

“A Study on Determinants of Financial Empowerment among Women of North Gujarat”

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ABSTRACT

Increasing women’s financial empowerment is important as they experience a lack of control over economic resources as compared to men. Although plenty of research evidence is available on the determinants of financial empowerment among women in developed countries, there is less known in the context of a traditionally male-dominated society like North Gujarat. The current study proposes a conceptual model that examines the role of financial literacy and financial socialization, in the development of financial self-efficacy, financial coping behaviours, and financial empowerment among women. I also found the positive role of financial self-efficacy and financial coping behaviours in the development of financial empowerment. The practical implication of this study includes the provision of financial literacy education/training to North Gujarat women and increasing their financial socialization to improve their financial well-being.

Keywords: Financial Literacy, Financial Empowerment, Financial Socialization

1. INTRODUCTION

Financial well-being has become an important topic during recent years. Many scholars have identified the gender gaps in financial well-being, its antecedents, and outcomes (Goncalves et al., 2021). Financial literacy has emerged as an important determinant of financial well-being and financial empowerment. Financial literacy is becoming even more important as the financial world is enduring more complexities. Therefore, a better understanding of financial concepts and financial products has become inevitable to develop skills for making sound financial decisions to improve financial well-being and empowerment (Philippas and Avdoulas, 2020).

Financial literacy refers to “the perception of being able to sustain current and anticipated desired living standards and financial freedom” (Brüggen et al., 2017, p. 229). Financial literacy is “the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.” Research suggests that communities with better financial literacy live prosperous and happy lives. Goncalves et al. (2021) highlight the wider gender gap of financial literacy among men and women. Financial literacy is very important for women to promote their economic empowerment. As the UN believes, “If you educate a man, you educate one person, if you educate a woman, you educate a nation.” Therefore, improving financial literacy is not only important for themselves but also for the generations to come.

2. LITERATURE REVIEW

Philippas and Avdoulas (2020) and Goncalves et al. (2021) highlight the gendered gap in financial literacy and financial well-being in the literature. Although there is some research available on financial literacy among women in developed countries, there exists sparse evidence on financial literacy and financial empowerment in developing countries and particularly in traditionally male-dominated and religious societies, where men are the breadwinners and are responsible for handling finances and the related decision-making. Research on financial literacy, financial socialization, and financial empowerment is much warranted to document empirical evidence, offer theoretical frameworks, and propose policy recommendations.

3 FINANCIAL EMPOWERMENTS

Financial Empowerment is combination of two words; i.e., Financial literacy and financial stability. These are two main components of an efficient economy. Lack of financial knowledge hinders the country’s capital requirement for infrastructure development. Most unaware people resort to short term investment and investment in physical assets. There are many reasons behind this unawareness of different form of financial instrument, inability to take risk, no knowledge of making a balanced investment portfolio etc. this ultimately cannot help a country to prosper. Gujarat which is a developing state needs financially literate people. There is a direct proportion between financial literate people and development.

4. RESEARCH METHODOLOGY

4.1 Research design- The research design is descriptive

4.1 Research Objectives

- To evaluate the level of financial literacy of the women working in the unorganised sector.
- To study the relationship between of economic variables with financial literacy.
- To study the various demographic variables with financial literacy.

4.2 Types and source of data- Both primary and secondary data have been used the primary data are collected from the respondents using a schedule while the secondary data have been collected from host of websites and journals.

4.3 Sampling technique - Convenient sampling technique has been adopted.

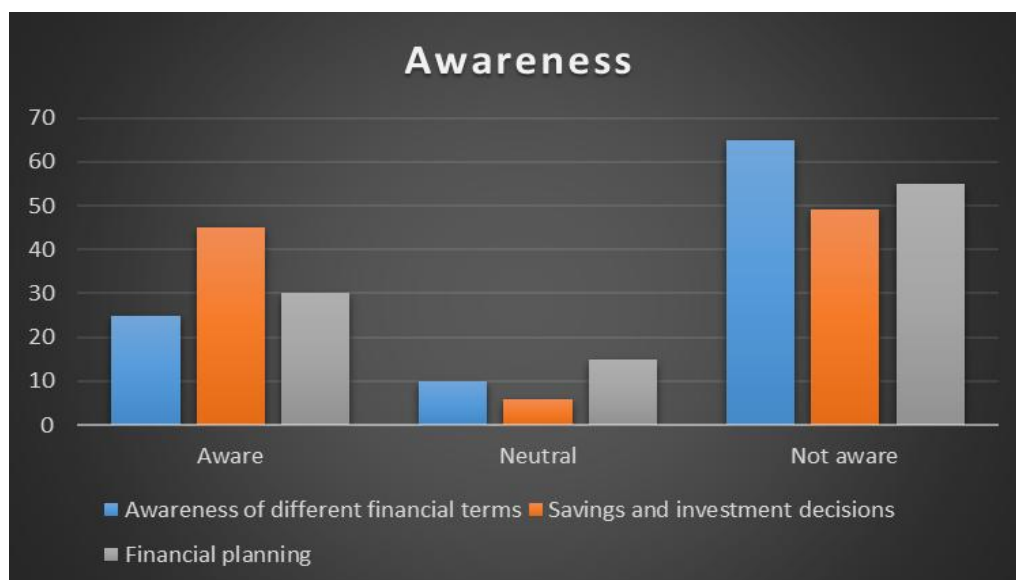
4.4 Sampling size and unit- The sampling size is 100 and the sampling unit is the working women of the unorganised sector of Mehsana city.

4.5 Data analysis tool- ANOVA Test is applied for testing the hypothesis into this research paper.

5. DATA ANALYSIS

Table 5.1 Awareness of the different factors

Factors	Aware	Neutral	Not	Total
Awareness of different financial	25	10	65	100
Savings and investment decisions	45	6	49	100
Financial planning	30	15	55	100
	100	31	169	300



Interpretation: The table shows awareness of the different factors for determining financial literacy. 25% are aware of different financial terms while 65% are not aware. On part of saving and investment decision 49% are not aware against 45% being aware. In case of financial planning 55% are not aware while 30% are aware. Overall, 33.33% are aware and 56.33% are not aware and thus less awareness of financial literacy.

5.2 HYPOTHESIS TESTING

H0: There is no significance difference among various factors for financial literacy awareness.

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Table 5.2 ANOVA: Single Factor						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Aware	3	100	33.33333	108.3333		
Neutral	3	31	10.33333	20.33333		
Not aware	3	169	56.33333	65.33333		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	3174	2	1587	24.54124	0.001292	5.143253
Within Groups	388	6	64.66667			
Total	3562	8				

Above Table 5.1 ANOVA test shows that p-value (0.001292) is less than significance value (0.05). Therefore, H0 is rejected. So, there is a significance difference various factors for financial literacy awareness.

6. MAJOR FINDINGS

- The working women of the unorganised sector are not financially literate.

- Awareness of different components of financial literacy is fairly low.
- They have a propensity to save, to invest however are not aware of most of the financial avenues.
- They do not resort to any financial planning for emergencies or education or any major purchases.
- Their planning is to achieve short term goals.
- Their savings are mostly in banks and various schemes.
- There is no participation from them in financial securities and financial products.

CONCLUSIONS

From the study conducted, it has been revealed that the women who are engaged in the various fields of the unorganised sector do not possess much financial knowledge. They are aware of saving and have propensity to save but it is again restricted when it comes to planning and managing money. Demographic and socio-economic variables such as age, income, marital status affects financial literacy but education and occupation barely have any effect on financial literacy. Overall, it can be concluded that the working women of the unorganised sector are not aware and financial literacy level is very low. Government's lone effort is not enough. More combined effort is required from all the spheres of the society for overall growth of the economy and building up the nation as a super power.

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