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## *Financial Literacy among women: A study*

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*Abstract: Both men and women need to be financial literate so they can effectively participate in economic activity and take appropriate decision but the research shows that women have lack of financial knowledge and lower access to financial product compare to men. There are a lot of factors that are responsible for financial illiteracy like poverty, exploitation, gender inequalities etc. Financial literacy-built confidence, bring knowledge and skill to manage financial product and services. If an individual is financial literate, then he\ she can take appropriate decision. Financial literacy empower people, especially women to make independent decision. There is a positive relationship between financial literacy and women empowerment. Women self-dependency can empower them to take their own decision. Financial literacy is an instrument for economic empowerment of women. This paper gives a glimpse of financial literacy among women.*

*Keywords: Financial Literacy, Women Empowerment, Financial Planning.*

### I. INTRODUCTION

Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. The purpose of this study was give an overview about the financial literacy among women in developing country like India. Several new financial product being introduced in the market like Derivatives , Swap etc. that generate the need to invest the money very tactfully . Financial planning is not a easy task . The various factors needs to be considered like risk, return, risk premium, fundamental factors (economic factors), beta ( to measure volatility in return compare to the market return ) , risk free return (alpha ) while invest money. There is seen women have lack of financial knowledge due to marriage pressure at young age , lack of financial resources, gender pay gap , male dominated society . It is seen girls in rural areas have not basic financial knowledge because of lack of the banking facilities in rural areas. Girls in rural area have no access of financial information. This paper throw light on the financial literacy among women. The Dimensions of financial literacy are

**Financial knowledge:-** -Financial awareness and understanding about the financial concepts and procedures as well as the use of this understanding to solve financial problems. It encompasses conceptual financial knowledge, procedural financial knowledge and applied financial knowledge. Financial Knowledge Financial Knowledge is a type of human capital deemed vital to financial literacy, as it determines the knowledge of an individual of the different financial concepts and theories and is one of the three dimensions of financial literacy as expressed by the OECD, related to learning different subjects such as the management of savings, expenses, and revenues (Delavande, Rohwedder, & Willis, 2008). The PACFL (2008) noted that financial knowledge is gained through the process of financial education.

**Financial Behaviour:-** -Financial behaviour is the capability to capture of understanding overall impacts of financial decisions on one's (i.e. person, family, community, country) circumstances and to make the right decisions related to the cash management, precautions and opportunities for budget planning.

**Financial attitude:-** Financial attitude is a **state of mind of a person about finances** which is generally a resultant of his background and environment. Financial behaviour concerns with a humans action with respect to money management. We can say that both are closely related and part of the same family. The first affecting the later.

### **Why financial literacy is important for women?**

- It prepares them for emergencies.
- Women can help deal with rising costs of living and inflation if they are financially literate.
- Children tend to be more influenced by their mothers than their fathers. Being financially literate sets a good example for her child
- In most households, women are responsible for the day-to-day expenses. Thus, it is helpful for them to know how best to use finance
- Women tend to live longer than men, and thus they should have the knowledge to carry on their day-to-day expenses.

## **II. OBJECTIVES OF THE STUDY**

The objectives of the study are:

1. To highlight the initiative taken by the govt. for increase financial literacy among women
2. To find out how financial literacy enhance women 'empowerment
3. To evaluate the level of financial literacy among women in Haryana

## **III. RESEARCH DESIGN AND TECHNIQUES**

This study uses a descriptive cum exploratory study of case analyses of financial literacy among women in Haryana. Appropriate statistical techniques such as percentage, ratio etc. have been used for analysis of collected data.

## **IV. DATA COLLECTION AND SAMPLE DESIGN**

The research was conducted to access the financial literacy level of the people of Haryana. The sample is taken from Rohtak district of Haryana. The study uses a sample of 100 respondents. All the information was collected through personal interview using the data in questionnaire. Both primary and secondary data have been used for study. Primary data have been obtained through personal visits to the selected respondents by means of well formulated questionnaire based on different dimensions of financial literacy among women and secondary data have been collected through several sources such as journals, related dissertations/theses, government reports, statistical abstracts, internet, newspapers, different government departments and commissions, related books and journals etc.

## **V. SCOPE AND SIGNIFICANCE OF THE STUDY**

The researcher believes that the present study helps in providing constructive suggestions to improve the level of financial literacy among women. The outcome of such study is to be helpful for the government in removing the weaknesses inherent in financial literacy and help in improving the participation of at the front of digital transaction nullifying their gender limitation. So, that the women can contribute actively in every sphere of life and may fulfil the dream of our half population.

## **VI. THE PROBLEM**

The women face many problems such as lack of opportunity given to women regarding financial decision because there is male dominated society .Women are good at budgeting but when it comes to take financial decision they take their steps back and these decisions taken by male members of the family like her brother ,father etc .there is lack of awareness among women regarding financial products even women earn better than men despite of these they can't take financial decision. Women are

also more educated than ever and are more often the primary breadwinners in their households. That adds to their confidence with handling money.

## VII. LIMITATION OF THE STUDY

The research work would be completed under the following main limitations:

1. The study has been conducted in Rohtak district only particularly educational institution
2. For individual researcher certainly some constraints and restraints of time and sufficient authority to enquire into information are always present there.
3. In the collection of primary data some respondents tried to hide the actual facts.
4. Research is also based on secondary data, hence the limitation of such data may inherently be visible in it.

Despite these limitations, the researcher with her sincere efforts would be tried to find out the significant conclusion on the subject related to the study

### Steps taken by govt. to increase financial literacy among women

**\*Financial Literacy and Credit Counselling Centres (FLCC):** In order to spread the financial inclusion in the country, the government of India establishes FLCC to give free financial literacy/education in the country.

**\*Beti Bachao, Beti padhao Yojana-** This is a Government of India scheme that aims to generate awareness and improving the efficiency of welfare services meant for women.

**\*Sukanya Samridhi Yojana (Girl Child Prosperity Scheme)-**The scheme primarily ensures equitable share to a girl child in resources and savings of a family in which she is generally discriminated as against a male child. This would ensure the financial support to females which will encourage the financial literacy as well.

**\* Pradhan Mantri Jan-Dhan Yojana-** One of the biggest steps taken by government to enhance the financial inclusion in the country is the launch of PMJDY. It is a national mission on financial inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. Objective of “Pradhan Mantri Jan-Dhan Yojana (PMJDY)” is ensuring the access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections i.e. weaker sections & low income groups. This deep penetration needs financial literacy among the people. Hence, special arrangements are being made by the government

**\*Establishment of NCFE-** The National Centre for Financial Education (NCFE), has been set up to implement National Strategy for Financial Education (NSFE), under the guidance of a for spreading financial knowledge so that financial inclusion can be made possible. Technical Group on Financial Inclusion and Financial Literacy of the Financial Stability and Development Council (FSDC), which would cater to all sections of the population in the country. It comprises of the representatives from all financial sector regulators i.e. Reserve Bank of India (RBI), Securities Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA) and National Institute of Securities Markets (NISM). The main role of NCFE is to create financial education materials and conduct financial education campaigns across the country for all sections of the population along with awareness campaigns at different levels for existing and potential customers so as to improve their knowledge, understanding, skills and competence.

## VIII. HOW FINANCIAL LITERACY LEADS TO WOMEN EMPOWERMENT

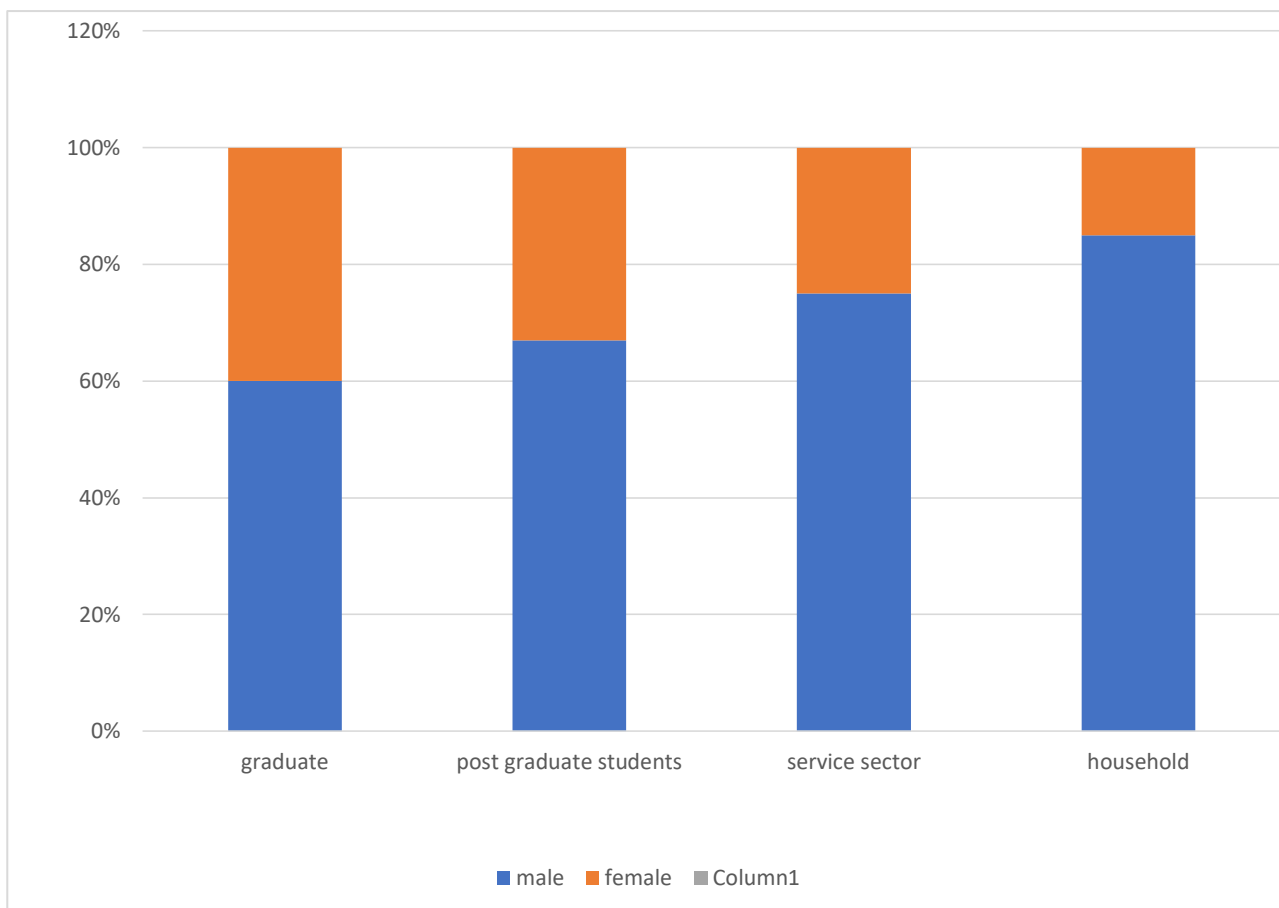
Both men and women need to be financial literate so they can effectively participate in economic activity and take appropriate decision but the research shows that women have lack of financial knowledge and lower access to financial product

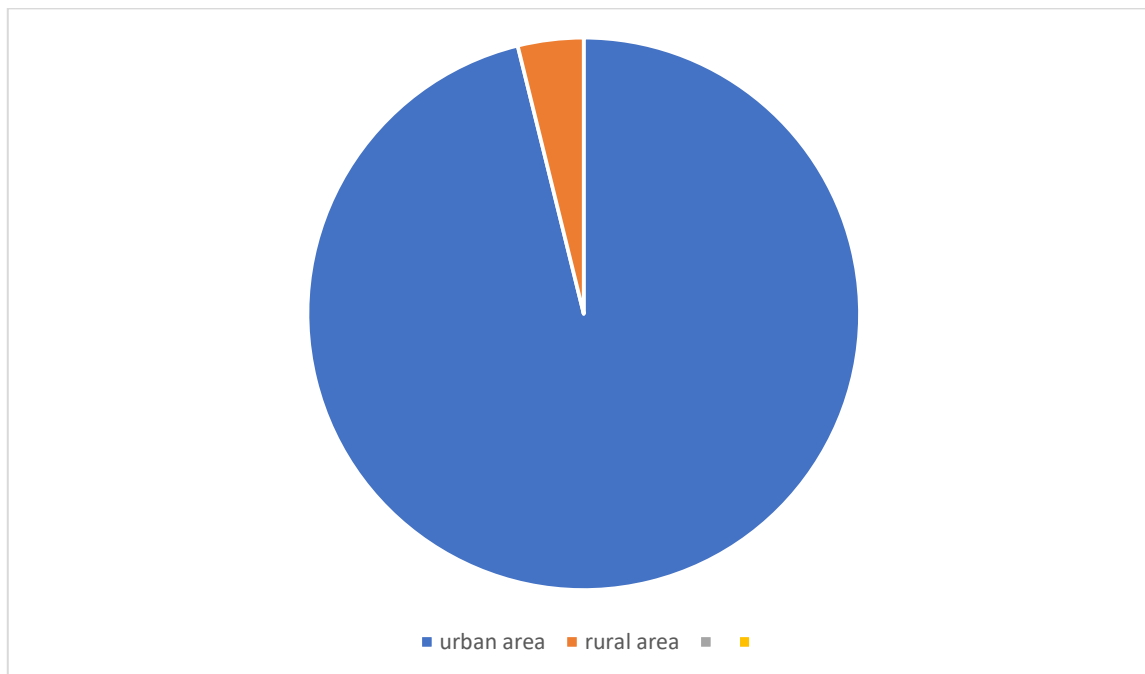
compare to men . Financial literacy empower people , especially women to make independent decision. There is a positive relationship between financial literacy and women empowerment. Women self -dependency can empower them to take their own decision . Financial literacy is an instrument for economic empowerment of women.

### IX. ANALYSIS OF DATA

According to 2011 census, the Rohtak district has a total number of 202933 population. The sex ratio stands 867 females per 1000 males and child ratio stands 820 females per 1000 males. Education wise the literacy rate is 80.22 % including 87.65 % are males and 71.72% are females. To measure the financial literacy the data is collected from key recognized educational institutions located at Rohtak such as IIM Rohtak, Maharshi Dayanand University, Scholar Rosary School, M.D.N School, D.P.S School, Pathania School. It has been found that there is low rate of financial literacy among women compare to men. Only 1/4 women have the knowledge about financial matters. Only ¼ women take own decision on financial matters. It has been seen that there is low rate of financial literacy in rural area compare to urban area. The reasons are marriage pressure at young age at girl child, lack of education, lack of facilities in rural area. Despite of govt. efforts the banking facilities in rural areas are less. It has been found in my study that girls have not basic knowledge on financial matters because of male dominated society. The women earn less compare to the man.

Financial literacy	No of Respondents	Percentage of Respondents	Male Percentage	Female Percentage
Graduate	25	25%	60	40
Post Graduate	25	25%	67	33
Serving Employees	25	25%	75	25
Households	25	25%	85	15
Total	100	100		





The financial literacy rate in rural area is 20 % comparison to urban area

### X. FINDING AND CONCLUSION OF THE STUDY

In my study it have been found that

1. The financial literacy is low in women comparison to men
2. There is low rate of financial literacy in the people of rural area comparison to urban area.
3. There is no proper implementation of govt. policy.
4. The banking facility is less in rural area as compare to urban area

Measures for Enhancing the Financial Literacy Among Women in India Although several initiatives are taken by government for spreading financial education across the country, yet there are several issues faced by the women due to which they are unable to acquire financial education. Hence following measures are **suggested** for enhancing financial literacy level among women in India:

**Training-** Training is one of the best measures that should be used to inculcate the habit of learning financial terms among the women. Women with low level of family income and low level of education benefit significantly from the training imparted (Agarwalla et al., 2013). Most of the women feel hesitant while dealing in financial matters because of lack of training. Hence, from time to time, training programs should be organized specifically for women so as to make them more capable while dealing with their finances.

**Financial awareness and Education-** Women require multifaceted financial skills that are knotted with their life, livelihood sses this include skills in budgeting, savings, understanding financial services, debt management, financial negotiation skills and investments. Hence, they must be taught the financial terms through financial awareness programs and courses. Financial education programs should focus particularly on important life-planning aspects, such as, basic savings, debt, insurance and pensions (Das, 2007). Establish nearby Institution- Distance is another challenge faced by women as many financial institutions are located far away from where the women live. To deal with this challenge, banks, post offices, insurance companies etc. must open their branches nearby the residential accommodation. This also presents additional income opportunities for women who are recruited as bank agents.

**Better Technology-** Information and communications technology (ICTs) is an effective tool to increase women's financial literacy. Mobile technologies have become increasingly available to the poor and can improve access to 86 www.pbr.co.in Pacific Business Review International financial information and training. Using media outlets such as television, magazines, and internet can be helpful in disseminating financial literacy training in the country. E-learning- E-learning can be another powerful educational tool for training, knowledge sharing, and international best practices.

**Cultural change-** The major problem being faced by Indian women is the male dominating society. “A lot of women don't have reliable ways to learn about money...They just do what their families do” — Focus group participant, Literacy DuPage. In India, women are supposed to be the home maker only and are not given independence to be the part of financial matters. Hence, cultural change is needed to ensure wider financial literacy among women. More benefits to women- Women would feel allured to indulge in financial activities if they will be offered financial services with more lucrative benefits such as low rate of interest on loans, high rate of interest on deposits, tax benefits etc. Many institutions, such as banks, are providing such kind of benefits but they are not sufficient to attract more and more women investors. Women need to have the opportunity to seek out and use financial information if they are to improve their financial literacy (Mathivathani and Velumani, 2014). Hence, efforts must be made by the government to provide more benefits to women and open more opportunities which would encourage them to be more financially literate.

**Establish more women-oriented Universities-** The financial literacy among the women can be spread with the establishment of more universities. There are very few universities in India that are spreading financial awareness among the women such as Banasthali Vidyapith, but more such institutes are needed. Conclusion In the present scenario, the Government of India is putting lot of efforts for ensuring financial inclusion in the country. Financial inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players.

Financial inclusion is the road that India needs to travel for becoming a global player. It is highly needed for ensuring the growth and development of the country. However, this goal can be made possible through financial literacy. Financial literacy means spreading the financial education among the people across the country. While the need for financial literacy may be largely acknowledged, the importance of gender dimension remains a subject for debate.

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