



An Action Plan On Building Financial Literacy Through Practical Activities Among Secondary School Students

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ABSTRACT

Financial literacy is a critical life skill that enables individuals to make informed and responsible financial decisions. Many secondary school students lack understanding of basic financial concepts such as income, expenditure, saving, budgeting and investment, which can lead to poor money management habits in adulthood. This action research aimed to enhance financial literacy among 8th-grade students of Sri Siddeshwara School, Mysuru, through practical, hands-on activities. Activities included monthly family budgeting exercises, role-playing market scenarios, essay writing on savings and spending and skits on wise money management. Pre-test and post-test assessments indicated a notable improvement in students' knowledge, attitudes and behaviors toward money management, reflecting the effectiveness of experiential learning. The study demonstrates that activity-based approaches can foster responsible financial habits, promote saving and enhance decision-making skills, preparing students to become economically aware and self-reliant individuals. The research also highlights the importance of integrating financial literacy into the school curriculum and promoting active, real-life learning experiences.

Keywords: Financial Literacy, Money Management, Budgeting, Savings, Financial Awareness, Responsible Financial Behavior

Introduction

In today's fast-changing world, financial literacy is a vital life skill, enabling informed and responsible financial decisions. Many secondary students lack understanding of income, expenditure, saving, budgeting and investment, leading to poor money management later. This action research aims to develop financial literacy through practical, hands-on activities like budgeting exercises, role-plays, discussions and creative writing. These experiences help students relate concepts to real life, manage resources wisely, distinguish

needs from wants and appreciate saving. The study fosters responsibility, independence, planning and accountability, preparing students to become economically aware, prudent and self-reliant citizens.

Need and Importance of the Problem

Many students finish school without learning to manage money, often misusing pocket money due to lack of financial knowledge. Teaching financial literacy helps them save, avoid unnecessary spending, understand budgeting, distinguish between needs and wants and make smart choices with digital money. It fosters responsibility, confidence, planning, goal-setting and independence, preparing students for future life needs while reducing financial stress. Overall, it builds practical money management skills and encourages thoughtful, future-oriented financial decisions.

Statement of the Problem

In the current education system, financial literacy receives little attention, leaving secondary students unprepared to plan, save and manage money wisely. This gap can lead to poor spending habits. The study aims to implement practical, activity-based strategies to enhance students' knowledge, attitudes and responsible financial behaviour.

Objectives of the Study

1. To assess the current level of financial literacy among secondary school students
2. To implement practical and real life financial activities to enhance their understanding
3. To evaluate the impact of these activities on students' financial behaviour and awareness
4. To promote responsible financial habit through experiential learning
5. To introduce students to banking, digital payments and simple entrepreneurship
6. To encourage saving habits through practical experience

Causes of the Problem

1. Financial literacy is not part of regular school curriculum
2. Students are not aware of budgeting and proper handling of money
3. Lack of awareness on money holding activities in school
4. No emphasize on financial literacy by teachers
5. Lack of awareness on using smart digital skills
6. Lack of support from family and environment on financial holding
7. No encouragement for saving money for personal group or family.

Prioritizing the Causes

1. Lack of education from family members regarding budgeting
2. No emphasize on financial literacy by teacher
3. Students are not aware of budgeting and proper handling of money
4. Lack of guidance from parents using small digital

Review of Literature

Patala T. (2022) conducted an action research titled “*Developing Financial Literacy in Pupils*,” aiming to integrate comprehensive financial literacy education for secondary students. The study highlighted that existing curricula focused narrowly on transactions, lacking a holistic approach. Using OECD and European Commission frameworks, the research developed a digitized curriculum and online portal, enabling students to engage in virtual financial transactions, practice calculations and manage finances in simulated environments. This interactive, practical approach enhanced students’ financial awareness, decision-making skills and preparedness for real-world economic challenges, making financial learning both engaging and applicable to daily life.

Joanne C. and Mupinga D. M. (2019) conducted an action research titled “*Experiences of Middle School Students Following a Financial Literacy Simulation*” to develop financial literacy skills among middle school students. Using the Reality Store® simulation, 156 eighth-grade students engaged in 15 stations representing real-life financial and career scenarios, providing practical, hands-on experience in managing finances and making life choices. Results showed students enjoyed the simulation, gained awareness of career requirements and appreciated making real-life financial decisions. The study concluded that such experiential simulations are effective in enhancing financial literacy and decision-making, especially where trained teachers are limited.

Maryanti R (2022) Conducted Action Research on “*Building Motivation in Saving on Elementary School Students through Financial Literacy*”. The study aimed to enhance financial literacy among elementary school students to build their motivation for saving and improve their understanding of money management from an early age. Researchers emphasized that financial literacy is an essential life skill in the 21st century and can help individuals increase their financial capacity. By introducing financial concepts to children early, the study hoped to develop their ability to make smart financial decisions in the future. The researchers concluded that improving financial literacy in young students not only promotes saving habits but also helps prevent future financial dependency, supporting the goal of reducing the so-called “sandwich generation” in society.

Johnson E & Sherraden M S (2006), “*From Financial Literacy to Financial Capability among Youth*” argues for shifting the focus from simply teaching financial knowledge (Financial Literacy) to promoting true Financial Capability among young people. The authors contend that in today's complex financial world, especially for economically disadvantaged youth, financial knowledge alone isn't enough; drawing on the capability approach of Amartya Sen and Martha Nussbaum, the research proposes that capability results when individuals not only develop financial knowledge and skills but also gain essential access to sound financial instruments, policies and mainstream institutions. The paper addresses the theoretical foundation and pedagogical methods for achieving this goal, providing examples of programs and concluding with implications for policy and practice to effectively build financial well-being for youth

Research Methodology

In the present study, Quantitative Research Method is adopted. Experimental research design i.e., One group Pre-Test Post-Test design is employed.

Population: The population of the study is 8th Standard students of Sri Siddeshwara School, located in Vijayanagara, Mysuru. The school belongs to Hebbal Cluster, North Block of Mysuru District.

Sampling: The Sample of the study is 15 students of the said school.

Research Tool: Researcher developed Achievement Test Questionnaire consisting Objective types and Short Answers questions with the maximum marks of 20, is used for Pre-Test and Post-Test.

Procedure of Action Research

The following phases have been involved in the present action research:

1. Finding the problem and selection of school for action research study
2. Preparation of Pre-test and Post-test Questionnaire
3. Conducting Pre-test
4. Identifying the Sample
5. Designing and adopting frequent practices
6. Conducting Post-test
7. Comparing the performance of the students in Pre-test and Post-test
8. Enlisting the Findings
9. Stating Research based suggestions

Action Plan

Table 1: Details of Action Plan

Sl. No.	Intentional Techniques	Duration	Frequency
1	Monthly Family Budget Awareness	30 min	Once a week
2	In the Role Playing Market Scenario	30 min	Once a week
3	Writing an Essay on Monthly Savings and Spending	30 min	Once a week
4	Skit: Saving Money Brings Happiness, Wasting Money Brings Sorrow	30 min	Once a week

Description of Action Plans

Activity 1: Awareness on Monthly Family Budget

This activity was conducted with the aim of developing financial awareness and understanding the value of money among students. They were instructed to prepare a one-month family budget based on their parents' monthly income. In this process, students listed all types of family expenses such as house rent, food, electricity bills, school fees, medicines, transportation and other household necessities. Based on their observation of parents income and financial situation. Through this, they learned to calculate the difference between income and expenditure and to identify which expenses are essential and which are non-essential. This helped them clearly understand how financial planning takes place within a household. As a result of

this activity, students realized the value of money, developed a habit of avoiding unnecessary spending and learned the skills of budgeting, saving and wise money management.

Overall, this activity enhanced the students' financial literacy and helped them understand the importance of economic responsibility and planned spending in their future lives.

Activity 2: In the Role Playing Market Scenario

Students were divided into four groups - hawkers, peddlers, footpath sellers and market sellers. Each group actively performed their roles. The hawkers sold fruits and toys on the street, the peddlers went door-to-door selling goods, the footpath sellers displayed and sold low-cost items and the market sellers engaged with customers in bargaining and price fixing. Through this activity, students gained practical knowledge about financial transactions, value of money, price determination and the process of buying and selling, which helped them develop a better understanding of financial literacy.

Activity 3: Essay on Monthly Savings and Spending

The main objective of this activity was to create awareness on saving and spending among students. In today's world, proper money management and the habit of saving are very important, so this activity was conducted as a part of practical learning. Students were asked to write an essay on the topic "Monthly Savings and Spending." Before writing the essay, the concepts of savings and spending were discussed. Students learned that saving means keeping aside a portion of income for future needs and spending means using money to meet daily necessities. Students included their own real-life experiences in the essay - for example, saving pocket money, spending on school materials and avoiding unnecessary expenses. This helped them think about how to use money wisely and responsibly. Through this activity, students understood the importance of financial control, saving habits and balancing expenses. They also developed an appreciation for the value of money and learned to plan carefully for the future. Overall, this activity helped enhance students' financial literacy and encouraged them to adopt the culture of responsible spending and systematic saving in their lives.

Activity 4: Skit

Theme: Saving money brings happiness, Wasting money brings sorrow

This activity was designed to help students understand the importance of saving and wise money management. Through a short skit with three main scenes, the lesson was clearly demonstrated.

Scene 1: At home, the mother gives each child ₹50 as pocket money. Yogesh spends all his money on ice cream, chocolates and toys without thinking of the future. Suresh, on the other hand, calmly puts his money into a piggy bank, intending to use it later to buy books.

Scene 2: While playing with friends, they realize they need books for the upcoming exam. Yogesh sadly admits that he has no money left because he wasted it on treats. Suresh happily explains that he can buy the books he needs because he saved his money. This scene clearly shows the benefit of saving for future needs.

Scene 3: After the exam results are announced, Suresh performs very well because he had prepared using the books he bought. Yogesh feels regretful for not having saved money to buy the necessary books. Suresh shares an important message: "Saving money helps us in the future."

Final Message: The teacher explains the moral of the skit -“Do not waste money. Save for what is necessary, as it will help greatly in the future.” All the children together say: “Save Money -Make Life Better!” This skit effectively teaches students a key lesson in financial literacy. It helps them understand the value of money, the importance of saving and the concept of planning and budgeting for future needs in a simple, practical and memorable way.

Data Analysis

Table-2: Statement of Student Performance.

Sl. No.	Name	Pre-Test	Post-Test	Difference	% of Improvement
1	Student A1	12	20	8	40
2	Student A2	12	16	4	20
3	Student A3	14	19	5	25
4	Student A4	06	20	14	70
5	Student A5	10	19	9	45
6	Student A6	09	18	9	45
7	Student A7	12	20	8	40
8	Student A8	16	16	0	0
9	Student A9	17	19	2	10
10	Student A10	14	19	5	25
11	Student A11	16	20	4	20
12	Student A12	13	20	7	35
13	Student A13	13	20	7	35
14	Student A14	07	20	13	65
15	Student A15	10	20	10	50

Graphical Representation:

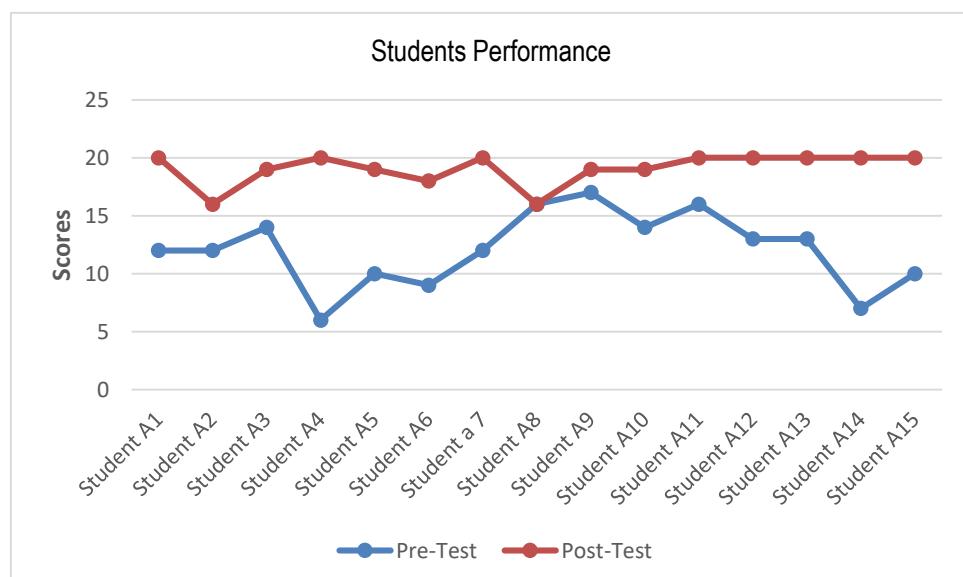


Figure-1: Graphical representation of Students Performance

Interpretation of the result: The above graphical representation shows the comparison between Pre-test and Post-test scores of students. The blue line represents the pre-test scores. While the red line represents the post-test scores. From the graph, it is clearly observed that the post-test scores for almost all students. This indicates that after the implementation of the planned activities and teaching strategies, there was a significant improvement in students understanding and performance. The increases in scores from pre-test to post-test shows that the action research was effective in enhancing students learning outcomes and improving their financial literacy knowledge

Finding of the Study

1. Students' understanding of financial concepts improved after the activities.
2. Students developed a positive attitude toward saving and wise spending.
3. Practical knowledge about income, expenditure and budgeting increased.
4. Students learned to differentiate between needs and wants.
5. Post-test scores were higher than pre-test scores, showing clear improvement.
6. Students began discussing income and expenses with their parents.
7. Saving habits were developed through small daily practices.
8. Classroom participation and interest in financial topics increased.
9. Students became more responsible in handling money.
10. Overall financial literacy among students improved significantly.

Implications of activities

1. Improved Financial Understanding

- Students developed a clear idea about income, expenditure, saving and budgeting.
- They learned to connect classroom concepts with real-life money situations.

2. Development of Saving Habits

- Students realized the importance of saving for future needs.
- They began simple saving practices like maintaining a piggy bank.

3. Enhanced Decision-Making Skills

- Students learned to distinguish between needs and wants before spending.
- They started planning and prioritizing their expenses wisely.

4. Promotion of Responsible Behaviour

- Students became more conscious about unnecessary spending.
- They developed a sense of responsibility in handling money.

5. Active and Experiential Learning

- Activities made learning more interesting and engaging for students.
- Hands-on experiences helped them remember and apply concepts better.

6. Long-Term Life Skill Development

- The activities contributed to students' financial discipline and planning ability.
- They helped students become more self-reliant and future-ready individuals.

Suggestions

For Policy Makers

- 1. Include Financial Literacy in the Curriculum:** Financial education should be integrated as a part of regular curriculum to help students learn essential money management skills.
- 2. Provide Teacher Training:** Teachers should receive proper training to effectively teach financial topics through interactive and experiential methods.

For School Authorities

- 1. Organize Financial Awareness Programs:** Schools should conduct seminars, exhibitions and competitions to spread awareness about financial literacy.
- 2. Promote Saving Habits:** Schools can introduce saving schemes or encourage students to maintain a personal piggy bank to build saving discipline.

For Teachers

- 1. Promote Real-Life Application:** Students should be encouraged to apply what they learn in their daily life, such as planning expenses and saving for future needs.
- 2. Adopt Activity-Based Teaching Methods:** Teachers should use role-play, budgeting exercises and real-life examples to make financial concepts more practical and engaging.
- 3. Encourage Peer Learning:** Group projects and discussions among students can help them share ideas and learn collectively about money management.
- 4. Encourage Family Participation:** Students should be motivated to discuss family income and expenses with parents to gain real-life financial experience.

Limitations of the Study

1. The study involved only 15 students, limiting generalization of results.
2. It was conducted in a single school, so findings may not apply to other schools.
3. The duration of activities was short, which may not ensure long-term habit formation.
4. The research relied mainly on pre-test and post-test scores, which may not capture all aspects of financial behavior.
5. Focus was limited to specific practical activities and did not cover all areas of financial literacy.

Scope for Further Research

1. Similar studies can be conducted across multiple schools to compare financial literacy levels.
2. Long-term studies can track if students maintain saving and budgeting habits over time.
3. Future research can explore the influence of parents, teachers, and community on students' financial behaviors.

Conclusion:

The main objective of this action research was to develop financial awareness and a sense of responsibility among students. In the beginning, the students had very little understanding of concepts such as saving, spending and the value of money and planned expenditure. However, through various learning activities, they gradually learned the meaning of money, how to use it wisely and the importance of saving. This process of learning brought a positive change in their thinking, behavior and overall lifestyle. The students began to see money not merely as something to be spent but as a foundation for building a better future. They learned to analyze their spending habits and distinguish between needs and wants. As a result, they developed the habit of planned spending and the skill of saving for meaningful purposes.

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