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## “A Study Of Financial Literacy In Scheduled Caste Peoples”

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### Abstract

Scheduled castes are sub-communities within the framework of the Hindu caste system that have historically faced deprivation, oppression and extreme social isolation in India due to their 'low status'. Such castes have been placed in the Scheduled Castes who had to face social discrimination or isolation. The term Scheduled Caste was first used during the 1935 Government of India Act 1935. According to the Scheduled Castes Ordinance 1950, their number was 1108 in the list of Scheduled Castes. There is no definition related to Scheduled Castes is mentioned in the Indian Constitution. According to Out of total population of SC people in India total 28.4 % of SC people lives in extreme below poverty line. To know this situation research highly interested to understand what's the financial literacy of Scs?. The major objectives of the study is understand the challenges and objectives of SC people including financial matters and measure the level of financial literacy of people belonging to Scheduled Castes. In this study, the researchers found that although SCs are educated, they are not financially literate. Hence the research gave actionable suggestions to the Government, Financial Institutions and Scheduled Castes which if properly followed can make the Sc people not financially complete but at least marginally literate.

**Key Words:** Financial knowledge, Challenges, Environment and financial matters etc.

### 1. Introduction

Financial literacy includes knowing how to budget, plan for superannuation, manage debt, and keep track of personal spending. Financial literacy can be achieved through reading books, listening to podcasts, subscribing to financial content, or talking to a financial professional. Financial literacy is one of the biggest challenges facing all countries globally. Financial literacy is a combination of a person's familiarity, skills and attitude towards financial matters. In today's world where markets are complex products, the need for financial literacy becomes predictable. In a country like India where the youth population is high, the government is in a position to increase the level of financial literacy. Government and other private institutions have made progress through financial education programs. Financial literacy is monitoring and efficiently using financial sources to enhance the welfare and economic shelter of an individual, his or her family, and his or her business. Financial literacy is self-reliance, the ability to learn and improve one's knowledge in the field of economics, the desire to continuously increase one's knowledge, to remove all fear

of investing anywhere or taking a profitable loan. In fact, financial literacy has a huge number of components that help you successfully manage your money and earn passive income from it.

Personal financial literacy helps you achieve your goals, be it getting an education, changing your career, going on a trip, going on early retirement, etc. Believe me, money is needed at every stage of life. And the knowledge of financial literacy helps you manage the budget so that you have enough money for everything, manage your debts and expenses, find opportunities to earn more and increase profits in your business. There are many research has been conducted around the world to measure the level of financial literacy. Financial literacy surveys have also been conducted at the country level by governments. Most of the surveys have highlighted their poor level of financial literacy.

Most of the population of India is living below the poverty line. In this population, 43 percent of the SC population is poor. They can earn enough to survive, but cannot save for the uncertainty of the future. Middle Class People who belonging from SC they also not have good knowledge of money management hence end of the month they face problems related to money shortage. Hence the research focused on the financial sources of SC people, their knowledge and challenges faced by them in financial matters.

## **2. Statement of Problems**

According to 2011 Censes, 16.6 % i.e. 20.14 crore population of SC category people live in India. There are very less ratio of education among them. But as compare to census 1991 to 2011 the ratio is quite high. Even though the BPL ratio of SC people is not developed. There are 43% SC are also poor. Middle class people are also not having a good knowledge about Finance and investment. Hence it shows that there is lack of knowledge finance. They can't manage their income in appropriate manner also Unaware about investment opportunities. Hence the researcher selects this topic for the study. This research is focused on measuring financial literacy among SC in Sangli city.

## **3. Objectives of the study**

1. To study the profile of scheduled cast peoples.
2. To know the financial knowledge of SC people.
3. To understand the challenges and objectives of SC people including financial matters.
4. To measure the level of financial literacy of people belonging to Scheduled Castes.

## **4. Research Methodology**

This research is based on primary data which is collected from respondent. For the purpose of the study a survey was conducted among the scheduled caste people of Sangli city. The respondents were selected by using simple random sampling method. Primary data was collected from the respondents using a structured questionnaire. A total sample of 200 respondents has been prepared for this study. To measure financial literacy level, respondents' researcher framed questions in questionnaire about personal finance. Questions were asked to measure respondents' knowledge in the areas of financial numeracy, savings, investing, borrowing, insurance, risk and returns etc. The Percentage technique is used to data analysis. The data analysis show with the help of table and graphical format.

## 5. Data Analysis

Every kind of data has a rare quality of describing things after assigning a specific value to it. For analysis, you need to organize these values, processed and presented in a given context, to make it useful. Data can be in different forms; here is the primary data use. 200 respondents have been selected for the study and primary data has been collected by preparing a questionnaire. The analysis has been done through the data collected from the respondents.

**Table No.1**  
**Profile of scheduled cast people**

Sr. No.	Particulars	Frequency	Percentage
<b>1.</b>	<b>Gender</b>		
	Male	100	50
	Female	100	50
<b>2.</b>	<b>Age (At time of Survey)</b>		
	18 to 28	57	28
	28 to 38	43	21
	38 to 48	62	32
	Above 48	38	19
<b>3.</b>	<b>Education</b>		
	Schooling	45	22
	Diploma	50	25
	Graduate	60	31
	Post graduate	45	22
	other	00	00
<b>4.</b>	<b>Marital Status</b>		
	Married	120	60
	Unmarried	80	40
<b>5.</b>	<b>No. Of Dependent</b>		
	1	00	00
	2	42	21
	3	55	27
	Above 3	103	52
<b>6.</b>	<b>Employment status</b>		
	Student	15	8
	Employed part time	22	11
	Employed full time	125	62
	Retired	38	19
<b>7.</b>	<b>House hold income (In Rs.)</b>		
	Below 50,000	86	43
	50,000-1,00,000	98	49
	Above 1,00,000	16	8

(Source: Primary Data)

From the above table, the researcher knows the demographic profile of the respondents of the selected SCs. Demographic information allows you to better understand certain background characteristics of the respondents, be it their age, income, work status, marital status, educational status etc.

Table shows the profile of the selected SCs. A total of 100 males and 100 females are selected as respondents for this study. The fact that most of the respondents are graduates shows the literacy among the members. 60% respondents are married. The number of family members dependent on them is more than three. Out of 200 there are highest 125 members are employed for full time in private and government sector. The highest 49 % respondent's household income is between Rs. 50,000 to 1,00,000 and very few respondent's house hold income is more than 1,00,000.

**Table No. 2**  
**Financial Investment of Scheduled Castes**

Sr. No.	Particular	Frequency	Percentage
1	Fixed Deposit	135	68
2	Recurring Deposits	00	00
3	Real Estate	00	00
4	Mutual Fund	05	2
5	Insurance	00	00
6	Government bonds	00	00
7	Gold Investment	00	00
8	Systemic Investment Plans	00	00
9	Stock	20	10
10	Provident Fund	33	17
11	Government Scheme	00	00
12	Other	07	3
<b>Total</b>		<b>200</b>	<b>100</b>

(Source: Primary Data)

From the above table the researcher wants to know which sources SC knows for investment of their saving. The highest 135 people feel fixed deposit is considered to be one of the safest and most secure forms of investment. It provides reasonable returns and flexibility when it comes time to withdraw funds. Hence the highest people of SC invest their saving in fixed deposits.

Mutual funds are best for investors who either lack large sums of money to invest or who have neither the interest nor the time to study the market, yet want to grow their wealth. The money collected in mutual funds is invested by professional fund managers in line with the stated objective of the scheme. Only 2% peoples invest their money in mutual fund.

People who have more market knowledge invest in stock market.10% respondents are investing in stock market. They invest more in it. All risks bear by themselves. Youngest people are investing in it. There are very less SCs are invest in stock market because others are think its risk or they think it's another type of Gambling.

A provident fund is a government-managed retirement savings scheme for employees who can contribute a portion of their pension fund every month. These monthly savings accumulate every month, easily accessible as a lump sum at retirement or end of employment. So people who are full time employed have the highest investment in this scheme.

3% Sc peoples are invested in buying land, buying and renting apartments and buying gold jewellery, etc.

**Table No. 3**  
**Measure the level of financial literacy of people belonging to Scheduled Castes**

Sr. No.	Particular	Frequency		Percentage	
		Yes	No	Yes	No
1	<b>Budgeting</b>	15	185	7	98
2	<b>Saving</b>	160	40	80	20
3	<b>Debt Management</b>	10	190	5	95
4	<b>Investing</b>	180	20	90	10
5.	<b>Identify theft protection</b>	200	00	100	00
6.	<b>Financial Goal</b>	00	200	00	100
7.	<b>Credit</b>	180	20	90	10

(Source: Primary Data)

The above table shows that budget is one of the supreme significant mechanisms of financial plan because it directives where your cash goes. If don't have a budget, it's easy to spend money every day, but at the end of the month, there were little or no cash that peoples can use to achieve your financial goals. In some cases, people may even spend more than they earn, often resulting in high-interest credit card debt. With a budget people evaluate how you've spent money in recent months and make adjustments to make your money management more effective. From the above table only 7% of respondents are budgeting their money and the rest do not plan at all.

As part of your budgeting, it's important to prioritize savings. First and foremost is emergency savings, which will help deal with unexpected financial problems when they arise. The highest 80% respondent tries to saving for future uncertainty.

For many, debt is the biggest obstacle to reaching their financial goals. Certain types of debt can be financially crippling, including credit cards, short-term payday loans, and other high-interest loans. Even if the interest rates aren't too high, student loans can be a big hurdle 5% people are only managing their debt.

Investment means putting your money into an asset for the purpose of generating income. Financial investments come in various forms, such as mutual funds, unit linked investment plans, endowment plans, stocks, bonds and more. The high people invest their money in stock market and mutual fund with the help of friends.

100% respondent said they keep their credit card, debit card and personal information safe. securely do the transaction through mobile. Periodically checking credit reports to detect potential fraud and using unique passwords for online accounts.

No any respondent set their financial goal. They are happy with current income and satisfied with the way things are going.

Having a good CIBIL score is foundational to financial health and success. A higher CIBIL score can not only make it easier to qualify for a loan, but it can also help to secure better terms like lower interest rates and reduced fees. Most of the people are unaware about CIBIL score of credit. That means they not take any risk to do business or take loan. They are happy in doing job.

**Table No. 4**  
**Challenges faced by Scheduled Castes including financial matters**

<b>Sr. No.</b>	<b>Particular</b>	<b>Frequency</b>	<b>Percentage</b>
<b>1</b>	Infrastructure issues	70	35
<b>2</b>	Cyber incidents	76	38
<b>3</b>	Not a supporting financial institution	3	2
<b>4</b>	Dependency	10	5
<b>5</b>	Low confidence	41	20
	<b>Total</b>	<b>200</b>	<b>100</b>

(Source: Primary Data)

The above table shows, the internet connectivity is a major concern in our country. Many rural areas do not have physical and internet connectivity, even in urban areas, there are places where internet speed is actual slow leading to imperfections.

Most of the Sc's who live in Village they are not techno savvy. They can't handle smart phone, internet, Computers. Because of online fraud's news peoples are not doing any type of online finance activity.

Due to heavy work, bank employees are not able to provide proper information about banking services to the Scheduled Caste people. A majority of the population fears being rejected for loans, mortgages and other financial products. Hence the most of the Sc are far away from the all banking services.

5% of the people trusts the bank employees so they depend only on the bank employees for banking transactions. They do not use any e- services of banking. They mostly are offline user of banking services.

SC believes only in saving so they are not ready to invest the saved amount in any good investment plan. Only if there are some government plans, they are willing to invest there but rarely. There seems to be very little financial confidence around him.

## 6. Finding

1. The highest people of Sc people are graduate also full employed and house hold income is between 50,000 to 1,00,000 but they can't saving enough for investment. The people are educated but not financially educated.
2. SC people invest maximum amount in fixed deposits, because they don't know any other options. They believe more in traditional investments. Youngsters have started investing after hearing about stock market or getting information from internet but due to insufficient knowledge they face loss. People are not ready to take any other investment risk. They are happy with the current use of money.
3. There is backwardness in how to use the money in a properly planned manner. These people do not do budgeting, do not do debt management, do not set financial goals. Therefore, the number of borrowers is high among them. It shows that very less financial literacy among the Sc Peoples.
4. While conducting the survey, it was found that Sc people need a nurturing environment for financial literacy but they are not getting it. Sc has faced many problems in financial matters, such as poor infrastructure, online fraud, not supporting financial institutions, over dependence on others in financial transactions and very low confidence in financial investments.

## 7. Suggestions

1. Government need to develop financial literacy programs for SC people so that they can make better financial decisions, choose financial products that meet their needs, and know how to use relevant channels such as ATMs or mobile banking.

2. SC's of villages need to offer a lawful ID to access financial facilities. Without a proper ID, large payment flows such as social benefit transfers and payroll transactions cannot be transferred between accounts.

3. Banks or financial institutions should build confidence among the SC people in using electronic payments facilities, it is important to treat them fairly, adequately disclose key product information, and establish security and reliability standards to allow them to make informed choices about the products they choose.

4. Sc's Must listen financial podcast. Financial Podcasts can be a great way to catch up on financial news while respondents do chores, run errands or walk the dog. Financial podcasts can be listened to on a website or app on a phone or computer.

Check out Insider's list of the best personal finance books to find the best books for budgeting and saving basics, paying off debt, advice for first-time investors, and wealth-building strategies.

According to study of MagnifyMoney 2021, investors aged between 18 to 40 uses Facebook, YouTube and Instagram as sources for financial information and investment research. Sc's can use their preferred social media networks to follow financial experts, get links to interesting articles, and watch videos discussing financial topics.

5. All the expert financial guidance means little if Sc's don't know where their money is going each month. Sc's should Start tracking income and expenses by setting a budget using a simple spreadsheet or website app Or use simple pen and paper who is not techno savvy.

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