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Financial Literacy Among Bhutanese Students: Current Levels, Key Determinants, and Educational Imperatives

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A R T I C L E I N F O

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A B S T R A C T

Purpose: The present study analyzes the current state of FL among Bhutanese students, their existing knowledge and prospective trends, and the context within the national education system. The paper considers the prime importance of FL in the development and future economic engagement of students.

Design/Methodology/Approach: This paper presents the outline of the general problem of financial literacy among Bhutanese students. The analyses lean on already available literature and emerging quantitative data, such as survey results from the studies on college students, in order to understand the existing tendencies.

Findings: Emerging quantitative data indicate that the financial knowledge of students differs substantially depending on geographic location, gender, and the socioeconomic status of the students' families. In addition, a series of institutional barriers restrict the systematic implementation of financial literacy in schools.

Research Limitations: This study is pertinent to Bhutanese students, and it is subjected to several limitations. First, the sample size is limited to students from only selected educational institutions in Bhutan which does not represent broader student population in a country. Next, the data was collected cross-sectionally that provide simply the snapshot of financial literacy levels at a single point of time excluding the long-term trends and changes.

Managerial Implications: The findings in this very study hold the significant implications for policy makers and educational institutions in Bhutan. The understanding of financial literacy among the Bhutanese students can help and guide curriculum design and development.

Originality/Value: The paper identifies the family background, socioeconomic status, and the prevailing curriculum as some of the major determinants of the students' financial literacy.

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Introduction

Financial literacy is described as the set of knowledge and skills that allows people to make informed and efficient decisions on financial matters such as saving, budgeting, investments, and prudent consumption. With financial products and economic changes becoming more complicated, the need for financial literacy is increasing, and to progress at this trajectory, it is important for youths to learn and become proficient at getting by with finances. Specifically for Bhutan, students deal with unique circumstances in the face of the country's transition from its traditional to a more modern and globalized way of living, which requires an education appropriate to the students' surroundings. The following key themes are discussed in this paper: the definition of financial literacy, existing curriculum efforts in Bhutan's education system, students' financial learning determinants, and broader implications of the acquisition of financial skills. Through these themes, this paper builds its argument towards financial literacy being a key competency that affects students' socioeconomic opportunities and their welfare in the long run.

Overview of Financial Literacy

In order to be financially literate, it is essential to understand the full concept of personal finance with its key elements. One of the key elements includes saving, investing, and budgeting, which prepares a person to use their resources effectively and make reasonable decisions for future sustainability. Among these concepts, budgeting is key to financial literacy because it identifies a person's income in relation to their spending. Furthermore, saving and investing also became important elements in building resilience to financial uncertainty and achieving the long-term process of being wealthy. Another important role of financial literacy in an individual's life is the ability to understand the different financial products like bank accounts, loans, and insurance as a result of the increasing economic opportunities and risks (Versal et al., 2023). Studies showed that saving and personal budgeting influence financial literacy, underpinning both subjective and objective measures of financial well-being, making it an integrated part of informed economic positions and individual decision-making, especially for students.

In addition, it is becoming more and more evident that financial literacy is a core skill for youth in a world that is changing fast and becoming more complex. All the increasing sophistication of financial products and services, the move towards a cashless economy, and the accelerated growth of investment alternatives with the risks that they imply, it is a strong reminder that youth must develop an increasingly sophisticated grasp of personal finance ideas. Individuals and families with solid financial literacy skills are understood to be in a more advantageous situation to make wise financial decisions in terms of spending, saving, and investing, thereby positively influencing their subjective and objective financial well-being (Bai, 2023). Having this set of skills, therefore, allays immediate worries of personal or family stability but also acts as a buffer against future shocks and disruptions, whether economic or otherwise. In several nations, regulators and educators have come to the conclusion that arming youth with good financial understanding is essential to responsible citizenship and future economic growth, making it a decisive objective of educational systems across the world.

The Bhutanese Education System and Financial Literacy

Education in Bhutan comprises a structure that adopts a system and curriculum from primary to secondary and tertiary levels, and follows dynamic shifts of national interest and sociocultural value. Primary education since the 1940s is meant to provide core skills, information, and behaviors necessary for students to develop a school-wide, holistic understanding and community existence. Edit notices to the curriculum occur frequently in correspondence with the national society dynamics and continuing global progress (Thinley, 2025). Financial education, on the other hand, is in the formal curriculum of the education system, but its development is limited, as proven by the absence of any financial concept in core curriculum subjects and the formal teaching of any of its development. Even though various policy documents, such as Basic Education Policy (BEP), mention the importance of preparing students with 21st-century competency and performance, there are relatively few references that directly touch financial literacy, or personal finance in particular, communicating vital gaps between the prime objective of reforms in policy making and the academic scenario at schools. This further exposes the dependence of students for financial literacy to informal channels for learning correspondence imparted knowledge over the challenges they face from changes in their lives, solicitation for competencies obtained at school.

Finally, in recent years, there have been several initiatives and pilot projects aimed at promoting financial literacy in order to meet the needs of the students of Bhutan. The Ministry of Education has been promoting greater awareness of the importance of introducing the so-called competencies of the twenty-first century into school programs, including financial abilities as one of the elements that ensure this approach (Seden et al., 2022). Although planned on a large scale, such a change has so far been implemented only in a selected number of pilot projects, where some basic financial concepts have been introduced either into lessons at schools or into the students' free time by the government. Recent policies within the government allow for encouraging further steps in this direction by promoting the importance of financial literacy skills as one of the aspects of the greater awareness on the importance of practical skills development, which is perceived as a stakeholders' effort due to the global changes affecting Bhutanese society. The examples of such changes may play a crucial role in determining the next steps in establishing paths for more successful financial literacy development in schools across the country, as well as in ministry curricula.

Despite the familiarity of the pedagogical context with this advancement, there are important institutional barriers to implementing Financial Literacy in the Bhutanese schools. First we note that the scarcity of resources limits the access to the necessary material and infrastructure to access such content; second, the lack of trained teachers and their excess time, makes that they not have the necessary knowledge and values in content to apply it that fundamental area, in third place there is a notorious absence of professionals able to do works as volunteers in this area, in fourth place there are studies that demonstrate that the existing knowledge and experience for the teachers barely are mediocre (Dendup et al., 2025), stopping them from transferring their good practices in applying the FL in the schools and classrooms. In fifth place lack of access to role models whose experience transfers the acquisition of values and knowledge in content related to financial literacy. Aspects that undoubtedly added several elements in terms of the level of learning. These factors limit the steps towards a systemic organization of Financial Literacy in the Bhutanese schools.

Current Levels of Financial Literacy Among Students

Emerging quantitative data begin to show that Bhutanese students have a quite low financial literacy level, and survey results allow us to better understand existing tendencies. One of the recent studies devoted to the issues of financial literacy of the college students attending the Gedu College of Business Studies (GCBS) involved a survey of 302 students. The survey results indicate that the majority of respondents have only basic financial literacy, and students have general difficulties understanding and mastering basic common personal finance topics (Ligori et al., 2019). As such, this study reveals a number of shortcomings with respect to basic skills of students in such areas as budgeting and saving, and even in more complicated aspects, such as investment and choosing financial products etc. Despite a relatively well-developed program, which contains some economics material, students' financial literacy level is poor, and most of them cannot respond to the common questions regarding certain financial issues at all. Overall, the established trends confirm the earlier statements of authors about the limited coverage of the formal financial literacy implementation at the financial education level in Bhutanese institutions.

In addition, the students' financial literacy in Bhutan shows notable variation depending on their geographic location (urban versus rural), gender, and socioeconomic status. Financially experienced students living in urban areas have the advantage of greater access to information surrounding financial matters, whereas students from rural areas, like Bongo gewog, demonstrate lower levels of theoretical knowledge, although their practical financial skills are relatively high. Moreover, socioeconomic status plays a crucial role, which is evident from students' responses to surveys, revealing that those from more affluent families have reported higher levels of financial knowledge due to further access to education. With regard to gender, research has shown that male students tend to be more financially literate than their female peers, which reflects a trend seen in the construct's overall prevalence within the wider population (Gurung & Gautam, 2023). Such findings again indicate that financial knowledge among the students differs considerably, which implies a need for intervention approaches tailored specifically to the geographical, economic, and sexual inequalities in the education sector of Bhutan.

Finally, students' perception and attitude towards financial literacy and money management in education are influenced by a combination of practical needs and cultural values. Many students may verbalize an awareness of the need for practical financial management and financial literacy skills for their personal security and future planning. However, there is a disconnection between self-expressed skills and the perceived outcomes and needs of students for confidence and even competence in financial planning. Survey instruments used amongst rural settings like that of Bongo gewog show that when students in the self-evaluation express moderately high to high confidence in financial and money management skills, they engage in limited analysis or under-standing of financial products or formal outlays of budgeting tools (Gurung & Gautam, 2023). Money management is often surface and more dictated by circumstances rather than a systematic approach; students pursue completion of immediate term goals rather than engage in longer outreach options, further illustrating the mixed bag of motivations and uncertainty. Consequently, there is an appeal for educational outreach that identifies the necessary gaps and brings about an opportunity to learn and then engage the individual with money management and literacy.

Factors Affecting Financial Literacy

However, apart from the curriculum, the school context also influences financial literacy levels, along with access to information and the family background. It acts mainly through the socio-economic background of learners, and students who grew up in families with elevated education attainment or enhanced positive financial behaviors received essential knowledge regarding budget, saving, and investment, and so on, models of actions, and they are likely to respond to the concept more efficiently and apply such skills during the decision-making process (Sharma, 2025). Access to reliable information from the latest digital platforms, community information and initiatives, or peer networks also affects financial literacy, as it provides an opportunity to further develop skills and notions outside the classroom context and offer alternative perspectives. And although school curriculum plays a basic theoretical role in some financial literacy aspects, the integration of the specialized, narrow concepts of economics on a regular basis remains low, and, therefore, consolidated skills are difficult to form in certain financial literacy domains for some of the students. Findings about the formal educational aspects show that levels of education obtained have a positive correlation with financial literacy knowledge and better skills, and it's pretty obvious that formal educational structure acts as a determinant for financial literacy across several dimensions.

Moreover, the impact of one's parents and family on students' money-related attitudes and basic financial capabilities is also significant. How children spend and save money, whether for daily consumption or more elaborate planning and investments, can be observed at home. The dynamics of money communication, openness to discussing budgets, and the parents' financial experience have all been shown to affect students' ability to deal with financial reality. Family is proven to be the first source of financial knowledge and its importance, where the lessons learnt continued in the university years (Sharma et al., 2023). Variances in the students' competence, therefore, arise from early influences, as household environments interplay with future financial education to establish the roots of good money habits.

In a similar vein, peer groups also constitute a prominent social element that influences the daily financial choices of Bhutanese students, including those regarding expenditure, savings, and asset-building. The way friends discuss monetary issues, exhibit consumption behaviors, or strive for savings objectives often creates informal perceptions that shape personal behavior, sometimes surpassing the effects of formal learning or family direction. The peer model provides comparative indicators of acceptable financial behavior, either further validating or contesting learners' existing understanding and perceptions about financial competence. These circumstances also have the potential to affect appropriate asset management or the risk of unanticipated purchasing and financial imprudence, especially as it pertains to instructive educational years when social approval is the utmost focus of learners (Bai, 2023). As a result, the potential of youths to cope with peer influence, integrating independent judgment with social perceptions, becomes an important faculty to promote established discernment and help to encourage enduring financial prosperity.

Moreover, the impacts of media, technology, and access to digital-based financial resources are likely to be more influential for the students' financial literacy. Digital platforms have rapidly developed to allow students to have access to various sources of financial information, such as tutorials, budgeting and savings tools, or calculators that encourage students to learn autonomously even outside the conventional classroom. Students' perceptions of money and investment opportunities are also heavily influenced by the financial advice they receive from social media and online discussion forums, which are frequently the dominant means of obtaining formal and informal financial guidance (Versal et al., 2023). Improved access to mobile-based banking and virtual accounts may also provide students with real-time and practical contexts for applying their knowledge of financial concepts, resulting in their financial literacy being developed in a more hands-on and experiential manner. However, unequal access in terms of the quality of technology and the misinformation that runs rampant on digital platforms may restrict all students from equally applying skills learnt in the classroom; hence, the importance of direct instruction and representation of online materials should be reinforced for financial information to be useful.

Importance of Financial Literacy for Bhutanese Students

Taking into account Bhutan's economic and cultural characteristics, as well as the focus it places on the overall well-being of students as its main priority, the issue of financial literacy is particularly relevant to the student population. The principles of financial management may drastically differ from the traditional values of many Bhutanese. Specifically, part of the younger generation's adaptation to the unprecedented socio-economic changes includes reconciling the established customs of pursuing all-around support within the community with the need for individual financial literacy. Thus, the inclusion of financial training in Bhutanese students' education takes into consideration both the contemporary economic reality and the broader framework of the developed goals. This, in its turn, enables both the students and the youth in general to be able to respond to the newly emerging economic and social priorities without losing the appropriate participation in society (Thinley, 2025). As the economic potential of employment and private consumption opportunities increases, financial training will help students make choices that are beneficial for them not only in the short term but also in terms of the country's fundamental values. Ultimately, the development of financial literacy strengthens the adaptability and independence of students and the youth without undermining the traditional values of collective responsibility. In general, this is directly related to the principles of sustainability that can be derived from the doctrines of policy-makers in Bhutan.

Furthermore, financial literacy empowers students in Bhutan to assess the costs of education, consider the value of higher education, and prioritize opportunities that are consistent with their aspirations in terms of their goals. As the labor market transforms, students with heightened consciousness of personal finance are capable of comparing career paths with future earnings, job security, and additional training costs. Budgeting practices and financial knowledge can help the ability to determine scholarship and loan options, tuition fees, and living costs can help mitigate unsustainable debt and poor spending habits. Financial literacy in one's private life can help students balance present spending and future security and prepare for life's uncertainties and long-term goals (Gurung & Gautam, 2023). This applies to decision-making as putting students in a position to succeed not only individually, but also growing the adaptability of young people as they face growing intricacies in choice around education, work, and the economy in the country of Bhutan.

Consequently, lifting the financial literacy levels of students in Bhutan would be particularly promising in terms of generating lasting benefits for the country's socio-economic progress and shared prosperity. A financially literate population would present less difficulty in stewarding resources, making responsible investment decisions, and engaging in economic activities that nurture the well-being of generations of their countrymen. Through stronger financial capabilities, members of society are less likely to engage in maladaptive consumption or grow unsustainable debts, which would otherwise increase household susceptibility and contagious vulnerability cycles (Gurung & Gautam, 2023). These gains would then give rise to a more productive labor force and responsible citizenry whose engagement in work would be directed toward the advancement of public and private innovations. In turn, these enhance the socio-economic conditions of professionals and skilled workers where graduates of financial education would emerge. Correspondingly, the socio-economic impact of efforts at improving the well-being of certain individuals reinforces Bhutan's outlook toward development in a more holistic manner. This means that economic modernization would not come at the expense of debilitating social commitments of solidarity and goodwill that are fundamental to the country's development framework of sustainability.

Strategies to Improve Financial Literacy

Acknowledging the challenges that current financial literacy levels present, it is vital for schools to take the initiative in reshaping content coverage within their program of studies, embedding applicable financial lessons across different grades, and focusing on scenario-based and hands-on learning to emphasize the importance of acquiring the skills to successfully use that knowledge in daily life. Parents and local educational stakeholders play an important part in this process as well, working closely with school representatives to implement localized workshops, mentoring schemes, and campaigns centered on achieving greater financial literacy. In turn, policy-makers can facilitate this transition by committing resources towards teacher education programs and implementing financial education as a compulsory subject throughout primary and secondary schooling, tackling disparities in financial awareness based on levels of educational attainment (Sharma, 2025). Public programs can also effectively contribute to raising levels of financial awareness by conveying knowledge about financial products and responsible spending habits to students, regardless of geographical disparities, through digital channels and media campaigns. A combination of all these approaches can start successfully addressing current shortcomings, empowering the youth of Bhutan with the relevant knowledge and competencies required to navigate a continuously evolving financial landscape.

Furthermore, participating in extracurricular activities, student clubs, and financial competitions is also a direct avenue of putting into practice the knowledge to cope with gaps in the coverage of formal financial education and apply what is learnt in the classroom to real-life situations. Students participating in such initiatives can work together and learn to form a budget, take part in mock investing competitions, collaborate in raising funds for projects, and other such engagements where financial lessons are applied and learnt by doing. Problem-solving and decision-making, two of the competencies associated with contemporary education priorities in Bhutan according to the national framework for twenty-first-century skills (Seden et al., 2022), are often encouraged through such activities. Students can gain confidence in understanding and discussing financial issues through regular meetings in clubs and competitions with significant exposure to varied ways of thinking in terms of managing finances and resources. Integration of these efforts beyond the curriculum encourages a more dynamic financial learning culture, especially within environments where coverage of formal education leaves any gaps or inconsistencies.

Furthermore, the success of financial literacy teaching is also largely dependent on the preparedness of teachers and the provision of suitable teaching arrangements. Teachers who are financially competent and confident have an improved ability to execute the pedagogic content material, explanatory and personalized to students, and differentiated to specific learning requirements. In Bhutan, the previous studies have also revealed moderate financial competency levels among teachers and faculty, and the instructional delivery capacities in today's classrooms are subject to content-knowledge and practical exposure limits (Dendup et al., 2025). Regular governmental efforts in systematic teacher professional development, with the establishment of resource material available at schools, shall significantly strengthen the teaching delivery and student follow-through of financial literacy. These will assist teachers both in portraying correct financial behaviors to students and in fostering a continued learning cycle for improvement and professionalism, resulting in greater financial literacy and educational attainment.

On another note, collaborations among educational institutions, financial organizations, and non-government organizations have proven to be effective in boosting financial literacy programs within schools. Often, banks and microfinance institutions conduct industry-specific workshops along with resource materials to empower students with real-world financial applications and useful techniques applicable to savings, budgeting, and investing. NGOs take part in developing outreach programs and engaging activities for schools to cater to varying students' demographics, specifically those from marginalized sectors and disadvantaged communities. Through these engagements, access to student field exposure is provided, thereby helping schools address the challenges of financial constraints, limited content knowledge, and inadequate instructional resources stemming from prevalent prudential studies on the gap and disparity in student competencies (Ligori et al., 2019). In all possible aspects, these joint efforts can contribute to a holistic and long-lasting implementation of financial literacy practices in school systems when done appropriately, thus enhancing curriculum instruction as well as providing additional exposure for students to current trends and practices regarding financial literacy.

An ideal case of best practice can be seen from the Gedu College of Business Studies (GCBS) students showing greater investment awareness than those of the Sherubtse College. This is a result of specific curricular improvements and additional engagement with the financial concepts beyond the regular degree timeline. The specific exposure provides the students with an opportunity to transfer theory into practice in their investment analysis and resource allocation during their careers. Overall, this shows that specific interventions can produce noticeable improvements in the understanding and knowledge of finance-related issues with a curriculum adjusted to the needs of the students and the overall educational context (Sharma et al., 2023). Such institutional progress provides the ground for adjusting extracurricular and curricular contents in other tertiary and secondary institutions in Bhutan. In this context, the policymakers aiming to replicate the success may introduce specific mentoring and a strict curriculum based on the lessons learnt from the mission-related educational projects.

Conclusion

The financial literacy practices in Bhutanese students are currently influenced by a combination of limited exposure in formal education, socio-cultural characteristics, and historical policy development. Pilot activities and community engagements have contributed to incremental improvements. However, stark limitations remain in terms of coverage in the curriculum, level of teacher proficiency, and availability of credible, organized data. Systematic response to the limitations entails curriculum reform, teacher training, and policy and community engagements. Adopting a layered approach that includes hands-on activities, digital access, and stakeholder involvement holds the most potential for enhancing financial literacy in students. Emphasizing financial literacy supports the aspirations of improving economic security, sustainable development, and lifetime well-being outcomes for students in the Bhutanese educational system.

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