



EFFECTIVENESS OF FINANCIAL LITERACY ON THE SAVING BEHAVIOR OF RURAL WOMEN

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ABSTRACT

Purpose: The purpose of this study was to assess the level of financial literacy among rural women which assess the influence of socio-economic factor on their level of financial literacy. At the same time the study also attempts to analyses the effectiveness of financial literacy in improving rural women' saving behavior. Overall this study has attempted to encourage the importance of financial literacy in rural area.

Methodology: Data for the study is gathered from both primary and secondary sources. The questionnaire is created using available literature and is used to collect data from respondents. In this case, 110 people were considered for the study. The study area includes the Mangaluru Taluk towns of Soorinje, Haleyangadi, Pakshikere, Porkodi, and Madya.

Findings: As per the results, most of the rural women invest their savings in the financial institutions but do not invest their savings in the mutual funds and shares and securities because they don't have much knowledge about these and they feel it is a riskier investment. It is found that lack of education is the main reason for not getting sufficient financial information. Furthermore, Socio-economic factors of the rural women significantly impact their level of financial literacy. Lastly and importantly the study has shown that financial literacy significantly influences saving behavior of rural women

Implications: This study has proved supports the ideology that Women who are financially literate can make better financial judgments. As a result Indian government has implemented numerous initiatives, many of which are geared toward women. More awareness programme should be undertaken with this regard. The government should focus on the unreached segments of the population and provide basic financial services. Their financial engagement would benefit the economic development of our county.

KEY-WORDS: Financial Literacy, Rural Women, Saving behaviour, Socio-Economic Factors.

1. BACKGROUND

Since the beginning of time, males have controlled society and women have generally subordinated themselves to them. Women are an essential part of our civilization and the foundation of all humankind. It is true to say that if we help a woman become literate, the entire family will become literate. The global literacy rate in 2015 was 86.3%, with 82.7% of women being literate. The situation in India is a little depressing because 62.8% of the country's 72% literate population were female (UNESCO Institute for Statistics, 2015). Financial literacy may play a significant part in this situation by enabling people to organize their money so they can manage their regular costs, save an emergency fund, save for their children's education, and get ready for their quick post-retirement years. Its importance throughout a person's lifespan and people's inability to satisfy even the most basic criteria has elevated the topic to the top of the policy agenda (OECD, 2014). Better financial inclusion is prompted by the consequences of financial literacy, which has positive repercussions on the actual economy (Grohmann et al., 2018). Furthermore, Nawaz (2015) put a strong emphasis on financial education and women's empowerment. Women who have sufficient financial literacy skills and can manage their money properly and efficiently can achieve a suitable level of socioeconomic empowerment. They often benefit from training courses provided by various microfinance organizations. Numerous NGOs provide its account holders with a variety of training programs. Through this financial literacy training, women can gain a better understanding of how to use money in productive ways, including maintaining bank accounts, using money wisely, and advising their husbands and other family members on various economic activities. The ladies may take charge of their families' entire financial position. In the end, the author came to the conclusion that all microfinance programs needed to include a financial training component. Agarwal (2010) observed that women



do not possess the requisite skills to make successful investment and financial decisions which generates the need for financial literacy. Everywhere in the globe, there is often a persistent gender disparity in financial literacy, with males performing better than women (Bucher-Koenen et al., 2017; Fonseca et al., 2012; Lind et al., 2020). Particularly in industrialized cultures where more women than men enroll in college and universities, this gender discrepancy is perplexing (Wells et al., 2011). Higher financial literacy is associated with greater financial wealth (van Rooij et al., 2012; Almenberg and Dreber, 2015; van Rooij et al., 2011), greater likelihood of investing in stocks (Lusardi and Mitchell, 2007), better retirement planning (van Rooij et al., 2011), and lower levels of financial anxiety. Therefore, it is clear that having a basic understanding of finance helps a person better handle the challenges of modern financial life. Systematic disparities in financial literacy between men and women suggest that women have worse chances of succeeding in the financial markets. It also implies that the requirements for financial security differ depending on gender. The development of policies targeted at eliminating gender inequities and enhancing women's financial behavior consequently requires an understanding of how and why this gender gap in financial literacy occurs. Hence, this study is conducted for the purpose of understanding and analyzing the level of financial literacy among women in rural area of Mangaluru Taluk. Most of the people living in rural area especially women are more into savings than investing therefor it is pertinent to analyze to what extent financial literacy influences their saving behavior.

2. LITERATURE REVIEW

Few studies have been conducted in India that examined this issue empirically.

Bucher-Koenen et al., (2021) Compared to males, women are less financially literate. It's not apparent if this gap is a result of a knowledge deficit or one caused by a lack of confidence. This survey experiment demonstrates that women frequently chose the incorrect response when given the choice to "do not know" in response to questions assessing their financial literacy. They calculate a latent class model, forecast the likelihood that responders actually know the right answers, and more. They find that women's lower confidence levels can account for around one-third of the gender gap in financial literacy. Both financial literacy and self-assurance account for stock market involvement.

Dwivedi et al. (2015) On the basis of occupation, region, and gender mix, the NCFE report on financial literacy and financial inclusion in India was examined. According to the survey, urban residents are more financially literate than rural residents. Men are also discovered to have more financial literacy than women. In addition, the study found that males scored somewhat better on financial conduct and financial knowledge but had a little lower financial attitude than women. Men also had a greater financial attitude than women but less financial behavior and knowledge.

Worthington, A. C. (2006) As per this study, there is no proof to show that these low-income households lack financial literacy, it was noted. Many social issues, including unemployment, big families, and bad economic conditions, might be linked to financial stress.

Agarwalla, S. K., Barua, S. K., Jacob, J., & Varma, J. R. (2015) This survey polled 3000 people and discovered that Indians' financial literacy is significantly lower than the global average. However, the working and retired seem to have a favorable attitude of money. The financial literacy of women is slightly higher than that of men. The way that young employees handle their finances has changed as a result of easier access to consumption credits.

Mathivathani and Dr.M. Velumani (2014) In their investigation, they discovered that disadvantaged rural women have very low financial literacy. The improvement of financial literacy would aid women in making better financial decisions and using financial services and products in the right way. They would benefit from increased wealth and financial security. Both their social and personal growth will result from it. Their financial support would aid in the economic growth of our nation.

Rani, S. A. (2017) Her research revealed that over 60% of Indians live in villages. Even after 64 years of independence, the bulk of residents of rural regions continue to be barred from the reach of financial institutions. The urgent requirement is to reach out to the hitherto untapped demographic group and offer basic financial services. Banks have established their branches in far-flung regions of the nation in an effort to bring a significant portion of society under the umbrella of financial inclusion. It goes without saying that the banking sector has experienced phenomenal volume growth over the past few decades. Financial inclusion has enabled India to have one of the fastest growing economies in the world.

Tinghög et al., (2021) A number of cultural, monetary, psychological, and physical barriers are preventing many Indian women from becoming financially literate, despite the fact that it is essential to give women the same authority to make financial decisions as men do. Although the government is making efforts to increase financial literacy among the populace, a significant disparity still exists between the financial literacy levels of men and women. In order to increase the level of financial literacy among women, more programs tailored specifically for them should be developed.



Taft, M. K., Hosein, Z. Z., Mehrizi, S. M. T., & Roshan, A. (2013) discovered that financial literacy and financial well-being are positively connected with age and education. Men and married persons have higher financial literacy levels. He makes the crucial point that more financial literacy results in less financial stress and greater financial well-being. That implies that financial security results in less financial worries.

Prawitz, Aimee D (2014) examined how people's saving and spending habits affect the function of financial education in their lives. Particularly, both the participants and non-participants in financial education were contrasted in this investigation.

Fatoki (2014) imply that the government and other organizations wish to alter their current approaches in order to improve financial literacy in South Africa. These industries needed to be more involved in monitoring and assessing the country's financial literacy.

Paramashivaiah et al. (2014) conducted a study in Mysore city to calculate the risk appetite scores of 120 women divided into different socio-demographic groups. Regression analysis indicates that the age of women has a negative impact on their risk tolerance levels.

Prasad, S., Gupta, S. C., Tyagi, A. K., & Aggarwal, B. B. (2014) investigated how particular emotions, such as envy, fear, love, and skepticism, affected the Indian women's investing choices. According to the study, these feelings prevent investors from acting logically and rationally, impair their chances of making money, result in financial anguish, and worsen their mental stability.

Venkataraman (2004) When the psychology of male and female investors was examined, it was shown that although women like to earn the highest returns, the majority of them secretly save money and spend it on jewelry, clothing, or gold. Additionally, they favor investing more in post office programs.

Agarwalla et al. (2013) explored how different socio-demographic variables affected various aspects of financial literacy among urban Indian working youth. Financial literacy is found to be significantly influenced by a few factors that are unique to India, such as joint families and consultative decision-making processes, even though the influence of many factors, such as gender, education, and income, is similar to what has been reported in other contexts. The study offers an analytical foundation for formulating policies to improve financial literacy of young in India, contributing to the expanding empirical understanding of financial literacy across nations.

Shobha and Shalini (2015) ran a poll to find out how Bengaluru's women felt about personal financial planning. According to the report, Indian women prioritize their family and their children's needs before their own financial demands and individualistic financial stability. Another obstacle for women in creating their financial strategies is persuading their partners and families. Women continue to perceive gold, real estate, bank deposits, insurance products, and provident funds as the safest investment vehicles, while they perceive mutual funds, derivatives, chits, stocks, and shares as riskier ones. Therefore, ignorance of new instruments affects their capacity to generate returns for them.

Based on the above discussion one can hypothesis that;

H1: Socio-economic factors of the rural women significantly influence their financial literacy.

H2: Financial literacy significantly influences saving behavior of rural women.

3. OBJECTIVES OF THE STUDY

- To understand socio-economic background of respondents
- To analyze the influence of socio-economic factors on their financial literacy.
- To analyze financial literacy gap among the rural women.
- To assess the effectiveness of financial literacy on their saving behavior.

4. METHODOLOGY

This study is focusing on rural women in Mangaluru Taluk. The study may extend to urban and semi urban areas of Mangaluru. The study may also focus on financial literacy among men or in general. Data required for the study is obtained both from the primary and secondary sources. Questionnaire is prepared based on existing literature which is used to collect the data from the respondents. Here 110 respondents have been considered for the study. The study area covers Soorinje, Haleyangadi, Pakshikere, Porkodi, Madya coming under Mangaluru Taluk.

5. RESULTS & DISCUSSION

The results and discussion section includes a sample profile and hypothesis testing to prove the aims and hypothesis formulated during the literature review.

5.1 Sample profile

Sample profile under this study includes gender, age, ration card held by the respondents, type of family and monthly income of your family. Percentage and frequency of the respondents is described in the following table



Table 1: Demographic factors of the respondents

Sl No.	Demographic Profile	No. of respondents	Percentage (%)
1	Age (in years)		
	20 – 30	25	22.72
	31 – 40	42	38.18
	41 – 50	34	30.91
	51 – 60	8	7.27
	61 & Above	1	0.91
2	Education Qualification		
	Up to SSLC	75	68.18
	PUC	9	8.18
	Degree & Above	26	23.64
3	Occupational Status		
	Daily wager	44	40
	Salaried	14	12.73
	House wife	31	28.18
	Agriculture	6	5.45
	Others	15	13.64
4	Monthly Income		
	Upto 10,000	75	68.18
	10,001 – 20,000	26	23.64
	20,001 – 30,000	6	5.45
	30,001 – 40,000	3	2.73
	40,001 – 50,000	0	0
	50,000 & Above	0	0
5	Marital Status		
	Married	94	85.45
	Unmarried	12	10.91
	Widow	4	3.64
6	Family Status		
	Joint Family	41	37.27
	Nuclear Family	69	62.73
7	Dwelling status		
	Rented	3	2.72
	Own	107	97.28
8	Religion		
	Hindu	102	92.73
	Muslim	7	6.36
	Christian	1	0.91
	Others	0	0
9	Caste		
	General	8	7.27
	OBC	79	71.82
	Minority	8	7.27
	SC/ST	15	13.64
10	Mother's Education		
	Upto SSLC	108	98.18
	PUC	1	0.91
	Degree & Above	1	0.91
11	Father's Education		
	Upto SSLC	106	96.36
	PUC	2	1.82
	Degree & Above	2	1.82
	Total	110	100
12	Work Experience (in years)		
	Up to 10	97	88.18



	11 – 20	8	7.27
	21 – 30	5	4.55
	31 – 40	0	0
	41 – 51	0	0
13	Area Under Village Panchayath		
	Yes	20	1.82
	No	90	98.18
14	Area Under Town Panchayath		
	Yes	29	23.36
	No	81	73.64

Source: Primary

From the above table it can be observed that out of the total number of respondents 60.9% belongs to the age group of 20-40 years. So we can that conclude that majority of the people in the society start saving only after setting down in their life. Normally people require financial literacy after 30 years. 68.18% of respondents have the education upto SSLC, 8.18% of respondents perceived PUC AND 23.64% OF respondents have a qualification of above degree. So from the above analysis it is clear that majority of the rural women are qualified up to SSLC. Moreover, Out of total number of respondents 40% of respondents are daily wagers, 12.73% out of respondents are salaried people, 28.18% of respondents are house wife, and 5.45% of respondents are agriculturist, and around 13.64% of respondents belong to the other occupation. Since the study clearly makes out that majority of respondents are daily wage earner. 85.45% of respondents are married, 10.91% of respondents are unmarried and 3.64% of them are widow. 37.27% of the respondents are living in joint family and 62.73% of the respondents are living in nuclear family. 97.28 are residing in own house and only 2.72% of respondents are residing in rented house. Out of the total no of respondent 92.73% of respondent is Hindu, 6.36% of respondent is Muslim, 0.91% of respondent is Christian, and none of the respondent don't belong to the other religion. The data is clearly analyze that majority of respondents is Hindu. 7.27% of respondent is under general caste, 71.82% of respondent is under OBC, 7.27% of respondent is under minority, 13.64% of respondent is under SC/ST. The clearly make out that majority of respondents is under OBC. Out of total no. of respondents 98.18% of respondent's mother's education is up to SSLC, 0.91% of respondent's mother's education is PUC, 0.91% of respondents mothers' education is degree & above. Thus, the study makes out that majority of respondents mother's education is up to SSLC. The above data also bring clear factor about the total no. of respondent's Father's education. Out of total no. of respondents 98.18% of respondent's Father's education is up to SSLC, 0.91% of respondent's Father's education is PUC, 0.91% of respondents Fathers' education is degree & above. Thus, the study makes out that majority of respondents Father's education is up to SSLC. The above fact data also tells about work experience of respondent. Out of total number of respondents 88.18% of respondent has up to 10 years of work experience, 7.2% of respondent has a work experience between 11-20 years, and 4.55% of respondent has a work experience of 21-30years, and none of the respondents has working experience. Thus, the study brings out that majority of respondents having the work experience up to 10. Lastly, Out of respondents 1.82% of respondent is working in the area under village panchayath and rest 90% in the town panchayath working. Thus, it is clears makes out majority of respondents are working village area panchayath.

5.2 Financial Literacy among Rural Women

In order to measure the financial literacy level among rural women, many specific and scale types of questions were asked to the respondents which includes;

5.2.1 Financial literacy on savings and expenditure

As per the response for specific questions, it was found that majority of the respondent said that their husband is responsible for the financial decisions of household, 10% of respondents said that their father is responsible for the financial decisions of household, 7.27% said that children are responsible for the financial decisions of their household, and 23.64% of respondents themselves take the financial decision of household. Further information on this aspect is described as follows;

As per the results majority of the rural women that is 94.55% of them says that they do savings and only 5.45% of respondents says that they don't do any kind of savings. It is found that 58.18% of respondents make savings, out of the salary from job 33.64% of respondents do savings from the money given by their family members and 15.45% of respondents do savings from household expenditure. It bring out that 65.45% of respondents invest their saving in the financial institutions, 45.45% of respondents invest their saving in the post office, 15.45% of respondents invest their saving in the gold, 39.09% of respondents invest their saving in the insurance policy, none of them i.e., 0% of respondents have not invested in the bonds issued by the government,



0.91% of respondents invest their saving in the mutual fund, and around 2% of respondents invest their saving in the shares and securities. Hence the above data analyze that majority of respondents invest their saving in the financial institutes and least of respondents have not invest their saving in the bonds issued by the government, mutual fund, and shares securities. 28.18% of respondent invest their saving to get more return, 81.82% of respondents invest their savings for safety purpose, 5.45% of respondent invest their saving because of popularity of scheme, 50% of respondent invest their saving due to trust on the organization. The study brings out that majority of the respondents invest their saving mainly for the purpose of safety which have been motivated them. Furthermore, 20.91% of respondent prefer budget to the household purpose and around 79.09% of respondents prefer budget to the household purpose. Since the study clearly analyze that majority of respondents doesn't prefer budget to the household purpose. 84.55% of respondents doesn't prefer to keep records of income and expenditure of household and only 15.45% of respondents prefer to keep records of income and expenditure of household.

5.2.2 Financial literacy on investment

When the perception on investment was obtained, they showed certain expectation on the return, 38.18% of respondents expect between 1%-5% the return on investment, 40% of respondents expect between 6%-10% the return on investment, 18.18% of respondents expect between 11%-15% the return on investment, 3.64% of respondents expect between 16% and above the return on investment. Further detail on their perception related to investment is described below;

As per the results brings out the reason for investments of particular plan. Out of total respondents 81.82% of respondents invest mainly to overcome the future contingencies, 20% of respondents invest their savings to increase the income through interest, 40.91% of respondents invest their savings in the education of the children, 20.91% of respondents invest their savings to construct or purchase a house and 24% of respondents invest their savings for marriage. 52.73% of respondent feel that bank deposits will give more return for their investments, 38.18% of respondent feel that investments in post office gives more return, 20% of respondents says that through investments in gold gives them more return, 34.55% of respondent feel that investing in insurance policy gives more return, whereas 9.1% of respondents says that investing in bonds issued by the Government, mutual funds and shares and securities will not give more return. Moreover, 11.83% of respondents are participated in seminars/workshops related to investment which is conducted by public sector banks, post office and insurance companies. Whereas 34.55% of respondents were participated in seminars/workshops conducted by NGO's and 9.10% of respondents were participated in seminars/workshops conducted other institutions or organization. So it is clear that majority of respondents were participated in the seminars/workshops conducted by NGO's.

51.82% of rural women get the financial information from their family members, 11.82% of respondents get the financial information from teachers at schools or colleges, 41.82% of respondents ,29.09% of respondents get the financial information from magazines, books and journals, 60% of respondents says that their source of getting financial knowledge is television, 20% of respondents get the financial information from their own personal experience, and 38% of respondents get the financial information from the seminars or workshops. Out of total number of respondents majority of them said that they learned about savings, 41.82% of respondents leaned about investment, 5.45% of respondents learned about budget preparation, 23.64% of respondents said that they learned about life insurance, 8.18% of respondents leaned about taxes on income, 40% of respondents leaned about rate if interest, 4.55% of respondents learned about keeping records for their household expenditure, and 49.09% of respondents said that they learned about obtaining loan/debt from the different sources of financial information. 5.45% of respondents said that social and cultural inhibition is the reason for not getting sufficient financial information, 19.09% of respondents said that lack of education is the main reason for not getting sufficient financial information, and 13.64% of respondents said that due to their financial problems they are not getting sufficient financial information. Lastly the table shows that 70.91% of rural women said that they get sufficient financial information whereas 29.09% of rural women said that they don't get sufficient financial information.

37.27% of respondents are the member of Self Help Group and 62.73% of respondents are not the member of Self Help Group. This study also reveals that 34.54% of respondents said that they get loan immediately in SHG's, 31.81% of respondents said that interest free loan is available in SHG's, 24% of respondents said that investing in SHG's is a kind of savings, and 17.27% of respondents said that they can get loan without collateral security under SHG's. 17.27% of respondents get loan from money lenders when they are in need of money, 62.72% of respondents said that they get loan from banks, 19.09% of respondents said that they get loan from cooperative societies, and 34.54% of respondents said that they get loan from Self Help Group. As per the rural women' perception, 16.36% of respondents utilizes the loan for purpose of business, 8.18% of respondents utilizes the loan for agricultural purpose, 51.81% of respondents utilizes the loan for



house construction, 39.09% of respondents utilizes the loan for the marriage of their daughter/son and 53.63% of respondents said that they utilizes the for any other purpose. Moreover, 47.27% of respondents are having SB account in post office and 52.73% of respondents does not have SB account in post office. 23.64% of respondents having recurring deposit in post office and only 10% of the respondents have fixed deposit in post office. As far as Jandhan yojana is concerned, majority (69.09%) of rural women does not have the account under Jandhan scheme and only 30.91% of rural women are having the account under Jandhan scheme. Furthermore, out of total number of respondents only 10.91% respondents are using credit card, 36.36% of respondents are using debit card and only 2.73% of respondents are using NEFT. From the above table it is also clear that out of total number of respondents 87.27% of respondents do not have the knowledge of Paytm app and 94.55% of respondents do not have the knowledge of Rupaya card app.

5.3 Hypotheses Testing

H1: Socio-economic factors of the rural women will significantly influence their financial literacy.

Table 2: Chi-square test/ Fischer Exact test results between financial literacy and Socio-economic factors

Socio-Economic Factors	CSTV (FETV)	df	P Value	Inference
Age	19.228	6	P<0.01**	Significant
Education Qualification	12.661	1	P<0.01**	Significant
Occupational Status	11.928	2	P<0.01**	Significant
Monthly Income	2.778	2	P>0.05	Not Significant
Marital Status	14.346	1	P<0.01**	Significant
Family Status	2.8266	6	P>0.05	Not Significant
Dwelling status	14.3246	1	P<0.01**	Significant
Religion	19.2252	2	P<0.01**	Significant
Caste	12.8982	1	P<0.01**	Significant
Mother's Education	19.1266	2	P<0.01**	Significant
Father's Education	12.7996	2	P<0.01**	Significant
Work Experience	14.0266	8	P<0.01**	Significant
Area Under Village Panchayath	6.89	1	P>0.05	Not Significant
Area Under Town Panchayath	9.89	2	P>0.05	Not Significant

*Significance at 5% level

**Significance at 1% level

The above table demonstrates the results of chi square test/fisher's exact test depicting the association of socio-economic factors with financial literacy on savings and expenditure. As per the results there is significant association found between socio-economic factors (Age, Education Qualification, Occupational Status, Marital Status, Dwelling status, Religion, Caste, Mother's Education, Father's Education and Work Experience) and financial literacy on savings and expenditure, as the p value is less than 0.01 in majority of the cases. Overall it was witnessed that Socio-economic factors of the rural women will significantly influence their financial literacy on savings and expenditure. Hence, H1 is accepted.

Hence, it is proved that Socio-economic factors of the rural women will significantly influence their financial literacy.

H2: Financial literacy significantly influences saving behavior of rural women.

Table 3: Model Summary results between financial literacy and saving behavior

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.614 ^a	.390	.364	.5393	.391	69.638	1	109	.000

a. Predictors: (Constant), Financial Literacy

As per the model summary table is observed that financial literacy is significantly correlated with saving behavior of rural women as the p value indicates value below 0.01. As per r square financial literacy determines the saving behavior of rural women by 36.4%.

Table 4: ANOVA results between financial literacy and saving behaviour

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.220	1	20.360	68.633	.000 ^b
	Residual	21.723	109	.281		
	Total	49.971	110			

a. Dependent Variable: Saving behavior

b. Predictors: (Constant), Financial Literacy



In addition to model summary, ANOVA results also demonstrates the effectiveness of financial literacy in influencing the saving behaviour of rural women with F value 68.633 and p value below 0.01.

Table 5: Coefficient results between financial literacy and saving beaviour

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.163	.295		3.948	.000
	Financial Literacy	.647	.078	.624	8.345	.000

a. Dependent Variable: Saving Behavior

As per the table 4, coefficient results between financial literacy and saving behavior. As per the beta coefficient, it is witnessed that as the level of financial literacy of rural women increases, their saving behavior also improves ($\beta=.624$). This indicates that 1 unit hike in financial literacy enhances saving behavior by 62.4%. Hence it is proved that the level of financial literacy among rural women improves their financial behavior.

6. SUGGESTIONS

- 1) Educational institutions should give training facilities to the rural women regarding financial information.
- 2) Banks should conduct financial awareness programs in the rural areas.
- 3) Rural women need to be aware about other types of investment like shares, bonds etc.
- 4) The financial institutions should open more and more branches in the rural places.
- 5) NGO's should conduct financial literacy programs on the rural areas.
- 6) Financial awareness program should be conducted by the Government with the help of agencies like NGO'S and SHG'S.

7. CONCLUSION

Financial literacy is very much important to take financial decisions in our daily life. In recent days we can see that more fraudulent activities are taking place such as ordering products off a fishy websites, winning a trip that needs to be paid for upfront or scams that pressure people to pay now to get the best deal or offer etc. financial literacy helps an individual to recognize these fraudulent activities and we can protect ourselves from being cheated. Financial literacy or knowledge helps an individual to organize their financial assets so that they can be used when needed and it also helps to make sound retirement planning. Financial literacy has always been important to understand the benefits of financial products and services available for the common man and it also helps us in identifying the risk associated with the financial products and services. Study has shown that socio-economic factors highly contribute in developing financial literacy. Therefore improving socio-economic development is also essential which again can be done through financial inclusion which can be encouraged through financial literacy. Furthermore, financial literacy among rural women is very important in the present scenario, as the study proved it enhances saving behaviour. Financial literacy can help the women to take better financial decisions. The Government of India has introduced many schemes especially for women. Government should concentrate on unreached segment of population and it should provide basic financial facilities. Their financial participation would help our county's economic development.

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