



## A STUDY OF FINANCIAL LITERACY AMONG GOVT.EMPLOYEES

**Dr. Binod Murmu**

*Assistant Professor, Sido Kanhu Murmu University*

### ABSTRACT

DOI No: 10.36713/epra13450

Article DOI: <https://doi.org/10.36713/epra13450>

*Financial Literacy is a person's ability, understanding, and attitude towards matters relating to personal finance. It helps an individual to make wise financial decisions. Various initiatives have been taken by the government and various financial institutions to improve the financial literacy level but still there is sizeable gap in financial literacy level. The main aim of the paper is to measure the financial literacy level of Govt. Employees in Aizawl. A total of 126 govt. employees constituted the sample of the study. Questionnaire was prepared for the purpose of the study and through this financial literacy level of the respondents were measured. The results of the study indicates that majority of the government employee's possessed average financial literacy level.*

**KEYWORDS:** *Financial Literacy, Government Employees, Financial Knowledge, Financial Behaviour, Financial Attitude*

### INTRODUCTION

Even though the personal finance market has developed rapidly over the past several years, there is still a need for increased financial literacy to simplify the industry for consumers. Despite the fact that personal finance has grown in importance over the last several years, there is still a sizable gap in financial literacy.

**Financial Literacy:** Financial Literacy is the basic understanding of how to effectively manage personal finance. Financial literacy helps an individual to manage his finance. As an individual personal finance is very important for managing his or her needs. It is the ability to make wise judgements about one's personal finances. It is the knowledge and comprehension of numerous financial ideas and skills. It covers a wide range of issues, such as financial planning in general including budgeting, saving, investing, managing debt, and managing taxes and insurance.

The OECD defines financial literacy as “A combination of awareness, acquaintance, skill, attitude

and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.”

### LITERATURE REVIEW

**Desdemona and Sreekala (2015)** in their study assessed the trend of Financial Literacy and its relation with educational status among the villagers of TN Palayam in Puducherry. The study reveals that the respondents with higher educational status have better Financial Knowledge, improved Financial Literacy and are financially more capable than the respondents with no education or with a low level of educational status.

**Komara et. Al (2017)** in their study of 324 government employees of Bandung west java found that on an average the financial literacy and financial behaviour level of the government employees are good, differences in the level of financial literacy and behaviour in term of age and career level and it was also found that financial literacy and financial

behaviour of the respondents shows a positive relationship.

**Sailo and Singh (2019)** in their study of financial literacy among college teachers their findings shows that financial literacy level of college teachers is relatively low. The respondents are aware of low-risk investing options, but their awareness declines as the risk level rises. The finding also shows that life insurance was the most preferred investment avenues.

**Grate et. Al (2021)** in their study of 162 government employees of Davao city find that the determinants of financial literacy of government employees revealed six different factors which include impulsive buying, wise spending, financial prudence, spendthrift, peer pressure and financial insufficiency

**Ambulit (2022)** in his study of financial literacy among youngsters in Chennai city found that financial literacy is affected by income, age, gender and qualification.

**OBJECTIVES OF THE STUDY**

1. The first objective of the study is to find the Socio-economic profile of the government employees.

**DATA ANALYSIS**

**Socio-Economic Profile:**

**Table I  
Gender**

Gender	Frequency	Percentage
Male	73	57.94%
Female	53	42.06%
Total	126	100.00%

Table I shows the gender wise classification of the respondents. Out of 126 respondent’s majority 57.9% are male and the remaining 42.1% are female.

**Table II  
Age**

Age	Frequency	Percentage
Less than or equal to 30	18	14.29%
Between 31-40	34	26.98%
Between 41-50	36	28.57%
Between 51-60	34	26.98%
More than 60	4	3.17%
Total	126	100.00%

Table II reveals the age wise classification of the respondents it shows that 14.29% belongs to the age group of less than or equal to 30 years, 26.98% belongs to the age group of between 31 to 40 years,

2. The second objective is to find the financial literacy level of the government employees.

**RESEARCH METHODOLOGY**

For the purpose of the study descriptive-survey method was used. The study focused on measuring the literacy level of the government employees of Mizoram. The study included 126 employees. The questionnaire developed by OECD was used for collecting primary data. There were four sections to the questionnaire. The first section determined the respondents' socio-economic profiles; the second assessed their financial knowledge; the third their financial behaviours; and the fourth their financial attitude. Financial literacy is the combination of the three components financial knowledge, financial behaviour and financial attitude.

**SAMPLE SIZE**

For the purpose of the study 126 samples were collected.

**SCOPE OF THE STUDY**

The study is limited to the government employees at Aizawl District

28.57% belongs to the age group of between 41-50 years, 26.98% belongs to the age group of between 51-60 years and the rest 3.17% belongs to the age group of more than 60 years.

**Table III**  
**No. of Family Members**

No. of family members	Frequency	Percentage
2-4	37	29.37%
2-7	76	60.32%
Above 7	13	10.32%
Total	126	100.00%

Table III shows the classification based on the number of family members. The result shows that 29.37% of the respondents belongs to the group of 2-

4 members, 60.32% of the respondents belongs to the group of 2-7 members and 10.32% belongs to the group of above 7 members.

**Table IV**  
**Annual Family Income**

Annual Family Income	Frequency	Percentage
3-5 lakhs	72	57.14%
4-5 lakhs	23	18.25%
5-6 lakhs	15	11.90%
Above 6 lakhs	16	12.70%
Total	126	100.00%

Table IV shows the income wise classification of the respondents. The above table reveals that 57.14% of the respondents have an annual income of 3-5 lakhs, 18.25% have an annual family

income of 4-5 lakhs, 11.90% have an annual family income of 5-6 lakhs and the rest 12.70% have an annual family income of above 6 lakhs.

**Table V**  
**Financial Literacy Programme Attended**

Financial literacy programme attended	Frequency	Percentage
Yes	22	17.46%
No	104	82.54%
Total	126	100.00%

Among the total respondents of 126, only 17.46% have attended financial literacy programme and the

rest 82.54% have not attended any financial literacy programme.

**Table VI**  
**Educational Qualification**

Educational Qualification	Frequency	Percentage
Upto 10th	27	21.43%
12th	32	25.40%
Graduation	46	36.51%
Post Graduation	21	16.67%
Total	126	100.00%

Table VI shows the educational qualification wise classification of the respondents. The result shows that 21.43% have an educational qualification of upto 10<sup>th</sup>, 25.40% upto 12<sup>th</sup>, 36.51% graduation and the rest

16.67% have an educational qualification of postgraduation.

**FINANCIAL LITERACY**

**Table VII  
Gender and Financial Literacy level**

			Financial Literacy level			Total
			Poor Financial Literacy	Average Financial Literacy	Good Financial Literacy	
Gender	Male	Count	0	42	31	73
		% within Gender	0.0%	57.5%	42.5%	100.0%
	Female	Count	0	29	24	53
		% within Gender	0.0%	54.7%	45.3%	100.0%
Total		Count	0	71	55	126
		% within Gender	0.0%	56.3%	43.7%	100.0%

Table VII depicts the gender wise classification of the financial literacy of the respondents. The result shows that the percentage of good financial literacy is higher among the female respondents whereas the percentage

of average financial literacy is higher among the male respondents. No respondents were found to have poor financial literacy.

**Table VIII  
Age and Financial Literacy level**

			Financial Literacy level			Total	
			Poor Financial Literacy	Average Financial Literacy	Good Financial Literacy		
Age	Less than or equal to 30	Count	0	12	6	18	
		% within Age	0.0%	66.7%	33.3%	100.0%	
	Between 31-40	Count	0	23	11	34	
		% within Age	0.0%	67.6%	32.4%	100.0%	
	Between 41-50	Count	0	19	17	36	
		% within Age	0.0%	52.8%	47.2%	100.0%	
	Between 51-60	Count	0	13	21	34	
		% within Age	0.0%	38.2%	61.8%	100.0%	
	More than 60	Count	0	4	0	4	
		% within Age	0.0%	100.0%	0.0%	100.0%	
	Total		Count	0	71	55	126
			% within Age	0.0%	56.3%	43.7%	100.0%

Table VIII shows the financial literacy level of the respondents in relation to their age. The result shows that age group of 51-40 years has the highest percentage of good financial literacy followed by age group of 41-50 years which means that age group of

41 to 60 years are more financially literate than the other age groups.

**Table IX**  
**No. of family members and Financial Literacy level**

			Financial Literacy level			Total
			Poor Financial Literacy	Average Financial Literacy	Good Financial Literacy	
No. of family members	2-4	Count	0	18	19	37
		% within No. of family members	0.0%	48.6%	51.4%	100.0%
	5-7	Count	0	46	30	76
		% within No. of family members	0.0%	60.5%	39.5%	100.0%
	Above 7	Count	0	7	6	13
		% within No. of family members	0.0%	53.8%	46.2%	100.0%
Total		Count	0	71	55	126
		% within No. of family members	0.0%	56.3%	43.7%	100.0%

Table IX shows the financial literacy level of the respondents in relation to their no. of family members, the result shows that family members between 2-4

members has the highest level of good financial literacy followed by family members of above 7 members.

**Table X**  
**Educational qualification and Financial Literacy level**

			Financial Literacy level			Total	
			Poor Financial Literacy	Average Financial Literacy	Good Financial Literacy		
Educational Qualification	Upto 10th	Count	0	18	9	27	
		% within Educational qualification	0.0%	76.7%	33.3%	100.0%	
	12th	Count	0	19	13	32	
		% within Educational qualification	0.0%	59.4%	40.6%	100.0%	
	Graduation	Count	0	24	22	46	
		% within Educational qualification	0.0%	52.2%	47.8%	100.0%	
	Post Graduation	Count	0	10	11	21	
		% within Educational qualification	0.0%	47.6%	52.4%	100.0%	
	Total		Count	0	71	55	126
			% within Educational qualification	0.0%	56.3%	43.7%	100.0%

Table X shows the financial literacy level of the respondents with respect to their educational qualifications. The result depicts that the highest

percentage of good financial literacy is possessed by Post graduate followed by graduation. Which shows

that financial literacy level increases with the increase in level of education of the respondents.

**Table XI**  
**Annual family income and Financial Literacy level**

			Financial Literacy level			Total
			Poor Financial Literacy	Average Financial Literacy	Good Financial Literacy	
Annual family income	3-4 lakhs	Count	0	43	29	72
		% within Annual family income	0.0%	59.7%	40.3%	100.0%
	4-5 lakhs	Count	0	12	11	23
		% within Annual family income	0.0%	52.2%	47.8%	100.0%
	5-6 lakhs	Count	0	7	8	15
		% within Annual family income	0.0%	46.7%	53.3%	100.0%
	Above 6 lakhs	Count	0	9	7	16
		% within Annual family income	0.0%	56.3%	43.8%	100.0%
Total		Count	0	71	55	126
		% within Annual family income	0.0%	56.3%	43.7%	100.0%

Table XI represents the financial literacy level of the respondents on the basis their annual family income. It was found that income group of 5-6 lakhs possessed the highest percentage of good financial literacy

followed by income group of 4-5 lakhs. Among the different income group respondents with the least income group 3-4 lakhs has the lowest percentage of good financial literacy.

**Table XII**  
**Financial literacy programme and Financial Literacy level**

			Financial Literacy level			Total
			Poor Financial Literacy	Average Financial Literacy	Good Financial Literacy	
Have you attended any financial literacy programme?	No	Count	0	60	44	104
		% within Have you attended any financial literacy programme?	0.0%	57.7%	42.3%	100.0%
	Yes	Count	0	11	11	22
		% within Have you attended any financial literacy programme?	0.0%	50.0%	50.0%	100.0%
Total		Count	0	71	55	126
		% within Have you attended any financial literacy programme?	0.0%	56.3%	43.7%	100.0%

The above table shows that the percentage of good financial literacy is higher among the respondents who have attended financial literacy programme.

**FINDINGS**

- Female respondents possessed higher percentage of good financial literacy than male respondents.
- Financial literacy level of the respondents increases with the increase in the age of the

respondents. Age group of more than 60 years possessed the highest percentage of good financial literacy.

- Middle income group possessed higher level of good financial literacy.
- The percentage of good financial literacy is directly related to educational qualification. The findings shows that financial literacy level increases with the increase in educational qualification of the respondents.
- Respondents who have attended financial literacy programme possessed higher percentage of good financial literacy which depicts that financial literacy programs play an important role in improving financial literacy.
- Overall result shows that government employee's majority (56.3%) of the respondents possessed average financial literacy and the rest 43.7% of the respondents possessed good financial literacy. No respondents were found to have poor financial literacy.

## REFERENCES

1. RBI (2012). *National strategy for financial literacy*. Retrieved from <http://www.rbi.org.in>
2. Desdemona, C.M & Sreekala, E. (2015). *Is there a Logical Association between Educational Status and Financial Literacy?* *Business Review*,9(1), 43-55.
3. OECD (2016). *OECD/INFE International Survey of Adult Financial Literacy Competencies*. Retrieved from <https://www.oecd.org/daf/fin/financial-education/OECD-INFE-International-Survey-of-Adult-Financial-Literacy-Competencies.pdf>
4. Desdemona A. C.M. (2018). *Relevance for Demographic Factor: Level of financial literacy*. *SCMS Journal of Indian Management*, January- March 2018 Volume XV Number 1, pp.68-77
5. Komara, R., Widyastuti, A., & Layyinaturobaniyah. (2017). *Financial literacy and financial behavior among government employees*. Retrieved from <http://ircmb.org/jurnal/2017/035.pdf>
6. Shashidhar, R. & Shivashankar, K.C (2018). *Financial Literacy: An awareness study* *Research Review. International Journal of Multidisciplinary*, 3(9), 22-25
7. Sailo, L. & Singh, B. (2019). *Financial Literacy among College Teachers in Aizawl: A Case Study of Pachhunga University College*. *Management Convergence*, 10(2), 1-10.
8. Rai, K., et. al. (2019). *Association of Financial Attitude, Financial Behaviour and Financial Knowledge Towards Financial Literacy: A Structural Equation Modelling Approach*. *FIIB Business Review*, 8(1), 51–60.
9. Grate, A. L (2020) . *Determinants of The Financial Literacy among Government Employees in Davao City , Philippines*, *International Journal of Engineering Technology Research & Management*, 2(6), pp. 13-20
10. Ambuli, T.V. (2022). *A Study of Financial Literacy among Youngsters in Chennai City*. *Journal of Contemporary Issues in Business and Government*, 28(04), pp. 1251-1258.