

Impact of Financial Literacy on Individuals' Financial Behaviour of Employees in the IT Industry in Sri Lanka

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This study investigates the influence of financial literacy on the financial behavior of IT industry employees in Sri Lanka. Utilizing a positivist paradigm and hypothetical-deductive methodology, data were collected from 384 respondents through a structured questionnaire. The conceptual framework focuses on three primary aspects of financial literacy: savings, credit, and budgeting. The findings reveal significant positive correlations between financial literacy and financial behaviors. Specifically, financial literacy on savings (4.031 ± 0.419), credit (4.025 ± 0.496), and budgeting (4.010 ± 0.448) was positively correlated with financial behaviors (4.026 ± 0.451). Regression analysis indicated that financial literacy accounts for 61.7% of the variation in financial behaviors ($R^2 = 0.617$). These results underscore the necessity of financial literacy for effective financial decision-making and its role in promoting financial stability and well-being among IT professionals. These insights are crucial for designing targeted financial education programs to enhance financial literacy and encourage positive financial habits within the IT sector.

Keywords: *credit, decision making, financial literacy, IT Industry, savings behaviour*