

# **Financial Literacy- A Role Of Women Self Help Groups with Reference to Thiruvallur District**

Silambarasi.S

Research Scholar, Bharathiyar University, Coimbatore, Tamil Nadu, India

**ABSTRACT-** This study deals with the role of women self-help groups in financial literacy with reference to thiruvallur district. Self-help group is a kind of micro finance programme formed among the women for their betterment and empowerment in the society and it is a tool for poverty eradication among the people mainly at rural level. The major objectives of the study are to know the level of financial literacy among the women before and after joining the self-help group and to analyze the level of financial empowerment among the women through self-help group. The data were collected from primary sources like distributing questionnaire to the women from self-help group formed in thiruvallur district.

Results of the study shows that the role of women Self Help Group is positively contributed to the financial literacy and financial empowerment of the women in thiruvallur district.

**KEYWORDS:** Women Self Help Group, Empowerment, Micro finance, financial literacy

## **I. INTRODUCTION**

Women Self-help group is a kind of voluntary association of many women who contribute small savings to their group and solve their common problems through mutual trust. Financial literacy means capacity to understand and taking decision related to money or financial resources. Knowledge and ability of taking financial decision is the key role for financial well-being and financial soundness of an individual. Generally Financial literacy ensure what is the income, how to expend, how much to save etc., and also financial empowerment helps the people to be self-reliance in the society.

Women in India mainly at villages have lack of education and financial support which has the major reason for lack of financial empowerment among the women. Women are playing major role in their family and for the development of a society. A development of a country is mainly associated with economic, financial and social empowerment of people. Every family is like a railway track, if they want to run their family in a smooth manner both should have the ability to manage their family. Normally women at rural facing the problem of income generation opportunities besides this they have no scope for taking decision in financial matters at their home level and they are the defenseless sector in the society. Hence women also empower financially. Self-help group is giving a financial support to the women to stand on their own leg, giving income support to their family and which will lift them to empower financially in the society.

## **II. OBJECTIVES**

1. To find the level of financial literacy among the women through self-help group before and after joining
2. To know the level of financial empowerment of women through self-help group.

**International Journal of Innovative Research in Science, Engineering and Technology**

An ISO 3297: 2007 Certified Organization

Volume 7, Special Issue 5, April 2018

1<sup>st</sup> International Conference on Recent Innovation in Civil Engineering and Management (ICRICEM '18)

22<sup>nd</sup> March 2018

Organized by

Department of Civil Engineering & MBA, Loyola Institute of Technology, Chennai, Tamilnadu, India

### III. SIGNIFICANCE OF THE STUDY

Financial literacy assist the people to take decision in financial related and which will bring them to empower them in society. Financial knowledge is required for all without any gender, age and places of the people. This study reveals the role of self-help group for financial literacy among the women in the society.

### IV. REVIEW OF LITERATURE

**Dr. Pradipta Banerjee & Kalachand Sain (2016)** argue that the level of financial literacy depends upon the financial needs and behavior of an individual and it was observe that financial literacy among women is highly influenced by the SHGs. Their study focused on the financial literacy of women as women has been most defenseless group in our society. Economic empowerment of women is must for which financial literacy level of women need to be improved.

**Mrs. Eli kumari Das & Ms. Dharitri Baishya (2015)** found that micro finance through self-help group is helping the poor and upgrading women empowerment by making them financially strong and SHGs have increased their habit of savings and investment in some developmental activities.

**Heena K. Bijli (2012)** conducted a study on Financial literacy modules that are easy and comprehensible effective tools to lead women towards economic independence and they recommended that Quality of SHGs can be improved only if attention is shifted from merely increasing their number and to enriching financial literacy.

**V.Ramanujam & G.Arivazhagan (2011)**, In their study they included Bank literacy as one of the key variable in predicting the financial literacy of a person and they found that bank literacy can be determined by three factors namely awareness and literacy on general banking aspects, awareness and literacy on various bank products, awareness and literacy on using banking services with its underlying indicator variables.

**Methodology** - Research is a systematic way to solve or achieve the problem.

**Data collection:** Primary data collection has been adopted and distributed questionnaire to the respondents from women SHG through survey method.

**Sampling Framework:** The sampling frame consists of 10 SHGs in Thiruvallur district.

**Sample Size:** the numbers of samples are 100 and the respondents for the study are women from the SHGs in Thiruvallur district.

### V. ANALYSIS AND DISCUSSION

Test No. 1 Table Showing Age of the Respondents

Age of the Respondents	Number of Respondents	Percentage Respondents
Below 25	0	-
25-30 years	5	5%
30-35years	10	10%

**International Journal of Innovative Research in Science, Engineering and Technology**

An ISO 3297: 2007 Certified Organization

Volume 7, Special Issue 5, April 2018

1<sup>st</sup> International Conference on Recent Innovation in Civil Engineering and Management (ICRICEM '18)

22<sup>nd</sup> March 2018

Organized by

Department of Civil Engineering & MBA, Loyola Institute of Technology, Chennai, Tamilnadu, India

35 – 40 years	25	25%
Above 40 years	60	60%
<b>Total</b>	<b>100</b>	<b>100</b>

From the above table it is found that 60% of the respondents were in the age of above 40 years.

**Test No .2 Table showing Education of the Respondents**

Education of the Respondents	Number of Respondents	Percentage Respondents
Illiterate	30	30%
Primary	40	40%
Secondary	25	25%
Intermediate	5	5%
Graduate & Others	0	-
<b>Total</b>	<b>100</b>	<b>100</b>

From the table it shows that 40% of the respondents were from primary schooling. It proves the lack of education among the respondents at rural level.

**Test no. 3 Table Showing Marital Status of the Respondents**

Marital Status of the Respondents	Number of Respondents	Percentage Respondents
Married	100	100%
Unmarried	-	-
Widow	-	-
Separated/Divorce	-	-
<b>Total</b>	<b>100</b>	<b>100</b>

From the above table it shows 100% of the respondents were married.

**International Journal of Innovative Research in Science, Engineering and Technology**

An ISO 3297: 2007 Certified Organization

Volume 7, Special Issue 5, April 2018

1<sup>st</sup> International Conference on Recent Innovation in Civil Engineering and Management (ICRICEM '18)

22<sup>nd</sup> March 2018

Organized by

Department of Civil Engineering & MBA, Loyola Institute of Technology, Chennai, Tamilnadu, India

**Table no.4 Table showing the responses of the SHG Members**

Sl.No	Statements	Before Joining the SHG		After Joining the SHG	
		Yes	No	Yes	No
1	You were able to plan for monthly income of your family	20%	80%	100%	0
2	You were able to track your monthly family expenditure	40%	60%	100%	0
3	You were able to prepare family budgets	40%	60%	100%	0
4	You were able to make financial decision in your family	40%	60%	100%	0
5	You were able to plan your savings	40%	60%	100%	0
6	You were able to know the procedure for obtaining loan from bank	25%	75%	100%	0
7	You were able to know the level of interest rate prevailing in the bank	25%	75%	100%	0
8	You were able to make a plan to pay off debt	30%	70%	100%	0
9	You were able to maintain bank account	20%	80%	100%	0
10	You were able to involve in bank transactions	20%	80%	100%	0
11	You were able to use ATM cards	0	100%	70%	30%
12	You were able to invest in insurance policies	0	100%	90%	10%
13	You were able to use banking services	0	100%	80%	20%
14	You were able to make a plan for contingencies	0	100%	90%	10%
15	You were able to make a plan for social security	0	100%	90%	10%

**International Journal of Innovative Research in Science, Engineering and Technology**

*An ISO 3297: 2007 Certified Organization*

*Volume 7, Special Issue 5, April 2018*

**1<sup>st</sup> International Conference on Recent Innovation in Civil Engineering and Management (ICRICEM '18)**

**22<sup>nd</sup> March 2018**

**Organized by**

**Department of Civil Engineering & MBA, Loyola Institute of Technology, Chennai, Tamilnadu, India**

**Note: Number of respondents are 100.**

**Source: Author own calculation through primary data.**

The above noted 15 questions are consisted in a questionnaire with the aim of knowing the level of financial literacy of the 100 women before and after joining SHGs in the study area. 80% of the women were not able to plan for the monthly income of the family before joining the group, but after joining all the women have the plan for their monthly income besides 60% of the women were not able to track monthly expenditure, preparing family budgets, making financial decision and planning for savings but once they joined all the members were able to track family expenditures, family budgets, making financial decisions and plan for savings. through this data collection it is found that, 75% of the respondents were not knowing the procedure for getting loan and the level of interest rate in the bank, but after joining the group 100% of the respondents were knows the procedure and interest rate in the bank. 70% of the women were not able to plan for paying debts, 80% of the respondents were not able to maintain bank accounts and banking transactions before joining the group but after joining the group 100 % of the respondents were able to plan for paying debts, maintain bank account and involve banking transactions. From the data collection It is found that 100% of the respondents were not using ATM card, invest in insurance policies, banking services, not planning for contingencies and social services but after joining the group 70% of the respondents they were improved in terms of using ATM card, 90% of the respondents were able to invest in insurance policies, plan for contingencies and social security and 80% of the respondents were using the banking services after joining the group.

## VI. CONCLUSION

From the analysis most of the respondents were in the age of above 40 years and all are married and their education background is primary schooling. From this it is found that lack of education is one of the reasons for lack of financial literacy among the women, for bridging the gap self-help group is the right mechanism to empower them economically as well as financially and to build gender equality. Finally it is concluded that Self Help Groups playing major key role for financial literacy and financial empowerment of the women and their up liftment in the society.

## REFERENCES

1. Dr. Pradipta Banerjee & Kalachand Sain (2016) A Case Study on Women Empowerment and Financial Literacy through SHGs, International Journal of Research in Economics and Social Sciences (IJRESS), ISSN(o): 2249-7382.
2. V.Ramanujam & G.Arivazhagan (2011) Factors Determining Bank Literacy Among The Members Of Self Help Group Bank Linkage Model In Coimbatore District, International Journal Of Management Research And Review.
3. Heena K. Bijli (2012) Financial Literacy: An Essential Tool for Empowerment of Women through Micro-finance Stud Home Com Sci, 6(2): 77-85 (2012).
4. Mrs. Eli kumari Das & Ms. Dharitri Baishya (2015) Role of Self-Help Groups in Empowering Rural Women, IOSR Journal of Economics and Finance (IOSR-JEF) e-ISSN: 2321-5933, p-ISSN: 2321-5925. Volume 6.
5. Dr. N. M. Makandar & Mr. I. K. Mulla (2013) Self Help Groups: A Tool For Inclusive Growth Excellence International Journal Of Education And Research Volume 1 Issue 3 Issn 2322-0147
6. Websites: Directorate of Town Panchayats