

Vidyavardhaka First Grade College

Sheshadri Iyer Road, Mysuru, Karnataka

**DIGITAL FINANCIAL
LITERACY AND ITS RELEVANCE
FOR SOCIO- ECONOMIC
DEVELOPMENT**

Chief Editor

Dr. S. MariGowda

Editors

Dr. Poornima S; Smt. Anusha M C

DIGITAL FINANCIAL LITERACY AND ITS RELEVANCE FOR SOCIO- ECONOMIC DEVELOPMENT

NATIONAL CONFERENCE 2023

Chief Editor:

Dr. S. Mari Gowda M.Com, Ph.D
Principal
Vidyavardhaka First Grade College, Mysuru

Editor:

Dr. Poornima S. M.Com, Ph.D
Head of the Department
Vidyavardhaka First Grade College, PG Centre
Department of Studies in Commerce, Mysuru.



Organised by

Vidyavardhaka First Grade College

PG Centre, Department of Studies in Commerce,

Vidyavardhaka Research Foundation and IQAC

Sheshadri Iyer Road, Mysuru, Karnataka 570001 | www.vvfgc.ac.in

TABLE OF CONTENTS

Sl No.	Title	Author	Page No.
1	INTRODUCTION TO FINANCIAL TECHNOLOGY (FINTECH)	Dr. M SUMATHY	1
2	DIGITAL PAYMENTS IS THE GATEWAY TO TECHNOLOGICAL ADVANCEMENT	Dr. DILSHAD BEGUM	4
3	ROLE OF DIGITAL FINANCIAL SERVICES IN MUTUAL FUND SECTOR: WITH SPECIAL REFERENCE TO MANDYA DISTRICT	Dr. SAVITHA V & RANJANSATHYA DAS S	13
4	CUSTOMERS CENTRIC AND EXPERIENCE IN DIGITAL PAYMENT MODES: A STUDY REFERENCE TO SBI CLIENTS IN MYSORE CITY	Dr. VEENA K.P & Dr. SHILPA.D	24
5	AN EMPIRICAL ANALYSIS ON THE AWARENESS OF DIGITAL PAYMENTS AMONG STUDENTS WITH SPECIAL REFERENCE TO G.M. UNIVERSITY, SAMBALPUR, ODISHA	Dr. GOPALA BHUA & PRIYABRATA DEHURI	37
6	NCFE, NSFE AND FINANCIAL LITERACY IN INDIA	Dr. SAJOY P.B.	49
7	REGULATION OF CRYPTO CURRENCY IN INDIA: LEGAL ISSUES AND CHALLENGES	Dr. SRIDEVI KRISHNA	56
8	A STUDY ON ROLE OF ARTIFICIAL INTELLIGENCE IN FINANCIAL LITERACY	Dr. K S MUTHAMMA; AAKANKSHA.M.P & VINISHA K	67
9	DIGITAL PAYMENT SYSTEM ACTING AS VIRTUAL TOOL FOR FINANCIAL INCLUSION	Dr. M SHIVALINGE GOWDA; NANDINI P & K N SHAILAJA JOIS	81
10	A STUDY OF IMPACT OF FINANCIAL TECHNOLOGY ON BANKING SECTOR IN INDIA	Dr. APARNA PAVANI S	97
11	WORKPLACE FINANCIAL LITERACY – A CONCEPTUAL STUDY	Dr. AMRUTHAVARSHINI V & RAMESHA R	107
12	ASSESSING FINANCIAL KNOWLEDGE OF WORKING WOMEN	Dr. C.K. SUNITHA & A.L. JAHEERA THASLEEMA	120
13	A REVIEW OF LITERATURE ON DIGITAL FINANCIAL SERVICES	Dr. S. POORNIMA	128
14	A CRITICAL ANALYSIS ON MOBILE BASED INSTANT LOAN APPLICATION IN INDIA	ESHWAR V & Dr. ASHWINI S	134
15	DIGITAL PAYMENT MODES	SUNITHA N & AKSHATHA A S	146
16	GOVERNMENT ENDEAVOURS TO BOOST FINANCIAL LITERACY AND ACCESS TO DIGITAL FINANCIAL SERVICES IN INDIA	KRISHNA GUPTA & Dr. BINDU ARORA	164
17	AN OVERVIEW OF FINANCIAL LITERACY PROGRAMMES IN INDIA	SIDDARAJU S	177

ASSESSING FINANCIAL KNOWLEDGE OF WORKING WOMEN

¹Dr. C.K. SUNITHA and ²A.L. JAHEERA THASLEEMA

¹Assistant Professor and Research Supervisor in Commerce, Holy Cross College
(Autonomous), Nagercoil, Tamilnadu

²Research scholar in Commerce, Holy Cross College (Autonomous), Nagercoil, Tamilnadu

Email: sunithabel@gmail.com; jaheera9095@gmail.com

Abstract: Working women are more motivated to save and invest their money. They have the ability to handle their finances more wisely and effectively. Also, they are motivated by their colleague's involvement in investment activities. In India, women are now active in all spheres of life, including politics, science and technology. As circumstances have evolved and their knowledge has expanded, they have started to diversify their investments across various opportunities. The researcher collected the data from the working women of Kanniyakumari district on the basis of convenient sampling. The sample size selected for the study is 250 respondents. Each and every respondent are interviewed with the help of questionnaire. Today's financial literacy concerns are not exclusive to India but also extend to developed nations throughout the world. This study seeks to uncover the financial knowledge that working women possess, and how it impacts their financial decisions. It also explores the potential for organizing and engaging with financial advice and education tailored to working women's needs.

Key words: Financial knowledge, finance, investment

1. INTRODUCTION

Financial literacy has emerged as one of the world's top objectives today, as it is directly related to the economic growth of a country. Financial literacy is the set of knowledge and skills that enables an individual to use all of their financial resources wisely and effectively. People who are financially literate are frequently taught how to make important financial decision. It is important because it equipped one with the knowledge and skill to manage money effectively. Without financial literacy, one's actions and judgements regarding savings and investments would lack a solid foundation. One can manage their finances effectively with the aid of financial literacy, which improves one's grasp of financial principles. Also, it aids in sound financial decision-making, stable financial management, and stability. Also, financial literacy offers comprehensive knowledge of financial education and numerous tactics that are essential for financial success and progress. Financial literacy is interchangeably used with the terms, “Financial education” or “Personal Finance Management”.

1.1 MEANING OF FINANCIAL LITERACY

Financial literacy is viewed differently by various organisations and financial bodies. The following are the numerous definitions of financial literacy used during the last few decades:

According to the Organization for Economic Cooperation and Development (OECD) 2005, “Financial literacy is a combination of financial awareness, knowledge, skills, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. People achieve financial literacy through a process of financial education”.

According to Programme for International Student Assessment (PISA), “Financial literacy is knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial wellbeing of individuals and society, and to enable participation in economic life”.

1.2 IMPORTANCE OF FINANCIAL KNOWLEDGE FOR WOMEN

The financial system of a country plays a key role in the growth and development of a nation. Financial education is necessary for people to develop a positive financial attitude and behavior that will benefit their overall well-being. Financial knowledge is regarded as one of the fundamental and major components of financial literacy. Low retail participation in India is mostly caused by a lack of financial literacy among the population. The only way to empower the population is through financial education; the less financially excluded a country's citizens are, the more their economy will thrive. Financial knowledge raises people's awareness and demands of the financial services provided by various banks and financial institutions. Financial knowledge-based strategy is important for empowering the population and bolstering India's financial and economic foundation. Hence, financial literacy is necessary for the women to comprehend the financial world and make successful decisions based on reliable information.

1.3 FACTORS INFLUENCING FINANCIAL KNOWLEDGE

There are several factors that can influence a person's financial knowledge, including:

- a) **Education:** People with higher levels of education tend to have better financial knowledge.
- b) **Income:** Higher income individuals are more likely to have better financial knowledge as they have more resources to invest and manage.
- c) **Age:** Older individuals may have more financial knowledge due to their accumulated experience and exposure to financial decisions.
- d) **Gender:** Women often have lower levels of financial knowledge than men, although this gap is narrowing.
- e) **Culture:** Cultural beliefs and values can affect how people view and manage their finances.
- f) **Access to resources:** Availability of financial resources like books, seminars, and online resources can impact financial knowledge.
- g) **Personal experience:** Individuals who have experienced financial challenges or successes may have more financial knowledge as they learn from their experiences.
- h) **Social networks:** People who have friends or family members who are knowledgeable about finance tend to have better financial knowledge.

Overall, a combination of personal and environmental factors can influence financial knowledge.

2. REVIEW OF LITERATURE

(Rawat, et.al 2022) found that the majority of women in the service industry have a moderate level of financial literacy, with only a tiny fraction of respondents having a more advanced level. They concluded that more adaptation need to be emphasized for women working in the service industry by the government, financial institutions, and other stakeholders. (Adiputra, G. I and Patricia, E 2019) suggested the community to improve their financial knowledge to sustain daily life in making financial decision. (Sebastian T. and Raju Middi A. 2016) indicated in their research study that although most professional women were financial knowledge, they are still unable to manage their money or make sound financial decisions. They stated that the majority of female investors prefer moderate risk. (Chowa, et. al., 2012) argues that financial knowledge is the comprehension of someone who values financial concepts, such as saving and budgeting, highly. The philosophy of financial education can be explained in depth. In general, everyone should receive financial education

because it increases financial knowledge, which in turn improves financial behaviour and, ultimately, increases the number of customers.

3. STATEMENT OF THE PROBLEM

India is among the world’s most efficient financial markets in terms of technology, regulation and systems. Financial literacy makes one more susceptible to the demonstration effect's influence. For those who lack basic financial literacy, the risk of losing hard-earned money is higher. Financially literate people usually use a systematic approach to investing and succeed in their financial objectives. So, this study is taken up with the main idea of studying the financial knowledge of working women.

4. OBJECTIVES OF THE STUDY

- a) To study the demographic profile of the respondents.
- b) To evaluate the financial knowledge levels of working women in Kanniyakumari district.
- c) To draw inferences based on financial knowledge of working women.

5. METHODOLOGY OF THE STUDY

The present study is empirical study and data collection is done on the basis of primary data through a self-made questionnaire. The researcher collected the data from the working women of Kanniyakumari district on the basis of convenient sampling. The sample size is 250 respondents. Each and every respondent are interviewed with the help of questionnaire. Statistical Package of Social Science (SPSS) was used for analyzing the data. Secondary data were collected from various books, journals, reports, thesis, websites and publications of the various government organizations of India and abroad.

6. DATA ANALYSIS AND DICUSSION

To understand the respondents in an efficient manner the researcher has analysed the demographic profile of the respondents. Demographic profile consists of age, educational qualification, marital status, occupation, monthly income, nature of family status and place of residence.

Table No. 1 Demographic profile of the respondents

Variables	Particulars	No. of Frequency	Percentage
	21-25 Years	82	32.8

Age	26-30 Years	79	31.6
	31-35 Years	48	19.2
	36-40 Years	10	4.0
	40 and above	31	12.4
	Total	250	100
Educational qualification	10th or +2	49	19.6
	ITI or Diploma	39	15.6
	UG	59	23.6
	PG	103	41.2
	Total	250	100
Marital status	Married	117	46.8
	Unmarried	90	36.0
	Widowed	21	8.4
	Divorced	22	8.8
	Total	250	100
Occupation	Employee	77	30.8
	Business man	28	11.2
	Professionals	44	17.6
	Others	101	40.4
	Total	250	100
Monthly Income	Below Rs.10000	89	35.6
	Rs.10001- Rs.20000	43	17.2
	Rs.20001- Rs.30000	51	20.4
	Rs.30001- Rs.40000	32	12.8
	Rs.40001- Rs.50000	21	8.4
	Above Rs.50000	14	5.6
	Total	250	100
Residential status	Urban	99	39.6
	Semi Urban	69	27.6
	Rural	82	32.8
	Total	250	100

Source: Statistical calculated data

Table 1 shows that 32.8 per cent (82) respondents belonging to the age group of 21-25 years and 4.0 per cent (10) respondents belonging to the age group of 36-40 years. 41.2 per cent (103) respondents are completed their master degree. 46.8 per cent (117) respondents are married. 101 per cent (40.4) respondents are doing other occupation. 35.6 per cent (89) respondent's monthly income lies below Rs.10000.39.6 per cent (99) respondents are living in urban areas.

6.1 Financial Knowledge and Educational Qualification

Assessing financial knowledge indicates the awareness level of the respondents towards financial ideas and use them to make wise investment decisions. The following table 2 shows the relationship between educational qualification and financial knowledge with the help of ANOVA.

Null hypothesis: There is no significant relationship between educational qualification and financial knowledge.

Table No. 2 Financial Knowledge and Educational Qualification

Statements	10 th or 12 th	ITI or Diploma	UG	PG	F Value	P Value
I budget and track my spending.	4.076	3.017	2.939	2.750	7.354	0.000**
I contribute to a bank saving account regularly.	2.923	2.334	4.727	3.300	3.785	0.013**
I compare prices when shopping for purchases.	3.300	3.536	4.002	3.500	11.938	0.000**
I read to increase my financial knowledge.	2.769	2.931	4.212	3.300	13.265	0.000**
I maintain adequate financial records.	3.823	2.819	4.402	3.570	6.370	0.000**
I spend less than income.	3.076	3.434	4.152	3.570	4.905	0.001**
I maintain	3.769	3.393	3.329	4.300	5.069	0.002**

adequate insurance coverage.						
I plan and implement a regular savings or investment Program.	2.633	3.303	2.540	2.890	11.753	0.000**

Source: Statistically calculated data

Note: ** Denotes significance at 1 per cent level.

Since P value is less than 0.01, the null hypothesis is rejected at 1 per cent level of significance with financial knowledge. Hence there is a significant difference between the educational qualification and financial knowledge among working women.

7. SUGGESTIONS

- a) Financial knowledge among women can be improved with innovative steps taken by Government or private sector by providing necessary financial literacy workshop.
- b) A more comprehensive financial education programme from middle school to college may be a good place to start, since long-term initiatives may assist consumers in creating sound financial practices at a young age.
- c) Employers can take initiative to improve their employees financial knowledge by providing seminars, workshops etc. Government can sponsor such programs.
- d) Training, mentoring, and programmes can be related to managing mutual funds, investments, insurance, time management to pay bills, prioritising needs while making purchases, putting monthly budgets into practice, obtaining bank loans, and future-focused financial management which may increase their financial knowledge.

8. LIMITATIONS OF THE STUDY

- a) This study is confined to working women only.
- b) The sample size collected for the study is very small and thus it may not be considered appropriate to be applied to the whole working women population.
- c) The results of the study are susceptible to all the constraints of the primary data because it is based on questionnaire-collected primary data.

9. CONCLUSION

The only way to empower women is through financial education. More economic growth would occur in a country with less financial exclusion. Financial knowledge helps women to understand the benefits and demands of the financial services provided by various banks and financial organisations, whereas financial inclusion provides everyone with access to financial products and services. We can therefore conclude that financial education is a knowledge-based strategy for empowering women in the country.

REFERENCES

1. Rawat. A, Singh. M, Goswami. V (2022) “Financial Knowledge Of Indian Women Working In Service Sector”. Journal of Positive School Psychology, Vol. 6, No. 3, 10211-10216 <http://journalppw.com>
2. Adiputra, G. I & Patricia, E (2019) “The Effect of Financial Attitude, Financial Knowledge, and Income on Financial Management Behavior”. Advances in Social Science, Education and Humanities Research, Vol 439.
3. Sebastian Thanvi and Raju Appalla, (2016), “A study on the financial literacy of Professional Women in the district of Ernakulum, Kerala”, International Journal of Technology Enhancements and Emerging Engineering Research, Volume 4, Issue 7, ISSN: 2347-4289, pg. 4-8.
4. Chowa, G. A., Despard, M., & Akoto, I. O. (2012) “Financial Knowledge and Attitudes of Youth in Ghana”. YouthSave Research Brief No. 12-37.

Websites

5. https://en.wikipedia.org/wiki/Financial_literacy
6. <https://scripbox.com/pf/what-is-financial-literacy/>
7. <https://corporatefinanceinstitute.com/resources/management/financial-literacy/>
