



## **A STUDY ON FINANCIAL LITTARACY AMONG UNEMPLOYED WOMENS IN RURAL AREA WITH SPECIAL REFERENCE TO KANHANGAD MUNICIPALITY IN KASARAGOD DISTRICT,KERALA.**

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### **Abstract**

*The greatest turmoil in our financial system is the increased number of unbanked people or the group sits outside the boundaries of inclusion. By the post- mortem of the various factors responsible for the inclusion, it is clearly evidenced that financial awareness and education is a significant weapon needed to accelerate the rate of financial inclusion. Financial literacy stands for the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. The slogan of “manage your money and not be managed by your money’ is highly heard in financial literacy programme. Many rural mobs Especially Women are turned against this most fertile and useful field as because of their inadequate knowledge and skill in this area. The capability of taking sound financial decision depends on the degree of financial skill and knowledge they posses. Low literacy rates dramatically impact the lives of women, demanding they work harder, take more time to pay debt, and sometimes for earning less. The present inquiry shed light on the level of financial literacy among unemployed women in rural area. The study showcases the behavioral pattern and attitudes of unemployed womens while taking investment decisions. The study observed that financially literacy among unemployed women’s in rural areas is very low and their preferable zone of investment is mainly in unorganized sector.*

**Keywords: Financial Literacy Financial Resources, Financial Inclusion.**

### **Introduction**

Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players .(Definition by RBI). Financial Inclusion and Financial Literacy are twin pillars. While Financial Inclusion acts from supply side providing the financial market/services what people demand, Financial Literacy stimulates the demand side – making people aware of what they can demand (RBI). Thus we can observe that they are positively correlated. Literacy in any area will increases the knowledge and serves as tonic for relieving the problems incorporated with the inclusion. (Dr. Deepali Pant Joshi).Financial literacy opens a gateway to the financial inclusion by incorporating the essential ingredients that are necessary for the savers to reap the benefit. The spark plug of the better investment is the group which is characterized by the financially literate.

India represents the fastest growing region in the global economy. More than half of the population in the country is women. Women’s are the engines of the Indian economy, the participation of the women in the economy would therefore not only for enhancing their own wellbeing but also for contributing the potentials of the country. Many women’s take a back seat when it comes to take larger financial decisions; they leave it to their spouces, fathers, and brothers etc, believing them to be financially expert. Financial literacy among women becomes an important part of this process regardless of the income constituency to which they belong needs to be a better awareness of financial resources and their opportunities for income generations. The main objective of financial literacy is spreading the financial literacy among the poor, especially women for preparing them for future. More than 41% of the women population struggles financially, low literacy rates dramatically impact the lives of women, Organizations for Economic Co-operation and Development (OECD) has defined financial education as the process by which financial consumers or investors improve their understandings their financial products, concepts and risks and thorough information, instruction and confidence to become more aware of financial products, risks and opportunities. Women, senior citizen and the rural peoples are the vulnerable sections of society, and it is very essential to educate them about the financial matters. Even though ,there are financial literacy department in



most banks ,how much of these are success is a debatable question. As part of financial inclusion programme, honorable Prime Minister Announced Pradhan Manthri Jan Dhan Yojana, "A Gateway For Financial Inclusion". Self Help Groups are formed by govt. mainly for the development of unemployed and uneducated women's. It's a great movement by the then govt. for the empowerment of women in rural areas. As part of it CDS were provided a financial literacy handbook in Malayalam containing the details regarding the bank account opening NABARD bank linkage grading programmes etc. SEBI is providing financial literacy programmes for members of Self help Groups. In the light of these aspects, this study mainly focuses on the awareness among the women's in rural areas especially the unemployed women's. The lack of literacy will caused to throw out the many included class from the cluster of inclusion.. Financial literacy is expected to impart the wherewithal to make ordinary individuals into informed and questioning users of financial services. The study highly focused on the informed level of financial literacy of women and the pattern of investment.

### Objectives

1. To know the degree of awareness of financial literacy among unemployed women's in rural areas.
2. To identify the factors that affecting women's financial literacy.
3. To know the strategies adopted by woman's to manage their finances.

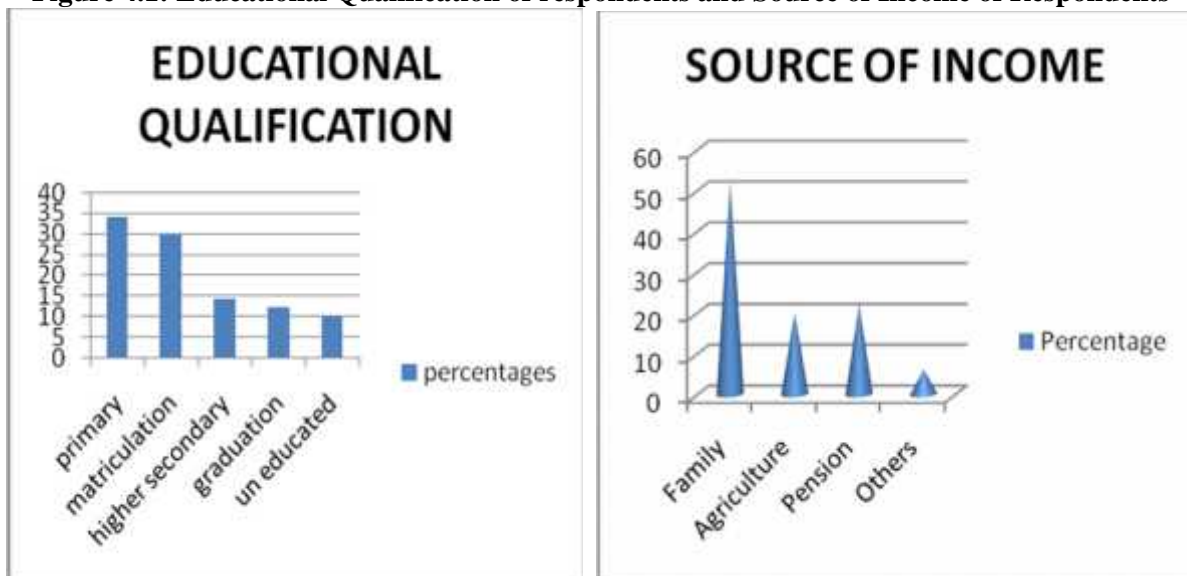
### Methods and Data Sources

The present study focuses on ' the awareness of rural unemployed women's about financial resources. An interview schedule is prepared for collecting data from women's in rural Ares about their awareness. The study mainly based on the primary data. Secondary data s is also used from various journals and medias. The area covered for the study is the rural areas of Kasaragod district. The total sample size is 100

### Result and Discussion

The study mainly focuses on the unemployed women's and their awareness about financial resources. Age and educational background of the respondents have important role in getting knowledge about financial resources.

**Figure 4.1: Educational Qualification of respondents and Source of Income of Respondents**

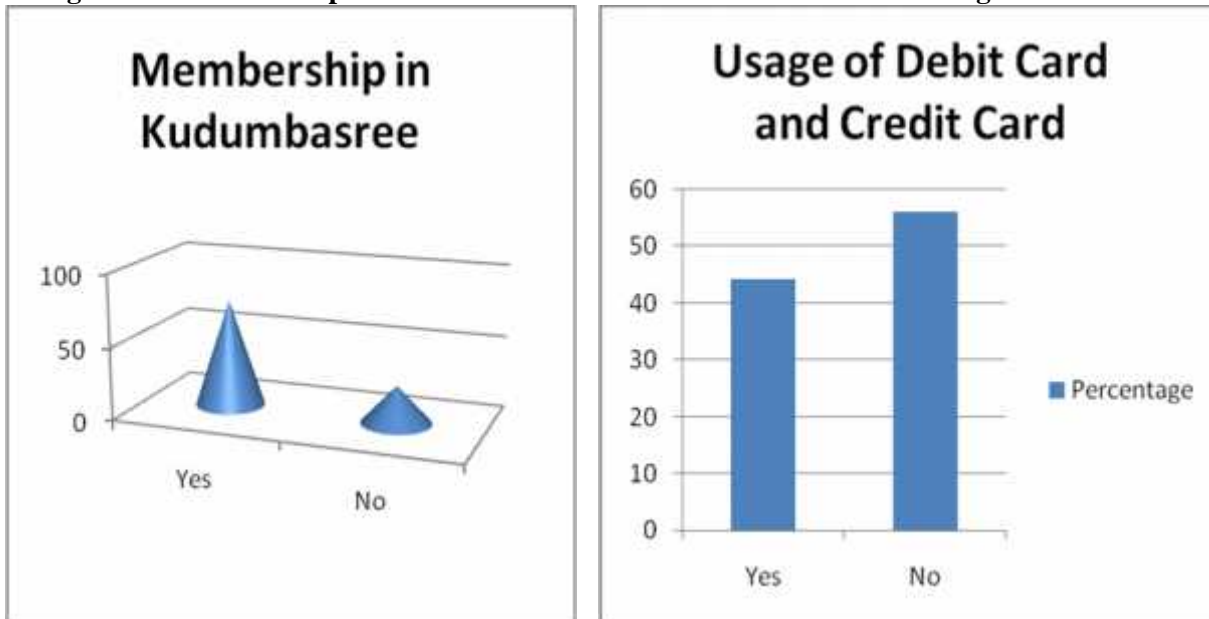


Source: Field Survey

This study showed that most of the respondents selected are having only primary education and only 10 percentages are uneducated. The study also reveals that majority of (52 percentage) unemployed women are depending their family for earning income. 22 percentages and 20 percentages of respondents getting cash from pension and agriculture respectively. Only few respondents getting income from other sources.



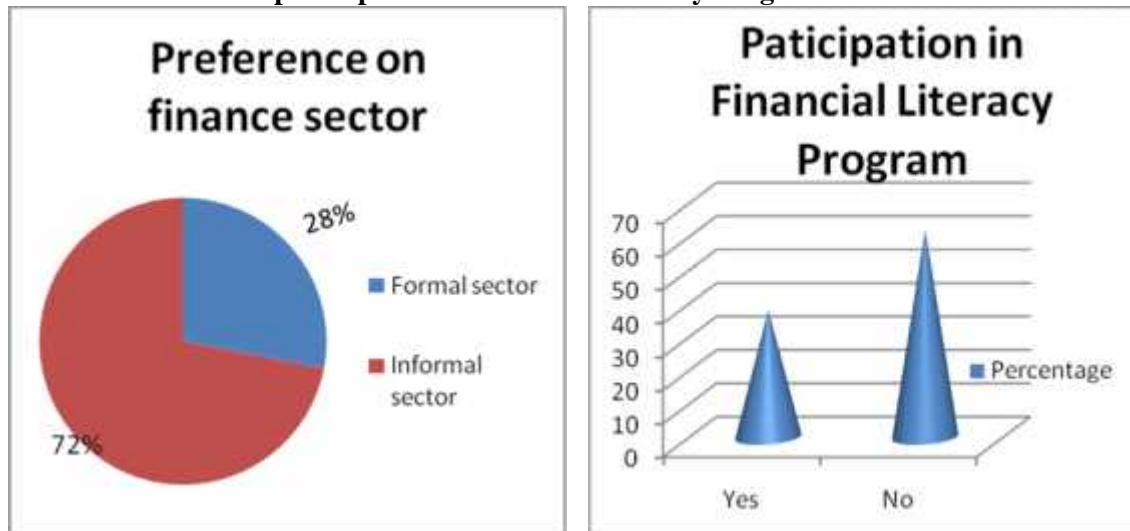
**Figure 4.2: Membership in Kudumbashree and their Awareness about Usage of Debit Card**



Source: Field Survey

This study showed that out 100 respondents 74 percentage respondents are members in Kudumbashree and other units and only few respondents are not part of such units. At the same time this study also showed that 64 percentages of respondents are not having the knowledge regarding the functioning of plastic cards like debit and credit cards.

**Figure 4.3: Respondents Preference among Formal and Informal sector and number of respondents participation in Financial Literacy Programmes**

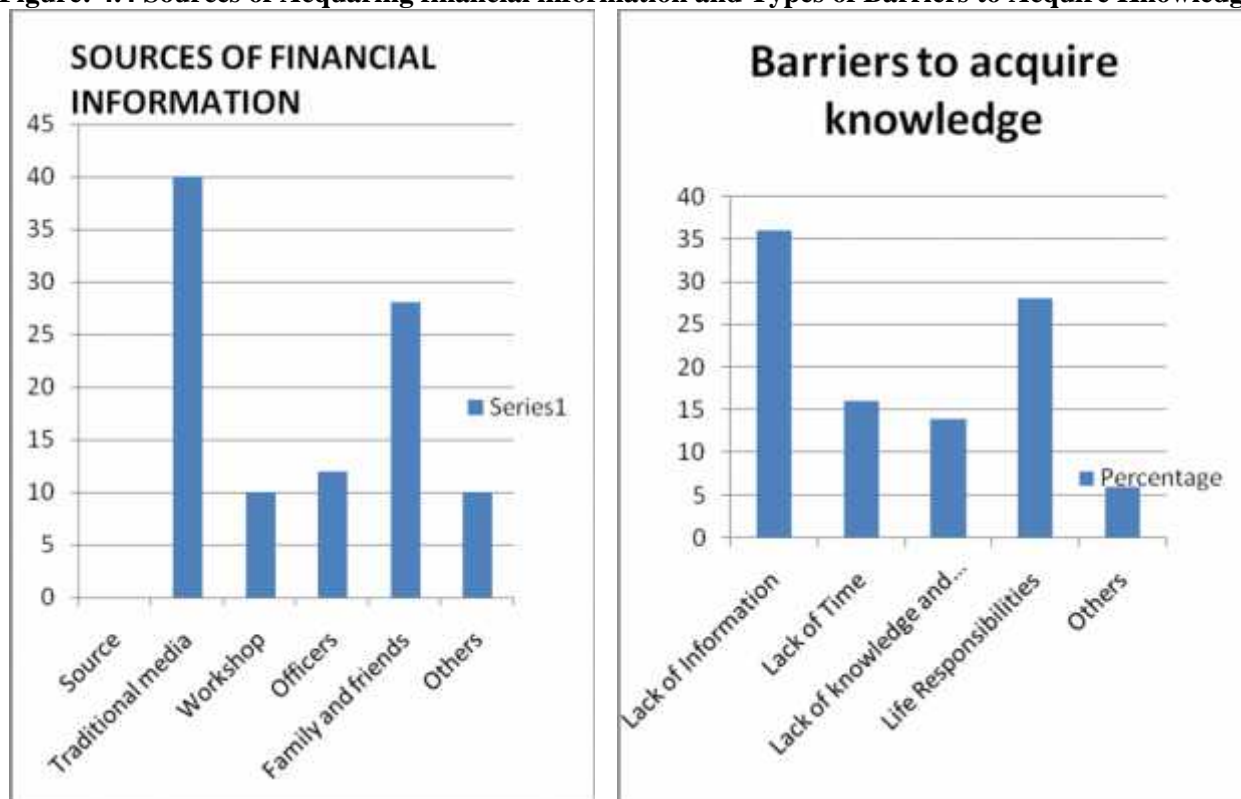


Source: Field Survey

This study reveals that only 28percentage of respondents are preferred informal finance sector, 72 percentages of respondents are preferred informal sectors. Majority of unemployed women are not at all aware about formal finance sector. This study also shows that most of the respondents are not participated in any type of financial literacy program; only 38 percentages of respondents are participated in such programs. Financial literacy programs play a crucial role in promoting financial literacy among general public.



Figure: 4.4 Sources of Acquiring financial information and Types of Barriers to Acquire Knowledge



Source: Field Survey

This study reveals that 40 percentage of respondents are getting information through traditional media like newspapers, radio, telephone etc. ,28 percentage of respondents are acquired through family and members , only few of them are acquired information through workshops, seminars etc. The study also shows number barriers to acquire financial knowledge. 36percentage of respondents could not acquire knowledge due to lack of knowledge and 28 percentages of them due to life responsibilities. Lack of time and lack of knowledge and experience also act as barriers to acquire financial knowledge.

### Findings and Suggestion

Financial literacy is an important concept and very much needed for men as well as women. Women having higher education qualification have high financial literacy. Out of 100 respondents only 10percentage of respondents are uneducated. But the women in rural areas are not getting enough financial information through education programs, seminars or workshop. Most of the unemployed women have bank account but they do not have much knowledge about compound interest and usage of debit card. Majority of women are members of Self Help Groups like Kudumbashree. Most of the unemployed women are getting cash from their family and then pension, agriculture etc. To manage the finance, unemployed women in rural areas are using budgeting strategies, depositing in to bank, chit funds, post office schemes etc. and some of them are retains the money in hand. Most of the respondents are not at all aware of the scope of investing into shares, mutual funds etc. Majority of unemployed women prefer informal sectors like Chitties as they feel more comfortable with their style of working. Out of 100 respondents, only 38percentage of respondents are participated in any financial literacy program before. The lack of information and life responsibilities has more effect on the financial literacy of the women. To ensure awareness among rural areas about investment in mutual funds and stock exchanges, conduct financial literacy programmers through self help groups like Kudumbashree etc. Educational games can also be developed as an attempt to teach teenagers and womens in rural areas for obtaining financial literacy.



### **Conclusion**

Financial education is important for each and every one. Women perform worse than men in the financial matters. So for empowering women, mainly unemployed women financial education is very essential. From this study it is clear that unemployed women's are less financially literate and they do not have clear knowledge about different scheme introduced by govt. for financial inclusion.

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