

Women's Financial Literacy

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Abstract

Financial literacy is the information that a person gains and then applies to make the most of their available financial resources. As a result, developing financial literacy is crucial since it enables one to make the most out of their resources. This essay seeks to comprehend how financial literacy and women work together to improve their nation's economy and, in the process, foster individualism and women's empowerment. This paper tries to understand and analyze the gender gap that has been provided and the recommendations to avoid the gender gap in the future through the Global Financial Literacy Excellence Center's latest study on the gender gap.

Keywords: Women's empowerment, gender inequality, and the economy

Introduction

Financial literacy is the knowledge of numerous financial concepts, such as managing personal finances, handling money, and investing. Investing, insurance, real estate, paying for college, budgeting, retirement, and tax planning are just a few of the personal finance decisions that are covered in this topic, which focuses on how to handle personal finances effectively. 1 Because women are less financially aware than males, financial literacy among women is more crucial. According to a GFLEC poll, women globally lag males in terms of financial literacy, even though banking is the most popular activity of all financial activities. Everyone, especially women, should have proper financial literacy for a variety of reasons. Financial literacy is beneficial for the empowerment and development of the entire country as well as the individual. The five advantages of financial literacy for older people in Canada, according to Tim Watt in a published article in 2015, including helping to recognise fraud, helping to prepare for retirement, learning how to deal with sudden financial needs during emergencies, and expert people who help in giving literacy through workshops, etc. These advantages are not just available to Canadians but to everyone in the world, especially women who are a country's economic backbone. When women are financially literate, changes can be made. Women's empowerment has gained popularity recently, yet it still lacks pragmatism. Even after gaining more power, women still rely on their male family members to control their financial resources. Nowadays, women are considerably more likely to work than to stay at home and should be encouraged to use their financial resources not only to cover bills but also to invest in a brighter future on their own, without the assistance of their male counterparts. Women should be encouraged or instructed individually, whether in classrooms, colleges or even at work, on how to invest even a little portion of their pay or salaries. They will have more self-assurance in their ability to manage finances as a result. They will be encouraged by this to invest in a variety of other financial products, including mutual funds, stocks, and equities. Thus, financial literacy will support women's empowerment while simultaneously assisting the national economy. The economy expands when its people grow, not just when the male population earns more money.

Literature Review

A study on financial literacy among micro-entrepreneurs in District Kangra was conducted by Gupta, K., and Kaur, J. in 2014. 63–70 in IJRBM, Vol. 2, Issue 2, February 2014

The study stated that the total reaction to the financial literacy issues is very poor, which shows a deficit in the following areas: inappropriate saving habits, ineffective cash management, unsatisfactory saving habits, and less reactivity to the various financial products. In this regard, the author emphasizes that the existence of such negativity is a hindrance to the development of the total economy in terms of achieving a strong and successful position in the market of a competitive nature.

R. Mottola (2013), Scholars Commons USF, Volume 6 Issue 2, Article 4.

According to the report, women are more likely than males to use credit cards with balances, incur late penalties, and only make minimum payments on their obligations. The gender-based disparities in credit card behaviour were abolished after adjusting for several demographic factors, including financial literacy and a self-assessment of arithmetic ability. These results show that gender inequalities in credit card management may be lessened if men and women were equal in key areas where women typically lag behind men, such as income and financial literacy.

2014: "A Literature Review on Financial Literacy" by Aren, S., and Aydemir, S. D.

The author presented the argument that the right authorities should put the appropriate emphasis on educating the various parties about financial literacy. This will make it easier to achieve the goals productively. In this regard, the author also suggests that appropriate programmes and sessions be scheduled periodically to ensure efficient information flow and effective command and supervision.

Financial Literacy: The Indian Story, L. R. Bahadur, 2015. World Journal of Social Sciences, September 2015, Volume 5, Issue 3, Pages 45–57.

According to Bahadur (2015), it has been determined that the economy is supported by two pillars, including financial inclusion and financial literacy. Furthermore, it has been determined that there is a very low ratio of financial literacy, which indicates a bad stage for the economy as a whole. In this regard, the author contends that financial literacy needs to be promoted starting at the primary level, which is at the school, state, and national levels. This will facilitate the efficient augmentation of subject-specific information among individuals, researchers, and other relevant parties (Bahadur, 2015). In this regard, the author also discusses and emphasizes the function and relevance of the financial planner that describes the period.

M. Kebede, J. Kaur, and others, 2015. Financial Literacy and Personal Finance Management: A Review of Recent Literature.

The study finds that several variables have a big impact on different areas of financial literacy. As a result, these factors must be taken into account correctly to achieve acceptable and appropriate administration of all the facts and factors associated with the subject matter. The author goes on to discuss that with ageing. In addition, the author elaborates that women's financial literacy levels are generally lower than those of men. However, the author acknowledges that there are numerous sets of possibilities that can help women acquire financial literacy in different methods so they can have a strong and effective command over the possible regions.

Business Analyst, vol. 36, issue 2, pp. 219–237, Akshita Arora (2016), "Assessment of Financial Literacy among Working Indian Women."

A questionnaire has been developed for this study to investigate women's financial literacy. According to the responses, it was determined that married women are more dependent than single women in terms of financial attitude, behaviour, and skills.

Financial Literacy among Women in India, by Raj Kumar Chetna Singh, Universal Journal of Accounting and Finance 5(2): 46–53, 2017.

This study demonstrates the significance of financial literacy, the obstacles to financial literacy, the adjustments made to increase the financial literacy of women in India, and recommendations to do so.

Financial Literacy in India: A Review of Literature, Naidu, G. 2017. The international journal of business studies and management research.

According to the report, financial literacy has gained substantial relevance over the past ten years as a result of the financial market's expansion as a result of liberalization, globalization, and privatization. This relevance can be seen in virtually every industry, including banking, investments, and other goods. According to the author, financial literacy is "an amalgam of the abilities, information, and behaviour that are essential and critical for the person in making informed judgments" regarding financial matters.

Scope of the Study

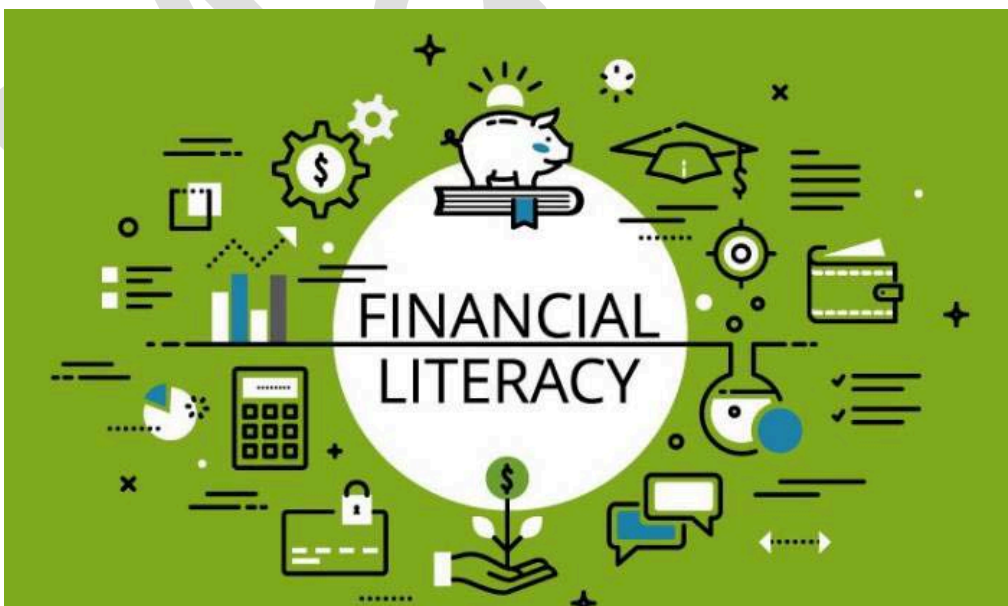
- In this study, the financial literacy levels of men and women are compared.
- This research paper is based on secondary data.

Objectives of the Study

- To research the gender disparity in financial literacy.
- To comprehend the ideas and components of financial literacy with the aid of knowledge of literature-based analysis.
- To comprehend the numerous factors that contribute to the financial literacy gap.
- To offer insightful ideas to overcome the gender gap in financial knowledge

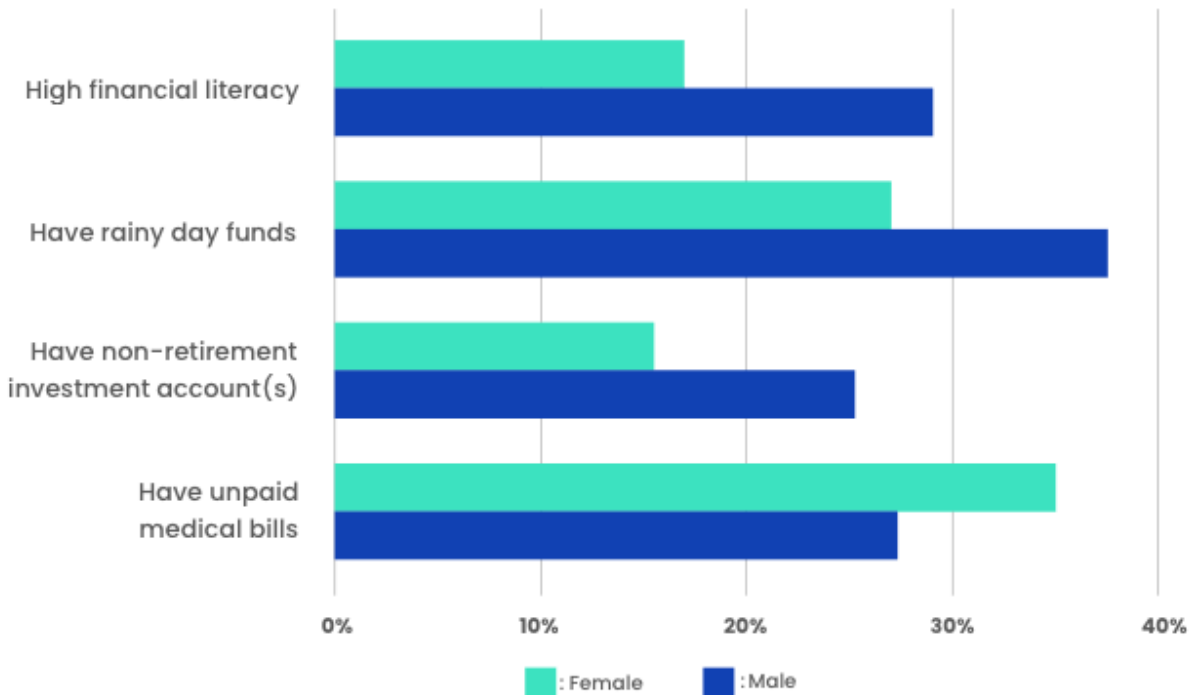
Limitations of the Study

- The analysis is based on the preset and pre-studied gender disparity.
- The research is based on secondary data.
- Based on the gender gap, the study's findings may vary depending on the region.

The Status of Women in India Today

Source:- <https://www.troutcpa.com/blog/top-3-reasons-families-should-focus-on-financial-literacy>

Gender and Financial Capability among Millennials



Source: - <https://www.annuity.org/financial-literacy/women/>

In the past ten years, there has been constant change in the status of women in society. The literacy and employment rates of women in India have changed significantly, yet there are still problems when it comes to financial literacy and awareness. A lady is someone who is typically reliant on a male family member. The number of financially independent people does not necessarily invest their money for a better future, and the percentage of financially independent women is much lower than the percentage of women who are not financially dependent. Financial literacy should be given top priority, especially in emerging nations like India, since it will enable everyone in the country to benefit from a stronger economy as well as help individuals plan, invest, and live better lives. The ability to use financial products and services for a better tomorrow is the most important aspect of financial literacy; knowing about them and having a working knowledge of them is not enough. Another factor that will aid in acquiring the ability to acquire greater financial understanding is how women view the money they make. The mindset of the woman will reflect in her actions and the way she manages her finances. If a woman is taught that the money they earn can be used in such a way that their day-to-day expenses can be incurred but they also could use it for a better future because the future is unpredictable, she may use her finances more wisely. The majority of married women either use their finances for household expenses or their expenses. There is a very small percentage of women who can manage financial emergencies during a medical emergency or other urgent work, but if they can do it on their own, it could cause a significant shift in the entire country, especially in a place like India where women are underrepresented in leadership, education, and the workforce.

Conclusion

There are numerous initiatives run by the RBI, the Indian government, and other financial organizations that are assisting the country's citizens in improving their financial knowledge, skills, and mindset. All institutions should require women to attend monthly or quarterly workshops where they can learn more about financial services and products in addition to receiving education to improve their skills and talents in handling finances. After all, the advancement of women would signify the advancement of the entire nation in terms of attitude toward finance and many other areas.

The combination of financial information, talents, and attitude is crucial for every person. It is not just the responsibility of the person but also of the government to ensure that every transaction benefits the nation's economy.

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