

Association Between Demographics and Financial Literacy of Women

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Abstract

Financial literacy is fundamentally spreading the awareness of good money and management practices. It includes all currency transactions made by a person, such as income, expenses, savings, loans, and investments. Financial literacy is a process of making sense of and indulgent financial issues and situations. In the present study, authors have presented an association of demographic factors towards financial literacy among women in Vizianagaram, Andhrapradesh. The sample size of 540 women from various areas of Vizianagaram has been incorporated for the research. A structured questionnaire designed on a 5 point Likert scale has been used based on a simple sampling method. The association between independent variables, i.e., demographic factors, is investigated by applying One-way Anova for hypothesis testing. The findings revealed that the financial literacy of women has a moderate association with demographic factors.

Keywords: Financial Literacy, Women, Demographic Factors, Vizianagaram.

Introduction

Financial literacy is about education and understanding of various financial areas, including topics related to managing personal finance, money and investment. Financial literacy is generally related to managing personal budgets, taking proper and efficient decisions related to one's finances such as investment, purchasing or investing in real estate, education for their children and saving for the future. It also involves knowledge about calculating simple and compound interest, managing debt, techniques related to savings and spending, and the proper use of funds. Lack of financial knowledge can lead to poor financial decisions, which will hurt a person's financial situation. Financial literacy is a way for people to raise awareness of various concepts in finance, financial markets and financial products such as stocks, bonds, mutual funds, and make appropriate decisions to improve their financial status and avoid financial instability. A combination of awareness, attitude and information about financial products and services can take proper and good decisions related to finance. Financial literacy indicates an awareness of financial products. Financial literacy depends on how one manages his own money and how efficiently one utilises financial resources for the growth and welfare of oneself, his business and family as a whole. The Organization for Economic Co-operation and Development (OECD) and the International Network on Financial Education (INFE) define financial literacy as: "A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing".