



Determining Financial Literacy And Numeracy Among Working Women In South Gujarat Region

Pranjal Desai^{1*}, Dr. Mahammad Rafique U Memam²

^{1*}Research Scholar, Gujarat Technological University, Ahmedabad.

²Professor & PhD Supervisor.

Citation: Pranjal Desai, et al. (2024), Determining Financial Literacy And Numeracy Among Working Women In South Gujarat Region, *Educational Administration: Theory and Practice*, 30(6), 5090-5095

Doi: 10.53555/kuey.v30i6.9718

ARTICLE INFO

ABSTRACT

This study examines the financial literacy and numeracy levels of working women in South Gujarat, Gujarat. The goal is to assess their current understanding of financial concepts, ability to manage personal finances, and confidence in handling financial products and services. A sample size of 100 working women from diverse sectors such as education, healthcare, and business was surveyed for primary data collection. The findings indicate that while working women in South Gujarat have a solid foundation in financial literacy, their numeracy skills require improvement in certain areas. Although their self-reported financial confidence is high, their practical knowledge, particularly in areas like compounding and taxation, is lacking. While they show awareness of financial risks, retirement and emergency financial planning are areas that need further attention. Their understanding of inflation and taxation is also limited, which may impact long-term financial stability. These insights are valuable for policymakers, educators, and financial institutions working to enhance financial literacy and numeracy among women, thereby promoting their economic empowerment and well-being in South Gujarat.

Key Words: Financial Literacy, Numeracy, Working Women

Introduction:

Financial literacy is an essential life skill that enables individuals to effectively manage their personal finances, make informed financial choices, and achieve financial well-being. It encompasses a variety of skills, including understanding financial concepts, budgeting, saving, investing, and managing financial risks. In today's fast-paced global economy, financial literacy is increasingly recognized as a key factor in ensuring economic stability and individual prosperity.

The significance of financial literacy cannot be overstated. It empowers individuals to navigate the complexities of the financial landscape, avoid financial pitfalls, and seize economic opportunities. Those who are financially literate are better equipped to plan for the future, safeguard their financial health, and contribute to the economic development of their communities. On the other hand, a lack of financial literacy can lead to poor financial decisions, mounting debt, and financial insecurity, which can have long-term negative effects on both individuals and society.

While financial literacy is important for all demographic groups, this study specifically examines the financial literacy levels of working women in South Gujarat, Gujarat. Women, particularly those in the workforce, play a vital role in the economic development of their families and communities. However, studies indicate that women typically have lower financial literacy levels compared to men. This gap can be attributed to a range of socio-cultural, educational, and economic factors. Addressing the financial literacy needs of working women is crucial for advancing gender equality, enhancing their economic empowerment, and ensuring their active participation in the financial system.

South Gujarat, a prominent economic hub in India, is known for its industrial growth, commercial activities, and educational institutions. The region includes major cities such as Kamrej, Kadodara, Palsana, and Bardoli. With a diverse workforce, women are increasingly engaged in various sectors, including education, healthcare, business, and industry. Despite the economic opportunities in the region, the financial literacy levels of working women in South Gujarat remain largely unexplored.

Financial Literacy

Financial literacy refers to the understanding of financial concepts and the ability to apply this knowledge to make informed decisions about managing personal finances. It includes various skills such as budgeting, saving, investing, understanding financial products, and recognizing financial risks. Financial literacy is vital for navigating today's complex financial environment and achieving economic stability and security.

Components of Financial Literacy

- 1. Basic Financial Knowledge:** This encompasses understanding core financial concepts like interest rates, inflation, and the time value of money. It also involves familiarity with essential financial products such as savings accounts, credit cards, loans, and insurance.
- 2. Money Management:** Effective money management involves creating and sticking to a budget, tracking income and expenses, and maintaining a balance between spending and saving. It also includes setting financial goals and planning for both short-term and long-term needs.
- 3. Savings and Investments:** Having knowledge of various savings options and investment vehicles is crucial for building wealth and ensuring financial security. This includes understanding savings accounts, fixed deposits, mutual funds, stocks, bonds, and retirement plans. Additionally, it involves grasping the concepts of risk and return, diversification, and the effects of taxes and inflation on investments.
- 4. Credit Management:** Financial literacy includes knowing how to responsibly use credit, understanding credit scores and reports, and recognizing the costs and risks associated with different forms of credit. It also covers strategies for managing and reducing debt.
- 5. Financial Risk Management:** This component involves understanding the various risks that can impact financial well-being, such as market risk, inflation risk, and personal risks (e.g., job loss, health issues). It also includes knowledge of insurance products and other risk-mitigation strategies.
- 6. Consumer Rights and Responsibilities:** Financially literate individuals understand their rights and responsibilities when engaging with financial products and services. They know the importance of reviewing and comprehending financial documents, contracts, and disclosures.

Financial Numeracy

In the context of financial literacy, numeracy refers to the ability to understand and work with numbers, particularly in relation to financial concepts and transactions. It encompasses basic mathematical skills such as addition, subtraction, multiplication, and division, as well as more advanced skills like calculating percentages, interest rates, and interpreting statistical data.

Components of Numeracy in a Financial Context

- 1. Basic Arithmetic:** The ability to perform simple mathematical operations is fundamental for day-to-day financial tasks such as budgeting, comparing prices, and calculating discounts.
- 2. Understanding Percentages and Ratios:** These skills are crucial for understanding financial metrics like interest rates, investment returns, loan terms, and other financial indicators.
- 3. Interpreting Data:** Numeracy also involves the ability to read and interpret financial statements, charts, and graphs, which is key for making informed investment decisions and understanding broader economic trends.
- 4. Financial Calculations:** This includes calculating compound interest, mortgage payments, retirement savings, and other financial projections. It requires knowledge of financial formulas and the ability to apply them accurately.

Both financial literacy and numeracy are essential skills for effectively managing personal finances and ensuring economic stability. They empower individuals to make informed decisions, manage financial risks, and improve their quality of life. Although acquiring these skills can be challenging, targeted educational programs, policies, and initiatives can significantly enhance financial literacy and numeracy, particularly among underserved groups like working women in regions such as South Gujarat. Addressing these needs is crucial for promoting economic empowerment, gender equality, and long-term financial security.

Literature Review

A review of existing literature reveals both global and regional trends in financial literacy, particularly among women. Research consistently shows that women, regardless of their socioeconomic background, generally have lower financial literacy levels compared to men. Factors such as gender norms, educational disparities, limited access to financial resources, and traditional household roles contribute to this gap. In India, similar trends are observed, with cultural norms and economic conditions adding additional challenges.

Ramiz Pawar and Rozat Hola (2023) examine the factors influencing financial literacy among working women in Gujarat. The authors emphasize the importance of financial literacy in navigating modern financial products and its role in achieving financial inclusion for women.

The study identifies socio-demographic factors such as age, education, income, and professional background as key determinants of financial literacy levels. Despite higher education and professional engagement, many

women exhibit lower risk tolerance and lack comprehensive money management knowledge. The authors suggest that addressing these factors collectively can improve the financial literacy of working women.

Anjali Trivedi (2022) investigates the financial inclusion of urban women in Ahmedabad, focusing on their access to savings, loans, insurance, and participation in government financial programs. Using primary data from semi-structured questionnaires and analyzing determinants such as migration status, financial literacy, and borrowing behavior through a probit model, the study reveals that poor urban women benefit less from financial inclusion services. The study also highlights how migration and financial literacy significantly influence women's participation in financial programs.

Vaghela (2023) explores the relationship between financial literacy, financial attitude, and financial behavior among university students in Surat, Gujarat. The study, using a structured questionnaire and structural equation modeling, finds that students with higher financial literacy scores tend to have positive financial attitudes, which lead to more desirable financial behaviors. The research suggests that universities and governments should identify students with low financial literacy and provide skill-based training to improve their financial knowledge.

Kumari Priya (2024) conducts a quantitative study assessing the financial literacy of working women across India, covering areas such as investing, savings, and insurance. Through an online survey of 500 working women from various age and income groups, the study finds that a significant portion of working women have limited financial literacy, with only a small percentage demonstrating adequate knowledge of financial matters. Factors such as age, income, education, and work experience were identified as influencing financial literacy levels.

Tejashwini Joshi and Trisha Mirchandani (2023) aim to identify perceptions regarding investment decisions, financial planning awareness, and financial literacy in Gujarat. By collecting data from 151 individuals across various districts using an online questionnaire, the study reveals that while many respondents preferred investing in the stock market and mutual funds, a majority lacked sufficient financial literacy. Only 40% of participants scored above 12 out of 18 in financial literacy assessments, indicating a relatively low level of financial literacy.

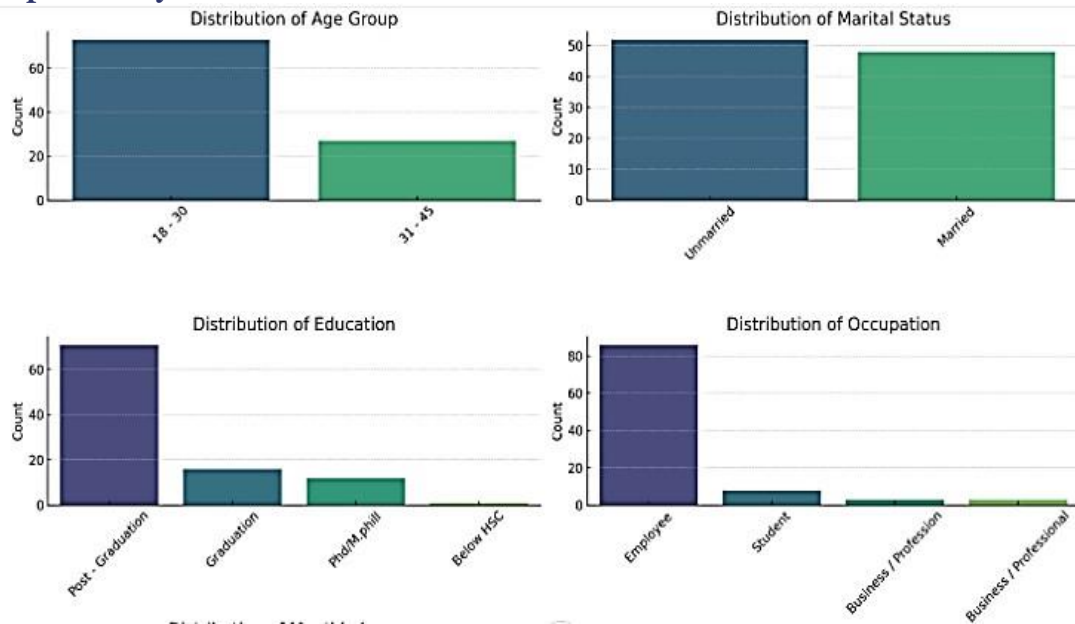
Akshita Arora (2016) assesses the financial literacy levels of working women in India, focusing on their financial knowledge, attitudes, and behaviors. The study finds that general awareness about financial planning tools and techniques is poor among women, though their financial attitude and behavior tend to be better than their financial knowledge.

Together, these studies highlight the varied levels of financial literacy among working women in Gujarat and underscore the influence of socio-demographic factors on financial behaviors. They also emphasize the need for targeted financial education programs to improve financial inclusion and decision-making among women in the region.

Research Methodology:

The primary aim of this study is to evaluate the financial literacy and numeracy levels among working women in South Gujarat, Gujarat. Additionally, it seeks to assess the current state of financial knowledge and numeracy skills within this group, as well as identify the factors that influence these levels, such as educational background, income, and occupational roles. To achieve these objectives, a descriptive research design was employed. Data was collected using a survey method with a structured questionnaire, administered to a conveniently selected sample of 100 working women from South Gujarat. The survey included questions to assess financial knowledge, numeracy skills, financial behaviors, and attitudes towards financial management. This study holds significance for several reasons. Firstly, it fills a critical gap in existing literature by focusing on the financial literacy and numeracy of working women in South Gujarat, a region that has been underrepresented in previous research.

EMPIRICAL ANALYSIS: Demographic Analysis:



1. Age Group:

According to the survey data, a significant majority of the respondents, comprising 73%, are in the 18-30 years age group, indicating a youthful demographic. In contrast, a smaller portion of 27% of the respondents belong to the 31-45 years age group

2. Marital Status:

Regarding marital status, 52% of the respondents are unmarried, while 48% are married, indicating a balanced distribution between single and married individuals within the survey sample

3. Education Level:

The survey reveals that a substantial 71% of respondents have completed post-graduation, reflecting a highly educated group. Additionally, 16% have attained a graduate degree, while 12% hold a PhD or M.Phil., showcasing a significant portion of respondents with advanced academic qualifications. Interestingly, only one respondent has education below the Higher Secondary Certificate (HSC)

4. Occupation:

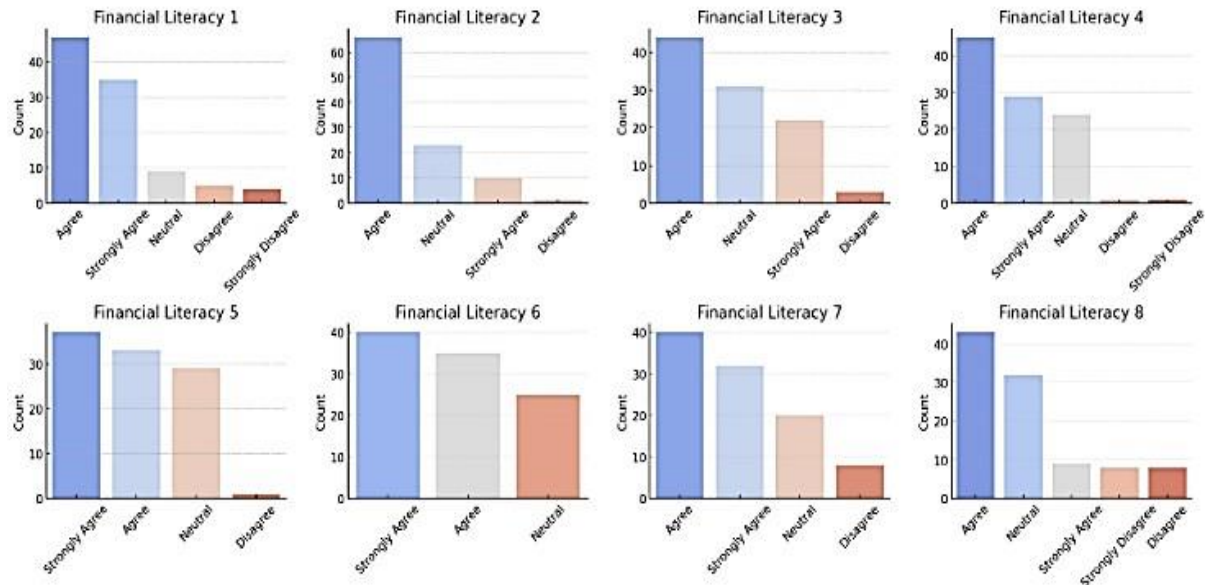
The majority of respondents, accounting for 86%, are employed, highlighting a workforce-dominated group. In comparison, 8% of respondents are students, while 6% are engaged in business or professional fields, indicating a smaller but notable presence of individuals in entrepreneurial or specialized careers

5. Monthly Income:

The income distribution among respondents shows that 35% earn between ₹10,001 and ₹25,000, while 28% fall into the ₹25,001 to ₹40,000 range. Another 28% of respondents earn more than ₹40,000, indicating a significant portion of higher earners. Interestingly, 9% of respondents earn up to ₹10,000, suggesting a smaller group with lower earnings

The majority of respondents are young working women (18-30 years). The education level is relatively high, with most having Post-Graduation or higher. Most respondents are employees, and only a small portion is business owners. Income levels are distributed fairly evenly, but only 9% earn up to ₹10,000.

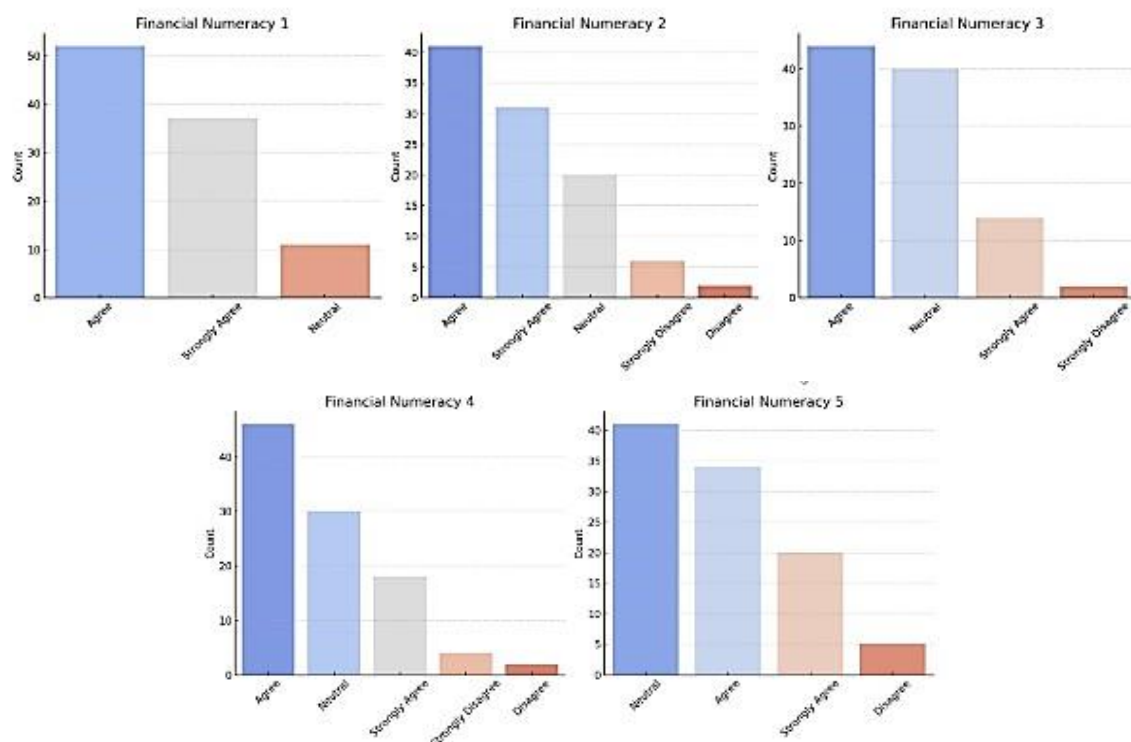
Financial Literacy:



The combined chart above illustrates eight variables assessed for financial literacy. Most respondents either agree or strongly agree with statements related to financial literacy, while a small percentage express neutral or disagree/strongly disagree responses. Notably, there is a strong awareness of investment risks and long-term financial planning, along with high confidence in making financial decisions. However, there are noticeable gaps in areas such as retirement planning, understanding of taxation, and the creation of emergency funds. Additionally, the reliance on financial advisors suggests a potential lack of independent financial decision-making skills.

A large proportion of respondents displayed strong financial awareness, especially in areas like investment risks and long-term financial planning. More than 75% of participants expressed confidence in their ability to make financial decisions and recognize the significance of financial planning. However, there are notable gaps in retirement planning, emergency fund creation, and tax knowledge. Only 52% of respondents understand the taxation of investments, which could result in suboptimal financial management. Additionally, over 38% do not have an emergency fund, which could jeopardize their financial stability in unexpected situations.

Financial Numeracy:



Basic Interest Calculation: A significant 89% of respondents (Agree + Strongly Agree) have a solid understanding of how interest accumulates over time (Financial Numeracy 1), indicating strong basic financial calculation skills among most participants.

Impact of Interest Rate Changes on Bonds: 72% (Agree + Strongly Agree) comprehend how bond prices fluctuate with interest rate changes (Financial Numeracy 2), but 8% (Disagree + Strongly Disagree) lack this understanding, which could affect their fixed-income investment decisions.

Inflation and Purchasing Power: Only 58% (Agree + Strongly Agree) correctly grasp how inflation impacts purchasing power (Financial Numeracy 3). With 40% remaining Neutral, there is noticeable uncertainty about inflation's effect on long-term savings.

Loan Repayment Calculation: 64% (Agree + Strongly Agree) understand the influence of interest rates on loan repayments (Financial Numeracy 4), while 30% are Neutral, and 6% (Disagree + Strongly Disagree) lack any understanding, suggesting room for improvement in this area.

Compounding and Wealth Growth: Only 54% (Agree + Strongly Agree) understand the power of compounding (Financial Numeracy 5), with 41% remaining Neutral and 5% (Disagree) lacking comprehension. This knowledge gap is concerning, as understanding compounding is crucial for wealth accumulation through investments.

CONCLUSION:

The main aim of this study is to evaluate the financial literacy and numeracy levels of working women in South Gujarat. Data was gathered using a structured questionnaire through a survey method, with a sample of 100 respondents conveniently selected from South Gujarat. The survey included questions that assessed financial knowledge, numeracy skills, financial behaviors, and attitudes toward financial management. The findings indicate that while working women in South Gujarat have a solid foundation in financial literacy, there is a need for improvement in certain areas of numeracy. Although self-reported financial confidence is high, practical knowledge—such as understanding compounding and taxation—is comparatively weaker. While risk awareness is strong, there is a need for greater focus on retirement and emergency financial planning. Additionally, limited understanding of inflation and taxation could impact their long-term financial stability. Women with higher financial literacy are more likely to make informed investment decisions, secure their financial future, and contribute to economic growth. However, gaps in financial numeracy may prevent them from fully maximizing returns and managing financial risks effectively.

REFERENCES:

1. Arora, A. (2016). Assessment of financial literacy among working Indian women. ResearchGate.
2. Joshi, T., & Mirchandani, T. (2023). The impact of digital financial literacy on financial decision making among Gujarat citizens. *International Journal of Management, Public Policy and Research*, 2(2), 80–88. <https://doi.org/10.55829/ijmpr.v2i2.157>
3. Pawar, R., & Hola, R. (2023). A study on factors affecting financial literacy among working women in Gujarat state. *Elementary Education Online*, 19(1), 1179–1188.
4. Priya, K. (2024). An analysis of financial literacy among working Indian women. *International Journal of Management and Humanities*, 10(7), 10–14. <https://doi.org/10.35940/ijmh.G1695.10070324>
5. Vaghela. (2023), Effect of financial literacy and attitude on financial behavior among university students, *Indian Journal of Finance*.
6. Trivedi, A. (2022). Determinants of financial inclusion of urban women: Evidence from Ahmedabad, India. *SDMIMD Journal of Management*, 13, 31–46. <https://doi.org/10.18311/sdmimd/2022/29586>