

Status of Financial Literacy Among Youth: - with Special Reference to Girls of Lucknow District

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Abstract

Financial Education is the solution of all economic problems of a country like poverty alleviation, unemployment, and other financial shortcoming in managing of financial management. As education make social empowerment, like as financial literacy push economic stability and economic well-being. There is low level of financial literacy (10%) in Uttar Pradesh with compare to national level as 27% (NCFE-FLIS-2019). The Government initiatives various program and schemes to increase of financial literacy. The study is investigated among young studying girls of Lucknow Uttar-Pradesh. The study is based on primary data collected online mode. The tools and technique of data collection is used questionnaire and google form respectively. Study finds that financial literacy is most important for youth's girls acquiring higher education in colleges. The financial literacy measuring parameter are vary like financial awareness and numerical ability is find good among respondents, but financial skill and behavior is low.

Keywords: Financial Literacy, Youth Girls, Financial knowledge and awareness

1. Introduction

When our country, India continuously approaching to achieving targets of developed nation, the contributions of its paths of development should be equally of both men and women. Since 1947, India focused on human development. But great misfortune of, women contribution is still low in Gross Domestic Product is 18% (According to a report by Write Canvas 2023). At time of dreamed of developed nation need to verify status of financial literacy among youth girls is important. Financial Stability creates many opportunities of economic well-being in their life. According to NCFE, Financial Literacy is compress with financial awareness, Knowledge, skill and financial attitude. Financial awareness is initial way to know all financials concepts (Like Bank account, debit, credit Saving, investment, inflation, accounting procedure of Simple and compound interest etc.) of the people and then, well understand it. The financial literacy is provided a primary safeguard and protection from uncertain financial loses. There are many people get trapped in Ponzi schemes due to lake of financial awareness. The foundational education of the students builds their potential capability to acquire effective higher education, while higher education provides a common but essential platforms to achieving their life's goal. Along this

formal education, student also learn from their daily life activity, like business knowledge in case of boys, domestic works as girls, but here to clarify that in present time the upcoming generation of youths, “Are they educated and aware with financial awareness, knowledge and attitude. In this study, primary objectives of the researcher are to investigate, “What is the level of financial literacy among youth girls of Lucknow Uttar Pradesh.

1.1. Concept and definition of Financial Literacy

Financial Literacy is the part of education which deal with individuals and origination’s financial matters. The term financial literacy known as others terms, like Financial Capability, Knowledge, Education, and Financial Competence. The most accepted definition of Financial Literacy given by Organization for Economic Co-operation and Development (OECD), “Financial Literacy is a combination of “Financial awareness, knowledge, skills, attitudes and behaviors necessary to make sound financial decision and ultimately achieve financial well-being” (OECD 2022).

Financial Literacy can be defined as the tool of the measuring status of Financial Education and financial inclusion through using the component as financial awareness, attitude, knowledge, and behavior. Financial awareness refers to valid and enough information related financial product, for which he /she capable to get accurate knowledge of..., and in most simple word financial awareness means to willingness to knowledge of person, ready to get more knowledge. The financial knowledge shows or expresses to skill to use or experience to financial actions like open bank account, purchased financial product. The financial behavior can be expressed in terms of financial experience of the individuals as mode of transactions, active paying premium of Insurance policy, using of credit cards, debit card and different payment apps etc.

1.2. Status of Financial Literacy in India

Financial Education is become most eminent discussing topics at beginning of 21st century of the word. It is very difficult to say that when financial Literacy become major part of the Indian economy because traces of starting from, 14th banks nationalization in 1969 and secondly in 1980. In India also it can be seen from New Industrial policy 1991. The apex financial body of India (Reserve Bank of India) issued guideline for banks to setup pilot programme as “Financial Literacy and Credit Counselling Centres (FLCCCs)” in May 2007. In Finally RBI released first strategy as, “National Strategy for Financial Education (NSFE-2013) for period of 2013 to 2018. For implementation of the strategy RBI established ‘NATIONAL CENTRE FOR FINANCIAL EDUCATION (NCFE –regulated through the RBI, SEBI, PFRDA and IRDAI) and Revised strategy for financial Education (NSFE-2020) for period of 2020 to 2025. The overall 27% of the Indian are financial literate as per NCFE-FLIS-2019.

For the success and effective implementation of NSFE-2020-25, its emphases of concepts of 5C’ (content, capacity, community leadership, communication, and collaboration). The programmes running by NCFE for Promoting financial education are:

Financial Education Program for Adult (FEPA): launched by National Centre for Financial Education in year of 2013 with objectives to implementation of First National Strategy of Financial Education and spread awareness of financial literacy among various groups of society, like Farmers, Asha workers, Anganwadi workers and Self-Help Groups etc.

Financial Education Training Program (FETP): The NCFE commitment to Financial educate and awareness of every people of India. The program FETP basically design for school teachers.

Financial Awareness and Consumer Training (FACT): This program launched for aware to graduates and post graduates of India.

Money Smart School Program (MSSP): The program constituent under the campaign of financial stability. Education and awareness are main piler of the program.

National Financial Literacy Assessment Test (NFLAT): The assessment is organised by NCFE annually. The assessment conducts at junior (from 6th to 10th) and senior (11th and 12th) level, without any cost.

But Financial Literacy in India is also very Low 32% (Report NCFE 2019) with comparison of general Literacy.

The financial inclusion survey 2019 conduct by National council of financial Education in India. The survey is conducted country level and included all section of the society. The reports show the financial literacy among women is high in terms of awareness of financial products but there is worse condition in financial attitude (operating or using of financial product actively). Implicitly it means the women’s financial participation is low.

TABLE 1

Financial literacy among female In India				
Financial literacy related with		Awareness	Holdings	Operating
1	Saving Bank Account	88%	78%	72%
2	Current Account	36%	17%	14%
3	term deposit	55%	12%	10%
4	credit card	43%	9%	7%
5	home loan	38%	5%	4%
6	education loan	35%	5%	3%
7	car loan	35%	4%	3%
8	microfinance	37%	8%	6%
9	Sukanya Samridhi Yojana (SSY A/C)	39%	12%	8%
10	Public Provident Fund (PPF A/C)	25%	7%	5%
11	Kishan Vikas Patra (KVP A/C)	24%	7%	4%
12	National Savings Certificate (NSC)	22%	6%	4%
13	Debit card	75%	39%	35%

Source: - NCFE-FLIS 2019

At initial step of financial literacy begin with bank account the survey indicates positive efforts of financial literacy programs that 88% percent women have saving bank account that is 72% actively used. But there is very poor in holding and operating of other financial product like Sukanya Samridhi Yojana, education loan, Publick Provident fund and debit card are 8%,3%5% 35% respectively.

TABLE 2

Reasons behind not holding /operating financial Product					
<i>Name of Financial products</i>	Others and not Having necessary document	Procedure difficult and High cost	Lack of Knowledge	Bank too far	No Need
<i>Saving Bank A/c</i>	3%	4%	29%	20%	44%

Recurring Deposit A/c	2%	5%	35%	8%	49%
Current A/c	2%	5%	33%	9%	50%
Term Deposit a/c	2%	5%	34%	8%	48%
Home loan	1%	7%	29%	9%	53%
Education Loan	2%	6%	29%	8%	54%
Car loan	3%	7%	27%	8%	56%
Microfinance	2%	7%	31%	9%	51%
credit card facility	3%	6%	31%	7%	52%

Source: - NCFE-FLIS 2019

The basic problems of not holding and operating financial products are lack of knowledge and individual have no needs of financial Product. Procedure difficulty and high cost is fundamental barrier of holding and operating financial product.

1.3. Population and Literacy of Lucknow

Uttar Pradesh holds first rank in terms of population. Lucknow is the capital of Uttar Pradesh it has 45,89,838 lakh population, 23,94,476 male and 21,95,362 female. 77.29% literacy rate which is above the average literacy rate of Uttar Pradesh or India.

TABLE 3

Population And Literacy Rate of Lucknow District tehsil-wise						
Name of Tehsil	Population	Male population	Male Literacy rate	Female population	Female Literacy rate	Total Literacy rate
1.Sadar/Lucknow	3391208	1765632	75.72%	1625576	68.17%	80.90%
2. Sarojni Nagar	*	*	*	*	*	*
3.Bakhshi Ka Talab	349654	183866	76.90%	165788	59.51%	68.66%
4.Malihabad	368453	193230	63.88%	175223	46.99	65.21%
5.Mohanlal Ganj	480523	251748	64.23%	228775	48.34	66.23%
Total	4589838	2394476	82.56%	2195362	71.54%	77.29%

Source- Census- 2011 [Sarojni Nagar* formed 2015 after census, no data available.]

Overall general Literacy rate is good but female literacy level is low tehsil Mohanlal Ganj and Malihabad that is less than 50 percent. Except Sadar Tehsil more than 10% gap in male and female literacy. Education is important parameter to determine financial literacy (Chaudhari & Kamboj, 2017). What is literature said related financial literacy need to be study too focused clear result.

2. Study of Literature Review

Mamta Rani & Manoj Siwach (2023) ‘Financial Literacy in India: A Review of Literature’ this study critically investigates of literature review on financial literacy in India from 2006 to 2022. It assumes that financial literacy has three majoring components as financial Knowledge, Financial Behavior and Financial Attitude. This study finds major work on the ‘Financial Literacy of young people, of employee, of women, and of college students, etc. Most of study available regarded with developed nations rather than the developing countries. This study generally based on secondary data published as research articles, reviews etc. The study suggests that not significant work available on farmers.

Akshata Bilagi (2022) ‘A study on Financial Literacy among Youths’ focused on investigating links between financial literacy and financial behaviors on youths. With objectives, analyses of financial literacy awareness, relationship between financial literacy and various socio-economic factors. This study based on investigation on various financial concepts like budgeting, investment, borrowing, and taxation, used primary data. Major findings, forty three percent respondents, who got adequate financial education and 21% received daily financial information. It suggests, students should be positively participating in schemes and programs which is going on through the banks and government to increase financial knowledge. This study collected the data from female but not do any things other, the study is failed to tells financial literacy among young girls.

Goswami (2023) on Financial Literacy and Education: Current Scenario of various Regulators of India’ highlights the importance of financial Education as increase the complexity regarding with financial choice. In 21st century, society based on online internet banking system financial products and services are grow, So, it is need of time to increase the level of financial understanding. This study also explains all efforts and programs which are taken for the purposes to increase financial literacy level by Indian Regulatory bodies like central Bank of India (RBI) established Center for Financial Literacy, Security exchange board of India (SEBI), campaigned as ‘National Financial Literacy Week’ and other initiatives taken by IRDAI, PFRDA, and NCFE-National Council for Financial Education by joint effort of RBI, IRDAI, SEBI and PFRDA. The conclusion is derived that numerous initiatives had taken still low level of financial literacy in India.

Jangili, et all., (2023), comprehensive field survey on Financial Literacy. In India, with inherent objective to empirical analyses of financial literacy. In this process researcher employed questionnaire as prescribed by OECD/INFE toolkit. This study considered financial knowledge, financial behavior and financial attitude as Component of financial literacy. Finding of this study are like, financial knowledge is greater than the financial behavior and attitudes in India. Score of financial literacy recorded as 61% female and 63% in male.

Singh (2021) investigates on ‘Financial Literacy among women: An Empirical Evidence’ from. The study includes 175 correspondent women from Lucknow to conclude the various analysis, likes- Level of Financial literacy and Age both are related. No relation between marital status and financial literacy. It also provides evidence that education positively influence to level of financial literacy. The study also investigate relation between income /employment with financial literacy which is related to each other. The study explains very well with all aspect of financial literacy level of women but this cannot say anything without comparison with others, how we can say it good condition or not. Girls Students are not including in this study.

Dube and Asthana (2017) in his article “A Comparative Study on Financial Literacy of Uttar Pradesh with central Zone of India”. This study is based on secondary data publish by RBI 2015, its states that Financial Literacy in Uttar Pradesh only 10 percent among Madhya Pradesh and Uttara Khand 23% and 04% in Chhattisgarh.

Kumar Rai (2021) investigate of Level of financial Literacy on college going students of Eastern Uttar Pradesh. The study is based on primary data of 250 students studying in several rural areas’ college and coaching. The objectives of the study is to explore the level of financial awareness and success ratio of government program that engaged in spreading financial awareness. The findings of the study, there is very venerable condition of the students, still they have not aware with basic concepts of financial, like

banking, SIP, and mutual funds etc. Need to program to implement at primary and secondary level of students.

Jayaraman and Jambunathan (2018) study on “Financial Literacy among High School students: Evidence from India. It is based on primary data with 608 sample data from south India (Chennai and Madurai of Tamil Nadu). This study recorded 44% financial literate high school students.

Uttar Pradesh falls in lower category of financial literacy rural and urban both, observed by (Dash & Ranjan 2023) developed a Financial Literacy Index using three indicators; deposit account, credit/debit card and e-Wallet. Comparatively, Uttar Pradesh less financial literate with Kerala. There is significant gap between Kerala and Uttar Pradesh i.e. rural is 38 percent and 20 percent in urban.

Many studies are found on financial literacy which are investigated among women, students, working women, investment patterns etc. But this study is based on youth girls which is perusing BA and MA in Lucknow colleges not University campus. The young girls after completed her study enter in working phase of life, in some of, wants to doing job, but lack of financial literacy they missed opportunity like self-employment. The researcher is interested to investigate what are the situation at early and just before starting working life, so it important to examine levels of Financial Literacy among the youth girls of Lucknow.

3. Objectives of the Study: -

1. To assess financial awareness among girls studying higher education in Lucknow region.
2. To examine financial gap in terms of financial behaviour of the young girls of Lucknow.

Primary objective of this study is to identify level of financial literacy among youth girls belonging of Lucknow (Uttar Pradesh). It is tried to capture real background awareness, knowledge and behaviors related with their personal finance. Major changing as improvements is started with changing revolutionary phase in technology, internet, and digitalization at stating of 21st century in India. Economic development is incomplete still not accurate women’s participation in social, political, and economically in the country. Financial Literacy have major four levels(phase), if all are fulfilled of a person, that are financial literate as financial awareness, financial knowledge, financial aptitude and financial behavior. It is also known as financial components.

4. Research Design and Methodology

The structure of social enquiry to investigate the level of financial literacy among youth girls of Lucknow district of Uttar Pradesh is used mixed, qualitative with soul of quantitative. The study is based on the Primary Data and secondary data available in forms of Government Published Reports NFCE 2013-14, and 2019-20. The questionnaire is used as tools for data collection. As advancement of technologies availability, used advance techniques of data collection through online mode as filling google form, which is send via-an email and WhatsApp. The data is collected from 100 girls belongs to Lucknow. The nature of data is categorized into rural and urban area. Theoretical statistics used for data analysis and representing real picture of the financial literacy among youth girls of Uttar Pradesh.

5. Data Analysis

Demographic characteristic of the response: - Lucknow is the capital of the Utter Pradesh the population of Lucknow is 45,89,838 as par census of 2011. The literacy rate is 77.29 percent comprises of 82.56% male and 71.54% female respectively.

TABLE 4

Tehsil-wise data	
Tehsil name	No of respondents
Sadar/Lucknow	28
Sarojni Nagar	13
Bakshi ka Talab	32
Malihabad	12
Mohanlal Ganj	15
Total	100

Source: based on primary data calculation

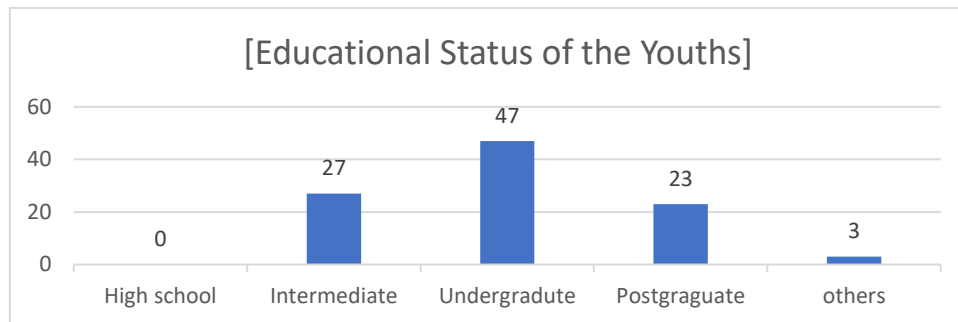
The study is based on basically young girls which are studying higher education in colleges. To know what is reality of financial literacy among them. The sample size of Population taken is 100, which is taken from different area like urban 42% and rural 58 %. The respondents are almost rural background who is living rural area of Lucknow.

FIGURE 1 [CHARACTERISTIC OF RESPONDENTS AREA WISE]

Source- Based on primary data calculation

Level of education is primary variable to determine and impact the financial literacy. There four types of respondents are categorized like, 10th, 12th, graduation and postgraduation and equivalent of. Simple the qualification, overall, as above 12th and less than postgraduation. In clearly defining the youth of girls which is pass out of 12th and perusing graduation and Postgraduation.

FIGURE 2

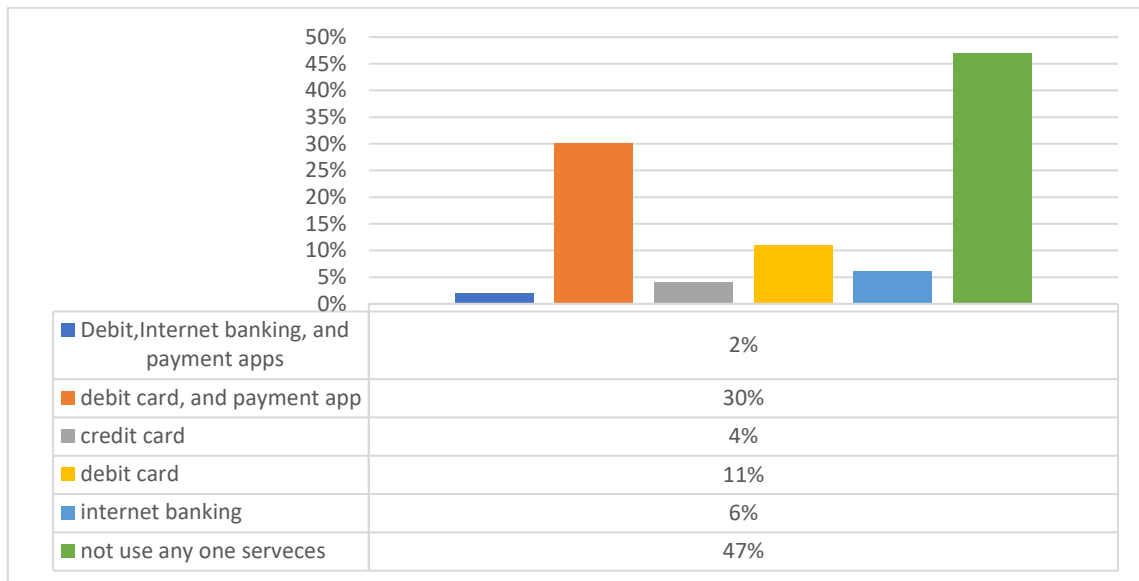


Source: Based on Primary data Calculation

Educational status shows that most of respondent of the belong to young age which is pausing graduation or pass out. This age is very unique of the student to develop diverse personality to competence in her society. The respondent which are better feel during filling questionnaire make confidence other wise to improved her financial Knowledge.

FIGURE 3

FINANCIAL KNOWLEDGE WITH RESPECT TO DIFFERENT FINANCIAL PRODUCT

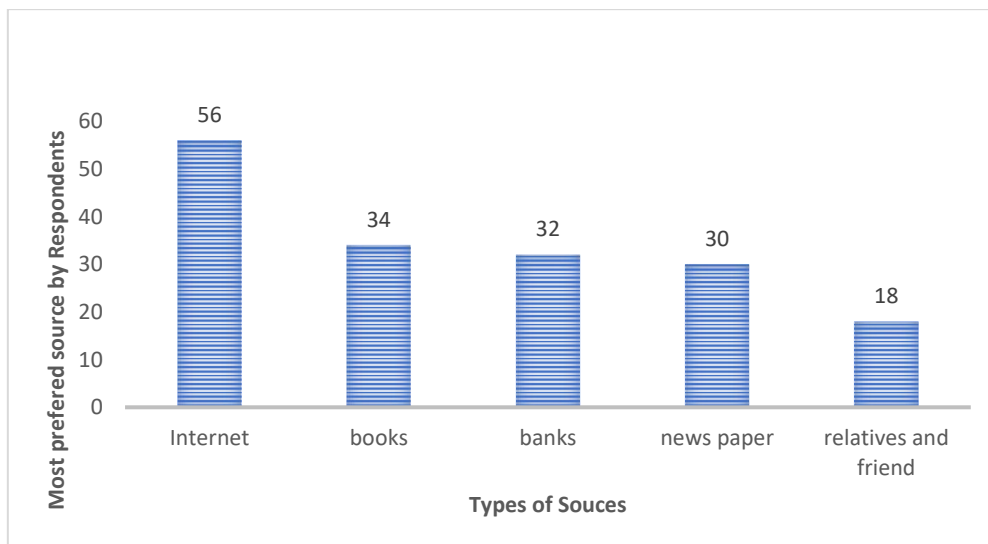


Source- Based on Primary data Calculation

The show that respondent not use anything is significant, due to in present time every person used these kinds of financial services and products but simple this indicate studying time of girls are too depends on her family, when pursuing studying but the data also show 53% respondent used different types of financial product and service like digital payment app and debit card.

FIGURE 4

Sources of Financial Awareness



Source: Based on Primary Data Calculation

In this section, shows Internet are mostly reliable and quick sources of financial awareness and knowledge. People are sincere and aware what are the secure source of Information. The data also refers a valuable thing that books are useful than others.

Financial awareness related financial products

Have a bank account, a person eligible for enter into financial world. The data shows 91% of respondent have a bank account, that mean to they are ready enter into complex financial world. Banks offers many services to bank’s customers to do his daily financial activity short term and long terms. Which types of banking service used by students.

TABLE 5
[Financial awareness related financial products]

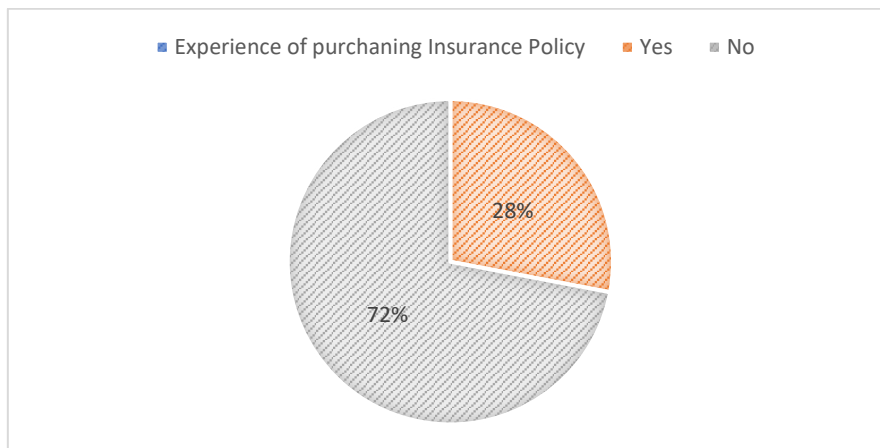
Name of Financial Product	Responses 'Yes'
Saving Account	93
Time Deposit	7
Monthly saving Scheme	13
Public Provident fund (PF)	10
National Saving Scheme	8
Senior citizen saving scheme	3
Kishan Vikash Patra	6
Sukanya Samrddhi Account	8

Source: Based on primary data Calculation

The awareness of the financial product is varying, product to product, as above mention among which saving account is very good awareness, and monthly saving scheme and then Publick Provident Fund (PF). For financial inclusion government initiated Sukanya Samriddhi scheme to connect younger girls to banks.

Awareness related to Insurance policy

FIGURE 5

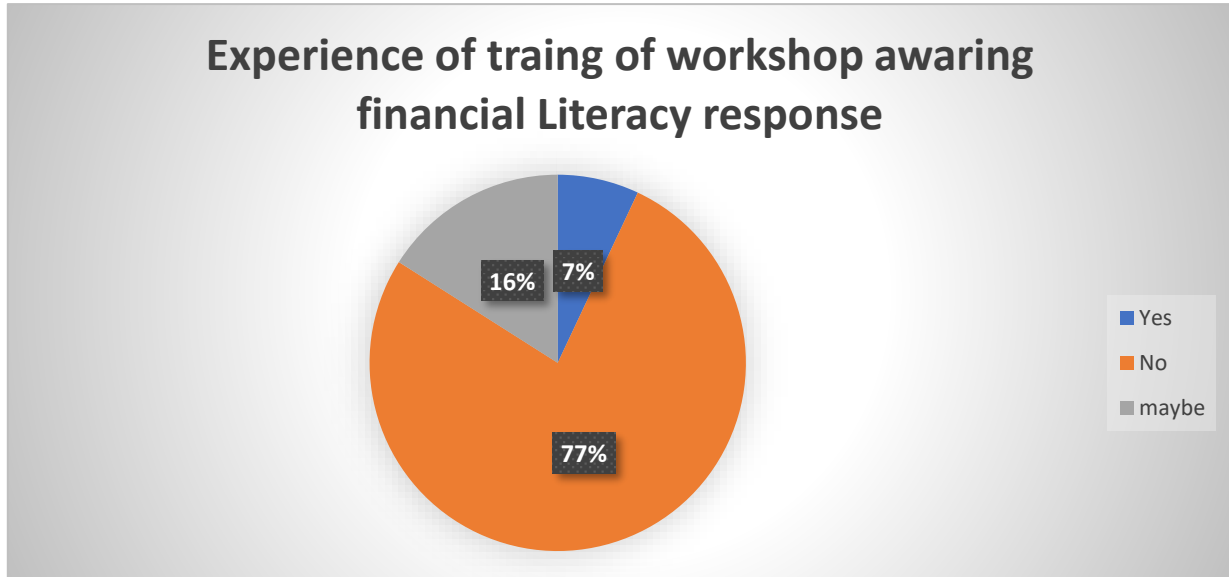


Source- based on Data Calculation

In this section of questionnaire ask to respondents, she have ever purchased any insurance policy? There are little responses as yes while no is 72%. The result is shows that awareness related to insurance policies and their benefits is low. The Insurance protects us from unexpected and uncertain loses in business, property and health.

Experience of attending/join any workshop and training financial awareness among youths is too low.

FIGURE 6

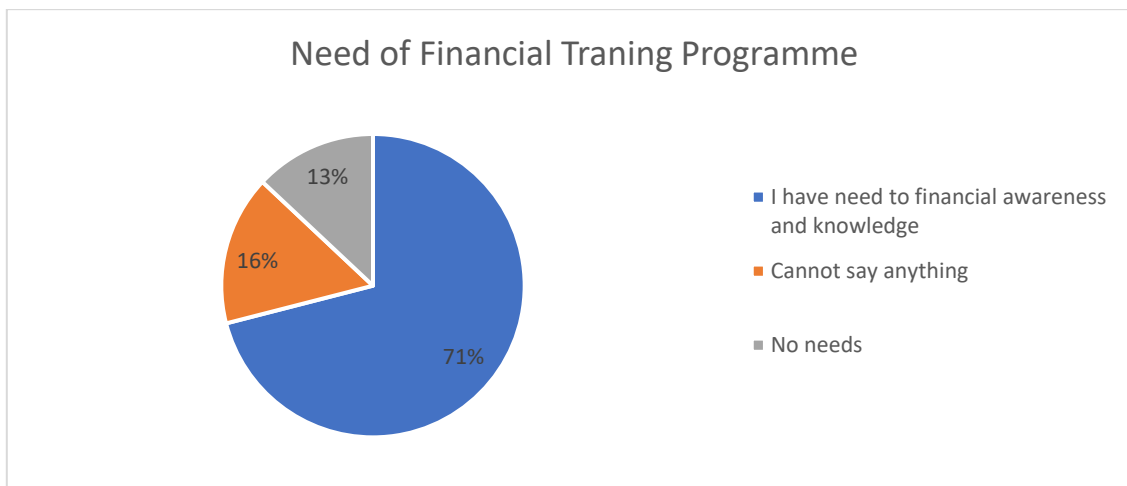


Source: Based on auther’s calculation

The data shows that the financial literacy programme efforts are less. In this case, the financial literacy programme organised continued fordifferent social groups, for better financial awareness and understanding.

Needs and Demands of Financial awareness Programmes

FIGURE 7



Source: Based On Primary Data Calculation

The last question of the investigation is related with need of financial literacy awareness training to youth (girls) in Lucknow. The data reveals that 71% of the respondents have need of financial awareness training and workshops.

Conclusion

The only 33% Financial literacy world-wide study show “Financial Literacy around World (2015), 3.5 billion adults globally suffered with lack of financial literacy and understanding of basic financial terms,

most of in the developing nations. NCFE-2019_Final_Report show that 27% financial literacy Level in India which is improving onward. As Uttar Pradesh is most populous state with low financial literacy level. Only 10% of the population is financial literate (V.S. Dube 2017). The study is conduct, among youth girls of Lucknow that is better performance in case of bank account and transforming to digital world cashless transactions, still she facing lack of awareness of government Scheme running as increase financial inclusion, like Sukanya Samrddhi Yojana and other saving schemes which is provides by banks. At present time the Uttar Pradesh is one of the fastest growing states of India, the financial improvement being day by day strong, it is need to public side to participate in government effort as be aware of scheme and follow RBI guidelines.

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