

# A STUDY ON FINANCIAL LITERACY AMONG WORKING WOMEN IN EDUCATIONAL SECTOR OF JHANSI DISTRICT: WITH SPECIAL REFERENCE TO INVESTMENT AVENUE

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## ABSTRACT

*Literacy is a key indicator of development. Today the people are more aware about the education but only literacy is not adequate. The awareness of financial literacy is now very essential. Financial literacy enable individuals to navigate the financial world make informed investment decision and minimize chances of being misled. Furthermore women should be knowledgeable especially about it since they are taking many household decision. However they are not interested in managing investment decision due to ignorance of Investment avenues. This paper therefore aims to analyze the investment decision of saving among respondents, it also study the knowledge about the investment avenue and analyze the investment pattern of both the teaching and non-teaching female staff in education sector of Jhansi District. The Major findings are that mostly working women are aware about the investment avenue and invest their saving in bank and post office fixed deposit.*

**Key Words:** *Financial Literacy, Investment Avenue, Women, Investment Decision*

## I. INTRODUCTION

Financial literacy has gained universal recognition all over the world .Even the fact that India is having a large population, a fast growing economy with a national focus on inclusive growth and an urgent need to develop a vibrant and stable financial system; it is all the more necessary to quickly formulate and implement the national strategy. Financial education or financial literacy has assumed greater importance in the recent years. Women traditionally were primarily responsible for the home and daily maintenance activities, which often include household budgeting and bill paying. Women's lack of knowledge and confidence with regard to money management and investment programs impacts their ability to reach their financial potential. The basic principles of investing are the same across all gender, but women do not look at financial matters in the same way as their counterpart does. Women who are empowered and educated must utilize tools and resources to reach their financial potential.

## II. CONCEPT OF FINANCIAL LITERACY

Financial literacy is mainly used in connection with personal finance matters. Various dimensions of financial literacy are financial knowledge, financial behavior and financial attitude. Financial Literacy can broadly be defined as the capacity to have familiarity with and understanding of financial market products, especially rewards and risks in order to make informed choices. **According to OECD** defines “Financial Literacy as a combination of financial awareness, knowledge, skills, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial well being. People achieve financial literacy through a process of financial education”.

## III. OBJECTIVES OF THE STUDY

1. To analyze the investment decision regarding saving of the working women in Education Sector in Jhansi District.
2. To study the knowledge about the investment avenue among working women in Jhansi District
3. To analyze the investment pattern of the working women in Jhansi District.

## IV. METHODOLOGY OF THE STUDY

Sampling unit- Here “working women” in educational sector of Jhansi District are consider as sample unit. Here educational sector compose of primary, junior, secondary/higher secondary and under graduate/ bachelors degree education & higher education/post graduate level education. Women working at levels are considered for the study.

Sample size – since sample size depends on some constraint like budget, time, and information etc .here approximately 40 respondents has been considered for the effective study. 20 teaching and 20 non teaching respondents were considered for the study.

## V. REVIEW OF THE EXTENSIVE STUDY

Lusardi, Annamaria .et.al (2010) examined financial literacy among the young, they showed that financial literacy is low, less than one-third of young adults possess basic knowledge of interest rates, inflation and risk diversification. Financial literacy was strongly related to socio demographic characteristics and family financial sophistication [1]. Willis, Lauren E (2011) stated that the final salvo of financial education promoters is usually that education is the only politically feasible path to improving consumers’ financial lives. Once the true costs are considered, however, effective financial education looks much less politically palatable[2]Travnichek, Rebecca J.(2012) reviewed research that looked at college student’s financial practices, credit usage behaviors, spending habits, and money attitudes. In addition, they identified future research opportunities, much of which needs to reflect the relationship between financial literacy and credit behavior, as well as longitudinal research to measure long-term effects of financial education on adult financial literacy[3]Thilakam,C.(2012) founded that the financial literacy is very important to make efficient decision on their finance. As compared to urban people the rural people have low level of awareness on finance matter. He also concluded that the government should literate the rural people financially through the camp, seminars, and conference then only the rural masses can make their investment in an efficient manner [4] Ramasawmy, Deerajen.et.al(2013) founded that overall, management students at the University of Mauritius attach a sound level of importance to financial literacy to

their subject of study., it was also founded that age, gender, language, race and income level do not have an impact on the level of financial literacy. They also recommended that financial literacy courses should be included in the curriculum so as to improve their level of knowledge and understanding in all financial matters [5].Shaari, Noor Aziah. et.al (2013) revealed that the spending habit and year of study have a significant positive relationship with the financial literacy, whereby the age and gender are negatively associated with the financial literacy [6] Taft, Marzieh Kalantarie, et.al (2013) founded that that age and education are positively correlated with financial literacy and financial wellbeing. Married people and men are more financially literate. Higher financial literacy leads to greater financial well-being and less financial concerns. Finally, financial wellbeing leads to less financial concern [7] GUPTA (2014) analyzed that micro entrepreneurs in district Kangra possess low financial skills. These are revealed by deficient record keeping practices, poor cash management, improper saving habits, and less awareness regarding different financial products and instruments. They concluded that to some extent micro entrepreneurs are lagging behind in the adoption of formal financial practices. The financial literacy programmes organized by the authorities should be directed to approach each sector of the society[8].Fatoki(2014) reviewed the extant literature on financial literacy in South Africa suggested that there is the need for consistent publication of research findings on the levels of financial literacy by the government or private organizations involved in measuring financial literacy in South Africa[9] Prawitz, Aimee D(2014) examined whether financial education would influence financial behaviors that help people balance consumption and savings to maximize utility over the lifespan. Specifically, financial education participants and non-participants were compared on perceived financial wellness, savings ratios, frequency of negative financial behaviors, and the likelihood of performing specific financial activities, including budgeting, reviewing asset allocation strategies, retirement contributions, obtaining or updating life insurance plans, and obtaining or updating estate planning documents[10] very few studies for assessment of financial literacy have been carried out in India.

## VI. ANALYSIS AND FINDINGS

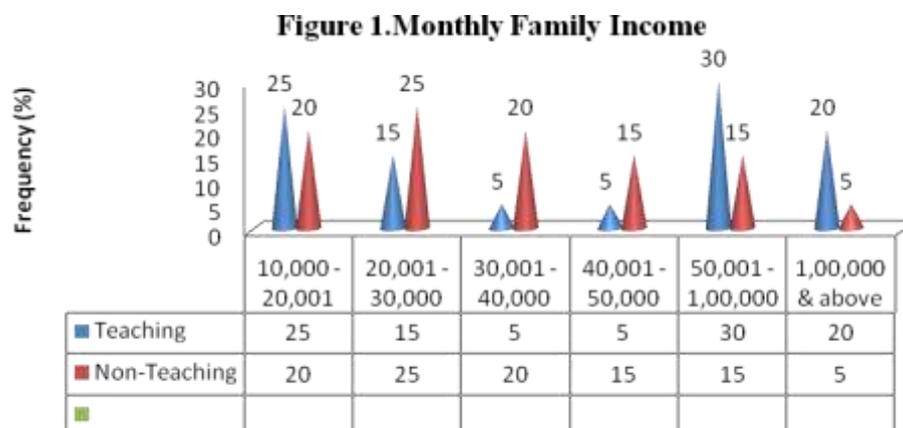
One of the primary objectives of this paper has been to draw empirical evidence whether working women are investing their saving and they have knowledge about Investment Avenue. This paper attempted to analyze investment behavior of women working on education sector in India.

**Table 1: Monthly Income of Family of Respondent**

Job Profile in Education		Monthly income of family						Total
		10,000 - 20,001	20,001 - 30,000	30,001 - 40,000	40,001 - 50,000	50,001 - 1,00,000	1,00,000 & above	
Teaching	f	5	3	1	1	6	4	20
	%	(25.0)	(15.0)	(5.0)	(5.0)	(30.0)	(20.0)	
Non-Teaching	f	4	5	4	3	3	1	20
	%	(20.0)	(25.0)	(20.0)	(15.0)	(15.0)	(5.0)	
<b>Total</b>	<b>f</b>	<b>9</b>	<b>8</b>	<b>5</b>	<b>4</b>	<b>9</b>	<b>5</b>	<b>40</b>
	<b>%</b>	<b>(22.5)</b>	<b>(20.0)</b>	<b>(12.5)</b>	<b>(10.0)</b>	<b>(22.5)</b>	<b>(12.5)</b>	

(Source: Field Survey)

22.5% respondent have monthly income between Rs 10000 to 20,000. Another 22.5% have also reported that their family income is between Rs 50,000 to Rs 1, 00,000 (Table 1). Figure 1 given below reflects the family income of both teaching and non- teaching respondents.



**Table 2: Investment of saving by the Respondents**

Respondents in Education Sector		Investment decision of saving among the Respondents		Total
		Yes	No	
Teaching	f	11	9	20
	%	(55.0)	(45.0)	
Non-Teaching	f	15	5	20
	%	(75.0)	(25.0)	
Total	f	26	14	40
	%	(65.0)	(35.0)	

(Source: Field Survey)

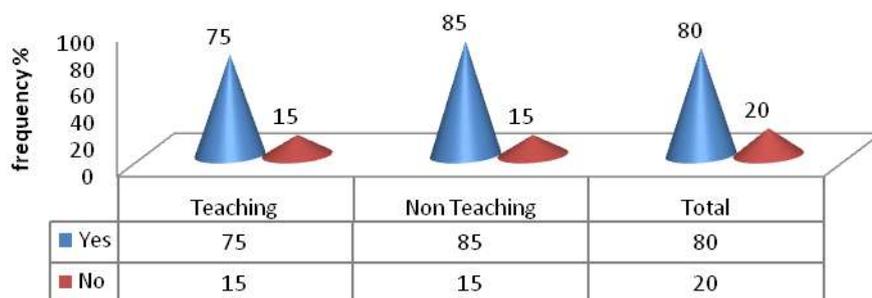
The Table-2 revealed that 65% respondent invests their savings where as 35% respondent do not invest their savings. However, it has been observed that non-teaching working women staff invests more as compared to non-teaching staff. 75% of the non-teaching respondent prefers to invest their savings while only 55% of the teaching staff prefers to invest. This may be because of teaching staff are able to save less than non-teaching staff.

**Table: 3 Knowledge About the Investment Avenue of the Respondents**

Respondents in Education Sector		Knowledge about the investment avenues		Total
		Yes	No	
Teaching	f	15	5	20
	%	(75.0)	(25.0)	
Non-Teaching	f	17	3	20
	%	(85.0)	(15.0)	
Total	f	32	8	40
	%	(80.0)	(20.0)	

(Source: Field Survey)

**Figure 3: Knowledge about investment avenues of the respondents.**



The tables-3 explained that out of the total respondents 80% respondent are aware about the investment avenues. The Fig: 3.1 revealed that in the teaching sector 75% respondents have knowledge about the investment avenues however 15% do not have knowledge about the investment avenues however in the non-teaching departments 85% respondent have knowledge of the investment avenues and 20% respondent are unaware about the investment avenues .

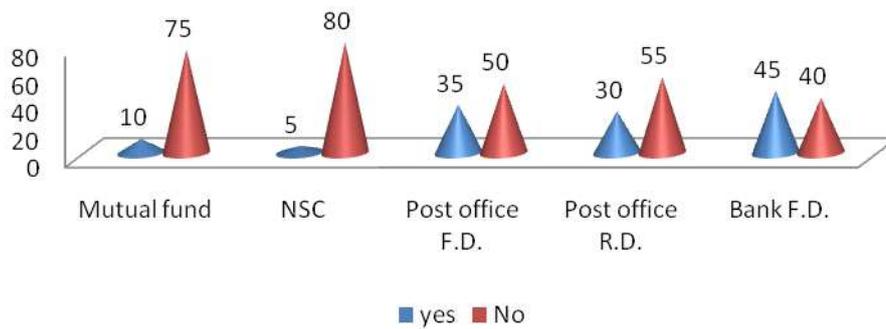
**Table 4: Investment Pattern of the Respondents in Different Investment Avenue**

Investment Avenues	Teaching (%)				Non Teaching (%)				TOTAL			
	Yes		No		Yes		No		Yes		No	
	F	%	F	%	F	%	F	%	F	%	F	%
<b>Mutual fund</b>	2	10	15	75	5	25	15	75	7	35	30	150
<b>National savings certificate</b>	1	5	16	80	9	45	11	55	10	50	27	135
<b>Post office Fixed Deposit</b>	7	35	10	50	7	35	13	65	14	70	23	115
<b>Post office Recurring deposit</b>	6	30	11	55	10	50	10	50	16	80	21	130
<b>Bank Fixed Deposit</b>	9	45	8	40	7	35	13	65	17	90	21	105

(Source: Field Survey)

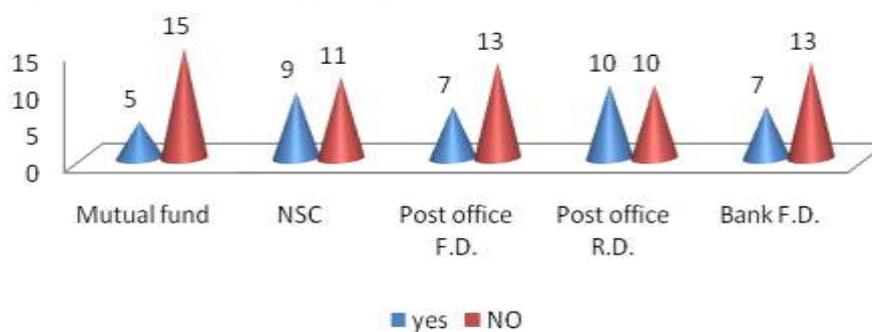
Table 4 exhibit the investment pattern of the respondent in different avenues. In the teaching sector 10% of the respondent invest in mutual funds and 75% respondent do not invest in mutual fund , 5% investment in National savings certificate , 80% do not invest in National savings certificate, 35% respondent in post office Fixed Deposit. , 50% respondent do not invest in post office F.D., 30% respondent invest in post office Recurring deposit., whereas 55% respondent do not invest in post office Recurring deposit. 45% respondent invest in Bank F.D. whereas 40% respondent do not invest in Bank F.D. whereas in the non teaching sector. 25% of the respondent invest in mutual funds & 75% respondent do not invest in mutual fund., 45% investment in National savings certificate, 55% do not invest in National savings certificate, 35% respondent in post office Fixed .Deposit, 65% respondent do not invest in post office Fixed .Deposit., 50% respondent invest in post office Recurring deposit whereas 50% respondent do not invest in post office Recurring deposit. 35% respondent invest in Bank Fixed .Deposit. Whereas 65% .respondent do not invest in Bank Fixed Deposit. .

**Figure 4.1 Teaching Respondents investment in different Avenue**



**Figure: 4.1**

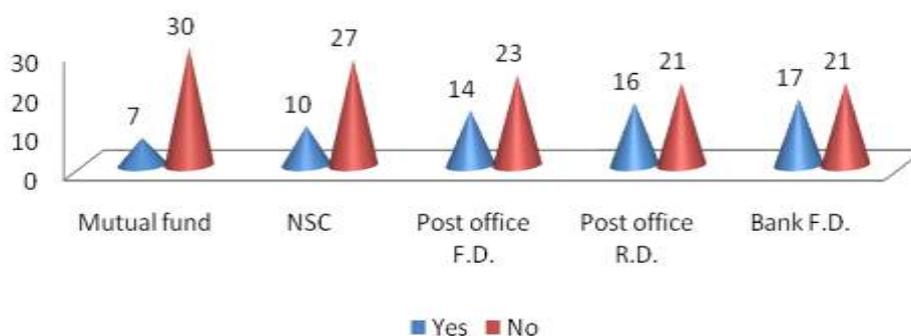
**Figure 4.2 .Non Teaching Respondents Investment in different Avenue**



**Figure: 4.2**

Reveal that majority of the respondent invest in post office R.D. however only 5% of the respondent invest in mutual fund.

**Figure 4.3 Total Respondents Investment Avenues in Different Types.**



The Figure 4.3. showed total respondents of both teaching and non teaching levels of education sector. We find that majority of the investment is in Bank Fixed Deposit. and only 7% of the total respondent invests in mutual fund.

## VII. CONCLUSION

Financial literacy is a foremost issue in today times, the people are more appealing to earn income but they are not serious about their investment decision and saving allocation. Through the financial literacy, they are able to take investment decision properly. The conclusion of this paper is that women should be more knowledgeable

about the investment avenue since they are generally depends on their spouses or other family members. However they are focus on the some investment avenue viz: Bank and Post office Fixed Deposits only. Due to improper knowledge about the shares, Mutual Funds and other investment alternatives, they cannot able to take investment decision in such kind of alternatives confidently.

### VIII. SUGGESTION

- As the majority is shown that 65% working women are take decision related to Investment Avenue. The percentage should be increase by awareness programme of Investment companies.
- Awareness Programme should be conducted for women by the Government to increase their Financial Literacy.
- Financial Education and training should be given to women for the financial well being of household.
- Established the separate financial institute for financial literacy to empower the investors.
- Awareness campaign should be organized by the Banks, NBFC and Investment companies to educate the investors.
- Time to time seminars should be conducted to increase the knowledge about the Investment alternatives.
- Financial Literacy Programmes should start at school level, as student and parents to be educated as early as possible.
- Methodology to assess existing financial literacy programme should be develop.
- Arrange financial behavior modification programme to the Investors with the support of the Government Projects.

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