

Bridging Financial Gaps: Assessing Literacy, Planning, And Challenges of SHG Members in Pimpri Chinchwad

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Abstract- Self-Help Groups (SHGs) play a pivotal role in promoting financial inclusion and economic empowerment, particularly among low-income communities. This study examines the financial literacy, personal financial planning, and investment behaviors of SHG members in the Pimpri Chinchwad area to identify knowledge gaps and practical challenges that influence financial stability. Using a descriptive research design, primary data were collected from SHG members representing diverse sectors such as retail, services, agriculture, handicrafts, and food processing.

Findings reveal significant variations in financial literacy across SHG categories. While most members understand basic concepts like savings and account operations, advanced knowledge of digital tools and investment products is unevenly distributed—retail and service SHGs showing greater proficiency compared to agriculture and handicraft groups. Personal financial planning awareness also differs, with service-oriented members more likely to set goals, budget, and diversify investments, whereas others rely heavily on traditional saving methods. Investment patterns align with business activity, with modern investment adoption more prevalent in market-facing SHGs, and gold or informal schemes preferred in traditional sectors.

Financial challenges, including irregular income, reliance on informal loans, and limited emergency preparedness, are more acute in agriculture and food processing groups, threatening both business and household stability. The study concludes that targeted, sector-specific interventions—focusing on budgeting, emergency planning, safe investment practices, and adoption of digital finance—are essential to enhance SHG members' financial security. Strengthening links to government schemes and financial advisory services can further bridge disparities, fostering equitable economic empowerment and sustainable growth among SHG communities.

Keywords: Self-Help Groups (SHGs), Financial Literacy, Personal Financial Planning, Investment Patterns.

I. INTRODUCTION OF THE STUDY

Financial literacy and effective personal financial planning have become essential skills in today's dynamic economic environment, especially for members of Self-Help Groups (SHGs) who often operate on limited incomes and face unique socio-economic challenges.

This study, titled "An Analytical Study of Financial Literacy and Financial Planning of Self-Help Group Members in Pimpri Chinchwad Area," seeks to investigate the awareness levels of SHG members regarding key financial concepts and their ability to plan personal finances strategically.

By understanding how SHG members perceive financial literacy, the research aims to reveal gaps in their knowledge that could hinder their financial empowerment and stability, aligning with the first objective of assessing awareness levels among this population. Further, the study delves into the actual investment patterns of SHG members, examining the extent to which they diversify their investments across avenues such as savings accounts, fixed deposits, insurance, gold, mutual funds, and other financial instruments.

This exploration addresses the second objective and helps to map the practical translation of financial knowledge into actionable investment behavior. Finally, by identifying the various personal financial problems faced by SHG members—such as difficulties in budgeting, debt management, lack of access to formal banking, or unexpected expenses—the research highlights critical areas that require intervention.

These insights, rooted in the third objective, aim to guide policymakers, NGOs, and financial institutions in designing targeted programs to enhance the

financial well-being and resilience of SHG members in the Pimpri Chinchwad area.

II. LITERATURE REVIEW

(Roy, S., & Singh, A., 2025) This study by Sakhi Roy and Ankita Singh (2025) investigates the digital financial inclusion among Self-Help Group (SHG) women in West Bengal's Hooghly district. Involving 80 participants across five Gram Panchayats, the research identifies that while participants are familiar with traditional banking, there's a significant lack of awareness regarding digital financial literacy. Approximately 47% cited lack of awareness as the primary barrier to adopting digital payments, followed by concerns about fraud (21%). The study emphasizes the role of education and leadership in facilitating the adoption of digital financial services.

(Arjun, T. P., & Subramanian, R., 2025) Analyse the impact of participation in SHG-based micro-financial activities on women's financial literacy in Kerala, India. Using data from Kudumbashree NHG members, the study employs multiple linear regression and artificial neural network analyses. Findings indicate that participation in micro-financial activities significantly improves financial literacy levels among SHG members, with higher education and family income positively influencing outcomes.

(Kabue, B. M., 2025) Evaluates the socioeconomic transformation facilitated by the Ruiru Fund Self-Help Group Programme in Kenya. Established in 1995, the group has grown to over 20,000 members with savings exceeding KSH 1 billion. The study, using descriptive survey and predictive correlation research designs, finds that the group's growth trajectory, leadership, and governance significantly influence its socioeconomic impact.

(Munawaroh, , Hidayat, Prasetio, & Nizar, , 2024) Explore the effectiveness of SHG therapy on stress levels among the elderly in Indonesia. Using the Perceived Stress Scale (PSS 10), the study finds that progressive muscle relaxation therapy significantly reduces stress levels in elderly participants

(Li, M., & Jiang, H., 2024) Examine financial risk tolerance as a mediator between financial literacy and stock market participation among single men and women. The study finds that financial risk tolerance significantly mediates the relationship, suggesting that enhancing financial literacy can lead to increased

stock market participation through improved risk tolerance.

(Nanda, S., & Jena, S. K., 2024) Analyse the role of financial socialization in promoting financial inclusion among women SHG members in India. The study highlights that social and cultural factors, limited financial literacy, and gender-based challenges hinder financial inclusion. It emphasizes the need for ongoing education, awareness programs, and policy interventions to address these barriers.

(Srivastava, B., Kandpal, V., & Jain, A. K., 2024) Conduct a qualitative study on the financial well-being of women SHG members in Uttarakhand, India. Through in-depth interviews, the study finds that SHGs contribute significantly to improving financial well-being, but continuous efforts, training, and access to credit are essential for sustained empowerment.

(Usraleli, U., Oktaviani, I., Delvira, W., & Alkaus, 2024) Explore the implementation of Therapeutic Group Therapy (TKT) and SHG for elementary school students in Harjosari Village, Pekanbaru. The study finds that such interventions can enhance resilience and coping mechanisms among school-age children.

(Tamhankar, S., & Chiplunkar, Y., 2021) Conducted a study to examine how demographic factors influence the financial literacy levels among women in Self-Help Groups (SHGs). The research revealed that variables such as age, education, and income levels significantly impact financial literacy, highlighting the need for tailored financial education programs that consider these demographic characteristics.

(Sucharita, 2021) Explored the availability and utilization of training and skill development facilities among SHG members in Ranapur Block of Odisha. The study found that while various training programs are available, their utilization is limited due to factors like lack of awareness and accessibility issues, suggesting the need for improved dissemination and support mechanisms.

(Nguyen, H. T., 2019) Hoa Thi Nguyen (2019) developed and validated a Women's Financial Self-Efficacy Scale (WFSES) to measure women's confidence in managing financial tasks. The scale demonstrated strong reliability and validity, providing a useful tool for assessing financial self-efficacy among women and informing targeted financial education interventions.

(Jayashree, N., Deepa, N., & Shravanthi, A. R., 2018) compared financial literacy levels among women SHG

members involved in weaving and coir activities in Salem District, Tamil Nadu. The study found that women engaged in weaving exhibited higher financial literacy than those in coir activities, indicating the influence of occupational engagement on financial knowledge.

(Kuzhuvilil, M. K., & Makesh, K. G., 2018) Examined the impact of the SHG Bank Linkage Programme on financial literacy among rural women in Ernakulam District. The study concluded that participation in the program significantly enhanced women's financial knowledge and their ability to manage financial resources effectively.

(Ruhela, S., & Prakash, A., 2018) Investigated the saving behaviors and financial literacy levels of SHG members in Uttar Pradesh. The findings indicated that SHG participation positively influenced members' saving habits and financial knowledge, contributing to their economic empowerment.

(Nagaraju, T., & Sreekrishna, T., 2017) Explored the role of SHGs in promoting financial inclusion in India. The study emphasized that SHGs serve as effective instruments for bringing unbanked populations into the formal financial system, thereby enhancing access to credit and other financial services.

(Roifah, 2017) Studied the effectiveness of the Self Help Group (SHG) method in improving the quality of life for leprosy patients in Mojokerto, Indonesia. The research demonstrated that SHG participation significantly enhanced patients' physical, psychological, and social well-being.

(Vijaykumar, N. V., & Naidu, G. J., 2016) Assessed the impact of microfinance training on the financial literacy of SHG members. The study concluded that structured training programs significantly improved members' understanding of financial concepts and their ability to manage finances effectively.

(Selvaraj, S., Johnson, S., & Sakthivelrani, S., 2016) Explored the relationship between financial literacy and economic empowerment among women SHG members. The research found that higher financial literacy levels were associated with increased income-generating activities and improved decision-making.

(Kuzhuvilil, M. K., & Makesh, K. G., 2018) This study examines the financial literacy levels among rural women participating in the SHG-Bank Linkage Programme in Ernakulam District. The findings indicate that the programme has significantly enhanced participants' understanding of financial

concepts, leading to better financial decision-making and increased economic empowerment.

(Ruhela, S., & Prakash, A., 2018) This research explores the saving behaviors and financial literacy levels of SHG members in Uttar Pradesh. The study reveals that participation in SHGs has positively influenced members' saving habits and financial knowledge, contributing to their overall financial well-being.

(Patel, R., 2024) This thesis investigates the financial literacy levels among women SHG members in rural India and how it affects their access to microfinance services. The study finds that higher financial literacy correlates with increased utilization of credit, savings, and insurance products, highlighting the importance of financial education in promoting financial inclusion.

(Kumari, V., 2024) This study assesses the financial awareness among rural women in Vaishali, Bihar, and the role of SHGs in enhancing their financial literacy. The findings indicate that SHGs have been instrumental in increasing financial awareness, with a reported 67% overall rate, though challenges in financial behavior persist.

(Chethana, R., & Raj, S., 2018) This research focuses on the financial literacy levels among SHG members in Mysore city and the initiatives taken by regulatory authorities to promote financial literacy. The study highlights the need for targeted financial education programs to bridge the literacy gap among SHG members.

(Murugesan, T. K., Druvakumar, M., Krishnamoorthi, , 2021) This paper examines the financial literacy levels of rural women before and after joining SHGs in Ramanagar District, Karnataka. The study finds significant improvement in financial knowledge post-SHG participation, emphasizing the effectiveness of SHGs in enhancing financial literacy.

(Johnson, S., Selvaraj, S., & Sakthivelrani, S., 2016) This study explores the impact of financial literacy on the economic empowerment of SHG women members in Virudhunagar District, Tamil Nadu. The findings suggest that financial literacy significantly contributes to women's economic empowerment by enhancing their saving, borrowing, and investment skills.

(Pandey, L., Rajeev, P. V., Saxena, A., & Pandey, D., 2024) This study examines the impact of financial literacy on the effectiveness of the SHG-Bank Linkage Programme in Uttarakhand. Using data from 967 SHG members, the research finds that higher financial

literacy levels enhance the success of bank linkage initiatives, promoting financial inclusion and resilience.

(Banerjee, M. P., & Sayed, M. V, 2021) This study assesses the financial literacy levels among women SHG members in Dhaniakhali block of Hooghly district, West Bengal. The research identifies significant variations in financial literacy based on

age, education, and income, suggesting the need for customized financial education programs.

(Kumari, S., & Devi, R, 2021) This study analyses the factors influencing financial literacy and inclusion among women SHG members. The findings highlight that education, income, and participation in SHG activities significantly contribute to improved financial literacy and inclusion.

SUMMARY OF KEY FINDINGS

Key Variable	Author Reference	Summary of Key Findings
Digital Financial Inclusion & Literacy	Roy, S., & Singh, A. (2025)	Study of 80 SHG women in Hooghly district, West Bengal. Found high familiarity with traditional banking but low awareness of digital finance. 47% cited lack of awareness, 21% cited fraud concerns. Education and leadership crucial for adoption.
SHG Participation & Financial Literacy	Arjun, T. P., & Subramanian, R. (2025)	Kudumbashree NHG study in Kerala showed SHG participation significantly boosts financial literacy. Education and family income further strengthen outcomes.
Socioeconomic Transformation via SHG	Kabue, B. M. (2025)	Ruiru Fund SHG in Kenya (20,000+ members, KSH 1B savings). Leadership, governance, and group growth critical for socioeconomic impact.
SHG Therapy & Stress Reduction	Munawaroh, Hidayat, Prasetyo, & Nizar (2024)	SHG-based therapy using PSS-10 in Indonesia reduced stress in elderly participants. Progressive muscle relaxation shown effective.
Financial Risk Tolerance	Li, M., & Jiang, H. (2024)	Risk tolerance mediates relationship between financial literacy and stock participation. Enhancing literacy boosts investment through risk-handling ability.
Financial Socialization & Inclusion	Nanda, S., & Jena, S. K. (2024)	Indian SHGs face barriers from cultural and gender factors. Continuous education, awareness, and policies are required for inclusion.
SHG & Financial Well-being	Srivastava, B., Kandpal, V., & Jain, A. K. (2024)	In Uttarakhand, SHGs improve women’s financial well-being. Sustained empowerment depends on training and access to credit.
SHG & Resilience in Children	Usraleli, U., Oktaviani, I., Delvira, W., & Alkaus (2024)	Therapeutic Group Therapy with SHG enhanced resilience and coping mechanisms in school children in Indonesia.
Demographics & Financial Literacy	Tamhankar, S., & Chiplunkar, Y. (2021)	Demographic factors like age, education, and income significantly affect women’s SHG financial literacy. Tailored programs suggested.
Training & Skill Utilization	Sucharita (2021)	In Odisha, despite availability, SHG training programs underutilized due to awareness and accessibility issues. Better support needed.
Financial Self-Efficacy Scale	Nguyen, H. T. (2019)	Developed WFSES scale to assess women’s confidence in financial management. Proven reliable and valid, useful for interventions.

Occupational Influence	Jayashree, N., Deepa, N., & Shravanthi, A. R. (2018)	In Salem, Tamil Nadu, SHG women in weaving had higher financial literacy than those in coir activities. Occupation affects knowledge.
SHG Bank Linkage Programme	Kuzhuvilil, M. K., & Makesh, K. G. (2018)	In Ernakulam, SHG bank linkage improved rural women's financial knowledge and resource management ability.
Savings & Empowerment	Ruhela, S., & Prakash, A. (2018)	In Uttar Pradesh, SHG participation improved women's saving behavior and literacy, enhancing economic empowerment.
SHG & Financial Inclusion	Nagaraju, T., & Sreekrishna, T. (2017)	Highlighted SHGs' role in bringing unbanked populations into India's formal financial system.
SHG & Quality of Life	Roifah (2017)	In Mojokerto, Indonesia, SHG participation improved quality of life among leprosy patients (physical, psychological, and social).
Microfinance Training & Literacy	Vijaykumar, N. V., & Naidu, G. J. (2016)	Structured microfinance training significantly boosted financial literacy and management skills among SHG members.
Financial Literacy & Empowerment	Selvaraj, S., Johnson, S., & Sakthivelrani, S. (2016)	Higher literacy among SHG women linked to better income generation and decision-making capacity.
Financial Literacy & Microfinance Access	Patel, R. (2024)	Rural SHG women with higher literacy used credit, savings, and insurance products more effectively. Highlights role of education.
SHG & Financial Awareness	Kumari, V. (2024)	In Bihar, SHGs raised awareness to 67% overall. However, financial behavior challenges persist despite improved knowledge.
Literacy Initiatives	Chethana, R., & Raj, S. (2018)	In Mysore, highlighted gaps in SHG women's literacy and need for targeted regulator-led programs.
Pre & Post-SHG Literacy	Murugesan, T. K., Druvakumar, M., & Krishnamoorthi (2021)	In Karnataka, financial literacy rose significantly post-SHG participation. Demonstrates SHG effectiveness.
Financial Literacy & Empowerment	Johnson, S., Selvaraj, S., & Sakthivelrani, S. (2016)	Tamil Nadu study showed literacy improved saving, borrowing, and investing among SHG women.
SHG-Bank Linkage & Literacy	Pandey, L., Rajeev, P. V., Saxena, A., & Pandey, D. (2024)	Uttarakhand study of 967 SHG women: literacy enhances effectiveness of SHG-bank linkages, fostering resilience.
Financial Literacy Variations	Banerjee, M. P., & Sayed, M. V. (2021)	In West Bengal, literacy levels varied by age, education, and income among SHG women. Calls for customized programs.
Factors in Literacy & Inclusion	Kumari, S., & Devi, R. (2021)	Education, income, and SHG participation strongly influenced women's literacy and financial inclusion.

RESEARCH GAP:

The examined literature underscores a significant correlation among Self-Help Groups (SHGs), financial literacy, & women's empowerment; yet, several gaps persist. A significant portion of the current study is context-dependent, concentrating on specific regions such as Kerala, West Bengal, or

certain districts, hence constraining the applicability of results across varied socio-economic and cultural contexts in India and elsewhere. Research frequently highlights the role of Self-Help Groups (SHGs) in improving financial literacy or their impact on financial inclusion; however, few studies amalgamate these elements with comprehensive indicators of long-

term socioeconomic empowerment, including decision-making autonomy, risk tolerance, and intergenerational financial awareness. Moreover, several research predominantly utilize descriptive or regression analyses, with minimal implementation of sophisticated longitudinal or experimental methodologies capable of elucidating causation and the enduring effects of SHG impacts over time.

A further gap exists in the insufficiently examined facets of digital financial inclusion and the behavioral components of financial literacy. Although certain study identifies obstacles including insufficient awareness, apprehensions regarding fraud, or restricted digital competencies, few studies thoroughly examine the systematic integration of digital tools and financial technology into SHG models to address these challenges. Cultural, gender-based, and demographic impacts on financial behavior are frequently examined in isolation, rather than within a cohesive framework that links social norms, educational programs, and governmental measures. This is an opportunity to construct a comprehensive theoretical model that connects SHG involvement, financial literacy, digital adoption, and sustained empowerment results, therefore informing more inclusive and effective tactics for both rural and urban groups.

III. OBJECTIVES OF THE STUDY

1. To analyse the awareness level regarding financial literacy among members of Self-Help Groups (SHGs).
2. To assess the awareness level regarding personal financial planning among members of Self-Help Groups (SHGs).
3. To evaluate the personal financial problems faced by the members of the Self-help group (SHG).
4. To give recommendations to improve financial literacy among the members of SHG.

IV. ALTERNATIVE HYPOTHESES

H1: There is a significant difference in the awareness level regarding financial literacy among members of Self-Help Groups (SHGs) based on their business category.

H2: There is a significant difference in the awareness level regarding personal financial planning among members of Self-Help Groups (SHGs) based on their business category.

H3: SHG members face significant personal financial problems.

V. RESEARCH METHODOLOGY

- Type of Research: Descriptive Research.
- Sampling Technique: Stratified Random Sampling
- Methodology: Primary data was collected through a structured questionnaire by conducting personal interviews of the Manager/Members of Self-Help Groups (SHGs) in Pimpri Chinchwad Region on Pune District.
- Sample Size for Pilot Study: 147 Help Groups (SHGs) conducting Agriculture & allied activities (dairy, poultry, farming, etc.) Handicrafts & artisan work (tailoring, embroidery, pottery, etc.), Retail & small-scale trading (grocery, vegetable selling, etc.), Food processing (pickle making, papad making, catering, etc.), Service-based business (beauty parlor, domestic work, etc.), Manufacturing (handmade products, paper bags, etc.)
- Statistical Test: Chi-square, Kruskal Wallis Test, Factor Analysis applied on SPSS 25
- Scope of Study: The functional scope of the study is confined to SHGs in Pimpri Chinchwad Municipal Corporation for the present pilot study.

TABLE 1: SHG CATEGORY/BUSINESS

	Statement	Frequency	Percent
1	Agriculture & allied activities (dairy, poultry, farming, etc.)	19	13
2	Handicrafts & artisan work (tailoring, embroidery, pottery, etc.)	20	14
3	Retail & small-scale trading (grocery, vegetable selling, etc.)	22	17
4	Food processing (pickle making, papad making, catering, etc.)	42	19
5	Service-based business (beauty parlor, domestic work, etc.)	15	18
6	Manufacturing (handmade products, paper bags, etc.)	29	20

	Total	147	100
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VI. DATA ANALYSIS AND HYPOTHESIS TESTING

DEMOGRAPHIC DATA ANALYSIS

TABLE 2: AGE GROUP

Particulars	Frequency	Percent
Below 25 years	32	22
26-35 years	29	20
36-45 years	26	18
46-55 years	27	18
Above 55 years	33	22
Total	147	100

TABLE 3: MARITAL STATUS

Particulars	Frequency	Percent
Single	44	30
Married	77	53
Widowed	21	14
Divorced/Separated	5	3
Total	147	100

TABLE 4: EDUCATION

Particulars	Frequency	Percent
No formal education	20	14
Up to Secondary School Education	16	11
Higher secondary/Diploma	42	28
Graduate	40	27
Post Graduation	29	20
Post PG	0	0
Total	147	100

TABLE 5: PRIMARY OCCUPATION

Particulars	Frequency	Percent
Housewife	47	32
Self-employed (Small business, vendor, etc.)	34	23
Daily wage laborer	45	31
Private sector employee	21	14
Government employee	0	0

Total	147	100
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TABLE 6: MEMBERS IN YOUR HOUSE

Particulars	Frequency	Percent
1-2 members	12	8
3-4 members	54	37
5-6 members	43	29
More than 6 members	38	26
Total	147	100

TABLE 7: FAMILY'S MONTHLY INCOME

Particulars	Frequency	Percent
Less than 10,000	23	16
10,001 - 20,000	67	46
20,001 - 30,000	30	20
30,001 - 50,000	22	15
More than 50,000	5	3
Total	147	100

TABLE 8: PERSONAL BANK ACCOUNT

Particulars	Frequency	Percent
Yes	123	83
No	24	17
Total	147	100

TABLE 9: MAIN SOURCE OF INCOME

Particulars	Frequency	Percent
SHG activities (small business, group enterprise)	54	37
Agriculture/Livestock	35	24
Employment (private/government job)	12	8
Family business	6	4
Daily wage work	40	27
Total	147	100

TABLE 10: SELF-HELP GROUP (SHG)

Particulars	Frequency	Percent
Women's SHG	104	71
Mixed-gender SHG	43	29
Total	147	100

TABLE 11: SHG MEMBERSHIP DURATION

Particulars	Frequency	Percent
Less than 1 year	45	31
1-3 years	54	37

4-6 years	33	22
More than 6 years	15	10
Total	147	100

TABLE 12: PRIMARY NATURE OF YOUR SHG'S BUSINESS OR INCOME-GENERATING ACTIVITY

Particulars	Frequency	Percent
Agriculture & allied activities (dairy, poultry, farming, etc.)	19	13
Handicrafts & artisan work (tailoring, embroidery, pottery, etc.)	20	14
Retail & small-scale trading (grocery, vegetable selling, etc.)	22	15
Food processing (pickle making, papad making, catering, etc.)	42	29
Service-based business (beauty parlor, domestic work, etc.)	15	10
Manufacturing (handmade products, paper bags, etc.)	29	19
Total	147	100

TABLE 13: SHG CAPITAL GENERATION FOR ITS BUSINESS OPERATIONS

Particulars	Frequency	Percent
Member contributions (internal savings & pooling)	67	46
Loans from banks or microfinance institutions	42	29
Government grants or subsidies	29	19
Funding from NGOs or private organizations	9	6
Total	147	100

TABLE 18: BIGGEST FINANCIAL CHALLENGES FACED BY YOUR SHG?

Particulars	Frequency	Percent
Lack of access to sufficient credit or loans	26	18
Difficulty in managing and repaying loans	27	18
Lack of financial planning knowledge among members	25	17
Inconsistent business revenue or seasonal income fluctuations	15	10
Difficulty in pricing products/services competitively	31	21
Limited knowledge about government schemes and benefits	23	16
Total	147	100

VII. RELIABILITY AND VALIDITY TEST ANALYSIS

Sr. No.	Hypothesis	Dependent Variable	Independent Variable	Items Covered	Cronbach's Alpha Value
1	H1: Financial literacy differences among SHG categories.	Financial Literacy (Knowledge, Skills)	SHG Category	B1 to B6	0.732
2	H2: There is a significant difference in the awareness level regarding personal financial planning among members of	Personal Financial Planning Awareness	SHG Category	B7 to B12	0.764

	Self-Help Groups (SHGs) based on their business category.				
3	H3: SHG members facing personal financial problems.	Personal Financial Problems (Challenges)	SHG Category	D1 to D10	0.782

Interpretation:

For all hypotheses, Cronbach’s alpha values are above 0.711, indicating acceptable to good internal consistency of the items used to measure each construct.

This means the statements/questions within each hypothesis reliably measure the underlying concept

and the questionnaire used is reliable. (e.g., financial literacy, investment behavior, financial problems) with minimal random error.

The consistency of responses suggests the items are cohesively assessing the intended aspects of financial knowledge, planning awareness, investment patterns, and financial challenges among SHG members.

CONSTRUCT VALIDITY TEST INDICATORS

Sr. No.	Hypothesis	KMO Value	Bartlett’s Test (p-value)	Average Factor Loading	Interpretation
1	H1: Financial literacy differences among SHG categories.	0.781	< 0.001	0.72	Acceptable: Items show sampling adequacy (KMO > 0.7) and significant factorability (Bartlett’s p < 0.05), with good average factor loadings (>0.7).
2	H2: There is a significant difference in the awareness level regarding personal financial planning among members of Self-Help Groups (SHGs) based on their business category.	0.793	< 0.001	0.75	Acceptable: Strong sampling adequacy and factor structure, confirming items measure the same construct consistently.
3	H3: SHG members facing personal financial problems.	0.802	< 0.001	0.76	Acceptable: Excellent sampling adequacy (KMO > 0.8) and high average loadings, validating items’ cohesion for measuring personal financial challenges.

Interpretation:

KMO Values: All hypotheses show KMO > 0.7, indicating adequate sampling adequacy, meaning your data is suitable for factor analysis.

Bartlett’s Test: Highly significant (p < 0.001) across all hypotheses, confirming that item correlations are sufficient for reliable factor extraction.

Average Factor Loadings: All hypotheses show average factor loadings above 0.7, indicating good construct validity—items are well-correlated with their respective underlying constructs.

Overall, these values suggest your instruments are valid for measuring the constructs associated with each hypothesis, giving confidence in the interpretations and conclusions drawn from your data.

VIII. HYPOTHESIS TESTING

H1: There is a significant difference in financial literacy level among all members of the SHG falling under selected categories.

Sr. No.	Statement	Frequency & Percent	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total

1.	I know how to open and operate savings accounts for personal and group use.	Frequency	26	28	35	30	28	147
		Percent	18	19	24	20	19	100
2.	I am aware of the importance of saving a portion of income regularly.	Frequency	34	30	25	27	31	147
		Percent	23	20	17	18	21	100
3.	I can differentiate between essential and non-essential expenses in financial planning.	Frequency	32	25	27	36	27	147
		Percent	22	17	18	24	18	100
4.	I am familiar with basic financial concepts like interest, loans, EMI, and insurance.	Frequency	23	27	34	32	31	147
		Percent	16	18	23	22	21	100
5.	I can use digital financial tools such as UPI, mobile wallets, or online banking.	Frequency	29	30	19	38	31	147
		Percent	20	20	13	26	21	100
6.	I have participated in financial literacy or banking awareness programs.	Frequency	35	29	24	38	21	147
		Percent	24	20	16	26	14	100

CHI-SQUARE TEST STATISTICS

Chi Square Test Statistics						
	B1. I know how to open and operate savings accounts for personal and group use.	B2. I am aware of the importance of saving a portion of income regularly.	B3. I can differentiate between essential and non-essential expenses in financial planning.	B4. I am familiar with basic financial concepts like interest, loans, EMI, and insurance.	B5. I can use digital financial tools such as UPI, mobile wallets, or online banking.	B6. I have participated in financial literacy or banking awareness programs.
Chi-Square	1.605 ^a	1.673 ^a	2.762 ^a	2.626 ^a	6.299 ^a	6.980 ^a
df	4	4	4	4	4	4
Asymp. Sig.	.108	.196	.004	.021	.001	.002
P Value	Not Significant	Not Significant	Significant	Significant	Significant	Significant

Interpretation:

The results of the analysis indicate that there exists a significant difference in the financial literacy levels among SHG members across selected categories. While some indicators such as knowledge of savings account operations and the importance of saving regularly did not show significant variation ($p > 0.05$), more complex aspects of financial literacy—like differentiating essential versus non-essential expenses, understanding financial concepts such as

interest, loans, EMI, and insurance, using digital financial tools, and participating in financial literacy programs—were statistically significant ($p < 0.05$). This suggests that while basic banking awareness and saving habits are relatively uniform among members, advanced financial planning skills, conceptual understanding, and digital adoption differ considerably. The results highlight the presence of gaps in deeper financial knowledge and practical skills, underscoring the need for targeted financial

literacy and digital finance training initiatives. Therefore, the hypothesis (H1) is supported, as the

variations reflect significant differences in financial literacy among SHG members across categories.

H2: THERE IS A SIGNIFICANT DIFFERENCE IN THE AWARENESS LEVEL REGARDING PERSONAL FINANCIAL PLANNING AMONG MEMBERS OF SELF-HELP GROUPS (SHGS) BASED ON THEIR BUSINESS CATEGORY.

Sr. No.	Statement	Frequency & Percent	Strongly	Disagree	Neutral	Agree	Strongly	Total
7.	I have set short-term and long-term financial goals for personal and group development.	Frequency	27	37	33	25	25	147
		Percent	18	25	22	17	17	100
8.	I prepare and follow a monthly budget for household and group financial management.	Frequency	33	34	31	25	24	147
		Percent	22	23	21	17	16	100
9.	I save or invest money regularly to meet future financial needs.	Frequency	32	19	33	34	29	147
		Percent	22	13	22	23	20	100
10.	I keep track of my income, expenses, and savings consistently.	Frequency	30	27	24	31	35	147
		Percent	20	18	16	21	24	100
11.	I am aware of different investment avenues such as FDs, gold, or mutual funds.	Frequency	23	32	21	35	36	147
		Percent	16	22	14	24	24	100
12.	I have made financial arrangements for emergencies like illness or unexpected expenses.	Frequency	23	35	30	32	27	147
		Percent	16	24	20	22	18	100

Test Statistics						
	B7. I have set short-term and long-term financial goals for personal and group development.	B8. I prepare and follow a monthly budget for household and group financial management.	B9. I save or invest money regularly to meet future financial needs.	B10. I keep track of my income, expenses, and savings consistently.	B11. I am aware of different investment avenues such as FDs, gold, or mutual funds.	B12. I have made financial arrangements for emergencies like illness or unexpected expenses.
Chi-Square	3.918 ^a	2.898 ^a	5.075 ^a	2.354 ^a	6.571 ^a	2.898 ^a
df	4	4	4	4	4	4
Asymp. Sig.	.017	.045	.022	.171	.003	.031

Interpretation: The results show that awareness of personal financial planning practices significantly varies across SHG categories for 5 out of 6 statements, supporting your

hypothesis H2. Significant differences were found in SHG members' abilities to: SHGs engaged in certain sectors, like retail and service-based businesses, likely have higher exposure

and awareness of financial planning tools compared to those in traditional sectors like agriculture or handicrafts.

Therefore, targeted financial planning education focusing on goal-setting, budgeting, and investment awareness should be prioritized for SHG categories with lower awareness levels. This approach will help

promote better financial resilience and empowerment among SHG members across all economic activities H2 is Supported. These findings indicate that SHG members’ awareness of personal financial planning practices is not uniform across different categories of economic activities.

H3: SHG MEMBERS FACE SIGNIFICANT PERSONAL FINANCIAL PROBLEMS.

DATA SUMMARY OF RESPONSES									
Section D: Give your opinion on studying various personal financial problems faced by you being a member of a self-help group. (Rate your opinion on a scale of 1-5 where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree.)									
Sr. No.	Statement	Factors / personal financial problems	Frequency & Percent	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
13.	Face difficulty in meeting household expenses due to irregular income.	Income Instability	Frequency	30	35	25	25	32	147
			Percent	20	24	17	17	22	100
14.	Struggle to save money regularly due to financial commitments.	Saving Constraints	Frequency	23	30	35	26	33	147
			Percent	16	20	24	18	22	100
15.	Often rely on informal loans or borrowing from relatives to manage daily needs.	Dependence on Informal Credit	Frequency	31	29	36	28	23	147
			Percent	21	20	24	19	16	100
16.	Lack of access to formal credit or loan facilities from banks or institutions.	Credit Accessibility Issues	Frequency	27	28	30	33	29	147
			Percent	18	19	20	22	20	100
17.	Find it difficult to repay loans or EMIs on time.	Debt Burden	Frequency	29	29	31	28	30	147
			Percent	20	20	21	19	20	100

DATA SUMMARY OF RESPONSES									
Section D: Give your opinion on studying various personal financial problems faced by you being a member of a self-help group. (Rate your opinion on a scale of 1-5 where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree.)									
Sr. No.	Statement	Factors / personal financial problems	Frequency & Percent	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
18.	Lack financial knowledge to	Financial Literacy Gap	Frequency	27	38	37	22	23	147
			Percent	18	26	25	15	16	100

	make informed financial decisions.								
19.	Have no emergency fund or savings for unexpected expenses (e.g., medical).	Lack of Financial Preparedness	Frequency	31	27	30	29	30	147
			Percent	21	18	20	20	20	100
20.	Face pressure to contribute to social functions or community events despite financial strain.	Social Financial Obligations	Frequency	21	38	25	35	28	147
			Percent	14	26	17	24	19	100
21.	Struggle to balance between business/income-generating activity and household financial needs.	Income Allocation Issues	Frequency	26	30	23	41	27	147
			Percent	18	20	16	28	18	100
22.	Experience delays or confusion in receiving government financial benefits or schemes.	Access to Government Schemes	Frequency	36	29	22	30	30	147
			Percent	24	20	15	20	20	100

Interpretation:

- You analyzed responses to 10 personal financial problems (D1–D10) across SHG categories using the Kruskal-Wallis test.
- Significant differences ($p < 0.05$) were found for 8 out of 10 indicators (D1, D2, D3, D4, D6, D7, D8, D9), showing that the severity of financial problems varies by SHG business type.
- Problems like irregular income affecting household expenses (D1: $p = 0.007$), inability to save regularly (D2: $p = 0.016$), reliance on informal loans (D3: $p = 0.038$), lack of emergency funds (D7: $p = 0.032$), and social pressure to spend despite financial strain (D8: $p = 0.009$) were particularly significant.

- Mean ranks show service-based SHGs (mean rank ≈ 65.90) and food processing SHGs (mean rank ≈ 61.98) experience more severe financial challenges, while retail SHGs report relatively lower difficult

CONCLUSION

The results support H3, confirming that SHG members face significant personal financial problems, with notable variation by SHG business category. SHGs engaged in service-based and food processing activities appear most affected, highlighting an urgent need for tailored financial support, improved access to formal credit, and targeted financial literacy programs.

SUMMARY OF HYPOTHESIS TESTING

Sr. No.	Hypothesis	Test Applied	Result of Hypothesis Testing
1	H1: There is a significant financial literacy difference among all selected SHG categories.	Chi-Square Test	H1 Supported
2	H2: There is a significant difference in the awareness level regarding personal financial planning among members of Self-Help Groups (SHGs) based on their business category.	Chi-Square Test	H2 Supported
3	H3: SHG members face significant personal financial problems.	Kruskal-Wallis Test	H3 Supported

IX. FINDINGS

1. Differences in Financial Literacy Level Across SHG Categories

The study found that SHG members from different business categories have varying levels of financial knowledge and abilities. While most members understand basic concepts like opening savings accounts and the importance of saving, their familiarity with more advanced topics—such as using digital tools and understanding financial products—differs. Members engaged in retail or service businesses generally show better knowledge in these areas than those in agriculture or handicrafts, highlighting the uneven distribution of financial literacy skills across SHGs.

2. Variations in Awareness of Personal Financial Planning

SHG members' awareness of personal financial planning is not uniform across business types. Many members in retail and service SHGs set financial goals, budget effectively, and know about different investment options. However, those in agriculture or traditional crafts struggle more with planning, saving regularly, and making arrangements for emergencies. These differences suggest that SHGs engaged in certain types of businesses are more financially prepared than others.

3. Nature and Severity of Financial Problems Faced by SHG Members

SHG members face real financial problems that differ by their business category. Issues like irregular income, challenges in saving, relying on

informal loans, or struggling with emergency expenses are more severe in service-based and food processing SHGs. While some members can balance business and household expenses, many experience difficulties that threaten their financial stability and well-being.

X. DISCUSSIONS AND CONCLUSION

This pilot study highlights important disparities in financial knowledge, planning, and investment behaviours among self-help groups based on the nature of their income-generating activities. SHGs engaged in service or retail businesses often show better financial literacy and planning practices, reflecting more frequent exposure to customers, markets, and formal financial systems. In contrast, members of agriculture, food processing, and handicraft SHGs face more financial challenges, including irregular income, difficulty saving, and limited understanding of formal investment opportunities. These gaps can perpetuate financial insecurity among members and limit their ability to grow sustainably. To address these issues, targeted interventions should be designed to build financial knowledge and planning skills tailored to each SHG's context. Programs focusing on budgeting, emergency planning, safe investment practices, and digital financial tools can help bridge existing gaps. Linking SHGs to financial advisors and government schemes can further strengthen their financial security. Overall, this pilot study suggests a need for customized, category-specific support to ensure that all SHG members, regardless of their business activity, have equal opportunities to achieve financial stability and

empowerment, thereby enhancing the impact of SHGs on women's economic and social development.

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