Financial Awareness of Teenagers: A Mohali-Based Consumer Behaviour Study

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 indicate that while teenagers are increasingly engaged in financial activities through digital payment systems and discretionary spending, their financial literacy and financial planning practices remain underdeveloped. The study contributes to the limited literature on adolescent financial behaviour in semi-urban India and highlights the need for structured financial education initiatives aimed at promoting responsible spending, budgeting, and informed financial decision-making.

Keywords: Teen finance, consumer behaviour, financial literacy, digital payments, adolescent spending, India

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, 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). 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. This study therefore aims to critically examine the financial behaviour of teenagers in Mohali and provide a rigorous empirical assessment of the gap between their financial participation and their financial awareness.

The growing integration of teenagers into digital financial ecosystems raises an important behavioural question: does increased financial participation necessarily translate into improved financial capability? While adolescents today have unprecedented access to money through digital payments, online banking, and e-commerce platforms, relatively little is known about whether they possess the knowledge and planning skills required to manage these resources effectively. Understanding this relationship is particularly important in emerging urban centres such as Mohali, where rapid technological adoption coexists with limited formal financial education.

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). 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.

Although previous studies have examined financial literacy among students and young adults, three important gaps remain. First, existing research focuses primarily on financial knowledge rather than actual financial behaviour, including spending, saving, budgeting, and impulsive purchasing practices. Second, limited attention has been given to the combined influence of digital payment systems, social media exposure, and peer interactions on adolescent financial decision-making. Third, evidence from semi-urban regions such as Mohali remains scarce despite rapid growth in digital financial participation among teenagers. The present study addresses these gaps by examining both financial awareness and financial behaviour using primary survey data collected from adolescents in Mohali, Punjab.

Objectives of the Study

- To analyse the spending habits of teenagers in Mohali.
- To examine saving behaviour and financial literacy practices.
- 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 analysed 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 generalisability of the findings.

Ethical considerations were carefully observed throughout the study. Participation was entirely voluntary, respondents were informed about the purpose of the research, and no personally identifiable information was collected. All responses were kept anonymous and used solely for academic purposes.

Results and Analysis

The primary survey was conducted among 101 respondents in the study area. This section begins with a description of the demographic profile of the respondents, followed by findings organised according to each research objective.

Demographic Profile

Age: Among the 101 respondents, the majority belonged to the 16–17 age group (53.5%), while approximately 20% were from the 13–15 age group and 26.7% from the 18–19 age group.

Gender: Approximately 59.4% of respondents identified as female, while 40.6% identified as male. The relatively high proportion of female respondents 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.

Education: The majority of respondents were enrolled in higher secondary school, indicating the active financial engagement of school-going students.

Objective 1: Spending Habits of Teenagers in Mohali

The survey findings indicate that pocket money is the primary source of funds for most teenagers, accounting for 55% of responses, while 23% reported gifts, 16% part-time employment, and 6% other sources. A considerable number of older respondents (18–19 years) reported receiving income from part-time employment, suggesting a gradual transition from financial dependence to partial financial independence with increasing age. The majority reported receiving less than ₹1,000 per month, while a fair proportion received between ₹1,000 and ₹3,000 per month.

Regarding spending preferences, food and beverages emerged as the dominant expenditure category (49.5%) across all age groups, followed by entertainment (15.8%), clothing and accessories (12.9%), online shopping (12.9%), and gaming (8.9%). 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.

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 was 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: 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 were: saving for a future purchase (36.6%), achieving future goals such as higher education or personal aspirations (26.7%), parental advice or encouragement

(22.8%), and building an emergency fund (13.9%). The relatively low priority assigned to emergency savings suggests that awareness of financial risk management remains underdeveloped among adolescents. Among younger respondents, parental influence was the dominant reason for saving, whereas older teenagers demonstrated a stronger tendency to save toward future goals.

The study also examined financial literacy practices through budgeting behaviour. Only a minority of respondents reported having ever prepared a personal budget, and many reported running out of money before the end of the month or week, suggesting limited financial planning and expense management skills. Notably, respondents who did report creating budgets were generally more likely to save larger proportions of their money and less likely to exhaust their available funds prematurely, indicating a positive relationship between budgeting practices and financial discipline.

Objective 3: 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 agreed 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. These findings are consistent with the work of Djafarova and Rushworth (2017), who demonstrated the growing role of digital influencers in shaping consumer preferences among young audiences, and suggest that consumer socialisation among teenagers is increasingly occurring through online platforms rather than exclusively through traditional peer networks.

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. Additionally, most respondents reported comparing prices before making purchases, suggesting that although teenagers are influenced by external factors, many still engage in some degree of rational evaluation before spending.

Cross-Tabulation Analysis

Table 3.1 Budgeting Behaviour and Running Out of Money

Budget Prepared	**Ran Out Often/Sometimes**	**Rarely/Never Ran Out**	**Total**
Yes	**18**	**10**	**28**
No	**49**	**24**	**73**
Sometimes	**67**	**34**	**101**

Interpretation: Respondents who prepared personal budgets were less likely to report running out of money compared to those who did not engage in budgeting practices. This finding suggests that budgeting may contribute positively to financial discipline and expenditure management among teenagers.

Discussion

The study identifies three principal patterns among the respondents. Teenagers in Mohali are active consumers, with spending concentrated on food, entertainment, clothing, and online purchases. Saving behaviour is present but remains relatively modest in scale. Furthermore, formal financial planning practices such as budgeting are not widely adopted. Social media and digital platforms exert a substantial influence on spending decisions, often exceeding the influence of peers.

The findings collectively indicate a disconnect between financial participation and financial preparedness. Although respondents actively engage in spending, digital payments, and saving activities, many lack structured financial planning practices such as budgeting and expenditure tracking. This pattern supports previous research suggesting that behavioural engagement with financial systems often develops faster than financial literacy itself. The increasing influence of social media further complicates this relationship by encouraging consumption-oriented behaviour that may undermine long-term financial discipline.

Conclusion

The study concludes that teenage consumption in Mohali is characterised 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 among this population. These findings highlight the need for structured financial education programmes aimed at promoting budgeting, saving, and long-term financial planning among adolescents.

The results regarding the third objective indicate that social media has become a major agent of consumer socialisation 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 programmes 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 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.

Educational institutions may consider introducing age-appropriate financial literacy modules that include budgeting exercises, digital payment awareness, basic investing concepts, and practical money-management simulations. Such interventions could help bridge the gap between financial participation and financial capability among adolescents.

Overall, this study contributes to the growing understanding of adolescent financial behaviour in India and underscores the importance of strengthening financial literacy among young consumers.

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Appendix A: Survey Instrument

Section A: Demographic Information

- Age: 13–15 / 16–17 / 18–19
- Gender: Male / Female / Prefer not to say
- Education: School (Government) / School (Private) / College

Section B: Income and Financial Access

- Primary source of money: Pocket money / Gifts / Part-time job / Others
- Monthly amount available to spend: Below ₹500 / ₹500–1,000 / ₹1,000–3,000 / Above ₹3,000

Section C: Spending Behaviour

- Major spending area (select one): Food & beverages / Clothing & accessories / Entertainment / Online shopping / Gaming
- Do you plan your purchases in advance? Always / Sometimes / Rarely / Never ● How often do you make impulsive purchases (buying something unplanned)? Always / Often / Sometimes / Rarely / Never
- Have you ever regretted a purchase after making it? Yes, often / Yes, sometimes / Rarely / Never
- Do you save a portion of your money regularly? Yes / No / Sometimes

Section D: Saving Behaviour

- Approximately what percentage of your money do you save? 0–10% / 10–25% / 25–50% / More than 50%
- What is your primary reason for saving? Future goals / Emergency fund / Saving up for a purchase / Parental advice or pressure

Section E: Digital Behaviour

- Which UPI app do you use most? Google Pay / PhonePe / Paytm / Amazon Pay / I do not use digital payments
- Do you think you spend more when paying digitally compared to using cash? Yes / No / Maybe

Section F: Influences (Likert Scale 1–5)

- My friends' spending habits influence what I buy.
- Social media (Instagram, YouTube, etc.) influences my spending decisions.
- I compare prices before making a purchase.
- I sometimes feel pressure from peers to spend money on things I do not need. ● Online advertisements or influencer promotions have led me to make a purchase.

Section G: Financial Literacy

- Have you ever made a personal budget for your spending? Yes / No
- Have you ever run out of money before the end of the month or week? Yes, often / Yes, sometimes / Rarely / Never