



A Study of Working Women's Financial Literacy – A Case of Academic Institutions of Meerut

Vinod Kumar Bagar^{1*}, Rajeev Sijariya²

^{1,2}Institute of Business Studies (SCRIET), C.C.S. University campus, Meerut, UP, India
E-mail: idbagarvinod86@gmail.com¹, rajeevsijariya@gmail.com²

Abstract

Post-independence has been a concerted attempt to improve women's literacy level and empowerment in India. But now lower level of financial literacy is one of the biggest concerns for Indian women. This paper aims to study working women's financial literacy and investment behavior. To assess the financial literacy level of working women, we surveyed which a questionnaire is prepared and distributed among the working women's in an academic institution of Meerut district. The study found that women were not feeling confident despite working in good positions while making their own investment decisions; we invested for a shorter period and had a moderate risk appetite. The study also reveals that the preferable investment avenue among women is fixed deposits.

Key Words: Financial Literacy, Financial Knowledge, Investment Avenues.

PAPER/ARTICLE INFO

RECEIVED ON: 08/03/2021

ACCEPTED ON: 10/04/2021

Reference to this paper should be made as follows:

Bagar, Vinod Kumar, Sijariya, Rajeev, (2021), "A Study of Working Women's Financial Literacy – A Case of Academic Institutions of Meerut", *Int. J. of Trade and Commerce-IIARTC*, Vol. 10, No. 1, pp: 118-129

*Corresponding Author

DOI: 10.46333/ijtc/10/1/12

1. Introduction

Education is a lifelong process and enables people to skills and techniques useful for day-to-day life. Education is a tool to empower people socially, economically, politically, and culturally. We need education because it provides the required knowledge and skill to lead a meaningful life. In view, various educational policies & systems have been implemented by the Government of India and special schemes for women's education. As a result, the literacy rate of both men & women are rising year by year. Another important fact is that though the literacy rate has improved, there is a remarkable lack of financial literacy-especially among women (both literate and illiterate). It is a very encouraging fact to see that today women are at par with men in all fields, but they are still dependent on the male members of their family when it comes to financial decision-making. In India, poverty and unemployment are the major problems; it is significant to financially educate the women to fuel growth by providing opportunities to women to contribute to economic development and growth. Researchers have reported poor financial literacy, which leads to the inability of an individual to invest wisely or secure their financial well-being.

Financial literacy can understand and effectively apply various financial skills, including personal financial management, budgeting, and investing. In simple terms, financial literacy can be defined as the knowledge of raising funds and using them in a profitable way, including savings, reinvestments of profits, being aware of risks in business, etc.

According to former Finance minister Mr. P. Chitambaram, "Financial literacy needs to be embedded in our way of life. Anybody who earns an income is a potential saver, every saver is a potential investor, and every investor ought to be financially literate."

In India, working women are more active in the decision-making of household resources. They have a natural tendency to save and invest but, unfortunately, not through appropriate ways. Women generally accumulate some money at home. The earned money is generally through big denominations note, i.e., Rs. 500 & Rs 1000. This fact became very much visible after the end of the validity of the tender of Indian currency in a denomination of Rs 500 and Rs 1000 on eight Nov. 2016. Though this habit of accumulating money at home is more among non-working women, it also prevails among working women. If this money would have been properly invested, it would have been grown and given them benefits and would have contributed to National benefits. Therefore for the transformation of savings into investments through appropriate instruments, they need to be financially literate. With this belief, the current study attempts to study the extent of financial literacy among working women of Meerut city.

2. Review of Literature

CA Anupama & Joshi. B. (2015) conducted a study on women's financial literacy and its effect on their investment choice decision. The objective is to determine the financial literacy of working and 'financially independent women' and its impact on their 'investment decisions.' The study has been conducted on 85 educated working women in the educational sector in Gautam Budh Nagar has. The study concluded that Financial Knowledge leads to better living standards, independence in financial decision-making, and better empowerment.

Haque. A. & Zulfiqar. M. (2015) conducted a study on 'women's economic empowerment through financial literacy, financial attitude, and financial well-being. The objective of the study is to assess the level of financial literacy, financial attitude, and financial well-being of working women

and to examine the relationship between financial literacy, financial attitude, financial well-being and economic empowerment of working women. The study is conducted on 300 working women of the non-financial sector of Pakistan. A study found that financial literacy, financial attitude, and financial well-being are significantly & positively related to economic empowerment.

Klatt. M. (2009) had conducted a study on An Assessment of Financial Literacy of women. The study's objective was to identify the barriers preventing knowledge and understanding from being translated into actual behavior. What resources are required to arrange women with financial information/ material, and whether there is a requirement form or e-resources and training programs on Financial intelligent for women? The present study was conducted on 300 women aged 16 and more, but only 167 women answered 300. The mean, standard deviation, and variance were used for making analysis and found that there are some hurdles that women face in regards to financial matters, trends showing that women are not taking interest fully in retirement planning and not as comfortable as men in seeking financial advice and also reveals that education plays an essential role in the financial literacy of women. There is an urgent need for making workshops and seminars on investment management are needed. Those Variables used for the study were Demographic factors, investment decisions, and the financial advisor's services.

Akisimire, R et al. (2015) tried to find out the relationship and effect of micro-finance on the entrepreneurial empowerment of females using evidence from the Central and Eastern regions of Uganda in their paper micro-finance and entrepreneurial empowerment of women: the Ugandan context. This study was based on 150 women of the Eastern & western areas of Uganda. Multiple regression and correlation techniques were used to create the relationship between the variables and establish the influence of micro-finance on women's entrepreneurial empowerment, micro-finance and social capital have a significant relationship with entrepreneurial empowerment and conclude that micro-finance is an essential tool for entrepreneurial empowerment women resource perspective.

Arora. A. (2016) studied the Assessment of Financial Literacy among working Indian women. The study's objective was to analyze the financial education level. It was conducted on 700 working females of urban areas of Rajasthan. Among which only 444 were responded. It was found that the general awareness about financial planning tools and techniques among women remains poor even today. It was concluded that women have performed comparatively better in terms of financial attitude and behavior than financial knowledge scores. The study was mainly based on three variables: financial knowledge, financial behavior, and financial perspective.

D'Ancona. E. L. (2014) had done a study on 'Financial Literacy and Financial Inclusion of females in rural areas of Rajasthan: a case study of the Indian School of Micro-finance for Women's Financial Education Project. The purpose of this study was to find out the impact of financial management literacy and other forms of training on borrowers and entrepreneurs using S.H.G.s & microfinance. The study was exploratory and conducted on 2500 women. The study was conducted based on a combination of intrusive observation of the methods used in MEDP training, qualitative interviews with the program coordinator, the participants in the training, and concluded that financial literacy provides a lot of benefits and contributes to financial inclusion among the rural and tribal women living near Udaipur area. There is gender inequality in rural Rajasthan places. Therefore, S.H.G.s & programs like ISMW's MEDP Training prove

demanding for women. This study also made some significant social benefits from the MEDP Training, including negotiating power and the high status of females with in their communities. This study was done based on literacy, knowledge of financial terms, and work schedule.

Lusardi. A. (2006) conducted a study on 'Planning and Financial Literacy: How Do Women Fare?' The purpose of doing the study was to examine the saving behavior of women, to analyze how females plan for retirement, tools, and sources of information used for planning and to analyze the financial literacy of women. The study was conducted on 1,264 respondents, among which 60% are women who were 50 years old or older, and 64% were married. Regression and multivariate analysis were used to understand the vitality of financial literacy and the relationship with planning and management in the total sample and among females only. It was found that women had little financial literacy. They felt that retirement calculation was not an easy task, particularly for women. Thus, women are much more reliant on family, friends, and advisers for their financial planning.

3. Objective of the Study

- To understand the financial literacy level of the working women in Meerut.
- To analyze the investment pattern of the working women in the Meerut district.
- To study the awareness of working women towards saving & Investment.

4. Research Methodology

i. Sampling Design

The study was carried out in Meerut city in 2019. A sample of 45 working women is chosen for the task. Out of which, four are rejected. Therefore, my sample size is 41. Only working women were considered assuming that a person is more concerned about money when it is her own earning. For the present study, a random sampling method was chosen for convenience.

ii. Meerut Profile

Meerut is a fast-growing, industrial, and business city of the U.P. It is growing in every respect- agriculture, industries, education, shopping malls, and business centers, increasing opportunities of sports complexes, which opens a large scope /area for people (including women) for work and financial growth. Meerut is on its way to becoming a smart city of UP.

iii. Tools of Data Collection

The study is based on a survey method. It involves collecting primary data from working women, collecting data through the online questionnaire of the working women, and taking direction as well as through cell phones. The secondary data was compiled from various books and articles published in multiple magazines and journals. Working women from different institutions and colleges were selected. We have collected primary data by using a self-made questionnaire. The statistical tools applied are analysis by percentage and cross-analysis.

5. Analysis and Interpretations

Q1. Demographic details of the Respondents

		Frequency	percent
Age	25-35	24	58.54
	35-45	17	41.46
	45-55	0	0.00
	Above55	0	0.00
Designation	Retired Professor	0	0.00
	Professor	0	0.00
	Associate Professor	7	17.07
	Assistant Professor	34	82.93
Marital Status	Married	16	39.02
	Single	23	56.10
	Widow	0	0.00
	Other	2	4.88

Interpretation: 41.54% of respondents are less than 45 years of age, 58.54% of respondents are age 25 to 35 years. 83.93% of respondents are Assistant Professor, followed by 17.07% of respondents are Associate Professor. Whereas 39.02% of respondents are married and 56.10% are single.

Q2. We are sharing household expenses.

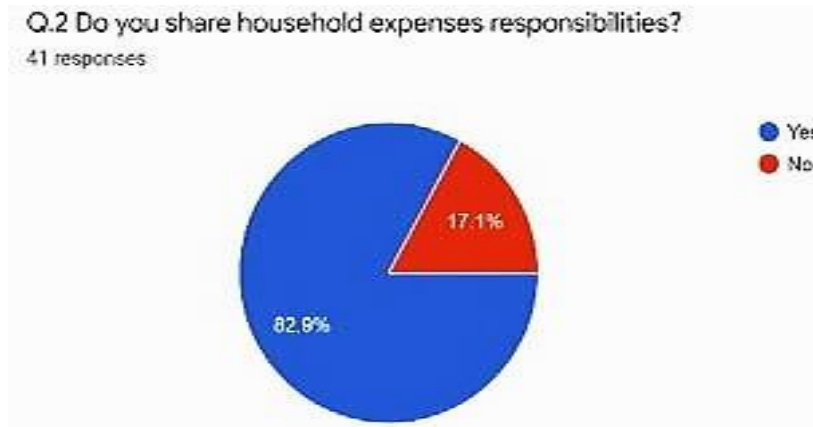


Figure: 1

Interpretation: The majority of the respondents, 82.9%, share the household expenses, whereas only 17.1% were not contributing to sharing household expenses.

Q3. Difference between saving and Investment.

Q.3 Do you Know the difference between savings & Investment?
41 responses

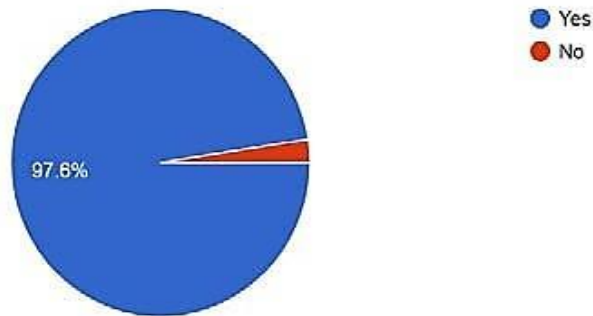


Figure: 2

Interpretation: 97.6% of respondents know the difference between savings & Investment, and only 2.4% did not know the difference between savings and Investment.

Q4. Income allotted towards the Investment.

Q.4 How much savings do you allotted towards Investment?
38 responses

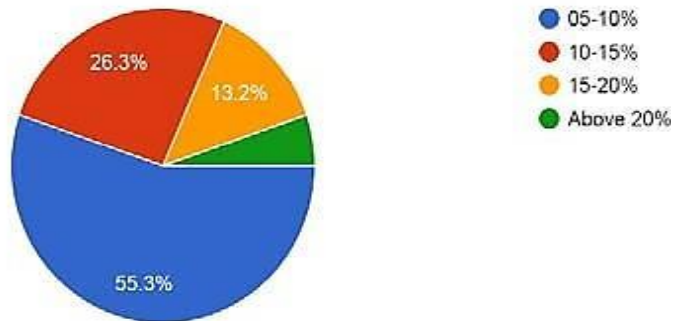


Figure: 3

Interpretation: 55.3% respondent were allotted their income for investment between 5 to 10%, 26.3% between 10 to 15%, 13.2% between 15 to 20%, and 5.3% were allotted their income, above 20% for investment.

Q5. Awareness of different investment avenues.

Q.5 Do you aware about the available Investment avenues?
40 responses

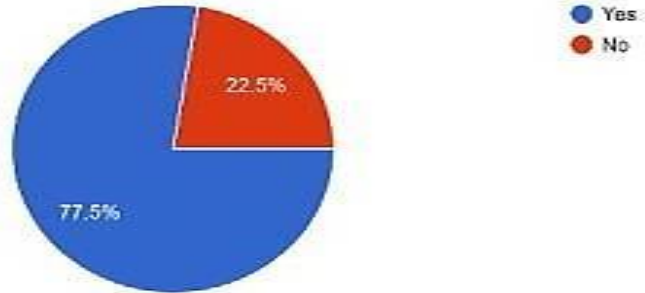


Figure: 4

Interpretation: 77.5% of respondents aware about the investment avenues, and only 22.5% did not aware about the investment avenues.

Q6. Mode of Investment

Q.6 Which of these do you prefer to invest?
40 responses

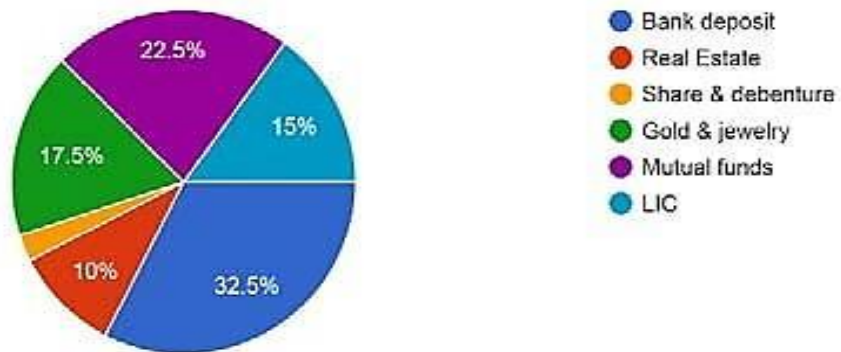


Figure: 5

Interpretation: Out of 40 respondents, 32.5% invested their earned money in bank deposit, 22.5% in mutual fund They were followed by 15% in L.I.C., 17.5% in gold and jewellery, 10% in real estate, 2.55% in share and debenture.

Q7. Investment horizon

Q.7 What is the time horizon of your Investment?

40 responses

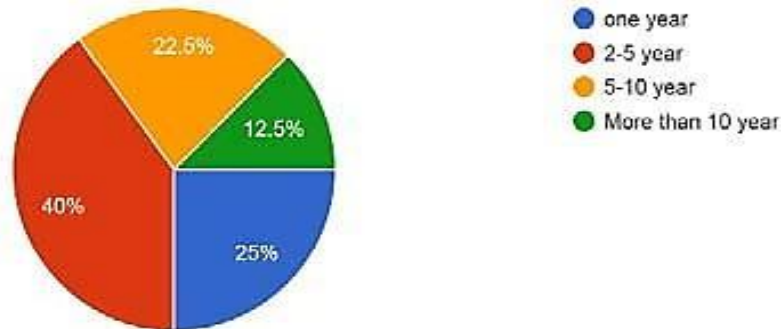


Figure: 6

Interpretation: 40.0% invested their money for five years, where as 22.5% for 5to10 years, 25% invest their money one year, and 12.5% of respondents invest more than ten years.

Q8. Investment objectives

Q.8 What is your Investment objectives?

40 responses

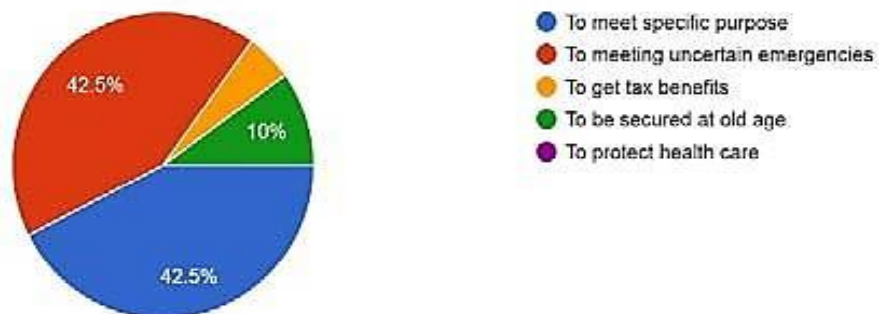


Figure: 7

Interpretation: 42.5% were investing their surplus to meet some specific purpose and meeting uncertain emergencies, 10% for securing old age, and only 5% invest to get the tax benefit.

Q9. Investment Objective

Q.9 Whose advice do you take while investing?

40 responses

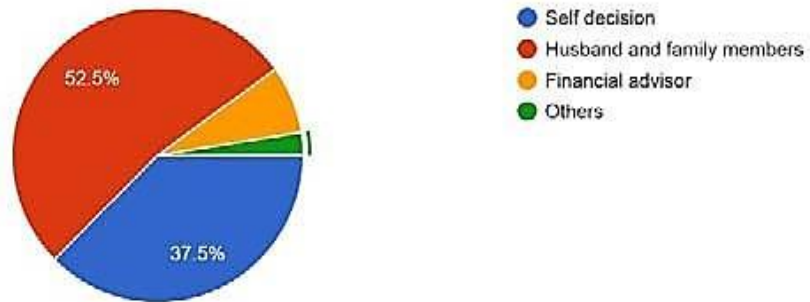


Figure: 8

Interpretation: The majority of the respondents, 52.5% were taking their investment decisions with the help of husband and family members, 37.5% by own decision, 7.5% with the help of a financial advisor, only 2.5% taken use of others.

Q10. Financial Updating

Q.10 Where do you get information of your financial updation ?

41 responses

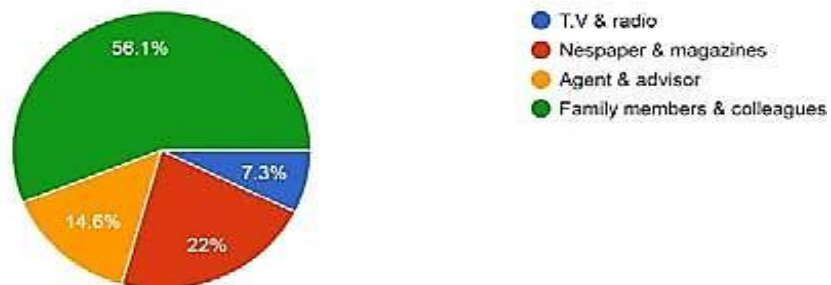


Figure: 9

Interpretation: 56.1% were updating themselves with family members and colleagues, whereas 22% with the help of news paper and magazines, only 7.5% updated themselves through T.V & radio.

Q11. Awareness of financial aids/privileges provided by the government.

Q.11 Do you have awareness of financial privileges provided by the government to women?

41 responses

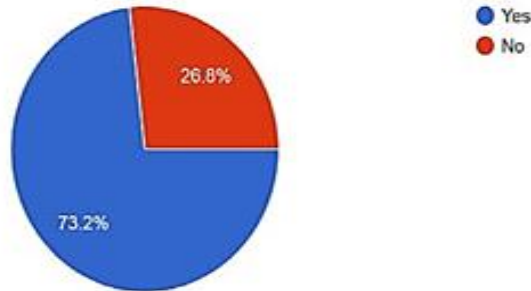


Figure: 10

Interpretation: 73.2% were known about financial privileged provided by the government to women, 26.8% not aware of government provided select,

Q12. Awareness regarding taxation rules and regulation.

Q.12 Do you have awareness regarding taxation rules & regulations?

40 responses

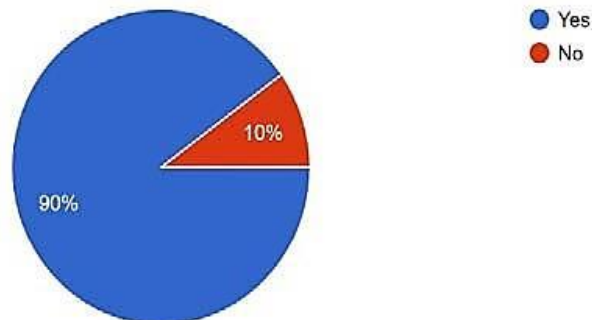


Figure: 11

Interpretation: 98% were aware of the taxation rules and regulations for women. Only 10% were not knowledgeable about the taxation rules.

6. Conclusion & Suggestions

It is well known that the financial well-being of women is one of the pillars of her empowerment. Economic well-being depends on her sound financial decisions, which rely on her knowledge and financial literacy. From the study described above, the conclusion can be drawn that most working women were used to invest their earned money in one or another investment alternative by taking help from their family and friends. Despite working at suitable positions, they were not feeling confident while making their own investment decisions and were investing for a shorter

period. The study also reveals that working women prefer to invest their money in bank fixed deposits. Apart from that, women are less active in reviewing their investment portfolios and were less aware of the government's financial privileges to women.

Further analysis of the paper indicates that women are less aware of the several investment instruments available in the financial market and have a moderate risk appetite. Most of them invest their earned money in fixed deposits. So they should be educated concerning investments and how they will help them in their actual economic development. Some crucial suggestions are as follows:

- There should be more seminars and workshops, and boot camps to assist women in financial Independence.
- Working Women need to be updated more about financial options available in the market.
- Salaried Women must have to get the opportunity and use the financial information available if they want to improve their financial knowledge and feel a genuine sense of financial independence.
- Government should come forward to educate working women, specially the taxation rules and regulations concerned with investments.
- Working Women must have to become more serious and sincere in evaluating and reviewing their portfolios so that they may be in a position to make effective investment decisions on their own.

7. Limitations

- The sample size taken in the present study is significant but may not be sufficient to predict the results with 100% accuracy.
- The result is based on both primary and secondary data that has its limitations.
- The study only covers some Meerut academic institutions that may not be applied to other areas.

REFERENCES

- [1] Agarwal, S.K. & Singhal, Jyoti (2017), "Effects of Economic Factors on Working Women in Banking Industry (A Comparative Study between Public and Private Sector Banks)." *International Journal of Trade & Commerce-IIARTC*, 6(2): 557-568.
- [2] Akisimire, R., Abaho, E., & Basalirwa, E. M. (2015), "Microfinance and entrepreneurial empowerment of women: The Ugandan context." *International Journal of Economics, Commerce and Management*, 3(1): 1-11.
- [3] Annamaria, Lusardi, (2006), "Planning and Financial Literacy: How Do Women Fare?" Working paper W.P. 2006-136 University of Michigan Retirement Research Centre.
- [4] Arora, Akshita (2016), Assessment of Financial Literacy among working Indian women.
- [5] C.A. Anupama & Joshi, Bhavesh (2015), "Financial Literacy of Women and its Effect On their Investment Choice decision." *Global Journal for research analysis*, 4(7): 190-192.
- [6] Chijwani, Maltietal (2014), "A study of Financial Literacy among working women in Pune." *International Journal for Scientific Research & Development*, 1(11): 2456-2458.

- [7] Kanojia, Deepti & Bharadwaj, Mani (2017), "Finance to Women Entrepreneurs: A Case Study of Canara Bank." *International Journal of Trade & Commerce-IIARTC*, 6(2): 474-484.
- [8] Haque, A., & Zulfiqar, M. (2015), "Women's Economic Empowerment through Financial Literacy, Financial Attitude, and Financial Wellbeing." *Research journal of finance & accounting*, 6(21): 57-66.
- [9] Levi-D'Ancona, E. (2014), "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." S.I.T. Digital Collections Independent Study Project (I.S.P.) Collection Fall 12-1.
- [10] Martha, Klatt (2009), "An Assessment of Women's Financial Literacy." The Graduate School University of Wisconsin-Stout Menomonie, WI.
- [11] Phelomenahetal, (2015), "The role of financial literacy on the profitability of women-owned enterprises in Kitui Town, kitui Country, Kenya." *International Journal of Science & Research*, 4(6): 2360-2365.
- [12] Potrich, A. C. G., Vieira, K. M., & Kirch, G. (2015), "Determinants of Financial Literacy: Analysis of the Influence of Socioeconomic and Demographic Variables." *Revista Contabilidade & Finanças*, 26(69): 362-377.
- [13] Qureshi, M. M. (2020), "Pradhan Mantri Kaushal Vikas Yojana- Entrepreneurship Skill Acquisition Through Education", *Entrepreneurship in Modern India: Emerging Issues & Challenges*, Anu Books, pp: 151-163.