

# A Study on Financial Literacy Among Teachers Working in Higher Educational Institutions Affiliated to VTU Bengaluru, West Region

Ms. Deepti.C<sup>1</sup>, Mrs.Vidya. R<sup>2</sup>

<sup>1</sup>USN-1DA21BA015, 4<sup>th</sup> Sem Student, Department of MBA, Dr. Ambedkar Institute of Technology Bangalore-560056, Karnataka, India

<sup>2</sup>Assistant Professor, Department of MBA, Dr. Ambedkar Institute of Technology, Bangalore-560056, Karnataka, India

## Abstract:

Financial literacy is collection of the knowledge, abilities and information that are enabling the people to use all their money wisely and effectively. In nations such as Canada and Japan, Australia, USA, UK, all state-run program is now concentrating on the interest of personal finance ability of an individual. This research explores financial literacy among teachers working at VTU-affiliated higher education institutions in Bengaluru, West Region, focusing on their earnings, spending capacity, as well as their financial discipline. The study will employ a descriptive research method, gathering data from 100 respondents through questionnaires. This research underscores the importance of tailored financial education programs, with potential benefits for policymakers, regulators, and new investors alike. Such programs can address existing vulnerabilities and empower individuals to make informed financial decisions. Ultimately, this study contributes valuable insights for the development of schemes aimed at fostering economic growth and financial well-being.

**Keywords:** financial literacy, earnings, investments, borrowings and economic development

## Introduction about the study

Financial literacy is indeed a crucial set of knowledge, skills, and information that empower individuals to make informed and effective financial decisions. It encompasses various aspects of personal finance, including budgeting, saving, investing, debt management, and understanding financial products and services. People can also understand the financial system most effectively and easily if they have received little financial knowledge, they can manage and train themselves which will also help them to make a correct funding decision and improving their knowledge on financial education. In increasing the interest amongst people in the field of financial education they introduced Organisation's For Economic Co-operation & Development or OECD was launched by inter government on March 2008, stated as store house for financial knowledge programmes, data and research.

This study is undertaken to be well aware of the level of financial awareness among teachers working in higher educational institutions of VTU-affiliated colleges in Bengaluru. Despite most of the details in some research articles, most of the findings for research that have been conducted to examine the levels of financial knowledge amongst professional individuals in Bengaluru suggest that employed people aren't

well-versed in financial literacy. However, it has been noted that Indians have diverse demographics as a result of it most of the people have realised the significance of savings and investments to uphold their financial discipline as time goes on. They have been taught a few basic spending and saving strategies by their friends and family members, there must be additional effort's that encourage financial literacy. This research can also be helpful for other financial institutions, policymakers, and sellers of financial products, which can enhance their way of paving knowledge about financial schemes to their consumers.

### Review of Literature:

**Syed Bilal Irfan, Neha Banu, (2021)** in their research paper it is about financial knowledge among youthful era in Bangalore. this study paper is to evaluate the financial literacy of Bangalore's youth. In order to examine the mindsets and actions of young people in Bengaluru. The study's findings should be used by state schools and universities, financial firms, and other organisations to successfully spread awareness of India's financial regulations and activities. **Dr. S. Ramesha, (2021)** in this study article on financial knowledge of working women respondents and their preferable source of investments on financial products. In this study, financial knowledge is defined in this research as an understanding of several investment sources of money, including savings in banks, post office savings, mutual fund investments, capital markets, and gold. The most of women are competent savers and borrowers, but they lack expertise in managing investment concerns, understanding how to calculate interest rates, exposure to long-term investments, and interest in maintaining regular spending tracking. **Ms. B. Manasa (2018)** in her research article is about effect of working female funding choices on their financial literacies is investigated in this study. This study aims to examines working women's financial literacy and awareness about many investment channels. **Vijayalakshmi. R; B Sadhu, (2022)** her research paper is about An Empirical Study of Association's in between Financial Literacies, Financial Attitude and Financial Behaviours of Gen – Z. Technology has become a constant in people's life as a result of a pandemic and the study on financial literacies is essential for ensuring a lifetime of financial stability and wellbeing. **Mei- Chung Lin, Hui Fen Liu (2022)** his research paper is about Cognitively-Based Compassion Training (CBCT) for Mindfulness in Financial Literacy. This project aims to develop and provide instruction materials for classes on conscious financial knowledge that are cognitively oriented. A quantitative framework of logically based training in compassion for awareness of financial knowledge as reactive surveillance of action is presented by the study team after a 12-month field investigation. **Priya Jain (2019)** her study paper is about financial awareness of women from Bengaluru. The findings highlight the significance of financial literacy and different types of funding and saving's. Because this research largely focuses on women, managing people, especially women, is also mostly wanted in the field of financial management.

### Objectives of The Study

1. To measure the level of financial awareness among teachers at higher education institutions of VTU affiliated colleges.
2. To ascertain the individual earning capacity, spending, saving, investment, borrowing and understand their ways of managing funds for their living.
3. To get awareness about all the preventive measures advocated by teachers from any financial frauds, fake schemes of financial institutions.

**Need for the Study:**

Most of the research have been conducted to know the level of financial knowledge among working professionals in Bengaluru, and their unexplored areas in few research articles. Some of the research conclude that the working professions might not be much aware of financial education and have little knowledge about savings and insurance schemes from their culture and physical barriers, psychological and financial barriers, family, friends, and relatives. Several other problems faced by Indian people also contribute to the dearth in financial education. This research work is undertaken to know about the level of financial awareness among teachers working in higher educational institutions, their knowledge on financial literacy, the individual earnings, spending, the purpose of their investments and savings, their commitments as well as the preventative measures advocated against fake insurance policies and financial frauds. This study also helps the policy makers and financial awareness for formulating new regulations based on their earning, spending, savings, investment and borrowing patterns. It also helps the regulators to come up with policies and measures to educate and prevent the individuals becoming prey to financial frauds.

**Research Gap:**

This study has been carried out to examine the level of financial knowledge currently possessed by teachers, to check whether teachers possess awareness about the channels of investments are well known by the people, and to educate the people and society to gain awareness about financial literacy for their financial well- being. It will also help in increasing awareness about investments and maintain a healthy financial discipline amongst individuals which in turn helps the regulators and marketers of financial services to develop policies and schemes which will cater to the economic development of the nation.

**Sources of Data Collection**

The primary data for this research is obtained by questionnaire-based survey, the respondents are teachers working in higher educational institutions affiliated by VTU and the secondary data for this research paper has been gathered collected from various books, websites, journals,

**Population:**

There are 118 teaching faculty in VTU affiliated college in bangalore and the data is collected from top 5 colleges in Bangalore west region.

**Sampling Unit:**

Sampling units are of both male and female teachers of Higher Education Institution who are working in VTU affiliated colleges of Bengaluru West Region.

**Sample Size:**

The number of respondents for this research is 100 who are working in higher educational institutions as teachers in west region.

**Sampling method:**

Convenience sampling technique has been used for the sample selection among teachers in Bengaluru, West Regions

**Statistical Tools used :**

Graph and charts have been used for presenting the data and statistical tools like ANOVA ,chi-square and correlation have been used for validating the hypothesis formulated.

**Hypothesis for the study**

**H<sub>10</sub>:** There is no significant difference in the earning capability among teachers at higher education institution

**H<sub>11</sub>:** There is significant difference in the earning capability among teachers at higher education institution

**H<sub>20</sub>:** There is no significant difference between marital status and individual spending capacity among teachers

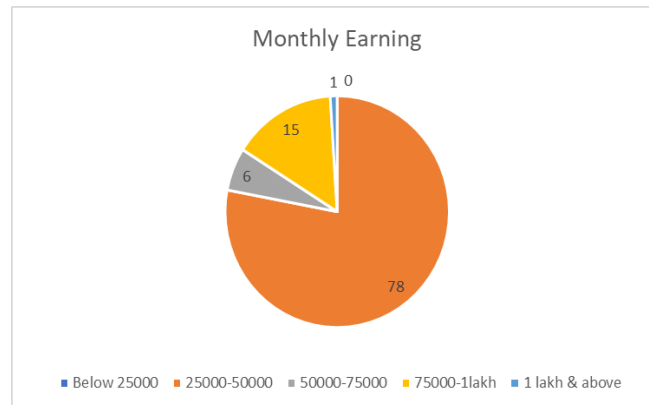
**H<sub>21</sub>:** There is significant difference between marital status and individual spending capacity among teachers

**H<sub>30</sub>:** There is no significant difference between income and spending among teachers

**H<sub>31</sub>:** There is significant difference between income and spending among teachers

**H<sub>40</sub>:** There is no significant relationship between financial literacy and loss of money invested.

**H<sub>41</sub>:** There is significant relationship between financial literacy and loss of money invested.



**1. Table showing monthly earning of the respondents.**

Monthly earning	No. of respondents	Percentage of respondents
Below 25000	0	0
25000-50000	78	78%
50000-75000	6	6%
75000-1lakh	15	15%
1 lakh & above	1	1%
<b>Total</b>	<b>100</b>	<b>100%</b>

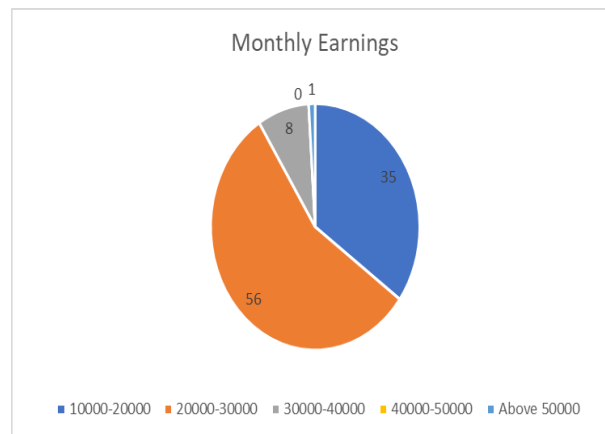
**Inference:**

The data shows that the majority earn between twenty-five thousand to fifty thousand and a very small percentage earn one lakh and above. As per the survey most of them are Assistant Professors who fall in

the age group 30’s to 40 years in the list of teachers in Bengaluru West Region and their earnings as per the UGC and AICTE norms.

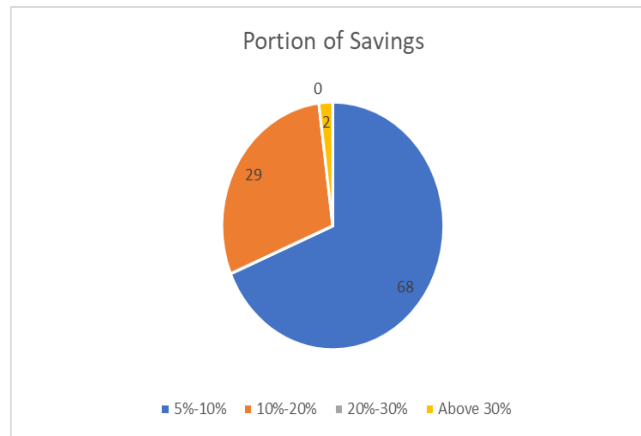
**2. Table showing monthly spending of the respondents.**

Monthly spending	No. of respondents	Percentage of respondents
10000-20000	35	35%
20000-30000	56	56%
30000-40000	8	8%
40000-50000	0	0
Above 50000	1	1%
<b>Total</b>	<b>100</b>	<b>100%</b>



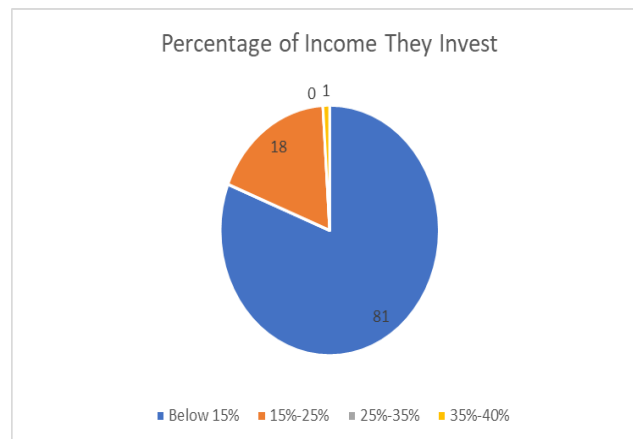
**Inference:**

The data indicates that majority of teacher’s that falls in the category of spending between twenty thousand to thirty thousand per month. This indicates that a significant proportion of financially literate teachers have monthly spending within this range. The least among the respondents spend above fifty thousand per month, indicating that teachers with very high spending levels are relatively less in the survey. This examination shows that a significant proportion of financially literate teachers have monthly spending within this ranges. Their common areas of spending are for their rent or mortgage payments, home maintenance and repairs, grocery shopping, education purpose like tuition fees and study materials, insurances for their family’s future, personal care.



**3. Table showing proportion of saving's as part of their earning's.**

Portion of saving	No. of respondents	Percentage of respondents
5%-10%	68	68%
10%-20%	29	29%
20%-30%	0	0%
Above 30%	2	2%
<b>Total</b>	<b>99</b>	<b>99%</b>



**Inference:**

The data suggests that the majority of respondents save 5-10% of their income. Most of the teachers are much aware of balancing their savings and expenses from their earnings keeping in mind their commitments.

**4. Table showing the percentage of income available for investments by respondents.**

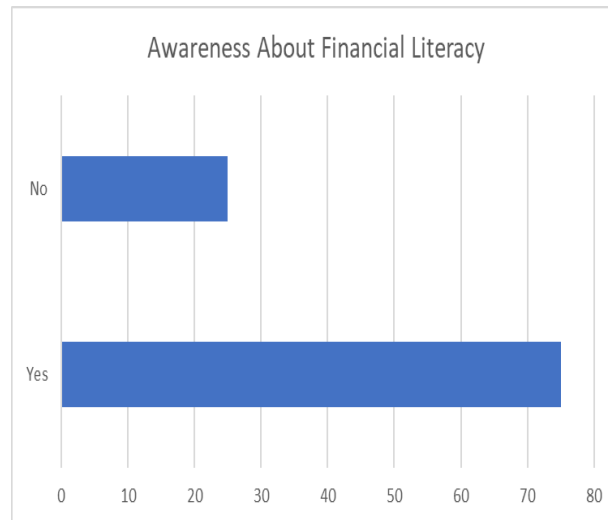
Percentage of income they invest	No. of respondents	Percentage of respondents
Below 15%	81	81%
15%-25%	18	18%
25%-35%	0	0
35%-40%	1	1%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Inference:**

The data suggests that the majority of the teachers are cautious investors, with the majority i.e. around 81% of the invest less than 15% of their income in various sources to generate returns for their future commitments and objectives. A significant number of people choose a more balanced strategy, impacting these investment strategies are individual finance objectives, risk tolerance, general economic conditions etc.

**5. Table showing borrowings made by respondents.**

Range of borrowings	No. of respondents	Percentage of respondents
Below 500000	7	7%
500000-2000000	25	25%
2000000-3000000	26	26%
Above 3000000	7	7%
<b>Total</b>	<b>65</b>	<b>65%</b>

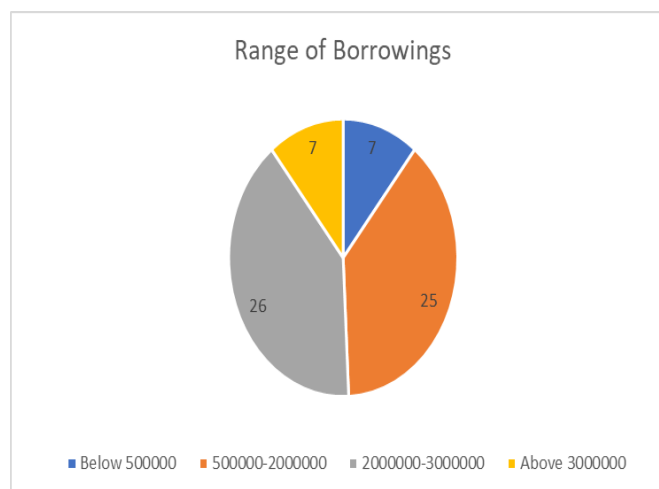


**Inference:**

The data reveals the majority i.e. 65% of them are managing their finances by way of borrowings. A significant portion has not borrowed, indicating a proportion of financially conservative individuals. Most of them have borrowed around 2000000 to 3000000 are suggesting diverse borrowing needs and financial situations among the surveyed individuals. They have borrowed the funds from banks, informal leaders, family and friends for managing their emergency situations.

**6. Table showing the number of people aware of financial literacy/financial education**

Awareness about financial literacy	No of respondents	Percentage of respondent
Yes	75	75%
No	25	25%
<b>Total</b>	<b>100</b>	<b>100%</b>





**Inference:**

The data shows that the majority 75% of teachers are aware of financial knowledge. This indicates that a significant portion of teachers have some level of understanding when it comes to financial matters and lowest of the respondents stated that they might not have much awareness about financial literacy.



**7. Table showing the sources in which money has been lost by respondents.**

If they have lost money in which of the following channels	No . of respondents	Percentage of respondents
Bank deposit	1	1%
Chit fund	24	24%
Post-office	0	0
Insurance	19	19%
Stock market	14	14%
Money market instrument	2	2%
Gold/gold ETF	4	4%
Not applicable	36	36%

**Inference:**

The data suggests that financial losses were reported in various channels. The highest losses occurred due to investments in chit funds ,where in 24% have lost their investment and insurance 19% . A smaller proportion experienced losses in the stock market, gold/gold ETF, and money market instruments. A significant number did not incur losses in these specific areas.

**Testing of Hypotheses**

**Hypothesis-1**

Anova to examine the variable of individuals earning where preference is dependent variable, individual earning, Selection pattern will be differed.

**ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.264	3	.421	1.383	.253
Within Groups	29.246	96	.305		
Total	30.510	99			

**Inference:**

Since the P value (0.253) is greater than 0.05(level of significance) the null hypothesis is accepted and can be concluded that there is a no significant difference in the earning capability among teachers at higher education institution

**Hypothesis-2**

Chi-square is done to examine the variables of marital status and individual spending.

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
MARITAL STATUS * HOW MUCH IS YOUR MONTHLY EARNING * HOW MUCH IS YOUR MONTHLY SPENDING	99	99.0%	1	1.0%	100	100.0%

**MARITAL STATUS \* HOW MUCH IS YOUR MONTHLY EARNING \* HOW MUCH IS YOUR MONTHLY SPENDING Crosstabulation**

Count

HOW MUCH IS YOUR MONTHLY SPENDING			HOW MUCH IS YOUR MONTHLY EARNING				Total
			25000-50000	50000-75000	75000-1 LAKH	1 LAKH & ABOVE	
10000-20000	MARITAL STATUS	MARRIED	1	24	2		27
		UNMARRIED	2	6	0		8
	Total		3	30	2		35
20000-30000	MARITAL STATUS	MARRIED	2	36	5		43
		UNMARRIED	0	9	3		12
	Total		2	45	8		55
30000-40000	MARITAL STATUS	MARRIED	0	2	3	1	6
		UNMARRIED	1	0	1	0	2
	Total		1	2	4	1	8
ABOVE 50000	MARITAL STATUS	MARRIED			1		1
	Total				1		1
Total	MARITAL STATUS	MARRIED	3	62	11	1	77
		UNMARRIED	3	15	4	0	22
	Total		6	77	15	1	99

Chi-Square Tests

HOW MUCH IS YOUR MONTHLY SPENDING		Value	df	Asymptotic Significance (2-sided)
10000-20000	Pearson Chi-Square	3.997 <sup>b</sup>	2	.136
	Likelihood Ratio	3.785	2	.151
	Linear-by-Linear Association	3.477	1	.062
	N of Valid Cases	35		
20000-30000	Pearson Chi-Square	1.799 <sup>c</sup>	2	.407
	Likelihood Ratio	2.084	2	.353
	Linear-by-Linear Association	1.761	1	.185
	N of Valid Cases	55		
30000-40000	Pearson Chi-Square	4.000 <sup>d</sup>	3	.261
	Likelihood Ratio	4.499	3	.212
	Linear-by-Linear Association	1.241	1	.265
	N of Valid Cases	8		
ABOVE 50000	Pearson Chi-Square	. <sup>e</sup>		
	N of Valid Cases	1		
Total	Pearson Chi-Square	3.471 <sup>a</sup>	3	.325
	Likelihood Ratio	3.227	3	.358
	Linear-by-Linear Association	.503	1	.478
	N of Valid Cases	99		

**Inference:**

The chi square calculate value of 0.136 is greater than 0.05(Level of significance), hence the null hypothesis is rejected and can be concluded that there is a significant difference between marital status and individual spending capacity among teachers

**Hypothesis 3**

Correlation to check the level of association between income and spending among teachers.

**Correlation**

		HOW MUCH IS YOUR MONTHLY EARNING	HOW MUCH IS YOUR MONTHLY SPENDING
HOW MUCH IS YOUR MONTHLY EARNING	Pearson Correlation	1	.351 <sup>**</sup>
	Sig. (2-tailed)		.000
	N	100	100
HOW MUCH IS YOUR MONTHLY SPENDING	Pearson Correlation	.351 <sup>**</sup>	1
	Sig. (2-tailed)	.000	
	N	100	100

**Inference:**

The correlation of 0.351 is greater than 0.05(Level of significance), hence the null hypothesis is rejected and can be concluded that there is a significant difference between earning and spending capacity among teachers

**Hypothesis-4**

Chi-square is done to examine the respondents, whether they are aware of financial literacy and have they lost their money in their investment.

**Frequency**

ARE U AWARE OF FL/FINACIAL EDUCATION?				HAVE YOU EVER LOST UR INVESTED MONEY/ INTEREST IN ANY SIT?			
	Observed N	Expected N	Residual		Observed N	Expected N	Residual
YES	75	50.0	25.0	YES	64	50.0	14.0
NO	25	50.0	-25.0	NO	36	50.0	-14.0
Total	100			Total	100		

**Test Statistics**

	ARE U AWARE OF FL/FINACIAL EDUCATION?	HAVE YOU EVER LOST UR INVESTED MONEY/ INTEREST IN ANY SIT?
Chi-Square	25.000 <sup>a</sup>	7.840 <sup>a</sup>
df	1	1
Asymp. Sig.	.000	.005

**Inference:**

A chi-square value of 7.840 is greater than 0.05(Level of significance), indicates that there is a perfect association between aware of financial literacy and they have lost money in investment. hence the null hypothesis is rejected and can be concluded that there is a significant difference between financial literacy and loss of money invested.

**Findings:**

- The data indicates the majority of teachers are male teachers is 52%. while remaining respondents i.e,48% of them are female teachers.
- The data shows the age distribution of teachers in a survey. Most respondents (69%) are in the 35-45 age group, with no representation in the 55-65 age group.
- As per the analysis the data represents the monthly earnings of respondents. Most respondents (78%) earn between 25,000 to 50,000 and 1% earn 1 lakh and above.
- As per the analysis majority of teachers are the ones whose monthly spending is in the range 20000-30000 and least of the respondent for above 50000.
- Majority respondents (68%) save between 5% to 10% of their income and least percentage (2%) save above 30% of their income, and one respondent (1%) reported not applicable saving their earnings.
- The data reveals that majority of the respondents invested in less than 15% of their income and just a few people fall into the "35%–40%" group.
- The survey result indicates the amount respondents have borrowed. majority lies in the range of 500,000 to 2,000,000 (25%) and least proportions borrowed above 3,000,000 (7%), and only 7% borrowed below 500,000.
- The majority of losses occurred in Chit funds (24%) and least in bank deposits. Additionally, a considerable proportion (36%) reported "Not applicable," likely indicating no losses in these areas.
- Since the P value (0.253) is greater than 0.05(level of significance) the null hypothesis is accepted and can be concluded that there is a no significant difference in the earning capability among teachers at higher education institution.

- The chi square calculate value of 0.136 is greater than 0.05(Level of significance), hence the null hypothesis is rejected and can be concluded that there is a significant difference between marital status and individual spending capacity among teachers.
- The correlation of 0.351 is greater than 0.05(Level of significance), hence the null hypothesis is rejected and can be concluded that there is a significant difference between earning and spending capacity among teachers.
- A chi-square value of 7.840 is greater than 0.05(Level of significance), indicates that there is a perfect association between aware of financial literacy and they have lost money in investment. hence the null hypothesis is rejected and can be concluded that there is a significant difference between financial literacy and loss of money invested.

### Conclusion

The research aims on understanding teacher's financial situations and vulnerabilities. It also examines financial literacy, investment behaviour, and awareness among teachers. The report suggests improving awareness of investment channels and promoting financial education. The following report data also concludes that the data present in the report sheds light on the financial literacy, investment behaviour, and financial awareness of male and female teachers of Higher Education Institution. They have more practice in traditional financial management like investing in stocks, mutual funds in expectation of increase in rate of investment. The highest of respondents prioritize savings for their future commitments, for self or children's education. Overall, the study indicates the significance of enhancing financial literacy education, especially in more complex investment areas. By doing so, teachers can make more informative about making financial decision's, achieve financial goal's, and better manage their finances through policymakers and regulators. They can also have the usage of this information to design targeted financial education programs and support individuals in building a secure and sustainable financial future.

### Suggestions

1. Most of the respondent should create a budget every month or yearly and stick to it.
2. To have a proper financial discipline like budgeting and regular savings cultivate strong financial health
3. They can make investment in stock markets by staying informed about market trends for informed stock market decisions.
4. They should save a portion of income regularly for their future commitments and should have emergency savings.
5. Should avoid investing in chit funds because most of the respondent teachers have lost their money in it.
6. Establish an emergency fund for unexpected expenses in future.
7. Should invest wisely and diversify their investment in portfolio and have savings for themselves to have life peacefully even after the retirement in the old age time.
8. Stay informed about financial matters and economic trends. And should avoid borrowing's beyond means.
9. Educating self about personal finance and money management, and avoid falling into the trap of living pay check to pay check

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