



# A STUDY ON FINANCIAL LITERACY LEVEL OF RURAL AND URBAN AREAS WOMEN OF ERODE DISTRICT.

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## Abstract:

The present study focuses the financial literacy of rural and urban areas women in Erode district. In the volatile economy, financial literacy is very important role in every individuals life especially women. The low level of financial literacy cannot be able to know about the financial services provided by bank. This study reveals that with sample size of 40, rural and urban area women are how they financially strong and discriminated rural and urban women who mostly aware in traditional financial products. In this survey used primary and secondary data. The statistical tools used like percentage analysis, descriptive analysis and ANOVA.

**Key words:** Financial literacy, Financial services, Traditional products, rural and urban peoples.

## INTRODUCTION

Financial literacy is depth knowledge of finance. Financial literacy is a backbone for who people survived in the financial world. Financial behavior, financial attitude and financial knowledge are needed to occur at take financial judgments and achieve the financial goal. In every sector like bank EMI's, children's education fund creates a vital role and who people are suffered from cheated are without illiterate financial knowledge.

Poverty eradication and financial education are two essential factors to uplift the economic development in rural areas by central government. The government of India, regulatory and policy makers

are give importance to set the education level of rural peoples. The Indian government implements the new schemes to women education and women empowerment to start a new business.

The survey reveal India's economic growth are 12% in the year 2020-2021 and comparing to other countries it is fastest growing economy in the world, still low in the financial literacy. The financial literacy helps to assess the economic situation to relieve in financial issues and thefts.

### **Review of literature**

1. V.Mathivathani (2014) A study on financial literacy among rural women in Tamilnadu. In this study found that in financial malpractice and fraudulent activities are happening in our society. Hence the rural women engage in financial inclusion to prevent them it and include in present economic growth.
2. Selvamohana (2018) analyzed with help of respondents to found the most and least preferred financial planning and to promote the financial planning and services of rural households. This one is possible when household ready to invest their income in investment avenues with their sound knowledge.
3. Raghul Berry (2021) A study on financial literacy level of individuals of urban and rural areas of Shimla. The study noticed that general public understands the needs and benefits of financial planning and services offered by bank and make them into financial inclusion.
4. Harish kumar Banga (2020) financial literacy among rural areas of north. The study wants to prove that how much of the female respondents financially expert and also well-known are educated compared to male in the family for taking decisions in the financial matters.

### **OBJECTIVES OF THE STUDY**

1. To analyze the awareness level of rural and urban women respondents.
2. To measure the savings behavior of women respondents in rural areas and urban respondents.
3. To compare the factors which discriminate financial knowledge and investment choices.

### **HYPOTHESIS**

H0: there is no relationship between awareness level and rural respondents

H1: there is a relationship between awareness level and rural respondents

H0: there is no relationship between savings behavior of rural and urban respondents.

H1: there is a relationship between savings behavior of rural and urban respondents

H0: there is no relationship between the factors which discriminate financial knowledge and investment choices.

H1: there is relationship between the factors which discriminate financial knowledge and investment choices.

## RESEARCH METHEDODOLOGY

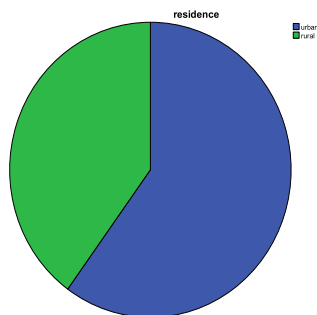
The study is based on Descriptive in nature. The data was collected with the use of structured questionnaire in the Erode district selected rural and urban areas. The total number of 86 questionnaires was collected. Using the questionnaire, find out the Statistical tools like percent analysis, chi-square test, and five point scale has been computed to known the findings of the result.

## ANALYSIS AND INTREPRETATION

### I PERCENTAGE ANALYSIS

**TABLE 1: RESIDENCE OF RESPONDENTS**

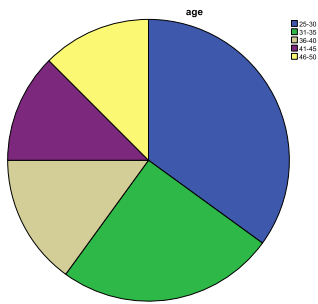
		residence		
		Frequenc y	Percent	Valid Percent
Valid	urban	24	60.0	60.0
	rural	16	40.0	40.0
	Total	40	100.0	100.0



From the above table shown that, 60% of the respondents are residing from urban areas and 40% of the respondents are rural areas.

**TABLE 2: AGE OF THE RESPONDENTS**

		Age		
		Frequency	Percent	Valid Percent
Valid	25-30	14	35.0	35.0
	31-35	10	25.0	25.0
	36-40	6	15.0	15.0
	41-45	5	12.5	12.5
	46-50	5	12.5	12.5
	Total	40	100.0	100.0

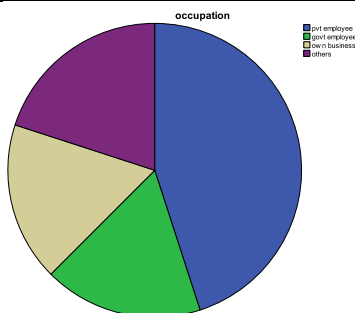


From the above table interprets that, 35% of the respondents are between the age group of 25-30, 25% of the respondents are age group of 31-35, 15% of the respondents are lies under the age group of 36-40. 12.5% of the respondents are between 41-45 and 12.5% of the respondents are 46-50.

**TABLE 3: OCCUPATION OF THE RESPONDENTS**

**Occupation**

	Frequency	Percent	Valid Percent
Valid pvt employee	18	45.0	45.0
govt employee	7	17.5	17.5
own business	7	17.5	17.5
others	8	20.0	20.0
Total	40	100.0	100.0

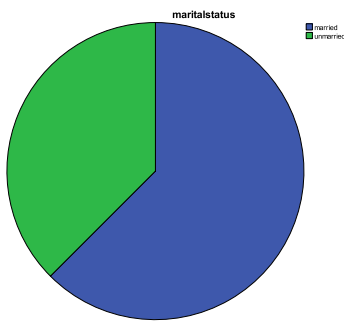


From the above table shows that, 45% of the respondents are works in private sectors, 20% of the respondents are done other jobs like agriculture, 17.5% of the respondents are works in Government employees and also 17.5% of the respondents are own business.

**TABLE 4: MARITAL STATUS OF THE RESPONDENTS**

**Marital status**

	Frequency	Percent	Valid Percent
Valid married	25	62.5	62.5
unmarried	15	37.5	37.5
Total	40	100.0	100.0

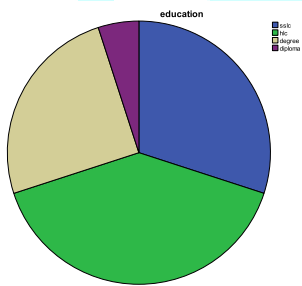


From the above table concluded that, 62.5% of the respondents are married and also remaining of the 37.5% of the respondents is unmarried.

**TABLE 5: EDUCATION LEVEL OF THE RESPONDENTS**

**education**

	Frequency	Percent	Valid Percent
Valid sslc	12	30.0	30.0
hlc	16	40.0	40.0
degree	10	25.0	25.0
diploma	2	5.0	5.0
Total	40	100.0	100.0

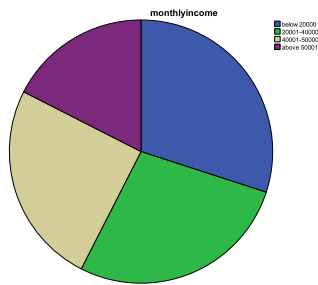


From the above table explained that, 40% of the respondents are finished off their higher secondary studies, 30% of the respondents are done their secondary grade, 25% of the respondents are finished their degree courses and also 5% of the respondents are done their diploma.

**TABLE 6: MONTHLY INCOME OF THE RESPONDENTS**

**Monthly income**

	Frequency	Percent	Valid Percent
Valid below20000	12	30.0	30.0
20001-40000	11	27.5	27.5
40001-50000	10	25.0	25.0
above 50001	7	17.5	17.5
Total	40	100.0	100.0

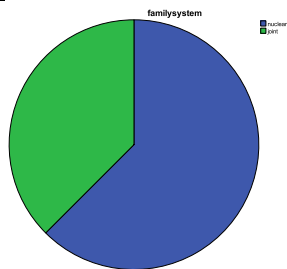


From the above table concluded that, 30% of the respondents are earned below 20,000 rupees, 27.5% of the respondents are earned 20001-40000 rupees, 25% of the respondents are earned 40001-50000 rupees and only 17.5% of the respondents are earning above 50000 rupees.

**TABLE 7: FAMILY SYSTEM OF THE RESPONDENTS**

**Family system**

	Frequency	Percent	Valid Percent
Valid nuclear	25	62.5	62.5
joint	15	37.5	37.5
Total	40	100.0	100.0

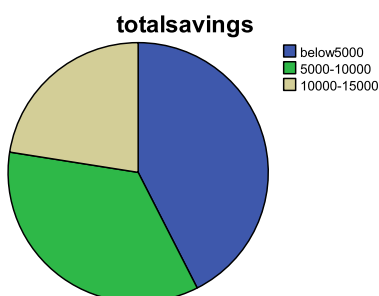


From the above table explained that, 62.5% of the respondents are living in the nuclear system family and remaining of the respondents 37.5% are living in joint family.

**TABLE 8: TOTAL SAVINGS OF THE RESPONDENTS**

**Total savings**

	Frequency	Percent	Valid Percent
Valid below 5000	17	42.5	42.5
5000-10000	14	35.0	35.0
10000-15000	9	22.5	22.5
Total	40	100.0	100.0



From the above table shown that, 42% of the respondents are savings from their monthly income are below 5000 rupees, 35% of the respondents are saving 5000-10000 rupees and also only 22% of the respondents are saving above 10000-150000 rupees.

**TABLE 9: RISK TAKER OF THE RESPONDENTS**

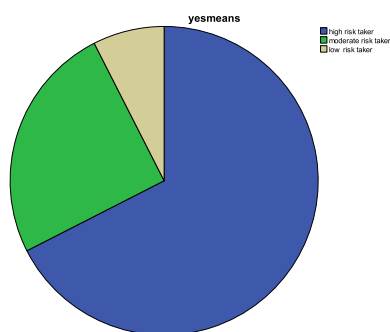
		Risk taker		
		Frequency	Percent	Valid Percent
Valid in	yes	12	30.0	30.0
	no	28	70.0	70.0
	Total	40	100.0	100.0



From the above table interpreted that, 70% of the respondents are not interested, to take risk in their savings and investment behavior. And 30% of the respondents are ready to taking risk in their savings and investment behavior.

**TABLE 10: TYPE OF RISK TAKEN BY RESPONDENTS**

		Type of risk taker		
		Frequency	Percent	Valid Percent
Valid	high risk taker	27	67.5	67.5
	moderate risk taker	10	25.0	25.0
	low risk taker	3	7.5	7.5
Total		40	100.0	100.0



From the above table concluded that, 67.5% of the respondents are take high risk in their returns, 25% of the respondents are taking moderate risk and remaining 7.5% of the respondents are low risk taker.

## II DESCRIPTIVE ANALYSIS

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
residence	40	1.00	2.00	1.4000	.49614
total savings	40	1.00	3.00	1.8000	.79097
Valid N (list wise)	40				

From the above table descriptive statistics is 0.79097. It is more than compare to the chi-square table value is 5.99. So here rural and urban area residence people are aware to saves their money in monthly basis.

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
education	40	1.00	4.00	2.0500	.87560
risk taker	40	1.00	2.00	1.7000	.46410
Valid N (list wise)	40				

From the above table descriptive statistics value is 0.87560. It is more than the chi-square value is 7.81. So here most of the risk takers are the financial literate people, they taken risk on their savings and investments for the returns.

## III Analysis of Variance

### ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Savings account	Between Groups	.104	1	.104	.285	.597
	Within Groups	13.896	38	.366		
	Total	14.000	39			
Current account	Between Groups	.017	1	.017	.041	.841
	Within Groups	15.583	38	.410		
	Total	15.600	39			
Fixed deposit	Between Groups	.017	1	.017	.047	.830
	Within Groups	13.583	38	.357		
	Total	13.600	39			
Public provident fund	Between Groups	.004	1	.004	.010	.922
	Within Groups	16.396	38	.431		
	Total	16.400	39			



National savings account	Between Groups	.338	1	.338	.502	.483
	Within Groups	25.563	38	.673		
	Total	25.900	39			
Post office savings	Between Groups	.004	1	.004	.007	.933
	Within Groups	22.396	38	.589		
	Total	22.400	39			
Life insurance	Between Groups	.017	1	.017	.025	.875
	Within Groups	25.083	38	.660		
	Total	25.100	39			
Government securities	Between Groups	.017	1	.017	.030	.863
	Within Groups	21.083	38	.555		
	Total	21.100	39			

Level of significance: 5%

From the above table elaborate discussion on prevailing financial literacy urban areas women are investing/savings behavior makes the healthy financial society. It does mean modern day for future circumstances. But other side rural area women are shifted from traditional savings avenues to modern avenues. It could be evidenced by above presented data analysis that due to comparing of rural and urban peoples saving and investment behavior.

## CONCLUSION

The sample population of the study was 40. Form this concluded rural and urban areas people level of literacy is different. In rural area women are saving/invest like chit fund, savings account, Fixed Deposit, Post office savings. But urban area women are literally different because they ready to investment/savings in shares, mutual fund, debentures and bonds of private and public sector companies. Moreover, the urban area women are strictly their invest in gold/silver, rather than focused in real estates, arts and passions.

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