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A STUDY ON THE STATUS OF FINANCIAL LITERACY OF P.G WOMEN HOSTEL STUDENTS OF T.M.B.U

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ABSTRACT

In the present era, financial literacy has given an important place in the Indian education system. Our government launched FEPA (Financial Education Programmers for adults) through the National Centre for Financial Education (NCFE), in 2019 to create awareness in society with a focus on targeted groups such as workers of Anganwadi, Asha workers, women groups, farmers, self-help groups with the motives to financially aware and empowered Indian. Students are the future of the nation and the coming generation must develop their potential and cognitive power to make proper financial decisions, skills and budgeting, saving money, investing, protecting themselves from financial fraud, and monitoring their expenditure. Financial Literacy is the combination of an individua's understanding, power level, skill and behaviour towards financial matters with a given source of income. Financial Literacy supports society in leading better planning for its future. Also, this study tries to find out associations between the students' financial literacy standard with their parents' educational levels. This study highlights the concept of financial literacy. This study was conducted on the female Hostel Students of Tilkamanjhi Bhagalpur University, Bhagalpur, to understand their financial literacy standard. This study is based on the primary source of data and secondary sources of data. A survey was conducted on 80 students (session 2023-2025) by questionnaires to observe the financial literacy standard among the hostellers of Post Graduate Women's Hostels, T.M.Bhagalpur University. The study has been analyzed by using different statistical methods and this research study will be helpful to take proper action for promoting girls students, financial literacy standards.

KEYWORDS: Financial Literacy, Financial Knowledge, Standard, Financial Behaviour

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1. INTRODUCTION

Financial literacy is the capability to use financial knowledge efficiently in real-life situations to manage personal finances, balance personal budgets, performing financial skills in the journey of life. Financial Literacy makes people more efficient and smarter to use their limited resources of income in better ways. Literacy enables individuals to make prudent financial decisions in their lives. Economic activities across the world have been changing fastly in the sense of transactions which have been made in the market changing fastly. Modern-time money systems have been transforming into cashless. Various types of online platforms have been emerging in banking systems for money transfer, cashless payments, uses of credit cards, online fee payments, online payments for purchased commodities, and Premium payments. Hence the peoples must be financial literate to protect themselves from the financial risks. Financial illiteracy may push an individual toward less economic expenses, involve in debt traps, poor knowledge for portfolio's investment. Financial Literacy enables the person to do better trading knowledge and they easily distinguish between investments and benefit.

Research Paper

As Wikipedia defines "Financial literacy is the possession of skill, Knowledge and behaviour that allow an individual to make informed decisions regarding money. Financial literacy, financial education and financial knowledge are used interchangeably."

According to Servon and Kaestner "Ability to use financial concept in daily life and make optimal financial decision is called financial literacy[1]

The Government Accountability Office definition (2010) is "the ability to make informed judgments and to take effective actions regarding the current and future use and management of money. It includes the challenges associated with life events such as a job loss, saving for retirement, or paying for a children's education."[2]

According to financial literacy and education Commission (2020), The skills, knowledge and tools that equip people to make individual financial decisions and action to attain their goals, this may also be known as financial capability, especially when paired with access to financial products and services."[3]

According to OECD's,(PISA) in 2018 define, " Financial literacy is the knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life. Hence financial literacy standards are based on several concepts.[4]

CONCEPT OF FINANCIAL LITERACY

- **Budgeting:**-Budgeting is the process by which an individual makes decisions for expenditure in the limited resources of income. Financial Budgeting means Planning for survival in the present and future. It includes saving, investments, and consumption expenditure to make life easier. If a person prepare balance personal budget and follow it strictly to be considered as well financial literate.
- **Financial Planning:**- Financial planning means money should be use as per need and expenditure must be doing as the intensity of requirements. Planning as per purpose, to achieve the goals, monitoring expenses, managing liquidity efficiency for future.
- **Investment and Savings:**- Financial investment means individual capacity to make capital formation , use of money to achieve long-term financial benefits. Savings means part of income exceed on consumption. Financial literate person will have to compare benefit before doing portfolio investment and also compare interest rates before saving their money in different banks, schemes.
- **Management of Debts**:- Debt is a amount of money borrowing from the organization and unorganized sources with some terms and conditions. It a liability which has to be paid within a given period of time with interest. Financial Literacy enable individuals to understand the liabilities of debt, repayment on fixed time and it smartly, financial education creates awareness among the society and it enhanced their knowledge for differentiating between good and bad debt.
- **Banking and Credit:**- Financially literate people manage their banking issues very smartly they can understand their borrowing from institutional sources with low interest rate and also takes proper decision while investing their savings. They always maintain their banking records like saving bank account, current bank account fixed deposit, premium payment etc. They use Internet banking with some safety measures. Financially literate individuals choose correct option for taking loans from formal sources, they tried to take loan add lowest interest rate. Also they manage their CIBIL report by paying installment payment on time.
- **Taxation:** - Financially literate individuals make their personal tax on time, they understand tax is a compulsory payment, they keep its record for future purposes, and they know tax laws and principles.
- **Insurance and coverage of risk:** Financial literacy enables individuals to understand the utility of money for risk coverage, they protect themselves from financial loss, and they understand the important of insurance as protection from financial loss or adverse circumstances.
- **Planning for prospects (retirement):**- Financial literacy enhances the interest of employees to think about how they will make better strategies for increasing more savings. Social security decisions, better investment in protection

schemes, planning for making more economically empowered.

Need for the study:
Society is transforming rapidly with its modest technology. There are several challenges that arise at the front of society in the form of available choices. As the future of the nation female students have the responsibility to understand the matter of money management. Especially those who have been staying at Hostel have to know the utilization of their money. Hence it is necessary to know their financial literacy status, financial attitude and management. Hostellers' financial literacy may be influencing by their demographic features, parents' income level and education standards. So, checking the status of financial literacy among the P.G.Women hostellers is very important.

Objective of the study
- To understand the concept of financial literacy.
- To recognized the status of financial literacy among the hostellers of P.G.W.H, T.M.B.U.
- To measure the association between the parents education level with the financial literacy status of their wards.

Hypothesis
H1: There should be higher financial literacy level among the hostellers.
H2: There should be positive associations between parents' educational status and hostellers' financial literacy.

REVIEW OF LITERATURE

According to Garg, N. (2018), the awareness of financial literacy amongst the Indian youth found to be considerably low. Demographic characteristic and socio economic conditions, such as age, marital status, education level, gender and education have influenced the financial literacy level of India youth. Inter-correlationship has found between its existence and financial knowledge, financial behaviour and financial attitude of youth.[5]

According to Bharucha, J.P., (2019), has studied the financial literacy level among Females have found less with the comparisons to male. He found that the financial literacy has positively correlated with person's education and employment position.[6]

According to Arora, A., (2016) Article describe lower level of financial literacy has found among the Indian women's since independent. Financial literacy among the female of Rajasthan state measured on the bases of their financial attitude, financial behaviour, and financial knowledge for managing personal finances. The Finding shows that financial awareness among the woman in the 21st century is not satisfactory. However, it has been noticed that their financial attitude and behavior are better as compared to their financial knowledge.[7]

According to Beluja, D.G., (2016), It has seen that the participation of women in financial decisions should be the same but observed completely differently because generally women in Indian society face barriers like Cultural, social, psychological, financia,and physical boundation. The Government of India has came with the plan to fill up the gap between the male and female financially literacy level.[8]

METHODOLOGY

Research methodology is very important steps for the research to analyze the collected information. For this research paper a stratified sampling method was use. The Primary data have collected from the P.G.Women Hostels of Tilkamanjhi Bhagalpur University, Bhagalpur. Data has collected by Google Form in which 80 female hostellers' respondents have given their views on their demographic features and filled questionnaires. The questionnaires carried out the twenty statements about the financial matters to check students' previous knowledge, saving habits, debt, and investment knowledge, overall money management behaviour financial knowledge. Students responses have been measured by five point likart scale to know their Financial Literacy Standards, attitude, and financial management. Secondary information has been collected from internet, book, magazines and news paper. Statistical Method has used to present the data in attractive ways and SPSS has used to analyses the information.

Analysis of Data:
Demographic Features of Hostellers' have presented by Pie-Chart. Their interpretations are as followers:

1) Age:

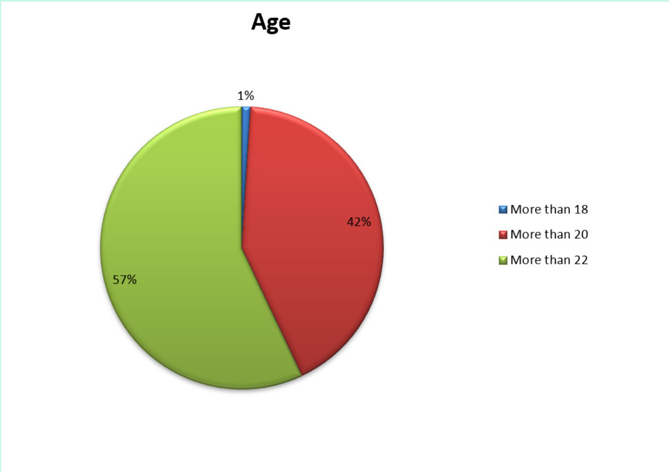

Fig. 1

Source: *Primary Data*

Figure no. 1, shows agewise persentage of hostel students. 1% students belongs to more than 18 years, 42% students from more than 20 years. Out of total 57% of students belongs to more than 22 years.

2) Marrital Status:

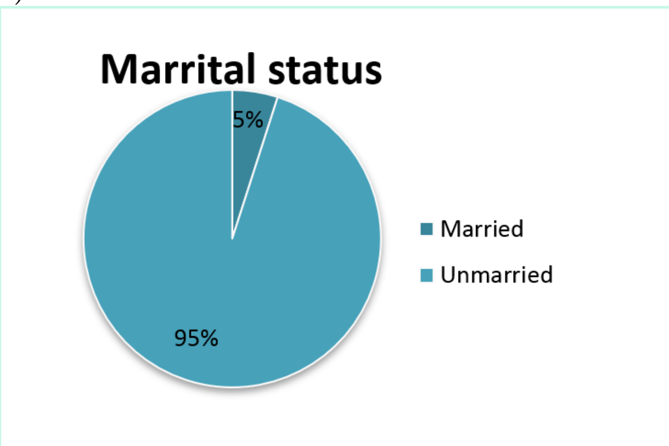

Fig. 2

Source: *Primary Data*

Fig. 2, represent that 95 % of the hostellers' have been unmarried and 5% have married from the total sample.

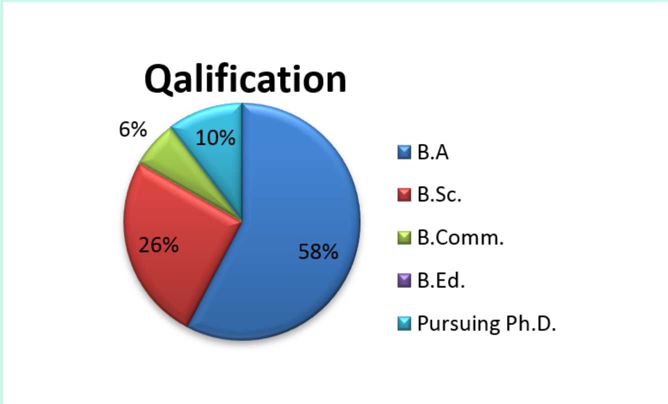

Fig. 3

Source: *Primary Data*

Fig. 3, showes that P.G students who have been observed for study , out of total 80 students, 58% of hostellers' having the qualification of B.A., 26 % of B.SC., 6% of B.Comm., 10 % of Pursuing Ph.D.

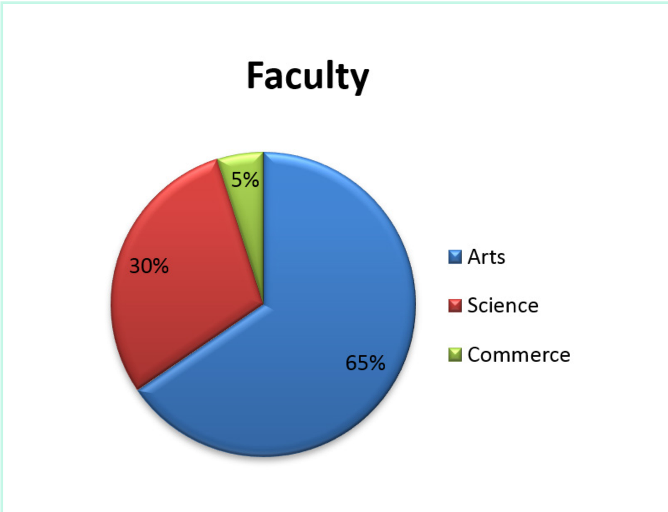

Fig. 4

Source: *Primary Data*

Figure no. 4, shows facultywise persentage of hostel students. 65 % students belongs from Arts, 30 % students from Science faculty and 5% of students belongs to commerc faculty.

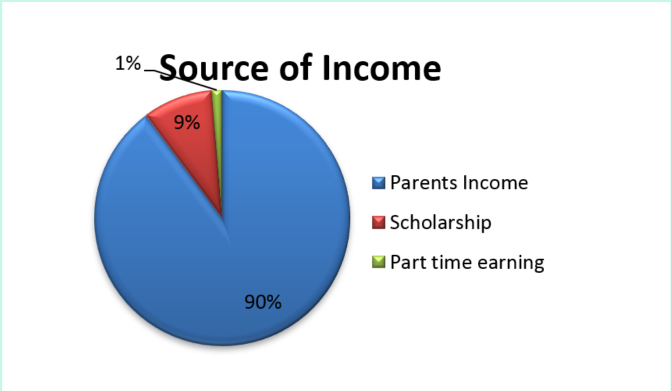

Fig. 5

Source: *Primary Data*

Figure no. 5, shows income sources of hostellers in persentage. 90% of students got money from their parents for expenditure. 9% students got money by scholership. And only 1% dependent on part time earning.

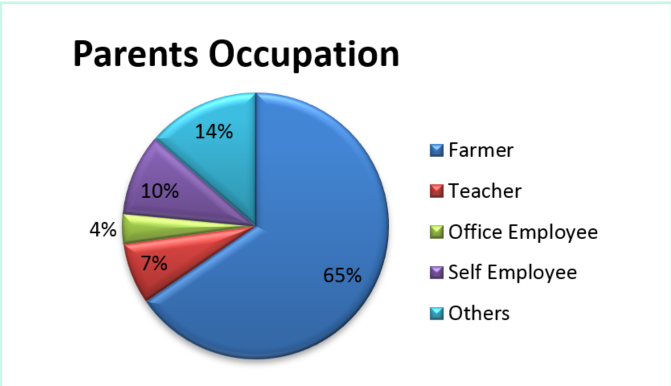

Fig. 6

Source: *Primary Data*

Figure no. 6 , shows Parents occupation of hostellers in persentage. 65 % of students parents are Farmer. 10 % students parents are self employed, 7% parents are teachers, and 4%are office employee, rest 14% are from others occupations.

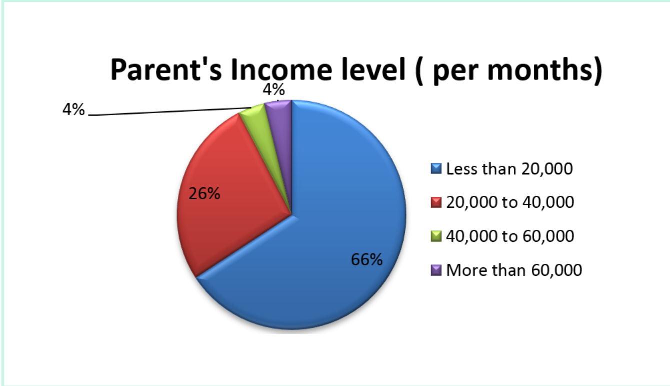

Fig. 7

Source: *Primary Data*

Figure no. 7 , shows monthly incomes of Hostellars ,P.G.W.H, T.M.B.U in persentage forms. 66 % of students parents are earning less than 20,000 per months. 26 % student's parents are earning between the range of 20,000 to 40,000, 4% parents are earning between 40,000 to 60,000, 4% parents earning more than 60,000

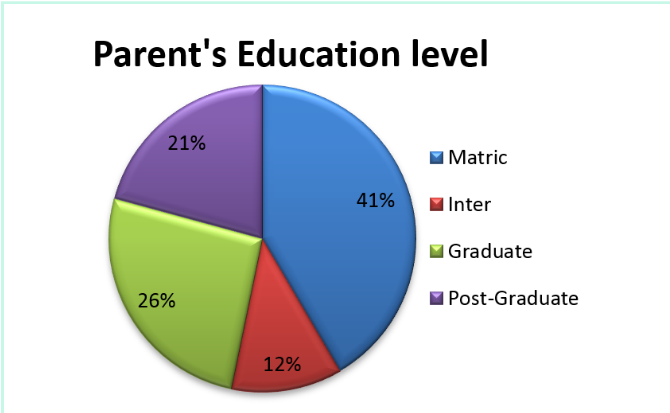

Fig. 8

Source: *Primary Data*

Figure no. 8 , shows education level of Hostellars' parents,P.G.W.H, T.M.B.U in persentage forms. 41 % students' parents are matric, 12 % student's parents are inter, 26 % students parents are graduate and 21 % parents education levels are post- graduate.

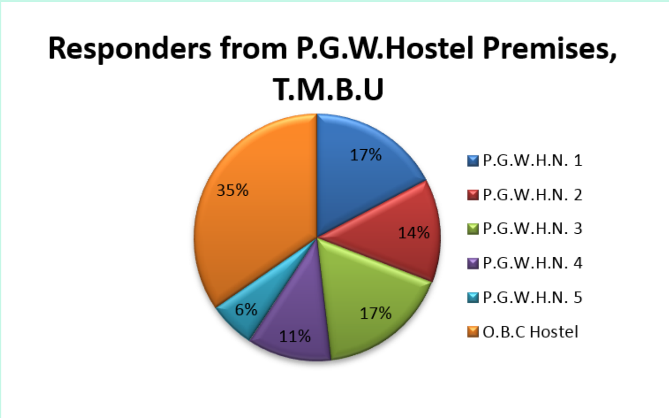

Fig. 9

Source: *Primary Data*

Figure no. 9 , shows respondent percentage of Hostellars' of P.G.W.H, T.M.B.U, out of total respondents 17% students' are from PGW.H. No.1, 14 % students' are from PGW.H. No. 2, 17% students' are from PGW.H. No. 3, 11 % students' are from PGW.H. No. 4 and 6 % students are from P.G.W.H. No. 5, 35 % students are from O.B.C hostel.

Analysis of the responses given by the students to the statements which have been represented in the tabular form for testing H1.

Table 1

Sl. No.	Statements	1	2	3	4	5
1	I know to make by personal budget	6.25 %	11.5%	2.4%	22.5%	55%
2	I know asset and liability	10%	10%	10%	20%	50%
3	I know interest rate affects my saving	7.5%	10%	6.25%	22.5%	53.75%
4	I know my loan affected by interest rate.	12.5%	11.25%	2.5%	26.25%	47.5%
5	I can difference between current accounts and saving account.	10%	10%	1.25%	16.25%	62.5%
6	I understand role of students' credit cards	6.25%	6.25%	10%	22.5%	55%
7	I know, what is scholarship	3.75%	11.25%	2.4%	12.5%	68.75%
8	I know about internet banking	6.25%	7.5%	12.5%	18.75%	55%
9	I know why people pay tax	5%	8.75%	6.25%	18.75%	61.25%
10	I understand use of money for precautionary measures	12.5%	10%	6.25%	22.5%	48.75%

Above table no. 1, represent the hostellers' knowledge of financial literacy. Strongly Disagree=1 Disagree=2, neither agree nor disagree=3 Agree=4 strongly Agree=5. Data have collected from 80 responded, and the statements from one number to the ten numbers shows their understanding level of financial literacy. As per the above table the range between 47.5 % to 68.75 % of students have been strongly agree with the above statements and range from 12.5 % to 26.25 % have agreed to the statements, range from 1.25% to 12.5% have neutral, 7.5 % to 11.25 % have disagreed, and 3 % to 12.5 % have strongly disagreed. So it express that mostly students from the women hostels have knowledge about the personal budget, asset and liability, interest rate, current account and saving account, student's credit card, scholarships' , internet banking, Personal Tax, and having the sense to use their money for precautionary measures.

Table 2

Sl.	Statements	1	2	3	4	5
1	I strictly follow my estimated budget	3.75%	6.25%	10%	20%	60%
2	I save my pocket money	5%	11.5%	3.75%	27.5%	52.5%
3	I keep record of my expenditures.	6.25%	8.75%	16.25%	31.25%	37.5%
4	Before purchasing I compare prices of goods.	3.75%	7.5%	3.75%	30%	55%
5	I don't like debt from informal sources.	15%	15%	8.75%	26.25%	35%
6	I like to take debt from formal sources	11.25%	10%	11.25%	28.75%	38.75%
7	I like to use online payment.	6.25%	7.5%	3.75%	32.5%	50%
8	I know management of finance improve our living standards.	8.75%	10%	3.75%	25%	52.5%
9	I ready to receive the news about finances.	6.25%	8.75%	6.25%	31.25%	47.5%
10	Financial education is necessary at higher education	7.5%	5%	5%	30%	52.5%

Table no. 2; represent the hostellers' financial attitudes. Strongly Disagree=1 Disagree=2, neither agree nor disagree=3 Agree=4 strongly Agree=5. Data have collected from 80 responded, and the statements from one number to the ten numbers shows their attitudes towards financial literacy. As per the above table the range between 35 % to 60 % of students have been strongly agree with the above statements and range from 25 % to 32.5 % have agreed to the statements, range from 3.75% to 16.25% have neutral, 5 % to 15 % have disagreed, and 3 % to 11.5 % have strongly disagreed. Above table shows mostly students from the women hostels have positive attitudes towards following estimated budget, saving pocket money, keeping records of their expenditure, comparing market price of goods, don't like informal source for debt, like to use formal sources for debt, using online mode of payment, living stander improved by finical management, to seek more information about finances, giving value to the financial education at higher level.

There are twenty questionnaires administrated on the students for absorbing their understanding and financial knowledge statues, and financial attitude towards money managements. Overall it has been come in light that more than 70 % students have given positive responses (strongly agree + agree) to each and every statements. It has also examined by the descriptive analysis with some selected statements. Hence H1 of hypothesis: there should be higher financial literacy level among the hostellers' has accepted.

Table 3: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I know to make my personal Budget	80	1.00	5.00	4.0375	1.31634
I Know about Internet Banking	80	1.00	5.00	4.0500	1.26191
I understand uses of money for precaution	80	1.00	5.00	3.8000	1.47038
I keep record of my expenditure	80	1.00	5.00	3.8500	1.19174
I like to use online payment	80	1.00	5.00	3.8500	1.47640
Valid N (listwise)	80				

The table no. 3 represents the descriptive analysis of general financial literacy among the P.G.W.H. students of T.M.B.U of session 2023-2025. Statements have followed by five point likert scale and the Mean range from 3.80 to 4.05, it means responses positively agree. The ranges of Stander deviation from 1.19 to 1.47, it means some responses' close to disagree, strongly disagree or neutral.

H2: There should be association between the parent's educational status and hostellers' financial literacy has been tested by the correlation with the responses of selected questions.

Table 4: Correlations

			Parents Education	I know to make my personal Budget
Spearman's rho	Parents Education	Correlation Coefficient	1.000	.216*
		Sig. (1-tailed)	.	.027
		N	80	80
	I know to make my personal Budget	Correlation Coefficient	.216*	1.000
		Sig. (1-tailed)	.027	.
		N	80	80
*. Correlation is significant at the 0.05 level (1-tailed).				

The table no. 4 represents the correlation between parent education level and students knowledgeable about making personal budget. Correlation between parents' educational level and students' knowledge about personal budget is significant at 0.05 % level.

Table 5: Correlations

			Parents Education	I Know about Internet Banking
Spearman's rho	Parents Education	Correlation Coefficient	1.000	.067
		Sig. (1-tailed)	.	.279
		N	80	80
	I Know about Internet Banking	Correlation Coefficient	.067	1.000
		Sig. (1-tailed)	.279	.
		N	80	80

The table no. 5 represents the analysis between parents' education level and students' knowledge about use of internet banking is not significant at 0.05 % level.

Table 6: Correlations

			Parents Education	I understand uses of money for precautions

Spearman's rho	Parents Education	Correlation Coefficient	1.000	.155
		Sig. (1-tailed)	.	.085
		N	80	80
	I understand uses of money for precautions	Correlation Coefficient	.155	1.000
		Sig. (1-tailed)	.085	.
		N	80	80

The table no. 6 represents the analysis between parent education level and students understanding level about use of money for precautions is not significant at 0.05 % level.

Table 7: Correlations

			Parents Education	I keep record of my expenditure
Spearman's rho	Parents Education	Correlation Coefficient	1.000	.000
		Sig. (1-tailed)	.	.497
		N	80	80
	I keep record of my expenditure	Correlation Coefficient	.000	1.000
		Sig. (1-tailed)	.497	.
		N	80	80

The table no. 7 represents the analysis between parent education level and students' habit to maintaining expenditure records is not significant at 0.05 % level.

Table 8: Correlations

			Parents Education	I like to use online payment
Spearman's rho	Parents Education	Correlation Coefficient	1.000	.106
		Sig. (1-tailed)	.	.175
		N	80	80
	I like to use online payment	Correlation Coefficient	.106	1.000
		Sig. (1-tailed)	.175	.
		N	80	80

Table 8 represents the correlation analysis between parent education level and students like to pay online payment is not significant at 0.05 % level.

The analysis of above table 5, 6, 7, and 8 expressed that the H2 has been rejected. It means the parents' educational level never influences the financial literacy level of students and it also shows that low literacy level parents have higher financial literary wards, they are learning this knowledge from practical experience or others sources, according to the needs to manage daily life.

CONCLUSIONS

Financial literacy is very essential for the younger generations and especially for the students who are dependent on their parents' income. This study found a higher financial literacy level among the students (2023-2025) of P.G.W.H, T.M.B.U. Overall it can be concluded that financial literacy among the students is never influenced by their parents' educational level because they are learning money management by themselves as they face the challenges to manage limited money for their different needs. As the girls' students of P.G. Women's Hostel have represented positive responses to the questionnaire, it means they understand the concept of financial literacy. Students are the future of our nation; they must be financially literate.

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