

# THE ROLE AND AFFIRMATION OF THE WORKING WOMEN OF BIJNOR REGION IN FINANCIAL LITERACY ON ECONOMIC EMPOWERMENT : AN EMPIRICAL STUDY

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## ABSTRACT

*Bijnor leads the high score in terms of female literacy with a rate of 63.91 per cent in Uttar Pradesh. Women in Bijnor enjoy greater accessibility to formal sector jobs due to improved access in educational attainment. Working women are considered to be financially literate with positive financial attitude. But however, while establishing a firm foothold in literacy and social status, women in Bijnor seem yet to identify their role and participation in financial decision making and management. Financial literacy and proper financial attitude are essential tools for attaining financial wellbeing and Economic empowerment. The present study conducted among working women of Bijnor, examines whether women while attaining basic literacy and being placed in occupations with large salary, exhibit the rationality and intelligence in optimally managing money and finances in day-to-day affairs.*

**Key words:** *Financial Literacy, Economic Empowerment, Working Women.*

## INTRODUCTION

Financial literacy is the most crucial boulevard to reach economic empowerment. It embrace the knowledge and skills that one need to “discern financial choices, discuss money and financial issues without discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions” (Vitt et al. 2000). Women show consistently low levels of financial literacy. Women are at risk of experiencing situations that leave them in worse financial shape (DeVaney et al. 1996). For example, women outlive men, but earn less, save less, drop in and out of employment, and suffer more financially from divorce than men (DeVaney et al. 1996; Schmidt and Sevak 2006). Studies indicate that women, with low income, felt trapped even in their marital relationships. It is particularly striking that financial literacy levels seem to be low among young women who are well educated and contribute as economic agents to the society. Though having reached elite designations with fat pay, they are found less likely to answer simple financial knowledge questions correctly, and exhibit low confidence and stress in dealing with money matters.

## NEED AND SIGNIFICANCE

As far as a woman is concerned in the present world, economic security is a key component of economic opportunity. It is the way in which women adapt to the changing world and workforce, which determine, how they would improve their stability and generations ahead. Women at the higher educational levels, working women especially in the organised sector, are the immediate pool of intellectual human resources which adds to the total workforce of the economy. (Akshita, 2016).

When such a women backed up by potent education grow to be financially literate, it helps them equip the ability to make financial decisions and identify the best use of the economic opportunities not only in running their families in a disciplined manner, but also in helping them to gain empowerment.(Garima 2017).

Thus the present study was conducted to examine the status of Financial Literacy on the Economic Empowerment of Working Women of Bijnor, the good literate state within Uttar Pradesh with a view to understand whether women while attaining basic literacy and being placed in occupations with large salary, exhibit the rationality and intelligence in optimally managing money and finances in day-to-day affairs.

## OPERATIONAL DEFINITION

The key terms of the study have been operationally defined:

- **Financial Literacy:** is the ability to use knowledge and skills to manage financial resources effectively for a life time. In the present study financial literacy is examined combining financial knowledge and economic empowerment of working women in the organised sector.
- **Economic Empowerment:** Combination of Working Women's knowledge of makets, rationality, economic independence, opportunities and confidence to reach their financial wellbeing.
- **Working women-**College teachers, Doctors, Banking Professionals, Lawyers, Engineers, Government employees, permanently employed in with not less than three years of work experience.

## OBJECTIVES

1. To examine the determinants of Monthly Savings of Working Women.
2. To assess the Economic Empowerment Index (EEI) of Working Women
3. To understand Financial Crisis Management of Working Women.

4. To examine the Correlation between Economic Empowerment and Financial Literacy of Working Women.

## HYPOTHESIS

- **H<sub>0</sub>:** The Working Women of Bijnor have attained Economic Empowerment.
- **H<sub>1</sub>:** There is strong correlation between Economic Empowerment and Financial Literacy among Working Women of Bijnor.

## METHODOLOGY

The present study was undertaken among Working Women in the organised sector in order to probe into the question as to why educated women in Bijnor refrain from being financially literate and economically empowered.

In order to conduct the study, a Multi stage sampling design was adopted for the selection of samples. In the first stage, Bijnor was selected as the state to be studied among the Uttar Pradesh, since Bijnor is the only state where women outnumber men, with a sex ratio of 1050(Census 2011 report) not only, in population but also in unemployment among the educated.

In the second stage, Bijnor was divided into three major cities which represents the South, Central and North Bijnor respectively. In the third stage, 100 working women each, who engage in various occupations such as College teachers, Doctors, Banking Professionals, Lawyers, Engineers, Government employees permanently employed with not less than three years of work experience were randomly selected giving a total sample of 300 working women.

Primary data was gathered by administering questionnaires to the working women of 3 selected regions. Direct observation and telephonic interviews were also used. Secondary data was gathered using published journals, magazines and books. Statistical tools like Multiple Regression Analysis, Economic Empowerment Index, Correlation and simple graphs were applied to satisfy the objectives considered.

## RESULTS AND FINDINGS

The results pertaining to the study are discussed as follows –

### a) Determinants of Monthly Savings of Working Women

Multiple Regression Analysis was applied in order to examine the determinants of Monthly Savings of Working Women.

**Table 1: Multiple Regression Analysis Dependent variable: Monthly Savings (Rs) Heteroskedasticity-robust standard errors, variant HCl**

Repressors	Coefficient	Std. Error	t-ratio	p-value
(Const)	53.9909	59.6438	0.9052	0.36572
D-district	29.721	19.1746	1.5500	0.12167
Age	-0.860025	0.956384	-0.8992	0.36889
D-Caste	-12.9851	17.3949	-0.7465	0.45567
D- Family Pattern	-0.791757	13.8146	-0.0573	0.95432
D-Financial literacy	-4.25385	21.5077	-0.1978	0.84328
D- Occupational Status	12.3678	12.2345	1.0109	0.31248
D-Financial decision making	5.16892	2.471	2.0918	0.03688**
Monthly Expenditure	1.24813	0.0277425	44.9899	<0.00001***

Table 1 show that the regression coefficients of the predictor variables namely financial decision making and Monthly expenditure have significant effect on the monthly savings of the respondents of Bijnor at high level of significance.

Mean dependent var	984.3400	S.D. dependent var	760.4871
Sum squared resid	24017034	S.E. of regression	201.5886
R-squared	0.930672	Adjusted R-squared	0.929734
F(8, 591)	287.2202	P-value(F)	5.1e-198
Log-likelihood	-4030.566	Akaike criterion	8079.133
Schwarz criterion	8118.705	Hannan-Quinn	8094.538

The rest of the variables like Age, caste, financial literacy, Family pattern, and Occupational status are not found to have significant effect on the monthly savings of the respondents. The R-squared value gives the goodness of fit of the model and the value being 0.930 indicates that 93.0 percent of variation in the income is influenced by the combined effect of all the independent variables.

## b) Economic Empowerment Index of Working Women

**H<sub>0</sub>:** The Working Women of Bijnor have attained Economic Empowerment.

In order to understand the Status of Financial Literacy on Economic Empowerment of Working Women, the Economic Empowerment Index (EEI) was constructed as an average of standardised seven indicators of economic empowerment. (Hema, 2015) The empowerment framework adopted in the present study is shown in the Table 2.

**Table 2 - Matrix for analysing Economic Empowerment**

Nature of Empowerment	Statements(7)
Economic Empowerment	<ul style="list-style-type: none"> <li>• I gained financial independence to use my salary/debit/credit cards for my personal wellbeing without seeking prior permission from spouse or any other family member</li> <li>• I have access, mobility and better awareness of markets</li> <li>• I have made productive investments</li> <li>• I have representation in major economic decision making</li> </ul>

	<ul style="list-style-type: none"> <li>• I have equal opportunity to gain positions of economic power</li> <li>• I have money left over at the end of the month</li> <li>• I am securing my financial future in a rational way.</li> </ul>
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The respondents were asked to rank the seven statements on a five point scale with a maximum score of 5 for strongly agreed and 1 for strongly disagreed. The score was standardised by using the following formula:

$$Z_i = \frac{X_i - \text{Min}X_i}{\text{Max}X_i - \text{Min}X_i}$$

The standardised score was added to arrive at the score of the indicators. Economic Empowerment Index was arrived by taking the average of the scores of each indicator. Based on the overall score, the working women were classified in to the following category of empowerment as shown in Table3.

**Table3: Cut off principle for Economic Empowerment Index (EEI)**

Score	Remarks
Up to 2	Not empowered
2.1-3	Partially empowered
3.1-4.0	Empowered
4.1 and above	Fully empowered

Similarly the Economic Empowered was measured among the Working Women of the three major districts of Bijnor, which are Trivandrum, Cochin ad Calicut. The results of the index and the status of economic empowerment are as represented in Table 4.

**Table 4: Cutoff principle for classification of Working Women of Bijnor**

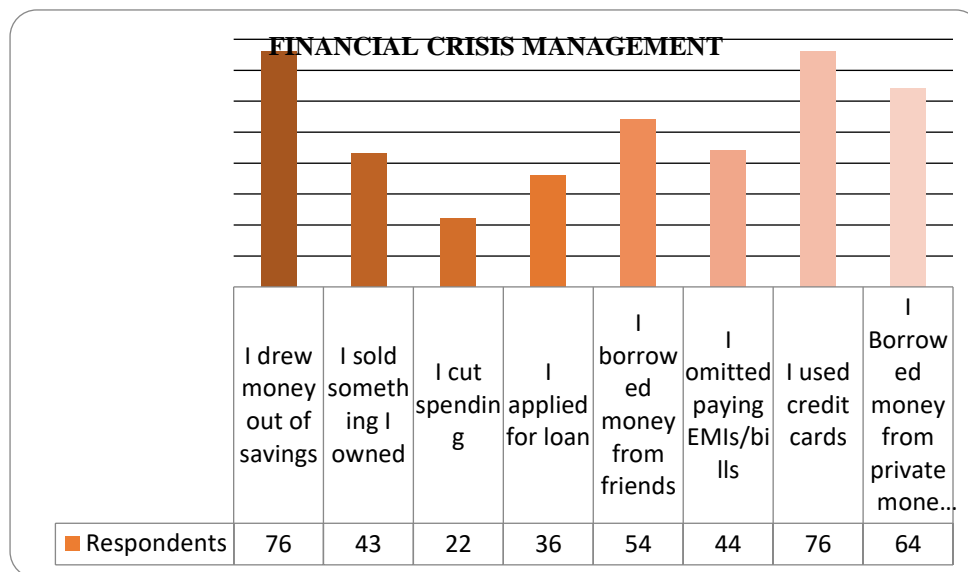
District	Respondents	Score	Remarks
South Bijnor	100	2.22	Partially empowered
Central Bijnor	100	2.50	Partially empowered
North Bijnor	100	2.60	Partially empowered
Total	300	2.44	Partially empowered

Source: Primary data survey.

The results displayed in Table 4 indicates that irrespective of the districts, the working women of Bijnor lies on the average score of 2.44, which would mean that they have only achieved partial empowerment.

Hence we reject the null hypothesis. The Working Women of Bijnor have not been able to achieve Economic Empowerment.

**c) Financial Crisis Management of Working Women**



**Fig 1 - Financial Crisis Management of Working Women**

Source: Primary data survey

The respondents were asked as to how they would manage their money at times of financial shortage or crises. However, Figure 1 exhibits eight ways in which their money would be managed. 76 percent each of the working women state that they would draw money out of their savings and also would prefer to use credit cards. Perceiving their behaviour in terms of rationality, both the management mechanisms found to bring about temporary relief but would certainly push them towards future debt traps. However, women are not much found to cut their spending (22 percent) so that they could save couple of money in their hands. It is also shown that 64 percent of the working women prefer to borrow money from private money lenders at high rates of interest. Borrowing from friends (54 percent) would definitely relieve them from multiplication of interest rates. Omission of paying bills and EMIs (44 percent), selling assets in their own name (43 percent) are also tertiary resorts which women sought to.

**d) Correlation between Economic Empowerment and Financial Literacy**

**H<sub>0</sub>:** There is strong correlation between Economic Empowerment and Financial Literacy among Working Women of Bijnor.

Correlation			
		Economic Empowerment	Financial Literacy
Economic Empowerment	Pearson Correlation	1	.080
	Sig. (2-tailed)		.075
	N	300	300
Financial Literacy	Pearson Correlation	.080	1
	Sig. (2-tailed)	.075	

	N	300	300
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A Pearson product-moment correlation was run to determine the relationship between Economic Empowerment and Financial Literacy of Working Women of Bijnor. The results as shown in Table exhibit a weak, negative correlation between Financial Literacy and Economic Empowerment of Working Women ( $r=.080$ ,  $n=300$ ,  $p=.075$ ). Hence the null hypothesis stands rejected. A strong relation between Economic Empowerment and Financial Literacy is yet to be established among Working Women.

## CONCLUSION

The study on the Status of Financial Literacy on Economic Empowerment of Working Women of Bijnor reflects and highlights the fallacy behind the belief that educated women especially in the organised sector are 'Rationally Informed' players in the economy. Even though hailing from the literate state of India, Bijnor, in terms of financial literacy, such women are still found to remain at the backyard. Being economically empowered is still a dream that they strive to achieve. "Even being educationally and occupationally empowered, we are not free from the tangles of a male dominant society, where our men still consider us, 'worthless' and not meant to be financial empowered and outgoing. We are even mentally far behind the women at the lower strata of the society. They have lot more opportunities to become self reliant free of egos. Our pangs are still unheard." (Revelations from unstructured interviews). Thus the study concludes that the policy initiators should ensure financial literacy not only to the downtrodden in our society, but also make certain, that the benefits of such empowerment programmes are reaped by all women, irrespective of class, caste or creed.

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