

## The Impact of Household Income on Students' Financial Literacy

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**Abstract :** Financial literacy has become on focus of many research studies. Family household is found to influence students' financial literacy. The purpose of this study is to explore whether financial literacy of Albanian students is associated with their family household. The main objectives of this research are: i) firstly, to evaluate how financial literate are Albanian university students; ii) secondly, to examine whether the financial literacy differs based on the level of students family income; and iii) finally, to draw some conclusions and recommendations in order to improve student's financial literacy. An instrument, comprised of personal finance and personal characteristics is administered to 637 students in Albania. The constituency of the survey is tested based on the dimension reduction and factor analyzing techniques. The One Way Welch ANOVA and multiple comparison techniques are utilized to analyze the data. The results indicate that student's financial literacy is influenced by their family income.

**Keywords :** financial literacy, household income, smart decisions, university students

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