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EXPLORING THE EFFECTS OF FINANCIAL LITERACY ON THE SAVING BEHAVIOUR OF NAMIBIAN FINANCE GRADUATES.

By

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Abstract

This study investigates the impact of financial literacy on the saving behaviour of Namibian finance graduates. The main objective of the study was achieved through the following sub-objectives; to determine the influence of financial literacy on the saving behaviour of Namibian finance graduates, to identify the factors that influence the saving behaviour of Namibian finance graduates and, to determine whether graduates understand the savings products offered by the financial markets. Using a quantitative research approach, data were collected through a questionnaire from forty- one (41) finance graduates who completed their studies at the University of Namibia between April 2022 and April 2023. The sample was selected using the convenience sampling method. The findings reveal that a higher educational level significantly influences both financial literacy and saving behaviour, affecting 56% of respondents. Interest rates were identified as a major factor influencing saving behaviour for 63% of participants, while 51% believed that an increase in income enables higher savings, and 49% considered economic growth to have a positive impact on savings. Furthermore, only 19% of graduates lacked awareness of financial products, indicating that 81% were knowledgeable about the financial products available in the market. Given these findings, the study recommends the development of tailored financial literacy programs that specifically address the needs of Namibian finance graduates. These programs should focus on key areas such as understanding interest rates, income management, and the impact of economic growth on personal finances. It is advised that these initiatives include seminars for recent graduates in entry-level positions to highlight the importance of establishing strong saving habits early in their careers.

1.0 INTRODUCTION

Developing a consistent habit of saving money is crucial for acquiring sound financial skills and ensuring long-term financial stability. Savings significantly influence income equality and consumer opportunities (Attanasio & Székely, 2020). Insufficient savings and poor financial management can lead to financial difficulties, including bankruptcy. To address these issues, financial literacy plays a vital role by providing individuals with the knowledge and tools needed for effective financial management (Gerhard, Gladstone, & Hoffmann, 2018).

Financial literacy is a crucial skill in today's complex financial environment, empowering individuals to manage their personal finances, avoid financial hardships and excessive debt, combat financial exclusion, and encourage saving (Chandran & Chandran, 2018). It enhances people's understanding of the opportunities available in financial markets, enabling them to make informed choices that improve their financial well-being.

Research highlights that low levels of financial literacy contribute to negative outcomes such as rising debt, insufficient savings, poor retirement planning, and suboptimal financial decision-making, all of which can detract from personal and national economic stability (Solomon et al., 2018).

Homan (2019) provides mixed evidence regarding the effectiveness of financial education, pointing out that while some studies show a positive influence of financial literacy on consumer behaviour, others, like Khatun (2018), argue that financial literacy alone may not significantly impact financial decision-making. This indicates a potential gap in how financial literacy is taught and applied, emphasizing the need for more practical and context-specific financial education programs tailored to the unique economic conditions in Namibia.

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2. LITERATURE REVIEW

A comprehensive literature review of this study is funnelled into three stages and the first stage is beneficial to ascertain the current global, regional verses the national state of knowledge and spot any gaps or open questions that require more research. Secondly, the literature reviewed is aligned and stretched with the research sub-objectives of the study which will be discussed at length under component no. 4 below. Thirdly, and finally the review will shed light on the theoretical frameworks that relate to the study.

2.1UNDERSTANDING WHAT FINANCIAL LITERACY ENTAILS

Financial literacy (FL), according to Gore (2018), is defined as having knowledge about personal finances and effectively managing them. It encompasses a combination of knowledge, skills, attitudes, and behaviors necessary to make wise financial decisions and achieve individual financial stability. FL includes understanding financial products (such as savings accounts and fixed deposits), financial concepts (like inflation and credit ratings), and mathematical skills for effective decision-making.

Notably, a substantial 66% of Americans are estimated to lack financial literacy, and in today's society, the importance of financial literacy is heightened due to prevalent issues such as student loans, mortgages, credit cards, investments, and health insurance (Corporate Finance Institute, 2021).

The Namibian Financial Literacy Index gauges Namibians' general understanding of money-related issues and financial behaviour. The index was not created to serve as a simple stand-in for money or other forms of wealth; the poor are not presumed to be inept or incompetent in money management just because they lack access to it (Financial Literacy Initiative, 2018). Money fundamentals, intertemporal transfers of resources between time periods, and protection of existing resources, all involving knowledge and behavioural elements were used as the basis for the Namibian Financial Literacy Index's definition and measurement of financial literacy (Financial Literacy Initiative, 2018).

Comprehending financial concepts and principles, such as financial planning, compound interest, debt management, effective investment strategies, and the time value of money, is integral to achieving financial literacy (Sujaini, 2023).

2.2 UNDERSTANDING WHAT SAVING BEHAVIOUR ENTAILS

The term "saving" has multiple meanings and interpretations. Economically, it refers to the residual income left after deducting current consumption over a specific period (Alekam, 2018; Ariffin, Sulong, & Abdullah, 2019). Saving behavior involves considering future needs, planning to save, and taking action. Additionally, people associate saving with activities such as investing, depositing into retirement funds or bank accounts, and paying off mortgages (Homan, 2019).

2.2.1 THE RELATION BETWEEN FINANCIAL LITERACY AND SAVING BEHAVIOUR

Financial literacy aids in making wise financial decisions, which also facilitates the adoption of contemporary technologies and methods for addressing global demands and needs (Uddin, 2020). For users to make wise decisions, everyone needs to master the fundamentals of financial topics. Peris (2021), discovered that financial literacy directly and significantly influences saving behaviour in a positive way. As a result, policymakers and financial institutions should think about promoting financial literacy among people as a worthwhile strategy when promoting saving because it fosters both saving behaviour and intention (Peris, 2021). The degree of FL was shown to have a large, advantageous effect on individual savings (Uddin, 2020). It was argued that improving financial literacy is crucial since it encourages more savings, which in turn helps to fund investments for economies that are diversifying (Uddin, 2020).

Government and financial institutions should set up financial literacy classes to benefit the general population because they increase saving rates and contribute to the nation's economic progress (Cheng, 2018). In contrast, Garcia and Vila (2020) showed in a field trial with Spanish pension firm employees that greater financial literacy does not always translate into greater savings. It was claimed that nudging is essential since it encourages people to take concrete steps towards conserving money (Garcia & Vila, 2020). Higher financial literacy makes it easier for people to comprehend savings and insurance plans (Uddin, 2020). Highlighting the significance of targeting financial literacy efforts towards college students and recent graduates is crucial, given that they are at a pivotal stage of transitioning into or soon entering the workforce (Ramos-Hernandez, 2020).

2.2.2 THE EXTENT TO WHICH FINANCIAL LITERACY INFLUENCES SAVING BEHAVIOUR WITHIN DEVELOPING COUNTRIES

When compared to its East Asian and Pacific partners, African countries still lag in home reserve funds rates, and if they saved more as a continent, both households and the continent, they would use that money for infrastructure rather than obtaining the money from borrowing from outside (Komen, 2022). The issue of financial literacy has not received much in-depth research in South Africa, according to earlier studies (Matemane, 2018). The black working class in South Africa, historically marginalised under apartheid, faces challenges accessing mainstream economy and banking services (Matemane, 2018). Limited financial knowledge in this group is linked to lower savings and higher debt. Despite commerce degree holders being more financially literate than those without, black South Africans still exhibit lower financial literacy compared to their coloured, Indian, and white counterparts (Matemane, 2018). Meaning financial literacy is a strong predictor of saving behaviours (Matemane, 2018).

In Ghana, a significant portion lacks basic financial literacy, impacting their savings (Bosea *et al.*, 2023). Factors like age, marital status, and gender significantly affect saving

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behaviours, with informal saving prevalent among those with high financial literacy and low schooling levels (Bosea *et al.*, 2023). Financial institutions can enhance financial literacy programs to encourage better financial organisation and promote the importance of saving (Bosea *et al.*, 2023). Recommendations for the Ghanaian government included implementing policies for a strong economy and supportive workplaces to boost income and savings (Bosea *et al.*, 2023).

Global financial exclusion, affecting around 1.7 billion people, is pronounced in South Asia and Sub-Saharan Africa (Lyons *et al.*, 2020). Current financial inclusion programs aim to provide formal financial services to these disadvantaged populations (Lyons *et al.*, 2020). With over 67% of the global population owning smartphones, digital financial literacy is rising, although its impact on financial behaviour remains understudied. Recognising the importance of financial and digital literacy for inclusivity and resilience, it is suggested to redefine traditional financial literacy to include digital literacy (Lyons *et al.*, 2020).

Namibia's financial literacy is influenced by age, gender, geography, formal education, access to television, involvement in household financial decisions, mobile phone accessibility, and membership in a savings club (Jentzsch, 2021). Proposals included developing a national policy on financial literacy in collaboration with the Financial Literacy Initiative, involving various stakeholders and experts (Jentzsch, 2021). Hence, a study is undertaken to explore the effects of financial literacy on the savings of graduates from a national premier Institution of higher learning, the University of Namibia.

2.3 THEORETICAL FRAMEWORKS THAT RELATE TO THE STUDY

Numerous theories definitions and practices as briefly narrated below are related to the study.

As Nickerson (2023) emphasised, social cognitive theory underscores the significance of social context-based learning. Within this theory, humans are viewed as active agents with the capacity to both impact and be influenced by their environment (Nickerson, 2023). Consequently, this approach places greater emphasis on observational learning (Mpaata *et al.*, 2020). Observational learning, or modelling, comprises four interconnected components: attentional processes, retention procedures, reproduction procedures, and motivational processes (Mpaata *et al.*, 2020).

Applying the social cognitive theory, Ali and Marwat (2021) indicate a positive correlation between financial literacy and saving behaviour. This implies that possessing a high financial literacy tends to promote positive saving habits. Financial literacy not only enhances individuals' confidence in making financial decisions but also exerts a beneficial influence on self-efficacy. It has been observed that self-efficacy plays a role in shaping saving behaviour in alignment with the principles of social cognitive theory (Ali & Marwat, 2021). The relationship between financial literacy and saving behaviour is also mediated by self-efficacy (Ali & Marwat, 2021).

Alternative academic models, as proposed by Widjaja *et al.* (2020), illustrate the mediation of financial literacy through saving objectives and attitudes. These models incorporate concepts from the Theory of Planned Behaviour, predictors of financial literacy, and subjective standards to promote frugal behaviour. The Theory of Planned Behaviour, within the context of saving behaviour, elucidates the relationship between financial literacy and arbitrary rules (Widjaja *et al.*, 2020).

Intentions, reflecting the level of effort individuals are willing to exert for a particular behaviour, indicate the motivating elements influencing behaviour (Brookes, 2023). According to the Theory of Planned Behaviour, stronger intentions increase the likelihood of behaviour execution (Brookes, 2023).

Furthermore, the Theory of Planned Behaviour reveals a positive correlation between the behavioural intention to plan for retirement and retirement attitude, perceived behavioural control, and subjective norms (She *et al.*, 2023). The financial behaviour of working adults is also positively correlated with behavioural intention and perceived behavioural control (She *et al.*, 2023).

The self-control theory of crime, as elucidated by Ruhl (2023), contributes to understanding the factors influencing criminal behaviour. According to this theory, individuals who experienced ineffective parenting before age ten are more likely to lack self-control, which refers to the ability to refrain from immediately satisfying behaviours. In contrast, those who experienced effective parenting tend to have better self-control (Ruhl, 2023).

The level of self-control also plays a role in shaping individuals' saving habits, as Petpairote (2023) noted.The first ten years of parenting significantly impact the development of an individual's self-control, as suggested by the self-control theory (Petpairote, 2023).

Given its substantial impact on saving behaviour, the self-control theory has been frequently employed in analysing how people save (Petpairote, 2023). Furthermore, Shan (2021) anticipates that decision-making involves utilising the same resources as active responses and self-control, drawing from a limited-resource paradigm of self-regulation and government performance.

The theory of reasoned action, as described by Nickerson (2023), provides a mathematical model that allows researchers to predict behavioural intentions based on attitudes and subjective norms. According to this theory, the intention to engage in a specific behaviour is shaped by attitudes towards that behaviour, subjective norms considering external social influences, and perceived behavioural control, which relates to the perceived ease of performing the behaviour (Onofrei *et al.*, 2022). This model is versatile and applicable for explaining actions in various contexts.

In summary, the important theoryy that is viewed to have directly relate to the saving habits and financial literacy of finance graduates in Namibia is namely the planned

*Corresponding Author: **Tuwilika Ashipala.**

behaviour. The study employed the theory of planned behaviour, an extension of the theory of reasoned action, to elucidate the reasons behind individuals' behaviours, as highlighted in the corresponding section. Specifically, the study utilised attitude towards behaviour, perceived behavioural control, and subjective norm to explore the influence of financial literacy on the saving habits of finance graduates. The planned behaviour theory helps the study to comprehend how Namibian finance graduates who participated in the study manage their financial literacy and saving behaviours. For finance graduates, the theory of planned behaviour is crucial because it offers a framework for comprehending and forecasting their behavioural intents and actions in the financial sector.

3. RESEARCH METHODOLOGY

3.1 INTRODUCTION

This section, deliberates the research philosophy adopted in this study, focusing on the research methodology— the systematic strategy and methods used to gather, analyse, and interpret data to yield significant findings. Essential components of research methodology, such as research design, instruments, sampling techniques, data analysis methods, and ethical considerations, are discussed.

3.2 Research Philosophy

Research philosophy pertains to the foundational principles of knowledge and the methods through which it is constructed. It involves the fundamental assumptions that guide the research strategy and methodologies (Saunders, Lewis, & Thornhill, 2009:107). This study is grounded in a positivist paradigm, which assumes an objective reality that can be understood and accurately represented.

The choice of a positivist paradigm is justified by its ability to maintain a high level of researcher-objectivity, thereby reducing the potential influence of the researcher on the study's outcomes. Additionally, the positivist approach has proven effective in previous research. For instance, Gustafsson and Omark (2015) employed this approach to examine the relationship between financial risk tolerance and financial literacy among students at Umea University in Sweden.

3.3 Research Approach and Design

This study is quantitative, utilizing an empirical, survey-based, and descriptive research design with a cross-sectional approach. Both primary and secondary data were used.

3.4 POPULATION

The study was only focused on Namibians who have completed a finance-related qualification (certificate, diploma, or degree) from the University of Namibia. This group included employed individuals in the private and public sectors, as well as self-employed individuals. The study only considered a total population of six hundred and nine (609) individuals who graduated between April 2022 and April 2023 (UNAM Alumni Office: 2022, 2023).

3.5 SAMPLE

The convenience sampling method was used in drawing samples from the population. The chosen approach was justified based on its ability to include any graduate from the specified population who could provide the necessary information through the questionnaire. A sample size of 41 graduates was determined using the Slovene's Sampling Formula, considering a population size of 609 graduates and input figures indicating a response distribution of 50%. The sample size was calculated to accommodate a margin of error of 17% and a confidence level of 95%. The derived sample size falls within the range of similar studies, such as the ones conducted by Lai and Tan (2009) and Falahati *et al.* (2011). Therefore, the sample was deemed appropriate, proportionate and adequately large enough for the study.

3.6 RESEARCH INSTRUMENT

Primary data was collected using a survey-based structured questionnaire developed by Lusardi and Mitchell (2006). This instrument has been used in similar research, and it was adapted for this study.

3.7 STUDY PROCEDURE

The study utilised the use of email and internet resources to distribute the questionnaire to the targeted graduates. The researcher collaborated with the University of Namibia Alumni Office to obtain the email addresses of the graduates from their alumni database. The purpose of obtaining these email addresses was strictly for research purposes, ensuring the privacy and confidentiality of the graduates' information.

3.8 DATA ANALYSIS

The researcher employed descriptive statistical analysis tools, including the Statistical Package for the Social Sciences (SPSS) software, which provided calculations for measures such as mean, median, mode, range, and frequency distributions. Microsoft Excel was also used for data analysis. Additionally, the chi-square test was applied to evaluate the goodness-of-fit.

3.9 RELIABILITY AND VALIDITY

To enhance validity of results within the study, the questionnaire was piloted and reviewed by experts on the subject matter. A questionnaire was employed by the researcher as a research tool to ensure that the opinions of the chosen respondents were taken into account in the study's validity assessment. . Within the conducted study, reliability was assessed through the Cronbach's Alpha test to measure consistency in the pilot study results. Thus, necessary corrections were made to ensure accurate and relevant data for the study.

3.10 RESEARCH ETHICS

Research ethics were maintained through informed consent, explaining participant rights, ensuring privacy and confidentiality, conducting research with honesty and transparency and avoiding conflict of interest and biases. The research was conducted with honesty and transparency, avoiding conflicts of interest and biases. The researcher's interactions with all stakeholders were characterized by trustworthiness and integrity.

*Corresponding Author: **Tuwilika Ashipala.**

4. RESULTS AND DISCUSSIONS

4.1 QUANTITATIVE DATA PRESENTATION

Within this section, the researchers systematically present and discusses the study's findings by firstly, aligning them with the chosen quantitative research approach. The quantitative data's interpretation and presentation of this study are depicted by the graphs, tables, and charts as below. Secondly, focus the discussions of the study findings on the study objectives and the related literature reviewed.

The study involved 41 research participants, reflecting the population from which the data was gathered and analysed.

Gender Representation

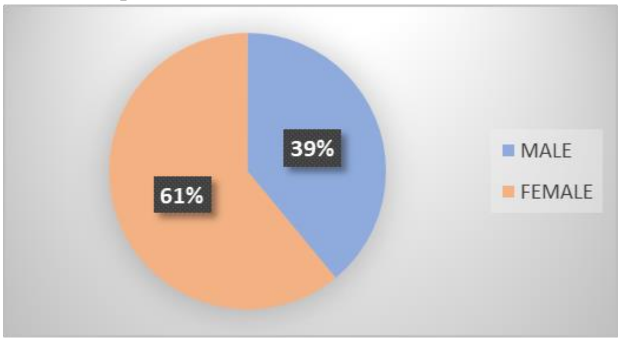

Figure 4.1: Gender representation

Generation by Birth Year

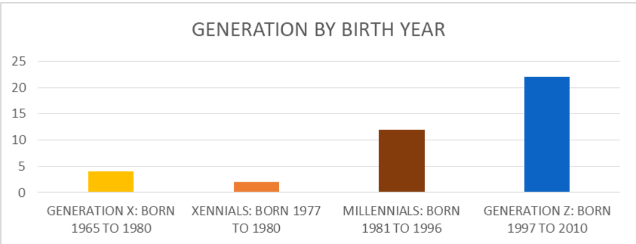

Figure 4.2: Generation by birth year

Highest Educational Qualification

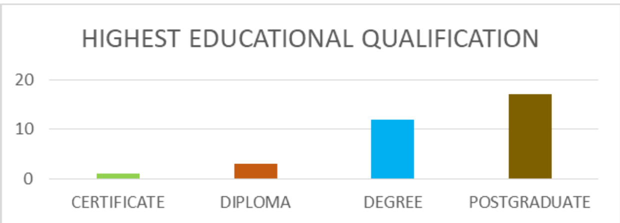

Figure 4.3: Highest Educational Qualification

Population Group

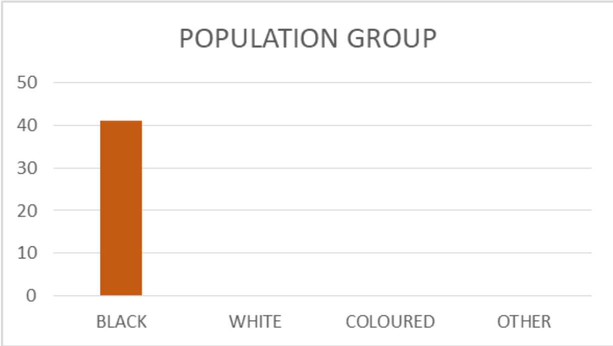

Figure 4.4: Population Group

4.2.5 Employment Status

Figure 4.5: Employment status

Years in Employment

Figure 4.6: Years in Employment

Saving Goal

Figure 4.7: Saving Goal

*Corresponding Author: **Tuwilika Ashipala.**

Saving Goal Category

Figure 4.8: Saving Goal Category

4.2.9 Saving Behaviour Category

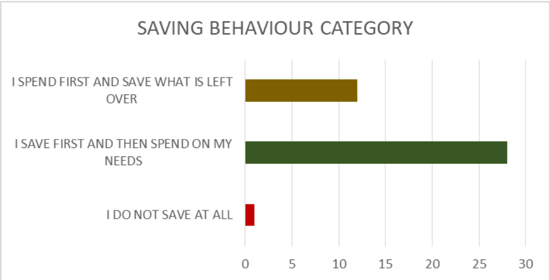

Figure 4.9: Saving Behaviour Category

Income Savings Category

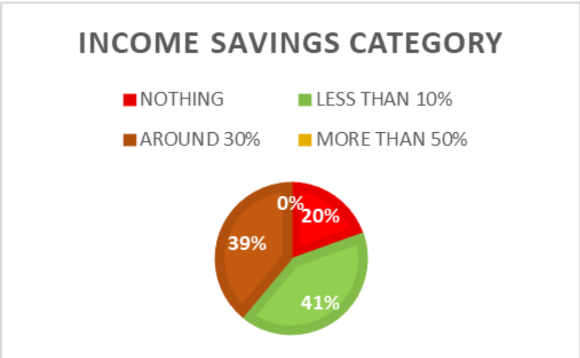

Figure 4.10: Income Savings Category

Reason for not saving

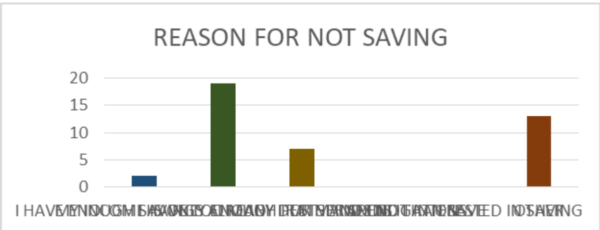

Figure 4.11: Reason for not saving

Management of N$100 000 Cash Inflow

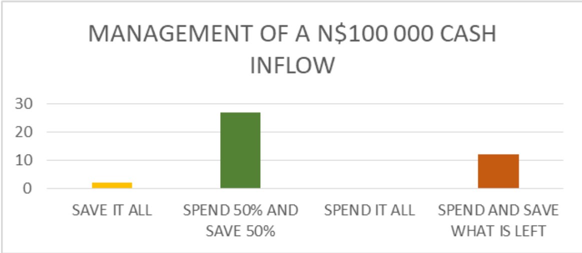

Figure 4.12: Management of N$100 000 Cash Inflow

Emergency Fund in Place

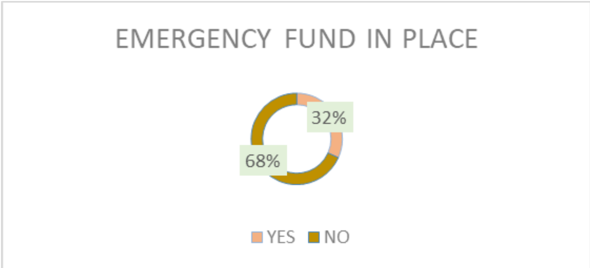

Figure 4.13: Emergency Fund in Place

Savings Instruments Utilised

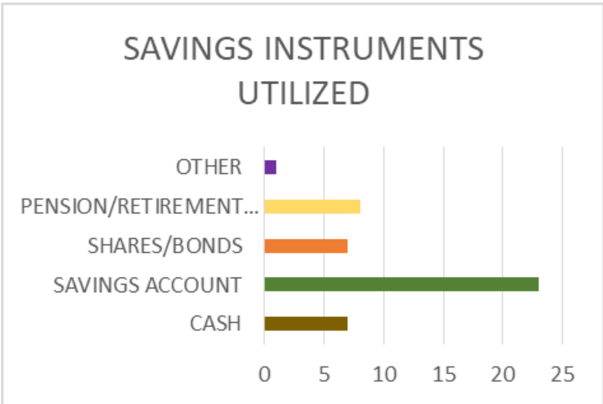

Figure 4.14: Savings Instruments Utilised

4.2 DISCUSSING THE FINDINGS OF THE STUDY IN RELATION TO THE OBJECTIVES OF THE STUDY AND THE LITERATURE REVIEWED

4.2.1 Objective One: Determinants of Financial Literacy Influence on Saving Behaviour

Table 4.1: Determinants of Financial Literacy - Influence on Saving Behaviour

*Corresponding Author: **Tuwilika Ashipala.**

Questions 15 and 16 from the questionnaire were utilised to elicit responses for this purpose, and the results were tabulated in Table 4.1 and 4.2. According to Table 4.1, out of the 41 participants, 23 strongly agreed with the relationship between financial literacy and education level.

Aligning with existing literature, the study found that most Namibian finance graduates linked their strong adherence to saving to financial literacy, while the lack of saving was attributed to the belief that their income is insufficient to meet basic needs. The absence of an emergency fund, observed in 68% of research participants, suggests that lacking such a fund might contribute to a deficiency in financial literacy among Namibian finance graduates.

Regarding the theoretical framework employed, Chapter two states the utilisation of the Theory of Planned Behaviour. According to this theory, financial literacy is positively correlated with attitudes towards retirement, perceptions of behavioural control, subjective standards, and financial behaviour of working-age individuals (She *et al.,* 2023). Consistent with the Theory of Planned Behaviour, 54% of the study's participants, working-age individuals born between 1997 and 2010, exhibit varying perspectives on financial control and behaviour. Applying the theory further, the study revealed that participants were more engaged in saving for emergencies, retirement, and education. Additionally, in line with the Theory of Planned Behaviour, the majority of Namibian finance graduates indicated that they would save 50% and spend 50% of a N$100,000 cash inflow, suggesting that saving aligns with their planned activities.

4.2.2 Objective two: Factors and their Influence on Saving Behaviour

Table 4.2: Factors and their Influence on Saving Behaviour

Factors And Their Influence on saving behaviour				
	Strongly Agree	Neutral	Strongly Disagree	Total
Saving Habits	14	17	10	41
Financial Literacy	21	12	8	41
Parental Socialisation	10	17	14	41
Peer Influence	20	17	4	41
Self-Control	22	11	8	41

Determinants of financial literacy - Influence on saving behaviour				
	Strongly Agree	Neutral	Strongly Disagree	Total
Level of educatio n	23	7	11	41
Income	19	15	7	41
Nature of employm ent	18	14	9	41
Place of employm ent	11	19	11	41

Table 4.3 : Success and Limitations Surrounding the Saving Behaviour

Success and limitations surrounding the saving behaviour				
	Strongly Agree	Neutral	Strongly Disagree	Total
Interest rates	26	10	5	41
Rising income enables higher savings	21	9	11	41
Economic growth	20	17	4	41
The age of individual s	20	12	9	41
Cultural trends	19	19	3	41
Wealth	18	15	8	41
Inflation	21	13	7	41

Referring to Table 4.2, the primary determinants of saving behaviour among Namibian finance graduates were financial literacy, peer influence, and self-control. Specifically, 22 strongly agreed with the self-control factor. These tables provide valuable insights into the factors that participants consider influential in shaping financial literacy and saving behaviour among Namibian finance graduates.

Table 4.3 outlines the achievements and constraints related to saving behaviour. Regarding interest rates, 26 participants strongly agree, 10 participants are neutral, and five people

*Corresponding Author: **Tuwilika Ashipala.**

strongly disagree. Hence, the data on interest rates reveals that a majority of participants strongly agree, indicating that people tend to save more when interest rates are low compared to high. Similarly, on the economic growth component, people are more inclined to save when their surroundings become more developed and have favourable conditions, a robust economy, and a low unemployment rate. Therefore, a majority of participants strongly support economic growth.

The study delved into various factors influencing saving behavior, including interest rates, income distribution, economic growth, inflation, cultural trends, wealth, and individual age. Notably, this study went beyond these factors, suggesting that self-control, peer influence, and financial literacy could all have a direct impact on a person's saving behavior. Therefore, this study has partly supported Pettinger (2021) and Pelayor-Romero (2020) studies that highlighted interest rates as influencing saving behaviors. Additionally, Roser (2021) and Riabi and Mexhuaani (2021) studies that posited that economic growth plays a role, while Fagereng *et al.* (2021) emphasized income distribution as an influencing factor towards financial literacy.

4.2.3 Determining whether graduates understand the savings products offered by the financial markets

In accordance with Gore (2018), financial literacy encompasses understanding financial products (such as savings accounts and fixed deposits), financial concepts (like inflation and credit ratings) and mathematical skills for effective decision-making. The research participants' test on financial products, conducted in alignment with the study, revealed that 13 out of 16 questions were answered correctly, indicating an 81% comprehension rate.

5. LIMITATIONS OF THE STUDY

The study's narrowed focus on specific variables related to financial literacy and saving behaviour, coupled with its cross-sectional design, may hinder establishing causal relationships and understanding of behaviour changes over time. The limitations have been overcome by recommending future research that would conduct longitudinal studies to understand better how changes in financial literacy impact saving behavior over time.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 CONCLUSIONS

The study effectively underscored the significance of the problem statement, revealing that 81% of Namibian finance graduates surveyed were familiar with the financial products offered by the market, and 100% acknowledged the importance of saving. However, despite the universal interest in saving, not all participants were able to save. The research showed that educational level significantly influences financial literacy and saving behaviour (56%), with income also playing a substantial role (46%). Employment factors, such as the nature and location of employment, had a relatively lower impact, with 44% and 27% strongly agreeing, respectively. Financial literacy emerged as a crucial factor for 51% of participants, while parental socialization and peer influence were less significant, with 24% and 49% strongly agreeing, respectively. Self-control was also highlighted as an important factor affecting saving behaviour.

When examining the factors influencing saving behaviour, the study found that interest rates had a strong influence (63%), with 51% of participants believing that rising income facilitates higher savings, and 49% recognizing economic growth as influential. The impact of age and cultural trends was lower, with 49% and 46% strongly agreeing, respectively. Wealth and inflation were also seen as factors, with 44% and 51% of participants identifying their influence.Furthermore, the study pinpointed self-control, peer influence, and financial literacy as key variables affecting the saving habits of Namibian finance graduates. It is worth noting that the figures for participants who strongly disagreed or were unsure about each factor did not exceed those who strongly agreed, emphasizing the central role of education, income, and employment factors in promoting financial literacy and saving behaviour. Despite the strong correlation between financial literacy and saving behaviour, it is concerning that some participants neither currently save nor plan to do so in the near future.

Namibia faces significant economic challenges, including the lingering impacts of COVID-19, high youth unemployment, and rising costs of living. These economic pressures were evident among the study participants, many of whom struggled to save as their income barely covered basic necessities. In light of the increasing cost of living, the study found that most Namibian finance graduates save less than 10% of their income.

The focus on UNAM's finance graduates was strategic, given its role as the leading institution producing finance professionals in Namibia. The demographic profile of the study participants was entirely black, reflecting the majority student composition at UNAM. A critical gap identified was the lack of adequate knowledge among Namibian finance graduates to fully understand the relationship between financial literacy and saving behaviour. According to Gore (2018), financial literacy encompasses understanding financial products, financial concepts, and the mathematical skills necessary for sound financial decision-making. In the study, participants demonstrated an 81% comprehension rate of financial products, with 13 out of 16 questions answered correctly.

6.2 RECOMMENDATIONS

Develop and implement financial literacy programs tailored specifically for Namibian finance graduates, focusing on practical aspects of financial management such as budgeting, investment strategies, and savings. To enhance these programs, local universities like the University of Namibia (UNAM) and the Namibia University of Science and Technology (NUST) can collaborate to integrate them into their curricula. Additionally, partnerships with Namibian financial institutions, including commercial banks and the

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Namibia Financial Institutions Supervisory Authority (NAMFISA), can provide real-world insights and resources. These collaborations would allow for the use of local case studies and examples relevant to the Namibian economic environment.

6.2.1RECOMMENDATIONS FOR FURTHER STUDIES

In conclusion, the study suggests further research, building upon the recommendations. For instance, there is a need to broaden the study's scope to investigate the financial literacy and saving behaviour of finance graduates from various Namibian tertiary institutions. This expansion could provide a more comprehensive understanding of the effects of financial literacy on savings behaviour within the Namibian context.

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