

Analysis of Financial Literacy Levels among Women in Different Age Groups

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ABSTRACT

Financial literacy among women has emerged as a critical factor in ensuring their economic independence and overall well-being. This study aims to investigate the financial literacy levels of women across various age groups. By examining factors such as education, occupation, and access to financial services, this research seeks to understand the disparities in financial knowledge and behavior among women of different generations. In their study to involving 300 female participants. The primary focus of the study is to delve into the participants' comprehension of financial concepts, their active involvement in financial decision-making processes, and their awareness of strategic financial planning. By surveying women from varied age brackets, including young adults, middle-aged individuals, and seniors, the research aims to offer a nuanced understanding of financial literacy trends that spans the entirety of the female demographic spectrum. The survey methodology adopts a robust approach, utilizing a structured questionnaire designed to encompass crucial facets of financial literacy. Topics explored include budgeting, saving, investing, debt management, and retirement planning. The outcomes of this survey unveil intriguing patterns and disparities in the financial knowledge and practices exhibited by women across different age cohorts. Furthermore, the insights gained can inform the development of targeted financial education programs and policies aimed at empowering women to make informed financial decisions

Keywords: financial literacy, women, age groups, education, occupation, financial services, economic independence.

1. Introduction

Financial literacy is a crucial component of economic well-being. It empowers individuals to make informed decisions about their finances, leading to improved financial security and stability. However, studies have consistently shown that women often exhibit lower levels of financial literacy compared to men. This disparity can have significant implications for women's economic independence and overall quality of life. Financial literacy has been found to be negatively associated with high-cost borrowing behaviors among individuals [1]. Low levels of financial literacy often lead to higher levels of debt, lower credit scores, less wealth accumulation, and poor retirement planning among individuals, especially among lower-income individuals in urban communities [2]. Financial literacy is associated with household asset allocation, with individuals with higher literacy also having investments in stocks or securities [3]. Low financial literacy has implications for individuals, communities, countries, and society as a whole, leading to failure to plan for retirement, lack of participation in the stock market, and poor borrowing behaviour [4]. Demographic and socioeconomic attributes, such as gender, age, education, and income, influence financial literacy among adults. Adult males and females have different financial socialization experiences associated with varying financial literacy and confidence levels. Education in finance and economics is linked to higher financial literacy and confidence in managing personal finance.

Scope of work:

In this work to contribute the better understanding of financial literacy among women in different age groups and provide valuable insights for policymakers, financial institutions, and educational organizations to promote

financial inclusion and empowerment.

2. Literature Review

This area of research delves into the nuanced factors influencing financial literacy among women of diverse ages, acknowledging that the financial landscape for women is dynamic and evolves as they progress through different life phases. Existing literature offers invaluable insights into the multifaceted interplay of societal, educational, and individual factors that contribute to shaping the financial literacy of women, providing a foundation for targeted interventions and policy initiatives aimed at fostering financial empowerment among this demographic. Sheela Sundarasan [5] In their study to examine global gender differences in financial literacy, implement targeted financial education interventions, incorporate financial literacy and economic empowerment into domestic violence policies, investigate factors influencing women's retirement planning, and advance gender equality and financial well-being globally. Singh, A [6] The present study was conducted to access the level of financial literacy among the women of Lucknow region. Thus a structured questionnaire was distributed among women in Lucknow region. The result of the analysis revealed that financial literacy level of women in Lucknow region not enough and strong variation in various socio-demographic and economic variables. Dwivedi et al. [7] analysed the NCFE report on financial literacy and financial inclusion in India on the basis of occupation, geographical area and gender mix. The study found that urban population is more financially literate than rural population. Also, men are found to be more financially literate than women. Njaramba, J. et al. [8] identified the financial literacy of eleven migrant African-Australian women entrepreneurs in the Cairns region. A qualitative case study approach was used to investigate financial literacy of eleven women via semi-structured interviews, survey questionnaire and researcher's reflective journal. The result revealed that women had a high level of financial literacy. Shobha and Shalini [9] conducted a survey on the perception of women towards the personal financial planning in the city of Bengaluru. The study revealed that Indian women gives priority to family and children's requirements more than her requirements for financial needs and individualistic financial security. Also, difficulty in convincing the spouse and family is also a challenge to the women to create their financial plans. Haque, A. and Zulfiquir, M. [10] identified the impact of financial literacy, financial attitude and financial wellbeing on women economic empowerment. The survey was conducted through questionnaire. Total 300 working women of Pakistan from non-financial sector participated in the survey. The target population consist of women working in educational sector, telecom sector, medical sector etc. Shrikrishna S. et al. [11] identified the level of financial literacy among women employees working in banks. The data was collected through structured interview schedule, from 188 women employees working in bank branches situated in Kolhapur district. The financial literacy of women employees has been analysed by focusing on three dimensions of financial literacy i.e. financial knowledge, financial behaviour and financial attitude. Koti, K. [12] examine the level of financial literacy of women in Dharwad District. Total 100 women were interviewed to know their financial ability and proficiency. The statistical tools used where factor analysis, T-Test and One-way Anova. The result showed that only 30 percent women were comfortable and found that the gray area was mutual fund investment and return of it.

3. Methodology

Women's low status has contributed to their financial weakness and dependence on males, making them dependent on men financially. They also receive inadequate education and are subject to harsh and discriminatory divorce and inheritance rules. These regulations make it harder for women to establish their security following separation since they hinder them from accumulating their financial holdings. Financial literacy is now essential in a time when the majority of the states in the nation are taking education seriously.

The first step involves the careful selection of participants. A stratified random sampling technique will be employed to ensure a representative sample, with participants categorized into three distinct age groups: young adults (18-30), midlife individuals (31-55), and seniors (56 and above). The sample size of 300 participants is distributed proportionally among these age cohorts, allowing for a detailed examination of financial literacy trends. The survey instrument, a structured questionnaire, is designed to capture both quantitative and qualitative data. The questionnaire will cover essential financial concepts, financial habits, investment knowledge, debt management, retirement planning, and socio-economic factors influencing financial decisions. A pilot test with a small sample will precede the actual survey to refine the questionnaire for clarity, relevance, and effectiveness. Data collection will be conducted through a combination of online (using google form) and in-person methods to enhance accessibility and participation. The questions for which the data is collected is presented in table 1. The questions are categorised into 12 categories having 35 questions in total. Informed consent was obtained from participants, emphasizing the voluntary nature of participation and the confidentiality of responses. For a more in-depth exploration, optional in-depth interviews will be conducted with a subset of participants to gather qualitative insights and personal financial narratives. Ethical considerations are paramount throughout the study. Participant privacy is safeguarded, and ethical guidelines, including informed consent and the right to withdraw, will be strictly adhered to. The proposed timeline will outline specific periods for survey administration, data analysis, and report writing, ensuring a systematic and efficient progression of the study.

This methodology seeks to deliver a robust and comprehensive examination of financial literacy among women of different age groups, contributing valuable insights to inform future interventions, educational programs, and policy initiatives aimed at enhancing the financial well-being of women across diverse life stages.

Table 1: Table showing the questions asked in the online survey

S.No	Category	Question	Answer Options
1.	General Financial Literacy	How would you rate the financial literacy	A. very low B. 1 C. 2 D. 3 E. 4 F. 5 G. very high
		Do you have a monthly or annual budget?	A. Yes B. No C. Option 3
		Have you ever taken a financial literacy course or workshop?	A. Yes B. No
2.	Savings and Investments	Do you have a savings account?	A. Yes B. No
		Have you invested in stocks, bonds, or mutual funds?	A. Yes B. No
		Do you have a retirement savings account (e.g., 401(k), IRA)?	A. Yes B. No
3.	Debt Management	Have you ever taken a loan or used credit cards?	A. Yes B. No
		Are you aware of the interest rates on your loans or credit cards?	A. Yes B. No
		Have you ever struggled with debt or faced financial difficulties?	A. Yes B. No
4.	Financial Goals	Do you have specific financial goals (e.g., buying a house, saving for education)?	A. Yes B. No
		Are your financial goals written down and planned for?	A. Yes B. No
		Are you actively saving or investing to achieve your financial goals?	A. Yes B. No
5.	Financial Decision-Making	Who primarily manages the household finances?	A. Self B. Spouse/partner C. shared D. Father/mother E. Other
		How comfortable are you in making financial decisions (e.g., investments, budgeting)?	A. Very comfortable B. Comfortable C. Neutral D. Uncomfortable E. Very uncomfortable
6.	Insurance and Risk Management	Do you have insurance policies (e.g., health, life, auto)?	A. Yes B. No
		Do you understand the terms and coverage of your insurance policies?	A. Yes B. No C. Other:
		Have you prepared a will or estate plan?	A. Yes B. No

7.	Retirement Planning	At what age do you plan to retire (if applicable)?	A. 0-18 B. 19-25 C. 26-35 D. 35-50 E. Above 50 F. None
		Are you aware of your current retirement savings balance and its sufficiency?	A. Yes B. No
8.	Financial Literacy Resources	What sources do you primarily use for financial education and advice? (Select all that apply)	A. Books B. Online articles/websites C. Financial advisors D. Workshops or seminars E. Friends and family F. Other
		Do you regularly track your expenses?	A. Yes B. No
		Have you ever had an emergency fund?	A. Yes B. No C. Maybe
		Are you confident in your ability to handle unexpected financial emergencies?	A. Yes B. No C. Maybe
9.	Economic Outlook	Do you feel optimistic or pessimistic about your financial future?	A. Optimistic B. Pessimistic C. Neutral
		How do you perceive the economic prospects for your country?	A. Positive B. Negative C. Neutral
		How would you rate your current level of financial literacy?	A. Very low B. 1 C. 2 D. 3 E. 4 F. 5 G. Very high
		Are you actively saving for your retirement?	A. Yes B. No
10.	Financial Literacy	What sources do you primarily use for financial education and advice? (Select all that apply)	A. Books B. Online articles/websites C. Financial advisors D. Workshops or seminars E. Friends and family F. Other
11.	Financial Behavior	Do you regularly track your expenses?	A. Yes B. No
		Have you ever had an emergency fund?	A. Yes B. No
		Are you confident in your ability to handle unexpected financial emergencies?	A. Yes B. No
12.	Economic Outlook	Do you feel optimistic or pessimistic about your financial future?	A. Optimistic B. Pessimistic C. Neutral
		How do you perceive the economic	A. Positive

		prospects for your country?	B. Negative C. Neutral
		How confident are you in managing your personal finances?	A. Very low B. 1 C. 2 D. 3 E. 4 F. 5 G. Very high

In delving into the financial literacy landscape of 100 women across diverse age groups, our survey has uncovered nuanced insights crucial for shaping effective interventions. The distinct patterns identified, from the financial aspirations of young adults to the intricate challenges faced by midlife individuals and seniors, emphasize the need for targeted educational programs catering to the evolving needs of women throughout their lives. Education emerges as a powerful catalyst for financial empowerment, with a clear correlation between higher education levels and enhanced financial literacy. Integrating financial education into formal learning structures can thus be pivotal in fostering lifelong financial competence. Cultural and socioeconomic factors also play pivotal roles, necessitating a tailored approach that respects diversity and addresses the specific needs of various demographic groups.

4. Results and Discussions:

The study revealed that age plays a crucial role in financial literacy, as individuals in different age groups exhibit varying levels of financial knowledge and skills. Younger individuals (18-25) might have lower financial literacy due to limited life experiences, while those in the middle age groups (26-35, 36-45) may demonstrate higher financial literacy, benefiting from a combination of education and practical experiences. Additionally, personal income emerged as a key variable influencing financial literacy, with higher income brackets (Rs. 20001-30000, Rs. 30001-40000) often associated with increased financial literacy. The analysis suggests that a nuanced understanding of age and personal income dynamics is essential for developing targeted financial literacy interventions. Refer figure

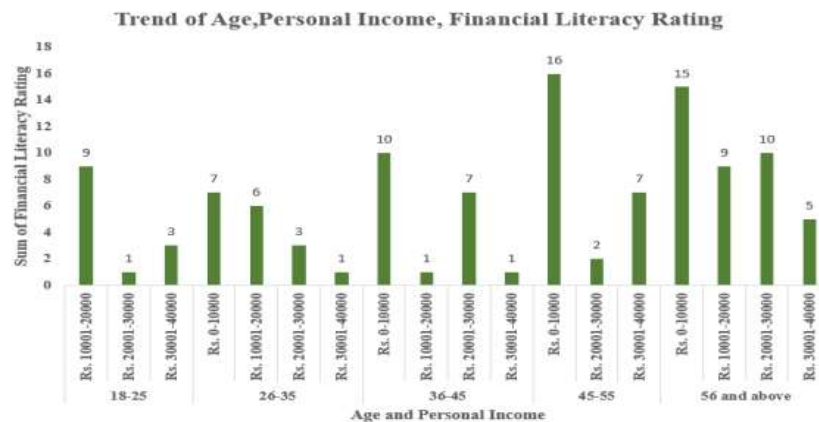


Figure 1: Trend of Age, Personal Income, Financial Literacy Rating

Analysis on Monthly/Annual Budget

In our analysis age played a crucial role as different life stages come with varying financial responsibilities and priorities. Individuals in 18-25 allocated funds differently than those in their 40s. Personal income, being a direct financial indicator, is a pivotal variable affecting budgeting. Higher incomes generally afford individuals the ability to allocate more towards savings, investments, and discretionary spending. Understanding the interplay between age and personal income provided a valuable insight into the factors shaping individuals' budgeting decisions and financial behaviors. The survey indicated that individuals in age 26-35 planned for monthly budget for factors such as housing, education, or family planning etc.

Table 2: Analysis on Monthly/Annual Budget

Age	Opted for Monthly/Annual Budget	
	No	Yes
18-25	3	5
26-35	0	8
36-45	3	5
45-55	2	5
56 and above	4	4

Analysis on Loan/Credit Card

Age plays a crucial role as it may indicate a borrower's stability and financial responsibility, with certain age groups possibly deemed more creditworthy. Personal income is a key determinant, as it directly reflects an individual's financial capacity to repay loans. Additionally, marital status contributes to the assessment, as it can impact financial stability and joint financial responsibilities. Lenders may consider married individuals or those living with a partner differently from divorced individuals, as the former may have shared financial resources and potentially lower financial risks.

Analysis on Awareness of Interest Rates

The examination revealed that age is a noteworthy factor, with certain age groups demonstrating higher awareness levels. Additionally, personal income exhibited a correlation, as individuals within specific income brackets displayed varying degrees of interest rate awareness. Marital status also emerged as a relevant factor, with distinctions in awareness observed among divorced, married, and those in other relationship statuses.

Table 3: Table showing retirement savings

Age and Income slabs	Opted for retirement savings count			
	No	Yes	Yes (Other)	Grand Total
18-25	7	2		9
Rs. 10001-20000	6	1		7
Rs. 20001-30000	1			1
Rs. 30001-40000		1		1
26-35	6	3		9
Rs. 0-10000	3			3
Rs. 10001-20000		1		1
Rs. 20001-30000	2	2		4
Rs. 30001-40000	1			1
36-45	3	6		9
Rs. 0-10000	2	1		3
Rs. 10001-20000		1		1
Rs. 20001-30000	1			1
Rs. 30001-40000		4		4
45-55	1	6	1	8
Rs. 0-10000	1	1	1	3
Rs. 20001-30000		4		4
Rs. 30001-40000		1		1
56 and above	3	6		9
Rs. 0-10000		1		1
Rs. 10001-20000	1	1		2
Rs. 20001-30000	2	4		6
Grand Total	20	23	1	44

Discussion on Financial Literacy Resources

A. Analysis on Books

In shaping reading preferences, with different age groups often showing distinct interests in genres or topics. Personal income contributes to the accessibility and affordability of books, impacting the ability to purchase and engage with diverse literary works. Marital status can also influence reading habits, as individuals in various relationship statuses may have different amounts of leisure time or preferences for shared reading experiences.

B. Analysis on Online Articles/Websites

Different age groups may exhibit distinct preferences, interests, and technological behaviours, influencing their engagement with online content. Personal income serves as a crucial determinant, impacting individuals' purchasing power, access to technology, and overall lifestyle, which in turn affects their online consumption patterns. Marital status contributes to these dynamics by influencing the types of content sought, potentially reflecting varying interests and needs among different relationship statuses.

C. Analysis on Financial Advisors

Personal income is a key determinant, as it directly impacts an advisor's financial stability and potentially shapes their understanding of clients' financial situations. Marital status plays a role in understanding an advisor's personal responsibilities and commitments, which can influence their availability.

D. Analysis on Workshops/Seminars

In the 26-35 age range, exhibit a higher tendency to engage in such events. Additionally, participants with higher personal incomes, falling within the Rs. 20001-30000 income bracket, demonstrate increased interest in workshops and seminars. Marital status also plays a role, with unmarried individuals, including both those who are divorced and those living with a partner, showing greater participation compared to their married counterparts.

E. Analysis on Friends & Family

Similar age groups may share common interests and experiences, fostering closer relationships. Personal income can impact the ability to engage in social activities and maintain connections, potentially influencing the breadth and nature of one's social network. Marital status is likely a crucial factor, as individuals in different relationship statuses may have varying social priorities and commitments, affecting the extent and dynamics of their interactions with friends and family.

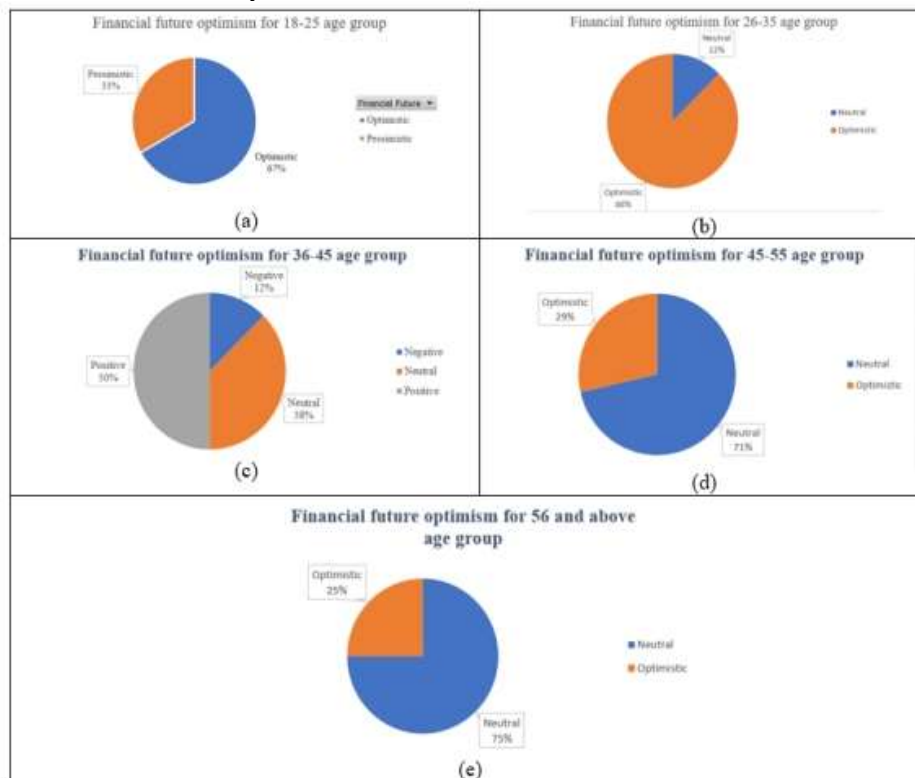


Figure 2: Figure showing financial future optimism for multiple ages groups

Individuals in the 26-35 age group tend to exhibit higher levels of optimism potentially reflecting a stage in life

associated with career advancements and personal growth. Regarding personal income, respondents with incomes in the range of Rs. 30,001-40,000 display elevated levels of optimism, indicating a positive correlation between financial well-being and positive outlook. Marital status also plays a role, with married individuals demonstrating higher optimism, possibly influenced by the emotional and social support inherent in such relationships.

Age may contribute as a key factor, with different age groups exhibiting distinct consumption and investment patterns, influencing overall economic trends. Personal income is crucial, as varying income levels directly impact spending capacity and savings, influencing the overall economic health. Additionally, marital status can play a role, as it may affect household income and financial stability. A married or cohabiting individual's economic decision might differ from those of a divorced or single person.

Conclusion

In delving into the financial literacy landscape of 100 women across diverse age groups, our survey has uncovered nuanced insights crucial for shaping effective interventions. The distinct patterns identified, from the financial aspirations of young adults to the intricate challenges faced by midlife individuals and seniors, emphasize the need for targeted educational programs catering to the evolving needs of women throughout their lives. Education emerges as a powerful catalyst for financial empowerment, with a clear correlation between higher education levels and enhanced financial literacy. Integrating financial education into formal learning structures can thus be pivotal in fostering lifelong financial competence. Cultural and socioeconomic factors also play pivotal roles, necessitating a tailored approach that respects diversity and addresses the specific needs of various demographic groups. Our findings underscore the importance of recognizing the cultural context and socioeconomic influences on financial decision-making among women. As we move forward, this survey serves as a guidepost for policymakers, educators, and community advocates. The call for action is clear — implement targeted initiatives that bridge the gaps in financial literacy, ensuring that women of all ages are equipped with the knowledge and skills necessary for navigating the complex terrain of personal finance. Ultimately, our collective commitment to empowering women financially is integral to building a more equitable and resilient society.

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