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Money Matters: The Power of Financial Literacy on University Student Spending Decisions

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ABSTRACT

As university students navigate the transition to financial independence, they face a new set of challenges in managing limited resources. Financial literacy becomes essential to making informed decisions about budgeting, saving, and spending. This study explores the impact of financial literacy on university students' spending decisions, examining how key factors such as financial education, social media exposure, and peer influence shape their financial behaviors. With increasing access to financial products and services, young adults are confronted with complex financial choices that require a solid understanding of financial principles. However, without sufficient financial literacy, students are at risk of poor financial decision-making, debt accumulation, and financial insecurity. Using a survey of 150 university students, the findings highlight the significant role of financial literacy and financial behavior as a mediator, with financial education, social media exposure, and peer influence directly impacting financial literacy and behavior. Notably, financial behavior and financial literacy significantly predict financial decision-making, emphasizing the need for targeted interventions. The findings reveal the importance of equipping students with practical financial education programs and tools that enhance literacy and enhance informed decision-making.

Keywords: Financial Behavior; Financial Education; Financial Literacy; Peer Influence; Social Media Exposure; Spending Decisions; University Students

INTRODUCTION

In the digital era, university students are increasingly exposed to a vast array of financial products, advertisements, and market trends, all of which significantly shape their spending habits. Social media and peer influence play a major role in shaping students' financial behavior, as they frequently look to their peers for guidance and validation in financial decision-making. Peer influence is particularly impactful, as students often emulate the spending patterns and financial decisions of their social circles (Shim et al., 2010). Likewise, social media platforms, which are saturated with advertisements, financial advice, and influencer-driven content, actively shape students' perceptions of spending and saving (Xiao et al., 2009). However, without adequate financial literacy, students may struggle to critically assess these influences, potentially leading to financial insecurity and poor money management.

Financial literacy has increasingly emerged as a crucial skill for university students, who often manage limited financial resources derived from allowances, scholarships, or part-time jobs. As they work toward financial independence, students encounter challenges such as budgeting, saving, and making informed spending decisions. Kee et al. (2023c) emphasized that financial resources play a key role in enabling firms to embark on their journey toward Industry 4.0. Similarly, Kee and Anwar (2024) highlighted the importance of financial literacy in helping students avoid financial pitfalls such as excessive debt and impulsive spending, thereby fostering greater financial stability and confidence. Developing financial literacy skills is essential for students as they transition into managing their personal finances independently.

Furthermore, financial technology (fintech) services play an increasingly significant role in promoting financial inclusion, reinforcing the need for accessible financial education and digital tools to support informed financial decision-making (Liang et al., 2024). This study explores the interplay between financial literacy, social media exposure, and peer influence in shaping students' financial behavior. It examines cognitive and behavioral responses, knowledge acquisition, and attitudes toward spending to better understand the motivations driving students' financial decisions. For instance, while many students aspire to make responsible financial choices, they often find it challenging to resist impulsive spending influenced by social media trends and peer pressure. The findings of this study can serve as a valuable resource for universities and policymakers in designing effective financial literacy programs that equip students with the necessary tools to cultivate sound financial habits from an early stage. As Serido et al. (2013) suggest, targeted financial education initiatives have the potential to empower students to make better financial decisions, ultimately contributing to their long-term financial security and overall well-being.

LITERATURE REVIEW

Factors that Influence Financial Literacy and Financial Behavior

This study identifies three key factors that influence financial literacy and financial behavior: financial education, social media exposure, and peer influence.

Financial Education

By enhancing financial literacy and promoting responsible financial behavior, financial education equips individuals with the essential knowledge and skills needed to effectively manage their personal finances. This education can be acquired through formal channels, such as university courses and structured training programs, or through informal methods, including workshops, online resources, and self-directed learning. Research has demonstrated that students who receive formal financial education,

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particularly through university programs, experience significant long-term benefits. These advantages include heightened financial literacy, the development of responsible financial behavior, and improved decision-making capabilities (Mandell & Klein, 2009). Programs designed to teach practical financial skills, such as budgeting, saving, and debt management, have been shown to substantially enhance students' financial decision-making abilities and overall financial behavior (Lusardi & Mitchell, 2014).

Similarly, studies conducted by Kee et al. (2023b; 2023c) emphasize the critical role of structured, high-quality educational programs in fostering essential skills that not only improve financial literacy but also enhance employability. These findings reinforce the argument that well-designed financial education courses contribute to students' perceived employability while also equipping them with transferable skills applicable to financial management and informed decision-making. Most university students gain exposure to formal financial education during their academic journey, which positively influences their financial awareness, literacy, and behavior. The effectiveness of financial education largely depends on the quality of course content and delivery, as discussed by Kee et al. (2023a; 2023b). The structure, depth, and clarity of financial education programs play a crucial role in shaping students' ability to apply financial concepts in real-world scenarios.

Building upon prior research, this study examines the relationships between financial education and key financial outcomes, including financial literacy, financial behavior, and financial decision-making among university students. Given the established importance of financial education in shaping students' financial competence, the following hypotheses are proposed:

H1: Financial education is positively associated with financial literacy among university students.
H4: Financial education is positively associated with financial behavior among university students.
H7: Financial education is positively associated with financial decision-making among university students.

Social Media Exposure
Social media exposure refers to the amount of time individuals spend engaging with platforms such as Instagram, TikTok, or YouTube, where they encounter various forms of financial information, advertisements, emerging market trends, and peer-generated content. For university students, social media serves as a significant source of financial knowledge, offering access to educational resources that aid in the development and enhancement of financial literacy (Chock & Chin, 2024). Through these platforms, students can easily explore a wide range of financial tools and resources, including budgeting tips, investment strategies, and peer discussions, all collectively contributing to improved financial decision-making and responsible financial behavior.

However, the influence of social media is not entirely positive. While it facilitates financial learning, it also promotes materialistic tendencies through influencer marketing, targeted advertisements, and peer pressure, which may encourage impulsive spending. Studies have highlighted that excessive social media usage is often associated with increased materialism and impulsive purchasing behaviors, particularly among younger audiences who are more susceptible to digital marketing strategies and social comparisons (Jameel et al., 2024). This dual effect underscores the importance of critically evaluating financial content encountered on social media, as not all information is accurate, reliable, or beneficial for financial well-being.

Several studies align with these findings. For instance, Lok et al. (2024) demonstrate how social media significantly shapes consumer behavior, while Kee et al. (2022) highlight the psychological effects of social media, including its role in cyberbullying during the COVID-19 pandemic. Furthermore, Anwar et al. (2022a; 2022b) discuss how exposure to social media news influences behavior, with psychological well-being and depression acting as mediating factors. Additionally, research by Teh & Kee (2021) and Teh et al. (2021) reveals that social media contributes to open innovation among SMEs, influencing performance and strategic decision-making. These insights further reinforce the complexity of social media's impact on financial literacy and behavior, particularly among university students.

Building upon these perspectives, this study examines the relationship between social media exposure and university students' financial literacy, financial behavior, and financial decision-making. Given the substantial role of social media in shaping financial attitudes and behaviors, the following hypotheses are proposed:

H2: Social media exposure is positively associated with financial literacy among university students.
H5: Social media exposure is positively associated with financial behavior among university students.
H8: Social media exposure is positively associated with financial decision-making among university students.

Peer Influence

University students' financial literacy and behavior are significantly shaped by peer influence, which plays a crucial role in their financial decision-making process. Peer influence affects spending habits directly and financial decision-making indirectly, as students often make impulsive purchases when surrounded by peers, sometimes without fully considering their financial literacy or long-term financial well-being (Cude et al., 2006). The social environment in which students interact can either reinforce responsible financial behavior or encourage excessive spending, depending on the prevailing attitudes within their peer groups.

Beyond impulsive spending, peer influence can also foster positive financial habits. Many individuals are significantly influenced by their family members or close friends before making purchasing decisions, highlighting the importance of social networks in shaping financial behaviors (Shah & Ashgar, 2023). Students who are part of financially responsible peer groups are more likely to develop sound financial practices, such as budgeting, saving, and making informed spending choices (Pinto et al., 2017). Exposure to responsible financial behavior within their social circles can motivate students to cultivate financial discipline, reinforcing the idea that financial literacy is not only an individual skill but also a socially influenced one.

In summary, financial literacy and behavior are influenced by a complex interplay of interconnected factors, including peer influence, financial education, and exposure to financial information through various media. Understanding these influences is essential for designing effective interventions that enhance financial skills and encourage responsible financial behavior among university students. Given the significance of peer influence in shaping financial attitudes and actions, this study hypothesizes the following:

H3: Peer influence is positively associated with financial literacy among university students.
H6: Peer influence is positively associated with financial behavior among university students.

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H9: Peer influence is positively associated with financial decision-making among university students.

Financial Literacy

The cognitive understanding of financial components and essential skills, including budgeting, saving, borrowing, and managing personal financial information, plays a crucial role in shaping an individual's financial behavior. Numerous studies indicate that financial literacy significantly influences students' spending decisions, highlighting the importance of financial knowledge in everyday financial management. The greater an individual's financial literacy, the better equipped they are to make informed and responsible financial choices, ultimately leading to improved financial well-being.

Furthermore, individuals with higher financial literacy possess a deeper understanding of financial issues, allowing them to make prudent financial decisions that align with their financial goals. Financially literate individuals are more capable of assessing financial risks, planning their expenditures wisely, and managing their resources efficiently. According to Lusardi and Tufano (2015), financial literacy directly influences students' ability to budget effectively, cultivate saving habits, and avoid excessive debt, thereby promoting financial stability. As students acquire greater financial knowledge through formal financial education, they are more likely to develop sound financial decision-making skills and adopt responsible financial behaviors (Ahmad et al., 2024).

Conversely, students with limited financial literacy are more prone to making poor financial decisions, which may result in financial difficulties, excessive debt, and impulsive spending habits. Research by Chen (1998) suggests that students with lower financial literacy levels tend to make significantly worse financial decisions than those with higher financial knowledge. Given the critical role of financial literacy in shaping financial decision-making, this study hypothesizes the following:

H10: Financial literacy is positively associated with financial decision-making among university students.

Financial Behavior

The term "financial behavior" refers to how individuals manage their money, make financial decisions, and handle financial challenges. According to Xiao (2008), financial behavior encompasses human actions related to money management, including activities such as creating a budget before making purchases, tracking monthly expenses, and setting financial goals for saving. Effective financial behavior is essential for maintaining financial stability and achieving long-term financial success.

There are multiple aspects of financial behavior, including the management of cash, credit, and debit, as highlighted by Shim et al. (2010). Individuals who develop strong financial habits are more likely to engage in sound financial practices, such as participating in stock markets and making prudent financial decisions (Raghvendra & Saxena, 2024). The financial behaviors learned during university years can significantly influence students' future financial decision-making and long-term financial well-being (Shim et al., 2010).

Price sensitivity is another critical factor influencing students' financial behavior. Research by Ali et al. (2021) suggests that price considerations play a major role in students' purchasing decisions, such as whether they choose to dine at a restaurant or seek more budget-friendly alternatives. This indicates that financial behavior manifests in daily decision-making, reflecting students' ability to manage their financial resources wisely.

However, not all university students have full control over their consumption habits, and many struggle with budgeting issues, often exceeding their financial limits each month. Poor financial behavior can lead to financial distress, highlighting the importance of fostering responsible financial habits. Financial behavior plays a crucial role in determining overall financial well-being, reinforcing the significance of sound financial decision-making (Brüggen et al., 2017).

Given the impact of financial behavior on financial decision-making, this study hypothesizes the following:

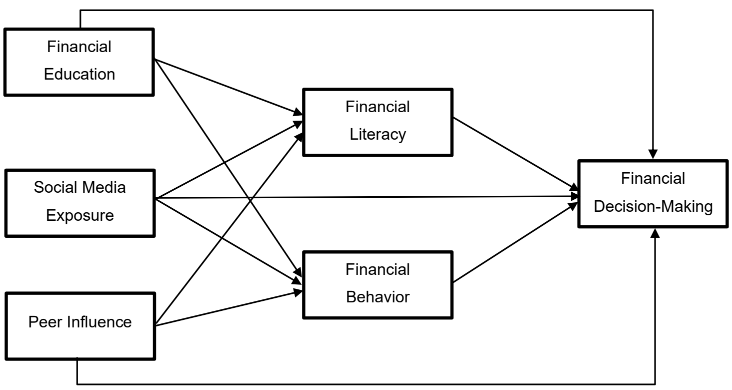
H11: Financial behavior is positively associated with financial decision-making among university students.

Financial Decision-Making
Financial decision-making is a critical aspect of both personal and business financial management. It involves making informed choices from a range of available options to achieve specific financial goals. Whether it pertains to investing, budgeting, or managing expenses, every financial decision has a direct impact on long-term financial stability and growth. Effective financial decision-making requires careful consideration of various influencing factors to ensure optimal financial outcomes.

Several key factors influence financial decision-making, including financial education, social media exposure, peer influence, financial literacy, and financial behavior. These factors shape individuals' financial knowledge, perceptions, and habits, ultimately affecting their ability to make sound financial choices. For university students, financial decision-making is particularly crucial, as they must navigate financial products, assess risks, and consider the long-term implications of their spending and investment choices. The ability to research financial products, compare alternatives, and evaluate potential outcomes plays a vital role in shaping students' financial independence and security.

Figure 1 presents the proposed research model, illustrating the relationships between these factors and their impact on students' financial decision-making.

Figure 1. Research Framework



RESEARCH METHOD

A quantitative research methodology was employed to collect data. An online survey using Google Forms was distributed to 150 students from Malaysian universities, utilizing a five-point Likert scale. All survey items were newly developed by the research group

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for this study. Each variable was measured using four items designed to assess the impact of financial literacy on university students' spending decisions.

Financial education was assessed using four items, with a sample item stating, "My university offers courses or programs that cover financial literacy topics." The Cronbach's alpha for this construct was 0.861. Social media exposure was measured using four items, such as "Social media has helped me understand financial products and services," with a Cronbach's alpha of 0.816. Peer influence was examined using four items to determine its effect on financial literacy, financial behavior, and financial decision-making, with a sample item stating, "I consider my friends' advice when making financial decisions." The Cronbach's alpha for this construct was 0.875. Financial literacy was measured using four items assessing students' understanding of financial concepts when making decisions. A sample item is, "I understand the basic concepts of budgeting, saving, and debt management," with a Cronbach's alpha of 0.808. Financial behavior was assessed using four items, such as "I track my monthly expenses," with a Cronbach's alpha of 0.822. Financial decision-making, as the dependent variable, was measured using four items capturing key factors influencing students' financial decisions, including the sample item, "I feel confident in my ability to make financial decisions." The Cronbach's alpha for this construct was 0.835.

RESULTS

Table 1. Summary of Respondent's Demography (N=150)

Response	Frequency	Percentage (%)
Age group		
18 - 20 years old	59	39.33
21 - 25 years old	85	56.67
26 - 30 years old	3	2
31 - 35 years old	1	0.67
36 - 40 years old	2	1.33
41 - 45 years old	0	0
46 - 50 years old	0	0
Gender		
Female	90	60
Male	60	40
Ethnicity		
Chinese	118	78.67
Indian	18	12
Malay	14	9.33
Year of Study		
1st year	44	29.33
2nd year	80	53.33
3rd year	18	12
4th year	6	4
Other	2	1.4

Table 1 summarizes the demographic details of the 150 respondents, categorized by age, gender, ethnicity, and year of study. The majority of respondents (56.67%) are aged 21 to 25, followed by 18 to 20 years old (39.33%), with smaller percentages in the 26 to 30 years old (2%), 31 to 35 years old (0.67%), and 36 to 40 years old (1.33%), and none in the age groups range of 41-25 and 46 to 50 years old. Females constitute 60% of the sample. In terms of ethnicity, the majority are Chinese (78.67%), followed by Indian (12%) and Malay (9.33%). Most respondents are 2nd-year students (53.33%), followed by 1st-year students (29.33%), 3rd-year students (12%), and 4th-year students (4%), with 1.4% in the “Other” category, representing those who are currently working. This demographic breakdown highlights a predominantly young, female, and Chinese respondent base, with most participants in their second year of study.

Table 2. Descriptive Statistics, Cronbach Coefficients Alpha, and Zero-Order Correlations for All Study Variables

	Variable	1	2	3	4	5	6
1	Financial Education	0.860					
2	Social Media Exposure	0.475**	0.812				
3	Peer Influence	0.509**	0.550**	0.874			
4	Financial Literacy	0.447**	0.528**	0.509**	0.807		
5	Financial Behavior	0.469**	0.490**	0.571**	0.582**	0.822	
6	Financial Decision-Making	0.448**	0.467**	0.522**	0.685**	0.636**	0.833
Mean		3.9800	3.9100	3.6200	4.2333	3.9983	4.0900
Standard Deviation		0.81075	0.77572	0.92401	0.61896	0.80085	0.68681

Note: N=150; *p < 0.05, **p < 0.01; ***p < 0.001. The diagonal entries represent Cronbach’s Coefficient Alpha.

Table 2 presents the descriptive statistics, reliability statistics, and correlation analysis conducted in this study. The data is categorized into several key factors: financial education (α = 0.860), social media exposure (α = 0.812), peer influence (α = 0.874), financial literacy (α = 0.807), financial behavior (α = 0.822), and financial decision-making (α = 0.833). The reliability of these variables was evaluated using Cronbach’s alpha, with values ranging from 0.807 to 0.874, indicating strong internal consistency across all constructs.

Additionally, the table highlights the correlations among these variables, with significant correlations denoted by ** ($p < 0.01$). For instance, financial literacy demonstrates a moderate positive correlation with peer influence ($r = 0.509$) and a stronger correlation with financial behavior ($r = 0.685$). Similarly, social media exposure is positively associated with financial decision-making ($r = 0.448$), suggesting that greater exposure to financial content on social media platforms may influence students’ decision-making processes.

Furthermore, the table provides the mean and standard deviation values for each variable, summarizing participants’ responses. Among the measured constructs, financial decision-making exhibits the highest mean score ($M = 4.09$) with a standard deviation (SD) of 0.68681, indicating consistency in responses. Conversely, social media exposure displays the greatest variation, with an SD of 0.92401, suggesting a wider range of experiences and engagement levels among respondents.

Table 3. Regression Analysis

	Variables	Financial Decision-Making	Financial Literacy	Financial Behavior
1	Financial Education	0.064	0.172*	0.188*
2	Social media Exposure	0.013	0.308***	0.199*
3	Peer Influence	0.095	0.252**	0.366***
4	Financial Literacy	0.430***		

5	Financial Behavior	0.295***		
R^2		0.566	0.368	0.395
F value		37.600	28.279	31.742
Durbin-Watson Statistic		2.005	1.872	1.852

Note: N=150; *p < 0.05, **p < 0.01, ***p < 0.001.

Table 3 presents the regression analysis results, illustrating the relationships among the study variables. The analysis reveals that financial education has a significant positive relationship with financial literacy, with a beta value of 0.172, which is below the p-value threshold of 0.05, thus supporting H1. Similarly, social media exposure exhibits a strong and significant positive relationship with financial literacy, with a beta value of 0.308, which is less than the p-value of 0.001, thereby supporting H2. Furthermore, peer influence has a significant positive effect on financial literacy, with a beta value of 0.252 ($p < 0.01$), supporting H3.

The results further indicate that financial education significantly and positively impacts financial behavior, with a beta value of 0.188 ($p < 0.05$), supporting H4. Additionally, social media exposure also demonstrates a significant positive relationship with financial behavior, with a beta value of 0.199 ($p < 0.05$), supporting H5. Moreover, peer influence emerges as a strong and significant determinant of financial behavior, with a beta value of 0.366 ($p < 0.001$), thereby supporting H6.

However, financial education does not exhibit a significant relationship with financial decision-making, as indicated by a beta value of 0.064, leading to the rejection of H7. Similarly, social media exposure does not significantly influence financial decision-making, with a beta value of 0.013, resulting in the rejection of H8. Likewise, peer influence does not have a significant effect on financial decision-making, with a beta value of 0.095, leading to the rejection of H9. In contrast, financial literacy demonstrates a strong and significant relationship with financial decision-making, with a beta value of 0.430 ($p < 0.001$), supporting H10. Lastly, financial behavior is found to significantly and positively influence financial decision-making, with a beta value of 0.295 ($p < 0.001$), supporting H11.

The model explains 56.6% of the variance in financial decision-making ($R^2 = 0.566$), 36.8% of the variance in financial literacy ($R^2 = 0.368$), and 39.5% of the variance in financial behavior ($R^2 = 0.395$), indicating strong explanatory power. The significant F-values across all models confirm their validity, while Durbin-Watson statistics close to 2 suggest no autocorrelation issues, further reinforcing the reliability of the regression results.

In conclusion, the regression analysis supports 8 out of the 11 proposed hypotheses. The findings highlight that financial literacy ($\beta = 0.430$) is the strongest predictor of financial decision-making, making it the most influential factor among all variables examined in this study. Additionally, peer influence emerges as the most significant contributor to financial behavior ($\beta = 0.366$), exerting a greater impact than financial education and social media exposure.

For the hypotheses that were not supported, the results indicate that financial education ($\beta = 0.064$), social media exposure ($\beta = 0.013$), and peer influence ($\beta = 0.095$) do not significantly predict financial decision-making. These findings suggest that while these factors may have an indirect influence through mediating variables such as financial literacy and financial behavior, they do not directly impact financial decision-making. This underscores the crucial role of mediators in converting the effects of financial education, social media exposure, and peer influence into practical financial decision-making

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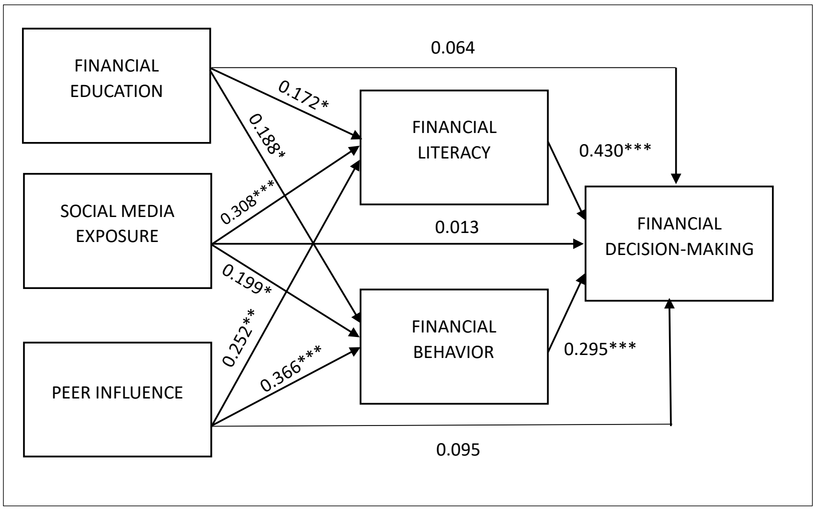
processes. Future research should explore these indirect pathways further to gain deeper insights into the mechanisms through which financial knowledge and behaviors shape financial decision-making outcomes.

The key findings are summarized in Figure 2.

Figure 2. Key Findings



DISCUSSION

The study's positive beta values demonstrate the importance of financial literacy in helping university students to make spending decisions. The study indicates that financial literacy significantly influences university students' spending decisions, as supported by their positive beta values (Shim et al., 2010). In addition, better financial literacy increases students' confidence in making wiser spending decisions and, therefore, requires strong financial management skills (Xiao et al., 2009). Financial education in university curricula is justified by the result, as it enables students to make informed decisions in the increasingly complex financial world. In addition to learning how to assess their spending, students learn how and when to build long-term financial plans. By teaching students such abilities early on, universities can significantly impact their financial future.

Furthermore, the findings emphasize the significance of social influences in shaping financial behaviors. Peer influence emerges as a substantial factor, highlighting the role of social networks in affecting financial decision-making processes (Shim et al., 2010). Students often rely on advice and behaviors exhibited by their peers, which reinforces the importance of fostering a culture of financial responsibility (Kuo & Tsai, 1986). By understanding the dynamics of peer influence, educational institutions and policymakers can design targeted interventions, such as peer-led financial literacy workshops, to create positive ripple effects within student communities. These initiatives can help reduce impulsive spending patterns, usually brought about by peer pressure, and promote healthier financial habits.

Interestingly, financial education also showed a strong correlation with improved financial behaviors. Structured financial education programs enable students to develop essential skills and knowledge, equipping them to navigate financial challenges effectively (Serido et al., 2013). The integration of such programs within university curricula could serve as a strategic initiative to empower students. This finding suggests the necessity of designing financial education initiatives that are not only comprehensive but also accessible and engaging. For example, incorporating gamification and real-world financial modeling could make learning more active, placing students in the driver's seat of using their newly acquired knowledge. Over time, these efforts would eventually create a financially informed, responsible student body that positively impacts not only the academic world but broader societal outcomes as well.

However, certain limitations need to be acknowledged. While financial literacy and education demonstrate significant positive impacts, other potential factors, such as socioeconomic background and psychological factors, were not deeply explored in this study (Hayes & Lin, 1994). Moreover, the study used self-reported data, which could introduce biases into the results. By using more diverse samples and longitudinal techniques to monitor changes over time, future research could build on these findings. By addressing these limitations, other variables could be found that influence financial behavior, hence giving a broader understanding of the subject. For instance, one might use psychometric measures or qualitative interviews to reach a deeper understanding of the emotional and cognitive drivers of students' financial decisions.

Apart from financial literacy and education, technological proficiency seems to emerge as a critical factor affecting financial behaviors. The emergence of fintech solutions and mobile applications has influenced students' reliance on digital tools for managing their finances (Lusardi & Tufano, 2015). These platforms simplify budgeting, track spending in real time, and offer personalized financial advice, thus promoting a disciplined approach to money management (Chen, 1998). However, disparities in access to technology and digital literacy levels create a gap that needs to be bridged through targeted educational initiatives. Collaborative efforts involving universities, fintech companies, and policymakers can ensure equitable access to these tools, thereby enhancing financial inclusion (Huston, 2010). Such advancements not only align with modern financial practices but also prepare students to adapt to the dynamic nature of global economic systems (Lusardi et al., 2010).

In summary, this study highlights the critical roles of financial literacy, education, and peer influence in shaping the financial behaviors of university students. These results suggest useful implications for policymakers, educators, and financial institutions aiming to improve financial well-being among young adults (Mehmood & Najmi, 2017). By prioritizing the integration of financial education and leveraging peer dynamics, stakeholders can create supportive environments that foster financial competence and security. This approach would not only be beneficial for students during their academic years but also would train them for lifelong financial independence and success. In the time of constantly changing financial technologies, preparing the students to adapt to the emerging challenges becomes all the more relevant. This requires continuous innovation and collaboration by institutions of higher learning to meet the diverse needs of students for the greater good of a financially stable and capable society.

CONCLUSION

This study examines the effects of financial education, literacy, behavior, and peer interaction on financial decision-making. In the regression analysis, it is deduced that financial literacy, with a β of 0.430, was the strongest predictor of financial decision-making, followed by financial behavior, with a β of 0.295. These results indicate that financial knowledge will enable an individual to make responsible decisions. However, financial literacy does not operate in isolation; peer influence, represented by β = 0.366, is also influential, especially on issues such as spending, saving, and budgeting, in which students usually take advice from friends and peers.

This also deals with the impact of social media on financial literacy. While social media exposure has a moderate effect on financial literacy with β = 0.308, the direct effect of social media exposure on financial decision-making is minimal, β = 0.013. This implies that while students are exposed to a lot of financial information online, they hardly convert this knowledge into practical financial decisions. This gap can only be bridged if social media platforms start evolving to offer more practical and relatable financial advice. These platforms could do more in using real-life case studies, tips on budgeting, and other actionable strategies to show exactly how to apply the knowledge of finance in a real-world scenario. This way, financial education will not be only more accessible but relevant for students' lives as well, granting them the power to make good decisions about money.

Based on these findings, several strategies can be implemented to improve financial decision-making among students. Universities should further enhance financial education programs by incorporating more interactive and practical learning experiences. For example, financial literacy courses can include simulations, real-world financial modeling, and role-playing, thus providing students with an active platform for applying financial concepts. Moreover, financial education should be integrated into various academic disciplines so that every student, regardless of their major, will acquire the necessary knowledge of finance early in their college years.

This would be a good way of establishing a strong foundation for financial capability across various contexts. This represents a potential role for higher education institutions in providing peer-based financial education programs. Financially knowledgeable students can be trained to mentor their peers; this is a way the institution can harness the influence of peers to create a responsible culture towards finance. In such programs, financial knowledge can be imparted through peer discussion groups and workshops, along with the promotion of responsible money management behavior. Besides, there is social learning, whereby students share ideas and experiences on financial management, thereby making financial education entertaining and effective. Another key strategy is the utilization of social media for financial education. Universities and financial institutions should forge alliances with social media personalities, finance experts, and content developers in order to develop relevant and engaging learning content. Such content must precisely address critical challenges faced by students regarding finance, including managing a minimal income and dealing with student loans. By making financial advice more accessible and appealing on digital platforms, students will then be better equipped to put this knowledge into practice in their current financial decisions. Besides, when short and easily digestible financial lessons are delivered through social media, it can help students retain important financial concepts.

Eventually, deeper collaborations between institutions of education, government agencies, and private industries will create financial literacy programs that are more visible and effective. In this way, it will be assured that every student will be covered with a financial education regardless of one's social class, whether from high or even low classes. Assuring such collaborations with fintech companies for innovative digital financial tools will help students develop practical skills in managing finance. This would not just help students attain practical skills to manage their finances but prepare them for the changing times of the digital economy at large.

The programs for finance education should also be culturally relevant for students hailing from diverse backgrounds, with different upbringings and experiences concerning the issue of finances. In other words, this study emphasizes how important financial literacy and education, in conjunction with peers, are in changing university students' financial behavior. Improvement of financial education and the use of peer networks and digital platforms are some areas wherein institutions can develop financial competencies and financial responsibility. This is important, as such initiatives shall contribute to students' academic and financial life not only through education but also in a long-lasting manner. Given the complexities of today's economic climate, continued innovation and collaboration among stakeholders are essential for properly equipping students for the global economy.

LIMITATION

Several limitations need to be acknowledged in obtaining useful and valuable information throughout the course of this research. The study collected data from only 150 respondents, which may not be a sufficient sample size to represent the perspectives of all university students. This limitation affects the generalizability of the findings, as a larger and more diverse sample could provide a more comprehensive understanding of the topic.

Another limitation concerns the honesty and accuracy of the respondents' answers. Some participants may have chosen responses that align with socially desirable options rather than their actual opinions, leading to potential biases in the data. Additionally, time constraints may have influenced the respondents' engagement with the survey. Some participants may have rushed through the questions without carefully considering their answers, which could impact the reliability and validity of the findings. The presence of randomly selected answers further compromises the quality of the research results.

Furthermore, the data collection process may have introduced bias due to the composition of the sample. Most respondents were from the same courses or faculty, limiting the diversity of perspectives. Since the participants were randomly selected from within a familiar social circle, including friends of the researchers, the findings may not fully reflect the experiences of university students from different academic backgrounds. Additionally, not all universities attended by the respondents offer financial literacy programs, which may have influenced their level of financial awareness and decision-making behavior.

Considering these limitations, addressing them in future research could provide a more detailed and comprehensive understanding of how financial literacy influences university students' financial decision-making. Expanding the sample size, ensuring a more diverse selection of participants, and implementing measures to improve response accuracy could enhance the validity and applicability of future findings.

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DECLARATION OF CONFLICTING INTERESTS

The authors declare that there is no conflict of interest.

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