

## **SOCIAL EMANCIPATION OF WOMEN THROUGH FINANCIAL LITERACY AMONG BLUE COLLAR WORKERS IN BANGALORE**

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DOI: 10.46609/IJSSER.2023.v08i04.012 URL: <https://doi.org/10.46609/IJSSER.2023.v08i04.012>

Received: 5 April 2022 / Accepted: 15 April 2023 / Published: 21 April 2023

### **ABSTRACT**

Low levels of financial literacy in India continue to persist, especially amongst blue-collared working women. Traditional patriarchal practices continue, where it is observed that “single women outperform married women in terms of their financial literacy score.” Furthermore, women have performed better in financial attitude than in financial knowledge, highlighting low financial literacy levels. (Arora, 2016). In order to bridge the gender finance gap, a not-for-profit organisation, FINWIN conducted a series of workshops for women blue collared workers in Bangalore. The research study is based on the pre-workshop and post-workshop survey undertaken by 45 women who were a part of the course. The aim of the research was to investigate the financial literacy levels of the blue collared women workers in Bangalore. The survey, translated into the regional language was handed out to all the women where they filled in three sections: background, decision making habits and pre-workshop survey. After the workshop was delivered, a post-workshop survey was handed out to see the difference in financial literacy levels and the effectiveness of the workshop. Most modules were reported to be a success as the majority of the women were able to apply the new knowledge gained. This research study paves a path for the financial literacy workshop modules to be refined further, concepts addressed in the workshop can be applied in real life by the women blue collared workers to work towards achieving financial independence and away from patriarchal practices. Lastly, the survey not only tests one’s level of financial literacy but the co-relating psychological impact on one’s self confidence which has scope to be researched further.

**Keywords:** Financial independence, Financial Literacy, Women, Decision Making, FINWIN, Blue-Collared Workers, Bangalore

### **INTRODUCTION**

Financial literacy is needed as a strong foundation for individuals to be self-sufficient and

financially stable. Gaining a complete understanding of financial literacy concepts allows individuals to better their decision making skills on a day to day basis, making informed and effective decisions regarding their personal finances, which can help them achieve their financial goals and secure their financial future. Whereas, OECD defines financial literacy as “a combination of awareness, knowledge, skill, attitude and behaviour”. The lack of financial literacy can have long term consequences of financial pitfalls, leading to overspending, occurring high levels of debt or failing to save enough for the future. Moreover, According to the Reserve Bank of India data, India lost at least Rs 100 crore every day to bank fraud or scams over the past seven years. In a report by the RBI the amount of money lost in frauds was Rs 60,414 crore in 2021-22 and Rs 1.38 lakh crore in 2020-21. Aside from financial literacy being an important asset in making financial decisions, more importantly, having control over one’s money empowers them. Based on the study conducted to understand the effect of financial confidence on financial management found out that “based on the results of the study, there is a significant influence between financial literacy, financial confidence, and external locus of control on personal finance management”. (Wijayanti and Kartawinata, n.d.). Empowerment brings in confidence and independence, without the need to rely on someone else or constrained to certain life choices. This can be highlighted through the persistent gender finance gap. Patriarchal practices in financial planning refer to the ways in which traditional gender roles and power dynamics may influence financial decision-making. A lot of literature states that men are more financially literate and therefore proceed to take financial decisions of the household, making women dependent and having less control over household finances. However, in Times of India, a national newspaper it states that “A study shows that women, on average, live five years longer than men across many nations, including a diverse range of poor and developed ones. Therefore, women should learn as much as they can about financial planning and investing opportunities to safeguard themselves against any financial difficulties.” Traditional gender roles have assigned men the role of the breadwinner and financial provider while women have been expected to take on more domestic and caregiving responsibilities. This contributes to widening the gender finance gap, having significant consequences for women’s financial security and economic empowerment. OECD’s world wide survey when assessing levels of financial literacy found that it is generally observed that on an average, women perform worse than men in the tests of financial knowledge and have less confidence in their financial skills (OECD, 2013) and “in none of the countries studied do women score more than men on the combined measure”. More specifically to India, according to a recent SEBI survey, just 27 per cent of the country's citizens are financially educated.

In India, the gender finance gap is prevalent where many Indian women are facing several cultural, financial, psychological and physical barriers that are creating hindrances in becoming financially literate (Baluja, 2016). Further highlighted in her paper “women have inherently been

better money managers on a small scale as far as their household expenses and savings are concerned, yet many women, including working women, seem to be comfortable in leaving their long-term finances and retirement planning to their fathers or husbands.” This comes back to stereotypical gender roles and traditional patriarchal practices where Indian women tend to let the men handle finances, due to the lack of financial education. In OECD’s pilot study they concluded a positive relationship between education and financial literacy. Higher educated individuals are more likely to exhibit positive behaviours and attitudes as well as show advanced levels of knowledge. The blue-collared workers in India tend to have lower literacy rates corresponding to lower financial literacy levels. Factors influencing the level of financial literacy in India are: Lack of independence, culture, culture and lack of women centric financial schemes.

In efforts to bridge the gender finance gap, a not-for-profit initiative, FINWIN, conducts financial literacy workshops and provides mobile financial inclusion services for women workers around Bangalore. More specifically on the financial literacy workshops, it covers financial literacy topics of tracking spending, basics of budgeting, prioritising savings and the government schemes eligible for women. Before the session, a pre-workshop survey is handed out to understand the target audience’s current financial literacy level, questions range from an understanding of a few financial literacy topics to analogical questions that assess their financial decision making skills. After conducting the financial literacy workshop, a post workshop survey is handed out to assess the impact of the workshop on the target audience. This tests if there was an increase in the financial literacy level amongst blue-collar workers in Bangalore.

The aim of this research is to investigate the levels of financial literacy of blue-collared women workers, before and after the financial literacy workshop conducted in Bangalore.

## **METHODOLOGY**

### ***Research Aim***

The aim of this research is to assess the levels of financial literacy before and after the financial literacy workshop by FINWIN. Comparing the results of the respondent’s prior knowledge against their new knowledge measures the effectiveness of the financial literacy workshop.

### ***Research Design***

The research study was divided into two distinct parts. The first part included the pre-workshop survey. This included general background information on the respondent, prior knowledge on financial literacy concepts (which are later addressed in the workshop) and understanding the respondent’s decision making skills regarding their personal finances. The second part included the post-workshop survey. This was handed out to the respondents after the financial literacy

workshop, assessing their understanding of the financial literacy concepts addressed in the workshop. Comparing the pre-workshop survey results and the post-workshop results assesses the respondent's new found understanding in financial literacy and the effectiveness of the workshop itself.

### ***Sample***

The sample size of this research study consisted of 45 respondents who all currently work in Bangalore. Some of the respondents had migrated from various parts of India, but at this moment all of them reside and are employed in Bangalore, Karnataka. The age of the respondents range from 18 to 53 years. All respondents are women, who work in various jobs such as domestic helpers and factory workers and school staff, etc.

### ***Informed consent***

Consent was taken from each and every respondent before they attempted at responding to the survey. It was guaranteed that the information they provide will be kept confidential and their identity will be revealed to no third party. Furthermore, including the aspect that there is no potential risk of responding to the survey, as per the best of my knowledge along with the fact that they have the ability to terminate their participation at any point of the study, if they feel any sort of discomfort.

### ***Tools Used***

The survey was designed in a way based on the modules of the financial literacy workshop. As the aim of this research is to evaluate the effectiveness of the financial literacy workshop, as well as understanding their financial decision making skills, the questions were designed in respect to that. Furthermore, the decision making section and general background information questions were inspired by the OECD standardised financial literacy survey. The modules covered in the workshops were how to track your expenses, the 50/30/20 budgeting rule, prioritising savings, decision making regarding your personal finances and the various government schemes that they are eligible for and the ones they can apply to.

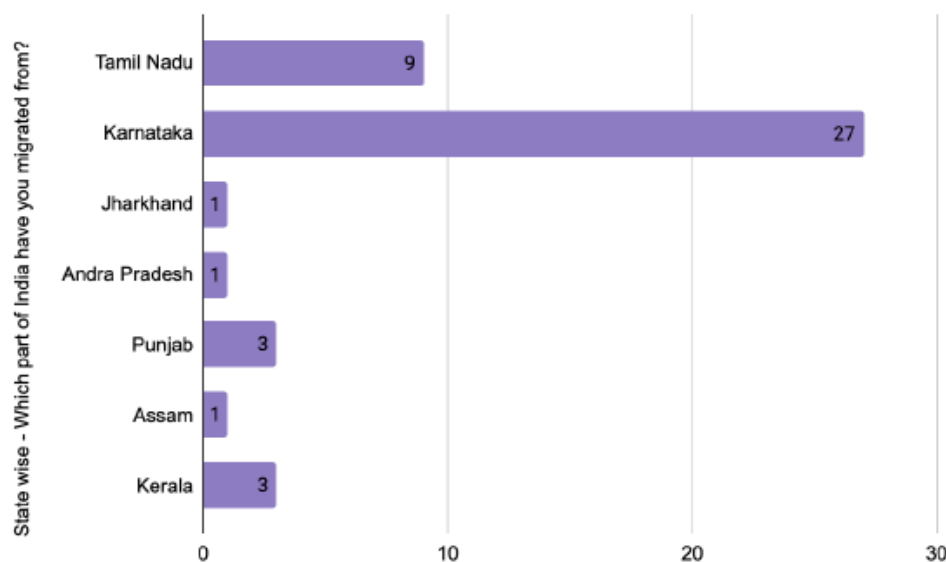
### ***Data collection procedure***

Data collection took place in a systemic format. Before the workshop, respondents were handed out physical questionnaires (translated to their regional language) and were asked to fill out the first three sections. The three sections consisted of general background information, the pre-workshop survey (prior knowledge on financial literacy) and decision making regarding their personal finances. The questionnaires were then taken away, and respondents diverted their

attention to the workshop addressing financial literacy concepts. Post the workshop the questionnaires were handed out again and this time the respondents filled the last section, assessing their understanding of the financial literacy concepts discussed in the workshop.

## RESULTS AND DISCUSSION

The results from the study are presented in the figures below. The 45 respondents are all currently employed in Bangalore in various types of domestic jobs. The age of the respondents range from 18 to 53. 82.2% of the respondents are married, 4.4% are separated/divorced, 6.7% are widowed and 6.7% are single. As well as 25 of the respondents have had no formal education, while only 3 respondents have completed secondary school, 15 have completed primary school and 3 of them have had technical/vocational education beyond secondary school level. This is further indicated by a study about the status of rural education and how it is integral for India's economy, concluding "literacy rate in rural India was around 73.5%. This includes 81% male and 65% female literacy in rural sections of India." (IBEF, 2022). These statistics show that while there has been progress in improving literacy rates in India, there is still a significant proportion of the population that lacks formal education.



**Figure 1:** Graphical representation of the different geographical areas the respondents have migrated from 7 states

The Ministry of Statistics & Programme Implementation report a 48% migration rate of females who live in rural areas (PIB Delhi, 2022) As seen in figure 1, only 18 respondents have migrated from other states in India and are now residing in Bangalore. From the 27 respondents who were residing in Karnataka, most of them are from Bangalore. Therefore, this demographic

understanding highlights the level of financial independence amongst blue collared women who are currently employed in Bangalore.

To understand the pre-existing level of financial awareness amongst the respondents, a pre-workshop survey was conducted to analyse the effectiveness of the workshop. This highlights the financial habits, behaviour and attitude amidst the respondents.

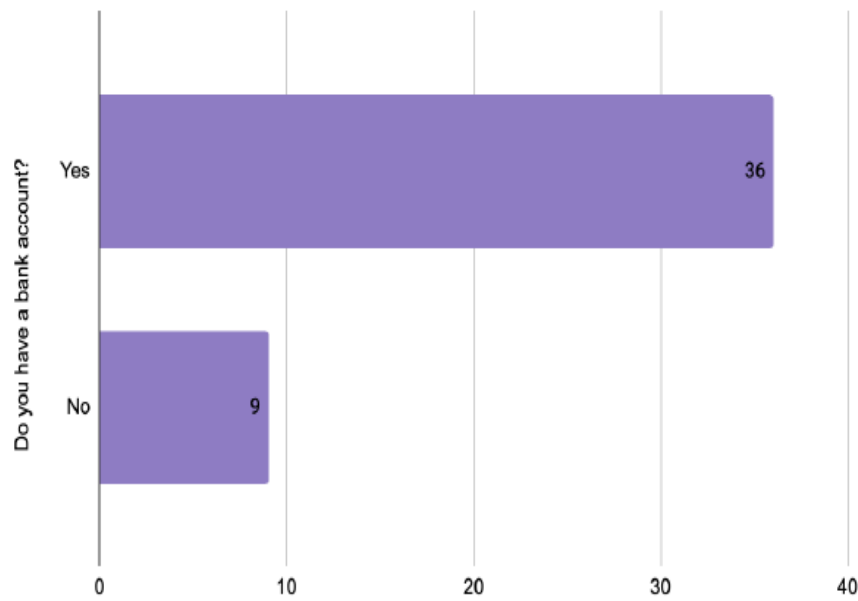


Figure 2- Graphical representation of the the 45 respondents who have a bank account

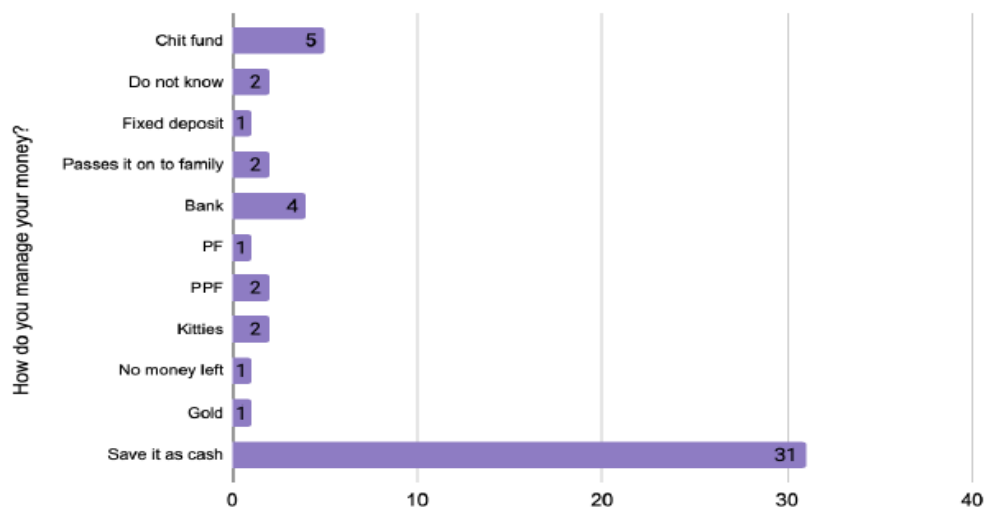
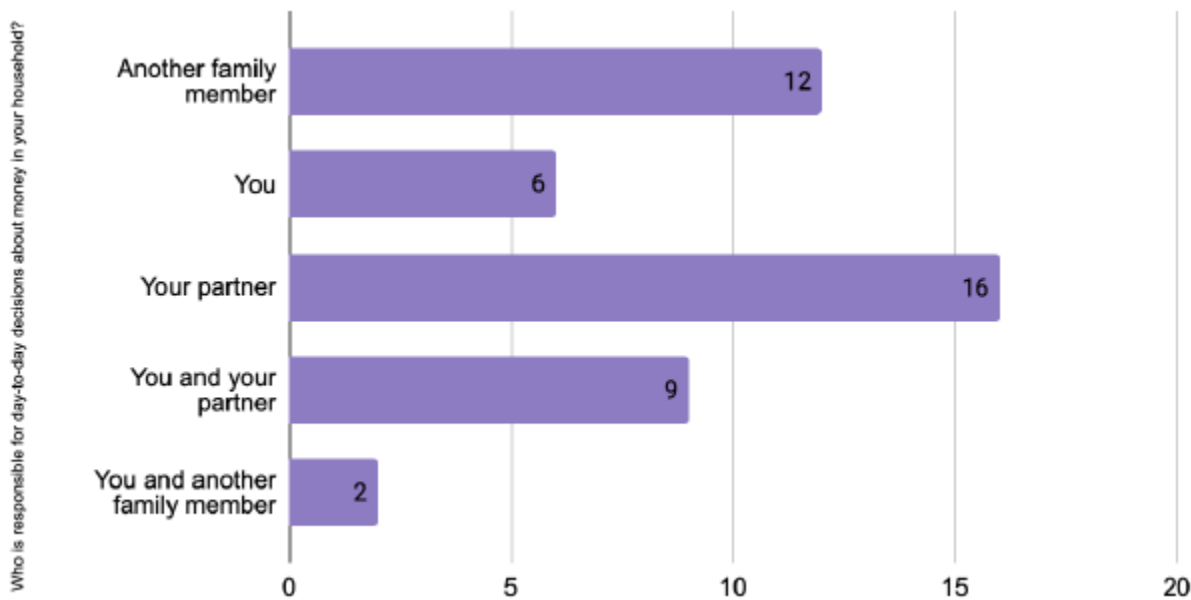


Figure 3 - Graphical representation of the different mediums used by the respondents manage their money

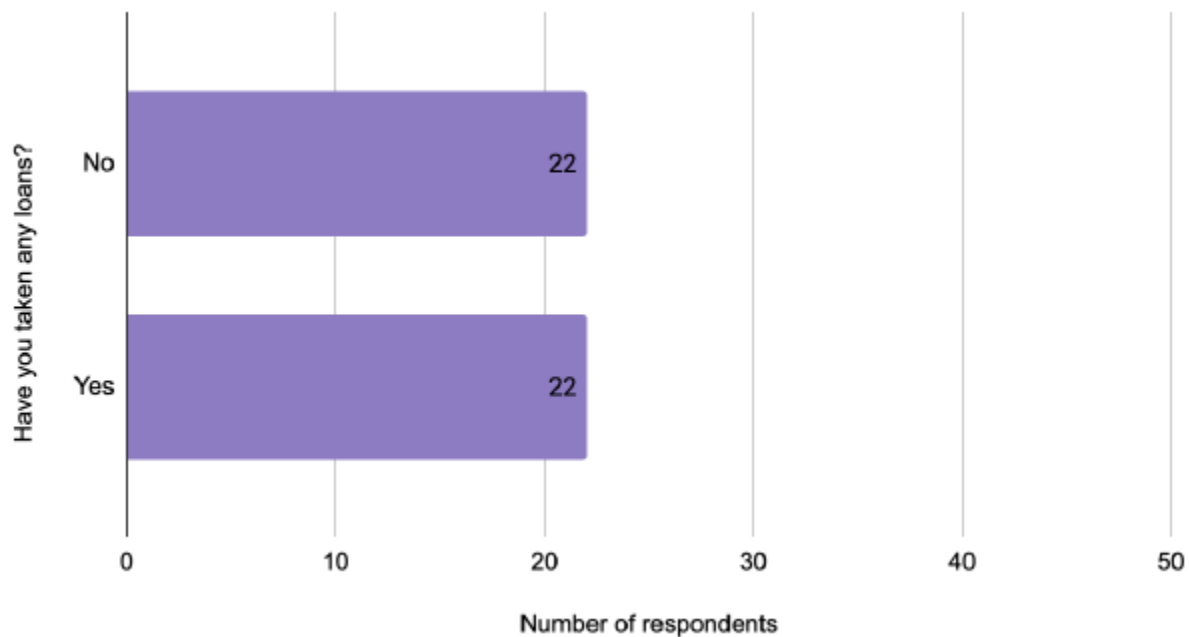
In figure 2, 80% of the respondents have stated they have a bank account and therefore, it is inferred the respondents are financially included in the system. A prior assumption with these results would be that the blue collared workers would use their own personal bank account to save and withdraw their money. However, in figure 3, respondents had the option to click on numerous checkboxes describing how they manage their money. Only four respondents stated they manage their money using their personal bank accounts, while, majority of the women said they save it as cash. These figures contradict with the assumption that the 36 women who have a bank account, use their bank account to manage their money. Having the liberty to click on multiple options in figure 3, only 4 respondents declared they managed their money using the bank.

This highlights a huge gap between financial inclusion and financial literacy. Proving that many might be included in the system, financially. However, they might not have the necessary skills or access to how they can optimise the usage of a bank account to handle day-to-day expenses. Likewise, a report on the challenges women face in regard to the access to banking services Solange Hai states “Women face a number of barriers in terms of accessing banking services. Social norms around gender roles can result in women having less control over financial resources,” she says. “The formal requirements associated with opening up a formal bank account (such as an ID card) are also a barrier, particularly for women living in rural areas, or those working in the informal sector.”



**Figure 4** - Graphical representation of financial decision making in households of the 45 respondents.

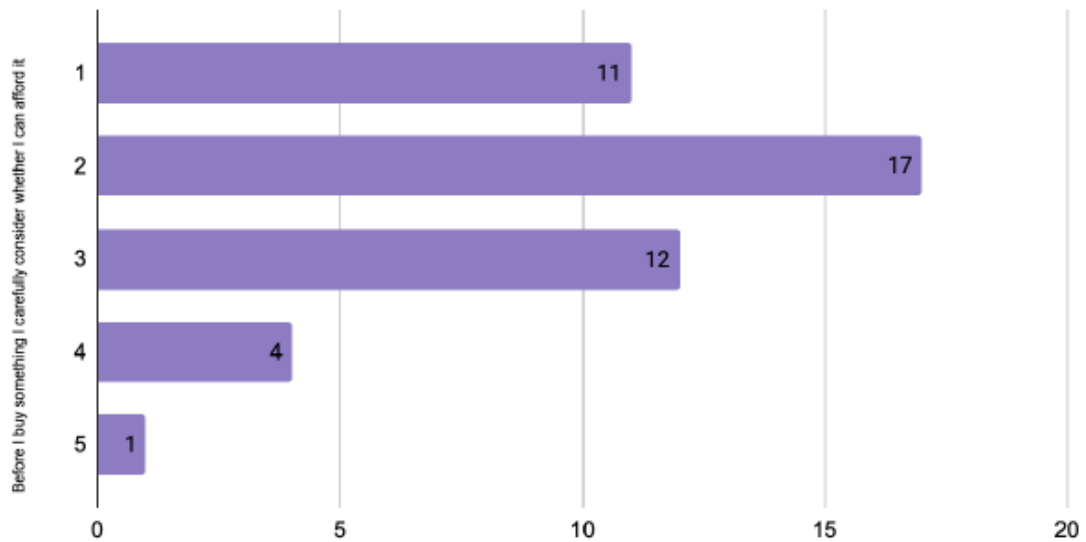
In figure 4, the question assesses who is in control of saving and spending the household income. This is taking into account all women who took part in the study were employed. 16 of the respondents say their spouses are responsible for taking day-to-day decisions about money in their household. Followed by another family member, followed by both them and their partner, them and them and another family member. This adds to the understanding of how patriarchal practices still govern modern day society. 16 respondents stated their partner is the sole person in the household responsible for spending and saving money, leaving the women in no control of their own money. It is inferred that this does not only hinder their financial independence but also affects their confidence and ability to make financial decisions themselves. A study done on effects of self confidence on financial literacy concluded that their subjects “with higher levels of self-confidence score higher in financial literacy tests, whatever the dimension considered” (Arellano, Camara, Tuesta, 2014). This proves that the results of the women who do not handle their finances using financial knowledge have less self-confidence than their partner’s, establishing a hierarchy or divide in the household.



**Figure 5** - Graphical representation of the 45 respondents who have or haven't taken loans

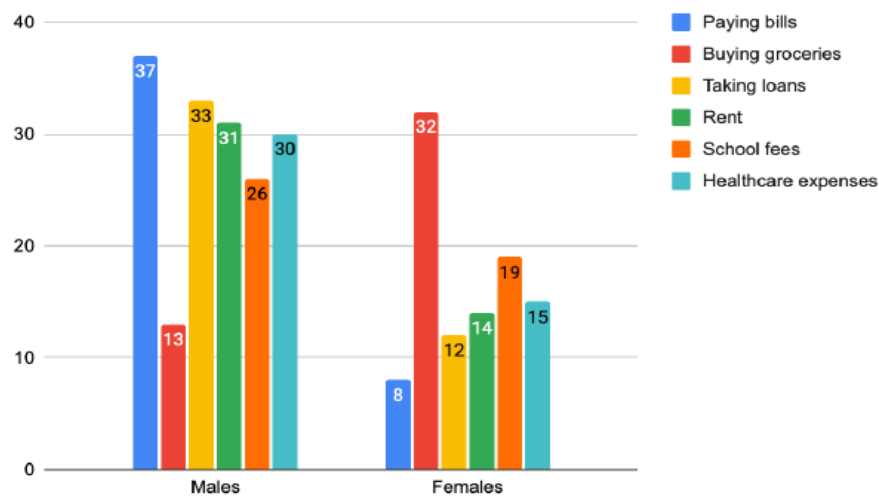
In Figure 5, 44 respondents were equally split, 50% had taken loans and 50% had not. One respondent did not attempt this question as they were not aware what a loan was. However, those who applied for loans also mentioned the loans' purpose ranged from healthcare to education to personal loans.





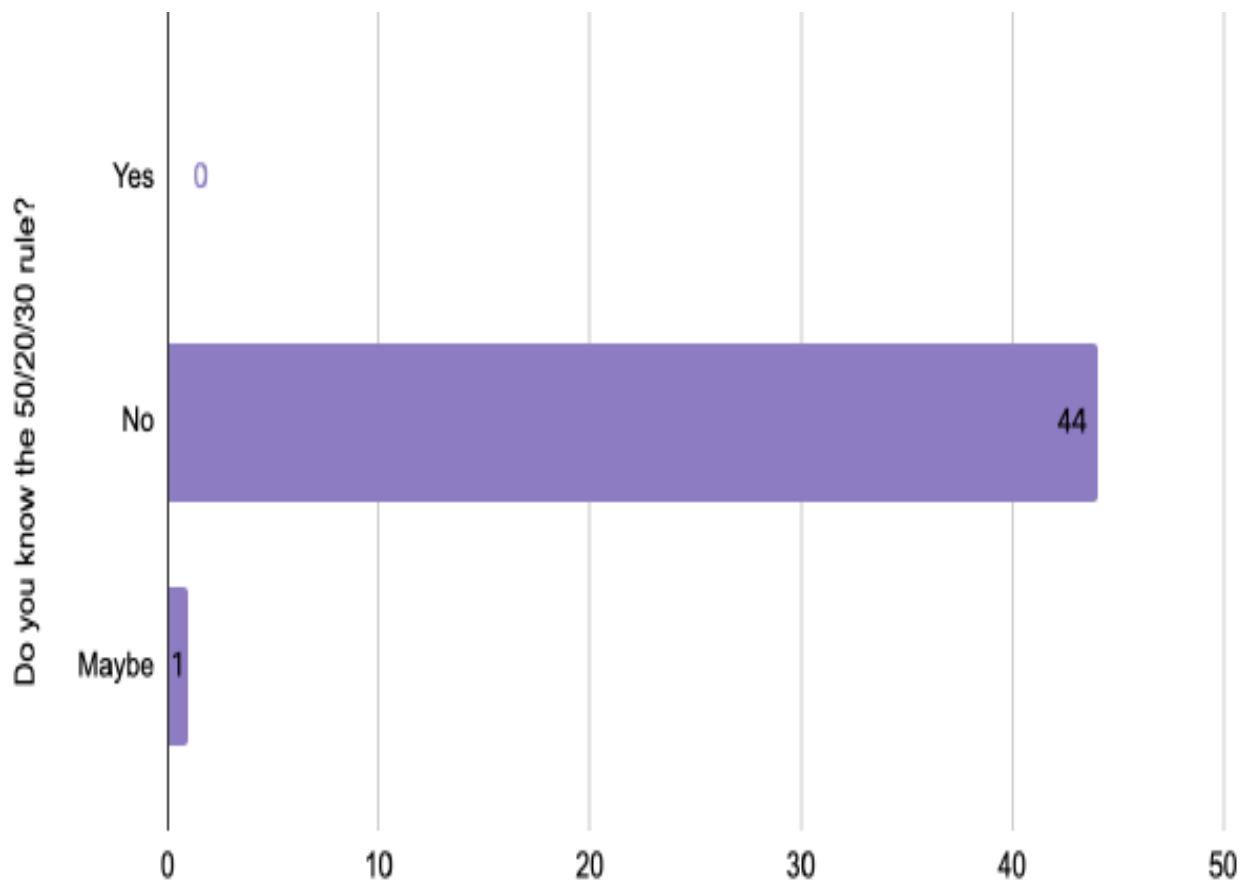
**Figure 6-** graphical representation of a 1-5 scale addressing if the respondents carefully consider if they can afford something

Figure 6 represents the individual’s decision making when it comes to taking decisions regarding their personal finances. On a scale of 1-5, 1 indicates the respondent completely agrees while 5 indicates the respondent completely disagrees. 37.8% is the majority who rate themselves at 2. However, only 5 respondents were above 3. This highlights the majority of blue collared workers carefully considering if they can afford it before buying something, resulting in their financial behaviour and awareness being rated relatively higher.

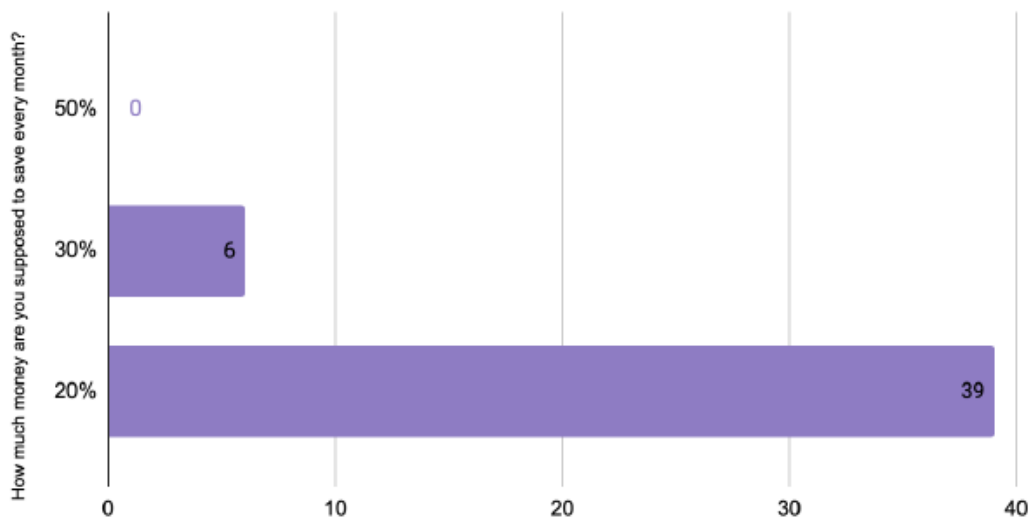


**Figure 7 -** graphical representation of a list of daily activities where respondents highlighted if the male or female of the household was responsible for it

Figure 7, further looks into financial decision making but in a household set up, by assessing whether the male or the female makes decisions in certain categories of household expenses. In every category, the males take the majority of financial decisions by paying bills, taking loans, paying rent, handling the school fees and healthcare expenses. However, the one category that women take an overbearing majority is in buying groceries. This highlights how 71.1% of the respondents and their families conform to gender stereotypes willingly or unwillingly. This further elaborates on the gender finance gap, not in income or literacy but in financial decision making. A study conducted by assessing if the wages received by the woman will go into the male guardian's account or into her account concluded in the longer run they were more empowered and independent in managing their finances (Field, Pande, Rigol, Schaner, Moore, 2019).

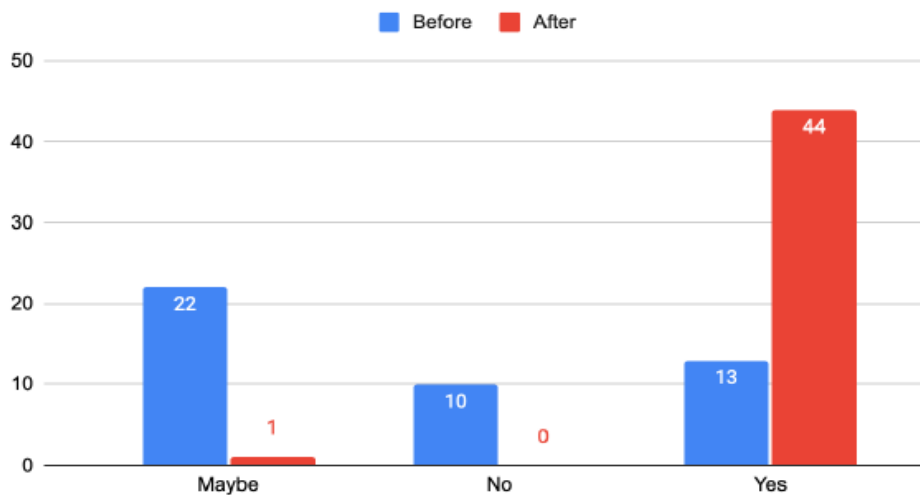


**Figure 8.1** - graphical representation if the respondents knew about the 50/20/30 rule before the workshop



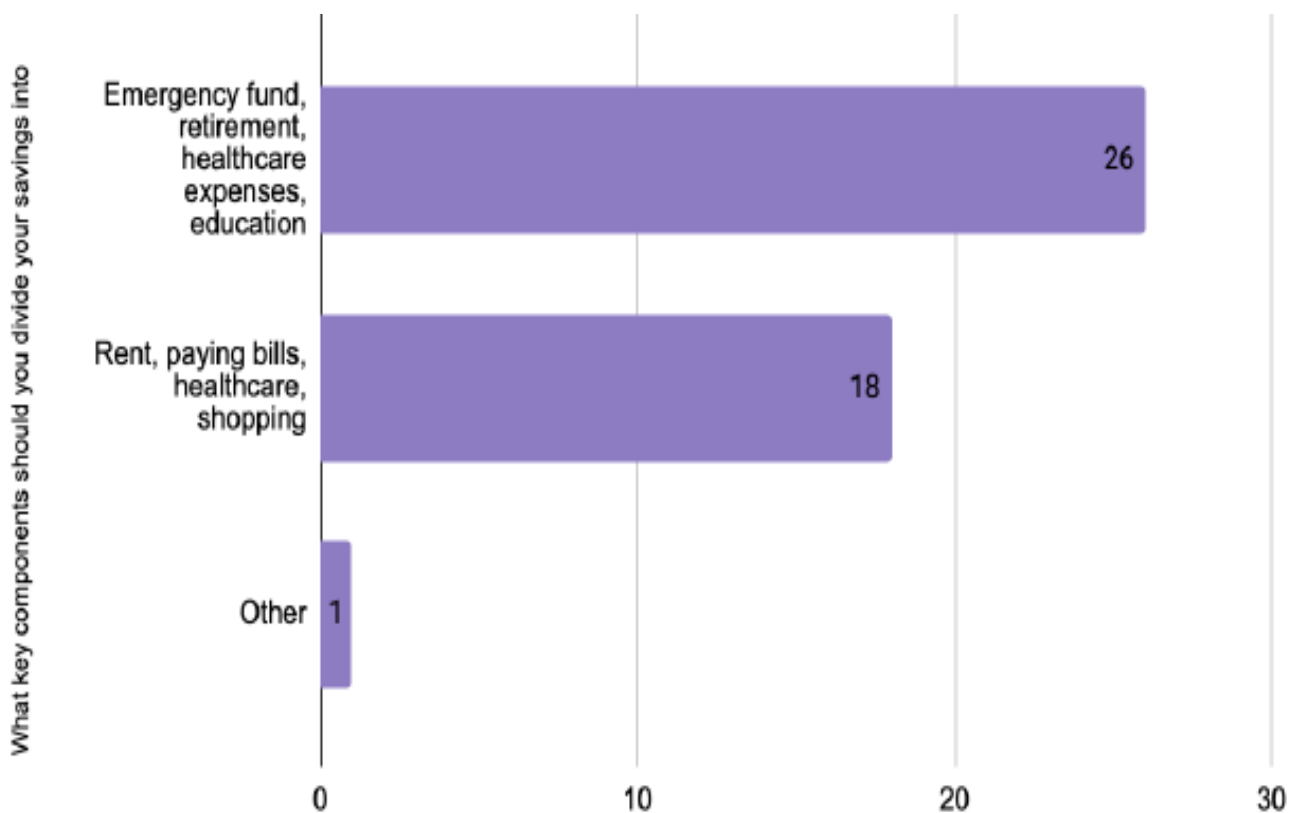
**Figure 8.2** - graphical representation if the respondents knew about the 50/20/30 rule after the workshop.

Figure 8.1 and figure 8.2 contrast results before and after the workshop. One of the modules addressed in the financial literacy workshop was the basics of budgeting, with great concentration on the 50/30/20 rule. Before the workshop respondents were asked if they knew about the 50/30/20 rule. Majority of them said no. However, after the workshop, a more specific question addressed how much should one save every month, an application of the 50/30/20 rule concept. 39 of them responded with the correct choice. Hence, proving the module discussed in the workshop added to their financial knowledge and proved to be effective.



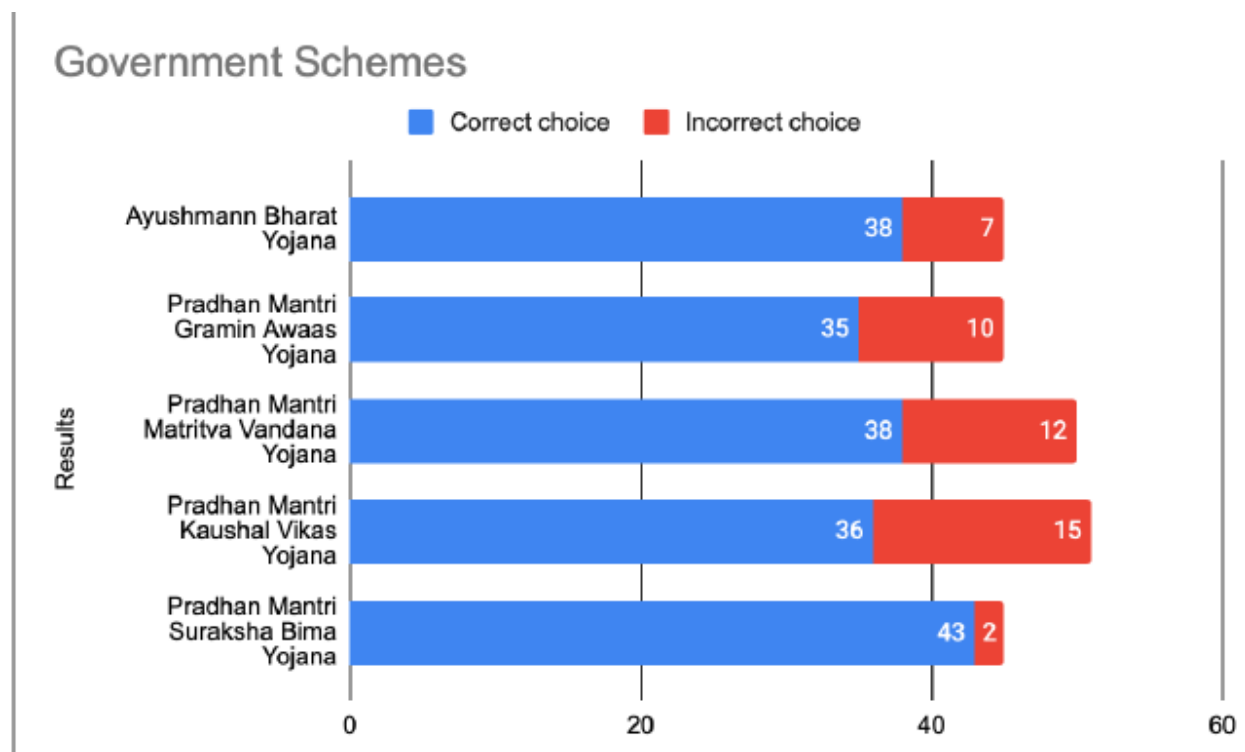
**Figure 9** - graphical representation of the pre and post workshop results asking 45 respondents if it was important to track expenses

In Figure 9, before the workshop the target audience were asked if it was important to track their expenses. Responses were divided amongst all three options, with a majority stating ‘maybe’. However, after the workshop, an overbearing majority stood with ‘yes’ it is important to track expenses. Likewise, banks in India often help highlight the importance of the same as it helps “to identify and eliminate wasteful spending habits in your financial life” (ICICI, 2021) This concludes that the module addressed in the workshop was effectively delivered and understood by the women blue collared workers, along with the bank accounts they have, how tracking expenses can be useful.



**Figure 10** - graphical representation of the post workshop survey testing the respondents which components they must divide their savings into

In Figure 10, the question was asked after the workshop. As one of the modules focuses on prioritising savings. 26 respondents stated the correct answer while 19 did not. This highlights that the module was not the most effective for the participants.



**Figure 11** - graphical representation of the post workshop survey asking respondents which government scheme is applicable to which scenario.

In Figure 11, the respondents were asked to fill out a table post the workshop. As one of the modules covered the aspect of which government schemes are available to the women and a background into each, this question was used to test the knowledge gained. The question listed the government schemes covered in the module and for each one, four options were provided: for you, your children, healthcare and housing. They were required to tick the option. The table was a checkbox table, respondents could enter multiple answers. The results above describe the majority for each government scheme answered correctly. To prove the need for this module, a study conducted on the effect of government schemes in India concluded that “PMJDY has created a remarkable effect in the banking sector by opening large savings accounts, which help reduce financial untouchability in the country”, (Dwivedi and Bhadouria, 2023) which has been effectively communicated to the target audience.

## CONCLUSION

The aim of this study was to investigate the effectiveness of the financial literacy workshop conducted for women blue collar workers by assessing their financial awareness, decision making and financial literacy concepts before and after the workshop. The study concludes that

financial awareness amongst the target group was at an overall low before the workshop. Firstly, many who had bank accounts still preferred to save their money in cash, contradicting the sole purpose of a personal bank account. Furthermore, the results regarding financial decision making conformed to traditional gender stereotypes and patriarchal practices, where males are most likely to make financial decisions in the household.

Moreover, the effectiveness of the financial literacy workshop was tested, by conducting pre and post workshop questionnaires. Most modules such as budgeting, expenses and government schemes had positive results, where the majority of respondents were able to select the correct or more informed choice. However, the prioritising savings module did not seem to add towards the respondents financial knowledge. Therefore, that must be worked on.

There are many implications of this research data. Firstly, more workshops can take place with the modules being refined further to add to the subject's financial knowledge, behaviour, decision making and literacy. The same survey could be used to test and quantify the effectiveness of the workshop. Concepts addressed in the workshop can be applied in real life by the women blue collared workers to work towards achieving financial independence and away from patriarchal practices. Lastly, the survey not only tests one's level of financial literacy but the co-relating psychological impact on one's self confidence. This could be investigated further, a result from this study.

## **LIMITATIONS**

The study had a few limitations. Firstly, all the questions in the survey were translated to Kannada from English, some words might have not had the same exact meaning which could lead to discrepancies on data. All the surveys were filled out onto a sheet of paper and then entered into a google form to track responses, transferring the data manually could also lead to few discrepancies. Furthermore, the sample size was limited to 45 which did not give the best insight for all the women who attended the workshop.

## **ACKNOWLEDGMENTS**

I would like to thank all the respondents who sincerely participated in the study by giving their valuable time. I am grateful to my research mentor for guiding me through the process of writing the research paper. I would also like to appreciate my parents for helping me in the process.

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