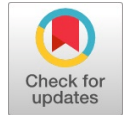


An Analysis of Financial Literacy among Working Indian Women

Kumari Priya, Panna Lal



Abstract: This study looks into working women's financial literacy in India. The survey looks on Indian women's knowledge of investing, savings, and insurance among other financial topics. A survey was distributed online to 500 working women of different ages and income levels as part of the study's quantitative research approach to gather data. The study's conclusions demonstrate that working women in India possess little to no financial literacy, with a very small proportion having enough knowledge of matters pertaining to money. The study also demonstrates the influence of a number of factors on women's financial literacy, including age, income, education, and work experience.

Keywords: Financial Behavior, Financial Attitude, Financial Literacy, and Financial Knowledge.

I. INTRODUCTION

One of the most important concerns facing our country is women's empowerment, which can only be achieved when the women in this country are autonomous, financially savvy, and educated. Financial literacy is the capacity to make prudent financial decisions (Beattie, V. (2019) [1][10]). A person with sound financial literacy can make wise choices and handle their finances well (Noctor et al., 1992). Women still rely on male family members to make financial decisions, despite the encouraging trend that women are now on par with men in all spheres of endeavour. Financial well-being is contingent upon an individual's possession of sufficient financial literacy, as it enables them to make well-informed financial decisions. Working women make up a sizable share of the workforce in India and have a major impact on the economic expansion of the nation (Bhushan, P., & Medury, Y. (2019) [2][11][12][13]). However, research indicates that women in India possess inadequate financial literacy, which could potentially affect their capacity to make sound financial decisions and their overall financial welfare. The purpose of this study is to investigate the financial literacy of Indian working women and the variables influencing their financial awareness.

The course will concentrate on topics like insurance, savings, and investments because they are essential for financial planning and decision-making. The study will employ a quantitative research approach, with data being gathered via an online survey that is disseminated to 500 working women from various age and income brackets. The survey will also look at where women go for financial guidance and how confident they are in their ability to make financial decisions on their own. It is anticipated that the study's conclusions will shed important light on the financial literacy of Indian working women and the variables influencing their understanding of money. The study's suggestions may contribute to working women's increased financial literacy, empowering them to make wise financial decisions and enhance their financial well-being.

Financial literacy requires both concept and application, and combining these two objectives in real life can be difficult. It suggests that in addition to having a working grasp of financial planning concepts, people should be able to use them in their day-to-day interactions. Even with their high levels of education and respected careers, Indian women still face difficulties when it comes to investing and financial planning (Chakraborty (2017) [3]). Financial planning and saving, investing, budgeting, and basic money management are some of the elements that make up the concept of financial literacy (Madhogaria, G., & Singh, A. K. (2018) [8]). According to a yearly Mastercard ranking designed to measure financial literacy, India comes in bottom place out of 16 countries in the Asia-Pacific area. In this study, we aim to assess the level of financial literacy among working women (Maheswaran, S., & Kumar, S. (2020) [4]). To assess the respondents' level of financial knowledge and attitude as well as their financial-related behaviours, it is critical to identify any potential needs and gaps related to the specific domains of financial literacy. In order to determine the degree of financial literacy among Indian women, we develop a questionnaire based on an OECD survey and distribute it to women employed in a variety of areas. To learn more about women's financial attitudes and behaviours, we collected data on their financial situation. Our study contributes to the corpus of prior research by assessing the degree of financial literacy among working women in Pune, the largest state in terms of territory in the Republic of India (Singhal, A., & Mehta, S. (2020) [5][14]).

Despite being one of the more culturally and economically developed states in India, women's position remains quite poor there. Women are generally not permitted to make social or financial decisions that have an impact on their family.

Manuscript received on 22 February 2024 | Revised Manuscript received on 05 March 2024 | Manuscript Accepted on 15 March 2024 | Manuscript published on 30 March 2024.

*Correspondence Author(s)

Kumari Priya*, Department of Business Administration, Magadh University, Bodh Gaya (Bihar), India. E-mail: kpriyaofficial1@gmail.com. ORCID ID: 0009-0000-9727-4400

Dr. Panna Lal, Department of Business Administration, Magadh University, Bodh Gaya (Bihar), India. E-mail: plalbhu@gmail.com

© The Authors. Published by Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP). This is an open access article under the CC-BY-NC-ND license <http://creativecommons.org/licenses/by-nc-nd/4.0/>

An Analysis of Financial Literacy Among Working Indian Women

The independence to manage their own finances is lacking in even working or otherwise income-generating women. Because working women are more likely to be well-educated and well-connected, and hence make better financial decisions, we limited the number of working women in our sample (Mian, M. A., & Narain, R. (2019) [6]).

II. OBJECTIVES

- To assess the financial literacy of Indian working women and determine the variables affecting their financial literacy.
- The study intends to shed light on the financial practices of Indian working women, the difficulties they encounter in handling their money, and possible strategies for improving their financial literacy.

A. Importance

- Gender inequality: Economic empowerment and financial well-being depend on having a solid financial literacy. However, gender-based discrimination is a common occurrence for women in India, which restricts their access to opportunities and financial resources. The study can be used to pinpoint the gaps in working women's financial literacy as well as offer solutions for closing the gender gap in this area.
- Economic development: India's economy cannot expand without the participation of women in the workforce. (Sharma, R., & Vohra, N. (2019) [9]). This can assist decision-makers in creating focused initiatives that support financial inclusion and economic growth.
- Financial education: To make wise financial decisions, one must be financially literate. The study can be used to pinpoint the areas in which working women are financially illiterate and offer recommendations for raising their level of knowledge. This has the potential to foster financial stability and the development of a financially informed community (Sharma, S., & Prasad, S. (2018) [7]).
- Social impact: The general well-being of people and families can be enhanced by financial literacy. The study can assist working women in reaching their financial objectives, managing their money more skillfully, and making better financial judgements. This has the potential to alleviate financial strain and enhance the standard of living for employed women and their families.

III. LITERATURE REVIEW

Over the last ten years, financial literacy has become increasingly important in both developed and developing nations. The Reserve Bank of India launched an initiative in 2007 to build Financial Literacy and Counselling Centres in order to provide financial education and counselling to both urban and rural communities throughout India. In a similar spirit, a council was founded in the US in 2008 with the goal of expanding access to financial services and offering financial education (Cole et al., 2009). Additionally, Indonesia is making efforts to increase financial literacy and accessibility to financial services in their country. Moon has agreed that a structured programme of financial education should start in elementary school and run through high school.

Previous research has examined the financial literacy levels of adults, seniors, and college students. Examples of these studies include work by Mandell (2008), Lusardi et al. (2010), Atkinson and Messy (2012), and others. These studies focused mostly on financial and investment management issues and employed the survey approach to gauge the audience's level of financial literacy. According to Lusardi & Mitchell (2008), women are more affected by low financial literacy than men are, and it seems that this is still the case today. Studies show that women are more likely than men to experience financial issues while making financial decisions. They also tend to be more concerned about the future, but lack the understanding on how to protect it (Anthes & Most, 2000). Women have different expectations when it comes to their financial attitudes because they are taught differently about investing possibilities and hold different opinions in general (Hira & Loibl, 2007). Furthermore, women struggle more than males to manage their money well and achieve financial independence. Women are more dependent on male family members for financial decisions, despite the fact that they contribute financially to their households. Furthermore, past studies show that women lack confidence in their ability to invest their money and are less likely to seek out financial education (Lusardi & Mitchell, 2008). Possible causes of this could be things like disparities in wealth (Anthes & Most, 2000); women being less exposed to the outside world than men; women having more family responsibilities and therefore less free time; etc. Regretfully, women are unaware of their financial decision-making till this age. In our country, eighteen is considered a mature age at which a woman can get married or vote. Hung et al. (2012) found that there exist gender inequalities in financial literacy, with women having poorer financial literacy and less confidence in their financial abilities than males. It is generally accepted that giving women financial education is now essential to achieving gender equality, given the poor status of women in the country. The International Network on Financial Education (INFE) and the Organisation for Economic Cooperation and Development (OECD) have recently emphasised the need for financial literacy to be advanced as part of financial education strategies. A person's level of financial literacy is determined by a number of characteristics, and these factors influence how they manage regular financial transactions and money-related issues. These determinants include sociodemographic traits including education, salary bracket, married status, residential location, gender, family income and dynamics, exposure to the outside world, retirement obligations, familiarity with financial instruments, etc. Many of these were considered by Agarwalla et al. (2012) when evaluating the financial literacy of Indian employees, retirees, and students. Financial literacy is significantly impacted by education, as Lusardi et al. (2012) have shown. His viewpoint is in line with that of Hubbard et al. (1994), who discovered that people with greater levels of education save more money than people with lower levels of education.



Educated investors are more likely to create greater returns and make more cautious investing decisions than less educated ones. According to Lusardi et al. (2012), a higher income and better education group may be able to achieve greater returns through increased financial and investment product literacy. Furthermore, based on Swedish data, Calvet et al. (2007) observed that portfolio returns differed across different educational categories.

Furthermore, a person's degree of financial understanding affects their ability to participate in the stock market (Kimball and Shumway, 2006; Christelis et al., 2007; Van Rooij et al., 2011). Furthermore, because housing has a considerable impact on both spending and the need for savings, it is essential in assessing an individual's level of financial literacy.

A person needs to protect themselves against the erratic fluctuations in income, which happen frequently these days. It is also believed that a woman's marital status influences her level of financial independence because a married woman is more likely to rely on her spouse for help with household money. There is a lot of potential for further research in this field given the previous literature, especially in a developing country like India where we are making significant efforts to become financially educated. It is critical to focus on women's financial literacy in order to promote economic growth.

Tilak, P., Harchekar, J. S., and Murgai, A. (2022). According to Women's Financial Literacy, through a number of initiatives, the RBI, the Indian government, and other financial organisations help the people of the country improve their financial literacy and thinking. All institutions should mandate that women attend monthly or quarterly workshops where they can obtain education to improve their talents and abilities in handling finances, as well as learn more about financial services and goods. After all, the advancement of women would signal the advancement of the entire country in terms of views towards money and many other areas.

IV. METHODOLOGY

Because of their low status, women are more financially vulnerable and reliant on men than men are on them. In addition, they face discriminatory divorce and inheritance laws and receive subpar education. Because they prevent women from building up their financial holdings, these regulations make it more difficult for them to establish their security after separation. Nowadays, when most states in the country are taking education seriously, financial literacy is crucial. These are the grounds behind our decision to carry out this survey in the state of Pune. We developed a survey that addressed several financial literacy themes and gave it to about 700 working women in the state. Out of the 700 working women in the state that were sent the questionnaire, which included a range of financial literacy subjects, only 500 of them responded. Our questionnaire asks women about their socio-demographic details, including place of residence, age, income, marital status, and level of education, in addition to the basic questions. The following table displays the characteristics of the study's sample:

Table 1: Representative Respondent Characteristics

Respondent Type	Working Women
Age	Between 25-35 years
Education Level	Higher Secondary to Doctorate
Working Experience	2 to 10 years
Marital Status	Singles about 55%
Type of Family	About two-thirds of towns and cities
Monthly Income	42 % falls under the category of 15001-2000

Table 1 shows that, in contrast to the country as a whole, women who have completed education make up the majority of survey respondents. The bulk of the sample, or about 80% of the responders, are graduates or postgraduates. The sample primarily consists of women from metropolitan areas, as nearly two-thirds of the respondents are from urban areas. It is also evident that the bulk of respondents from our sample are unmarried and between the ages of 25 and 35. Furthermore, it is hard to consider the respondents to be women who are just starting out in their jobs, as their work histories range from two to ten years.

We assessed women's financial literacy using three criteria—financial knowledge, financial activity, and financial attitude—by employing a questionnaire-based approach. The OECD questionnaire was modified before being given to women in order to evaluate the financial literacy of working women. The total number of questions in our questionnaire is 16, with most of the questions including subparts for assessing financial behaviour, knowledge, and attitude. The questionnaire was distributed to 700 working women from Pimpri Chinchwad and Pune who work in a variety of fields. The women chosen to comprise our sample hold positions as government employees, company employees, professors, instructors, chartered accountants, and a few independent contractors.

The survey took place over a period of roughly six months. Questionnaires are usually distributed electronically by mail, as most responses come from the educated population. Some respondents were sent hard copies, which they eventually returned after being reminded several times. The next section contains a graphic presentation of the survey results together with a description of the three financial literacy parameters: financial knowledge, financial behaviour, and financial attitude.

V. FINANCIAL LITERACY

According to financial literacy, women are able to make reasonable decisions about their finances since they have a deep awareness of typical financial difficulties. The financial literacy of working women is assessed using eight questions. These quiz questions assess their knowledge of basic and compound interest, the principles of investing and saving, how inflation affects prices, the relationship between risk and return, etc. Given that the women were well-educated and that the questionnaire consisted of simple questions without complicated mathematics, we expected that the women would have a moderate to high level of financial awareness. The behaviours of the respondents are plotted on a scale according to their desirability.

Score	Financial Knowledge
0-4	Low
5-7	Moderate/Aver Age
8-10	High



An Analysis of Financial Literacy Among Working Indian Women

The respondents' performance on a number of financial knowledge tests is shown in the **Figure 1**, which suggests that they might not have the necessary financial knowledge or might not be aware of the principles of managing their money in everyday situations. Regretfully, Figure 1 shows that 25% of the female participants were unable to even finish basic math assignments. Furthermore, only 17% of women accurately recognise how inflation influences the rate of return, demonstrating a poor understanding of the concepts around inflation and return. The young ladies did not do well even on the other financial knowledge questions. For example, just 58% of the women surveyed understood compound interest, a concept that is essential to understanding when investing. In this regard, women typically don't understand money management concepts at all. Working women's financial literacy appears to be largely explained by their continued education. Figure 2 suggests that women with higher levels of education also seem to be more financially astute. On tests of financial literacy, the respondents—roughly 64% of women who started working after upper secondary school—performed poorly. On assessments of financial awareness, however, women with advanced degrees—such as doctorates and postgraduate degrees—scored strongly or moderately,

according to the research. Furthermore, significant financial literacy is demonstrated by about 24% of women with technical or vocational education. Remarkably, the results show that only 35 percent of women with doctorate degrees know how to manage their money. There is a severe lack of financial literacy, especially among women with lower educational levels.

VI. FINANCIAL CONDUCT

The survey attempts to ascertain the financial conduct of women in terms of how they handle their money. Eight questions in total were posed to respondents in order to get a comprehensive understanding of the key elements of how women act with money in their everyday lives. Among the topics covered in these dimensions were the questions from the OECD survey. For example, figuring out how much a product costs, how people pay their bills on time, how they organise and oversee household budgets, how actively they save money, and whether they have to take out loans. Individuals who obtain a minimum score of six are deemed to possess positive attitudes towards money and finances. One point is awarded for accurate responses.

Why, in Your Opinion, Is Financial Literacy Crucial, Especially for Women?

		Frequency	Per cent	Valid Percent	CumulativePercent
	For meeting the two ends (Income and expenditure) of the family	227	45.4	45.4	45.4
Valid	For Increasing the saving of the family	206	41.2	41.2	86.6
	For the growth and development of the family	67	13.4	13.4	100.0
	Total	500	100.0	100.0	

A. Interpretation:

87% of women believe that women should be financially literate. To satisfy the family's two needs (income and expenses) To increase the family's savings.

In Your Family, Who Makes Investment Decisions?

		Frequency	Per cent	Valid Percent	CumulativePercent
	Family Head	68	13.6	13.6	13.6
	Husband	244	48.8	48.8	62.4
Valid	Jointly with your husband	86	17.2	17.2	79.6
	Anyone who earns	102	20.4	20.4	100.0
	Total	500	100.0	100.0	

B. Interpretation

68% of women stated that male family members or the head of the household make investing decisions.

VII. CONCLUSION

- Only a small percentage of the working, educated women in our sample scored highly on the financial literacy measure, despite our expectation that the majority of them would be. The financial literacy of respondents from rural areas is lower than that of women from cities and towns. Women who are highly educated and live in cities typically possess greater financial knowledge because of their greater exposure to the outside world. The results show that many women manage household resources with prudence, self-control, and awareness, acting sensibly and responsibly when it comes to money and financial matters.
- In general, the findings show that, even in the twenty-first century, women still possess a low degree of basic understanding regarding financial planning tools,

techniques, and processes. It can be attributed to things like women's ignorance of financial products and their lack of financial literacy. They may also not take part in investing decisions since they rely on other family members, especially the men, to help them with money matters. One good aspect of the data is the way that women approach and respond to financial difficulties.

- Why Women's financial literacy results need to be improved if we hope to do well on the financial literacy survey. Women's financial literacy can be raised with the right initiatives and actions from the public or private sectors, such hosting workshops on financial literacy, among other things.



Not only should these programmes focus on rural inhabitants, but also on metropolitan women, as our research suggests that their financial literacy is similarly lacking.

- Women's educational and financial needs must be taken into consideration while designing these financial literacy programmes. Managing credit and debt, insurance and retirement planning, managing investments, managing risk, comprehending the financial market, and making wise financial decisions are some of the subjects that these seminars may focus on.

- Moreover, providing seminars or financial education is only the beginning of the process of disseminating financial knowledge; audience members must use this knowledge to their investing decisions in order to accumulate wealth. It doesn't take a lot of labour to organise these programmes for working women; employers may take the initiative and offer seminars or workshops in the office itself, either before or after business hours.

- Employers can assist their employees by providing them with guidance on Demat account registration, initial safe investing options, etc. The government may encourage these kinds of programmes or provide incentives to companies that help the country's financial literacy to grow, which will boost the economy.

- Lastly, since the results rely on the self-reported behaviour and attitude of the respondents, our findings could be impacted by the respondents' biases when completing the questionnaire. Future research may consider a range of other factors that could influence women's financial literacy, including the educational attainment of the family, the calibre of education received, and the confidence level of the individual. It is necessary to look into the level of financial literacy among women in each country. The results of the same survey may vary if it is conducted in a metropolitan location because people there tend to be more frugal with their money and less care when making future investments. This report is a positive first step towards promoting additional research in this area.

DECLARAION STATEMENT

Funding	No, I did not receive.
Conflicts of Interest	No conflicts of interest to the best of our knowledge.
Ethical Approval and Consent to Participate	No, the article does not require ethical approval and consent to participate with evidence.
Availability of Data and Material	Not relevant.
Authors Contributions	All authors have equal participation in this article.

REFERENCE

1. Beattie, V. (2019). A literature study on women entrepreneurs and financial literacy. *Journal of Small Business Management*, 57(1), 190–208.
2. Bhushan, P., & Medury, Y. (2019). Evidence from India regarding the relationship between financial literacy and financial behaviour. *Journal of Financial Counselling and Planning*, 30(2), 230–243.
3. Chakraborty (2017). An investigation on retirement planning and financial knowledge among Indian urban working women. *Journal of Financial Planning*, 30(7), 46–55.
4. Maheswaran, S., & Kumar, S. (2020). The financial inclusion and literacy of women in India. *Journal of Finance in India*, 14(3), 33–44.

5. Singhal, A., & Mehta, S. (2020). Factors that affect Indian working women's financial literacy. *Journal of Financial Services Marketing*, 25(1), 11–20.
6. Mian, M. A., & Narain, R. (2019). The factors influencing financial literacy among Indian working women. *Journal of Asian Finance, Economics, and Business*, 6(1), 199–209.
7. Sharma, S., & Prasad, S. (2018). An investigation of a few cities' working women's financial literacy in India. *Indian Journal of Commerce and Management Studies*, 9(1), 44–50.
8. Madhogaria, G., & Singh, A. K. (2018). Indian women's financial conduct and financial literacy. *Journal of Business Studies Quarterly*, 10(1), 1–16.
9. Sharma, R., & Vohra, N. (2019). The investing habits and financial literacy of Indian working women. *Journal of Financial Services Marketing*, 24(2), 73–83.
10. Pareek, Dr. A., Kumar, S., Holla, Dr. C., & Nagaraju, Dr. G. (2019). "Enabling Women Entrepreneurs in Horticulture and Instruction Parts in India through Microfinance Advancements." In *International Journal of Innovative Technology and Exploring Engineering* (Vol. 8, Issue 10, pp. 2663–2666). <https://doi.org/10.35940/ijitee.i9429.0881019>
11. Bakar, M. Z. A., & Bakar, S. A. (2020). Prudent Financial Behaviour among Youth: The Role of Financial Attitude. In *International Journal of Management and Humanities* (Vol. 4, Issue 8, pp. 30–34). <https://doi.org/10.35940/ijmh.h0765.044820>
12. Sukaris, Kusani, A., Handayani, A., Rajiani, I., & Saepuloh, A. (2019). Antecedents Behavioral of The Millennial Generation Financial Management. In *International Journal of Recent Technology and Engineering (IJRTE)* (Vol. 8, Issue 4, pp. 1583–1588). <https://doi.org/10.35940/ijrte.b3907.118419>
13. Bhuvana, Dr. M., & Vasantha, Dr. S. (2019). An Outlook of Financial Inclusion with Mediating Effect of Direct Benefit Transfer in LPG Subsidy towards Actual Usage of Banking Technology. In *International Journal of Engineering and Advanced Technology* (Vol. 8, Issue 6s, pp. 804–811). <https://doi.org/10.35940/ijeat.f1153.0886s19>
14. Kapur, Dr. R. (2023). Understanding the Changes taking place in the Family System in Urban and Rural Communities. In *Indian Journal of Social Science and Literature* (Vol. 1, Issue 4, pp. 40–45). <https://doi.org/10.54105/ijssl.b1095.061422>

AUTHOR'S PROFILE



Ms. Kumari Priya is an accomplished researcher in Business Management, specializing in Finance. She is MBA M.COM, UGC NET (Management) and pursuing her Ph.D. in Management from Magadh University, Bodh Gaya, Bihar. She is committed to advancing scientific knowledge and its application for societal benefit.



Dr. Panna Lal is an Assistant Professor in the Department of Commerce, Gaya College, Gaya (A constituent unit of Magadh University, Bodh Gaya). He is Ph.D., M.COM, PGDM, CA (Inter) and UGC NET (Commerce). He is credited with around 54 years of teaching experience in teaching of UG and PG level students and has practical experience in Taxation and Accounting of about 6 years in corporate sector. He has written many papers in different reputed journals and has membership of Indian Accounting and Commerce Association.

Disclaimer/Publisher's Note: The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of the Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP)/ journal and/or the editor(s). The Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP) and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.

