



FINANCIAL LITERACY AMONG WOMEN: A SAMPLE STUDY IN THE KAMRUP DISTRICT OF ASSAM

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ABSTRACT

Financial literacy is the mix of one's knowledge, skill, and attitude towards financial matter. Due to increasing rate of work participation of women in developed and developing countries, the financial literacy among women has also received considerable significance in the recent years. This paper is an attempt to study the financial literacy level among the women in rural and urban areas. Attempt has also been made to compare the financial literacy among the working and non-working women. The study was conducted under the Normative Survey method in which total 100 sample of which 50 from rural areas and 50 from urban areas were selected on the basis of stratified random sampling technique. Equal number of working and non-working women was also considered while selecting sample. A self-structured questionnaire was used for data collection. As per the findings of the study financial literacy level of women is no doubt up to a satisfactory level but still it is not at equal level among the different level.

KEY WORDS: Finance, Literacy, Working women, Nonworking women, Empowerment

INTRODUCTION

Financial literacy has become an important issue of discussion in the recent years due to the raising awareness among the masses. It is one of the major challenges faced by all countries globally. Raising interest in personal finance is now a focus of state run programmes in countries including Australia, Canada, Japan, The United States, and the UK. Financial literacy is the mix of one's knowledge, skill, and attitude towards financial matter. Financial literacy among women is must for economic empowerment of women and also gaining significance due to increasing rate of work participation of women in developed and developing countries. However various research studies on this issue have shown that there is gap among the different sections of the people such as men and women, young and adults, rural and urban and

also different categories of people. Lusardi (2010) found that financial literacy is low among young adults. The study also revealed that there is large gender difference in financial literacy. Evidence from Australia shows that women aged 70 years or over has significantly lower mean financial literacy scores than men of the same group, as well as women on average (ANZ Banking Group 2008). Butcher-Koenen (2012) show that women's self-reported levels of financial knowledge are lower than men's in Germany Netherland and U.S. In many countries, women display lower financial knowledge than men and are also less confident in their financial knowledge and skills. This paper is an attempted to study the financial literacy level among the women in rural and urban areas.



OBJECTIVES

The study was conducted under the following objectives:

- i. To find out the difference in financial literacy among the women in rural and urban areas of Kamrup District.
- ii. To find out the difference between working and non-working women in their financial literacy.

HYPOTHESES

H1: There is significant difference between rural and urban women in their financial literacy.

H2: There is significant difference between working and nonworking women in their financial literacy.

METHODOLOGY

The study was conducted under Descriptive Survey Method. The geographical area of the study is confined to the Kamrup district only. Data for the study were collected through a self-prepared questionnaire which contains 13 items related to financial literacy. Data were analyzed through statistical technique like tabulation, percentage

and 't' test to know the significant level in the difference. Sample for the study was selected on the basis of simple random sampling. Total 50 rural women and 50 urban women were selected as sample. Again among the 50 rural women 25 working and 25 non-working women and similarly out of 50 urban women 25 working women and 25 nonworking women were selected as sample of the study on the basis of random and purposive sample.

RESULTS AND DISCUSSION

Objective 1: To find out the difference in financial literacy among the women in rural and urban areas of Kamrup District.

The self structures questionnaire was distributed among the sample of 50 rural (25 working and 25 nonworking) women and 50 urban (25 working and 25 nonworking) women and data were collected by the investigator personally meeting the respondents. The responses of the questionnaire are shown in the table-1

Table-1 Responses of the Rural and Urban Women

Sl.No	Item	Rural		Urban	
		Yes	No	Yes	No
1	Do you have idea about the actual monthly income of your family?	56% (28)	44% (22)	74% (37)	26% (13)
2	Do you take part in financial decision in your family?	38% (19)	62% (31)	68% (34)	32% (16)
3	Do you have interest in preparing family budget?	60% (30)	40% (20)	76% (38)	24% (12)
4	Do you take responsibility to manage financial risk in your family?	44% (22)	56% (28)	76% (38)	24% (12)
5	Do you have Bank account?	76% (38)	24% (12)	94% (47)	6% (3)
6	Are you confident in Banking transaction?	66% (33)	34% (17)	86% (43)	14% (7)
7	Do you use ATM card in bank transaction?	46% (23)	54% (27)	80% (40)	20% (10)
8	Do you use credit card?	4% (2)	96% (48)	10% (5)	90% (45)
9	Do you have informal savings?	38% (19)	62% (31)	56% (28)	44% (22)
10	Do you want to invest your savings?	38% (19)	62% (31)	72% (36)	28% (14)
11	Do you have insurance policy?	64% (32)	36% (18)	94% (47)	6% (3)
12	Are you aware of the consumer rights?	48% (24)	52% (26)	68% (34)	32% (16)
13	Are you aware of the price of essential commodities in market?	28% (14)	72% (36)	78% (34)	32% (16)

All the 13 items in the questionnaire were responded by 100 sample of women in rural and urban areas of Kamrup district of Assam. Regarding actual family income 44% rural women and 26% urban women donot have knowledge. Only 38% rural women take financial decision in their family while 68% of the urban women have expressed that they take financial decision in their family. Preparation of family budget is very much important and it indicates the financial awareness of the members. It is found from the responses that 40% of rural women donot have interest in preparing family budget but only 24% urban women have not shown interest. Regarding responsibility to manage financial risk in the family , only 44% of women in rural areas take this

responsibility while 76% of the women in urban areas are taking this responsibility as per findings of the study. It is to be noted that most of the women in both rural and urban areas have Bank account, as seen from the responses 76% of rural women and 94% of urban women have Bank account. There is slightly rural urban difference in this regard. Again 34%of the rural women and 7% of the urban women are not confident in Bank transaction. It reveals that more rural women are not confident in bank transaction although having bank account. Majority of the rural women i.e. 54% do not use ATM card while only 20% urban women donot use ATM card which indicates low level of financial literacy among rural women. It also seen majority of the women in both rural and urban areas donot have credit card. As seen from the responses

96% of rural women and 90% of urban women do not have credit card. Investigator has also asked whether the respondents have informal savings, but only 38% rural women have expressed while 56% urban women have expressed that they have informal savings. Again 38% rural women and 72% urban women have expressed that they want to invest their savings. It indicates that more number of urban women are aware of savings. However it is also found that most of the women have insurance policy. In rural areas 64% and in urban areas 94% of the respondents have insurance policy which indicates that most of the women are aware of insurance although urban women are more aware in this regard. Consumer right is

one of the important aspects of financial behavior, but as per findings of the study 52% rural women and 32% urban women are not aware about the consumer rights. Similarly 72% rural women and 32% urban women are not aware of the price of essential commodities in market. Analysis of all the responses revealed that although women are financial literate upto some extent but there is still rural urban difference in financial literacy.

To know the difference between rural and urban women in their financial literacy level the investigator applied 't' test after calculating the mean score of both. The 't' test for significance difference of mean is presented in the table-2

Table-2 't' test for rural urban difference

Location	N	Mean	SD	Mean Difference	't' value	Significant level
Rural	50	19.22	2.64	3.18	6.70	
Urban	50	22.40	2.07			

It is found that the mean score for rural women is 19.22 and for urban women it is 22.40. The mean for urban women is higher than the rural women with a mean difference of 3.18. The SD value of mean is 2.64 and 2.07 respectively for rural and urban women. The calculated 't' value 6.70 is much higher than the table value at both 5% and 1% level of significance. As such the hypothesis of difference between rural and urban women is accepted. It indicates that there is significant difference between

rural and urban women so far their financial literacy is concerned. Financial literacy among urban women is considerably higher than the rural women.

Objective 2: To find out the difference between working and non-working women in their financial literacy.

The questionnaire was also administered to a sample of 50 working women and 50 non working women. The responses are shown in the table-3

Table-3 Responses of working and non-working women

Sl.No	Item	Working women		Non-Working women	
		Yes	No	Yes	No
1	Do you have idea about the monthly income of your family?	96% (48)	4% (2)	34% (17)	66% (33)
2	Do you take part in financial decision in your family?	74% (37)	26% (13)	32% (16)	68% (34)
3	Do you have interest in preparing family budget?	100% (50)	0% (0)	70% (35)	30% (15)
4	Do you take responsibility to manage financial risk in your family?	100% (50)	0% (0)	28% (14)	72% (36)
5	Do you have Bank account?	100% (50)	0% (0)	82% (41)	18% (9)
6	Are you confident in Banking transaction?	86% (43)	14% (7)	66% (33)	34% (17)
7	Do you use ATM card in bank transaction ?	70% (35)	30% (15)	56% (28)	44% (22)
8	Do you use credit card ?	14% (7)	86% (43)	0% (0)	100% (50)
9	Do you have informal savings ?	58% (29)	42% (21)	36% (18)	64% (32)
10	Do you want to invest your savings?	62% (31)	38% (19)	48% (24)	52% (26)
11	Do you have insurance policy ?	90% (45)	10% (5)	68% (34)	32% (16)
12	Are you aware of the consumer rights ?	88% (44)	12% (6)	28% (14)	72% (36)
13	Are you aware of the price of essential commodities in market?	58% (29)	42% (21)	38% (19)	62% (31)

Analysis of the above table shown that there is considerable difference between working and non working women in their financial literacy. While question was put to them to know whether they have knowledge about their actual monthly income it is seen that 96% working women have this knowledge while only 34% non working women have knowledge of actual family income

which indicates working and non working women are different in their financial awareness. Again 72% working women and only 32% non working women take financial decision in their family. It is to be noted that all the working women are interested in preparation of family budget , but a considerable number i.e. 70% of the non working women are interested in preparation of family budget. All

the working women can take responsibility to manage financial risk in the family while only 28% of the non working women can take this responsibility. Regarding bank account it is found that majority of the women have bank account although it is more in case of working women. Again 86% of the working women have expressed that they are confident in bank transaction which is 66% in case of non working women. It is also found that 14% working women use credit card but no one of the non working women use credit card. 58% working women and 36% non working women have informal savings and again 62% working women and 48% non working women expressed that they want to invest their savings which indicates that women are aware of savings although there is difference between working and non working women. Majority of women have insurance policy which indicates their awareness of insurance. Regarding consumer rights

it is found that more working women are aware of this right in compare to nonworking women which is 88% and 28% respectively. 42% working women and 62% non working women are not aware of the price of essential commodities in the market. The above discussion has revealed that although women have financial literacy but there is still difference between working and non working women in their financial literacy level. Working women have more awareness about financial matter in compare to non working women.

Although difference is found between working and non working women in their responses in the questionnaire but it is necessary to test whether the difference is statistically significant. As such to prove the hypothesis of difference the investigator applied 't' test after calculating the mean score of both working and non working women which is presented in the table-4

Table-4, 't' test for significant difference between working and non-working women

Working-Nonworking	N	Mean	SD	Mean Difference	't' value	Significant level
Working women	50	22.22	2.12	2.82	5.67	
Nonworking women	50	19.40	2.81			

The mean score of working women is found 22.22 and in case of non working women it is 19.40. The mean score of working women is higher than the non working women with a mean difference of 2.82. The SD value is found 2.12 and 2.81 in case of working and non working women respectively. While 't' test was applied it is found that the calculated 't' value 5.67 is much higher than the table value at both 5% and 1% level of significance. As such we may accept our hypothesis and can conclude that there is significant difference between working women and non working women in their financial literacy level as per the financial literacy questionnaire. Financial literacy among the working women found higher as the mean score is considerably high.

CONCLUSION

The level of financial literacy depends upon the financial needs and behavior of an individual. From the above studies, it is inferred that financial literacy is highly influenced by the residential location i.e. rural urban and also employment. The study focused on the financial literacy of women as women has been most vulnerable group in the society. Economic empowerment of women is must for which financial literacy level of women need to be enhanced. As per the findings of the study financial literacy level of women is no doubt upto a satisfactory level but still it is not at equal level among the different level. Financial literacy level among the rural women is much

lower than the urban women. Again working women have more financial literacy level than non working women. It is therefore necessary to initiate certain awareness programme to enhance financial literacy among women in general and rural women in particular. Special programme should also be taken for non working women to enhance financial literacy. Government agencies, Bank and other NGOs may take initiative in this regard. Apart from this financial literacy may also be included in the school curriculum.

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