

Awareness and Competence in Financial Literacy and Planning: The Financial Journey of Working Women

Kumari Priya, Panna Lal



Abstract: *The primary measure of development is literacy. It is now an essential component of life on Earth. Financial literacy reduces the possibility of being duped by empowering people to understand the financial world and make wise investment decisions. The goal of this study is to evaluate the savings habits and financial knowledge of women in Patna. Data for the study were obtained from both primary and secondary sources. Women are an essential component of contemporary society. Women make a variety of financial decisions, none of which are effective if they lack the necessary financial literacy understanding. The study would also identify the current disparity in financial literacy and make recommendations for potential solutions.*

Index Terms: *Investment Decision, Financial World, Financial Decision, and Financial Literacy.*

I. INTRODUCTION

The discipline and study of money, currencies, and capital assets is known as finance. It is associated with, but distinct from, economics, the study of the creation, allocation, and use of capital, money, assets, and products and services (the field of financial economics connects the two). Personal, corporate, and public finance can be considered the three broad categories into which finance activities fall. Financial systems operate on different scales. Economic instruments, such as currencies, loans, bonds, shares, stocks, options, futures, etc., are purchased, sold, or traded as assets within a financial system. Moreover, assets can be invested in, banked, and insured to increase their value and reduce potential losses. In actuality, risks are inherent to all financial transactions and companies (D. U., Dr. S. Ramesh (2021) [1]). Because finance is such a big area, there are many different subfields within it. The goals of asset, money, risk, and investment management are to reduce volatility and maximise value. Financial analysis refers to the evaluation of an action's viability, stability, and profitability. Specific financial theories can be tested using the scientific method, a process known as experimental finance. Midway through the 20th century, finance became recognised as a separate academic field from economics.

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*Correspondence Author(s)

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

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

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(The Journal of Finance, the first academic journal, was initially published in 1946.) In the 1960s and 1970s, the first doctoral programmes in finance were founded. These days, many undergraduate and graduate programmes with a career focus study finance (M. M. Chijwani (2014) [2]).

The Humanity Welfare Council reports that 62% of Indian women lack bank accounts and have restricted access to banking services, and that 80% of Indian women struggle with financial literacy. The data paints a vivid picture of Indian women's appallingly low levels of economic independence and literacy. Women must be financially empowered to play a crucial role in helping India's economy progress to the next level.

A. The Place of Women in Society: A Paradigm Change is Required

Due to prevailing cultural assumptions, women in India have traditionally been assigned the role of homemakers. As a result, they are now largely uninterested in financial problems. But more and more, women are shattering preconceptions and leaving the comforts of home to succeed in a variety of fields.

The modern woman is thriving in all areas of life, including business, politics, sports, entertainment, literature, and technology, as she starts to realise her full potential. We are all living in a more advanced ecology thanks to the efforts of women generally. To help them overcome the obstacles, financial literacy then becomes crucial (Jani, S., and T. J. Malhotra (2017) [3]).

B. The Obstacles to Financial Literacy Improvement and Their Remedies

Though attitudes towards women becoming financially conscious are changing, they appear to be more pronounced in urban areas. There is opposition to teaching women financial literacy in rural and semi-urban areas, where general literacy levels are low. As a result, women are excluded from reliable sources of financial education.

The goal of several government initiatives is to help women overcome social obstacles. Through pertinent projects and campaigns, self-help organisations and development programs—like FLCCs (Financial Literacy and Credit Counselling Centres), the National Centre for Financial Education (NCFE), etc.—continue to create and distribute financial literacy resources. Initiatives like "Beti Bachao, Beti Padhao" and Pradhan Mantri Jan-Dhan have also increased the efficacy of social programmes (Joshi, B., and Sharma, A. (July 2015) [4]).



The importance of financial literacy is increasing. Having financial literacy empowers women to make decisions on their own. A financially knowledgeable woman tends to make more confident and well-informed life decisions. Women who are economically aware can so manage inflation and growing costs. There are numerous benefits:

C. It equips them to Handle Crises

- Moms and children are frequently closer. A woman who understands money matters well can encourage her kids to maintain sound financial habits.

-Women are frequently in charge of overseeing the household's daily spending. Knowing how to use the money most effectively is therefore beneficial to them.

-In addition, having a self-sufficient income helps women even after the death of a male family member. Financial literacy encompasses a variety of skills, such as creating a systematic budget, paying off debt, making informed purchasing and sales decisions, and ultimately achieving financial independence. Other skills include tracking our spending, recognizing when a purchase is necessary, weighing the pros and cons of a particular item, filing tax returns, paying our taxes, closing real estate transactions, and more.

Although it is not expected of humans to understand every detail of financial management, it is nonetheless vital to manage our finances so as not to impact our families or ourselves negatively. We most definitely do not want to find ourselves starving to death and without any money at the end of the day.

A person with financial literacy may create a budgetary guide to help them keep track of their purchases, expenses, and debts. This topic also affects entrepreneurs, who make significant contributions to the strength and financial development of our economy. It supports individuals in achieving independence and self-sufficiency. You gain fundamental knowledge of capital budgeting, financial markets, and investment opportunities. People are more accountable for their finances than ever before due to longer life expectancies, rising pension costs, and the strain on social safety systems (D. S. Priyanka Agarwal (2015) [6].

1. It is crucial to determine whether people are capable of successfully navigating the complex maze of financial decisions they encounter daily, given the quick changes and ongoing evolution occurring in both the financial industry and the overall economy. To provide people with the tools they need to make better financial decisions, it is necessary first to determine what they already know and then what they still need to know, and to measure the distance between the two. The similarity in financial literacy between nations with differing economic development levels (Solanki, Khushboo P. D. (2020) [5]).

II. LITERATURE REVIEW

• (S. Ramesh, Dr., 2021) The impact of demographic factors on women's financial literacy in Bengaluru city is demonstrated by this study. The primary goal of this study is to investigate how demographic variables influence women's financial literacy and how their financial attitudes impact that literacy. According to this study, the majority of women are

only aware of asset liquidity, saving habits, and individual financial planning; they are generally unfamiliar with the features of term insurance. Data was gathered from 660 female students in the 18–23 age range, representing the disciplines of Science, Arts, Commerce, and Business Management. This study's analysis utilises the ANOVA test.

• (Chijwani, 2014) Finding out how well different working women plan their financial goals is the aim of this study. The primary goal of this study is to determine the level of financial literacy and the most commonly used investment vehicle among female participants. Seventy-five per cent of respondents had limited financial history, 31% correctly answered the financial literacy question, 70% made financial decisions for their household, and 13% of women held LIC life insurance. The sample consisted of women in the Pune region between the ages of 20 and 40. Primary and secondary data were gathered from a variety of journals and articles.

• (Malhotra & Jani, 2017) The purpose of the study is to analyse how age demographics affect women's monthly savings and spending in the city and to offer suggestions for improving their financial literacy. Providing less educated working women in lower-class jobs—such as domestic helpers, maids, sweepers, hawkers, conductors, and government employees—with a basic understanding of financial concepts, schemes, and tactics for prudent management and savings is essential to their empowerment and upward mobility. According to the study's findings, to provide working women in low-income roles—such as domestic help and stall owners—with financial literacy, it is crucial to bridge the knowledge gap between them and the general public regarding loans, savings accounts, and budgeting. This will enable women to pursue financial independence with confidence.

• (Joshi & Sharma, 2015) This study revealed that the financial literacy of financially independent and employed women influences their investment choices. Additionally, it identified numerous strategies for enhancing women's financial literacy, which facilitates informed investment decisions. We gathered primary data by using questionnaires. Through a structured questionnaire that included investment routes and their investment selections, the responder provided information about their financial understanding. The study also revealed that nearly all respondents thought that knowledge and education were essential for their empowerment. It also concludes that women agree that being financially independent gives them a sense of strength and confidence.

• (Shalini and Shoba, 2015) The perspective of women in Bengaluru regarding personal financial planning is the basis of this study. The primary goal is to conduct a literature-based research to investigate the level of financial literacy in Bangalore. The study also discovered that women prioritise the needs of their families and children over their financial demands and security. Secondary sources, including websites, journals, papers, and reports, are where the data is gathered from. This study has a qualitative approach and is grounded in existing literature. It would be beneficial to organise financial education programmes to raise women's understanding of the importance of financial literacy.



• According to **Meenakshi Chaturvedi and Shruti Khare's (2012)** analysis, the number of working women and double incomes is contributing to the explosive growth of middle-class families. The primary goal of this study is to highlight the significance of working women in Bangalore adopting prudent financial and savings decisions. The women were given a structured questionnaire, and their answers were recorded. Over sixty per cent of the ladies are unaware of the basic programmes and plans available to them. It is necessary to design a methodology for assessing the current financial literacy programme.

• **(Solanki, Khushboo, 2020)** According to this report, women are disproportionately affected by financial illiteracy. The primary goals are to assess the financial literacy of working women and examine the demographic profile of the respondents. The primary and secondary data used in this study were collected from 101 working women respondents residing in Jaipur's Pink City. Additionally, gap analysis is employed as a method for obtaining conclusions.

• **(Agarwal Priyanka, 2015)** This study demonstrates the level of financial literacy among female educators. The primary goal of this study is analysis. The choice of investments for working women involves researching potential investment avenues. This survey, which included approximately 40 respondents, focused on working women in the educational sector of Jhansi district. According to the study's findings, women should know more about investing.

III. OBJECTIVES OF THE STUDY

- To assess how much financial literacy exists among working women.
- To determine the obstacles that working women encounter while attempting to obtain financial planning-related financial education.
- To assess the level of planning awareness and financial literacy among various people.

IV. NEED OF THE STUDY

- Fundamental financial education: impart information on debt management, investing, saving, and budgeting.
- Helping women learn about investing possibilities: Assist women in learning about stocks, bonds, mutual funds, real estate, and retirement plans, among other financial options.
- Retirement planning: Help with long-term financial planning and retirement funds to provide a safe and enjoyable retirement.
- Financial goal-setting: Assist women in establishing reasonable financial objectives and creating a plan to reach them.
- Insurance and financial security: Spread awareness of the value of having insurance, such as health, life, and property insurance, to provide financial security.
- Empowerment and confidence-building: Foster an atmosphere of support that encourages women to actively participate in financial planning actively, thereby increasing their self-assurance in making informed choices.

V. RESEARCH METHODOLOGY

The study was conducted among working women in Patna City. Women from various origins and income brackets—lower, upper, and middle—were included in this. Two

sources provided the data that was gathered. The primary data source was a structured questionnaire that included questions about participants' understanding of savings, financial investment options, and their own investment decisions. The information was gathered from secondary sources, including publications, journals, websites, and reports.

VI. DATA ANALYSIS AND INTERPRETATION

Tables and pie charts are used to display the gathered data. Below is a basic explanation of analysis and interpretation.

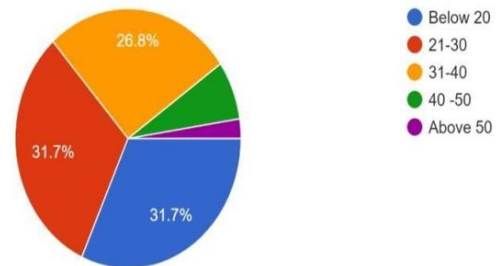


Figure 1: Age-Based Financial Planning and Awareness Among Women

VII. INTERPRETATION:

Data is gathered from women in various age groups. Based on the graph above, it can be inferred that 31.7% of respondents are under 20, 31.7% are in the 21–30 age group, 26.8% are in the 31–40 age group, 7.3% are in the 40–50 age group, and the remaining respondents are above 50.

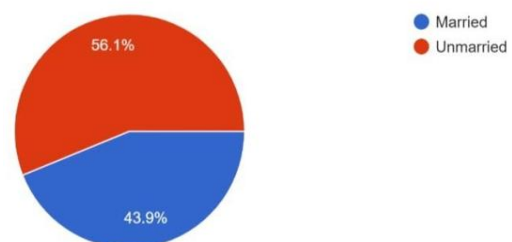


Figure 2 Shows Women's Financial Planning and Awareness Based on Marital Status

INTERPRETATION:

43.9% of respondents are married, and 56.1% of respondents are single, according to the figure above.

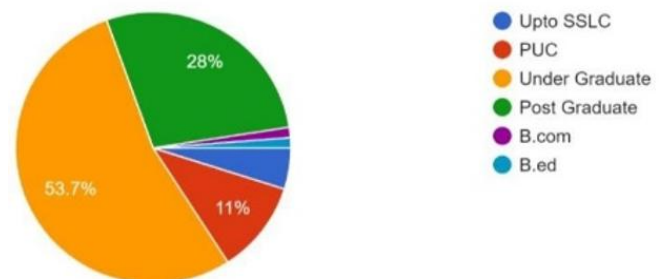


Figure 3: Women's Financial Planning and Awareness Based on Educational Background

INTERPRETATION:

Based on the data provided, we can determine that 4.9% of the respondents have completed their SSLC, 11% are qualified up to the PUC, 53.7% have completed their undergraduate studies, 28% are postgraduate qualified, and the remaining 2.4% have completed their B.Com and B.Ed.

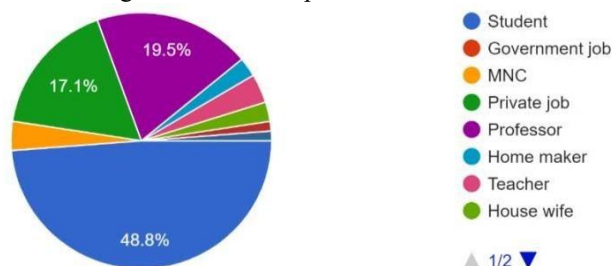


Figure 4: Women's Financial Planning and Awareness Based on Occupation

INTERPRETATION:

According to the data above, 48.8% of the respondents are students, 17.1% work for private companies, 19.5% are professors, and the remaining respondents are employed by multinational corporations (MNCs), the government, as teachers, housewives, or in various business ventures.

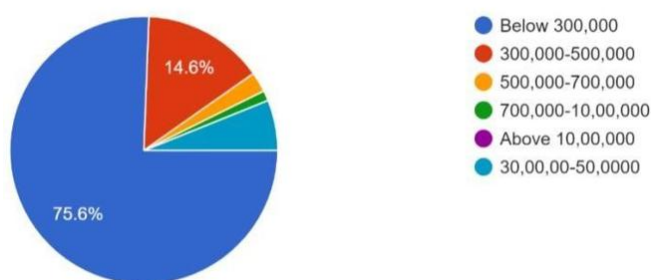


Figure 5 Shows the Respondents' Yearly Income

INTERPRETATION:

The chart above shows that: 2.4% of respondents have an annual income between 5,00,000 and 7,00,000; 1.2% of respondents have an income between 7,00,000 and 10,00,000. 75.6% of respondents have an annual income below \$3,000,000; 14.6% have an income between \$3,000,000 and \$5,000,000; 6.1% have an income between \$10,00,000 and \$30,00,000.

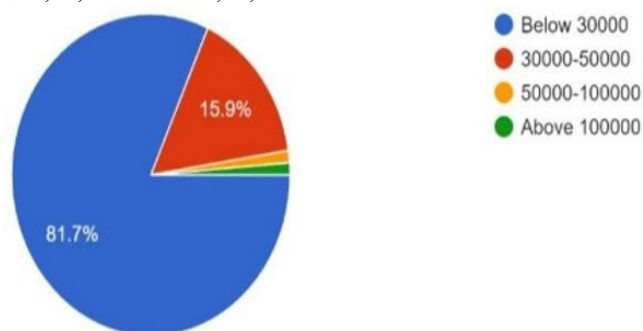


Figure 6: Respondents' Annual Savings about Financial Planning

INTERPRETATION:

The data above shows that the respondents' yearly savings are as follows. Among the respondents, 81.7% save less than

\$30,000, 15.9% save between \$30,000 and \$50,000, 1.2% save between \$30,000 and \$1,000,000, and the remaining 1.2% save more than \$1,000,000 annually.

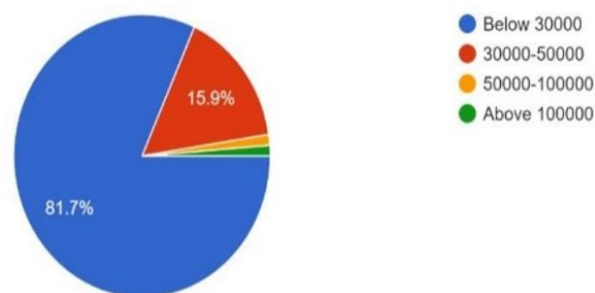


Figure 7 Shows the Respondents' Annual Savings about Financial Planning

INTERPRETATION:

The data above shows that the respondents' yearly savings are as follows. Among the respondents, 81.7% save less than \$30,000, 15.9% save between \$30,000 and \$50,000, 1.2% save between \$30,000 and \$1,000,000, and the remaining 1.2% save more than \$1,000,000 annually.

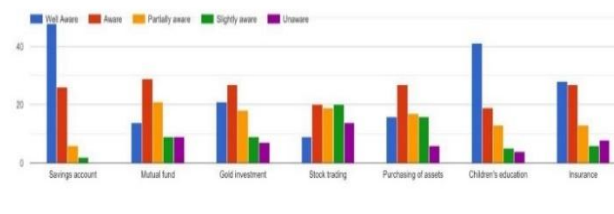


Figure 8: Respondents' Awareness of their Investment Income

INTERPRETATION:

The information reveals the extent of people's knowledge about investment income. Everyone is familiar with mutual funds, savings accounts, investing in gold, and purchasing assets. Some people are knowledgeable about stock trading, while others only have a passing familiarity with it. People have varying levels of knowledge about children's education, and some individuals are well-informed about insurance, while others are not. According to this survey, individuals are generally aware of investment income when it comes to insurance, savings accounts, and children's education. However, their awareness of stock trading is more erratic, with some people being quite knowledgeable about it and others only marginally so.

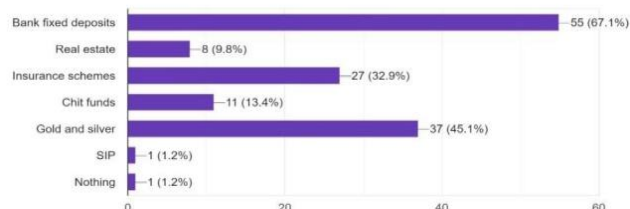


Figure 9: Respondents' Usual Places of Investment

INTERPRETATION:

The information reveals respondents' investment preferences. At 67.1%, bank fixed deposits are the most popular option. Chit funds come in at 13.4%, and real estate comes in at 9.8%.

While 45.1% of people do not choose gold and silver, insurance programmes are preferred by 32.9% of people. 1.2% of respondents mention SIP, and none at all. This data shows a range of investing preferences, with the most popular option being bank fixed deposits.

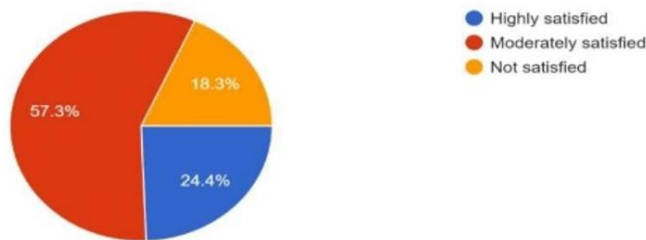


Figure 10: The Respondents' Level of Satisfaction with the Investment

INTERPRETATION:

The information shows that respondents' satisfaction levels with their investments varied widely. 57.3% of respondents report being very satisfied, indicating that they are confident in their investment decisions. Furthermore, 24.4% report being somewhat happy, suggesting a respectable degree of satisfaction. But 18.3% say they're not satisfied with their investments, which means a smaller but significant portion that's not happy. As a whole, the data shows a spectrum of satisfaction levels: a sizable fraction are extremely satisfied, others are somewhat satisfied, and a minority are not happy with the results of their investments.

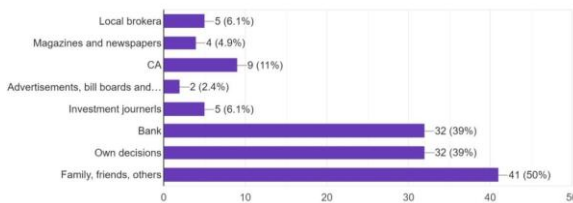


Figure 11: Respondents' Sources of Investment Decisions

INTERPRETATION:

The information reveals several factors that influence financial choices. 39% of people say they trust their judgement or ask friends and family for guidance. While magazines, newspapers, Chartered Accountants, and banks have lower influence, ranging from 4.9% to 11%, local brokers and investment journals have an impact of 6.1% each. Furthermore, 2.4% are impacted by commercials. With a limited role for other sources, this data underscores the significance of personal networks and individual judgment in investment decisions.

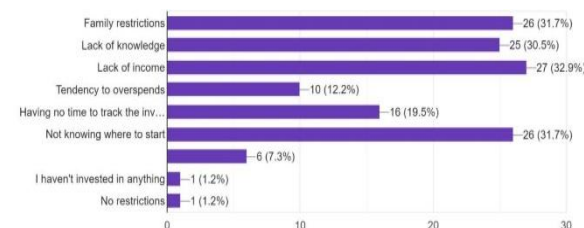


Figure 12: According to Respondents, there Are Difficulties While Selecting Investments

INTERPRETATION:

The information highlights several challenges in making informed investment decisions. Notably, the main barriers mentioned by respondents were insufficient income (32.9%), lack of expertise (30.5%), and familial restraints (31.7%). 12.2% of respondents reported a tendency to overspend, while 19.5% stated they struggle to keep track of their investments, and 31.7% indicated they don't know where to begin. 1.2% of people have not made any investments yet, and a comparable percentage is unrestricted. These difficulties underscore the importance of financial planning and education in helping individuals make informed investment decisions.

VIII. FINDINGS

- The information shows how much people know about investment income. Everyone is familiar with mutual funds, savings accounts, investing in gold, and purchasing assets.
- The data indicates that people's investing decisions are influenced by several variables, including tax benefits (30.5%), emergency necessities (26.2%), life security and safety (40.2%), and the desire to accumulate assets (31.7%). 12.2% of people use investments to pay back loans, whereas 4.9% of people prefer regular returns. 1.2% of the total is undetermined.
- The variation in investments made by the participants. Gold and silver are less popular, with 45.1% of respondents not selecting them, while bank fixed deposits are chosen by 60.1%, real estate by 9.8%, chit funds by 13.4%, and insurance schemes by 32.9%.
- The variation in investments made by the participants. Gold and silver are less popular, with 45.1% of respondents not selecting them, while bank fixed deposits are chosen by 60.1%, real estate by 9.8%, chit funds by 13.4%, and insurance schemes by 32.9%.
- The range of sources impacting their investment decisions. A significant percentage, 39%, relies on their judgment or guidance from friends and relatives. Additionally, 2.4% depends on advice from friends and acquaintances, as well as through commercials.
- There are difficulties when making investment decisions. Notably, respondents mentioned having little money (32.5%), not knowing where to begin (31.7%), and a lack of education (30.5%).
- Over 60% of women are not aware of the basic financial benefit plans and schemes that are accessible to them.
- Only 14–15% of women manage their financial decisions on their own, according to the survey.

IX. CONCLUSION

This study examines the financial investments of working women. The people are more desirable as income producers, but their allocations to savings and investments are not well-considered. The study concludes that, given their tendency to rely on their spouses or other family members, women should be more knowledgeable about investing.

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Availability of Data and Materials	Not relevant.
Authors Contributions	All authors have equal contributions in this article.

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AUTHOR'S PROFILE



Ms. Kumari Priya is an accomplished researcher in Business Management, specializing in Finance. She holds an MBA and an M.Com, and is a UGC NET (Management) qualified individual, currently pursuing her Ph.D. in Management at Magadh University, Bodh Gaya, Bihar. She is dedicated to advancing scientific

knowledge and its application for the benefit of society.



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 approximately 54 years of teaching experience at the undergraduate and postgraduate levels, and has practical experience in Taxation and Accounting of about 6 years in the corporate sector. He has written many papers in various reputable journals and is a member of the Indian Accounting and Commerce Association.

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