

A STUDY ON THE FINANCIAL INCLUSION OF SC/ST STUDENTS AMONG COLLEGE STUDENTS

¹ Arun Balakrishnan,² Shine Paul,³ Sai Krishna

¹ Assistant Professor,² Assistant Professor,³ M.Com

¹ Christ College, Irinjalakuda,

Abstract : The study is aimed at the study of the financial inclusion of the underprivileged students of the Christ College, those of the students belonging to SC/ST category. They have been excluded for the past many years and the government has been sending their stipend and grants to these students through electronic means to these students. The focus of the financial inclusion is to promote the sustainable development and creating awareness among the students about the banking industry and making them financially literate.

IndexTerms- SC/ST Category, Financial Inclusion, Students, Awareness.

I. INTRODUCTION

The expansion of financial services in the whole economy is very important because it leads to the promotion of the economic development and growth. It will include poor sections in rural and urban areas like farmers, small vendors, agricultural and industrial laborers, people engaged in unorganized sectors, unemployed, women, children, old people, physically challenged people, who can be benefited through the banking inclusion. The poor people belonging to all sections of the society will get opportunity to come into banking fold

Financial inclusion is believed to be the game changer to achieve inclusive growth by including hitherto excluded poor people into the formal financial sector. It is an attempt towards social justice which intends to bring marginalized people into the mainstream economy. It is both, an opportunity and a challenge to financial system. Development experience evidences a strong correlation between financial access and economic growth. Financial Inclusion is an umbrella term that captures a number of different types of products and services. It is a multi-dimensional, complex process that includes effective measures for financial participation, financial capability and financial wellbeing. Access to finance especially by the poor and marginalized people is a prerequisite for creating employment opportunities, economic growth, poverty reduction and social cohesion. Financial inclusion is based on both demand and supply aspects. From the demand side good financial decision making on the part of the people needs financial ability or capability and financial motivation. Financial ability depends on economic condition of the people; financial motivation depends on financial literacy or understanding of financial concepts.

Achieving inclusive growth is the policy priority and a challenge to GOI and RBI. Both the institutions make coordinated efforts to meet this challenge through financial inclusion. RBI has adopted bank led financial inclusion model to attend the issue. In this direction RBI introduced LBS by considering area approach, allotted each district of the country to a leading bank of the area. This has the objective of taking each and every district on the development path by reducing imbalances among regions and sectors. Lead banks in the district makes co-ordinate efforts to achieve the target set by RBI. According to the RBI guidelines, banks in India should implement financial inclusion policy to address the economic problems of vulnerable groups, by providing adequate financial services and mobilizing their small savings. The vulnerable financially excluded group comprises of women, poor people, rural people, people belonging to scheduled communities, tribes and many others. The scheduled caste and scheduled tribe are a group of people who are disadvantaged in the society. Many of them are not included into a bank, even if they are included they don't do any banking activities. Here in this study the researcher has made an attempt to study the financial inclusion of the SC & ST students who are studying in colleges.

II Objectives of the study

1. To study the level of awareness on banking services among SC/ST college students
2. To know the frequency of using bank.
3. To find out the usage of modern banking technologies by SC/ST students.
4. To understand the problems faced by SC/ST students while accessing banking facilities

2.1 Research methodology

2.1.1 Sources of Data

Data were collected from both primary and secondary sources. The **Primary Data** were collected through a well-structured questionnaire. The **Secondary Data** is collected from books, websites, annual reports etc.

2.1.2 Sample Design

Sample Population: The SC/ST students of Christ College, Irinjalakuda

Sampling Technique: Proportionate random sampling method was used.

Sample Size: 73

III REVIEW OF LITERATURE:

(M Mala, 2016) But the lack of awareness and financial literacy among rural population of the country is hindering the growth of our Indian economy. The study concluded that financial inclusion is playing a catalytic role of the economic and social development of Indian society.

(M Bhuvana, 2016) The paper identifies that financial literacy, high cost, technology, trust, Income level, distance and in appropriate products are the factors that determine the financial inclusion in India.

(Dr N Sundaran, 2016) It concluded that financial inclusion is the only hope for financial development. Emerging financial inclusion is a commercial profitable business exists in the banks, possible through viable tailored plan.

(Jagtap, 2016) Banking sector plays an important role in bringing financially excluded into formal financial sector. The study concludes that efforts taken for financial inclusion is visible through expansion of bank branches of both public sector banks scheduled commercial banks.

(Atwal, 2016) Researchers examined that there is no significant difference among the bank wise respondents viewpoints found in this regard.

(Kaur, 2015) Use of electronic means will increase the banking habits of the low income sector of the society. It concluded that digital India will make it easy to fulfill the objective of financial inclusion.

(Purvishah, 2015) His study found that banks would have to evolve specific strategies to expand the high outreach of their services in order to promote financial inclusion.

(R, 2015) Financial inclusion has a greater importance on economic growth of a country. Researcher found that there is a relationship between financial inclusion and economic growth of Nigeria in the period under study.

(Gaurnavlotha, 2015) The study found that regional rural banks have significantly made financial inclusion. RRBs are an important player in financial system because of penetration and increasing of loans and customers.

(Kalunda, 2014) The study aimed to bridge the gap in empirical literature on the impact of formal financial services and small scale farmers the relationship between gender and age on the demand and use of financial services was also investigated, finding reveals that the level of inclusion is high and usage in terms of credit access is also high.

IV ANALYSIS

4.1 Classification of respondents on the basis of social group

Social group	Frequency	Percentage (%)
SC	68	93.15068493
ST	5	6.849315068
Total	73	100

4.2 Classification of respondents on the basis of Education qualification

Education qualification	Frequency	Percentage (%)
UG	62	84.93150685
PG	11	15.06849315
Total	73	100

4.3 Classification of respondents on the basis of deposit account

Deposit account	Frequency	Percentage (%)
Yes	73	100
No	0	0
Total	73	100

4.4 Classification of respondents on the basis of persons prompted for opening an account

Persons prompted	Frequency	Percentage (%)
Banks officials	0	0
Relatives	4	5.47
School head /officials	69	94.52
Friends	0	0
Others	0	0
Total	73	100

4.5 Classification of respondents on the basis of deposit banks

Name of banks	Frequency	Percentage (%)
SBI	43	44.79
SBT	14	14.58
Cooperative	1	1.041
Canara	9	9.37
CSB	6	6.25
HDFC	2	2.083
SIB	9	9.37

Indian overseas	1	1.041
Federal	11	11.45
Total	96	100

Mann -Whitney U test

H_1 = There is significant relationship between Caste and problems faced by the students in opening a bank account.

The H_0 is rejected when the Asymp. Sig value is greater than 0.05 which indicates that there is relationship between dependent variable and dichotomous independent variable.

Particulars	Problems faced for opening a bank account
Mann-Whitney U	72.50
Wilcoxon W	87.50
Z	-2.19
Asymp. Sig. (2-tailed)	.028

4.6 Caste and Problems faced in opening a bank account

Here we

see that

Particulars	Technology
Mann-Whitney U	132.500
Wilcoxon W	2478.500
Z	-.851
Asymp. Sig. (2-tailed)	.040

Asymp.Sig< 0.05 which implies that we can reject the Null hypothesis which shows that there is significant relationship between problems faced and their caste

Hypothesis

H_1 = There is significant relationship between Caste and use of modern technology.

Caste and Use of modern technology	Marital status	religion	family system	Number of members in the family	Education qualification	Do you have any deposit account with any bank	Who prompted you to open the bank account	prompted you to open the deposit account	you face while opening the deposit account	What are the services avail in deposit account	Minimum balance in your account?	average do you withdraw in a month	What is the mode of deposit average do you withdraw in a month	How often you deposit cash in the deposit account?	the cash from the deposit accounts?	As you a student what is your source of money?	your locality?	How often do you use ATM facility	ATM and e banking facilities more	Mode of online payment;
N	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73
Normal Parameters	2.00	1.07	1.85	1.93	1.27	1.00	3.00	5.00	2.89	3.00	1.42	1.18	1.07	1.34	3.26	2.32	1.84	1.00	4.36	2.00
Std. c	.00	.254	.360	.694	.449	.00	.00	.00	1.339	.00	.498	.420	.347	.606	1.054	1.571	.409	.00	1.593	.00
Most Extreme Differences	.538	.538	.511	.265	.455	.538	.538	.221	.158	.379	.500	.537	.426	.348	.333	.478	.314	.151	.314	.475
Nega Po	.394	.511	.265	.271	.221	.301	.336	.422	.286	.342	.286	.342	.286	.342	.286	.342	.286	.342	.286	.342
Kolmogorov-Smirnov Z	4.594	4.370	2.267	3.889	1.888	3.235	4.271	4.590	3.643	2.969	2.845	4.085	2.687	4.085	2.687	4.085	2.687	4.085	2.687	4.085

Asymp. Sig. (2- tailed)		0.0 00	0.0 00	.00 0	0.0 00				.00 2		0.0 00	0.0 00	0.0 00	0.0 00	.00 0	.00 0	0.0 00		.00 0		0.0 00
-------------------------------	--	-----------	-----------	----------	-----------	--	--	--	----------	--	-----------	-----------	-----------	-----------	----------	----------	-----------	--	----------	--	-----------

Here we see that Asymp.Sig< 0.05 which implies that we can reject the Null hypothesis which shows that there is significant relationship between use of modern technology by the students and their caste

V FINDINGS

1. Out of 73 samples 93% of students are in the category of scheduled caste and other 6.84% are fall under the category of scheduled tribes
2. 30.13% of students come from joint family and others from nuclear family.
3. Majority of students' family includes 3-5 members that is 54.79%.
4. 62 students are from under graduate that is 89.43% others from post graduate.
5. Every student has deposit account.
6. Majority of students that is about 44.79% deposited in state bank of India
7. 94.52% students are prompted by school head or officials to open a bank deposit account.
8. The main reason for opening an account is to receive grants, stipends and scholarships from governments.
9. Cumbersome banking procedures are become the major issue while opening an deposit account. Its supported by 24.67% of students.
10. 70.29% of students has availed ATM services.
11. 69.86% of students have no frill account and others have zero balance account.
12. Majority of students deposited an amount less than Rs 1000 and Deposits are made through cash
13. 55 students withdraw an amount less than Rs 1000.
14. 83.785 students make deposit in banks rarely. and withdrawals made in monthly.
15. 75.29% of students are depend their parents for money.
16. All students get ATM facility and 43 respondents receive ATM facility monthly.
17. demonetization didnt make any benefit on the access of ATM and e banking facilities
18. Out of 73 samples 36 students have the knowledge of filing of deposit forms and awareness about e banking and net banking are known to only 32.87%. Majority of respondents not used cash transfer.
19. 32.9% of students are highly aware about banking services, 31.5% are low aware and 35.6% are moderate aware
20. By testing hypothesis, we found that there is significant relationship between problems faced and their caste
21. By testing hypothesis, we have found that there is significant relationship between use of modern technology by the students and their caste

VI CONCLUSION

The financial inclusion on SC/ST college students was discussed throughout the project. I have concluded that most of the students have adequate knowledge about modern banking services and various facilities provided by the banks. Even though financial inclusion is high, in terms of the accessibility of banking services among the SC/ST students, they are not using the banking activities in full flow. The main reason is that they don't have any earning capacity or their parents are not financially sound or they get regular pocket money to save. Their only way to save money or do banking services is when they get grants or scholarships, hardly few do part time jobs and deposit in banks. Only very few people do online purchasing or ticket booking through mobile banking.

REFERENCE

- [1] Anupama sharma, S. k. (2013). An analytical study :relevance of financial inclusion for developing nations. International journal of engineering and science, 2(6), 15-20.
- [2] Aravazhi, P. a. (2013). Role of microfinnce and self help groups in financial inclusion. International journal of marketing, financial services & management research, 2(3), 137-149.
- [3] Atwal, V. S. (2016). Aadhar card as a tool of financial inclusion: a study of bankers perspective. International journal of research in economics and social sciences, 6(5), 61-68.
- [4] Devi, R. (2008). Financial inclusion for inclusive growth and sustainable development. 18(4), 13-17.
- [5] Dr Christabell P J, V. r. (2012). Financial inclusion in rural India; the role of microfinance as a tool. IQSR Journal of humanities and social science, 2(5), 21-25.
- [6] Dr N Sundaran, M. S. (2016). Financial inclusion in India ; a review. International journal of applied engineering research, 11(3), 1575-1578.
- [7] Garg, B. (2014). Financial inclusion and rural development. Research journalis journal of commerce, 2(1), 1-6.
- [8] Gaurnavlotha, L. V. (2015). NABARD : a financial inclusion through regional rural banks. International journal of research in business management, 3(10), 77-82.
- [9] H L Prasad, D. N. (2014). Financial inclusion in India - an overview. International journal of advancements in research & technology, 3(11), 13-20.

- [10] Jagtap, D. M. (2016). Role of banking industry in financial inclusion in India. *International journal of mulifaceted and multilingual studies*, 3(4), 1-7.
- [11] kalunda, E. (2014). Financial inclusion impact on small scale tea farmers in Nyei country, Kenya. *World journal of social sciences*, 4(1), 130-139.
- [12] kaur, G. (2015). Financial inclusion and digital India. *International journal of business management*, 2(2), 1251-1258.
- [13] Khatoon, D. N. (2014). Financial inclusion- how effective is micro finance? *Abhinav international monthly refereed journal of research in management & technology*, 3(8), 38-42.
- [14] M Bhuvana, D. S. (2016). Drivers of financial inclusion to reach out poor. *Arabian journal of business and management review*, 6(4), 20-24.
- [15] M Mala, D. G. (2016). Role of banking sector in financial inclusion. *International journal of computational research and development*, 1(6), 172-176.
- [16] M, G. M. (2013). Financial inclusion in India issues and challenges. *International multidisciplinary journal of applied research*, 1(3), 12-22.
- [17] Malathi K P, K. G. (2008). Promoting financial inclusion through post offices as nodal centres. *Indian economic panorama*, 32(4), 13-17.
- [18] Mehar, L. (2014). Financial inclusion in India. *Innovative journal of business and management*, 3, 42-46.
- [19] Muhammad Omar Faruk, s. M. (2013). The financial inclusion : A district wise study on bangladesh. *International journal of economics, finance & management*, 2(4), 291-295.
- [20] Nagaraja S, P. S. (2013). Financial nclusion and rural development. *Global research analysis*, 2(7), 188-189.
- [21] Nayak, R. k. (2012). Financial inclusion through cooperative banks -a feasible option for inclusive growth. *IMJ*, 14(3), 9-17.
- [22] Neha Dangi, p. k. (2013). Current situation of financial inclusion in India and its future vision. *Internatioanal journal of management and social sciences research*, 2(8), 155-156.
- [23] P, S. T. (2014). Financial inclusion: concepts and overview in India context. *Abhinav international monthly refereed journal of research in managment and technology*, 3(6), 28-35.
- [24] Purvishah, M. D. (2015). Review paper on financial inclusion- the means of inclusive growth. *Chanakya international journal of business research*, 1, 37-48.
- [25] R, O. A. (2015, september). Effect of financial inclusion on the econmic growth of Nigeria. *International journal of business and management review*, 3(8), 11-28.
- [26] Shashikumar T P, R. k. (2013). Financial inclsn in India: an overview. *Research explorer*, 2(6), 13-15.
- [27] Sonu Garg, D. P. (2014). Financial inclusion in India-a review of initiatives and achivements. *IQSR journal of business and management*, 16(6), 52-61.
- [28] Srijanani, D. (2012). Financial inclusion; taking banking services to the common man. *IJMBS*, 2(3), 54-56.
- [29] Sylvia M Wambua, E. D. (2013). Innovative factors that affect financial inclusion in banking industry. *International journal of sciences basic and applied research*, 12(1), 37-56.
- [30] Uma K R, R. K. (2013). The role of self help groups in financial inclusion- a case study. *inernational journal of scientific and research publications*, 3(6), 1-5.

WEBSITES:

- [1] www.wikipedia.com
- [2] www.researchgate.com
- [3] www.forbesindia.com
- [4] www.statistics.laerd.com
- [5] www.ibm.com