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Gen Z Management Students' Awareness of Financial Literacy in Chitwan

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Abstract

Background: The financial literacy is a very important life skill that Generation Z needs and especially among management students as they will act as business leaders in the future. Nevertheless, the multidimensional structure of financial literacy of Gen Z in Nepal is under-researched empirically.

Purpose: This research will determine the financial literacy rates among Chitwan management students in Nepal who are part of Generation Z as well as explore the impact of financial literacy, attitude, demography, and environmental factors on financial behaviors and outcomes.

Design/methodology/approach: A structured questionnaire was used in collecting data on 318 undergraduate and postgraduate students which was adopted as a quantitative research design. The measurement and structural models were tested by using Partial Least Squares-Structural Equation Modeling (PLS-SEM) which has reliability, convergent validity and discriminant validity and hypothesis was tested by using path analysis.

Findings: The findings indicate that students have moderate financial knowledge and positive financial attitudes. Financial knowledge, attitudes and environmental factors are strongly predictive of the financial behaviors and financial outcomes and there is no significant direct impact of demographic factors on the same. Environmental factors were found as the best predictors.

Conclusion: The results confirm the multidimensionality of financial literacy which aligns with the 3-Pillar Model and the Social Learning Theory and suggest the importance of context-specific financial literacy interventions in the context of management education in Nepal.

Keywords: Financial literacy, Gen Z, management students, financial behavior, digital tools

1. Introduction

One of the specific skills is financial literacy, which is defined as knowledge of the world of finance, knowledge of risk and financial concepts, and knowledge of the skills and motivation to make effective financial decisions (OECD, 2014; Swiecka et al., 2020; Al Maalouf et al., 2023; Hj Talip and Wasiuzzaman, 2024). With such knowledge, they can utilize it to the full extent in the tough financial markets of both the business and personal worlds. Due to the growing complexity of financial services and products, as well as the increasing significance of financial independence and mobility, it is now extremely important to train future business professionals at the undergraduate level with the rudiments of financial literacy skills (Lusardi and Mitchell, 2014; Shafiee, 2024; Krajger, 2025). Money-savvy people can make better choices regarding investments, budgeting, debt, and risk, all of which are skills that enable one to manage and stay financially healthy in the long term (Remund, 2010; Sinnewe and Nicholson, 2023; Katnic, 2024; Yoganandham, 2025).

In the era of rapid technological advancement and complex financial markets, it is becoming increasingly necessary for young people, especially business students, to be financially literate. Gen Z (Era Z), individuals born in the mid-to-late 1990s to early 2010s (Dimock, 2019), are entering the workforce and higher education, which implies that they need to understand budgetary concepts to ensure viable financial health. The advantages of financial education in the context of administration education include enhancing students' decision-making processes, fostering entrepreneurial thinking, and promoting progressive advancements in overall financial welfare (Kamaliah et al., 2024; Crosina et al., 2024). Based on the literature review, the higher the financial literacy of management students, the higher their financial plans, investments, and risk perception are in the future (Arias et al., 2020; Goyal & Kumar, 2021; Shoeib et al., 2025). Nonetheless, the level of financial literacy among various groups of people, educational levels, and geographical locations drastically differs (Atkinson and Messy, 2012; Mudzingiri, 2018; Yeo et al., 2024).

Proficiency in financial matters has been gradually recognized as a significant aspect in Nepal. Financial literacy is a national priority, as evidenced by the Nepal Rastra Bank's (NRB) implementation of the NRB with Students program in 2014, which aims to increase financial literacy among students (Nepal Rastra Bank, 2014). Despite such activity, studies reveal that most college students possess only basic financial knowledge and a significant lack of understanding in areas such as credit, taxes, the stock market, financial statements, and investments (Thapa & Nepal, 2015; Baker, 2024). Management students who will assume the role of decision-makers and business leaders in the future must be financially literate to manage both personal and professional finances effectively. Previous studies have shown that financial knowledge in young people has changed significantly across various areas and demographic factors, affecting their financial behavior and decision-making processes (OECD, 2020). However, limited research has been conducted on the financial knowledge awareness of Generation Z management students, especially in emerging economies such as Nepal.

Chitwan, a renowned educational hub in Nepal, attracts an increasing number of management students, thereby playing a pivotal role in the country's economic development. However, there is limited empirical evidence on the level of financial literacy among these students and the factors influencing their financial knowledge and skills. Understanding this gap is crucial, as financial knowledge not only affects personal financial happiness but also contributes to economic stability and broader organizational outcomes (Hansen, 2012; Klapper et al., 2015; Tosun et al., 2025). The purpose of this study is to evaluate the financial literacy levels of management students in Chitwan, exploring the extent to which demographic, educational, and socio-economic factors influence their financial knowledge. When doing so, the study aimed to provide an overview of the current financial knowledge status in this population and offer recommendations to enhance financial education in management programs. The results of this study should contribute to the financial knowledge base in the development of economies and inform workers and educators about the interventions needed to target the improvement of financial skills among business leaders in the future.

Although the growing importance of financial knowledge in achieving personal and professional financial stability has an important gap in the awareness of students' financial knowledge in the Z generation (Khan et al., 2024; Potrich et al., 2024; Fan & Henager, 2025). The current generation is experiencing some financial particularities, such as the growing number of student debt, economic insecurity, and the widespread adoption of digital financial instruments, which demand a deep understanding of financial principles. However, it has been found that the percentage of Gen Z who are financially literate in the first place is extremely low (National Financial Educators Council [NFEC], 2021). This lack of knowledge and ignorance can lead to poor financial decisions, ultimately resulting in an inability to achieve long-term financial stability and success. Thus, it is crucial to research the awareness of financial knowledge among Generation Z management students and explore ways to enhance their financial knowledge, attitudes, and behaviors.

The primary objective of this research is to determine the level of financial literacy among Generation Z students in Chitwan management colleges. It also aims to investigate the key factors that influence financial literacy, including education, social media, and family background. Additionally, the study will focus on the influence of financial literacy on the financial behavior of students, including how students make their financial decisions and plan for their future. Therefore, the study will provide information on students' preparedness to manage financial matters on both individual and professional levels.

2. Literature Review

The concept of financial literacy encompasses the knowledge and skills necessary to learn and apply financial management skills, such as budgeting, saving, investing, and debt management (Remund, 2010; Lusardi and Mitchell, 2014; Jumady, 2024). Informed financial choices, financial stability, and economic growth require financial literacy (OECD, 2020; Katnic et al., 2024; Kyeyune and Ntayi, 2025). Gen Z, being digital natives, faces distinct financial challenges, including navigating student loans, utilizing digital payment systems, and understanding cryptocurrency (Chen and Volpe, 1998; Anaza et al., 2024; Anderson and Chalmers, 2025).

Research has shown that the level of financial literacy among the student population is relatively low, and the digital divide in knowledge regarding saving, investing, and retirement planning is substantial (Klapper et al., 2015; Ghimire and Dahal, 2024; Mustafa et al., 2025). Although management students are educated in business, they often lack hands-on experience in financial matters, particularly in personal finances (Garg and Singh, 2018; Christodoulou et al., 2024; Czech et al., 2024). Gen Z is more technologically advanced and tends to employ digital tools more in their financial management; yet, they often have limited financial knowledge (Deloitte, 2021). The level of financial literacy is highly dependent on gender, socio-economic status, and family background. For instance, male students from higher-income families tend to be more financially literate (Lusardi et al., 2010). Education is a very important factor in determining financial literacy. Nonetheless, many educational institutions do not emphasize financial literacy to the same extent (Mandell & Klein, 2009). Gen Z is also heavily reliant on social media and fintech applications as a source of financial information, which presents both opportunities and threats due to the risk of misinformation (FINRA, 2022).

Financial literacy is associated with improved financial decision-making (Hastings et al., 2013). Economically savvy individuals tend to have a better chance of planning for retirement, minimizing over-indebtedness, and achieving financial independence (Van Rooij et al., 2011). Most management courses place more emphasis on corporate finance and exclude the aspect of personal finance, which leaves students inadequately equipped to face financial problems in the real world (Gutter & Copur, 2011). The level of financial literacy also depends on culture and geography, making it essential to implement localized financial education programs (Agarwalla et al., 2015). The rapid development of financial technologies and online currencies presents new challenges to Gen Z, who may not be sufficiently knowledgeable to use these innovations safely (Deloitte, 2021). The National Financial Educators Council (NFEC)

indicates that Gen Z individuals demonstrate only basic financial literacy, which is a clear indication of the significant disparity between their readiness to handle personal and professional finances (NFEC, 2021).

The 3-Pillar Model of Financial Literacy focuses on the combination of financial literacy as knowledge, attitudes, and behaviors (OECD, 2020). Social Learning Theory posits that financial behavior is influenced by observing and imitating others, such as family members or peers (Bandura, 1977). Behavioral Finance Theory examines the impact of psychological factors and cognitive biases on financial decision-making (Kahneman and Tversky, 1979). A study conducted by Lusardi and Mitchell (2014) reveals financial illiteracy on a global scale, with a particular focus on young adults. Agarwalla et al., (2015) in India reported that the financial literacy of college students is poor, with a large disparity in their knowledge of rudimentary financial concepts. FINRA (2022) found that Gen Z tends to use digital tools more when managing their finances but lacks confidence in making long-term financial decisions. Financial literacy should be taught in schools and universities to provide students with the necessary knowledge to manage their lives effectively (Mandell & Klein, 2009). Gamification and digital platforms can be useful in reaching Gen Z through financial education (Deloitte, 2021). Individualized programs should be developed to address the unique financial literacy needs of various demographic groups (Gutter & Copur, 2011).

Gen Z is a digital native, and they are quite proficient at using technology, including financial applications, online banking, and cryptocurrency platforms. On the one hand, these tools are convenient; however, on the other hand, they can be dangerous, including overspending, fraud, and inadequate investment decisions. According to a report by the Organization for Economic Co-operation and Development (OECD, 2020), financial education is crucial for enabling young people to navigate the digital financial world safely and successfully. The Federal Reserve estimates that overall student loan debt in the United States has already exceeded $ 1.7 trillion, with Gen Z carrying a significant portion of it (Federal Reserve, 2023). When such students lack sufficient financial literacy, they are more likely to make poor financial choices, including accumulating high-interest debts or being unable to save in case of emergencies, which can negatively impact their long-term financial health.

The existing body of literature on financial literacy reveals significant research gaps that need to be addressed. To start with, it has been found that very few studies specifically aim at Gen Z management students, as they are an unusual demographic due to their tech-friendly character and access to digital financial products. Second, although Gen Z relies on the digital sphere and social media as the primary source of financial information, research investigating the impact of these tools on their financial literacy, as well as the advantages of their accessibility and the threat of misinformation, is lacking. Third, it has not focused extensively on how cultural and regional factors can contribute to the development of financial literacy among Gen Z. However, socio-economic and cultural factors have been established to influence financial behaviors and knowledge. These gaps need to be addressed to develop targeted interventions that enhance financial literacy and equip Gen Z management students with the skills to make informed financial decisions in a rapidly evolving digital economy.

Theoretical Model/ Framework

The study is informed by the Financial Literacy Framework, which considers three major dimensions of financial literacy: financial knowledge, financial attitudes, and financial behaviors. This architecture is grounded in the work of Huston (2010). He states that financial literacy is not just a matter of financial knowledge, but also a good financial attitude and the inculcation of responsible financial practices. These variable correlations are necessary to understand how financial literacy influences the financial decisions and financial well-being of people in general. Financial literacy is defined as a collection of financial knowledge, behavior, and attitude (Financial Literacy Theory, Huston, 2010). It is proposed that financial decisions are shaped by the theory of planned behavior (Ajzen, 1991), which posits that financial knowledge affects attitude and intentions. According to Human Capital Theory (Becker, 1964), financial education plays a crucial role in enhancing financial well-being and informed financial decision-making.

Key Variables and Their Relationships

Financial Knowledge: A person's understanding of the fundamentals of finance, such as debt management, retirement planning, investing, saving, and budgeting, can be characterized as financial knowledge. Financial knowledge is the foundation of financial literacy. Additionally, it provides consumers with the information they need to make informed financial decisions. Since financial knowledge shapes people's perceptions and beliefs about money management, it also influences financial attitudes. It also has a direct impact on financial behaviors, as individuals with greater financial intelligence tend to exhibit more responsible financial behaviors.

Financial Attitudes: Financial attitudes refer to the beliefs, perceptions, and emotional reactions a person has towards money and financial management. This encompasses saving attitudes, spending attitudes, risk-taking attitudes, and financial planning attitudes. Financial attitudes are an intermediate of financial knowledge and financial actions. Good financial attitudes, including an inclination towards saving rather than spending or the ability to plan ahead, promote responsible financial behaviors. Financial knowledge affects the formation of financial attitudes and vice versa. Indicatively, a student who has realized the significance of saving (financial knowledge) will tend to adopt a positive attitude towards saving, which will, in turn, drive them to save frequently (financial behavior).

Financial Behaviors: Financial behaviors refer to the activities individuals undertake to manage their financial matters, including budgeting, saving, investing, debt repayment, and retirement planning. Financial habits are the result of financial literacy. They serve as a gauge of how people use their financial literacy and mindset in real-world situations. Both financial attitudes and financial knowledge have a direct influence on financial actions. For example, a student with good financial knowledge and a positive attitude towards budgeting will have a better chance of developing and adhering to a budget.

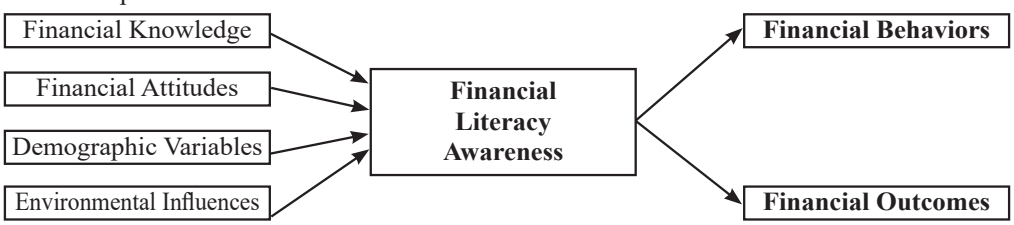
The relationships between these variables can be visualized as follows:

Figure 1: Theoretical Model

Financial knowledge has a direct influence on financial attitudes and behaviors. The financial attitudes mediate the relationship between financial knowledge and financial behaviors. There are some indications that a higher level of financial knowledge can positively impact financial behaviors, but there is no empirical evidence to support this. To illustrate this point, the more financially savvy a user is, the more successful their financial habits tend to be (Fessler et al., 2020).

This model provides an orderly roadmap for educating and applying financial literacy in the lives of Gen Z management students, both personally and professionally. Management students should possess knowledge of key financial management concepts, including cash flow management, investment strategies, and risk assessment, which are essential in both personal finance and business management. Students can be informed to make sound decisions regarding student loans, savings, and investments by developing positive attitudes towards financial planning and risk management. Putting financial knowledge and attitudes into practice in the real world, such as building a budget or starting an investment portfolio, can lead to a long-term, financially healthy, and successful life.

Figure 2: Conceptual Framework



Source: Authors' composition

The independent variables in this research are financial knowledge, financial attitudes, demographic variables, and environmental influences. Financial knowledge can be defined as the understanding of key financial aspects, including budgeting, saving, investing, debt management, and retirement planning. Financial attitudes refer to the perceptions and emotional responses that a person has towards money and money management, including views on saving, spending, and long-term financial planning. Demographic variables, including age, gender, socio-economic status, and cultural background, also play a role, as these factors can significantly influence an individual's level of financial literacy. Additionally, environmental factors such as family financial practices, education level, and the use of digital financial instruments are also identified as possible determinants of financial literacy. It is also postulated that these variables will influence financial behaviors and outcomes through a mediating variable, financial literacy awareness, which indicates the extent to which Gen Z management students are aware and knowledgeable about financial concepts and practices. As a mediating factor, financial literacy awareness is posited to explain the mechanism by which the independent variables influence the dependent variables, which are financial behaviors and financial outcomes. Financial behaviors refer to the concrete financial actions taken by students, such as budgeting, saving, investing, and managing debt. Financial outcomes, on the other hand, denote the measurable consequences of these behaviors, including levels of financial stability, savings, debt, and investment performance.

3. Methods

The research design employed in this study was a quantitative approach, as it was systematically conducted to investigate the level of financial literacy knowledge among management students of Generation Z in Chitwan. We collected the data from undergraduate and postgraduate students between the ages of 18 and 26 years to create a representative sample of the total student population. The study employed a stratified random sampling method to ensure balanced representation among key demographic groups, including age, gender, and socio-economic background.

The data were gathered using a structured survey questionnaire, which was developed to measure various dimensions of financial literacy, including financial knowledge, attitudes, behaviors, and general awareness. The questionnaire was constructed based on validated measurement scales borrowed from previous scholarly research on financial literacy, thereby ensuring the reliability of the questionnaire and consistency with current research practices. The data gathered were subjected to both descriptive and inferential statistics. The general trends and characteristics of the respondents were summarized using descriptive statistics, but further details were provided using inferential techniques. The correlation analysis was performed to determine the strength and direction of the relationships among the major constructs, and the regression analysis was used to identify how the relationships between financial knowledge, attitudes, and environmental factors influenced the forecast of financial behaviors and literacy outcomes.

This type of methodology was specifically chosen to increase the rigor, validity, and applicability of the results. Finally, the design provided valuable and evidence-based information on the determinants of financial literacy, focusing on the most important variables among management students of Generation Z in Chitwan.

4. Results

Demographic Profile of Respondents

Table 1: Demographic Profile of Respondents

Variables/Categories	Frequency	Percentage
Gender		
Male	138	43.4
Female	180	56.6

Age Group		
18-20	132	41.5
21-23	142	44.7
24-26	44	13.8
Current Level of Education		
Postgraduate	49	15.4
Undergraduate	269	84.6
Families' Approximate Annual Income (Rs.)		
Less than 500,000	142	44.7
500,000 to 10,00,000	78	24.5
10,00,000 to 15,00,000	52	16.4
15,00,000 to 20,00,000	18	5.7
Above 20,00,000	28	8.8

Table 1 summarizes the results of this study, which involved a total of 318 respondents. The male and female gender distribution showed that more females (56.6%) than males (43.4%) participated in the survey. Age-wise, most participants were aged between 21 and 23 years (44.7%), followed by those aged between 18 and 20 years (41.5%), and a small number (13.8%) were aged between 24 and 26 years. Most respondents (84.6 percent) were undergraduates, with a smaller proportion (15.4 percent) holding postgraduate education. In terms of family income, 44.7% of the respondents had an annual family income of less than $500,000, and 24.5% were between $ 500,000 and $ 10,000. The percentage of participants with families earning above Rs. 15,00,000 per annum was only 14.5%. These characteristics suggest that the sample size was primarily composed of young undergraduate students from low- to middle-income families.

Table 2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Knowledge (FK)	318	1.00	5.00	3.5887	.76443
Financial Attitudes (FA)	318	1.00	5.00	3.6755	.71299
Demographic Variables (DV)	318	1.00	5.00	3.4226	.77026
Environmental Influences (EI)	318	1.40	5.00	3.3277	.70861
Financial Behaviors (FB)	318	1.00	5.00	3.3654	.79267
Financial Outputs (FO)	318	1.40	5.00	3.3667	.78921

Table 2 presents descriptive statistics of the main variables observed in the research, namely Financial Knowledge (FK), Financial Attitudes (FA), Demographic Variables (DV), Environmental Influences (EI), Financial Behaviors (FB), and Financial Outputs (FO). The variables were rated on a scale of 1-5, and the sample size (N) for all variables was equal (N = 318). Financial Attitudes (M = 3.6755, SD = 0.71299) had the highest mean score among the respondents, indicating that they generally held relatively positive financial attitudes. This was followed by Financial Knowledge (M = 3.5887, SD = 0.76443) and Financial Behaviors (M = 3.3654, SD = 0.79267). Environmental Influences (M = 3.3277, SD = 0.70861) had the lowest meaning, indicating that the perceived influence of external environmental factors on financial decision-making might have been lower. All in all, the standard deviations of all the variables ranged from 0.71 to 0.79, indicating an average level of variance in the participants' responses. These findings imply that, although participants reported high levels of financial knowledge, attitudes, and behaviors, there is variation in the experience or perception of these constructs among the sample.

Inferential Analysis

Measurement Model Analysis

The study evaluated the validity and reliability of six constructs: Financial Knowledge (FK), Financial Attitudes (FA), Demographic Variables (DV), Environmental Influences (EI), Financial Behaviors (FB), and Financial Outputs (FO). The factor loadings ranged from 0.533 to 0.8724, which is an acceptable range. Each of the AVE values was also above 0.50 and for the CR values, the scores ranged from 0.77 to 0.879, which exceeded the 0.70 standard. Because of the limited indicators, Cronbach's alpha ranged from 0.633 to 0.827. Although Dutch et al. (2016) noted that a higher response count would yield a more robust Cronbach's alpha, the AVE and CR values support measurement reliability (Lawaju et al., 2024). Overall, the model satisfactorily met the parameters and will be included in the researchers' structural model.

Table 3: Reliability and Validity

Coding	Loading	AVE	CR	Cronbach's Alpha	VIF
DV1	0.777	0.535	0.851	0.785	1.501
DV2	0.693				
DV3	0.701				
DV5	0.758				
Dv4	0.723				
EI1	0.654	0.404	0.77	0.633	1.754
EI2	0.681				
EI3	0.697				
EI4	0.598				
EI5	0.533				
FA1	0.599	0.514	0.84	0.767	2.289
FA2	0.792				
FA3	0.675				
FA4	0.741				
FA5	0.76				
FB1	0.735	0.516	0.81	0.686	1
FB3	0.753				
FB4	0.709				
FB5	0.673				
FK1	0.846	0.594	0.879	0.827	2.27
FK2	0.793				
FK3	0.769				
FK4	0.666				
FK5	0.769				
FO1	0.675	0.552	0.859	0.793	1
FO2	0.749				
FO3	0.635				
FO4	0.812				
FO5	0.824				

Discriminant Validity

Heterotrait-Monotrait Ratio HTMT

The Heterotrait-Monotrait Ratio of Correlations (HTMT) is a statistical tool used in structural equation modeling (SEM), particularly in variance-based modeling procedures, such as PLS-SEM, to examine discriminant validity. Discriminant validity assesses whether our construct is different from other constructs in the model. Simply put, it demonstrates that we aren't measuring the same construct twice. HTMT is simply calculating the ratio of the correlations between heterotrait correlations (different constructs) and monotrait correlations (same construct). A ratio below 0.85 (though some use 0.90 as a relaxed limit) implies acceptable discriminant validity (Magar et al., 2023). HTMT is a better choice for detecting problematic validity than former methods of examining discriminant validity, such as the Fornell-Larcker criterion or cross-loadings and is the recommended standard practice in contemporary SEM practices (Henseler et al., 2015). In this study, the HTMT value is below the 0.85 threshold value.

Table 4: Heterotrait-Monotrait Ratio (HTMT)

	D	EI	FA	FB	FK	FO
D						
EI	0.69					
FA	0.655	0.74				
FB	0.512	0.817	0.753			
FK	0.551	0.792	0.865	0.777		
FO	0.475	0.735	0.701	0.897	0.664	

Fornell and Larcker Criterion

The Fornell-Larcker criterion as a method for testing discriminant validity, is a means to support the idea that a construct is indeed separate from other constructs in a model. When a construct's square root of the Average Variance Extracted (AVE) from it is higher than its correlations with any other construct, it is said to have discriminant validity. This means that the construct shared more variance with its own indicators than with those of other constructs. In the study, the AVE square roots are for the following constructs: Financial Knowledge (FK), Financial Attitudes (FA), Demographic Variables (DV), Environmental Influences (EI), Financial Behaviors (FB), and Financial Outputs (FO). Therefore, based upon the Fornell-Larcker (1981) criterion, all constructs were distinct, and in other words, the measurement model met the requirement for discriminant validity.

Table 5: Fornell and Larcker Criterion

	D	EI	FA	FB	FK	FO
D	0.731					
EI	0.503	0.636				
FA	0.513	0.562	0.717			
FB	0.385	0.552	0.573	0.718		
FK	0.464	0.586	0.711	0.591	0.771	
FO	0.389	0.533	0.576	0.664	0.545	0.743

Structural Model Analysis

Path analysis is a regression-based approach to explore direct, indirect, and total causal effects between variables in a hypothesized model. This study will be part of the structural model within SEM. Path analysis produces standardized path coefficients, assuming the variables in the model are measured without error, which can be evaluated by t-values or p-values. Path analysis tests the validity of the theoretical framework and can also support causal claims about the relationships in research (Wright, 1934; Kline, 2016; Hair et al., 2019).

Figure 3: Path Analysis

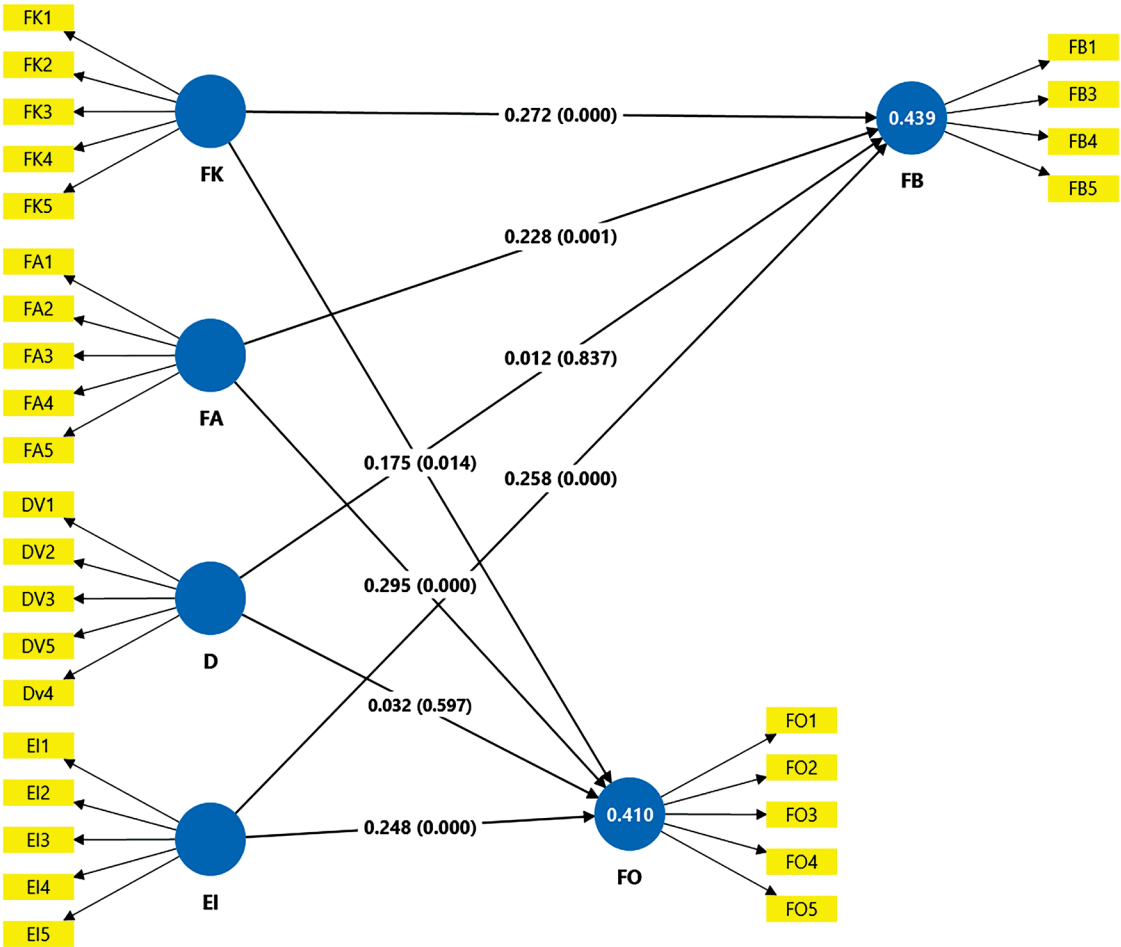


Table 6: Hypothesis Testing

Structural Path	Beta Coefficient	SD	t-value	Confidence level (95%)		Conclusion
				LLCL	ULCI	
D -> FB	0.012	0.06	0.206	-0.103	0.133	0.837
D -> FO	0.032	0.061	0.529	-0.09	0.149	0.597
EI -> FB	0.258	0.061	4.247	0.13	0.372	0
EI -> FO	0.248	0.065	3.845	0.111	0.365	0
FA -> FB	0.228	0.07	3.239	0.087	0.362	0.001
FA -> FO	0.295	0.071	4.131	0.153	0.434	0
FK -> FB	0.272	0.066	4.107	0.143	0.403	0
FK -> FO	0.175	0.071	2.446	0.036	0.314	0.014

Hypothesis testing was conducted using structural equation modeling, with route tracing coefficients, t-values, p-values, and 95% confidence intervals to determine the statistical significance of relationships between the eight direct hypotheses. The p-value, which is below 0.05, and the beta value, which falls

between the lower and upper limit thresholds, are significant, as shown in Table 6. According to the hypothesis testing, six hypotheses show a significant result.

5. Discussion

The research results have shown that financial knowledge, financial attitude, and environmental factors can play a crucial role in determining financial behavior and outcomes in Gen Z management students in Chitwan. The high degree of correlation between financial knowledge and financial attitude confirms the theoretical model by Huston (2010), suggesting that literacy is not just about knowledge, but also about a positive attitude that leads to behavior. Similar to the results of Lusardi and Mitchell (2014), we have found that financial knowledge serves as the cognitive foundation for responsible financial behavior. In contrast, attitudes are an affective process that triggers habitual use. The consistency of the significance of environmental factors also aligns with Bandura's (1977) Social Learning Theory, which states that external conditions, such as family financial habits, peer behavior, and online resources, play a key role in shaping financial behavior.

The regression analysis shows that among the factors, the most important predictor of financial behavior and performance is environmental factors, as compared to knowledge and attitudes. This conclusion aligns with the findings of the OECD (2020), which underscore the role of contextual and cultural conditions in shaping the financial decision-making process, particularly in the digital economy. Gen Z, as digital natives, are particularly vulnerable to the environmental effects of social media, fintech apps, and peer engagement (Deloitte, 2021). Although they offer financial empowerment opportunities, these tools also carry a risk of being misinformed, as observed in previous studies (FINRA, 2022). This paper thus highlights the necessity of designing financial literacy interventions that target not only individuals in the cognitive and affective domains, but also through environmental exposure.

Surprisingly, demographic variables did not have a significant predictive value for financial behaviors and outcomes, despite being significantly correlated with other constructs. This implies that, after controlling for knowledge, attitudes, and environmental factors, there is a possibility that demographic factors, such as gender, income, and age, might not be explanatory factors on their own. The evidence supports the research of other authors, such as Agarwalla et al. (2015), who asserted that access to education and situational factors outlined financial literacy differences more effectively than demographics alone. Hence, the research results can be added to the ever-expanding body of evidence that financial education should be delivered not only based on demographic variations, but on the basis of skills, attitudes, and environmental literacy interventions.

6. Conclusion

The research demonstrates that demographic variables are not as important, whereas the financial behaviors and financial performance of the Chitwan management student population are shaped by financial knowledge, attitudes, and environmental factors to a significant extent. The findings demonstrate a correlation between cognitive, affective, and environmental factors in establishing financial literacy. Outcomes confirm the multidimensionality of financial literacy, as introduced in the 3-Pillar Model (OECD, 2020). We acknowledge that the predictive power of environmental factors is so high that they should be considered in the context of interventions, i.e., their reliance on digital platforms and peer-focused sources of information, which generates Gen Z.

Based on the findings of this research, we recommend that financial literacy programs should be based on both practical financial education and the development of good financial attitudes, as well as the regulation of external pressures. Policymakers and universities, in collaboration with financial institutions, need to strive to provide tailored financial education that transcends the teaching of technical skills, in an effort to navigate the digital and social environment in which Gen Z makes financial decisions. By doing so, future management professionals will be better equipped to work in complex financial structures, promote long-term sustainability, and contribute to Nepal's economic development.

7. Implications

The findings of the study have theoretical and practical implications. Theoretically, the results support the multidimensional approach to financial literacy by demonstrating that financial knowledge, attitude, and environmental aspects are mutually interdependent determinants of financial behavior and performance, thereby validating models such as the 3-Pillar Model of financial literacy and the Social Learning Theory. Practically, such a high level of predictability of environmental factors also highlights the requirement to position situating-specific interventions created by policymakers, educators, and financial institutions that represent the digital and social setting, etc. Gen Z students' generation emphasizes cognitive knowledge, along with the digital and social environment in which they operate. In the case of universities, integrating financial literacy modules into management courses can create technical awareness, as well as foster positive financial attitudes. Additionally, regulators and financial service providers should ensure that there is proper and readily available digital financial data to minimize the risk of misinformation. All these implications suggest that an integrated and context-based approach is necessary to enhance the financial capacity and long-term economic sustainability of Gen Z management students.

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