



Research Paper

## Monetary Literacy on Economic Empowerment of Working Women of Uttar Pradesh

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### ABSTRACT

Uttar Pradesh drives the most elevated score as far as female education with a pace of 63.91 percent (Census 2011) as against different states in India. Ladies in Uttar Pradesh appreciate more prominent availability to formal area occupations because of improved admittance in instructive achievement. Working ladies are viewed as monetarily proficient with positive monetary disposition. In any case, be that as it may, while setting up a firm traction in education and societal position, ladies in Uttar Pradesh appear yet to distinguish their job and interest in monetary dynamic and the board. Monetary proficiency and appropriate monetary demeanor are fundamental apparatuses for accomplishing monetary prosperity and Economic strengthening. The current investigation led among working ladies of Uttar Pradesh, inspects whether ladies while achieving essential education and being put in occupations with enormous compensation, show the discernment and knowledge in ideally overseeing cash and funds in everyday undertakings.

**KEY WORDS:** Monetary Literacy, Economic Empowerment, Working Women, Uttar Pradesh.

### I. INTRODUCTION

Monetary education is the most vital lane to arrive at monetary strengthening. It grasp the information and aptitudes that one need to "recognize monetary decisions, examine cash and monetary issues without inconvenience, plan for the future, and react capability to life occasions that influence regular monetary choices" (Vitt et al. 2000). Ladies show reliably low degrees of monetary education. Ladies are in danger of encountering circumstances that leave them fit as a fiddle (DeVaney et al. 1996). For instance, ladies outlast men, yet acquire less, spare less, drop all through business, and experience the ill effects of separation than men (DeVaney et al. 1996; Schmidt and Sevak 2006). Studies show that ladies, with low pay, felt caught even in their conjugal connections. It is especially striking that monetary proficiency levels appear to be low among young ladies who are accomplished and contribute as financial specialists to the general public. In spite of the fact that having arrived at first class assignments with fat compensation, they are discovered less inclined to address basic monetary information questions effectively, and show low certainty and stress in managing cash matters. (Bucher-Koenen, Lusardi, Alessie, and Van Rooij, 2014, and OECD, 2013).

### Need and Significance

As far as a woman is concerned in the present world, economic security is a key component of economic opportunity. It is the way in which women adapt to the changing world and workforce, which determine, how they would improve their stability and generations ahead. Women at the higher educational levels, working women especially in the organised sector, are the immediate pool of intellectual human resources which adds to the total workforce of the economy. (Akshita, 2016).

When such a women backed up by potent education grow to be financially literate, it helps them equip the ability to make financial decisions and identify the best use of the economic opportunities not only in running their families in a disciplined manner, but also in helping them to gain empowerment.(Garima 2017).

Thus the present study was conducted to examine the status of Financial Literacy on the Economic Empowerment of Working Women of Uttar Pradesh, the moderate literate state in India (Uttar Pradesh Census Report, 2011) with a view to understand whether women while attaining basic literacy and being placed in occupations with large salary, exhibit the rationality and intelligence in optimally managing money and finances in day-to-day affairs.

### Operational Definition

The key terms of the study have been operationally defined:

- Financial Literacy: is the ability to use knowledge and skills to manage financial resources effectively for a life time. In the present study financial literacy is examined combining financial knowledge and economic empowerment of working women in the organised sector.
- Economic Empowerment: Combination of Working Women's knowledge of makets, rationality, economic independence, opportunities and confidence to reach their financial wellbeing.
- Working women-College teachers, Doctors, Banking Professionals, Lawyers, Engineers, Government employees permanently employed with not less than three years of work experience.

Objectives

1. To examine the determinants of Monthly Savings of Working Women.
2. To assess the Economic Empowerment Index (EEI) of Working Women
3. To understand Financial Crisis Management of Working Women.
4. To examine the Correlation between Economic Empowerment and Financial Literacy of Working Women.

### Hypothesis

- H0: The Working Women of Uttar Pradesh have attained Economic Empowerment.
- H1: There is strong correlation between Economic Empowerment and Financial Literacy among Working Women of Uttar Pradesh.

## II. METHODOLOGY

The present study was undertaken among Working Women in the organised sector in order to probe into the question as to why educated women in Uttar Pradesh refrain from being financially literate and economically empowered.

In order to conduct the study, a Multi stage sampling design was adopted for the selection of samples. In the first stage, Uttar Pradesh was selected as the state to be studied among the states of India, since Uttar Pradesh is the only state in India where women outnumber men, with a sex ratio of 1050(Census 2011 report) not only, in population but also in unemployment among the educated.

Primary data was gathered by administering questionnaires to the working women. Direct observation and telephonic interviews were also used. Secondary data was gathered using published journals, magazines and books. Statistical tools like Multiple Regression Analysis, Economic Empowerment Index, Correlation and simple graphs were applied to satisfy the objectives considered.

## III. RESULTS AND FINDINGS

The results pertaining to the study are discussed as follows –

a) Determinants of Monthly Savings of Working Women

Multiple Regression Analysis was applied in order to examine the determinants of Monthly Savings of Working Women.

**Table 1:** Multiple Regression Analysis Dependent variable: Monthly Savings (Rs) Heteroskedasticity-robust standard errors, variant HC1

Repressors	Coefficient	Std. Error	t-ratio	p-value
(Const)	53.9909	59.6438	0.9052	0.36572
D-district	29.721	19.1746	1.5500	0.12167
Age	-0.860025	0.956384	-0.8992	0.36889
D-Caste	-12.9851	17.3949	-0.7465	0.45567
D- Family Pattern	-0.791757	13.8146	-0.0573	0.95432
D-Financial literacy	-4.25385	21.5077	-0.1978	0.84328
D- Occupational Status	12.3678	12.2345	1.0109	0.31248
D-Financial decision making	5.16892	2.471	2.0918	0.03688**
Monthly Expenditure	1.24813	0.0277425	44.9899	<0.00001***

Mean dependent var	984.3400	S.D. dependent var	760.4871
Sum squared resid	24017034	S.E. of regression	201.5886
R-squared	0.930672	Adjusted R-squared	0.929734
F(8, 591)	287.2202	P-value(F)	5.1e-198

Log-likelihood	-4030.566	Akaike criterion	8079.133
Schwarz criterion	8118.705	Hannan-Quinn	8094.538

Table 1 show that the regression coefficients of the predictor variables namely financial decision making and Monthly expenditure have significant effect on the monthly savings of the respondents of Uttar Pradesh at high level of significance. The rest of the variables like Age, caste, financial literacy, Family pattern, and Occupational status are not found to have significant effect on the monthly savings of the respondents. The R-squared value gives the goodness of fit of the model and the value being 0.930 indicates that 93.0 percent of variation in the income is influenced by the combined effect of all the independent variables.

**b) Economic Empowerment Index of Working Women**

H0: The Working Women of Uttar Pradesh have attained Economic Empowerment.

In order to understand the Status of Financial Literacy on Economic Empowerment of Working Women, the Economic Empowerment Index (EEI) was constructed as an average of standardised seven indicators of economic empowerment. (Hema, 2015) The empowerment framework adopted in the present study is shown in the Table 2.

**Table 2 - Matrix for analysing Economic Empowerment**

Nature of Empowerment	Statements(7)
Economic Empowerment	<ul style="list-style-type: none"> <li>• I gained financial independence to use my salary/debit/credit cards for my personal wellbeing without seeking prior permission from spouse or any other family member</li> <li>• I have access, mobility and better awareness of markets</li> <li>• I have made productive investments</li> <li>• I have representation in major economic decision making</li> <li>• I have equal opportunity to gain positions of economic power</li> <li>• I have money left over at the end of the month</li> <li>• I am securing my financial future in a rational way.</li> </ul>

The respondents were asked to rank the seven statements on a five point scale with a maximum score of 5 for strongly agreed and 1 for strongly disagreed. The score was standardised by using the following formula:

$$Z_i = \frac{X_i - \text{Min}X_i}{\text{Max}X_i - \text{Min}X_i}$$

The standardised score was added to arrive at the score of the indicators. Economic Empowerment Index was arrived by taking the average of the scores of each indicator. Based on the overall score, the working women were classified in to the following category of empowerment as shown in Table3.

**Table3: Cut off principle for Economic Empowerment Index (EEI)**

Score	Remarks
Up to 2	Not empowered
2.1-3	Partially empowered
3.1-4.0	Empowered
4.1 and above	Fully empowered

Similarly the Economic Empowered was measured among the Working Women of the three major districts of Uttar Pradesh, which are Block 1, Block 2 ad Block 3. The results of the index and the status of economic empowerment are as represented in Table 4.

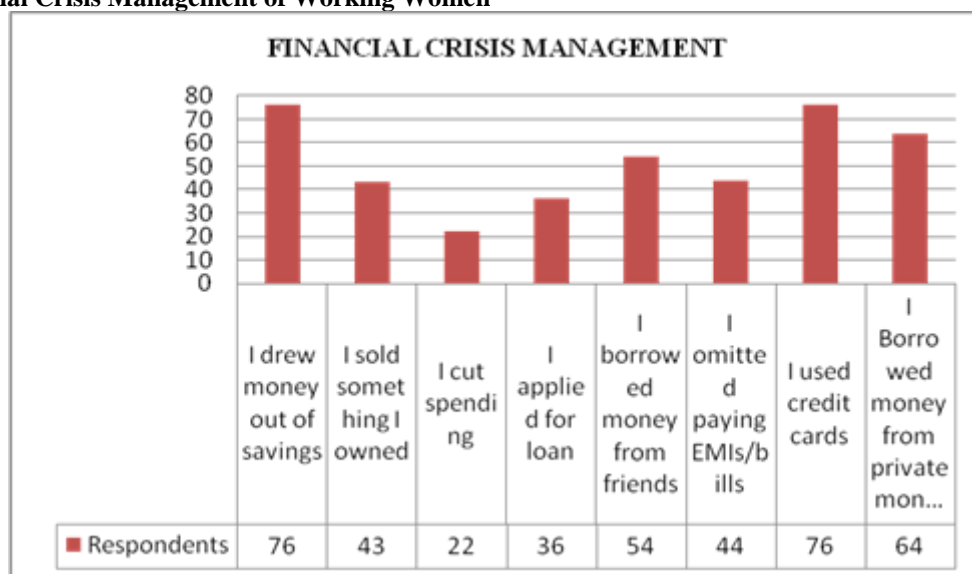
**Table 4: Cutoff principle for classification of Working Women of Uttar Pradesh**

District	Respondents	Score	Remarks
Block 1	100	2.22	Partially empowered
Block 2	100	2.50	Partially empowered
Block 3	100	2.60	Partially empowered
Total	300	2.44	Partially empowered

Source: Primary data survey.

The results displayed in Table 4 indicates that irrespective of the districts, the working women of Uttar Pradesh lies on the average score of 2.44, which would mean that they have only achieved partial empowerment. Hence we reject the null hypothesis. The Working Women of Uttar Pradesh have not been able to achieve Economic Empowerment.

**c) Financial Crisis Management of Working Women**



**Fig 1 - Financial Crisis Management of Working Women**

Source: Primary data survey

The respondents were asked as to how they would manage their money at times of financial shortage or crises. However, Figure 1 exhibits eight ways in which their money would be managed. 76 percent each of the working women state that they would draw money out of their savings and also would prefer to use credit cards. Perceiving their behaviour in terms of rationality, both the management mechanisms found to bring about temporary relief but would certainly push them towards future debt traps. However, women are not much found to cut their spending (22 percent) so that they could save couple of money in their hands. It is also shown that 64 percent of the working women prefer to borrow money from private money lenders at high rates of interest. Borrowing from friends (54 percent) would definitely relieve them from multiplication of interest rates. Omission of paying bills and EMIs (44 percent), selling assets in their own name (43 percent) are also tertiary resorts which women sought to.

**d) Correlation between Economic Empowerment and Monetary Literacy**

H0: There is strong correlation between Economic Empowerment and Financial Literacy among Working Women of Uttar Pradesh.

Correlation			
		Economic Empowerment	Monetary Literacy
Economic Empowerment	Pearson Correlation	1	.080
	Sig. (2-tailed)		.075
	N	300	300
Monetary Literacy	Pearson Correlation	.080	1
	Sig. (2-tailed)	.075	
	N	300	300

A Pearson product-moment correlation was run to determine the relationship between Economic Empowerment and Financial Literacy of Working Women of Uttar Pradesh. The results as shown in Table exhibit a weak, negative correlation between Financial Literacy and Economic Empowerment of Working Women ( $r=.080$ ,  $n=300$ ,  $p=.075$ ). Hence the null hypothesis stands rejected. A strong relation between Economic Empowerment and Monetary Literacy is yet to be established among Working Women.

**IV. CONCLUSION**

The study on the Status of Monetary Literacy on Economic Empowerment of Working Women of Uttar Pradesh reflects and highlights the fallacy behind the belief that educated women especially in the organised sector are 'Rationally Informed' players in the economy. Even though hailing from the highest literate state of India, Uttar Pradesh, in terms of financial literacy, such women are still found to remain at the backyard. Being economically empowered is still a dream that they strive to achieve. "Even being educationally and occupationally empowered, we are not free from the tangles of a male dominant society, where our men still consider us, 'worthless' and not meant to be financial empowered and outgoing. We are even mentally far behind the women at the lower strata of the society. They have lot more opportunities to become self reliant free

of egos. Our pangs are still unheard.” (Revelations from unstructured interviews). Thus the study concludes that the policy initiators should ensure financial literacy not only to the downtrodden in our society, but also make certain, that the benefits of such empowerment programmes are reaped by all women, irrespective of class, caste or creed.

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