



**A STUDY ON “FINANCIAL LITERACY IN COMMUNITY
SUB GROUP - A CASE STUDY OF 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 Kerala.

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EXAM CODE: 15918602

COURSE CODE: CO 18606

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MAVELIKARA 2019-2022

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CERTIFICATE

This is to certify that the project report entitled A Study on “financial literacy in community sub groups - A case study Private Emolyees in thazhakkara panchayath” is a bonafide record of the project done by

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ACKNOWLEDGEMENTS

We would like to 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 **Neethu K Daniel, Department of Commerce** for her inspiring guidance throughout the work. We extend our gratitude to **Dr.Sajeev 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.

Our cordial thanks go to all those who have helped us directly and indirectly in the successful completion of this project.

DECLARATION

We Nikhil A, ABHISHEK A, DEVIKA S, SNEHA K BABU, SWATHY VIJAYAN sixth semester B.Com students of BISHOP MOORE COLLEGE, Mavelikara, (University of Kerala) do here by declare that this project work, a study on “financial literacy in community sub groups - A case study of Private Emolyees in Thazakkara panchayathu” under the guidance of **Neethu K Daniel**, 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 based upon providing individuals sound financial knowledge and skills so that they can make informed financial decisions and take effective actions regarding their personal money management. However, the underlying message is aimed to adjust people's core attitudes and beliefs, so that a change in financial behavior can help them reach a future of financial freedom and security. We all know that our society is built on credit. It is a normal practice for most of us to borrow money to finance our current needs with the hope of future repayment. We borrow money in the form of student loans - to finance educational cost; credit cards and private loans - to finance consumer purchases; and mortgages - to finance homes. Acquiring debts is a big part of who we are as a nation. In recent years, people began to question the value of acquiring material possessions at the expense of financial security and freedom. In 2008, the overextension of consumer credit caused the collapse of banking systems and housing markets in many states. Over 2 million American families lost their homes: foreclosed upon due to over-extension of credit. Is becoming financially literate one of the solutions to prevent such losses while achieving financial security and freedom?

YES, but only if it is backed up with actions that lead to behavior changes. In other words, even if you get all of the financial education available in the world, financial literacy is not achieved unless you make the commitment to develop and follow a budget, set and achieve goals, and turn your investment into assets. When such knowledge leads to action and changes in behavior, we can say that financial education turns into financial literacy.

1.2 STATEMENT OF THE PROBLEM

Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. Financial literacy lacks in determining how others are affected when an individual makes a financial decision. It is important to highlight influences of financial decision making and how others are affected

according to the definition of financial literacy.. Financial literacy is an individual's capacity to gain more knowledge by reflecting on critical consequences of financial decisions. These are referred to as "financial dilemmas" which include stressful situations such as sudden expenses or unemployment.

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 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 NEED AND SIGNIFICANCE OF THE STUDY

Complicated financial products, low level of awareness and lack of knowledge about financial matters make the want of financial literacy noteworthy. The level of financial literacy differs from individual from individual. Gender gap also plays an important role in deciding the level of financial literacy

1.4 OBJECTIVES OF THE STUDY

- To determine the level of financial literacy among private employees in thazhakkara panchayath
- To analyse the financial competency among private employees in thazhakkara panchayath
- To measure the level of attitude and motivation among private employees in thazhakkara panchayath
- To measure the financial confidence of private employees in thazhakkara panchayath
- To suggest measures to improve the financial literacy among private employees in thazhakkara panchayath

1.5 SCOPE OF THE STUDY

The scope of the study is limited to an analysis on the financial literacy among private employees residing in thazhakkara panchayath

1.6 RESEARCH METHODOLOGY

OPERATIONAL DEFINITION

1. **Financially Literate** - A 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

2. **Financial Competency**- A person is considered to be financial competent if his/her answer to the question 13 to 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,

3. **Financial Confident**- A person is considered to be financially confident if answers to three questions from 17 to 24 and is apply /use or Know well and similarly know well for any of the questions from 21 to 24, It means a person is considered as financially confident if he/she apply the concept of Independent financial decisions made and executed-cument and long term and know where to seek help on financial matters, managing debt and Regulatory Authorities (RBI, IRDA, PFRDA, SEBI)

The study is analytical in nature and both primary and secondary data have been made use this study.

GROUP SELECTED:

PRIVATE EMPLOYEES

Private employees means any employee other than a public officer, an employee of a local authority or an employee of a public corporation. They are employee of a private sector employer. The terms doesnot include a bone-fide independent contractor.

The study is analytical in nature and both primary and secondary data have been made use this study.

1. SOURCES OF DATA The place from which a researcher collects his information known as the sources. There are two types of sources of data.

a) Primary data and b) Secondary data.

PRIMARY AND SECONDARY DATA

- **Primary Data**

. In this research, a structural questionnaire was prepared and was distributed among employees for the data collection. The primary data was collected through; Questionnaire: In this tool we have used different types of questionnaire for the data collection. 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

.

- **Secondary Data**

The secondary data for the study was collected through;

- Journals
- Books
- Company website and other online resources

2. PERIOD OF THE STUDY

The survey for collecting primary data was conducted during March 2022.

3. TOOLS OF ANALYSIS

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. Tables, charts and diagrams are used for better interpretation of data

4. SAMPLING METHOD

For the purpose of the study, simple random sampling method was adopted. The tools used are bar diagram, pie chart etc is used.

DATA ANALYSIS TECHNIQUES

Percentage Analysis This is the simplest way to analyze 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 (apartin100%) 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.

$$\text{Percentage} = (\text{noofrespondent} / \text{totalrespondents}) * 100$$

1.7 LIMITATION OF THE STUDY

Utmost care has been taken with regard to the collection, classification and analysis of data. However, the study has the following limitations;

- The secondary data used in this study has been collected from the internet and therefore valid only to the extent of the accuracy of the data.
- Study is conducted within a limited time.
- Errors might have occurred while collecting data.
- The opinions of the respondents may be biased.

1.8 CHAPTERISATION

The study divided into five chapters:

Chapter 1- Introduction

Chapter 2-Theoretical framework

Chapter 3- Review of literature

Chapter 4- Data Analysis and Interpretation

Chapter 5- Findings, Suggestions, and Conclusion

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CHAPTER 2
THEORETICAL STUDY

2.1 Definition:

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. Meaning: Financial Literacy refers to the knowledge and understanding of various financial products that help the investor with their money management, personal finances, investment, and tax planning.

2.2 Importance of Financial Literacy :

1 – Won't fall for Fake Schemes:

In an era where fake schemes such as pyramid schemes are rampant, a financially literate person will not be a victim of such scams. He/she will well be aware of the hogwash that exists behind all the 'get rich quickly' schemes and will not fall prey to any of that.

2 – Awareness of Where not to Invest:

With various schemes like chit funds that tend to lure individuals towards it, to make a big bang for their buck, the financially literate person will not fall victim to any of those. He would be very well aware and convinced that such avenues are not wealth enhancing in the long run.

3 – 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

. 4 – 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.

5 – Prudent Planner :

A financially literate individual will be considerate towards his/her expenses and will limit them in the bracket that has been set. They will not be much of a victim to impulsive buying decisions. He will even go on to plan about his finances be it setting up an emergency fund or even retirement planning at an early age for that matter

. 6 – An Educator :

A financially literate individual is well aware of the tenets of financial planning will now tend to be an educator. He may conduct seminars, teach in colleges, write articles and books, mentor students, etc. Thus a positive environment of awareness and education will be created, which will build up and thus have a chain effect in the society. They would make all the efforts to educate their family, friends, students, colleagues, etc. so that the knowledge that they have is shared to the maximum people so that they too stand to benefit from it.

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

2.3 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

2.4 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 (paychecks,

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).

- **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 AnnualCreditReport.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.

- **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 counseling 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

2.5 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 paycheck. 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 paycheck, 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 behavior. 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) core competencies or principles of financial literacy deliver most of what you need to know to reach for a life of financial security and freedom.

2.6 The 5 Key Components of Financial Literacy

1.The Basics of Budgeting

Creating and maintaining a budget is one of the most basic aspects of staying on top of your finances. It doesn't matter if math isn't your strong suit - thanks to these user-friendly tools, everyone can get help with keeping their finances on track. And, when utilized properly, they'll keep you in the know about where your money is actually going.

2.Understanding Interest Rates

While you may touch upon the concepts within a mathematics course, it's important to understand different aspects, like compound interest. Why? Not only can it help you save even more, but it can make the difference between borrowing a small amount and paying back much more than you need to for years to come.

3.Prioritizing saving

Obviously, saving is an important aspect of maintaining a healthy financial situation. But, the majority of students don't prioritize this aspect as much as they should. It's easy to ignore things like retirement since it seems so far off in the future.

4.Credit-Debt Cycle Traps

Meaning: it's much easier to lose credit than gain it, and many students don't realize how easy it is to ruin their credit. Or how difficult it can be to regain credit – before it's too late. That's why it's crucial to provide knowledge on debt earlier than later.

5.Identity Theft Issues & Safety

In this modern day and age, identity theft is more prevalent than ever. Since everything is digital and just about everyone has shopped online at one point or another, your financial information is more vulnerable to fraud. Understanding this concept, along with preventative measures, like password protection and limiting the amount of information shared online can be the key to maintaining safe accounts or, inversely, can lead to financial ruin

2.7 FINANCIAL LITERACY AROUND THE WORLD: An Overview

In an increasingly risky and globalized marketplace, people must be able to make well-informed financial decisions. Yet new international research demonstrates that financial illiteracy is widespread when financial markets are well developed as in Germany, the Netherlands, Sweden, Japan, Italy, New Zealand, and the United States, or when they are changing rapidly as in Russia. Further, across these countries, we show that the older population believes itself well informed, even though it is actually less well informed than average. Other common patterns are also evident: women are less financially literate than men and are aware of this shortfall. More educated people are more informed, yet education is far from a perfect proxy for literacy. There are also ethnic/racial and regional differences: city-dwellers in Russia are better informed than their rural counterparts, while in the U.S., African Americans and Hispanics are relatively less literate than others.

Moreover, the more financially literate are also those most likely to plan for retirement. In fact, answering one additional financial question correctly is associated with a 3-4 percentage point higher chance of planning for retirement in countries as diverse as Germany, the U.S., Japan, and Sweden; in the Netherlands, it boosts planning by 10 percentage points. Finally, using instrumental variables, we show that these estimates probably underestimate the effects of

financial literacy on retirement planning. In sum, around the world, financial literacy is critical to retirement security

2.8 FINANCIAL LITERACY IN INDIA

Only 24% Indians Financially Literate: India is home to almost one-fifth of the world population and has a literacy rate of nearly 80 per cent. Unfortunately, only 24 per cent of people in the country are financially literate. Three-fourths of the Population in India does not know or understand the pressing need of managing finances is scary for a country that depends on the economy for its development. Nonetheless, there has been a remarkable improvement in the percentage in the last eight years. In 2013, only 15 per cent of the country's Population knew how to manage their finances and savings.

The Times of India quoted the President of the Institute of Company Secretaries of India (ICSI), Ashish Garg, "Despite having the world's 10th largest and Asia's oldest stock exchange, low per capita income, educational inequality, non-banking habits, informal borrowing and lending practices that have been going on for years. Thus, it is imperative for the country to now understand how to optimize its resources and boost the economic and financial backbone of the nation."

2.9 Importance of Financial Literacy for Students & Kids

Here are the fundamental points that children need to know about financial literacy, in addition to the top assets to make learning them fun.

Significance of money

Children should recognize what money is and how it's utilized. Numerous grown-ups underestimate this information on financial literacy—all things considered, they've been utilizing the cash for quite a while and are very acquainted with it. In any case, for kids, it's another idea. To assist them with getting it, feel free to address the unavoidable issues. Children are interested, so present it in a way that fulfills their hunger for information.

Money buys things

So what do individuals do with the cash they gain? They purchase things. Make the association between gaining money and the financial literacy and advantages it gives and make it concrete. What in a kid's life would you be able to highlight? The garments they wear, the toys they play with—the entirety of that is bought with cash. Additionally, instruct kids that things have various costs and that a few things cost more than others. For cutting edge students, examine the contrast among merchandise and enterprises

Money – is earned

Indeed, it is as yet significant for children to hear. Financial literacy for students is simple for youngsters to envision cash as something that mystically shows up when they need it. Assist them with the understanding that cash is something that is earned

Money – to be spent carefully

Youngsters need to discover that they are in charge of their accounts and financial literacy. They generally have a decision about where, when, how, and why they go through their cash. Stores and brands convey comparative things at uncontrollably unique value focuses. Open your youngsters to how significantly products and ventures fluctuate in cost and how to utilize thinking to settle on the best buy. This should be possible in the market as well. Contrast a conventional item with its name-image variant. What's the distinction in cost? Is it justified, despite all the trouble?

Contrast among “necessities” and ‘wants’ Not all buys are equivalent. Children may not understand that costs like food supplies and lease are organized over films, games, and new gadgets. The previous are “necessities.” The last are “wants.”

One great approach to make this point is to take them shopping for food and offer with them your financial literacy for the outing. The entirety of the things that you purchase for solid suppers are “need” buys. Everything in the checkout line? Those are “needs.” Those things may be ideal to have, however buying them should possibly be thought of all “need” things are purchased and there's cash left to spend.

Saving money – to spend later on

Money is not tied in with acquiring and spending. A significant segment in financial literacy for students is sparing or saving cash for future costs. Sparing does not—and should not—be

introduced as an errand, or something much the same as having broccoli at supper. Or maybe, ask kids what they may purchase on the off chance that they had more cash. A doll? An activity figure? A baseball glove? These things can be bought by setting aside cash earned today and holding back to spend it until there's sufficient for the thing.

For kids, the most significant thing is to get them prone to spare. When the propensity of financial literacy is found out, they would then be able to concentrate on what they're putting something aside—for entertainment only things like toys or outings, yet additionally significant ones like instruction costs.

2.10 Importance of Financial Literacy in India

Financial literacy is one of the biggest assets of any country as it is directly proportional to the economic growth. The significance of financial literacy in India are as follow:

Development of rural areas:

Reaching out to rural sections and working on their development can be achieved through financial literacy. This can beachieved by making people more aware about the available resources and right way of utilizing them.

Ease in borrowing:

Based on an RBI study, 42.9% of population borrowed money from informal sources and pay higher interests. A strong financial education can help small traders make informed decisions and make the best use of available resources. Ease in doing business transactions: The launch of Pradhan Mantri Jan Dhan Yojana has led to an addition of 280 million new bank accounts. These accounts have led to an ease in doing business and has also promoted cashless transactions to a great extent.

Growth of MSMEs:

MSMEs contribute to 29% of India's GDP with 50% of the exports coming from this sector. Financial literacy can help small businesses grow and even bring new businesses to the market.

2.11 Financial Literacy in Kerala

In general, financial literacy is a combination of financial attitude, financial behavior and financial knowledge. Financial attitude is an incorporated attitude towards spending, saving and planning money. Financial behavior takes into consideration of manners of people which affect their financial wealth and wellbeing. It considers questions related to household budget, cautious purchases, savings, long term financial goals, observing financial affairs, timely payment of bills and affordability. Financial knowledge examines the awareness of the people about financial products and services like interest, risk-return, inflation and diversification. Southern region of India especially in Kerala, the literacy rate is higher when compared to the country as a whole. But still we cannot say this is the case in financial literacy. Many researches on financial literacy of people in Kerala have shown that financial literacy among them are quite low compared to literacy rate. They are not competent enough to invest in the right financial product.

In a survey among the southern region, Karnataka state scored (90 percent) highest level in financial attitude followed by Kerala (85 percent). Puducherry (48 percent) scored lowest level in financial attitude. Data Compiled from the National Centre for Financial Education Report on financial literacy, 2015. On an average, southern region scored 66 percent in financial attitude which is slightly lower than national average

Financial Behavior in Southern States of India especially in Kerala state is higher. Due to more foreign money coming its way. In Kerala there are lesser number of industries and mineral resources, thus this foreign money boosts up its economy. Due to this reason they much be financially literate and competent to make sound investment decision. In a research among the southern region, Kerala state scored (70 percent) highest level in financial behavior followed by Tamil Nadu (69 percent). Puducherry (55 percent) scored lowest level in financial behavior. Financial Knowledge in Kerala state of India is high comparing to southern states. Among the southern region, Kerala state scored (55 percent) highest level in financial knowledge followed by Tamil Nadu (46 percent). Lakshadweep scored (24 percent) lowest level in financial knowledge. It is the sum total of financial attitude, financial behavior and financial literacy.

In general, financial literacy is a combination of financial attitude, financial behavior and financial knowledge. Financial attitude is an incorporated attitude towards spending, saving and planning money. Financial behavior takes into consideration of manners of people which affect their financial wealth and wellbeing. It considers questions related to household budget, cautious purchases, savings, long term financial goals, observing financial affairs, timely payment of bills and affordability. Financial knowledge examines the awareness of the people about financial products and services like interest, risk-return, inflation and diversification. Southern region of India especially in Kerala, the literacy rate is higher when compared to the country as a whole.

But still we cannot say this is the case in financial literacy. Many researches on financial literacy of people in Kerala have shown that financial literacy among them are quite low compared to literacy rate. They are not competent enough to invest in the right financial product.

In a survey among the southern region, Karnataka state scored (90 percent) highest level in financial attitude followed by Kerala (85 percent). Puducherry (48 percent) scored lowest level in financial attitude. Data Compiled from the National Centre for Financial Education Report on financial literacy, 2015. On an average, southern region scored 66 percent in financial attitude which is slightly lower than national average. Financial Behavior in Southern States of India especially in Kerala state is higher. Due to more foreign money coming its way. In Kerala there are lesser number of industries and mineral resources, thus this foreign money boosts up its economy. Due to this reason they much be financially literate and competent to make sound investment decision. In a research among the southern region, Kerala state scored (70 percent) highest level in financial behavior followed by Tamil Nadu (69 percent). Puducherry (55 percent) scored lowest level in financial behavior.

Financial Knowledge in Kerala state of India is high comparing to southern states. Among the southern region, Kerala state scored (55 percent) highest level in financial knowledge followed by Tamil Nadu (46 percent). Lakshadweep scored (24 percent) lowest level in financial Knowledge. Financial literacy is a combination of financial attitude, financial behavior and financial knowledge. It is the sum total of financial attitude, financial behavior and financial females are financially literate compared to 35 percent males.

2.12 Global banking and Financial literacy

Learn from the competition:

Fintechs have driven innovation in the industry, with simple, user-friendly interfaces; user tools such as AI-driven chatbots; and insights such as nudges, alerts, spending breakdowns and data visualisations. These tools can be applied across services, including cash management, payments, lending, insurance and more. Banks can either replicate these features or buy tools from fintechs directly.

Nudges and alerts can help consumers monitor such items as outstanding balances, loan payment terms and due dates, and more, improving their credit and helping them reduce debt. Modelling tools can help explore the implications of decisions, helping consumers better experience their consequences. In the U.S., Zoggo Finance is teaching Gen Z how to make better decisions, using games and incentives. Emma helps consumers track finances, eliminate wasteful subscriptions and use recommendations to save money. Betterment and Wealthfront provide robo-advising that simplifies investment decision making, while Coinbase makes cryptocurrency investing accessible.

Develop deep customer insights :

Banks can learn how consumers make decisions, including those that aren't in the best interests of their financial well-being. Teams can conduct qualitative and quantitative research and apply design thinking to these challenges. Teams can conduct innovation sprints, using insight-driven tools and techniques such as user personas, pain mapping, inspirational case studies and new technologies to explore new opportunities. They can then align the best of these opportunities to their target customer experience, by developing a growth strategy; commercialising new business models, products and services; and aligning their technology roadmap and investments accordingly. During the early days of COVID-19, Sparkler executed fast-paced research to learn how UK consumer beliefs and attitudes were changing. As an example, Sparkler found that among 18- to 34-year-olds, 37 per cent

needed more credit to pay for essentials, 45 per cent were interested in alternative ways to invest money and 38 per cent said they needed greater guidance on managing pensions, insights banks could put to work.

Become a data-driven business:

Banks can improve data gathering, analysis and segmentation across the customer lifecycle. They can then use this data to design personalised customer journeys across digital channels, where financial education is delivered both just-in-time and on an ongoing basis. By deploying cloud-based tools to better predict behaviour and risk, they can offer financial content and intervention to support customers' decision making. Banks can use AI-driven chat and other tools to guide consumers through products and services and help them make the right choices. Similarly, brokerages can break down and demystify options, stock and crypto trading, while putting appropriate checks and balances in place to avoid harming vulnerable consumers. Ageas, a leading insurance company in Europe and Asia, is building analytics solutions at scale, to offer personalised services and automated processes across its life, non-life, and accident and health business lines.

Deploy modern strategies and architectures:

Banks are moving data to the cloud, using microservices to build flexible services, and creating end-to-end solutions using APIs. By so doing, bank teams can gain access to near-real-time, accurate data for decision making. They can then use advanced analytics to predict financial difficulty, model the affordability of new loans and automatically trigger interventions for vulnerable consumers. But they'll have to move faster to keep pace with the market. Banks are adopting agile ways of working to speed up innovation and reduce risk. Schroders, a global investment manager, has trained 600 professionals on agile processes, accelerating the speed of project release by 20 per cent in just nine months. As consumers struggle with finances, they are looking for a helping hand. By intervening early and often with personalised financial literacy tools and services, banks can create customers for life. As financial services leaders know, keeping, servicing and growing customer relationships can be more profitable than constantly marketing for and losing them, or writing off bad debt due to ongoing loan and credit losses

2.13 Impact of social media on financial literacy

Social media has a huge impact in spreading financial literacy in India. It was one of the biggest influencers of rise in investment during the pandemic. Many stock market training academies,

YouTube channels and websites were founded during this period. The top 15 Indian YouTube channel focusing on equity markets have a subscriber base of more than 13 million. An increase in internet penetration and popularity of these mediums, triggered a rise in

popularity of investment across India. Many people from different age groups began investing in equity markets and mutual funds. The retail investors' share in cash market turnover increase from 39% in 2019 to 45% in 2020.

2.14 Government initiative towards financial literacy

Strengthening financial inclusion in India has been an important agenda of the government and the various regulatory bodies such as: RBI, SEBI, IRDAI, PFRDA. Efforts have also been taken to spread awareness and increase financial literacy among small businesses . Listed below are few such initiatives taken by respective regulatory authority:

Reserve Bank of India (RBI) RBI being the money market and the banking regulator has launched basic financial education as well as sector focused financial education. These include, financial literacy guides, diaries and posters covering the tenets of financial wellbeing such as savings, concepts of interest, time value, inflation etc. To aid businesses, ATM's, payment systems, Ponzi schemes, financial awareness messages etc. are some of the other contents covered.

Securities and Exchange Board of India (SEBI)

SEBI also focuses on enhancing basic financial education and sector wise financial education. Being the Indian capital and securities market regulator, it also arranges events such as the World Investor Week and mass media campaigns. It also has a dedicated investor website.

Insurance Regulatory and Development Authority of India (IRDAI)

Like the other regulators, IRDAI also works on content development by creating brochures, handbooks etc. It has also created mandatory board approved policy for insurers and arranges various seminars and quiz programs.

Pension Fund Regulatory and Development Authority (PFRDA)

PFRDA has dedicated website called 'Pension Sanchay' launched in 2018. This website aims at increasing financial literacy from retirement perspective.

In addition to the above, the government of India has also implemented several schemes in order to increase financial inclusion such as, Pradhan Mantri Jan Dhan Yojana, Jivan Jyoti Beema, Atal Pension Yojana etc. These schemes are introduced for the ease of banking services, awareness, and general insurance awareness. In addition to this, the government arranges several financial literacy programs like financial education for children, retirement planning, commodity future markets and insurance for school students to educate and spread awareness among the young population

CHAPTER 3
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 pillar 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 Tamilnadu 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.

- Madhulata (2016) [7] has analysed the financial literacy using a sample survey of 200 respondents (100 male & 100 female) in rural areas of Sonapat district of Haryana. Sample was selected using convenient and purposive sampling technique. Crosstab correlation & chi-square test was applied to assess the association between various socio demographic factor & financial literacy. The results showed that gender, income, nature of work and education level have association with basic financial literacy but there is no association between age and literacy. Study results reveal that overall financial literacy is very low many respondents were not even able to calculate simple interest.
- Puneet Bhushan & Yajulu Medury (2013) [6] examined financial literacy & its determinants using ANOVA & descriptive statistics in three districts of Himachal Pradesh namely Shimla, Solan & Kangra. Questionnaire survey of 516 salaried employees was conducted. Multistage sampling technique has been used to select representative sample from sub divisions of three districts of Himachal Pradesh. The results indicated that there is a significant difference between male & female, male is more financially literate than females. ANOVA analysis revealed that there is no association between age and financial literacy level of salaried employees. There is a positive relation between education, income & financial literacy. Income of financially literate employees is more than financially illiterate employees. Similarly employees working in nongovernment organisations in urban areas are more financially literate

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 private employees, second section presents financial competency, and third section presents Financial Confidence and Financial motivation of private employees.

Analysis in this chapter is presented in 4 different heads

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

4.2 Profile of Respondents

The study was conducted with the objective of finding out financial literacy level with special reference to private employees. For the purpose of collecting data we prepared questionnaires and Google forms. We performed convenience sampling and collected responses data to be entered. To study about the features of the selected group, 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 LEVEL OF FINANCIAL 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 11 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 PRIVATE EMPLOYEES

Table:4.3.1

Awareness of the concept Interest

particulars	No of respondents	percentage
Heard Of	19	38%
Know Well	8	16%
Apply	7	14%
Wish To Know	16	32%
Total	50	100%

Table: 4.3.2

Awareness of the concept Compound interest

particulars	No of respondents	percentage
Heard Of	17	34%
Know Well	8	16%
Apply	7	14%
Wish To Know	18	36%
Total	50	100%

Table: 4.3.3

Awareness of the concept Penal interest

particulars	No of respondents	percentage
Heard Of	13	26%
Know Well	8	16%
Apply	7	14%
Wish To Know	22	44%
Total	50	100%

Table : 4.3.4

Awareness of the concept Inflation

particulars	No of respondents	percentage
Heard Of	11	22%
Know Well	8	16%
Apply	7	14%
Wish To Know	24	48%
Total	50	100%

Table: 4.3.5

Awareness of the concept Risk diversification

particulars	No of respondents	percentage
Heard Of	7	14%
Know Well	8	16%
Apply	7	14%
Wish To Know	28	56%
Total	50	100%

Table 4.3.6

Awareness of the concept Insurance

particulars	No of respondents	percentage
Heard Of	19	38%
Know Well	7	14%
Apply	8	16%
Wish To Know	16	32%
Total	50	100%

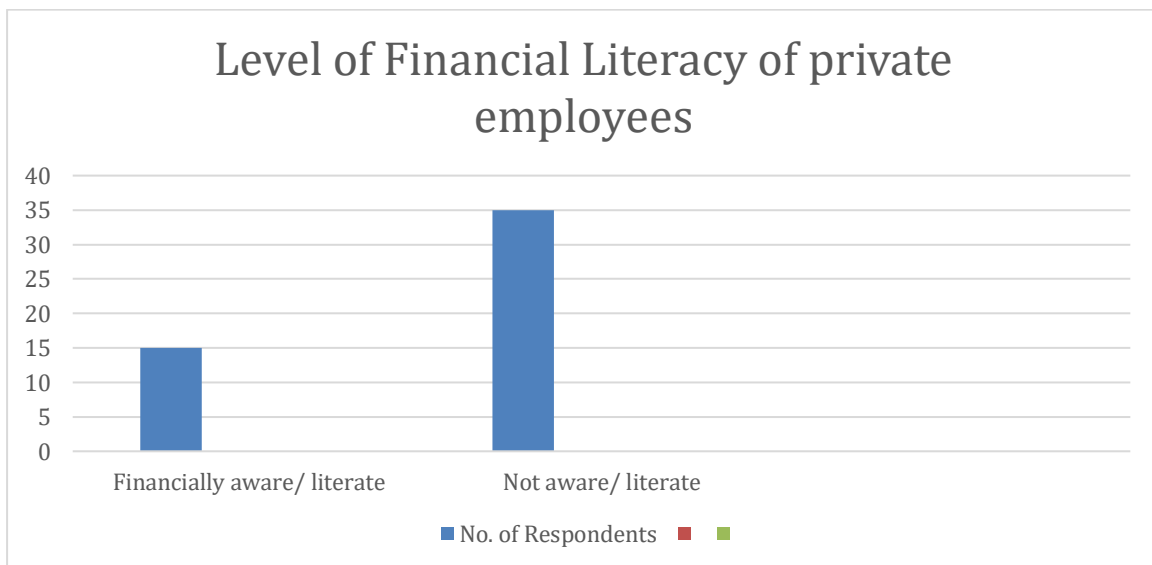
4.3.2 LEVEL OF FINANCIAL LITERACY OF PRIVATE EMPLOYEE

Table no: 4.7

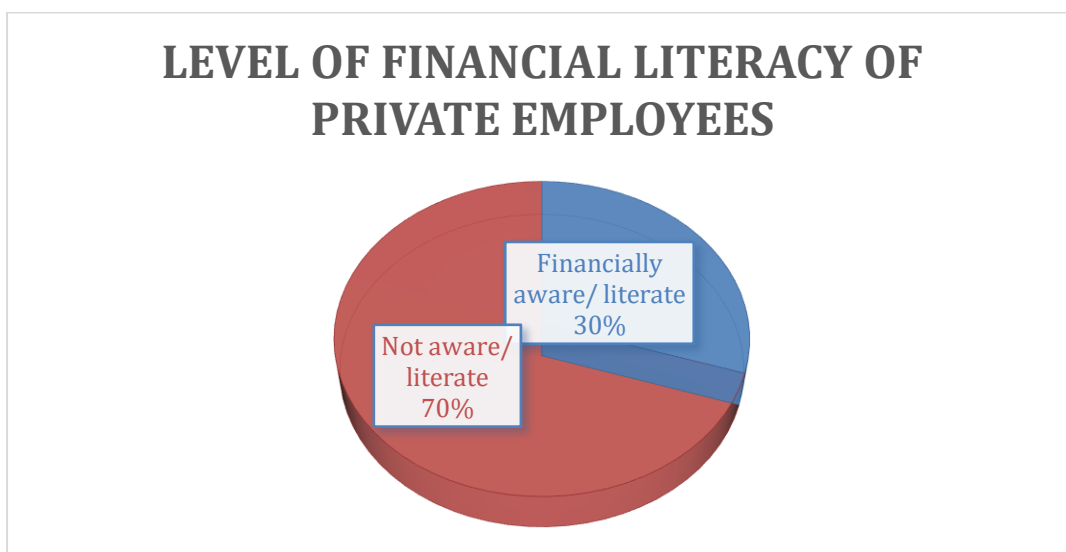
Level of Financial Literacy of private employees

Basis	No. of Respondents	%
Financially aware/ literate	15	30%
Not aware/ literate	35	70%
Total	50	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: PRIVATE EMPLOYEES

We focused on the analysis of level of financial literacy and socio-economic background of 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

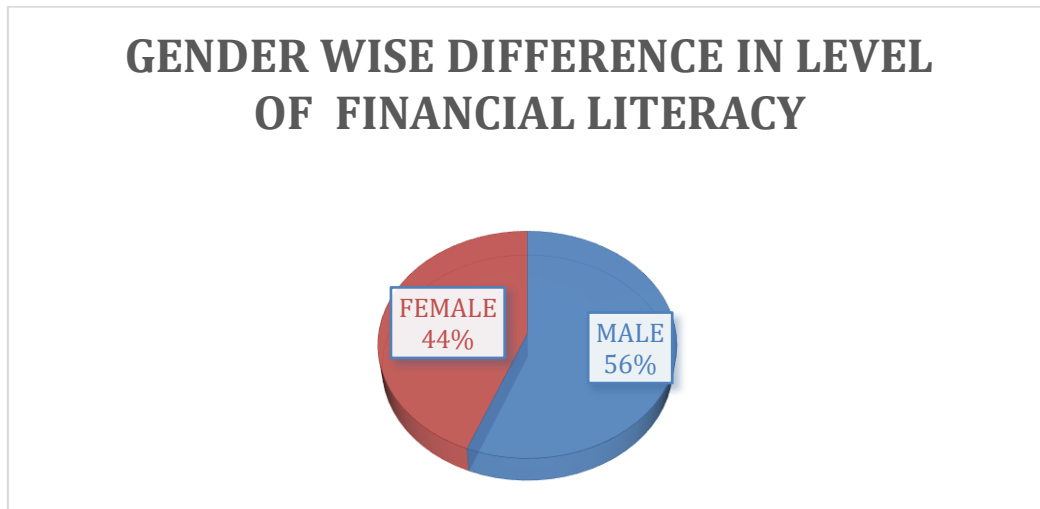
There are important knowledge gaps throughout the population. And there is considerable differences among gender wise literacy also. The following table and graph shows gender wise classification of respondents.

Table 4.8

Gender wise difference in level of financial literacy

Gender	Male	%	Female	%	Total	%
Literate	8	28%	7	31%	15	30%
Not literate	20	72%	15	69%	35	70%
Total	28	100%	22	100%	50	100%

Graph 4.8.1

**INTERPRETATION:**

The above graphs shows that 28 percent male are literate and the 31 percent females are financially literate. Here, we could see that males are more literate than females. But when we compare the total no: of male and female respondents with their respective percentage of financial literacy ,male respondents have low financial literacy, as the no: of financially illiterate males are high in number..

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

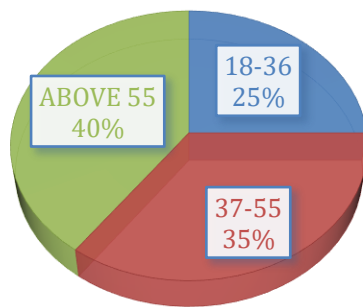
Table 4.9

Age wise difference in level of financial literacy

Age group	18-36	%	37-55	%	above 55	%	Total	%
Literate	4	27%	4	22%	7	41%	15	30%
Not literate	11	73%	14	68%	10	59%	35	70%
Total	15	100%	18	100%	17	100%	50	100%

Graph 4.9.1

AGE WISE DIFFERENCE IN LEVEL OF FINANCIAL LITERACY



INTERPRETATION:

The above graphs shows that 27 percent of respondents in age group 18-36 is literate and 22 percent of respondents in the age group 37-55 is literate. 41 percent found to be literate in above 55 years age group. According to the study above 55 age group respondents are more literate

than other groups. It is concluded, there is significant difference in age and level of financial literacy of private employees, the majority of private employees belong to the age group 18-36 are illiterate.

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.

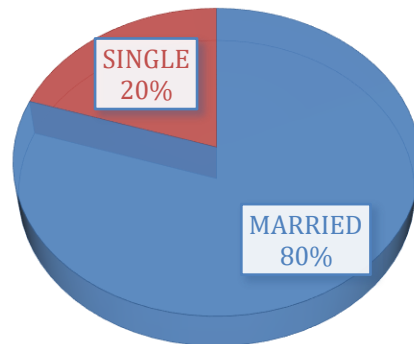
Table 4.10

Marital Status Wise difference in level of financial literacy

Marital Status	Married	%	Unmarried	%	Total	%
Financially Literate	11	27.5%	4	40%	15	30%
Not literate	29	72.5%	6	60%	35	70%
Total	40	100%	10	100%	50	100%

Graph 4.10.1

MARITAL STATUS WISE DIFFERENCE IN LEVEL OF FINANCIAL LITERACY



INTERPRETATION:

The above graphs shows that 27.5 percent of married are literate and the 40 percent of unmarried are financially literate. Here, we could see that majority of respondents are married . 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 upto 2 lakhs, Middle income means earnings between 2 and 5 lakhs. High income means earning above 5 lakhs

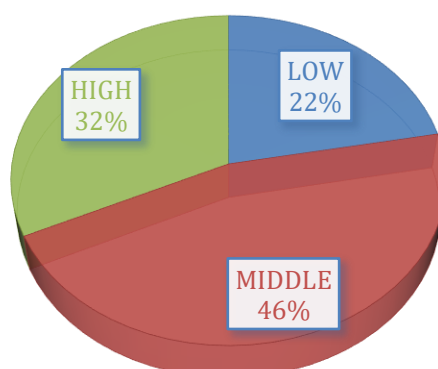
Table 4.11

Income wise difference in level of financial literacy

Income Group	Low income	%	Middle income	%	High income	%	Total	%
Financially Literate	3	27%	7	31%	5	32%	15	30%
Not literate	8	73%	16	69%	11	68%	35	70%
Total	11	100%	23	100%	16	100%	50	100%

Graph 4.11.1

INCOME WISE DIFFERENCE IN LEVEL OF FINANCIAL LITERACY



INTERPRETATION :

The above graphs shows that 27 percent of respondents in low income group is literate and 31 percent of respondents in the middle income group is literate. in high income group 32 % respondents are to be literate. It is noted that income of the respondent has significant impact on level of financial literacy of the respondent. Persons with high income is found to be more literate than others. And there is low literacy among low income group

4.4.5 Education-wise difference in Financial literacy

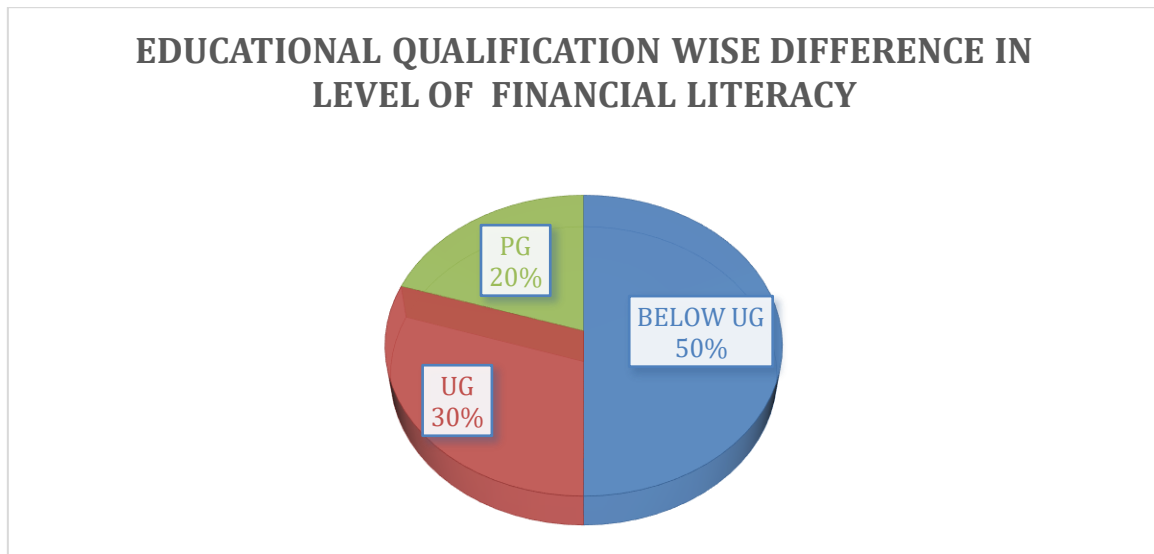
Education gives us knowledge of the world around us and changes it into something better. It helps us build opinions and have points of view on things in life. Education makes us capable of interpreting things, among other things. Also it's understood that the educational qualification of a person does 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 Group	Below UG	%	UG	%	PG	%	Total	%
Financially Literate	8	32%	4	20%	3	60%	15	30%
Not literate	17	68%	16	80%	2	40%	35	70%
Total	25	100%	20	100%	5	100%	50	100%

Graph 4.12.1

**INTERPRETATION:**

The above graphs shows that 32% of respondents in below graduation and 20 % of respondents in Graduated group is found to be financially literate. . 60% 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.

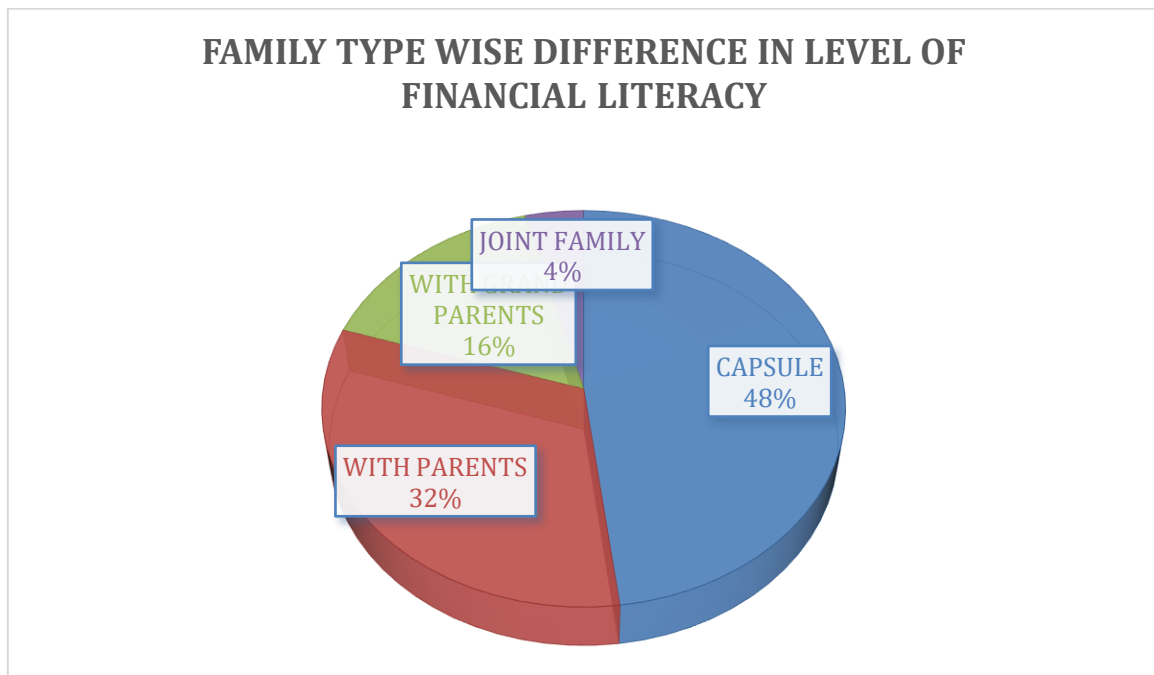
In this study to analyse the financial literacy of the respondents they were classified into four main family types: With Parents, Joint Family of two or more families of same generation, Capsule 2 or 1+ child and With Parents and grandparents.

Table 4.13

Family type wise difference in level of financial literacy

Family type	Family type	%	Family type	%	With Grand parents	%	Joint family	%	Total	%
Financially Literate	7	29%	4	25%	3	37.5 %	1	50%	15	30%
Not literate	17	71%	12	75%	5	62.5 %	1	50%	35	70%
Total	24	100%	16	100%	8	100%	2	100%	50	100%

Graph 4.13.1



INTERPRETATION:

The above graphs shows that 29% respondents in capsule family type and 25% of respondents staying with Parents is found to be financially literate. 50% is found in joint family group to be financially literate.

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 PRIVATE EMPLOYEES

Table 4.14

Competency level of financial concepts of private employees

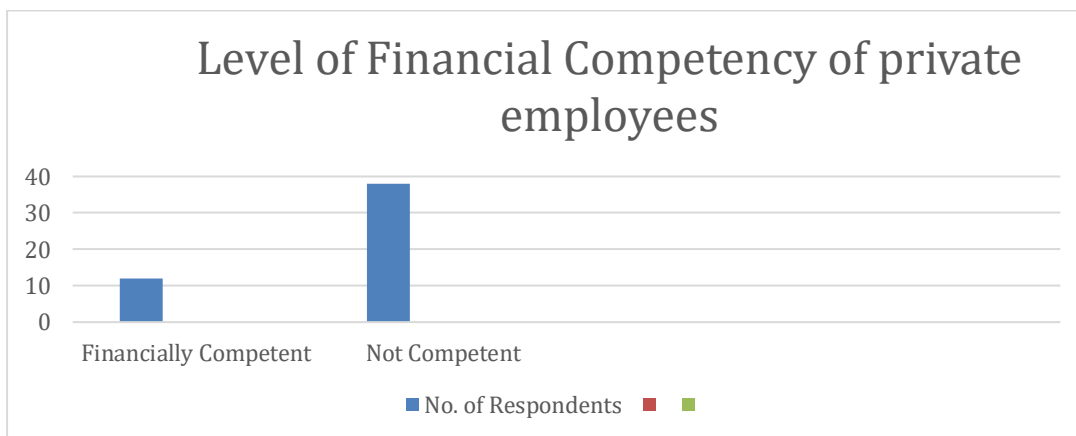
Particulars	Heard Of	Know Well	Apply	Wish to know	Total
1. Long-term planning of: Expense / Income /Savings/ Investment	8	6	6	30	50
2. Awareness of Financial Products and the risk/return characteristics	10	7	5	28	50
3. Choosing financial products	9	6	6	29	50
4. Access to financial products	11	4	8	27	50
5. Stay informed	8	5	7	30	50

Table 4.15

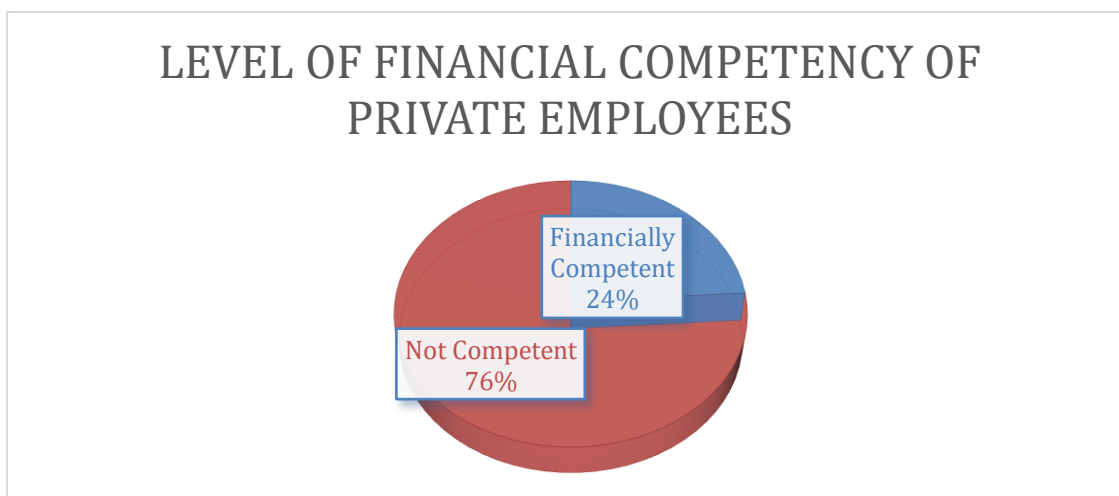
Level of Financial Competency of private employees

Basis	No. of Respondents	%
Financially Competent	12	24%
Not Competent	38	76%
Total	50	100%

Graph 4.15.1



Graph 4.15.2



INTERPRETATION:

The above graph shows that 24% of respondents are Financially Competent and 76% is not competent

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).

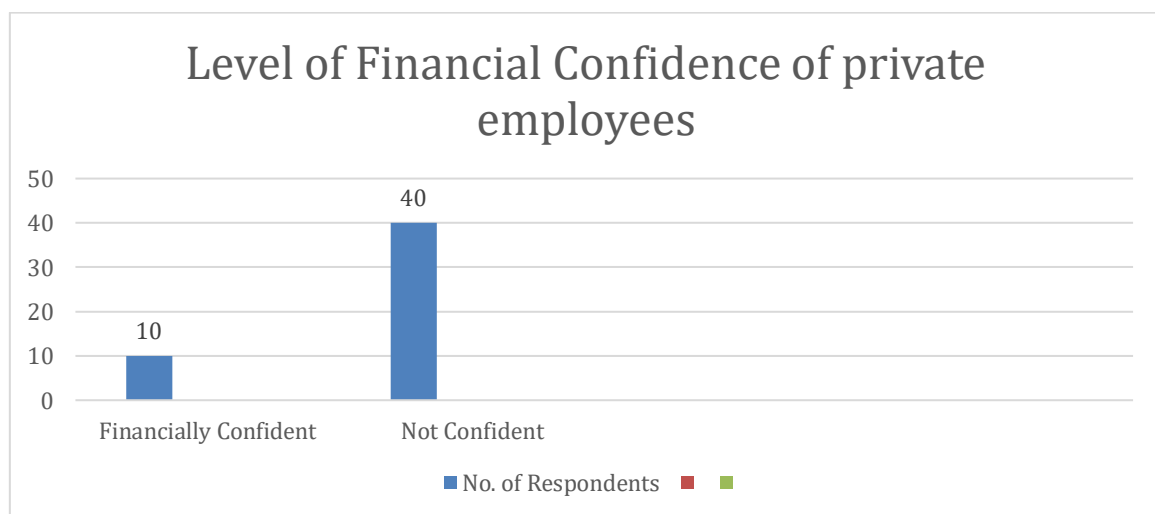
(I) LEVEL OF FINANCIAL CONFIDENCE OF PRIVATE EMPLOYEES

Table 4.16

Level of Financial Confidence of private employees

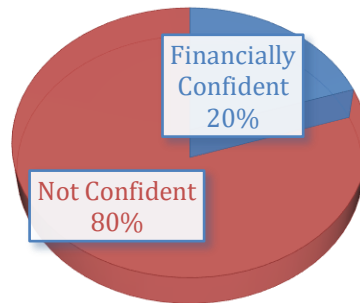
Basis	No. of Respondents	%
Financially Confident	10	20%
Not Confident	40	80%
Total	50	100%

Graph 4.16.1



Graph 4.16.2

LEVEL OF FINANCIAL CONFIDENCE OF PRIVATE EMPLOYEES



INTERPRETATION:

The above graph shows that 20% of respondents are Financially Confident and 80% is not financially confident.

4.7 LEVEL OF FINANCIAL ATTITUDE/ MOTIVATION

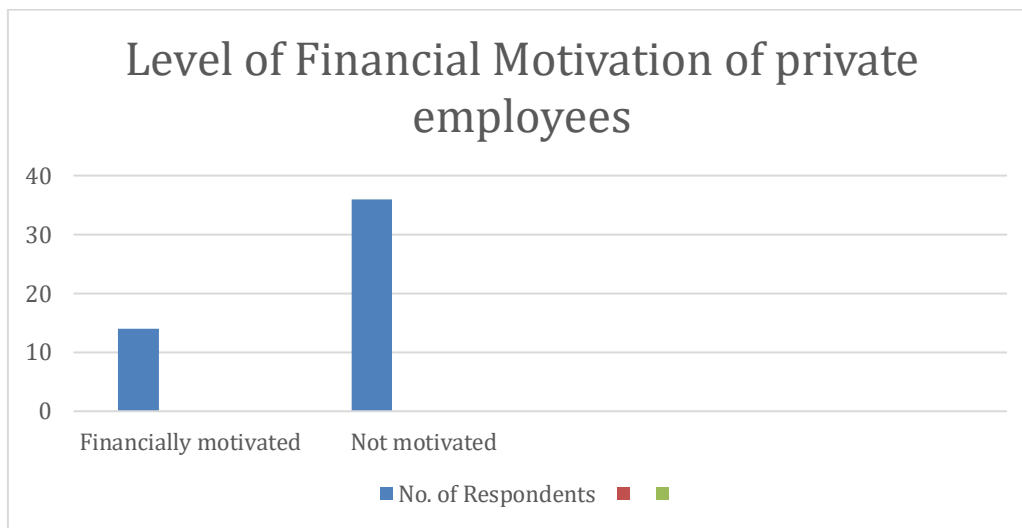
Financially motivated - A person is considered to be financially motivated if answers to any three questions from 24 and 25 is apply or use. It means a person is considered as financially confident if he/she apply the concept of Day to day financial management and budgeting, habit of saving and investment.

Table 4.17

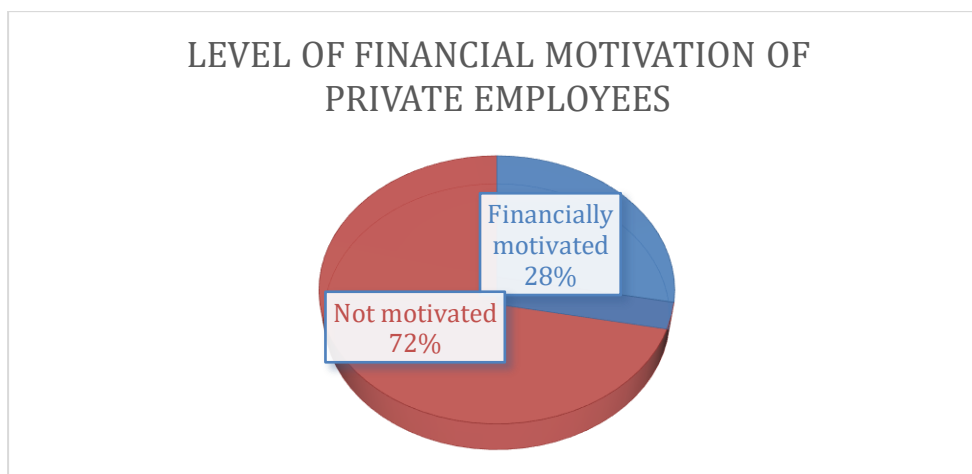
Level of Financial Motivation of private employees

Basis	No. of Respondents	%
Financially motivated	14	38%
Not motivated	36	72%
Total	50	100%

Graph 4.17.1



Graph 4.17.2

**INTERPRETATION:**

The above diagram / graph shows that 28% of respondents are Financially Motivated and 72% 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.

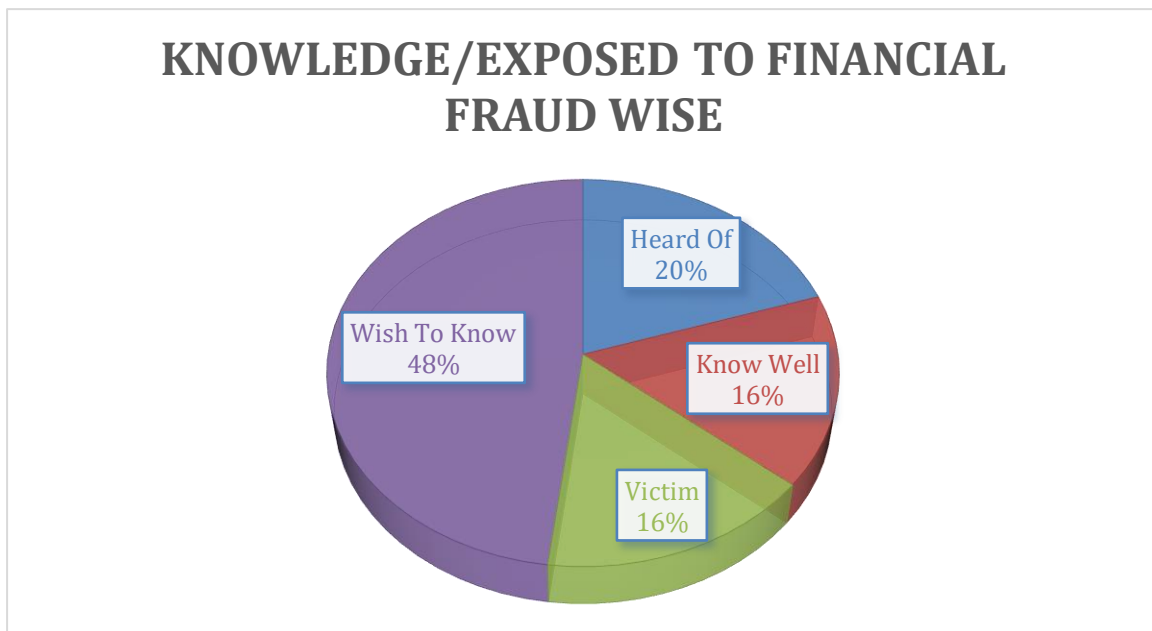
4.8.1 KNOWLEDGE/EXPOSED TO FINANCIAL FRAUD WISE CLASSIFICATION OF RESPONDENTS

Table 4.18

Knowledge/Exposed to Financial fraud wise

particulars	No of respondents	percentage
Heard Of	10	20%
Know Well	8	16%
Victim	8	16%
Wish To Know	24	48%
Total	50	100%

Graph 4.18.1



INTERPRETATION:

The above analysis shows that only 16% of respondents were victims of financial frauds, 16% know well about it and 20% have heard of it. 48% of respondents show interest to know more about financial frauds.

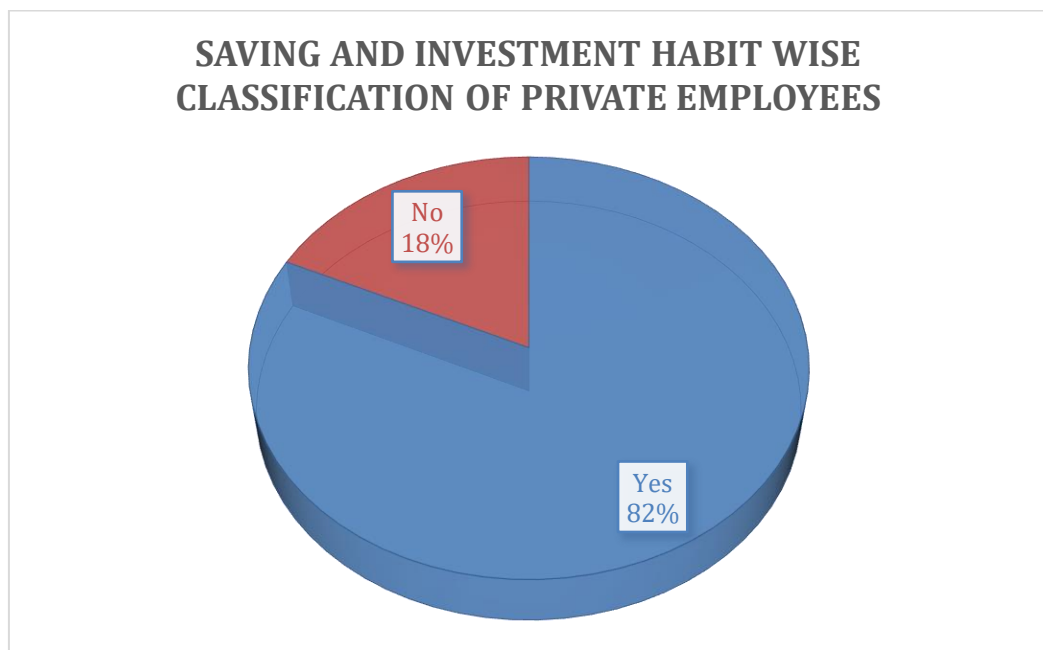
4.8.2 SAVING AND INVESTMENT HABIT WISE CLASSIFICATION

Table 4.19

Saving and Investment habit wise classification of private employees

Basis	No. of Respondents	%
Yes	41	82%
No	9	18%
Total	50	100%

Graph 4.19.1



INTERPRETATION:

The above graph shows 82% of private employees have saving and investment habit and 18% don't have stable saving and investment habit..

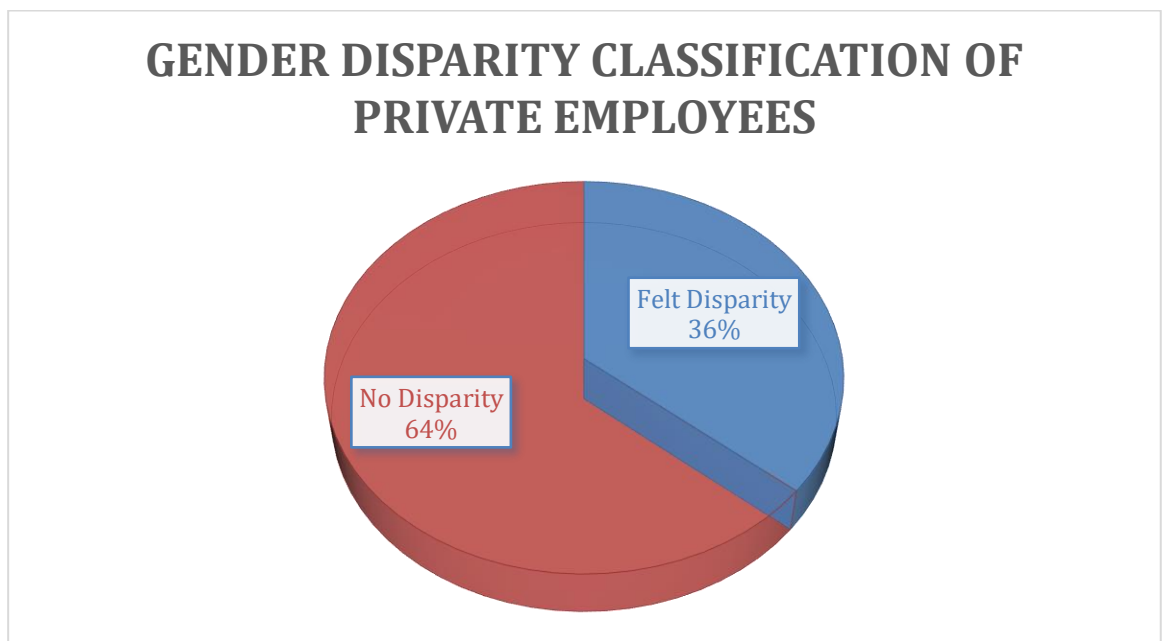
4.8.3 GENDER DISPARITYWISE CLASSIFICATION AMONG RESPONDENTS

Table 4.20

Gender disparity classification of private employees

Basis	No. of Respondents	%
Felt Disparity	18	36%
No Disparity	32	64%
Total	50	100%

Graph 4.20.1

**INTERPRETATION:**

The above graph shows 36% of private employees felt Gender disparity 64% don't felt any gender disparity in financial decision making. Most of them responded that males are more competent in financial decision making. They are more involved in spending than saving or investing because traditionally men have managed money.

CHAPTER 5
FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

From the study, it is found private employees have low rate of literacy level that most of them deal with fixed routines, stress, day-night shifts 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 private employees only near to half percentage found Financially literate and others not.
- The study showed that majority of private employees is not Financially Competent, only 24% of them found to be Financially Competent.
- The study showed that majority of private employees is not Financially Confident and near to 20% of private employees found Financially Confident
- The study showed nearly half of private employees is Financially Motivated and others are not..

Findings on level of financial literacy with socio-economic background of respondents

- The study showed that less than half percent male are literate and the same goes with females. 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 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 and female private employees are not literate.
- The study showed that 27 percent of respondents in age group 18-36 is literate and 22 percent of respondents in the age group 37-55 is literate. 41% is found to be literate in above 55 years. And we found middle age group respondents are more literate than other groups. Persons above 55 age group are showed less interest to know more. It is concluded, there is significant difference in age and level of financial literacy of private employees, .
- The study showed most of the married respondents are literate and the 40 percent unmarried are financially literate. In this study majority of respondents are found married and only

10 are unmarried. And it is noted from analysis that marital status of the respondent has no significant impact on level of literacy of the respondent.

- The study showed that 27 percent of respondents in low income group is literate and 31 percent of respondents in the middle income group is literate. 32% is found in high income group to be literate. It is noted that income of the respondent has significant impact on level of financial literacy of the respondent. Persons with high income is found to be more literate than others. And there is low literacy among low income group.
- The study showed that 32% of respondents in below graduation and 20 % of respondents in Graduated group is found to be financially literate and 60% of respondents in post graduated are financially literate. We found that the respondents with higher Education are found to be more financially literate. And the less educated group are found less financially literate. It is noted that education of the respondent has significant impact on level of financial literacy.
- The study showed that 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.
- The study showed nearly 36% 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 82% of private employees have saving and investment habit. Majority of private employees have stable saving and investment habit. Basically they earn a average income and have high proportion of expense to income. Even if they wish to make saving/ investment they have less favourable financial condition.
- The study showed 48% 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, this study analysed the financial literacy level. It revealed, in case of private employees majority are financially illiterate (due to poor financial education and average earnings). It is concluded that majority of private employees are financially illiterate, incompetent and not confident. And it is found that Financial Motivation is less in case of private employees. The study of financial literacy level and socio economic background of private employees concluded that males are more literate than females, married respondents are more literate than unmarried, middle age group respondents are more literate than other groups, 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, males are more competent than females in financial decision making.

So in nutshell Financial literacy programs should be more focused on providing financial education to private employees to create awareness on economic variables like inflation, real income, calculation of interest rate, compound interest etc. If a private employees is financially literate, he can easily spread their financial knowledge to individuals that are at grass root level. This have 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 empowered but will also facilitate achieving financial inclusion that leads to the development of the nation's 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 with regards to private employees

1. Gender *

Mark only one oval.

Male

Female

2. Marital status *

Mark only one oval.

Single

Married

3. Age *

4. Your Highest Education *

5. Annual Income

* _____

6. 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

Family Characteristics

7. Staying With parents

Mark only one oval.

- Yes
- No

8. Staying With parents and grandparents

Mark only one oval.

Yes

No

9. Joint family

Mark only one oval.

Yes

No

10. Assessment of financial Awareness *

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"/>

11. 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"/>

12. 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"/>

Financial Attitude and Motivation

13. 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"/>
(42) Recognised Gender disparity in financial matters	<input type="radio"/>	<input type="radio"/>
(43) owned / shares/ bond/ future/ options/ETF/MF/Gold fund/ NSC	<input type="radio"/>	<input type="radio"/>
(44) Demat Accounts owned by.Self	<input type="radio"/>	<input type="radio"/>