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## **Financial Literacy And Its Association With Age And Education Of Working Women Investors Of Rajouri Jammu And Kashmir**

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### **Abstract**

Women make up roughly half of world's population, but their investment contribution is minimum. Women's enormous ability to contribute to economic progress through investments remains unexplored. Through numerous investigations and original data collection, this research article attempts to determine the association between working women investors age and education with their financial literacy level. Women investors may improve their investment behavior if they are interested in improving their financial understanding, which will eventually lead to their women empowerment.

**Key words :-** Financial literacy, working women, financial literacy, age , education, empowerment.

### **Introduction**

Financial literacy is a pre-requisite for the achievement of financial goals by any individual. Due to economic liberalization, finance is not limited to national boundaries and is across the globe's length and breadth. One can invest and borrow from anywhere in the world. After the opening up of economic gates, complex financial products are made available to investors and borrowers. To invest or borrow based on those versatile financial instruments, the person needs to have a specific financial knowledge level. Due to a lack of knowledge about financial products and financial services available to financial consumers, they cannot gain an advantage. Particularly in pandemic situation Covid-19, which runs over months where the public suffered financially due to lack of savings and investments to use in those critical situations. Financial illiteracy makes people suffer financially. One of the prime causes of financial exclusion is financial illiteracy. To create successful use of financial products and services, people need to know enough to understand the basics of managing money. Financial literacy refers to a set of skills that allow people to manage their money wisely and understand essential financial concepts and an appreciation of the trade-off between risk

and return. It is a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions for a lifetime of economic wellbeing. Financial literacy entails knowing about financial products and services and having the rights skills for healthy financial practices. Financial literacy can reduce or eliminate poverty levels. Investment planning is a key factor in financial management as it helps people find the right investment that can generate sustainable financial returns. Having a plan before making investment decisions helps eliminate hesitation by allowing people to make sensible decisions and avoid losses. To make plans for an investment, people need sound financial knowledge and literacy so that every decision they make leads to a clear and right direction. Financial literacy is now widely recognized throughout the world. Despite India's enormous population, fast-growing economy, national focus on equitable growth, and urgent need to develop a vibrant and stable financial system, it is all the more important to promptly formulate and implement the national strategy. Financial literacy often known as financial education, is term that refers to the ability to manage the money. Women are standing low in most of south Asian countries, and their socio economic condition is worse than men.

Financial literacy is vital for today's adult because it gives them the knowledge they need to make important financial decisions including credit usage, saving and investing, and retirement planning. Purchase and use of insurance, as well as estate planning. There are always a number of components in the society which are underprivileged of their basic rights in every society, state and nation, but these components lack in the awareness of their rights. If we enlist such components from the society, then women would top this list. In fact, women are the most important factor of every society. Even though everybody is aware of this fact, yet nobody is ready to accept this fact. As a result, the importance which used to be given to women is declining in today's society. As a significance of this growing tendency of underestimating women such as to make them occupy a secondary position in society and to deny them of their basic rights, the need for financial literate women was felt. Today we enjoy the benefits of being citizens of a free nation, but we really need to think whether each of the citizens of our country is really free or enjoying freedom, in the true sense of the term. If we consider our country, each Indian citizen is given certain basic rights. The Structure of our nation doesn't discriminate between men and women, but our society has destitute women of certain basic rights, which were bestowed upon them by our Constitution. Due to such current situation, it was needed to make women free from all the fetters and to make financially independent them as well. This is nothing but empowerment of women.

## **Review Literature**

**Jamuna & Kavitha, 2013.** In a study in 2013 which is based on descriptive research, it was concluded that unmarried women are not inclined towards investment but it is the married women who take initiatives in making investments. The middle aged women generally choose real estate as their preferred choice of Investment Avenue. The conclusions in the

study can be utilized by bankers government and financial institutions for introducing such schemes of investment based on the education level, income level and age with the objective of acquiring and mobilizing funds. **Haque. A. & Zulfiqar. M. (2015)** conducted a study on women's economic empowerment through financial literacy, financial attitude and financial wellbeing. The objective of the study is to assess the level of financial literacy, financial attitude and financial wellbeing of working women and to examine the relationship between financial literacy, financial attitude, financial wellbeing and economic empowerment of working women. Study is conducted on 300 working women of non- financial sector of Pakistan. Study found that the financial literacy, financial attitude and financial wellbeing are significantly & positively related with economic empowerment. **Akisimire. R et al. (2015)** tried to examine the relationship and effect of microfinance on the entrepreneurial empowerment of women using evidence from the Central and Eastern regions of Uganda in their paper microfinance and entrepreneurial empowerment of women: the Ugandan context. The study was based on 150 women of Eastern & western region of Uganda. Multiple regression and correlation techniques was used to establish the relationship between the variables and to establish the influence of microfinance on women's entrepreneurial empowerment and found that microfinance and social capital have a significant relationship with entrepreneurial empowerment and concludes that microfinance is an important tool towards the entrepreneurial empowerment of women in a resource perspective. **Saha. B. (2016)** makes an effort to study the extent of financial literacy among working women of Raipur city and the study was conducted on 100 working women of Raipur city. Percentage and cross analysis were used for analysis of the data and study concluded that working women have good basic knowledge about risk free investment products, very less basic knowledge about risky investments, credit products are better known among them. Variables used for the study were financial products (investment, credit & insurance), credit products and insurance products. **Arora. A. (2016)** conducted a study Assessment of Financial Literacy among working Indian women. The objective of the study was to assess the financial literacy level of women and was conducted on 700 working women of urban areas of Rajasthan among which only 444 were responded. Results of the study show that the general awareness about financial planning tools and techniques among women remains poor even today, in 21st century and concluded that women have performed comparatively better in terms of financial attitude and behavior as compared to financial knowledge score. The study was based on three variables i.e. financial knowledge, financial behavior and financial attitude. **Fan and Chatterjee (2018)**, also revealed that financial experience and socialisation, such as by family members, improved financial knowledge and skills. In addition, financial learning can also be gained from work experience. Working enables a person to obtain knowledge about managing money; by learning from experience, they can develop a sense of responsibility and increase their money-management expertise. **Mountain et al (2020)**. Financial education can be an important a way to enhance financial knowledge and increase an individual's capacity to manage their finances. And,

indeed, it may be the case that this education eventually helps people manage money better when they do see their incomes increase and/or have the chance to work.

### Research Objectives

The present study aims to study the level of financial literacy of women investors of Rajouri Jammu and Kashmir For this following objectives are formed

- ❖ To study the association between level of financial literacy and age of working women investors.
- ❖ To study the association between level of financial literacy and education of working women investors .

### Research methodology

For the present study, non-probability convenient sampling is chosen. For the present study the Women investors of Rajouri Jammu and Kashmir are considered as the population for the study. The sample size is considered for the present study is 200. Both primary as well as secondary data are used for the study. The primary data is collected using a questionnaire

### Data analysis

**Association between working women investors Age and their financial literacy level**  
**Cross tabulation of age of working women investors and their level of financial literacy**

| Level of financial literacy | Age of working women respondents |              |               |               |                    |
|-----------------------------|----------------------------------|--------------|---------------|---------------|--------------------|
|                             | 20-30                            | 31-40        | 41-50         | 51 above      | Total              |
| <b>Low</b>                  | 34<br>(86.7)                     | 23<br>(39.1) | 26<br>(38.80) | 23<br>(52.27) | 106<br>(53.00<br>) |
| <b>High</b>                 | 05<br>(13.3)                     | 36<br>(60.9) | 41<br>(61.19) | 12<br>(27.27) | 94<br>(47.00<br>)  |
| <b>Total</b>                | 39<br>(100)                      | 59<br>(100)  | 67<br>(100)   | 44<br>(100)   | 200<br>(100)       |

Calculated\*\*

Hypotheses for the above table is as under:

H<sub>0</sub> : There is not significant association between working women investor's age and level of financial literacy.

H<sub>1</sub> : There is significant association between working women investor's age and level of financial literacy.

### Chi-Square Tests

|                              | Value               | Df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square           | 30.634 <sup>a</sup> | 3  | .000                  |
| Likelihood Ratio             | 33.265              | 3  | .000                  |
| Linear-by-Linear Association | 3.921               | 1  | .000                  |
| N of Valid Cases             | 200                 |    |                       |

The test was done at 5% level of significance. The Pearson Chi-square significance value is 0.000 with degree of freedom 3. Therefore, null hypothesis is rejected and hence, it is found that there is a significant association between working women investor's age and their level financial literacy . It might also concluded that working women investor's age and their level financial literacy are not independent. Or we can say, these two are significantly associated with one another.

### Symmetric Measures

|                             | Value | Approx. Sig. |
|-----------------------------|-------|--------------|
| Nominal by Nominal      Phi | .391  | .000         |
| Cramer's V                  | .391  | .000         |
| N of Valid Cases            | 200   |              |

Statistical significance between the two variables is shown by chi square test. But it does not tell us how much strongly association is between two variables in the cross tabulation. To measure the strength of association between the two variables, The Cramer's V, one of the measures of indexes is used, which is shown in table. From the table it can be seen that value of Cramer's V is significant .000 and degree of association between the two variables is 39.10%

### Association between working women investors Education and their financial literacy level

#### Cross tabulation of education of working women investors and their level of financial literacy

| Financial literacy level | Working women investor's education |                  |                |     |                     | Total |
|--------------------------|------------------------------------|------------------|----------------|-----|---------------------|-------|
|                          | Higher secondary                   | Bachelors degree | Masters degree | Phd | Professional degree |       |
|                          |                                    |                  |                |     |                     |       |

|              |              |               |               |               |               |                |
|--------------|--------------|---------------|---------------|---------------|---------------|----------------|
| <b>Low</b>   | 13<br>(89.7) | 16<br>(69.56) | 25<br>(69.44) | 24<br>(38.70) | 28<br>(43.75) | 106<br>(53.00) |
| <b>High</b>  | 2<br>(10.3)  | 7<br>(30.43)  | 11<br>(30.55) | 38<br>(61.29) | 36<br>(56.25) | 94<br>(47.00)  |
| <b>Total</b> | 15<br>(100)  | 23<br>(100)   | 36<br>(100)   | 62<br>(100)   | 64<br>(100)   | 200<br>(100)   |

\*\*calculated

Hypotheses for the above table is as under:

H<sub>0</sub> : There is not significant association between working women investors education and level of financial literacy.

H<sub>1</sub> : There is significant association between working women investors education and level of financial literacy.

### Chi-Square Tests

|                              | Value               | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square           | 20.548 <sup>a</sup> | 4  | .000                  |
| Likelihood Ratio             | 21.693              | 4  | .000                  |
| Linear-by-Linear Association | 15.577              | 1  | .000                  |
| N of Valid Cases             | 200                 |    |                       |

The test was done at 5% level of significance. The Pearson Chi-square significance value is 0.000 with degree of freedom 4. Therefore, null hypothesis is rejected and hence, it is found that there is a significant association between working women investor's education and their level financial literacy . It might also concluded that working women investor's education and their level financial literacy are not independent. Or we can say, these two are significantly associated with one another.

### Symmetric Measures

|                           | Value | Approx. Sig. |
|---------------------------|-------|--------------|
| Nominal by Nominal    Phi | .321  | .000         |
| Cramer's V                | .321  | .000         |
| N of Valid Cases          | 200   |              |

Statistical significance between the two variables is shown by chi square test. But it does not tell us how much strongly association is between two variables in the cross tabulation. To measure the strength of association between the two variables, The Cramer's V, one of the measures of indexes is used, which is shown in table. From the table it can be seen that value of Cramer's V is significant .000 and degree of association between the two variables is 32.10%

### **Findings and conclusion**

Research findings indicate how financial literacy significantly influenced investment decisions of working women investors of district Rajouri Jammu and Kashmir. It can be seen that there is significant relationship between age and education with financial literacy level of working women investors. It can be seen that there is 39.10% association between age and financial literacy level of working women, and 32.10% association between education and financial literacy level of working women. This research was conducted in Rajouri Jammu and Kashmir and therefore it is recommended that future studies involve larger samples and broader scope. Moreover, they can also investigate other variables such as financial effectiveness, income and other factors affecting investment decisions. Government and non-government agencies and authorities can pay specific attention to improve the financial literacy levels in general and, in particular, for working women. Women can act as teacher to teach the financial discipline among their children to improve the individual and society's economic stability and wellbeing in the long run.

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