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NEXUS BETWEEN FINANCIAL LITERACY AND FINANCIAL DISTRESS AMONG SALARIED MILLENNIALS

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Abstract
The study is focused on salaried millennials and intended to determine the impact of demographic factors on financial literacy and financial distress; and the impact of financial literacy on financial distress. For constructing the questionnaire, the scale of OECD (2012) for financial literacy and the scale of IFDFW (2006) for financial distress is adopted. The data is collected with the help of a structured questionnaire from the sample size of 385 respondents. Multiple Linear Regression is used for the analysis of the data. It was found that demographic factors significantly affect the financial literacy and financial distress, and financial literacy doesn't make impact on financial distress. So, lack of financial literacy is not only the reason for financial distress but also various other factors that causes financial distress. The study evidence to solve sandwich generation problems related to personal finance in high-cost living era.

Keywords: ***Millennials, Financial Literacy, Financial Distress, Demographic factors.***

1. Introduction

India is known as the country of Millennials. The millennial generation influence economy the most as they are born in the transition phase of the economy and have the capacity to reshape the economy. The millennial generation means anyone born between 1981 and 1996 who is considered a millennial; 1996 is a meaningful cutoff between Millennials and Gen Z for a number of reasons, including key political, economic, and social factors that define the millennial generation's formative years (D. M, 2019). Millennials are born phase of the internet explosion. People's financial literacy plays an important role in the development of the economy. In India, Millennial account 34% of the total population. India is known as the country of savers because our parents impart the habit of saving by birth. But despite of high saving rate, only 3% was channelized into investment. The low investment rate is due to a lack of financial literacy. According to OECD, financial literacy is "A combination of awareness, knowledge, skill, attitude, and behaviour, necessary to make sound financial decisions and ultimately achieve individual financial wellbeing". Dwiastanti, A. (2015) a good financial literacy is necessary for every individual to manage his/her finance to achieve prosperity, and to have a good level of financial literacy, individuals need to have smart financial behaviour to make them have the skill and confidence in using knowledge, to be able to identify financial product and services. However, today's millennials face many challenges, including limited financial resources and rising cost of living. So in such a case, if they lack financial literacy, it can be a reason for plethora of financial distress. Financial distress can make negative impact on their performance level and self-efficacy. Financial distress is a subjective phenomenon, and it can be defined as a reaction, such as mental or physical discomfort, to stress about one's state of general financial wellbeing (O'Neill et al., 2006). Financial distress is an inability of an individual to fulfil or pay their financial responsibility.

Millennials tend to face personal financial distress due to sandwich generation problems, and personal financial distress is one of the issues in personal financial management (Nareswari et al., 2021). Each person has different levels of financial distress in their life, and these differences come due to different levels of financial knowledge, behaviour, and attitude. Sometimes socio-demographic variables such as age, gender, income, education, etc., can also be a reason for these differences and impact the level of financial literacy and financial distress. Financial literacy and financial well-being are directly related, which means higher financial literacy more financial prosperity and less financial distress. In India, total literacy rate is 74.04%, and out of which only 24% of adults are financially literate, which means those who are educated and earning money, it does not mean that they are financially literate, and that can be a reason for financial distress for them. Lack of financial literacy has cost implications in the form of financial distress. Living a comfortable and stress-free life is desired by many. For people, getting money is easier than managing and investing it, which means there are many chances of losing money due to wrong decisions regarding investment, payment, etc. Financial literacy and financial distress are the determinants of financial well-being and financial well-being explains the financial distress of the individual. Financial literate person more rational when they make financial decisions. To achieve SDGs one and three, which is related to ending poverty from everywhere, ensuring healthy lives, and promoting well-being for all ages, individuals, and households must live a financial distress-free life (Osabohien et al., 2020).

Many studies have been conducted showing the correlation between financial literacy and financial distress. Some studies have generally established positive relationship between financial literacy and financial distress (Idris et al., 2013) but some of the found the inverse . So these conflict arises due to different geographical areas, followed different trends of analysis, and different demographic variables. Various studies were conducted on relationship between financial literacy and financial distress among youth and millennials in other countries of the world, but especially if we talk about salaried millennials, we will get some of the studies. The above literature also explains how socioeconomic characteristics of individuals impact their financial distress level. So, this current study differs as it focuses on salaried millennials and their financial literacy and financial distress level with some demographic variables like age, gender, income, and qualification. Number of dependents, family, etc.

2. Literature Review

2.1 Financial Distress

Financial distress is a pressure to solve a personal finance problem, for example, inability to pay bills, credit cards, house rent, or other basic needs (Mccarthy, 2011). Various existing research on financial distress can be separated into two categories. One category considers local institutional & economic factors, such as state-level bankruptcy law (Agarwal et al., 2003) & shocks to local economy (Agarwal & Liu, 2003). Second category considers individual characteristics such as preference parameters (like risk preference) & behavioural factors (like inattention, Financial literacy) (Keys et al., 2020). Financial distress related to financial problems or conditions and outcomes of financial distress will affect individuals in psychological & emotional ways. There is a difference between financial stress & financial distress (Mahdzan et al., 2019). Financial stress is related to the significant financial inadequacies to meet individual financial needs, whereas financial distress is the opposite viewpoint of financial well-being (Rahman et al., 2021). Increase of financial stress, such as debt or financial shortages, would be reasonably intense.

The state of financial distress which make lower the level of financial well-being. Financial distress can be studied objectively & subjectively both; in objectively, the level of individual financial distress is determined by the facts (i.e., amount of income, assets, & debt of person), while subjectively financial difficulties can be caused by two people with same assets, income, debt, etc. who experience different levels of financial distress (Nur et al., 2019). If we talk about the financial distress of millennials and youth, then a survey conducted by the American Saving Educational Council & AARP in 2018 examined that there are political, social & economic climates have brought new challenges for them, & the majority of youth believed that they did not save as they should & failed to co-ordinate their action with their values & financial goal. One of the studies on this aspect based on youth, which survey by the Western Union Money Mindset Index in 2010, indicated that generation Y respondents reported feeling increasingly stressed due to financial obligation. At the individual level, financial behaviour of millennials will heavily impact their lifetime financial well-being (Kim et al., 2019). Financial distress has been described as a judgment about the response to one's financial condition (Prawitz et al.,2006). Millennials tend to exhibit more troubling financial behaviour than the preceding generation at the same life stage (Kim et al., 2019). Financial distress can last short time or can become a persistent state(Garman, 2004).

2.2 Financial literacy

Financial literacy assesses an individual's level of understanding of the basic concept of finance & the individual capability and confidence to manage their personal finance (Remund, 2010). Financial literacy considers "sufficient knowledge about facts on personal finance and is the key to personal finance management" (Garman, 1997). "Financial literacy is combination of knowledge, attitude, and behaviour, and it makes sense to explore these three components in combination by adding the score together" (Atkinson & Messy, 2012). There are various determinants of financial literacy and used panel data for determinants such as age, health, size of household, employment status, etc. (Taylor, 2011). " financial literacy is the ability to understand how money works in the world: how someone manages to earn or make it, how they invest it and that person Donets it to help others" (Narula, 2017). Socio-demographic features and family financial sophistication were strongly related to literacy in finance (Lusardi et al., 2010). Financial literacy goes beyond the limit of financial information and advice ; it is also ability to know, monitor and efficiently use financial resources to increase welfare (S. M & M, 2015). There are various aspects of financial literacy: personal finance, money management, credit & debit management, and risk management (Nababan & Sadalia, 2013). Individuals with low literacy levels are more likely to carry high-cost debt and have debt problems (Lusardi & Mitchell, 2008). Various studies explained the ability of individual to understand and use financial and economic well-being levels (Lusardi & Mitchell, 2014). Financial literacy is essential for millennials because they face various financial decisions that have various important consequences throughout their life. The younger generation faces more challenges than past generations (Lusardi & Oggero, 2017). There are various ways financial literacy affects people's financial behaviour (Lusardi & Mitchell, 2014) and to know the level of people's understanding regarding financial concepts and the degree to which financial skills fall short among millennials. Probably up to 2025, millennials, as soon as possible, will make up to the largest share of the labour market (Schwabel, 2012), and their financial behaviour will significantly affect the world economy, so to understand the millennial's decision-making capability, we have to examines their financial literacy level as well as various factors associated with their financial knowledge (Lusardi & Oggero, 2017).

In subjective terms, financial literacy is not only to understand the financial concept but also to consider an individual belief in financial knowledge (Riitsalu & Murakas, 2019). So there are subjective financial knowledge, and objective financial knowledge. It plays a very important role in determining various financial decisions because each person needs to know financial concepts and have a good perception to improve financial behaviour (Tang & Baker, 2016).

2.3 Demographic variable

Demography is a science which is used to make analysis of human things, which consider age, gender, income, education, family etc. These demographic variables have an impact on the human tendency toward financial behaviour. Those individuals who have high tendency towards planning who takes more time in developing financial plans, save and accumulate much more wealth as compare to those who have low tendency (Nur et al., 2019). Various demographic variables such as income, gender, education, age, and ethnicity have shown impact on financial satisfaction (Lee & Dustin, 2021). In demographic variables, age compared with stress level, where a higher level of stress is associated with older age and stress exposure in the early life course (Agrigoroaei et al., 2017). When income level and education levels increase, then family situation and function will also improve, but when number of family members and financial distress increases, the general family function will deteriorate (Günay et al., 2019).There are various demographic and economic factors which make an influence on individual financial distress, such as age, where young generation is more experiencing financial distress than older generation; this is because of lifestyle of younger generation is more consumptive than previous generation (Nur et al., 2019). Regarding marital status then, it correlated with financial literacy level (Caroline & Potrich, 2015). When compared with married individuals, single people have a lower financial literacy level (Brown & Graf, 2013).

Regarding number of dependents in family members, then consider financial-wellbeing, where each individual has greater concern with the budget, which is highly correlated with higher financial literacy level (Caroline & Potrich, 2015). Education level also makes an impact on financial literacy level of an individual. Individuals with low education levels are less likely to answer finance-related questions correctly, and also, many say that they do not know the answer (Lusardi et al., 2011). In terms of income level and financial literacy level so, it found that low-income level are mostly associated with low financial literacy levels (Atkinson & Messy, 2012).

2.4 Millennials

The millennials generation represents more than a quarter of the entire world's population. They come at the age of internet explosion (D. M, 2019). They are also known as millennials generation of Y and have also grown up at the volatile and unpredictable economic age with high carrier expectation as compared to previous generation (Lusardi & Oggero, 2017). Nearly recent generations are millennials, who are individuals those born between 1980 and 2000 (Sharon, 2015). In this study, we consider salaried millennials, where the investment pattern of millennials is also based on their salaried income, and individual salaries are different based on industries, skills etc. and each individual earning will end up with saving if their expenses are below then income earned (Binny Cherian, 2019).

The maintenance of financial balance and risk tolerance of youth depends on their financial literacy level. Millennials also have many names representing their characteristics; digital generation, net generation and echo boomers, and N-Gen (Bhotiya & Agrawal, 2014).

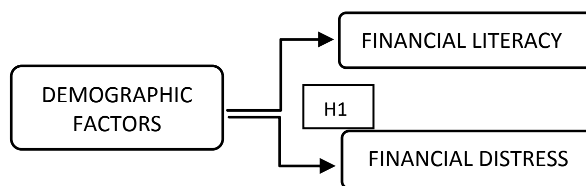
2.5 Relationship between financial literacy and financial distress

A financially distress-free life can be achieved with the help of financial literacy (Karakara et al., 2022). There are various pieces of literature that contribute to household's financial hardship and distress with financial literacy (Bricker & Thompson, 2016). Some studies explore the link between financial literacy and financial distress (Nurazira et al., 2019; Idris et al., 2013). So, there are some mixed results or finding on the role of financial literacy on financial distress. Some studies showed positive relationship between financial literacy and financial distress (Nurazira et al., 2019), while some others found very low relations or no relation between these variables (Günay et al., 2019). There are various demographic and socioeconomic factors which are caused of financial distress (Anderloni et al., 2012). One of the study examined the relationship between financial distress and financial literacy levels among the youth of Malaysia, where a very weak relationship is available (Idris et al., 2013).

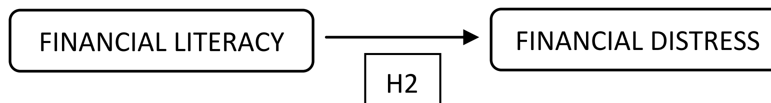
3. Objectives of the Study

1. To examine the role of Demographic Variables in influencing Financial Literacy and Financial Distress.
2. To study the impact of Financial Literacy on Financial Distress

4. Conceptual Framework



H1- Demographic factors significantly affect Financial Literacy and Financial Distress



H2 – Financial Literacy significantly affect Financial Distress

5. Research Methodology

5.1 Target Population

The target population of this study was the salaried Millennials falling in the age group 26-41 years and residing in Varanasi.

5.2 Sampling Design and Size

The random sampling is used for the collection of data from the respondents. The sample size is 385, and it is determined with the help of the following formula

$$(Z\text{-score})^2 * StdDev*(1- StdDev) / (\text{margin of error})^2$$

Z score at 95% confidence level, i.e. 1.96, Standard deviation 0.5 and Margin of error 0.05 is considered for determining the sample size.

5.3 Data Collection

The research is based on primary data. The data are collected with the help of a structured questionnaire. Mainly there are two aspects in the study, i.e. Financial Literacy and Financial Distress. The scale of (OECD INFE, 2012) is adopted to assess the financial literacy among millennials, and for Financial Distress, the scale of IFDFW (Prawitz et al., 2006) is adopted to assess financial distress among millennials. The questionnaire is distributed to 621 salaried millennials through hybrid mode (online and offline). 400 responses were received, and out of them, 9 questionnaires were incomplete. So, the rest 391 responses are used for the analysis in study.

6. Data Analysis

6.1 Test of Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
.726	29

Source(s) : Authors'

Reliability analysis is a test of Cronbach's alpha to ensure the measurements are free from bias in order to obtain consistent results (Sekaran, 2001). The Cronbach alpha value is range from zero (0) to one (1). Below is the table which shows Coefficient Range and Strength of Association associated with it.

Rule of thumb for Cronbach's Alpha Coefficient Value

Alpha Coefficient Range	**Strength of Association**
Less than 0.60	Poor
0.60 to less than 0.70	Moderate
0.70 to less than 0.80	Good
0.80 to less than 0.90	Very good
0.90 and above	Excellent

Source: Hair, J. F., Babin, B. Jr., Money, A. H., & Samouel, P. (2003). *Essential of business research methods.* United Stated of America: John Wiley & Sons.|

The Cronbach alpha is calculated by including all the questions of financial literacy and financial distress. The score of Cronbach alpha is .726, which shows good strength of association.

6.2 Descriptive Statistics

Demographic Factors (Table 1)

Demographic factors		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	242	61.9	61.9	61.9
	Female	149	38.1	38.1	100.0
	Total	**391**	**100.0**	**100.0**	
Age	26-30	180	46.0	46.0	46.0
	31-35	123	31.5	31.5	77.5
	36-41	88	22.5	22.5	100.0
	Total	**391**	**100.0**	**100.0**	
Marital Status	Single	245	62.7	62.7	62.7
	Married	144	36.8	36.8	99.5
	Others	2	.5	.5	100.0
	Total	**391**	**100.0**	**100.0**	
Qualification	Graduate	179	45.8	45.8	45.8
	Post Graduate	193	49.4	49.4	95.1
	Doctoral	17	4.3	4.3	99.5
	Others	2	.5	.5	100.0
	Total	**391**	**100.0**	**100.0**	
Income per month	Upto 10,000	31	7.9	7.9	7.9
	10,000-20,000	42	10.7	10.7	18.7
	20,000-30,000	48	12.3	12.3	30.9
	30,000-40,000	78	19.9	19.9	50.9
	40,000-50,000	92	23.5	23.5	74.4
	More than 50,000	100	25.6	25.6	100.0
	Total	**391**	**100.0**	**100.0**	
Family Type	Nuclear	213	54.5	54.5	54.5
	Joint	178	45.5	45.5	100.0
	Total	**391**	**100.0**	**100.0**	
No. of Dependents	1	114	29.2	29.2	29.2
	2	126	32.2	32.2	61.4
	3	66	16.9	16.9	78.3
	4	50	12.8	12.8	91.0
	More than 4	35	9.0	9.0	100.0
	Total	**391**	**100.0**	**100.0**	

Source(s): Authors' (Primary Data)

Table 1 shows that the majority of respondents are male 61.9% while female constitute 38.1 %. On the basis of age, the majority of respondents falls in the age group 26-30 years, contributing 46 %, while 31-35 years and 36-41 years contribute 31.5% and 22.5 %, respectively. On the basis of marital status, single contributes the majority proportion i.e., 62.7%, while the married contributes 36.8 %. On the basis of qualification post graduates contribute 49.4 % followed by graduates 45.8 % and doctoral 4.3%. On the basis of income per month majority of respondents have income more than 50,000 i.e., 25.6 % followed by 23.5 % by 40,000 – 50,000 and so on. On the basis of family type, nuclear family contributes majority proportion 54.5 %, and joint family contributes 45.5 %. On the basis of no. of dependents, the majority contributed by respondents having 2 number of dependents, i.e. 32.2 % followed by 1 dependent 29.2 %, 3 dependents 16.9 %, 4 dependents 12.8 % and 9 % by more than 4 dependents.

6.3 Testing of Hypotheses

6.3.1 Impact of Demographic Factors on Financial Literacy

Regression Table (Table 2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.323[a]	.104	.088	2.51391

a. Predictors: (Constant), Number of Dependents, Age, Qualification, Gender, Family Type, Marital Status, Income per month

Source(s) : Authors' (Primary Data)

As indicated in the Table 2

- R shows the multiple correlation coefficients among the independent and dependent variables. .323 shows that there is 32.3% correlation between independent and dependent variables i.e. between Demographic Factors and Financial Literacy Score (SCOREFL)

- R-square also known as coefficient of determination. It shows the proportion of variance in the dependent variable that can be explained by the dependent variables. From the above table value of 0.104 that our independent variables explain 10.4 % of variability of our dependent variable i.e. Financial Literacy Score (SCOREFL)

ANOVA[a] (Table 3)						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	282.338	7	40.334	6.382	.000[b]
	Residual	2420.469	383	6.320		
	Total	2702.807	390			
a. Dependent Variable: SCOREFL						
b. Predictors: (Constant), Number of Dependents, Age, Qualification, Gender, Family Type, Marital Status, Income per month						

Source(s) : Authors' (Primary Data)

The F Ratio in the ANOVA table (Table 3) tests whether the overall regression model is good fit for the data. The value F (7,383) =7.845, p<0.05 shows that regression model is good fit for the data.

Moreover, as indicated in the Table 3 we can see that our hypothesis is get accepted i.e. Demographic Factors have significant affect on Financial Literacy Score (SCOREFL) because the p value is less than 0.05.

Coefficients[a] **(Table 4)**						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	15.472	.836		18.503	.000
	Gender	.309	.265	.057	1.170	.243
	Age	-.468	.178	-.141	-2.631	.009
	Marital Status	.603	.274	.114	2.202	.028
	Qualification	-.020	.215	-.005	-.093	.926
	Income per month	.505	.088	.303	5.717	.000
	Family Type	-.510	.266	-.097	-1.920	.056
	Number of Dependents	.021	.104	.010	.204	.838
a. Dependent Variable: SCOREFL						

Source(s) : Authors' (Primary Data)

Statistical significance of each independent variable. From the Table 4 - Age, Marital Status and Income per month are significant in predicting Financial Literacy Score (SCOREFL) because the p value<0.05 and rest of the variables are insignificant.

Estimated Model Coefficient

SCOREFL = 15.472 + (0.309*Gender) - (0.468*Age) + (0.603*Marital Status) - (0.020*Qualification) + (0.505*Income per month) - (0.510*Family Type) + (0.021*Number of Dependents)

The unstandardized coefficient (Table 4) shows that how much increase in the dependent variable varies with independent variables when all other independent variables are constant. From the above table it can be seen that a unit increase in age there is decrease of 0.468 in Financial Literacy Score (SCOREFL)The standard coefficient Beta shows that how much the outcome variable (Dependent Variable i.e. SCOREFL) increase when the predictor variables (Independent Variables i.e. Demographic Factors) increased by one standard deviation and other things remains constant. The standardized coefficient beta helps to rank the predictor variables. From the above table Income per month is the highest predictor which explains the Financial Literacy Score (0.303).

6.3.2 Impact of Demographic Factors on Financial Distress

Regression Table (Table 5)				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.354[a]	.125	.109	1.550253

a. Predictors: (Constant), Number of Dependents, Age, Qualification, Gender, Family Type, Marital Status, Income per month

Source(s) : Authors' (Primary Data)

As indicated Table 5

- R shows the multiple correlation coefficient among the independent and dependent variables. .354 shows that there is 35.4% correlation between independent and dependent variables i.e. between Demographic Factors and Financial Distress Score.
- R-square also known as coefficient of determination. It shows the proportion of variance in the dependent variable that can be explained by the dependent variables. From the Table 5 value of 0.125 that our independent variables explain 12.5% of variability of our dependent variable i.e. Financial Distress Score (SFD).

ANOVA[a] (Table 6)						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	131.983	7	18.855	7.845	.000[b]
	Residual	920.458	383	2.403		
	Total	1052.441	390			
a. Dependent Variable: SFD						
b. Predictors: (Constant), Number of Dependents, Age, Qualification, Gender, Family Type, Marital Status, Income per month						

Source(s) : Authors' (Primary Data)

The F- Ratio in the ANOVA table (Table 6) tests whether the overall regression model is good fit for the data. The value F (7,383) =7.845, $p<0.05$ shows that regression model is good fit for the data. Moreover, as indicated in the Table 6 we can see that our hypothesis is get accepted i.e. Demographic Factors have significant affect on Financial Distress because the p value is less than 0.05.

Statistical significance of each independent variable. From the Table 7, Marital Status and Income per month are significant in predicting Financial Distress Score (SFD) because the p value<0.05 and rest of the variables are insignificant.

Estimated Model Coefficient

SFD = 5.436 - (0.111*Gender) + (.196*Age) - (0.36*Marital Status) - (0.096*Qualification) + (0.311*Income per month) + (0.027*Family Type) - (0.059*Number of Dependents)

The unstandardized coefficient (Table 7) shows that how much increase in the dependent variable varies with independent variables when all other independent variables are constant. From the above table it can be seen that a unit increase in income per month there is increase of 0.311 in Financial Distress Score (SFD).

Coefficients[a] (Table 7)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.436	.516		10.543	.000
	Gender	-.111	.163	-.033	-.682	.496
	Age	.196	.110	.095	1.783	.075
	Marital Status	-.360	.169	-.109	-2.135	.033
	Qualification	-.096	.132	-.035	-.727	.468
	Income per month	.311	.054	.299	5.710	.000
	Family Type	.027	.164	.008	.164	.870
	Number of Dependents	-.059	.064	-.046	-.920	.358
a. Dependent Variable: SFD						

Source(s) : Authors' (Primary Data)

The standard coefficient Beta (Table 7) shows that how much the outcome variable (Dependent Variable i.e. SFD) increase when the predictor variables (Independent Variables i.e. Demographic Factors) increased by one standard deviation and other things remains constant. The standardized coefficient beta helps to rank the predictor variables. From the above table Income per month is the highest predictor which explains the Financial Distress Score (0.299).

6.3.3 Impact on Financial Literacy on Financial Distress

Regression Table (Table 8)				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.058[a]	.003	.001	1.642063
a. Predictors: (Constant), SCOREFL				
b. Dependent Variable: SFD				

Source(s) : Authors' (Primary Data)

As indicated in Table 8

- R shows the multiple correlation coefficient among the independent and dependent variables. .058 shows that there is very weak but positive correlation between independent and dependent variables i.e. between Financial Literacy and Financial Distress.
- R-square also known as coefficient of determination. It shows the proportion of variance in the dependent variable that can be explained by the dependent variables. From the Table 8 value of 0.003 that our independent variables explain .3% of variability of our dependent variable i.e. Financial Distress Score (SFD).

ANOVA[a] (Table 9)						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.553	1	3.553	1.318	.252[b]
	Residual	1048.888	389	2.696		
	Total	1052.441	390			
a. Dependent Variable: SFD						
b. Predictors: (Constant), SCOREFL						

Source(s) : Authors' (Primary Data)

The F- Ratio in the ANOVA table (Table 9) tests whether the overall regression model is good fit for the data. The value F (1,389) =1.318, p>0.05 shows that regression model is rejected.
Moreover, as indicated Table 9 we can see that our hypothesis is get rejected. There is no impact of Financial Literacy on Financial Distress because p value >0.05.

7. Conclusion

This research study has examined the impact of demographic factors on financial literacy and financial distress and the impact of financial literacy on financial distress of salaried millennials. The study reveals that there is an impact of demographic factors on financial literacy and financial distress. Seven demographic factors are considered in study, i.e. Gender, Age, Marital Status, Qualification, Income per month, Family type and Number of Dependents. All the demographic factors do not significantly affect financial literacy and financial distress. In case of financial literacy age, marital status and income per month are significant and in case of financial distress, marital Status and income per month are significant. It is also found that financial literacy doesn't impact financial distress.

8. Limitations and Suggestions

This study sought to understand the issue of whether financial literate individuals (in the context of salaried millennials) can face financial distress and whether demographic characteristics of individuals also make an impact on their likelihood of experiencing financial distress. The findings are expected to contribute to the literature and empirical data related to financial distress of salaried millennials generation of India. In the era of high cost of living, this study can be helpful to explore the financial problem of millennials and also helpful for the government to take initiatives to address the impact of rising cost of living and start programme to reduce financial distress of individuals. This study is also helpful to increase in productivity level with reduction of financial distress and improvement in financial literacy levels of individuals as well as employees of the organisations. The government, financial services authorities, and financial advisors can improve their role to increase financial literacy level and decrease financial distress level by implementation of various programs. The basic limitation of the study is that here we consider only salaried millennials and ignore the other non-salaried groups of the millennial generation. Mitigating personal financial distress is important not only for salaried millennials but also for each individual. In study we also find that the lower participation of women. In future, we can conduct further studies on household finance with the present study aspects and also conduct another study from the prospects of women and their financial literacy and financial distress level.

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