

A Study on Financial Literacy among Rural Women (With Special Reference to Srikakulam District)

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Financial literacy is crucial for reducing poverty and boosting economic growth in emerging economies. Every household benefits greatly from proper financial management. After 2000, there was a surge in interest in developing financial literacy. It's important for society to recognize the negative impact of bad money management and promote financial literacy. Personal experiences, as well as those of family and friends, are more effective than formal instruction in teaching money management. Women's financial roles are crucial in rural families, and financial literacy among rural women is a neglected field of research. The study titled "Financial Literacy Among Rural Women - A Study with Reference to Srikakulam" addresses the following objectives: To assess the level of financial literacy among rural. The purpose of this study is to analyze rural women's financial involvement, sources of financial literacy, the impact of financial education, and their perceptions.

Keywords: Financial education, financial literacy, personal finance, and financial inclusion.

1. Introduction

The financial world is more complex than it was a decade ago. In the 1980s and 1990s, basic understanding of savings bank accounts, recurring deposits, and fixed deposits was considered adequate financial education. An individual's standard of living is determined by their financial resources and how efficiently they are utilized. Lower income and education levels sometimes lead to insufficient financial awareness, making it difficult to make sensible spending decisions. The subprime mortgage crisis in the United States demonstrated this once again. With easy access to information and knowledge, individuals can improve their quality of life. Rural poor women often lack access to the benefits of the information revolution.

In emerging countries, women's education and empowerment have become increasingly important. Women have begun to take an active role in family decisions. They participate in

various national and international events, including sports, politics, business, and development.

Society is noteworthy. Women in rural communities require knowledge of agricultural and animal husbandry to empower themselves, in addition to basic health, nutrition, family planning, and education.

Rural women's lack of access to information and communication technology presents an untapped resource for gaining access to services such as agricultural and animal husbandry websites etc. will not only empower people but also help the nation. Women have an important role in financial matters in rural families. Financial education for rural women is an issue that needs additional research.

Objectives Of the Research

- ❖ To assess the level of financial literacy among rural women in Srikakulam District.
- ❖ To study aims to research rural women's financial engagements,
- ❖ To identify sources of financial literacy, to assess satisfaction with financial education,
- ❖ To evaluate their impression of financial understanding.

2. Research Methodology

The study included both primary and secondary data. Primary data was acquired using a preset questionnaire. The secondary data has been acquired by referring to textbooks, publications, yearly reports, journal articles, and internet sources. A stratified disproportionate sampling method was applied. The study used a survey method and a questionnaire with 21 items. The sample size was 270. Most respondents struggled with the English language. Data has been obtained using trained enumerators.

Scope of the Study

The scope of the study on financial literacy among rural women encompasses a comprehensive examination of knowledge, skills, attitudes, and behaviors related to financial management within rural communities. Focusing on specific geographic regions or countries, the study aims to capture the diverse socioeconomic and cultural contexts in which rural women operate. Through a mixed-methods approach, combining quantitative surveys and qualitative interviews or focus group discussions, the study seeks to assess the level of financial literacy among rural women and identify factors influencing their financial knowledge and practices. This investigation extends to exploring the impact of financial literacy on various aspects of women's lives, including economic empowerment, decision-making autonomy, and overall well-being. Ethical considerations regarding informed consent, confidentiality, and privacy will be paramount throughout the research process. The study's findings will provide valuable insights to inform the development of tailored financial education programs, policies, and initiatives aimed at enhancing the financial literacy and empowerment of rural women, thereby fostering greater economic resilience and inclusivity within rural communities.

Limitations of the study

This survey only includes respondents from Srikakulam District who are rural women. The study's findings cannot be applied to other districts or states.

Conceptual Framework:

Technological advancements have reduced gender disparity. Women are now involved in all aspects of the economy, including professions and businesses. Employment. Relegating women is unacceptable in today's enlightened culture. Women from Dalit, tribal, and nomadic populations, particularly those in rural areas, have made slower progress. Muslim women face similar challenges as other minorities. According to a World Bank survey, women with low incomes excel at financial management, decision-making, and business abilities compared to males. The National Commission on Self Employed Women recommends providing accessible resources for women, including credit and societal services.

Financial literacy

Financial literacy is typically defined as the capacity to make informed judgments about personal finances. The definition is incomplete as it expresses. The emphasis is on the results rather than the competencies required to achieve good results. Financial literacy refers to the skills and knowledge necessary to make healthy financial decisions that benefit your well-being.

Personal Finance

Individuals make financial decisions based on their needs, including banking, investing, and insurance goods. Personal finance refers to the monitoring of retirement plans, social security benefits, and income taxes.

Financial Inclusion

Financial inclusion, also known as inclusive financing, aims to provide cheap financial services to low-income individuals and communities.

Financial products

Banks, financial institutions, and insurance providers offer numerous savings and investment options, including insurance and loans.

Financial services

Financial institutions, including banks, insurance firms, and consumer financing organizations, offer many economic services. Basic financial transactions for individuals today include the following.

- Financial management education and knowledge - Money management experience with credit cards, ATMs, life insurance, and bank accounts.

- Understanding financial behavior and income sources.
- Understanding savings and investments.
- Understanding the investing objectives.

- Impact of taxes and inflation on savings and investment decisions.

3. Review of Literature:

- ❖ Sultana, A., Rahman, M. M., & Akhter, F. (2022). Financial literacy among rural women in Bangladesh: an empirical investigation. *International Journal of Consumer Studies*.
- ❖ This study examines the level of financial literacy among rural women in Bangladesh and explores factors influencing their financial knowledge and practices.
- ❖ Patel, D., & Mavalankar, S. (2022). Financial Literacy among Rural Women: Evidence from India. *Journal of Rural Studies*, 85, 192-202. This research investigates the financial literacy levels of rural women in India and identifies socio-economic factors affecting their financial behavior and decision-making.
- ❖ Mwesigwa, A., Nsenga, D., & Kebirungi, H. (2021). Financial Literacy and Micro-Entrepreneurial Intentions Among Rural Women in Uganda. *International Journal of Education and Development using Information and Communication Technology*, 17(3), 97-112.
- ❖ This study explores the relationship between financial literacy and micro-entrepreneurial intentions among rural women in Uganda, highlighting the role of financial education in fostering entrepreneurship.
- ❖ Shukla, M., & Kumar, A. (2021). Financial literacy among rural women: Evidences from Uttar Pradesh. *Studies in Indian Place Names*, 41(80), 101-109. This research assesses the level of financial literacy among rural women in Uttar Pradesh, India, and examines its implications for financial inclusion and economic empowerment.
- ❖ Karim, M. R., & Rahman, M. S. (2020). Financial Literacy and Its Impact on the Empowerment of Rural Women: Evidence from Bangladesh. *Journal of International Women's Studies*, 21(5), 104-117. This study investigates the relationship between financial literacy and the empowerment of rural women in Bangladesh, highlighting the role of financial education in enhancing women's economic independence and decision-making autonomy.
- ❖ Mwai, S. G., Wambui, N., & Muathe, S. (2020). Financial Literacy and Investment Decisions among Women Micro-Entrepreneurs in Rural Kenya. *International Journal of Education and Development using Information and Communication Technology*, 16(3), 165-182. This research explores the impact of financial literacy on investment decisions among women micro-entrepreneurs in rural Kenya, emphasizing the importance of financial education in promoting business growth and sustainability.

4. Data Analysis

Table 1: Profile of the Respondents

TOTAL RESPONDENTS	300	RESPONSE
PLACE	SRIKAKULAM DIST, ANDHRAPRADESH	
AGE	AVERAGE	37
OCCUPATION	HOUSE WIFE	143
	LABOUR	55
	AGRICULTURE	68
	OTHERS	34
EDUCATION	ABOVE SSC	175
	BELOW SSC	125
LITERACY	YES	85%
MARRIED	YES	95%
FAMILY STRUCTURE	NUCLEAR	121
	EXTENDED	65
	JOINT	114

Interpretation: Table 1 shows that 48% were housewives’ dependent on the income of male members and 42% below secondary education levels which also restricts their involvement in financial activities. Exactly 21% live in extended or joint family setup where the women have limited role in taking decision making. It is worth noting here that some of the areas where survey is conducted are subject to naxal activities in the recent years. This is the most disturbing fact where women will not be able to move out of their homes individually in these areas.

Table 2: Perceived Level of Financial Literacy

Parameter	No. of Respondents	Percentage
Highly Satisfied	32	11%
Satisfied	178	59%
Ns/Nd	44	15%
Dissatisfied	36	12%
Highly Dissatisfied	10	3%

Interpretation:59% of the respondents are satisfied with the present level of financial education and 11% are highly satisfied.

Table 3: Perception towards Significance of Financial Literacy

Reason for Financial Literacy	Number Of Respondents	Percentage
Budgeting	110	37
Debt instrument	92	30
Fin.Negotiations	18	6

Use of banking	80	27
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Interpretation: The financial literacy level of rural women at Srikakulam is at the minimum level of preparing informal household budgets (only 37%). The other facets such as financial negotiations, debt managing and use of banking are yet to be understood and practiced.

Table 4: Various Financial Engagements

Type of activity	percentage
Bank A/c	91
Post Office	48
Insurance	51
Shares/MF	15
Loan	51
Deposits	49

Interpretation: Exhibits that out of respondents 91% had bank accounts, 51% had insurance policies and 48% had post office savings. 51% had loans and 49% had deposits in banks.

Table 5: Details of Membership

Membership	Membership %
MF SHG	64.44
Co-operatives	31.11
Others	4.44

Interpretation: Among 300 women interviewed 65% were members of SHG’s and 31% were members of local agricultural co-operative societies.

Table 6: Financial Engagement on Debt

Contents	Purpose of loan	
	No. of respondents	respondents %
Functions	85	28
Religious	10	3
Education	48	16
Business	36	12
Agriculture	95	32
others	26	9

Interpretation: About 75% of the respondents took loan for productive purposes and the remaining borrowings were for the purpose of functions and religious which are non-productive in nature. Other purposes (9%) include loans taken for repaying earlier debts etc. which shows that such women live under the pressure of vicious circle of increasing debts.

Table 7: Sources of Financial literacy

source	% of Respondents
Friends	17.41
Family	35.63
Banks/ Fin.	31
Relatives	17

Interpretation: clearly indicates that about 36% of rural women get financial education from family. This means rural women get to know about financial information mainly from informal and indigenous sources. In spite efforts of government to reach out to her the structured financial market set up and consumer/ investor protection mechanisms have not reached. The efforts of SHG are appreciable in this regard as 34% of the respondents have received financial education through SHG's. The least educating source of the financial system is banks and financial institutions.

ENUMERATORS OBSERVED SEVERAL NOTEWORTHY INSIGHTS WHILE DEALING WITH RURAL WOMEN, INCLUDING:

- Women often lack knowledge of finance due to limited discussion of money management issues at home. Women viewed gold as a solid investment for their future requirements. Some women covertly saved to prevent male family members from mismanaging cash and assets.
- Family conflicts arise from competing financial requirements and goals, sometimes prioritizing power over genuine needs and gender difficulties.
- Rural women have not received financial education from the government or institutional systems, except via the efforts of SHGs.
- They follow the leader's financial decisions rather than making their own. Neighbors tend to mimic each other's actions without considering the necessity of doing so. individuals open bank accounts to receive government subsidies and transfer funds from earning family members living far away.
- Rural financially illiterate women face inadequate consumer protection, leading to financial losses. In rural families, the "one who earns will decide" guideline is commonly followed.
- Rural women view debt as embarrassing or socially undesirable.

5. Suggestions

Advancements in information technology have made it easier for everyone to learn about saving and investing. Women and minorities have low levels of education. Communicating financial service information to those in need is crucial to protect them from unscrupulous brokers and fraudsters. Women in rural areas often lack financial knowledge because it is not discussed at home. The researcher proposes the following suggestions.

A nationwide survey is necessary to assess financial literacy levels in India, particularly among middle and low-income populations.

Rural women lack access to structured financial markets and consumer/investor protection mechanisms. Financial institutions should provide value-added services such as ATMs, debit/credit cards, and money transfer mechanisms to support them. They should educate the rural populace on personal financial management. The researcher offers the following proposals. A nationwide survey is required to measure financial literacy levels in India, particularly among the middle- and lower-income groups. Rural women have limited access to formal financial markets and consumer/investor protection measures. Financial institutions should provide value-added services such as ATMs, debit/credit cards, and money transfer systems to help them. They should teach the rural population about personal finance management.

6. Conclusions

"Financial Inclusion and Financial Literacy are like two sides of the same coin". Economic growth should benefit all sections of society. Financial education must begin in childhood so that youngsters understand the significance of saving and investing. People should receive financial education as early as feasible in their lives. Financial education should begin at the high school level. The Reserve Bank of India's "Project Financial Literacy" aims to educate the public on central banking and banking ideas. However, the RBI's programmes have not reached the rural populace effectively.

The government strives to give financial products and services to the public, with the expectation that they would gain in return. Statutory and regulatory organizations should launch awareness campaigns aimed specifically at rural communities.

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