IJCRT.ORG ISSN : 2320-2882

INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)
An International Open Access, Peer-reviewed, Refereed Journal

Women Empowerment And Household Economic Development Through Financial Literacy In Villuppuram District Of Tamilnadu With Cross Table Analysis

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ABSTRACT

Understanding financial operations originates with the household. Prior to actually accessing and participating in the market and financial system, critical decisions are made using this source. Finance is still a very specialized field in its existing iteration. Households' function in the financial system, which is a source of household financial complexity, has not gotten the attention it deserves. We will explore how the relevance of financial literacy is related to the knowledge, skills, and beliefs of husband and wife and their consensus in making decisions about life insurance participation. Separate in-depth interviews are conducted by married couples, wives separately, and husbands collectively. The main topic we discuss is how to perform cognitive mapping of data derived from interviews with members of various ethnicities and cultures. There are married couples who, despite having low levels of financial literacy (financial knowledge and skills), play a more decisive role in household financial decision-making because their partners do not want to take financial responsibility because they are doubtful of their own abilities, so they accept their partners' decisions more out of necessity. This research project has implications for how financial knowledge is regarded, and how income and consumption are allocated. Financial knowledge and skills provide individuals and couples confidence in household financial matters, financial decision-making, and asset allocation, according to findings. Keywords: Write 3-6 keywords separated by semicolon.

Keywords: Household Finance; Financial Literacy; Life Insurance; Financial Decision-Making; Consumer Finance

INTRODUCTION

The household is the hub of knowledge and financial activity. sources of critical decisions made prior to joining the financial market, involvement in saving decisions, placement of investment assets in financial markets, and lastly placement of households as end owners of productive firms in the economy. Up to this point, the presence of the area of finance implies that one can only study about financial markets, non-financial enterprises, and other financial institutions and intermediaries. The importance of households in the financial system, which is the practical background of financial complexity, is frequently overlooked or undervalued. Similarly, the support of concepts and theories in textbooks that dissect the issue of household finance is still limited and has not been a concern to economists or financial practitioners. The larger attention and study of finance in the field of home economics has heoretically focused solely on their desire for items, or merely confined their savings behaviours to one specific asset. Many of the difficult-to-overcome and-solve home economic and social variables, ranging from low incomes and inadequate financial knowledge to fraud and investment fraud, contribute directly to the terrible financial situations that several families experience. Taking immediate action to address this issue is difficult and expensive The existing literature, which serves as the theoretical foundation for household financial behaviour as a result of this complicated process, is still poorly understood. The disparity in financial understanding between men and women is the root reason . Decision-making theory in family emphasizes that marital dynamics add to the complexity of financial decision-making in the household. Empirical evidence from developed countries shows that financial market participation is influenced by a variety of factors, including household financial wealth (which supports the thesis of entry initiation fees; age, and education, risk aversion , trust in financial institutions , social interaction , homeownership , and social capital.

For a number of reasons, the topic of financial literacy in making household financial decisions has become significant. Social security reform in industrialized nations and many European countries placed an increasing burden on individuals to ensure their financial security in old life. Workers must determine how much to save for retirement and how to invest their retirement funds. At the same time, the complexity of financial instruments is expanding, and families must cope with new and more complicated financial products.

Empirical research has found that financial literacy is a predictor of a wide range of good financial habits. Some recent researches, however, have reached quite different results about the impacts of financial literacy and financial education. There has been an increase in study on assessing financial literacy and its impact on household behaviors and pension planning in recent years, savings and portfolio decisions both in investment literature and pension planning, along with the increasing complexity of financial products and the need for saving, insurance, and planning for retirement, Many studies have found that individuals generally have limited and lack basic financial information and financial principles. A household's most important asset is its human capital, as its revenue and income are derived from the supply of working family members. The estimate is based on the fact that we can understand why households should have life insurance because it protects the family from the possibility of premature death, which causes a loss of economic value (potential loss) to the family, especially in high-income families, with the goal of maintaining a standard of living and the stability of consumption patterns. Only three out of every ten housewives deploy insurance funds, and only eight percent prioritize investing in household financial management. The majority of study on married couples' financial decision-making focuses on investing, saving, and retirement decisions, showing that couples play an important role in financial decision-making. However, little is known about what happens in married couples' decision-making that may influence asset placement or the purchase of financial goods. The couple's decision-making process, particularly consensus, is critical in the couple's behaviours of acquiring long-term care insurance. The subject of who is the best financial decision maker among men and women in one family is still quite sensitive and requires extensive study on the source of information while taking the respondent's gender into consideration. Despite the fact that the majority of the literature focuses on individual financial decision-making at the household level, people do not make their own decisions; their decisions are impacted by family members, at least by couples in the family. However, research on the financial decision-making processes of households is still quite limited.

There is limited knowledge, skills, and trust in both Alpha and Beta couples related to financial decisions, so they do not dare take initiative and take responsibility for household financial decision-making. The impact is that couples usually do not like managing their household finances, but they recognize the importance of budgeting their expenses from household income earned. This research aims to understand and describe the complexity of perspectives, defining qualities, and roles of husband and wife on life insurance planning in a household motivated by demographic factors by conducting in-depth interviews of married couples in the household of six household couples who live and live in South Sulawesi, Indonesia, related to financial skills and skills of individuals in making decisions to enter and participate in the market and financial system, particularly life insurance products. Explore how households make decisions about life insurance more generally, including uncovering any possible typologies of decision making; examine the extent to which life insurance planning is independent or collaborative, and how far partners in a relationship discuss their separate and/or joint plans.

REVIEW OF LITERATURE

The Chattopadhyay and Duflo (2004) study in India, suggests that it is indeed possible to shift power within the community via a change in the electoral rules. Even if women and men were to have different preferences it is not sufficient to ensure that women policy makers, particularly those selected through quotas, would act any differently than men. In fact, in a perfectly democratic system, they would not, since both men and women would try to do what their constituents expect them to do in order to be re-elected. Additionally, even if we thought women leaders did a better job of understanding women’s needs, it would not necessarily follow that policies designed to guarantee greater representation by women would be an effective way to achieve this representation. For example, if women are politically weak, they may find it difficult to influence actual decisions. In India, the reservation policy was (and is still, to a large extent) met with a large measure of suspicion: women would not be powerful leaders; they would be eclipsed by their husbands; or worst, local elite would take advantage of the policy to re-ascertain their power against the Panchayat. And yet the quota policy made a real difference in actual outcomes.

Karlan and Zinman (2011) : A strong claim by microcredit organizations (who disproportionately lend to women, rather than to men) is that because women are more likely to be shut off from formal or informal sources of credit than men, the returns to investing in their businesses should be larger than the returns to investing in women. The problem is that if women face other forms of unequal access to markets than men (from insecure property rights, to constraints on their mobility or on their time due to the obligation of child rearing), access to inputs or cash alone may actually be more productive for women than for men. find no evidence that microcredit loans given to women have larger effects than those given to men. Even more troubling are the results of De Mel, McKenzie and Woodruff (2009) that directly test the proposition that the marginal returns to investing in female-owned enterprises is larger than that of investing in male-owned enterprises. They provided cash or in-kind grants to randomly selected businesses in Sri Lanka, and compared their performance to that of a comparison group. While they found a very large effect of the grants given to men (suggesting returns to capital of about 5% per month), the effect of the grant on profit was essentially zero for women. Fafchamps et al. (2011) replicate the experiment in Ghana, with similar results: the in-kind grants had some effect on the profit of female-owned businesses, but only for those businesses that were quite profitable to start with. And for women, like in Sri Lanka, the cash grants had no effect on business profits whatsoever.

Desai, 1994 : The persistent difference in sex ratios at birth illustrates the fact that economic development, and the availability of new technologies, can have perverse effects on gender equality if it decreases the cost of discriminating against girls. High differences in reported sex ratios at birth between girls and boys are the result of unreported birth—infanticide—and increasingly, from sex-selective abortion. Sex-selective abortion shows how the wider availability of new technologies and the increased well-being of households resulting from economic development have led to an increase in a particularly egregious form of discrimination. This is not limited to China: the 2001 census in India revealed a reversal of the trend in the sex ratios, particularly in the most prosperous states in the north of India. By the time of the 2011 census, they had drop to their lowest levels since independence. Economic calculus plays a role here as well. Advertisement for clinics practicing sex-selection in Mumbai used to read, “Better pay Rs 500 now than Rs 50,000 later.” The Rs 50,000 refers to the dowry that the parents would need to pay when a girl is married. With the cost of sex identification and abortion becoming so low with new technologies, many more parents may prefer to abort girls rather than to raise and marry them.

METHODOLOGY

The purposive sampling approach is used to collect data. The project team conducted face-to-face interviews with six couples. Interviews were held in couples' homes since participants were more likely to feel at ease and comfortable addressing potentially sensitive financial issues in this setting. The interviews lasted approximately 90 minutes and were divided into three separate 30-minute sections: an interview with each partner individually, followed by a "paired" interview with both partners together as a unit. This allowed us to understand each partner’s views on their role in household financial decision-making and attitudes towards life insurance individually, as well as their joint outlook and perceptions. Criteria for recruitment are utilized. Household income was a crucial element since the sorts of financial decisions couples make are influenced by their income and wealth. We expected age, or life stage, to have an impact on couples' financial decisions and retirement planning, so we made sure to cover a wide range of ages. Because this was a qualitative study, the findings should not be generalized or applied to a larger population. Individual couples are addressed when their experiences or decision-making qualities show trends common by all six couples, or when their experiences or decision-making traits are particularly enlightening or intriguing for another reason.

RESULT AND DISCUSSION

Defining qualities

The alpha role is played by one spouse, while the beta role is played by the other, although the two persons are more comparable in their approach to finances. Women are more likely to be alpha partners. From the standpoint of life insurance planning, more active couples have features that indicate a motivation that if something unfortunate occurs to the husband, he would file a claim and hope to be able to continue the quality of consumption and lifestyle under normal conditions. Beta partners are usually unconcerned with money, but they may step into alpha positions if required. This beta couple has a fairly high level of financial literacy, so they are very flexible and tend to be able to manage household financial decisions on allocating assets and household financial decision-making towards planning life insurance membership for their families The decision-making process is generally led by the alpha partner. They are, however, frequently involved in the last phases and have a say in the ultimate choice. There are couples who are quite cooperative and democratic towards household financial planning and household financial decision-making. Husband and wife couples each have a role as initiators and good decision-makers.

Roles in the decision-making process

Most relationships have one spouse who is more active in decision-making and the other who is more reactive, or passive. We refer to these two sorts by the role names "alpha" and "beta." In most partnerships, one spouse is more active in decision-making while the other is more reactive, or passive. We utilize the role designations "alpha" and "beta" to differentiate these two categories. In general, these people were less confident in their financial abilities than their alpha mates. Several test partners mentioned particular financial obligations, such as auto insurance or minor property purchases, indicating a well-defined comfort zone. Beta spouses were frequently more likely to spend money than save it, were often short-termism in their financial thinking, and were relatively easygoing about household finances when compared to alpha partners. If they sought financial advice, it was frequently from informal sources such as friends, family, and coworkers.

Perspectives on life insurance planning

The alpha spouse, who was in charge of tracking the couple's household income and outgoings, was typically in charge of making day-to-day financial choices. These individuals were more concerned about household finances than the beta partner. When it came to home economics, Alpha partners tended to be self-assured, but frugal with their money. The majority of alpha partners wanted to save rather than spend their money. When these couples make major financial decisions, similar tendencies arise. Typically, the alpha partner will actively drive the decision-making process by generating ideas and making decisions. The pair will next deliberate on shared choices before making a final decision together. When a final choice is reached, it is generally the alpha partner who is in charge of putting that decision into action. In other circumstances, alpha partners reported beginning the research phase before bringing the issue to their partner's attention and incorporating them in the process.

Similar to beta partners in the Unbalanced Responsibility group, beta partners in the Organized Aspirational group describe hurdles to participating in decision-making processes. They tend to let their alpha spouses lead the process, indicate apathy, "laziness," or believe they chose "to tend to follow" since they know the more financially literate mate has the knowledge, skills, and confidence in deciding on household money. They will see to it that the situation is fixed. Couples in the imbalanced responsibility category often have little, if any, arrangements for life insurance. Alpha couples are more likely than beta partners to initiate, or at least consider, life insurance holdings. While alpha partners who contribute to life insurance schemes may frequently communicate essential data, such as the rates they recommend, beta partners are unfamiliar with how their life insurance works.

“Sometimes I get confused since the money I made in a month is roughly Rp. 6,000,000. When I don't do much shopping or purchase of products, my pay check seems similar. With my costs, I don't feel that horrible.” (Halim, 34s, Luwu)

One or two couples who want their partner to be quite concerned and proactive in making decisions to participate in household finances by allocating the salary earned to create a life insurance program, but the couple also appears to have less financial knowledge, particularly on life insurance benefits that can provide benefits when something bad happens that results in the cessation of family income to continue living well. “I'm lucky enough that my spouse can be relied on enough to make financial decisions related to spending on household consumption needs and couples can set aside the rest of the spending money to be kept secretly even if it's not kept in a bank account, but I also hope my wife also provides support when I plan to have a life insurance policy, as I'm actually always worried about my health and safety. I am disturbed when I have difficulty meeting the needs of life, like when I am healthy.” (Simon, 48s, Toraja). A typical type of dialogue during the decision-making process is shown in figure 2

Life Insurance Decision-Making

For some couples, planning to obtain and participate in life insurance is still not considered strong enough to be a commitment of most married couples. Some couples with tribal ancestry have a stronger view of life insurance planning. This is demonstrated by the fear of childbirth and the desire for children to have a higher education in the future. So, the couple plans insurance for their child's education, with the benefit of knowing that if the insured becomes incompetent or dies, the child's education will be secured. The spouse will get a portion of the benefit reimbursement. This product was chosen since there is a requirement for alpha pairings to view the advantages provided. This couple's demographic appears to be fairly familiar with life insurance products. Participants we examined were more likely to be familiar with the term education insurance than life insurance, despite the fact that the two are the same thing.

RESEARCH METHODOLOGY

Research design:

A research scholar is also required to plan well before he can start his work. The researcher is required to prepare a plan of action is known as research design. Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

Convenient sampling

This sampling method involves purposive (or) deliberate selection of particular units of the universe of the universe for constituting a sample, which represents the universe. When population elements are selected for inclusion in the sample based on the cause of access it can be called convenient sampling

Size of the sample:

It refers to the number of items to be selected from the universe to constitute a sample. Here the researcher has selected 100 elements of end users. The sample is 60.

Collection of data:

There are several ways of collection the appropriate data, which differ considerably in context of money cost, time and other resources at the research data collection can be done through collections of primary data and Secondary data

Primary data:

The primary data are those, which are collected a fresh and for the first time and thus happen to be original in character. An interview schedule has been used to collect the primary data schedule. It means the data collection resembling the collection of data through questionnaire with a difference that schedule is filled by the researcher.

Secondary data:

The secondary data on the other hand includes those data, which are collected for some earlier research work and are application in the study. The researcher has presently under taken, for this analysis the sales data are collected from marketing information system.

Analysis of data:

The primary data has been analyzed using the simple percentage analysis method.

STATISTICAL ANALYSIS

Proposed Sampling Methods:

The data was processed using the SPSS

1. Sampling design chosen for the present study has been non probability sampling.

Statistical Tool:

1. Percentage Analysis.
2. Chi-square analysis

$$\% \text{ of Respondents} = \frac{\text{No of respondents}}{\text{No of Total Respondents}} \times 100$$

Chi-Square Analysis

A statistical test used to determine the probability of obtaining the observed results by chance, under a specific hypothesis. It is used to test if the standard deviation of a population is equal to the specific value. Chi-square is a statistical significance test based on frequency of occurrence; it is applicable both to qualitative and quantitative variables. Among its many uses, the most common are tests of hypothesized probabilities or probability distributions, statistical dependence or independence and common population. A Chi-square test is any statistical hypothesis test in which the test statistic has a Chi-square distribution if the null hypothesis is true.

Formula:

$\chi^2 = \sum \{ (O_i - E_i)^2 / E_i \}$

O_i = Observed frequency.

E_i = Expected frequency.

CHI SQUARE ANALYSIS:

Aim: To test the significance of respondent's opinion about women empowerment and household economic development

Null Hypothesis (Ho):

There is no significance of respondent's opinion about the women empowerment and household economic development.

Alternate Hypothesis (H1):

There is significance of respondent's opinion women empowerment and household economic development

S.No	Respondents opinion about women empowerment and household economic development.	No. of the respondents	Percentage
1	Strongly Disagree	3	4
2	Disagree	5	7
3	Neutral	0	0
4	Agree	22	29
5	Strongly agree	45	60
	Total	75	100

CHI SQUARE TABLE

Observed **O**	Expected **E**	**O-E**	**(O-E)^2**	**(O-E)^2/ E**
4	3	1	1	0.333
4	2	2	4	2
29	28	1	1	0.035
60	65	-5	25	0.384
			Calculated Chi square value	$\sum^2$ = 2.752.

Degree of freedom = (n-1) = (4-1) = 3

Level of significance = 5%

For 3 degree of freedom at 5% significance the Chi square table value is = 7.81

Calculated value < Table Value

2.752. < 7.81 So, **Ho is Accepted**

Inference

There are four castigatory respondent's opinion calculated through statistical tools, the finding value is lesser than expected chi square table value So, Ho value is accepted.

CONCLUSION

The majority of alpha partners preferred to conserve money rather than spend it. Similar trends emerge when these couples make important financial decisions. The alpha partner, in most cases, will actively drive the decision-making process by developing ideas and making decisions. Couples with unequal responsibilities frequently have minimal, if any, life insurance coverage. Alpha spouses are more likely than beta partners to establish, or at least contemplate, life insurance holdings. While alpha partners who contribute to life insurance schemes may often share critical facts, such as the rates they suggest, beta partners are confused with how their life insurance operates. In terms of life insurance planning, more active couples have characteristics that show a motivation that if something tragic happens to the husband, he would submit a claim and expect to continue the quality of consumption and lifestyle under normal conditions. This beta couple has a reasonably high degree of financial literacy, so they are quite adaptable and can handle household financial decisions on asset allocation and household financial decision-making toward preparing life insurance membership for their families.

There are some couples that are quite cooperative and democratic when it comes to home financial planning and decision-making. Both husband and wife couples play the roles of initiators and good decision-makers. In general, these folks were less confident in their financial abilities than their alpha counterparts. Several test participants indicated specific financial requirements, such as vehicle insurance or modest property purchases, indicating a well-defined comfort zone. Some couples with ethnic origin have a more positive attitude toward life insurance preparation. This is exemplified by the fear of childbirth and the desire for children to have a better education in the future. So, the couple prepares education insurance for their child, knowing that if the insured becomes incompetent or dies, the child's education will be safe. The spouse will be reimbursed for a portion of the benefit.

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