Financial Literacy In Working Women: A Literature Review

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ABSTRACT
This research paper tries to corroborate through empirical evidences the status of financial literacy of working women. For better review, the literature was analyzed according to three categories, that is Financial Literacy among working women; Determinants of Financial Literacy and Financial Literacy and socio-demographics since 2009 till 2021. It was found through review of related literature that although lots of interventions at various levels are going on to increase financial literacy among females, but still financial literacy gaps and financial literacy levels are low to chase the goal of Inclusive empowered India. It is suggested to move forward with more focused and customized intervention plans, programmes and policies to make India a financially inclusive nation.

Keywords: Literature Review, Financial literacy, Financial Behaviour and Financial Attitude, Financial Knowledge, Working women

I. Introduction:
Financial Literacy has become imperative for all the countries in the globe today, as it is directly proportional to the economic growth of a country and all the people are experiencing that the financial systems of the 21st Century have been growing with speed, sophistication and complexity. As a 21st century life skill, financial literacy is one of the three components of financial pillars which can empower the future citizens of India. The three components of financial pillar are Financial Education, Financial Inclusion and Financial Stability. While financial inclusion gives access of financial products and services to all, financial education make the people aware about the needs and benefits of financial services offered by different banks and financial bodies. So we can say that financial literacy follows the knowledge based approach to empower the citizens and strengthen the financial and economical backbone of India as a nation. But the problem here is that although females who are working are financially independent but till today are less confident when it comes to financial decision making and
take advise from the male counterparts for investment, savings and retirement planning. So to make India an Inclusive nation we need to empower all the workforce irrespective of gender or the sector they are working with. Different organizations and financial bodies have different perspective about financial literacy. The various ways in which financial literacy has been defined in the last few decades are as follows:

**According to OECD 2005,** “financial literacy is a combination of financial awareness, knowledge, skills, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well being. People achieve financial literacy through a process of financial education.”

**According to Reserve Bank of India,** “financial literacy can broadly be defined as the capacity to have familiarity with an understanding of financial market products, especially reward and risks in order to make informed choices. Moreover, financial literacy plays a significant role in the efficient allocation of household saving and ability to individuals to meet their financial goals (Arokia Jerold, 2008)”.

II. **Objectives of the Study:**
- To explore the status of working women with respect to their financial literacy.
- To find the determinants of financial literacy of working women.
- To identify the relationship between the various demographic variables with financial literacy of working women.

III. **Research Methodology:**
This paper is completely based on secondary data. An extensive study is done on previous research articles, newspapers, reports, journals, books and official websites of regulatory bodies related to financial literacy of women.

IV. **Literature Based Review:**
To cater to the objectives of the study the literature is compiled and reviewed according to the following sub heads:
- A. Studies related to Financial Literacy among working women
- B. Studies related to determinants of Financial Literacy
- C. Studies related to Financial Literacy and socio-demographics

**A. Studies Related to Financial Literacy Among Working Women**
Under this category all the research conducted by the researchers in the past are included pertaining to the financial literacy levels of working women. In one of the study by Tabea Bucher-Koennen, Rob Alessie et.al (2021) they shared Global Finance Literacy Excellence Centre report mentioning that women are less financially literate than men although it was unclear whether this gap reflects a lack of knowledge or, rather, a lack of confidence. Their survey was evident that women tend to disproportionately respond “do not know” to questions
measuring financial knowledge, but when this response option is unavailable, they often choose the correct answer. The team concluded that about one-third of the financial literacy gender gap could be explained by women’s lower confidence levels. **Dharmendra Yadav (2020)** studied the financial literacy among women employees by administering a questionnaire based on Lusardi (2008). The finding of the study suggested that the overall financial literacy level of women employees is low. In addition to this, **Pradeepa R and Dr. T. G. Manoharan (2020)** explored the financial literacy level of working women and their investment pattern in Ernakulam District. The study found that working women are not well versed with financial literacy terms and meanings to take various financial decisions relating to their investment patterns. Their investment is based on one or more of the demographic characteristics and conventional beliefs more than their literacy level. The study found that women, invest in traditional investment products and are disinterested in stock market instruments. **Shanti S A.V.N. Murty (2019)** assessed the impact of Financial Literacy on women in several districts of Andhra Pradesh. The objectives of the study were to identify the impact of financial literacy on women and assess the relationship of financial literacy with the socio-economic variables. The sample size of 450 women from all the districts of Andhra Pradesh were chosen through convenient sampling and data was collected using a questionnaire. Data analysis was done using the inferential statistics and it was found that Age and income level is positively associated and education is not associated with Financial Literacy. Moreover, married women have lower levels of Financial Literacy compared to single women and Employed women have higher levels of Financial Literacy compared to self-employed. **Rukmini Murugesan, V. Manohar (2018)** explored the Financial Literacy at Household Level among Women through Self made questionnaire from the Young employees in the age group of 25 to 35 in Vizianagaram town. The results of survey indicated that levels of financial literacy among home-makers comparatively lower than that of working women. **Mahajan, Shrikrishna & Jadhav, Aniket. (2018)** assessed the Financial Literacy of Women Employees in Banks. It was found that 48.4% women employees have medium and moderate lower level financial literacy and only 5.3% women employees have higher level financial literacy. It was recommended that every bank should arrange financial training & development programmes for their employees. **Raj Kumar Boora and Jyoti Agarwal (2018)** conducted a study titled as “Financial Literacy: Evidence from Saudi Women”. A survey was conducted with the help of the questionnaire and distributed among the working and non-working women in Saudi Arabia. It was found that there is no financial literacy difference between working and non-working in Saudi Arabia. **Ashish Pathak (2018)** assessed the Financial Literacy in female teachers of Indore. The study concluded that the initiatives taken by government of India are helping in increasing financial education and making women self-reliant and self-employed/entrepreneurs by providing them skill training and financial assistance. Also it was evident that govt. schemes and programmes and financial literacy were positively correlated to each other. **Chetna Singh & Raj Kumar (2017)** deliberated on financial literacy among Indian women and focused that one of the biggest challenges of our country is women empowerment which can only be attained by making women educated, finance liberated and independent. Although women’s access to financial services has increased substantially faster in the past 10 years, their ability to exploit this access is often still limited by the disadvantages they experience
because of their gender. Women are good at budgeting and managing household expenses but many women take their steps back when it comes to take larger financial decisions and they generally leave it to their spouses, fathers, brothers, etc, believing them to be financial experts. **Kamakia, Margaret.** (2017). did a detailed literature review on Financial Literacy and Financial Wellbeing of Public sector employees of Kenya. The existing literature gaps are identified and recommended for further research. The results from the literature review indicated that there seems to be a positive relationship between financial literacy and financial wellbeing but this relationship is intervened and moderated by financial decisions and demographic factors respectively.

**B. Studies Related To Determinants Of Financial Literacy**

This section explores what are the various determinants that researchers included to measure the financial literacy in the past. For instance, **Białowolski, Piotr & Cwynar, Andrzej & Cwynar, Wiktor** (2020) examined structural relationships between financial knowledge, skills, confidence, attitudes, and behavior in debt-domain on a sample of 1004. It was found that financial confidence—at least regarding debt-related issues—is tied to debt attitudes and behavior beyond the extent to which the attitudes and behaviors are linked to objective debt knowledge. Moreover, the relationship between objective knowledge and confidence turned out to be insignificant in our study. **Wagner, Jamie** (2019) study results shown that people who received any financial education are likely to have higher financial literacy scores compared to those without financial education. Financial education has larger predicted probabilities for those with lower education and income, suggesting that financial education is especially important for this demographic group. **Arya P.** (2018) assessed the current status of financial literacy in India and found that the Financial literacy is not a skill that is acquired through once-off learning. Rather, it is the function of continuous, repetitive learning over a lifetime. **Blessy Roy, Ruchi Jain** (2018) studied the level of Financial Literacy among Indian Women and found that the financial literacy which is dependent on financial knowledge, attitude and behaviour of women is not satisfactory. **Shrikrishna S. Mahajan and Aniket H. Jadhav** (2018) assessed the Financial Literacy of Women Employees in Banks and was concluded that every bank should arrange training and development programme on financial literacy for their employees. As far as the women empowerment is concerned, women should first become financially independent and economic empowered which will support them to be socially empowered. **Toran Lal Verma, D. K. Nema and Rahul Pandagre** (2017) conducted a review on current financial literacy efforts in India and it was evident that RBI, SEBI and IRDA has been continuously taking innovative steps to enhance the literacy level in India. But, despite all these commendable efforts, financial literacy in India is very low. This low level of literacy is found to be a major hindrance in the path of making India a cashless and digital economy. **Vohra,T and Mandeep Kaur** (2017) did a literature review on investment decisions of women. The findings of the study revealed that women are holistic thinkers, balanced, intuitive and quality conscious. They adopt a futuristic approach and perform in-depth research prior to investing. They are good savers and at the same time self-controlled. On the other hand, risk aversion, conservative attitude, lower levels of financial knowledge, lack of confidence, too much dependence on guidance from others, reluctant to cause unnecessary change in status
poor health and religiousness are their weaknesses. **Kapil Choudhary and Samriti Kambo (2017)** conducted a study titled as “Women and Financial Literacy: An Empirical Study from Haryana”. Socio demographic information about the respondents including income, marital status, work situation and education of the respondents was also covered in the questionnaire. A sample of 200 females was selected from the state of Haryana. It was found that more than forty percent of the women respondents of Haryana demonstrate a high level of financial literacy. Still a large proportion of women are lacking in financial skills and knowledge and are susceptible to higher risk of irresponsible financial decision making.

C. Studies Related to Financial Literacy and Socio-Demographics

The account of studies mentioned below are reviewed in this paper to explore the empirical relationship between various socio-demographic variables with the financial literacy of working women in India. **J Duraichamy & P. Ponra (2021)** did an Economic Study on Financial Literacy among Working Women in Madurai City. 45 samples were collected from working women over various field like textile industry, Information technology, fashion, teachers, professors and health industry based working women are taken as sample for the study. Data collected with the help of questionnaire, simple random sampling techniques is used for sampling, SPSS software was used to analyse data. It was found that financial literacy among women is still low and needs immediate efforts for financial well-being of females. **Faiza Liaqat, Khalid Mahmood and Fouzia Hadi Ali. (2020)** found an average level of financial knowledge among university students. The demographic differences revealed that most of the students are male, graduate, with age above 26, enrolled in a private university, residing in dormitories, and score higher in academic subjects are more financially literate. While the socioeconomic differences indicated that those students who follow family advice, study minor finance courses, maintain a bank account, and have higher parental income are more knowledgeable about finance. **Josephat Lotto, Damir Tokic (2020)** research examined the influence of households’ demographic characteristics on the level of their financial literacy in Tanzania. Men were found to have higher levels of financial literacy than women something which limits their financial decisions making ability. It is also concluded that younger households and those with higher income levels were equipped with higher financial literacy levels. Likewise, more educated and employed households tend to have higher levels of financial literacy. **Ratna Komara, Arie Widyastuti and Layinaturrobianiyah. (2019)** conducted a study on Financial Literacy and Demography Characteristics among Indonesian Millennials. Results indicated that the millennials who possess Bachelor’s Degree or higher, are enrolled in Economics or Business major, and have longer working experiences and receive financial education (formal/informal), appear to have significantly higher level of financial literacy compared to the students with lower level of education, enrolled in courses other than Economics or Business, having no working experience and any exposure to financial education. **Gangwar, Rachna; Singh, Ritvik (2018)** found that financial literacy among respondents was low and significant differences existed based on sociodemographic and economic factors. Unexpectedly, financial literacy was found to have no effect on investment behaviour. **Vijay Laxmi and Nardeep Kumar Maheshwary (2018)** did a Meta analysis of previous research published worldwide web to develop a comprehensive view of factors that
influenced financial literacy. Age, education, gender and occupation were found as considerable influencing factors among various factors in the study.

V. Conclusion:
After the detailed review of the literature in the past, it is evident that financial literacy is synonymously used with Financial Education, Personal Finance Index and Financial Knowledge. Financial Literacy and Personal Finance management among females will help a nation to produce not just socially empowered and inclusive society but economically empowered citizens as well. Also it focuses that for measurement of financial literacy majorly two ways are applied in the past, few studies have broadly categorized the concept of financial literacy into skills, attitude and behaviour to assess and in other studies there is no categorization, but the researchers have taken into account individually the knowledge of the respondents about the components or parameters of financial literacy as, budgeting, savings, risk securities etc. All the literature related to the present study have been compiled in chronological order in order to focus that nationally or internationally financial literacy of females have been explored among various stratas of population like, home makers, teachers, millennials, managers, nurses, college students and banking professionals but very few studies are comparing the financial literacy of working females with respect to their professions and working sectors focusing on the findings mentioned below:

1. Women are less financial literate in comparison to men.
2. Overall financial literacy level of women employees is low.
3. Working women are not well versed with financial literacy terminology to take various financial decisions relating to their investment patterns.
4. Females’ investments are based on demographic factors and conventional beliefs more than their literacy level.
5. Women invests more in traditional investment products and are less interested in stock market instruments.
6. Age and Income level is positively correlated to financial literacy.
7. Married women have lower levels of financial literacy compared to single women.
8. Employed women have higher levels of financial literacy compared to self-employed.
9. More customized models are improving the financial literacy level of women working in different sectors, like, agriculture, education and so on.
10. Financial perception and knowledge factors, financial stress, and short-term financial behaviour showed significant indirect relationships with financial well-being.
11. Females have less knowledge about credit facilities and other bank products.
12. Women are good at budgeting and managing household expenses but when it comes to larger financial decisions still are dependent on mail counterparts in their family.
13. Financial Literacy plays important role for economic empowerment of females.
14. Working women face significant financial challenges associated with long-term debt and short-term financial vulnerability.
15. Working women have difficulty saving for the short term and planning for their retirement.
Thus, these empirical findings suggest the urgent need for devising effective actions in order to appropriately assess and increase the financial literacy among women. And the first step to do that is to find out the financial literacy levels among females in present times because only then the parameters in which females lack knowledge can be identified and worked upon.

References:


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