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DIGITAL FINANCIAL LITERACY AND UPI AWARENESS AMONG HIGHER EDUCATION STUDENTS: AN EMPIRICAL ANALYSIS

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Abstract

Digital payment systems have transformed the financial transaction landscape in India. These systems have been adopted increasingly due to hassle-free transactions. There are various options regarding digital payment platforms, and Unified Payments Interface has emerged as one of the most widely used digital payment systems. It is easy, convenient to use, and easily accessible. Higher education students represent an important segment of digital payment users because of their nature of frequent engagement with online transactions for academic and personal purposes.

Digital financial literacy is crucial for the assurance of rational and secure use of digital payment systems. It enables an individual to understand digital transaction systems, make informed and rational financial decisions, and identify potential threats.

This study examines the relationship between digital financial literacy and UPI awareness among higher education students. Primary data was collected from 365 respondents. A structured questionnaire was prepared which consisted some demographic and Likert scale questions. Data analysis was conducted using various statistical tools - reliability analysis, descriptive statistics, correlation, one-way ANOVA, and regression analysis. These tests were performed on SPSS Software. The findings of the study show a moderate positive relationship between digital financial literacy and UPI awareness. The results of Regression analysis confirmed that digital financial literacy significantly predicts UPI awareness. No statistically significant differences were observed across educational groups. The study exhibits the importance of promoting digital financial literacy within higher education institutions to strengthen digital payment awareness and rational financial behaviour among higher education students.

Keywords: *Digital Financial Literacy, UPI Awareness, Higher Education, Digital Payments, Financial Education*

Introduction

The financial transaction system is significantly changed in India due to the rapid growth of digital technology. This important change has happened because digital payment platforms have reduced dependence on cash and enabled faster, smoother, convenient, and more secure transactions.
One of the most crucial digital payment innovations is the Unified Payments Interface. It facilitates instant fund transfers through mobile devices.
UPI has become increasingly popular among students. The reasons are quite obvious - convenience for paying fees, making online purchases, transferring money, and managing everyday expenses. UPI has made all of these tasks easier and more comfortable than before. However, it is essential to have adequate knowledge of digital financial literacy for rational use of digital payment systems.
Digital financial literacy refers to the knowledge and ability to use digital financial tools rationally and efficiently. It includes understanding transaction security, fraud prevention, digital financial management, and awareness of digital payment features.
Higher education institutions play a vital role in the development of digital competencies among students. In the current digital era, promoting digital financial literacy has become essential for preparing students to participate effectively in the digital economy.
This study examines digital financial literacy and its impact on UPI awareness among higher education students.

Review of Literature

Singh and Rana (2017) conducted a study on consumer perception regarding the usage of digital payment systems. It was found that various factors such as convenience, security, and accessibility significantly influence the technological adoption of digital payment systems among users. The study highlighted that young consumers are more inclined towards digital transactions due to their familiarity with technology.

Patil et al. (2020) observed that awareness regarding digital payment platforms plays a crucial role in increasing the usage of Unified Payments Interface among students and young consumers. The study concluded that higher digital literacy leads towards greater adoption of UPI services. It was also revealed that increasing use of digital payment platforms has altered the management of financial transactions in India. The study emphasized that Unified Payments Interface has become one of the most preferred digital payment methods because it is simple, accessible, user-friendly, and hassle-free. Higher education students of Colleges and universities frequently use UPI applications for educational and personal transactions, eventually it makes them an important group in digital payment adoption studies.

Rahi et al. (2021) highlighted that perceived usefulness and ease of use are the major determinants affecting the purpose of students to adopt various digital payment applications. The study explained that digital payment systems have experienced a rapid and developed growth in India due to technological advancement and increasing internet accessibility. It focused that Unified Payments Interface is widely accepted and popular among young users because it offers convenience, speed, and ease of transaction. It was stated that higher education students are actively involved in online financial activities and eventually represent a major segment of digital payment users.

Sharma and Agarwal (2022) in their study concluded that students belonged to higher education frequently use UPI for academic and personal transactions because of its convenience and accessibility. The study found that increasing internet accessibility and technological advancement have positively influenced the adoption of digital payment systems among students.

Kumar and Gupta (2023) concluded that increased usage of smartphone and internet accessibility have positively impacted UPI awareness and its usage among university students in India. Similarly, Chawla and Joshi (2019) stated that digital payment structure have become an integral part of the modern financial system in India. The study highlighted that the developed use of internet services and smartphones has encouraged consumers to adopt cashless transaction methods. The researchers observed that Unified Payments Interface has emerged as one of the most selected digital payment platforms because it offers convenience, quick transaction facilities, and smooth accessibility. The study indicated that young users and students are among the major adopters of UPI services due to their regular habits and engagement with online activities.

Gupta and Arora (2020) explained that digital payment platforms have transformed consumer behaviour towards financial transactions. It was found that UPI applications are popular and widely accepted among higher education students because they provide secure, convenient, and user-friendly payment facilities. The study emphasized that students frequently use digital payment systems for services such as fee payment, online shopping, mobile recharge, and fund transfer activities. The researchers also concluded that digital literacy and technological awareness positively influence the adoption of UPI services.

Objectives

1. To assess the level of digital financial literacy among higher education students.
2. To examine the relationship between digital financial literacy and UPI awareness.
3. To analyse differences in UPI awareness across educational groups.
4. To determine the impact of digital financial literacy on UPI awareness.
5. To suggest measures for improving digital financial literacy in higher education.

Hypotheses of the Study

H01: Digital financial literacy has no significant positive relationship with UPI awareness.
H02: Significant differences do not exist in UPI awareness across educational groups.
H03: Digital financial literacy does not significantly predict UPI awareness among higher education students.

Research Methodology

The study is empirical and descriptive in nature. Primary data were collected through a structured questionnaire. The sample size includes **365 higher education students** of Indore area. Convenience sampling method was used. The collected data were analysed using: Reliability Analysis, Descriptive Statistics, Pearson Correlation, One-Way ANOVA, Linear Regression Analysis

Data Analysis and Interpretation

Demographic Profile

Table 1:The following table is the demographic profile of the candidates.

Variable	**Category**	**Frequency**	**Percentage**
Gender	Male	183	50.1%
	Female	182	49.9%
Age Group	18-21	120	32.9%
	22-25	85	23.3%
	26-29	78	21.4%
	29-32	64	17.5%
	Above 32	18	4.9%
Educational Qualification	Undergraduate	137	37.5%
	Postgraduate	122	33.4%
	Research Scholar	34	9.3%
	Professional Course	72	19.7%
Academic Stream	Commerce	85	23.3%
	Management	148	40.5%
	Science	91	24.9%
	Arts	41	11.2%

Reliability Analysis

Reliability analysis was conducted to determine the internal consistency of the measurement scales. Cronbach’s Alpha was conducted on SPSS Software to achieve the desired objective.

Table 2: Reliability Analysis

Construct	**No. of Items**	**Cronbach’s Alpha**
Digital Financial Literacy	6	0.921
UPI Awareness	5	0.862

The results indicate excellent reliability for Digital Financial Literacy and good reliability for UPI Awareness.

Descriptive Statistics

Table 3: Descriptive Statistics

Variable	**Mean**	**Standard Deviation**

Digital Financial Literacy	21.7890	5.18895
UPI Awareness	19.0356	3.85611

The descriptive statistics indicate moderate to high levels of digital financial literacy and UPI awareness among respondents.

Correlation Analysis

Table 4: Correlation Analysis

Variables	Correlation Coefficient	Significance
DFL_TOTAL and UPI_TOTAL	0.596	0.000

To assess the association between Digital Financial Literacy and UPI Awareness, Pearson's correlation test was applied. The results demonstrate a positive and statistically significant relationship between the two variables, suggesting that students with better digital financial literacy exhibit higher awareness of UPI and related digital payment platforms. The significance level confirms that this association is reliable at the 1 percent level. Hence, the findings provide support for the alternative hypothesis, while the null hypothesis is not supported.

One-Way ANOVA

One-way ANOVA was conducted to assess the differences in UPI awareness across educational groups.

Table 5 : One-Way ANOVA

Source of Variation	Sum of Squares	df	Mean Square	F-value	Sig.
Between Groups	94.426	3	31.475	2.137	0.095
Within Groups	5318.111	361	14.732		
Total	5412.537	364			

The ANOVA results revealed that the significance value was 0.095, which is greater than the standard significance level of 0.05. Hence, it can be concluded that no statistically significant differences were found in UPI Awareness across educational groups among the students.

Hence, the null hypothesis (H02) is accepted and the alternative hypothesis (H12) is rejected.

Table 6 Group Mean Scores

Educational Group	Mean Score
Undergraduate	19.3723
Postgraduate	19.2951
Doctoral / Research Scholar	18.8235
Professional Course	18.0556

Undergraduate students reported the highest mean score of UPI awareness. Professional course students reported the lowest mean score. However, the differences were not statistically significant.

Regression Analysis

Linear regression analysis was conducted to determine the predictive effect of digital financial literacy on UPI awareness.

Table 7: Regression Analysis

Indicator	Value
R	0.596
R^2	0.355
Adjusted R^2	0.353
F-value	199.676
Beta (β)	0.596
Sig.	0.000

Linear regression analysis was applied to examine the effect of Digital Financial Literacy on UPI Awareness among higher education students. The findings revealed that the regression model was significant as $F = 199.676$, $p < 0.001$, indicating a meaningful relationship between the variables. The coefficient of determination of R^2 is 0.355, suggests that Digital Financial Literacy accounts for 35.5% of the variance in UPI Awareness among the higher education students. The standardized beta coefficient ($\beta = 0.596$) indicates a moderate and positive association, eventually showing the influence of Digital financial literacy on UPI awareness. Since the relationship was found to be statistically significant, the alternative hypothesis (H13) is supported, while the null hypothesis (H03) is not supported.

Findings of the Study

The descriptive statistics showed that moderate to high levels of Digital Financial Literacy and UPI Awareness exists among higher education students.

Pearson correlation analysis demonstrated a moderate positive and statistically significant relationship between Digital Financial Literacy and UPI Awareness ($r = 0.596$, $p < 0.01$).

One-Way ANOVA resulted that no statistically significant differences exist in UPI Awareness across different educational groups ($F = 2.137$, $p = 0.095$).

Regression analysis confirmed that Digital Financial Literacy significantly influences UPI Awareness among higher education students.

The regression model explained 35.5% of the variance in UPI Awareness ($R^2 = 0.355$), indicating that Digital Financial Literacy has a meaningful influence on the awareness of students regarding UPI services.

Undergraduate students reported comparatively higher mean scores of UPI Awareness, and the students of professional courses reported relatively lower awareness levels.

Suggestions

- *Digital Financial Education Programs*

Higher education institutions should organize regular digital financial literacy sessions to improve students' understanding of secure digital payment practices.

- *Awareness Regarding Cyber Fraud*

Students should be educated regarding cyber frauds, phishing links, OTP scams, safe UPI transaction practices and other malpractices to prevent them.

- *Integration with Academic Learning*

Basic digital financial education may be integrated into skill development and value-added courses.

- *Promotion of Responsible Digital Payment Behaviour*

Institutions should encourage the students for responsible usage of digital payment applications through awareness campaigns, seminars and workshops.

Limitations of the Study

The study is limited to higher education students of Indore region and is based on convenience sampling. Hence, the findings of the study may not be generalized to all student populations.

Practical Implementation

The findings of the study provide important practical implications for higher education institutions, policymakers, and digital payment service providers. Digital Financial Literacy significantly influences UPI Awareness among higher education students. Hence, educational institutions should mainly focus on organizing digital financial literacy programs, workshops, seminars, informative lectures, cyber fraud awareness programs and awareness sessions related to secure digital payment practices, cyber fraud prevention, and rational use of UPI applications. Basic digital financial education may also be integrated into academic and skill-development courses to enhance students' practical financial knowledge. Government agencies and financial institutions can further promote awareness campaigns to encourage safe and efficient digital payment behaviour among young users.

In addition to this, banks and digital payment service providers should develop simple and user-friendly educational content to improve students' understanding of digital financial services and transaction security. Strengthening digital financial literacy can contribute towards safer, more informed, and rational participation in the digital economy among higher education students.

Conclusion

Digital Financial Literacy plays a crucial role in enhancing UPI Awareness among higher education students. The findings revealed a moderate positive and statistically significant relationship between Digital Financial Literacy and UPI Awareness, hence indicating that students who possess better digital financial knowledge show greater awareness regarding UPI usage and digital payment systems.

The regression analysis further confirmed that Digital Financial Literacy significantly predicts UPI Awareness among students. The study also observed slight variations in UPI awareness across educational groups; however, these differences were not statistically significant.

The findings highlight the growing importance of digital financial education in the current digital economy. Strengthening the digital financial literacy of the students can contribute towards safer and more responsible digital payment behaviour because they tend to engage in online financial transactions more frequently. The study highlights the need for educational institutions to promote awareness regarding secure digital payment practices, cyber fraud prevention, and effective utilization of digital financial services.

The study contributes to the understanding of the relationship between digital financial literacy and UPI awareness among higher education students and emphasizes the importance of promoting financial education in the digital era.

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