

# Statistical Analysis of Financial Literacy with Reference to Bhoze Village in Miraj Tehsil of Sangli District (M.S.)

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**Abstract:** *Financial literacy is the ability of an individual to take informed decision on basic financial practices. Financial literacy is essential not only for the individual but also for development of markets of a country this study investigates the relation between financial literacy level and gender of individual. The goal of present study is to determine whether gender affects the level of financial literacy. In order to test this claim, the ransom sample of 117 people living in Bhoze village was selected. The t -test was used to analysis the data. The study found out which gender has more sufficient financial knowledge and determine the gender of individuals who needed to receive finance education. As the result of analysis, it was concluded that gender has no significant effect on financial literacy and negligible financial literacy.*

**Keywords:** Internet Banking, Financial education, Debit card, t-test

## I. INTRODUCTION

Financial literacy means the ability to understand how money works in a business and in personal life. Financial literacy is the education and understanding of knowing how money is made, spent, and saved, as well as the skills and ability to use financial resources to make decisions. These decisions include how to generate, invest, spend, and save money. It is applicable to both individuals and organizations. Individuals must be able to balance a checkbook, comprehend personal income taxes, and understand the concept of budget in order to make wise decisions with money. These skills are vitally important; yet, many individuals lack this basic knowledge and consequently are unable to meet their daily expenses. The lack of knowledge on financial literacy may lead to making poor financial decisions that can have serious impacts on your financial well-being. Hence, it is high time we understood our finances well and did better financial planning and investments for a smooth financial. It ensures that financial planning is made a priority and a formal conversation between couples is not just an argument on exceeding the budget and spending too much. In a family, both in India and abroad, the financial plan should cater to the needs to the earning member, the dependents especially the children. Financial planning basics, any financial planner or financial planning tool includes ensuring that your personal as well as the financial future of your family including your child or children is secured. While savings, investment, wealth creation and debt reduction is central to a good financial plan, you need to keep track of developments, invest early and manage your finances. You could manage your finances personally or by using the services of a financial planner. The key is constant financial earning and making the knowledge work for you. And most importantly the need of the hour is inculcate financial literacy early. The younger you are when you invest and prioritize financial planning basics, the wealthier you will be. The mantra is “invest early, invest well” after all! Financial literacy must be part of school and college curriculums. More the number of wealthy individuals mean a healthy economy, which is good for all. Financial literacy is an essential life skill that impact on individual, family well-being on the wider economy. The rise of this concept is also directly related to concept of behavioral finance. The concept of behavioral finance based on financial freedom and self –decision of individuals, it has become essential for individual to take correct financial decisions.

The best decision for that will be to increase financial literacy level of individual. Financial literacy is very important for all societies and it has macroeconomic effect as well. The goal of the study is to measure effect of gender on financial literacy and also to know howmany peoples are aware about financial literacy.

Huston et al. (2010) measured the financial literacy. They studied about the cause and effect relationship between financial education and financial literacy. Adam et al. (2018) studied about the gender disparity in financial literacy still persist after retirement. In this research wewant to compare the financial literacy level between male and female.

**II. METHODS AND MATERIALS**

For this study we select Bhoose village having population 2012. With the help of questionnaire we collected primary data about financial literacy of person individually.

- **Population of the study:** The population of study was all individuals living in Bhoose Village with potential of having financial literacy.
- **Sample of the study:** The sample of study was randomly selected no certain region limit wasapplied when selecting sample.
- **Data analysis:** The data where analysed through the SPSS and excel. The Independent two sample t-test where applied to compare the financial literacy level between male and female

**III. DATA ANALYSIS AND INTERPRETATION**

**H0:** There is no significant difference between financial literacy level of male and female. Vs

**H1:** There is significant difference between financial literacy level of male and female.

The Group statistics Table-3.1 indicates that the male and female in terms of financial literacylevel. This table gives, the number of male & female, mean, standard deviation and standard error of mean.

**Table 3.1: Group Statistics**

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Difference	Male	65	.3538	.1118	.0139
	Female	52	.3856	.1262	.0175

The independent sample test (table-3.2) gives the results of Levene's Test for Equality of Variances and t-test for Equality of Means. As shown in the table 3.2, the t-test results are reported twice. In first result the equal variances assumed and in second result equal variances not assumed. The assumptions of equal variances is evaluated using Levene's Test for equalityof variances. As a rule of thumb if P-value ≤ 0.05, we reject null hypothesis of equal variances and use the second result of t-test. Reversely if its P-value > 0.05 then accept null hypothesis of equal variances and use first result of t-test.

**Table 3.2: Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Difference	Equal variances assumed	1.249	.266	-1.442	115	.152	-.0318	.0220	-.0754	.0119
	Equal variances not assumed			-1.423	102.842	.158	-.0318	.0223	-.0760	.0125

#### IV. RESULT AND DISCUSSIONS

The p-value of Levene's test for equality of variances is 0.266 which is greater than 0.05, hence we fail to reject the null hypothesis of equal variances and use the first result of t-test. In the first result of t-test, the value of t test statistic is -1.442 with corresponding p-value is 0.152.

The p-value of independent two sample t-test is greater than 0.05 (level of significance). Hence we fail to reject the null hypothesis at 5% level of significance. Thus, there is no sufficient evidence to conclude that financial literacy level of male and female are different

#### V. CONCLUSION

The result of this study indicates that the financial literacy level is nearly equal in males and females. Obtaining financial literacy is most important task for human beings. If people are financially literate, then their ability to make financial decisions will be high and therefore they will be able to manage money effectively. Hence they reach to their financial goal.

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