

Statement of the Problem Thesis

Title: The Impact of Financial Literacy on the Personal Saving Behavior of Young Adults

Statement of the Problem:

Despite the increasing emphasis on financial literacy in today's economic environment, a significant number of young adults continue to struggle with managing their personal finances. The problem lies in the gap between financial knowledge and actual saving behavior among individuals aged 18-30. Recent studies indicate that while many young adults possess a basic understanding of financial concepts, they often fail to translate this knowledge into effective financial practices, particularly in terms of saving for the future.

The lack of adequate savings among young adults can lead to long-term financial instability, making them vulnerable to economic downturns, unexpected expenses, or emergencies. This issue is particularly critical as this demographic group faces mounting challenges such as student debt, rising living costs, and job market uncertainties. Existing research on financial literacy has focused primarily on knowledge acquisition rather than its practical application in saving behaviors, leaving a crucial gap in understanding the factors that influence young adults' decisions to save.

The purpose of this thesis is to explore the extent to which financial literacy influences personal saving behaviors among young adults. By examining this relationship, the study aims to provide insights into how financial education programs can be designed to not only impart knowledge but also encourage positive saving practices. This research will contribute to developing strategies that promote financial stability and security among young adults, which is vital for their long-term financial well-being.

Research Question:

To what extent does financial literacy influence the personal saving behavior of young adults aged 18-30?

Hypothesis:

H_0 (Null Hypothesis): Financial literacy has no significant impact on the personal saving behavior of young adults.

H_1 (Alternative Hypothesis): Higher levels of financial literacy are positively correlated with better personal saving behavior among young adults.