

Financial Literacy among Women in Kaushambi : An overview of Rural India

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Abstract

Financial literacy is a step towards poverty alleviation and, has importance in economic domain. Study area, Kaushambi, (Uttar Pradesh) holds a rural population of nearly one million that constitutes current and future workforce of India. Data is collected through semi-structured interviews for 550 women to understand the financial literacy level, financial capability and potential contributors which affect the individual economic empowerment. Analysis is done using descriptive statistics. The action research findings are juxtaposed with literature to understand the financial standing of women. It is inferred that more decentralised approach is needed to create finance instructors and providing door-to-door education will augment financial capability of benighted women and their children.

I. Introduction

THIS PAPER TARGETS the sample from the rural population to assess their level of understanding of financial literacy that is defined as “the process by which individuals improve their understanding of financial products and concepts; and through information, instruction and/or objective advice develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being” (OECD, 2005)

The six mainstream topics of financial literacy are saving, credit, investments, purchasing goods and services, generating income and insurance. Individual’s understanding of the same helps in judicious decision making to save, borrow, invest, protect, risk aversion (Narula, 2018), inflation and compounding interest. Thereby impact a nation’s economy. Basic financial literacy is a mandate for one to live a prosperous life. The explanation

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