Financial Literacy: Its Relation to Financial Behavior of the Grade 11 STEM Students of Zamboanga Del Norte National High School Turno Campus

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ABSTRACT

The world is facing extreme financial crisis; prices of commodities are always changing and inflation rate drastically increasing. With this, the paper examined the relationship between financial literacy and financial behavior of randomly selected public senior high school STEM students. The nature of the strand is not focused on financial subjects and an in-depth understanding of this aspect bridges the gap of inculcating young minds the essence of finances at an early age. Financial literacy is indicated in terms of savings and investment, debt behavior and money management while financial behavior is supported by the dual process theory and composed of system 1 or intuitive processing and system 2 or the reflective thinking. Quantitative analysis used weighted mean, one-way analysis of variance (ANOVA), independent t-test, Pearson-r correlation and Spearman's rank-order correlation to analyze the data. Results showed that the level of financial literacy in terms of savings and investment, debt behavior, and money management are high, moderate, and very high with average means of 3.45, 3.35, 4.35, respectively. For financial behavior, the levels in terms of system 1 and system 2 are low and high with an average means of 2.35 and 3.07, respectively. It also showed that sex is a factor that determines financial literacy at .045 significant value. Thus, there is a significant correlation between financial literacy and financial behavior that means financial literacy influences the financial behavior of students and knowledge on finances may or may not affect how they create financial decisions.

Keywords: financial literacy, financial behavior, SHS students