

# **Executive Summary of Minor Research Project**

## **FINANCIAL LITERACY – A STUDY ON FINANCIAL LITERACY OF WOMEN IN KOTTAYAM DISTRICT, KERALA**

Submitted to

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By

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The study “Financial Literacy of Women in Kottayam District, Kerala is conducted with the objectives such as to identify the factors affecting Financial Literacy of women, to measure the practical knowledge of women in financial matters and to analyze whether financial literacy enable women in taking independent financial decisions in their family matters. In order to make deep analysis on the financial literacy of women from different sectors of the society such as from the rural and urban area, samples are taken from rural women especially from SC/ST and urban women specially ladies from minority Communities like Christian and Muslim. Three separate questionnaires are used to collect sample from the different groups for the study period 2014-15.

Separate analysis are taken place on the Minority Women Specifically in urban area with the objectives of measuring the involvement of Minority Women in their family financial decision making process, analyzing the various barriers affecting financial literacy of Minority Women and analyzing the effect of education on Financial Literacy of Minority Women. Financial literacy of SC/ST women from rural area also is analyzed with the objectives of measuring the involvement of scheduled caste/scheduled tribe women in financial decision making process of their family, analyzing the various barriers and factors affecting financial literacy of scheduled caste/scheduled tribe women and measureing the practical knowledge of the scheduled caste/scheduled tribe women in financial matters. To achieve the objectives in deep manner, research hypothesis of women in general category, minority from urban area and SC/ST from rural area are framed and tested them by applying Chi-Square test. The study uses primary data for the analysis and secondary information collected through official website, journals and magazines are used to make the clarity on the study results.

The primary data are collected using a questionnaire. A pilot study covering 40 respondents are conducted to fine tune the questionnaire. As per 2011 census the population for the study, “Financial Literacy among Women”, consists of 1009244 women in Kottayam district. From among the 5 Taluks in Kottayam District, 3 Taluks are identified as strata’s and are randomly selected. The specialties of Taluks selected for the study constitute the heart of the district – Kottayam Taluk, the Low range area – Meenachil and the Land of Rubbers (Latex) – Kanjirappally. From the selected strata’s, about 203 samples of women in general category are selected for the study and 165 samples from the SC/ST women using purposive sampling

method. The total number of population of scheduled caste and scheduled tribe women in Kottayam district constitute 89,404 as per 2011 census. For minority women the sample size is 152 respondents and the data collected from different areas of Kottayam district include Poonjar, Erattupetta, Athirampuzha, pala & Kottayam. Total 530 samples are collected from the respondents. The data collected are analyzed by using statistical tools like mean, cross tabulation and chi-square with SPSS package.

The Council for Economic Education has presented a report based on National Standards for Financial Literacy in the year 2013. These standards are combined with the Economic Principles derived from review serve as a strong base upon which the entire study is constructed. The variables for studying Financial Literacy of women are Earnings Literacy, Banking Literacy, Savings Literacy, Credit Literacy, Investing Literacy and Budgeting Literacy. The findings of the study on the women in general category reveal that the earnings of few respondents do not match with their qualifications. Savings are usually made out of the current sacrifices made by the respondent. The null hypotheses, savings of women are not positively related to their Earnings is rejected by making an analysis by using Chi-Square test. It is found that education of women has no relation with preparation of Budgets and SHG members have more practical knowledge in Financial Matters in general. The financial literacy training programs has associated with the family budget of minority women because participation in financial literacy training programs improves the financial knowledge of minority women and enables them to prepare and maintain family budget. The monthly income and savings of scheduled caste/scheduled tribe women are related. The financial literacy training helps SC/ST women to increase the practical knowledge of them. The financial literacy and preparation of family budget are related. This study helps the researchers to identify the real sense of financial literacy among women in Kottayam District with special reference to SC/ST women from the rural area and Minority women from the urban area of the Kottayam District.