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From Daily Wages to Daily Woes: Investigating Financial Literacy and Spending Habits of Daily Wage Earners

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Abstract

Daily wage workers represent a significant segment of the informal workforce not only in India but globally; however, attention to their financial welfare requires substantial improvement. This research investigates the complex relationship between financial literacy, spending behavior, and savings behavior among daily wage earners in the Kottayam district of Kerala. Employing a quantitative research design, data were collected from 250 respondents using structured questionnaires administered through face-to-face interviews. Structural Equation Modeling (SEM) was utilized to analyze the interrelationships among these latent constructs and their collective influence on savings behavior. The results reveal that both financial literacy and spending behavior significantly affect the savings patterns of daily wage workers. The SEM model evidenced strong validity and excellent goodness-of-fit, confirming the robustness of the findings. These results provide valuable insights into the financial behaviors of a socioeconomically vulnerable population, highlighting key areas for targeted intervention. The findings hold important implications for developing tailored financial literacy programs and inclusive policies aimed at enhancing financial resilience, encouraging prudent savings, and ultimately improving the economic well-being of daily wage earners.

Keywords: financial literacy, spending behaviour, savings behaviour, daily wage earners

Introduction

In a rapidly developing economy like India, daily wage workers form a substantial part of the informal workforce. According to the Periodic Labour Force Survey (PLFS) 2022-23, over 23% of the workforce in India is engaged in casual or daily wage employment, with many earning between ₹1,000 and ₹1,500 per day depending on the location and skill level. Despite these seemingly adequate daily earnings, often amounting to approximately ₹30,000 per month, many daily wage earners face difficulties in achieving long-term financial security. This discrepancy raises critical questions about their financial decision-making, priorities, and capacity to manage money effectively (Niruba Rani et al., 2024).

Financial literacy is a crucial life skill that empowers individuals to make informed and efficient decisions regarding money usage and management. However, studies indicate that less than 27% of India's adult population is financially literate (Standard & Poor's Ratings Services,

2015). Among daily wage earners, this figure is likely substantially lower due to factors such as limited formal education, lack of access to formal banking services, and cultural tendencies toward unplanned expenditure (Mishra & Shrestha, 2017). Field observations suggest that although daily wage workers may earn around ₹1,250 per day, they typically manage to save only ₹150–₹200, with the majority of their income spent on food, transportation, health emergencies, and occasionally on alcohol or social obligations (Mishra, 2020; Mishra, 2022; Celestin & Mishra, 2025).

Problem Statement

Despite daily wages averaging about ₹1,250, a significant portion of workers in the informal sector struggles to transform their income into sustainable financial well-being. The problem is not predominantly inadequate income but rather a lack of financial literacy, which results in poor budgeting, excessive unplanned expenditure, and minimal or no savings. Consequently, many daily wage earners live paycheck to paycheck, leaving them vulnerable to income shocks, health crises, and inflationary pressures. This economic instability impairs their ability to invest in education, healthcare, or asset-building opportunities (Mishra & Aithal, 2022).

Furthermore, financial literacy programs, policies, and banking reforms rarely reach this demographic effectively. The gap between access to and utilization of financial tools—including savings, credit, insurance, and digital payment systems—remains extensive. Without basic money management knowledge, these workers frequently fall prey to high-interest informal loans and financial scams. Therefore, there is an urgent need to study the spending and saving behaviors of daily wage earners in relation to their financial awareness to identify the root causes of their economic vulnerability (Mishra & Mishra, 2025; Lama et al., 2019).

This research is significant because it investigates an underexplored area of financial inclusion—the behavioral and cognitive aspects of financial management among daily wage earners. While financial inclusion initiatives have successfully increased banking access in India, true empowerment requires equipping individuals with the knowledge and skills to manage their finances prudently. By understanding the financial attitudes, misconceptions, and spending patterns of daily wage workers, this study aims to bridge a crucial gap in academic literature and policy discourse (Mishra et al., 2024; Mishra, 2018).

The findings can inform the design of tailored financial literacy programs targeting informal workers. NGOs, government agencies, and microfinance institutions can harness this knowledge to create behaviorally informed interventions that promote saving, budgeting, and responsible borrowing. Additionally, the study can aid policymakers in developing more inclusive social security measures—such as micro-insurance or emergency savings accounts—specifically designed to meet the needs of this economically vulnerable population.

From a developmental perspective, enhancing the financial capability of daily wage earners has broader social and economic benefits. Improved financial literacy can contribute to poverty reduction, decrease reliance on welfare systems, and enable intergenerational mobility by allowing families to invest in their children's futures. Thus, the study has relevance not only for academic inquiry but also for practical action and sustainable development planning.

Research Objective

To investigate the influence of financial literacy and spending behavior on the savings behaviour of daily wage laborers

Literature Review

Financial literacy, often defined because the capability to recognize and effectively use numerous monetary competencies consisting of budgeting, investing, and private economic control, has been extensively diagnosed as a key driver of financial well-being. Lusardi and Mitchell (2014) emphasized that individuals with higher

economic literacy are much more likely to plot for retirement, avoid high-price debt, and gather wealth. Inside the Indian context, the (National Centre for economic Education [NCFE] 2019) mentioned that only 27% of Indians have been financially literate. This information gap is even more acute amongst low-earnings and informal area employees. Lack of knowledge of interest quotes, inflation, and mortgage phrases frequently leads to bad financial decisions and persistent debt cycles. Consequently, improving monetary literacy is critical to empowering economically inclined populations consisting of daily wage earners.

Spending Behaviour performs a sizable function in determining the monetary stability of individuals, especially within the unorganized area. Studies by Banerjee and Duflo (2007) found out that low-income families frequently allocate full-size quantities in their earnings to non-crucial consumption, which includes fairs, tobacco, and alcohol, regardless of financial insecurity. This conduct is pushed via each mental and cultural element, which includes the desire for instant gratification and social pressures. Within the context of each day salary people, abnormal income and shortage of budgeting discipline make it tough to prioritize financial savings. Chatterjee and Mukherjee (2019) discovered that inconsistent spending patterns amongst laborers in West Bengal were related to bad financial making plans and lack of monetary literacy, resulting in negligible long-time period economic preparedness

Get entry to economic offerings is another key determinant of economic well-being. The Reserve bank of India's (RBI, 2022) monetary Inclusion Index indicated that while physical access to banking infrastructure has stepped forward, utilization and attention remain constrained amongst informal region people. Bhanot et al. (2012) determined that whilst many people might also own financial institution accounts—regularly opened beneath schemes like Pradhan Mantri Jan Dhan Yojana—regular use of these bills remains low due to loss of believe, expertise, or virtual literacy. A study with the aid of Demirgüç-Kunt et al. (2018) referred to that handiest 35% of Indian adults stated the use of their financial institution debts actively, particularly in rural and semi-urban areas. For daily salary people, proximity alone isn't enough; true inclusion relies upon on their potential to use monetary services optimistically and meaningfully.

Savings habit among poor is fashioned by way of a complex mix of profits volatility, lack of access to financial savings instruments, and constrained economic foresight. In keeping with Karlan et al. (2014), poor families aren't inherently incapable of saving; rather, they often lack mechanisms that permit disciplined financial savings. In India, a study via Basu (2005) discovered that casual people opt for coins holdings or informal savings strategies (like chit finances or preserving cash with pals) because of perceived ease of access and flexibility, notwithstanding associated risks. Without established savings mechanisms, even people with regular earnings—like daily salary employees—fail to accumulate buffers in opposition to emergencies or lengthy-term wishes. Therefore, any intervention to enhance financial savings conduct need to begin with improving financial cognizance and Behavioural nudges in the direction of formal financial savings.

Empirical evidence strongly supports a positive correlation between monetary literacy and financial savings. Hastings et al. (2013) concluded that individuals with more economic information are much more likely to keep for the future and diversify their property. In India, Khedkar & Lande (2024) examined rural populations and discovered that simple economic schooling considerably increased savings rates and decreased reliance on casual credit score. among salary earners, financial know-how influences no longer best whether they store, but also how, whilst, and for what purposes. This reinforces the need to have a look at how improving financial literacy can immediately or in a roundabout way impact the saving patterns of daily wage worker's, a set often unnoticed in financial making plans initiatives.

Despite the fact that numerous studies have explored economic literacy and inclusion at the country wide or rural degree, there's a scarcity of studies focusing especially on each day salary workers, in particular in Kerala. Maximum monetary inclusion tasks degree access (e.g., variety of bank bills) but neglect Behaviour, knowledge, and regular usage. There may be additionally limited integration of Behavioural economics into the study of savings and spending patterns among casual area workers. This have a look at seeks to address this gap by way of combining variables along with financial literacy, spending Behaviour, and get right of entry to to financial services the use of Structural Equation Modeling (SEM) to research their collective impact on financial savings conduct. The findings are expected to provide actionable insights for policymakers, NGOs, and financial establishments aiming to promote economic health amongst marginalized workers.

Methodology

The present study adopts a quantitative research design to investigate the connection among economic literacy, spending Behaviour, get right of entry to monetary services, and the savings habit of day by day salary employees in Kottayam district, Kerala. Given the exploratory and relational nature of the research, primary information is collected using a based questionnaire administered through face-to-face interviews. This approach is appropriate considering the target respondents may have restricted literacy or access to virtual platforms. A pattern of a hundred and fifty daily wage earners is decided on the use of a purposive sampling method, ensuring illustration from exclusive sorts of hard work (construction, agriculture, loading/unloading, and many others.), age agencies, and geographic areas inside the district. The questionnaire consist of each demographic information and psychometric gadgets designed to seize latent constructs consisting of financial literacy, spending Behaviour, and savings behaviour, all measured on a 5-point Likert scale.

To research the data, the take a look at will hire Structural Equation Modeling (SEM) using software which includes AMOS or SPSS. SEM is chosen for its potential to test complex models that encompass more than one dependent and independent variables, as well as latent constructs measured through observed signs. The proposed version includes 3 independent variables—financial Literacy, Spending Behaviour, and access to financial offerings—and one dependent variable, financial savings Behaviour. Prior to SEM evaluation, the information may be screened for normality, outliers, and missing values. Confirmatory thing evaluation (CFA) might be carried out to assess the reliability and validity of measurement items. Model healthy can be evaluated the usage of trendy goodness-of-fit indices consisting of Chi-square/df ratio, RMSEA, CFI, and TLI. This technique ensures that both the size and structural additives of the model are rigorously tested, thereby supplying strong insights into the financial conduct of daily salary workers. The look at objectives no longer handiest to identify big predictors of financial savings Behaviour however additionally to find structural barriers to financial inclusion within this economically prone organization.

Results and Discussion

This section presents and discusses how financial literacy and spending behavior influence the savings of daily wage workers, based on a robust SEM analysis.

Table 1

Profile of the Respondents

Variable	Category	Frequency (f)	Percentage (%)
Gender	Male	160	64.0%
	Female	90	36.0%

Variable	Category	Frequency (f)	Percentage (%)
Age Group	Below 30 years	45	18.0%
	30–40 years	72	28.8%
	41–50 years	80	32.0%
	Above 50 years	53	21.2%
Education Level	No Formal Education	35	14.0%
	Primary School	60	24.0%
	High School	100	40.0%
	Higher Secondary	55	22.0%
Occupation Type	Construction Labor	98	39.2%
	Agricultural Labor	70	28.0%
	Loading/Unloading	48	19.2%
	Domestic Work	21	8.4%
	Others	13	5.2%
Monthly Income	Less than ₹5,000	42	16.8%
	₹5,001 – ₹10,000	104	41.6%
	₹10,001 – ₹15,000	69	27.6%
	Above ₹15,000	35	14.0%
Bank Account Status	Yes	230	92.0%
	No	20	8.0%

The demographic profile of the 250 respondents reveals that a majority (64%) are male, whilst women represent 36% of the sample. In terms of age distribution, the highest representation is from the 41–50 years group (32%), observed by way of the ones aged 30–40 years (28.8%), above 50 years (21.2%), and under 30 years (18%). educational attainment among the respondents shows that 40% have finished high school, 24% have primary education, 22% have finished higher secondary education, and 14% don't have any formal schooling. The occupational distribution suggests that construction laborers shape the largest section (39.2%), followed by agricultural laborers (28%), loading/unloading workers (19.2%), domestic workers (8.4%), and others (5.2%). regarding month-to-month earnings, most people (41.6%) earn among ₹5,001 and ₹10,000, accompanied by 27.6% earning ₹10,001 to ₹15,000, 16.8% earning much less than ₹5,000, and 14% earning above ₹15,000. A significant majority (92%) have a bank account, at the same time as only 8% continue to be unbanked. This demographic evaluation reflects a diverse institution of daily wage earners with varying socio-monetary backgrounds and monetary access.

Descriptive Statistics

Evaluating the reliability and internal consistency of measurements based on Likert scales is a crucial step in research, as highlighted by Gliem and Gliem (2023), with Cronbach's alpha being a commonly used metric for this purpose. Table 2 displays the reliability scores for the literacy-related variables, all of which exceed the recommended Cronbach's alpha threshold of 0.70. This indicates a high level of internal consistency among the items, consistent with the standards outlined by George and Mallery (2024). The overall reliability of the scale is reflected in a Cronbach's alpha value of 0.750. Additionally, the subscales related to perception demonstrate strong reliability, with alpha values of 0.801 for Financial

Literacy (FL), 0.785 for Spending Behaviour (SB), and 0.769 for Savings Behaviour (SVB), thereby confirming the internal consistency of these dimensions.

Table 2

Result of Reliability Analysis for FL, SB, SVB Factors

Factors	Number of attributes	Cronbach's alpha
Financial Literacy (FL)	10	0.801
Spending Behaviour (SB)	10	0.785
Savings Behaviour(SVB)	10	0.769
Overall reliability analysis	Cronbach's alpha	0.750
	No. of Items	45

Table 3 displays the corrected item-total correlation coefficients, which measure the extent to which each item is related to the total score of the other items within its corresponding subscale. Following the guidelines suggested by Saxe and Weitz (1982), all literacy-related items demonstrate item-total correlation values exceeding the acceptable threshold of 0.35, indicating good reliability at the item level. The correlation values for the literacy scale specifically range between 0.8154 and 0.841, reflecting a strong relationship with the overall construct. Additionally, the table provides descriptive metrics such as the mean and standard deviation for each item, offering a more comprehensive understanding of the data distribution.

Table 3

Mean, Standard Deviation, Corrected Item-total Correlation

Item Code	Statement	Mean	Std. Deviation	Corrected Item-Total Correlation
FL1	I understand how interest on savings works.	170.212	172.301	0.841
FL2	I can prepare a simple budget	169.745	174.482	0.832
FL3	I know how inflation affects my expenses.	170.014	175.105	0.836
FL4	I am aware of basic banking services.	169.928	174.897	0.835
FL5	I know how to use an ATM or mobile banking.	169.113	166.208	0.819
FL6	I understand loan terms and interest rates.	175.322	174.011	0.826
FL7	I have heard of government financial schemes	169.345	170.678	0.823
FL8	I can read a bank passbook.	170.476	177.812	0.831
FL9	I know the benefits of saving in a bank.	169.113	166.208	0.828
FL10	I feel confident making financial decisions.	175.322	174.011	0.827
SB1	I plan my spending in advance.	169.345	170.678	0.824
SB2	I track my daily expenses.	170.476	177.812	0.816
SB3	I often buy things without planning. (R)	169.113	166.208	0.825
SB4	I give priority to essential needs.	175.322	174.011	0.828
SB5	I reduce spending during low-income days.	169.345	170.678	0.823
SB6	I avoid unnecessary borrowing.	169.715	174.126	0.831
SB7	I control spending on alcohol or tobacco.	169.832	171.842	0.828

Item Code	Statement	Mean	Std. Deviation	Corrected Item-Total Correlation
SB8	I compare prices before buying.	169.711	171.596	0.829
SB9	I spend more during festivals. (R)	169.845	172.095	0.826
SB10	I avoid buying things I don't need.	169.782	172.723	0.831
SVB1	I save a part of my income regularly.	169.614	170.491	0.824
SVB2	I keep money aside for emergencies.	169.745	171.917	0.817
SVB3	I save through a bank or formal method.	169.602	170.843	0.823
SVB4	I have specific goals for my savings.	169.815	170.281	0.815
SVB5	I avoid using my savings unless necessary.	169.921	172.034	0.828
SVB6	I prefer to save at home in cash. (R)	169.689	177.504	0.835
SVB7	I save before spending.	169.614	170.491	0.824
SVB8	I lack a regular savings habit. (R)	169.745	171.917	0.826
SVB9	I can manage small emergencies with my savings.	169.602	170.843	0.825
SVB10	I deposit savings in RD or similar schemes.	169.815	170.281	0.824

Exploratory factor analysis (EFA) is employed to perceive a reduced set of underlying latent elements from a bigger set of observed variables. Table 4 reviews the effects of the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of Sphericity, each of which determine whether the dataset is suitable for component analysis. The KMO value, starting from 0 to 1, assesses sampling adequacy, with values above 0.70 taken into consideration acceptable. Consistent with Kaiser's classification (Fabrigar & Wegener, 2012) KMO values between 0.90–1.00 are deemed outstanding, 0.80–0.89 extremely good, 0.70–0.79 adequate, 0.60–0.69 marginal, and 0.50–0.59 poor. on this take a look at, a KMO value of 0.818, as shown in table 4, displays an great level of sampling adequacy. moreover, Bartlett's check of Sphericity is statistically substantial [$\chi^2(78) = 2507.677$, $p < 0.000$], indicating that the correlation matrix considerably differs from an identity matrix, thereby confirming the appropriateness of the records for carrying out aspect evaluation.

Table 4

Kaiser-Meyer-Olkin (KMO) Bartlett's Test

Test	Statistic	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.809
Bartlett's Test of Sphericity	Approx. Chi-Square	2507.677
	df	78
	Sig.	.000

Table 5 shows the rotated factor loadings, which imply the significance and course of association among every observed variable and the underlying latent factors, with values typically ranging from -1 to +1. A proper aspect structure is one wherein every variable loads strongly on one precise factor even as maintaining low go-loadings on others within the rotated matrix (Sass & Schmitt, 2010). The evaluation of table 5 reveals that each one objects has element loadings exceeding 0.50,

signifying a sturdy correspondence among the items and their respective elements. This supports the assemble validity of the size and confirms the appropriateness of the dataset for subsequent factor-based analyses.

Table 5

Rotated Component Matrix[a]

	Component		
	1	2	3
FL6	.978		
FL4	.949		
FL10	.922		
FL8	.886		
FL1	.821		
SB8		.938	
SB5		.845	
SB9		.844	
SB3		.802	
SVB2			.866
SVB7			.853
SVB5			.847
SVB1			.650

Note. Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a= Rotation converged in 4 iterations.

To decide the suitability of the proposed model with respect to the collected facts, Structural Equation Modeling (SEM) became applied. The analysis started with an assessment of the measurement model to evaluate the reliability and validity of the survey instrument, following the methodological framework proposed by Anderson and Gerbing (1988). In the end, the structural relationships most of the constructs have been analyzed the use of AMOS model 21. SEM serves as a strong analytical approach for assessing the alignment among empirical facts and theoretical constructs (Kaplan, 2009).

Model adequacy was examined using several standard fit indices, including the Chi-square to degrees of freedom ratio (χ^2/df), Comparative Fit Index (CFI), Goodness-of-Fit Index (GFI), Adjusted Goodness-of-Fit Index (AGFI), Tucker-Lewis Index (TLI), Incremental Fit Index (IFI), Root Mean Square Error of Approximation (RMSEA), and Parsimony Goodness-of-Fit Index (PGFI). The Chi-square statistic yielded a p-value of 0.011, suggesting a reasonable fit. However, Schumaker and Lomax (1996) caution that large sample sizes ($n \geq 200$) may lead to significant Chi-square results even when the model fit is adequate. Similarly, Marsh and Hocevar (1985) acknowledge that models may remain acceptable despite χ^2/df ratios slightly exceeding 5. These insights reinforce the need to interpret multiple fit indices collectively.To ensure a holistic assessment, additional indices such as CFI, RMSEA, NFI, IFI, and TLI were considered, all of which contribute to validating the structural integrity of the model.

Table 6 presents the SEM-derived values of these indices. According to Gerbing and Anderson (1992), an RMSEA value below 0.08, along with CFI and NFI values exceeding 0.90, signify acceptable model fit.

In this study, the GFI was 0.958, surpassing the 0.90 threshold, thereby confirming good model fit. Other supportive metrics included AGFI (0.935), CFI (0.995), TLI (0.993), IFI (0.995), and NFI (0.972). Additionally, the chi-square to degrees of freedom ratio was 1.230—well below the recommended limit of 5—and the RMSEA stood at 0.030, confirming an excellent absolute fit for the structural model.

Table 6

Model Fit Indices

Fit Index	Result	Interpretation
Chi-square (χ^2)	72.598, p = 0.11	Significant; minor deviation from ideal
Degrees of Freedom (df)	59	Used in χ^2/df ratio
Chi-square/df (CMIN/DF)	1.230	Well within acceptable range (≤ 5.00) – Good Fit
Comparative Fit Index (CFI)	0.995	Exceeds 0.90 threshold – Excellent Fit
Goodness of Fit Index (GFI)	0.958	Greater than 0.90 – Good Fit
Adjusted Goodness of Fit Index (AGFI)	0.935	Surpasses 0.90 – Good Fit
Normed Fit Index (NFI)	0.972	Well above 0.90 – Strong Fit
Incremental Fit Index (IFI)	0.995	Close to 1.0 – Excellent Incremental Fit
Tucker-Lewis Index (TLI)	0.993	Very high, above 0.90 – Excellent Fit
RMSEA (Root Mean Square Error of Approximation)	0.030	Below 0.08 – Very Good Fit
Parsimony Goodness-of-Fit Index (PGFI)	0.621	Above 0.50 – Acceptable Parsimony
Parsimony Normed Fit Index (PNFI)	0.735	Satisfactory, exceeds the minimum requirement
Parsimony Comparative Fit Index (PCFI)	0.752	High parsimony fit – Good Model Balance

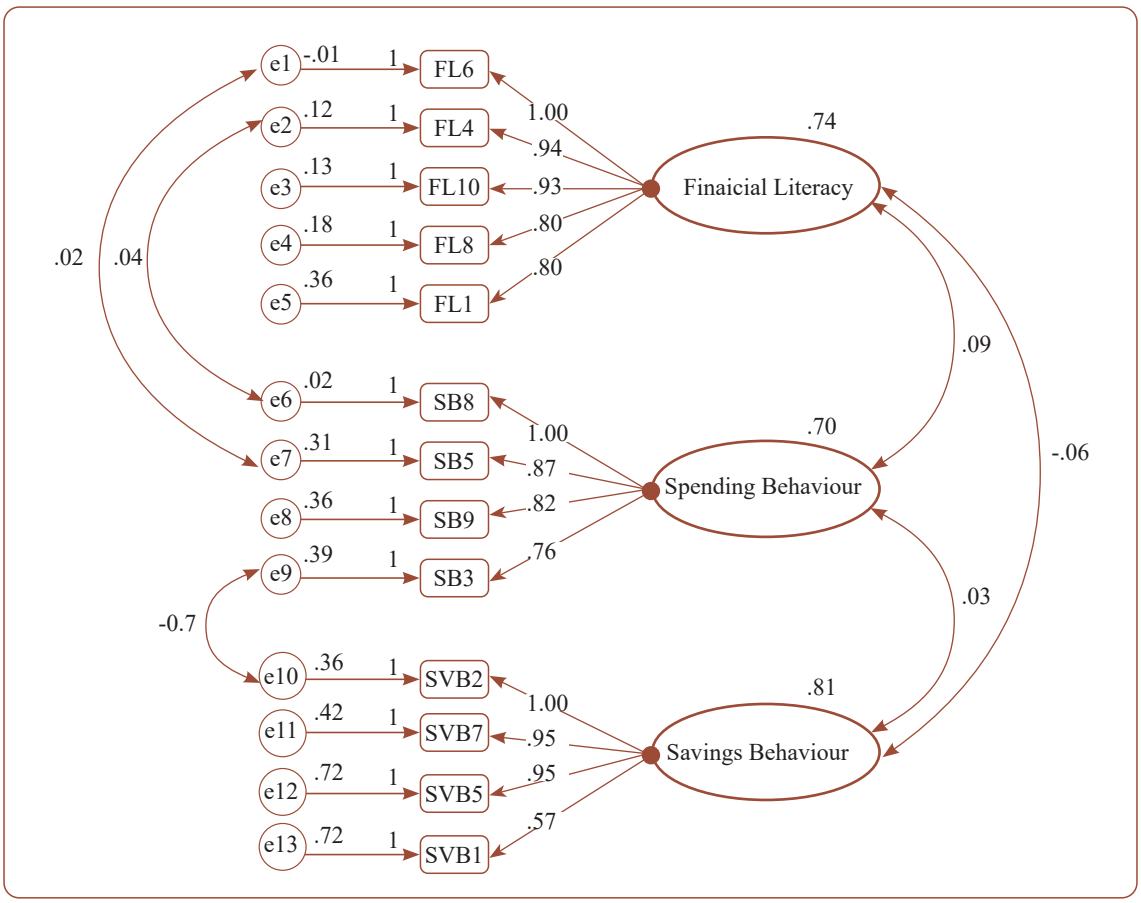
Hypothesis

There is a significant relationship between Financial Literacy and Spending Behaviour and Savings Behaviour. (The hypothesized structural model has a good fit.)

Bollen (1989) emphasizes that a higher p-value from the chi-square test suggests a more in-depth alignment between the hypothesized model and the actual facts, thereby suggesting a very good model fit. within the present study, the null hypothesis (H_0), which posits that the structural version comprising Financial Literacy and Spending Behaviour as predictors of financial Savings Behaviour adequately fits the observed data (as proven in figure 1), was tested. The chi-square test resulted in a value of 72.598 with 59 degrees of freedom, yielding a p-value greater than the 0.05 threshold ($p > 0.11$), indicating an acceptable model fit. This finding helps the claim that the proposed three-construct model aligns well with the empirical data. Therefore, it's far suitable to assess additional model fit indices to reinforce the robustness of the analysis.

Figure 1

Financial Literacy Model



Barbara (2009) acknowledges certain limitations associated with the likelihood Ratio test, especially its high sensitivity to big sample sizes and its assumption of a perfectly specified population model. In aid of this, Jöreskog and Sörbom (1993) explain that the chi-square statistic—formulated as $(N-1)F_{min}$—can yield statistically significant outcomes even when the model fairly approximates the data, mainly with larger samples. Given these limitations, Bryne (2013) observes that researchers are an increasing number of relying on alternative fit indices, which include RMSEA, CFI, TLI, and NFI, which provide more pragmatic critiques of model in shape in real-world data scenarios.

Table 7 outlines the unstandardized regression coefficients along with their corresponding statistical indicators. these coefficients represent the predicted change in the dependent or mediating variable for every one-unit increase in the associated predictor variable. The table includes crucial metrics such as the unstandardized estimate, standard error (S.E.), and critical ratio (C.R.), calculated because the ratio of the estimate to its standard error. The associated p-values suggest the statistical significance of each path coefficient, assessing the null speculation that the corresponding estimate is identical to zero. Collectively, these results are instrumental in comparing the strength and direction of relationships among the latent constructs within the structural model.

Table 7

Regression Weights: (Group number 1 - Default Model)

	Estimate	S.E.	C.R.	P
FL6 ◄—FinancialLiteracy	1.000			
FL4 ◄—FinancialLiteracy	.935	.026	36.572	***
FL10 ◄—FinancialLiteracy	.931	.027	34.723	***
FL8 ◄—FinancialLiteracy	.797	.031	25.795	***
FL1 ◄—FinancialLiteracy	.800	.044	18.350	***
SB8 ◄—SpendingBehaviour	1.000			
SB5 ◄—SpendingBehaviour	.869	.050	17.511	***
SB9 ◄—SpendingBehaviour	.816	.052	15.672	***
SB3 ◄—SpendingBehaviour	.757	.052	14.454	***
SVB2 ◄—SavingsBehaviour	1.000			
SVB7 ◄—SavingsBehaviour	.953	.073	12.985	***
SVB5 ◄—SavingsBehaviour	.951	.073	13.003	***
SVB1 ◄—SavingsBehaviour	.566	.071	7.943	***

The probability of obtaining a critical ratio as excessive as 36.572 indicates that the regression weight for economic Literacy in predicting FL4 is statistically significant at the 0.001 level (two-tailed), confirming a robust and meaningful relationship. Likewise, the crucial ratio of 17.511 for the route from Spending Behaviour to SB5 additionally demonstrates statistical significance at the 0.001 level, suggesting a remarkable influence. These findings, valid under big-sample conditions, strengthen the theoretical linkage among Financial Literacy, Spending Behaviour, and Savings Behaviour within the hypothesized structural model.

Table 8

Standardized Regression Weights: (Group number 1 - Default Model)

	Estimate
FL6◄— Financial Literacy	1.006
FL4 ◄—Financial Literacy	.919
FL10 ◄—Financial Literacy	.911
FL8 ◄—Financial Literacy	.853
FL1 ◄—Financial Literacy	.757
SB8 ◄—Spending Behaviour	.987
SB5 ◄—Spending Behaviour	.791
SB9 ◄—Spending Behaviour	.749
SB3 ◄—Spending Behaviour	.710
SVB2 ◄—Savings Behaviour	.832
SVB7 ◄—Savings Behaviour	.797
SVB5 ◄—Savings Behaviour	.798
SVB1 ◄—Savings Behaviour	.514

The unstandardized regression estimates presented above indicate the strength of relationships between observed indicators and their respective latent constructs—Financial Literacy, Spending Behaviour, and Savings Behaviour. Among the financial literacy indicators, FL6 has the highest loading (1.006), suggesting it is the most strongly influenced by the financial literacy construct, followed by FL4 (0.919), FL10 (0.911), and FL8 (0.853), while FL1 shows a comparatively lower but still substantial loading (0.757). For Spending Behaviour, SB8 has the highest regression weight (0.987), indicating a strong alignment with the construct, followed by SB5 (0.791), SB9 (0.749), and SB3 (0.710). In the Savings Behaviour dimension, SVB2 (0.832), SVB5 (0.798), and SVB7 (0.797) show relatively strong associations, whereas SVB1 demonstrates a moderate loading (0.514). These values confirm that all observed variables contribute meaningfully to their respective latent constructs, validating the model's measurement structure.

Conclusion

In conclusion, the measurement model demonstrates strong and significant relationships among the latent constructs—Financial Literacy, Spending Behaviour, and Savings Behaviour conduct—and their respective determined indicators. The high unstandardized regression weights across most indicators replicate robust convergent validity, indicating that the selected items successfully capture the underlying constructs. The consistency of high loadings, specifically for FL6, SB8, and SVB2, underscores the reliability and significance of those variables in explaining financial Behaviour patterns among the respondents. these findings provide empirical support for the structural version and lay a strong basis for further analysis of the interrelationships amongst economic literacy, spending tendencies, and saving practices within the study context.

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