



# A STUDY ON GENDER DIFFERENCES IN FINANCIAL LITERACY

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## ABSTRACT

Financial Literacy is the basic understanding of personal finance. With the increase in complexity of the financial market the need for financial literacy has become more and more important. Financial literacy helps an individual to make informed financial decision. The study aims to identify the differences in financial literacy level of the male and female respondents.

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

## INTRODUCTION

Even though personal finance market has developed rapidly over the past several years, there is still a need for increased financial literacy. 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 is crucial for people of all ages and backgrounds to make sound financial decisions, improve financial well-being and work towards achieving their long-term financial objectives. Governments, educational institutions and financial organizations often promote financial literacy programs to enhance the overall financial well-being of individuals and society as a whole.

Being financially literate means having the knowledge to understand financial concepts and terminology, such as banks accounts, credit cards, loans and insurance.

Financial literacy is essential for individuals to achieve financial stability, plan for the future, and work towards their financial goals. With financial literacy, people can make wise decisions about managing their income, assets, and debt, and they are better equipped to protect themselves from financial fraud and scams. Developing financial literacy is crucial for individuals to achieve financial well-being and make sound financial decisions throughout their lives.

Financial literacy refers to the knowledge, understanding and skills necessary to make informed and effective decisions about money and financial matters. It involves having the ability to manage personal finances, including budgeting, saving, investing, borrowing, and spending in a responsible and informed manner.

## LITERATURE REVIEW

Sekar and Gowri (2015) in their research article examines the financial literacy level among respondents in Coimbatore, finding an overall financial literacy level of 50.90%, which indicates a general lack of awareness about financial matters. The study highlights that young people have low savings habits and bear the burden of financial planning due to reduced

employee benefits. The research finding also reveals that financial literacy varies significantly based on demographic and socioeconomic factors such as gender, education, income, marital status, and number of dependents. Interestingly, age does not seem to have an impact on financial literacy level.

Bucher-Koenen et. Al. (2021) in their study shows that women are less financial literate than men. The survey experiment result shows that women tend to respond don't know in financial knowledge related questions. Further the findings also shows that about one-third of the financial literacy gender gap is due to lack of confidence among females.

Kamoto S, Komamura K (2021) in their study of financial literacy among 25,000 individuals in Japan shows that financial literacy of the respondents increases until early 60's and then starts declining, although the confidence in financial literacy follows the opposite trend, particularly among man. Further, the study also shows that financial literacy level of men is higher than that of women.

Rink et. Al. (2021) in their study uses empirical research to examine how culture may contribute to the commonly noted disparities in financial literacy between men and women. The study discovered that women have substantially lower financial literacy than men using nationally representative survey data from India. However, in matrilineal states, however, the study does not find any evidence of this gender discrepancy. In addition, the study also shows that matrilineal women know more about money than patriarchal women do.

## OBJECTIVES OF THE STUDY

The main objective of the study is to find the differences in financial literacy of male and female respondents.

## SAMPLE SIZE

A sample size of 100 male and 100 female respondents of Mizoram were selected for the purpose of the study.



**SCOPE OF THE STUDY**

The study is limited to the people of Aizawl city.

**LIMITATION OF THE STUDY**

Since the study is restricted to the people of Aizawl it may not be the representative of all the population.

**DATA ANALYSIS**

**Table 1: Age of the Respondents**

|        |                 | Age                      |               |               |          | Total  |
|--------|-----------------|--------------------------|---------------|---------------|----------|--------|
|        |                 | Less than or equal to 30 | Between 31-40 | Between 41-50 | Above 50 |        |
| Male   | Count           | 26                       | 25            | 24            | 36       | 111    |
|        | % within Gender | 23.4%                    | 22.5%         | 21.6%         | 32.4%    | 100.0% |
| Female | Count           | 14                       | 31            | 28            | 16       | 89     |
|        | % within Gender | 15.7%                    | 34.8%         | 31.5%         | 18.0%    | 100.0% |
| Total  | Count           | 40                       | 56            | 52            | 52       | 200    |
|        | % within Gender | 20.0%                    | 28.0%         | 26.0%         | 26.0%    | 100.0% |

Source: Sample Survey

The above table shows the age wise distribution of the respondents. The table shows that among the male respondents 32.4 per cent belongs to the age group of above 50 years, 23.4 per cent 30 years and below, 22.5 per cent between 31 to 40 years and the rest 21.6 per cent belongs to the age group of 41

to 50 years. Among the female respondents, 34.8 per cent belongs to the age group of 31 to 40 years, 31.5 per cent between 41 to 50 years, 18 per cent above 50 years and the remaining 15.7 per cent belongs to the age group of 30 years and below.

**Table 2: No. of Family Members of the Respondents**

|        |                 | No. of family members |       |         | Total  |
|--------|-----------------|-----------------------|-------|---------|--------|
|        |                 | 2-4                   | 5-7   | Above 7 |        |
| Male   | Count           | 30                    | 65    | 16      | 111    |
|        | % within Gender | 27.0%                 | 58.6% | 14.4%   | 100.0% |
| Female | Count           | 30                    | 50    | 9       | 89     |
|        | % within Gender | 33.7%                 | 56.2% | 10.1%   | 100.0% |
| Total  | Count           | 60                    | 115   | 25      | 200    |
|        | % within Gender | 30.0%                 | 57.5% | 12.5%   | 100.0% |

Source: Sample Survey

The above table shows the no. of family members among the respondents. Among the male respondent's majority i.e. 58.6 per cent are of family members between 5-7, 27 per cent among 2-4 family members and 14.4 per cent among the family members above 7. Among the female respondent's majority

56.2 per cent are of family members between 5-7, 33.7 per cent among the family members between 2-4 and 10.1 per cent among the family members - above 7.

**Table 3: Educational Qualification of the Respondents**

|        |                 | Educational Qualification |       |            |                 | Total  |
|--------|-----------------|---------------------------|-------|------------|-----------------|--------|
|        |                 | Upto 10th                 | 12th  | Graduation | Post Graduation |        |
| Male   | Count           | 25                        | 31    | 43         | 12              | 111    |
|        | % within Gender | 22.5%                     | 27.9% | 38.7%      | 10.8%           | 100.0% |
| Female | Count           | 30                        | 26    | 22         | 11              | 89     |
|        | % within Gender | 33.7%                     | 29.2% | 24.7%      | 12.4%           | 100.0% |
| Total  | Count           | 55                        | 57    | 65         | 23              | 200    |
|        | % within Gender | 27.5%                     | 28.5% | 32.5%      | 11.5%           | 100.0% |

Source: Sample Survey



The above table shows the educational qualification of the respondents. The result shows that among the male respondent 38.7% of the respondents are graduate, 27.9 per cent have a qualification of 12<sup>th</sup>, 22.5 percent upto 10<sup>th</sup> standard and the remaining 10.8 per cent have a qualification of post graduate.

Among the female respondents 33.7 per cent have a qualification of upto 10<sup>th</sup> standard, 29.2 per cent have a qualification of 12<sup>th</sup> standard, 24.7 percent graduate and the rest 12.4 per cent have an educational qualification of post graduate.

**Table 4: Annual Family Income of the Respondents**

|        |                 | Annual family income |           |           |               | Total  |
|--------|-----------------|----------------------|-----------|-----------|---------------|--------|
|        |                 | 3-4 lakhs            | 4-5 lakhs | 5-6 lakhs | Above 6 lakhs |        |
| Male   | Count           | 72                   | 21        | 8         | 10            | 111    |
|        | % within Gender | 64.9%                | 18.9%     | 7.2%      | 9.0%          | 100.0% |
| Female | Count           | 60                   | 13        | 8         | 8             | 89     |
|        | % within Gender | 67.4%                | 14.6%     | 9.0%      | 9.0%          | 100.0% |
| Total  |                 | 132                  | 34        | 16        | 18            | 200    |
|        |                 | 66.0%                | 17.0%     | 8.0%      | 9.0%          | 100.0% |

Source: Sample Survey

Table 4 shows the annual family income of the respondents. Among male respondents 64.9 per cent have an income of 3-4 lakhs, 18.9 per cent have an income of 4-5 lakhs 7.2 per cent 5-6 lakhs and the rest 9 per cent has an annual family income of

above 6 lakhs. Among the female respondents 67.4 per cent has an income of 3-4 lakhs, 14.6 per cent 4-5 lakhs and 9 per cent 5-6 lakhs and the rest 9 per cent has an income of above 6 lakhs.

**Table 5: Employment status of the Respondents**

|        |                 | Employment |           |               | Total  |
|--------|-----------------|------------|-----------|---------------|--------|
|        |                 | Govt.      | Non-Govt. | Self-Employed |        |
| Male   | Count           | 73         | 11        | 27            | 111    |
|        | % within Gender | 65.8%      | 9.9%      | 24.3%         | 100.0% |
| Female | Count           | 53         | 16        | 20            | 89     |
|        | % within Gender | 59.6%      | 18.0%     | 22.5%         | 100.0% |
| Total  |                 | 126        | 27        | 47            | 200    |
|        |                 | 63.0%      | 13.5%     | 23.5%         | 100.0% |

Source: Sample Survey

The above table shows the employment status of the respondents. The result shows that among both male and female

respondents' majority of the respondents are government employees.

**Table 6: Financial Literacy programme of the Respondents**

|        |                 | Have you attended any financial literacy programme? |       | Total  |
|--------|-----------------|---|-------|--------|
|        |                 | No  | Yes   |        |
| Male   | Count           | 92  | 19    | 111    |
|        | % within Gender | 82.9%   | 17.1% | 100.0% |
| Female | Count           | 75  | 14    | 89     |
|        | % within Gender | 84.3%   | 15.7% | 100.0% |
| Total  |                 | 167   | 33    | 200    |
|        |                 | 83.5%   | 16.5% | 100.0% |

Source: Sample Survey

The above table shows whether the respondents have attended any financial literacy programme or not. The result shows that more than 80 per cent of both male and female respondents have not attended any financial literacy programme.

**Table 7: Financial Knowledge level of the Respondents**

|        |                 | Financial Knowledge Level         |                                      |                                   | Total  |
|--------|-----------------|-----------------------------------|--------------------------------------|-----------------------------------|--------|
|        |                 | Poor level of Financial Knowledge | Average Level of Financial Knowledge | High level of Financial Knowledge |        |
| Male   | Count           | 2                                 | 44                                   | 65                                | 111    |
|        | % within Gender | 1.8%                              | 39.6%                                | 58.6%                             | 100.0% |
| Female | Count           | 4                                 | 30                                   | 55                                | 89     |
|        | % within Gender | 4.5%                              | 33.7%                                | 61.8%                             | 100.0% |
|        | Count           | 6                                 | 74                                   | 120                               | 200    |
|        | % within Gender | 3.0%                              | 37.0%                                | 60.0%                             | 100.0% |

Source: Sample Survey

The above table shows the financial knowledge level of the respondents. The result shows that 58.6 per cent of the male respondents possessed high level of financial knowledge in comparison to 61.8 per cent among female respondents which

determines that the percentage of high level of financial knowledge is higher slightly higher among the female respondents.

**Table 8: Financial Behaviour level of the Respondents**

|        |                 | Financial Behaviour Level       |                                      |                              | Total  |
|--------|-----------------|---------------------------------|--------------------------------------|------------------------------|--------|
|        |                 | Indifferent Financial Behaviour | Average Level of Financial Behaviour | Positive Financial Behaviour |        |
| Male   | Count           | 8                               | 24                                   | 79                           | 111    |
|        | % within Gender | 7.2%                            | 21.6%                                | 71.2%                        | 100.0% |
| Female | Count           | 4                               | 19                                   | 66                           | 89     |
|        | % within Gender | 4.5%                            | 21.3%                                | 74.2%                        | 100.0% |
|        | Count           | 12                              | 43                                   | 145                          | 200    |
|        | % within Gender | 6.0%                            | 21.5%                                | 72.5%                        | 100.0% |

Source: Sample Survey

The above table shows the financial behaviour level of the respondents. The table depicts that majority of both male and female respondents possessed positive financial behaviour. It

also shows that 71.2 per cent of male respondents in comparison to 74.2 per cent of female respondents possessed positive financial behaviour.

**Table 8: Financial Attitude level of the Respondents**

|        |                 | Financial Attitude Level       |                            |                             | Total  |
|--------|-----------------|--------------------------------|----------------------------|-----------------------------|--------|
|        |                 | Indifferent Financial Attitude | Average Financial Attitude | Positive Financial Attitude |        |
| Male   | Count           | 45                             | 49                         | 17                          | 111    |
|        | % within Gender | 40.5%                          | 44.1%                      | 15.3%                       | 100.0% |
| Female | Count           | 35                             | 43                         | 11                          | 89     |
|        | % within Gender | 39.3%                          | 48.3%                      | 12.4%                       | 100.0% |
|        | Count           | 80                             | 92                         | 28                          | 200    |
|        | % within Gender | 40.0%                          | 46.0%                      | 14.0%                       | 100.0% |

Source: Sample Survey

Table 8 depicts the financial attitude level of the respondents. The result shows that the percentage of positive financial attitude is low among both male and female respondents. Only

15.3 percent of male and 12.4 per cent of female possessed positive financial attitude.

**Table 8: Financial Literacy level of the Respondents**

|        |                 | Financial Literacy level |                            |                         | Total  |
|--------|-----------------|--------------------------|----------------------------|-------------------------|--------|
|        |                 | Poor Financial Literacy  | Average Financial Literacy | Good Financial Literacy |        |
| Male   | Count           | 0                        | 64                         | 47                      | 111    |
|        | % within Gender | 0.0%                     | 57.7%                      | 42.3%                   | 100.0% |
| Female | Count           | 3                        | 50                         | 36                      | 89     |
|        | % within Gender | 3.4%                     | 56.2%                      | 40.4%                   | 100.0% |
|        | Count           | 3                        | 114                        | 83                      | 200    |
|        | % within Gender | 1.5%                     | 57.0%                      | 41.5%                   | 100.0% |

Source: Sample Survey

The above table shows the financial literacy level of the respondents. The result shows that majority of both male and female respondents possessed average financial literacy and

42.3 per cent of male in comparison to 40.4 per cent of female respondents possessed good financial literacy.

**Hypothesis**

**H01: There is no significant difference between gender and financial knowledge level of the respondents.**

**Table 9: Chi Square Test on association between gender and financial knowledge**

|                              | Value              | df | Asymp. Sig. (2-sided) |
|------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square           | 1.750 <sup>a</sup> | 2  | .417                  |
| Likelihood Ratio             | 1.754              | 2  | .416                  |
| Linear-by-Linear Association | .005               | 1  | .945                  |
| N of Valid Cases             | 200                |    |                       |

The above table shows the association between gender and financial knowledge. Since the chi square p- value .417 is more than the 0.05 level of the significance value the null hypothesis

is accepted and conclude that there is no association between gender and financial knowledge of the respondents.



**H02: There is no significant difference between gender and financial behaviour level of the respondents.**

**Table 10: Chi Square Test on association between gender and financial behaviour.**

|                              | Value             | df | Asymp. Sig. (2-sided) |
|------------------------------|-------------------|----|-----------------------|
| Pearson Chi-Square           | .668 <sup>a</sup> | 2  | .716                  |
| Likelihood Ratio             | .684              | 2  | .710                  |
| Linear-by-Linear Association | .466              | 1  | .495                  |
| N of Valid Cases             | 200               |    |                       |

The above table shows the association between gender and financial behaviour. Since the chi square p- value .716 is more than the 0.05 level of the significance value the null hypothesis

is accepted and conclude that there is no association between gender and financial behaviour of the respondents.

**H03: There is no significant difference between gender and financial attitude level of the respondents.**

**Table 11: Chi Square Test on association between gender and financial attitude.**

|                              | Value             | df | Asymp. Sig. (2-sided) |
|------------------------------|-------------------|----|-----------------------|
| Pearson Chi-Square           | .513 <sup>a</sup> | 2  | .774                  |
| Likelihood Ratio             | .516              | 2  | .773                  |
| Linear-by-Linear Association | .032              | 1  | .859                  |
| N of Valid Cases             | 200               |    |                       |

The above table shows the association between gender and financial attitude. Since the chi square p- value .774 is more than the 0.05 level of the significance value the null hypothesis

is accepted and conclude that there is no association between gender and financial attitude of the respondents.

**H04: There is no significant difference between gender and financial literacy level of the respondents.**

**Table 12: Chi Square Test on association between gender and financial literacy**

|                              | Value              | df | Asymp. Sig. (2-sided) |
|------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square           | 3.803 <sup>a</sup> | 2  | .149                  |
| Likelihood Ratio             | 4.920              | 2  | .085                  |
| Linear-by-Linear Association | .504               | 1  | .478                  |
| N of Valid Cases             | 200                |    |                       |

The above table shows the association between gender and financial literacy. Since the chi square p- value .149 is more than the 0.05 level of the significance value the null hypothesis is accepted and conclude that there is no association between gender and financial literacy of the respondents which is in contrast with the findings of Lusardi and Mitchell (2011) and Patel (2018).

**FINDINGS**

- The study shows that majority of both male and female respondents possessed average level of financial literacy. It was also found that the percentage of good and average financial literacy is slightly higher among the male respondents.

- The findings on financial attitude also shows that financial attitude among male and female is very poor. Among male respondents 40.5 per cent and female 39.3 per cent possessed indifferent financial attitude and only 15.3 per cent of male and 12.4 per cent of female respondents possessed positive financial attitude.
- The findings on financial behaviour shows that the percentage of positive financial behaviour is higher among the female respondents. And the result also shows that majority of both male and female respondents possessed positive financial behaviour.
- The findings on financial knowledge shows that the percentage of high financial knowledge is higher among female respondents.



- No significant association was found between gender and financial knowledge, gender and financial behaviour, gender and financial attitude, gender and financial literacy.

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