

Financial Literacy Among Working Women in Coimbatore City

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ABSTRACT

This study aims to investigate the financial literacy of working women in Coimbatore City. The research focuses on the level of financial awareness among women in areas such as investments, savings, and insurance. For this quantitative research, an online survey was conducted, and 160 working women from various age groups and income levels participated. The study's findings indicate that the financial literacy level among working women in Coimbatore City is low, with only a small percentage of women having sufficient knowledge of financial topics. Furthermore, the study found that several factors, such as age, income, education, and work experience, influence women's financial literacy.

Keywords: Financial literacy; Financial awareness; Working women; Financial knowledge

INTRODUCTION

Financial literacy is crucial for women to achieve independence and financial security. Without it, they may accumulate debt, develop poor spending habits, and lack long-term planning skills. Being financially literate allows individuals, especially women, to make informed decisions and be prepared for emergencies. It also enables them to explore and use financial products and services effectively. To promote financial literacy and credit counseling in India, the Reserve Bank of India launched an initiative in 2007 to establish free centers throughout the country for financial education and counseling for both urban and rural populations. Although many women do not make important financial decisions at home, professional women in major cities set a great example for women everywhere. Financial inclusion is on priority in our country and the government has made various strategies for financial inclusion in which various schemes are introduced and awareness campaigns are being held from time to time. A financially literate person is more likely to explore the financial products/ services which was offered by various banks and can use them effectively for their benefit. Women in India now have a higher standard of living due to the country's emphasis on educating young girls. However, many women still neglect to invest in other forms of financial security.

OBJECTIVE

- To study the saving and spending habits of working women.
- To study how digital financial literacy influences the saving and spending habits of working women.
- To examine the awareness of working women about various financial services.

STATEMENT OF PROBLEM

Financial literacy is a major challenge that all countries face globally. It refers to the knowledge and

attitude towards financial matters. It helps individuals make informed decisions and maintain their well-being. Today's market is filled with complex financial products, which makes financial literacy more important than ever. Financial literacy is crucial for people of all ages, genders and backgrounds, whether they are working or managing a household. Having financial knowledge is key to making sound financial decisions and managing finances effectively. The importance of financial literacy cannot be overstated, as it not only contributes to the well-being of people but also empowers them economically. With the continuously changing financial markets and the increasing burden of financial decision making, it has become necessary for women to have knowledge of finance. Women are a significant part of society, and their involvement in financial matters has increased. In today's world, women are consuming financial products and services independently as well as in conjunction with their family members, partners, and spouses. However, a large proportion of working women are still unaware of integrated financial terms.

NEED FOR STUDY

Financial literacy plays a crucial role in our daily lives as it helps individuals to make informed financial decisions that lead to their financial well-being. Moreover, individual financial literacy has a significant impact on the development of a nation as it is greatly influenced by the financial decisions taken by individuals.

A study has been conducted to understand the impact of financial literacy and digital financial literacy on the saving and spending habits of working women.

RESEARCH METHODOLOGY

Area of the study: The study was conducted in Coimbatore City, which is located in the southern Indian state of Tamil Nadu. Coimbatore is the second highest revenue-yielding district in Tamil Nadu, after the state capital city, Chennai. It has massive productive potential, which makes it one of India's fastest growing metropolitan areas.

Sample size: A sample of 160 respondents was chosen for the study. The sample comprises of women of various age groups and varied educational qualifications.

Sources of data:

- The primary data has been collected directly from the respondents through a Google questionnaire. It consists of multiple-choice questions.
- The secondary data has been collected by referring journal articles, magazines and various websites.

TOOLS FOR ANALYSIS

- Percentages are a type of ratio that are helpful for comparing multiple sets of data. They allow us to measure the relative size or change of one quantity in relation to another. We can use percentages to describe the difference between two or more series of data. The formula for calculating the percentage of respondents is:

$$\text{Percentage of respondents} = (\text{Number of respondents} / \text{Total responses}) \times 100$$

- A comparison table is a tool used for analyzing and interpreting the relationship between two variables. Typically, one independent variable and one dependent variable are chosen to study their interdependence.

REVIEW OF LITERATURE

- **Annamaria Lusardi (2021)** conducted a study on Planning and Financial Literacy: How Do women Fare? The study aimed to analyze how women plan for retirement, their saving behavior, the tools and sources of information they use for planning to analyse the financial literacy of women.
- **Martha Klatt, (2020)**, A study was conducted to assess women's financial literacy. The study aimed to identify obstacles that hinder the effective translation of financial knowledge into action. It also aimed to determine the resources required to provide women with financial information, and whether there is a need for additional resources and training programs on financial literacy for women.
- **Prajakta Joshi (2021)** tries to understand financial literacy and its importance and to understand the current financial literacy initiatives that are taking place in India and other parts of the world in her paper the way of Financial Capability is through financial literacy: Indian and Global Scenario.
- **V. Mathivathani and Dr.M. Velumani (2022)** conducted a study on Financial Literacy among Rural Women in Tamilnadu. The purpose was to determine the level of financial literacy among women in rural areas of Tamilnadu and concluded that financial literacy of marginalized rural women is very low.
- **Chijwani. M. et al. (2022)** conducted a study of financial literacy among working women in Pune. The objective of study is to find out the most popular & preferred investment instruments. The study is conducted on women between the ages of 20-40 in Pune who have at least graduated.
- **Zulfiqar. M. (2019)** conducted a study on women's economic empowerment through financial literacy, financial attitude and financial wellbeing. The study aims to evaluate the financial literacy, financial attitude, and financial wellbeing of employed women. It also aims to investigate the correlation between financial literacy, financial attitude, and financial wellbeing. The text is well-written and highlights the significance of enhancing the financial attitude, financial wellbeing, and economic empowerment of working women. I couldn't find any spelling, grammar, or punctuation errors in the text.
- **Pratisha Padmasri Deka (2020)** tries to study the relationship between women empowerment and financial inclusion and financial literacy in her paper financial literacy and financial inclusion for women empowerment: A study.

INTERPRETATION

Table showing self-evaluation of overall financial knowledge by the respondents

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1 (LOW)	9	5.6
2	23	14.4
3	80	50
4	36	22.5
5 (HIGH)	12	7.5
TOTAL	160	100

5.6% of the respondents feel that they have least knowledge on the financial aspects. 14.4% of the respondents chose second least option as their level of knowledge in financial aspects. 50% of the respondents chose 3 and admit that they have a neutral knowledge in finance. 22.5% of the respondents chose 4 to define their overall financial knowledge. 7.5% of the respondents are intimately confident about their financial knowledge.

Chart showing self-evaluation of overall financial knowledge by the respondents

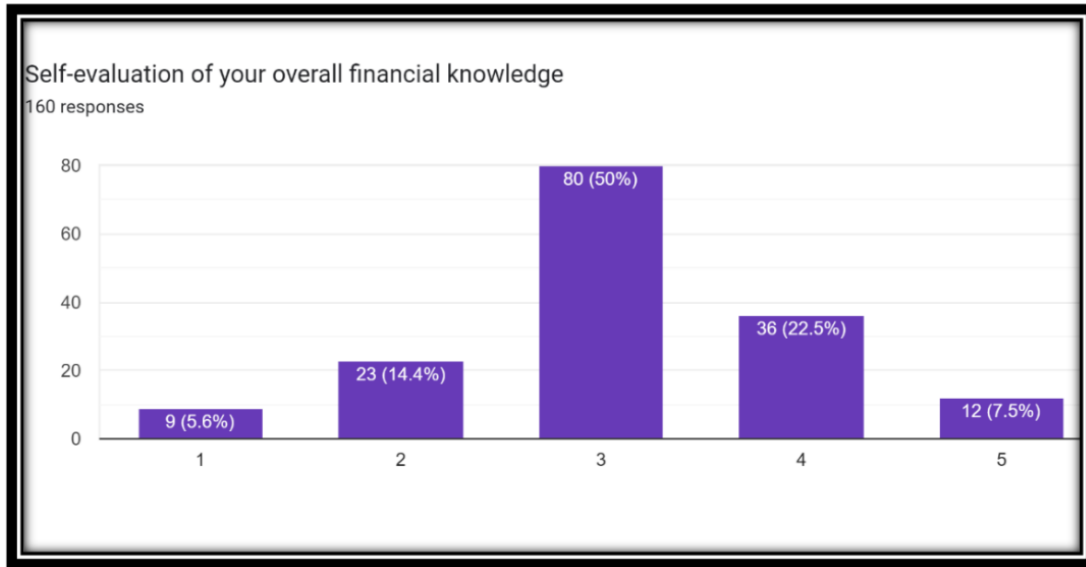
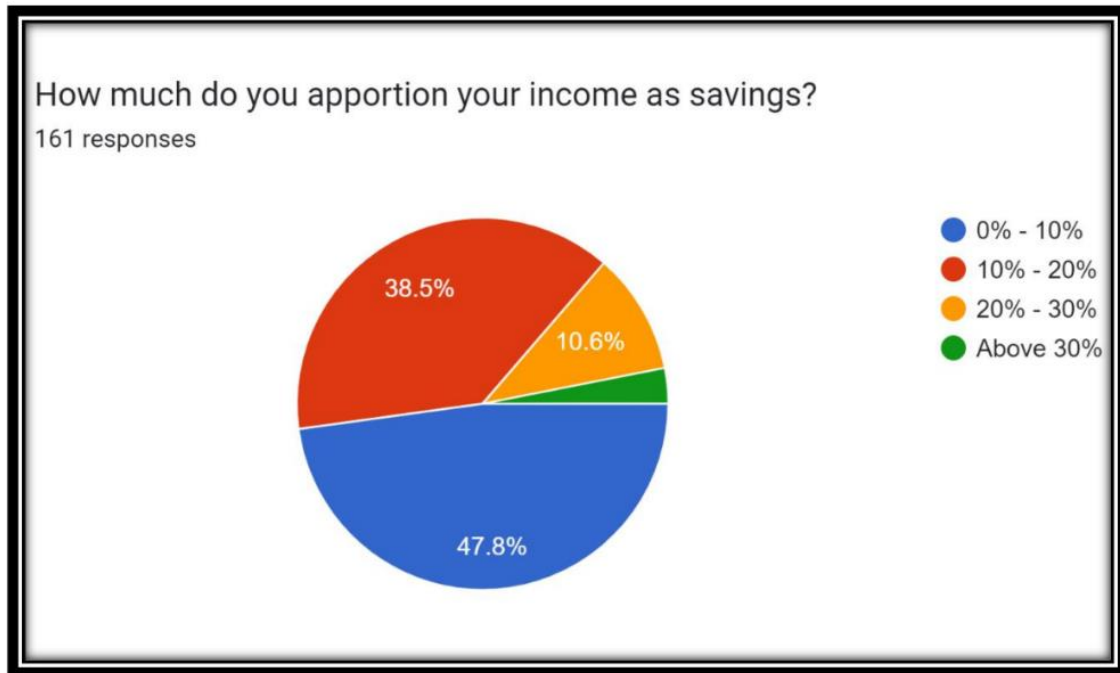


Table showing saving apportionment of respondents

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
0-10%	77	48.12
10-20%	62	38.75
20-30%	17	10.62
ABOVE 30%	5	3.12
TOTAL	160	100

Among the 160 respondents, 48.12% of the respondents save 0 to 10% of their monthly income. 38.75% of the respondents save 10 to 20% of their income every month. 10.62% of the respondents save 20 to 30% of their monthly income and 3.12% of the respondents save more than 30% of their income every month. Hence it is understood that, most of the individuals save up to 10% of their monthly household income.

Chart showing saving apportionment of respondents



FINDINGS, SUGGESTIONS AND CONCLUSION

It is widely recognized that women's financial well-being is essential to their empowerment. To make sound financial decisions, women require financial knowledge and literacy. A study found that most working women seek the help of their family and friends to invest their hard-earned money in different investment alternatives. Despite holding suitable positions, they lack confidence in making their investment decisions, resulting in shorter-term investments. The study also revealed that bank fixed deposits were the preferred investment option for most working women. However, women are less active in reviewing their investment portfolios and are unaware of the financial benefits offered by the government. The analysis further indicates that women are less informed about the various investment instruments available in the financial market and have a moderate risk appetite, leading them to invest in fixed deposits. It is, therefore, crucial to educate women about investments and how they can contribute to their economic development. Here are some suggestions:

- Conduct more seminars, workshops, and boot camps to assist women with financial independence.
- Keep working women updated on the financial options available in the market.
- Encourage salaried women to use financial information available to improve their financial knowledge and feel genuinely financially independent.
- The government should educate working women, especially about taxation rules and regulations concerning investments.
- Working women need to take their investment portfolios seriously and review them regularly to make effective investment decisions on their own.