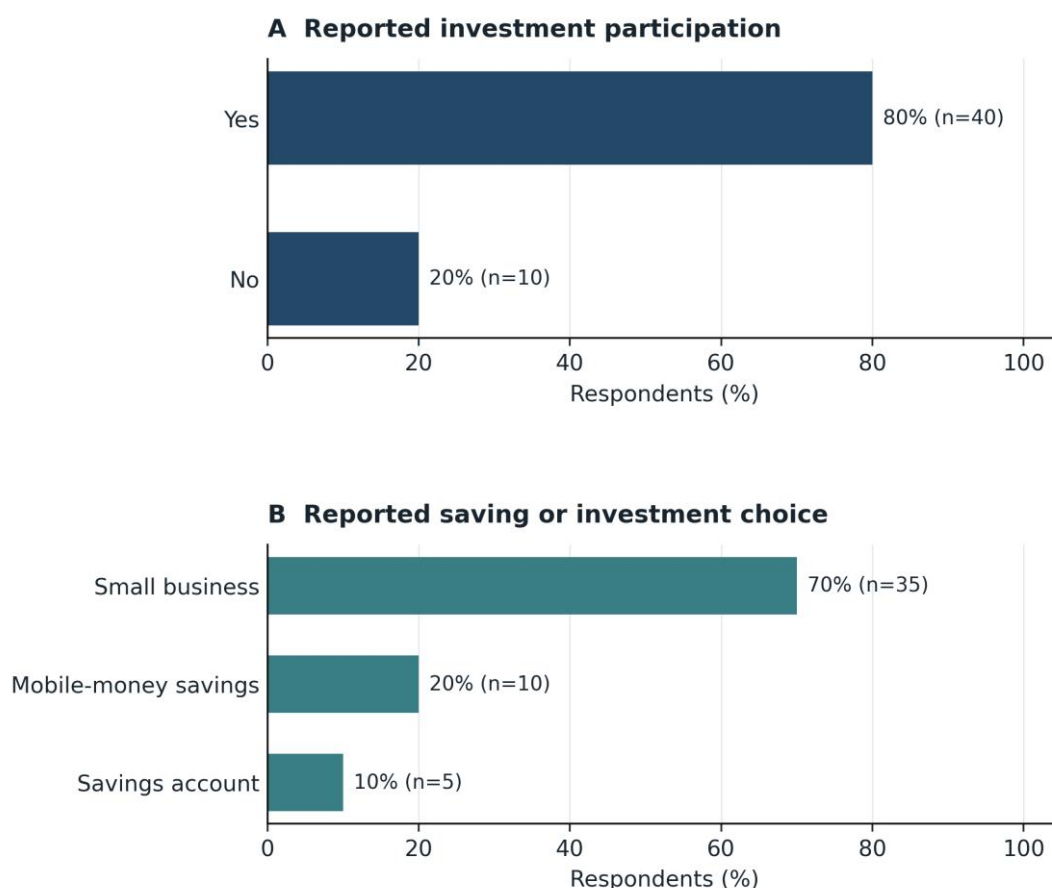


Figure 2 Reported investment participation and saving or investment categories.

Source: reported study summaries; $n = 50$ in each panel. These are separate item totals and are not a breakdown restricted to the 40 respondents reporting investment participation.

This difference in totals may reflect the broad treatment of saving and investment or the questionnaire's routing, but the aggregate summaries cannot resolve it. No assumption is made about which products the 40 participants held. Product-choice responses should therefore be interpreted as reported categories across the full sample rather than verified portfolios of investors.

Small businesses, stored money and savings accounts can serve different purposes. The results do not establish ownership values, returns, liquidity needs or business profitability. Nor does stated support for diversification show that respondents diversified their assets. Research connecting tested financial knowledge with stock-market participation, such as van Rooij et al. (2011), concerns a different product and population and cannot be used to infer investment quality here.

Saving frequency and reported decision practices

Thirty respondents saved or invested frequently and five very frequently, giving a combined 70%. Ten selected sometimes and five rarely. All 50 said that they always compared expected return and risk before investing, while 45 reported confidence in investment decisions and five were neutral.

These are reported practices. Because 10 respondents had not reported investment participation, the universal risk-comparison answer may include a general or hypothetical decision approach. It cannot be interpreted as verified behaviour among 50 actual investors. The frequency item also combines saving and investing, so it does not measure investment frequency alone.

Perceived links and decision influences

All respondents agreed that financial knowledge influenced the type of investment chosen and that better knowledge led to more informed decisions. Forty-eight agreed that understanding risk helped decision-making, while two were neutral. These answers indicate perceived relevance. They do not provide a correlation between objectively measured literacy and actual choices.

Table 2: Greatest reported influence on investment decisions.

Reported factor	N	%
Financial knowledge	25	50
Expected return	15	30
Income or available money	5	10
Family influence	5	10

Financial knowledge was the most frequently selected greatest influence, followed by expected return (Table 2). A single-priority question does not establish that other influences are unimportant. In particular, the results do not justify concluding that risk, peers or access to information have no role. Hilgert et al. (2003) distinguish what people know from what they do, a distinction that remains relevant when interpreting these descriptive responses.

Implications for student financial education

Campus financial education could combine short knowledge assessments with practical exercises on budgeting, interest, inflation, business costs, liquidity and comparing financial

information. Exercises should ask students to explain and calculate alternatives rather than rely only on confidence ratings. The study does not identify a financial product that is suitable for every student or show that wider product ownership would necessarily improve wellbeing.

Evidence from randomised financial-education programmes is relevant to programme design. Kaiser et al. (2022) find positive average effects on knowledge and behaviour across 76 experiments. That evidence supports testing well-designed education, but it does not demonstrate the effect of a programme at this campus. A local evaluation should specify learning outcomes, measure baseline competence and assess whether knowledge and practices change.

Limitations and future research

The single-campus convenience sample of 50 cannot represent all Zambian university students. Self-reports may be affected by social desirability, acquiescence and overconfidence. Several items show ceiling effects, with almost all respondents selecting favourable answers. Aggregate totals cannot establish individual relationships, test reliability or adjust for income, prior education and other potential confounders.

The investment participation and product-category totals have different implications, and the questionnaire combines saving with investment. These issues limit conclusions about actual holdings. Future surveys should define each activity, use clear routing for non-investors, include objective knowledge questions, record relevant financial circumstances and analyse anonymous respondent-level data. Longitudinal or experimental evaluation would be required to assess change or causal effects.

7. CONCLUSION

Participating students reported strong familiarity with financial concepts and commonly engaged in saving or investment activities. They also viewed financial knowledge as relevant to their choices. Small business was the most frequently reported category in the broad saving-or-investment item.

The evidence establishes perceived knowledge and reported practices rather than objectively demonstrated literacy, an investment-performance advantage or a causal effect. Practical education should be paired with objective assessment and careful evaluation. Clearer

questionnaire definitions and respondent-level evidence are needed to examine how financial knowledge relates to students' actual decisions.

8. ACKNOWLEDGEMENTS

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