

STUDY ON FINANCIAL LITERACY AMONG TRIBAL PEOPLE

Mrs. S.MEGALA¹

Dr. M.V.SATHIYA BAMA²

¹Research Scholar, PG Department of Commerce, Nallamuthu Gounder Mahalingam College, Pollachi, Tamil Nadu

²Associate Professor and Head, Department of Commerce (E-Commerce), Nallamuthu Gounder Mahalingam College, Pollachi, Tamil Nadu

ABSTRACT

Majority of tribal population in the district is now literate and aware of the niceties of financial transactions, with bank accounts in their names, thanks to initiatives by NABARD and non-governmental organizations. They know the niceties of banking transactions, thanks to efforts of banking correspondents from nationalized banks. Though illiterate, many of them are good at earning through government initiatives like the National Rural Employment Guarantee Programmed.

“Bank account is a boon to tribal people, as they get pensions, NGOs and other benefits through banks. No one can cheat them. We are also enlightening them on benefits such as insurance and overdraft facilities. The tribal people were left out of the Centre’s motivated Jan-Dhan programme, and that made NABARD support financial literacy programmes with the support of the NGO, Action in Rural Technology and Service.

Keywords: Tribal people gain financial literacy

INTRODUCTION

India’s flagship financial inclusion programme, Pradhan Mantri Jan Dhan Yojana (PMJDY), has been able to make universal access to a bank account a near reality, but the level of usage of accounts remains quite low. India has now 180 billion accounts. But 48 per cent of the bank accounts have seen no transactions in the last one year, according to the World Bank’s Global Findex database. We must remember that the right measure of financial inclusion is not access, but regular usage.

For making successful use of financial services, people need to be literate enough to understand the basics of managing money. This skill is known as financial literacy.

In simple terms, it refers to a set of skills that allow people to manage their money wisely along with some understanding of essential financial concepts, not least an appreciation of the trade-off between risk and return. Financial literacy is essential for enabling people to make right financial choices. In view of the lack of proper awareness, people buy insurance policies without adequate planning and give up midway because they don’t have money to pay the premium. Aggressive pushing of products by insurance providers without adequately assessing the consistency in income streams of the buyers for servicing their policies can mean more harm to the poor.

The cultural troupes had been roped in to promote financial literacy among tribal people through songs and skits. “Many tribals are depending on private lenders who normally charge high interest rates on loans. We tell them that banks offer soft loans at nominal interest rates if they regularly do transactions. It has also made them come forward and open accounts,” he added. The financial inclusion programme has created awareness among people.

STATEMENT OF THE PROBLEM

The Indian financial sector has shown tremendous growth in volume and complexity during the last few decades. Despite making significant improvements in all the areas relating to financial viability, profitability and competitiveness, there are concerns that the financial institutions have not been able to include vast segment of the population, especially the underprivileged sections of the society, into the fold of basic financial services. Reserve Bank of India and Central Government are making efforts to study the causes of financial exclusion and designing strategies to ensure financial inclusion of the poor and disadvantaged.

The reasons may vary from country to country and hence the strategy could also vary but all out efforts are being made as financial inclusion can truly lift the financial condition and standards of life of the poor and the disadvantaged. The present study aims to analyse the level of financial literacy among in tribal people

REVIEW OF LITERATURE

SANDRA BRAUNSTEIN AND CAROLYN WELCH (2002), “Financial Literacy: An Overview of Practice, Research, and Policy”. The objective of the study is to measure the level of financial literacy of young employees. The primary data have been collected from 200 respondents through convenience sampling technique. Statistical tools like Descriptive analysis, Reliability analysis and Correlation analysis are used to analyze the data. The study found that consumers appear to benefit from practical and applied learning

MICHAEL E. HANNA, ROBERT R. HILL AND GRADY PERDUE (2010), “School Of Study And Financial Literacy”. This study examines the financial literacy of students in several schools of a metropolitan university. The primary data were collected using structure questionnaire. Survey method of data collection was used in the research by using convenient sampling technique non-probability sampling technique. Statistical tools like mean and standard deviation, chi-square used for data analyze. The research finds that the level of financial literacy statistically significant differences in the level of literacy between the students in the various schools.

ANNAMARIA LUSARDI, OLIVIA S. MITCHELL AND VILSA CURTO (2010), “Financial Literacy among the Young”. The objective of the study is to explore how younger consumers financially knowledgeable young adults are. Primary data have been collected from 100 respondents. The statistical techniques like percentage analysis, chi-square analysis, ranking analysis and correlation technique are used for the purpose of data analysis. His results suggest that these debt loads are causing anxiety among young people and influencing major labor decisions.

OBJECTIVES OF THE STUDY

The current study is initiated with the following goals

1. To find out the extent of financial literacy social economic conditions for tribal people.
2. To analyse the level of awareness among the tribal people with regard to various financial terms.

SIGNIFICANCE OF THE STUDY

Financial literacy is considered as an important factor that promotes financial inclusion. Due to the importance of financial literacy Reserve Bank of India and Central Government are undertaking many projects and programmes to make the people financially literate. Even then many of the individuals are unfamiliar with even the most basic economic concepts needed to make sensible saving and investment decisions. This has serious implications for saving, retirement planning and other financial decisions.

RESEARCH METHODOLOGY

RESEARCH METHOD

This methodology explains about the overall objective of research design, data collection method, sampling procedure, construction of questionnaire, tools of analysis. The study is descriptive in nature, as it describes opinion on the tribal people regarding financial literacy. A research design is the

arrangement of condition for collection and analysis of data in manner that aims to combine relevance to the research purpose with economy in procedure. Sampling Size The respondents were selected based on Convenience sampling the sample size of the study is 100 tribal peoples. The data for this study are of two types primary data, secondary data

Primary data is the data is collected from the respondents for the first time, it is original in nature. For the purpose of collection of primary data, a well structured questionnaire was framed and filled by the respondents. The questionnaire comprises of close ended as well as open ended questions. In close ended questions, checklist questions and multiple choice questions are used. Secondary data are collected from books, magazines, web sites etc, and both open ended and close-ended questions are incorporated in the questionnaire for the collection of data. Statistical Tools Chi-square test is used to analysis the study Chi Square Test. Area of the Study The sample area chosen for conducting the study is Pollachi Taluk only.

LIMITATIONS OF THE STUDY

- Study is restricted to Pollachi Taluk above and it may not reflect the entire population.
- Time Constraint is available.
- Opinion of the tribal people may constitutive bias.
- This is applicable only to specific period and to generalization cannot be made for more future periods.

ANALYSIS AND INTERPRETATIONS

I. PERSONAL PROFILE

Table - 1 Demographic Profile

S.No	Determinants	No of Respondents (N=100)	Percentage (%)
1	Age		
	Below 25 years	38	49
	25-45 years	42	39
	46-60 years	12	9
	Above 60 years	8	3
2	Gender		
	Male	54	67
	Female	46	33
3	Marital status		
	Married	44	
	Unmarried	46	40
	Divorce	2	60
	Separate	8	
4	Occupation		
	Self employed	24	
	In paid employment	14	
	Looking for work	12	19
	Looking after the home	12	40
	Unable to work due to sickness or ill - health	4	11
	Retired	4	28
	Student	12	2
	Not working and not looking for work	14	
		8	

5	Education		
	No formal education	16	
	School level	22	55
	Graduate education	38	45
	Others	24	
6	Annual income		
	Below Rs.10,000	54	20
	Rs.10,000 to Rs.15,000	16	43
	Above Rs.15,000	30	37
	Total	100	100.0

Thus, it could be inferred that most of the respondent 42(42%) are in the age group of 25 to 45 years which demonstrates the middle age respondents. Most 46% of the respondents are unmarried. Most 24% of the respondents are self employed and it can be conclude that 88 percent of the respondents are the earning members. The most 38% of the respondents have colligate education. The majority 54% of the respondents annual income is below Rs.10,000.

CHI – SQUARE

The chi square test is an important test among the several tests of signification developed by satisfaction. Chi-square, symbolically written χ^2 is a statistical measure used in the contexts of sampling analysis for comparing a variance to a theoretical variance. It can also be used to make comparison between theoretical population and actual data when categories as used.

Variables Considered for Level of Purpose

Table–1
Select Variables and Level of Purpose

Variables	χ^2 Value	d.f.	Table Value	Result
Age	14.688	6	12.592	Significant
Gender	5.248	2	5.991	Not Significant
Marital status	13.726	6	12.592	Significant
Occupation	35.586	14	23.685	Significant
Education	19.042	6	9.488	Significant
Annual income	4.046	4	12.592	Not Significant

* Significant at five percent level

** Significant at one per cent level

However, as the calculated χ^2 value is greater than the table at five per cent level, the null hypothesis is rejected. Therefore it is concluded that there is a significant association between Place of Age, Marital status, Occupation and Education of the respondents and level of awareness.

SUGGESTION

- Government agencies and NGOs may undertake financial awareness programmes among the tribal people to increase their financial literacy. That will be helpful to bring a practice of recording of incomes and expenditures among them.
- Banks, Insurance companies and other financial service providers may concentrate more on the tribal people because they are not yet fully financially included. It will help the agencies to

increase their customer base.

- Authorities may take necessary steps to include financial literacy programmes in the school curriculum. It will help to mould a financially educated new generation.
- While undertaking any tribal development programmes, more focus may be given to Paniya community because they are far behind than other tribal communities by all means.

CONCLUSION

Financial literacy is considered as an important adjunct for promoting financial inclusion and ultimately financial stability. Because of this reason, government authorities are giving much attention to financial literacy programmes. But the problem is that these programmes are not making any impact among a large segment of the population which is socially and economically backward. The present study reveals that the tribal people are poorly informed about various financial products and practices. This is troubling because financial illiteracy may stunt their ability to save and invest for retirement, undermining their wellbeing in old age.

Even though it is very happy to know that some government schemes like NREG Programme, Micro credit facility etc have influenced the tribal people to a large extent. Majority of the tribal people have bank account due to the reason that the remuneration under NREG Programme is paid through the individual bank account of the beneficiaries of this scheme. It shows that if a scheme is properly introduced, it will definitely make some desired results. So the governmental agencies have to re-design the financial literacy programmes in such a manner to reach the rural mass.

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**A STUDY OF CHALLENGES AND OPPORTUNITIES OF WOMEN ENTREPRENEURS IN
COIMBATORE**

Ms.P.SHINEY¹ Dr.M.V.SATHIYA BAMA² Ms.S.MEGALA³

*¹Assitantant Professor in Department of Commerce, Rathinam College of Arts & Science
(Autonomous).*

*²Associate Professor & Head, Department of Commerce (E-Commerce), Nallamuthu Gounder
Mahaligam College, Pollachi.*

*³Ph.D Research Scholar Department of Commerce, Nallamuthu Gounder Mahaligam College.
Pollachi.*

INTRODUCTION

Entrepreneurship is increasingly an important dryer of economic growth productivity innovation and employment and it is widely accepted as a key of economic dynamism. The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship indeed contributes to economic development. Entrepreneurship is a tremendous force that should ideally utilize all human capital for the economic growth and sustainable development of the country. This can occur only by integrating a gender perspective. Through gender diversity wherein both men and women entrepreneurs are equally involved, compete with each other and contribute to the growth and development of the country. Women Entrepreneurs are defined as these who operate and control an enterprise and their holding of the enterprise is at least 51 percent. They represent a group of women who have broken away from beaten track and are exploring new ventures of economic participation. “Women Entrepreneurship” means an act of business ownership and business creation that empowers women economically increases their economic strength as well as position in society. Women-entrepreneurs have been making a considerable impact in all most all the segments of the economy. “Women Entrepreneur” is a person who denies the role of their personal needs to participate and be accepted economically independent. Strong desire to do something positive is a high-quality women entrepreneur who contributes to the position values of family and social life.

STATEMENT OF THE PROBLEM

Finance is regarded as “life-blood” for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts. Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited. Secondly, the banks also consider women less credit-worthy and discourage women borrowers on the belief that they can at any time leave their business. Given such situation, women entrepreneurs are bound to rely on their own savings, if any and loans from friends and relatives who are expectedly meager and negligible.

OBJECTIVES OF THE STUDY

- To discuss the problems faced by women entrepreneurs in India.
- To discuss the major factors affecting the development of women entrepreneurship among India.
- To discuss the measures needed to improve the state of women entrepreneurship in India.

LIMITATIONS OF THE STUDY

- The sample study is limited to select The study of the opportunities and challenges faced by the women entrepreneurs.
- The sample size is restricted of responded.
- The study was conducted within the limited period.
- The findings of the study maybe generalized to Coimbatore district.
- The conclusion was based upon the experience of the women entrepreneurs.