Assessment Of Financial Literacy Among Socially Underprivileged Groups In Special Reference To Chittur Taluk.

Ms. Reshma R, Mr. Vivek. P

M. Com Finance And Control, School Of Commerce, Nehru Arts And Science College, Nehru Gardens, Thirumalayampalayam, Coimbatore -641105, Email: Iamreshmaramachandranr@Gmail.Com

Dr. M. Shanker Prabu, Dr. M. Priya, Ms. R. Meena

Assistant Professor, School Of Commerce, Nehru Arts And Science College, Coimbatore, Nehru Gardens, Thirumalayampalayam, Coimbatore- 641105, Email: Nascshankerprabhum@Nehrucolleges.Com

Abstract

Financial literacy is a crucial skill for effective money management, yet socially disadvantaged groups often face significant challenges in acquiring and applying financial knowledge. This study assesses the level of financial literacy among marginalized populations, including low-income households, minorities, and individuals with limited educational opportunities. Using surveys and interviews, the research examines their understanding of budgeting, saving, debt management, and investment. Findings indicate that financial literacy levels are generally low in these groups due to factors such as limited access to financial education, socio-economic barriers, and distrust in financial institutions. The study highlights the need for targeted financial education programs, policy interventions, and community-based initiatives to enhance financial awareness and decision-making among disadvantaged individuals. Improving financial literacy in these groups can contribute to economic stability and empowerment, ultimately reducing financial inequalities.

Key words: financial literacy, socially disadvantaged groups, low-income households,

Introduction

Access to financing is a crucial requirement for employment, economic growth, poverty alleviation, and social upliftment, particularly for the impoverished and defenseless. Financial literacy is the capacity to comprehend financial issues. Stated differently, it refers to people's awareness, knowledge, and ability to make well informed decision regarding finances, borrowing, investments, and spending. Both the individual's and the family's financial wellbeing depend on having a sufficient level of financial literacy. Our nation's poor and rural resident will be able to open bank accounts, save and invest, borrow and payback, get insurance, and participate in credit they are financially literate. By doing this, thy will be able to break the cycle of poverty. Policies to encourage banks to offer comprehensive banking services to the nation's unbanked population were included in the rbi's 2005-2006 annual policy statement. Despite this some people are denied access to financial services even though they want to use them.

The financially excluded sections largely comprise marginal farmers, landless labours, self-employed and unorganized sector enterprises, ethnic minorities, socially excluded groups, senior citizens and women. Socially disadvantaged groups is group whose members have been subjected to racial or ethnic prejudices because of their identify as members of a group without regard to their individual qualities .in india. The need for financial literacy is greater because a large section of the population still remains out of the formal financial setup. Even then, a

Ms. Reshma R, Mr. Vivek. P, Dr. M. Shanker
Prabu, Dr. M. Priya, Ms. R. Meena

Assessment of financial literacy among socially
underprivileged groups in special reference to
chittur taluk.

large segment of the population is still excluded from the purview of formal financial setup due to the lack of financial literacy.

Need of the study

This study is necessary to bridge financial knowledge gaps, promote inclusive economic growth, and support socially disadvantaged groups in making informed financial decisions. It provides a foundation for targeted interventions, reducing financial vulnerability and fostering greater economic independence. In this study can understand that whether all the financial services are reach to all the disadvantaged group people

Statement of the problem

The indian financial sector has experienced remarkable growth in both volume and complexity over the past few decades. While significant advancements have been made in areas related to financial viability, profitability, and competitiveness, concerns persist regarding the inability of financial institutions to incorporate a substantial portion of the population, particularly the underprivileged segments of society, into basic financial services. The reserve bank of india and the central government are actively working to investigate the causes of financial exclusion and to develop strategies aimed at ensuring financial inclusion for the poor and disadvantaged. The reasons for financial exclusion may differ from one country to another, necessitating varied strategies; however, comprehensive efforts are being undertaken, as financial inclusion has the potential to significantly enhance the financial circumstances and living standards of the impoverished and marginalized. This study seeks to evaluate the level of financial inclusion and financial literacy among socially disadvantaged groups in chittur taluk. Additionally, it examines the impact of various government initiatives, such as the mahatma gandhi national rural employment guarantee scheme and microcredit facilities, in fostering financial literacy among these groups.

Scope and significance of study

Financial knowledge is considered as an important factor that promotes fiscal addition. Due to the significance of fiscal knowledge reserve bank of india and central government are bearing numerous systems and programmes to make the people financially knowledgeable. Indeed also numerous of the individualities are strange with indeed the most introductory profitable generalities demanded to make to make sensible saving and investment options. This has serious counteraccusations for saving, withdrawal planning and other fiscal knowledge in this script a study that covers the issues will be significant. So the present study focuses on the assessment of fiscal knowledge among socially underprivileged groups in chittur taluk.

Objectives of the study

➢ To identify the level of awareness on selected financial products among socially disadvantaged groups.

➢ To evaluate the level of usage of various financial services among socially disadvantaged groups.

➢ To identify the problems of disadvantaged groups with regards to financial literacy.

Research methodology

The present study is descriptive and logical in nature. Hence descriptive exploration has been used for this study.

Population

this study is conducted among the socially underprivileged groups in chittur taluk

Ms. Reshma R, M₁. Vivek. P, Dr. M. Shanker Prabu, Dr. M. Priya, Ms. R. Meena

Assessment of financial literacy among socially underprivileged groups in special reference to chittur taluk.

Sample size

Sample size for the conducted study is taken as 70 respondents.

Primary data

data has been collected directly from the sample repliers with the help of a well-structured interview schedule.

Secondary data

Secondary data related to this study are collected from published exploration papers, books, websites, wikipedia etc.

Testing method

convenience slice system of data collection is used for collecting data from the repliers.

Tools used for analysis

applicable fine and statistical tools will be applied for analysis of data. The data is analysed with help of spss.

Review of literature

Drishtiias (2022):in recent times india post payment bank conducted india's first floating financial literacy camp with an initiative called niveshak didi to promote financial literacy with an initiative by the women and for the women in srinagar , j&k, the whole concept is based on the ideology that rural women would feel more comfortable and at ease in sharing her queries and concerns with a female herself, the scheme has been launched by india post payments bank in collaboration with investor education and protection fund authority under the aegis of ministry of corporate affairs.

Dharni, (2022): finance has become a crucial part of our economy for development of the society. For this purpose, a solid economic system is required not only in developing and under-developed countries but also for developing countries for maintaining growth. Through financial inclusion we will achieve equitable growth of our country. Financial inclusion means providing appropriate products and services to weaker sections at a reasonable cost. Now day's financial institutions provide complex sort of products. So it's difficult for the commoner to form choice among them. Therefore, literacy about financial products is required to form sound decisions.

Financial literacy

It refers to knowledge needed for managing particular finance. It encompasses an understanding of how to fit credit responsibility, manage money and savings, minimize fiscal threats and decide long-term benefits. Its not just about conducting the financial knowledge and information its also about changing the methodology in the financial pattern and conditioning of individualities. When the people know about the financial products available and when they are suitable to estimate the graces and faults of each product and felicity of the product for their specific requirements, they are in a better position to decide what they want and feel empowered in a meaningful way.

Analysis and interpretation

The results of the survey conducted as part of the research study has been presented and analysed in this chapter. The analysis is conducted in the statistical package for social science (spss). It is been concted as 6 parts as follows:

Ms. Reshma R, M₁. Vivek. P, Dr. M. Shanker
Prabu, Dr. M. Priya, Ms. R. Meena

Assessment of financial literacy among socially underprivileged groups in special reference to chittur taluk.

1.demographic profile 2. Level of awareness 3. Areas of investment 4. Level of usage 5. Sources of information 6. Financial culture or habits of respondents.

1. Demographic profile of sample

The profile of sample explaining the demographic and occupational features of the respondents is presented in the table given below

Sample profile

	Categories	No. Of respondents	Per cent
Age	<30	18	25.7
	31-40	15	21.4
	41-50	17	24.3
	51-60	9	12.9
	61-& above	11	15.7
	Total	**70**	**100.0**
Gender	Male	27	38.6
	Female	43	61.4
	Total	**70**	**100.0**
Marital status	Married	57	81.4
	Unmarried	13	18.6
	Total	**70**	**100.0**
Educational qualification	Uneducated	10	14.3
	Upto 5th std	12	17.1
	5th to 10th	19	27.1
	10th to 12th	17	24.3
	12th to graduate	12	17.1
	Total	**70**	**100.0**
Occupation	Daily wages	24	34.3
	Govt.job	3	4.3
	Pvt.job	18	25.7
	Agriculture	7	10.0
	No job	18	25.7
	Total	**70**	**100.0**
Monthly income	Below 5000	26	37.1
	5001-10000	29	41.4
	Above 10000	15	21.4
	Total	**70**	**100.0**

Source primary data:

The above table shows that the sample respondents selected for the study. As per the table its observed that a majority of 25.7% respondents belongs to age group of less than 30. Gender wise the majority 61.4% of respondents are females and 38.6% are males. About the marital status educational qualification occupation and monthly income, the majority are as follows respectively 81.4%, 27.1%, 34.3%,41.4%.

2. Level of awareness on various financial products

	Categories(n)

Ms. Reshma R, M₁: Vivek. P, Dr. M. Shanker Prabu, Dr. M. Priya, Ms. R. Meena

Assessment of financial literacy among socially underprivileged groups in special reference to chittur taluk.

Financial products	Uneducated (10)	Upto 5th standard (12)	5th-10th std (19)	10th-12th (17)	12th - graduation	Total
Bank deposits	3.70(.823)	4.08(.669)	4.37(.597)	4.65(.493)	4.75(.452)	4.36(.682)
Bank loans	3.30(.675)	3.83(.577)	3.74(.562)	3.88(.332)	4.33(.492)	3.83(.589)
Debit cards	1.60(.966)	2.58(.793)	2.21(.855)	2.82(1.231)	4.08(.900)	2.66(1.214)
Credit cards	1.20(.422)	1.75(.452)	2.00(.577)	2.76(1.200)	3.33(.651)	2.26(1.017)
Atm	2.10(.316)	3.17(1.030)	3.11(.567)	3.29(.849)	4.509(1.000)	3.26(1.031)
Cheque	2.10(.316)	2.67(.888)	2.47(.697)	3.41(.1.004)	4.42(.900)	3.01(1.110)
Insurance	2.10(.568)	2.92(.669)	2.95(.524)	3.35(.702)	3.42(1.311)	3.00(.868)
Shares& debentures	1.20(.422)	1.75(.452)	1.32(.478)	1.47(.514)	2.17(1.586)	1.56(.828)
Mutual funds	1.20(.422)	1.50(.522)	1.37(.597)	1.47(.514)	2.00(1.206)	1.50(.717)
Pension schemes	2.30(.823)	2.08(.793)	1.79(.918)	1.88(.781)	2.33(1.155)	2.03(.900)
Stock market	1.30(.483)	1.42(.515)	1.16(.375)	1.94(.556)	2.42(.996)	1.63(.745)
govt securities	1.10(.316)	1.33(.492)	1.16(.375)	1.82(.951)	1.83(1.030)	1.46(.755)

H_0 there is no variation in the mean scores obtained for the variables related to the awareness on various financial products based on educational qualification of respondents.

H_1 there is variation in the mean scores obtained for the variables related to the awareness on various financial products based on educational qualification of respondents.

3. Areas of investment

Financial services	Yes	No
	No of respondents	No of respondents
Bank	70(100)	0
Insurance	55(78.6)	15(21.4)
Mutual funds	5(7.1)	65(92.9)
Pension markets	19(27.1)	51(72.9)
Post office deposits	43(61.4)	27(38.6)
Financial markets	5(7.1)	65(92.9

4. Level of usage of various financial services

Financial services	Usage	Educational qualification				
		No formal education	Upto 5th std	5th-10th	10th-12th	12th - graduate
Bank	Not at all	0(0.0)	0(0.0)	0(0.0)	0(0.0)	0(0.0)
	Less than 1 year	4(66.7)	0(0.0)	2(33.3)	0(0.0)	0(0.0)
	1 to 3 year	0(0.0)	0(0.0)	1(20.0)	0(0.0)	4(80.0)
	3 to 6 year	0(0.0)	0(0.0)	0(0.0)	0(0.0)	2(100)
	Less than 6 year	6(11.5)	12(23.1)	16(30.8)	12(23.1)	6(11.5)
Insurance	Not at all	3(17.6)	1(5.9)	7(41.2)	0(0.0)	6(35.3)

Ms. Reshma R, M₁: Vivek. P, Dr. M. Shanker Prabu, Dr. M. Priya, Ms. R. Meena

Assessment of financial literacy among socially underprivileged groups in special reference to chittur taluk.

	< 1 year	0(0.0)	0(0.0)	0(0.0)	4(80.0)	1(20.0)
	1 to 3 year	0(0.0)	0(0.0)	0(0.0)	1(100)	0(0.0)
	3 to 6 year	0(0.0)	4(44.4)	0(0.0)	4(44.4)	1(11.1)
	> 6 year	7(18.4)	7(18.4)	12(31.6)	8(21.1)	4(10.5)
Mutual funds	Not at all	10(16.7)	12(20.0)	17(28.3)	12(20.0)	9(15.0)
	Less than 1 year	0(0.0)	0(0.0)	0(0.0)	1(25.0)	3(75.0)
	1 to 3 year	0(0.0)	0(0.0)	4(100)	0(0.0)	0(0.0)
	3 to 6 year	0(0.0)	2(100)	0(0.0)	0(0.0)	0(0.0)
	Less than 6 year	0(0.0)	0(0.0)	0(0.0)	0(0.0)	0(0.0)
Pension markets	Not at all	7(13.0)	10(18.5)	18(33.3)	9(16.7)	10(18.5)
	Less than 1 year	1(20.0)	0(0.0)	0(0.0)	2(40.0)	2(40.0)
	1 to 3 year	0(0.0)	1(20.0)	0(0.0)	4(80.0)	0(0.0)
	3 to 6 year	0(0.0)	1(50.0)	1(50.0)	0(0.0)	0(0.0)
	Less than 6 year	2(50.0)	0(0.0)	0(0.0)	2(50.0)	0(0.0)
Post office deposits	Not at all	8(36.4)	7(31.8)	4(18.2)	0(0.0)	3(13.6)
	Less than 1 year	0(0.0)	0(0.0)	0(0.0)	4(80.0)	1(20.0)
	1 to 3 year	0(0.0)	3(30.0)	7(70.0)	0(0.0)	0(0.0)
	3 to 6 year	0(0.0)	1(4.8)	2(9.5)	11(52.4)	7(33.3)
	Less than 6 year	2(16.7)	1(8.3)	6(50.0)	2(16.7)	1(8.3)
Financial markets	Not at all	10(15.4)	12(18.5)	19(29.2)	14(21.5)	10(15.4)
	Less than 1 year	0(0.0)	0(0.0)	0(0.0)	3(60.0)	2(40.0)
	1 to 3 year	0(0.0)	0(0.0)	0(0.0)	0(0.0)	0(0.0)
	3 to 6 year	0(0.0)	0(0.0)	0(0.0)	0(0.0)	0(0.0)
	Less than 6 year	0(0.0)	0(0.0)	0(0.0)	0(0.0)	0(0.0)

5. Sources of information

Sources	Mean rank
Employee or agent of the institution	1.73
Friends or family	1.93
Tv and radio	2.80
Newspaper	4.00
Journals and magazines	4.54

Source primary data

H_0 there is no difference in the preference on the sources of information on selecting various financial services among the selected respondents

Ms. Reshma R, M₁: Vivek. P, Dr. M. Shanker Prabu, Dr. M. Priya, Ms. R. Meena

Assessment of financial literacy among socially underprivileged groups in special reference to chittur taluk.

H_1 there is difference in the preference on the sources of information on selecting various financial services among the selected respondents

6 financial culture or habits

Financial culture	Categories(n)					
	No formal education	Upto 5th std (12)	5th-10th Std (19)	10th – 12th (12)	12th – graduate (12)	Total (70)
Financial records	2.50	2.50	3.37	3.24	3.50	3.09
Yearly budget of expenses and income	2.20	2.83	3.11	2.82	3.33	2.90
Savings/investment programme	1.70	2.67	3.21	3.29	3.33	2.94
Insurance coverage	2.50	2.08	2.32	2.65	3.00	2.50
Control financial situation	3.20	3.50	3.42	3.53	3.08	3.37
Compare prices for shopping	3.90	3.42	3.47	3.24	3.92	3.54
Future financial needs and goals	2.50	2.67	3.00	3.18	3.17	2.94
Monitor the income	1.80	2.42	3.37	3.47	3.92	3.10

Source primary data

H_0 there is no variation in the mean scores obtained for the variable related to the financial culture or habits while using financial services

H_1 there is variation in the mean scores obtained for the variable related to the financial culture or habits while using financial service

Marital status				
Dependent variable: banking sector				
Marital status	Mean	Std. Error	95% confidence interval	
			Lower bound	Upper bound
Married	11.718	.290	11.139	12.298
Unmarried	11.424	.738	9.949	12.899

Tests between - subjects' effects					
Dependent variable: banking sector					
Source	Type i sum of squares	Df	Mean square	F	Sign.
Marital status	9621.157	2	4810.579	1410.864	**.000***
Educational qualification	79.749	4	19.937	5.847	**.000***
Error	218.219	64	3.410		
Total	9919.125	70			

source primary data

Ms. Reshma R, M₁. Vivek. P, Dr. M. Shanker Prabu, Dr. M. Priya, Ms. R. Meena

Assessment of financial literacy among socially underprivileged groups in special reference to chittur taluk.

*represents significant at 5 per cent level of significance

The mean variation of the scores for problems on banking sector by socially disadvantaged groups between marital status and different categories of educational qualification by the two-way anova shows that marital status wise variation of the mean score is statistically significant at 5 percent level (value of **f 1410.854 df** 2 with **p= 0.000 < 0.05)**. With regard to different educational qualifications, variation in the mean scores is also statistically significant at 5 percent level (value of **f 5.847** df **4 with p= 0.007 < 0.05**). In the above table shows that there is significant difference in the problem faced by disadvantaged groups as to banking sector regard to both marital status and educational qualification. Therefore, it may be concluded that married respondents have faced more problems related to banking sector compared to unmarried respondents belongs $5^{th} - 10^{th}$ std have faced more problems related to banking sector.

Findings and suggestions

Findings

Here it is includes the major findings on the topic assessment of financial literacy among socially disadvantaged groups in special reference to chittur taluk.

- Majority of the respondents belongs to the age group of below 30 years, in gender wise the majority respondents are females

- Majority of the respondents are married educational qualification is majority are sslc qualified.

- The respondents who have completed the school level of education and married respondents are having the knowledge of banking and savings schemes

- Money management are mainly done by both male and female in a family.

- Majority of the respondents are not having the habit of recording their income and expenditures.

- They get the awareness of the financial services from the agent or employee of the institution, tv or radio etc

Suggestions

- As the mean scores obtained for the level of awareness of respondents about shares and debentures, mutual funds, govt securities are very less so there is needed more awareness programmes for the groups

- Most of the respondents are investments as traditional form so they should extend their level of investment.

- People may get information relating to selecting financial services from various sources which it may not be reliable so there should they get the reliable sources with the guidance of the local government etc

- The authorities should take necessary steps for the financial literacy of the underprivileged groups.

Conclusion

Financial literacy is considered as an important adjunct for promoting financial inclusion and ultimately financial stability because of the reason government authorities are giving much attention to financial literacy. But the main issue is that these programmes are not

Ms. Reshma R, Mr. Vivek. P, Dr. M. Shanker Prabu, Dr. M. Priya, Ms. R. Meena

Assessment of financial literacy among socially underprivileged groups in special reference to chittur taluk.

making any impact among large segment of population which is socially and economically back warded peoples. But lately the government is providing the schemes for the underprivileged groups that the government schemes like nregp micro credit facility are mostly influenced the groups to a large extend. So, there are getting more consideration in nowadays for these group through the investment schemes, so the government authority has re designed more financial literacy programmes in such a manner to reach the rural mass.

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