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Money Management Skills And Financial Literacy Of College Going Women In India With Special Reference To Kerala

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Abstract

Money management skills and financial literacy are important concepts in Economic growth . The manner in which college students manage their money is based on several factors such as age, personality traits, and knowledge. College students are in a unique situation because they have restricted incomes and high expenses; therefore, they manage money differently. The methodology used is convenient sampling. Demographic features, money management skills, money management satisfaction are tested here.

Keywords : Money Management Skill, Financial Literacy, Money Management Satisfaction

1. INTRODUCTION

India is a developing and second populated country. Due to increasing population the economy of India facing various problems and challenges at every step. Over the last few decades, money management plays an important role in the process of increasing economy and development. Logically, money management encourages investment that triggers the economic growth of any country. According to Harrod (1939) and Domar (1946), the speed of economic growth is determined by the ability to save because high savings rate will drive up the rate of investment and consequently stimulate economic growth. Money management education plays a key role in financial empowerment, as education helps consumers acquire the skills, right attitudes and relevant knowledge needed in making choices for the best of their economic, health and safety wellness. So, Money management is necessary as it has become essential that individuals get the skills to be able to survive in future with

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satisfaction. Money management is an effective way to manage private property. Everyone has personal property, which will involve financial problems.

Financial literacy is important at micro and macro level especially for households, financial system, national economy and monetary policy. Financial literacy directs the individuals and households to make the budgeting right and savings, conduct their assets and debts well, and use their savings in a reasonable way in the financial market. Increasing financial inclusion leads the increases in the liquidity, trading size, and financial product range in the financial markets and in turn makes a contribution to the development of the financial system. Furthermore, financial literacy contributes to the households and small and medium sized enterprises to make their financial planning better. As a consequence, this improvement causes the increases in the stability and efficiency of financial sector. However, informed customers make a contribution to the financial institutions' working in a more reliable, reasonable, and efficient through affecting the behaviours of the financial institutions. So financial literacy encourages the individuals and households to use their money more reasonable and make savings at micro level. Also financial literacy contributes to the economic growth through affecting the development of financial sector quantitatively and qualitatively. The expanding economy in turn makes contribution to the increases in national savings, financial development, and decreases in the unemployment and improvements in living standards. A wide range of empirical studies have been conducted on personal savings and financial literacy measurement separately.

2. SIGNIFICANCE OF THE STUDY

Modern economy is monetary economy. Money plays a very important role in our society. Students are an important part of the society. As we know, students are the country's future masters. Several organizations have demonstrated an interest in improving the financial literacy of college students, which is important for a number of reasons. Obviously, the financial decisions students make in college have an important influence on their financial situation after college. In addition, their financial situation in college can affect their academic performance. Money management is necessary as it has become essential that individuals get the skills to be able to survive in future with satisfaction.

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The manner in which college students manage their money is based on several factors such as age, personality traits, and knowledge. College students are in a unique situation because they have restricted incomes and high expenses; therefore, they manage money differently .The more knowledge students have about their financial responsibility and status the less likely they are to be in debt.

3. OBJECTIVES

The specific objectives of the study are as follows:

1. To measure the financial literacy of college going women and to compare it with various demographic variables.
2. To analyze the level of satisfaction in the money management skills of young women and to identify whether there is any association between money management skills and level of satisfaction.

4. HYPOTHESIS OF THE STUDY

H0: Financial Literacy of the respondents does not differ significantly on the basis of their locality of residence.

H1: Financial Literacy of the respondents do not differ significantly on the basis of their Stream of study

H2: Financial Literacy of the respondents does not differ significantly on the basis of their age group.

H3: Money Management Skills of the respondents do not differ significantly on the basis of their Satisfaction level.

5. METHODOLOGY

Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Typically, it encompasses concepts such as paradigm, theoretical model, phases and quantitative or qualitative techniques. The sampling

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respondents will be selected on the basis of convenient sampling. One way ANNOVA, percentage, mean, standard deviation are the statistical tools used in this study.

6. DATA ANALYSIS

6.1 To measure the financial literacy of college going women and to compare it with various demographic variables.

6.1.1 Locality of Respondents

Table: 6.1.1

Distribution Of Respondance On The Basis Of There Locality

SL NO:	LOCALITY	NO. OF RESPONDENTS	PERCENT
1	Rural	63	30
2	Semi-urban	62	30
3	Urban	85	40
	Total	210	100

Source: Primary Data

The table no: 6.1.1 reveals that majority of respondents (60%) resides either in rural or semi urban areas, where as 40 % of respondents are living in urban locality.

6.1.2 Stream of respondents

Table 6.1.2

Distribution of Respondents On The Basis Of Their Stream

SL NO.	STREAM OF STUDY	NO. OF RESPONDENTS	PERCENT
1	Commerce	90	43
2	Economics	32	15
3	Science	33	16
4	English Literature	14	7
5	Mathematics	7	3
6	Sociology	19	9
7	Social Work	15	7
	Total	210	100

Source: Primary Data

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The above table reveals that majority of the respondents are from Commerce, Economics and science. 43% of respondents are from Commerce, 16% are from Science and 15% are from Economics.

6.1.3 Program of respondents

On the basis of age group, Respondents are classified into 2 categories such as Under Graduation and Post-Graduation.

Table 6.1.3

Programme of the respondents

SL NO:	PROGRAMME	NO. OF RESPONDENTS	PERCENT
1	Under Graduation	94	45
2	Post-Graduation	116	55
	Total	210	100

Source: Primary Data

The above table shows the program wise distribution of respondents. 116 respondents were from Post-Graduation whereas 94 respondents were from Under Graduation

6.1.4 Age group of respondents

On the basis of age group, respondents are classified into 3 categories such as Below 21, 21 - 23, Above 23.

Table 6.1.4 Age Group of the Respondents

SL NO.	AGE GROUP	NO. OF RESPONDENTS	PERCENT
1	Below 21	127	60
2	21 - 23	78	37
3	Above 23	5	2
	Total	210	100

Source:Primary Data

The Table No. 6.1.4 shows the age group of respondents, 127 respondents belongs to the age group of “Below 21” while 78 respondents were from the age group of 21 -23

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6.1.6 Personal Monthly Income of Respondents

On the basis of monthly income respondents are classified into 6 such as up to 250,251-500,501-750,751-1000, 1001-1250, above 1250

Table 6.1.6

Monthly Income of the Respondents

SL NO.	MONTHLY INCOME	NO. OF RESPONDENTS	PERCENT
1	Up to 250	135	64
2	251 – 500	25	12
3	501 – 750	20	10
4	751 -1000	17	8
5	1001 - 1250	4	2
6	Above 1250	9	4
	Total	210	100

Source: Primary Data

Majority of the respondents comes under the category of up to 250. 64% respondents comes under the category up to 250, 12% respondents comes under category 251-500. 10% respondents comes under the category 501-750

6.1.7 Personal Monthly Expense of Respondents

On the basis of monthly expense respondents are classified into 6 such as up to 250,251-500,501-750,751-1000, 1001-1250, above 1250

Table 5.1.7

Personal Monthly Expense

SL NO.	MONTHLY EXPENSE	NO. OF RESPONDENTS	PERCENT
1	Up to 250	113	54
2	251 -500	39	19
3	501 – 750	27	13
4	751 -1000	9	4
5	1001 - 1250	9	4
6	Above 1250	13	6
	Total	210	100

Source: Primary Data

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Majority of the respondents comes under the category of up to 250. 53.8% respondents come under the category up to 250. 18.6%respondents come under category 251-500. 12.9% respondents come under the category 501-750.

6.2 To analyze the level of satisfaction in the money management skills of young women and to identify whether there is any association between money management skills and level of satisfaction.

6.2.1 Mean Values of Financial Literacy Score Based on Locality

Table 6.2.1

Mean Values of Financial Literacy Score Based On Locality

SL NO.	LOCALITY	MEAN	N	STD. DEVIATION
1	Rural	5.5238	63	1.74926
2	Semi-urban	5.0968	62	1.91380
3	Urban	4.5529	85	1.76275
	Total	5.0048	210	1.84183

Source: Primary Data

From Table no: 6.2.5 shows the difference in Mean score and Standard Deviation of Financial Literacy of respondents and their Locality of residence. Rural area scored highest mean of 5.5238 and SD of 1.74 followed by Semi-Urban and Urban with mean score of 5.0968 and 4.5529 respectively. This shows that as the level of urbanization increases, the financial literacy decreases accordingly.Since the mean score and standard deviation of the respondents differs across the respondents on the basis of locality.

The following hypothesis was formulated to test whether there is any significant difference in the level of Financial Literacy of the respondents based on their Locality of residence.

H0: Financial Literacy of the respondents does not differ significantly on the basis of their locality of residence.

One way ANOVA was executed to test the formulated hypothesis

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Table 6.2.1A

One –Way ANOVA

Source of Variation	Sum of Squares	Do	Mean Square	F	Sig.
Between Groups	34.850	2	17.425	5.350	.005
Within Groups	674.145	207	3.257		
Total	708.995	209			

Source: Primary Data

Since the significant value .005 < .05, the null hypothesis is rejected. Therefore it can be concluded that the difference in mean values of financial Literacy of Young College going women's varies according to their Locality of residence.

6.2.2 Financial Literacy Score by Stream of the Respondents

Table 6.2.2

Financial Literacy Score on the basis of stream of study

SL NO.	STREAM OF STUDY	MEAN	N	STD. DEVIATION
1	Commerce	5.4333	90	1.82400
2	Economics	5.0625	32	1.68365
3	Science	4.5758	33	1.75054
4	English Literature	4.5000	14	1.82925
5	Mathematics	5.5714	7	1.98806
6	Sociology	4.2105	19	2.09706
7	Social Work	4.4667	15	1.59762
	Total	5.0048	210	1.84183

Source: Primary Data

The Table shows the difference in Mean score and Standard Deviation of Financial Literacy of respondents and their Stream of study. The respondents from Mathematics Stream scored highest mean of 5.5714 and SD of 1.98806 followed by Commerce and Economics with mean score of 5.4333 and 5.0625 respectively whereas Respondents from Social Work Stream scored mean of 4.4667 the lowest among the following ANOVA was conducted.

Since the mean score and standard deviation of the respondents differs across the respondents on the basis of stream of study.

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The following hypothesis was formulated to test whether there is any significant difference in the level of Financial Literacy of the respondents based on their Stream of study.

H0: Financial Literacy of the respondents do not differ significantly on the basis of their Stream of study

One way ANOVA was executed to test the formulated hypothesis

Table 6.2.2A

One –Way ANOVA-

Source of Variation	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	44.854	6	7.476	2.285	.037
Within Groups	664.141	203	3.272		
Total	708.995	209			

Source: Primary Data

Since the significance value .037 < .05, the null Hypothesis is rejected. So it can be understood that the difference in mean values of financial Literacy of young college going women from various streams of study is found to be significant.

6.2.3 Financial Literacy Score By Age Group

Table No. 6.2.3

Mean Tables of Financial Literacy Score by Age Group

SL NO.	AGE GROUP	MEAN	N	STD. DEVIATION
1	BELOW 21	5.1890	127	1.81586
2	21 – 23	4.7436	78	1.89624
3	ABOVE 23	4.4000	5	1.14018
	Total	5.0048	210	1.84183

Source: Primary Data

On the basis of above table, the average mean sore of financial literacy differs across different categories of respondents on the basis of their age groups. The mean value of literacy among respondents below 21 years of age was 5.1890 with a standard deviation of 1.81586 ,and that of respondents having age in between 21-23 had a mean score of 4.7436 and standard deviation 1.89624 and respondents with mean value of 4.4000 and 1.14018 respectively. Since the mean

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score differs across the respondents on the basis of their age groups they belong to ANOVA was tested.

The following hypothesis was formulated to test whether there is any significant difference in the level of Financial Literacy of the respondents based on their Age group.

H0: Financial Literacy of the respondents does not differ significantly on the basis of their Age Groups of study.

Table 6.2.3 A ONE WAY- ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.459	2	5.729	1.700	.185
Within Groups	697.536	207	3.370		
Total	708.995	209			

Source: Primary Data

Since the significance value .185 > .05, the null Hypothesis is accepted. So it can be understood that the difference in mean values of financial Literacy of young college going women from various age groups of study is found to be not significant.

6.2.4 Money Management Skill by Stream Of Study of Respondents

Table 6.2.4

Money Management Skill by Stream Of Study of Respondents

SL NO:	Stream of study	MEAN	N	STD. DEVIATION
1	Commerce	3.7259	90	.40619
2	Economics	3.7188	32	.38203
3	Science	3.6414	33	.48969
4	English Literature	3.8690	14	.45375
5	Mathematics	3.6190	7	.66468
6	Sociology	3.6404	19	.40163
7	Social Work	3.4444	15	.33728
	Total	3.6897	210	.42842

Source: Primary Data

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From the above table the mean score differs of money management skills across the types of respondents belonging to different streams they undertake .The respondents undertaking commerce had a mean score of 3.7259 with a SD=.40619,economics (mean =3.7188,SD=.38203),Science(mean = 3.6414 and SD=.48969),English Literature (mean=3.6414 and SD=.48969),Mathematics (mean value = 3.6190 and SD= .66468),Sociology(mean =3.6404 and SD =.40163),Social Work(mean = 3.4444 and SD = .33728). Since mean score differs across various respondents on the basis of streams they undertake following ANOVA was tested.

The following hypothesis was formulated to test whether there is any significant difference in the level of Money Management skills of the respondents based on their Stream of study.

H0: Money Management skills of the respondents do not differ significantly on the basis of their Streams they undertake.

Table 6.2.4. A -- One way ANOVA

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Between Groups	1.656	6	.276	1.526	.171
Within Groups	36.705	203	.181		
Total	38.361	209			

Source: Primary Data

Since the significance value .171 > .05, the null Hypothesis is accepted. So it can be understood that the difference in mean values of Money Management skills of young college going women from various Streams of study is found to be not significant.

7. MAJOR FINDINGS

Demographic features of the respondents

- The majority of respondents (60%) resides either in rural or semi urban areas.
- The major part of the respondents was from commerce stream 43%.
- Majority of the respondents belongs to below 21 age brackets (60%).

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- Most of the respondent's personal income comes under the category of up to 250 (64%).
- Majority of the respondent's personal monthly expense comes under the category of up to 250(53.8%).

Money Management Skills of the respondents

- The Summated Score of Money Management Skills, was measured using set of 6 statements Five point Likert type scaling techniques ranging from Always to Never (5 to 1points). Compare prices while purchasing was rated highest with a mean score of 4.4571 and S.D of .64190 while Avoid buying on impulse rated the lowest with a mean score of 3.1095 and S.D of 1.1334among respondents. The respondents showed a comparatively Fair level of Money Management Skills
- The result of One Way ANNOVA test reveals that the difference in mean values of Money Management skills of young college going women from various Streams of study is found to be not significant.
- The result of One Way ANNOVA test reveals that the difference in mean values of Money Management skills of young college going women from various Age Groups are found to be not significant.

Money management Satisfaction

- The Level of Satisfaction of Money Management Skills, it was measured using set of 5 statements Five point Likert type scaling techniques ranging from Strongly Agree to Strongly Disagree (5 to 1). Compare prices while purchasing was rated the highest with a mean score of 4.4571 and S.D of .64190 while, Avoid buying on impulse was rated the lowest with a mean score of 3.1095 and S.D of 1.1334 among respondents. On the whole the respondents showed a comparatively high level of Satisfaction in Money Management Skills.
- The result of One Way ANNOVA test reveals that the significance value in the ANOVA table (0.0000) is not exceeding 0.05 which indicates the dependence of money management skills on satisfaction level is significant.

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- The result of One Way ANNOVA test reveals that the significance value in the ANOVA table (0.0000) is not exceeding 0.05 which indicates the dependence of personal expense on personal income is significant.

SUGGESTIONS

- Implement financial education as a part of syllabus in school levels and also educational institutions should take adequate initiative to improve financial skill of the children by giving them opportunity to deal with money matters with the help of various clubs.
- Parents should provide an opportunity to their children to participate in the financial decision making of their family.
- Various discussions based on money management and finance should be conducted in educational institutions as well as in home to improve the financial knowledge of the students.
- The government can also attract the children to banks by providing their grants and scholarships through bank accounts instead of giving as cash. It enables them to familiarize financial matters in their younger days.
- The government agencies and financial institutions should conduct financial literacy improvement programmes in local levels and ensure that it increases the financial literacy of the people.

8. CONCLUSION

- Majority of the young college going women possessed a fair level of financial literacy. The financial literacy of young college going women varies in accordance with various demographic variables such as, Locality, Stream of study and Programme. On the basis of locality, Rural area showed the highest mean value(5.523) this shows that the level of Urbanization increases, the Financial Literacy decreases accordingly.
- The respondents possessed a comparatively fair level of Money Management skills. They also showed a high level of Satisfaction in their own Money Management Skills. Personal Income and personal Expense positively correlated it means that as income

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increases the Personal expenses will be higher. There is a significant difference in Money Management Skill and Satisfaction.

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