

A STUDY OF FINANCIAL LITERACY AWARENESS AMONG WORKING EMPLOYEES, WITH SPECIAL REFERENCE TO THE TELANGANA REGION

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Abstract *Financial literacy is the blend of one's knowledge, skills, and manners regarding financial matters. It helps one make well-versed decisions and improve personal welfare. Research have been conducted globally for measuring the scope of financial literacy. Financial literacy study has been conducted at different levels through the governments in different areas; in addition, researchers are conducting surveys on it. This paper concentrated on financial literacy among working employees and to observe how well-resourced they are to take financial decisions. A survey has been conducted through a questionnaire to compute the attentiveness of financial literacy of working employees in the Telangana region. The study portrays that gender, education, income, and age impact the altitude of financial literacy; further, the focal point of a relationship in investment choice of the respondents is based on some parameters. All investment avenues, except marriage and post office schemes, have an impact on financial literacy. This paper will help one adopt suitable strategies to hunt for the altitude of financial literacy among the working employees.*

Keywords: *Financial Literacy, Investment Risk, Insurance, Working Employees*

INTRODUCTION

The task played through governments and employers in running investments on behalf of citizens have shrunk considerably within the topical past, as a result of changes within the community structures. These individuals' accountability lies in supervising their investments and securing their financial future. In an environment where the range, and therefore, the complexity of monetary products still increase, individuals must develop a nuanced understanding of the planet of finance to be ready to make choices that are most appropriate to their financial goals and wishes.

Financial literacy is principally fretful, with the good forecast of retirement days, gradual prosperity addition, and enhanced financial deciding. Thus, to be money-wise, being literate becomes significant from the preliminary stage of one's livelihood. However, gratitude to some individual or an expert hinders them; in turn, they become financially illiterate. This leaves them with unskilled awareness

regarding financial connections, forcing them to make improper decisions, and so on; hence, they need financial awareness to be able to tackle financial concerns, which is a requisite to make informed decisions.

Financial literacy is of exacting relevance to rising economies. As these economies endeavour to increase the financial condition of their people by achieving higher economic process charge, enrichment of fiscal literacy would help improve the financial welfare of their people, even through auxiliary means.

This paper investigates the socio-demographic variables that pressure the financial thoughts, financial behaviour, and financial attentiveness of the working employees in urban India. The paper investigates the influence of contextual variables that are unique to India on financial literacy and provides useful insights into politics. This study also examines the link between the three dimensions of financial literacy employing a new methodology that is free from the power of the attributes of the respondents, and also

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investigates the investment choice of relationship-based parameters.

REVIEW OF LITERATURE

Implicitly shaping money data as money acquisition, Lusardi et al. (2010) investigate money acquisition among the young, within the America victimisation information collected through the National Longitudinal Survey of Youth in 2007-08. The analysis covers sought-after answers associated with the preparation of the youth to create sound money choices, determinants of money (monetary), of economic acquisition among the youth, and policy initiatives required to enhance financial acquisition of the youth. They observe that the total monetary acquisition among the youth is low. This logical thinking is in keeping with findings across the globe, that despite combined efforts to enhance money acquisition, it continues to be inadequate among the young. They state that the monetary economic acquisition was considerably influenced by socio-demographic attributes, and the family financial scenario and class.

Several studies have tried to look at the quantity of monetary acquisition in Asia. A majority of the statements said that the total monetary acquisition in the Asian nation is poor. For example, the VISA (2012) study stratified the Asian nation at the 23rd position among the 28 countries surveyed. Adopting the form developed by the Organisation for Economic Co-operation and Development (OECD) to facilitate international benchmarking, this study tried to add the data and understanding of monetary acquisition in the Asian nations. Compared to a number of opposite studies, the OECD approach is a lot more comprehensive, because it makes an effort to place the pressure of a diversity of informative variables on the three dimensions of monetary acquisition, namely money angle, money behaviour, and money data.

The altitude of monetary acquisition among the operating young in urban Asian nations is equivalent to the point that prevails among comparable teams in different countries. For instance, the authority of family financial gain and masculinity on numerous dimensions of monetary acquisition is equivalent to the influence recorded in different studies. With reference to the education levels of the respondents within the sample, a large proportion being graduate and post-graduate, it does not translate into sufficient money acquisition. This is often possible because of the absence of inputs relevant to money acquisition within the general education method. This could be simply corrected. Given the stress on education in an Asian nation, it ought to have the potential to boost the money acquisition of children comparatively quickly through the inclusion of relevant material on money acquisition within the general education programme of {colleges} and colleges.

Agarwalla and Barua (2012) conducted a study among 3,000 people and observed that “Financial data among Indians is incredibly low than the international standards. However, the money behaviour and angle of the workers and retired represent to be positive. The finance data among the lady’s area unit is marginally high than the boys. More consumption credits had impacted the monetary behaviour of young employees”. Sages and Grable (2009) in their study found that “the people UN agency has the bottom level of monetary threat lenience is to the least competent in provisions of monetary matters, have the bottom subjective analysis of internet value and area unit less glad about their money management skills. The sum of money risk tolerance of the public determines the financial behaviour”.

NEED OF THE STUDY

Complex financial products, a low level of attentiveness, and being short of data about financial matters makes the desire for financial literacy noteworthy. The level of financial literacy differs from individual to individual; the gender gap is a vital aspect in deciding the extent of financial literacy. Emotion, money, and family are interlinked within the lifetime of a woman. Lack of equipped access to consistent information to make informed decisions results in a short altitude of confidence and knowledge about financial issues. Life turns like new employment break up or separation, failure of the spouse is a number of the nerve-racking stimulators in an individual’s living life.

The restructurings in financial markets have diminished the scope of governments and employers in supporting the workers to design their future financial desires. Hence, the accountability of overseeing and deciding their future financial wants has increased among the working employees. High job insecurity, indeterminate income, and forthright access to consumer recognition have an admirable impact on their financial behaviour. Very few researches have been conducted on financial literacy. A nation like India, with a high youthful demographic surplus and socio-economic diversities, should endure researches on this issue.

OBJECTIVES

Here are some objectives.

- To determine the altitude of financial information of the working employees.
- To know the challenges and goals of employees by way of economic matters.
- To measure the level of financial literacy of working employees.
- To find out the association between financial literacy and various demographic and socio-economic factors,

and to find out the association among the choice of investment alternatives.

RESEARCH METHODOLOGY

Data Collection

The present study conducted is based on primary data.

The Sample

This paper concentrates on the working employees in the urban areas of Telangana. Given the wide socio-economic diversity, the sample is taken from the various districts of the state of Telangana. Data was collected through a questionnaire, using Google Forms, in April 2021. The attributes on which the data was collected were gender, age, educational level, marital position, and family income, financial decision-making process, budgeting of expenditure, and financial investment avenues. The target sample size was 108 after preliminary analysis of the data; this is the useable sample, with information on all dimensions and variables.

Data Analysis Tools

The above data collected has been analysed by using different tools like percentages, mean, and Anova.

Scope of the Study

The scope of the study is confined to the working employees in the urban regions of Telangana. Additionally, financial knowledge by most researchers on the difficulty has been measured by financial information, instead of an understanding of the concepts in finance. A relation has been built to review investors' choice and financial literacy. This has been made by calculating ANOVAs. F test has been carried out to review the relationship between the preference of shares and financial literacy.

Limitations of the Research

The research is limited to the working employees and not concentrated on individuals. This is limited to the Telangana region. It is concentrated on financial determinants and the basis of investment avenues.

Research Gap

It is observed that financial literacy awareness is only concentrated on demographic and geometric factors.

However, in the present study awareness on financial literacy investment avenues are considered.

METHODOLOGY

F test has been calculated to review the relationship between preference towards shares and financial literacy.

F test has been calculated to review the relationship between preference towards mutual funds and financial literacy.

F test has been calculated to review the relationship between preference towards insurance and financial literacy.

F test has been calculated to review the relationship between preference towards marriage expenses and financial literacy.

F test has been calculated to review the relationship between preference towards retirement and financial literacy.

F test has been calculated to review the relationship between preference towards bank deposits and financial literacy.

Hypothesis 1

H1: There is a relationship between gender and financial literacy level of working employees.

Hypothesis 2

H1: There is a relationship between age and financial literacy level of working employees.

Hypothesis 3

H1: There is a relationship between education and financial literacy level of working employees.

Hypothesis 4

H1: There is a relationship between income and financial literacy level of working employees.

Hypothesis 5

There is a relationship between financial literacy and the choice of investment alternatives for investors.

RESULTS AND DISCUSSIONS

Table 1: Demographic and Socio-Economic Respondent Details

Sr. No.	Demographic Factors	No. of Respondents (Frequency)	Percentage
1	Gender		
	a) Male	64	59.2
	b) Female	44	40.7

Sr. No.	Demographic Factors	No. of Respondents (Frequency)	Percentage
2	Age		
	a) below 25	18	16.6
	b) 25-35	50	46.2
	c) 35-45	28	25.9
	d) above 45	12	11.1
3	Educational Qualification		
	a) Ph.D.	14	12.9
	b) Post-graduation	68	62.9
	c) Graduation	26	24.0
	d) Intermediate	0	0
	e) S.S.C	0	0
4	Monthly Income		
	a) below 10000	22	20.3
	b) 10000-20000	16	14.8
	c) 20000-30000	32	29.6
	d) above 30000	38	35.1
5	Caste		
	a) OC	46	42.5
	b) BC	42	38.8
	c) SC	14	12.9
	d) ST	06	5.5

Source: Primary data.

Table 1 depicts the demographic profile of the respondents. Nearly 60% of the respondents are male; a majority are in the age group 25-35. Around 70% of the respondents have completed post-graduation. A majority belong to the OC caste. The profile shows that a majority of the respondents with an income less than 30,000 are more financially literate.

Table 2: Mean and F Values of Financial Literacy Level

Sr. No.	Demographic Factors	Mean	F Value	Significance
1	Gender			
	a) Male	54.2	52.07	0.004
	b) Female	34.4		
2	Age			
	a) below 25	48.7	1.254	0.341
	b) 25-35	50.4		
	c) 35-45	49.4		
	d) above 45	45.5		
	Educational Qualification			

Sr. No.	Demographic Factors	Mean	F Value	Significance
3	a) Ph.D.	41.1	12.46	0.000
	b) Post-graduation	55.6		
	c) Graduation	44.4		
	d) Intermediate	0		
	e) S.S.C	0		
4	Monthly Income			
	a) below 10000	36.4	23.4	0.006
	b) 10000-20000	39.2		
	c) 20000-30000	52.9		
	d) above 30000	54.4		
5	Caste			
	a) OC	46.9	20.3	0.004
	b) BC	53.4		
	c) SC	34.5		
	d) ST	26.6		

Source: Primary data.

Relationship between Gender and Financial Literacy Level

Table 2 reveals that, based on gender, working male employees are more financially literate than female employees. The mean of male employees working is 54.2%, compared to the mean of female employees working (34.4%). It can be seen that the F value is significant at a significance level of 5%; hence, H0 of hypothesis 1 is rejected. Thus, it is determined that the level of financial literacy varies between male and female respondents.

Relationship between Age and Financial Literacy Level

Table 2 shows the mean value of financial literacy level for different age groups. There is no difference in the level of financial literacy among the different age groups. It can be seen that the F value is not significant at a significance level of 5%; hence, H1 of hypothesis 2 is rejected. Thus, it is determined that financial literacy level does not depend on age of the respondent.

Relationship between Education and Financial Literacy Level

It shows that the financial literacy level is associated with the education levels. Those who have higher education are

more financially literate. Table 2 shows that the financial literacy level is highest for respondents who have a PG degree (55.6%), followed by those respondents who have a graduate degree (44.4%). From the table it can be seen that the F value is significant at a significance level of 5%. So, H0 of hypothesis 3 is rejected. Thus, it can be stated that financial literacy level depends on the education level.

Relationship between Income and Financial Literacy Level

Table 2 specifies that those have more income have more financial literacy. It shows that financial literacy level is highest for respondents whose income is above 30,000 (54.4%) per month, followed by those who earn between

Rs. 20,000-30,000 (52.9.%) per month. From the table it can be seen that the F value is significant at a significance level of 5%. Hence, H0 of hypothesis 4 is rejected. Thus, it can be seen that financial literacy level depends on the income of the respondents.

Relationship between Caste and Financial Literacy Level

On the basis of caste, the respondents were divided into four, i.e., OC, BC, SC, and ST. Table 2 shows that OC employees have sophisticated financial literacy level, compared to other employees. From the table it can be seen that the F value is significant at a significance level of 5%. Hence, H0 of hypothesis 5 is rejected. So, it is observed that caste influences the financial literacy level of the respondents.

Table 3: ANOVA Table

			Sum of Squares	Df	Mean Square	F	Significance Value
Relation between investor preference towards share and financial literacy	Between Groups	(Combined)	74.359	4	18.590	4.198	.005
		Linearity	14.604	1	14.604	3.298	.075
		Deviation from Linearity	59.755	3	19.918	4.498	.007
	Within Groups		216.974	49	4.428		
	Total		291.333	53			
Relation between investor preference towards mutual funds and financial literacy	Between Groups	(Combined)	19.557	4	4.889	1.216	.316
		Linearity	.033	1	.033	.008	.928
		Deviation from Linearity	19.524	3	6.508	1.618	.197
	Within Groups		197.036	49	4.021		
	Total		216.593	53			
Relation between investor preference towards insurance and financial literacy	Between Groups	(Combined)	11.445	4	2.861	.895	.474
		Linearity	2.010	1	2.010	.629	.432
		Deviation from Linearity	9.435	3	3.145	.984	.408
	Within Groups		156.647	49	3.197		
	Total		168.093	53			
Relation between investor preference towards bank deposits and financial literacy	Between Groups	(Combined)	18.562	4	4.640	1.960	.115
		Linearity	4.513	1	4.513	1.906	.174
		Deviation from Linearity	14.049	3	4.683	1.978	.130
	Within Groups		116.031	49	2.368		
	Total		134.593	53			
Relation between investor preference towards post office schemes and financial literacy	Between Groups	(Combined)	19.684	4	4.921	1.459	.229
		Linearity	9.967	1	9.967	2.955	.092
		Deviation from Linearity	9.717	3	3.239	.960	.419
	Within Groups		165.297	49	3.373		
	Total		184.981	53			
Relation between investor preference towards marriage expenses and financial literacy	Between Groups	(Combined)	62.621	4	15.655	4.991	.002
		Linearity	23.072	1	23.072	7.356	.009
		Deviation from Linearity	39.550	3	13.183	4.203	.010
	Within Groups		153.694	49	3.137		
	Total		216.315	53			

Relationship between Share and Financial Literacy Level

Table 3 shows that investor preferences towards shares is influenced by financial literacy. It can be clearly seen that the calculated F value (4.18) is greater than the table value (2.16). Hence, there is an impact of financial literacy on the choice of the investor towards shares.

Financial literacy is measured by an investor's knowledge of simple interest, compound interest, risk factors, risk and returns relationship, financial knowledge, financial planning, and financial control. The financial literacy of the investor will increase his awareness levels and impact the choice of investment towards shares; this is because an investor has knowledge that there can be more returns by investing in shares.

Relationship between Mutual Funds and Financial Literacy Level

Table 3 shows that investor preferences towards mutual funds is influenced by financial literacy. It can be clearly seen that the calculated F value (1.216) is greater than the table value (1.16). Hence, there is an impact of financial literacy on the choice of investor towards mutual funds.

Financial literacy is measured by an investor's knowledge of simple interest, compound interest, risk factors, risk and returns relationship, financial knowledge, financial planning, and financial control. The financial literacy of the investor will increase his awareness levels, and impact the choice of investment towards mutual funds, because the investor has knowledge that there can be more returns by investing in mutual funds.

Relationship between Insurance and Financial Literacy Level

Table 3 exhibits that investor preferences towards insurance is influenced by financial literacy. It can be clearly seen that the calculated F value (0.895) is greater than the table value (1.4). Hence, there is an impact of financial literacy on the choice of investor towards insurance.

Financial literacy is measured by an investor's knowledge of simple interest, compound interest, risk factors, risk and returns relationship, financial knowledge, financial planning, and financial control. The financial literacy of the investor will increase his awareness levels, and impact the choice of investment towards insurance, because the investor has knowledge that there can be more returns by investing in insurance.

Relationship between Bank Deposits and Financial Literacy Level

Table 3 shows that investor preferences towards bank deposits is influenced by financial literacy. It can be clearly seen that the calculated F value (1.960) is greater than the table value (2.5). Hence, there is an impact of financial literacy on the choice of the investor towards bank deposits.

Financial literacy is measured by an investor's knowledge of simple interest, compound interest, risk factors, risk and returns relationship, financial knowledge, financial planning, and financial control. The financial literacy of the investor will increase his awareness levels, and impact the choice of investment towards bank deposits, because the investor has knowledge that there can be more returns by investing in bank deposits.

Relationship between Post Office Schemes and Financial Literacy Level

Table 3 shows that investor preferences towards post office schemes is influenced by financial literacy. It can be clearly seen that the calculated F value (1.459) is less than the table value (3.1). Hence, there is no impact of financial literacy on the choice of the investor towards post office schemes.

Financial literacy is measured by an investor's knowledge of simple interest, compound interest, risk factors, risk and returns relationship, financial knowledge, financial planning, and financial control. The financial literacy of the investor will not increase his awareness levels, and does not impact the choice of investment towards post office schemes. This is because investors have knowledge that there can be low returns by investing in post office schemes.

Relationship between Marriage Expenses and Financial Literacy Level

Table 3 shows that investor preferences towards marriage expenses is influenced by financial literacy. It can be clearly seen that the calculated F value (4.991) is less than the table value (3.5). Hence, there is no impact of financial literacy on the choice of the investor towards marriage expenses.

Financial literacy is measured by an investor's knowledge of simple interest, compound interest, risk factors, risk and returns relationship, financial knowledge, financial planning, and financial control. The financial literacy of the investor will not increase his awareness levels, and does not impact the choice of investment towards marriage expenses, because investors have knowledge that there can be low returns by investing in marriage expenses.

Hence, H0 of hypothesis 6 – there is a relationship between financial literacy and choice of investment alternatives for investors – is rejected. Thus, it can be said that the investor's investment choice is different among shares, mutual funds, insurance, post office schemes, and marriage expenses.

CONCLUSION

It can be determined from the analysis of Table 1 and 2 data that the overall financial literacy level of 55.70% respondents is not increasing. It reflects that in Telangana people are still not attentive to their finance-related concerns. Previous studies have revealed that the investments habit among working employees is not high. Similarly, the entire affliction of forecasting their future in finance is on the young personages, as employee benefits are reduced. Early purchases through credit cards have changed the financial behaviour of the current generation employees. Based on the demographic factors as well as financial literacy, it was observed that male and post-graduate respondents, and those whose have an income above 30,000 are more financially literate. Those investors who are financially literate scored more on financial literacy parameters like financial knowledge, financial control, and financial planning; they preferred investment in shares and mutual funds and bank deposits. This has an impact on their financial position. The requirement for suitable financial literacy and information connected to financial matters is foreseeable. The conclusion of the study proposes that financial literacy diverges suggestively among respondents based on several demographic and socioeconomic factors. Financial literacy level is affected by gender, education, income, and caste,

whereas it is not affected by age. All investment avenues, except marriage and post office schemes, have an impact on financial literacy. Overall, it can be concluded that financial literacy level is squat among working employees in Telangana and required measures should be taken by the government to increase awareness about finance-related staples.

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