

Research Article

An Investigation on the Effects of Digital Financial Literacy on Himachal Pradesh's Rural Women

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A B S T R A C T

Literacy in digital finance refers, at its core, to having access to tools that facilitate the making of informed financial choices. It is a concept that is linked to the notion of financial inclusion as well as the digital economy. It's as simple as not carrying about any money or having many bank accounts open at once. It all comes down to the question of where the money is coming from. It pertains to the judicious use of available finances. It all comes down to making a selection concerning the many methods that might be used to bring in some kind of additional money. All of these things are part of a system, which is something that most people are unable to understand. Therefore, the ability to understand this concept is made easier for people who have a financial literacy. On the other hand, having a solid literacy of financial matters is essential to achieving financial inclusion. Inclusion in the financial system is essential to ensuring that revenue is distributed fairly across the economy.

The purpose of this research is to determine the influence that financial literacy has on the lives of rural women in the Indian state of Himachal Pradesh. The data is gathered with the help of a structured questionnaire from a total of 500 respondents. According to the findings of the research, digital financial literacy and the use of technology are playing an increasingly important role in fostering financial inclusion and enhancing financial education.

Keywords: Digital Financial Literacy, Women's Financial Literacy, Financial Education, Financial Inclusion

Introduction

Digital Literacy in financial matters is one of the most important prerequisites for participation in financial markets. People are able to have knowledge of the ideas of money as well as how to wisely handle it when they have financial literacy. The goal is to make it easier for people to become more informed financial decision makers, to cultivate awareness of personal financial issues and choices and to learn fundamental skills related to earning, spending,

budgeting, saving, borrowing and investing money. This will be accomplished through a variety of means.

People who are financially literate are better able to plan their finances, which in turn allows them to make the most of their available options. In the context of developing nations, having a basic literacy of finance is especially important for people who are resource poor, who live on the edge of their means and who are susceptible to financial financial pressures that push them lower.

They will be more equipped to handle the financial pressures of day-to-day living and their ability to prepare decisions will improve as a result of increased financial literacy. It may help people plan ahead for the needs that come up at different stages of life and cope with unforeseen crises without having to prepare on needless debt. People might be better prepared to take advantage of new financial possibilities by organising their finances. Financial literacy may assist customers of microfinance institutions in making informed decisions among the expanding number of available financial options and making optimal use of the microfinance services available to them. Clients are able to make more informed decisions about the variety of financial services that are available to them, as well as the expenses involved with using those services and the dangers that are connected with using those services.

Review of Literature

According to Hailwood et al. (2007) in their article "Financial literacy and its role in promoting a sound financial system," "for some, financial literacy is a wide-ranging concept, incorporating an understanding of economics and how household decisions are affected by economic conditions and circumstances. On the other hand, for others, it means focusing quite narrowly on basic money management skills such as budgeting, savings, investment and insurance."

In recent years, there has been a rise in the amount of concern over financial literacy and as a result, many people have initiated programmes in addition to other research activities in order to promote and improve financial literacy within their populations. According to Welch et al (2002), a wide variety of banking businesses, government agencies, educational institutions, consumer and community interest groups and other organisations have begun to focus their attention on the lack of financial literacy. Several studies in the United States have looked at the topic of financial literacy, including Cutler (1997), Chen and Volpe⁵ (1998) and the National Council on Economic Education (NCEE) (NCEE 2004). Surveys of people's levels of financial literacy were carried out in the United Kingdom by a variety of researchers, including Lines et al. (1996) and the Financial Services Authority (FSA 2006). While the majority of these studies focused on determining the levels of financial literacy among members of the general public and students attending universities, Garman et al. (1999) conducted study that looked at the connection between personal financial wellbeing and worker job productivity. Liu et al. (2006), who conducted study on the financial literacy of working adults in the United States, discovered that working adults do not have enough knowledge about several aspects of personal finance.

Research Gap

On the basis of their review of the relevant literature, the

authors focused exclusively on financial literacy, the direct linkage between financial inclusion, financial education and financial stability, with the goal of ensuring direct access to financial instruments, making sound financial decisions and minimising the risk of being misled or defrauded, all while ignoring the role that technology could play in any of these areas. The researchers have not given enough attention to this particular route, despite the fact that it is quite helpful. The study aims to bridge this knowledge gap.

Objective of the Study

In light of this, the goals of the research are as follows:

- Investigate the attitudes and practises about money held by rural women in Himachal Pradesh
- To conduct opinion on the perspectives held by women living in rural regions about financial products and services

Research Methodology

The research that the study is based on is descriptive. The data is gathered via the use of surveys. The questionnaires are the tools. When conducting a good study, both primary and secondary data are used. Analysis is performed using the percentage technique.

Table I. Able to Understand the Messages Relating to bank Transactions

	No. of Respondents	Percentage
Strongly Agree	201	40.2
Agree	172	34.4
Neutral	43	8.6
Disagree	49	9.8
Strongly Disagree	35	7
	500	100

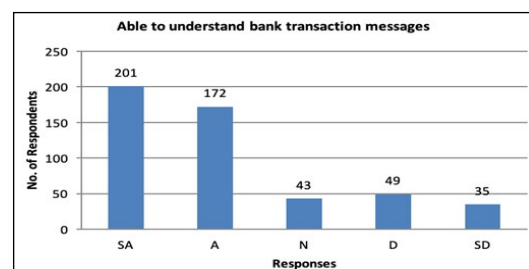


Figure 1. Able to Understand the Messages Relating to bank Transactions

Data Analysis and Interpretation

Interpretation

- They are able to understand the language of the message as well as the type of transaction that has been completed, which is why 74.6 percent of the respondents agreed with the point in question. These

individuals stated that they are able to understand the majority of the messages that are sent from the bank

- 8.6 percent of those who participated in the survey had no stance on the issue in question
- 16.8 percent of those who participated in the survey said that since they are illiterate and unable to read or write, it is hard for them to comprehend the communications that are delivered by banks

Table 2. Able of choosing a Good & Reliable Insurance Policy for the Family

	No. of Respondents	Percentage
Strongly Agree	185	37
Agree	163	32.6
Neutral	49	9.8
Disagree	59	11.8
Strongly Disagree	44	8.8
	500	100

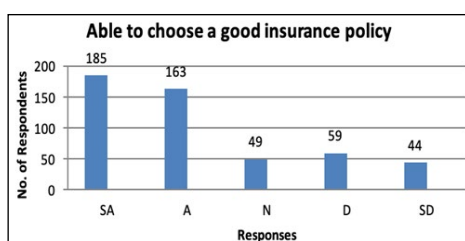


Figure 2. Able of choosing a Good & Reliable Insurance Policy for the Family

Interpretation

- 69.6 percent of those who participated in the survey stated that they are capable of selecting a decent insurance policy; in reality, this assertion is founded on the use of common sense and the fundamental rule of deduction. Any untrained person may get the same results with the help of fundamental knowledge
- 9.8 percent of those who participated in the survey did not have an opinion on the topic at hand
- Twenty-one point six percent of those polled said that, although they are aware of what insurance is, picking an appropriate plan is not their strong suit

Table 3. Able of Maintaining Control over the Family's Financial Situation

	No. of Respondents	Percentage
Strongly Agree	203	40.6
Agree	141	28.2
Neutral	50	10
Disagree	63	12.6
Strongly Disagree	43	8.6
	500	100

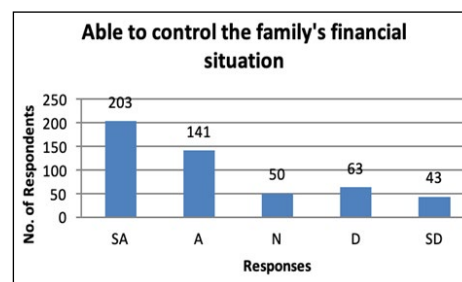


Figure 3. Able of Maintaining Control over the Family's Financial Situation

Interpretation

- It is needed that the concerned individual be familiar with adequate financial knowledge in order to control the financial situation or the connected problem. Here in this current study, the respondents are largely working on their experience to handle similar issues
- 68.8 percent of those who participated in the survey stated that they are able to manage the financial situation in the family because they are able to redirect their resources to fulfil the same needs
- Ten percent of the respondents were determined to have a neutral stance on this issue
- Twenty-one point two percent of those who participated in the survey were found to have negative respondents towards the question at hand

Conclusion

During the course of the present research, it was discovered that regardless of a woman's level of education or expertise in matters pertaining to finances, she still needs to seek the approval of the male members of her family before making a decision that has to do with such topics.

Then, on the other side, women are having their intervention in most of the financial matters and because of their education and experience, they are able to dispute the debate of the same virtue with the male members of the family.

In addition to the issues that have been described above, the majority of the time, the male members of the family will take into account the counsel of the female members of the family, weigh it against their own opinion and then come to a conclusion. According to the findings of the research, digital financial literacy and the use of technology are playing an increasingly important role in fostering financial inclusion and enhancing financial education.

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