

Impact of Financial Awareness and Knowledge on Financial Behaviour and Empowerment in Women

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Abstract

Every country reforms their financial system to have a growth in the economic development. Financial literacy level of individual makes a significant impact on economic progress of the country. Financial literacy helps an individual to make an individual more assertive and helps in making efficient decisions of monetary nature. Women are playing an important part in the workforce and in the overall economy. Making a women financially empowered will help the women to be financially independent and take appropriate financial decisions. Now-a-days, countries are more focusing on women empowerment not for their own self-efficacy but also for the nation's growth. In this study an educational sector female post-graduation students are being taken as a sample to know how financial literacy can empower a woman financially. The researcher has attempted to examine the relationship of their financial knowledge, financial awareness, financial attitude, financial behaviour and financial empowerment. This study intends to provide suggestions for improving the financial empowerment of the women so that the process of achieving financial wellbeing becomes comfortable to them.

In the present study, correlation is been used to analyse the relation between the financial awareness and knowledge, financial attitude, financial behaviour and financial empowerment. It is found that women have to increase the financial awareness and knowledge, has a remarkable impact on their financial behaviour and it is necessary to provide awareness programs in the aspects to empower themselves financially as the study proved there is a significant relationship in these variables. Thus, financial literacy of the women not only make them independent but also empower them and in turn enhance their contribution in the nation's economic growth.

Keywords: Financial literacy, post-graduation students, women empowerment, economic growth, government initiatives.

1. Introduction

“Financial literacy is an everyday life skill that allows people to better understand their finances and to approximately manage their financial outlook. It enables us to make sound financial decisions based on personal circumstances, to improve our financial wellbeing.”

-Dante De Gori

Finance is the most common term that is used every time everywhere, which supports all the branches of all the sectors and help in the progress of the economy. The youth who are the future vision of the country plays an essential role in the growth of the economy and the woman who helps not only in the development of a good family but also a good society, which will lead to a good nation as a whole. There are many aspects, which has a relation for empowering women financially. For which an individual or financial institution or the government has to take certain measures for a woman to be financially empowered. For a woman to be financially empowered there is a great attention given in improving the financial literacy of the individual. Thus, this research is done on female post-graduate students, who are prospective homemakers and income recipients to understand and analyse the financial knowledge and awareness level on the financial aspects, enhancing her financial empowerment makes her competent in financial decision making in this dynamic economic environment and contributes for the development of the economy.

2. Aim and Purpose of the Study

The primary idea of the researcher is to understand the impact of financial literacy on financial empowerment in the women. The empowerment of a woman at the personal level helps to make a base for social transform. Actions to empower women as a cluster increase opportunities accessible to every woman, and financial empowerment can raise woman's status in her family and society. The study evaluates the level of financial knowledge of

postgraduate students and its impact on their financial attitude and behaviour. It also analyses the influence of financial behaviour leading to financial empowerment.

3. Objectives of the Study

1. To understand the relationship among financial awareness and knowledge on financial attitude and behaviour.
- 2 To analyse the impact of financial awareness and knowledge on financial attitude and behaviour of the PG students.
3. To analyse the impact of financial attitude and behaviour on financial empowerment of the PG students.

4. Literature Review

“It is impossible to think about the welfare of the world unless the condition of women is improved. It is impossible for a bird to fly on only one wing”.

–Swami Vivekananda

Many women take back seats when it comes to taking larger financial decisions as they are always reliable to men, may be her father or her husband or her son, right from her birth to death. When a woman gets reliable to a man in her financial aspects then apparently it will keep her financial illiterate for lifetime and makes her incompetent in financial decision-making. Women have to be financially literate because the learning of basic finance starts at home and the learning experience continues to the profession. The learning horizons extend to individual level to society and spread over the community that leads to the development of the nation.

4.1 Financial Literacy

Lusardi & Tufano (2009) Expounded financial literacy is an experience which enhances the financial literacy of an individual and help them to make proper decisions than taking poor financial decisions which is due to lack of financial knowledge. **Bhushan & Medury (2013)** Has explained that financial literacy is important for an individual for a effective money management as it leads to better financial decisions, he also says that financial literacy will not only ease personal wellbeing but also the entire wellbeing. **Navickas, et al.**

(2014) Tributes financial literacy helps the individuals take strong financial decisions, which will promote the quality of life and the economic growth. **Qazi (2017)** Has articulated that India is a place, which occupies 17.5% of the world's population in which nearly 76% of the adults are not aware of the basic financial concept. **Zucchi (2018)** Has enunciated that there is a need for financial literacy in the world as there are various complex financial products and services available which changes the volatile environment of the financial markets.

4.2 Financial Literacy in Female Students Post graduation

Johnston (2005) Explained that a good financial education for the young would help an individual to plan their personal financial plans and to choose the financial products wisely in the financial markets. **Cude, et al. (2006)** Articulates that financial literacy is important for college students as most of the graduates will be taking financial decisions, which will have a greater impact on their financial situations after their college. **Warner & Agnello (2012)** Articulates that the students from all the disciplines have to be given proper financial education so that they will be financially literate and help them in taking proper financial decisions in future.

4.3 Financial Literacy in Working Women

Lusardi & Mitchel (2014) Stated that in intra-household situation, husbands are specialized in the acquisition of financial knowledge but women acquire this knowledge only when the spouse is deceased or only when any financial crunches arises in the family. **Koenen, et al. (2014)** Has stated that the women though they are working and are in financial field they are hesitating to give their opinions because of low self-confidence in financial knowledge compared to men. **Sebastian & Raju (2016)** Has examined about the author Bach's principle in his article stating that women's are outstretch as caregivers than as breadwinners, which made many women to work only part time and end up of being unaware of basic financial products. In addition, the article has emphasized on the most universally used term known as "Bag- Lady Syndrome" which terms that a woman is well heeled but still breathing in a fear of financial breakdown.

4.4 Economic Growth through Financial Literacy

Agarwalla, et al. (2012) There will be a hastening in financial inclusion only when people are more financially literate to explore new financial product, upcoming every day in the financial markets. And he also stated about two surveys i.e., Survey on Global Financial Literacy in 2012 conducted by VISA and Financial Literacy among Students, young employees and the Retired in India conducted by IIM Ahmedabad, which examines that India is the least financially literate among other countries and also only a quarter population of the country is literate. **Kurihara (2013)** Says that financial skill promotes the economic growth but it does not mean that an individual must have english proficiency and knowledge in information technology sector. There is no relationship between those skills to the economic growth. **Ambarkhane, et al. (2015)** States that due to lack of financial literacy there is a financial crisis in the economy. It is imperative for the country to have financial literacy not only individual wellbeing but also for the welfare of the economy as that financial behaviour has influenced by not only knowledge and skills.

4.5 Initiatives on Financial Literacy

Garman (1999) Expounded that financial education is an important initiative that helps many families from financial education and financial security. He also said that the employees have to be provided with financial education as its helps in the employees' retirement planning. **Sharma (2016)** Has discussed about the various initiatives and public policies of Government and RBI like establishment of Co-operative banks and regional rural banks, nationalization of banks, bank linkage models for Self Help Groups, improvement in remittance system, opening no-frill accounts, general credit cards, Kisan credit card, and micro insurance. **Verma, et al. (2017)** Has mentioned about the government initiatives taken by the government in India in the light of financial education. **Sud (2017)** Has emphasized on the growth of digital fluency, which will help to increase in financial literacy like the one "Pradhan Mantri Jan Dhan Yojana" headed to over 280 million new bank accounts in India, which is been added to the financial system.

4.6 Gap Analysis

The previous studies done until today focused on impact of financial literacy on women and students and no such study was taken how financial literacy

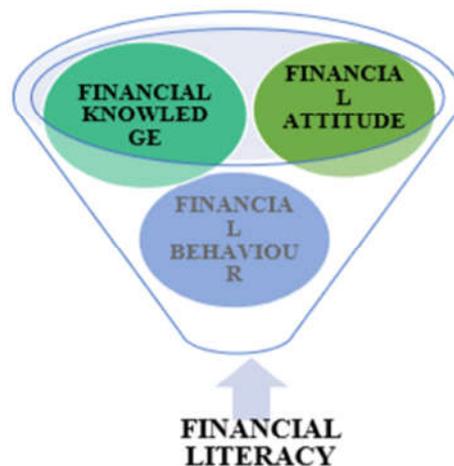
empowers women financially. It is found that there is a gap in the previous studies as it was only done on providing financial literacy specifically. Thus, this research is being done to find the impact of financial literacy to empower Post-Graduation students who are prospective moneymakers. The study also attempts to find the relation between the level of financial literacy and financial empowerment.

Analysis and Interpretation

Financial Literacy

Financial literacy is the control of set of skills and knowledge that allows a person to take informed decisions in the financial markets. Financial is a combination of financial knowledge, financial attitude and financial behaviour.

Figure 1 Relationship of Financial Literacy



Source: Self Compiled

Financial Knowledge

Financial literacy is the capability to understand, analyse and make appropriate financial decisions. It is an aptitude to comprehend how the money and money instrument works in the money market.

Awareness on the Financial Products

Financial products are the main instruments in the financial markets. These financial products according to the need of the nation growth in the economy. An individual must be aware of these financial products to choose an appropriate financial tool for the person wellbeing.

Financial Attitude

Financial attitude was analysed based on the belief that attitude influences behaviour. It indicates the respondent's attitude towards long-term goal planning, savings for the future, preparing personal financial budgets and dealing with government and other financial institutions.

Financial Behaviour

Financial behaviour measure evaluates the respondent's way of dealing with money in their daily life. It signifies the actual conduct of the respondents with respect to management of earning, maintenance of liquid money, managing their regular and unexpected expense and borrowing practices.

Financial Empowerment

Financial empowerment is the most important aspect for a woman. Financial empowerment has an influence on the financial knowledge, attitude, awareness and behaviour.

The Correlation Matrix The correlation matrix gives the correlation coefficient between a single variable and every other variable in the study. The diagonal of the matrix is 1 signifying the correlation between the variable itself. If the result is positive, it means that it is positively correlated (i.e.) there is an influence among the variables and if the result is negative it means that it is negatively correlated (i.e.) and there is no influence between the variables. From the primary data, correlation was done among Financial Knowledge, Financial Awareness, Financial Attitude, Financial Behavior and Financial Empowerment. The Figure depicts the correlation among the variables.

Table 1: Correlation Matrix

Particulars	Financial Knowledge	Financial Awareness	Financial Attitude	Financial Behaviour	Financial Empowerment
Financial Knowledge	1	0.248191	-0.06536	-0.10038	0.19031
Financial Awareness	0.248191	1	0.233783	0.192193	0.370105
Financial Attitude	-0.06536	0.233783	1	0.732248	0.417237
Financial Behaviour	-0.10038	0.192193	0.732248	1	0.513359

Financial Empowerment	0.19031	0.370105	0.417237	0.513359	1
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Source: Field Survey - Primary data

Correlation between Financial Knowledge and Financial Awareness

An individual has financial knowledge only when the individual is aware about the financial products in the financial markets. The results show a positive correlation (i.e.) 0.24819 between financial knowledge and financial awareness. Hence, it is proved that individuals must have awareness about the financial products in the market to make appropriate financial decisions.

Correlation between Financial Knowledge and Financial Attitude

An individual might have suitable financial knowledge but it does not mean that the attitude of the individual will change accordingly. By correlating these two variables Financial Knowledge and Financial Attitude, from the analysis it was found that knowledge about the financial products of the individual shown no change in the individual's attitude as the result (-0.06536) is inversely correlated with these variables.

Correlation between Financial Knowledge and Financial Behaviour

The correlation between Financial Knowledge and Financial Behaviour is negatively correlated (-0.10038). This is very appropriately depicting that; however, the individual has financial knowledge it all depends upon the individuals Financial Behaviour. If the individual's behaviour is not moulded properly there is no use of being financially knowledgeable.

Correlation between Financial Knowledge and Financial Empowerment

The correlation between Financial Knowledge and Financial Empowerment is 0.19031, which is positively correlated. It says that when an individual has financial knowledge it makes the individual to be financially empowered. Thus it is important for the individual to have financial knowledge to be financially empowered.

Correlation between Financial Awareness and Financial Attitude

Correlation between Financial Awareness and Financial Attitude is 0.233783 which is positively correlated. When an individual has awareness about the

financial products in the financial markets, the financial attitude of the individual also changes. Thus it is necessary for an individual to be aware about the financial products to change her financial attitude.

Correlation between Financial Awareness and Financial Behaviour

Correlation between Financial Awareness and Financial Behaviour is 0.192193, which is positively correlate. It articulates that the amount of financial awareness of an individual brings the change in the financial behaviour of the individual. Thus, the financial awareness about the financial products change the financial behaviour of the individual and thus help in right financial decision-making.

Correlation between Financial Awareness and Financial Empowerment

Correlation between Financial Awareness and Financial Empowerment is 0.370105, which is positively correlated. This states that having awareness about the financial products empowers the individual financially. Based on the awareness about the financial products the level of financial empowerment also changes.

Correlation between Financial Attitude and Financial Behaviour

Correlation between Financial Attitude and Financial Behaviour is 0.732248, which is positively correlated. This depicts that according to the Financial Attitude of an individual, the individuals Financial Behaviour also changes. Thus, there is a relation between the financial attitude and financial behaviour.

Correlation between Financial Attitude and Financial Empowerment

Correlation between Financial Attitude and Financial Empowerment is 0.417237, which is positively correlated. It represents that as per the individual's financial attitude the level of financial empowerment also changes. So for promoting financial empowerment it is important to change the financial attitude of the individual.

Correlation between Financial Behaviour and Financial Empowerment

Correlation between the Financial Behaviour and the Financial Empowerment is 0.513359, which is positively correlated. It represents that according to the individuals Financial Behaviour the individuals Financial Empowerment also changes. Therefore, it says that there is relationship between Financial Behaviour and Financial Empowerment.

The correlation analysis shows that the variables - Financial Knowledge, Financial Awareness, Financial Attitude and Financial Knowledge has a great influence on Financial Empowerment. Thus women to be financially empowered these variables intensively have to be considered. The financial literacy should include shaping the financial attitude and behaviour along with creating awareness and knowledge of financial products and concepts.

Findings

- The study also found that there is a positive relation between financial knowledge and financial awareness, financial knowledge and financial empowerment, financial awareness and attitude, financial awareness and behaviour, financial awareness and financial attitude, financial awareness and financial empowerment. There is also a relation between financial attitude and financial empowerment and financial behaviour and financial empowerment.
- However, there is inverse relation between financial knowledge and financial attitude and financial knowledge and financial behaviour indicating it is clear that the attitude is not the outcome of knowledge but financial behaviour is the outcome. General attitudes influence the financial objectives.
- These findings show that the women should have knowledge on basic financial concepts so that her awareness about the financial products increase due to which the individual's financial attitude and financial behaviour help the individual to be financially empowered.

Conclusion

Financial awareness and knowledge has a great impact on women financial behavior and enables her to financially empower herself. The level of financial awareness and knowledge is very low in our country. It is essential to create financial awareness and knowledge through financial literacy programs. Financial literacy gives the confidence to the women to make informed financial decisions and financial literacy is an important component of financial wellbeing of the individual and the economy.

The attitude and behavioral aspects are to be molded so that optimum utilization of available scarce resources is possible by the women to enhance

and ensure the economic empowerment. The present study on women postgraduate students proved the need for formulating the financial literacy programs shaping the attitude and behavior, which enables the financial empowerment of women. For a country to grow not only economically but also in all aspects it is important to empower the women equally as the saying “Birds cannot fly in one wing”. Hence it is strongly suggested to provide more number of financial literacy programs for women for their financial empowerment.

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