ISSN (O): 2320-5407
ISSN (P): 3107-4928

Journal Homepage: -www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

Article DOI:10.21474/IJAR01/23699
DOI URL: http://dx.doi.org/10.21474/IJAR01/23699

RESEARCH ARTICLE

FINANCIAL AWARENESS OF TEENAGERS: A MOHALI-BASED CONSUMER BEHAVIOUR STUDY

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Manuscript Info

Manuscript History
Received: 14 April 2026
Final Accepted: 16 May 2026
Published: June 2026

Key words:-
Teen finance, consumer behaviour, financial literacy, digital payments, adolescent spending, India

Abstract

The increasing financial participation of teenagers in the modern consumer economy has raised concerns regarding their financial awareness and decision-making abilities. This study examines the financial behaviour, spending patterns, saving habits, and financial literacy of teenagers in Mohali, India. Using a primary survey method, data were collected from 101 respondents aged 13–19 years through a structured questionnaire. The study employs descriptive statistics and Likert scale analysis to understand behavioural trends. The findings suggest that although teenagers in Mohali are increasingly engaged in financial activities, their financial literacy and financial planning practices remain underdeveloped. The findings highlight the need for financial education initiatives aimed at promoting responsible spendin g, effective budgeting, and informed financial decision-making among adolescents.

Introduction:-

In recent years, teenagers have emerged as an increasingly significant segment in the consumer market, driven by greater access to disposable income, digital financial tools, and exposure to online consumption trends. India's demographic profile amplifies this relevance: with nearly 50% of the population under the age of 25, the financial behaviour of young people carries substantial implications for the country's long-term economic trajectory (IJPREMS, 2025). The rapid proliferation of digital payment platforms such as UPI, Google Pay, and mobile wallets has further embedded financial participation into the everyday lives of adolescents. Yet this increased engagement does not necessarily correspond with adequate financial awareness or responsible money management.

Despite high levels of digital engagement, research consistently reveals that financial literacy among Indian youth remains alarmingly low. The S&P Global Financial Literacy Survey (2015) found that only 24% of Indian adults were financially literate, and the situation is considerably worse among teenagers, with some estimates suggesting that only 3% of Indian teenagers can be considered financially literate in a meaningful sense (Jayaraman & Jambunathan, 2018). Studies further indicate that financial knowledge scores the lowest among the three dimensions of financial literacy — knowledge, behaviour, and attitude — suggesting that even those who hold positive attitudes toward saving and planning often lack the foundational understanding to act on them (IJCRT,

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2022). This paradox of awareness without knowledge is particularly concerning in a digital economy where financial decisions are made with unprecedented ease and speed.

Consumer behaviour among teenagers is shaped by a complex interplay of psychological, social, and technological factors. Peer pressure, social media influence, and impulsive tendencies play a crucial role in spending decisions (Lusardi, Mitchell, & Curto, 2010). Research has identified that factors such as parental income, educational stream, and family financial discussions significantly influence how financially capable a young person becomes (Mahapatra, Alok, & Raveendran, 2017).

Financial capability refers to an individual's ability to manage financial resources effectively through informed decision-making, budgeting, saving, and responsible spending (Atkinson & Messy, 2012). Financial participation, such as receiving pocket money, using digital payment systems, and making independent purchase decisions, provides practical exposure to financial activities. According to experiential learning theory, repeated engagement with financial transactions contributes to the development of financial capability by allowing individuals to learn through experience (Kolb, 1984). Consequently, adolescents who actively participate in financial activities may gradually develop greater financial awareness and financial management skills. However, without adequate financial literacy, increased participation may also lead to impulsive spending and poor financial outcomes.

In semi-urban regions like Mohali, Punjab, where modernization and digitalization are advancing rapidly, teenagers navigate a hybrid financial environment that blends traditional household practices with contemporary consumption patterns driven by e-commerce and social media. This context makes Mohali an especially appropriate and underexplored setting for studying adolescent financial behaviour.

A key challenge in this domain is the absence of financial education within formal schooling. Indian schools predominantly focus on theoretical subjects, and practical financial skills such as budgeting, understanding interest, and distinguishing wants from needs are rarely part of the curriculum (IJPREMS, 2025). As a result, most young people acquire financial knowledge through trial and error rather than structured education (IJFMR, 2025). The consequences of this gap can be far-reaching, including poor saving habits, susceptibility to impulse buying, over-reliance on digital payment systems without understanding their implications, and long-term financial insecurity. Despite their active participation in today’s consumer economy, teenagers often lack the structured financial knowledge necessary for sound decision-making. Therefore, this study aims to critically examine the financial behaviour of teenagers in Mohali and provide a “reality check” on the gap between their financial participation and their financial awareness.

Literature Review:-

Financial literacy has been widely recognized as a critical determinant of sound financial behaviour. According to Lusardi and Mitchell (2014), individuals with higher financial literacy are significantly more likely to engage in effective financial planning, maintain saving habits, and make informed investment decisions. Despite its acknowledged importance, financial literacy among young individuals remains low across countries, including developed economies. The problem is particularly acute in India, where the S&P Global Financial Literacy Survey (2015) ranked the country among the least financially literate nations, with only 24% of adults demonstrating adequate financial knowledge (Jayaraman & Jambunathan, 2018). Among teenagers specifically, the situation is even more concerning, as this age group is rarely the focus of formal financial education initiatives.

Studies focusing on adolescents consistently indicate that early financial experiences shape long-term economic behaviour (Shim et al., 2010). Teenagers who are introduced to saving and budgeting practices at an early age tend to exhibit better financial discipline in adulthood. Research on the determinants of financial literacy among Indian youth reveals that education level, parental income, and family financial discussions are among the most significant predictors of financial capability (Mahapatra, Alok, & Raveendran, 2017).

Importantly, while attitude toward financial planning tends to be positive among students, actual financial knowledge scores remain the weakest of the three dimensions of financial literacy — knowledge, behaviour, and attitude — suggesting that good intentions do not automatically translate into informed action (IJCRT, 2022). This disconnect between awareness and practice is a central concern that the present study seeks to investigate among Mohali teenagers.Social influences play a particularly powerful role in shaping the financial behaviour of adolescents. Bearden and Etzel (1982) established that peer groups significantly affect consumption choices, especially among young individuals who are still forming their personal identities and values. This peer influence has been dramatically amplified in the digital age. Platforms such as Instagram and YouTube expose teenagers to influencer-driven consumption culture, often normalizing impulsive and aspirational spending (Djafarova & Rushworth, 2017). Among Indian youth, peer financial behaviour and social comparison have been identified as stronger predictors of spending decisions than formal financial education (Vijayakumar, 2022, as cited in IJFMR, 2022). The pressure to conform to peer spending norms — whether on food, fashion, or entertainment — creates a social economy around consumption that frequently overrides individual budget constraints.

Digital payment systems have further transformed spending behaviour among young consumers. Soman (2001) demonstrated that cashless transactions reduce the psychological "pain of paying," making it easier for individuals to spend without the immediate emotional friction associated with handing over physical currency. This effect is particularly pronounced among teenagers who have grown up with UPI, mobile wallets, and digital banking as their primary modes of financial transaction. The abstraction of money in digital form can lead to spending that outpaces income, especially when combined with low financial awareness. While financial literacy has been shown to positively moderate this tendency — individuals with stronger financial knowledge are better equipped to track and regulate digital expenditure (Lusardi & Mitchell, 2014) — the lack of structured financial education among Indian teenagers means that many are navigating these systems without adequate safeguards. Studies further show that youth who actively track their digital transactions tend to demonstrate more restrained spending behaviour, underlining the importance of financial monitoring habits (IJFMR, 2025).

In the Indian context, financial literacy remains unevenly distributed, with younger populations demonstrating limited awareness of even basic financial concepts such as interest rates, inflation, and budgeting (Agarwalla et al., 2015). A key contributing factor is the absence of financial education in school curricula: Indian schools predominantly emphasize theoretical subjects while neglecting practical money management skills, leaving adolescents to learn financial behaviour through trial and error rather than structured instruction (IJPREMS, 2025). While several studies suggest that digital payment systems encourage greater spending due to reduced transaction salience (Soman, 2001), other studies argue that digital financial tools can improve financial management by providing transaction records and expenditure tracking facilities (Xiao & Porto, 2017). These contrasting findings may arise from differences in age groups, socioeconomic conditions, and levels of financial literacy. In developing economies such as India, where digital financial adoption is increasing rapidly among youth, the benefits of digital tools may depend largely on users' financial knowledge and self-control mechanisms.

Financial literacy theory suggests that individuals possessing greater financial knowledge are more capable of making informed economic decisions (Lusardi & Mitchell, 2014). Consumer socialization theory further argues that adolescents acquire financial attitudes and behaviours through interactions with family, peers, and media (Moschis & Churchill, 1978). Integrating these perspectives, the present study proposes that financial literacy influences spending and saving behaviour, while social media and peer influences shape consumer choices. The interaction of these factors determines overall financial behaviour among teenagers.

Existing research in India has predominantly focused on urban populations, college-going youth, or adults in formal employment, leaving a notable gap in empirical understanding of financial behaviour among school-age teenagers in semi-urban settings. Cities like Mohali, which occupy a transitional space between metropolitan financial ecosystems and smaller town realities, represent an underexplored but highly relevant context for such inquiry. The present study addresses this gap directly.

Research Gap:-

A careful review of existing literature reveals several notable gaps that the present study seeks to address. First, the bulk of research on financial literacy and consumer behaviour in India has been conducted among adults in formal employment, college-going students, or urban populations in metropolitan centres such as Mumbai, Hyderabad, and Delhi (Agarwalla et al., 2015; Mahapatra et al., 2017; IJCRT, 2022). Teenagers aged 13 to 19 years — a group that is actively participating in the consumer economy through pocket money, digital payments, and peer-influenced spending — remain significantly underrepresented in the empirical literature. Second, while studies such as Jayaraman and Jambunathan (2018) have examined financial literacy among high school students, their focus has been on financial knowledge assessment rather than on behavioural dimensions such as spending patterns, saving habits, and the influence of digital payment systems on actual financial decisions. Third, semi-urban cities like Mohali, which occupy a distinct socioeconomic position between large metropolitan areas and smaller towns, have received virtually no dedicated scholarly attention in this domain. The financial environment of a semi-urban teenager in Punjab — shaped by rapidly growing digital infrastructure, strong peer networks, and limited formal financial education —

cannot be assumed to mirror findings from urban-focused studies. Finally, the intersection of pricing psychology, payment method (digital vs. cash), and budget constraints as simultaneous determinants of adolescent financial behaviour has not been explored in the Indian context using primary survey data. This study addresses these gaps by providing original, locally grounded empirical insights into the financial behaviour of teenagers in Mohali, contributing to a more complete and geographically diverse understanding of adolescent consumer behaviour in India.

Objectives of the Study:-

1. To analyze the spending habits of teenagers in Mohali
2. To examine saving behaviour and financial literacy practices
3. To identify the influence of peers and social media on spending decisions

Research Methodology:-

The present study adopts a descriptive and exploratory research design to examine the financial behaviour and consumer decision-making patterns of teenagers in Mohali, Punjab. The analysis is based on primary data collected through a structured questionnaire designed to capture key aspects such as income sources, spending habits, saving behaviour, financial literacy, and the influence of social and digital factors. The target population comprises teenagers aged 13 to 19 years, and a sample of 101 respondents was selected using a non-probability convenience sampling technique, wherein respondents were selected based on accessibility and willingness to participate. Data were collected using a Google Form circulated through digital platforms, resulting in voluntary participation. In some cases, a snowball approach was observed as respondents shared the survey link within their peer networks. The questionnaire included both closed-ended and Likert scale questions, with responses measured on a five-point scale ranging from strongly disagree to strongly agree. Data collection was carried out through both online and offline survey methods, ensuring voluntary participation and maintaining respondent anonymity.

The collected data were analyzed using percentage analysis, descriptive statistics, Likert scale analysis, and cross-tabulation to identify patterns and relationships among variables. Despite its contributions, the study is subject to limitations including the use of non-probability sampling and its restriction to a single geographic area, which may affect the generalizability of the findings. Below is a pattern of operationalization of Variables in the result and analysis section.

Objective	**Variable**	**Measurement**
Spending Habits	Spending frequency	Ordinal scale
Spending Habits	Impulse buying	Yes/No
Saving Behaviour	Percentage saved	Categorical
Financial Literacy	Budgeting practice	Yes/No
Social Media Influence	Influence score	5-point Likert
Peer Influence	Peer pressure score	5-point Likert

Results and Analysis:-

From the primary survey conducted in the study area, the paper will deal with 101 respondents. At the very initial stage the paper will describe the demographic details of the respondents.

Age- It is seen that, among the 101 teenager respondents, the majority of them are from the 16-17 age group category while an approximate 20% of the respondents are from 13-15 age group. The age distribution is described in the following figure.

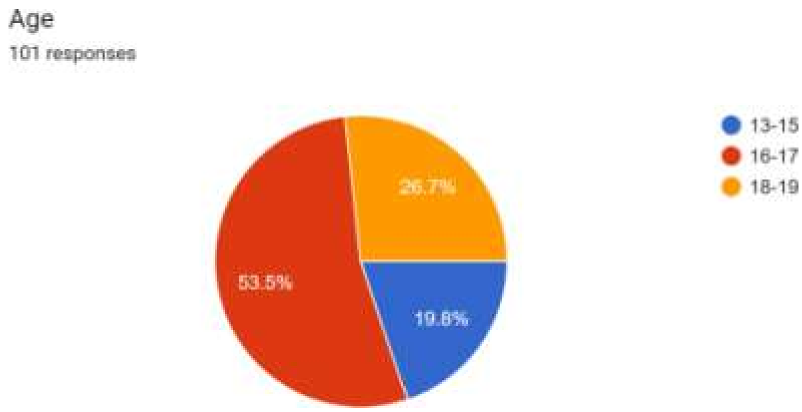


Fig A. Age distribution of the respondents.

Sources- Primary Survey

Gender- The relatively high proportion of female respondents (approximately 60%) may reflect increasing financial awareness and engagement among female teenagers in Mohali. This observation is consistent with the broader trend of growing financial participation among young women; however, further evidence is required to establish gender parity in financial inclusion and independence. it is shown in the following figure.

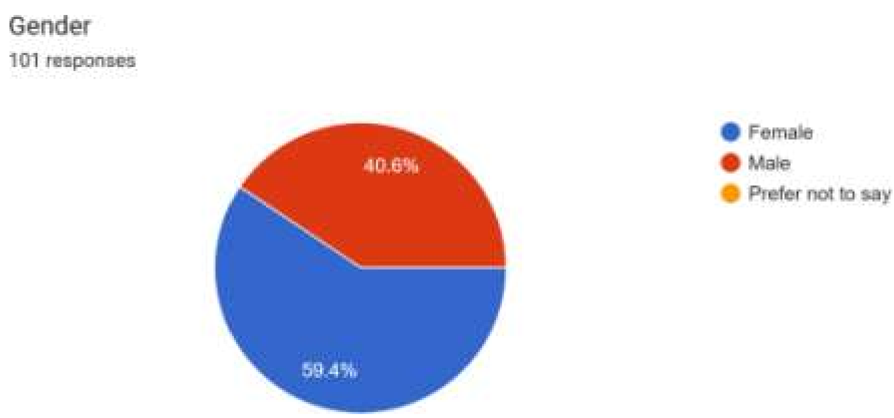


Fig B- Gender distribution of the respondents.

Sources- Primary Survey

Education- majority of the respondents are now studying in the higher secondary school indicating the financial awareness participation of the school students.

Objective 1: this section tries to analyze the Spending Habits of Teenagers in Mohali:-

The survey findings indicate that pocket money is the primary source of funds for most teenagers, although a considerable number of older respondents (18–19 years) reported receiving income from part-time employment. This suggests a gradual transition from financial dependence to partial financial independence with increasing age. The majority of them receive less than 1000Rs while a fair share receives 1000-3000 Rs per month, though survey reveals most of them are getting that money as their part time income sources. It represents their financial independence . It is shown in the following figure.

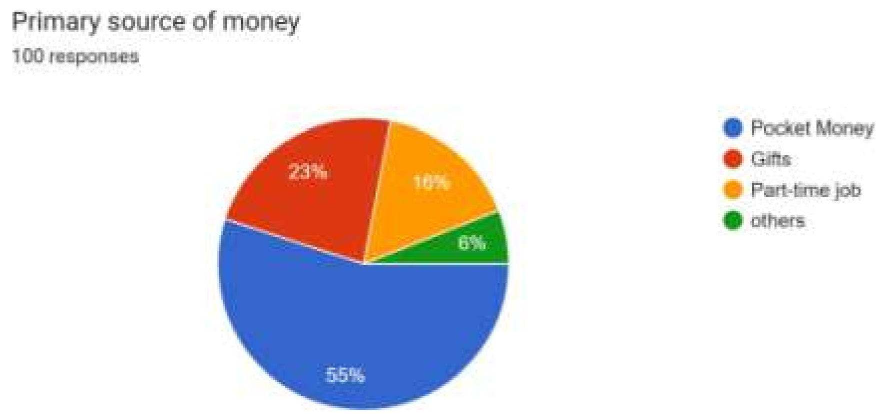


Fig 1.1- primary source of funds

Sources- Primary Survey

Regarding spending preferences, food and beverages emerged as the dominant expenditure category across all age groups, followed by clothing and accessories, entertainment, online shopping, and gaming. Among younger teenagers (13–15 years), spending was concentrated mainly on food and gaming, whereas older teenagers showed greater expenditure on clothing, entertainment, and online shopping. It is shown in the following figure.

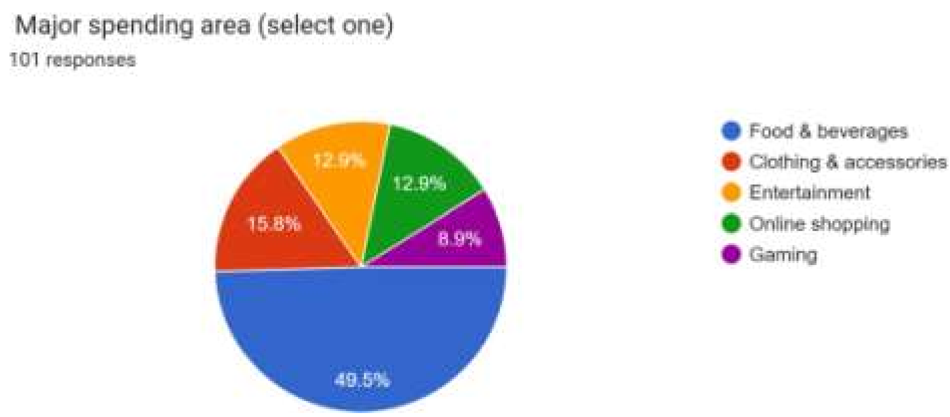


Fig 1.2- Major spending area

Sources- Primary Survey

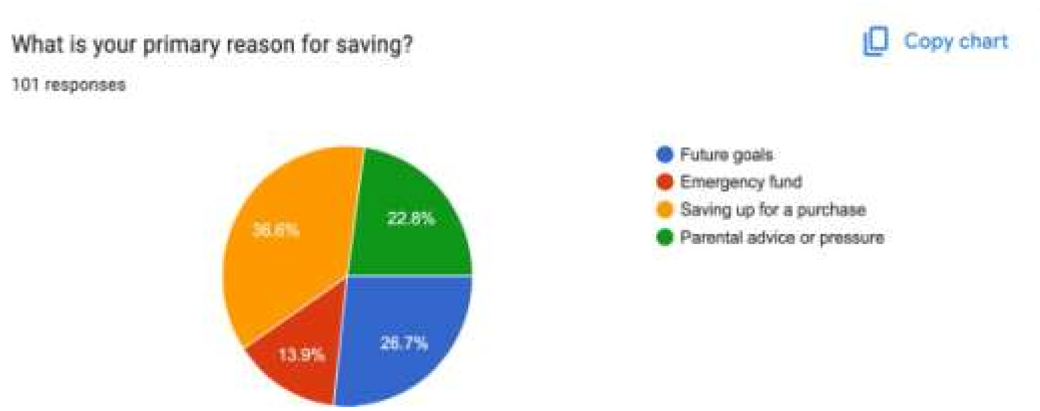
The data further reveal that planned spending behaviour is relatively weak among teenagers. A large proportion of respondents reported that they only sometimes plan purchases in advance, while many admitted to making impulsive purchases frequently. The prevalence of impulsive buying is particularly noticeable among the 16–17 and 18–19 age groups. Furthermore, a substantial proportion of respondents reported regretting purchases after making them, indicating that emotional or spontaneous decision-making often overrides rational spending considerations. Digital payment usage was found to be widespread, with Google Pay and PhonePe being the most commonly used applications. Many respondents also indicated that they tend to spend more when using digital payment methods compared to cash transactions. This finding supports the argument that cashless payment systems reduce the psychological awareness of expenditure and may encourage higher spending frequency among adolescents.

Objective 2- This section tries to Examine Saving Behaviour and Financial Literacy Practices:-

The results show that saving behaviour exists among teenagers but remains relatively modest. Most respondents reported saving either 0–10% or 10–25% of their available money, while only a small proportion indicated saving more than 25%.The primary motivations for saving include, Saving for a future purchase, Achieving future goals, Building an emergency fund, and Parental advice or encouragement. Among younger respondents, parental influence was a major reason for saving, whereas older teenagers demonstrated a stronger tendency to save for future goals and emergencies. The study also examined financial literacy practices through budgeting behaviour. The results indicate that only a minority of respondents had ever prepared a personal budget. Many respondents reported running out of money before the end of the month or week, suggesting limited financial planning and expense management skills.

The survey findings reveal that the most common reason for saving among teenagers is saving up for a future purchase, accounting for 36.6% of responses. This suggests that teenagers primarily view saving as a means of achieving short-term consumption goals rather than long-term financial security. Future goals, such as higher education, personal aspirations, or career-related objectives, were identified by 26.7% of respondents. Parental advice or pressure accounted for 22.8% of responses, indicating that family influence continues to play an important role in shaping saving behaviour among adolescents. Emergency funds emerged as the least common motivation, with only 13.9% of respondents selecting this option. This finding suggests that awareness regarding financial risk management and emergency preparedness remains relatively low among teenagers. Overall, the results indicate that while saving behaviour is present among respondents, it is driven more by planned purchases and future aspirations than by precautionary financial planning.

Fig 2- Major spending area
Primary reasons for saving money



Sources- Primary Survey

Interestingly, respondents who reported creating budgets were generally more likely to save larger proportions of their money and less likely to exhaust their available funds prematurely. This pattern indicates a positive relationship between budgeting practices and financial discipline.

Objective 3- This section tries to identify the influence of peers and social media on spending decisions:-

The survey employed a five-point Likert scale to assess the influence of peers and social media on spending behaviour. The responses indicate that social media exerts a stronger influence on spending decisions than peer pressure. A majority of respondents reported agreement with the statement that social media platforms such as Instagram and YouTube influence their purchasing decisions. Similarly, many respondents acknowledged that online advertisements and influencer promotions had encouraged them to make purchases. This influence was particularly pronounced among respondents aged 16–19 years. The findings regarding peer influence are more moderate. While respondents generally acknowledged that their friends' spending habits affect their own purchasing behaviour, fewer respondents strongly agreed that they feel pressured to spend money on unnecessary items simply to fit in. Nevertheless, peer influence remains a significant factor in shaping consumption choices. This result aligns with several recent studies, which indicate that social media has become a major source of consumer information among adolescents. A study by Annamaria Lusardi and colleagues found that financial behaviours developed during adolescence significantly influence adult financial outcomes. Furthermore, research by OECD (2023) reported that increased exposure to digital platforms has altered consumption patterns among young consumers, particularly through influencer marketing and personalized advertising. Another noteworthy finding is that most respondents reported comparing prices before making purchases. This suggests that although teenagers are influenced by external factors, many still engage in some degree of rational evaluation before spending.

Discussion:-

Hence the study reveals three important patterns regarding the respondents. Teenagers in Mohali are active consumers, with spending concentrated mostly on food, entertainment, clothing, and online purchases. Though there is a Saving behaviour but mostly it remains relatively weak. Apart from this, their formal financial planning practices such as budgeting are not widely adopted. Social media and digital platforms exert a substantial influence on their spending decisions, often exceeding the influence of peers.

Conclusion:-

Existing studies on financial literacy and consumer behaviour predominantly focus on adults, university students, or working populations. Research specifically examining teenagers remains limited, particularly within the Indian context. Furthermore, most Indian studies emphasize financial literacy without simultaneously examining spending behaviour, saving practices, and social-media-driven consumption. By integrating these dimensions within a single analytical framework, the present study contributes to the adolescent financial behaviour literature. Additionally, the study provides evidence from Mohali, an emerging urban centre characterized by increasing digital financial adoption among youth, thereby offering context-specific insights into teenage financial behaviour in contemporary India.

This study concludes that teenage consumption in Mohali is characterized by frequent discretionary spending, particularly on food, entertainment, and lifestyle-related products. The high incidence of impulsive buying and post-purchase regret indicates limited spending discipline, despite increasing access to digital financial tools. Although teenagers demonstrate an awareness of the importance of saving, their actual saving practices remain limited. The relatively low adoption of budgeting suggests that financial literacy skills are underdeveloped. These findings highlight the need for structured financial education programs aimed at promoting budgeting, saving, and long-term financial planning among adolescents. The results from the third objective indicate that social media has become a major agent of consumer socialization among teenagers. Exposure to influencers, advertisements, and online trends appears to shape consumption preferences more strongly than direct peer pressure. However, peer groups continue to play an important role in reinforcing spending norms and consumption aspirations.

Recommendations:-

Based on the findings of the study, several measures can be recommended to strengthen financial awareness among teenagers. Schools should introduce basic financial literacy programs covering budgeting, saving, responsible spending, and digital payment management. Parents should be encouraged to involve teenagers in everyday financial discussions and decision-making processes to develop practical money-management skills. Awareness campaigns may also be conducted to educate adolescents about the risks of impulsive spending and the importance of maintaining emergency savings. Finally, promoting regular budgeting practices and responsible use of digital payment platforms can help teenagers develop healthier financial habits and improve long-term financial well-being. Overall, the study contributes to the growing understanding of adolescent financial behaviour in India and highlights the importance of strengthening financial literacy among young consumers.

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