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## FINANCIAL AWARENESS AMONGST WORKING WOMEN IN INDIA

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### ABSTRACT

*Financial literacy and its application these days is higher than ever before, in all the nations, as several new financial products have been made available in the market hence it has become difficult for common people to analyze the risks and returns involved with these products without having enough knowledge. When it comes to women even the general literacy rate of women is not much, although it will soon be at par with men considering the improvement in number of women participants in the working front. But financial literacy is still a big challenge faced by women especially in a country like in India where financial management and decision making come under men's responsibilities. For dreamed women empowerment in India its important for the women to financially empowered which can only be attained by financial literacy. This study attempts to find out level of financial literacy amongst working women of India and also their preferred instruments for investment, for which not much research is done at pan India level.*

**Keywords** financial literacy, financial decision, women empowerment, working women

### 1. INTRODUCTION

Financial literacy is a person's capability to comprehend all the concepts, terms, products, and services and to use the knowledge for his financial growth. There are several financial products available these days for the purposes of investing, borrowing and saving, for example shares, bonds, term deposits etc. Women make half of world's population and contribute to overall growth of the societies and nations, economically and socially, if woman of the house is financially educated and is aware about all the areas, instruments, risks and uncertainties, than only she becomes a manager in true sense. Financial literacy is not only having knowledge but also application of knowledge. In spite of the fact that women in India are now working at good places earning good salaries, but financial decision making power at home still does not match their role at work. Women are naturally good at budgeting and managing but when it comes to taking bigger financial decision they either step back in self doubt or are made to stay behind at the hands of patriarchy.

As per the survey conducted by the financial service provider VISA in the year 2012 women of India were ranked 19<sup>th</sup> with only 36% of all respondents financially literate. Worldwide, there are 65% of men who are not financially literate compared with 70% of women not being financially literate. In India, this gender gap only gets wider with 73% of men and 80% of women not having financial literacy (S&P survey, Dec 16 2015). A research says that 62% of Indian women have limited access to banking services and some do not even own a bank account. Financial literacy is important to empower women so that they can take independent decisions and during emergencies and unfortunate events it allows them to rebuild their lives.

## 2. FINANCIAL LITERACY

The Organization for Economic Co-operation and Development (OECD) has defined financial literacy as “a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual wellbeing”. Financial Literacy can also be defined as the capacity of having familiarity and understanding of products of financial market, most importantly awareness about rewards and risks in order to make informed decisions.

## 3. IMPORTANCE OF FINANCIAL LITERACY AMONG WOMEN

finance is what we use as meter to measure a country's progress. The developed countries focus on liberating their people financially which will ultimately help the nation at large. Similarly it is highly important for people of developing countries like ours to be financially literate not just for the sake of economy but also for taking calculated and good personal financial decision. For women who are already lagging behind even in general literacy, financial literacy is important to for making the gender which makes half of the population capable of taking financial decisions and to help them achieve women empowerment which cannot be done without financial empowerment.

## 4. LITERATURE REVIEW

J. Duraichamy and P. Panraj(2021) in the study titled "an economic study on financial literacy among working women in Madurai city" tried to analyze the financial literacy level in working women and their most preferred instruments for financial investment. Primary study was conducted on 45 samples collected from women working in various fields in Madurai city. The study concluded that education plays a major role in preference of instrument of investment. In India gold is a major source of savings, they believe that other source of investment is not as safe as gold and include risks.

Pooja Manchanda and Sunita Sukhija(2019) in the research paper "A study on factors affecting financial literacy among working women in Punjab" an attempt had been made to elaborate views regarding factors that influence financial literacy. Based on secondary data the study concluded that tax benefits, discussions with financial consultants, guidance of professional colleagues, past performance of company, influence of relatives, financial newspapers are the factors affecting financial literacy of working women positively. The results of the study disclosed that age and type of organization are the major variables that will positively impact on financial literacy of working women and education level, occupation and marital status are such variables that will not have significant impact on financial literacy of working women.

Blessy Roy and Ruchi jain(2018) titled as "A study on level of financial literacy among indian women" study was done with the purpose to enhance better and impactful understanding of the subject. And to find out the financial literacy level of the women based on their financial knowledge, attitude and behavior. Study was

conducted on 150 respondents. Results suggested that the working women are not aware of different financial concepts and many do not even consider it important.

Dharmendra Yadav(2017) in his research titled "financial literacy among women employees" tried to determine the level of financial literacy among women employee by using questionnaire survey method conducted on working women of Allahabad city. Financial literacy was measured in two terms i.e. basic and advance financial literacy. The finding of the study suggests that the overall financial literacy level of women employees is low.

Chetna Singh and Raj Kumar(2017) the study titled "financial literacy among women- Indian scenario" was conducted with the purpose to give an overview about the financial literacy among women in developing country like India. The study was based on secondary data. Concluded that financial literacy among women in India is very low and suggested several ways to improve the financial literacy.

Akshita Arora(2016) in her research paper "assessment of financial literacy among working Indian women" tried to assess the financial literacy level of women by conducting a questionnaire survey of 700 women out of which 444 responses were received from working women in the state of Rajasthan literacy was assessed based on their financial knowledge, attitude and behavior towards their personal finance. It was found that general awareness about financial planning tools and techniques among women remains poor. Results also suggested that women have performed better in terms of financial attitude and behavior as compared to financial knowledge score. Lastly, the single women outperformed married women in terms of their financial literacy score.

Priyanka Agarwal et. Al(2015) in the research titled "a study of financial literacy among working women in education sector of Jhansi district with special reference to investment avenue" aimed to analyze the investment decision of saving, the knowledge about the investment avenue and the investment pattern of both the teaching and non-teaching female staff in education sector of Jhansi District. The findings of the study are that most of the working women are aware about the investment avenue and invest their saving in bank and post office fixed deposit.

Prajakta Joshi(2013) in her research titled "the way of financial capability is through financial literacy: India and global perspective" tried understanding financial literacy and its importance , she also aimed to understand the current financial literacy initiatives that are taking place in India and other parts of the world. Based on the descriptive analysis the study concluded that now in India financial literacy is on the positive side, but coordinated efforts are required as India's majority population lives on day to day earnings and not able to think about savings and investments.

Lusardi and Mitchel(2008) in "planning and financial literacy: how do women fare?" stated that low level of financial literacy had greater impact on women than men. Their research was conducted in united states which showed that older women show very low level of financial literacy and large number of women have not done any retirement planning calculations.

## 5. OBJECTIVES

- To analyze the level of financial literacy amongst working women of India.
- To find out the most preferred instruments of investment.
- To analyze the level of responsible financial management amongst working women.
- To find out the most common source of financial information amongst working women.

## 6. RESEARCH METHODOLOGY

The study is based on primary and secondary data both. Working women in several states of India were considered as sample units. Around 100 questionnaire were sent via mail out which only 79 were received.

The samples were collected by a questionnaire majorly prepared on the lines on OECD including some self administered questions. The questionnaire consisted of demographic factors like age, experience, income and preferences of respondents, and also questions related to core areas of financial literacy which have been framed to capture the financial attitude and behavior of the working women.

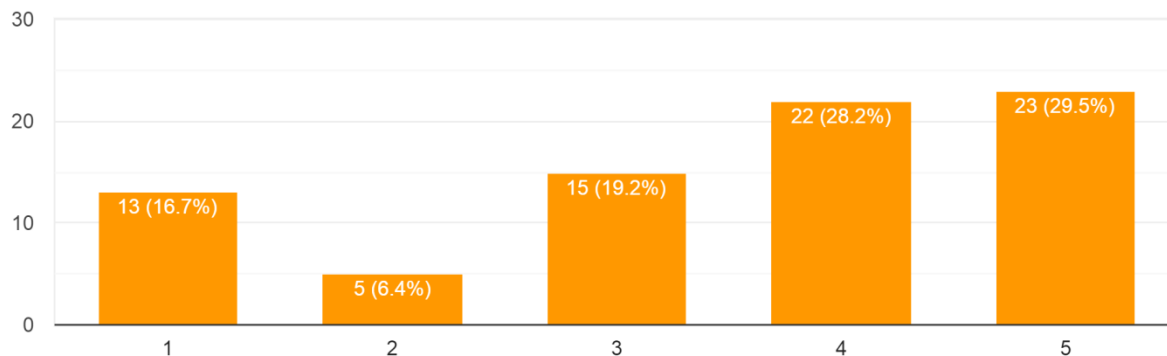
## 7. ANALYSIS AND FINDINGS

one of the primary objectives of this paper was to find out the level of financial literacy amongst the working class of Indian women and the to analyze their savings pattern and investment choices. The responses collected from the working women are shown here for various aspects, like the savings left with them at the end of the month, sources of their financial knowledge, whether they take day to day financial decisions of their household, whether they have suffered any loss in past because of lack of financial knowledge, have they planned their retirement financially, whether they have a demat account or not and which instrument is most preferred by them for the investment.

1. Starting from the first one which is given below reflects the percentage of women who have savings left at the end of the month which reflects their responsible expenditure and good financial management. here 16.7% of the women strongly disagree which means they do not have money left at the end of the month, and 23.5% women strongly agree, meaning they have enough money left at the end of the month.

I have savings left at the end of the month.

78 responses

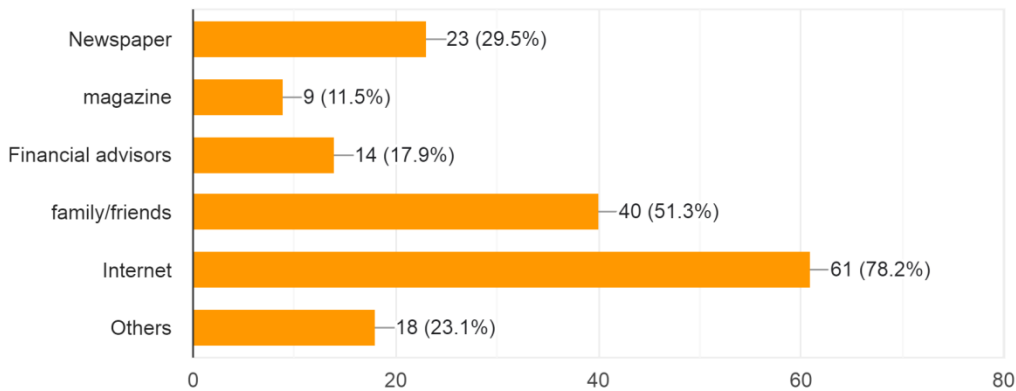


2. Secondly comes the sources from where the financial knowledge is gained by the working women and it was found that around 29.5% women gain financial knowledge from Newspapers, 11.5% from Magazine, 17.9% from Financial Advisors, 51.3% from Family and Friends, 78.2% from the Internet and the remaining 23.1% from various other sources of their choice. this survey reflects that internet is the most popular source of

financial knowledge amongst Indian and working women with family and friends coming on second and newspaper on third.

What is the source of your financial knowledge?

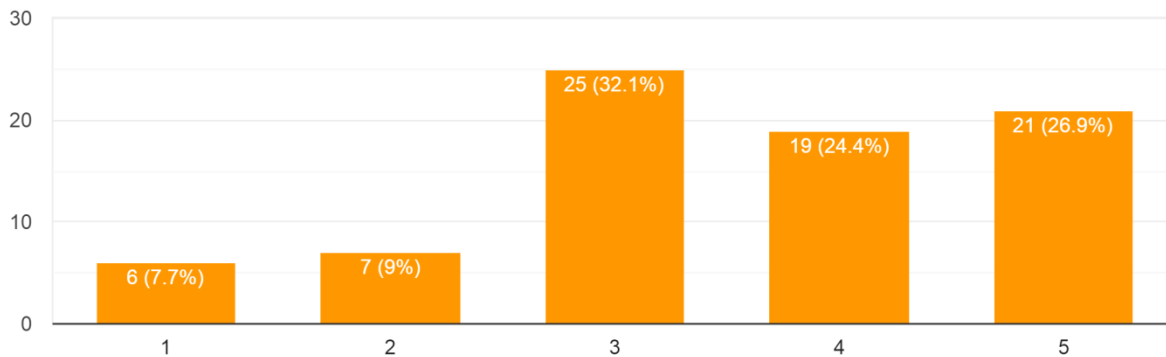
78 responses



3. Then comes the responsibility of taking day to day decision related to money in their household and it was found out that 7.7% of the women strongly disagree to the question which means they do not take financial decision in their family and 26.9% of the women strongly agreed which means they have strong contribution in financial decision making of their families.

I am responsible for day to day decision about money in my household.

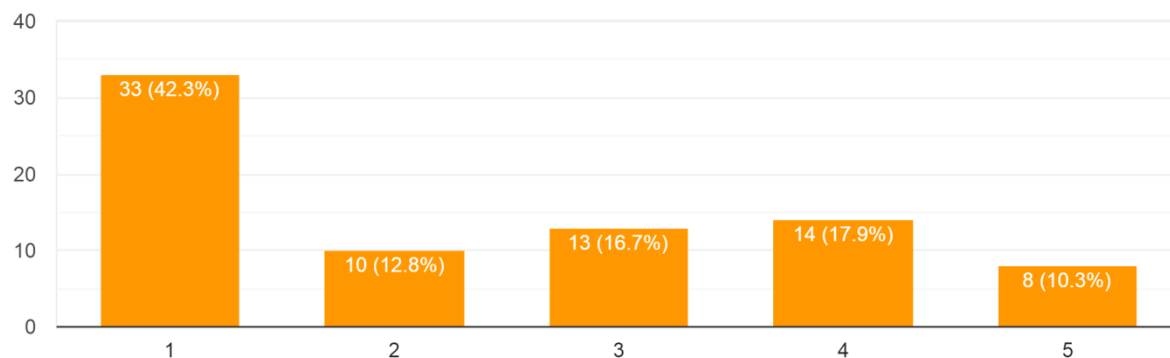
78 responses



4. then the working women under study were asked whether they have suffered any kind of financial lost in the past because of lack of financial knowledge which will reflect their effective financial planning and management. 42.3% of the women strongly disagreed which means they have had sound financial planning due which they never suffered any lost, and 10.3% of the women strongly disagreed which means they never suffered any kind find financial loss in the past which reflects strong and financial planning.

I have suffered loss in past because of lack of financial knowledge.

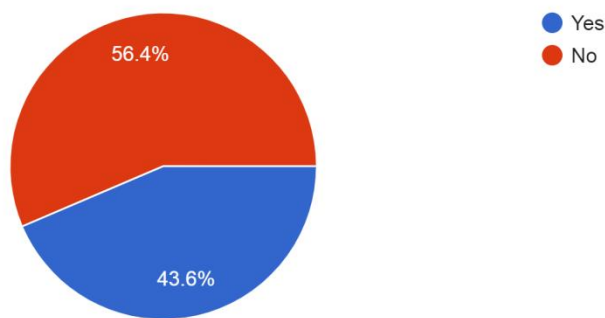
78 responses



5. Then comes whether the respondents have any solid financial plans for their retirement which shows their longest term financial planning and it was found out that out of all the respondents 56.4% working women do not have any plans for their retirement whereas 43.6% women have. It reflects that number of women with no retirement plans is slightly more than the women with financial plans for the retirement.

Do you have any financial plan for your retirement?

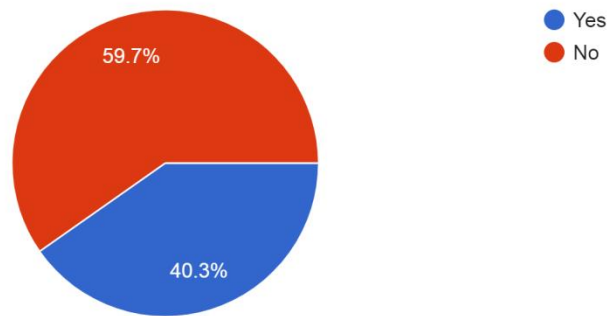
78 responses



6. then in line it was asked whether they have a demat account or not and just to know if they are aware about the necessary steps and are aware about stock investments. in the survey it was found out that 59.7% of the respondents do not have demat account which shows that 59.7% women did not invest in stocks, whereas 40.3% of the respondents most likely invested in stocks.

Do you have a demat account ?

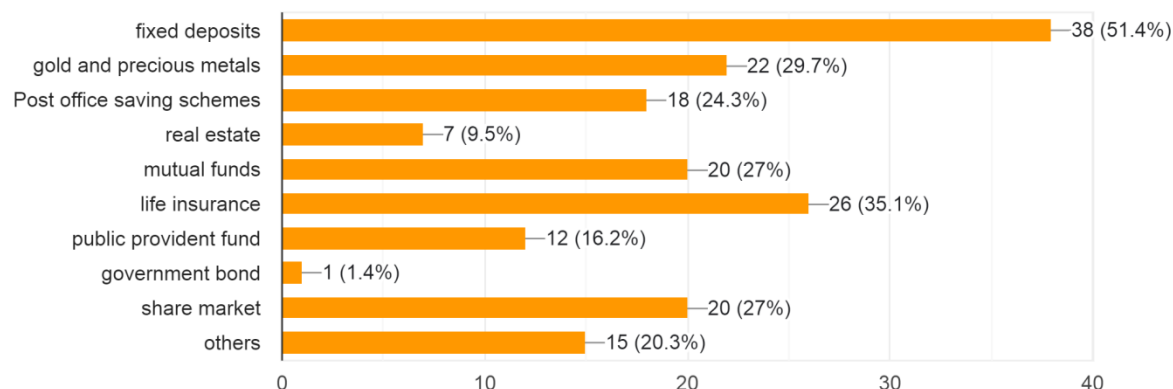
77 responses



7. A very important information about their choices was collected from the respondents to find out the most popular instruments for investment amongst working women of India. In the survey it was found out that most of the women invest in fixed deposits with 51.4%, then life insurance with 35.1%, gold and precious metals with 29.7%, then mutual funds and share market both at 27%, then comes post office saving scheme with 24.3%, then others at 20.3%, then public provident fund with 16.2%, real estate with 9.5%, and the least chosen investment option is government bonds with only 1.4% respondents investing in it. this pattern of choice reflects that women prefer to invest risk free and hence most of the respondents, precisely 51.4% invest in fixed deposits.

Which instrument do you invest in?

74 responses



## 8. CONCLUSION

Let alone be working women, women in general lag behind in India when it comes to financial awareness and literacy. where the household was managed by women but not the household financial decisions. there is still a long way for the homemakers, this study tried to find out the position of working women in financial awareness.

The survey was done on 80 women from different states of India of the age groups below 25 years (26.9%), 25 years to 35 years (64.1%), and above 35 years (9%). The results were such that of total women internet was the most popular source of financial awareness with 78.2% of respondents. Fixed deposit is the most preferred instrument of investment which shows the tendency of lesser-risk taking capability among women.

Then comes the most important part of responsible financial management which is shown by three aspects, 1. Savings left at the end of the month, for which only 29.5% women strongly agreed, 2. having responsibility of taking day to day financial decision in household for which the majority that is 32.1 %, being neutral about it and around 26.9% strongly agree, 3. Financial plan for the retirement, for which 56.4% women gave negative response, these three points cumulatively reflects that working women are just half way but yet not at complete responsible financial management yet.

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