

**A STUDY ON LEVEL OF FINANCIAL LITERACY AMONG WOMEN IN RURAL AREA****Md. ABBAS, MBA II YEAR, VJIT, fayazmd1199@gmail.com****SRUJANA AK, Assistant Professor, VJIT, srujanakrishna@vjit.ac.in****ABSTRACT**

This research paper emphasis on how much the women is aware of financial literacy in the area of Jalpally. Having knowledge of how to manage your earnings is very crucial to survive in this rising economy, like spending part of your income, saving and planning for Investment will save you from future obstacles. The government is doing a lot of background work to increase the awareness about the savings and making investment plans. The main aim/the objective off this study is to know the better understanding of women's financial literacy in rural regions, what influence them to manage their money, how well they are informed about financial decision in the family. We need to know the level of financial literacy of various group. This study focuses on measuring the level of financial literacy of Housewife in Hyderabad. out of 10 women's, 9 women's are well known about the loans and 9% of the women's are not aware of loans. In this research, most of the respondents have a solid grasp of basic economic concepts. And the suggestions from this study is that, Housewives should be given special training in areas such as investment diversification, cost-benefit analysis, and time value of money. A special workshop on financial literacy is held for only housewives, with the goal of orienting them in financial skills such as planning, decision-making, and so on. As a result, understanding the financial product is critical. Today's male-dominated society also makes it difficult for women to gain financial knowledge, but higher education levels lead to greater employment opportunities for women. It will undoubtedly solve the financial issues.

Women now account for 46% of our population.

**Keywords:** Women, Financial literacy, financial products, financial principal, financial decision

**Introduction:**

You need a good understanding of fundamental financial principles if you wish to secure your own and your family's financial stability in today's highly developed economy. The capacity to meet daily expenditures, put money aside for unexpected costs, and invest in one's future are all impacted by this. The ability to earn, spend, save, budget, borrow, and invest one's own money with competence and confidence is a hallmark of financial literacy.<sup>1</sup>

Financial literacy is crucial in developing economies. These nations are trying to raise their GDP growth rates so that they can provide better living conditions for their citizens. Better financial literacy among the populace might lead to more educated policy choices, raising living standards even further. Consumers and investors may benefit from financial education if it helps them better analyses the risk-reward trade-off when making choices about saving and investing, and if it raises their general understanding of the financial markets. Receiving information, education, and/or objective counsel that enables one to recognize financial dangers and possibilities, make informed choices, know where to turn for support, and take other effective measures to enhance one's financial well-being and protection. Part of this involves making better

financial decisions and engaging in more productive habits. Those who are not financially literate may struggle to understand the concepts behind financial planning. When we speak about "financial smarts," we don't only mean knowing about markets and investing; we also mean knowing about saving, financial planning, banking, and other such topics.

One must be financially educated and understand the relevance of making budgets, controlling cash flow, and allocating assets to attain financial goals in order to acquire a grasp on the notion of financial planning. In the business world, education is the key to success.<sup>2</sup>

The business world is full with undiscovered challenges. You can't run away from it; instead, you must confront it head-on and use knowledge to overcome it. Financial literacy focuses mostly on teaching responsible money management. The management of the Treasury Department, the time worth of money, savings, investments, interest rates, and so on all have a role. Consequently, an increase in financial literacy is required to meet the increased demand for conventional banking services. Rising costs of living and the rising complexity of financial commodities and markets have prompted people to take a more active role in learning about and managing their own money.<sup>3</sup>

#### **STATEMENT OF PROBLEM:**

The foundation of banking, insurance, stocks, and mutual funds is financial literacy, and women can only achieve socioeconomic empowerment if they are able to make sound financial choices. In a country like India, where women make up over half of the population,

providing them with financial education is crucial since it will help them start saving money, manage their household, and rise in social standing.

#### **NEED & SCOPE OF STUDY:**

The level of financial literacy, understanding of financial concepts, and familiarity with financial goods and services among the general population of Hyderabad has been investigated. The purpose of this research is to get insight into how individuals handle their own finances in terms of their knowledge, outlook, and actions. Perceptions of financial literacy have been evaluated using samples of respondents chosen based on sociodemographic characteristics.

An individual's ability to save and invest, manage a budget, and save for retirement, among other things, depends on their familiarity with fundamental financial words and ideas, which may be learned via education. Only when people are well-versed in all of their investment possibilities and able to make informed decisions based on their understanding of investment products, markets, and policies can they expect to see optimal returns on their investments.

A person's ability to handle their finances positively, save and invest wisely, and keep track of their day-to-day spending habits is greatly enhanced by their level of financial literacy.

#### **OBJECTIVES OF THE STUDY:**

1. For a better understanding of women's financial literacy in rural regions.
2. The goal of this research is to better understand what influences rural women's ability to manage money.

3. Examining how well-informed women are about money matters.
4. For the purpose of investigating rural women's financial literacy

#### REVIEW OF LITERATURE:

1. Summit Financial literacy and education were the subject of research by **Kumar, M. Anees (2013)**. This research delves into the many facets of financial education in India, including its function, contributing variables, and the part played by regulatory bodies. Findings from this research may be used to improve financial education and literacy programs. In this episode, they investigate the role that regulators play in enhancing financial literacy in India. Increasing financial literacy was seen as a cornerstone in the development of financial systems around the globe. They arrived at the conclusion that the plan for enhancing people's financial security in India should target young investors and open doors not only for them but also for corporations.<sup>1</sup>

2. "Financial Literacy in India" was evaluated by **V. Anshika and K. Anju Singla in 2017**. The purpose of this research is to examine the efforts made by the Indian government (namely the Reserve Bank of India, the Securities and Exchange Board of India, and the Insurance Regulatory and Development Authority) to raise the country's financial literacy standards. Each Indian citizen needs a solid grounding in finance if they are going to fully grasp, investigate, and benefit from the. Improvements in financial literacy, they said, would boost the economy as a whole.<sup>2</sup>

3. "An overview of current financial literacy

initiatives in India" (**Verma, K. Nema, & Rahul, 2017**) was studied. In this research, we aim to investigate the state of financial literacy in India. By means of several government and other accountable Authority-initiated financial education initiatives As a result, it is imperative that the government take the necessary measures to educate the public on financial concerns in order to eliminate the widespread apprehension and reluctance that people have while doing business online.<sup>3</sup>

4. the "Current Scenario of Financial Literacy in India," was investigated by **Samriti Kamboj in 2014**. To explain how a person's ability to acquire and use financial literacy skills and knowledge improves their ability to manage their own finances. The study's authors believe that more thorough research on the topic of financial literacy in India is required in order to bolster existing programmes in this area of education.<sup>4</sup>

5. According to "An Empirical Approach to Financial Literacy as a Transformative Tool to Stimulate Sustainable Economic Development" (**Praveena, S. Rachel, 2018**). "To empower the youth of the country to fulfil their full potential, and through them help India to find its rightful position in the community of nations," was unveiled in February 2014 as part of India's National Youth Policy (NYP-2014). Statistically, the NYP-2014 has a mean (M)<sup>5</sup>

6. "A review on financial literacy and financial inclusion" by **Rahul, Chandan (2019)**. The current research will examine the existing literature on financial literacy and its underlying factors, as well as the connection

between financial literacy and financial inclusion. They discovered that, second only to culture, financial literacy positively correlated with financial inclusion. While many people recognize the need of being financially literate, research suggests that the two concepts are not strongly linked.

#### RESEARCH GAP:

As earlier researcher stated that, financial literacy plays a vital role in providing social and economic security in urban and rural area special for housewife, further it felt important to know what is the level of financial knowledge of housewife. To fulfil this aim, it is necessary that the women who are living in the urban and rural area should have to enhance the knowledge of finance and also get awareness of countries financial position. We need to know the level of financial literacy of various groups. This study focuses on measuring the level of financial literacy of house wives in Hyderabad.

#### RESEARCH METHODOLOGY:

The survey conducted is a research approach where opinions of respondents about financial Literacy, the knowledge they possess, their views on future planning for savings, and how well they Manage their expenses are collected from a sample of subjects and analyzed for some aspects of the study population that they represent.

**Primary data:** questionnaire

**Secondary data:** websites articles journals

**Tools:** simple average **Hypothesis:**

H0: there is no significant change in level of financial literacy among women in rural areas.

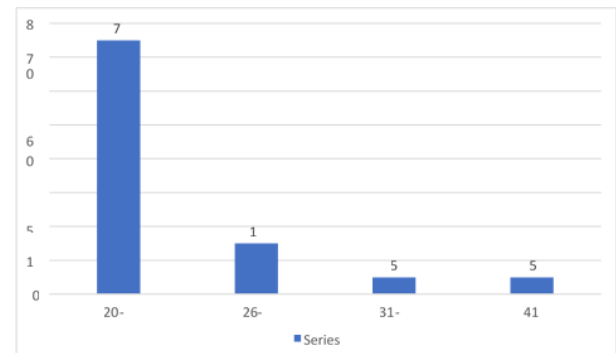
H1: there is a significant change in level of financial literacy among women in rural areas.

#### DATA ANALYSIS & INTERPRETATION:

Demographic and Economic Variables

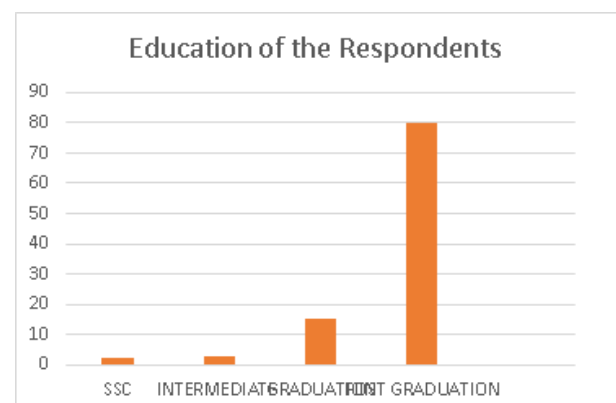
Age of the Respondents

S NO	PARTICULARS	RESPONDENTS	PERCENT AGE
1	20-25	75	75
2	26-30	15	15
3	31-40	5	5
4	41+	5	5



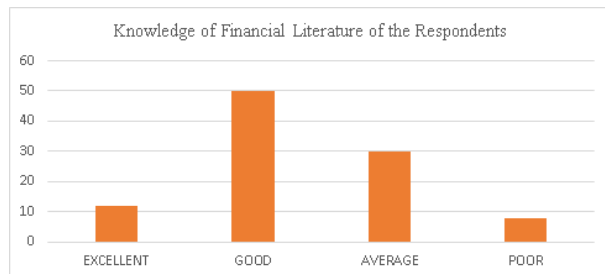
Education of the Respondents

S NO	PARTICULARS	RESPONDENTS	PERCENT AGE
1	SSC	2	2
2	INTERMEDIATE	3	3
3	GRADUATION	15	15
4	POST GRADUATION	80	80



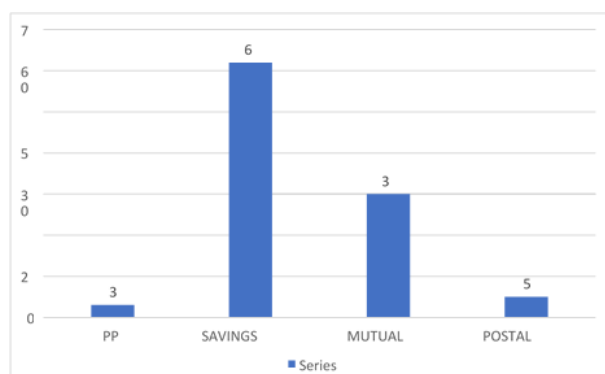
Knowledge of Financial Literature of the Respondents.

S NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	EXCELLENT	12	12
2	GOOD	50	50
3	AVERAGE	30	30
4	POOR	8	8



Knowledge on financial schemes of Respondents

S NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	PPF	3	3
2	SAVINGS ACCOUNT	62	62
3	MUTUAL FUNDS	30	30
4	POSTAL SAVINGS	5	5



**Testing Of Hypothesis**

**Summary Results of chi-square test**

**Observed values**

Age\Education	High school	Bachelors	Masters	Ph.D	Total
20-25	10	20	15	5	50
26-30	10	10	10	10	40
31-39	5	10	5	5	25
40+	5	20	3	2	30
<b>TOTAL</b>	<b>30</b>	<b>60</b>	<b>33</b>	<b>22</b>	<b>145</b>

**Expected Value:**

Age\Education	High School	Bachelors	Masters	Ph.D
20-25	10.34	20.68	11.37	7.58
26-30	8.27	16.55	9.10	6.06
31-39	5.17	10.34	5.68	3.79
40+	6.20	12.41	6.82	4.55

**Chi Square test:**

Observed	Expected	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
10	10.34	0.34	0.68	0.06576402
20	20.68	0.68	1.36	0.06576402
15	11.37	4.37	18.49	1.62620932
5	7.58	2.58	5.16	0.68073879
10	8.27	2.27	4.54	0.54897219
10	16.55	6.55	13.1	0.79154079
10	9.1	1.1	2.2	0.24175824
10	6.06	3.94	7.8	1.28712871

5	5.17	0.17	0.34	0.06576402
10	10.34	0.34	0.68	0.06576402
5	5.68	0.68	1.36	0.23943662
5	3.79	1.21	2.42	0.63852243
5	6.2	1.2	2.4	0.38709677
20	12.41	7.59	15.18	1.22320709
3	6.82	3.82	7.64	1.1202346
2	4.55	2.55	5.1	1.12087912

Calculated value  $X^2=10.3568$  Degree of freedom= 9 Significant level= 0.05  
 $X^2$  tabular value= 16.92

**Interpretation:** When the calculated value is greater value, the tabular value accepts the alternative hypothesis. But in this case the calculated value is less than the tabular value so accepts the null hypothesis and reject alternative hypothesis.

#### CONCLUSION:

Because of the hectic pace of life, everyone wishes to earn more money from their investments on a regular basis. As a result, understanding the financial product is critical. Today's male- dominated society also makes it difficult for women to gain financial knowledge, but higher education levels lead to greater employment opportunities for women. It will undoubtedly solve the financial issues. Women now account for 46% of our population. They are clearly equal in No to males, so they will have an equal opportunity to achieve financial independence. Because financial decisions are no longer solely in the hands of men, it is preferable to encourage women to make them.

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