



A DESCRIPTIVE STUDY ON FINANCIAL LITERACY AND WOMEN IN INDIA

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Thus, in the 21st century and post-COVID period, "Financial Literacy" is the key to enabling women at all stages of life to handle money, enhance their independence, and improve their financial health. To reach their financial objectives and weather economic storms, they need a financial strategy tailored to their risk tolerance. Women investors in both developed and developing nations have been shown to have a worse comprehension of financial concerns than males. Young women, widows, the less educated, and low-income women are disproportionately unprepared for financial independence. Women need to be adequately financially educated to handle the larger financial risks that they confront because of their longer life expectancy, shorter working lives in paid employment and lower average earnings from which to save for old age. For their economic independence, they must be aware of the range of financial options available to them and make informed decisions about which ones to pursue. Present study focus on the description influencing factors of women financial literacy and government schemes for women financial literacy enhancement in India.

Key words: Financial literacy, women, financial knowledge etc.

1. INTRODUCTION

The terms financial literacy and financial inclusion have become buzzwords since 2014 whether Financial Inclusion scheme named "PradhanMantri Jan DhanYojana" was launched all over India so that all the informal under the formal channel of cash flow and every citizen can take the benefit of India's equitable growth and development. Specifically for developing nations like India, financial literacy has a paramount role to play in financial inclusion and financial stability. The second is financial education is the only key to empower financial exclusion would be the economic growth of a nation. While financial inclusion enables access to financial goods and services for everybody, financial education makes the public informed about the demands and advantages services supplied by various banks and financial organizations. So we can say that financial literacy follows the knowledge strengthen the financial and economic backbone of India as a nation. In India now easier access to capital allows business professionals and entrepreneurs to raise money,

set up more companies, and consequently create more jobs. Furthermore, due to the covid India. In one of the articles based on Financial Literacy published in India Today (2021),

Financial literacy in today's context is just not the concern of India but is also a concern for the developed nations all around the globe. Different organizations and financial bodies have different perspectives on financial literacy. According to the Reserve Bank of India, A person's "financial literacy" may be defined as their knowledge and skill in handling money and financial matters. One's proficiency in this area is also a determining factor in one's capacity to achieve their financial goals and make sound decisions on the allocation of family resources. (Arokia Jerold, 2008)". In S&P Global FinLit Survey (2014), A person's financial literacy was measured by how much they knew about compound interest, inflation, and hedging their bets. This was accomplished by questioning them in depth. The President's Advisory Council on Financial Literacy Financial literacy refers to the ability to anticipate and manage one's financial demands over the course of a lifetime.

2. REVIEW OF LITERATURE

Niharika Kumari et al. (2024) investigated the impact of financial literacy on the investment decisions of 220 working women in Patna of the Bihar State. The study found that, financial awareness, financial skills, and investment behaviour greatly influence investment decisions, but financial attitude has little effect. The majority of responders are young, single, low-wage workers in the private sector, according to the demographic analysis. The study found that, working women to make wise financial decisions, the results highlight the necessity of focused financial education initiatives. The study concludes that, improving financial literacy is essential for encouraging working women's financial independence and economic contribution.

Kresphulin Wahlang (2024) emphasized on the measurement of potential and problems related to financial literacy in women. The report presents the opportunities in government initiatives, community-driven programs, and digital tools for education while highlighting major obstacles like economic dependency and the digital gap. The study found that closing the financial literacy gap can promote greater financial independence, lessen economic inequality, and greatly increase women's empowerment. The study focused on women's financial literacy, incorporating financial education into curricula, and utilizing technology to make education accessible to underprivileged students are some of the policy ideas.

Zeba Rushi (2022), argued that financial planning is widely acknowledged, financial literacy, particularly for women is not as well-known. This research is an effort in that regard. Although it is crucial to enable women to make financial decisions on par with men, many Indian women are unable to do so due to a number of physical, psychological, cultural, and economical obstacles. The study found that, men and women differ greatly in their level of financial literacy, despite governments' efforts to eradicate it from the populace. Thus, more financial education programs for women must be implemented, and new universities must be established to educate women. In addition to boosting women's independence and opportunity, this will help the population as a whole flourish.

Vaishali Sharma (2021) focused on working women in Indore city's understanding of financial literacy. This study aims to determine the level of financial literacy among working women. India is home to about 20% of the world's population, with a scant one fourth of them living below the poverty line and only a small percentage having a formal education. The ability to understand budgetary concepts and possess the knowledge and skills necessary to make sound financial decisions and successfully arrange finances using available budgetary resources is known as monetary education. The aim of budgetary education is to maximize rewards by making use of available resources. It's just managing money supported by reliable decision-making.

3.OBJECTIVES OF THE STUDY

- The explore the factors influencing the financial literacy among women in India:
- To study the schemes for financial literacy for women in India

5. FACTORS INFLUENCING THE FINANCIAL LITERACY AMONG WOMEN IN INDIA:

- **Absence of women-centric financial plans:** The majority of banks and credit unions do not concentrate on developing financial services or products specifically for women. Women find it more difficult to make financial decisions and learn financial language because of these financial organizations' strict requirements. Products that solely serve businesses and disregard the requirements of the woman's home provide another barrier to women's financial literacy.
- **Lack of accessibility:** A lot of bank branches are situated in awkward locations for women, either because they are far from their homes or because they don't serve the communities in which they operate. As a result, many consider visiting these institutions to be an expensive and inconvenient last resort. Rural women are more likely to experience this issue.
- **Lack of knowledge about current financial services and requirements:** Compared to men, women are typically less knowledgeable about the products and services offered by the investment business. This is partly because these businesses frequently use billboards and conventional media for advertising. Therefore, one of the obstacles to becoming financially knowledgeable is a lack of knowledge. Their lack of financial literacy has a significant impact on their decision-making and investment and financial planning, as well as their dependence on their spouse or family.
- **Social and Cultural Factors:** Women have always deferred to men in our culture, who have long held the reins of power. The economic position of men in particular has given them the power necessary to rule society. Both the economy and society benefit greatly from these women's contributions. In India, men are often the main breadwinners and women are typically the family spenders. In the past, women who opted to work outside the home were frequently condemned for being careless moms and wives, despite the fact that women now have the same rights as men. To make matters worse, women in Indian society were not allowed to spend their earnings anyway they pleased, even once they were able to secure jobs. There is a

problem with women's social and economic empowerment because cultural and societal forces prevent women from establishing themselves despite their education and skill. Despite the fact that women's access to financial services has increased significantly over the past ten years, there are still obstacles preventing them from fully utilizing these opportunities.

- **Women's Lack of Confidence in Money Management Skills:** Another barrier for women is the "what if" conundrum. Women's economic potential is constrained when they lack confidence and financial awareness. Many women are afraid that asking about their financial situation may make them appear foolish or uninformed. They also fear that they won't have access to essential financial data or that the process is too complex for them to understand completely. Furthermore, they were afraid that a financial planner would overpay them, squander their money, or otherwise mislead them, so they weren't consulting one to help them handle their finances. Learning the fundamentals of finance is made more difficult by all of these variables.
- **Less profitable benefits:** Due to their high loan interest rates, costly current account maintenance and operation fees, and subpar interest rates on deposits into savings accounts, many women avoid utilizing moneylenders.
- **Lack of basic education:** Compared to men, women in Indian society are much less literate. The majority of Indian culture discourages women and girls from pursuing or completing higher education. One of the secondary causes of Indian women's low financial literacy is their lack of elementary education and computer literacy
- **Insufficient funds:** Most Indian women are housewives rather than salary earners. They are therefore dependent on their parent or parents for financial support. As a result, they are only able to make significant financial decisions with the family's approval.
- **Lack of Retirement Planning Priorities:** Women need to save more money for retirement due to their longer life expectancies. Whether they have never been married or have been widowed, women who are alone at any time between the ages of 44 and 64 are not saving enough for their later years. Regardless of whether they are married or not, women are more likely to spend their money on debt repayment or family support than on retirement savings. One of the worst outcomes of not prioritizing savings is losing out on opportunities to save time.
- **6. FINANCIAL LITERACY SCHEMES FOR WOMEN IN INDIA:**
PMJDY, OR PRADHAN MANTRI JAN DHAN YOJANA: To ensure that everyone in India has simple access to financial services, the Hon. Prime Minister introduced the PradhanMantri Jan DhanYojana on August 15, 2014. Customers who don't already have a savings account can open one with this plan, which doesn't require any official bank account opening paperwork and has a low minimum amount. Additionally, PMJDY facilitates the unbanked's access to financial goods and educates them about them. Account 27 holders are

entitled to obtain a RuPay debit card with up to Rs. 2 lakh in accident insurance coverage and overdraft protection six months after opening an account or building a credit history. Subscribers to the Atal Pension Yojana and its sister programs, PradhanMantriSurakshaBimaYojana and PradhanMantriJeevanJyotiBimaYojana, are guaranteed a minimum pension. 23.87 crores, or more than 55.47 percent, of women received aid. members with a PMJDY account who are female Venkatesh(2015).

- **PMJJBY, OR PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA:** The PMJJBY is open to everyone with a bank account who is over 18 but under 50 and consents to auto-debit. The main document used to identify a bank account is the Aadhar card. Your Rs. 2 lakh policy can be renewed annually, and it will continue to be in effect from June 1 to May 30 of the subsequent year. Regardless of the cause of death, the insurance will pay out Rs. 2 lakh in the event that the covered individual passes away. Depending on the subscriber's desire, the Rs. 330 annual premium will be deducted from his bank account in one lump sum on or before May 31 of each year of coverage under the program. The Life Insurance Corporation and any other life insurers who are prepared to work with financial institutions and offer the product under the same terms are welcome to adopt the concept. Over 10.65 billion people had signed up for PMJJBY as of July 28, 2021(Haryono, Nadia(2019)).
- **PMSBY, OR PRADHAN MANTRI SURAKSHA BIMA YOJANA:** People between the ages of 18 and 70 who have a bank account and agree to join or activate auto-debit on or before May 31 are eligible for the Scheme for the coverage period of June 1 through May 31 of each year. useAadhaar as the primary method of bank account Know Your Customer authentication. Participants are covered up to Rs. 2 lakh in the event of an accident or complete disability, and up to Rs. in the event of a partial disability. The 'auto-debit' option will automatically deduct the Rs. 12 annual premium from the account holder's bank account. Participants in the program include general insurance companies in the public sector or other general insurance companies who have obtained the necessary approvals and partnerships with banks and are prepared to offer the product under equal circumstances. As of July 28, 2021, more than 24.03 crore people had joined PMSBY.
- **BETI BACHAO BETI PADHAO SCHEME:** The government launched the on January 22, 2015, with the goal of raising awareness and improving the efficiency of social services for girls across the country. It had a broad literacy emphasis, such as saving the female child and enabling her to receive an education, even if it was not technically a finance-driven plan. On this, the departments of Women and Children's Services, Health and Family Services, and Human Resources worked together. The government intends to raise awareness of the difficulties faced by modern women by initiating this program.

- **YOJANA SUKANYA SAMRIDDHI:** This program was created to guarantee the nation's girls' prosperity. The primary goal was to address gender disparity by protecting girls' futures by giving them financial support by encouraging individuals to open SukanyasamRiddhi accounts, which allowed them to save money for their future education or marriage. The only person with the authority to take money out of that account was the girl. The goal of this program was to help women and girls become more financially literate by introducing them to financial concepts and encouraging them to hold accounts.
- **MAHILA E-HAAT:** The platform was launched in March 2016 to give women entrepreneurs a web-based marketing platform to access markets and connect with thousands of women nationwide. It is the first step towards a direct online marketing platform that will meet the needs and aspirations of female entrepreneurs by allowing participants to directly display their products. Women's socioeconomic empowerment will be strengthened by this special platform, which will also give their families better opportunities. By presenting their talent to the world, Mahila e-Haat is empowering women to earn more money.
- **STEP:** Since 1986–1987, the Ministry of Children and Development has run the Women's Training and Employment Program with Financial Support (STEP) as a significant sector initiative. Along with soft skills classes like English, travel and tourism, and hospitality, it seeks to give women the training and skill competencies that will increase their employability and entrepreneurship and make them self-reliant in the fields of agriculture, horticulture, food processing, tailoring, handicrafts, computers, and information technology.
- **Kalyani Scheme:** The main goal of the Reserve Bank of India's under the scheme is to support women entrepreneurs who want to start new businesses or expand already-existing ones in manufacturing and service sectors like food processing, handloom weaving, and handicrafts. This program's objective is to assist women in achieving financial independence and creating jobs for other women.
- **Program ForDiksha Financial Literacy:** The PARINAAM charity created this financial literacy program to help women from low-income families understand the many financial products and services available on the market. To empower women in financial management topics, modules, role plays, games, group work, diary maintenance, and assignments are being held. Calculators are also being provided to teach them basic numeric skills such as EMI calculation, cash flow, income and expenditure, budgeting, saving, investing, loan and debt mechanisms, bank account use, checking banking details, SMS alerts, etc.
- **Digital Sakhi:** Digital Sakhi is a financial inclusion initiative that was established by L&T Financial Services (LTFS) in 2017. It encourages rural women to acquire financial skills and knowledge, raises awareness of digital financial literacy, and helps them choose digital finance to enable women to enter the world of finance by conducting daily transactions using digital modes of payment that reach rural villages in Maharashtra, Odisha, M.P., and Tamil Nadu.

knowledge of online and mobile banking, debit and credit cards, e-wallets, UPI, and other digital payment methods.

- **Swabhimaan:** A non-profit platform Rang De launched this initiative on March 8, 2017, with the goal of empowering women to understand Indian stack features such as linking Aadhaar, biometric KYC, and Unified platform Interface. It also aims to provide financial literacy and the necessary skills and knowledge to make informed decisions by raising awareness of education and business needs through low-cost, affordable loans.

CONCLUSION

Overall, a number of factors affect Indian women's financial literacy. We'll go over the most important ones here: • **Lack of Independence:** Despite the fact that women do not have the same level of independence as men, a number of ideas advocate for gender equality, (Arora, 2016). One of the fundamental issues with lower literacy levels is that many women are not permitted to handle their finances on their own. Most financial decisions pertaining to a family's welfare are typically made in consultation with the entire family. As a result, social obligation dictates such financial decisions rather than their judgment. In order to preserve family peace, women are typically permitted to spend a modest percentage of their income, giving up their financial independence in the process. Due to these barriers, a lack of resources, and a lack of vision, women are more likely to live in poverty and be dependent on government support as they age. Therefore, in order to increase women's financial literacy, the aforementioned barriers need to be eliminated as soon as possible.

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