

Role of Financial Literacy in the Economic Empowerment of Women of Kausa-Mumbra Region.

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For the National Conference

On

“Issues on Humanities, Environment, Commerce, Management and Technology: An Innovative Multi-Disciplinary Approach.”

Organized by

UNIVERSITY OF MUMBAI

In collaboration with

LALA LAJPATRAI COLLEGE of COMMERCE & ECONOMICS,

Mahalaxmi, Mumbai.-400 034

Abstract:

Financial literacy is basically making aware the people about the Financial system, making people understand how money works and creating a positive attitude towards the banking System. Financial literacy in Women is more important than men as the Economic Development of Women Population is necessary for overall empowerment of Women's. Financial Literacy and awareness about management of money will help Women for understanding importance of basic financial operations like bank account, saving, investing. Financial Education will also help for knowing the different banking product and Services available for the benefit of masses. Financial Literacy is the important tool for the economic empowerment of the Women's.

Keywords: Financial Literacy, Women Empowerment, Economic Development, money management.

Introduction:

“Financial inclusion is a key determinant of sustainable and inclusive growth, which in turn is essential for building an equitable society.”

- Pranab Mukherjee, President of India.

Women Empowerment is the necessity for the overall development of Women Population. The Economic independency can only make Women self dependent and can empower them to take the decision on their own. Economic independency is not possible without Financial Inclusion of Women's. Financial Inclusion can only be achieved through proper Financial Education. Financial Literacy is the other name of Financial Education.

Financial literacy is to create awareness about basic banking facilities, about importance of Saving, investments etc.

“Financial literacy is the ability to make informed judgments and to take effective decisions regarding the use and management of money. Financial literacy is therefore a combination of a person's skills, knowledge, attitudes and ultimately their behaviors in relation to money” (ANZ Bank, 2011).

Financial Literacy is focused on creating a Positive attitude for available Banking Services and Products. Financial Literacy in Women is utmost important as the economic development needs support of

banking facilities. As RBI Guidelines states “BANKING: - MAKING LIFE EASIER” is suitable for Financial Literacy. A sound knowledge of Money Management will smoothen the Empowerment Process of Women.

Financial Literacy or Financial Education has some major Competencies like Earning, Saving and Investing, Spending, borrowing, Protecting. The Financial Literacy is will help women’s ability to grow, monitor and effectively use of financial resources to enhance well being and economic security of their own and of the family. The Financial Literacy can make women’s economically free and to achieve economic stability. Financial Literacy is the Demand side of banking products and services and financial inclusion is the Supply side of the same. Financial Literacy is important due to the following reasons:

The Region of Kausa-Mumbra is the semi urban area with mix demographic features. The population of this region belongs to mostly economic backward class people. The mix population dominated by Muslim Community resides in the region. The status of Women’s is far more grave as compare to men on the population. Majority of the Women population are economically dependent and scope of Women Empowerment is very low for them due to lack of support and opportunities. There are nearby 13 banks operating in Kausa-Mumbra Region. This Study will help to evaluate the level of Financial Literacy in Women’s of Kausa-Mumbra region and also to evaluate the impact of Financial Literacy on Overall Empowerment of Women of Kausa-Mumbra Region.

Objectives of the Study:

- To evaluate the level of Basic Financial Literacy among the Women’s of Kausa-Mumbra Region.
- To Evaluate the Role of Commercial Local Banks to provide Financial Literacy to the Women’s of Kausa-Mumbra Region.
- To evaluate how Financial Literacy helps in Women’s empowerment of Kausa-Mumbra Region.
- To suggest measures to make Financial Literacy easier for Women’s of Kausa-Mumbra Region.

Hypothesis of the Study:

H0: Financial Literacy has no role in Economic Empowerment of Women’s of Kausa-Mumbra Region.

H1: Financial Literacy has a role in Economic Empowerment of Women’s of Kausa-Mumbra Region.

Collection of Data:

The Collection of the Data for the Study of Financial Literacy is done mainly with the help of Primary Data. The data is collected through different Questionnaires from different section of respondents. The Population of the Study were the Women’s and 13 Banks of Kausa-Mumbra Region. The sample Size for Questionnaire was selected as of 100 Women’s for gathering response on Account holding types and for evaluating the Level of Financial Literacy. 13 Commercial Local Bank as taken as the Sample Size for bank related information. Some findings are drawn by Observation and oral questioning by the researcher. Data is collected in and analysed in simple form for better understanding.

Literature Review:

ANZ Bank, 2011: The definition provided by ANZ Bank about financial literacy explains about the importance of Management of Money through proper judgments and effective decision making. It explains financial Literacy in the light of Personal Skills, attitudes of People, knowledge of people related to the money.

Financial Literacy Guide, RBI(January 2013) : Financial Literacy Guide published by Reserve Bank of India in January 2013 explains the concept of Financial Literacy in the light of Indian Population and also explained Financial Inclusion in a well sequence structured form. The Guide helped to understand the fundamental requirements of and relationship between Financial Literacy and Financial Inclusion.

E-Book -Institute for Financial Literacy(2014): Online notes provided by Institute of Financial Literacy in E-Book explained the concept of Making Use of Money, Saving, Investing in simple form which is very helpful to understand the basic term of Financial Literacy easily.

Discussion and Findings of the Study:

Financial Literacy has many aspects included in it. Financial Literacy means awareness about Banking System, Saving and Investing one’s money, management of Money by basic budgeting, knowledge about the facilities available and usage if it. Financial Literacy is essential for Women’s especially as without active

participation in Banking System, Economic empowerment of Women's is not possible. The Study conducted shows that the Financial Literacy among the Women's of Kausa-Mumbra Region is important for their Economic Development. The Objectives of the Study is explained through proper analysis of the Data Collected and accordingly the inferences are drawn. The Women's of Kausa-Mumbra Region belong to mix population of literate and illiterate category. The Level of Financial Literacy is also different for different categories of the Women's. Only Financial literacy in it different forms helps for to gain he benefits of Banking System. It also helps to make understand the Banking Products that should be demanded by the People as Customers and have to be supplied by the Banks.

Commercial Banks has important role to play in increasing Financial Literacy especially among Women's and the study shows that the current initiatives of banks are not sufficient for promoting Financial Literacy. The Women's of Kausa-Mumbra needed to be joint in the process of Financial Literacy for their Economic Development and Empowerment. The analysis of the Data explains the status of Level of Financial Literacy, Usage patterns, initiative taken by Banks of Kausa-Mumbra, and benefit of Financial Literacy for Empowerment of Women's of Kausa-Mumbra Region.

Analysis of Data and Interpretation:

The data for the study is collected majorly through Close ended Questionnaire which was framed as per the needs of the Objectives of the Study. The analysis of the collected data is done keeping in mind the responses of the respondents and also the purpose and objectives of the Study. The different analysis had been done for the responses of different questionnaire

Level of Financial Literacy among the Women's of Kausa-Mumbra Region:

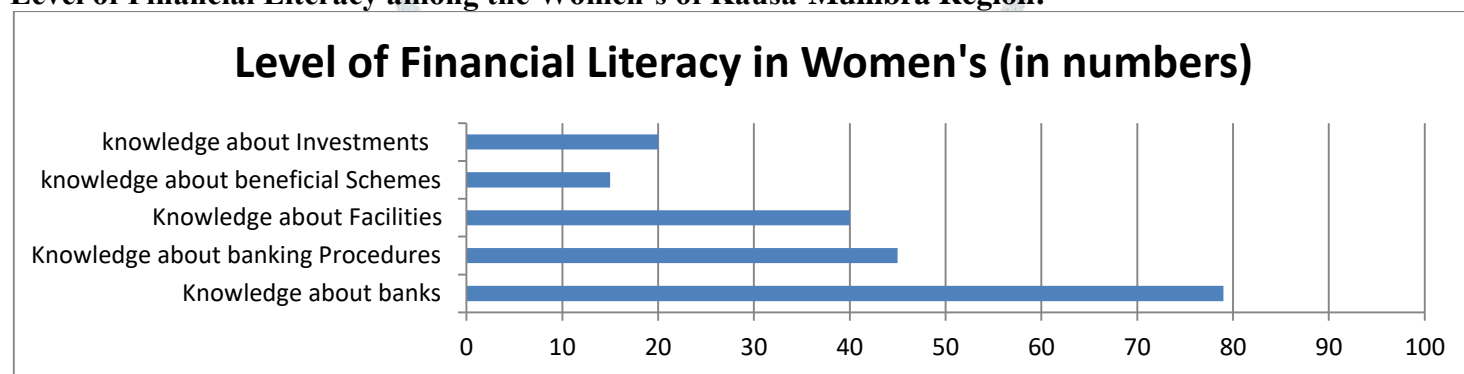


Figure 1 (As Per the Questionnaire)

The figure 1 presents the data about Level of Financial Literacy in Women's of Kausa-Mumbra Region. The responses were obtained from 100 respondents through a Close ended Questionnaire. By YES and NO response the above data is obtained. The data shows that out of 100 women's 79 women's have knowledge of Banks but the other information like Knowledge about Procedure (45), Facilities like ATM, Net banking, online payments etc (40), Investment (15), Schemes(20) is low. This is due to the fact that many Account holders just only have an account on their name but they don't operate it willingly. They may depend on family or others for doing so. This analysis shows that the Financial Literacy among the Women's of Kausa-Mumbra is still insufficient as mere knowledge of Banks will not severe the purpose of Economic Education and Development. This can be further explained by the data collected on Status of Women's of Kausa-Mumbra Region as Account Holders.

Status of Women's of Kausa-Mumbra Region as Account Holders:

Table number 1

Status of Women Account holders	Response in numbers out of 100 women respondents		
	Total Out of 100	Individual Account Holder	Joint Account Holder
Married but Literate	40	30	10
Married but illiterate	25	05	20
Unmarried but Literate	25	20	05
Unmarried but illiterate	10	03	07
Total	100	42	58

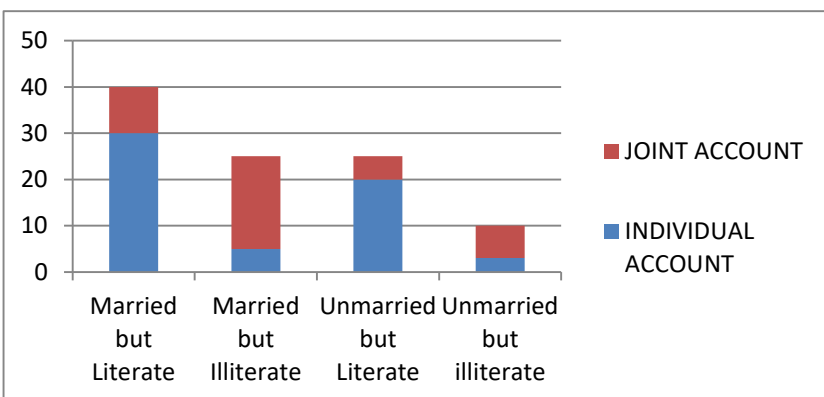


Figure 2 (Graphical Presentation as per Table no. 1)

The analysis of the data presented in the Table no. 1 shows that the number of Joint Account holder is more in case of Women's as compare to Individual account holder. The findings are very clear for Married Women's as the number of Joint Account Is higher for them. Even in the case of Unmarried illiterate Women's the number of Joint Account Holder is more. This shows that the account is being operated by the partners more than the Women account holder. The number of joint account holder also increased due to compulsion of Central Government for benefits of refund schemes like LPG Cylinders Subsidies. Direct money transfer etc. Lesser number of Individual Women Account holders shows lower average of Financial Literacy among Women of both Married and Unmarried and Literate and illiterate Category in Kausa-Mumbra Region. He purpose of Economic development will hamper due to such trends in status of Women of Kausa-Mumbra Region.

Role of Local Commercial Banks in Financial Literacy of Women's of Kausa-Mumbra Region:

The local commercial Banks operating in the Kausa-Mumbra Region can play important role in Economic Empowerment of Women of the Region. There are in all 13 banks of Cooperative, Private and Public nature operating in the region of Kausa-Mumbra. Banks like DCB(Private bank) and Canara Bank (Public bank) have 2 branches in the area which make the count 15 in total but the sample selected for response is 13 due to the similar policies of the branches. The data is collected from the bank employees and other members through Questionnaire about the initiatives taken up by the bank for reaching out to the people to make aware them with Financial Literacy who are not in the banking process and also to reach out to the current customers. The initiatives can be taken by banks like awareness program for financial illiterate people, Surveys, Personal reach by executives, making procedures easier to understand, networking through existing customers etc. Questionnaire related to those initiatives where put and responses were recorded accordingly.

Table no. 2 : Response of banks on Initiative to be taken by for reaching Financial illiterate Women's

Type of Initiative	Response of number of banks out of total 13 banks in YES/NO form on whether initiative taken by bank to reach out Financial illiterate Women's of Kausa-Mumbra Region.		
	YES	NO	Total
Awareness Program conducted by bank	03	10	13
Survey done to know financial illiterate people	03	10	13
Personal Reach through Executives	05	08	13
Networking through existing bank Customers	05	08	13

Making KYC and other Procedures easy to attract illiterate non customers	03	10	13
TOTAL INITIATIVE	19	46	65

The above tabular data of table no.02 shows the response of bank on initiatives to be taken by for reaching Financial illiterate Women's of Kausa-Mumbra Region. The analysis of the data states that the initiative taken by banks is very poor. Banks are just engaged in providing increasing number of facilities to the existing customers but there is no focus on those Financial Illiterate Women's who are still not in the banking System. The above response explains that only 19 positive initiatives were taken by banks out of 65 possibilities which is a very poor response. The Local commercial banks of Kausa-Mumbra region have to active in reaching Financial illiterate people especially Women's

Impact of Financial Literacy on Empowerment of Women's of Kausa-Mumbra Region:

The impact of Financial Literacy on overall development of Women can understand by the Positive outcomes especially in case of Illiterate and Uneducated Women. Changes in status of Income, Saving, investments, Standard of Living, Education of Children, Healthcare, knowledge etc can determine the level of impact of Financial Literacy on Empowerment of Women. The data is collected through simple close ended questionnaire through some Women respondents regarding the said parameters. Through analysis of the data it is clear that there is a considerable growth in the Income and Savings of Women. Through this saving Economically backward women can now provide better Education to Children and better health care for herself and her family. The overall standard of living had improved due to banking system. Women now are turning towards small and medium type investments an can also avail the benefits provided by Bank like Mahila Bachat Gat of cooperative bank, KANYA DHAN YOIANA of Public Banks, Direct transfer of subsidies money in Women account holder only etc Women due to Savings and Investments and better employment opportunity is self dependent and can take her decision freely and willing. Economically strong and stable Women are tend to more empowered than others. Even the social acceptance and status of Women is also improved due to Economic development. All these development is possible only because of Financial Literacy.

Women Empowerment is economically impossible and unachievable without proper Financial Education which is nothing but Financial Literacy.

Suggestions:

As per the evaluation and analysis of the data and findings of the Study, followings points are suggested to improve the Financial Literacy of Women's of Kausa-Mumbra Region:

- Banks must come forward for creating awareness among the Financial illiterate Women through personal reach or local level campaigning.
- Procedures must be made easy and understandable for illiterate and other Women.
- Existing account holders should be encourage to use services like ATMs, Net banking, etc.
- Mobile Banking can be started at local level to increase the Financial Inclusion.
- Banking system must be Language friendly and must be available in all local languages.
- Proper Banking Curriculum will be helpful at Secondary level Education.
- Local NGOs can play a supportive role in promoting Financial Literacy.

Scope of Further Study:

This Study covers the Level of Financial Literacy of Women of Kausa-Mumbra Region who are not part of banking system and even those who are in the banking system. This Study provide base for further study on Financial Inclusion of Women's of Kausa-Mumbra Region and also can be used to expand the study on how bank can play a productive role in Financial Literacy and Financial Inclusion of People of Kausa-Mumbra Region The study can be a gateway for information on economic background of Women's of Kausa-Mumbra Region.

Conclusion:

The study states the status of Financial Literacy of Women's of Kausa-Mumbra Region and also explain that the Financial Literacy has an positive impact on the Economic development of Women's of Kausa-Mumbra Region. The findings and conclusion proves the **H1 Hypothesis to be true**. The Women who are active in the banking System of Kausa-Mumbra Region is benefited due to the facilities and schemes of Banks and this has been possible due to their Financial Literacy. The Financial Literacy of such women's goes on Increasing with time regarding the use of services like ATM, Net banking, Online payments, Use of Debit Cards etc. Financial Literacy helps Women's to understand the management of money and also encourage them for Small and Medium investments. Financial Literacy guides Women's investor for employment opportunities

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