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23

## INDIA@75: Financial Literacy of Rural Women in Gujarat State

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### **Abstract:**

Economic growth and financial literacy are interconnected. Financial literacy must exist for people who engage in the economy actively. As per the report conducted by the Global Financial Literacy Excellence Center, only 24% of the Indian adult's population are financial literate. In comparison of other country India have to focus on its financial literacy rate. Even though rural women's more involvement in their families and social household work, her representation in the financial sector is minimal due to their low level of financial knowledge. Therefore, financial education is necessary for the empowerment of this section of society. India is at development stage. Day by day the economy is expanding and as a base, A strong financial education would enable them to benefit from better incomes in return. This paper aims to analyze the present status of financial literacy and different barriers for attaining financial literacy among rural women of Gujarat State. When India celebrates its 75 years of independence, the Prime Minister of India Announced major scheme related to strengthen an Indian economy and his dream that at earliest stage India would be reached to world's 3<sup>rd</sup> largest economy. As a part of the celebration, every Indian took less or more part in Azadi ka Amrit Mahotsav.

**Keywords:** Financial Literacy, Rural Women, Money Knowledge, Indian Economy, Azadi ka Amrit Mahotsav, India@75



## Introduction:

Financial literacy is the major challenge faced by all countries globally. Financial literacy is the attitude and skill towards financial matters. In today's world market consists of complicated products so the need for financial literacy arises. Financial literacy may be understood as the capability of an individual to understand the financial terms and concepts, be aware about financial products and services and apply that knowledge for their financial well-being. Growing and managing funds properly are made easier with financial knowledge. The importance of financial literacy would never be neglected as it not only contributes in the wellbeing of people but also assist them to become economically empowered. A person who is financially literate is capable of making wise decisions and judgments about how to use and manage their money. Women are the larger part of the society and their involvement in financial matters has also increased. These days, women are using financial services and products on their own as well as while collaborating with partners, spouses, and family members. But major portion of rural 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.



## Need of financial literacy:

The following elements contributed to this outcome:

1. It improves people's readiness for unforeseen circumstances.
2. Women who are financially literate are better equipped to help families manage inflation and rising living expenses.
3. Frequently, a child's mother has a greater impact on their life than their father. You will gain from being financially savvy and your kids will look up to you as an example.
4. In the majority of households, women handle daily financial responsibility. It would thus be advantageous for them to have some sense of how the funds should be spent.
5. Women who are financially savvy are more self-assured when it comes to making their own decisions.

## Review of Literature

- (1) Chijwani. M. et al. (2014) 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.
- (2) D'Ancona. E. L. (2014) 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.
- (3) The study done by Aggarwalla et al. (2013) examined the relationship between three dimensions of Financial Literacy and found positive relationship between Financial Behavior and Financial Knowledge, however the study reflected negative relationship between Financial Attitude and Financial Behavior, which was contrasting and unexpected.



## Objectives

- ✓ To know the financial literacy among rural women.
- ✓ To understand the knowledge of financial matters 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 rural area of Gujarat State. Here 180 respondents have been considered for the effective study. Convenient sampling technique is adopted for selecting the samples. Statistical tools like Percentage Analysis and weighted Average are used for data analysis. For testing hypotheses one way Anova is used.

## Hypotheses:

- ✓ There is no significant difference between educational qualification and financial literacy among rural women.
- ✓ There is no significant difference between monthly income and financial literacy among rural women.

## Data Analysis and Interpretation:

**Table 1: Demographic Profile of the Respondents**

Demographic Variables	Frequency	Percentage
<b>Age</b>		
20 - 32	55	30.56
32 - 44	82	45.56
44 - 56	24	13.33



56 & above	19	10.56
<b>Total</b>	<b>180</b>	<b>100</b>
<b>Education Qualification</b>		
SSC	36	20.00
HSC	65	36.11
Graduate	42	23.33
Post Graduate	37	20.56
<b>Total</b>	<b>180</b>	<b>100</b>
<b>Occupation</b>		
Daily Wages	28	15.56
Agriculture	64	35.56
Salaried	55	30.56
Housewife	33	18.33
<b>Total</b>	<b>180</b>	<b>100</b>
<b>Monthly Family Income</b>		
Below 10000	37	20.56



10000 - 20000	60	33.33
20000 - 30000	56	31.11
Above 30000	27	15.00
<b>Total</b>	<b>180</b>	<b>100</b>

(Source: Primary Data)

- Above table shows that 45.56% of the respondents come from the 32 – 44 age group. 30.56% are from the group 20-25 which is the youngest age group. 13.33% are from group of 44-56 and the least respondent are from the group of 56 & above which is 10.56%.
- From the above table researcher came to know that 20.00% respondent studied till SSC, 36.11% respondent studied till HSC, 23.33% done their graduation and lowest respondent who completed their Post graduation which is 20.56%.
- When researcher asked about occupation, they came to know that maximum women occupied with agriculture work which is almost 35.56%. 30.56% women did salaried work. 15.56% are done daily wages related work only 18.33% women are housewives.
- 20.56% women respondent's monthly family income is below 10000, 33.33% women respondents are from 10000 to 20000. 31.11% are from 20000 to 30000. Th last 15.00% women are from above 30000 income group.

**Table 2: Sources of Financial Literacy**

Sr No.	Source	Frequency	Percentage
1	Family Members/ Friends/Relatives	62	34.44
2	Magazines/Books	25	13.89
3	Internet/ Social Media	63	35.00



4	Seminar/ Workshops	30	16.67
<b>Total</b>		<b>180</b>	<b>100</b>

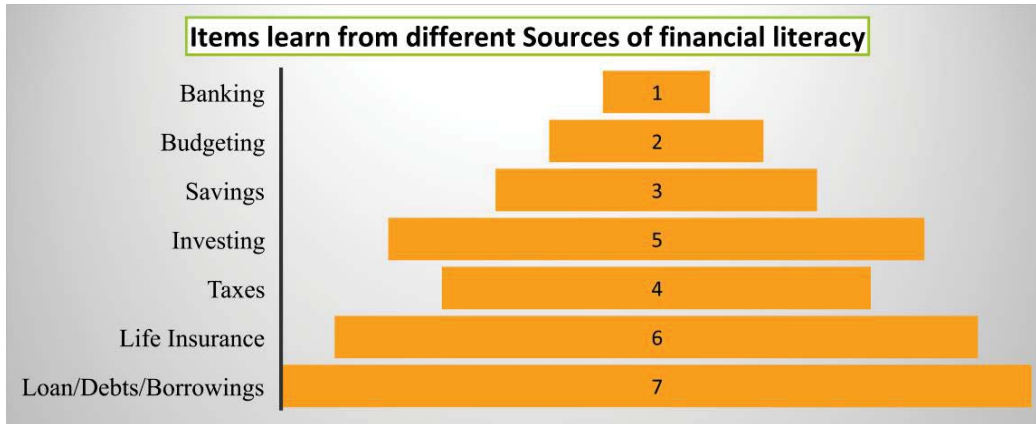
(Source: Primary Data)

→ When researcher asked all respondent's women that what are the sources from, she get financial knowledge then 34.44% women said it comes from family members/ friends and relatives. 13.89% said it comes from Magazines or Books, 35.00% said from Internet or Social Media and 16.67% said its from Seminar or different work shops which is arranged by government or any financial institution.

**Table 3: Items Learned from different Sources of Financial Literacy**

Sr No.	Items\Ranks	1	2	3	4	5	6	7	Rank
1	Banking	60	37	23	17	19	15	9	1
2	Budgeting	34	35	30	26	20	17	18	2
3	Savings	37	25	27	30	27	17	17	3
4	Investing	18	34	23	25	22	16	42	5
5	Taxes	13	38	28	31	26	32	12	4
6	Life Insurance	13	5	33	30	42	23	34	6
7	Loan/Debts/Borrowings	5	6	16	21	24	60	48	7

(Source: Primary Data)



→ What are the items women learnt from different sources, when researcher doing research and after doing weighted average and based on that calculation 1 to 7 rank we received. The 1<sup>st</sup> rank goes to Banking. 2<sup>nd</sup> rank is for Budgeting, 3<sup>rd</sup> rank is for Saving, 4<sup>th</sup> is for Taxes, 5<sup>th</sup> is for Investment, 6<sup>th</sup> is for Life Insurance. 7<sup>th</sup> is for Loan/Debt and Borrowings.

### HYPOTHESES TESTING

(1) There is no significant difference between educational qualification and financial literacy of rural women.

**Table 4: Education Qualification and Financial Literacy**

Sr No.	Financial Literacy / Education Qualification	HL	L	N	IL	HIL	Total
		1.	SSC	30	21	12	06
2.	HSC	16	12	05	07	02	42
3.	Graduate	10	09	15	08	04	46
4.	Postgraduate	04	01	04	10	01	20





<b>Total</b>	<b>60</b>	<b>43</b>	<b>36</b>	<b>31</b>	<b>10</b>	<b>180</b>
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(Source: Primary Data)

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

**Table 5: One-Way Analysis of Variance (ANOVA)**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F (Calculated Value)</i>	<i>F crit (Table Value)</i>
Between Groups	1293.659	4	323.4148	2.408005	3.055568
Within Groups	2014.623	15	134.3082		

(Source: Primary Data)

Based on statistical calculation, Researcher can say that the F Value is Lower than F Critical Value. When the F Crit value is higher in comparison to F value then the Null Hypothesis (H<sub>0</sub>), There is no significant difference between educational qualification and financial literacy among rural women is Accepted. Here F value is 2.408005 and F Crit value is 3.055568, where df is 19 and Level of significance is 5%. So, there is no any significant differences shown in educational qualification and financial literacy among rural women of Gujarat state.

- (2) There is no significant difference between monthly income and financial literacy among rural women.

**Table 6: Education Qualification and Financial Literacy**

<b>Sr No.</b>	<b>Financial Literacy / Monthly Income</b>	<b>HL</b>	<b>L</b>	<b>N</b>	<b>IL</b>	<b>HIL</b>	<b>Total</b>
		1.	Below 10000	11	14	08	



Sr No.	Financial Literacy Monthly Income	HL	L	N	IL	HIL	Total
2.	10000 – 20000	16	13	10	08	05	52
3.	20000 – 30000	11	12	10	06	03	42
4.	Above 30000	06	12	10	05	04	37
<b>Total</b>		<b>44</b>	<b>51</b>	<b>38</b>	<b>33</b>	<b>14</b>	<b>180</b>

(Source: Primary Data)

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

**Table 7: One-Way Analysis of Variance (ANOVA)**

Source of Variation	SS	df	MS	F (Calculated Value)	F crit (Table Value)
Between Groups	970.9856	4	242.7464	9.392131	3.055568
Within Groups	387.6858	15	25.84572		

(Source: Primary Data)

Based on statistical calculation, Researcher can say that the F Value (Calculated Value) is Higher than F Critical Value (Table Value). When the F Crit value is lower in comparison to F value then the Null Hypothesis ( $H_0$ ), There is no significant difference between monthly income and financial literacy among rural women Rejected. Here F value is 9.392131 and F Crit value is 3.055568, where df is 19 and Level of significance is 5%. So, there is some significant differences shown in monthly income and financial literacy among rural women of Gujarat state.



## Major Findings:

- It is found that most of the respondents are from the active age group of 32 – 44. Almost 45.56% women respondent are in such group.
- Mostly Women studied till HSC. 36.11% women are from that educational qualification group.
- Majority Women 35.56% associated with the agriculture sector as their occupation asked by researcher. Minimum 15.56% women worked on daily wages sector.
- 33.33% women's monthly income is from the group of 10000 to 20000.
- Mostly women get all updates regarding finance from social media or internet. The least are got from the magazines and books.
- When researcher asked to the women what are the items that learnt from the sources. The items are Banking, Budgeting, Savings, Investing, Taxes, Life Insurance, Loan/Debts/Borrowings. After calculation different rank would be given. Banking got the 1<sup>st</sup> rank, Loan/Debts secured 7<sup>th</sup> Rank.
- After testing hypotheses the one way Anova tool was used and one hypothesis is accepted so researcher can say that there is no significant differences between education qualification and financial literacy among rural women of Gujarat state.
- Another one is rejected so researcher can say that there is significant differences between monthly income and financial literacy among rural women of Gujarat state.

## Suggestions:

- More opportunities are needed for rural women to find and use financial information in order to raise their level of financial literacy.
- It is preferable to implement financial education as a regular subject in schools and colleges.
- As a way for women to get a knowledge of investing and make wise investment decisions, financial literacy programmed must be implemented.



→ 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.

## **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.

Financial literacy is one such issue which has gained great importance in the past few years. Not only men, but women also need to be able to understand financial matters and make informed choices for their sound financial health and future security. With the various initiatives and programs being executed by the Government and other financial bodies, more and more people are becoming aware of financial management practices. The study also reveals that women are becoming aware about financial terms and products, but their involvement in financial decision making is still limited. It can be concluded that the government should initiate few more steps in this direction, so that the maximum and efficient use of financial markets and its instruments will be possible.



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