

A Study on Financial Literacy of Women's Through SHG In Thiruvallur District

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ABSTRACT

The present paper is to study the socio economic factors of women's in SHG and measure the improvement level of their financial literacy. The study is based survey method, based on questionnaire, which is collected from the 30 respondents, who were members of the Self Help Group(SHG), Thirunindravur region, Trivellore district, Tamil Nadu. Mean, Standard Deviation and Wilcoxon sign test have been used for its validity. This study classified household receipts, household expenditures (both capital and revenue nature) and saving mode as financial literacy of women's in SHG and compared the level of pre SHG and post SHG membership and found that financial literacy level has been improved in the post SHG than pre SHG period.

Keywords: Household receipts, Household expenditures, Savings mode, Self Help Group and Financial literacy

1. INTRODUCTION

The role of domestic savings and domestic investments in promoting economic growth has received considerable attention in India. Financial literacy education is important to women's who belongs to SHG. It improves the financial liquidity and security among individuals and as well as society. Financial experts believe that the increase in household savings may improve the economic viability of women's in rural and Urban areas. Financial literacy is mainly used in connection with personal and their family finance matters. A person with a good level of financial literacy to manage their family financial affairs prudently and able to budget effectively, invest wisely and manage their debt level in a sustainable manner. Financial services are becoming freely accessible in Thiruvallur district through NGO/s and by Commercial Banks. Women are permitted to live with dignity and with freedom and without any fear. Gender equality is also a way for advancing development and reducing poverty. The individual level deals with single individual women's potential to take control over their lives, their views, perceptions about their own value and caliber, their ability to recognize a goal and work towards reaching this goal. The group level deals with the collective action, decisions and a sense of change that woman experience together, in a group. A theme of economically strengthening women is not only a means for attaining economic growth but also a matter of advancing women's human privileges. Women have the power to change their own economic position as well as that of the society and country in which they live. Empowering women is a challenge. With the spread of education, entry of women into business in India is traced out. Micro enterprises in rural area can help to meet the challenge. Micro enterprises not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capabilities among women. NABARD launched SHG Linkage program in the year 1992, by the direction given by the Reserve Bank of India, commercial banks started to Participate in this program and subsequently all the Regional Rural Banks and Cooperative Banks also joined hands in this program. SHG is a small voluntary

association of poor married women's preferably from same socio-economic background. They come together for the purpose of solving their financial problems mutually, out their savings. They provide short term financial assistance to the members of SHG at minimum rate of interest. Usually the number of members in one SHG does not exceed twenty. NGO's mobilize the rural poor and underprivileged and enable them to achieve their collective goals.

2. LITERATURE REVIEW

Fredrick (2005) stated that the SHG's play a major role in transforming the rural economy and concluded that Micro finance fulfills their credit needs and helps the rural poor to improve their standard of living. Hence the self help groups are a new innovation in the field of rural development to finance the rural women and thereby helping to transform rural economy by improving economic status of each and every household in the rural area.

ACNielsen Research (2005) conducted a national survey of adult financial literacy in Australia and indicated that the lowest level of financial literacy were associated education, employment, age and Income. Author applied paired t test and compared the status early and after 2005, and concluded that after 2005, awareness of financial literacy has significant at 5 % levels.

Kamalakannan et al (2005) stated that in India women constitute 48.2% of the total population as per 2001 census and the Government, Non-Governmental organizations and financial institutions are implementing various programs for the economic empowerment of women. Author concluded that women in India have highly significantly gained through SHG, Government sponsored programs and they can access to and control over their savings, credit and improved their freedom to move and interact with officials and other women after undertaking economic activities.

Sharma, Swati, Vyas and Divya (2011) indicated the various social, economical, political and ecological imbalance problems in rural India like create challenges in employment, decreasing agricultural production and increasing food shortage. Authors concluded that developing entrepreneurship for both the genders in the rural area, has resulted a huge impact on the domestic production, employment etc.

Sefiya(2014) focussed the social, cultural and economic empowerment of women through MNGREG Act of 2009 through primary data collected from 80 respondents belonging to Thrissur district, Kerala and concluded that MNGREG Act programs reshaping of priorities in India through a democratic determination to provide real livelihood and employment opportunities for the rural poor and worked out as very powerful tool for women empowerment.

Subhashini(2014) studied socio-economic background of women entrepreneurs and analyzed challenges and other constraints faced by them in Ponneri region, Thiruvallur district, Tamil Nadu and collected data from 100 women respondents and concluded that women entrepreneurs are facing lack of skill and lack of education as internal challenges and violence, financial liquidity and family issues were external problem in their day to day business activities and recommended to establish a institution to advocate the right of women against the discrimination.

RATIONALITY OF THE STUDY

Rural Households make many financial decisions relate to a wide range of financial matters, including decisions on how to budget, how much to spend and to save and how to manage their financial shortages, how much debt they may require and what form that debt should take. In the world of escalating financial complexity, there is an increasing need for financial knowledge and at least basic financial skills and knowledge under group system in SHG.

3. OBJECTIVES OF THE STUDY

- To study the socio-economic status of Women's of SHG in Thiruvallur District
- To examine the financial literacy level of Women's during Pre- SHG and Post-SHG membership in Thiruvallur District.

4. NULL HYPOTHESIS

- That there is no any significant difference between the Pre-SHG and Post SHG membership household income.
- That there is no any significant difference between the Pre-SHG and Post SHG membership household capital and revenue expenditure.
- That there is no any significant difference between the Pre-SHG and Post SHG membership mode of saving.

5. SCOPE OF THE STUDY

- The study is restricted to limited members of SHG in Thirunindravur regions only. Hence the findings cannot be generalized.
- The study is done under the assumptions of respondents are true and honest in expressing their statements.

6. RESEARCH METHODOLOGY

This study comprises of survey through a questionnaire distributed to 30 members of SHG, Thirunindravur region of Thiruvallur District, which considering the financial literacy or financial balancing capacity of the respondents during Pre-SHG and Post SHG membership regarding Household receipts, Household capital and revenue expenditure and mode of savings. Data collected from respondents were tabulated and analyzed using descriptive statistics and Wilcoxon signed ranking test (n=30) was applied.

7. ANALYSIS AND INTERPRETATIONS

SOCIO-ECONOMIC CONDITIONS OF THE MEMBERS OF SHG

VARIABLES	MEAN	STD. DEVIATION	SKEWNESS
Duration	01.80	0.406	-1.580
Age	03.33	0.927	0.105
Education	03.16	01.26	-0.004
Occupation	03.06	01.412	0.169

TABLE NO 1

50% of respondent belong to Hindu Community, 43.33% of the respondent belongs to Christians and rest 06.67% belongs to Muslims. 60% of belongs to SC, 20% belongs to MBC, 6.67% belongs to BC and 13.33% belongs to FC. Table-1 showed that the mean value of the membership duration is 01.80, which is represent the respondents are maintaining their membership merely for more than two years.(1 represent less than 2 years and 2 represent more than 2 years).The mean age value of the respondents is 3.33, which represents 70% were in between 30-40 years old. (1 represent between 20-25 years, 2 represent between 25-30 years,3 represents between 30-35 years, 4 represents 35-40 years and 5 represent above 40 years) . The mean value of Occupation is 03.06 which represent 43.33% belongs to Housewives, 20% of the respondents were belongs to private sector employees, 13.33% belongs to self employed and 10% of the respondents belongs to House maids and Daily wages persons respectively.

FINANCIAL LITERACY OF THE MEMBERS OF SHG

	VARIABLES	DURATION	MEAN	STD.DEVIATION
Household Receipts	Husband Income	Pre- SHG	02.10	1.422
		Post -SHG	02.27	1.082
	Income from Cattle or Poultry	Pre- SHG	01.25	0.897
		Post -SHG	02.13	0.730
	Short term receipt from SHG	Pre- SHG	NIL	NIL
		Post -SHG	01.76	0.817
	Other Income	Pre- SHG	01.10	0.763
		Post -SHG	01.60	0.621
Household Expenses	Food and Clothing	Pre- SHG	01.96	0.989
		Post -SHG	02.40	0.770
	Rent, Fuel and Electricity	Pre- SHG	01.96	1.073
		Post -SHG	01.83	0.647
	Education	Pre- SHG	01.45	0.878
		Post -SHG	01.77	0.774
	Medical expenses	Pre- SHG	01.98	1.086
		Post -SHG	01.80	0.805
	Repayment of short term loans and advances	Pre- SHG	00.87	1.212
		Post -SHG	01.90	0.547
	Household Furniture and Utensils	Pre- SHG	00.78	1.435
		Post -SHG	01.43	0.504
	Personal affects	Pre- SHG	00.65	0.985
		Post -SHG	01.40	0.496
	Business hold Sheep, Goat etc	Pre- SHG	01.06	0.980
		Post -SHG	01.86	0.819
Savings Mode	Chit Fund	Pre- SHG	01.43	0.987
		Post -SHG	02.03	0.808
	Post office savings	Pre- SHG	01.78	0.985
		Post -SHG	02.10	0.607
	Savings Bank account	Pre- SHG	01.15	0.876
		Post -SHG	01.90	0.661
	Others	Pre- SHG	00.87	0.802
		Post -SHG	01.83	0.791

TABLE NO 2

Table-2 showed that post SHG period mean value of household receipts of the respondents was greater than the pre-SHG period. Household expenses variables of post SHG, was greater than pre-SHG except Rent, Fuel and Electricity and Medical expenses of the respondents. Saving mode of Post SHG was greater than pre SHG.

WILCOXON SIGNED RANK TEST TABLE (NON-PARAMETRIC PAIRED)

	VARIABLE	Z VALUE	ASYM.SIG
Household Receipts	Husband Income	4.025	0.000
	Income from Cattle or Poultry	3.462	0.001
	Short term receipt from SHG	-	-
	Other Income	2.646	0.008
Household Expenditure	Food and Clothing	3.702	0.000
	Rent, Fuel and Electricity	1.590	0.112
	Education	2.841	0.005
	Medical expenses	2.828	0.008
	Repayment of short term loans and advances	3.000	0.003
	Household Furniture and Utensils	2.449	0.014
	Personal affects	2.236	0.025
	Business hold Sheep, Goat etc	2.884	0.004
Savings Mode	Chit Fund	1.964	0.050
	Post office savings	3.127	0.002
	Savings Bank account	2.640	0.008
	Others	2.810	0.005

TABLE NO 3

8. FINDINGS AND CONCLUSION

As for the hypothesis 1, null is rejected at 0.01 levels and author concluded that there is significant difference between pre-SHG and post SHG, household receipts of the respondents. Household expenditure in the pre SHG period and post SHG period has significant difference at 0.01 level for Food and Clothing, Education, Medical expenses, Repayment of short term loans and advances and Business hold Sheep and Goat and has significant difference at 0.05 level for purchase of Household Furniture and Utensils and for personal effects, but Rent, Fuel and Electricity has no any significant difference in the study period. So author reject the null hypothesis 2 and concluded that Household expenditure has significant difference in pre SHG and post SHG periods of the respondents. Saving mode variables of Chit fund, Post office savings scheme, Savings Bank account and Other savings has significant difference at 0.01 levels between pre SHG and post SHG period of the selected respondents . So author concluded that financial literacy level of women's in the post SHG period has improved than the pre SHG period and proved the economic dependence of women in rural area have empowered through SHG.

9. REFERENCES

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