



## **PROJECT REPORT**

On

### **“A study of Financial Literacy Among Women in Delhi NCR”**

Submitted in partial fulfilment of the requirement of the BBA(FIA) degree  
program

By

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**A study of  
Financial  
Literacy Among  
Women  
in Delhi NCR**

## **DECLARATION**

We hereby declare that this Project Report titled **A study of Financial Literacy Among Women in Delhi NCR** submitted by us to the School of Finance and Commerce, Galgotias University is our original work and has not been submitted earlier to Galgotias University or any other institution. It is submitted towards partial fulfillment of requirements of the BBA(FIA) degree program. We also declare that no chapter of this project is copied from any other document, either in whole or in part. Some references have been taken from, journals, books, the internet, and other learning sources, which are duly mentioned in the bibliography section.

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## **CERTIFICATE FROM THE SUPERVISOR & DEAN**

This is to certify that the Project Report entitled “**A study of Financial Literacy Among Women in Delhi NCR**” was submitted by BANSIDHARIPAL and SAKSHAM YADAV. The Project report is based on their own work under the supervision of MS. VAISHALI JOSHI and that neither their project report nor any part of the project report has been submitted for any degree/diploma or any other academic award anywhere before.

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Signature of the Supervisor

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Signature of the Dean

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We hope that we can build upon the experience & knowledge that we have gained & make valuable contribution towards the society in coming future.

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# Chapter I

1. Introduction
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## **Introduction**

People's personal lives are increasingly intertwined with their professional ones, but these financial activities are becoming increasingly dispersed and difficult to grasp even in their most basic terms. Financial literacy refers to the ability to understand and apply financial concepts to one's daily life. For a lifetime of financial well-being, financial literacy is the ability to use knowledge and skills effectively to manage one's financial resources (PACFL, 2008). A person's financial literacy can be classified as either basic or advanced by the level of understanding they have of financial terminology (Lusardi, 2008). Compound interest, inflation, percentages, and other hands-on financial concepts are all part of basic financial literacy. The use of advanced financial terms, such as stock market, bond, mutual fund, equity share, etc., is a sign of advanced literacy.

The purpose of this study is to determine the level of financial literacy of female workers. The following is the structure of the document: Financial literacy studies have been examined in Section II. Methodology is the subject of Section III. The findings are detailed in Section IV. Section V wraps things up.

Understanding and using financial skills, such as budgeting, saving and investing, is referred to as financial literacy. It's not enough to organize money in a general way; it needs to be targeted. As a result, financial literacy is critical for women to keep track of their finances.

Financial literacy is defined as a combination of financial awareness, knowledge, skills, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial well-being. As per OECD-INFE (Organization for Economic Cooperation and Development- International Network on Financial Education), Financial literacy encompasses aspects of knowledge, attitude and behavior covering the range of context such as money management, planning for short and long term financial goals and awareness and choice of financial products.

Several government initiatives have been taken from time to time to improve the financial literacy levels in India as part of a broader objective of financial inclusion. The Reserve Bank of India (RBI) has come out with a '5-Core Actions' approach for promoting financial education, which among other actions, includes development of



relevant content for school children and adults, community participation and collaboration among various stakeholders. The ‘National Strategy for Financial Education (NSFE) 2020-2025’, released by the RBI, has suggested a multi-stakeholder-led approach for creating a financially aware and empowered India. The five Cs, outlined by the strategy paper, are: Content, Capacity, Community, Communication and Collaboration.

“Financial literacy supports the pursuit of financial inclusion by empowering the customers to make informed choices leading to their financial well-being,” according to NSFE. With the establishment of NSFE in 2013, the key Strategic Objectives have been laid down to achieve the vision of creating a financially aware and empowered India including inculcation of financial literacy, encouraging savings behaviors and develop credit discipline among the various sections of the population through financial education to make it an important life skill.

The foundation of your relationship with money is financial literacy, and it is a lifelong journey of learning. The earlier one begins, the better off one will be financially, as education is a prerequisite for financial success. When it comes to matters of money in their businesses, organizations, or families, both men and women should educate themselves. Women in India, it has been found, have a limited understanding of money matters. Historically, women have been considered "homemakers," which means that they are less concerned about where their money comes from or where it should go. Financial literacy for women, however, should be a top priority in light of the changing economic landscape and the increased participation of women in the workforce.

As the global financial market has become more integrated and financial goals have shifted, individuals are taking on greater responsibility for managing their own finances and securing their financial future. And COVID-19 makes it even clearer to everyone on Earth. People need to gain a thorough understanding of the financial world in order to make better choices that are more in line with their goals and needs, especially as the variety and complexity of financial products increases across the board. Financial decisions made by individuals can have a significant impact on a nation's economic development. Although making financial decisions is not an easy task, it is necessary. Financial planning necessitates consideration of a wide range of variables, including risk, reward, market conditions, and the applicable legal and regulatory framework.

In order to plan a person's financial future, one must have a basic understanding of financial concepts. "The process of achieving one's life goals by properly managing one's personal finances" is how financial planning is defined (NISM). This means that the necessary steps are being taken to ensure that a person is capable of accomplishing the financial goals that he has set for himself and is ready to deal with any shortcomings that may arise along the way. The OECD/INFE defines financial literacy as "a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial well-being". The process of instilling the ability to understand one's own financial well-being is also included in the definition. In order for a person to be able to plan for the future, make proper decisions to meet out the life events, they need to be aware of financial products, market information, sources of financial knowledge, and confidence in discussing financial issues."

The problem is that not everyone has the same ability to manage their finances. Researchers around the world have found that people lack basic financial literacy, which raises serious concerns about their ability to protect their money. 'Gender' is one of several factors that have an impact on financial literacy, but it is the most prominent. An extensive body of research shows that there are gender disparities in financial literacy across countries and dimensions, to be more specific. On average, women tend to score lower on financial knowledge tests and have a lower level of confidence in their financial abilities than men.

There have been many debates about gender in India over the years. Most of these discussions center on the status of women in society, including their access to education, health care, and other resources, as well as issues of equality between men and women. In other words, the position of women in India has always been a muddled one. There are still areas in which women fall behind men in the modern world, such as politics, sports, entertainment, literature, and technology, despite the fact that women are gradually realizing their full potential. "Personal financial planning" is one of these topics. As far as household expenses and savings go, it has been found that women are better money managers on a smaller scale, but many working women seem comfortable leaving their long-term finances and retirement planning to their fathers or husbands, even if they are in the workforce. In other words, they aren't able to apply the same level of efficiency to their personal finances that they do at home. The lack of financial

literacy among women is the primary cause of this problem. The NCFE survey clearly shows that the percentage of women in India who are financially literate is quite low, which requires special attention.

One of the ways that women can become financially independent is through financial literacy. A lack of financial knowledge can cause a variety of issues. Debt, poor spending habits, and a lack of long-term planning could all contribute to their financial woes. For women, financial literacy empowers them to make their own decisions. In times of crisis or uncertainty, an individual who is financially literate has the ability to take the right actions.

Given that women make up half of India's population, it would be unfair if the other half of the population was solely responsible for financial decisions. Theoretically, a woman's ability to make sound financial decisions depends on her financial literacy.

There are - arguments for and against them.

Greater Life Expectancy: According to the OECD (2013) study, women have a five-year advantage over men in terms of average life expectancy when looking at 121 countries representing a diverse range of developing and developed nations. Women must therefore gain a thorough understanding of financial planning and investment options in order to safeguard themselves against potential financial difficulties in the future. Older single women continue to be significantly poorer than older single men and older married couples, according to studies conducted in the United States and across developed countries.. As a result, the cost of ignorance may be greater for women due to their higher average lifespan (Wall Street Journal).

Growth of the economy: Women investors are also needed to increase the market's liquidity and broaden the economy's scope of trade. As long as women are financially literate, this is possible.

Women need to learn about the financial world in order to become financially independent. As a result, their social standing will rise, as they will be able to make financial decisions on par with men.

Financial literacy will help protect society and individuals from moneylenders who charge exorbitant interest rates and exploitative financial schemes.

The relative economic power of men and women in the family is thought to be affected if there is a disparity in their financial literacy. The well-being of a family is threatened by the fact that men and women have different priorities when it comes to allocating household resources. Many studies have found that families do not make decisions as a single unit. As a result, it has been observed that family well-being, particularly that of children, is more likely to be prioritized when household resources are held by women.

Financial literacy among women is important for the following reasons: • It helps them in the event of a financial crisis.

Educated women can make a significant contribution to the fight against rising prices and inflation.

Parents have a more significant impact on their children than they do on the men in their lives. It's a good idea to set an example for your children by being financially aware.

- The majority of the time, women are the primary breadwinners in their households. Consequently, knowing how to best spend the money is useful for them.
- Women tend to live longer than men, so they should be able to handle their daily affairs and manage their finances on their own accord.

A woman's confidence in her own decision-making increases when she is financially literate.

Despite the fact that financial literacy among women is an important issue in India, there is still a wide gender gap when it comes to this issue. Financial literacy among women in India is the focus of this study, which examines issues women face in obtaining financial knowledge, the government's interventions, and measures taken by the government to improve financial literacy among women in India. The research hopes to add to the body of knowledge on the topic of women's financial literacy in India.

The purpose of this study is to determine the level of financial literacy among Indian women. The following is the structure of the document: Chapter II is a literature review of previous studies on financial literacy. Methods and Limitations of the Research in Chapter III. Analyzing and Interpreting the Data in Chapter IV. Chapter V: Concluding Remarks and a Proposal The bibliography for Chapter VI.

### **The Necessity of Education**

There aren't many studies in India looking at the disparity between men and women's financial literacy. In spite of this, there is still a significant gap in our knowledge of what causes these disparities and what can be done to close it. Studies have found a significant difference in the level of financial literacy between men and women, but the factors that influence these differences have not been extensively studied. In addition, the government's interventions and measures to improve financial literacy must be examined. Consequently, the issue of financial literacy among women in India needs to be examined more thoroughly. " Efforts are being made in this direction in this study.

### **Study Subjects and Objectives**

According to the OECD (2013) study, women have a five-year advantage in life expectancy over men in 121 countries that include both developing and developed countries. Women must therefore gain a thorough understanding of financial planning and investment options in order to safeguard themselves against potential financial difficulties in the future. Older single women continue to be significantly poorer than older single men and older married couples, according to studies conducted in the United States and across developed countries.. As a result, the cost of ignorance may be greater for women due to their higher average lifespan (Wall Street Journal).

Growth of the economy: Women investors are also needed to increase the market's liquidity and broaden the economy's scope of trade. As long as women are financially literate, this is possible.

Women need to learn about the financial world in order to become financially independent. As a result, their social standing will rise, as they will be able to make financial decisions on par with men. Financial literacy will help protect society and individuals from moneylenders who charge exorbitant interest rates and exploitative financial schemes.

The relative economic power of men and women in the family is thought to be affected if there is a disparity in their financial literacy. The well-being of a family is threatened by the fact that men and women have different priorities when it comes to allocating household resources. Many studies have found that families do not make decisions as a single unit. To the contrary, it has been found that women are more likely to spend household resources on improving their families' well-being, particularly that of their children.

**The study's goal is to learn**

1. First and foremost, the purpose of the study is to examine the current level of financial literacy among Delhi NCR women.
2. To determine the level of familiarity with financial services and products
3. To investigate the factors that influence women's financial literacy.
4. To look into ways to improve women's financial literacy.
5. The ability to comprehend Personal finance and investment options is also important.
6. Acquaint yourself with various budgeting habits and the various savings, investment, and government schemes that are available to you.

# **Chapter II**

## **1. Review of Literature**

### **Writing a Review of the Literature**



Of the 28 countries studied, India has been found to have the lowest level of financial literacy. People in India were ranked low because of a lack of budgets in their homes or financial education, as well as a lack of understanding of money management basics. Only 10 days out of the year do Indian families sit down with their children and talk about money matters like budgeting, saving, and responsible spending habits. 43 percent of females and 20 percent of males said they were unable to adequately explain personal financial management to their children. An understanding of how money earns, saves and invests oneself is called financial literacy. It means being able to deal with numbers more easily. Diversification of risk, compound interest, and inflation are all concepts that a person with a good grasp of finance is familiar with. Financial illiteracy is a result of a lack of knowledge of these. Frauds and scams can easily take advantage of someone who is financially literate. Even when it comes to gender, Indians are ahead of the rest of the world. Compared to the global average of 65 percent, Indian women outperformed all other females in financial literacy with an astounding 80 percent. Similarly, 73% of Indian men lack financial literacy, compared to 70% worldwide.

There are many initiatives taken by both the Reserve Bank of India (RBI) and the government of India to promote financial literacy, but the situation and results are disappointing. Banks are now required by the RBI to promote financial literacy, and a draft for the same was released in 2012. (RBI, 2012). Many Indian students and business owners are still reliant on their parents for financial support, and this trend is expected to continue. Individuals who are salaried have to wait until the first of the month to plan their month's expenses. To the researcher, salaried people, particularly women, were the most in need of financial literacy.

The concept of financial status and literacy was explained in different ways by different authors.

Few studies have acknowledged how difficult it is to make a decision. A lot of time and effort may be required by people who want to make their jobs their top priority. Individuals may lack the necessary skills and abilities to properly plan their financial futures. These networks are less common among women or they receive less support for their career advancement from the male members of these networks ( Scott 1996).

Mentoring programs have been shown to have a positive impact on women's career development, according to research.

Companies must set equal opportunity goals by the year 2000 and publish regular public reports on their progress toward those goals in order to promote the advancement of women (Vinnicombe and Colwill 1995). Equal opportunities more often in terms of qualification and taking into account family and work.. Equal opportunity policies in management are primarily a company issue, but their institutional and legislative context must also be considered, as evidenced by the country-specific variations found in the data.

Following the classical view, individuals attempt to solve a problem of lifecycle planning and arrive at various conclusions, each based on their own preferences. However, a growing body of research suggests that savings decisions are not only influenced by these "non-neoclassical" factors, but also by the framing effect and the default provisions of pension plans (Madrian and Shea, 2001; Choi, Laibson, and Madrian, 2004).

Male-managed areas were associated with higher income and male privilege in terms of decision-making and personal spending money.. Wives' financial plight and lower income were both linked to systems run by women. Only about one-fifth of all households practiced financial equality between the husband and wife (Jan Pah). Men use new money more frequently than women, according to Pahl. Internet banking, for example, is more commonly used by women than men. Changing the gender balance of financial power in families, she claims, is a result of this condition. Observing how money is managed and used in a household reveals a wide range of differences. When money is handled infrequently, it can lead to "financial abuse."

Additionally, Bernheim and Garrett (1996) found a strong link between education and retirement plan participation. Participation rates in financial education are 12 percent higher at companies that provide it than at those that do not. New savings of all kinds increased by 1.7% as a result of education. People with little or no savings may feel the effects the most acutely. Kotler and Andreason (1996) argue that financial education aims to influence behavior, and "influencing behavior is largely a matter of communication"

Agrawal (1988) noted that in India, women's economic decision-making power is in the hands of their husbands, regardless of their income, education, or occupation.

The authors Barber and Odsean (2000) found that men were more confident in their investment decisions than women were, but this turned out to be an overconfidence that led them to trade more frequently than they should have, decreasing their returns. Savings are like a safety net for the economy. The transfer of resources from the present to the future prepares individuals for unexpected and irregular financial situations. As a result of saving, individuals are able to better their lives and take advantage of new opportunities.

Males and females have differing perspectives on money, according to Hira & Mugenda (2000), who also found that women were more dissatisfied with their financial situations and spending habits.

Another study that looked at data from the Health and Retirement Survey was Lusardi (2000). Financial planning and financial literacy play an important role in retirement savings, as she explained. There is less net wealth and less investment in assets with higher expected returns for people who don't have a retirement plan, according to her findings. Current studies on saving are based upon models that assume there are no costs associated with saving and no differences in how households obtain and use information required to establish, according to her argumentation. According to Lusardi, comprehensive planning necessitates a lot of data, and financial literacy programs play an important role in that data collection. Further research is needed "to determine why households do not plan and whether the provision of information can play a role in affecting decision making and the financial security of many households," according to her conclusion.

Browning, Martin (2000) traditional economic models of economic development treat the household as a single individual, and do not allow for the separate identities of and conflicts of interest between husbands and wives. Women's life expectancy is higher than that of men, so wives may prefer to earn and accumulate wealth at a higher rate than their husbands. This suggests that households in which wives have greater power may accumulate greater net as they approach satiety. With the help of a study of the Health and Retirement Survey (HRS) and factors that may affect the relative bargaining power of spouses, such as income sources, age, and educational attainment, we can

examine the importance of bargaining in marriages of older couples. Even after adjusting for other variables, we find that measures of a wife's power have a positive impact on the household's wealth.

Challenges in providing financial education have been noted by Schreiner and colleagues (2000a). The first step is to translate the abstract language of finance into concrete and simple terms with the correct message.. Second, a variety of literacy levels must be addressed; some people may not be able to read, write, or speak English fluently. Messages about financial education may be misunderstood if cultural differences are not taken into account. There are also specific financial education curricula that cater to specific groups, such as women, victims of domestic violence or Americans, and children. Because they are familiar with the needs of their local communities and have staff who are fluent in the language of those they serve, community-based organizations may be well-suited to provide financial education services to the poor.

According to Anju Malhotra (2001), women's lives can be transformed by the use of technology, which can save them time, energy, health, and nutrition, as well as lengthen their lives and increase their productivity and their contribution to economic development. How have technological advancements impacted women's lives? It's like gaining control over one's destiny through creative problem solving.

According to Nikita (2003), a country's government establishes laws and regulations for the benefit of the disadvantaged. Specifically, she discusses the SGSY's political agenda.

The psychology of women investors was studied by Venkataraman (2004), who found that while they prefer to earn the highest returns possible, most of the women who invest do so secretly and spend their hidden funds on gold, jewelry, or clothing. As a result, they prefer to put more money into postal service schemes. However, according to Agarwal (2010), women lack the necessary skills to make successful investments and financial decisions, which necessitates financial literacy.

The findings of Singh (2004) and Balasari (2004) suggest that working women have a better understanding of the various types of investment instruments available and make better investment decisions as a result of this increased knowledge. According to a

study, working women are found to spend less on themselves than their non-working counterparts.

According to the work of Turkish author Smits (2006), readers can be persuaded that education can make a significant difference in any society. The learning process is linked to the family's history. A well-educated family will not allow any of its members to be uneducated, and as a result, society as a whole will benefit. helped by various self-help organizations. The residents of this village had a financial issue, and these organizations took care of it. Those who participated in the study found that the people had a lack of money, and that if this were addressed, they would be able to better themselves and their community.

This was not the only economist who tried to prove that women are not only at risk of physical assault outside their homes, but also at home, where domestic violence is prevalent, which has a negative impact on their health and on society as a whole, as demonstrated by Kocacic (2007). The author opposes these kinds of attacks.

According to Abraham (2009), a lack of work is the primary cause of people's anxiety and depression. The economic status of the rural area improves if the employment situation is improved politically by any program, and so does the condition of the village and the condition of the women.

Research by Rekha Talmaki(2009) on the socioeconomic status of tribal women in South Gujarat is based on a survey-based methodology in which social exclusion, inequality, and poverty are all considered conceptual frameworks. Some freedom fighters were also spotted by her and the residents were completely unaware.

Girls in rural areas rarely have the opportunity to attend college, according to Khalil(2010). It's all they do for a living: fetch water, buy groceries, or help their mothers in the kitchen. The ability to study or work independently and still maintain a strong sense of connection to one's immediate family is made possible by a plethora of new discoveries and inventions.

Durva Shastri(2011) claims that the women of Gujarat started from nothing and have grown their territory to the global level. This group of women represents a tight-knit group of women who not only help to develop the economy, but also profit from it. To sum things up, women must be able to fend for themselves.

Ruhan(2012) discusses the importance of women in economic development, but they are not given the respect and attention they deserve. Because the entire system revolves around men, their education, and their tastes and preferences, women's salaries tend to be lower than men's. The male members of her family have complete control over her appearance, attitude, and even her future marriage. Even in a patriarchal society, it is important to set goals that benefit both sexes, rather than just men.

A study by Agarwalla Sobhesh Kumar, Barua Samir, Jacob Joshy, and Jayanth R. Varma (2012), which included 3000 participants, found that Indians' financial literacy levels are well below those of their international peers. Employees and retirees, however, appear to have a positive outlook on their finances. Women's financial literacy is slightly higher than men's. Greater access to consumption credits has influenced the financial behavior of young employees.

According to Kabeer(2013), a study he conducted found that promoting gender equality benefits both men and women. Some people may not like your idea, but for the females it will be a good thing. Since we make up half of humanity, she'll be more than happy to join us.

According to Agarwalla et al. (2013), the working young in urban India are affected by various socio-demographic factors on various dimensions of financial literacy. There are a few factors unique to India that have been found to have a significant impact on financial literacy. These include the joint family structure and the use of a consultative decision-making process. Additionally, the study looked at the relationship between the various dimensions of financial literacy. Financial literacy is becoming more widely understood across countries, and this study provides an analytical framework for articulating policy to improve the financial literacy of India's young people.

According to Rahul Lahoti (2013), there is a decline in female participation, but this is due to a structural shift in finance brought on by the spread of education. In his speech, he discussed how women's health declines could help reduce the gender disparity. There has been a decrease in maternal mortality while the anaemic situation has improved Health and service sector growth, as well as higher educational levels in other countries, are all contributing factors that have led to a rise or a fall in GDP.

Manoj Sharma (2014) Research was conducted in the Dharampur taluka of Valsad district, in the state of Gujarat. The rural folk especially the ladies wanted to change

their life by gathering whatever meagre share of saving they could gather and helping the other ladies of their village without any discrimination. It is an informal organization run by the ladies for the benefit of other ladies. The results highlighted many social evils like alcoholism, dowry, female infanticide. They could actually change the mindset of the inmates in the end.

Paramashivaiah et al. (2014) calculate the risk appetite score of 120 women in Mysore divided into socio-demographic groups. According to the results of the regression model, women's risk tolerance levels are negatively influenced by their age. Prasad et al. (2014) investigated the impact of several emotions on Indian women's investment decisions, such as greed, fear, love, and unbelief. These feelings, according to the study, obstruct investors' reasoning and rationality, reduce their chances of earning money, induce financial anguish, and worsen their mental stability.

Mathivathani and Velumani (2014) conducted research to determine the level of financial literacy among Tamilnadu women living in rural areas. The study discovered that underprivileged rural women have very low financial knowledge. As a result, adequate financial literacy development will assist women in making better financial decisions and utilising financial services and products.

Dwivedi et al. (2015) examined the NCFE report on financial literacy and financial inclusion in India by occupation, geography, and gender mix. The survey discovered that urban residents are more financially literate than rural residents. Men are also shown to have a higher level of financial literacy than women. Furthermore, the study found that women had a more positive financial attitude but less financial behavior and knowledge, whereas males have a somewhat negative financial attitude but higher financial behavior and knowledge.

In a similar vein, Shobha and Shalini (2015) conducted a poll in Bangaluru on women's attitudes toward personal financial planning. According to the report, Indian women prioritise their family and children's needs before their own financial demands and individualistic financial security. Additionally, persuading one's spouse and family to adopt a financial plan is a challenge for women. According to the report, women still consider gold, real estate, bank savings, insurance products, and provident funds to be the safest assets, whereas mutual funds, derivatives, chits, stocks, and shares are

considered riskier. As a result, their capacity to earn returns on new instruments is influenced by their lack of understanding.

Atwal, Jyoti (2016) When separate women's organisations like the Rashtriya Stree Sangh merged with district congress committees, the enormity of participation became apparent. Women from all around India joined the non-cooperation movement, which began in Bengal. She described a time when women were actively involved in the freedom struggle and Gandhiji was the primary source of inspiration.

Devki Jain (2016) talks about the multiple roles of women and the need for social infrastructure. Women community leaders will need to be identified and included in committees of various sectors, to ensure that women are included for planning in sectors other than social development, like infrastructure, employment, natural resources, etc. To give them a lead role special care has to be taken and planning is done according to their requirement. Work in the informal economy is hidden and women remain invisible and unrecognized since their work for the community and their own family is undervalued.

Ela Bhatt(2016)in her essay Women's Economic Development- Wings Of Change writes that women are the key to rebuilding a community. Focus on women and you will find lobbies that want a stable community. The woman wants roots for her family. In here you get a worker, a provider, a caretaker, a networker, an educator, a forger of bonds, a creator, and a preserver. In their leadership, she can see the breakthrough.

Mary (2016) mainly campaigns for balancing the gender gap, talks about various government schemes like BETI –BACHAO, BETI – PADHAO. She also talks about the gender-biased sex selection schemes of medical practitioners and their side effects on society. Alongside, she talks about the health care of females.

Kamala(2016) in her article talks about women empowerment in the Indian context. Women must be allowed to set their own agenda and priorities instead of the male folk deciding their fate. The education should make them feel good and infuse joy in them not be cumbersome and boring. Empowerment of women has to be done at all levels and in all sections. We need effective networking between those working at the micro-level with those working at the macro level. We also solicit support from society.



Leena (2016) talks about the critical realization of the objectives which should be people-centred and have a developmental agenda. This is possible only by the efforts of the private sector and civil society. She also puts forth her ideas on health, education, safety, and security along with financial security. The government also shows concern on emerging issues like cyber-space to be a safe place for women, redistribution of gender roles for unpaid care work. Need to review personal and constitutional provisions made for women's development.

Luthra Geeta (2016) thinks that women's empowerment is a constant battle that cannot progress without cooperation from society as a whole. What is required is not only a mindset because women represent half the world's population and gender inequality exists in every nation. Until women get the same opportunities as their counterparts' society cannot progress.

Ranjana Kumari (2016) in her article talks about the growing violence against women and how women are dehumanized. According to her feminism and women empowerment are misunderstood as women's issues. The problem with the gender issues of India is the problem of male culture which negatively affects women and girls.

Financial literacy is a worrying and pervasive problem around the world, according to evidence. Many countries have implemented financial literacy programmes as a result of the findings. While the scope and approach of the programmes varies greatly among nations, the fundamental goals are to improve individuals' financial attitudes, financial behavior, and financial knowledge so that they and their families may make decisions that improve their financial well-being. India is ranked 23rd out of 28 countries surveyed in the VISA research. Their research discovered that youngsters and the young have much lower literacy levels than adults. According to the data, Indians do not have a high level of financial understanding. The OECD method ranks less than one-fourth among the highly knowledgeable. Indians appear to have poor financial awareness by global standards. Compound interest, the impact of inflation on rates of return and prices, and the significance of diversification are all essential aspects of money and household finance that are poorly understood. Because these principles are at the heart of most personal financial decisions, their lack of awareness is a severe issue.

In nutshell, the financial literacy level of women in India is quite low and needs special attention. Hence, research efforts in this area are undeniably needed.

# **Chapter III**

## **1. Research Methodology**

## 2. Limitation

### **Research Methodology**

Both primary and secondary sources of information are employed in this investigation. For the majority of the primary data, a closed questionnaire is used, which includes a variety of questions ranging from demographics (age; annual income; education level; marital status) to questions about their financial behavior (using ATMs; credit cards; net banking; long-term financial goals; and the source from which they learn about these products).

By filling out a questionnaire, 538 women living in Delhi NCR from various areas participated in the study. A simple random sampling method was used to select the respondents, and the questionnaire was completed at the respondent's home using Google forms. Survey respondents were given an overall financial literacy score based on a weighted average of their scores for various attributes. Percentage method, Chi square test, bar graphs and pie charts have been used to analyze and present the data.

All of the research papers, books and journals that have already been published are used to gather secondary data. This data is then analyzed and used to create new data sets.

Our study's four goals provide a framework for assessing people's financial literacy. Bar graphs and pie charts are commonly used to display data related to financial literacy, awareness, and the most preferred instrument. Questions were weighted based on their importance to the research on financial literacy.

Women's low socioeconomic status has resulted in their financial vulnerability and dependence on men, due in part to their lack of financial literacy and education. A lack of education and discriminatory inheritance and divorce laws affect women in many parts of Delhi. After a divorce, it is difficult for women to establish their own financial security because of these laws. Education has become a priority in many states, but it's now time to focus on financial literacy as well. We decided to conduct this study in Delhi because of these reasons. Only about 568 out of the many working women in the state were able to complete the questionnaire, which included questions about their financial literacy. In addition to the core questions, our questionnaire asks women about their education, age, income, marital status, and other socio-demographic information. Sample characteristics are shown in the following table:

#### Typical Characteristics of People Who Attend This Event

- Respondents in the Working-Women Category
- Higher Secondary to Doctorate level of education
- 2 to 10 years of professional experience
- Person in the range of 25 to 35 years old
- About 45 percent of the population is unmarried.

According to the data in the table above, the women who answered our survey have a higher level of education than the country as a whole. Graduates and postgraduates make up about 80% of the participants in this survey. About two-thirds of the respondents are from cities, so the sample is heavily biased toward urban women. According to our sample of respondents, less than half of those between the ages of 25 and 35 are unmarried. They cannot be considered in their early years of employment, as all of the women have worked for two to ten years.

For this study, we took into account three factors: financial knowledge and behavior, as well as attitudes toward financial matters. The Form of the questionnaire was used to examine working women's financial literacy, but changes were made before it was distributed to women. There are a total of 16 questions in our survey, and many of them were divided into sections to assess various aspects of financial literacy, including knowledge, behavior, and attitude. In total, 762 women working in various fields and in different parts of Delhi were asked to fill out a questionnaire. Pitam Pura, Rajouri Garden, Karol Bagh, Noida, Rohini, Loni, Shahdara, Lajpat Nagar, Ghaziabad, and Faridabad are just a few of the various locations. Teachers, professors, chartered accountants, government employees and a few freelancers make up our sample of women. During the first few months of 2015, a survey was conducted and 568 responses were collected. Due to the fact that most of the respondents were educated, most questionnaires were sent electronically via the mail. Hard copies were sent to some respondents, who only returned them after several reminders.

A graphic presentation of the results of a survey on three financial literacy parameters—financial know-how, financial behavior, and financial attitude—is shown below in the next section.

## **Limitations Of The Study**

- Only a few parts of Delhi NCR, both urban and rural, are included in the study.
- Because only females will be included in the study, it is gender-specific.
- A total of 568 women were included in this study, making it a purposive sample.
- Only Delhi NCR is included in the study, so it's not a comprehensive investigation of India as a whole.

## **Chapter IV**

# 1. Data Analysis & Interpretation

## **Data Analysis & Interpretation**

### **Financial Knowledge**

Financial knowledge suggests that women may make reasonable decisions based on their comprehensive understanding of everyday financial problems. Working women's financial education is examined with a set of eight questionnaires that looks at their understanding of simple and compound interest, basic principles of saves and investments, the influence of inflation or deflation on pricing, as well as the risk-return relationships, among other things. We assume the women to have medium to high financial education because they belong to the educated elite, and the

questions featured are easy and did not need any complicated computations. The respondent's behavioral characteristics are ranked on a range of desirable to undesirable. Here we have given one score to the participants for the right or correct answer and the classification of various financial knowledge scores is described further down:

#### Distribution of financial knowledge scores

A score from 0 to 3 has considered as having low financial knowledge

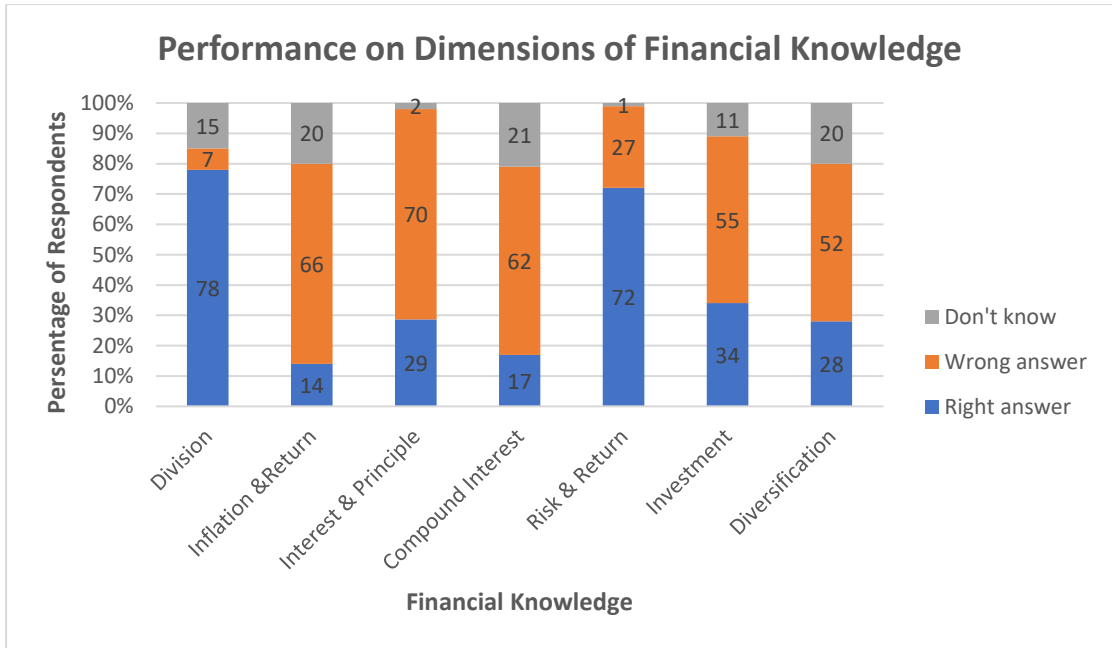
A score from 4 to 5 has considered as having moderate financial knowledge

A score from 6 to 8 has considered as having high financial knowledge

#### **Assessment of Financial Knowledge**

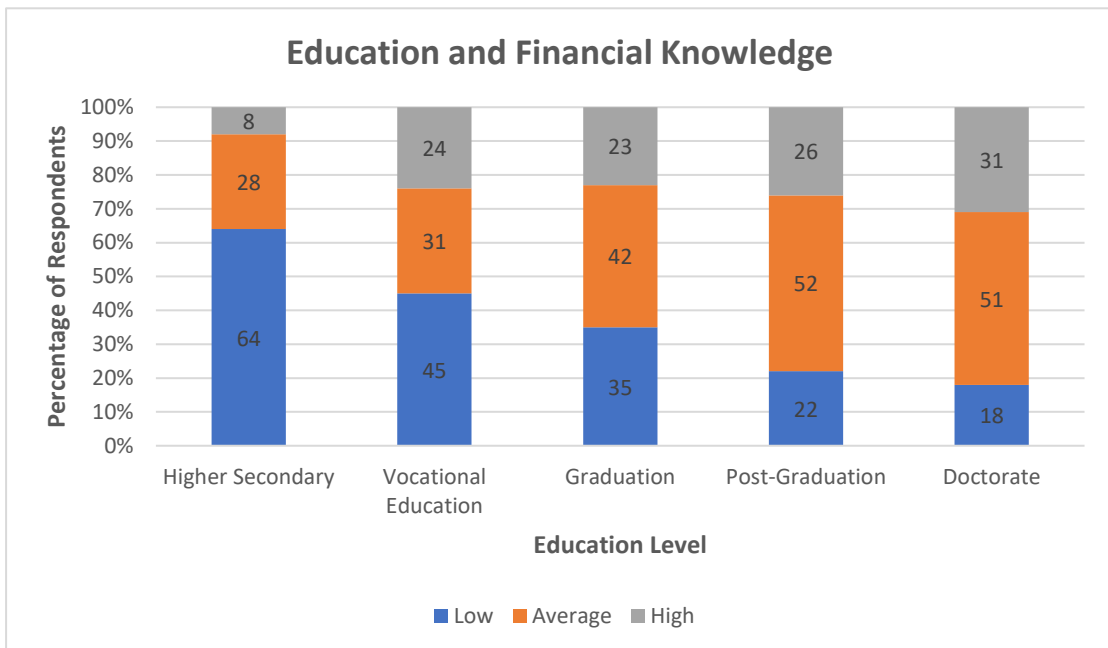
The results on many dimensions of financial knowledge are displayed in the graph below, indicating that respondents have insufficient financial knowledge or are unaware of basic money management principles in their daily lives. Unfortunately, 23% of the women could not even handle simple numerical problems (see, Figure below). Furthermore, women's understanding of inflation and return relationship concepts is limited, with only 14% correctly understanding the influence of inflation on the rate of return. The young ladies did not perform well on any of the other financial knowledge questions. For example, only 17% of the women polled understood compound interest, which is critical for investing purposes. Women's lack of grasp of basic financial management principles is concerning.





Furthermore, women's education appears to be a significant element in explaining working women's financial understanding. As demonstrated in the graph below, better educated women appear to have more financial awareness. The respondents, roughly 64% of women who started working after finishing high school, had poor financial understanding. On the contrary, the data reveal that women with advanced degrees, such as a master's or a doctorate, have high or moderate financial awareness. In addition, over 24% of women have technical or vocational education as well as extensive financial expertise. Surprisingly, the findings reveal that even 35% of female graduates have limited financial understanding. Women, especially those with poor

educational attainment, have a severe lack of financial awareness.



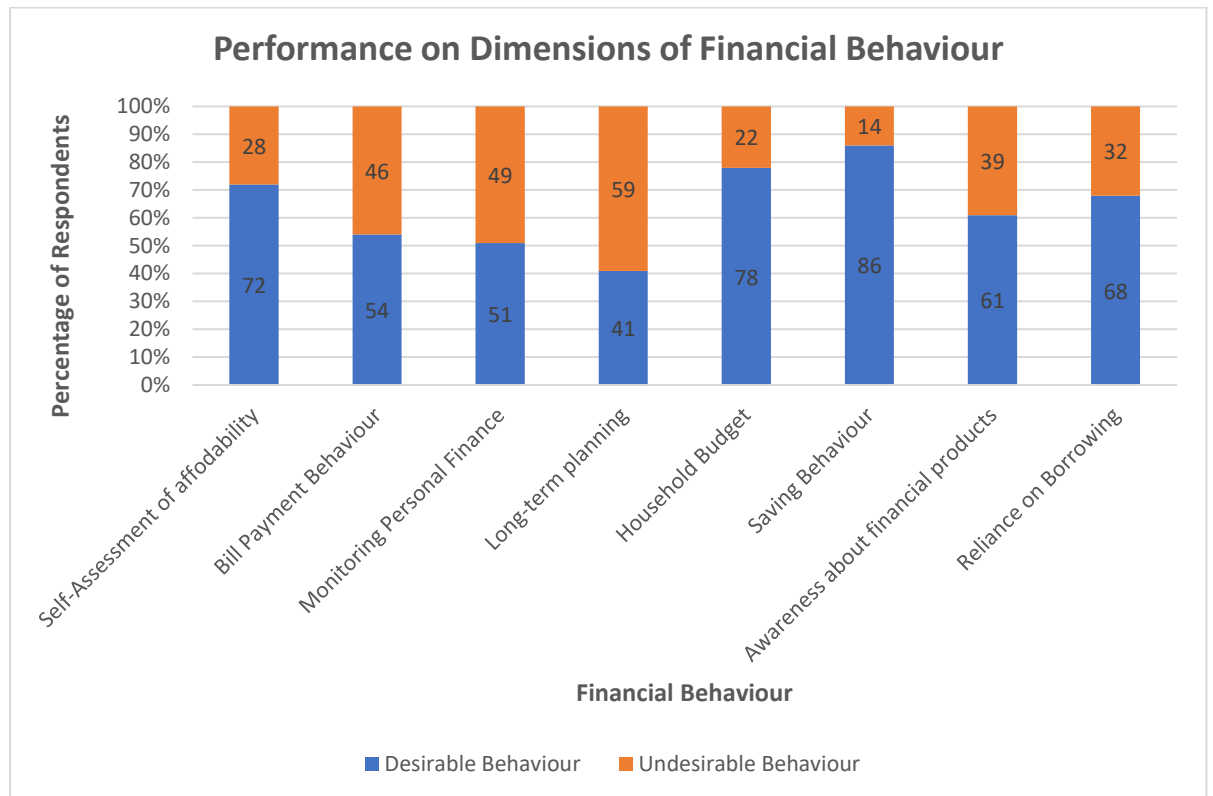
### Financial Behavior

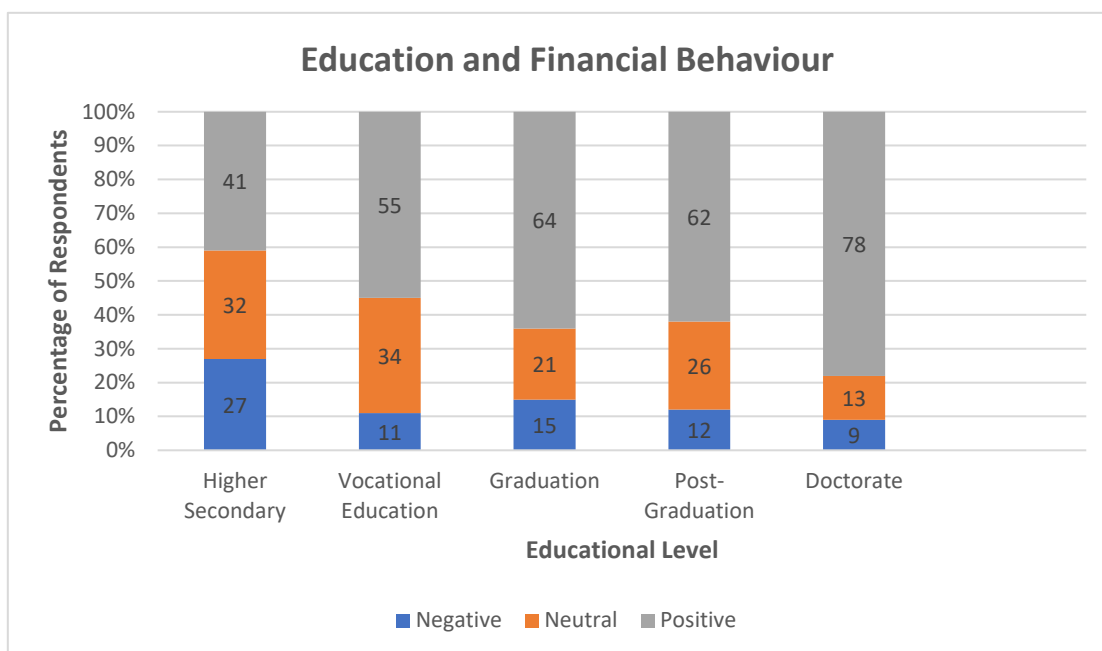
The study also tries to capture women's financial behavior in terms of how they manage their own finances. Respondents were asked a total of eight questions in order to gain a better understanding of how women behave while dealing with money in their daily lives. The questionnaire asked in the OECD survey were incorporated in these dimensions. For example, determining the affordability of goods, behavior connected to prompt payment of bills, household budget planning and monitoring, active saving habits, and borrowing requirements. A score of one is given for each correct question, and respondents who score above 6 are classified as having good attitudes regarding money and finance. Women who score 3 to 5 are deemed neutral, while those who score less than 3 are classed as having bad financial behavior.

### Assessment of Financial Behavior

Figure below shows a graph representing women's financial conduct, indicating that the majority of respondents participate in positive financial behavior when dealing with money and household finances. It seems to be that roughly 51% of working women check their personal finances, while only 41% plan for the future. Around 72 percent of women say they are very prone to evaluating the affordability of products. Women appear to be on the right track when it comes to sticking to the household finances and

saving habits. Despite the fact that they all belong to the educated category, roughly 61 percent of working women are aware of financial items such as credit cards, mortgages, secured/unsecured bank loans, and insurance. Similarly, Indian women receive a 54 percent score on bill payment timeliness, meaning that nearly half of the respondents do not pay their bills on time.





Furthermore, evidence suggests that education has a good impact on working women's financial behavior. In comparison to their colleagues with lower educational qualifications, highly educated individuals, such as graduates or above, exhibit favourable financial behavior. As shown in the graph above, highly educated women are more likely to behave positively or logically when it comes to their financial decisions than less educated women. In comparison to 41 percent of higher secondary women, 78 percent of Ph.D. holders and more than 60 percent of graduate and post-graduate women show favourable financial behavior. Education provides a woman with not only access and education, but also the insight and ability to make her own financial decisions.

It's worth noting in the graph below that women in the middle income group had more financial positive behavior than women in the lower and higher income groups. The findings imply that middle-income women are more conservative in their spending, borrowing, saving, and financial planning decisions than lower- and higher-income women. Around 65 percent of women in the middle wage band have demonstrated positive financial behavior. It's shocking that 10% of women with a household income of more than 1 lakh are financially pessimistic. Those with lesser incomes, notably those with less than 20,000 in monthly income, may not be able to easily cover their

living needs, therefore they are less likely to plan for the future. Furthermore, because they are already living affluent and opulent lives, the higher income group may not be concerned about saving, investing, or financial planning.

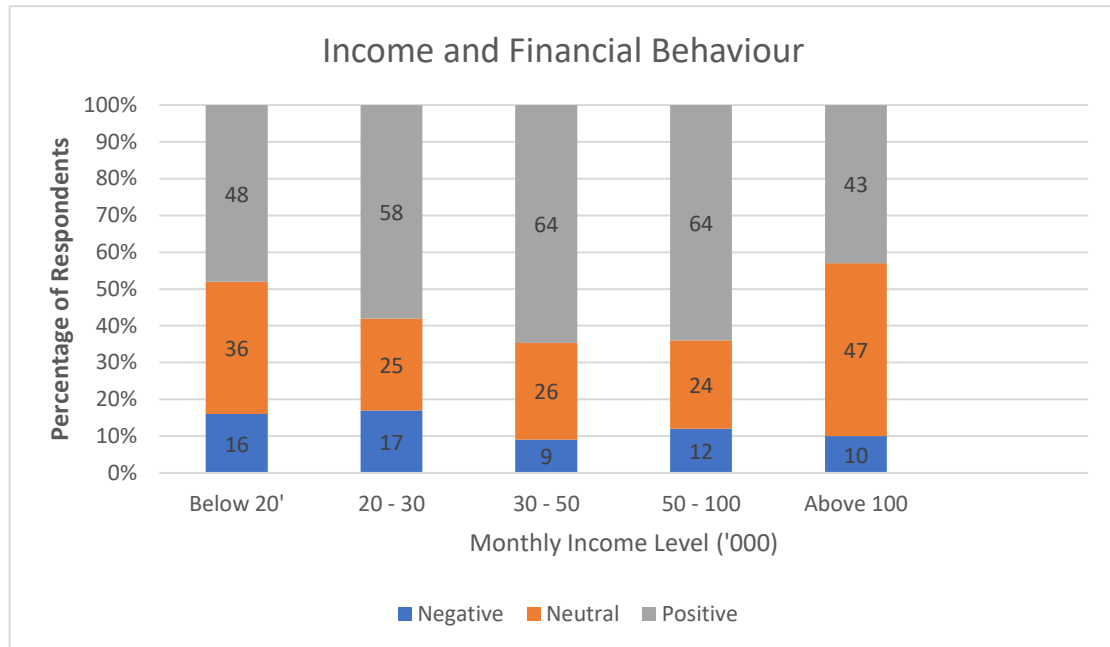


Figure above shows that women in the middle income group had more financial positive behavior than women in the lower and higher income groups. The findings imply that middle-income women are more conservative in their spending, borrowing, saving, and financial planning decisions than women in lower and higher income categories. Around 65 percent of women in the middle wage band have showed positive financial behavior. It's shocking that 10% of women with a household income of more than 1 lakh are financially pessimistic. Those with lesser incomes, notably those with less than 20,000 in monthly earning, may not be able to easily cover their living needs, therefore they are less likely to prepare for the long term. Furthermore, as they're already living affluent and opulent lives, the income level may not be concerned about saving, investing, or personal finance.

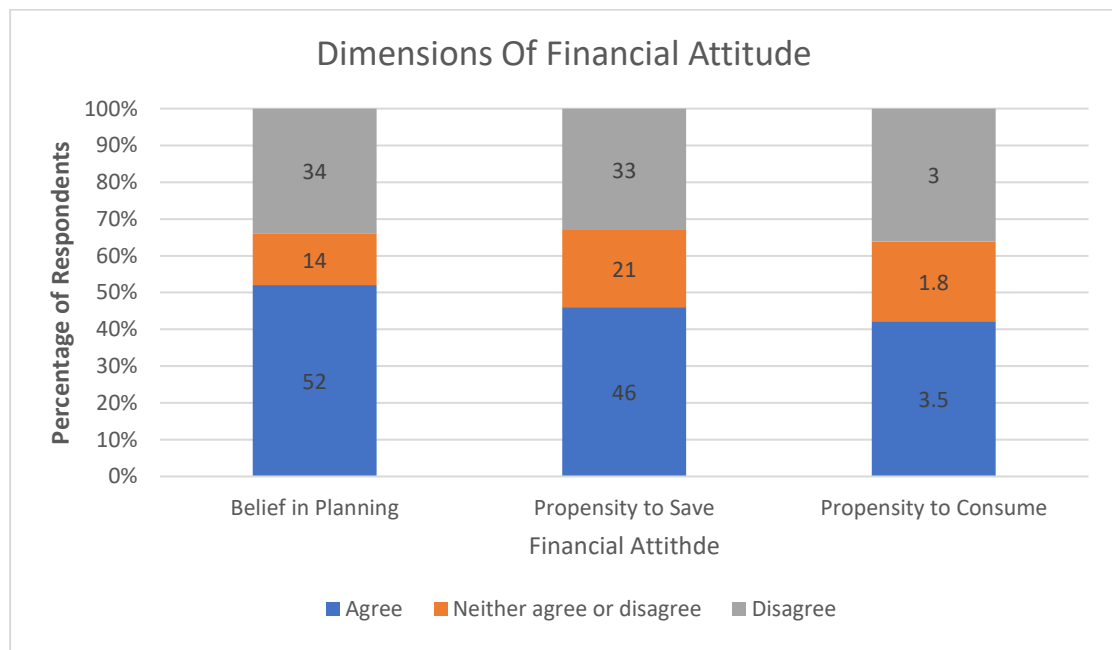
### Financial Attitude

Our poll aims to learn about working women's attitudes regarding personal finance and decision-making. The questions used to assess women's financial attitudes were the same as those used in the OECD survey, and they inquired about (i) their level of belief in planning, (ii) their tendency to save, and (iii) their propensity to consume. The

responses are graded on their desirability, with a maximum grade of 4 for each item. The results on the three items are summed, with a score of 3 or higher indicating a good financial attitude, 2 indicating a passive attitude, and less than 2 indicating a bad financial attitude. The grading was done in accordance with Agarwalla et al (2012).

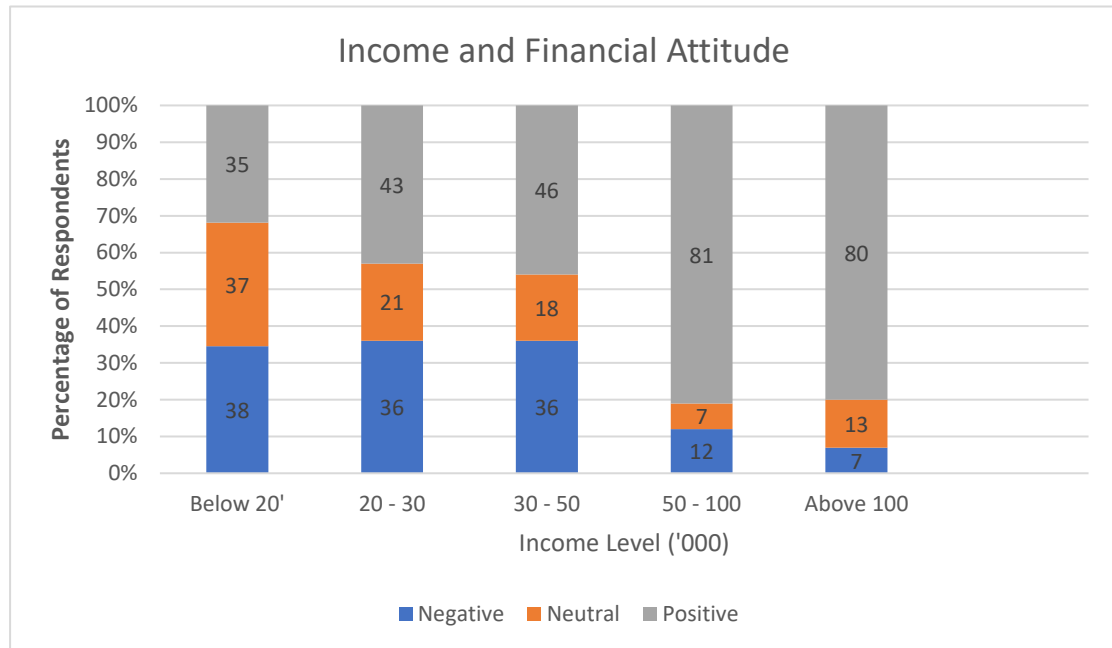
### Assessment of Financial Attitude

The performance of women on financial attitude aspects is depicted in the graph below. According to the survey's findings, about half of the respondents had a positive attitude about financial planning, and roughly 38% have a strong desire to consume, as evidenced by their comments. Only 46% of respondents believe they should preserve money for future contingencies and emergencies, as shown in the graph below. This finding is concerning since the women we surveyed work for a living, but the majority of them are unaware of the importance of saving and long-term planning.



It is thought that a woman's or her family's income has an impact on her financial attitude. Working women's income level appears to have a favourable influence on their financial attitude in our sample size, as indicated in the graph below. The high-income categories had a higher percentage of respondents (81%) who have a favourable attitude toward saving and financial planning to accomplish their future goals. Women from low-income families in India appear to be pessimistic about saving and planning for their future financial objectives. Overall, the findings indicate that today's women are

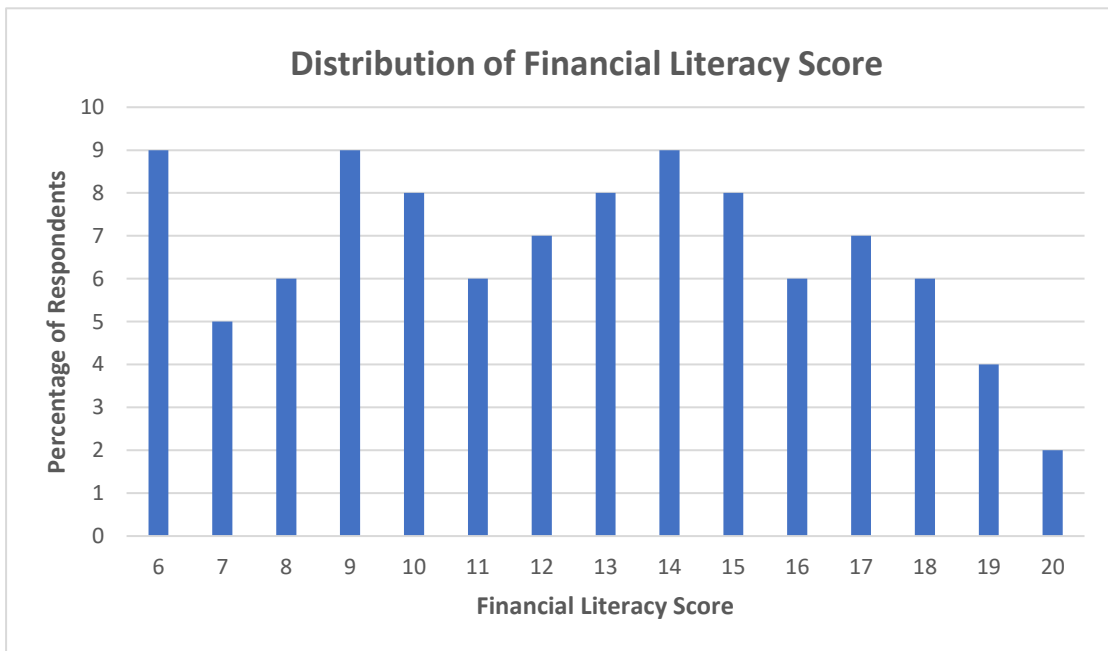
confident in their ability to prepare for future financial goals and consumption. Women in higher income groups are more likely to save and have a positive attitude about money management. It's interesting to observe that, despite their lower financial knowledge score, women have a positive attitude toward financial planning.



### Financial Literacy

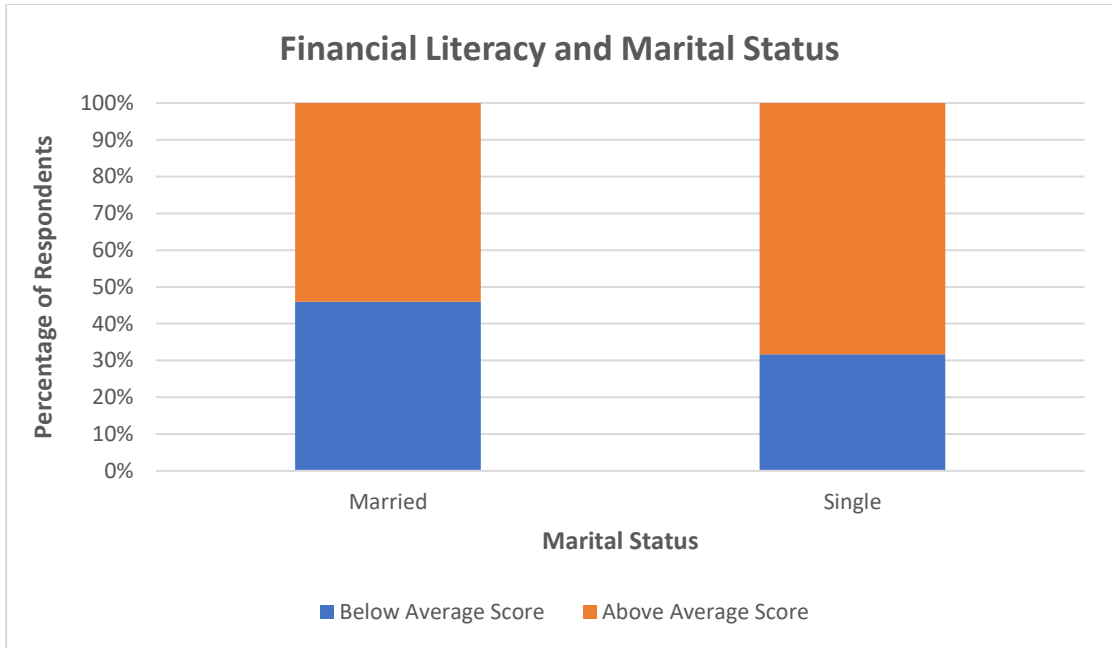
The combination of financial knowledge, attitude, and behavior is referred to as financial literacy. A financially knowledgeable woman possesses the necessary understanding of financial problems as well as an attitude and behavior that aids her in making sound financial decisions. We seek to measure working women's financial literacy by combining these three variables: financial knowledge, behavior, and attitude. This score is calculated by combining the results of the three dimensions of financial knowledge, mindset, and behavior. According to a survey done to test the financial literacy level of working women, the average financial literacy score is 9. In this poll, the highest possible score for financial literacy is 20. (i.e., 8 for financial knowledge, 8 for financial behavior, and 4 for financial attitude). Financial literacy

appears to have increased over time, but more work is needed.Z



The average financial literacy score achieved in the survey is 9, showing that the majority of young working women have a low level of financial literacy. One of the key causes for this low score is women's lack of financial knowledge and awareness of financial products. Our survey reveals women's inadequacy in understanding inflation and compound interest ideas, which is backed up by India's dismal educational performance. Even though our sample is educated, we obtained a low score, signalling that the quality of education in the country as a whole has to be improved. It's also possible that the respondents did not complete the questionnaire correctly. However, the reality that most women are unaware of the country's investment opportunities cannot be overlooked. This is the case when the sample size is limited to educated working women; the situation would be even worse if the financial literacy levels of jobless and uneducated women were investigated.





We also look at how women's relationship background influences their financial education. The above chart reveals that singles appear to outperform married women by 18 percent in terms of total financial literacy. It could be due to their better financial conduct and attitudes toward family finances and financial preparation. Most married women don't appear to make financial decisions on their own. They either rely on their partner for financial planning or seek their assistance in making investments and other financial decisions. As they raise a family, married women become more cognizant of their financial decisions, and roughly 54% of married women scored higher than the average financial literacy score. Women's behavior and attitudes regarding saving, investing, and financial planning decisions have changed dramatically as a result of their marital status.

# Chapter V

## 1. Conclusion and Suggestions

## **Conclusion and Suggestions**

Financial inclusion is a priority for the government of India right now. Financing inclusion is an effort by mainstream financial institutions to ensure that all segments of society have access to the appropriate financial products and services they need at reasonable costs and in a fair and open manner. Financial inclusion is the first step on India's path to global dominance. In order for the country to grow and develop, it is essential. To achieve this, financial literacy can be helpful. It's called "financial literacy" when financial information is made available to the general population. Even though financial literacy is widely accepted, the role of gender continues to be debated.

Nearly three-quarters (74.53 percent) of those polled in the Delhi NCR slums are financially literate, according to an S&P survey conducted in 2015. A high level of financial literacy may result from the abundance of financial touch points in metro areas, such as banks and ATMs as well as non-profit organizations and agents. They are more likely to look for ways to increase their income because they have higher aspirations.

These women, who account for 58.17 percent of the population, rarely use their bank accounts (most of which were opened under Pradhan Mantri Jan Dhan Yojana, 2014). Most women save money informally, but only 7.43 percent of those women deposit their savings in a bank account. If they have any savings at all, the majority of the women polled prefer to hold onto their money in cash. According to our findings, 79.73 percent of women do not use ATM cards, online banking, or any other digital method.

51.48 percent of females are aware of the various financial products available. Respondents who were unfamiliar with various financial concepts, instruments and products were less likely to consider it important to their financial situation than those who were more familiar. When it comes to investing in financial instruments that promise high returns, female investors are more cautious than male counterparts. For this reason, they prefer fixed deposits and pension plans, which they believe are the safest forms of investment. Female investors in the financial sector make up only 7.25 percent of total investors. Despite having better access to financial services, this study shows that women in Delhi NCR aren't making full use of them.

In order to avoid the lengthy and cumbersome process of borrowing money from a financial institution, the vast majority of those polled stated that they would prefer to

borrow money from friends and family or even moneylenders (Only 6.32 percent women took bank loan when they ran out of money last year).

People who participated in the study also had lower financial literacy than those who made more money. Investors are more likely to seek out new investment opportunities when their household incomes are higher.

A new study shows that married women have higher literacy levels than single or widowed women. When it comes to household expenses and long-term goals, married women in the US make up 74.43% of the country's financially literate population.

To achieve high levels of financial literacy, one must first be able to read, understand, and compare a variety of financial products. Only 19.14% of female consumers compare the terms and conditions of various financial products before making a purchase.

Higher financial returns are desired by people of all ages, and this desire is fueled by the availability of more disposable income. People of all ages can learn how to invest thanks to educational programs in cities and financial institutions. One way to learn about investment options is to share information with other women in an informal setting.

Despite the fact that Delhi NCR appears to have a higher level of financial literacy than the national average, these findings show that there is still room for improvement in the education of women on various financial concepts and investment options. People can learn about financial concepts and investment options through the use of non-profit organizations, self-help groups and financial advisors such as Bank Mitra.

- There will be a strong push for financial inclusion for lower-income groups like the Jan Dhan Yojana. The Jan Dhan Yojana primarily targets rural women in order to ensure financial inclusion in rural areas. Those who live in urban slums, on the other hand, should not be ignored.

Creating apps and platforms in their native language to encourage low-income groups, particularly women, to participate in the digital economy.

The study links education and financial literacy. The country's female literacy rate is 65.46 percent, and among girls aged 15 to 18, the dropout rate is 39.4 percent, making a concerted effort to raise female educational attainment necessary..

Slum-dwelling women should have easy access to low-cost loans.

# Chapter VI

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