



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2016; 2(12): 672-674
www.allresearchjournal.com
Received: 11-10-2016
Accepted: 12-11-2016

Dr. Achla Gakkhar

Professor, Department of Extension, Communication and Management, Institute of Home Science, Dr. B. R. Ambedkar University, Agra, Uttar Pradesh, India

Dr. Dolly Rani

Research Associate, UGC/PDF, Department of Extension, Communication and Management, Institute of Home Science, Dr. B. R. Ambedkar University, Agra, Uttar Pradesh, India

Manya Kohli

Research Scholar, Institute of Home Science, Dr. B. R. Ambedkar University, Agra, Uttar Pradesh, India

Correspondence

Dr. Achla Gakkhar

Professor, Department of Extension, Communication and Management, Institute of Home Science, Dr. B. R. Ambedkar University, Agra, Uttar Pradesh, India

Financial literacy and effective sources of information: A study of working and non-working women

Dr. Achla Gakkhar, Dr. Dolly Rani and Manya Kohli

Abstract

Literacy is a key indicator of development. Today the people are more aware about the education but only literacy is not adequate. Financial Literacy means that one is literate in the issues of managing money (including, saving, budgeting, investing, credit, insurance and taxes) and utilizes that knowledge to gain personal welfare through financial security. It helps to make informed decisions and well-being of an individual. In today's world which has a market with complicated products, the need for financial literacy becomes predictable. Hence the financial literacy is a vital part to engage the women in financial inclusion prevent them from financial malpractices and include them in a present economic growth.

This paper therefore aims to analyze the level of awareness and practice of working and non-working towards saving and investment and effective sources of information regarding financial literacy.

It is concluded from the study that majority of the working women and non-working women (70% and 56% respectively) had high level of awareness towards saving and investment. While regarding to the saving practice majority of the working women (38%) and non-working women (50%) had average practices.

Regarding to the effective sources it is observed that both working and non-working women obtained maximum source of information through wide range of internal. Thereafter it is noticed that the source of information were collected through media, self-experience and home.

Keywords: financial literacy, working women, non- working women and Effective Sources of Information

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. Women made us realize that financial literacy (or in other words, the ability to spend, save and manage household income in an effective way) is a key for women in extremely poor communities to lift themselves and their families out of poverty. Having the finish line mind (saving goal), a plan of spending and saving (a budget plan), how to look at the day in a new way (time management) and brushing aside negative myths or opinions about women and money (money belief) can help women be successful and self-reliant.

Women have positive behaviour about money and finance matter reflecting their prudence, discipline and alertness while dealing with household finances. They are cautious about saving money for future despite of being from middle income group and their education level but poor financial knowledge and lack of awareness about investment products proves to be a hindrance for them.

Considering the above point the present study entitled "Financial Literacy and Effective Sources of Information: A Study of Working and Non - Working Women of Agra District" conducted to know the level of awareness and practice about financial literacy and effective

sources of information regarding financial literacy among working and non – working women of Agra district of Uttar Pradesh.

This topic focuses on the ability to manage personal finance matters in an efficient manner, and it includes the knowledge of making appropriate decisions about the personal finance such as investing, insurance, real estate, paying for college, budgeting, retirement and tax planning.

Objectives

1. To study the awareness of working and non-working women towards saving and investments.
2. The study the saving practices among working and non-working women.
3. To find out the sources of information of the respondents regarding financial literacy.

Methodology

The research design adopted for the present study was descriptive type of research design. Multistage sampling procedure was used in the present study for selection of sample. Present study was conducted in Agra district. Agra district has total ninety wards, out of these ninety wards one ward namely 'Khandari' ward selected randomly. From this selected Khandari ward a total number of 100 respondents

were randomly selected for the present study included 50 working and 50 non-working women.

Survey method was used for collection of data. Data regarding to the awareness of respondents towards saving and investments and their saving practice were collected with the help of self-made questionnaire. For analyzing the data Frequency distribution and percentages were used.

Results and discussion

This part deals with the findings of present investigation in the light of the specific objectives. The result and discussion has been presented under the following heads:–

1. Awareness of working and non-working women towards saving and investments.
2. Saving practices among working and non-working women.
3. Effective sources of information of the respondents regarding financial literacy.

1] Awareness of the Respondents towards Saving and Investments

Result regarding to the awareness of the respondents towards saving and investments have been presented in three categories viz. Low, medium and high, depending upon the range of score obtained by the respondents in Table 1.

Table 1: Awareness of the Respondents towards Saving and Investments

S. No.	Categories	N = 50 Working women		N = 50 Non-working women	
		F	%	F	%
1.	Low	0	0	2	4
2.	Medium	15	30	20	40
3.	High	35	70	28	56

Perusal of the table no. 1 shows the data regarding awareness of both working and non-working women.

It is evident from Table no. 1. That majority of the working women and non-working women (70% and 56% respectively) had high level of awareness towards saving and investment, while 30% of working women and 40% of non-working women had medium level of awareness.

Table further shows that non of working women (0%) had the low level of awareness, while only 4% of the non-working women scored low level of awareness score.

2] Saving Practices among Working and Non-Working Women

Result regarding to the practice of the respondents towards saving have been presented in three categories viz. Low, average and high, depending upon the range of score obtained by the respondents in Table 2.

Table 2: Saving practices among working and non-working women

S. No.	Class Interval	Category	N = 50 Working women		N = 50 Non-working women	
			Number	%	Number	%
1.	0-5	Low	15	30	10	20
2.	6-10	Average	19	38	25	50
3.	11-16	High	16	32	15	30

Perusal of the table shows that majority of the working women (38%) and non-working women (50%) had average practices for saving and investments.

The data further shows that 32% of working women and 30% of non-working women had high practices of saving and investments, while only 30% of working women and 20% of non-working women had low practices of saving and investments.

It may be inferred that hardly any difference in saving practices among working and non-working women.

3] Effective sources of information of the respondents regarding financial literacy

There are some sources of information of financial literacy. They are Friends, Media, Books, Magazines, Internet, Working places.

This parts of the result presented the effective sources of information of financial literacy of the respondents in Table 3.

Table 3: Effective Sources of Information of Working and Non-Working Women towards Financial Literacy

S. No.	Sources of Information	Working women		Non-Working women	
		Mean Weighted Score	Rank	Mean Weighted Score	Rank
1.	Internet	17	I	14.37	I
2.	Media	14.25	II	12	II
3.	Home	13.25	III	11	III
4.	Self-experiences	11.62	IV	10.62	IV
5.	Working Place	10.25	V	10.25	V
6.	Friends	10	VI	8.25	VI
7.	Books	9.25	VII	7.5	VII
8.	Magazines	9	VIII	6.25	VIII

This part deals with the sources of information among respondents towards financial literacy. Results are presented by mean weighted score and rank order mentioned in Table 3. First and foremost it is observed from the table number 3 that working and non-working women had wide information through Internet [Mean Weighted Scores for working women 17 and non-working women 14.37].

Secondly, they had requested sources of information regarding financial literacy for working women through media and non-working women through home [Mean Weighted Scores for working women 14.25 and non-working women 12]

Thirdly working women had obtained source of information through the daily practice in their homes and non-working had self- experience [Mean Weighted scores for working women 13.25 and non-working women 11].

Fourthly working women had developed these information through their self-experience and non-working had experienced through media [Mean Weighted Scores for working women 11.62 and non-working women 10.62] and lastly working and non-working women less information from working place, friends, books, magazines [Mean Weighted Scores for working women 10.25, 10, 9.25, 9 and non-working women 10.25, 8.25, 7.5, 6.25 respectively].

Conclusion

The silent findings reported earlier lead to the following conclusion:

1. Awareness of the respondents towards saving and investment was measured under three categories viz. lower, middle and high. It is concluded from the observed result that majority of the working women and non-working women (70% and 56% respectively) had high level of awareness towards saving and investment, while 30% of working women and 40% of non-working women had medium level of awareness.
2. Majority of the working women (38%) and non-working women (50%) had average practices for saving and investments.
3. First and foremost it is observed that both working and non-working women obtained maximum source of information through wide range of internal. Thereafter it is noticed that the source of information were collected through media, self-experience and home.
4. Later both working and non-working women obtained information through books, magazines and friends which got which got lower rank in the source of information of the respondent for financial literacy.

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