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### A study on financial literacy among women

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#### Abstract

With the beginning of various monetary reforms, the extent of whole market is getting more extensive. Several financial items are being presented in the market that is creating the requirement for people to design and contribute their funds carefully. But the degree of money related education among Indian women is still lagging behind. Henceforth, the need emerges to comprehend in detail the issue of financial literacy among women in India. The government is also taking initiatives for making the people more monetarily proficient, yet there continues a great deal of gap in the financial literacy level of men and women. The purpose of this research paper is to study the financial literacy and investment behaviour of working as well as non-working women.

**Keywords:** Financial literacy, working and non-working women

#### Introduction

Financial literacy is the major challenge faced by all countries globally. Financial literacy is the skill and attitude towards financial matters. It helps to make informed decisions and well-being of an individual. In today's world market consists of complicated products so the need for financial literacy arises. The government and other private institutions have taken ladder through financial education programs to increase the financial literacy among people of India. Financial literacy is crucial for old and young, men and women, household and working. Having financial knowledge is the key element for making sound financial decisions. Financial literacy helps to grow and manage finances in a proper way. The importance of financial literacy can never be neglected as it not only contributes in the wellbeing of people but also assist them to become economically empowered. Continuously changing financial markets and increasing burden of financial decision making, it has become necessary for women to have knowledge of finance. Women are the larger part of the society and their involvement in financial matters has also increased. In today's world, women are also consuming financial products and services independently as well as in combination with the family members, partner and spouses. But major portion of working women are still unaware of integrated financial terms. There are various benefits of being financial literate. Some of them are:

- **Economic growth:** The nation's overall development needs women investors as well. This helps in enhancing the liquidity in the market and helps to boost up the scope of trade in the economy.
- **Self-independent:** It is essential for women to acquaint themselves with the finance world so as to be financially independent.
- **Freedom from exploitation:** Financial literacy will help in protecting society and individuals against exploitative schemes and inflated interest rate charged by moneylenders.
- **Family wellbeing:** It has been observed that household resources in women's hands has been observed to be more likely spent on improving family well-being, particularly that of children.

#### Literature review

- Lusardi A. (2006) <sup>[1]</sup> conducted a study on Planning and Financial Literacy: How Do women Fare? Study found that women had little financial literacy, retirement calculation was not an easy task particularly for women and they are much more rely on family, friends and advisers for their financial planning.

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- Klatt. M. (2009) <sup>[2]</sup> conducted a study on An Assessment of Women's Financial Literacy. Study found that there are some barriers that women face in regards to financial matters, and showing that women are not participating fully in retirement planning and not as comfortable as men in seeking financial advice.
- Chijwani. M. *et al.* (2014) <sup>[3]</sup> conducted a study of financial literacy among working women in Pune. The study found that the most popular investment avenue among the females interviewed is systematic investment plan.
- D'Ancona. E. L. (2014) <sup>[4]</sup> conducted a study on Financial Literacy and Financial Inclusion of Women in Rural Rajasthan- a Case Study of the Indian School of Microfinance for Women's Financial Education Project. This study found some significant social benefits from the MEDP Training including negotiating power and increased status of women within their communities. This study was based on variables like Literacy, knowledge of financial terms and work schedule.

#### Objectives of the study

- To determine the level of financial knowledge of women in Mandi Dabwali.
- To understand the knowledge of financial matters among women.
- To measure the level of financial literacy of women.

#### Research methodology

This paper is based on both primary as well as secondary research. Secondary sources include various papers, books, journals, etc. Primary source of the research is data collected with help of questionnaire from 120 respondents.

#### Data analysis

- 46% of respondents with age between 25 to 35 years, 32% of respondents are of 35-45 years in age, 13% respondents are with age 45 to 50 years, and rest 9% of respondents above 50 years.
- The 53% of respondents belong to working class and 47% belong to non-working class.
- Majority of the respondents i.e. 79% share the household expenses responsibilities whereas 21% respondents did not share household expenses.
- 68% respondents knew the difference between savings and investments and 32% were not able to differentiate savings and investments.
- Out of 120 respondents 76% were doing investments somewhere whereas 24% respondents were not doing any investments.
- 81% were aware about the various investment opportunities available in the market whereas 19% did not know about the various investment opportunities.
- Out of 120 respondents 48% invest their money in fixed deposit, 9% in real estate, 39% in gold and 4% in other investment alternatives.
- 26% were doing their investment for meeting uncertainties in future, 19% for old age, 39% for education of the children and 16% for other than these reasons.
- 55% were taking their investment decisions with the help of family and friends, 20% by own, 18% with the

help of financial advisor and 7% by other means.

- 59% were known about the financial privileges provided by the Government to women.

#### Conclusions

From the study it may be concluded that there is a need for conducting financial literacy programs for women in order to develop an understanding of investment and taking effective investment decisions. The study shows that majority of the women were investing their money in investment instruments by taking help of their family and friends. The study also reveals that the most of women are still lagging behind in taking financial decisions.

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