

A Study on the Initiatives Taken by Banker's for Promoting Financial Literacy in Bangalore, India

Sachita Yadav*, Akash Rao**, A. Venkateshwara Reddy**, Blessy S.**, Bhuvaneshwari**, Monisha Naidu**

Abstract

The goal of achieving sustainable development of any country begins with the financial well being of its citizens. When the population is well connected & well informed about the financial services that a country can offer, they are in a stable position to manage & maximize their income. A survey conducted by NCFE (National Centre for Financial Education) in 2014-15 shows that only 11% of the population in India is financially included within the framework of the economy. Banks are the facilitators & initiators of financial services in an economy. They are uniquely positioned to impart financial education to the general public. After the initiation of 'Project Financial Literacy' in 2012 & introduction of 'Pradhan Mantri Jan Dhan Yojana' in 2014, India's Financial Literacy landscape is changing. Our study aims to bring out the details of initiatives taken by bankers to promote Financial Literacy in Bangalore City, India. The study uses primary data to analyze the initiatives taken by bankers to promote financial literacy in Bangalore, India. Secondary data from RBI websites, journals was used in studying the Financial Literacy programme implemented by RBI & till what extent do banks follow the guidelines under the purview of RBI. The empirical analysis of the study resulted that the banks have focused on running various seminars in schools & colleges to encourage students and youth to open bank a/c, teach digital banking and awareness regarding various banking services. Our study showed that emphasis on banking services such

as transactions, withdrawals, deposits etc dominated 22% of the themes taught in the programme. Savings (22%) was the next most popular theme covered during the financial literacy programs undertaken by banks in India.

Keywords: Financial Literacy, Banks, Banking Services, Literacy Programmes

JEL Codes: G21, G29

Background of the Study

Introduction

The goal of achieving sustainable development of any country begins with the financial well being of its citizens. When the population is well connected & well informed about the financial services that a country can offer, they are in a stable position to manage & maximize their income. Financial inclusion can be defined as hurdle free access to formal financial services that are utilised by the citizens of the country. India in the 21st century is seen as a growth engine for the world economy. For an economy to reach its optimum levels, it requires the participation of its citizens in generating the capital within the economic framework of the country. Thus, this can be

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achieved through financial inclusion. A survey conducted by NCFE (National Centre for Financial Education) in 2014-15 shows that only 11% of the population in India is financially included within the framework of the economy.

While 72% & 42.9% of the population had a savings account & insurance, the rest of the financial products were accessed by less than 15% of the population. One of the main reasons for sub-optimal utilization of financial products is the lagging financial education of the country which stays merely at 20%.

Financial literacy affects not only individual welfare and saving behavior, but also the nature of products offered in financial markets (George K. Hinga). Financial knowledge & saving programme can be very effective in overcoming the decrease in saving (Clark & Madeleine, 2008). Lusardi and Mitchell (2007) showed that people with a low level of education demonstrate low levels of financial literacy, which subsequently affect financial decision-making. Nowadays, the ability to accumulate wealth is hindered in youth because of early entanglements a high amount of education loan and credit card debt (Lusardi, Mitchell, & Curto, 2009). The measures of financial literacy must reflect on individual circumstances & that financial literacy is about people being more informed & confident in decision making in all the aspects including spending habits. (Roy, 2003), (Greenberger & Steinberg, 1986) stated that young people tend to spend a maximum of their income on consumption goods, thus avoiding the long term personal finances.

Objectives of the Study

The objectives of the study are as mentioned below:

- To understand how the Financial Literacy programs are conducted by banks in Bangalore City.
- To know the methods used by bankers to conduct the programme.
- To find out the age group of the beneficiaries receiving the benefits.
- To know the themes covered by bankers during their programme.
- To analyze the extent to which RBI guidelines on FLP are followed by Banks.

Review of Literature

Role of Banks in Financial Literacy

Banks are the facilitators & initiators of financial services in an economy. They are uniquely positioned to impart financial education to the general public. Bankers around the globe have initiated a financial literacy programme in collaboration with various stakeholders. Minakshi Ramji (2009) stated that a well developed financial system brings the poor into the mainstream economy & allows them to contribute actively to their personal development.

Spain in 2008 initiated a nationwide Financial Education programme in collaboration with Central Bank of Spain. Your Finances, Your Future is a financial education initiative which is a three session's classroom programme (1 hour each) is delivered in schools & colleges by volunteers from the banking sector. In two years of implementation, the programme involved 1,043 volunteers from 24 banks and reached 14,211 students, from 172 schools in 37 cities. Being a sector initiative, the Spanish Banking Association is acting as a facilitator, coordinating the activities on behalf of the associated banks.

In Turkey, Visa joined forces with its member client banks in 2009 to support a financial education programme for young people I Can Manage My Money. The project runs in partnership with UNDP, Habitat Association and the Turkish Ministry of Development. Through peer-to-peer education, young people from a similar age group, background, culture and social status teach their peers on how to manage money.

Budget and make wise choices regarding their finances. Since its launch, 2.24 million people benefited from the programme, which is active in 81 cities (the whole country).¹

India in 2012 launched 'Project Financial Literacy' to impart Financial Education to its citizens. The associated banks are asked to conduct a programme in schools & colleges in their areas to impart financial education to

¹ JA Europe, Sharpening Financial Education

students. In 2014, Government had launched “Pradhan Mantri Jan Dhan Yojna” for promoting Financial Inclusion & Financial Literacy of its citizens.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

The newly elected NDA government in 2014 started the nationwide financial inclusion scheme by name Pradhan Mantri Jan Dhan Yojana (PMJDY) for inclusive development of the country. Connecting a large chunk of population which doesn't have access to banking services to the formal banking system is the goal of the scheme. Under the scheme, account holders are provided with a 'no frills' savings bank A/c, Rupee Pay debit card & in addition an accidental insurance cover of Rs 1 lakh. Overdraft facility of up to ₹ 5000/- after six months of satisfactory performance of saving/credit history of the investor. With the introduction of new technology in National Payments Corporation of India (NPCI), anyone can transfer funds, check their balances through the normal phone which is availed through National Unified USSD Platform (NUUP) for which all the mobile companies have extended support. The scheme till date has benefited 33.55 crore Indians & aims at reaching every household by 2019.²

Project Financial Literacy

The project titled 'Project Financial Literacy' initiated by RBI aims to disseminate information regarding universal banking concepts to different groups such as youth, employees, workers, retired personnel etc. RBI has availed many handbooks, comics, booklets etc on its website in 13 languages so that banks & other participants can use it to spread information & create awareness about financial product & services. With a motive to provide basic financial literacy to the general public, RBI has designed a booklet FAME (Financial Awareness Messages) which contains information such as documents needed for opening a bank A/c, need for budgeting, responsible borrowing, repaying loans, maintaining a good credit

score by repaying loans on time, knowing how to lodge complaints at the bank, banking at doorstep or at vicinity, and the Banking Ombudsman, investing money only in registered entities, usage of electronic remittances etc.³

In addition to this, RBI has produced Audiovisuals to create awareness on topics such as “Unified Payments Interface”, “Basic Financial Literacy” & “Going Digital”. To promote banking concepts among school children, RBI designed comic book series by name 'Raju & Money Kumar' where important banking concepts & functions of RBI were highlighted.⁴

Financial Inclusion

The aim of financial inclusion is to draw the “unbanked” population to the formal financial system to an extent that one has the ultimate access to financial services ranging from savings, payments & transfers to Credit & Insurance. Financial inclusion neither implies that everyone must make use of the supply of financial services, nor that providers should turn blind for risks & other costs when they are deciding to offer financial services⁵. The reason for uninterrupted access to more than one financial services which can preclude an individual, household, firm from financial inclusion is Voluntary exclusion & unfavourable risk-return characteristics. There has been substantial progress made by credit unions, microfinance institutions. Savings cooperatives over the last two decades but a large chunk of poor remain unserved by formal intermediaries who can manage cash safely & intermediate between net savers & net borrowers⁶.

According to the Consultative Group to Assist the Poor (CGAP), the absolute number of savings accounts worldwide is reported to exceed the global population⁷. And yet half of the world's adult population—2.5 billion people—doesn't have access to savings accounts and other formal financial services. In recent years, financial services

² Pradhan Mantri Jan Dhan Yojana (PMJDY) website. Accessed as on 2018.

³ (2017) Toran Lal Verma, Dr. D. K. Nema, Rahul Pandagre. An Overview of Current Financial Literacy Efforts In India. pp 41.

⁴ An overview on Financial Literacy -RBI.

⁵ (2008) Demirguç-Kunt, Beck, and Honohan.

⁶ (2009) Chaia and others.

⁷ (2009a). CGAP.

to the unbanked have become vital for policymakers who emphasize financial inclusion as a policy objective to bring the financially excluded to the mainstream financial system. Financial inclusion as a policy objective is seen as a contribution of finance to economic development & poverty reduction⁸.

In both developed & developing nations, Financial Inclusion policy is gaining popularity. In Africa, Kenya has pioneered an interesting process of financial inclusion through leapfrogging to mobile phone payment solutions. Within only three years, the Kenyan telecommunications provider Safaricom has attracted 7.9 million subscribers to its short message service-based transfer scheme, with significant positive impacts on users⁹.

Brazilian policymakers achieved universal coverage of over 5,500 municipalities by enabling banks to use retail agents. This new low-cost delivery channel triggered a massive expansion of formal financial services to 12 million clients in only six years. Other countries, such as Colombia and Peru, are replicating this model¹⁰. Latin America has also demonstrated the potential of conditional cash transfers into simplified bank accounts as a way to connect beneficiaries to formal finance while simultaneously lowering delivery costs to the government. Despite these initiatives, still half of the world's population is without a savings account, loans & other financial services. Policy initiatives & Policy monitoring are the only keys for policy success.

Financial Literacy

According to RBI, Financial literacy can broadly be defined as “providing familiarity with and understanding of financial market products, especially rewards and risks, in order making informed choices”. Dr D Subba Rao, Ex-Governor, RBI during his keynote address said “In the Reserve Bank, we treat financial inclusion and financial literacy as twin pillars. Financial literacy stimulates the demand side – making people aware of what they can and should demand. Financial inclusion acts from the supply side – providing in the financial market what people

demand”. Raising financial literacy supports social inclusion and enhances the well being of the community¹¹.

The primary focus of discussion on financial literacy starts with an individual who has limited skills & resources to analyse the complexities of financial markets & to understand how to carry forward financial dealings with financial intermediaries on matters relating to personal finance on a daily basis.

Unless the common man of the country becomes a wise investor & is protected from wrongdoings, the dream of wealth creation for any investor & economy will remain a distinct dream.

Everyone saves money for future with a motive which can be for retirement, child's education, housing etc but the approach towards saving surplus money is without financial planning, without properly allocating investments in assets, without preparing budgets, without prioritizing financial goals, without planning for inflation to interest rate ratio etc. Financial decisions are taken by individuals during their lifetime & to take appropriate decisions, financial education is very important

Research Methodology

Research Design

The study uses primary data to analyze the initiatives taken by bankers to promote financial literacy in Bangalore City. Questionnaire comprising 31 questions included the details of programme such as methods used by Bankers, total beneficiaries etc.

Secondary data from RBI websites, journals was used in studying the Financial Literacy programme implemented by RBI & till what extent do banks follow the guidelines under the purview of RBI.

Research Tools

As the data collected through questionnaires was required to be visualized, Tableau software was used for data visualization. Tableau is Seattle based software that produces interactive data visualization. It is widely used in research activities.

⁸ (2010) Alfred Hannig and Stefan Jansen. Financial Inclusion and Financial Stability: Current Policy Issues.

⁹ Morawczynski and Pickens (2009); Safaricom (2009).

¹⁰ Economist Intelligence Unit (2009).

¹¹ Dr. D Subbarao, Ex-Governor, Reserve Bank of India- Speech at the RBI-OECD work shop on “Delivering Financial Literacy-challenges, Approaches and Instruments” at Bangalore during 22-23 March 2010.

Results & Findings

Profile

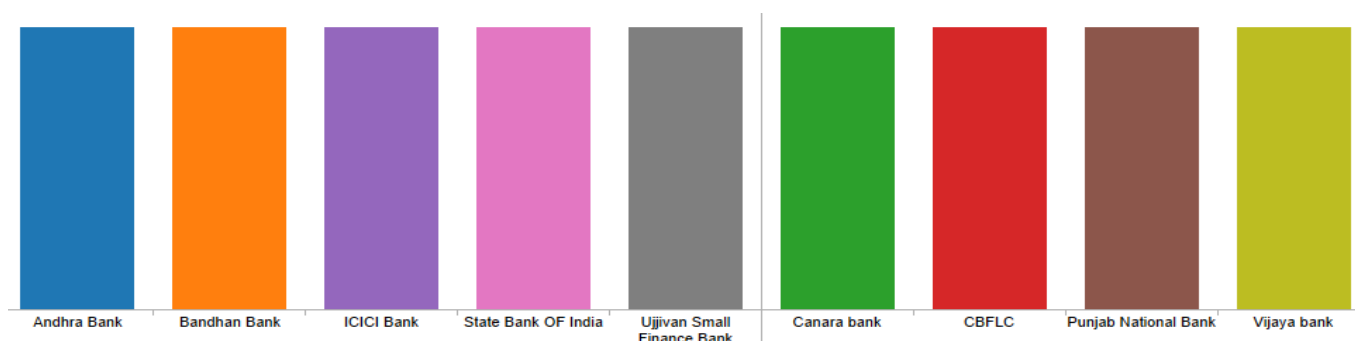


Fig. 1: Banks Surveyed

Age Group of Beneficiaries

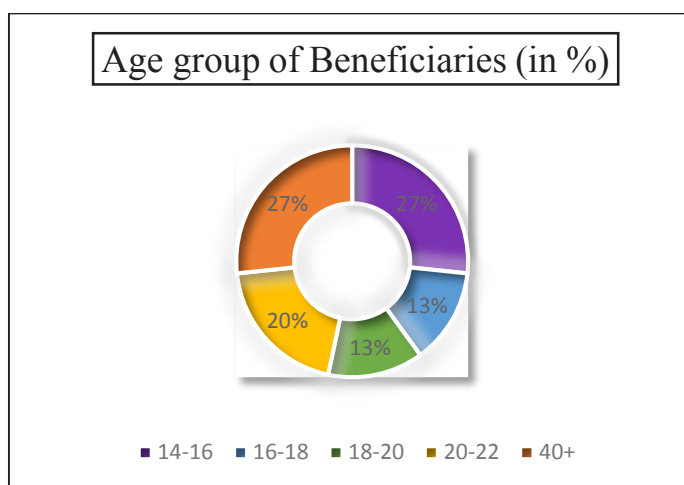
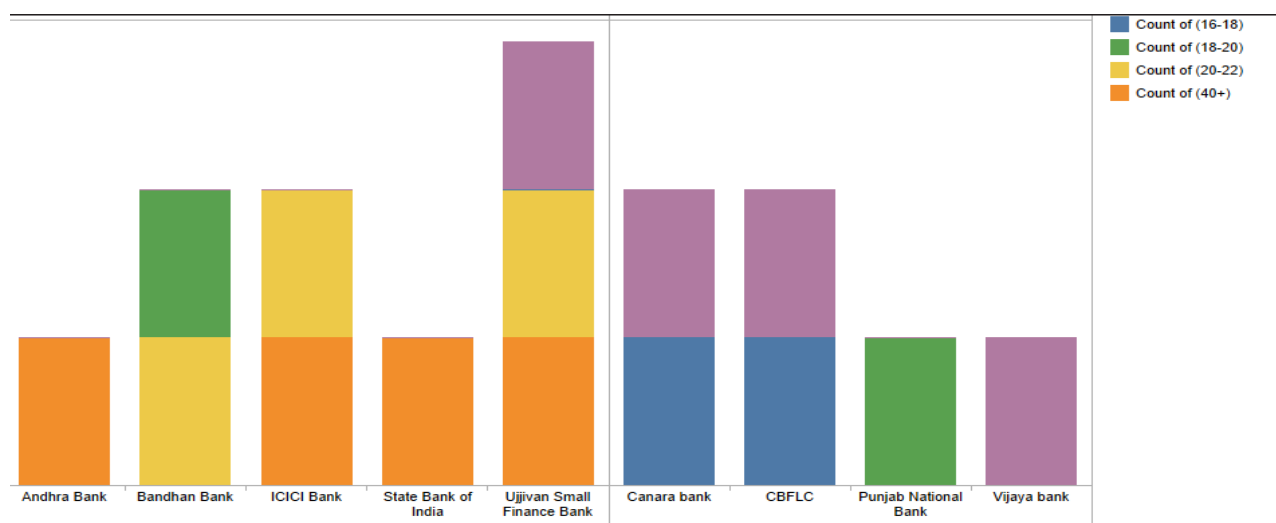


Fig. 2: Age Group of Beneficiaries

Our survey showed that Banks had focused their programme for the age-groups 14-20 mainly due to its laid focus on running various seminars in various schools & colleges to encourage students to open bank a/c, teach digital banking & awareness regarding various banking services. Canara Financial Literacy Centre (under Canara Financial Literacy Advisory Trust) runs 'Financial Literacy Programme' under the supervision of retired bank employees. Some Banks constituted 27% alone of the 40+ age group were mainly walk-in customers of the

banks who were enlightened about Investment banking, financial inclusion & financial literacy.

Ujjivan Finance bank through its NGO Parinaam Foundation runs a variety of programme such as Diksha Financial Literacy Programme provides low-income families knowledge & tools needed to save safely & take wise financial decisions to avoid Financial Risks. 'Chillar Bank Programme' encourages children from 10-17 years of age to open bank A/c & also provides a savings box to inculcate the habit of savings among them.

Umbrella Program

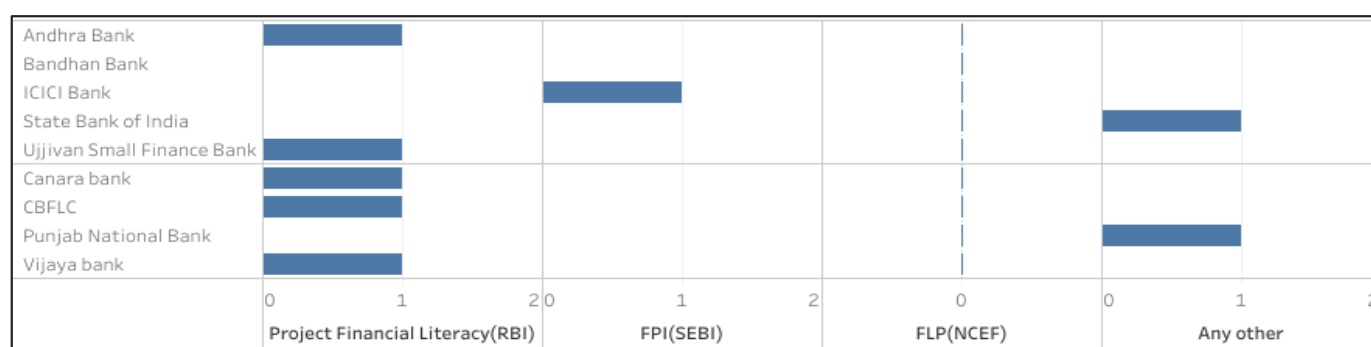


Fig. 3: Umbrella Program

Our survey indicated that 55% of the banks in Bangalore City conducted their programme under 'Project Financial Literacy', the rest of the banks accounted to other umbrella Programme & their own initiatives as part of the CSR (Corporate Social Responsibility).

Centre for Financial Literacy in collaboration with Reserve Bank of India has launched 'Project Financial Literacy' to disseminate information about central bank & spread general banking concepts like savings, Knowing

your liability, FAME (Financial Awareness Messages) to various target groups such as school & college going students, rural & urban poor, senior citizens etc.

Security & Exchange Board of India has launched a financial education program for schools & colleges by the name 'Financial Program Initiative' through a tie-up with the various bank & providing them required assistance to meet the targets of Financial Inclusion.

Total Beneficiaries of the Programme Conducted by Banks

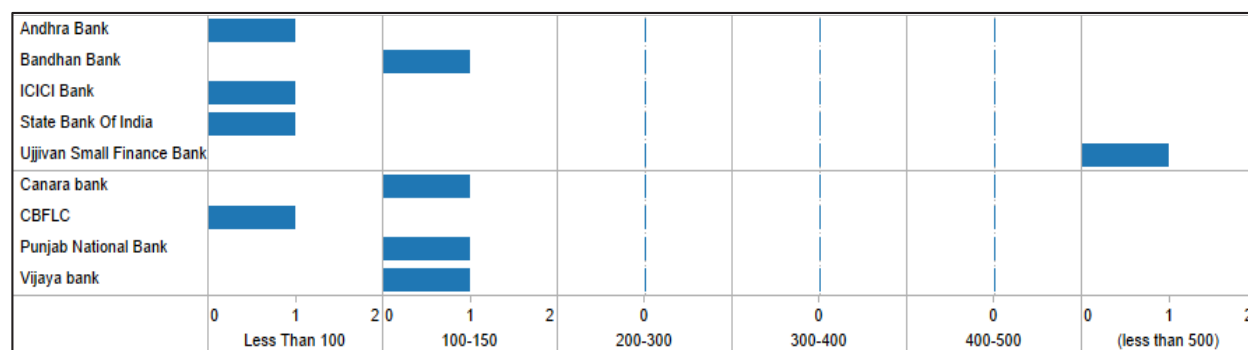


Fig. 4: Total Beneficiaries of the Programme Conducted by Banks

According to the survey 3 banks had less than 100 beneficiaries for the programme conducted by them & the other two had 100-150 & less than 500 respectively. All the surveyed urban banks had beneficiaries mainly shows an average of (100-150) beneficiaries. Some banks due to their outdoor programme get a ready audience particularly schools & colleges who can reap the benefits. The other Bank, Punjab National Bank in Indiranagar had asked its employees & account holders to attend the programme by giving SMS alerts & spreading information, due to which the attendants were in the range 100-150.

A lower rate of beneficiaries of the programme conducted by some banks was due to the lower attendants of the programme mainly due to the lack of interest or awareness among the people & identification of specific target group by the bank as most of their programme was restricted only to branches. Ujjivan Small Finance Bank through its initiatives explicitly designed for different age groups is able to deliver the programme to beneficiaries for 4 days at their doorstep due to which the number of beneficiaries is higher even when compared with urban banks.

Beneficiaries Who had a Bank A/c Prior to the Programme

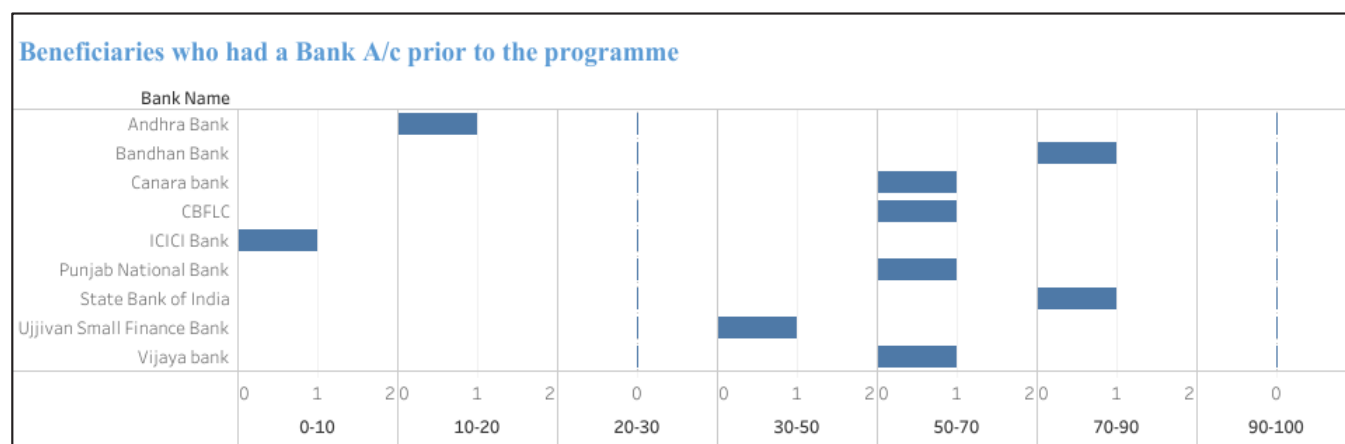


Fig. 5: Beneficiaries Who had a Bank A/c Prior to the Programme

The beneficiaries who attended the programme initiated by banks were school & college students where majority of them own a bank a/c due to which the survey shows that 50-70% of the beneficiaries already had a bank a/c whereas some banks had got a mixed result where three banks gave a margin as low as of 0-10, 10-20 & 30-50% bank A/c holders & as highest being 70-90% as replied by other two banks.

The percentage of beneficiaries was lower in the three banks mainly because of the accessibility to banks in rural districts of Bangalore is limited & the procedure of banking services is very complex, which makes people to avoid banking.

Part 2: Details of the Programme Conducted by Banks

Themes Covered Under the Programme Conducted by Banks

Our survey showed that Emphasis on banking services such as transactions, withdrawals, deposits etc. dominated 22% of the themes taught in the programme. Savings (22%) was the next most popular theme. After the introduction of PMJDY in 2014, the plan of extending Basic Savings Bank Account (BSBA with zero balance) to every adult citizens as well as students have been reflected even in the themes also.

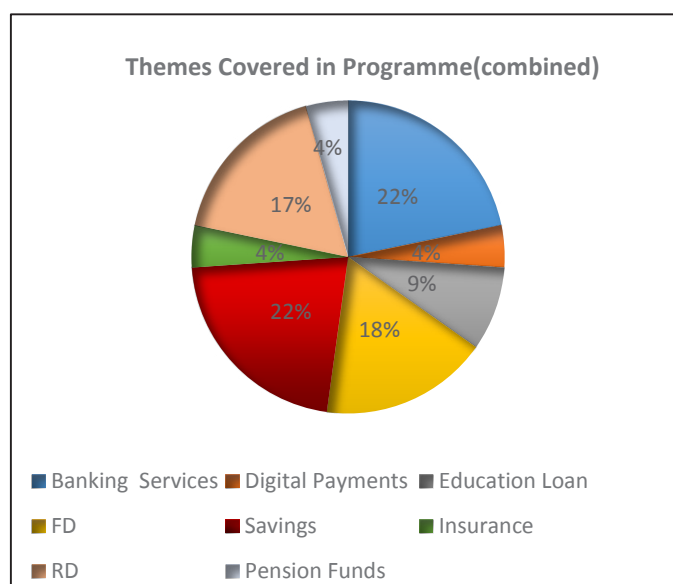
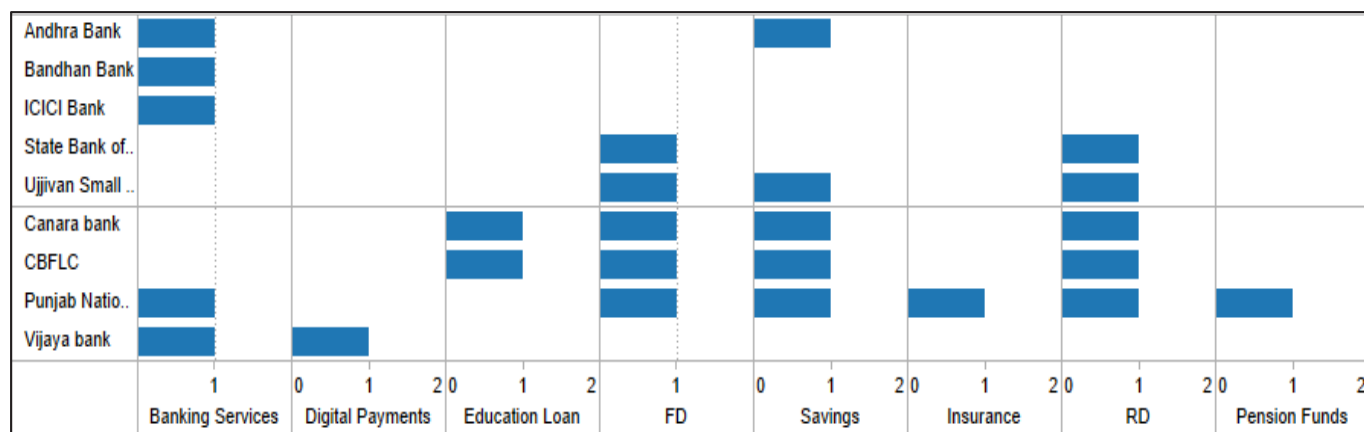


Fig. 6: Themes Covered Under the Programme Conducted by Banks

Fixed Deposit (17%) & RD (17%) was equally an important theme as they were taught an investment tool free from any risk & beneficial for all sections of society.

The only drawback was the digital payments theme which was merely covered by only Vijaya bank & ignored even by the urban banks. With every changing dynamics of payments, digital banking is the most convenient form of banking which must be extended to every household.

Methods Used for Programme Conducted

During conducting Programme, classroom lecture method accounted to 77%. Banks in Bangalore City had a common approach towards the method of conducting a programme. Activities had a restrained use in banks. Majority of the banks had conducted 1-2 hour session lecture on various topics, except Canara Bank & USFB in rural Bangalore as they had a 4-day financial literacy outdoor camp which conducted their sessions through various activities & visual learning to the local population.

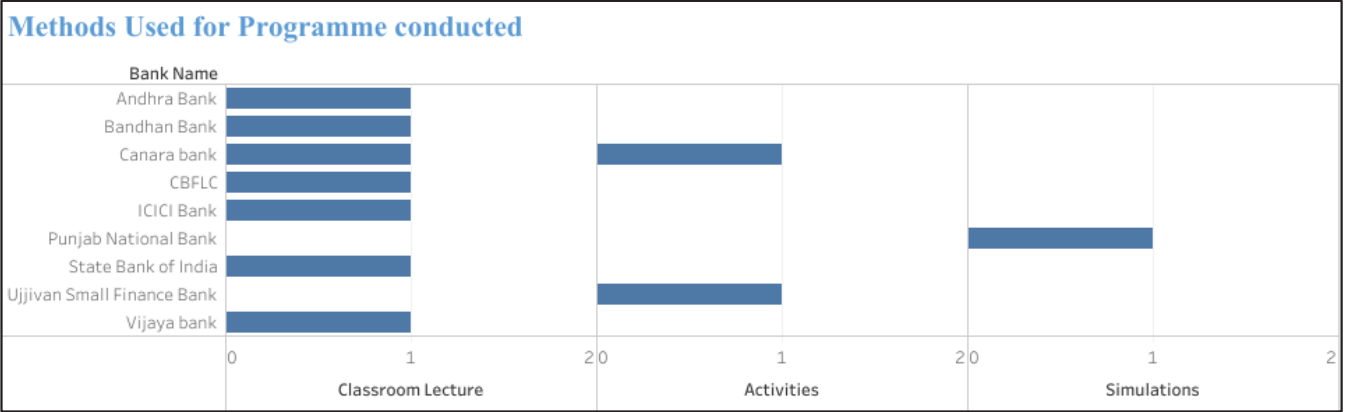


Fig. 7: Methods Used for Programme Conducted

The model adopted for conducting programme can be customized upon the requirement of a particular location & available resources. In all circumstances, the underlying

objective of the conduct of the program should be to bring the maximum number of participants into the banking fold.

Materials Given for the Programme

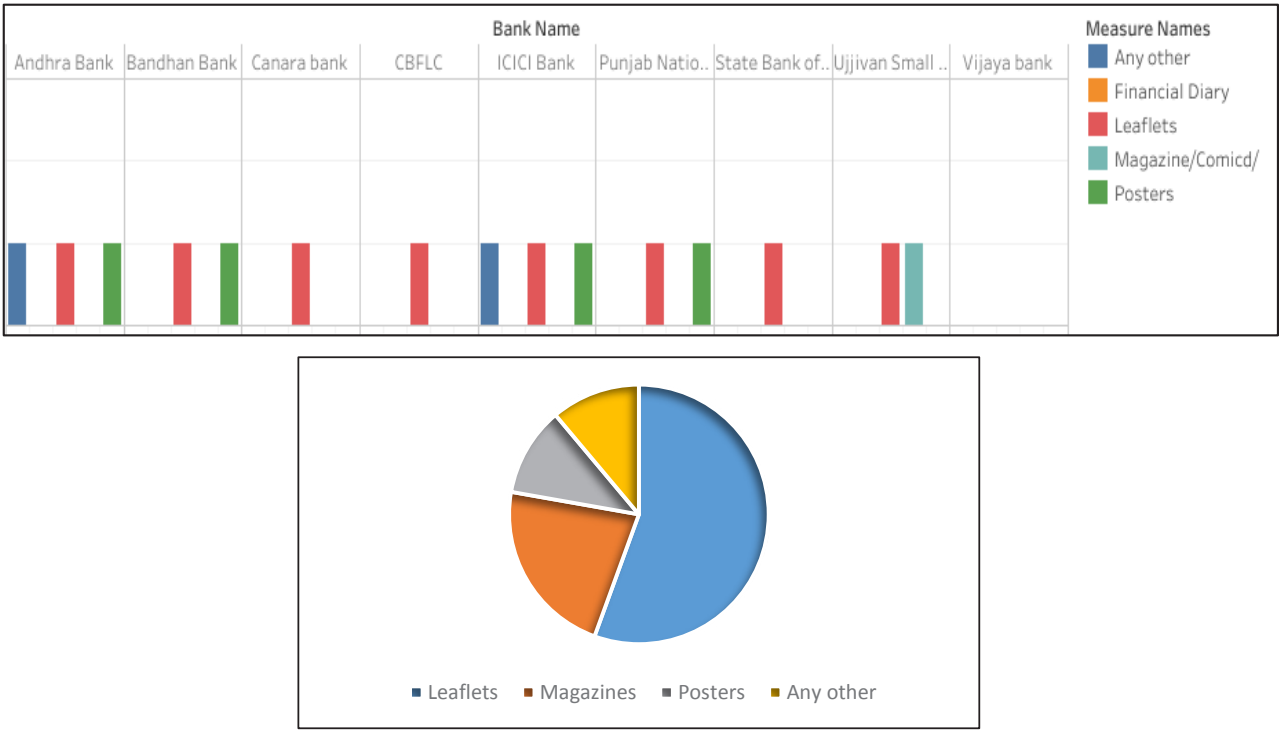


Fig. 8: Materials Given for the Programme

Our survey shows that Leaflets was the most common materials that was given to the attendants of the programme conducted by Banks. The Leaflets & Posters provides information about financial literacy including UPI, USSD, banking services etc as issued by the Reserve

Bank of India. Some banks had a mix of posters & other materials for propagating their programme. Magazines & storybook depicts tales about Raju & Money Kumar which narrates importance about savings & banking concept.

Means Used to Create Awareness by Banks

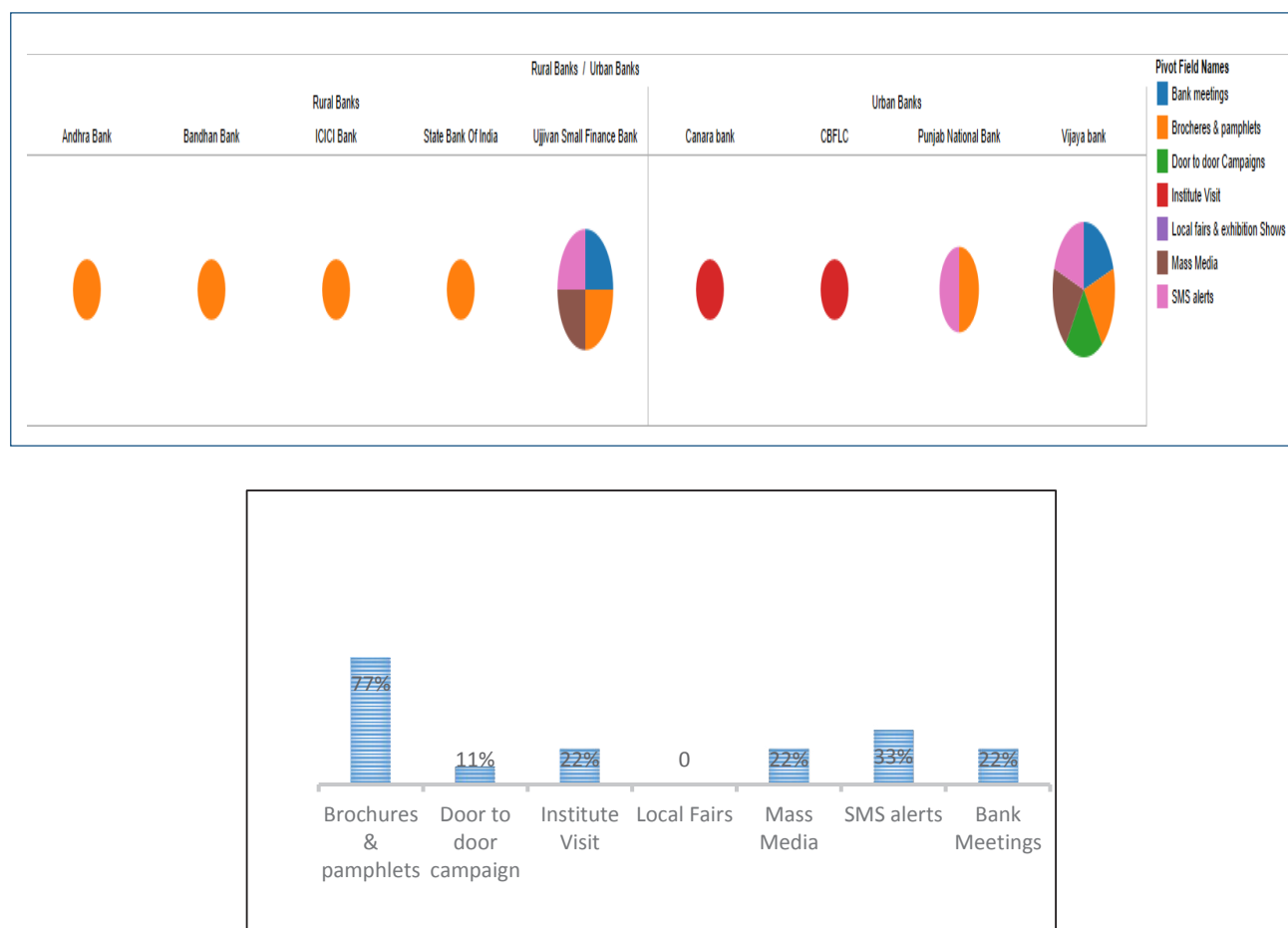


Fig. 9: Means Used to Create Awareness by Banks

Our survey shows that Brochures & pamphlets are the most popular means to spread awareness regarding financial literacy. About every surveyed bank hinted at using Brochures & only one bank USFB uses a mix of multidimensional methods to spread awareness due to which the attendants for the programme are the highest in numbers.

Brochures & pamphlets are designed by the RBI as per its theme decided every year for spreading Financial Awareness Messages. As many of the banks had conducted the programme in 2017-18, the two posters

UPI (Unified Payment Interface) & *99# (Unstructured Supplementary Service Data) explained the new concepts in digital payments space. These pamphlets are printed in local languages in A4 & A5 sheets & is distributed to the general public during the programme.

Some banks showed mixed means of spreading awareness through bank meetings (22%), Mass Media (22%) & other means marginally which has the maximum impact on people due to their access to media & technology. SMS alerts are the most common method of sending investor protection alerts & confidentiality of bank details.

Financial Education Through Websites

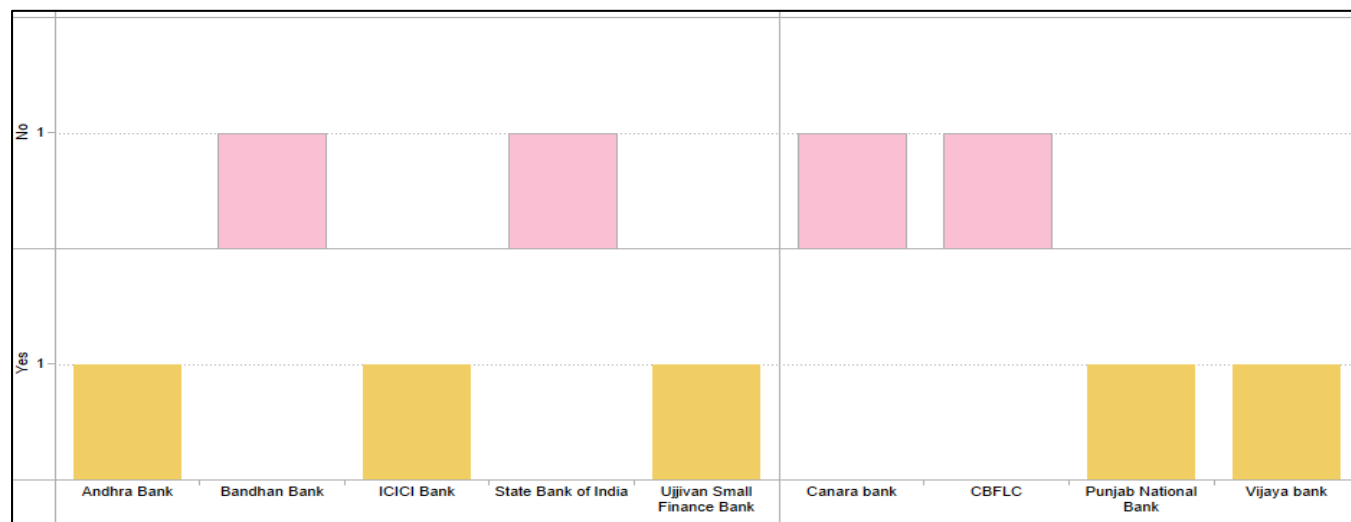


Fig. 10: Financial Education Through Websites

Out of the 9 surveyed banks, 55% of banks said that they provide financial education through their websites by running various stories & online education for learning various banking services. Most of the banks which responded to online courses prepare 2-3 min videos

which highlight the importance of financial literacy. Also National Centre for Financial Education (NCFE) provides free education courses to users. 33% banks said that they were not providing any such financial education courses online & were reliant on traditional methods.

Banks having Financial Literacy Centre

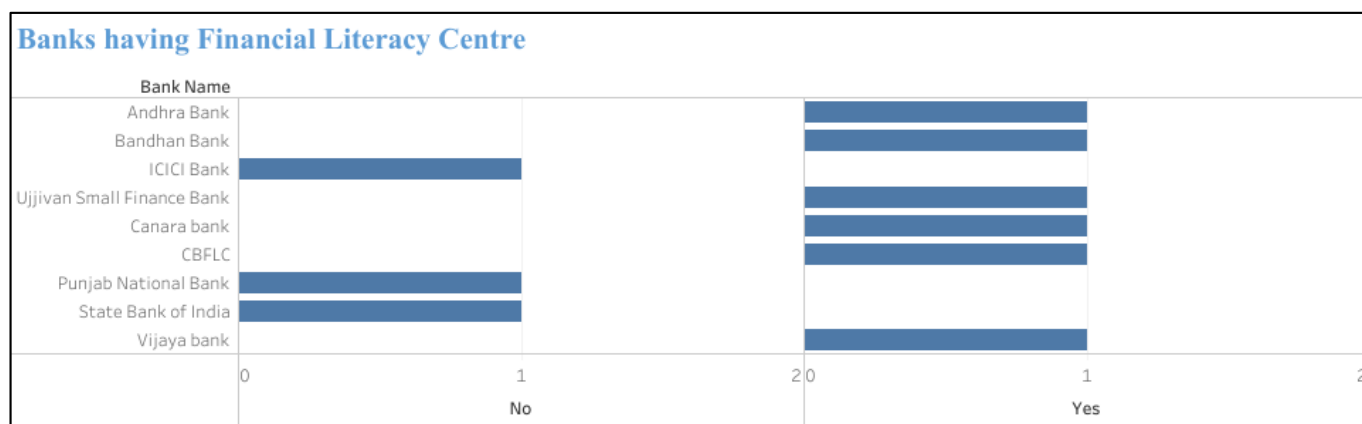
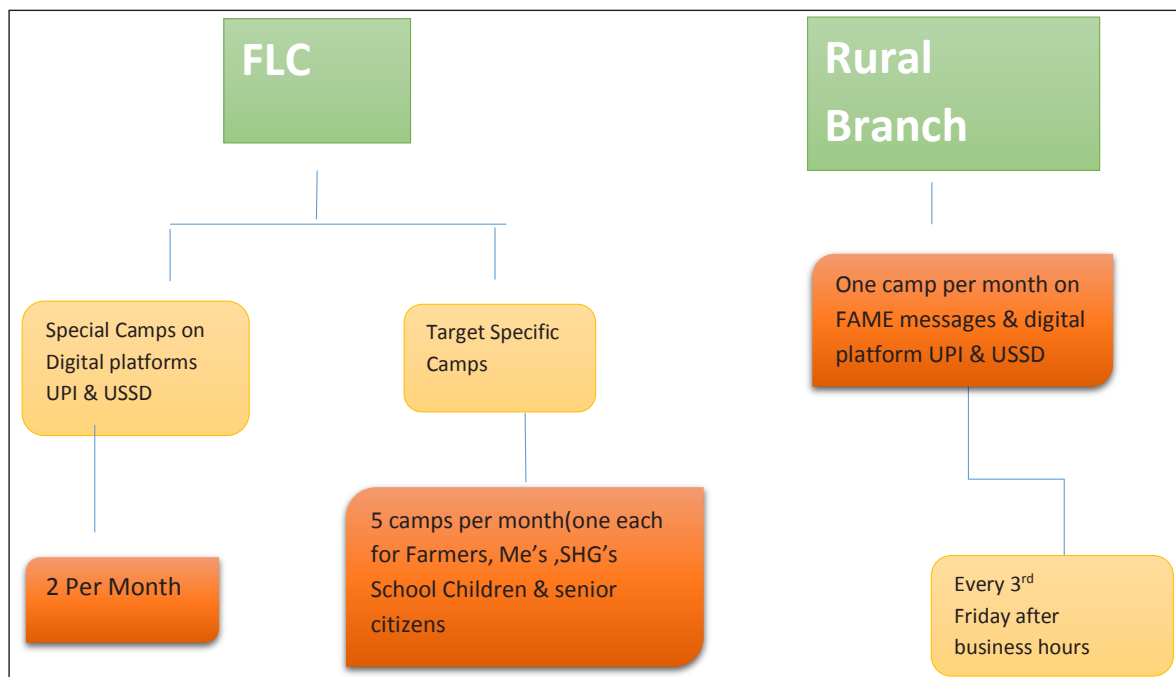


Fig. 11: Banks having Financial Literacy Centre

About 66% of the banks responded that they have a financial Literacy Centre in Bangalore City. Banks in some parts of Bangalore (About 22%) responded that they do not have a financial literacy centre in comparison to one bank in Bangalore.

As per the circular of RBI FIDD.FLC. BC.No.11/12.01.018/2017-18 dated July 13, 2017 RBI has revised guidelines for FLC's & rural branches of banks. In terms of this circular, banks were advised that

FLC's and rural branches are eligible for funding support from the Financial Inclusion Fund (FIF) for the financial literacy camps to the extent of 60% of the expenditure of the camp subject to a maximum of Rs 15,000/- per camp. In addition to these FLC's & rural branches are advised to use handheld projectors for Audio-Visual on Financial Awareness such as KYC, UPI, and Ponzi Schemes etc. The Annex 1 of the revised operational guidelines is shown below.



As per the RBI guidelines (RBI/2015-16/286 FIDD. FLC.BC.No.18/12.01.018/ 2015-16), FLC and rural branches need to conduct one campaign per month and create adequate publicity before the program. They were asked to identify specific target groups & conduct camps for a homogeneous audience so that they could be more focus & in-depth transmission of financial education. In

addition to this, each FLC & rural branches are required to hold special camps to promote PMJDY for a year.

So in a span of 1 year, there has been an increase in the number of programs that had to be conducted by FLC from 1 to 2 per month for specific target groups in 2017 which was not in the case of 2016 whereas the rural branches of bank were asked to follow the same guidelines as per 2016.

Budget Allocated for the Programme

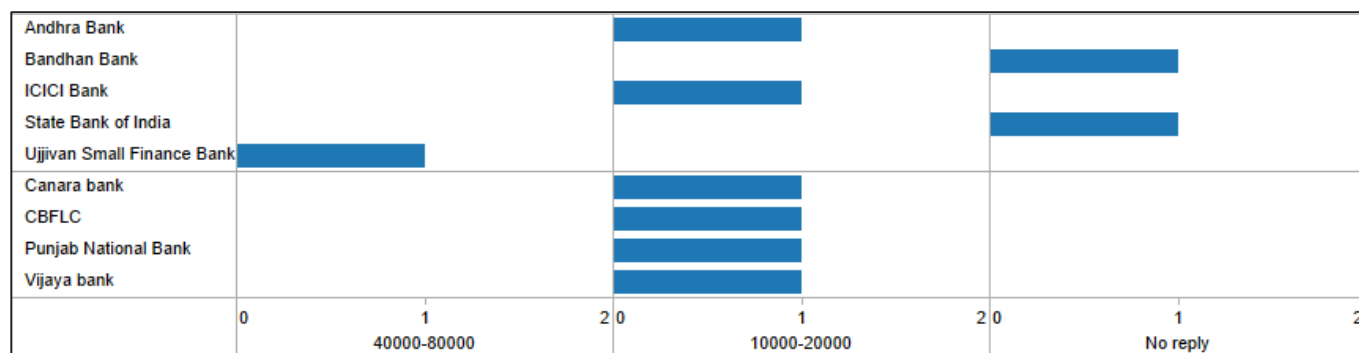


Fig. 12: Budget Allocated for the Programme

About 55% of the respondents gave an opinion that they spend Rs.10000-20000 annually to promote financial literacy in Bangalore. The maximum Budget of Rs.40000-50000 was spent by USFB (Rural bank) to spread financial literacy & 20% of respondents in rural banks did not reply to this question.

As per the survey conducted, it was understood that many rural branches of banks have received funding from RBI

& its associates such as NCFE, NABARD etc. If the banks were supported under FIF (Financial Inclusion Funding) they were supported by NABARD under circular No. 240/DFIBT-33/ 2015 dated November 13, 2015, issued by NABARD. The support for Operational Expenditure (OPEX) has been extended for three years. The quantum of assistance is given below:

Table 1:

Sr. No.	Particulars	Maximum Support	% of Outlay
1	Support for the first year for capital & operational cost	5.0	90
2	Commitment for the second year	1.6	80
3	Commitment for the third year	1.2	60
	Total commitment for three years	7.8	

* OPEX cost has been taken at Rs.2 lakhs per annum

* If the FLC & banks were recognized by 2015, they were eligible for the assistance from NABARD

Awareness Regarding Free Money Offers

Our survey shows that every bank interviewed spread awareness regarding free money offers to the general public. Every bank as instructed by authorities while conducting programme are issued FAME(Financial Awareness Messages) booklets which give certain instructions about Free Money Offers & customer education. The Booklet contains 12 messages, of which 3 are dedicated to Awareness regarding Free Money offers & Customer education.

These three messages are propagated by every bank surveyed either through SMS, Pamphlets, booklets, calls as instructed by the RBI

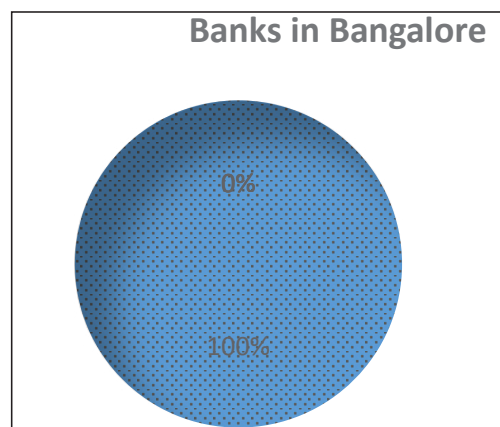
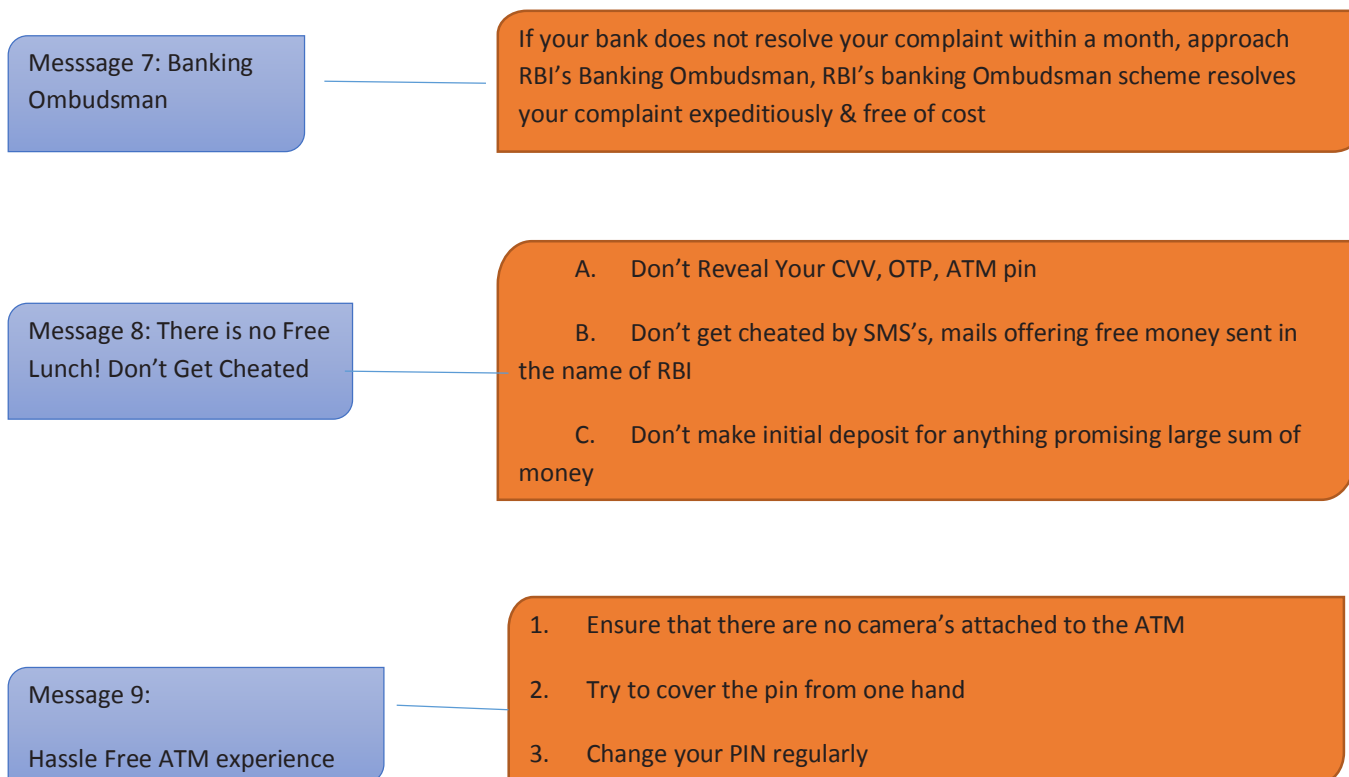


Fig. 13: Awareness Regarding Free Money Offers

The Messages were as follows:



Part 3: Profile of the Instructor

Instructor for the Programme

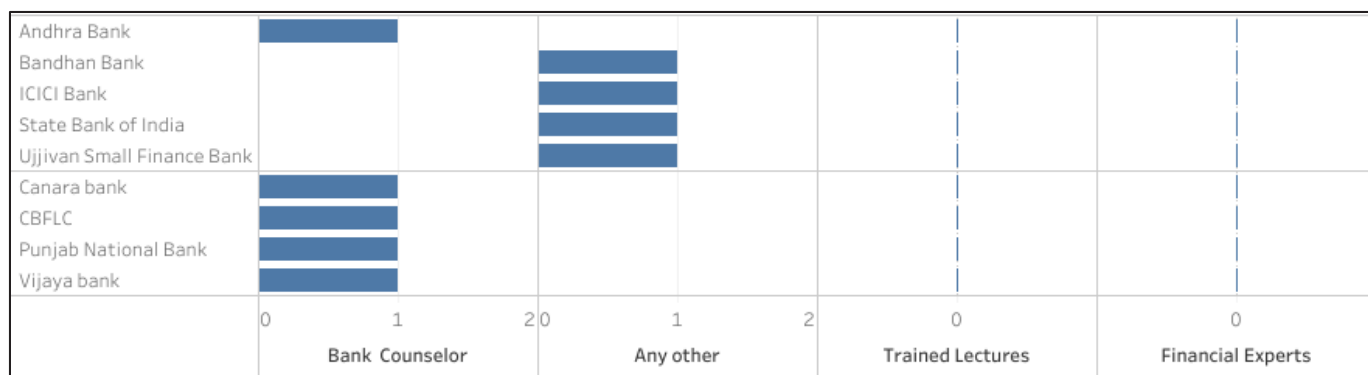
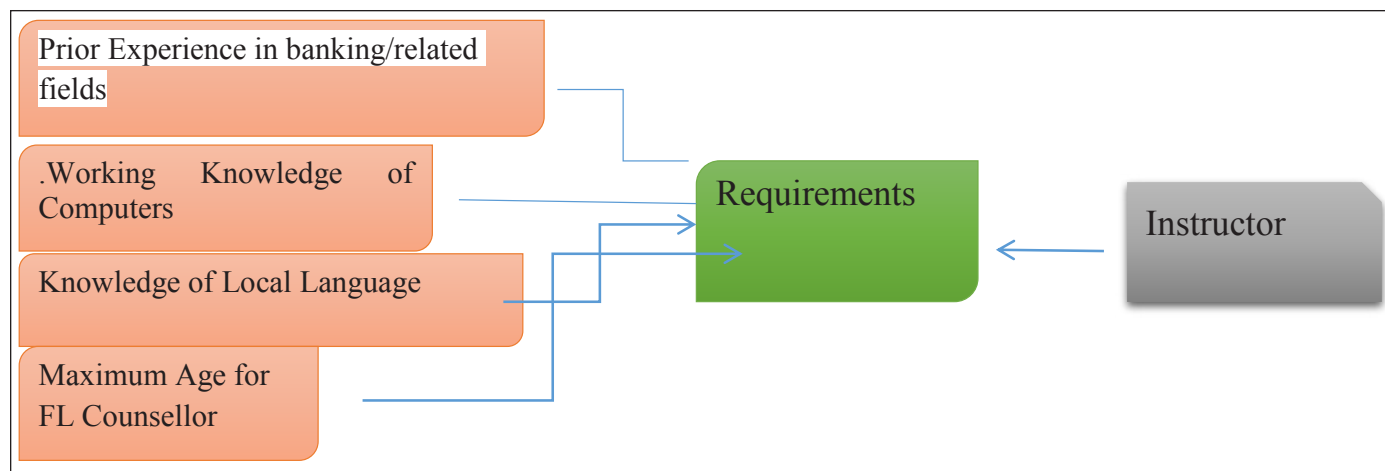


Fig. 14: Instructor for the Programme

Our Survey showed that most of the banks have chosen managers or employees as an instructor for the programme.

As per the RBI guidelines, there is a minimum criterion for choosing an instructor is as follows:



Canara Financial Literacy Centre (FLC) had another specific requirement:

- Physical Infrastructure: The FLC being a part of the lead bank office or a rural branch should have a separate room/space with a seating capacity of minimum of 10 members to address walk-in customers.
- Basic amenities like Computers/laptops and printers and furniture and fixtures to be provided.
- Vehicular support may be provided for FL counsellor.
- Each FLC should have a dedicated Helpline for addressing grievances of the public in the district and the helpline should be adequately publicized.
- Skill-building of FL Counselors: RBI will organize a workshop/training program in collaboration

with CAB, Pune to train the Financial Literacy Counselor this year. Regional offices of RBI will hold workshops at the state level every year as part of the Financial Literacy Week in each state.

Each SLBC Convenor bank should update the database on Financial Literacy Centre through their SLBC/UTLBC Website on a real-time basis with inputs from the LDMS/ Sponsor banks.

About 44% of the banks had opted for 'Any Other' which included SHG's (Self Help Groups, NGO's, etc.). i.e., Ujjivan Small Finance Bank conducts Financial Literacy Programmes through Parinaam NGO. The instructors of the programme are specifically trained for conducting financial literacy programme.

Experience of the Instructor

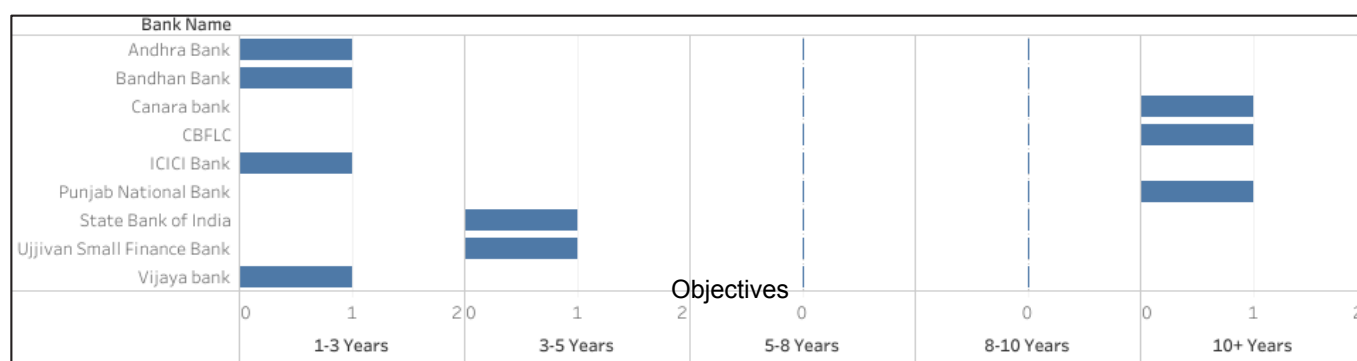


Fig. 15: Experience of the Instructor

Our survey signalled that about 55% of the instructors who conducted this programme on behalf of banks had the experience of 1-3 years. Conversely, some instructors

from 22% banks had an experience of 3-5 years & other 33% having an experience of 10+ years.

Training Received by Instructor

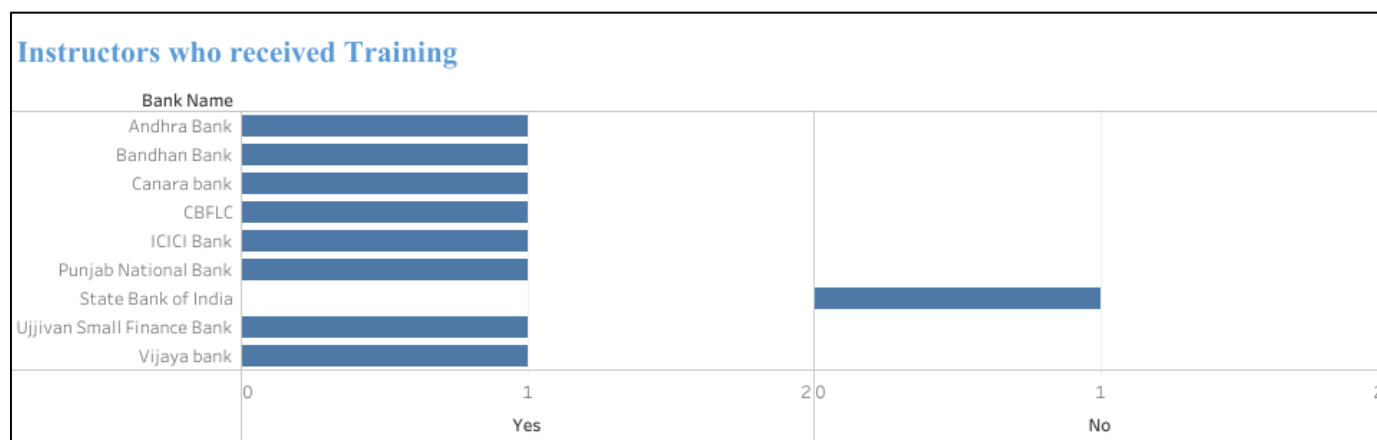
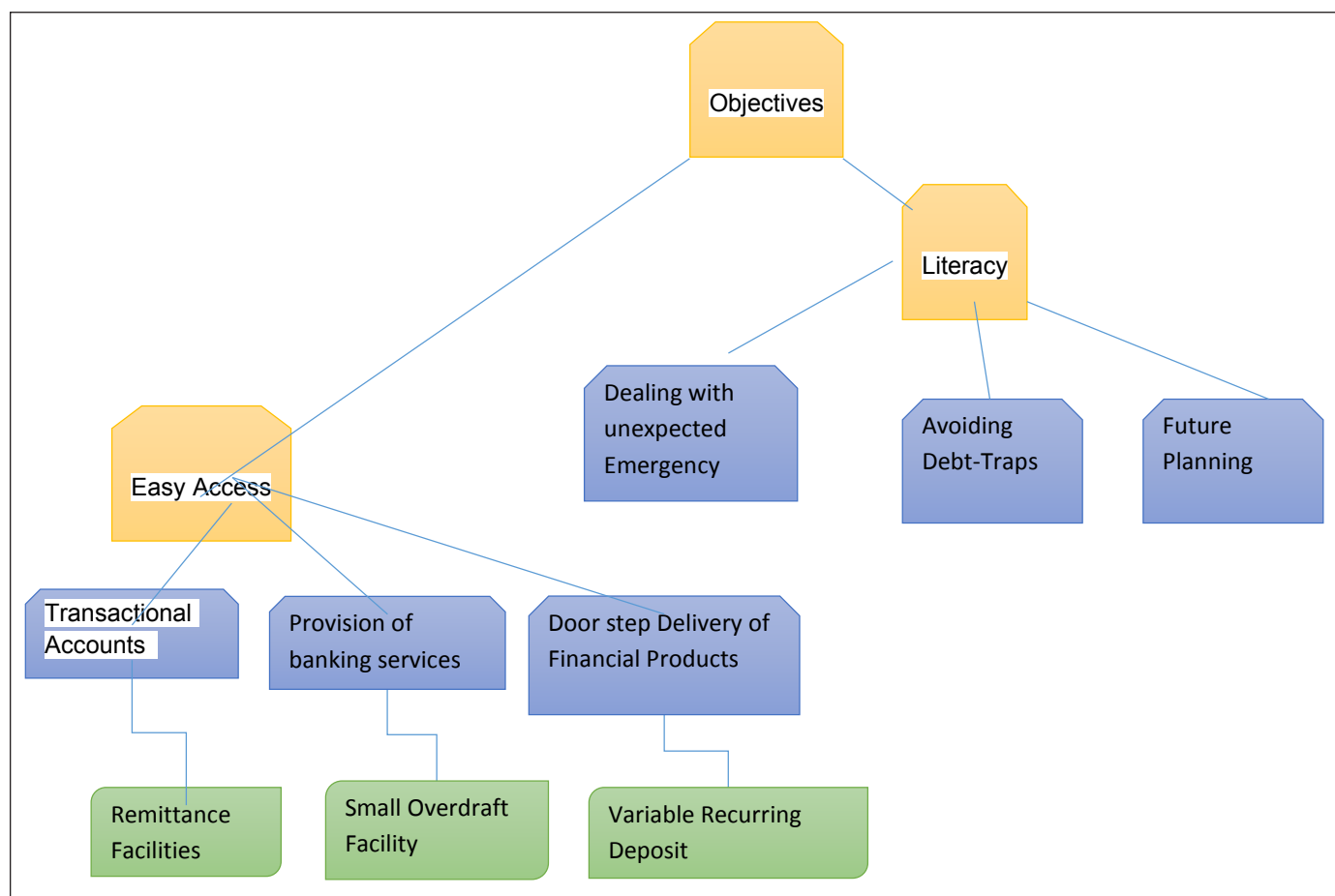


Fig. 16: Training Received by Instructor



About 90% of the instructors who run the programme had received training prior to conducting programme both by banks. State Bank of India was the only respondent who had not provided any training to the instructor prior to the programme. The instructors of SBI have conducted the

financial literacy programme out of their experiences. On an average every instructor has been provided an average training of 2-3 hours or provided 2 days' workshop on financial literacy by financial experts. For instance, Canara Financial literacy Centre Counsellors were

provided training in association with Regional offices of Breathe module for the programme

As per the RBI/2012-13/408 RPCD.FLC.No.7641/12.01.018/2012-13 circular, there were certain & common

guidelines which had been received by the instructors who were supposed to conduct the programme during their training period. These guidelines were extended till 2017 during which the majority of the programme took place during the survey.

Incentives Received by the Instructor

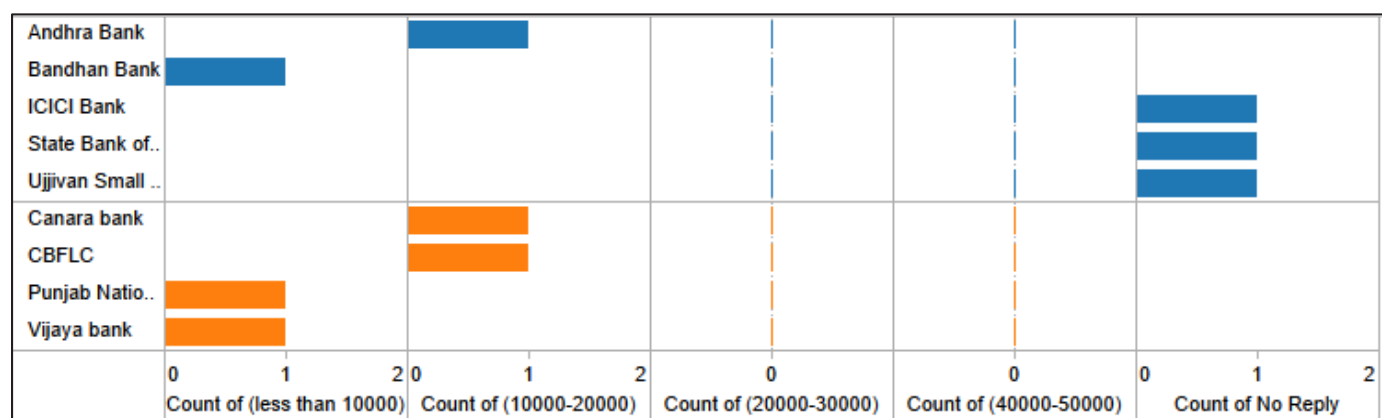


Fig. 17: Incentives Received by the Instructor

Our survey indicates that 34% of the Instructors in banks received incentives anywhere between 10000-20000 INR & 33% of the instructors received less than 10000 INR respectively. As some of the instructors were employees of the bank, they had received lesser than the

FLC who are paid higher duly because of the programme undertaken by them are more in number every month than those of employees who are instructed to conduct just one program. The other 33% of the respondents had not replied to this question.

Review of the Programme by Beneficiaries

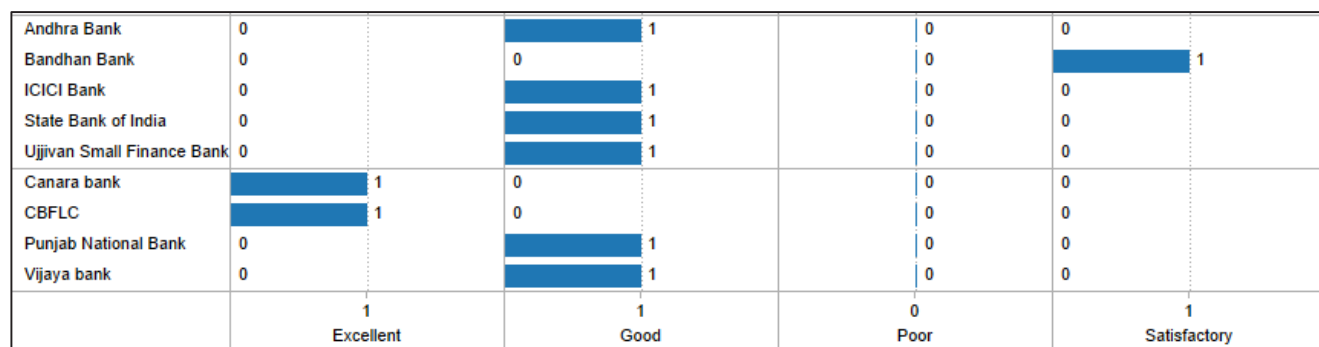


Fig. 18: Review of the Programme by Beneficiaries

The result showed that 67% of the respondents have given 'Good', 22% respondents have given 'Excellent' and 11% respondents have given 'Satisfactory' overview to

the financial literacy programme conducted by financial institutions.

Major Findings & Conclusion

Findings

The study on the Financial Literacy Programme Undertaken by Banks in Bangalore City shows the various aspects of conducting a programme in an institution (indoor or outdoor). Bangalore due to its IT influence has better accessibility to banking sector & is more aware about connected with banks. Following observations were made during the study:

During the survey conducted, it was observed that most of the banks had conducted an outdoor programme in various institutions such as schools, colleges etc.

The target group for banks in some areas who conducted these programme were students in the majority (90%). Similarly, it was also observed that all the banks in commercial areas had the same number of attendants for the programme (100-150 members).

On the other side, the Banks in lesser developed areas who conduct Financial Literacy Programme were found to have a lesser number of attendants for the programme. The difference was mainly seen because of the way of conducting a programme. Other Banks who conducted the in-door programme in their branches which had a lesser impact on people due to lack of awareness about the topic on which the programme was based.

While majority of the surveyed banks in Bangalore had savings, banking services as their themes, less emphasis was given on digital banking which is the changing face of the banking industry in the world. The method used in conducting any programme shows the impact the programme can have on beneficiaries.

While it was found that Classroom Lecture (77%) dominated the programme method, activities & simulations were numbered to a minimum. Therefore a combination of all the three methods can generate a more engaging & interactive session for the attendants yielding fruitful results.

Though the majority of the banks conducted the programme through their branches, it came to light that a maximum of only one programme was conducted in a year without follow-ups for the programme.

When it is important for banks to conduct such programme, banks are equally liable to take a follow up for the programme conducted to check the impact of programme on the minds of people.

Also, if the frequency of programme could be raise from 1 to 3 programmes, it could even result in covering diverse topics which can train the audience for better decision making.

Conclusion

Banks are the core financial institutions of any economy. With India having one of the largest networks of bank branches in the world, a large chunk of its population are lacking basic access to financial services like banking services, savings, insurance etc they are excluded from the financial system of the country. Financial Inclusion of citizens is incomplete without the Financial Literacy of citizens. When the population is Financially Literate, they are financially smart to make “far fetched” decisions which can lead to their financial stability in future. To make this a reality, banks have to make intensive efforts to promote financial education programme across all the sections in thaw society. Financial education program must be structured in such a way that it must reach the last person in the society. Having a financially literate society will help in having a greater financial inclusion which are the growth engine for a nation’s economy. The way to enhance financial literacy in the country could be led by the financial institutes through networking in an economy. A financially literate society is proactive in their decision making, void of financial exploitation, optimistic about future & financial confident.

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