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# A Study On Factors Affecting Financial Literacy Among Working Women In Gujarat State

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## Abstarct:

Financial literacy has turn out to be vital in recent times in India, as range of latest monetary merchandise are to be had withinside the marketplace and it's far tough for not unusual place guy to apprehend the dangers and returns associated with those monetary merchandise without enough monetary literacy and information. Financial literacy is the principal device for monetary inclusion of girls in India. Women in recent times are nicely knowledgeable and get satisfactory process gives with correct pay applications and continually do for the nicely being in their households Most of the girls have decrease hazard propensity than guys closer to monetary hazard. Despite of fundamental training girls lack in information concerning control of cash and range of things affecting monetary literacy need to be taken into consideration altogether to take a look at their widespread have an effect on so that when thinking about all of the element's clean transmission of monetary literacy and information may be possible. Among primary elements consist of Socio-monetary and Demographic elements including age, gender, training, experience, Income, Profession, Nature of employment, own circle of relative's history, repute and its type, wealth elements influences people monetary literacy ranges and its dimensions. (Financial Knowledge, Financial mind-set and monetary Behaviour). An strive has been made on this paper to collect facts from preceding studies posted international to complicated perspectives concerning elements as a way to have an effect on monetary literacy. Earlier researches depict the impact of socio- demographic and psychosocial elements. This paper makes a specialty of the fundamental history of things influencing monetary literacy on the idea of evaluations from current studies.

## Keywords:

Financial literacy, financial decision making, literature reviews, socio-demographic factors and psychosocial factors

## **Introduction:**

The phrases monetary literacy, monetary expertise, and monetary schooling frequently had been used interchangeably each in instructional literature and withinside the famous media (Huston, 2010). Financial literacy has been described in lots of approaches and phrase depict numerous meanings depend upon the item of the have a look at, nature of have a look at and kind of statistics used. Most fundamental definition of monetary literacy refers back to the expertise, significance and utilization and knowledge of money (Norman, 2010). In a comparable vein, Lusardi and Mitchell (2007) described monetary literacy as set of capabilities and expertise that publications an man or woman to take powerful choices and to apprehend finance. Financial literacy is one of the essential pillars of monetary properly being of society, whether or not at micro or at macro levels. Financially illiterate people face numerous types of troubles withinside the economy. Thus, missing monetary literacy has been stated through numerous research as a massive leader cause for; excessive debt and pricey borrowing (Lusardi and Tufano, 2009), low participation withinside the formal monetary marketplace and inventory marketplace (Cole et al., 2008) bad and insufficient making plans for retirement (Lusardi and Mitchell, 2006). In essence monetary illiteracy will be truly risky for the welfare of people, families and the whole economy. In each advanced and growing nations ladies display decrease monetary literacy ranges than men. Women require monetary literacy talents and expertise to control their budget in addition to for dealing with their entrepreneurial activities. Since ladies stay longer than men, they ought to recognize what monetary merchandise are to be had and appropriate for his or her empowerment. Main goal of modern-day take a look at is to assess the elements affecting monetary literacy of operating ladies the take a look at acknowledged age, education, income, gender, net connectivity, hopelessness, religiosity, and monetary pleasure etc.

## **Literature Review:**

**Singh Chetna and Kumar Raj (2017)**, with the assist in them examine emphasized that there's a pressing requirement to teach ladies approximately diverse funding avenues and increase in them an addiction of lively economic making plans and cash management. They additionally drew interest to the locating that ladies do now no longer actively hold a test on their economic portfolio because of lack of expertise and are mainly dependent on their male own circle of relative's individuals or pals for in search of assistance.

**Devi Anjali (2016)** carried out a look at on monetary literacy of girls withinside the district of Assam in India and he or she discovered that alevin though the monetary literacy ranges of girls appear to be upgrading to a pleasant degree however there nonetheless exists a distinction withinside the performances of girls of various regions, earnings degree, instructional ranges. Etc. For example, the monetary literacy ranges of running girls and people from city regions had been higher than the ones of non-running and rural girls. Thus,

there's a want to put into effect such programmes that might cognizance on the general improvement of girls.

**Sebastian T. And Raju Middi A. (2016)** said of their studies look at that maximum of the expert girls have monetary information however they nonetheless stay incompetent in terms of cash control and monetary making plans or choice making. They additionally mentioned that maximum of the girls' buyers has medium threat urge for food and as a consequence they select SIP, alevin though they're now no longer completely aware of the same.

**Agarwal Priyanka and et al. (2015)** concluded of their take a look at that human beings like to earn cash however are unaware approximately making an investment the identical for destiny protection and wealth creation. They additionally stated that ladies need to end up extra aware of economic subjects and need to take part actively withinside the economic choice making of their families.

**Arora Bhaskar and et al. (2018)** emphasized at the reality that economic literacy could make a manner for ladies' independence and construct self-assurance in them to make a stand for themselves. They endorsed that ladies now no longer handiest want to be added to economic phrases and ideas however they need to additionally be made able to making investments to earn cash and guard their destiny.

### **Objectives:**

- To identify factors affecting financial decisions of working women.
- To find factors responsible to spread awareness among working women.

### **Research Methodology:**

Various research used exceptional methodologies to discover and examine elements affecting monetary literacy. This look at has been accomplished to get admission to the extent of monetary literacy amongst operating ladies in Gujarat. The goal of survey is to take a look at the know-how of operating ladies in monetary literacy and elements affecting monetary literacy of operating ladies. Furthermore, this look at is likewise looking to take a look at the connection among monetary know-how and attitudes of operating ladies with their monetary literacy level.

### **❖ Research Design**

Descriptive and analytical research design has been used to have a better understanding of the barriers that are affecting the working women of Gujarat.

### **❖ Sample Size and Sample Unit**

For the motive of the study, overall, of 500 lady respondents were studied and which are similarly divided into one hundred respondents from each city. The sampling unit includes respondents who're running ladies doing jobs in banks, faculties and different expert firms. 50 percentage of the respondents are from public sector (central/state govt. /Semi-govt. Employees) and relaxation 50 percentage respondents are from Private sector. Working ladies from unique socio-financial degrees have been selected.

❖ **Sample design**

For accumulating the responses from girl respondents comfort sampling method, that is a class of Non-Probability Sampling Methods has been used. Only running ladies had been taken into consideration assuming that someone is greater involved approximately cash whilst it's far their personal earning.

❖ **Data collection**

This study adopted a quantitative method and data has been collected through a survey by using a closed ended questionnaire. Questionnaires helps in gathering information on knowledge, attitudes, opinions, behaviors, facts, and other information related to financial literacy of working women.

❖ **Analysis of data**

Data collected through questionnaire has been tabulated using Excel and SPSS software, interpretation of data was conducted on the basis of tabulation and analysis. Primary data collected is analyzed using SPSS and statistical tools like percentage analysis and ANOVA.

**Empirical Results and Analysis:**

The records gathered changed into encoded and tabulated. It is uncovered to statistical equipment like percent evaluation and go evaluation and ANOVA. The operating girls have been requested to price the different factors that have an effect on the economic literacy and its effect on selection making. The elements have been categorised into 3 classes viz. non-public elements, economic elements and outside elements. (Table: 5.1)

<b>Personal Factors</b>	i. Household Budgeting
	ii. Child education/marriage
	iii. Health Care
	iv. Repayments of loans
	v. Family Welfare

<b>Financial Factors</b>	i. High & Guaranteed Profit
	ii. Low Risk
	iii. Financial Security
	iv. Tax Benefits
	v. Regular Source of Income
<b>External Factors</b>	i. Discussions with financial consultants
	ii. Guidance of Professional colleagues
	iii. Past Performance of the company
	iv. Influence of relatives
	v. Financial Newspapers

**Table: 5.1 Factors affecting financial literacy**

Table 5.1 shows the numerous declaration associated with elements affecting the monetary literacy and it's have an effect on at the choice-making energy of the running girls are summed up and facts primarily based totally on different factors depicts that 44.4% of the running girls are distinctly stimulated with the aid of using the different factors which might be affecting monetary literacy and it's have an effect on on choice making, 41.5% of the running girls are impartial approximately the have an effect on of different factors, 8.8 el that different factors have low have an effect on, 2.9 el the different factors have very low have an effect on while 2.5% of the running girls sense that different factors are having very excessive have an effect on on monetary literacy and it's have an effect on on choice making. The one-way evaluation of variance (ANOVA) is used to decide whether or not there are any statistically good-sized variations among the approach of different factors affecting monetary literacy and demographic variables.

**5.2 Factor affecting financial literacy and influence on decision making behavior among working women**

As in line with the effects of the ANOVA take a look at implemented on every declaration of things affecting economic literacy depicted from desk 5.2, the null speculation is widely wide-spread on the idea of family budgeting, toddler education/marriage, fitness care, compensation of loans, own circle of relatives welfare, excessive and assured profit, low risk, economic security, normal supply of earnings which means those elements haven't any enormous effect at the economic literacy of running ladies and rejected on the idea of tax

benefits, discussions with economic consultants, steorage of expert colleagues, beyond overall performance of company, have an effect on of relatives, economic newspapers, that means there via way of means of that those elements have enormous effect at the economic literacy of running ladies.

ANOVA							
		Sum of Squares	Df	Mean Square	F	Sig.	Remarks
Household Budgeting	Between Groups	.025	1	.025	.026	.873	Accepted
	Within Groups	472.766	478	.989			
	Total	472.792	479				
Child Education/Marriage	Between Groups	.234	1	.234	.242	.623	Accepted
	Within Groups	461.766	478	.966			
	Total	462.000	479				
Healthcare	Between Groups	.243	1	.243	.307	.580	Accepted
	Within Groups	378.255	478	.791			
	Total	378.498	479				
Repayment of Loans	Between Groups	.393	1	.393	.331	.566	Accepted
	Within Groups	568.355	478	1.189			
	Total	568.748	479				
Family Welfare	Between Groups	.012	1	.012	.004	.948	Accepted
	Within Groups	1413.154	478	2.956			
	Total	1413.167	479				
High and Guaranteed	Between Groups	.079	1	.079	.082	.775	Accepted
	Within Groups	462.169	478	.967			
	Total	462.248	479				
Low risk	Between Groups	2.452	1	2.452	2.445	.119	Accepted
	Within Groups	479.496	478	1.003			
	Total	481.948	479				
Financial Security	Between Groups	1.271	1	1.271	1.173	.279	Accepted
	Within Groups	517.721	478	1.083			
	Total	481.948	479				

Tax Benefits	Between Groups	8.183	1	8.183	7.503	.006	Rejected
	Within Groups	521.265	478	1.091			
	Total	529.448	479				
Regular source of income	Between Groups	2.535	1	2.535	2.462	.117	Accepted
	Within Groups	492.047	478	1.029			
	Total	494.581	479				
Discussion with consultant	Between Groups	14.892	1	14.892	13.586	.000	Rejected
	Within Groups	523.940	478	1.096			
	Total	538.831	479				
Guidance of professional colleagues	Between Groups	7.940	1	7.940	7.933	.005	Rejected
	Within Groups	478.427	478	1.001			
	Total	486.367	479				
Past company performance	Between Groups	31.928	1	31.928	25.908	.000	Rejected
	Within Groups	589.064	478	1.232			
	Total	620.992	479				
Relative Influence	Between Groups	10.382	1	10.382	10.012	.002	Rejected
	Within Groups	495.618	478	1.037			
	Total	506.000	479				
Financial Newspapers	Between Groups	12.998	1	12.998	12.723	.000	Rejected
	Within Groups	488.327	478	1.022			
	Total	501.325	479				

**Table: 5.3 ANOVA Table based on various factors affecting financial literacy**As according to the consequences of the ANOVA check depicted from desk 5.3, the null speculation is rejected on the premise of age of the running girls ( $p=0.39$ ) and sort of employer wherein the girls is running ( $p=0.35$ ) is having effect on elements affecting economic literacy and its effect on choice making. The null speculation is every day on the premise of Education stage of the running girls ( $p=0.805$ ), career of the running girls ( $p=0.194$ ) and marital reputation of the running girls ( $p=0.87$ ).

		Sum of Squares	Df	Mean Square	F	Sig.	Remarks
Various factors affecting financial literacy and Age	Between (Combined) Groups	4.050	2	2.025	3.254	.039	Rejected
	Within Groups	296.847	477	.622			
	Total	300.898	479				
Various factors affecting financial literacy and Education Level	Between (Combined) Groups	1.459	5	.292	.462	.805	Accepted
	Within Groups	299.439	474	.632			
	Total	300.898	479				
Various factors affecting financial literacy and Type of Organization	Between (Combined) Groups	5.372	3	1.791	2.884	.035	Rejected
	Within Groups	295.526	476	.621			
	Total	300.898	479				
Various factors affecting financial literacy and Occupation	Between (Combined) Groups	3.811	4	.953	1.523	.194	Accepted
	Within Groups	297.087	475	.625			
	Total	300.898	479				
Various factors affecting financial literacy and Marital Status	Between (Combined) Groups	4.114	3	1.371	2.199	.087	Accepted



### Table 5.4: Summary of hypothesis

It is concluded from Table 5. four that Hypothesis I is familiar primarily based totally on demographic variable schooling level, profession, marital repute and rejected on the idea of age, sort of organization. This confirms that age and sort of organization are the full-size elements in an effort to effect economic literacy of operating women, however schooling level, profession and marital repute aren't essential elements in an effort to have an effect on economic literacy.

Demographic factor	Remarks
Age	Rejected
Education Level	Accepted
Type of Organization	Rejected
Occupation	Accepted
Marital Status	Accepted

### Conclusion

This observe confirms that tax benefits, discussions with economic consultants, steerage of expert colleagues, beyond overall performance of company, impact of relatives, economic newspapers are the elements affecting economic literacy of working women undoubtedly. But family budgeting, infant education/marriage, fitness care, compensation of loans, own circle of relative's welfare, excessive and assured profit, low risk, economic security, everyday supply of profits aren't the vital elements affecting economic literacy. The outcomes of the look at disclosed that age and sort of agency are the essential variables in order to undoubtedly effect on economic literacy of working women and education level, career and marital popularity are such variables in order to now no longer have extensive effect on economic literacy of working women.

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