Peer Reviewed Refereed Journal ISSN : 2278 – 5639
Global Online Electronic International Interdisciplinary Research Journal (GOEIIRJ)
{Bi-Monthly} Volume – XIV Issue – I January – February 2025

COMPARATIVE EMPIRICAL ANALYSIS OF LEVEL OF FINANCIAL LITERACY AND ITS DETERMINANTS BETWEEN DIFFERENT ZONES OF HARYANA

Poonam
Assistant Professor,
Dept. of Economics,
Mahila Mahavidyalaya, Jhojhu Kalan, Haryana

ABSTRACT

Financial goods as investment options have grown significantly as a result of the liberalization, privatization, and globalization policies that led to the post-industrial policy expansion of financial markets and the development and growth of the Indian economy. Financial literacy is now required at all levels of the nation due to the growing complexity and variety of financial products, the transfer of social security from the government to individuals, and the growing significance of retirement planning. This is because a lack of financial literacy makes it difficult for people to make wise financial decisions and, as a result, makes them incapable of choosing the best investment option to combat the economy's high rate of inflation. The capacity to comprehend and use a variety of financial abilities, such as budgeting, investing, and personal financial management, is known as financial literacy. In order to attain financial security, it assists people in becoming self-sufficient. Being financially literate includes knowing the time worth of money, managing debt effectively, calculating interest correctly, and effectively budgeting one's finances. Understanding the budget, keeping track of expenditures, efficiently paying off debt, and making appropriate retirement plans are the fundamentals of financial literacy. Possessing the abilities and information necessary to make wise financial decisions with all of one's financial resources is known as financial literacy. People may navigate the financial system by having a basic understanding of financial principles. Individuals who have the proper financial literacy training manage their money and make wiser financial decisions than those who do not. Through several ongoing initiatives, empirical research, publications, etc., policymakers and academicians from around the world have emphasized the significance of financial literacy as a fundamental ability required for players working in a complex financial landscape. Increased market participants' financial literacy contributes to a financial market's

ability to mobilize and allocate savings more effectively and efficiently, which is its main purpose. The efficiency of financial intermediation is improved by the presence of more financially educated investors and borrowers, who are better able to comprehend risk pooling and risk sharing opportunities. A key predictor of an economy's potential for growth and development is the degree of financial literacy in that sector. A step toward financial literacy is also a step toward raising living standards, decreasing poverty, and bolstering economic stability. This study focuses on financial literacy metrics and demonstrates how they relate to influencing factors, such as the social and demographic characteristics of different zones of Haryana resident. For this particular study three zones are selected from Haryana i.e. North Zone, South Zone and NCR Zone.

Keywords: Social and demographic factors, financial literacy, testing hypotheses and financial expertise.

1.1 Introduction:

"One of the Indian Government's top priorities at the moment is financial inclusion," according to the RBI report released in 2014. Additionally, financial literacy is a weapon that may be used in the process of financial inclusion to assist combat exploitative financial schemes and the excessive interest rates that moneylenders demand in society and each individual. It has also become increasingly challenging for people to make educated decisions due to the growing complexity of items and the abundance of options. Undoubtedly, financial literacy will foster self-assurance, build a knowledge base, and aid in the acquisition of skills necessary for managing financial services and products. They will be able to exert influence over their current and future circumstances as a result. It is accurate to say that both rich and emerging countries need financial literacy equally. However, the focus and level of effort put into financial literacy programs would differ for the target audience in rich and developing nations. For instance, access to financial products and services is not difficult in developed countries because they are widely available; therefore, consumers or market participants only need to be educated about the features of financial products and the risks and returns connected to these financial goods and services. However, fundamental access to financial goods and services presents a number of challenges in emerging countries. Therefore, we may conclude that financial literacy is necessary at all economic levels.

1.2 Financial literacy for all Demographic Groupings:

Financial literacy is a must for everyone involved in the financial system. It includes the

economically disadvantaged and resource-poor, middle-class and lower-class people, high-value persons, service providers, and policymakers and regulators.

People with little Financial Resources

Financially excluded and resource deprived individuals operate on the margins and are more susceptible due to ongoing financial strain. They find it difficult to handle home finances because of limited resources and difficult situations. Therefore, efforts to increase financial literacy for this group should concentrate on teaching them about the advantages of being a part of the financial system, such as managing short-term income fluctuations and meeting emergencies without getting caught in the vicious cycle of debt and interest.

Income levels in the Middle and Lower Middle classes

This demographic, who may be referred to as financially included, often engages in the financial system by borrowing, saving, or both. Financial literacy initiatives should be directed towards improving their understanding of the market and new goods and services. For instance, a greater portion of this group has a bank account, but since they lack awareness of the capital market, they do not actively participate in it. Therefore, efforts to promote financial literacy should concentrate more on teaching capital market functional knowledge and the understanding that stock markets offer better and greater returns over an extended period of time than alternative investment options.

Group of High-Income Individuals

Although this group is already familiar with how the financial system operates, the focus of financial literacy initiatives should be on giving them the most recent information about cutting-edge goods and services. This group's ability to access financial markets more effectively and efficiently would be aided by their understanding of recent market events. Additionally, having this information would enable individuals to access affordable loan choices and obtain greater returns from their investments.

Banks and other Financial Entities

The risk and return structure of the financial market should also be thoroughly understood by banks and other financial institutions. It entails knowing and being conscious of the risk involved in the financial goods and services that the providers offer to their clients as well as the risk involved in doing business with them. By evaluating the intrinsic complexity of the product, this information will assist them in making informed decisions about whether financial product and service promotion models are more and less dangerous. Additionally, it will assist in offering financial services and solutions that are tailored to their clientele.

Opinion and Policy Makers

Financial literacy is of utmost importance to this section of people so that they can better understand the needs of the general public. It will help them to provide a conducive environment which will bring harmony in all section of people and thus helps in national goal attainment. This approach would certainly ensure the optimum utilization of the physical and financial resources of the nation.The process of learning about financial goods, understanding the notion of risk and return trade-offs, applying that information to make wise decisions among options, and respecting the expertise of experts in the field are all components of financial literacy.

According to this perspective, financial literacy is the most crucial component of any financial system, emphasizing increased openness, consumer protection laws, and the supervision of financial institutions.

1.3 The respondents' Demographics and Social Standing:

The recorded research done outside of India and in various Indian states makes it clear that a person's choice for household saving and investing is associated with socioeconomic and demographic parameters. The demographic and social characteristics of the survey participants have been examined in this area of the researcher's study. Age groups, gender, educational background, monthly income, occupation, family life cycle stage, type of workplace activity, number of times respondents shop around or inquire while investing, number of years of investment experience and risk type are among the data gathered from the respondents as required by the research instrument.

1.3.1 Area wise geographical distribution of Respondents

The geographical distribution of the respondents are as follows:

Table 1.1 Area wise Geographical Distribution of Respondents

Sr. No.	Geographical Area	No. of Respondents	Percentage
1.	North Haryana	100	33.3
2.	South Haryana	100	33.3
3.	NCR	100	33.3
Total		300	100

1.3.2 Gender of the Respondents

One of the key factors in a particular Indian social context that is always impacted by social or economic events is gender. Because gender influences financial decisions as well, the variable is examined for the study. Table 1.2 displays the respondents' gender-related statistics.

Table 1.2 Gender of the Respondents

Sr. No.	Gender	No. of Respondents	Percentage
1.	Male	166	55.3
2.	Female	134	44.7
Total		300	100

The distribution of respondents by gender is displayed in the above table. Of the 300 people who participated in the study, 44.7 percent are female and 55.3 percent are male.

1.3.3 Age of the Respondents

The respondents' age is one of the most crucial factors in determining how they feel about the specific issues.Age often indicates a person's level of maturity and financial literacy. Age is therefore crucial when analyzing the data. Table 1.3 provides information about the respondents' ages.

Table 1.3 Age of the Respondents

Sr. No.	Age Groups (Years)	No. of Respondents	Percentage
1.	25-30	34	11.3
2.	31-35	30	10
3.	36-40	70	23.4
4.	41-45	94	31.3
5.	46-50	48	16
6.	51-55	10	3.3
7.	Above 56 years	14	4.7
Total		300	100

The table above describes the respondents' age distribution. 11.3% of the respondents are between the ages of 25-30, according to the data. Subsequently, 10% are between the ages of 31-35 and 23.4% of respondents are between the ages of 36-40. Furthermore,31.3% of the sample population is between the ages of 41-45, 16% of respondents are between the ages of 46-50, 3.3 percent are between the ages of 51-55, and the remaining 4.7 percent of sample participants are beyond 56 years.

1.3.4 Educational Qualifications of the Respondents

Another crucial factor that may influence a person's perspective and comprehension of any given social or financial phenomenon is their level of education. Knowing the respondents'

educational backgrounds is crucial since, in one sense, an individual's reaction is likely to be influenced by his or her position and educational background. Table 1.4 displays the educational credentials data.

Table 1.4 Educational Qualifications of the Respondents

Sr. No.	Educational Qualifications	No. of Respondents	Percentage
1.	Primary	3	1
2.	Secondary	3	1
3.	Senior Secondary	8	2.7
4.	Diploma / Technical Education	7	2.3
5.	Under Graduation	55	18.3
6.	Post Graduation	101	33.7
7.	Doctorate	123	41
Total		300	100

The table above displays the poll respondents' educational backgrounds. The survey found that one percent has completed their primary education, one percent has completed their secondary education, 2.7 percent have completed their senior secondary education, and 2.3 percent have completed their diploma or technical education. Furthermore, 18.3 percent of the 300 respondents are undergraduates, 33.7 percent of the respondents hold a postgraduate degree, while the remaining 41 percent have a doctorate degree.

1.3.5 Occupation of the Respondents

An individual's personality and information-gathering source are influenced by their occupation. The employment of a person and the resulting money also influence the quality of their life. Because a person's employment also influences their socialization style, which in turn influences their behavior, the researcher looks at a variety of occupations. The occupation data is displayed in Table 1.5.

Table 1.5 Occupation of the Respondents

Sr. No.	Occupation Name	No. of Respondents	Percentage
1.	Full Time Salaried	199	66.4
2.	Part Time Salaried	67	22.3
3.	Self Employed / Business	15	5
4.	Households	1	0.3

5.	Professional	4	1.3
6.	Unemployed	1	0.3
7.	Retired	13	4.4
Total		300	100

The table above displays the occupation of the respondents. According to the statistics above, 66.4 percent of the respondents are full-time paid employees, and 22.3 percent are part-time salaried employees. Furthermore, 5 percent of respondents work for themselves or run their own business, and 0.3 percent of respondents are householders. Similarly, 4.4 percent of respondents are retired, 1.3 percent are professionals, and 0.3 percent are unemployed.

1.3.6 Monthly Income of the Respondents

An individual's income significantly influences and determines their economic circumstances. As a result, the researcher tried to look at income as a variable in the study. Table 1.6 displays the data pertaining to respondents' income.

Table 1.6 Monthly Income Range of the Respondents

Sr. No.	Monthly Income	No. of Respondents	Percentage
1.	Up to Rs 10000	4	1.3
2.	Rs 10001 to Rs 20000	20	6.7
3.	Rs 20001 to Rs 30000	49	16.3
4.	Rs 30001 to Rs 40000	27	9
5.	Rs 40001 to Rs 50000	21	7
6.	Rs 50001 and Above	179	59.7
Total		300	100

The aforementioned statistics indicates that 1.3 percent of the 300 survey respondents earn up to Rs. 100,000 every month. The next percentages of respondents are 6.7 percent who earn between Rs. 10001-20000 and 16.3 percent who earn between Rs. 20001-30000. Furthermore, 59.7 percent of respondents earn more than Rs. 50,000 per month, 9 percent earn between Rs. 30001 to Rs. 40,000 per month, and 7 percent earn between Rs. 40001 to Rs. 50,000 per month.

1.3.7 Life cycle stage of the family of Respondents

From the perspective of understanding their spending habits and demands, which in turn influence their saving and investing, the respondents' family life cycle stage is crucial. Therefore, a

family's life cycle stage in and of itself influences how an individual responds.

Table 1.7 Life Cycle Stage of Family of the Respondents

Sr. No.	Stage of Life	No. of Respondents	Percentage
1.	Single	33	11
2.	Married without Child	21	7
3.	Married with dependent child	205	68.4
4.	Married with independent child	40	13.3
5.	Older married living separately from spouse / children	1	0.3
Total		300	100

11percent of respondents are single, 7 percent are married but have no children, and 68.4 percent are married but have dependent children—that is, children who are still young—as shown in table 1.7 above. Similarly, 13.3 percent of respondents are married with independent children, while the remaining 0.3 percent are elderly individuals living apart from their spouse or children.

1.3.8 Workplace Activity of the Respondents

Studying respondents' job activities is crucial since their work environment does influence their thought and behavior patterns.

Table 1.8 Workplace Activity of the Respondents

Sr. No.	Workplace Activity	No. of Respondents	Percentage
1.	Finance Related Work Activity	9	3
2.	Non-Finance work Activity	291	97
Total		300	100

The aforementioned table indicates that whereas 3 percent of respondents work for financial companies (banks, chartered accountants, certified financial planners, mutual funds, insurance companies, investment companies, or any other financial institution), 97 percent of respondents work for non-financial companies.

1.3.9 Number of Times Individuals shop around/make enquiry before Investment

To understand how much effort people put out to get information linked to their financial decisions, it is imperative that this variable be studied.

Table 1.9 Number of Times Individuals Shop Around / make enquiry before investment

Sr. No.	No. of Times	No. of Respondents	Percentage
1.	0	5	1.67
2.	1-3	176	58.67
3.	4-6	107	35.66
4.	More than 6	12	4
Total		500	100

The accompanying table shows how many times respondents looked around or asked questions while converting savings into investments. Out of this group, 1.67 percent do not shop around, 58.67 percent shop one to three times, 35.66 percent explore four to six times, and the remaining 4 percent shop more than six times.

1.3.10 Number of Years of Investment Experience of the Respondents

An individual with years of experience is undoubtedly smarter in terms of improved analysis and a wider viewpoint. In a similar vein, it aids in determining if investing experience truly influences the adoption of superior alternatives.

Table 1.10 Number of Years of Investment Experience of the Respondents

Sr. No.	**Years of Investment Experience**	**No. of Respondents**	**Percentage**
1.	Less than 1	16	5.3
2.	1-5	148	49.3
3.	6-10	104	34.7
4.	More than 10	32	10.7
Total		300	100

The above table shows the amount of years of investment experience. 49.3 percent of the respondents had one to five years of experience in investing, while 5.3% had less than a year. Furthermore, 10.7% of respondents have more than 10 years of expertise, and 34.7% have six to ten years of experience in investments.

1.4 Cross Tabulation and Statistical Tests

Cross tabulation is used in this section to analyze two variables simultaneously. Hypothesis testing is also covered in this section.

Relationship between explainable factors and financial literacy

A number of explainable variables, such as age groups, gender, education, monthly income,

occupation, family life cycle stage, type of workplace activity, number of times the respondent shops around or inquires while investing, number of years of investment experience, level of financial literacy, and risk tolerance level, are examined using the Chi-Square test to see if there is a significant correlation. Understanding the link between two variables is made feasible by the chi-square test. Use the Chi-square test to determine if categorical data shows dependency or whether the two groups are independent. Using categories can also help prepare comparisons between actual data and the theoretical population. The Chi-square test may therefore be used to a variety of problems. In essence, this test is a technique that enables any researcher to:

a) Test the goodness of fit

b) Test the importance of association between two attributes.

1.4.1 Associationbetween individual's Gender and their Financial Literacy Level

Table 1.11 Cross Tabulation of Individual's Gender and their Financial Literacy Level

Financial Literacy Level	Respondent's Gender (North)		Total
	Male	Female	
High	35 (70%)	38 (76%)	73 (73%)
Low	15 (30%)	12 (24%)	27 (27%)
Total	50 (100%)	50 (100%)	100 (100%)

Table 1.12 Chi-Square Test

	Value	Degree of Freedom	p-Value
Person's Chi-Square Test	0.46	1	0.49
No. of Valid Cases	100		

Table 1.13 Cross Tabulation of Individual's Gender and their Financial Literacy Level

Financial Literacy Level	Respondent's Gender (South)		Total
	Male	Female	
High	15 (30%)	14 (28%)	29 (29%)
Low	35 (70%)	36 (72%)	71 (71%)
Total	50 (100%)	50 (100%)	100 (100%)

Table 1.14 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	0.05	1	0.82
No. of Valid Cases	100		

Table 1.15 Cross Tabulation of Individual's Gender and their Financial Literacy Level

Financial Literacy Level	Respondent's Gender (NCR)		Total
	Male	Female	
High	53 (80.3%)	28 (82.4%)	81 (81%)
Low	13 (19.7%)	6 (17.6%)	19 (19%)
Total	66 (100%)	34 (100%)	100 (100%)

Table 1.16 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	0.06	1	0.80
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.11,1.13 and 1.15.

H0: There is no significant association between individuals' gender and their financial literacy level.

H1: There is a significant association between individuals' gender and their financial literacy level.

The Chi-square test vis shown in table 1.12, 1.14 and 1.16. The test is conducted at 5% level of significance with degree of freedom 1. We can see in all the three tables that p-value is greater than 0.05. Thus, null hypothesesis accepted and therefore it is found that there is no significant association between individuals' gender and their financial literacy level. It shows that there is no gender discrimination in three zones of Haryana when it comes to financial literacy. Both male and female have equal access of financial literacy.

1.4.2 Association between individuals' Age and their Financial Literacy Level

Table 1.17 Cross Tabulation of Individual's Age and their Financial Literacy Level

Financial Literacy Level	Respondent's Age Groups (North)							Total
	25-30	31-35	36-40	41-45	46-50	51-55	56 Years and Above	
Low	4	1	5	12	4	1	0	27
High	0	0	7	49	12	4	1	73
Total	4	1	12	61	16	5	1	100

Table 1.18 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	17.01	6	0.009
No. of Valid Cases	100		

Table 1.19 Cross Tabulation of Individual's Age and their Financial Literacy Level

Financial Literacy Level	Respondent's Age Groups (South)							Total
	25-30	31-35	36-40	41-45	46-50	51-55	56 Years and Above	
Low	8	7	19	6	15	4	12	71
High	12	3	3	3	8	0	0	29
Total	20	10	22	9	23	4	12	100

Table 1.20 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	18.85	6	0.004
No. of Valid Cases	100		

Table 1.21 Cross Tabulation of Individual's Age and their Financial Literacy Level

Financial Literacy Level	Respondent's Age Groups (NCR)							Total
	25-30	31-35	36-40	41-45	46-50	51-55	56 Years and Above	
Low	0	2	9	5	2	0	1	19
High	10	17	27	19	7	1	0	81
Total	10	19	36	24	9	1	1	100

Table 1.22 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	8.68	6	0.19
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.17, 1.19 and 1.21.

H0: There is no significant association between individuals' age and their financial literacy level.

H1: There is a significant association between individuals' age and their financial literacy level.

The Chi-square test vis shown in table 1.18, 1.20 and 1.22. The test is conducted at 5% level of significance with degree of freedom 6. We can see in North and South zones of Haryana p-value is less than 0.05.Thus, null hypotheses is rejected and therefore it is found that there is a significant association between individuals' age and their financial literacy level. But in case of NCR zone of Haryana p-value is greater than 0.05, therefore null hypotheses is accepted. Hence there is no significant association between individuals' age and their financial literacy level.

1.4.3 Association between individuals'Educational Qualifications and their Financial Literacy Level

Table 1.23 Cross Tabulation of Individual's Educational Qualifications and their Financial Literacy Level.

	Responders' Educational Qualification (North)							
Financial Literacy Level	Primary	Secondary	Senior Secondary	Diploma / Technical Education	Under Graduate	Post Graduate	Doctorate	Total
Low	1	0	1	2	2	3	18	27
High	0	0	1	1	0	6	65	73
Total	1	0	2	3	2	9	83	100

Table 1.24 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	12.41	6	0.05
No. of Valid Cases	100		

Table 1.25 Cross Tabulation of Individual's Educational Qualifications and their Financial Literacy Level

	Responders' Educational Qualification (South)							
Financial Literacy Level	Primary	Secondary	Senior Secondary	Diploma / Technical Education	Under Graduate	Post Graduate	Doctorate	Total
Low	0	1	1	0	3	15	9	29
High	2	2	5	2	14	35	11	71
Total	2	3	6	2	17	50	20	100

Table 1.26 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	5.65	6	0.46
No. of Valid Cases	100		

Table 1.27 Cross Tabulation of Individual's Educational Qualifications and their Financial Literacy Level

	Responders' Educational Qualification (NCR)							
Financial Literacy Level	Primary	Secondary	Senior Secondary	Diploma / Technical Education	Under Graduate	Post Graduate	Doctorate	Total
Low	0	0	0	1	5	10	3	19
High	0	0	0	1	31	32	17	81
Total	0	0	0	2	36	42	20	100

Table 1.28 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	2.69	6	0.84
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.23, 1.25 and 1.27.

H0: There is no significant association between individuals' educational qualifications and their financial literacy level.

H1: There is a significant association between individuals' educational qualifications and their financial literacy level.

The Chi-square test vis shown in table 1.24, 1.26 and 1.28. The test is conducted at 5% level of significance with degree of freedom 6. In case of North zone of Haryana p-value is equal to 0.05, thus null hypotheses is rejected. Hence it is found that there is a significant association between individuals' educational qualifications and their financial literacy level. But in South and NCR zones of Haryana p-value is greater than 0.05, thus fails to reject null hypotheses. Hence there is no significant association between individuals' educational qualifications and their financial literacy level.

1.4.4 Association between individuals' Occupation and their Financial Literacy Level

Table 1.29 Cross Tabulation of Individual's Occupation and Financial Literacy Level

Financial Literacy Level	Respondent's Occupation (North)								Total
	Full Time	Part Time	Self Employed / Business	Households	Student	Professional	Unemployed	Retired	
Low	23	2	0	0	0	1	1	0	27
High	72	0	0	0	0	0	0	1	73
Total	95	2	0	0	0	1	1	1	100

Table 1.30 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	11.55	7	0.11
No. of Valid Cases	100		

Table 1.31 Cross Tabulation of Individual's Occupation and Financial Literacy Level

Financial Literacy Level	Respondent's Occupation (South)								Total
	Full Time	Part Time	Self Employed / Business	Households	Student	Professional	Unemployed	Retired	
Low	27	23	6	1	0	2	0	12	71
High	15	11	3	0	0	0	0	0	29
Total	42	34	9	1	0	2	0	12	100

Table 1.32 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	6.82	7	0.44
No. of Valid Cases	100		

Table 1.33 Cross Tabulation of Individual's Occupation and Financial Literacy Level

Financial Literacy Level	Respondent's Occupation (NCR)								Total
	Full Time	Part Time	Self Employed / Business	Households	Student	Professional	Unemployed	Retired	
Low	16	2	1	0	0	0	0	0	19
High	46	29	5	0	0	1	0	0	81
Total	62	31	6	0	0	1	0	0	100

Table 1.34 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	5.27	7	0.62
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.29, 1.31 and 1.33.

H0: There is no significant association between individuals' occupation and their financial literacy level.

H1: There is a significant association between individuals' occupation and their financial literacy level.

The Chi-square test vis shown in table 1.30, 1.32 and 1.34. The test is conducted at 5% level of significance with degree of freedom 7. In all three zones of Haryana i.e. North, South and NCR p-value is greater than 0.05, hence null hypotheses is accepted. Therefore it is found that there is no significant association between individuals' occupation and their financial literacy level.

1.4.5 Association between individuals' Monthly Income and their Financial Literacy Level

Table 1.35 Cross Tabulation of Individual's Monthly Income and their Financial Literacy Level

Financial Literacy Level	Respondent's Monthly Income (North)						Total
	Up to Rs10000	Rs10001 to 20000	Rs20001 to 30000	Rs30001 to 40000	Rs40001 to 50000	Rs50001 and Above	
Low	1	1	2	1	3	19	27
High	0	0	0	2	0	71	73
Total	1	1	2	3	3	90	100

Table 1.36 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	20.57	5	0.000
No. of Valid Cases	100		

Table 1.37 Cross Tabulation of Individual's Monthly Income and their Financial Literacy Level

Financial Literacy Level	Respondent's Monthly Income (South)						Total
	Up to Rs10000	Rs10001 to 20000	Rs20001 to 30000	Rs30001 to 40000	Rs40001 to 50000	Rs50001 and Above	
Low	1	11	13	9	8	29	71
High	0	1	7	9	2	10	29
Total	1	12	20	18	10	39	100

Table 1.38 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	7.70	5	0.17
No. of Valid Cases	100		

Table 1.39 Cross Tabulation of Individual's Monthly Income and their Financial Literacy Level

Financial Literacy Level	Respondent's Monthly Income (NCR)						Total
	Up to Rs10000	Rs10001 to 20000	Rs20001 to 30000	Rs30001 to 40000	Rs40001 to 50000	Rs50001 and Above	
Low	0	0	4	1	2	12	19
High	2	7	23	5	6	38	81
Total	2	7	27	6	8	50	100

Table 1.40 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	3.43	5	0.63
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.35, 1.37 and 1.39.

H0: There is no significant association between individuals' monthly income and their financial literacy level.

H1: There is a significant association between individuals' monthly income and their financial literacy level.

The Chi-square test vis shown in table 1.36, 1.38 and 1.40. The test is conducted at 5% level of significance with degree of freedom 5. In case of North zone of Haryana p-value is equal to 0.05, thus null hypotheses is rejected. Therefore, it is found that there is a significant association between individuals' occupation and their financial literacy level. But in case of South and NCR zones of Haryana p-value is greater than 0.05, hence fails to reject null hypotheses. Therefore, it is found that there is no significant association between individuals' occupation and their financial literacy level.

1.4.6 Association between individuals' Life Cycle stage of Family and their Financial Literacy Level

Table 1.41 Cross Tabulation of Individual's Life Cycle Stage of Family and their Financial Literacy Level

Financial Literacy Level	Respondent's Life Cycle Stage of Family (North)					Total
	Single	Married without Children	Married with Dependent Children	Married with Independent Children	Older Married Living Separately from Spouse / Children	
Low	5	3	14	5	0	27
High	0	2	60	11	0	73
Total	5	5	74	16	0	100

Table 1.42 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	18.87	4	0.000
No. of Valid Cases	100		

Table 1.43 Cross Tabulation of Individual's Life Cycle Stage of Family and their Financial Literacy Level

Financial Literacy Level	Respondent's Life Cycle Stage of Family (South)					Total
	Single	Married without Children	Married with Dependent Children	Married with Independent Children	Older Married Living Separately from Spouse / Children	
Low	4	5	42	19	1	71
High	10	1	17	1	0	29
Total	14	6	59	20	1	100

Table 1.44 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	18.27	4	0.001
No. of Valid Cases	100		

Table 1.45 Cross Tabulation of Individual's Life Cycle Stage of Family and their Financial Literacy Level

Financial Literacy Level	Respondent's Life Cycle Stage of Family (NCR)					Total
	Single	Married without Children	Married with Dependent Children	Married with Independent Children	Older Married Living Separately from Spouse / Children	
Low	0	2	16	1	0	19
High	14	8	56	3	0	81
Total	14	10	72	4	0	100

Table 1.46 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	3.86	4	0.42
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.41, 1.43 and 1.45.

H0: There is no significant association between individuals' life cycle stage of family and their financial literacy level.

H1: There is a significant association between individuals' life cycle stage of family and their financial literacy level.

The Chi-square test vis shown in table 1.42, 1.44 and 1.46. The test is conducted at 5% level of significance with degree of freedom 4. We can see in the table that in case of North and South zones of Haryana p-value is less than 0.05, thus null hypotheses is rejected. Therefore, it is found that there is a significant association between individuals' occupation and their financial literacy level. But in case of NCR zone p-value is greater than 0.05, thus null hypotheses is accepted. Thereforeit is found that there is no significant association between individuals' occupation and their financial literacy level.

1.4.7 Association between individuals' Type of Workplace Activity and their Financial Literacy Level

Table 1.47 Cross Tabulation of Individual's Type of Workplace Activity and their Financial Literacy Level

Financial Literacy Level	Respondent's Type of Workplace Activity (North)			Total
	Finance Related Workplace Activity	Non-Finance Related Workplace Activity		
Low	2	25		27
High	0	73		73
Total	2	98		100

Table 1.48 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	5.51	1	0.01
No. of Valid Cases	100		

Table 1.49 Cross Tabulation of Individual's Type of Workplace Activity and their Financial Literacy Levelsss

Financial Literacy Level	Respondent's Type of Workplace Activity (South)			Total
	Finance Related Workplace Activity	Non-Finance Related Workplace Activity		
Low	2	69		71
High	2	27		29
Total	4	96		100

Table 1.50 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	0.89	1	0.34
No. of Valid Cases	100		

Table 1.51 Cross Tabulation of Individual's Type of Workplace Activity and their Financial Literacy Level

Financial Literacy Level	Respondent's Type of Workplace Activity (NCR)			Total
	Finance Related Workplace Activity	Non-Finance Related Workplace Activity		
Low	0	19		19
High	3	78		81
Total	3	97		100

Table 1.52 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	0.72	2	0.39
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.47, 1.49 and 1.51.

H0: There is no significant association between individuals' type of workplace activity and their financial literacy level.

H1: There is a significant association between individuals' type of workplace activity and their financial literacy level.

The Chi-square test vis shown in table 1.48, 1.50 and 1.52. The test is conducted at 5% level of significance with degree of freedom 1. In case of North zone of Haryana p-value is less than 0.05, thus null hypotheses is rejected. Hence it is found that there is a significant association between individuals' type of workplace activity and their financial literacy level. But in South and NCR zones of Haryana p-value is greater than 0.05, thus fails to reject null hypotheses. Hence there is no significant association between individuals' type of workplace activity and their financial literacy level.

1.4.8 Association between individuals' Number of Times Shop Around and their Financial Literacy Level

Table 1.53 Cross Tabulation of Number of Times Individual's Shop around and their Financial Literacy Level

Financial Literacy Level	No. of Times Respondent's Shop around (North)				Total
	Zero	1-3	4-6	More than 6	
Low	1	12	14	0	27
High	0	18	48	7	73
Total	1	30	62	7	100

Table 1.54 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	8.47	3	0.03
No. of Valid Cases	100		

Table 1.55 Cross Tabulation of Number of Times Individual's Shop around and their Financial Literacy Level

Financial Literacy Level	No. of Times Respondent's Shop around (South)				Total
	Zero	1-3	4-6	More than 6	
Low	4	47	16	4	71
High	0	18	11	0	29
Total	4	65	27	4	100

Table 1.56 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	5.12	3	0.16
No. of Valid Cases	100		

Table 1.57 Cross Tabulation of Number of Times Individual's Shop around and their Financial Literacy Level

Financial Literacy Level	No. of Times Respondent's Shop around (NCR)				Total
	Zero	1-3	4-6	More than 6	
Low	0	13	6	0	19
High	0	68	12	1	81
Total	0	81	18	1	100

Table 1.58Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	3.09	3	0.37
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.53, 1.55 and 1.57.

H0: There is no significant association between individuals' number of times shop around and their financial literacy level.

H1: There is a significant association between individuals' number of times shop around and their financial literacy level.

The Chi-square test vis shown in table 1.54, 1.56 and 1.58. The test is conducted at 5% level of significance with degree of freedom 3. In case of North zone of Haryana p-value is less than 0.05, thus null hypotheses is rejected. Hence it is found that there is a significant association between individuals' number of times shop around and their financial literacy level. But in South and NCR zones of Haryana p-value is greater than 0.05, thus fails to reject null hypotheses. Hence there is no significant association between individuals' number of times shop around and their financial literacy level.

1.4.9 Association between individuals' Years of Investment Experience and their Financial Literacy Level

Table 1.59 Cross Tabulation of Individual's Years of Investment Experience and their Financial Literacy Levels

Financial Literacy Level	Respondent's Years of Investment Experience (North)				Total
	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	
Low	1	7	17	2	27
High	1	11	41	20	73
Total	2	18	58	22	100

Table 1.60 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	5.02	3	0.16
No. of Valid Cases	100		

Table 1.61 Cross Tabulation of Individual's Years of Investment Experience and their Financial Literacy Levels

Financial Literacy Level	Respondent's Years of Investment Experience (South)				Total
	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	
Low	7	46	13	5	71
High	2	12	14	1	29
Total	9	58	27	6	100

Table 1.62 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	9.23	3	0.02
No. of Valid Cases	100		

Table 1.63 Cross Tabulation of Individual's Years of Investment Experience and their Financial Literacy Levels

Financial Literacy Level	Respondent's Years of Investment Experience (NCR)				Total
	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	
Low	0	14	5	0	19
High	5	58	14	4	81
Total	5	72	19	4	100

Table 1.64 Chi-Square Test

	Value	Degree of Freedom	p-value
Person's Chi-Square Test	1.60	3	0.65
No. of Valid Cases	100		

The following are the Chi-square test hypotheses for the data in Table 1.59, 1.61 and 1.63.

H0: There is no significant association between individuals' years of investment experience and their financial literacy level.

H1: There is a significant association between individuals' years of investment experience and their financial literacy level.

The Chi-square test vis shown in table 1.60, 1.62 and 1.64. The test is conducted at 5% level of significance with degree of freedom 3. In case of South zone of Haryana p-value is less than 0.05, thus null hypotheses is rejected. Hence it is found that there is a significant association between individuals' years of investment experience and their financial literacy level. But in North and NCR zones of Haryana p-value is greater than 0.05, thus fails to reject null hypotheses. Hence there is no significant association between individuals' years of investment experience and their financial literacy level.

1.5 Conclusion

From this research study, we take out the conclusion that no matter what a person's gender is, whatever the age is, people are always aware of their financial matters. Educational qualification shows that being literate and being financially literate are both different things. Even an illiterate person knows well that in what ways he or she has to manage the money differently. Whether a person's job is full time, part time or he is earning his income from his own means, whether he is a household, it is showing in all the study that he is conscious of his financial matters. The monthly income of a person shows that no matter what the person is earning, but he can put his income in different investment equipment. This research study shows that whether you work in a finance related industry or not, it has no effect on the management of your finance. A person's investment experience also has no effect on the person's financial management.

This research study leads to a conclusion that out of these three zones, there is no significant association between individuals' social and demographic determinants and their financial literacy levels. This zone is highly developed zone of Haryana due to industrialization, foreign direct investment ventures, technological development and advanced technical infrastructure. The people who live in this zone is fully aware about the management of their financial matters whether they are illiterate or literate. This research study also shows that financial literacy is not gender biased. Whether male or female, both have knowledge of financial literacy.

1.6 References

[1] Agarwalla S.K., Barna Samir K., Jacob Joshy and Varma Jayanth R. (2015), "Financial Literacy among working young in Urban India", published in World Development, Volume 67, pp 101-109.

[2] ASIC (2003), "Summary of stakeholder responses to financial literacy in schools", ASIC discussion paper, Australian Securities & Investments Commission, February 2004.

[3] Braunstein, S., & Welch, C. (2002), "Financial literacy: An overview of practice, research, and policy" Fed. Res. Bull., 88, 445.

[4] Gupta Jyoti and Madan Manish (2016), "An empirical study on Financial Literacy level of salaried females in Delhi", published in Pacific Business Review International, Volume 9, Issue 4.

[5] Gupta Jyoti and Madan Manish, "An empirical study on Financial Literacy level of salaried females in Digital Era", published in Business Analyst, ISSN 0973-211X, 37(1), PP: 217-230.

[6] Huston, S. J. (2010), "Measuring financial literacy. Journal of Consumer Affairs", 44(2), 296-316.

[7] Lusardi, A., & Mitchell, O. S. (2008), "Planning and financial literacy: How do women fare?", American Economic Review, 98(2), 413-17.

[8] Lusardi, A., & Mitchell, O. S. (2011), "Financial literacy and retirement planning in the United States", Journal of Pension Economics and Finance 10(4), 509-525.

[9] Mandell, L., & Klein, L. S. (2007), "Motivation and financial literacy. Financial services review", 16(2), 105.

[10] Morton, J. S. (2005), "The interdependence of economic and personal finance education", Social Education, 69(2), 66-70.

[11] Narula, S. (2015), "Financial Literacy And Personal investment Decisions Of Retail Investor", International Journal Of Science, Technology & Management , 41.

[12] Nash, D. R. (April), "Financial Literacy: An Indian Scenario", Asian Journal Of ResearchIn Banking And Finance , 2-5.

[13] Noctor, M., Stoney, S., &Stradling, R. (1992), "Financial literacy: a discussion of concepts and competences of financial literacy and opportunities for its introduction into young people's learning", National Foundation for Educational Research.

[14] OECD (2013), "Financial literacy and inclusion: Results of OECD/INFE survey across countries and by gender", OECD Centre, Paris, France.

[15] Organisation for Economic Co-Operation and Development.

[16] Servon, L. J., &Kaestner, R. (2008), "Consumer financial literacy and the impact of online banking on the financial behavior of lower-income bank customers", Journal of Consumer Affairs, 42(2), 271-305.

[17] Sharma Bhavna (2016), "A study of Financial Literacy level in Greater Noida", presented in Conference: Emerging Trends in Engineering, Management and Humanities.

[18] Sikka Vinit (2020), "A study of Financial Literacy and knowledge of financial management amongst University students in Delhi NCR", published in IRJMSH, Volume 11, Issue 4, ISSN 2277-9809.

[19] Singh, C., & Kumar, R. (2017), "Financial Literacy among Women–Indian Scenario".

[20] Somra, S.S. (2012), "An Econometric Analysis of Microfinance and Rural Development in Rajasthan" in TIES conference, Punducherry (March, 1-3).

[21] Somra, S.S. (2016), "Financial Inclusion and Economic Development in Rajasthan", paper presented and published in World Finance Conferencevolume, (July 29-31) Manhattan, ISBN 9789899881648, New York, St. John University, U.S.A.

[22] Somra, S.S. (2018), "Financial Inclusion and Economic Development ", special issue on challenges of banking system, ISSN NO. 0019-4662, Dec., 2018, Indian Economic Journal , pp. no.162-178.

[23] Yadav Miklesh Prasad, Dua Shikha and Rai Kamini (2019), "Determinants of Financial Literacy: A study among working women in Delhi", published in Vivekananda Journal of Research, Volume 8, Issue 1, ISSN 2319-8702.

[24] Yoong, F. J., See, B. L., &Baronovich, D. L. (2012), "Financial literacy key to retirement planning in Malaysia", Journal of Management and Sustainability, 2(1), 75.