

**A STUDY ON “FINANCIAL LITERACY IN COMMUNITY SUB
GROUP - A CASE STUDY OF RETIRED PRIVATE EMPLOYEES IN
THAZHAKKARA PANCHAYATH”**

PROJECT REPORT

SUBMITTED TO:

The University of Kerala in partial fulfilment of the requirements for the award
of the degree of Bachelor of Commerce.

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BISHOP MOORE COLLEGE, MAVELIKARA
UNIVERSITY OF KERALA**

(2019-2022)
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CERTIFICATE

This is to certify that the project report entitled **A STUDY ON “FINANCIAL LITERACY IN COMMUNITY SUB GROUP - A CASE STUDY OF RETIRED PRIVATE EMPLOYEES** in thazhkara panchayat” is a bonafide work done by Betsy Bency(15919101077), Thanzi Thampi(15919101069), Muhammed Shijas Shajahan (15919101082), Nandu.S(15919101084). In partial fulfilment of requirements for the Award of the Degree of Bachelor of Commerce, University of Kerala.

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ACKNOWLEDGEMENTS

We would like acknowledge our indebtedness to all those who have assisted and encouraged us in the preparation of this project report.

First of all, we are highly indebted to **REEJA MURALI, Department of Commerce** for her inspiring guidance throughout the work. We extend our gratitude to **Dr. Sajeer V P, Head of the Department**, for his continuous encouragement during the course of the project work.

We would like to express our deep sense of gratitude to our respected **Principal, Dr Jacob Chandy** who has always been a great support to us.

Last but not least, our grateful appreciation is also extended to our parents and friends who have constantly supported us throughout the project work.

Above all, without the grace **God Almighty**, we wouldn't have done and completed this project.

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DECLARATION

We BETCY BENCY, THANZI THAMPI, MUHAMMED SHIJAS SHAJAHAN, NANDU.S sixth semester B.COM students of BISHOP MOORE COLLEGE, Mavelikara, (University of Kerala) do hereby declare that this project work, a study on “financial literacy in community sub groups - A case study of Retired Private Employees in Thazhakkara panchayath” under the guidance of **REEJA MURALI**, is the result of original work done during the project time. The matter included in this report is not a reproduction of any other source. We are declaring that this project report has not been submitted elsewhere for any other degree.

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CHAPTER – 1

INTRODUCTION

1.1 INTRODUCTION

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. Financial literacy is the foundation of your relationship with money, and it is a lifelong journey of learning. The earlier you start, the better off you will be because education is the key to success when it comes to money.

Developing financial literacy skills is essential. It helps in improving personal finance management. Personal finance is a process which involves learning, practicing and applying a variety of financial skills. It ranges from budgeting, managing, and paying off debt, understanding credit and various investment products.

In recent decades financial products and services have become increasingly widespread throughout society. Whereas earlier generations of Americans may have purchased goods primarily in cash, various credit products are popular today, such as credit and debit cards and electronic transfers. Indeed, a 2019 survey from the Federal Reserve Bank of San Francisco showed that consumers preferred cash payments in only 22% of transactions, favouring debit cards for 42% and credit cards for 29%.

Other products, such as mortgages, student loans, health insurance, and self-directed investment accounts, have also grown in importance. This has made it even more imperative for individuals to understand how to use them responsibly.

Although there are many skills that might fall under the umbrella of financial literacy, popular examples include household budgeting, learning how to manage and pay off debts, and evaluating the trade-offs between different credit and investment products. These skills often require at least a working knowledge of key financial concepts, such as compound interest and the time value of money.

Being financially illiterate can lead to a number of pitfalls, such as being more likely to accumulate unsustainable debt burdens, either through poor spending decisions or a lack of long-term preparation. This, in turn, can lead to poor credit, bankruptcy, housing foreclosure, and other negative consequences.

Financial literacy is a major life skill one needs to have as it increases your financial capability. Planning finances, managing budgets and savings should be taught right from the school days. However, it's never too late to learn about it. One can improve financial literacy by understanding the components of it. One can always begin their investment journey even after they turn 50. But starting early has its own benefits.

1.2 STATEMENT OF THE PROBLEM

The lack of financial literacy can lead to a number of pitfalls, such as accumulating unsustainable debt burdens, either through poor spending decisions or a lack of long-term preparation. This, in turn, can lead to poor credit, bankruptcy, housing foreclosure, or other negative consequences.

It is observed that in the educated class including those with commercial and financial education do not have adequate knowledge to take wise financial decision or not utilize their knowledge to interpret the correct data to utilize the market for financial gains. The problem considered in the study is the lack of financial awareness/ competence/ confidence/ attitude consequently ever increasing social and economic problems in the society especially the Retired Private Employees in thazhakkara panchayath.

We hope that this case study may prove that the need for financial education in the society, so that the future society can fulfil their financial goals.

1.3 OBJECTIVES

- To study about the financial literacy
- To study the level of financial literacy of the subgroup of Retired Private employees in Thazhakkara panachayt.
- To assess the financial confidence of Retired Private employees in Thazhakkara Panchayat.
- To assess the financial competence of Retired Private employees in Thazhakkara Panchayat.
- To assess the financial motivation of Retired Private employees in Thazhakkara Panchayat.
- To suggest measures to improve financial literacy among Retired Private employees in Thazhakkara Panchayat.

1.4 SIGNIFICANCE OF THE STUDY

The study of financial literacy helps in understanding financial concepts better and enables one to manage their finances efficiently. Financial literacy empowers us to make smart financial decisions. It provides knowledge and skills we need to manage money effectively - budgeting, saving, borrowing and investing. Increase in ethical decision - making when selecting insurance,

loans, investments and using a credit card. Financial literacy helps person to achieve a financially balanced, responsible and ethical lifestyle and make appropriate financial choices during their life time.

1.5 SCOPE OF THE STUDY

The scope of financial literacy is vast. It encompasses budgetary education (personal or family budget) and learning about banking tools (everyday banking, savings, insurance), as well as understanding economic concepts (how the economy operates and is financed) and public policies.

1.6 METHODOLOGY OF THE STUDY

SOURCE OF DATA

Primary data:

The primary data was collected by using a structured question, it is basically an interdisciplinary topic of research, as knowledge from various discipline converges. Information was collected by using questionnaire sent through google forms. The set of questionnaire includes demographic questionnaire which includes age, gender, civil status etc. Another set of questionnaire deals with the hygiene, motivational and other factors of employee job satisfaction It decided to choose a sample of few households for the purpose of the survey.

Secondary data:

The secondary data are collected from the websites, internet etc. as part of the methodology, simple stratified tools have been used. It includes percentages, tables, diagrams etc. They have been used to express the relationship between variables.

SAMPLE DESIGN

Population: The population of the study is descriptive in nature covers the common citizens in Alappuzha district in Thazhakkara Panchayat.

Sample size: 50 common citizens from various places of Alappuzha district.

Sampling Method: The method of sampling adopted is convenience sampling.

Period of the study: The survey for collecting primary data was conducted during March 2022.

Method used for collecting of data: For the purpose of collection of primary data, questionnaire is used. The data collected were classified and analysed considering the objectives of the study. The data will be analysed with the help of appropriate mathematical and statistical tools like percentage, average, etc. The main tool used for the data collection is survey with the help of google form. Tool for Analysis of data, the data collected have been analysed by means of presentation of data, table, chart etc.

DATA ANALYSIS TECHNIQUES

Percentage Analysis This is the simplest way to analyse different types of data. The percentage rate of each data is found out with respect to the total. Percentage Analysis is the method to represent raw streams of data as percentage (apart in 100%) for better understanding of collected data. This form of analysis looks at raw streams of data in the form of percentage. This is done to learn about the data collected. The percentage method is used for comparing certain features. The collected data represented in the form of tables and graphs in order to give effective visualization of comparison made.

Percentage = $(\text{no. of respondent} / \text{total respondents}) * 100$

1.7 OPERATIONAL DEFINITION

- 1) **Retired Private Employees:** The private sector is the segment of a national economy that is owned, controlled, and managed by private individuals or enterprises. The private sector has a goal of making money and employs more workers than the public sector. The private sector is a very diverse sector and makes up a big part of many economies. It is based on many different individuals, partnerships and sole proprietorships.
- 2) **Financial literate:** A person is considered as financially literate if the answer to the questions 10.1 to 10.5 and anyone of 10.6 to 10.12 is know well or apply. It means a person know well or to apply the

concept of Interest, Compound interest, Inflation, Risk diversification and Insurance.

- 3) **Financial Competency:** A person is considered to be financial competent if his/her answer to the questions 11.13 to 11.17 is apply or use. It means a person is considered as financial competent if he apply or use the concept of Long term planning of the Expenses/ Income/ Savings/ Investment, aware of the Financial products and the Risk/Return characteristics, choosing financial products, access to financial products and stay informed.
- 4) **Financial Confident:** A person is considered to be financially confident if answers to three questions from 12.18 to 12.20 and is apply /use or know well and similarly know Well for any of the questions from 12.21 to 12.24. It can be considered as Financially confident if he/she apply the concept of Independent financial decisions made and executed – current and long term and know where to seek help on financial matters, Managing debt and Regulatory Authorities (RBI, IRDA, PFRDA, SEBI).
- 5) **Financially motivated:** A person is considered to be financially motivated if answers to any three questions from 24 and 27 is apply or use. It means a person is considered as Financially confident if he/she apply the concept of Day to day financial management And budgeting, habit of saving and investment.

1.8 LIMITATIONS OF THE STUDY

- Only a brief outline and description into the various aspects of the study was possible.
- As in any other primary survey there will be hesitation from the respondents to answer the questions related to their income, savings.
- Study is conducted within a limited time.
- Errors might have occurred while collecting data.

1.9 CHAPERTISATION

The study is divided into 5 chapters:

Chapter 1- Introduction
Chapter 2- Review of Literature
Chapter 3- Theoretical Framework
Chapter 4- Analysis and Interpretation
Chapter 5- Findings, Suggestions and Conclusion
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CHAPTER2

REVIEW OF LITERATURE

REVIEW OF LITERATURE

Kamal Gupta et al. (2014) assessed the level of financial literacy amongst 87 micro-Entrepreneurs of Kangra district of Himalaya Pradesh based on record keeping, various institutional awareness, Savings, investment plans, savings management and various loan products. It is found that most of respondents are responsive of bank loans, less awareness about other financial institutions. Overall possess low financial skills which reflected in deficient record keeping, poor cash management, improper savings habits, less awareness on financial products. Research suggested that to create more awareness and financial alternatives for well-being of micro-Entrepreneurs.

Lavanya Rekha Bahadur (2015) analysed two pillars of the economy: financial literacy and financial inclusion and its current scenario as well as common people perspective about financial instruments. Data collected from 202 Mumbai and thane district individuals. It is found that level of financial literacy is very low and suggested to encourage financial literacy from school level, national level programs and seep effort to the grass root level.

K N Narendra (2014) discussed the role of Financial Planner in the era of overloaded information. Study suggested that the persistent and prolonged efforts by all stake holders to educate and bring down revolution in India.

Sumit Agarwal et al. (2010) examined investment behaviour, liability choice, risk tolerance and insurance usage of 1,694 Hyderabad

respondents who are interested in personal finance. Data for analysis provided by Investment Yogi Financial Advisory Services. Majority of respondents are financially literate they answered the numeracy, inflation and diversification questions correctly. Study found that majority of males with higher education level and aggressive investors are more literate than females and less educated.

V Mathavathani et al. (2014) focused on financial literacy of rural women in Tamil Nādu based on 3 factors: knowledge, behaviour and attitude. It is found that very low financial literacy among rural women.

Puneet Bhushan et al. (2013) conducted survey of 516 salaried individuals of Himachal Pradesh using multistage sampling to check the financial literacy level. It is found that overall literacy level is low and financial literacy level of male is more than females. Level of education, income, nature of employment and place of work influence on financial literacy whereas geographical region does not influence on financial literacy.

Harsha V Jariwala (2014) assessed the financial literacy level of individual investors in Gujarat state, India and its effect on investment decision by considering 44 variables. The research found that 39.2% of 285 respondents are higher level of financial literacy and found that financial literacy does have statistically significant effect on investment decision.

Priyanka Agarwal, et al. (2015) emphasis on financial literacy importance for managing finances and investment pattern of both teaching and non-teaching female staff (20 teaching and 20 non-teaching female staff) in education sector of Jhansi District. It is found that most of working women are aware of Investment Avenue and invest their savings in bank and post office fixed deposit. Visa Financial Literacy Survey (2014), depicts Indians are least financially literate people across the globe with youngsters and women struggling most with their financial knowledge. Only 25% of total population in India are financially literate and ranked 23rd among 28 countries.

Ratna Achuta Paluri (2016) analysed factors influencing financial attitudes of Indian women to classify Indian women based on attitude with 9 variables: anxiety, interest in financial issues, intuitive decisions, precautionary savings, free spending, materialistic and fatalistic attitude, propensity to plan for

long- and short-term financial goals. Study used confirmatory factor analysis to cluster the women of Nashik city. Based on cluster analysis classified customer into judicious consumers, conservative consumers, acquisitive consumers and unsure consumers. It is found that only one third of respondents did not buy any financial products, most preferred products were fixed deposit and insurance. And also found that cluster 1 followed by cluster 3 seems to be attractive for marketers, cluster 4 is unattractive.

CHAPTER 3

THEORETICAL FRAMEWORK

3.1 DEFINITION

Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all their financial resources. It is the education and understanding of knowing how money is made, spent, and saved, as well as the skills and ability to use financial resources to make decisions. These decisions include how to generate, invest, spend, and save money.

Concept of Financial Literacy

Financial literacy is mainly related with decisions related to personal financial matters. But with the economic and market growth financial literacy has gained much more importance. To know where to invest and how to increase and safeguard our savings financial literacy is a must. Financial choices will get effected due to illiteracy but its nature and expression will change with the situation. Less awareness about financial products and services and their risk return framework is one common factor of financial illiteracy that is widely observed.

Components of Financial literacy

Financial literacy breaks down into two parts: knowledge and skills.

For knowledge, financial literacy is defined by an understanding of the core concepts of personal finance, interest rates, credit scores, and the purpose of an emergency fund.

For skills, knowledge needs to be complemented by the ability to perform tasks that support robust personal finance. For instance, someone who is financially literate will know how to use online banking apps, request a credit report, and do something as simple as write a check.

The particular knowledge and skills that define financial literacy can be divided into six categories:

1. Spending and saving
2. Credit and debt
3. Employment
4. Investing
5. Risk management
6. Decision-making

These categories are reflected in the national financial literacy standards issued by jumpstart Coalition and the Council for Economic Education.

3.2 IMPORTANCE OF FINANCIAL LITERACY

1. Significant role for financial inclusion and consumer

protection: Financial Literacy plays a crucial role for financial inclusion and consumer protection. Dr Chakrabarty, Deputy Governor of the Reserve Bank of India in 2013 remarked that financial inclusion and consumer protection are the two sides of the same coin financial literacy until and unless each and every one is not financially literate targets cannot be achieved.

2. Involvement in Financial Market: the individual level an individual having knowledge of different financial avenues available in the market financially literate have an active involvement in the financial market.

3. Understanding governmental financial policies: A financially literate person can understand the governmental financial policies more

wise and in a more efficient manner which is also an important factor for financial literacy.

4. Cope up with cyclical changes of market: A person well versed with the basic knowledge regarding the financial market and financial instruments available in the market having basic financial knowledge of the markets will tackle with the cyclical changes in the market more effectively.

5. Succession Planning: It is often said that ‘Poor people plan for Saturday night whereas rich people plan for 3 generations. By being financially prudent, he/she will also make efforts to educate and create awareness among their children about being financially literate. They shall also tend to appropriately plan their succession and leave sufficient wills in place.

6. No herd Mentality: IN an era where everyone is fond of insurance, which goes on to be perversely sold as an investment product, a financially literate individual would not follow the herd mentality because any random Tom, Dick, and Harry did so. They are very well-groomed about their finances and are very well aware as to where to invest and where not to. Random public opinion is just music to their ears when they know the underlying truth of it all. They are pretty much clear in their approach, knowing that it is important to have their own beliefs and not blindly follow or emulate someone just because everyone else is doing so.

7. Scope for Business: Many self-educated individuals have set up their own offices and business in the financial consulting domain by venturing into personal financial planning. They tend to accept retail investors and educate and guide them on how to go about their finances. Thus, it tends to provide a source to earn a living.

Financial literacy offers a number of benefits and is important for many reasons:

- Financial literacy helps one through times of financial hardship.
- Financial literacy helps to get the most out of one’s income.
- Financial literacy helps to go from ‘surviving’ to ‘thriving’.

- Financial literacy helps one to plan for the future.
- Financial literacy helps to meet one's financial goals.

3.3 PURPOSE OF FINANCIAL LITERACY

As per RBI guidelines, the Bank has set up Financial Literacy Centres (FLCs) with the following objectives:

- To facilitate financial inclusion through provision of two essentials i.e., Literacy and easy access.
- To disseminate information regarding the central bank and general banking concepts to various target groups, including schools and college students, women, rural and urban poor, defence person and senior citizens.
- For effective use of financial services by common man.

3.4 DISADVANTAGES

- **Anchored bias:** A well financially literate individual may be anchored in his beliefs revolving around personal finance. For example, a person who believes in passive investing (such as tracking index funds to be in line with the market) may be of the opinion that his strategy is supreme and may not be open to new ideas on active management where one tries to beat the market by generating alpha(excess returns). Similarly, a 'buy and hold' investor may not be open to the idea of profit opportunities through a sale in the short run.
- **Pre judgemental:** There tends to be a certain notion, beliefs, and policies that are well grained in an individual because of which he may be at times pre-judgemental about it without being open to new ideas. The cocoon shell may prevent him from being non-judgemental and accepting new ideas and opportunities

3.5 STRATEGIES TO IMPROVE YOUR FINANCIAL LITERACY SKILLS

Developing financial literacy to improve your personal finances involves learning and practicing a variety of skills related to budgeting, managing and paying off debts, and understanding credit and investment products. Here are several practical strategies to consider.

Create a Budget:

Track how much money you receive each month against how much you spend in an Excel sheet, on paper, or with a budgeting app. Your budget should include income (pay checks, investments, alimony), fixed expenses (rent/mortgage payments, utilities, loan payments), discretionary spending (nonessentials such as eating out, shopping, and travel), and savings.

Pay Yourself First:

To build savings, this reverse budgeting strategy involves choosing a savings goal (say, a down payment for a home), deciding how much you want to contribute toward it each month, and setting that amount aside before you divvy up the rest of your expenses.

Pay Bills Promptly:

Stay on top of monthly bills, making sure that payments consistently arrive on time. Consider taking advantage of automatic debits from a checking account or bill-pay apps and sign up for payment reminders (by email, phone, or text).

Check Your Credit Score:

Having a good credit score helps you obtain the best interest rates on loans and credit cards, among other benefits. Monitor your score via a free credit monitoring service (or, if you can afford to and want to add an extra layer of protection for your information, use one of the best credit monitoring services). In addition, be aware of the financial decisions that can raise or lower your score, such as credit inquiries and credit utilization ratios.

Manage Debt:

Use your budget to stay on top of debt by reducing spending and increasing repayment. Develop a debt-reduction plan, such as paying down the loan with the highest interest rate first. If your debt is excessive, contact lenders to renegotiate repayment, consolidate loans, or find a debt counselling program. Invest in Your Future—If your employer offers a 401(k)-retirement savings account, be sure to sign up and contribute the maximum to receive the employer match. Consider opening an individual retirement account (IRA) and creating a diversified investment portfolio of stocks, fixed income, and commodities. If necessary, seek financial advice from professional advisors to help you determine how much money you will need to retire comfortably and develop strategies to reach your goal

Get Your Credit Report:

Once a year, consumers can request a free credit report from the three major credit bureaus— Experian, Equifax, and TransUnion— through the federally created website Annual Credit Report.com.⁵ Review these reports and dispute any errors by informing the credit bureau of inaccuracies. Because you can get three of them, consider spacing out your requests throughout the year to monitor yourself regularly.

3.6 BENEFITS OF ENHANCED FINANCIAL LITERACY

Financially educated consumers are more likely to save their money, compare financial products and services, and seek and give advice on money matters. Access to finance is known to create incentives and environments that promote desired financial behaviours such as saving, budgeting, or using credit wisely.

3.7 FINANCIAL KNOWLEDGE

Financial knowledge is considered as the first and the most important dimension of financial literacy. Financial knowledge pertains to understanding of various financial concepts and applying it in real life situations thereby making informed financial choices. Financial knowledge relates to basic financial concepts which a person would use in daily life like simple interest calculation, compounding or inflation etc.

3.8 FIVE (5) CORE COMPETENCIES OF FINANCIAL LITERACY

EARNING: “Earning” refers to bringing money home from a job, self-employment, or return on various investments. Most individuals earn money via employment in the form of a pay check. The average employee pays between 28-30% of their gross income in taxes and other deductions before receiving their net income or take-home income. It is extremely important to understand gross versus net in a pay check, in addition to understanding the federal, state and local individual income tax imposed on citizens and residents of the USA. College students need to fully understand the concept of earning in order to determine their future potential earnings prior to committing to a specific specialization in their educational goals. It is advisable for all students to take time, ask questions, and explore career tracks before they declare a desired major of studies. This is not to say that a student should not pursue his or her passion, this is to get students to make a plan for future earning potential once they graduate from college. Regardless of what your goals are, education is an investment in your future, so make sure you are satisfied with your return on this investment.

SAVING AND INVESTING: “Saving” and “Investing” deals with the understanding of financial institutions and services available to you. First of all, you should have a saving and a checking account to manage your own financial transactions. Start **SAVING EARLY** and **PAY YOURSELF FIRST** to help you understand the concept that saved money grows over time which also leads you to explore long-term investments for retirement planning.

SPENDING: “Spending” is probably the most important concept because it is a personal reflection of your values, lifestyle, and your financial behaviour. Differentiating between **NEEDS** and **WANTS** is the basic concept of controlling spending. Budgeting is the most powerful and impact-full tool you can adopt to control spending to allow for saving and investing.

BORROWING: “Borrowing” is acquiring debt to create assets. Most students have to borrow student loans to finance their educational goals, and

with a financial plan for repayment, they can turn this investment in their education to their advantage. Mortgages or loans to buy homes are another form of borrowing or acquiring debt to create assets. Business loans to create self-employment opportunity or build a business, and real estate investments, are also good examples of how borrowed money can be turned into assets and wealth accumulation.

PROTECTING: “Protecting” deals with insurance, ID theft, and retirement planning. The idea is to stay protected at all levels in your life; on personal, health, and social levels. You will need to understand risk management, insurance coverage, identity theft protection, fraud, and scams, in order to master self and family financial protection in life.

These five (5) cores competencies or principles of financial literacy deliver most of what you need to know to reach for a life of financial security and freedom.

3.9 INITIATIVE TAKEN BY FINANCIAL REGULATORS FOR INCREASING FINANCIAL LITERACY

OECD:

The OECD has brought out “Recommendations on principles and good practices for financial education and awareness” which is furnished below:

- Government and all stakeholders concerned should promote unbiased, fair and coordinated financial education.
- Financial education should start at school, for people to be educated as early as possible.
- Financial education should be a part of the good governance of financial institutions whose accountability and responsibility should be encouraged.

Financial education programmes should focus particularly on important life planning aspects, such as basic savings, debt, insurance and pensions.

RBI:

- Reserve bank of India has undertaken a project entitled “project financial literacy”
- This project disseminate information regarding the central bank and the general banking concepts to various target groups, including school and college students, women, rural and urban poor, defence personnel and senior citizens.
- The project has been implemented in two modules, one module focusing on the economy, RBI and its activities, and second module focus on general banking.
- It is disseminated to the target audience with the help of banks, local government machinery, schools and colleges through presentations, pamphlets, brochures, films and also through RBI’s website.
- SEBI securities exchange board of India has embarked financial education on a nationwide Campaign
- To undertake financial education to various segments viz. School students, college students, working executives, middle income group, homemakers, retired personnel SEBI has empanelled resource persons throughout India.

IRDA:

- Insurance regulatory and development authority has taken various initiatives in the area of financial literacy.
- Awareness programme has been conducted on radio and television and simple messages about the rights and duties of policy holders, channels available for dispute redressal etc. have been disseminated through television, radio as well as print media.
- IRDA conducts an annual seminar on policy holder protection and welfare and also partially sponsors seminars on insurance by consumer bodies.

PFRDA:

- The pension fund regulatory and development authority has been engaged in spreading social security messages to the public.
- PFRDA has developed FAQ on pension related topics on web and has been associated with various non-government organizations in India.

- PFRDA has issued advertisements in print media and electronic media through radio and television.

3.10 FUTURE OPPORTUNITIES IN FINANCIAL LITERACY

- Digital Payments & Technology adoption in effective use of financial services among households.
- Financial education as a tool for investment of among household sector.
- Financial Capability and Retirement Preparedness among households.
- Ease of access to financial Market among household's sector.
- A study to assess financial education as introducing it in education curriculum.

3.11 REFERENCE OF SUB-GROUP SELECTED

We studied the financial literacy level of people with special reference to **Retired Private Employees** The definition, features and importance of group selected are as follows:

DEFINITION OF RETIRED PRIVATE EMPLOYEES

The private sector is the segment of a national economy that is owned, controlled, and managed by private individuals or enterprises. The private sector has a goal of making money and employs more workers than the public sector. The private sector is a very diverse sector and makes up a big part of many economies. It is based on many different individuals, partnerships and sole proprietorships, small and mid-sized businesses, large corporations and multinationals.

Private sector employment often has greater financial benefits than the public sector through the ingenuity of one person or a team of employees, small business can create products and services that suddenly experience great demand. This usually rewards employees with higher salaries, greater benefits

in the form of insurance coverage, vacation time, and bonuses. In some cases, private sector employment offers profit sharing opportunities, opportunities that do not exist in the public sector.

In a first in the country, Kerala is all set to bring thousands of employees in the private education sector, including teachers, under the ambit of the Maternity Benefit Act. The centre has given nod to the state's request to issue the notification to extend the benefits of the Act to the employees of the private education institutions including in the unaided sector.

NATURE OF GROUP SELECTED

The group we have selected to study on financial literacy is Retired Private Employees.

EMPLOYEES PROVIDENT FUND:

For private sector employees, contribution made in the Employees Provident Fund (EPF) helps build their retirement corpus. EPF is currently set to earn around 8.55% interest per annum. The contribution you make towards EPF is 12% of your basic salary, and your employer contributes the same amount. Out of the amount your employer gives into EPF, 8.33% goes towards Employees' Pension Scheme (EPS), which earns no interest at all.

You can take out the EPF money in a lump sum before you turn 50, because afterwards it can only be taken as pension. As per the rules established by the Employees Provident Fund Organisation (EPFO), the pension will start automatically after you turn 58 years of age.

PRIVATE EMPLOYEES PENSION:

The government contributes an amount equivalent to 14 percent of a government employees' salary to the pension account, but private sector workers receive no such benefits. Besides government-sponsored pension programs like the National Pension Scheme, private sector employees have to proactively plan for their retirement. Retirement planning should revolve around ensuring a regular income with all the savings and assets created while working.

SAVINGS:

Retirement planning refers to financial strategies of saving, investments, and ultimately distributing money meant to sustain oneself during retirement. Many popular investment vehicles, such as individual retirement accounts (IRAs) and 401(k)s, allow retirement savers to grow their money with certain tax advantages.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

Financial literacy relates to the ability of knowing and understanding financial concepts and matters. It has been identified as an important factor in determining financial behaviour. Decision making of individuals are highly shaped by their financial literacy regarding understanding financial concepts and recognizing of financial instruments. Financially literate individuals make better financial decisions and hold greater wellbeing in term of financial condition than financial

illiterate individuals. Data analysis is to analyse the data we have collected through sending Questionnaires, Google forms and Telephonic interview. A main advantage of data analysis is that it helps in data collected being reduced and simplified, while at the same time producing results that may then measure using quantitative techniques.

We divided our financial literacy analysis into four levels and assessed **Financial Literacy, Financial Competence, Financial Confidence and Financial Attitude/ Motivation** of the respondent. The data is presented in four sections: first section presents data analysis of financial literacy of both subgroups and analysis of financial literacy level with socio economic background of Retired Private Employees, second section presents financial competency, and third section presents Financial Confidence and Financial motivation of Retired Private Employees.

Analysis in this chapter is presented in 4 different heads;

1. Profile of the Respondent
2. Level of Financial Literacy of Retired Private employees
3. Level of Financial Literacy and Socio economic background of the respondent.
4. Financial Competency of Retired Private employees
5. Financial Motivation of Retired Private employees

4.2 PROFILE OF RESPONDENT

The study was conducted with the objective of finding out financial literacy level with special reference to Retired Private employees. We performed convenience sampling and collected responses from 20 Retired private employees. The sample respondents from each group is classified into different categories on the basis of their educational qualification, income, age, sex, locality, family type etc. And we analysed respondent's financial awareness level, financial competency level,

financial confidence and financial motivation. An explanation or conceptualization of the collected data with the help of tables, charts and graphs are presented are as follows

4,3 FINANCIAL LEVEL OF LITERACY

According to our analysis person is considered as financially literate if the answer to the questions 1, 2 , 3, 4 and anyone of 5 to 12 is know well or apply. It means a person know well or apply the concept of Interest, Compound Interest, Inflation, Risk Diversification and Insurance.

4.3.1 AWARENESS LEVEL OF VARIOUS CONCEPTS AMONG RETIRED PRIVATE EMPLOYEES

Table:4.3.1

Awareness of the concept **Interest**

| Particulars | No of Respondents | Percentage |
|--------------------|--------------------------|-------------------|
| Heard | 10 | 50% |
| Know well | 6 | 30% |
| Apply/Use | 2 | 10% |
| Want to know more | 2 | 10% |
| Total | 20 | 100% |

According to our study out of 20 respondents 50% are heard of interest.30% of respondents know well about it. 10% apply the interest concept. And only10% wish to know more.

Table: 4.3.2

Awareness of the concept **Compound interest**

| Particulars | No of Respondents | Percentage |
|--------------------|--------------------------|-------------------|
| Heard | 9 | 45% |

| | | |
|-------------------|----|------|
| | | |
| Know well | 5 | 25% |
| Apply/Use | 3 | 15% |
| Want to Know more | 3 | 15% |
| Total | 20 | 100% |

According to our study out of 20 respondents 45% are heard of Compound interest. 25% of respondents know well about it. 15% apply Compound interest concept. And only 15% wish to know more.

Table : 4.3.3

Awareness of the concept **Penal interest**

| Particulars | No of respondents | Percentage |
|--------------------|--------------------------|-------------------|
| Heard | 12 | 60% |
| Know well | 2 | 10% |
| Apply/Use | 4 | 20% |
| Want to know more | 2 | 10% |
| Total | 20 | 100% |

According to our study out of 20 respondents 60% are heard of Penal interest. 10% of respondents know well about it. 20% apply the interest concept. And only 10% wish to know more about it.

Table: 4.3.4

Awareness of the concept of **Inflation**

| Particulars | No of Respondents | Percentage |
|--------------------|--------------------------|-------------------|
| Heard | 8 | 40% |
| Know well | 7 | 35% |

| | | |
|----------------------|----|------|
| | | |
| Apply/Use | 1 | 5% |
| Want to know to more | 4 | 20% |
| Total | 20 | 100% |

According to our study out of 20 respondents 40% are heard of inflation. 35% of respondents know well about it. 5% apply the inflation concept. 20% wish to know more about it.

Table: 4.3.5

Awareness of the concept **Risk diversification**

| Particulars | No of Respondents | Percentage |
|--------------------|--------------------------|-------------------|
| Heard | 14 | 70% |
| Know well | 1 | 5% |
| Apply/use | 1 | 5% |
| Want to know more | 4 | 20% |
| Total | 20 | 100% |

According to our study out of 50 respondents 52% are heard of Risk diversification.14 % of respondents know well about it. And 34% wish to know more about it.

Table 4.3.6

Awareness of the concept **Insurance**

| Particulars | No of Respondents | Percentage |
|--------------------|--------------------------|-------------------|
| Heard | 8 | 40% |
| Know well | 5 | 25% |
| Apply/use | 2 | 10% |
| Want to know more | 5 | 25% |

| | | |
|-------|----|------|
| Total | 20 | 100% |
|-------|----|------|

According to our study out of 50 respondents 30% are heard of concept insurance. 22% of respondents know well about it. 36% apply the risk diversification. And only 12% wish to know more about it.

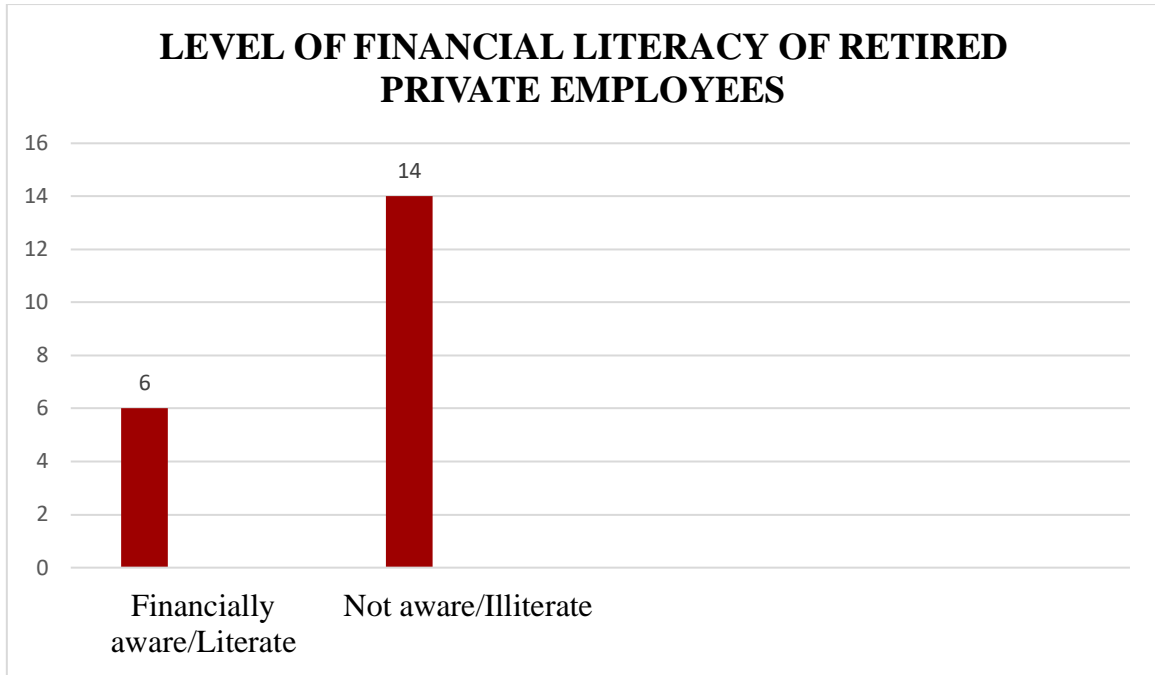
4.3.2 LEVEL OF FINANCIAL LITERACY OF RETIRED PRIVATE EMPLOYEES

Table no: 4.7

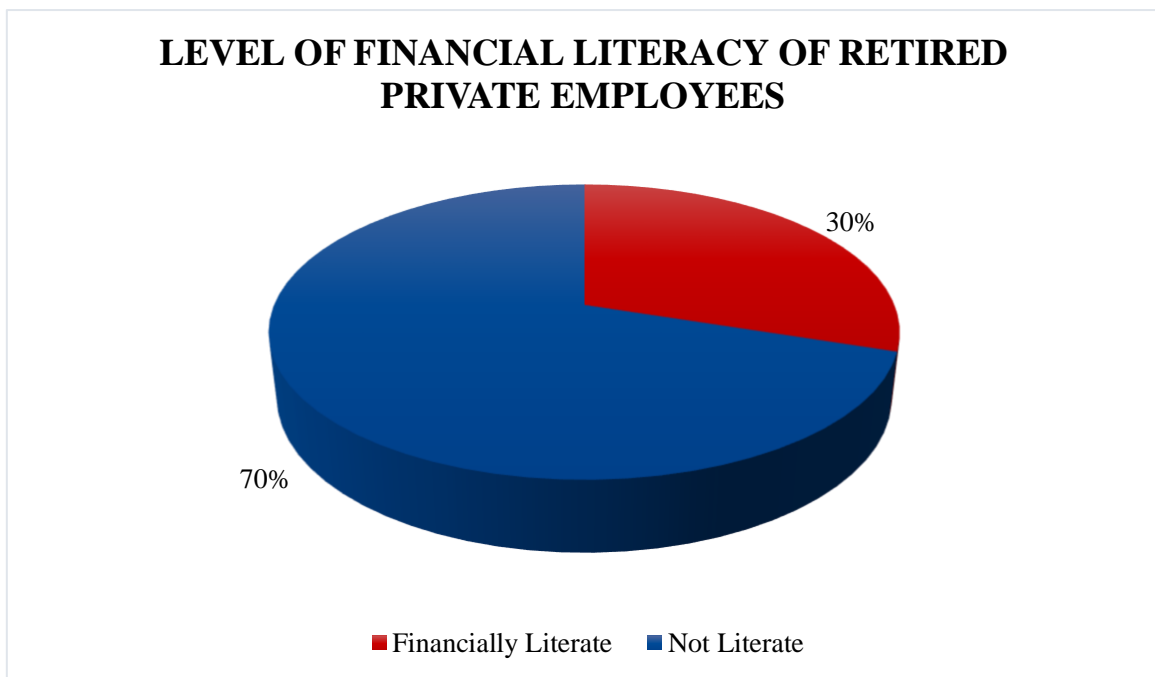
Level of Financial Literacy of Retired Private Employees

| Basis | No of Respondents | % |
|------------------------------------|--------------------------|----------|
| Financially aware/ literate | 6 | 30% |
| Not aware/ literate | 14 | 70% |
| Total | 20 | 100% |

Graph 4.7(1)



Graph 4 .7.(2)



INTERPRETATION: The above graph shows that 30% of respondents are financially aware/literate and 70% is not literate.

4.4 LEVEL OF FINANCIAL LITERACY AND SOCIO ECONOMIC BACKGROUND OF THE RESPONDENT

We focused on the analysis of level of financial literacy and socio-economic background of Retired private employees ,who have low financial literacy level. The factors considered in analysis includes Gender, Age, Marital status, Income , Education and Family type of respondents.

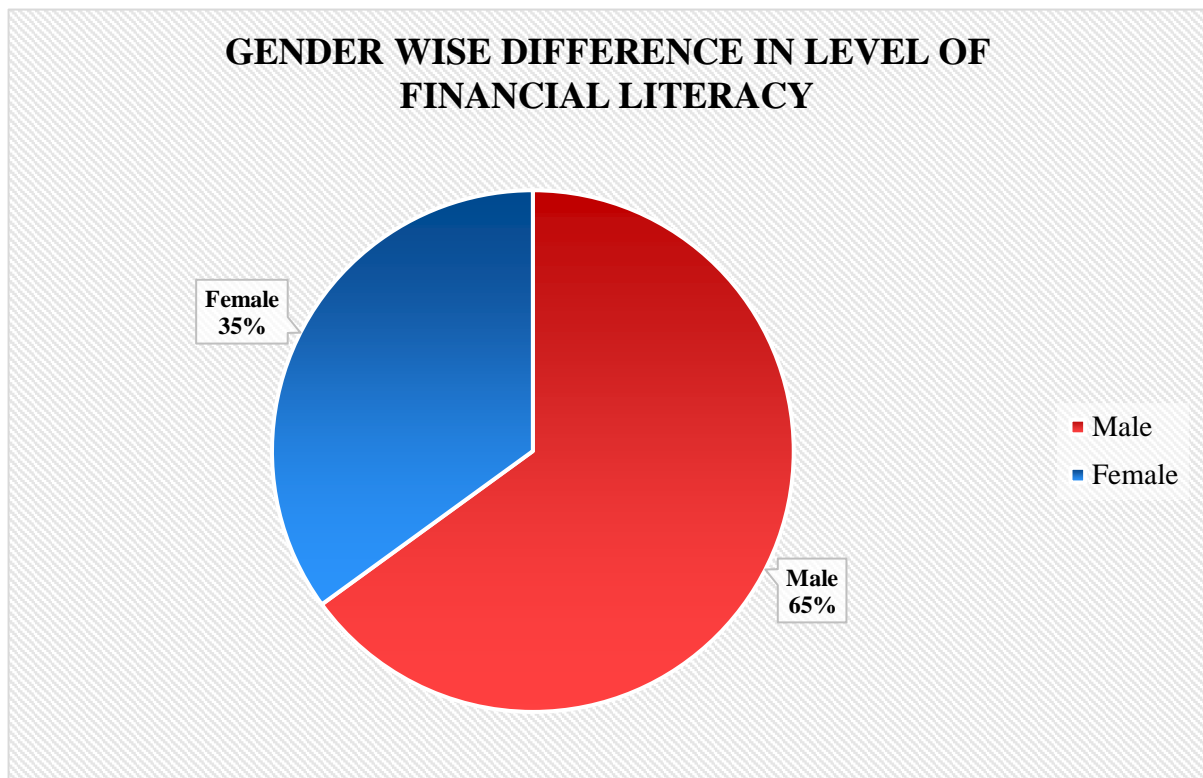
4.4.1 Gender wise difference in Financial literacy

There are important knowledge gaps throughout the population. And there is considerable differences among gender wise literacy also. The following table and graph shows gender wise classification of respondents.

Table 4.8
Gender wise difference in level of financial literacy

| Gender | Male | % | Female | % | Total | % |
|---------------------|-------------|----------|---------------|----------|--------------|----------|
| Literate | 6 | 46.15% | 3 | 42.86% | 9 | 45% |
| Not literate | 7 | 53.84% | 4 | 57.14% | 11 | 55% |
| Total | 13 | 100% | 7 | 100% | 20 | 100% |

Graph 4.8(1)



INTERPRETATION: The above graphs shows that 65 % male are literate and the 35 % females are financially literate. Here, we could see that males are more literate than females.

4.4.2 Age wise difference in level of Financial literacy

At all ages whether at work or in our personal lives, we have to make decisions on a regular basis. Some decisions will be easier than others. As people tend to get older, decisions about topics such as health and retirement are considered more important. The difficult decisions we make later in life are often important and can impact our lives substantially – meaning there may be fewer opportunities to recover from any bad decisions we make.

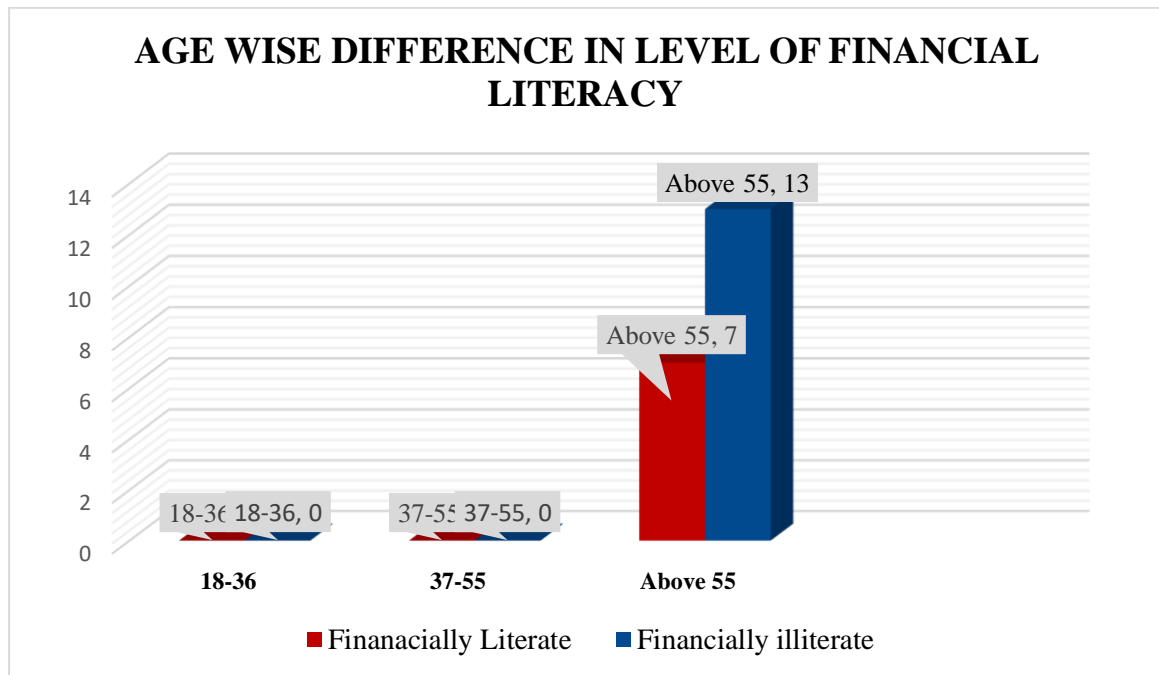
In this study to analyse whether age has an impact on being financially literate or illiterate, the respondents were classified into three age groups: 18-35, 37-55 and above 56.

Table 4.9

Age wise difference in level of financial literacy

| Age Group | 18-36 | % | 37-55 | % | Above 55 | % | Total | % |
|--------------|-------|---|-------|---|----------|------|-------|------|
| Literate | 0 | 0 | 0 | 0 | 7 | 35% | 7 | 35% |
| Not literate | 0 | 0 | 0 | 0 | 13 | 65% | 13 | 65% |
| Total | 0 | 0 | 0 | 0 | 20 | 100% | 20 | 100% |

Graph 4.9(1)



INTERPRETATION: The above graphs shows that 35% is literate in above 55 years age group. And 65% found to be illiterate in above 55 years age group. According to the study middle age group respondents are not shown literate or illiterate because of above 55 years age group are Retired private employees.

4.4.3 Marital Status wise difference in Financial literacy

Every person whether single or married wants to be financially independent & secure his/her future with enough funds. Although individuals may be equal in all aspects, when it comes to their financial planning needs, they are very different. They raise their money and increased wealth through investing in secure and risky assets. When it comes to investment, being single is a plenty advantageous and people are free to make financial decisions. They can create a desirable financial future. On the other hand, for married people dealing with money is one of the biggest challenges as they have to discuss many things with their spouses before making any financial plan.

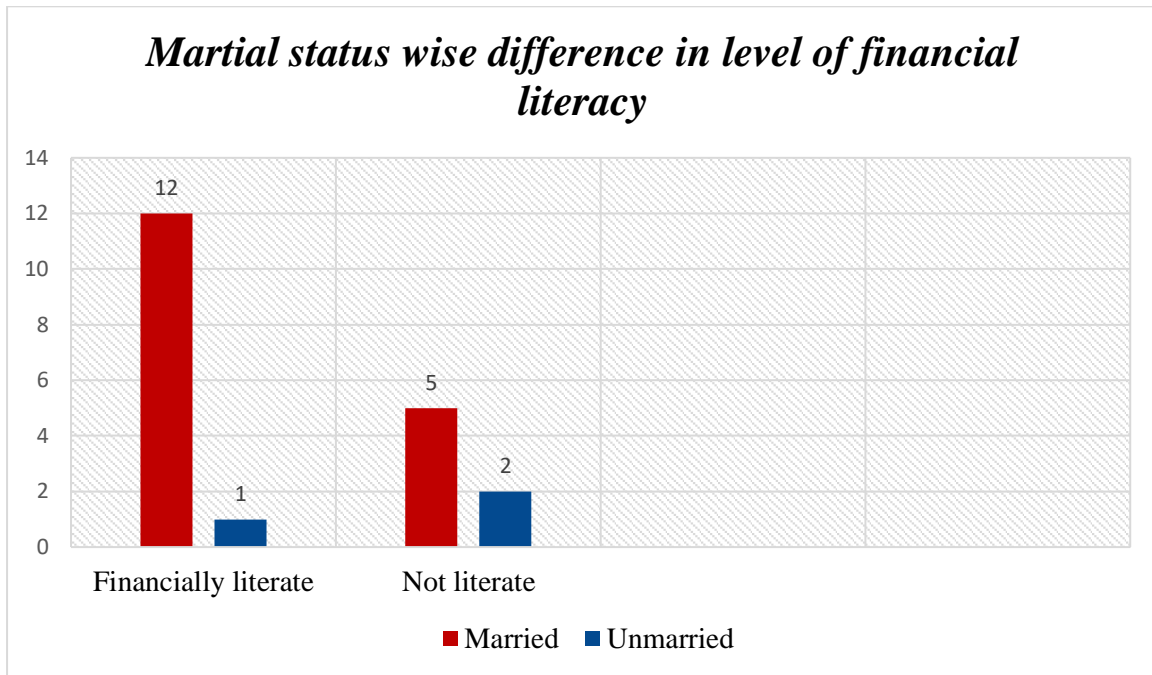
In this study to analyse the financial literacy of the respondents we have classified them on the basis of their marital status; i.e. Married/Single.

Table 4.10

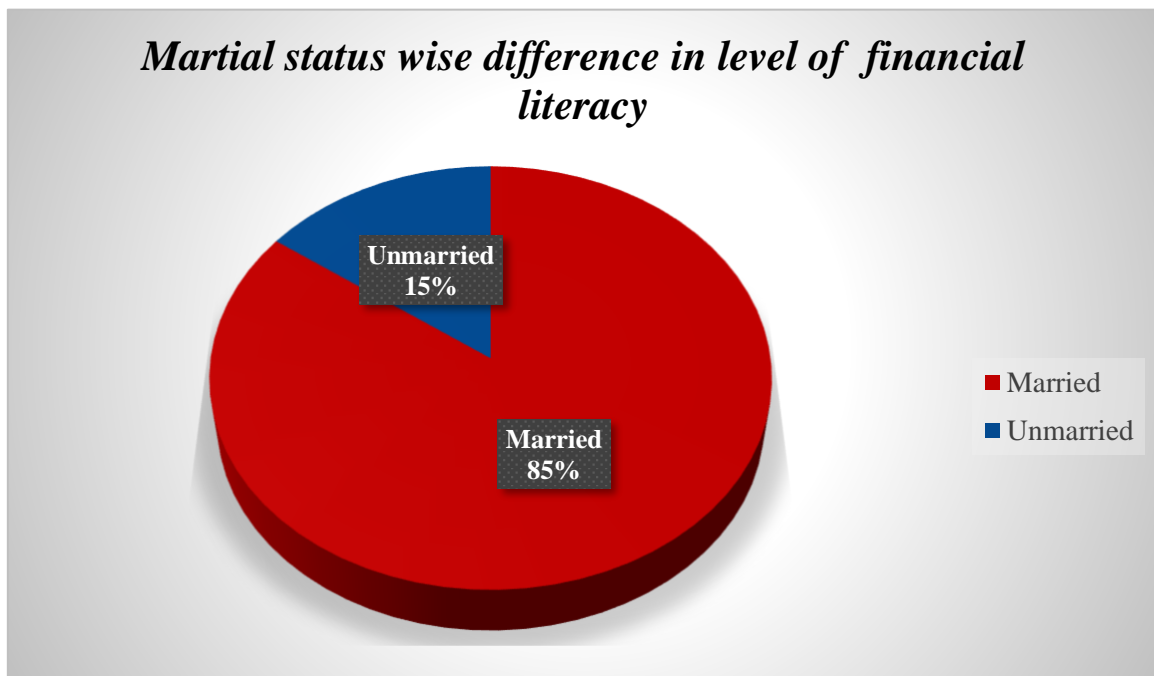
Marital Status Wise difference in level of financial literacy

| Marital Status | Married | % | Unmarried | % | Total | % |
|-----------------------------|----------------|----------|------------------|----------|--------------|----------|
| Financially Literate | 5 | 29.41% | 1 | 33.33% | 6 | 30% |
| Not literate | 12 | 70.59% | 2 | 66.67% | 14 | 70% |
| Total | 17 | 100% | 3 | 100% | 20 | 100% |

Graph 4.10(1)



Graph 4.10(2)



INTERPRETATION: The above graphs shows that 85% married are literate and the 15 % unmarried are financially literate. Here, we could see that majority of

respondents are married and only three are unmarried. And it is noted that marital status of the respondent has no significant impact on level of literacy of the respondent.

4.4.4 Income level wise difference in Financial literacy

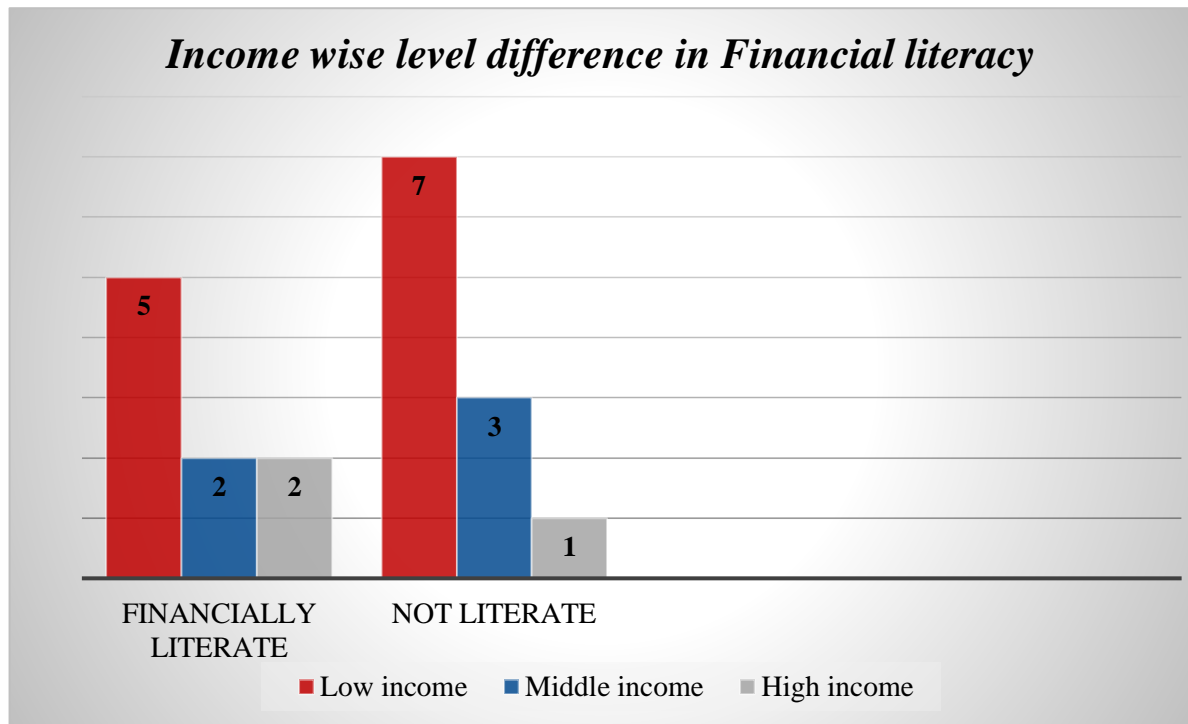
People with low incomes see the most routine, ordinary experiences through different lenses than people with higher incomes, according to psychological research. It is evident that income does play a significant role in a person's financial decisions as well as financial planning. In this study to analyse the financial literacy of the respondents based on their income level, they are classified into three: Low Income, Middle Income and High Income. Low income include annual earnings up to 2 lakhs, Middle income means earnings between 2 and 5 lakhs. High income means earning above 5 lakhs .

Table 4.11

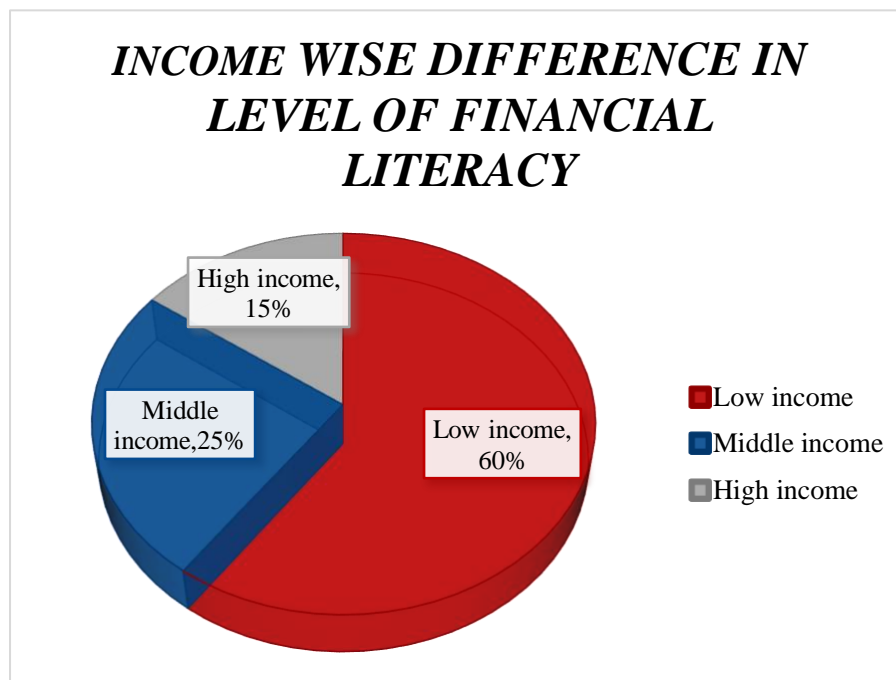
Income wise difference in level of financial literacy

| Income Group | Low income | % | Middle income | % | High income | % | Total | % |
|-----------------------------|-------------------|----------|----------------------|----------|--------------------|----------|--------------|----------|
| Financially Literate | 5 | 41.67 % | 2 | 40% | 2 | 66.67 % | 9 | 40% |
| Not literate | 7 | 58.33 | 3 | 60% | 1 | 33.33 % | 11 | 60% |
| Total | 12 | 100% | 5 | 100% | 3 | 100% | 20 | 100% |

Graph 4.11(1)



Graph 4.11(2)



INTREPRETATION: The above graphs shows that 60% of respondents in low income group is literate and 25 % of respondents in the middle income group is literate. In high income group 15% respondents are to be literate.

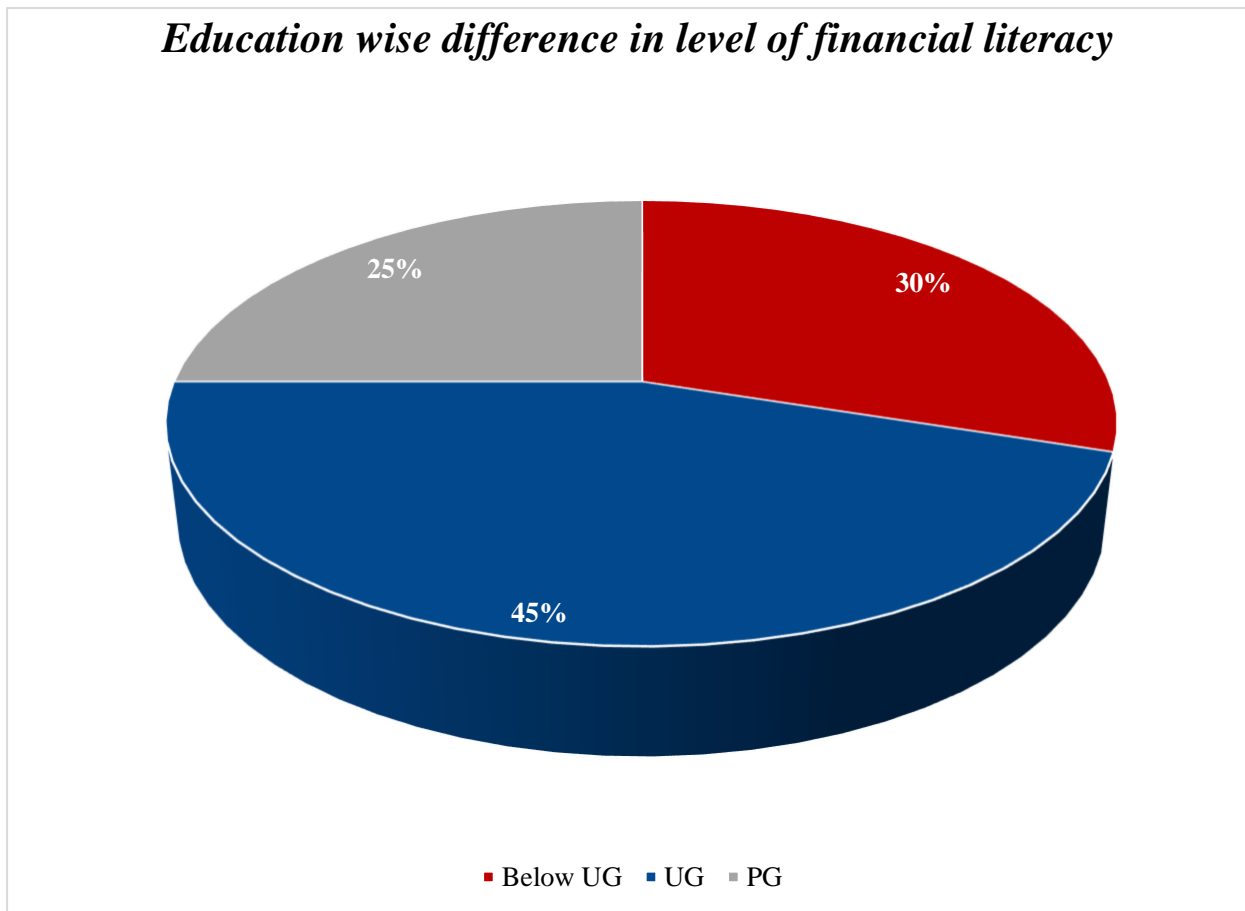
4.4.5 Education-wise difference in Financial literacy

Education gives us knowledge of the world around us and changes it into something better. It helps us build opinions and have points of view on things in life. Education makes us capable of interpreting things, among other things. Also it's understood that the educational qualification of a person does influence his/her financial decisions and financial planning. In this study we have classified the respondents into four groups on the basis of their educational qualification: Below UG, UG, CA,PG and above.

Table 4.12
Educational Qualification wise difference in level of financial literacy

| Education | Below | % | UG | % | PG | % | Total | % |
|-----------------------------|--------------|----------|-----------|----------|-----------|----------|--------------|----------|
| Group | UG | | | | | | | |
| Financially Literate | 4 | 66.67% | 7 | 77.78 % | 4 | 80% | 15 | 75% |
| Not literate | 2 | 33.33% | 2 | 22.22% | 1 | 20% | 5 | 25% |
| Total | 6 | 100% | 9 | 100% | 5 | 100% | 20 | 100% |

Graph 4.12(1)



INTREPRETATION: The above graphs shows that 30% of respondents in below graduation and 45% of respondents in Graduated group is found to be financially literate. 4 found in 5 above graduation group financially literate. We found that the persons with high Education degree, PG are financially literate. And the low education group are found less financially literate. It is noted that education of the respondent has significant impact on level of financial literacy

4.4.6 Family Type wise difference in financial literacy

Family is the most influential group that develops individuals' financial behaviours. Family decision makers make decisions on behalf of all family members, including financial ones. Family is considered as the decision-making unit for many economic activities. Economic models dominate the research on

financial decisions such as income, spending, savings, borrowing, asset accumulation, and investing, mostly at individual or household levels.

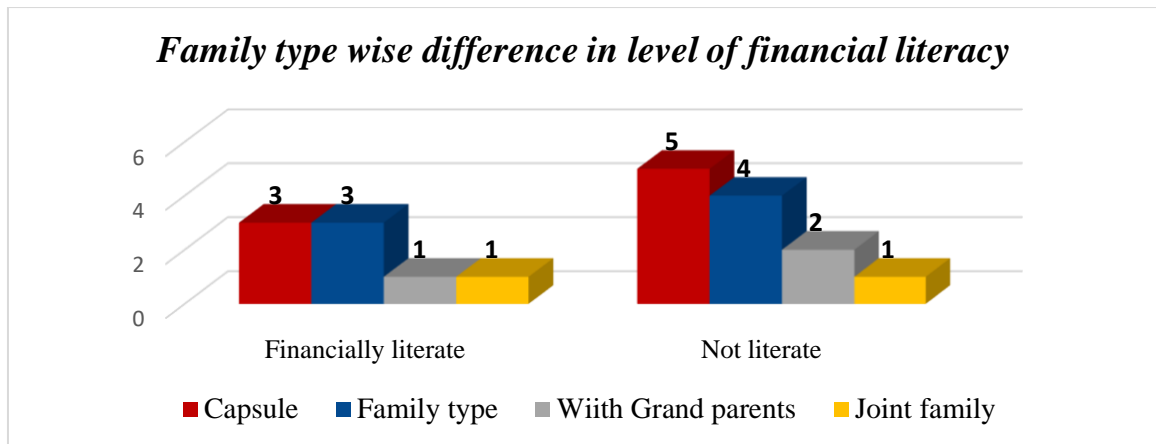
In this study to analyse the financial literacy of the respondents they were classified into four main family types: With Parents, Joint Family of two or more families of same generation, Capsule 2 or 1+ child and With Parents and grandparents.

Table 4.13

Family type wise difference in level of financial literacy

| Family type | Capsule | % | Family type | % | With Grand parents | % | Joint Family | % | Total | % |
|----------------------|----------------|----------|--------------------|----------|---------------------------|----------|---------------------|----------|--------------|----------|
| Financially Literate | 3 | 37.5% | 3 | 42.86% | 1 | 33.33% | 1 | 50% | 8 | 40% |
| Not literate | 5 | 62.5% | 4 | 57.14% | 2 | 66.67% | 1 | 50% | 12 | 60% |
| Total | 8 | 100% | 7 | 100% | 3 | 100% | 2 | 100% | 20 | 100% |

Graph 4.13(1)



INTREPRETATION: The above graphs shows that 37.5% respondents in capsule and 42.86% respondents in family type and 33.33% of respondents staying with Parents is found to be financially literate. Only 50% is found in joint family group to be financially literate. According to the study majority of the respondents are from capsule family and with parent's category. And Literacy rate seem to be higher in this category than others.

4.5 LEVEL OF FINANCIAL COMPETENCY

Financial Competency - A person is considered to be financial competent if his/her answer to the questions 12 to 16 is apply or use. It means a person is considered as financial competent if he apply or use the concept of Long term planning of the Expenses/ Income/ Savings/ Investment, aware of the Financial products and the Risk/Return characteristics, choosing financial products, access to financial products and stay informed.

- **LEVEL OF FINANCIAL COMPETENCY OF RETIRED PRIVATE EMPLOYEES**

Table 4.14

Competency level of financial concepts of Retired private employees

| Particulars | Heard Of | Know Well | Apply | Wish to know | Total |
|---|-----------------|------------------|--------------|---------------------|--------------|
| 1. Long-term planning of: Expense / Income /Savings/ Investment | 7 | 4 | 0 | 9 | 20 |

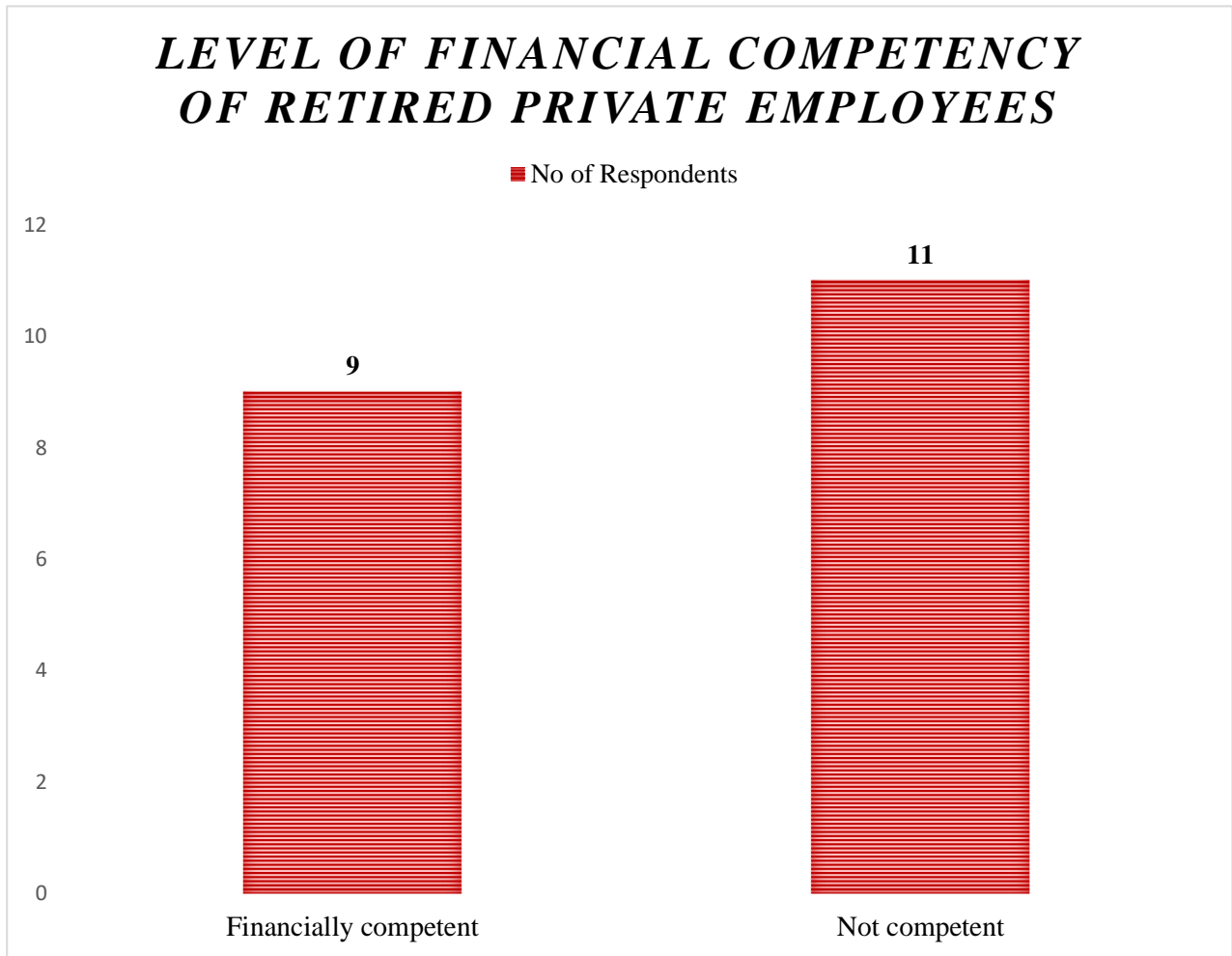
| | | | | | |
|---|----|---|---|---|----|
| 2.Awareness of Financial Products and the risk/return characteristics | 9 | 3 | 1 | 7 | 20 |
| 3.Choosing financial products | 10 | 0 | 2 | 8 | 20 |
| 4. Access to financial products | 8 | 2 | 3 | 7 | 20 |
| 5. Stay informed | 8 | 1 | 3 | 8 | 20 |

Table 4.15

Level of Financial Competency of Retired private employees

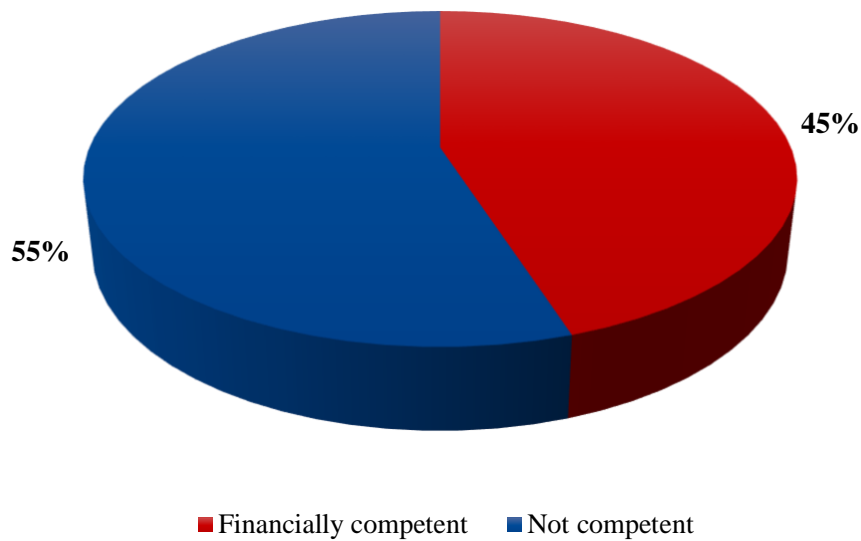
| Basis | No. of Respondents | % |
|-----------------------|---------------------------|----------|
| Financially Competent | 9 | 45% |
| Not Competent | 11 | 55% |
| Total | 20 | 100% |

Graph 4.15(1)



Graph 4.15(2)

Level of financial competency of Retired private employees



INTERPRETATION: The above graph shows 55% of financially competent of Retired private employees are literate and the level of not financial competent of Retired private employees are 45% are literate

4.6 LEVEL OF FINANCIAL CONFIDENCE

Financial Confident - A person is considered to be financially confident if answers to three questions from 17 to 19 and is apply /use or know well and similarly know well for any of the questions from 20 to 23. It means a person is considered as financially confident if he/she apply the concept of Independent financial decisions made and executed –current and long term and know where to seek help on financial matters, managing debt and Regulatory Authorities (RBI, IRDA, PFRDA, SEBI).

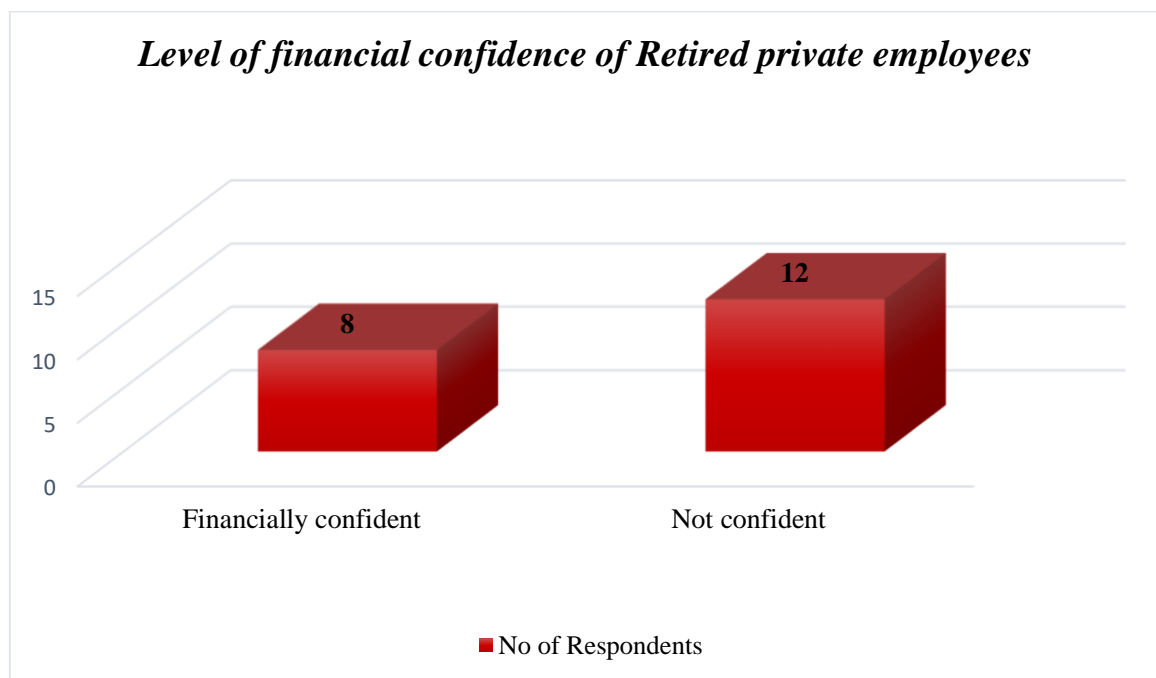
(I) LEVEL OF FINANCIAL CONFIDENCE OF RETIRED PRIVATE EMPLOYEES

Table 4.16

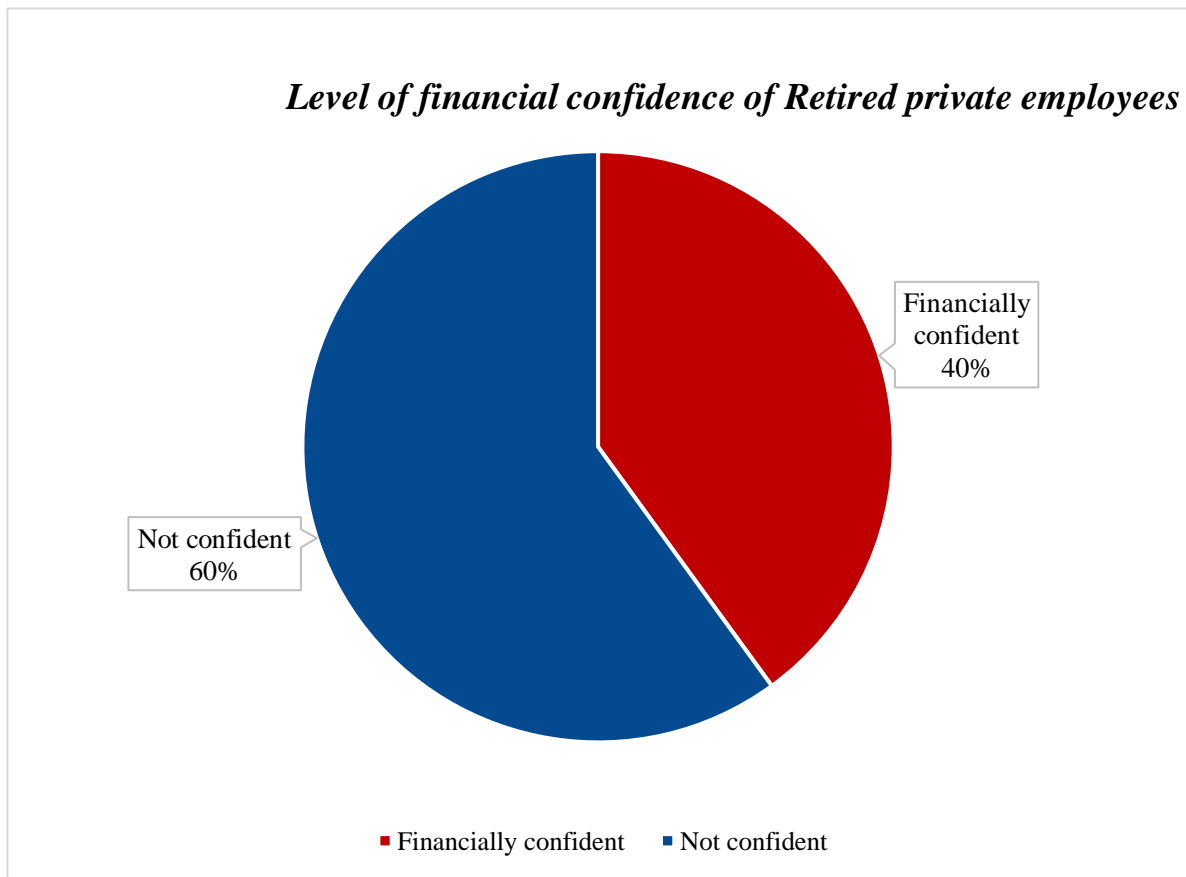
Level of Financial Confidence of Retired private employees

| Basis | No. of Respondents | % |
|-----------------------|--------------------|------|
| Financially Confident | 8 | 40% |
| Not Confident | 12 | 60% |
| Total | 20 | 100% |

Graph 4.16(1)



Graph 4.16(2)



INTERPRETATION: The above graph shows that 40% of respondents are Financially Confident and 60% is not financially confident.

4.7LEVEL OF FINANCIAL ATTITUDE/ MOTIVATION

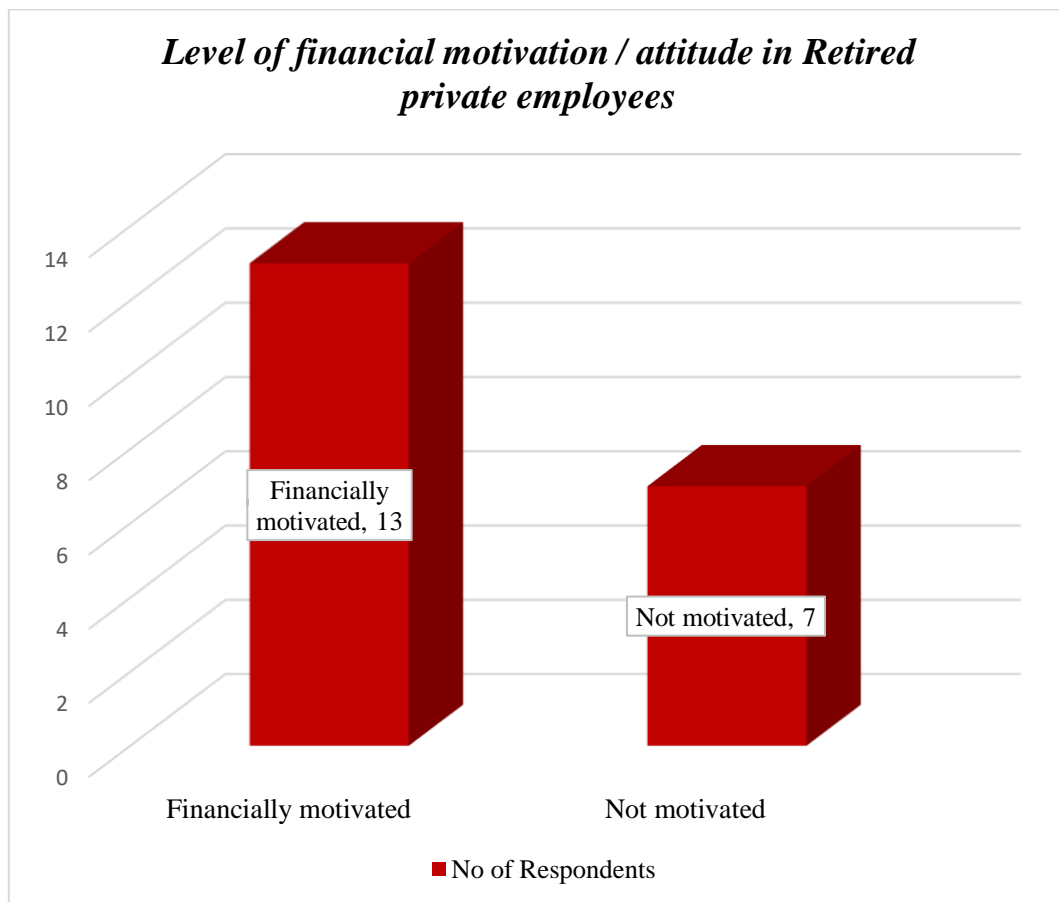
Financially motivated - A person is considered to be financially motivated if answers to any three questions from 24 and 25 is apply or use. It means a person is considered as financially confident if he/she apply the concept of Day to day financial management and budgeting, habit of saving and investment.

Table 4.17

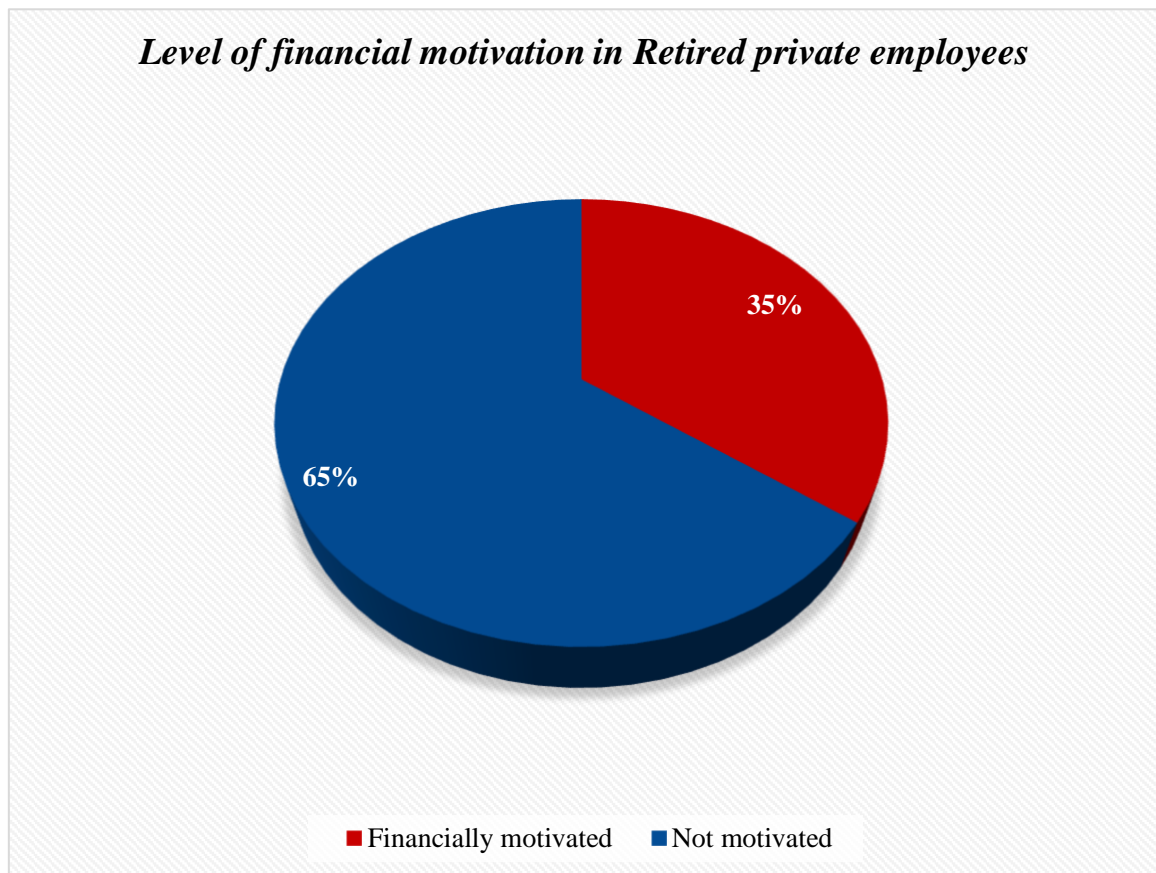
Level of Financial Motivation of Retired private employees

| Basis | No. of Respondents | % |
|-----------------------|--------------------|------|
| Financially motivated | 7 | 35% |
| Not motivated | 13 | 65% |
| Total | 20 | 100% |

Graph 4.17(1)



Graph 4.17(2)



INTERPRETATION: The above diagram / graph shows that 35% of respondents are Financially Motivated and 65% is not much motivated.

4.8 ANALYSIS BASED ON FINANCIAL KNOWLEDGE

Some other analysis were made on the basis of data collected to analyse respondents knowledge to financial fraud, Saving and investment habit, Gender competency related to financial knowledge, Interest to the area of Financial Literacy.

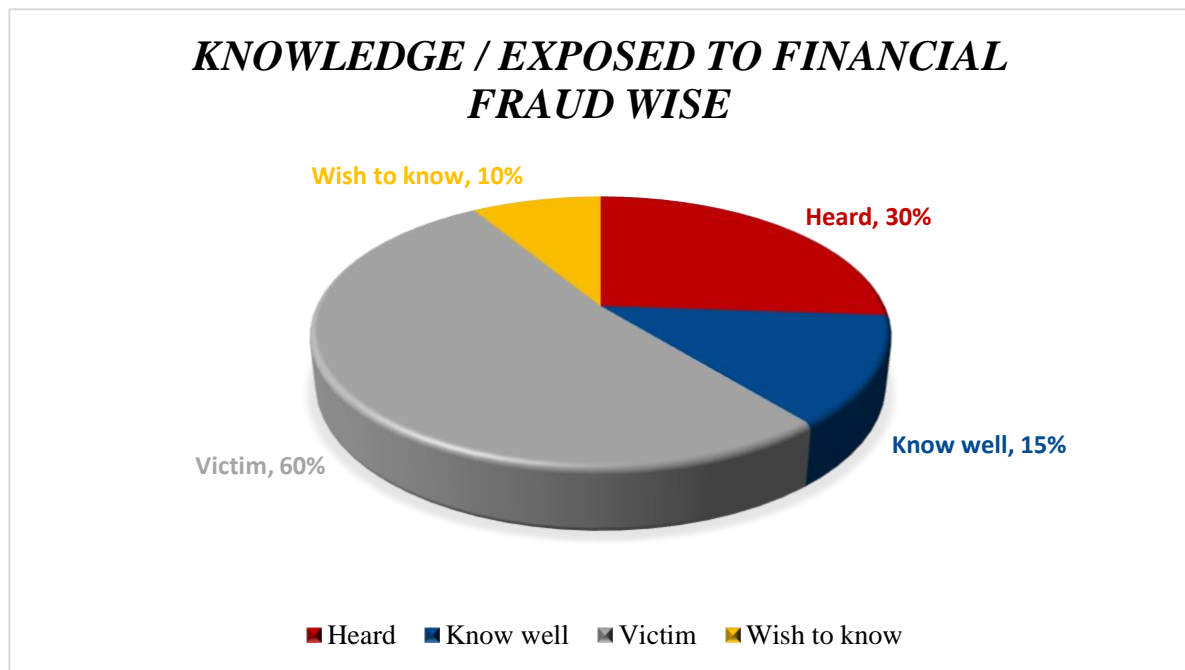
4.8.1 KNOWLEDGE EXPOSED TO FINANCIAL FRAUD WISE CLASSIFICATION OF RESPONDENTS

Table 4.18

Knowledge/Exposed to Financial fraud wise

| Particulars | No of Respondents | Percentage |
|--------------|-------------------|-------------|
| Heard Of | 6 | 30% |
| Know Well | 3 | 15% |
| Victim | 9 | 60% |
| Wish To Know | 2 | 10% |
| Total | 20 | 100% |

Graph 4.18(1)



INTREPRETATION: The above analysis shows that only 60% of respondents were victims of financial frauds, 15% know well about it and 30% have heard of it. 22% of respondents show interest to know more about financial frauds.

4.8.2 SAVING AND INVESTMENT HABIT WISE CLASSIFICATION

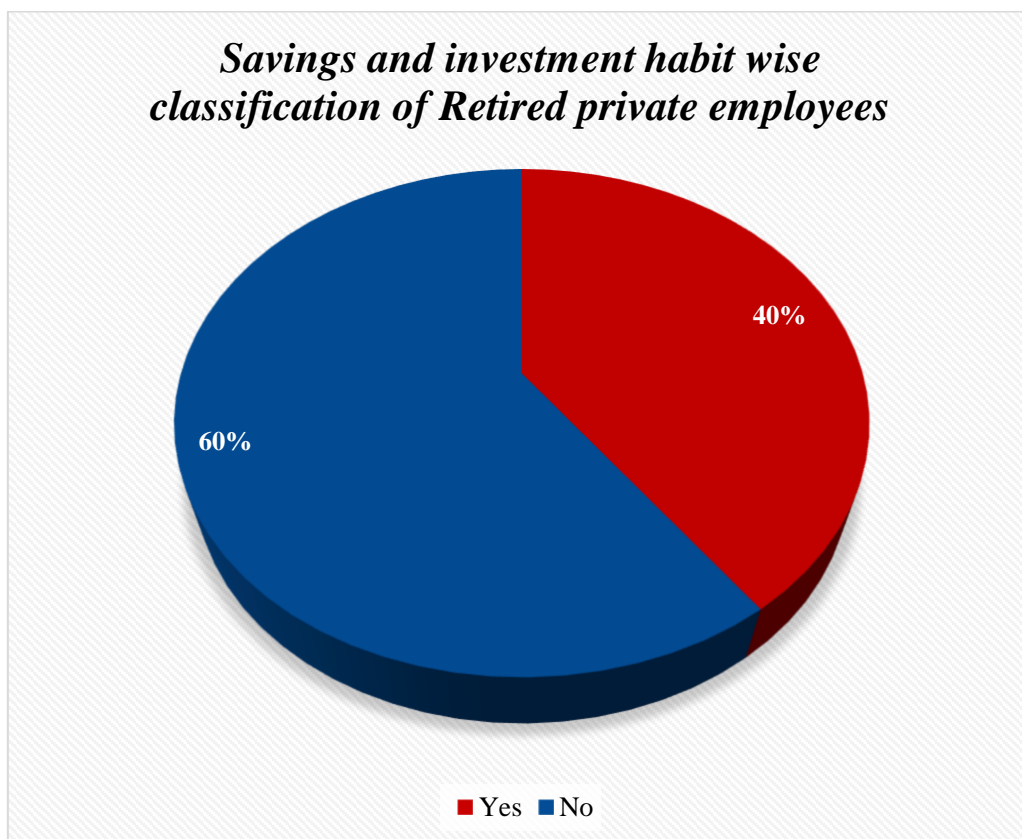
- SAVING AND INVESTMENT HABIT WISE CLASSIFICATION OF RETIRED PRIVATE EMPLOYEES

Table 4.19

Saving and Investment habit wise Classification of Retired private employees

| Basis | No of Respondents | % |
|-------|-------------------|------|
| Yes | 8 | 40% |
| No | 12 | 60% |
| Total | 20 | 100% |

Graph 4.19(1)



INTREPRETATION: The above graph shows 40% of Retired Private employees have saving and investment habit and 60 % don't have stable saving and investment habit. This unsatisfactory saving is because most of the Retired Private employees find it hard to find money to save as they don't have surplus money. They basically earn a low income and have high proportion expense to income. Even if they wish to make saving/ investment they have no favourable financial condition.

4.8.3 GENDER DISPARITYWISE CLASSIFICATION AMONG RESPONDENTS

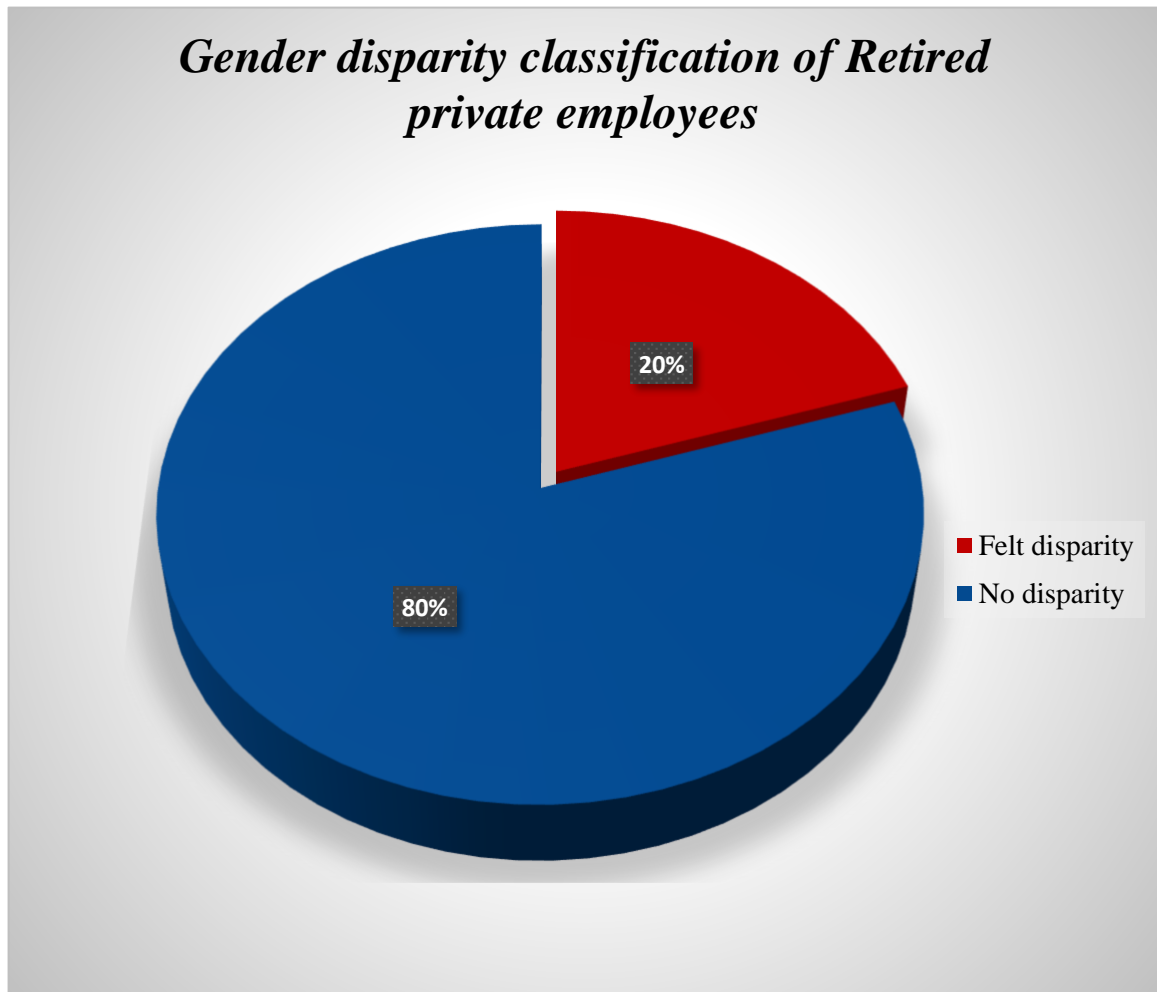
- GENDER DISPARITY CLASSIFICATION OF RETIRED PRIVATE EMPLOYEES

Table 4.20

Gender disparity classification of Retired private employees

| Basis | No. of Respondents | % |
|----------------|---------------------------|----------|
| Felt Disparity | 4 | 20% |
| No Disparity | 16 | 80% |
| Total | 20 | 100% |

Graph 4.20(1)



INTERPRETATION: The above graph show 20% Of retired private employees felt gender disparity 80% don't felt any gender disparity In financial decision making .most of them responded that male are more competent in financial decision making .they are more involved In spending than saving or investing because traditional men have managed money.

CHAPTER 5
FINDINGS , SUGGESTIONS AND
CONCLUSION

FINDINGS

From the study , it is found that retired private employees have low rate of literacy level that most of them deals with fixer routines, stress, day night shift etc..., they are not much aware to have financial knowledge. Also they earn average income besides many of them found it easy to make saving and investments, yet most of the time they seem to be less motivated to be financially competent

- The study revealed all retired private Only near to half percentage found financially literate and others not.
- The study showed that majority of retired private employees are not financially Competent, and only some of them found to be financially competent.
- The study showed that majority of retired private employees is not financially confident and near to 20 percentage of retired private employees found Financially confident.
- the study showed nearly half of retired private employees is financially motivated and others are not.

Findings on level of financial literacy with a socio economic background of respondents.

- The study showed that less than half percent male are literate and same of females are found financially literate. Here we could see that males are more literate than females. The reason for this happens due to the earning habits of male. In comparison with the males, females are not up to the mark. So, female financial education needed more attention than male. It can be concluded that majority of the male retired private employees are literate but majority of the female retired private employees are not literate.
- The study showed that most of the married respondents are literate. In this study majority of respondents are found married and only few are unmarried. And it is noted from analysis that marital status of the respondent has no significant impact on level of literacy of the respondents.
- The study showed that the respondents are in the age group 58 and above.

- The study showed that income of respondents has significant impact on level of financial literacy of the respondents. Persons with high income is found to be more literate than others. And there is a low literacy among low income group.
- The study showed that majority of the respondents are from capsule family and with parents category and literacy rate seem to be higher in the category than others.
- The study showed nearly 36 percentage of private employees felt gender disparity in financial decision making . Most of them responded that males are More competent in financial decision making.
- The study showed 14 percentage of private employees wanted to know more about financial frauds.
- The study showed that majority of private employees stay tuned with financial updates and some of the respondents showed interest to know more about financial updates.

SUGGESTIONS

The following suggestions are proposed for improving financial literacy:

- There are many **online resources** to increase financial literacy. Some educational resources provide tutorials that can cover single topics. Many of the cable news Networks have websites with a finance tab.
- Begin to read the financial section of your local/regional newspaper and read financial **Magazines**.
- **Watch television programs** offering financial information. A general rule of thumb is if it sounds easy to make lots of money quickly, then it's probably an infomercial.
- **Social media** provides us with an insight on financial literacy.
- Take a **financial literacy class** at an adult education centre, or junior or four-year college, On subjects that will help you learn how to manage your finances. Take a course through An online media. There are also a multitude of self-help books and workbooks that teach Finance and personal money management.
- Read **finance and business newspapers** like the Business line and The Financial Times. Both provide insight into world of finance and business.
- Start keeping a **budget** and do have a plan for the extra money.
- Form or join an **Investment club** .The purpose of an investment club is to learn about Investing in stocks and to make a return on investments. This is a long-term commitment For a group of ten to fifteen individuals who want to learn about the stock market Through investments in stocks.
- A **financial calculator** performs functions such as calculating loan payments, interest Rates, percentages, amortization schedules, and cash flow. They also solve time-value of-money calculations such as annuities, mortgages, leases, and savings.
- **Ask For Expert Advice** and try to connect with a local CFO firm.
- Don't fall for the tricksters and be aware of the downfalls.
- Open a savings account and teach your kids how to save. Starting to learn about money Management when young is key to improving financial literacy as an adult. A national Coalition of organizations, tries to improve the financial literacy of K-12 and college Students through advocacy, research, standards, and educational resources. Ask Questions, read up and make every effort to know money better. Understanding the Basics of managing money is vital for the well-being of people and empowering them Financially.

CONCLUSION

Financial literacy provides the knowledge to make financially correct decisions that impacts our daily lives. Using exploratory research, the study analysed financial literacy level. It revealed, in case of retired private employees majority are financially illiterate (Due to poor financial education and average earnings). It is concluded that majority of retired private employees are financially illiterate, incompetent and not confident. And it is found that financial motivation is less in case of retired private employees. The study of financial literacy level and socio economic background of private employees concluded that males are more literate than females, Respondents with higher education are more financially literate and respondents who earn high income are found more literate. It is also found that majority private employees does have stable saving and investment habit. These problems connected with less efficiency and competency are because of the lack of financial literacy. Some other analysis concluded that respondents felt gender disparity in financial Decision making. Most of them responded, male are more competent than female in financial decision making.

So in nutshell financial literacy program should be more focused on providing financial education to retired private employees to create awareness on economic variables like inflation, real income, calculation of interest rate, compound interest etc. If a retired private employees is financially literate he can easily spread their financial knowledge to individuals that are at grass root level. This has a positive and enhanced impact on society's financial attitude. Financial literacy can ease an individual's life burdens tremendously. Thus collective effort should come from Government, banks, companies and educational institutions to improve financial literacy for a better economy. Moreover we the individuals can take initiatives to make ourselves and others financially literate. Making the people financially literate will make them not only am bored but will also facilitate achieving financial inclusions that lead to the development of nations financial system. And this enhanced and sound financial system leads our country to be a developed nation.

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APPENDIX

SCHEDULE ON FINANCIAL LITERACY

A study on financial literacy in Thazhakkara Grama Panchayath

* Required

1. Email *

2. Gender *

Mark only one oval.

Male

Female

3. Marital status *

Mark only one oval.

single

married

4. Community Sub Group *

Mark only one oval.

Auto rickshaw Driver/Owner

Casual Workers

College Students

College Teachers

Drivers/Taxi

- Educated Unemployed
- Electrician/Plumber/Carpenter/Mechanic
- Entrepreneur/Shop owners
- Farmers/Agriculturist
- Government Servants
- Higher Secondary Students
- Health Workers
- Insurance Agents/Bank Employees
- Retired government Servants
- Retired Private Employees
- Private Employees
- Sales Executives
- School Teachers
- Social Worker in Politics
- Social Worker in Religion/Charity
- Other:

5. If others Please specify

6. Age *

7. Your Highest Education *

8. Annual Income *

9. Phone Number *

10. Residing Ward in Thazhakkara *

Mark only one oval

Ward 1

Ward 2

Ward 3

Ward 4

Ward 5

Ward 6

Ward 7

Ward 8

Ward 9

Ward 10

Ward 11

Ward 12

Ward 13

Ward 14

Ward 15

Ward 16

Ward 17

Ward 18

Ward 19

Ward 20

Ward 21

11. Staying With parents

Mark only one oval

Yes

No

12. Staying With parents and grandparents

Mark only one oval.

Yes

No

13. Joint family

Mark only one oval.

Yes

No

14. Assessment of financial competence / behaviour

Mark only one oval per row.

| | Heard | Know well | Apply | Want to know more |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (1) interest | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (2) Compound interest | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (3) penal interest | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (4) inflation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (5) Risk diversification | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (6) insurance. (Life insurance) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (7) Health insurance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (8) Crop insurance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (9) vehicle insurance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (10) Third party insurance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (11) Other general insurance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (12) Group insurance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

15. Assessment of financial competence / behaviour

Mark only one oval per row.

| | Heard | Know well | Apply/ use | Want to know more |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| (13) Long-term planning of : Expense / income / saving / investment | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (14) financial products and the Risk and return characteristics | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (15) Choosing financial products | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (16) Access to financial products | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (17) Stay informed | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

16. Assessment of financial confidence

Mark only one oval per row.

| | Heard | Know well | Apply or use | Wants to know more |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| (18) independent financial decision Made and executed - current | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (19) independent financial decision made and executed - long term | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (20) where to seek help on financial matters | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (21) Regulatory Authority.. (RBI) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (22) IRDA | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (23) PFRDA | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (24) SEBI | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (25) share brokers service | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (26) financial advisors service | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (27) Managing Debt | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (28) Long term planning for retirement | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (29) confidence in dealing with financial products | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (30) saving and investing wisely (self appraisal | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (31) credit card in your name | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| (32) General service offered by the banks | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

17. Financial attitude and motivation

Mark only one oval per row.

| | Yes | No |
|--|-----------------------|-----------------------|
| (35) Day to day financial management and budgeting | <input type="radio"/> | <input type="radio"/> |
| (36) Numerology related fiance - in hand | <input type="radio"/> | <input type="radio"/> |
| (37) NIFTY / SENSEX regularly watching changes | <input type="radio"/> | <input type="radio"/> |
| (38) knowledge of or exposed to financial frauds | <input type="radio"/> | <input type="radio"/> |
| (A) family budgeting | <input type="radio"/> | <input type="radio"/> |
| (41) Habit of saving | <input type="radio"/> | <input type="radio"/> |