

A Study on Financial Literacy of Working Women with Special Reference to Shivamogga City

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Abstract—Financial literacy plays a vital role in the management of financial resources; it is the understanding of how money is earned, spent, saved, and invested. Financial literacy comprises financial knowledge, attitude, and behaviour of a person towards management of money. This paper aims to study the financial literacy of working women in Shivamogga city, Karnataka. The relationship between age and education level and level of financial literacy. The study is based on quantitative analysis and the convenience sampling method used. A questionnaire was used to collect the data from 102 women working in Shivamogga and analysed using financial scores. The study found that financial literacy among working women is an average of around 30%. The financial literacy of working women shows that the 25-40 years and above 55 years age groups of respondents are more financially literate. The majority of the undergraduate working women are more financially literate than other education levels. The financial literacy of respondents residing in urban areas is comparatively higher than that of respondents in semi-urban areas. Suggestions are that the banks, government agencies, financial institutions, and NGOs are conducting awareness programs and events. It suggests that they also use the internet and social media platforms. The women also take a step to learn basic financial knowledge through literacy programs and additional courses along with regular education. It is a suggestion to the education department, universities, and educational institutions to frame the curriculum to include basics of finance.

Index Terms—age, education, financial knowledge, financial literacy, working women.

I. INTRODUCTION

Financial literacy refers to a person's literacy about financial events. Financial literacy is a combination of financial knowledge, skills, attitude, and behaviour to manage finance and make financial decisions. According to the Global Financial Literacy Excellence Centre report, 24% of the Indian population is financially literate, and the National Centre for Financial Education (NCFE) final report 2019 shows the average financial literacy rate is 27%. Financial literacy is vital for an individual to manage their money and take wise financial decisions. Financial literacy has become a part of every person. The majority of the household expenses are managed by the women in the family, and they are also part of the financial decisions taken in the family. It is essential for women to have literacy about finance and how to manage their earnings, spending, savings, and investment in an effective manner to achieve their financial goals. The financial goals may be the purchase of a site, construction of a home, amount for children's education and marriage, retirement life, etc. The working women are capable of earning income every month, and they have some financial goals; the financial literacy is more important for them to attain their goals by managing their finances.

II. REVIEW OF LITERATURE

A review of literature is the study of previous papers and journals on a specific topic or subject in order to gain insight or understanding. It is useful to understand the topics covered in earlier studies and to identify

gaps for future research or to offer something new to the existing body of knowledge.

BASU (2022) Evaluated the level of financial literacy and analysed the factors to improve the financial literacy of the university students of West Bengal. This study based on deductive approach and descriptive research design used for the study. They conclude that financial literacy is crucial for managing personal financial effectiveness, including savings, insurance, real estate, college payments, budgeting, retirement, and tax planning. India's average financial literacy rate is 27%, with 21% of the population in West Bengal being financial literate. Higher educational institutions promote finance subjects, leading to increased financial education and growth. Enhancing financial education in developing countries like India can ensure lifetime financial well-being and contribute to the nation's economic and financial condition.

VIJAYAN (2022) studied the level of financial literacy and factors influencing financial literacy among working women in MSMEs in Kottayam City, Kerala. The data was collected from 100 working women through a questionnaire and the data was analysed by ANOVA and the chi-square test. The study reveals that the women have basic knowledge about insurance and securities; still, some of them are unaware. The most of the women were part of the financial decisions for the family, but they did not have the freedom to spend. Further, they found that there is a significant relationship between income level and financial literacy, and there is no association between education level and factors influencing on financial decisions.

ROESPINOEDJI ET AL. (2021) examined the level of financial literacy among employees at the National Defence University of Malaysia (NDUM). Here, age, level of financial literacy, marital status, education level, and type of job are considered determinants for the study. The data was collected from 150 respondents, and a chi-square test was used for analysis. The study found that the relationship between education qualification and financial literacy is high, so education qualification is the most influential factor. The relationship between factors such as age, marital status, and financial literacy is not significant, and the analysis performed is inappropriate.

PANDEY ET AL. (2020) identifies the various factors influencing the financial literacy level among the people of rural areas in India and aims to improvement of wellbeing among rural households through increase in financial literacy level. Here, researchers used five constructs namely, financial education, financial behaviour, financial attitude, financial inclusion, and financial literacy. For the study purpose, sample taken from the 334 respondents selected from the rural areas of Jharkhand and Bihar. The researchers collected data through structured questionnaire and data analysed by using Smart PLS 2.0. The study found that financial literacy is highly influenced by two factors financial education and financial inclusion. They suggest that conduct the financial education awareness programme and various programs for financial inclusion to increase the financial literacy in positive way.

DEWI ET AL. (2020) analysed the level of financial literacy and its variables in the academic community of Indonesia. They considered financial knowledge, skills, behaviour, experience, awareness, capability, goal, and financial decisions as variables for the study. The data was collected through a questionnaire from the 889 lecturers in Indonesia by using a quantitative survey, and the data was analysed using SEM. The results found that there is a relationship between financial literacy and its variables, and there is a need to improve the knowledge, skills, and awareness of lecturers on managing their money and financial decisions. Financial literacy leads to rationality in financial decision-making, regular savings, and charitable donations. The study's findings should interest policymakers in shaping financial literacy to achieve financial goals and promote positive financial behaviour.

RAI ET AL. (2019) studied an association of financial knowledge, financial behaviour, and financial attitude towards financial literacy among working women in Delhi, India. The study used a descriptive research design and convenience sampling methods for data collection. The data collected using an online structured questionnaire from 394 respondents working in both public and private organisations and analysed using goodness-of-fit is determined by analysis of moments structures (AMOS) by applying structural equation modelling (SEM) and path analysis used for hypothesis testing. The study found that

financial attitude and behaviour have a significantly positive influence on financial literacy. In addition to that, women have less financial knowledge, and financial knowledge is not significantly associated with financial literacy.

KHAN ET AL. (2019) investigated the advanced financial literacy of generation Y investors in Malaysia. They examined whether literacy varies across demographics and ethnicities and how financial literacy is related to investing decisions. They adopted the survey method to collect data from 231 respondents, and estimations of crosstab, ordered logistic regression, and binary logistic regression were used for analysis. The study found that generation Y investors have a medium level of advanced financial literacy and that investors with certain demographics and ethnicities have a relatively higher level of financial literacy. Further, knowledge of stocks and the riskiness of investment instruments leads to efficient investment decisions and improves portfolio performance for generation Y investors. There is scope to improve Gen Y investors' financial literacy by concentrating on certain socio-demographic groups and specific financial literacy items.

YASHASVI ET AL. (2019) assessed the financial literacy level and saving pattern of women in Bangalore city. Researchers used random sampling to select the sample of 101 respondents with the help of a structured questionnaire via personal interview. The study found that most of the women's financial literacy is low, and risk-bearing capacity is also low due to a lack of sound financial knowledge. Further, women focused on some investment avenues, namely bank and post office fixed deposits, and they suggest that women should be more knowledgeable about investment avenues.

JAYARAMAN AND JAMBUNATHAN (2018) measured the financial literacy level among high school students in India. The survey was conducted in Chennai and Madurai in Tamil Nadu, with a sample size of 608 high school students in grades 10, 11, and 12. They analysed data using the percentage correct score (PCS) and ANOVA. The results of the analysis showed that the level of financial literacy is low compared to developed countries. Commerce and economics pursuing students have a higher level of

financial literacy than science students, but in spite of their high level of financial literacy, they were unable to transfer knowledge to do financial computations. Further, financial literacy was influenced by parental involvement and understanding of the societal and macroeconomic impacts of financial literacy.

SHETKAR AND MUNOLI (2016) studied the financial literacy and factors influencing financial literacy of women in Bidar city, Karnataka. For this purpose, a random sampling method was employed to select the sample of 68 working women using a structured questionnaire and analysed using percentage and cross-factor analysis. The study found that the financial literacy of the working women is average because they have some basic financial knowledge. Further, they suggest that banks and financial institutions promote financial education among working women through social media.

III. RESEARCH GAP

In the above review of literature, many studies conducted on the level of financial literacy and other factors are considered in different regions of the country and various countries of the world. But none of the studies covered working women as respondents and Shivamogga city as a study area. In this backdrop, this study focuses on the financial literacy of the working women in Shivamogga.

IV. OBJECTIVE

The objective of this study is to examine the level of financial literacy among working women in Shivamogga and to analyse the financial literacy level on the basis of demographical factors (Age, Education Level, and Location).

V. SCOPE

The study is confined to measuring the financial literacy and to analysing the financial literacy level on the basis of demographical factors, namely age, educational qualification, and location. The present study selected 102 respondents, comprising only women working in various occupations in Shivamogga for data collection, and the study area covers only Shivamogga city.

VI. METHODOLOGY

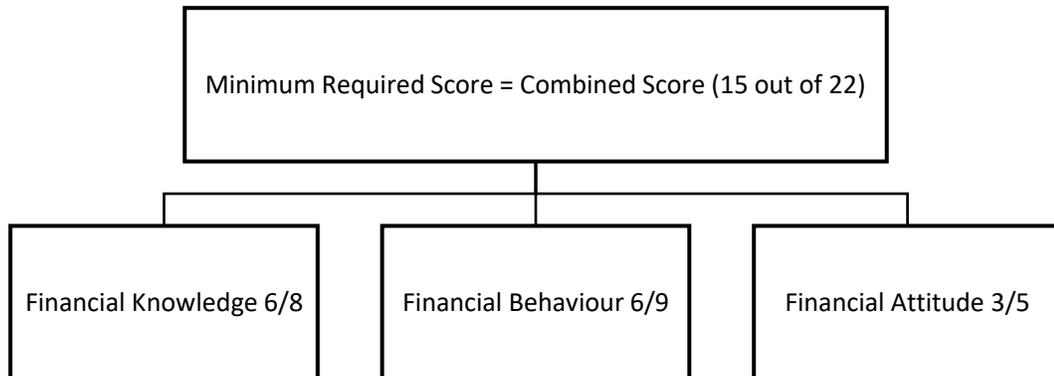
The study is based on quantitative and descriptive research. The study used both primary data and secondary data. primary data collected from the respondents for analysis and secondary data sources include articles, journals, books, and websites used for literature review. The sample size of 102 respondents is selected using the convenience sampling method and a structured questionnaire (Google Form) is employed to collect data from working women in Shivamogga. The data analysed and presented with the help of frequencies, percentages, and financial scores.

Economic Cooperation and Development (OECD) toolkit, responses to the questions corresponding to the indicators of financial literacy (FL) are regarded as negative or positive (sometimes graded positive). For quantifying negativity and positivity, negative responses are assigned a score of '0' each, and the positive responses are assigned a score of '1' each. The aggregate score can be adding the scores of all respondents corresponding to each of the questions under every indicator for financial literacy.

a person is regarded financial literate if he/she has a combined score of at least 15 out of 22 with a minimum of 6 in financial knowledge, 6 in financial behaviour, and 3 in financial attitude

MEASURING FINANCIAL LITERACY

For the purpose of measuring the financial literacy of working women, used financial literacy scores. As per the methodology prescribed in the Organisation for



SOURCE: NCFE FINAL REPORT 2019.

VII. RESULTS AND DISCUSSION

This part includes results of the data collected from respondents, presented in the form of table with the help of frequency and percentages, interpretation of the data about the financial knowledge, financial behaviour, financial attitude and financial literacy of the respondents discussed below of the table.

TABLE NO. 1: DEMOGRAPHICAL PROFILE OF THE RESPONDENTS

Demographical Factors	Variables	Responses	Percentage
Age	Below 25 years	8	7.84%
	25-40 years	55	53.92%
	40-55 years	29	28.43%
	Above 55 years	10	9.80%
	Total	102	100.00%
Education Level	Up to SSLC	8	7.84%
	PUC/ITI/Diploma	18	17.65%
	Under-Graduate	30	29.41%
	Post-Graduate	46	45.10%
	Total	102	100.00%
Occupation	Private Employee	51	50.00%
	Government Employee	35	34.31%
	Agriculture Labor	7	6.86%
	Self Employed	9	8.82%
	Total	102	100.00%
Monthly Income	Below ₹20,000	12	11.76%
	₹20,000-40,000	42	41.18%
	₹40,000-60,000	28	27.45%
	₹60,000-80,000	12	11.76%
	Above ₹80,000	8	7.84%
	Total	102	100.00%
Location	Urban	66	64.71%
	Semi-urban	36	35.29%
	Total	102	100.00%
Marital Status	Married	60	58.82%
	Single	42	41.18%
	Total	102	100.00%

SOURCE: SURVEY DATA

Table 1 represents the demographic profile of respondents. Out of 102 respondents, the majority (53.92%) of the respondents belong to the age group between 25-40 years, and the least 7.84% of them belong to the 40-50 years of age group. The educational level of the respondents shows that a maximum of 45.10% of them are postgraduates, and 29.41% of the respondents are graduates. The majority, 50% of the respondents are working in the private sector, and 6.86% are working in the agriculture sector. The monthly income of the majority of the respondents 41.18%, and minimum is 7.84% of the respondents between ₹20,000-40,000 and above ₹80,000, respectively. Most of the respondents, 64.71%, are residing in urban areas, and the remaining 35.29% are living in semi-urban areas. Further 58.82% are married, and the remaining 41.18% are single.

TABLE NO. 2: FINANCIAL LITERACY OF THE RESPONDENTS AGE-WISE

Age-wise	Financial Knowledge (8)		Financial Behaviour (9)		Financial Attitude (5)		Financial Literacy (22)	
	> = 6 Points		> = 6 Points		> = 3 Points		> = 15 Points	
Below 25 years	5	62.50%	4	50.00%	7	87.50%	2	25.00%
25-40 years	26	47.27%	30	54.54%	48	87.27%	16	29.09%
40-55 years	12	41.37%	15	51.72%	26	89.65%	8	27.58%
Above 55 years	4	40.00%	5	50.00%	9	90.00%	3	30.00%

SOURCE: SURVEY DATA

Table 2 represents the financial literacy of the respondents on the basis of age. Financial knowledge and financial behaviour belong to the age group 25-40 years, with 47.27% and 54.54%, respectively. In financial attitude, the majority of the respondents', 90%, belong to the Above 55 years age group. The

financial literacy of respondents shows that the 25-40 years and above 55 years age groups of respondents are more financially literate. It can be inferred that the 25-40 years old age group of respondents is more financially literate than others because they have a majority of financial knowledge, behaviour, and literacy level.

TABLE NO. 3: FINANCIAL LITERACY OF THE RESPONDENT'S EDUCATION-WISE

Education-wise	Financial Knowledge (8)		Financial Behaviour (9)		Financial Attitude (5)		Financial Literacy (22)	
	> = 6 Points		> = 6 Points		> = 3 Points		> = 15 Points	
Up to SSLC	3	37.50%	4	50.00%	7	87.50%	2	25.00%
PUC/ITI/Diploma	8	44.44%	10	55.55%	15	83.33%	5	27.77%
Under-Graduate	24	80.00%	17	56.67%	26	86.67%	11	36.67%
Post-Graduate	33	71.73%	27	58.69%	38	82.61%	16	34.78%

SOURCE: SURVEY DATA

Table 3 shows the financial literacy level of the respondents on the basis of education. The undergraduate respondents have more financial knowledge (80%), and the financial behaviour of post-graduate respondents is better than others, and the financial attitude of SSLC-completed respondents is

better than others. The majority (36.67%) of the respondents' undergraduates have more financial literacy than others. It can be interpreted that more educated respondents are not financially literate, and financial literacy is not measured on the basis of the educational qualifications of the respondents.

TABLE NO. 4: FINANCIAL LITERACY OF THE RESPONDENT'S LOCATION-WISE

Location	Financial Knowledge (8)		Financial Behaviour (9)		Financial Attitude (5)		Financial Literacy (22)	
	> = 6 Points		> = 6 Points		> = 3 Points		> = 15 Points	
Urban	38	57.57%	37	56.06%	57	86.36%	22	33.33%
Semi-Urban	17	47.22%	19	52.77%	32	88.88%	10	27.77%

SOURCE: SURVEY DATA

Table 4 represents the financial literacy of the respondents on the basis of location. The financial knowledge and financial behaviour of urban

respondents are more than semiurban. Semi-urban respondents' financial attitude is better than urban respondents. The majority, 33.33% of the urban respondents and 27.77% of semi-urban respondents,

are financially literate. The financial literacy of the urban respondents is ahead compared to semi-urban. The respondents residing in urban areas are more

accessible to quality education, and technological advancement may be a reason for being more financially literate.

TABLE NO. 5: FINANCIAL LITERACY OF THE RESPONDENTS

Factors	Minimum Points	Number of Respondents	Percentage (%)
Financial Knowledge (8)	> = 6 Points	46	45.10%
Financial Behaviour (9)	> = 6 Points	44	43.14%
Financial Attitude (5)	> = 3 Points	91	89.21%
Financial Literacy (22)	> = 15 Points	30	29.41%

SOURCE: SURVEY DATA

Table 5 shows the level of financial knowledge, behaviour, attitude, and overall financial literacy of the respondents with the help of scores. Out of the total respondents, 45.10% of the respondents have above 6 points, indicating they have better financial knowledge. 43.14% of respondents have good financial behaviour because their score is more than 6 points, and 89.21% of the respondents showing good financial attitude score more than 3 points. By combining three indicators of financial literacy, only 29.41% of the respondents' financial literacy scored above 15 points. It indicates the overall financial literacy of the women is good. It can be inferred that 29.41% (30 respondents) of the working women have good financial literacy out of the total respondents; still, the majority of the working women have a lack of financial literacy, and they face difficulties managing their finances in an effective manner.

VIII. CONCLUSION

Financial literacy has become a part of everyone's life because it is requisite for effective management of finance. The study shows that financial literacy among working women is an average of around 30%. The financial literacy of working women shows that the 25-40 years and above 55 years age groups of respondents are more financially literate. The majority of the undergraduate working women are more financially literate than other education levels. The financial literacy of the respondents who are residing in urban areas is comparatively more than in semi-urban areas. It can be inferred that even though the literacy rate is good among women, educated women also fail to manage their finances properly. All literates are not financially literate; there is a need to enhance

the financial literacy among women; it will help them make sound financial decisions.

The banks, government agencies, financial institutions, and NGOs are conducting awareness programs and events. It suggests that they also use the internet and social media platforms. The women also take a step to learn basic financial knowledge through literacy programs and additional courses along with regular education. It is a suggestion to the education department, universities, and educational institutions to frame the curriculum to include basics of finance. It will help an individual to learn the basic financial knowledge at an early age; it will guide them for financial management for rest of their life.

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