

A STUDY ON FINANCIAL LITERACY OF WORKING WOMEN IN MSMEs WITH SPECIAL REFERENCE TO KOTTAYAM CITY

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ABSTRACT

Financial Literacy involves both concept and application. There are several factors that influence the financial literacy among the individuals. Women have lower financial literacy levels than men in both developed and developing countries. Including women in the financial mainstream and making them financially literate are among the most important action areas. The aim of this paper is to study the level of financial literacy among working women in MSMEs and to identify the factors influencing the financial literacy. The study is conducted in Kottayam city of Kerala state and primary data has been collected through questionnaire for this study. The collected data were analysed through ANOVA and Chi-square test. The study reveals that most of the women have basic knowledge about LIC, health insurance but some of them are still unaware about it. Most of the women actively participate in the financial decision for the family and they don't have the freedom to spend the money they earned. They have limited knowledge about the securities. Thus, they should attend financial management courses, workshops etc. to know about the other investment option.

KEYWORD: Financial literacy, MSME's, Working women,

INTRODUCTION

Financial Literacy means the capability to make effective decisions regarding the use of money. Financial Literacy involves both concept and application and these two ends are tough to bring together in reality. It means that people should not only know financial planning concepts but should be capable of applying them in their day-to-day transactions. There are several factors that actually influence the financial literacy among the individuals and one such prominent factor is 'Gender'. Women have lower financial literacy levels than men in both developed and developing countries, except Hungary.

Working women were chosen because they earn money and have right to utilise their money on their development. It is difficult to fathom an equal world without empowering women with equal social and economic opportunities. Including women in the financial mainstream and making them financially literate are among the most important action areas. Economically empowered women are able to enjoy wellbeing and also help in increasing productivity, economic growth, reducing poverty and enhancing efficiency.

REVIEW OF LITERATURE

Blessy Roy (2018) The study elaborates on the financial literacy of the women in the financial sector of Jaipur. The main purpose of the paper is to enhance better and impactful understanding of the subject so as the economy as a whole can attain the benefits in the growth prospects. The financial literacy level of women is based on their financial knowledge, attitude and behavior. The outcome shows that the general alertness in relation to the techniques and planning tools related to the finance among women are in the current scenario is still not satisfactory.

Abdul Haque (2016) The purpose of this study is to highlight the key constructs including financial literacy, financial attitude, financial wellbeing and economic empowerment and then present the impact of financial literacy, financial attitude and financial wellbeing on the economic empowerment. The sample size of this survey based study consists of 300 working women from non-financial sector. The results of this study indicate that financial literacy, financial attitude and financial wellbeing are positively and significantly related to economic empowerment.

Thanvi Sebastian (2016) has conducted a study on financial literacy among professional women. The objective of the study is to evaluate the level of financial literacy among professional women and to find the popular and most preferred instrument. A structured closed ended questionnaire was given to working women in Kochi to judge the level of financial literacy. During the survey, it was indicated that the most preferred investment vehicle for women is SIP. Since a majority of them are medium risk takers, proper education needs to be provided to them regarding these SIP investments. It is recommended that women do create a demat account and start using them effectively as it is a hassle-free instrument for managing various investments.

Ms.Priyanka Agarwal (2017) The growth of the development of any country depends on its financial system. For achieving the goal of the financial system, there is one accurate solution which is financial literacy. The relationship between financial literacy and financial inclusion is interrelated. The objectives of this paper are to Study the initiative taken by Financial Regulators in India and to provide future plan for increasing financial literacy among people through proposed School level Curriculum. The conclusion of this paper is that if we add the basic topic in school level curriculum then this will automatically enhance the investment behavior of people and will ultimately results in financial wellbeing of individuals.

OBJECTIVES

1. To study the level of financial literacy among working women in MSMEs.
2. To identify the factors influencing the financial literacy.

HYPOTHESIS

H₀: There is no significant relationship between income level and financial literacy of working women.

H₁: There is a significant relationship between income level and financial literacy of working women.

H₀: There is no association between educational level and factors influencing financial decisions.

H₁: There is an association between educational level and factors influencing financial decisions.

2.4 STATEMENT OF PROBLEM

Low level of financial literacy can lead to financial decisions that can have adverse effects on the financial health of an individual. There are various surveys carried out throughout India about the financial literacy among women. Working women are considered as financially literate and have positive financial attitude. No much studies have been conducted about the financial literacy level of working women in MSMEs especially in the area of Kottayam municipality. This study therefore sought to evaluate the level of financial literacy among working women in MSMEs in Kottayam municipality.

2.5 SCOPE OF THE STUDY

Financial literacy and proper financial attitude are essential for financial wellbeing and economic empowerment of individual. Money and effective management of money is crucial for better livelihood and wellbeing. Working women are considered as financially literate and have positive financial attitude. In today's world, women are also consuming financial products and services. Economic empowerment is significantly and positively related with financial literacy. Economically empowered women are able to enjoy wellbeing and also help in increasing productivity, economic growth and enhancing efficiency.

2.8 RESEARCH METHODOLOGY

➤ Area of study

This study is conducted in Kottayam city of Kerala state.

➤ Period of study

The period of study is 3 months.

➤ Sample size

The sample size of the study is 100 respondents.

➤ Data collection

Primary data has been collected through questionnaire among the population in Kottayam city.

➤ Data analysis

Anova test and Chi-square tools are the tools have been used for this study.

DATA ANALYSIS

Chi-Square Tests On Income Level And Financial Literacy

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Chi square test on income level and financial literacy (LIC)	97.559	9	0.000
Chi square test on income level and financial literacy (Health Insurance)	9.771	9	0.369
Chi square test on income level and financial literacy (Other General Insurance)	38.037	9	0.000
Chi square test on income level and financial literacy (stock exchange)	115.885	9	0.000
Chi square test on income level and financial literacy (mutual funds)	101.587	9	0.000
Chi square test on income level and financial literacy [Securities (Shares, debentures)]	104.752	9	0.000

As the P value is less than 0.05, the alternate hypothesis was accepted and rejected the null hypothesis except for health insurance. Hence, it means there is a significant relationship between income level and level of financial literacy of working women except health insurance.

Relationship between educational level and factors influencing financial decisions. –

result of ANOVA test

	Sum of Squares	df	Mean Square	f	Sig.
	0.064	2	0.032	0.220	0.803
	14.046	97	0.145		
	14.110	99			

It	My financial decision is influenced by the following factors. [High returns]	0.593	2	0.296	0.439	0.646
		65.407	97	0.674		
		66.000	99			
		1.144	2	0.572	0.457	0.634
		121.26	97	1.250		
		122.440	99			
		1.164	2	0.582	0.338	0.714
		166.836	97	1.720		
		168.000	99			
		0.508	2	0.254	1.141	0.324
		21.602	97	0.223		
		22.110	99			

shows the result of the one-way anova administrated on the data at 5% significant level. As the P value is more than 0.05 in all the cases, the null hypothesis was accepted in favour of alternate hypothesis.

CONCLUSION

The study is undertaken to know the financial literacy of working women in MSMEs. The study reveals that most of the women have basic knowledge about LIC, health insurance but some of them are still unaware about it. Most of the women actively participate in the financial decision for the family and they don't have the freedom to spend the money they earned. They have limited knowledge about the securities. Thus, they should attend financial management courses, workshops etc. to know about the other investment option.

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