



A STUDY ON FINANCIAL LITERACY OF RURAL WOMEN WITH SPECIAL REFERENCE TO PULIKKAL PANCHAYATH, MALAPPURAM DISTRICT, KERALA

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ABSTRACT

Financial literacy and economic growth are interrelated. For an active participation in economic sector, people need financial literacy. Participation of people from all walks of life is the chief concept of inclusive growth. Even though the rural women are active in domestic and social sector, their presence in the financial sector is nominal because of their poor financial literacy. So financial education is necessary for the empowerment of this section of society. This paper therefore aims to analyze the present status of financial literacy and different barriers for attaining financial literacy among rural women of Pulikkal panchayath in Malappuram District. As per the findings of the study financial literacy level of rural women is not at satisfactory level.

KEY WORDS: Financial Literacy, Inclusive Growth, Rural Women, Sources of Financial Literacy

INTRODUCTION

The concept of inclusive growth necessitate wide reach of financial literacy. The extent of financial illiteracy casts serious setback on inclusiveness of India's growth and affects future progress. The overall development of a country can be achieved only when all sections of the society reach the mainstream realm of financial activities. But some sections of society did not reach the expected level of participation. The case of rural women folk is a typical example. Their knowledge about various financial institutions, financial activities and financial products is not adequate. By educating them in this respect, their economic activities will be more fruitful. It will raise their standard of living as well as boost the economic development of the nation.

The establishment like RBI has already started many programmes like 'Project Financial Literacy' to make public more aware of financial literacy. Financial literacy refers to the knowledge acquired for managing personal finance. It is also about changing the behavior in the financial pattern and activities of individuals.(1) That is financial literacy has three dimensions, namely- financial knowledge, financial behavior and financial attitude. The Organization for Economic Co-operation and Development (OECD) defines "Financial Literacy as a combination of financial awareness, knowledge, skills, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial well being. People achieve financial literacy through a process of financial education".



OBJECTIVES

- To know the financial literacy among rural women.
- To study different sources of financial literacy for rural women.
- To identify the barriers to acquire financial literacy for rural women.
- To suggest solution to gain financial literacy among rural women.

METHODOLOGY OF THE STUDY

The study is an empirical in nature. Data for the study is collected from both primary and secondary sources. For collecting primary data structured questionnaire is designed and is distributed among rural women in Pulikkal Panchayath. Here 150 respondents has been considered for the effective study. Convenient sampling technique is adopted for selecting the samples. Statistical tools like mean and percentage are used for data analysis. For testing hypotheses chi square is used.

HYPOTHESES

1. There is no significant relationship between age and financial literacy among rural women.
2. There is no significant relationship between educational qualification and financial literacy among rural women.
3. There is no significant relationship between monthly income and financial literacy among rural women.

REVIEW OF LITERATURE

Taft, Marzieh Kalantarie, et.al (2013) founded that age and education are positively correlated with financial literacy and financial wellbeing. Married people and men are more financially literate. He highlights an important thing that higher financial literacy leads to greater financial well-being and less financial concerns. That means, financial wellbeing leads to less financial concern (2).

GUPTA (2014) analyzed that micro entrepreneurs in district Kangra have low financial skills. It is found that by poor record keeping habit, unscientific cash management, improper saving habits, and less awareness regarding different financial products and instruments. They said that t micro entrepreneurs are hesitated to adopt the formal financial practices. Both Government and Non-government agencies want to ensure that any financial literacy programmes organized by them should be approachable to each sector of the society (3).

Fatoki (2014) suggest that, for improving the financial literacy in South Africa, Government and other agencies want to change their present strategies. It required more involvements on the part of these sectors for monitoring and measuring the financial literacy of the nation.(4) Prawitz, Aimee D(2014) studied the role of financial education in the life of persons by analyzing their consumption and saving behavior. Especially, both the persons, who were participated and non-participated in financial education, were compared here for making analysis. (5).

DATA ANALYSIS AND INTERPRETATION

Table 1: Demographic Profile of the Respondents

Demographic variables	Number	Percentage
Age		
20-32	24	16.00
32-44	94	62.67
44-56	26	17.33
Above 56	6	4.00
Total	150	100
Educational Qualification		
Up to SSLC	70	46.67
Plus Two	34	22.67
Graduation	26	17.33
Post Graduation	20	13.33
Total	150	100
Occupation		
Daily Wages	28	18.67
Agriculture	2	1.33
Salaried	34	22.67
House Wife	86	57.33
Total	150	100
Monthly Income		
Below 5000	58	38.67
5000-10000	34	22.67
10000-20000	30	20.00
Above 20000	28	18.66
Total	150	100

(Field Data)

Table shows that:

- ▲ 62.67% of respondents are within the age group of 32-44, 17.33% of them are within the age group of 44-56, 16% of respondents are within the age group of 20-32, and only 4% of respondents are with the age limit of above 56.
- ▲ 46.67% of respondents are in the category of up to SSLC, 22.67% of respondents are Plus Two, 17.33% of them are Graduates, and 13.33% of them are Post Graduates.
- ▲ 57.33% of respondents are house wives, 22.67% of them are salaried persons, 18.67% of respondents are daily wages, and only 1.33% of them are doing agriculture. 38.67% of respondent's monthly income level is below 5,000, 22.67% are 5,000-10,000, 20% are 10,000-20,000, and 18.66% are above 20,000.

Table 2: Sources of financial literacy

No	Source	Mean Score	Rank
1	Family Members	2.467	1
2	Teachers at Schools/Colleges	4.533	5
3	Friends	2.7	2
4	Magazines, books, TV, internet	3.567	4
5	Personal Experience	2.76	3
6	Seminars/Workshops	4.967	6

(Field Data)

From the above table we can identify that, among the source of financial literacy family members secure a mean score of 2.467 friends secure a mean score of 2.7, Personal experience secure a mean score of 2.76, Magazines, Books, TV, Internet etc. secure a mean score of 3.567, teachers at schools/colleges secure a mean score of 4.533, and seminars, workshops secure a mean score of 4.967.

Table 3: Items learn from different Sources of financial literacy

No	Items	Mean Score	Rank
1	Budgeting	5.333	6
2	Investing	2.867	1
3	Taxes	6.667	8
4	Savings	3.2	2
5	Life Insurance	3.7	3
6	Loan/Debt	4.233	4
7	Rate of Interest	4.467	5
8	Keeping Records	5.667	7

(Field Data)

Table shows that among the items learn from different source of financial literacy investment secure a mean score of 2.867, savings secure a mean score of 3.2, Life insurance secure a mean score of 3.7, Loans secure a mean score of 4.233, Rate of interest secure a mean score of 4.467, Budgeting secure a mean score of 5.333, keeping records secure a mean score of 5.667 and learning about taxes secure a mean score of 6.667.

Table 4: Get sufficient financial knowledge

No	Variable	Number	Percentage
1	Yes	36	24.00
2	No	114	76.00
	Total	150	100

(Field Data)

Table reveals that 24% of respondents get sufficient financial knowledge whereas, 76% of respondents do not get sufficient financial knowledge.

Table 5: Reason for not getting sufficient financial knowledge

No	Reasons	Mean Score	Rank
1	Social and cultural	1.8	1
2	Physical	3.267	4
3	Educational	2.1	2
4	Financial	2.733	3

(Field Data)

From the above table we can identify that, among the reasons for not getting sufficient financial knowledge social and cultural reason secure a mean score of 1.8 education secure a mean score of 2.1, financial reason secure a mean score of 2.733, and physical reason secure a mean score of 3.267.

HYPOTHESES TESTING

1. There is no significant relationship between age and financial literacy among rural women.

Table 6: Age and Financial Literacy

Age	Financial Literacy					Total
	HL	L	N	IL	HIL	
20-32	04	08	08	04	00	24
32-44	08	32	38	16	00	94
44-56	00	12	12	02	00	26
Above 56	00	00	00	04	02	06
Total	12	52	58	26	02	150

(HL-Highly Literate, L-Literate, N-Neutral, IL-Illiterate, HIL-Highly Illiterate)

*(Field Data)*Level of significance: 5% Degree of freedom: $(C-1)*(r-1)$, $(5-1)*(4-1) = 12$ **Chi square:** Calculated value: 68.7122 Table value: 21.026

The calculated value is greater than the table value. So the null hypothesis is rejected at 5% level of significance.

Interpretation: It can be concluded that there is significant relationship between age and financial literacy among rural women.

- There is no significant relationship between educational qualification and financial literacy among rural women.

Table 7: Educational Qualification and Financial literacy

Educational Qualification	Financial Literacy					Total
	HL	L	N	IL	HIL	
Up to SSLC	02	24	26	16	02	70
Plus Two	08	12	08	06	00	34
Graduation	00	06	08	06	06	26
Post Graduation	04	08	06	02	00	20
Total	14	50	48	30	08	150

(HL-Highly Literate, L-Literate, N-Neutral, IL-Illiterate, HIL-Highly Illiterate)

(Field Data)

Level of significance: 5% Degree of freedom: $(C-1)*(r-1)$, $(5-1)*(4-1) = 12$ **Chi square:** Calculated value: 38.357 Table value: 21.026

Calculated value is greater than the table value. So the null hypothesis is rejected at 5% level of significance.

Interpretation: It can be concluded that there is significant relationship between educational qualification and financial literacy among rural women.

- There is no significant relationship between monthly income and financial literacy among rural women.

Table 8: Monthly Income and Financial literacy

Monthly Income	Financial Literacy					Total
	HL	L	N	IL	HIL	
Below 5000	08	14	20	14	02	58
5000-10000	02	16	10	06	00	34
10000-20000	02	12	10	06	00	30
Above 20000	02	12	10	04	00	28
Total	14	54	50	30	02	150

(HL-Highly Literate, L-Literate, N-Neutral, IL-Illiterate, HIL-Highly Illiterate)

(Field Data)

Level of significance: 5% Degree of freedom: $(C-1)*(r-1)$, $(5-1)*(4-1) = 12$ **Chi square:** Calculated value: 10.026 Table value: 21.026

Calculated value is less than the table value. So the null hypothesis is accepted at 5% level of significance.

Interpretation: It can be concluded that there is no significant relationship between monthly income and financial literacy among rural women.

MAJOR FINDINGS

- It is found that most of respondents are from the active age group of 32 - 44 and majority of the rural women are in the category of up to SSLC.
- Most of the rural women are house wives and majority of respondent's monthly income level is below 5,000
- Majority of rural women pointed out those family members plays an important role in financial literacy of rural women. Teachers at schools/ colleges and seminars, workshops get least rank in financial literacy among them.
- They get more details regarding investments and least information about taxes from different sources.
- Most of them believe that, they didn't get sufficient financial knowledge.
- It is found that the major reason for not getting sufficient financial knowledge among rural women is socio-cultural and educational reasons.

- The result of chi square test reveals that there is significant relationship between age and educational qualification of women are significantly related with their financial literacy whereas there is no significant relationship between monthly income and financial literacy of them.

SUGGESTIONS

- Rural women need more opportunity to seek out and use financial information to improve their financial literacy.
- Make necessary arrangements for the proper utilization of the existing financial literacy services.
- It is better to introduce financial education at school and college level, as regular study.
- Develop separate financial counseling institutions in rural areas for monitoring financial literacy services.

5. The banks in all area can do communication through local language. It may help all categories of women to understand information and use bank as a financial information source.
6. Awareness Programmes should be conducted regularly by the Government with the help of different agencies, like SHG on local base.

CONCLUSION

Financial literacy of marginalized women is an issue nowadays because their backwardness in this respect. Development of financial literacy would help the rural women for better financial decision and proper utilization of financial services and products. It will lead to their personal development as well as social development. Their financial participation would help our country's economic development. For this whole-hearted cooperation by the concerned authorities are needed.

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