

Beyond Passive Financial Literacy: A Ward-Based State-Citizen Framework for Adolescent Economic Agency in India: A Case Study of the Prosperity Project

Saarakshi Singh

Jayshree Periwal High School, Jaipur

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ABSTRACT

This paper examines The Prosperity Project, a student-led financial literacy programme at a government school in Bengaluru, and explores the gap between financial knowledge and adolescent economic agency. Drawing on quarterly learning reviews of 40 students over one year, alongside existing research on school-based financial education, the paper examines students' understanding of financial concepts, confidence in applying them, application outside sessions, and verification of financial information. While conceptual understanding remained relatively high, confidence, application and verification remained lower across the four quarters, indicating a persistent gap between knowing financial concepts and applying them independently. Verification of financial information declined from 25% in the first quarter to 18% in the fourth. The findings suggest that classroom instruction alone may be insufficient when adolescents encounter jargon-heavy material, conflicting claims and unverified financial advice outside the classroom. The paper therefore proposes a Ward-Based Institutional Framework for Adolescent Economic Agency, using the ward committee structure provided for under Bengaluru's local governance framework as a state-citizen mechanism for sustained support. The proposed framework places students at the centre and uses child-centric language, role-play, theatre and game-theory-based learning to strengthen their ability to question financial claims, verify information, use reliable sources and apply financial knowledge to everyday decisions. The paper argues for a shift from passive financial knowledge transfer toward active adolescent economic agency.

Keywords: financial literacy, economic agency, adolescence, misinformation, ward committees, India

1. Introduction

Financial literacy is increasingly important during adolescence as young people begin to make decisions involving saving, spending, digital payments, borrowing and financial information. However, financial education does not affect all outcomes to the same extent. A meta-analysis of 37 quasi-experimental and experimental studies found that school-based financial education had a larger average effect on financial knowledge (+0.33 standard deviations) than on financial behaviour (+0.07 standard deviations) [1]. Among randomized experiments, the corresponding effects were smaller but followed the same pattern, at approximately +0.15 standard deviations for financial knowledge and +0.07 standard deviations for financial behaviour [1]. These findings indicate that gains in financial knowledge and changes in financial behaviour should not be treated as equivalent outcomes.

School-based financial literacy programmes also differ in their content and in how financial literacy is defined and measured. A scoping review of 56 studies found substantial diversity in the financial-literacy topics addressed by school programmes, alongside considerable variation in how financial literacy was conceptualized, operationalized and measured [2]. The review further identified methodological-quality concerns and noted that this heterogeneity can make findings across programmes difficult to compare [2].

Evidence from individual school-based interventions also suggests that the way financial education is delivered can affect its outcomes. Agasisti et al. evaluated the Bank of Italy's Financial Education in School programme through two randomized controlled trials involving more than 1,500 students in grades 5 and 8 [3]. Teacher-led instruction significantly improved financial knowledge, with effects of 0.54 and 0.66 standard deviations for the two grade groups. In contrast, distributing self-study booklets without guided lessons produced no average effect, apart from an effect among socioeconomically advantaged students [3]. These findings provide evidence that guided classroom instruction can produce different outcomes from the provision of financial-learning materials without guided instruction.

Adolescents also encounter information outside formal financial education, creating a separate challenge concerning the evaluation of information. Evidence from a classroom-based field experiment in Bihar provides relevant evidence from this broader educational context. Amar et al. conducted a four-month classroom intervention involving 13,500 students across 583 villages, with the curriculum focused specifically on health misinformation [4]. Students receiving the intervention became better able to distinguish true from false information and reduced their reliance on unreliable news sources. A follow-up conducted approximately four months after the intervention found that these effects persisted; students also demonstrated improved discernment

of political misinformation, although political misinformation had not been covered in the classroom intervention [4].

Together, these studies identify several relevant issues for school-based financial education. Financial education can improve financial knowledge, but effects on behaviour are smaller [1]. School financial-literacy programmes vary substantially in their content, conceptualization and measurement [2]. The delivery of financial education also matters, with guided teacher-led instruction producing stronger knowledge effects than unguided self-study materials in one recent randomized evaluation [3]. Separately, sustained classroom instruction can improve students' ability to distinguish reliable from unreliable information and can produce effects that persist beyond the intervention itself [4].

Against this background, the present study examines The Prosperity Project, a student-led financial literacy programme conducted at a government school in Bengaluru. The study uses quarterly learning reviews of 40 participating students over one year to examine students' financial learning, confidence in applying financial concepts and responses to financial information. In particular, it examines whether participation is associated with greater ability and willingness to apply financial concepts in decision-making situations and to question, verify and triangulate financial information when faced with conflicting claims or financial advice. The OECD similarly frames financial literacy as involving the knowledge, skills, attitudes and behaviours needed to make effective financial decisions in real-life contexts.

2. Methodology

The study draws on three sources of evidence: published research on school-based financial education and financial literacy [1–3]; research examining classroom-based development of information-evaluation skills in the context of misinformation [4]; and quarterly learning reviews of 40 students participating in The Prosperity Project at a government school in Bengaluru, over one year. The Prosperity Project is an ongoing programme. The trust is a registered Youth-Led Public Charitable Trust (Reg. No. 2025/15/IV/690).

The published literature was used to establish the existing evidence on financial knowledge and behaviour, the characteristics and measurement of school-based financial-literacy programmes, the role of instructional delivery, and evidence concerning classroom-based responses to misinformation [1–4].

The student component of the study consists of quarterly learning reviews conducted over a one-year period with 40 participating students. The reviews tracked learning across the financial concepts covered during the programme and examined students' confidence in applying these concepts to decision-making situations. The reviews also examined students' responses to

financial information, including their willingness to question financial claims, seek verification, compare information across sources and distinguish reliable or official sources from potentially misleading information.

Students' application of financial concepts was examined through decision-making situations involving areas such as spending, saving, credit, risk and uncertainty. The quarterly reviews provided repeated observations of the participating students across the one-year period. These observations were used to examine changes in students' financial knowledge, confidence in applying financial concepts and approaches to questioning and verifying financial information.

Since the student component consists of a single participating cohort and does not include a randomized control group, the observations are treated as observational evidence. They therefore cannot by themselves establish that changes observed over the programme period were caused by the programme. The study instead documents the learning observed within the participating cohort and examines the relevance of the programme approach in light of the existing literature.

Research Question

1. Can a student-led financial literacy programme increase adolescents' knowledge and confidence in applying financial concepts to everyday decision-making?
2. Can peer-led learning, participatory activities, and mobile and web-based learning tools strengthen students' willingness to question, verify and triangulate financial information using reliable and official sources, particularly when faced with misinformation or conflicting financial advice?

3. Results & Discussion

3.1 Table 1: Adolescent Financial Literacy Learning and Application (n=40), by Quarter

Survey Question	Q1 Strong / Low	Q2 Strong / Low	Q3 Strong / Low	Q4 Strong / Low	Total Respondents
Understanding of financial concepts	90% / 10%	80% / 20%	80% / 20%	82% / 18%	40
Confidence in applying financial concepts	55% / 45%	45% / 55%	45% / 55%	48% / 52%	40

Application of learning outside sessions	65% / 35%	55% / 45%	55% / 45%	58% / 42%	40
Verification of financial information	25% / 75%	15% / 85%	15% / 85%	18% / 82%	40

Results from quarterly student learning reviews (n = 40) conducted over one year through The Prosperity Project. Students used The Prosperity Project Financial Literacy Program alongside supplementary learning sources. These included newspapers, university courses and other reference material. Students who did not go home and revisit, double-check or verify what they had learned in practice with their families showed low understanding. Across all four quarters, conceptual understanding remained higher than confidence, application outside sessions and verification of financial information, indicating a persistent gap between knowing financial concepts and applying them independently.

Students reported that discussions during the sessions were more effective. Working in small groups through mock games and simulations was also more effective. These activities allowed students to work through financial situations rather than only receive information. The up-down model of financial education (teaching teaching rather than active participation) worked to a certain extent. However, the reviews showed a difference between financial literacy being taught and financial literacy being processed by students. The language used in financial learning was also important. The Prosperity Project uses child-centric language rather than jargon-heavy financial language. Students reported finding this material easier to understand. They found it easier to understand than material written for adult or undergraduate audiences. This included financial newspapers and undergraduate reference books.

The quarterly analysis showed a clear tension between internal learning and the external information environment. While the programme itself uses child-centric language that students accept and process effectively, students routinely seek out supplementary sources outside class, including jargon heavy reference books, financial newspapers, YouTube content, and self-proclaimed online experts. When attempting to apply their learning, students encounter jargon-heavy materials and unverified claims that create confusion and depress self-reported verification rates (dropping from 25% in Q1 to 15% in Q2 and Q3, and 18% in Q4). Rather than indicating failure, these figures show that while child-centric classroom instruction successfully builds initial understanding, students remain vulnerable to misinformation and complex claims when navigating external platforms independently. This gap highlights why classroom delivery alone is insufficient; sustaining financial literacy requires an ongoing external support structure to help students evaluate, question, and triangulate the financial information they encounter outside

sessions [4]. These findings indicate that gains in financial knowledge and changes in financial behaviour should not be treated as equivalent outcomes [1, 6].

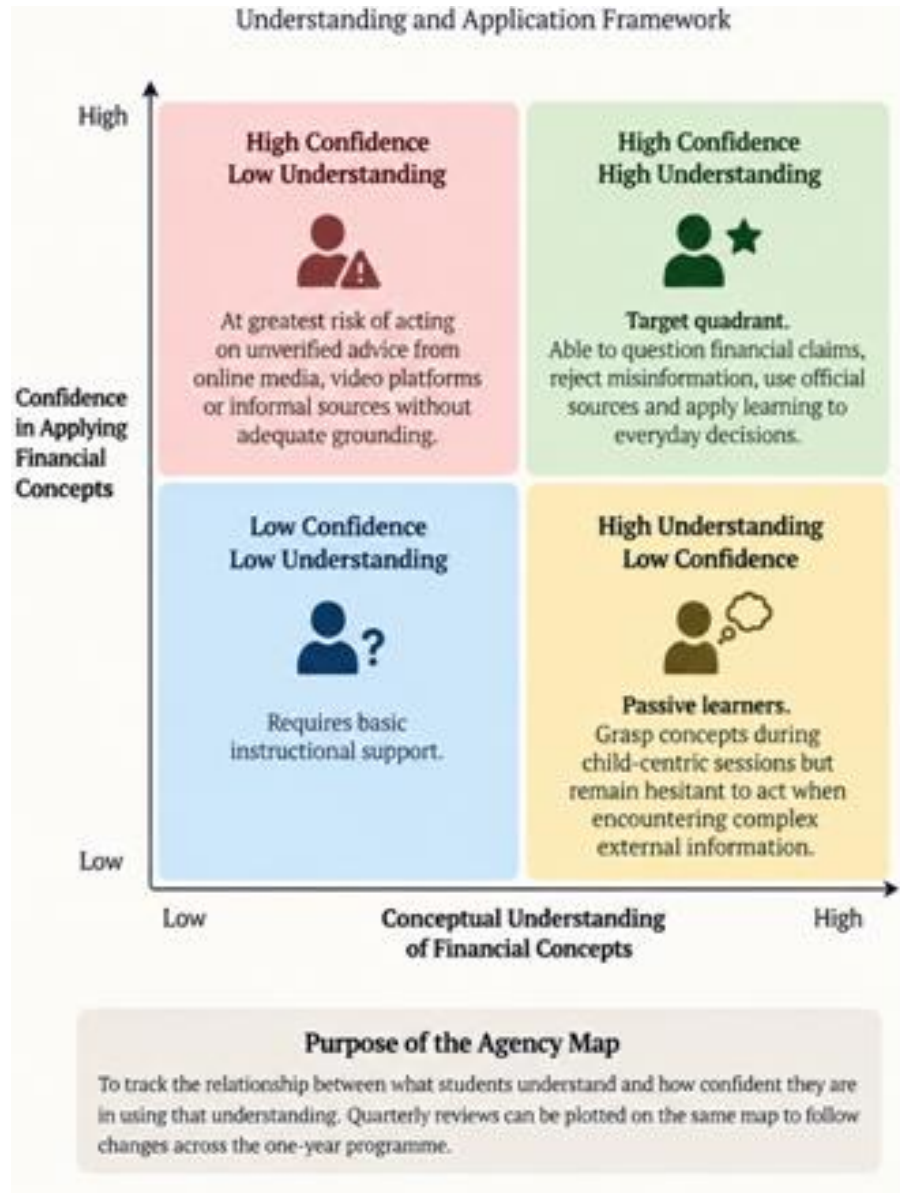
Building upon these insights, we propose the Ward-Based Institutional Framework for Adolescent Economic Agency.

The proposed Ward-Based Institutional Framework for Adolescent Economic Agency is a State-Citizen framework that would be implemented through the existing ward committee structure in Bengaluru [5]. In Bengaluru, ward committees form part of the existing local governance structure. The Greater Bengaluru Governance Act, 2024, provides for a Ward Committee for each ward. The framework uses the existing Ward Committees as the state-citizen structure through which the programme would be implemented rather than creating a separate ward-level institutional structure [5].

Fig. 3.1. Ward-Based Framework for Adolescent Economic Agency



Fig. 3.2: Proposed Agency Map of Student Financial Agency



The proposed Agency Committee, as proposed for this framework, would consist of students, non-profits, both student-led and non-student-led, a Ward Committee representative, an Assistant Revenue Officer mentor, a student citizen, a citizen, a learning expert, a finance expert and a sociologist.

The Agency Committee would coordinate ward-level programmes at schools. These programmes would use child-centric learning, role-play, theatre and a game-theory-based curriculum.

Vernacular language would be used alongside English. Periodic contests would also be conducted. The programme would run for one year for Grade 8 students. Students from government and private schools would be welcome. A student committee would visit schools to pitch the programme. It would seek the required MoUs, registration and consent from the school, students and partners.

The proposed Agency Map provides a two-axis framework to follow student learning by plotting conceptual understanding on the horizontal axis and confidence in applying financial concepts on the vertical axis across four positions. Students positioned with high understanding but low confidence represent passive learners; they grasp concepts during child-centric sessions but remain hesitant to act when encountering complex external information. Conversely, students with low understanding and high confidence face the greatest risk, as they are prone to acting on unverified advice from online media, video platforms or informal sources without adequate grounding. The quadrant representing low understanding and low confidence identifies students who require basic instructional support. The primary aim of the proposed framework is to move students into the target quadrant of high conceptual understanding and high application confidence, enabling them to question financial claims, reject misinformation, use official sources and apply learning to everyday decisions [4].

The map is proposed as a way to track the relationship between what students understand and how confident they are in using that understanding. The quarterly reviews can be plotted on the same map to follow changes across the one-year programme.

4. Limitations

The study draws on quarterly learning reviews of 40 students from a single government school in Bengaluru and therefore represents the experiences of one participating cohort. Since the study does not include a randomized control or comparison group, the findings cannot establish that observed changes were caused by The Prosperity Project. The student reviews also rely partly on self-reported responses, which may influence the reporting of confidence, application and verification behaviour. Finally, the one-year study period provides limited evidence on whether the observed patterns in financial application and economic agency persist over a longer period.

5. Conclusion

Financial literacy should begin in adolescence, when students start making financial decisions and encountering financial information from different sources. The findings from The Prosperity Project show that receiving financial information alone does not ensure that students can process, question and apply what they have learned. Students responded better when they could discuss, revisit, verify and apply financial concepts through activities such as games, simulations and

group work. These findings point to the importance of moving beyond the transmission of financial knowledge towards developing the ability of adolescents to make informed financial decisions and exercise economic agency.

The proposed Ward-Based Institutional Framework for Adolescent Economic Agency builds on these findings. It uses the existing ward committee structure in Bengaluru as the state-citizen structure through which the framework can be implemented and places students at the centre of the framework. Its child-centric, participatory and locally accessible approach provides a framework through which financial learning can be translated into informed decision-making, independent application and greater economic agency among adolescents.

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