

STUDY ON FINANCIAL LITERACY AND AWARENESS AMONG WORKING WOMEN: A SURVEY BASED APPROACH IN PANCHMAHAL DISTRICT

Chanduji Popatji Thakor

Assistant Professor of Commerce and Management, Shri Govind Guru University, Vinzol-Godhra, Gujarat, India

Abstract

The term financial literacy indicates the way to know, to understand how the money works. Good financial literacy throws light on one's awareness on various avenues, skills and investment decision. Investment is done for the benefit of mere future, either for short term or long term. This study aims to investigate the financial literacy, awareness of working women on investment avenues, preferred avenues and factors influencing on their investment decision. The result reflects that women are less aware on various avenues. Along with the demographic factors like marital status, income, certain specific factors namely liquidity, safety, risk and return associated with avenues influence in their investment decision.

Keywords

Financial Literacy, Investment Decision, Working Women.

1. Introduction

Financial literacy is purely to realize the way in which money works. It implies in order to examine how one makes money, spends it, manages it, and invests it. Financial literacy is often important as one cannot be successful without proper financial decisions. Under financial literacy, a number of activities are involved with the aim of enhancing the knowledge, confidence, and skill of consumers so that they can manage finance better. Investment simply means that the sacrifice made by an individual in present with the aim of earning greater benefits in the mere future (Haming and Basalamah, 2010). There are various avenues like stock market-direct equity, equity mutual funds, debt mutual funds, NPS (National Pension Scheme), PPF (Public Provident Fund), PF, bank fixed deposit, life insurance, real estate, company deposit, chit fund, post office schemes, real estate, bonds, gold, precious stones, and articles and alike to invest with. Before investing individuals estimate the risk-return associ-

ation with the avenues. The psychological factors act as a vital role in determining the investment decision. (Manurung,2012).

2. Review of Literature

Nadia Asandimitra et.al.(2019) conducted research with the goal of determining the level of financial literacy among working women, as well as describing assets allocation along with time and profit in investment. The qualitative descriptive study said that the characteristics of the respondents influence their investment choice as an investment is associated with risk factors. The study ended with a positive result that working women have strong financial literacy as evidenced by their investment discipline. They plan and invest their excess money with belief to get profit from the investment.

V. Reddy and Swapna.H.R (2018) conducted a study to find the financial literacy level of

working women towards equity investment, also to understand the relationship between monetary and venture behavior i.e, financial literacy and investment behavior on equity with reference to static demographic variables. Working women investors of Bangalore were drawn as samples. The respondents opinioned that the transparencies in operation by the investment companies help the investors to decide on investment as per their likes and dislikes. The result throws light on the happiness and satisfaction of working women with respect to investment companies which find the need of investors and update them with the latest news and schemes. Technological advancement and online investment portals made them highly satisfied. In order to promote and coordinate financial literacy, the federal, regional, local along with public and private programs should reach the public and increase the awareness to the need of enhancing their knowledge on financial risks and methods of defending them from financial risks through appropriate investments, insurance, and financial education.

3. Research Methodology

The primary data for this empirical study was collected from the working women in Panchmahal District. The study highlights the financial literacy level and investment decisions of working women. 600 respondents were taken as samples on the basis of the random sampling method. The researcher has taken care to see that the respondents represent demographic factors like age, literacy level, and income under this study. In addition to primary data, secondary data has been collected from vari-

ous published sources, e-journals. Google scholar and Shodhganga were used to gather articles for the purpose of literature review. The ideas drawn from these sources have been incorporated wherever necessary to substantiate the primary data.

3.1 Research Objectives

- To measure and access the level of financial literacy of working women in Panchmahal District.
- To measure their awareness of various investment avenues.
- To identify the factors determining the investment decision of working women

4. Results and Discussion

Researcher has used Reliability statistics, Cronbach's Alpha value (0.855) is higher than 0.700. Therefore, Data collected by researcher are more valid and reliable and it can be considered for further data analysis. Researcher has used Frequency distributions are portrayed as frequency tables or charts. Frequency distributions can show either the actual number of observations falling in each range or the percentage of observations. In the latter instance, the distribution is called a relative frequency distribution. Researcher has identified demographic variables like Age, Monthly Income, Education, Employment Status, number of family members, Length of Service, Job Position, etc are analysed through tabular and graphical way and interpret the same.

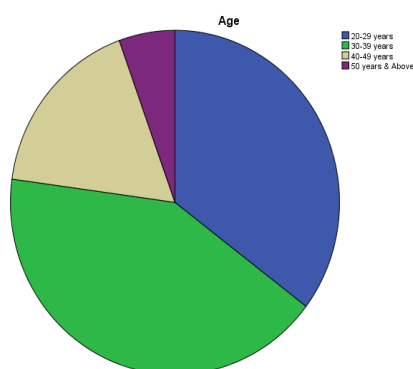


Fig 1. Age

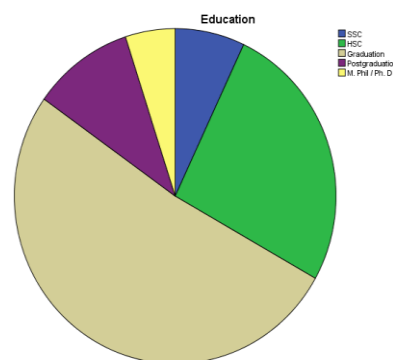


Fig 2. Education

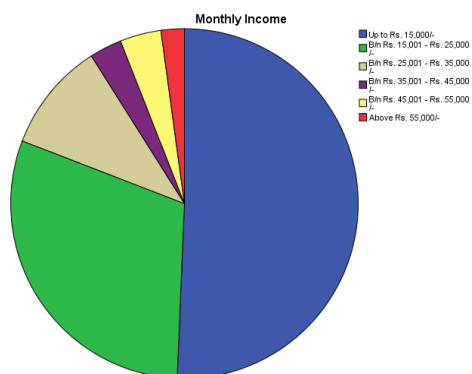


Fig 3. Monthly Income

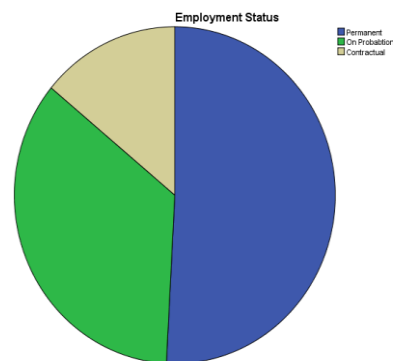


Fig 4. Employment Status

Table 1. CROSS – TABULATION WITH CHI-SQUARE TEST (Age and Education)

		Education					Total	
		SSC	HSC	Graduation	Post-graduation	M. Phil / Ph. D		
Age	20-29 years	Count	12	40	128	24	8	212
		% of Total	2.0%	6.7%	21.3%	4.0%	1.3%	35.3%
	30-39 years	Count	20	82	119	26	4	251
		% of Total	3.3%	13.7%	19.8%	4.3%	0.7%	41.8%
	40-49 years	Count	8	31	47	9	9	104
		% of Total	1.3%	5.2%	7.8%	1.5%	1.5%	17.3%
	50 years & above	Count	2	4	16	2	9	33
		% of Total	0.3%	0.7%	2.7%	0.3%	1.5%	5.5%
Total		Count	42	157	310	61	30	600
		% of Total	7.0%	26.2%	51.7%	10.2%	5.0%	100.0%

Source: Primary Data

Table 1 shows that out of the total 600 respondents of Panchmahal District, 21.3% respondents having age groups between 20 – 29 years are graduate. 19.8% respondents having age groups between 30 – 39 years are graduate.

4.1 Hypothesis Testing:

H₀: There is no significance difference between Age and education towards financial literacy.

H₁: There is no significance difference between Age and education towards financial literacy.

Table 2. Chi-Square Tests

	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
Pearson Chi-Square	60.330 ^a	12	.000
Likelihood Ratio	45.904	12	.000
Linear-by-Linear Association	1.073	1	.300
N of Valid Cases	600		

Source: Primary Data

Table 2 of chi-square test shows that p – value between Age and education towards financial literacy (0.000) is less than significance value (0.05). is significant. Therefore, H₀ is rejected. So, the relationship be-

Table 3. Relationship between Age and Investment Avenues towards Financial literacy

<i>Sr. No</i>	<i>Null Hypothesis</i>	<i>Decision</i>
1	There is no significance difference between Age and banking products investment avenues	H ₀ is Accepted
2	There is no significance difference between Age and company deposits investment avenues	H ₀ is Accepted
3	There is a significance difference between Age and Postal Schemes investment avenues	H ₀ is Rejected
4	There is a significance difference between Age and Provident fund investment avenues	H ₀ is Rejected
5	There is no significance difference between Age and National Pension Scheme investment avenues	H ₀ is Accepted
6	There is a significance difference between Age and Bonds investment avenues	H ₀ is Rejected
7	There is no significance difference between Age and Insurance investment avenues	H ₀ is Accepted
8	There is no significance difference between Age and Mutual funds investment avenues	H ₀ is Accepted
9	There is no significance difference between Age and Gold investment avenues	H ₀ is Accepted
10	There is a significance difference between Age and equities investment avenues	H ₀ is Rejected
11	There is no significance difference between Age and real estate investment avenues	H ₀ is Accepted
12	There is a significance difference between Age and commodity market investment avenues	H ₀ is Rejected

Source: Primary Data

5. FINDINGS

The result reflected that the knowledge of respondents is below the needed level. Demographic factors like age, educational qualification, marital status, income impact the investment decision. The income earned by the working women is sufficient to meet their personal expenses but not much satisfied as they have less amount of money left with them to invest. Along with the demographic factors, liquidity and risk factors highly influence the investment decision. Bank FD, insurance, post office schemes, gold and PPF are widely preferred as women feel that investing in those avenues is safe. There is a lack of knowledge on all the investment avenues. Working women go for risk-free medium-term avenues where they earn a stable return. Only a few of them utilized the portfolio investment method.

6. CONCLUSION

Financial literacy attempts to measure the understanding and financial decisions of people. The present study outlined financial literacy as the individual's capacity to know, to possess fundamental information in an economic and financial area, along with the skill to use that knowledge to deal with financial resources effectively. 'Invest early, Invest well' is the mantra. The younger if one invests and prioritizes financial planning basics, the wealthier she will be. Women play a key role in family, business, and society. She is an active participant in all the

paths of life. To enjoy fruitful results in the future, women must get updated with the avenues. Thus women are to be provided with detail information about the avenues which helps in the selection of different avenues keeping a note on the requirement of her family and risk factors associated with the avenue. For better yield one should not invest all the savings in a single basket.

REFERENCE

- [1].Boon, T. H., Yee, H. S., & Ting, H. W. (2011). Financial literacy and personal financial planning in Klang Valley, Malaysia. *International Journal of Economics and Management*, 5(1),149–168
- [2].Chowdhury, E. K. (2016). Investment Behavior: A Study on Working Women in Chittagong, 2(1),2016
- [3].Divya.R,Shekar C (2010) Investor's preference towards financial investment. *Indian Journal of Finance*,138:39-42
- [4].Gnan Design C, Kalai selvi, Anusuya (2006) Women Investors Perception towards Investment. *Indian Journal of Marketing*,36:16-18
- [5].Gopeekrishna, S., &Geetha, K. T. (2018). Status Of Financial Literacy On Economic Empowerment Of Working Women Of Kerala. *Economic Development of India Show*, 85–94