

Financial Literacy at Household Level among Women in Vizianagaram Town

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Abstract : In our country, where poverty and unemployment are the major problems, it is very crucial to financially literate the women to fuel the engine of growth by providing opportunities to women to contribute to economic growth. There are instances of extreme poverty reported by women post the death of the earning member of the family. However, such instances could have been avoided with future financial planning, contingency savings and emergency funds. Sometimes, women are aware of such products but are reluctant to go for such options because of poor and incomplete information or lack of personal confidence. While women in developed countries proved to be better financial planners relatively, it is the women of emerging economies who have to become literate when it comes to money management issues. In the patriarchal society like our India, male hold primary power and predominant in every role. Women were not given chance to involve in financial matters even they do not try to know their opinions also. Though women are now reaching heights as the sky is the limit, in family or household they themselves limits to parents, in-laws', spouses. In contemporary development planning people participation in the central theme for economic progress initiatives. This paradigm shift calls for considerable efforts to mobilize human energies and building up community based leadership at grass roots level. In this context, financial literacy is formed very effective to realize the goal of comprehensive empowerment of households. The research paper attempts to look at the status of women in India from ancient times and need of financial literacy among women. The objective of this research paper to identify the level of financial literacy among home-makers and working women. The aim of the primary research to understand the level of financial literacy among these two groups of women. The results of survey indicated that levels of financial literacy among home-makers comparatively lower than that of working women. The target audience has been randomly chosen in Vizianagaram town.

IndexTerms - Financial literacy, women, home-makers.

I. INTRODUCTION

In contemporary development planning people participation in the central theme for economic progress initiatives. This paradigm shift calls for considerable efforts to mobilize human energies and building up community based leadership at grass roots level. In this context, financial literacy is formed very effective to realize the goal of comprehensive empowerment of households. Financial Literacy means the capability to make effective decisions regarding the use of money. A financially literate individual is able to make intellectual judgments and take effective choices regarding the usage and management of money (Noctor et al., 1992). It is very encouraging to see that today women are at par with men in all fields but when it comes to financial decision-making, they are still dependent on the male members of their family. In our country, where poverty and unemployment are the major problems, it is very crucial to financially literate the women to fuel the engine of growth by providing opportunities to women to contribute to economic growth. There are instances of extreme poverty reported by women post the death of the earning member of the family. However, such instances could have been avoided with future financial planning, contingency savings and emergency funds. Sometimes, women are aware of such products but are reluctant to go for such options because of poor and incomplete information or lack of personal confidence. While women in developed countries proved to be better financial planners relatively, it is the women of emerging economies who have to become literate when it comes to money management issues.

Financial literacy involves both concept and application and these two ends are tough to bring together in reality. It means that people should not only know the financial planning concepts but should be capable of applying them in their day-to-day transactions. The investment and financial planning remains a weak point of Indian woman, despite of being highly educated and working at good positions. The concept of financial literacy has various parameters like basic money management, financial planning and savings, investments, budget etc. According to an annual Master card index prepared for measuring financial literacy, "India is at the bottom among 16 countries in Asia-pacific region in terms of overall financial literacy."

There are many definitions of financial literacy, for example, OECD defines financial literacy as "A combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing."

OECD INFE (2011) Measuring Financial Literacy: Core Questionnaire in *Measuring Financial Literacy: Questionnaire and Guidance Notes for conducting an Internationally Comparable Survey of Financial literacy*. Paris: OECD.

To measure the level of financial knowledge and attitude of respondents and assessing their behaviours with regard to finances, it is very important to identify the potential needs and gaps related to the specific aspects of financial literacy.