

## **Impact of Financial Literacy on Empowerment of Working Women in Kerala**

Dhanya KV, Research Scholar, Sri GVG Visalakshi College for Women, Udumalpet-28,

dhanyakv064@gmail.com

Dr.S Sripriya, Assistant Professor of Economics, Sri GVG Visalakshi College for

Women, Udumalpet-28, sripriyagvg@gmail.com

**Abstract :** "A combination of financial awareness, knowledge, skills, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being," as defined by the OECD (Organisation for Economic Co-operation and Development), is what is meant by financial literacy. In other words, it involves understanding how people manage their finances and how they spend and save their income. Financial behaviour, financial attitude, and financial knowledge are the three main components of financial literacy. The ability to understand the overall effects of financial decisions on one's circumstances (i.e., those of an individual, family, community, or nation) and to make the best choices for budget planning is known as financial behaviour. As women transition from financial dependence to financial independence, they are at a turning point in their lives. Unfortunately, women view themselves as weak when it comes to money and believe that dealing with money is unfeminine. They are brought up to believe that handling money belongs to men, have lower knowledge levels, and lack time after taking care of the home. It's critical to comprehend the obstacles women face when managing their daily finances. There is a pressing need to concentrate on how to give women better opportunities for their financial and family wellbeing in addition to this deeper understanding of knowledge, attitude, behaviour, ability, and experience accessing financial products and services in the complex and sophisticated economic and financial climate as well as social and demographic changes. So this study aims to analyse the impact of financial literacy on empowerment of working women in Kerala.

**Keywords:** Financial Literacy, Working Women, Women Empowerment

## INTRODUCTION

In every sector, women are making their mark. They make a remarkable contribution to the economy and society of any nation. The most talked-about topic for women's empowerment to this day is female literacy. When talking about women's empowerment, the time and situation have quickly changed such that literacy alone is no longer sufficient. Compared to men, women typically find it harder or more complicated to manage their money effectively and efficiently in order to achieve financial independence. Even though they make financial contributions to their households, women are more socialized from an early age to depend on the male family members for financial decisions. Financial literacy is the body of knowledge and abilities that enables a person to use all of their financial resources to make wise and effective decisions. Financial literacy is the ability to make wise, self-assured, and efficient financial decisions as a result of having knowledge of and understanding of financial concepts. Concerns about financial literacy have grown in recent years, and many nations have started programs and other research initiatives to assess the current state of financial literacy among their citizens as well as to introduce and improve financial literacy. According to numerous studies carried out around the world, there is a gender gap in financial literacy and that the level of financial literacy worldwide is unacceptable low. In other words, women are less financially literate than men. The same thing is seen in India as well. Women make up 46% of the population in India, but because of their reliance on money, the majority of them are denied opportunities and rights. The cause of this is financial illiteracy. Women who are financially literate will be able to comprehend their own financial rights and obligations, as well as their opportunities for earning money and the associated risks and expenses. It has been discovered that even educated women lack basic financial literacy. Financial literacy has a significant impact on the empowerment of women. This study aims to identify the impact of financial literacy on empowerment of working women in Kerala.

## REVIEW OF LITERATURE

Noctor et al. (1992) Financial literacy defined as "the ability to make wise decisions about the use and management of money." Individuals are deemed financially literate if they are competent and can show that they have applied the knowledge they have learned.

Moore (2003). Since there is no accurate way to measure financial literacy, substitutes must be used. Practical experience and active integration of knowledge are prerequisites for becoming

literate. It is hypothesized that as people become more literate, they also become more financially sophisticated, which may also imply that they are more competent.

Mandell (2007) Financial literacy is the "the ability to assess new and complex financial instruments and make knowledgeable decisions in both the selection of instruments and extent of risk."

Financial literacy is defined by Lusardi (2008) as "Knowledge of fundamental financial concepts, such as how interest compounding works, the distinction between nominal and real values, and the fundamentals of risk diversification."

Greimel et al. (2018) It is crucial to take the state of the nation into account when strengthening women. In developing countries, many women are illiterate. In these countries, women are fighting for their families' financial security.

In their study titled "The Perception-Reality Gap in Financial Literacy: Evidence from the Most Literate State in India," Abdul L.K. and Sunitha (2016) measured financial literacy among educated young adults in Kerala and examined the effects of demographic and socio-economic factors on financial literacy. They discovered that about 50% of respondents significantly overrated financial literacy.

According to Nirmala Chandra Roy and Debasish Biswas' (2016) study, "Women Empowerment through SHGs and Financial Inclusion: A Case Study on Lataguri Region in West Bengal. The study found that 89% of those surveyed needed financial education, and it also urged action to raise financial literacy among young adults in Kerala. SHGs have a significant impact on financial inclusion,

### **OBJECTIVE OF THE STUDY**

- To analyse the impact of financial literacy on empowerment of working women
- To study the relationship between financial literacy and women empowerment

### **METHODOLOGY OF THE STUDY**

The data was collected from both primary as well as secondary sources. The primary data was collected by using questionnaire. Secondary source – In this source the data have been collected through the internet research papers, books, thesis, dissertations, journals etc.

## OVERVIEW

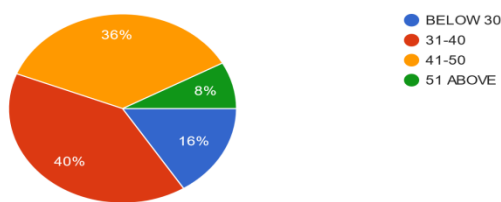
The understanding of financial literacy is frequently limited to the fundamental mathematical concepts taught in schools. However, it encompasses a much broader and holistic approach in the context of the real world. It essentially refers to the knowledge, abilities, attitudes, and behaviours required for people to make wise financial decisions for themselves. Financial literacy is essential to daily life because it enables people to make wise financial decisions that contribute to their financial well-being, from comprehending financial products, market data, and information sources to having the confidence to discuss financial issues. More significantly, because individual financial decisions have a significant impact on the macroeconomic growth and development of a country, individual financial literacy has a cascading effect on these factors.

Women's independence, both financially and otherwise, is strongly influenced by their level of financial literacy. Having poor financial literacy can result in a variety of issues. You might be more prone to debt accumulation, bad spending patterns, or a lack of long-term planning. People, especially women, are empowered to make independent decisions when they have financial literacy. When faced with emergencies or unforeseen circumstances, someone who understands money management can act appropriately. Financial empowerment, which focuses heavily on financial literacy, is one of the key components of women's empowerment. Given that India has the world's fastest-growing economy, it is crucial for both men and women to be financially literate.

A person who is financially literate will be able to use their resources as efficiently as possible and will also be able to defend themselves against social fraud and financial misdeeds. Financial literacy is reportedly the best way to empower a woman. Being an essential component of society and the family, women must be able to make financial decisions, which makes financial literacy essential. They won't have to rely on their male counterparts to make investment decisions because they will become more independent. The government needs to take the necessary steps to educate all groups of women about money matters. Different financial literacy programs and training should be conducted in a wider range, with a focus on raising awareness of different financial concepts and products. Financial literacy will give them the assurance to invest their money in all of the market's opportunities, which will not only promote the economic development of each individual woman but of the entire country.

**DATA ANALYSIS AND INTERPRETATION**

The study shows that 40 percent of the respondents belonged to the age group of 31 - 40, 36 percent of them in the age group of 41 - 50 , 16 percent of them in the age group below 30 the remaining in the age group of 51& above.



88 percent of respondents are married and 12 percent are single. Most of the respondents are Post graduates & above 68 percent and 16 percent are graduate and below graduate.

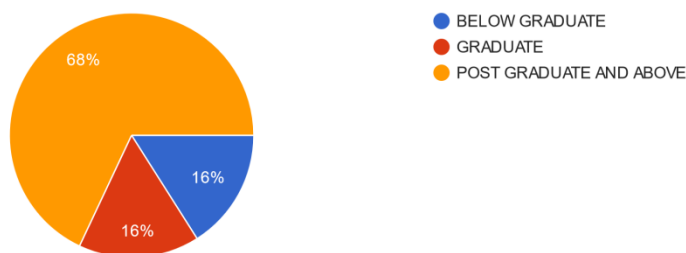


Table 1.1

SI No.	Statement	Stronly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Financial literacy helps women to get respect in the society	8%	20%	40%	24%	8%
2	Financial literacy gives decision making power to women	4%	16%	48%	28%	4%
3	Financial literacy helps	0	8%	40%	48%	4%

	women to maintain balance between income and expenditure					
4	Financial literacy helps women in making investment decisions	0	8%	4%	42%	46%
5	Financial literacy makes women become independent and confident	8%	8%	29%	42%	13%
6	Financial literacy makes women more powerful in financial matters	4%	4%	52%	35%	4%
7	Financial literacy helps women to get better position in family and society	5%	5%	50%	36%	5%
8	Financial literacy helps women to use income in a better way	0	8%	17%	59%	17%
9	Financial literacy have a positive impact on women empowerment	0	0	12%	64%	24%

According to Table 1.1, 40% of respondents have no opinion on whether or not financial literacy helps women gain respect in society, while 24% of respondents share this opinion. Other respondents' responses on the subject of financial literacy giving women decision-making power ranged from neutral (48%), to positive (28%), to neutral (48%). A majority of respondents (48%), believe that women can maintain a balance between their income and expenses by being financially literate. Nobody disagrees with the statement that financial literacy aids women in making investment decisions—about 46% of respondents strongly agree with it. According to 42% of respondents, financial literacy helps women become more independent and self-assured. The statement that financial literacy gives women more clout in financial decisions is supported by 35% of respondents, while 52% of respondents aren't sure. 36% of respondents agree that having a better understanding of money matters helps women advance in their families and in society, but 50% have no opinion. 59% of respondents, a large majority, agreed that financial literacy helps women use their income more wisely. Therefore, 64% of respondents agreed that financial literacy has a positive impact on women's empowerment when the impact of financial literacy on women's empowerment was examined.

## FINDINGS

1. 40% of respondents are between the ages of 41- 50, while 36% are between the ages of 31- 40
2. 88 percent are single, and 12 percent are married.
3. 52 percent of respondents working in the organized sector, while 48 percent working in unorganised sector
4. 16% of people have a graduate degree or less, and 4.68% are postgraduates.

5. 40% of respondents have an unfavourable opinion of the statement that financial literacy aids in a woman's ability to gain respect in the family.
6. The majority of respondents (48%) do not have an opinion on the statement that financial literacy empowers women to make decisions.
7. The majority of respondents (48%) thought that women who are financially literate are better able to balance their income and expenses.
8. 46% of respondents believe that financial literacy influences women in investment decision-making.
9. 42% of respondents agreed that having a good understanding of finances helps women become independent and self-assured.
10. 53% of people don't agree or disagree that women are more powerful when it comes to money. 35%, however, supported it.
11. While 37% of respondents agree that financial literacy gives women a better position in the family and society, 50% disagree.
12. An overwhelming 59% of respondents, or a large majority, agreed that financial literacy enables women to make better use of their income.
13. The vast majority of those surveyed (64%) thought that financial literacy had a positive impact on women empowerment, and nobody had any other views.

## CONCLUSION

It makes it possible for women to understand the advantages and needs of the goods and services provided by banks. They make investments in the markets with the highest returns. Financial literacy should be the main focus of financial literacy programs in order to raise public awareness of economic factors like inflation, real income, interest rate calculation, etc. Government, banks, and educational institutions should all work together to encourage women at all levels to develop sound financial attitudes and behaviours. This will also help to extend women's lives and increase their employability in financially sound fields, enhancing their general physical and mental health. Women need to be made aware of the value of maintaining a consistent household budget, and their families should support them in making different financial investments. When their income rises, women should keep a close eye on their finances and be aware of changes in inflation and interest rates. By incorporating financial literacy into the curriculum, women of all ages will be better equipped to understand and manage their finances, which will help them form a solid attitude and behaviour toward money. Women should be encouraged to develop financial literacy skills and there should be more programs designed specifically for them.

**REFERENCES**

1. Chetna Singh and Raj Kumar, "Financial literacy among women-Indian Scenario, Universal Journal of Accounting and Finance Vol. 5(2), pp. 46 - 5310. www.researchgate.net
2. Abdul L.K and Sunitha (2016) "The perception-reality gap in financial literacy: Evidence from the most literate state in India"
3. Singh, C., & Kumar, R. (2017). Financial literacy among women: India scenario. Universal Journal of Accounting and Finance 5(2): 46-53. DOI: 10.13189/ujaf.2017.050202.
4. Blessy Roy. "Financial Literacy among Working Women of Jaipur." IOSR Journal of Business and Management (IOSR-JBM) 20.5 (2018): 19-24
5. Dr. Gajendra Naidu (2017), "Financial literacy in India" International Journal of Research in Engineering, Science and Management Volume-2, Issue-2, February-2019
6. Dr. Jyothi Agarwal (2018), "The financial literacy of women of Saudi Arabia"
7. OECD – Organization for Economic Corporation and Development
8. <https://www.vwt.org.au/grant/financial-literacy-for-woman>