



Financial Literacy among Women: An Empirical Evidence

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ABSTRACT

One of the biggest challenges of our country is women empowerment which can be attained by making them educated, financial independent. Financial literacy can be define as a set of knowledge and skills that allow individual to make informed and effective decision related to money. In India, women assess to financial services has increased substantially faster in the past few years. The increasing liberalisation in women social status has shown positive change in condition of women in India. Women are good in saving, budgeting and managing household expanses but they take their steps back when it's come to take large financial decision and they depends on their male counterpart, believing them to be financial experts. A minimum level of financial literacy in necessary for the women so that they can take their financial decision. The present study was conducted to access the level of financial literacy among the women of Lucknow region. Thus a structured questionnaire was distributed among women in Lucknow region. The result of the analysis revealed that financial literacy level of women in Lucknow region not enough and strong variation in various socio-demographic and economic variables.

Keywords: Financial literacy, Female, independent sample test

The global financial market is risky and unpredictable. It effect the nation and society. The women around the world face a lot of challenges and obstacles in financial decision making.

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Therefore, the need of financial literacy are necessary for women in Indian context as well as around the world.

The OECD (2013) define “Financial literacy is a combination awareness, knowledge, skill, attitude and behaviour of individual that are required to make good financial decision and to achieve individual financial wellbeing.”

Financial literacy helps individual to take right financial decision related to the use of money. The lack of financial literacy tend to increase the wrong financial decisions and it ultimately contribute the slow economic growth in various countries. It has been observed various studies shows the adequate level of financial literacy increases the standard of living of the individuals. People believes itself well informed but actually they are less informed then average and women are less financial literate than men (Lusardi, 2011). Gender is the main factor that describes the gap of financial literacy level among the men and women. Men’s financial literacy is increasing faster that of women. Women are not performing well in taking right financial decisions (Anjali Devi, 2016). Various studies around the world support the same findings, gender gap of financial literacy among the individuals (Atkinson Messy, 2012 & OECD, 2013) which state that women facing various difficulties in making savings and choosing financial products appropriately. However, gender gap also exists in India. Now a days India is focusing on women empowerment and providing various opportunity to the women for enhancing their personal financial activities.

REVIEW OF LITERATURE

Chijwani, M. (2014) identified the level of financial literacy among working women in Pune region and also assessed the knowledge of females towards investment in various financial instruments. A structured closed ended questionnaire was distributed among working women in Pune. The result revealed that most of the females do possess certain kind of financial knowledge, but they are still financially illiterate. Women in urban areas have financial freedom to take decisions not only with respect to their personal investments but also for the family as a whole but still majority of females are highly ignorant about different investment opportunities in the market.

Mathivathani and Velumani (2014) identified the level of financial literacy among women in rural areas of Tamil Nadu. The study found that financial literacy of marginalized rural women is very low. Therefore, the proper development of financial literacy would help the women for better financial decision making and proper utilization of financial services and products.

Dwivedi *et al.* (2015) analysed the NCFE report on financial literacy and financial inclusion in India on the basis of occupation, geographical area and gender mix. The study found that urban population is more financially literate than rural population. Also, men are found to be more financially literate than women. Moreover, the study observed that women have

higher financial attitude but less financial behaviour and less financial knowledge, whereas men have slightly less financial attitude than women but scored more on financial behaviour and financial knowledge.

Njaramba, J. *et al.* (2015) identified the financial literacy of eleven migrant African-Australian women entrepreneurs in the Cairns region. A qualitative case study approach was used to investigate financial literacy of eleven women via semi-structured interviews, survey questionnaire and researcher's reflective journal. The result revealed that women had a high level of financial literacy. The higher the level of education and English language proficiency of the women leads the higher level of financial literacy.

Shobha and Shalini (2015) conducted a survey on the perception of women towards the personal financial planning in the city of Bangaluru. The study revealed that Indian women gives priority to family and children's requirements more than her requirements for financial needs and individualistic financial security. Also, difficulty in convincing the spouse and family is also a challenge to the women to create their financial plans. The study also found that women still feel that gold, real estates, bank deposits, insurance products and provident funds are the most safe instruments for investing, while they feel that mutual funds, derivatives, chits, stocks and shares as riskier investments. Hence, lack of knowledge on new instruments influence their ability to earn returns for them.

Haque, A. and Zulfiqur, M. (2016) identified the impact of financial literacy, financial attitude and financial wellbeing on women economic empowerment. The survey was conducted through questionnaire. Total 300 working women of Pakistan from non-financial sector participated in the survey. The target population consist of women working in educational sector, telecom sector, medical sector etc. Non-probability convenient sampling technique was applied to select the sample from the population. The result disclosed that financial literacy, financial attitude and financial wellbeing are positively and significantly related to the women's economic empowerment. Higher level of financial literacy and positive financial attitude in women greater will be the financial wellbeing it increase the women's economic empowerment. Women's economic empowerment was affected by age, education, income, profession, marital status, saving and investment behaviour.

Wellington G. Bonga & Nelson Mlambo (2016) identified various ways that can be implemented to raise financial literacy among women in Zimbabwe. Using the Relative Importance Index (RII), the study seeks to determine those ways with greater impact when implemented. The result revealed that 32 methods have been identified to have a positive impact on women financial literacy levels. The study found a minimum RII of 0.7184 and a maximum of 0.8922, indicating greater importance of the identified methods. Using the Box and Whisker plot technique, no outliers were observed in the response data. The study recommends attention to be made to the identified methods of raising financial literacy levels among women, paying particular attention to the best ranked methods.

Shrikrishna S. *et al.* (2018) identified the level of financial literacy among women employees working in banks. The data was collected through structured interview schedule, from 188 women employees working in bank branches situated in Kolhapur district. The financial literacy of women employees has been analysed by focusing on three dimensions of financial literacy i.e. financial knowledge, financial behaviour and financial attitude. The result disclosed that 48.4 % women employees have medium and moderate lower level financial literacy and only 5.3% women employees have higher level financial literacy. Every bank should arrange training and development programme on financial literacy for their employees.

Koti, K. (2019) examine the level of financial literacy of women in Dharwad District. Total 100 women were interviewed to know their financial ability and proficiency. The statistical tools used where factor analysis, T-Test and One-way Anova. The result showed that only 30 percent women were comfortable and found that the gray area was mutual fund investment and return of it. The significant investment avenues which were important and not concentrated were bank deposits and gold markets. Women are careful during investments and they know very well about the risk involved in markets. They keep financial goals, targets and achieve them successfully. The women investment their funds across various portfolios to minimise the risk.

Kumari D.A.T. *et al.* (2020) identified the impact of financial literacy among rural poor on their economic empowerment in Sri Lanka. The sample was drawn from under privileged families who are living under the poverty line in 09 provinces in the country. Total 386 completed questionnaires were taken for final analysis. Data were collected with the self-administrated questionnaire. The sample was selected based on the multilevel mixed sampling method. The findings revealed that the financial literacy has significant impact on women's economic empowerment among the rural poor. However, when it was considered under separate dimensions, financial wellbeing and control over time allocation have significant impact on financial literacy among rural women. Furthermore, all the hypotheses were accepted after the analysis. Therefore, financial literacy can be considered as a significant determinant of women economic empowerment in Sri Lankan context.

OBJECTIVE OF STUDY

The research aim to:

- ❖ Identify the level of women financial literacy.
- ❖ Identified the socio-demographic, economic effect on women financial literacy.

RESEARCH METHODOLOGY

For the purpose of study primary data as well as secondary data has been used. Primary data was collected through self-structured questionnaire that was distributed among 175 women in Lucknow Region. The questionnaire consist of two section, the first section related to

socio-demographic, economic profile of the respondents and second section related to women financial literacy questions. The secondary data was collected from the various journals, libraries etc. convenient sampling method is used in research. The analysis was conducted with the help of SPSS 21 version. Statistical test, independent sample test was applied on data for hypotheses testing.

DATA ANALYSIS

Hypothesis 1

H₀1: There is no relation between age and financial literacy level of women.

Table 1: Financial literacy of different age group

Variables	Total sample	No. of respondents	Financial literacy Mean value	Test value	Significance
Age (years)	18-30	71	91.32	18.896	0.001
	31-40	49	99.39		
	41-50	30	93.53		
	51-60	19	56.29		
	More than 60	6	28.42		

Interpretation: The table 1 describe financial literacy of different age group. From the table it can be seen that the p value is 0.001 which is less than 0.05. Therefore, the null hypothesis is rejected and conclude that the financial literacy level and age of the women are related to each other.

Hypothesis 2

H₀2: There is no relation between marital status and financial literacy level of women.

Table 2: Financial literacy of different marital status

Variables	Total sample	No. of respondents	Financial literacy Mean value	Test value	Significance
Marital status	Single	62	89.15	0.05	0.823
	Married	113	87.37		

Interpretation: The table 2 describe the financial literacy of married and single respondents. The table shows that the financial literacy level of single respondents are more than married respondents. From the table it can be seen that the p value is 0.823 which is larger than 0.05.

Therefore, the null hypothesis is accepted and conclude that the financial literacy level and marital status of women are not related to each other.

Hypothesis 3

H₀3: There is no relation between education and financial literacy level of women.

Table 3: Financial literacy of different educational background

Variables	Total sample	No. of respondents	Financial literacy Mean value	Test value	Significance
Education	No education	4	8.38	32.332	0.000
	Primary	9	26.94		
	Secondary	11	53.05		
	Higher secondary	17	94.88		
	Graduation	57	96.97		
	PG or above	77	97.19		

Interpretation: The table 3 describe the financial literacy of different educational background. “PG or above” group women are more financial literate as compare to other. From the table it can be seen that the p value is 0.000 which if less than 0.05. Therefore, the null hypothesis is rejected and conclude that the financial literacy level and education of women are related to each other.

Hypothesis 4

H₀4: There is no relation between income and financial literacy level of women.

Table 4: Financial literacy of different income group

Variables	Total sample	No. of respondents	Financial literacy Mean value	Test value	Significance
Income	Less than 2 lakhs	42	82.76	6.825	.004
	2-4 lakhs	43	80.17		
	4-6 lakhs	46	84.97		
	6-8 lakhs	28	94.28		
	More than 8 lakhs	16	109.27		

Interpretation: The table 4 describe the financial literacy of different income group. From the table it can be seen that the p value is 0.004 which if less than 0.05. Therefore, the null hypothesis is rejected and conclude that the financial literacy level and income of women are related to each other.

Hypothesis 5

H₀5: There is no relation between employment status and financial literacy level women.

Table 5: Financial literacy of different employment group

Variables	Total sample	No. of respondents	Financial literacy Mean value	Test value	Significance
Employment status	Government	59	107.73	13.862	0.003
	Private	33	81.88		
	Business	7	81.57		
	Not working	76	75.93		

Interpretation: The table 5 describe the financial literacy of different employment group. From the table it can be seen that the p value is 0.003 which if less than 0.05. Therefore, the null hypothesis is rejected and conclude that the financial literacy level and employment status of women are related to each other.

FINDINGS

1. Financial literacy level among women is not good. Most of the women have moderate level of financial literacy.
2. The financial literacy level is higher in age group 31- 40. The result shows that the difference is statistically significant. Therefore financial literacy level and age of the respondents are related to each other.
3. Single respondents are more financial literate as compared to married. The result shows that the difference in women' financial literacy level based on marital status is not statistically significant.
4. Education of the respondents are positively correlated with financial literacy level. The result indicate that increase in education level with increase in financial literacy level of women. The result also statistically significant.
5. The income of respondents is positively correlated with the level of financial literacy. The result exhibit that financial literacy level is increase with increase in income level. The result also statistically significant.

6. The women are working in Government job are more financially literate as compared to women those are working in other area i.e. job, business and not working.

CONCLUSION

From the inferences drawn it can be said that marital status does not affect the financial literacy. It means no difference exists between single and married women in respect of financial literacy. Other demographic and socio-economic variables age, education level, income and employment status differ significantly in terms of financial literacy. The current study is not free from limitations. Firstly, the study has been conducted on women of Lucknow Region only it may not be applicable in other cities in India. Secondly, the study covers only women which may not be applicable to financial literacy of male and students etc. At last, only demographic and socio-economic variable have been included for the study while other variable like influence of peer group, religion influence, influence of family are also important. All these variables could be investigated in future. For future studies, researcher can reduce these limitations and can include a big sample size.

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