A Study on Personal Financial Management Practices among Workers of Unorganised Sector in Karnataka

Thesis submitted to Kuvempu University for the award of the Degree of

Doctor of Philosophy in Commerce

By

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Certificate

This is to certify that the thesis entitled **"A Study on Personal Financial Management Practices among Workers of Unorganised Sector in Karnataka"** submitted to Kuvempu University by ***Ms. Meghana D.S.*** for the award of the Degree of Doctor of Philosophy in Commerce is her own work carried out under my guidance and supervision and it has not been submitted to any other University/Institution previously for the award of any Degree, Diploma, Associateship, Fellowship or other similar title.

Place : Shivamogga
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Declaration

I hereby declare that the thesis entitled **"A Study on Personal Financial Management Practices among Workers of Unorganised Sector in Karnataka"** submitted to Kuvempu University for the award of the Degree of Doctor of Philosophy in Commerce is my original work done under the guidance and supervision of ***Dr. K. S. Sarala***, Professor, Sahyadri Commerce and Management College, (Constituent College of Kuvempu University) Shivamogga– 577 203, Karnataka, India and that it has not previously formed the basis for the award of any Degree, Diploma, Associateship, Fellowship or any other similar title of any University or Institution.

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*"Gratitude makes sense of our past, brings peace for today, and creates a vision for tomorrow." – **Melody Beattie***

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List of Abbreviations

AMOS	-	Analysis of Moment Structures
APL	-	Above Poverty Line
APY	-	Atal Pension Yojna
ASI	-	Annual Survey of Industries
BPL	-	Below Poverty Line
CEGS	-	Credit Enhancement Guarantee Scheme
CFP	-	Certified Financial Planners
CFPB	-	Consumer Financial Protection Bureau
CSO	-	Central Statistics Office
DAY	-	Deendayal Antodaya Yojana
DCS	-	Dairy Co-operative Society
DGET	-	Directorate General of Employment and Training
FIKA	-	Financial Knowledge for Africans
FLat World	-	Financial Literacy around the World
FMBS	-	Financial Management Behaviour Scale
GDP	-	Gross Domestic Product
GVA	-	Gross Value Added
INFE	-	International Network of Financial Education
ICLS	-	International Conference of Labour Statisticians
ICSE	-	International Classification of Status in Employment
IDS	-	Institute of Development Studies
ILC	-	International Labour Conference
ILO	-	International Labour Organization
KSUWSSB	-	Karnataka State Unorganised Workers Social Security Board
MFIs	-	Micro Financial Institutions
MUDRA	-	Micro Units Development and Refinance Agency
NABARD	-	National Bank for Agricultural and Rural Development
NCEUS	-	National Commission for Enterprises in the Unorganized Sector
NCL	-	National Centre for Labour
NDUW	-	National Data Base of Unorganised Workers

NRLM	-	National Rural Livelihoods Mission
NSSF	-	National Social Security Fund
NSSO	-	National Sample Survey Organization
OECD	-	Organisation for Economic Co-operation and Development
PMJDY	-	Pradhan Mantri Jan Dhan Yojana
PMJJBY	-	Pradhan Mantri Jeevan Jyoti Bima Yojna
PMMY	-	Pradhan Mantri Mudra Yojna
PMSBY	-	Pradhan Mantri Suraksha Bima Yojna
PMSYM	-	Pradhan Mantri Shram Yogi Maan-Dhan
PMVVY	-	Pradhan Mantri Vaya Vandana Yojana
RBI	-	Reserve Bank of India
RSBY	-	Rashtriya Swasthya Bima Yojana
SHGs	-	Self Help Groups
SIFO	-	Statens Institutt for Forbruksforskning
SNA	-	System of National Accounts
SPSS	-	Statistical Package for the Social Sciences
SSY	-	Sukanya Samriddhi Yojana
SWAN	-	Stranded Workers Action Network
UMEs	-	Unorganised Manufacturing Enterprises
USA	-	United States of America
UW	-	Unorganised Workers
VPBY	-	Varishtha Pension Bima Yojana

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Executive Summary

Managing personal financial resources efficiently is the key, not just for financial health but also for emotional and mental health as the concept of money is related to psychological factors too. Personal financial management practices will decide the state of financial well-being of individuals. Thus, having savvy money management practices, conservative debt management practices, systematic savings management practices and effective investment management practices will help an individual to attain better financial status, provide ability to meet commitments and resilience for future. The efficiency with which the resources are managed depends on the knowledge of financial concepts, attitude regarding finance and the behavioural practices related to financial decisions.

Unorganised workers, the major contributing labour force in terms of both population and production in a developing economy like India, face severe financial downturn, majorly due to their very characteristics of low, irregular income added with low or no general education. Their financial condition has been most vulnerable especially in the existing scenario due to outbreak of COVID-19. The general fallacy that the concept of personal financial management is meant for people with high financial status only has created negligence towards it in the minds of financially weaker sections of the society like workers of unorganised sector. On the other hand, Government primarily concentrates on the strategy of providing financial assistance without resorting to help them manage their available finances in a better way as a result of which, public expenditure on social security and financial assistance has been increasing without due rise in the financial well-being of unorganised workers.

In this background, the descriptive cum exploratory research work carried out and presented in the form of six chapters is a comprehensive study on the personal financial management practices among workers of unorganised sector in Karnataka state considering a factor effecting it (financial literacy) and resulting outcomes of such practices (financial well-being). The study also presents the details of savings and investment avenues preferred, attitude possessed and challenges faced in the adoption of personal financial management practices among unorganised sector workers.

From the unknown population of unorganised workers in Karnataka state, a total of 425 sample respondents were selected based on multi-stage sampling method, considering 140 agricultural labourers, 142 construction workers and 143 home based manufacturers of food and beverages from eight sample districts (Bengaluru Urban, Shivamogga, Mysuru, Hassan, Belagaum, Dharwad, Bellary and Kalaburgi) from four divisions of Karnataka state.

The data collected from the respondents using well- structured, pre-tested interview schedule were analysed using Karl- Pearson's co-efficient of Correlation, Simple Linear Regression and One- way ANOVA to reach conclusions. The results of the study proved significant positive relationship between financial literacy, personal financial management practices and financial well-being, significant positive impact of financial literacy and personal financial management practices on financial well-being and also partially significant mediating effect of personal financial management practices between financial literacy and well-being. Though there exists no significant difference in financial literacy and personal financial management practices among the three sub-groups of unorganised workers considered, their financial well-being differs significantly along with financial market, personal income and other factors related challenges faced in adopting personal financial management practices.

In order to improve financial well-being of unorganised workers, there is a greater need to strengthen their personal financial management practices by spreading financial literacy widely. Policy makers must bear in mind that the vast groups of unorganised workers are heterogeneous in their nature and the challenges that they face in adapting themselves to the formal financial environment differs. Thus, formulating policies and programmes without due diligence to the needs of the specific groups, based on one-size-fits-all approach will not be effective in empowering them reasonably.

CHAPTER – I

Chapter – I

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Chapter – I

Introduction and Research Design

1.1 Introduction

Earning money is difficult and even more difficult is to manage that hard earned sum. Without proper management of finance it is impossible to achieve the targeted goal, both organizational as well as personal. Thus, all efforts put in earning, goes in vain if proper financial management practice is not implemented.

When it comes to an organization or institution an expert i.e., financial manager will be hired so that the life blood of business is taken care of and made sure that the organizational goals are achieved. On the other hand, personal financial management though may not sound as important as organizational financial management, is equally important in achieving personal goals. People educate themselves about management techniques through various means and may even rely on expert advice to achieve it.

People who earn well can surely spend a part of it to educate themselves or to get expert advice to manage their personal finance. But, when it comes to people who lack both literacy and a descent earning, the concept of personal financial management becomes more complex and vague. This is because that they will neither have the required knowledge to properly manage finances on their own nor will they have enough money to spend on getting professional advice to manage the earned worth. One such vulnerable class of people is workers of unorganised sector who are associated with both the main reasons of inefficient management of personal finance viz., irregular, less income and general as well as financial illiteracy.

A large chunk of world's population sustains in unorganised economy and continues to be excluded from direct participation in and deriving benefit from globalizing markets. These large unorganised sectors are involved in various economic activities, which lack recognition and protection under formal legal or regulatory frameworks. Neither there exist rights or laws which shelter them from financial risks nor do they have capabilities and assets to enter into productive economic transactions.

Keeping in view the importance of financial well-being among this enormous section of working class to achieve overall financial stability, Government has came up with social security programmes to ensure the availability of finance up to a minimum and financial inclusion programmes aiming at their insertion in formal financial system. The main reason for failure to achieve expected results by most of these programmes, roots its cause to financial illiteracy. Financial literacy which is a combination of financial knowledge, attitude and skills has a significant impact on decisions undertaken by an individual regarding personal finance and acts as a powerful weapon in the adoption of efficient personal financial management practices. Thus, in order to ensure financial well-being by strengthening the personal financial management practices, it is needed to shift the prime focus on further spread of well designed and implemented financial literacy programmes that are tailored to the needs of the targeted.

1.1.1 Unorganised Sector and Workers

Indian post-independence has seen a remarkable increase in unorganised workers (UW) who also constitute the most significant share of downtrodden and poverty-stricken class of India.

As per the definition by Ministry of Labour and Employment, *Unorganised sector* means "an enterprise owned by individuals or self- employed workers and engaged in the production or sale of goods or providing service of any kind whatsoever, and where the enterprise employs workers, the number of such workers is less than ten", *unorganised worker (UW)* means "a home-based worker, self-employed worker or a wage worker in the unorganised sector and includes a worker in the organised sector who is not covered by any Acts mentioned in Schedule II of the Unorganised Workers Social Act 2008" and unorganized labour force has been categorized under four categories in terms of "occupation, nature of employment, specially distressed and service"

According to NCEUS, *informal sector* consists of "all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers", *informal workers* consist of "those working in the informal sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers" and employment in India has been grouped into four categories as "formal employment in the formal or organized sector", "informal employment in formal sector", "formal employment in the informal sector" and "informal employment in the informal sector"

In general, tiny and small scale sector of industry and house-hold based manufacturing activities with lack of stability in profits or gains, limited production, low investment, less man power and limited area is confinement can be referred to as unorganised sector of the economy. Indian unorganised sector is mainly associated with agarbatti making, beedi making, handicrafts, handlooms, khadi and village industries, artisan professions, match box and hand paper manufacturing.

The Indian economy evidences high rate of informality in the labour market. As per a survey carried out by the National Sample Survey Organization (NSSO) in 2009–10, out of 46.5 crore total workers in the country, only 2.8 crore were in the organised sector and the remaning 43.7 crore were in the unorganised sector. 24.6 crore and 4.4 crore workers out of the total workers in the unorganised sector were working in agricultural sector and construction work respectively whereas the remaining were employed in manufacturing and service. 2017–18 employment data states that, "informal workers constitute around 370 million workers in the informal sector and a little more than 40 million in the formal sector, the former constituting 80 per cent of the total work force, and the latter 10 per cent".

1.1.2 Concept of Personal Financial Management Practices for Unorganised Workers

The two concepts, Personal Financial Management Practices and Workers of Unorganised Sector are considered to be completely disconnected from one another. But, as well known "management is most required when resources are limited and inadequate", there exists a great need to bridge this gap in order to ensure positive financial well-being of unorganised workers. The general fallacy that the concept of personal financial management is completely irrelevant for these people due to their low and irregular income has to be corrected and their personal financial management practices are to be strengthened.

Strengthening personal financial management practices of unorganised workers is need of the hour as their financial condition is most vulnerable and Government expenditure on financial assistance to them has been enormous due to the outbreak of COVID-19.

As per the Centre for Monitoring Indian Economy, nearly six million salaried workers lost their jobs from May to August 2020. The report by an expert committee appointed by the government to determine a national minimum wage stated that "nearly half of formal salaried workers moved into informal work, either as self-employed (30 percent), casual wage (10 percent), or informal salaried workers (9 percent)". A survey conducted by the Stranded Workers Action Network (SWAN), a group of volunteers set up in 2020 to provide aid to migrant workers has shown that 81 per cent of migrant workers interviewed had no work on account of the local lockdowns in various states. Thus, there is a sharp increase in unorganised labour market though there has been lack of employment for already existing workers, thus the total unorganised workforce which the government has to provide financial assistance for has also been increased enormously.

Government even from the past has concentrated on providing unorganised workers with financial assistance through social security measures and followed the same strategy during COVID. But, financial assistance without the required knowledge and skills to manage finance may not be successful enough in uplifting them from this crisis. On the other hand, the huge public expenditure in terms of social security measures for unorganised may cause severe shortage of financial resources for Government expenditure on growth and development. Thus, it is the crucial time to introduce the unorganised poor with the concept of managing personal finance and making them believe it to be the means of achieving financial well-being.

1.2 Research Problem Statement

National Sample Survey Organization (NSSO) states that, 13,000 people out of total Indian population turns 60 years in a day and are estimated to live for another 17 years on an average. But, only 10% Indians involve in planning and saving for their old age. On the other hand, there are around 30 million migrant workers in India with an addition of 25.94 million women workforce into labour market from the year 2000 onwards. But, out of the total work force of 459 million in India only 8% is covered by the prevailing social security norms. Thus, neither the existing social security system of the Government nor the personal financial management practices of individuals in India are efficient enough to achieve overall financial well-being. Adding to it is the setback of lack of financial literacy. India has 17.5% of the world's population but merely 24% of it's adult population is aware of the basic financial concepts and the remaining 76% are not.

Irrespective of demographic factors, everyone believes that personal financial management is important but most do not have the knowledge of financial aspects required to adopt it. As financial literacy is positively associated with general literacy, usually educated achieve success in adopting an effective financial plan. When they fail to have the required skill, they prefer professionals. But, unfortunate are those who are uneducated and cannot even afford expert advice like informal workers of unorganised sector.

Unorganised workers are characterized by illiteracy, low and irregular income, seasonal employment and lack of financial literacy. This does not mean that they are not interested in managing their hard earned money. They work very hard for money and even they want their money to work for them, but they lack the required knowledge and skill support to achieve it.

The NCEUS (2007) report highlights that "around 79 per cent of unorganised workers in India belong to the poorest categories of people, living in vulnerable conditions and without proper social security mechanisms".

Government, keeping in view the financial well-being of such class of people has come up with financial inclusion programmes with an aim of bringing them under the purview of formal financial system thus strengthening their personal financial practices. But, due to lack of required financial literacy, most of these programmes are not able to achieve the purpose for which they have been designed and implemented to the fullest. Hence, there still exists lack of proper personal financial management practices resulting in ineffective budgeting, savings, investment and pension planning leading to financial distress and insecurity among informal workers of unorganised sector. This necessitates a study in the field so that the causes of such loopholes are addressed.

1.3 Need for the Study

The division between organized global economy and local unorganised economy has been growing in most societies. In India, the unorganised sector plays a more important role than the organised one in terms of its contribution to employment generation, national income as well as the national savings.

It has been clearly evident in the reports of NSSO that the Indian labour market has been undergoing remarkable changes, which include informalisation added with worsening of employment quality related to terms and conditions at work, job security, striking decline in social security and deterioration of collective bargaining institutions and worker organizations. Efforts by employers to cut down the production costs mainly due to the prevailing process of globalization, contribute to a larger degree towards these changes. It is also clear that, majority of these outcomes are extremely interrelated and mutually reinforcing. A keen investigation suggests that the rising informalisation in the labour market has been fundamental to most of these changes, which upholds the necessity for understanding the unorganised sector growth.

India is a country where unorganised workers counts for major part of the workforce. They contribute to economic growth and development in terms of both organised as well as unorganised sector productivity. Thus, their well-being is a matter of concern to a country like ours in making overall progress. If an overall financial stability has to be brought in the economy, it is necessary to concentrate on financial wellbeing and freedom of unorganised sector too. Imparting knowledge of personal financial management through financial literacy acts as an effective tool to achieve this task.

Thus, with this background and perspective, the present study has been undertaken to study the financial literacy level possessed and its impact on the efficiency in personal financial management practices among unorganised workers, further exploring the mediating effect of efficiency in personal financial management practices between financial literacy and financial wellbeing considering different sub groups of unorganised sector. It also has the objective of understanding the attitude towards and obstacles faced in the adoption of personal financial management practices by workers of unorganised sector in Karnataka so that attempts can be made in the direction of addressing the loopholes at the grass root level.

1.4 Research Questions

The study tries to answer the following questions:

1. What are the financial literacy, personal financial management practices and financial well-being of workers of unorganised sector in Karnataka?
2. Whether there exists any relationship among financial literacy, personal financial management practices and financial well-being of workers of unorganised sector in Karnataka?
3. What is the impact of financial literacy and personal financial management practices on financial wellbeing of workers of unorganised sector in Karnataka?
4. Whether personal financial management practices mediate the relationship between financial literacy and financial wellbeing?
5. Whether there exists any difference in financial literacy, personal financial management practices and financial wellbeing based on the occupational groups of workers of unorganised sector in Karnataka?
6. Whether there exists any difference in the challenges faced in adopting personal financial management practices based on occupational groups of workers of unorganised sector in Karnataka?
7. What is the attitude of workers of unorganised sector in Karnataka towards personal financial management practices and what obstacles do they face to takeup such practices?

1.5 Study Objectives

The primary objective of the study is to explore the personal financial management practices prevailing among workers of unorganised sector in Karnataka, how these practices are influenced by financial literacy and leads to achieving financial well-being.

To fulfil these objectives, the following specific objectives are framed:

1. To understand the financial literacy, personal financial management practices and financial well-being of workers of unorganised sector in Karnataka

2. To examine the relationship among financial literacy, personal financial management practices and financial well-being among workers of unorganised sector in Karnataka
3. To investigate the impact of financial literacy and personal financial management practices on financial well-being among workers of unorganised sector in Karnataka
4. To analyze the mediating role of personal financial management practices in the relationship between financial literacy and financial well-being
5. To identify the difference in financial literacy, personal financial management practices and financial wellbeing based on the occupational groups of workers of unorganised sector in Karnataka
6. To find out the difference in challenges faced in adopting personal financial management practices based on the occupational groups of workers of unorganised sector in Karnataka and
7. To evaluate the attitude of workers of unorganised sector in Karnataka towards personal financial management practices and obstacles faced by them in adopting such practices.

1.6 Scope of the Study

Inorder to study the personal financial management practices among workers of unorganised workers in Karnataka, the present work considers agricultural labourers, construction workers and home based manufacturers of food and beverages selected from eight sample districts considering Bengaluru Urban, Shivamogga, Mysuru, Hassan, Belagaum, Dharwad, Bellary and Kalaburgi from four divisions of Karnataka State. The study also is an attempt to explore their financial literacy, financial well-being, preference towards saving and investment avenues, attitude towards and challenges faced in adopting personal financial management practices.

1.7 Hypotheses of the Study

The present study presumes the following hypotheses to be tested:

H_{01}: There is no significant relationship among Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions

H_{a1}: There is a significant relationship among Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions

H_{02}: There is no significant impact of Financial Literacy, Personal Financial Management Practices and their Dimensions on Financial Well-being

H_{a2}: There is a significant impact of Financial Literacy, Personal Financial Management Practices and their Dimensions on Financial Well-being

H_{03}: Personal Financial Management Practices and it's Dimensions do not significantly mediate the relationship between Financial Literacy and Financial Well-being

H_{a3}: Personal Financial Management Practices and it's Dimensions significantly mediate the relationship between Financial Literacy and Financial Well-being

H_{04}: There is no significant difference in mean rating scores of Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions among different sub groups of workers of unorganised sector considered in the study

H_{a4}: There is a significant difference in mean rating scores of Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions among different sub groups of workers of unorganised sector considered in the study

H_{05}: There is no significant difference in mean rating scores of challenges faced in adopting Personal Financial Management Practices among different sub groups of workers of unorganised sector considered in the study

H_{a5}: There is a significant difference in mean rating scores of challenges faced in adopting Personal Financial Management Practices among different sub groups of workers of unorganised sector considered in the study

1.8 Sources of Data

The research work undertaken is exploratory cum descriptive in nature depending on both Primary and Secondary sources of data. Field survey method has been used to collect primary data from the selected sample agricultural labourers, construction workers and home based manufacturers of food and beverages using a pre-tested, well-structured interview schedule as research tool. Secondary sources of data are obtained from relevant books, journals, online sources and Ph.D theses. Both published and unpublished reports of various boards and organizations in Karnataka pertaining to workers of unorganised sector are also relied on, wherever necessary.

1.9 Research Instrument

A well- structured interview schedule developed by the researcher has been used to collect data from sample respondents. The schedule has been divided into two parts, Part – A and Part – B. **Part – A** consists of optional type questions framed to ascertain socio-demographic and economic factors, awareness of formal and informal banking system, preference towards specific source of borrowing and its reason, possession of bank account and reasons for being unbanked, awareness of different avenues of saving and investment, awareness of and participation in financial inclusion and literacy programmes. **Part – B** comprises of statements based on Likert Scale Measurement pertaining to financial literacy, financial well-being, preference towards savings and investment avenues, personal financial management practices, attitude towards and challenges faced in adopting personal financial management practices sought on 5 point scale. A total of 21 items related to financial literacy are based on OECD (Organisation for Economic Co-operation and Development)/ INFE (International Network of Financial Education) survey Toolkit for Measuring Financial Literacy and Financial Inclusion (2018), 9 financial well-being items are based on CFPB (Consumer Financial Protection Bureau) financial well-being scale and 36 items related to personal financial management practices are based on Tejas (2017)[1], Njehia (2014)[2] and Makhandia (2013)[3].

1.9.1 Pilot Survey

To test the feasibility and reliability of the designed interview schedule, a pre-test of the study or pilot phase was conducted in Hassan and Shivamogga districts. A total of 92 unorganised workers from various occupational groups were interviewed. Based

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[1] Tejas, P. A. (2017). *A study of awareness attitude and factors influencing Personal Financial Planning for residents of Gujarat*.

[2] Njehia, S. (2014). *Effect of Financial literacy on personal financial management of employees of Mumia Sugar Company Limited*. University of Nairobi.

[3] Makhandia, M. N. (2013). *The relationship between financial knowledge and the personal financial practices of the youth in Kenya: a case study of the financial knowledge for Africa programme*. University of Nairobi.

on this preliminary analysis, measurement errors and duplications were rectified and incorporated in the final schedule. Cronbach Alpha score (α) was calculated which turned out to be 0.802 thus indicating that the developed research tool is reliable.

1.10 Sampling Design and Frame Work

The study considers the workers of unorganised sector in Karnataka as the research population which is finite but unknown. Thus, a total sample of 450 unorganised workers under the three occupational groups was selected randomly from selected eight districts spread over four zones of Karnataka state. Few schedules had to be discarded due to incomplete responses and thus the remaining 425 responses are considered for the evaluation of results.

Table - 1.1: Sampling Design and Frame Work

Division	District	Occupational Group	Sample Size
Bengaluru (105)	***Bengaluru Urban (53)***	Agricultural Labourers Construction Workers Home Based Manufacturer of Food and Beverages	18 18 17
	Shivamogga (52)	Agricultural Labourers Construction Workers Home Based Manufacturer of Food and Beverages	17 17 18
Mysuru (106)	***Mysuru (49)***	Agricultural Labourers Construction Workers Home Based Manufacturer of Food and Beverages	15 17 17
	Hassan (57)	Agricultural Labourers Construction Workers Home Based Manufacturer of Food and Beverages	21 18 18
Belagaum (110)	***Belagaum(50)***	Agricultural Labourers Construction Workers Home Based Manufacturer of Food and Beverages	16 17 17
	Dharwad (60)	Agricultural Labourers Construction Workers Home Based Manufacturer of Food and Beverages	21 19 20
Kalaburgi (104)	***Kalaburgi (50)***	Agricultural Labourers Construction Workers Home Based Manufacturer of Food and Beverages	15 17 18
	Bellary (54)	Agricultural Labourers Construction Workers Home Based Manufacturer of Food and Beverages	17 19 18

Source: *Primary Data*

The above table, represents number of unorganised workers selected from each of the three occupational groups (agricultural labourers, construction workers and home based manufacturers of food and beverages) from each of the two districts selected (Bengaluru Urban & Shivamogga, Mysuru & Hassan, Belagaum & Dharwad and Bellary & Kalburgi) from the four geographical divisions of Karnataka state (Bengaluru, Mysuru, Belagaum and Kalburgi)

1.10.1 Sample Occupational Groups, Districts and Respondents

For the purpose of selection of respondents for the study Multi - Stage Sampling is adopted. In the first stage, three groups of workers of unorganised sector in Karnataka are selected viz., Agricultural Labourers, Home Based Manufacturers of Food and Beverages and Construction Workers as they constitute the significant share of unorganised workers (Chikkandar, 2021). They also represent unorganised workers in primary, secondary and tertiary sectors respectively.

In the Second stage, area-wise division is made by considering the four divisions in Karnataka state viz., Bengaluru, Mysuru, Belagaum, and Kalaburgi. Further, two districts are selected from each of these four divisions so as to represent heterogeneity of the whole state. The districts covered for the study are Bengaluru Urban, Shivamogga, Mysuru, Hassan, Belagaum, Dharwad, Bellary and Kalaburgi. Further taluks and places were selected based on convenience.

Table - 1.2: Sample Occupational Groups and Respondents (Sector wise)

Economic Sector	Selected Occupational Group	Sample Size
Primary	Agricultural Labourers	140
Secondary	Construction Workers	142
Tertiary	Home Based Manufacturer of Food and Beverages	143
Total		**425**

Source: *Primary Data*

Out of 425 sample respondents, 140 are agricultural labourers, 142 are construction workers and 143 are homebased manufacturers of food and beverages representing unorganised workers from primary, secondary and tertiary sectors respectively.

Table - 1.3: Sample Districts and Respondents (Division wise)

Division	Selected Districts	Sample Size
Bengaluru	Bengaluru Urban &Shivamogga	105
Mysuru	Mysuru & Hassan	106
Belagaum	Belagaum & Dharwad	110
Kalburgi	Bellary & Kalburgi	104
Total		**425**

Source: *Primary Data*

Out of 425 sample respondents, 105 are from Bengaluru Urban & Shivamogga, 106 are from Mysuru & Hassan, 110 are from Belagaum & Dharwad, 104 are from Bellary & Kalburgi districts, representing unorganised workers from Bengaluru, Mysuru, Belagaum and Kalburgi Divisions respectively.

1.11 Survey Period of the Study

The survey of sample workers of unorganised sector in Karnataka has been carried out during the year 2020-21.

1.12 Statistical Tools and Techniques for Analysis

SPSS-21 and AMOS-24 are the softwares used to analyse the primary data collected from the sample respondents. Statistical techniques of Percentages, Mean, Standard Deviation, Skewness and Kurtosis are used for the purpose of analyzing and interpreting the data collected. Further appropriate tables, figures and graphs are used for presentation of data wherever needed.

1.13 Testing of Hypotheses

Karl Pearson's Co-efficient of Correlation, Linear Regression and One-way ANOVA are the statistical tools used for testing of hypotheses.

1.14 Limitations of the Study

The present study is subjected to few limitations which are presented as under:

- The study has considered only three occupational groups of unorganised sector workers covering agricultural labourers, construction workers and home based manufacturers of food and beverages.
- The study is confined to selected unorganised workers of selected occupational groups in Karnataka covering 140 agricultural labourers, 142 construction workers and 143 home based manufacturers of food and beverages.
- The geographical coverage of the study is restricted to only eight districts of Karnataka state viz., Bengaluru Urban, Shivamogga, Mysuru, Hassan, Belagaum, Dharwad, Bellary and Kalaburgi, selected from the four divisions.
- The study concentrated on only financial literacy and financial well- being as the variables related with personal financial management practices of sample unorganised workers in Karnataka, keeping other factors outside the purview of the study.
- As the survey for research was undertaken right after the outbreak of COVID-19 first wave, the responses might be slightly subject to situational circumstance.

1.15 Chapter Scheme

The entire thesis is presented in six chapters as presented below:-

Chapter Number	Title of the Chapter
I	Introduction and Research Design
II	Review of Literature
III	Personal Financial Management- A Conceptual Insight
IV	Workers of Unorganised Sector- An Overview
V	Personal Financial Management Practices among Workers of Unorganised Sector - An Analysis
VI	Summary of Major Findings, Suggestions and Conclusion

The first chapter presents a brief introduction of personal financial management practices and its need among workers of unorganised sector. It deals with research problem formulation and the need to undertake the study, followed by few relevant research questions, objectives and hypotheses of the study. Again, the last part of the chapter deals with research methodology, study limitations and chapter scheme.

The second chapter provides brief reviews of the earlier research works undertaken in the study area, thus helping to find out the research gap to carry on present research. A total of 160 reviews undertaken are classified and presented under seven categories based on their relevance as:

I. Unorganised Sector- Size, Nature and Contribution (17)

II. Financial Literacy (49)

III. Financial Well-being (22)

IV. Personal Financial Management (23)

V. Impact of Financial Literacy on Personal Financial Management (32)

VI. Financial Problems of Unorganised Workers (10)

VII. Financial Literacy Level and its Need among Unorganised Workers (07)

The third chapter makes an effort to present the concept of personal financial management practices covering two major factors influencing it, financial literacy and financial inclusion, need for personal financial management practices essentially in achieving financial well-being followed by components of personal financial management practices.

The fourth chapter aims at providing a glimpse of global, national and state level developments in the field of unorganised sector and unorganised workers. Further, it covers characteristics, contribution, problems and also the need of personal financial management practices with reference to unorganised sector and workers.

The fifth chapter is devoted for data analysis and interpretation is presented in four parts where **PART – A** is exclusively related to workers of unorganised sector as respondents and accordingly is divided into two sections. In **Section - I,** socio-demographic and economic profile of respondents has been presented. In **Section – II**, a brief analysis of awareness of formal and informal banking system, preference towards specific source of borrowing and its reasons, possession of bank account and reasons for being unbanked, awareness of different avenues of savings and investment, awareness of and participation in financial inclusion and literacy programmes is made. **PART – B** deals broadly the conceptual framework, descriptive analysis of the three main constructs covering Financial Literacy, Personal Financial Management Practices and Financial Well-being followed by Explorative Factor Analysis for dimension reduction, Confirmatory Factory Analysis for verifying the reliability and validity of the instrument. **PART - C** depicts the statistical analysis in the form of testing of hypotheses. **PART - D** presents the analysis of preference towards savings and investment avenues followed by attitude towards and challenges faced in adoption of personal financial management practices among workers of unorganised sector in Karnataka.

The last chapter presents major findings of the study in three parts covering overall study findings based on personal profile and general observations, specific findings based on the study variables and concepts, findings based on results of tested hypotheses. This is succeeded by few suggestions to strengthen the personal financial management practices of unorganised sector workers in study area and lastly proposing few areas for undertaking future research.

1.16 Summary

Today's prominent two fields of policy interest are – "the main stream finance for upper income population" and "personal finance for low income population", like workers of unorganised sector. Strengthening personal financial management practices among unorganised workers will make it possible for them to manage their inadequate resources competently and thus ensuring financial wellbeing. In order to fortify the financial capabilities of this enormous and most contributory sector, efforts have been made through various social security and financial inclusion programmes by the government. But, informality of employment with irregular, unrecorded earnings becomes the prime obstacle for formal financial arrangements to provide; and lack of general and financial literacy becomes obstacle for unorganised workers to access, various services like banking, credit, insurance etc. thus resulting in inefficient and inappropriate management of restricted financial resources among this grey class of the society. In this background, the present study is undertaken to study the personal financial management practices prevailing among the selected sample workers of unorganised sector in Karnataka. The present chapter provides an outline of the work carried out in the form of research design.

CHAPTER – II

Chapter- II

Review of Literature

Chapter- II

Review of Literature

2.1 Introduction

In this chapter, attempt has been made to provide insights on various empirical and theoretical research works carried out at national and international levels in the past by reviewing them. Reviewed literature contains research articles, journal articles, conference proceedings, research project reports and theses relevant to the topic of the study which have been classified and presented under appropriate seven heads based on the content of the works, followed by the summary of reviewed literature and research gap identification.

2.2 Review of Earlier Literature

Literature reviewed are classified under seven heads as

2.2.1 Unorganised Sector- Size, Nature and Contribution

2.2.2 Financial Literacy

2.2.3 Financial Well-being

2.2.4 Personal Financial Management

2.2.5 Impact of Financial Literacy on Personal Financial Management

2.2.6 Financial Problems of Unorganised Workers

2.2.7 Financial Literacy Level and its Need among Unorganised Workers

2.2.1 Unorganised Sector- Size, Nature and Contribution

Dandapat (2021) states that unorganised manufacturing sector plays a crucial role in Indian economy by providing details on it's growth and productivity through 67^{th} and 73^{rd} rounds of NSSO data and observes that the marginal productivity of it's labour has been increasing over time and is much higher than the marginal productivity of capital. He adds that Unorganised Manufacturing Enterprises (UMEs) have been increasing in terms of numbers, employability and contribution to GVA (Gross Value Added) and thus calls for more attention.

Desai (2020) studied the status and condition of women unorganised workers in Surat city of Gujrat and stated that inspite of it's oppressive and exploitative work environment, unorganised sector provides liberation for women from social constrictions in terms of individuality. He identified that though women in unorganised sector face problems of their male counterparts, sexploitation, social and familial obligations add additional burden to them.

Tripathi (2018) examines significant economic contribution of Indian Unorganised Sector in terms of employment generation, Gross Domestic Product share, Gross Value Added share, supply of various goods and services to society at low price, which is characterized with scarcity of capital, insufficient raw materials, unskilled labourers, low scale of operation, low productivity, income fluctuations, marketing problems and lack of research, extension and training facilities. He identifies that workers in such sector face problems of low level of formal education and training, low wages, insecurity of job, multiple jobs to maintain cost of living, absence of basic right as a worker and lack of social security measures.

Venkataramanappa (2016) states that even from the past the unorganised workers have been neglected of benefits and privileges that the organized sector has access to. By using the power of labour unions, organized sector get access to facilities even at the cost of unorganised, which live in very inhumane conditions.

Kalyani (2016) analyzed the Indian informal sector with reference to its characteristics, role, importance, challenges and changes required to be made. She opines that policies aiming at formalization of informal sector will affect the unemployment absorption power of the economy causing informal workers and entrepreneurs to run out of their work and business thus leading to poverty. The informal economy has to die in the process of development which can be achieved solely by producing educated entrepreneurs through immigration or education and training.

Diwaker & Ahamad (2014) opine that though government has come up with various initiatives to address the problems existing in unorganised sector, they are not reaping the expected results due to unorganised workers' illiteracy and unawareness. Hence, they are still remaining to be invisible and unrecognized in spite of their significant role in the economy.

Kapur & Sethy (2014) provide evidence through various reviews on previous works in its connection and emphasize the significant need of intervention by the government through legal and policy method to improve their conditions as workers in the sector are associated with problems of harassment, seasonal employment, migration, low, irregular and unequal wages, long working hours with no overtime payment, poor medical/ health care, lack of social and job security while the self employed in the sector are going through the hurdles of low capital, delay in payments, dependence on money lenders, underemployment, lack of skill and maltreatment by local authorities.

Nguyen et al. (2013) conducted a study in Vietnam to know the role of informal employment in poverty alleviation based on data from Vietnam Household Living Standard Surveys and stated that though the proportion of income from informal sources is low in case of poor households compared with the non-poor households, it certainly contributes to their poverty reduction. But the impact of informal income differs among poor, middle and rich households. In the case of poor households, informal income has positive and large contribution to total income, whereas in case of middle class there is no significant impact and the influence becomes negative in case of rich households. Thus it is suggested that the government programmes aimed at poverty elimination needs to concentrate on policy making addressed at low income holders of informal sector in specific.

Yadav (2009) opines that inspite of the evident contribution of informal sector in terms of production, consumption, employment and income generation especially in developing countries, the sector lacks a universally accepted definition and measurement criteria due to the very characteristics that the informal sector is recognized with viz- heterogeneity, dynamic and non-observable nature. He also adds that informality contributes to economic growth positively because of the fact that low entry barrier, low operation costs and high degree of competition in informal sector leads to low price goods for low and middle income people resulting in increased household savings that can potentially translate into economic growth.

Naik (2009) proved the significant relationship between share of informal sector employment and poverty evident in the country. Informal workers make up more than half of the workforce in formal sector which indicates the informalisation of the formal sector that calls for policy implications. He added that the definitions provided by NCEUS on informal sector and informal workers satisfies the standards of international definition on informal sector and is best suited in the context of Indian Statistical System.

Sakthivel & Joddar (2006) revealed that there exists a vast workforce in the unorganised sector accounting for 92% of the total workforce with entire farm sector belonging to unorganised and nearly 80% of workforce even in non- farm sector to be unorganised. They identified the large scale domination in the coverage of social security among organized and unorganised workers who are socially and economically vulnerable as casual and contract workers even in the organized sector lack social security coverage and the situation is worse in case of self-employed as against regular workers. They conclude that due to their poor affordability and inefficient institutional mechanism, shift from defined benefit scheme to defined contribution scheme will have serious impact on the fragile savings of the unorganised.

Rao et al. (2006/a) states that the NCEUS report and the draft bill, aiming at achieving deprivation free unorganised workers using social security system cannot be successful with mere focus on design and implementation principles, without creating a facilitative environment. It stressed the prime need to focus on the worsening conditions in unorganised enterprises, poverty among unorganised workers and the adverse effects caused by macro policies of liberalization and globalization initially, which will provide a strong foundation for successful social security system.

Rao et al. (2006/b) identified that there exists a lot of heterogeneity between and even within the occupational groups requiring the policy makers not to treat the unorganised sector as an even class as well as the improvements in their life conditions require provision of infrastructural facilities in their localities and social security measures which are not based on BPL norms.

Rajasekhar & Suchitra (2006) examined the level of employment security that exists among agricultural labourers, construction workers and domestic workers with a sample of 910 workers in agro- climatically different districts of Karnataka- Bengaluru, Mysuru, Gulbarga and Dakshina Kannada. They point out that there exists heterogeneity in actual and perceived employment security and the degree of influence that various factors like skills obtained, gender, income, employer- employee bonding etc has on employment security within and across different occupational groups of unorganised sector. Thus it is emphasized that their needs and preferences towards various employment security needs also differ which is neglected by the government while formulating policies aiming at their benefits. They stress the need to integrate promotional social security need representing employment guarantee schemes with protective social security needs like minimum wage, proper working conditions, pension, old age benefits, compensation etc

Chowdhury (2003) criticized the impact of globalization/ liberalization as it leads to unequal distribution of benefits generated from marketisation among economically and socially vulnerable groups. She opines that the benefits do not reach the downtrodden like unorganised labourers due to the nature of their labour market characterized by the lack of organization, lack of bargaining power, no skill, lower productivity, and supply of labour exceeding demand. Through her work, she throws light on the activities of National Centre for Labour (NCL) and its constituent units in Bengaluru City of Karnataka, striving towards local empowerment in terms of better living conditions in slum areas, seeking to bring out legislations on providing social security for unorganised workers and engagement in issues related to particular sections of unorganised workforce through its constituent units. It is concluded that lack of conceptual framework for action, disconnection with political parties and distance with traditional trade unions limits its effectiveness in empowering the unorganised poor.

Unni (2002) states that there has been a tremendous growth in the workforce employed in the unorganised sector with decreasing contribution to G.D.P and the informal employment in the country is dominated by female workforce, self-employment and casual employment, lack of fixed workplace, lack of economic and social security benefits and low income. The study revealed that there exists link between gender, informality and poverty, the most disturbing characteristic of the workforce structure in India, as female workers constitute major portion of informal workforce and the same groups of workers are more likely to be poor.

Hart (1973) states that economic activities of low- income sections in urban areas attracted rural poor and gave rise to the development of informal employment characterized by illiteracy, lack of skills and low wages. He adds that such migration and informal development causes serious challenges for government planning in poor countries but the informal occupations are successful in creating some form of income to the unemployed though it is irregular.

2.2.2 Financial Literacy

Struckell et al. (2022) studied the importance of financial literacy for self-employment in US context with a sample of 15,069 from National Financial Capability Study of 2015 and 2018. The study provided evidence that the skill of managing finances, termed as financial literacy is crucial for self-employment and further stated that women with high financial literacy level outnumber men.

Adiputra (2021) observed that individuals with high level of financial literacy will be capable of achieving increased financial satisfaction level through efficient personal financial planning and management. The study also proved that positive financial attitude and good locus of control enables attaining satisfaction with regard to their financial decisions and management.

Prasad & Prasad (2020) proved the linkage between financial literacy and poverty level by surveying 1200 households of TSP region of Southern Rajasthan with an intension of guiding policy makers in designing financial literacy programmes specifically targeting poor sections of the society. The study provided evidence to such linkage as the financial literacy level of APL families was significantly higher than that of BPL families. They suggested that sociological background should be considered while designing financial literacy awareness programmes as financial literacy level differs among different religious groups and caste categories. They added that the knowledge of managing personal finance has more importance to those who have limited income as efficiency needs to be applied prominently in scarcity. Thus, financial literacy needs to be rooted in every individual's life in general and poor's in particular since it helps the poor to efficiently manage their limited financial resources and also exposes them to high return yielding investment avenues, thus acting as a dual edged sword for poverty alleviation.

Lusardi (2019) gives evidence on financial illiteracy in fifteen countries and provides implications for financial education programmes. She opines that financial literacy should be considered as the fundamental right as it is as important as basic literacy to enable individuals and society to reach their full potential. Financial literacy should be taken as universal need, not to be restricted to few privileged, capable of special access to financial services and advice.

Rai et al. (2019) considered financial literacy as individual's capability to take decisions concerning the successful and well-organized use of finance and added that behaviour as well as attitude are strongly associated to literacy compared to knowledge.

Yahaya et al. (2019) undertook a study among 370 students in University of Malaysia and stated that the respondents possessed moderate level of financial knowledge which was higher among those who had taken financial management course than those who had not. Financial knowledge influenced financial attitudes significantly which in turn influenced financial behavior significantly. But financial knowledge had no significant influence on financial behaviour. Thus it was concluded that financial knowledge though important is not enough to result in positive behavior and it is required to identify factors of financial behaviour as it affects individual's financial well-being.

Widhiyanto et al. (2018) analysed the role of financial literacy in access to micro credit with interest subsidy among farmers in Indonesia. They concluded that level of financial literacy influences the access to available credit facilities of government, and providing financial education programmes is equally important to make the formal credit facilities reach the required to optimal level.

Prabhu & Kavana (2018) examined the role played by banks for financial inclusion in India and stated that though there has been an overall positive growth in number of banking outlets and facilities in villages and urban locations during 2014-17, actual financial inclusion is possible only when the facilities reach all sectors of the economy in an impartial manner. To achieve this objective, imparting financial literacy is crucial as financial illiteracy is one of the major causes of financial exclusion.

Dube & Asthana (2017) conducted a comparative study on financial literacy of Uttar Pradesh and Central Zone states in pre- financial inclusion scenario in India and stated that the financial literacy level of Uttar Pradesh is below the average at both national and zone level. They identify that financial literacy enables individuals to take savings and investment decisions more wisely and financial inclusion to reap its benefits to the fullest certainly requires spread of financial literacy. But as identified, lack of research in the academic field has caused serious limitations in spreading financial literacy in India.

Agarwal et al. (2017) opine that the household financial decisions as well as financial participation determine financial wellbeing of the economy whereas, such decision making and participation are affected by acquired financial literacy level. Thus they emphasize that there is need to increase financial literacy among households through inclusion of financial literacy programmes at school level to strengthen country's financial system.

Srinivasan (2017) opined that the financial literacy, feeding on demand side is bearing a positive impact on financial inclusion strategies, working on supply side by providing financial products to the excluded's doorsteps. As concluded, these two forces together will ultimately bring about financial stability in the economy though it requires considerable time.

Rawat & Gambhir (2017) state that the problem of financial illiteracy is a macro level issue as financial know- how is most required inorder to ensure economic growth and development of the nation as a whole and thus it is not just restricted to individuals and households.

Gupta (2017) observed that only 48% respondents belonged to high financial literacy category remaining 52% in low financial literacy group. Male, high income earners, highly educated, married and respondents from joint family had high financial literacy compared to women, low income groups, less educated, unmarried and respondents from nuclear family. Ultimately it was found that age had no influence on the financial literacy possessed by individuals.

Kumari (2017) opines that press release is the most effective medium compared to websites and workshops in spreading financial literacy in terms of general financial awareness, financial planning for future, protection from financial frauds, overcoming financial crisis, awareness of central banking functions, financial markets and products, making better investment decisions. Further she identified that 58% respondents in Mumbai were financially literate and financial literacy in terms of awareness regarding the investment avenues had positive correlation with the investment decisions undertaken by them with significant difference in financial attitude and behaviour based on gender. She pointed out that financial literacy makes individuals to act in a particular way and also to inculcate certain sort of attitude towards money.

Arora (2016) assessed the financial literacy among Indian working women in Rajasthan based on their financial knowledge, behaviour and attitude towards personal finances and concluded that it is not satisfactory. Financial knowledge was observed to be poor compared to financial attitude and behavior. It was observed that while education and domicile had positive impact on financial knowledge, education had positive effect on financial behavior. Middle income group shows positive financial behavior compared with high and low income groups. Income level has a significant bearing on financial attitude of women. Single outperform married women in terms of overall financial literacy.

Madhulata (2016) revealed that financial literacy level has positive relationship with gender, education, occupation and income level except age. She opines that financial illiteracy is imposing severe challenge for financial inclusion and sustainable growth of the nation as lack of financial literacy forces rural people to depend on local money lenders and make them unable to manage personal finance properly which affects not only their household but the economy as a whole.

Bahadur (2015) studied the part of financial literacy in Indian Financial Sector considering wide variety of respondents from Mumbai and Thane cities and revealed that respondent's financial literacy level was low and they were unaware of the reaping benefits of financial knowledge. But they were eager to learn about managing their finances efficiently. A great need for financial literacy agenda was identified for the development of financial sector of the country as its benefits are not limited to individuals or households but the economy as a whole.

Sukumaran (2015) opines that to ensure financial access to all sections of the society both financial inclusion and literacy must go hand in hand, as without adequate knowledge and awareness of the benefits of being a part of formal financial system, people will not get into using the provided formal financial products or services. The increased financial responsibility of individuals and complexity in financial markets necessitates the acquisition of financial literacy for the achievement of financial wellbeing. He adds that success in the modern world is impossible without the ability to read and write and the same way knowing the abc's of economic and finance is must to attain success in the existing financial system.

Lusardi & Mitchell (2014) stated that financial literacy, a form of human capital provides vital payback of favorable savings and investment decisions, efficient debt management, proper retirement planning, improved stock market participation and larger accumulation of wealth. They conclude that the benefits of financial literacy in the form of overcoming liquidity constraint, over indebtedness, poorness is higher than the cost of acquiring financial literacy.

Gowri (2014) stated that individuals' financial literacy level depend on demographic factors along with their financial requirements. She observed that financial knowledge acquired has great influence on financial behaviour and attitude and financial literacy as a whole will impact the financial practices interms of planning, budgeting and decision making.

Heenkkenda (2014) stated that though financial literacy level is moderate among most of the 1100 households surveyed in Sri Lanka, it differs significantly across respondents based on socio-economic and demographic factors. It was revealed that women respondents, less educated, in low income quartiles, aged over 55 years, residing in estate sector, had moderate number of dependents and are far away from financial institutions had very poor financial knowledge. She suggests that the programmes of financial knowledge have to concentrate on such vulnerable class so as to eradicate the disparities in financial inclusion as financial illiteracy is the major basis of financial exclusion.

Dahmen & Rodríguez (2014) found a strong relationship between the financial strength of business with financial knowledge and skill of business owners. Out of seven Canadian small businesses that had financial troubles, six were lacking the efficient financial management practices in terms of preparing and reviewing financial statements and calculating financial ratios as it's owners lacked financial literacy and skills. Thus financial illiteracy is linked with insufficient cash flow and excessive debt, the two major causes of financial troubles in small businesses along with loss of revenue.

Bhushan & Medury (2014) studied the inter linkages that exists among the three dimensions of financial literacy viz- financial attitude, financial behaviour and financial knowledge by surveying 516 salaried individuals in Himachal Pradesh. They concluded that all the three contributes significantly in shaping the overall financial literacy and thus financial literacy programmes must consider even the positive attitude and proper behaviour development as its aim along with the provision of knowledge regarding financial matters.

Chijwani (2014) observed that young working women of Pune are still financially illiterate, as they are unaware of the financial concepts clearly. As they take part in decisions related to family investments and inspite of this majority of them were ignorant of different investment opportunities, did not possess Demat account or trade often, with only a minuscule share has LIC policy for life insurance. It was also noticed that their most preferred investment avenue was Systematic Investment Plan as they possess moderate risk appetite and all of them have set their financial goals but lack the required financial know-how to achieve them.

Gupta & Kaur (2014) studied the level of financial literacy among micro entrepreneurs in Kangra district, and found that inspite of Financial Literacy and Credit Counselling Centers in every district of Himachal Pradesh their level of financial literacy was very low. As they have improper record keeping practices, inefficient cash management, disorganized savings habit and lack awareness of different financial products and instruments, it was suggested for the authorities to organise programmes directed towards specific sector of the society and create awareness.

Subha & Priya (2014) specify the importance of financial literacy in fostering financial inclusion and stability in India as it is required for both financially included to make better decision and also for financially excluded to understand the benefits and ways of becoming a part of formal financial system. They are hopeful that financial literacy can create financial success and sustainability through proper financial behaviour and thus contribute to economic wellbeing of the nation.

Jappelli & Padula (2013) stated that financial literacy will increase stock market participation through the reduced participation cost. A liberal social security system will reduce discretionary assets and inducement for investing in financial literacy and thus will have negative impact on stock holding. Financial literacy acquired in early life stage will influence portfolio allocations and wealth in later stages of life. Financial literacy has its cost and benefits like any other forms of human capital and can be accumulated.

Sucuahi (2013) assessed the level of financial literacy among 100 micro entrepreneurs of Davao which turned out to be moderate and financial management of resources in terms of record keeping, saving, budgeting and financing was not so efficient. It was observed that education had positive relationship with financial literacy whereas gender had no relationship at all

Bhushan & Medury (2013) stated that financial literacy level among salaried individuals in three districts of Himachal Pradesh is not so high like any other developing countries and is affected by education, gender, income, nature of employment and place of work except other demographic variables like age and area. They also added that financial illiteracy will result in individuals finding it difficult to take decisions regarding their personal finance confidently without making mistakes and hinders their financial wellbeing.

Ali et al. (2013) stated that the main side effect of financial illiteracy is ending up as bankrupt due to credit problems. At the same time individuals will fail to utilize their idle money optimally by investing it in profitable avenues. With the increasing complexity in financial market and instruments financial literacy will act as a guide in achieving satisfactory level of financial wellbeing through increased concern on well planned spending and saving.

Eresia-Eke & Raath (2013) found that the relationship between self-perceived financial literacy of SMME (Small, Micro and Medium Enterprises) owner's and growth of business in terms of financial, strategic and structural growth dimensions was insignificant may be because businesses in which the owners lack the required financial literacy relied on financial experts for the economic decisions.

Wise (2013) examined the impact of financial literacy on new venture survival in Canada by surveying 509 young Canadian entrepreneurs and found that improving level of financial literacy will provide confidence in the usage of financial statements and ratios which will increase the frequency of financial statement preparation, which in turn will have positive impact on loan repayment practices of entrepreneurs thus reducing the probability of involuntary shutdown of the new ventures. Thus it was stressed that formation of new ventures requires confidence of entrepreneurs regarding their personal finance as well as finance of the ventures. Thus financial literacy as a business skill or managerial capital plays a significant role in the survival of new ventures.

Gupta & Kinange (2013) stated that spreading financial literacy is must to enable individuals overcome personal finance related problems such as savings, borrowings, investment, retirement planning etc.

Sivakumar et al. (2013) found that Erode farmers had higher level of financial literacy than the farmers in Madurai as a result of higher educational status and financial information obtained through National Agricultural Innovation Project intervention in the former district. Level of awareness, knowledge and adoption of farm financial management practices in terms of financial planning, acquisition and allocation of finance was low among Madurai farmers. Financial literacy of farmers depends on age, education, experience, income from farm, size of landholdings, frequency of bank visits, holding of bank account and years of relationship with bank. They opined that improving general literacy of farmers will increase financial literacy.

Knoll & Houts (2012) opine that there exists lack of universally accepted definition and measurement criteria for financial literacy that is becoming an obstacle to measure the existing financial literacy and intervention effects of financial literacy programmes in America. They state that they have made a preliminary though not crucial contribution by providing a scale for financial knowledge aspect of financial literacy measure, developed through rigorous psychometric analysis. But the work does not address financial capability component of financial literacy.

Gaurav & Singh (2012) stated that the lack of awareness and financial illiteracy will negatively influence the financial decisions of households. A low level of debt literacy will make the farmers to make unhealthy debt decisions and ending up in debt trap. High cost of borrowing, default in repayment of loan and payment of interest would cause financial distress which leads to farmer's suicide. Thus it was stressed that the government needs to concentrate on increasing financial literacy and cognitive ability of farmers.

Lusardi & Mitchell (2011) stated that even in case of well developed financial markets like Germany, Italy, Japan, Netherlands, New Zealand and Sweden as well as rapidly changing financial markets like Russia, financial illiteracy persists. Financial literacy cannot be neglected due to its importance in planning for retirement security and higher wealth. It was observed that financial literacy level differs among different groups and women, uneducated, young and old are more financially illiterate than men, educated and middle aged.

Oseifuah (2010) studied the relationship between financial literacy and South African youth entrepreneurship and drew a conclusion that the financial literacy among South African youth entrepreneurs is above average. Financial literacy measured considering computer literacy, financial attitude, and financial behaviour, financial knowledge and mathematical literacy contributes positively towards financial management skills of youth entrepreneurs thus contributing towards youth entrepreneurship.

Lusardi et al. (2010) found that financial literacy level was influenced strongly by socio- demographic factors such as gender, education, race, peer groups and cognitive ability, while education and financial sophistication of family had a strong positive impact on the financial knowledge of youth. They suggested that financial education efforts must concentrate on women, minorities and uneducated class as "one size fits all approach" is unlikely to be effective.

Huston (2010) conceptualized financial literacy as "having two dimensions- understanding (personal finance knowledge) and use (personal finance application)." Thus financial literacy was defined as "measuring how well an individual can understand and use personal finance related information". Financial literacy hence differs from financial knowledge due to its additional dimension of application i.e. ability and confidence to use financial knowledge to make financial decisions. It is a human capital component that guides financial activities and aims at maximizing expected lifetime utility for consumption.

Monticone (2010) revealed through a study in Italy that though there is a positive impact of financial experience resulting from household income and wealth on financial literacy, it is in small degree and the households with larger financial assets can anyhow invest more in financial literacy. So, it was emphasized that for the financial education programmes to concentrate mainly on the poor and vulnerable class.

Remund (2010) defines financial literacy conceptually as "a measure of the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision-making and sound, long-range financial planning, while mindful of life events and changing economic conditions". The four most common operational definitions provided in the study are- budgeting, saving, borrowing and investing.

Hung et al. (2009) stated that there persist variations in defining and measuring financial literacy in the researches undertaken. Though there exists lack of universally accepted definition and evaluation method of financial literacy, as observed its impact on recommended financial practices such as retirement planning is evident in majority of the works undertaken.

Lusardi & Mitchell (2009) discussed financial literacy effect on retirement planning and provided implications for financial education programmes. They found that retirement planning and other financial planning decisions that are crucial are significantly impacted by financial literacy. But low financial literacy level among U. S population was observed as per the various surveys undertaken, especially among specific groups like women, illiterates and minorities which has to be addressed through target group specific financial education programmes.

Schuchardt et al. (2009) summarized the comprehensive report by U.S Department of Treasury on the findings and recommendations of National Research Symposium on Financial Literacy and Education held in Washington, DC in 2008. The findings of the topic area on Financial Education and Program Evaluation revealed that financial education will have a favorable bearing on financial literacy level and behaviour which leads to financial wellbeing.

Willis (2008/a) speaks against financial literacy education as a road map to achieve financial enrichment among individuals given their resource constraints. He opines that financial education programmes aim at welfare enhancing behaviours among individuals through increased financial literacy. But the translation of such cognitive literacy into action requires confidence in whatever information and knowledge obtained through education. Overconfident consumers end up taking wrong decisions without seeking help when required whereas unconfident individuals stay away from searching information, making proper planning and calculations necessary to make efficient decisions. Alerting individuals regarding financial information and choices through financial education may create information overload, choice overload and knowledge illusions that ends up in decreased quality of financial decisions. Hence it was concluded that higher financial literacy in itself may lead to overconfidence and decreased financial wellbeing.

Willis (2008/b) assessed the effectiveness of financial education based on the researches undertaken along with providing insights on the limitations of such works. He opined that financial literacy education discussions emphasize that good financial outcomes are results of good financial behaviour and decisions whereas bad financial behaviour always leads to poor financial outcomes. But inspite of high literacy and welfare-enhancing behaviors factors like disability, discrimination, job loss, natural disasters and resource constraints can prevent enjoying good financial outcomes. On the other hand, good financial outcomes may not always result from literacy or welfare- enhancing behaviors as ample possessions and financial advice from professionals can result in good financial outcomes even for the most financial illiterate compulsive shopper.

Kozup & Hogarth (2008) opine that the goal of any financial education programme is financial security. Measuring the success of financial literacy programs need to be through units like happiness, satisfaction, sense of financial security and not only in terms of money like increase in net worth.

Hastings & Tejeda-Ashton (2008) found through an experimental survey in Mexico among 763 participants that financial illiterates will take their investment choice decisions based on brand image rather than information on price and past returns due to their lack of ability to interpret the information provided by the market. This will have a negative bearing on their wealth at retirement. The ways in which the same piece of information is displayed in the market place will impact the demand elasticity especially among financial illiterates and thus the level of financial literacy will have bearing on the consumer's choice behaviour.

2.2.3 Financial Well-being

Iramani & Lutfi (2021) revealed through a survey that financial knowledge, status, experience and marital status directly affect financial wellbeing. Financial behaviour mediates the influence of financial knowledge and locus of control on financial wellbeing significantly. Marital status strengthened the effect that knowledge has on wellbeing, but not the effect of financial experience. They suggested that to enhance the financial wellbeing of households, government and financial authorities need to further improve the effectiveness of financial literacy and inclusion programmes as the results of the research proved that financial literacy encourages better financial behaviour, which in turn increases their financial wellbeing.

Riyazahmed (2021) used Financial Management Behaviour Scale (FMBS) to measure financial behaviour and proved that financial- wellbeing is significantly impacted by all the behavioural factors considered- credit indiscipline, financial consciousness, future security, savings and investment except credit commitment by undertaking a study on the influence of financial behaviour on financial well- being in Indian scenario, surveying 150 respondents.

Arpana & Swapna (2020) revealed that financial literacy, financial behaviour and financial wellbeing have significantly positive relationship. Thus they suggest that financial literacy ought to be effectively and broadly available to all divisions of the community at all phases of the lifecycle as it instructs and educates about financial Planning resulting in enhancement of financial wellbeing through a study among professionals in Bangalore considering the constructs- propensity to planning, financial literacy, financial behaviour, risk taken and financial well- being.

Barrafrem et al. (2020) found that inspite of being negative about the economic future due to COVID-19; people were comparatively less negative when it comes to their own economic situation. Thus, there exists financial "better-than-average effect" as people believe that the effect of economic turn will be severe for others than themselves. Those who reported less financial well-being were also those with more negative forecast for the upcoming economic situation of the household. But, this association failed to exist for negative forecast relating to national and global economy. They added that the negative outcomes of COVID-19 can be compensated to some extent through active information processing as lower financial ignorance is related to improved financial security and reduced financial anxiety, the two scales of financial wellbeing considered in the study.

Pandey et al. (2020) found that discussing financial matters during childhood with parents will have optimistic result on young adults' financial well-being. Relationship between financial literacy and well-being was found insignificant whereas attitude towards money turned out to be a strong predictor of financial well-being. They added that developing savvy financial habits like tracking expenses and savings will impact expected financial well-being positively.

Pijoh et al. (2020) found that financial literacy impacts financial behaviour whereas healthy and positive financial behaviour results in higher financial well-being. Thus financial literacy affects financial well-being indirectly through financial behaviour as literacy ensures active participation in economic activities through proper purchasing decision, management of asset, higher savings, efficient investing, taking up insurance, effective debt and credit management which ultimately enhances well-being.

Xue et al. (2019) revealed that Australians who are most elderly have positive attitude with regard to their economic situation. Those who report higher financial well-being were comparatively older, healthier, highly educated and outright homeowners. Financial literacy significantly improves well-being directly as well as indirectly. It increases well-being directly interms of increased economic returns through efficient financial decisions and indirectly through modification and improvisation of consumption patterns as those with high financial literacy will follow well-versed consumption behaviour which finally enhances financial well-being.

Abdullah et al. (2019) found that the relationships between debt management, financial literacy and types of money attitude towards financial well-being are positive among young workers in centre zone of Malaysia. They state that financial education at workplace, though won't change the attitude towards money much as expected, is still must as it can bring few changes in behaviour and perception thus decreasing the debt and would ultimately enhance young workers' financial well-being.

Dickason-Koekemoer & Ferreira (2019) consider financial well-being as satisfaction an individual experience with his or her financial position. Their research work proved that financial wellbeing which affects financial decisions of investors varies according to demographic factors as male investors experienced more financial wellbeing than female investors as well as investors at the age group 16-24 years had high financial wellbeing than older investors. But other demographic factors like ethnicity, marital status and income level proved to have no significant impact on the level of financial wellbeing.

Osman et al. (2018) analysed the effect of financial literacy, behaviour and stress in pursuit of financial wellbeing and stated that those with high financial knowledge will show signs of savvy financial behaviour and high financial well-being. Individual as well family financial well-being have severe positive influence on general well-being, happiness, mental health, quality of life and interpersonal relationships.

Adam et al. (2017) uncovered that financial literacy, retirement planning and family support in terms of another source of income had significantly positive influence on financial wellbeing of retirees but financial behaviour and number of dependants had no influence. Financial literacy had no influence on either financial behaviour or retirement planning as low- income crowds out the importance of financial literacy on both the variables.

Brüggen et al. (2017) defined financial well-being as "the perception of being able to sustain current and anticipated desired living standard and financial freedom", where desired living standard implies- "how someone would prefer his or her quality of life to be"; financial freedom refers to- "the possibility to make life decisions without worrying about financial constraints". They add that structural interventions in the form of increasing financial literacy will strengthen the financial practices of individuals that form one of the important personal factors affecting financial wellbeing.

Kempson et al. (2017) stated that financial well-being is influenced to a remarkable extent by behaviours together with economic and social environmental factors. Well-being is also influenced indirectly by skills and knowledge as well as psychological traits and attitudes, as they influence behaviours.

Shusha (2016) surveyed 386 Egyptians to study the demographic as well as personal financial knowledge factors determining the financial wellbeing. They found that financial well-being is determined by demographical determinants like age, educational level, gender, income and marital status and also by behavioural determinants like rational buying and financial literacy. They also added that rational buying mediates the relationship between financial literacy and well-being partially. They conclude by stating that life time financial well-being can be achieved through management of personal financial resources effectively by using knowledge and skills.

Bureau (2015) Central Financial Protection Bureau research report states that increasing knowledge regarding financial facts among consumers will not be sufficient inorder to attain the ultimate goal of financial well-being. On the other hand developing the needed experience, familiarity, skills and self-confidence to engage in financial activities will certainly increase their financial well-being.

Sabri & Zakaria (2015) found that financial well-being is significantly influenced by the financial literacy, financial strain, money attitude and capability along with demographic factors like gender and income. They state that financial well-being of individual's might be adversely affected by the combination of financial problems such as inadequate financial literacy, high debt and low income. They highlighted the significance of financial literacy as living skill that educates to develop and maintain healthy behaviour and habits regarding financial matters leading to financial well-being.

Gerrans et al. (2014) surveyed 505 participants in state of Western Australia to study the relationship between financial wellbeing referred as financial satisfaction in the research work with personal financial wellness using structural equation modeling approach. They found that relationship between the above mentioned variables is positively significant in case of both men and women. They further added that financial satisfaction among male relied on their financial knowledge whereas in case of women, it depended on their financial status.

Sabri & Juen (2014) stated that insufficient knowledge of personal finance confines financial practices and may cause financial problems, leading to lower financial well-being by surveying 447 working women in public agencies of four states in Peninsular Malaysia. They studied the effect that savings motive, financial literacy and management has on well-being and found that the relationship between afore mentioned variables is significant.

Taft et al. (2013) found that increased financial literacy results in higher financial well-being and thus ultimately leading to low economic concerns. High financial literacy provides abilities to manage personal as well as organizational resources by providing tools required for successful participation in economic activities and thus, increases financial well-being. It also reduces financial concerns through improvisation of skill to balance income and expenses, meeting needs, avoiding stress and worries regarding financial matters, comprehension of economic situation and assessing financial position rationally.

Moein Addin et al. (2013) stated that life quality of individuals is mainly determined by having financial literacy and not worrying about financial issues. They also added that dealing with financial opportunities, challenges and responsibilities is mainly assisted by personal financial management knowledge.

Whiting & Low (2012) studied financial literacy level and its impact on financial wellbeing among Ngai Tahu community of Newzealand based on review of literatures. They state that financial literacy does not have to represent professional or advanced knowledge necessarily, but implies the basic skill that each individual can understand and use on daily basis. Regardless of what definition of financial literacy is adopted, the end goal will be the same i.e., to enhance financial well-being.

Garman et al. (2007) state that financial education programs need to decrease distress and increase well-being through improvisation of behaviour towards personal finances. Through the research work, they made an account of changes in financial wellbeing through four such financial literacy programmes. They added that bringing changes in life style is though not easy, is certainly not impossible. To achieve the objective of changing beliefs and behaviours, it is vital to communicate the uses of those changes through ongoing, pervasive and sustainable approach.

2.2.4 Personal Financial Management

Nisa & Haryono (2022) studied personal financial management among 320 adolescents aged between 9 to 24 years, referred to as Generation Z and found that though financial knowledge, attitude and self efficacy are high, they do not guarantee good financial management behaviour whereas financial management behaviours are positively and significantly impacted by locus of control and lifestyle.

Loh et al. (2019) stated that geographical location and family characteristics are positive determinants whereas financial education or experience had no effects on personal financial literacy. It was identified that financial decisions undertaken related to money management are influenced by financial literacy and high financial literacy level will result in less carrying of debt burden, increased wealth holding, retirement preparedness. Thus, it was concluded that if steps are taken to enhance personal financial literacy, lifelong financial wellbeing can be taken care of.

Raskie (2017) opines that, there is a great need to develop personal financial planning as a separate academic discipline and offering personal financial planning as the area in the terminal degrees like Ph. D will contribute a lot in its integration to the academic curricula through the development of strong theories and advancing the existing body of knowledge. It was identified that though Personal financial planning incorporates the subject matters of several disciplines like finance, economics, taxation and law it is distinguished from these subjects as it involves their integration and application for the economic benefits of consumers.

Tejas (2017) found that urban salaried employees in Gujarat possessed fair level of basic financial literacy but the level of advanced financial literacy was low and more than 50% respondents were considered to be financially literate based on their performance in financial literacy evaluation test. Respondents had better awareness regarding traditional investment avenues. Increasing financial literacy level positively influenced awareness in investment avenues. Attitude towards various components and overall personal financial planning was positive. But the level of awareness in all the components was not that high especially in case of retirement and estate planning. Respondents expressed their need to have financial experts to help them in having a well balanced financial plan. She adds that financial wellbeing among individuals depends on financial behaviour which in turn depends on attitude towards personal financial planning and financial literacy possessed.

Garg (2016) identified recording, evaluating and net worth generation as three main areas of personal financial management. Uncertainty of financial information and complexity in financial decision making correlated with each other can be addressed through consistent, persistent and meticulous recording of financial transaction and evaluation of financial position respectively. Thus recording coupled with evaluation will facilitate efficient financial decision making that will result in enhanced net worth, the focus area of personal financial management, implying that financial behaviour impacts financial decisions and its outcomes.

Yadav & Tripathi (2016) opinioned that personal financial resources, being integral part of our life have to be efficiently managed to achieve quality life standard. It has provided three basic areas of financial planning viz., Wealth creation- making investment in products that maximize returns Safety- investing in insurance and Security- taking up health insurance.

Gedmintienė & Visockaitė (2016) analyzed the effect of financial behavioural principles on personal finance investment decisions in Lithuania and concluded that personal finance decisions affects individuals not just economically but also psychologically. Financial concepts like cost, savings, investment affects not only the present financial condition of individuals but also their expectations, emotions and attitudes. They identified that personal financial management practices like savings and investment, debt management are based on economic, psychological and sociological aspects.

Rusou et al. (2016) analyzed the differences in personal financial management with difference in gender with reference to saving and investment behavior and on debt management considering the factors influencing them like risk attitudes, financial literacy, confidence in financial knowledge and cognitive style and concluded that gender difference has impact on difference in personal financial management practices due to difference in level of factors effecting them. They identified that women are risk averse, have low financial literacy, low confidence in financial skills and have experiential thinking style (based on their intuition) which results in converse savings and investment practices. Their greater importance to financial security causes irrational saving as against debt repayment performance which results in high debt burden than men.

Karve & Deogharkar (2015) studied the importance of financial planning by surveying respondents of Parel, Mumbai and concluded that their main objective of investment was to meet future expenses and to maintain standard of living, with life insurance as the most preferred avenue for investment. Most respondents understood the importance of personal financial planning and were interested in adopting it in practice but did not possess the required skills. They also state that investment decisions are made based on willingness to take risk rather than ability to take risk.

Munohsamy (2015) state that personal financial goals like having financial freedom, financial wellbeing is achieved by adopting proper personal financial management practices that involves taking account of income and expenditure through budgeting, saving, creating funds to meet emergencies and unexpected expenses, planning for long term objectives in terms of retirement, investing to ensure that the value of savings are not eroded away by inflation and vigilant spending habits to avoid ending up in debt trap.

Mehla & Ghalawat (2013) studied the impact of individual's attitude on everyday personal financial decisions by surveying 250 respondents from Hisar district of Haryana. They found that there exists significant relationship between financial satisfaction among respondents with their financial awareness, financial botheration and belief in saving factors.

Yates & Ward (2012) revealed that the respondents feel that they had excellently healthy practices related to credit cards, consumer debt, personal home mortgage, savings/ spending plans, building wealth and unhealthy practices in the areas of estate planning and emergency fund, in which they wanted to improve through action plan.

Yetmar & Murphy (2010) stated that most of the MBA students in USA felt that it is very important to have personal financial plan and that they are interested to have such a plan. But, as observed very few feel that they possess the required knowledge and skills to have the same and preferred Certified Financial Planners (CFP) than any other professional financial advisors.

Hanna & Lindamood (2010) quantified the economic benefits of personal financial planning through their research work. They state that an ideal financial planning advice would provide the benefits of wealth optimization, reducing loss and facilitating consumption and pointed out that the value of these benefits differs with the nature of households taking advices in terms of their risk aversion, wealth holding etc.

Dowling et al. (2009) found that financial problems arise out of inefficient management practices and negative attitude towards money that affects the financial satisfaction of individuals. They emphasize the need to strengthen financial management practices and changing money attitudes positively to solve financial problems and dissatisfaction, through financial education and counselling.

McCormick (2009) reviewed literatures related to the effectiveness of financial education for youth in U. S. emphasizes that the financial education programmes must relate to today's complex financial environment. According to him, targeting particular audiences and financial activity area are the best strategies for designing financial education program whereas, providing education at an early stage, appropriate program design and ensuring effective motivation are the three criteria for the success of youth financial education programmes.

Allen & Kinchen (2009) suggested that parents were not fulfilling their duty of teaching their children about personal financial management as they themselves lacked such skills. They also insisted that the educational institutions must take up the responsibility to help young America to overcome debt and financial instability.

Volpe et al. (2006) found out that retirement planning and personal management basics were relatively more important compared to estate planning, investment, insurance, company benefits and tax planning considered for the study. But the level of knowledge possessed by employees in the areas of retirement planning and personal management basics were relatively less and thus requires to be focused in training programmes.

Cowen et al. (2006) found that there is a remarkable raise in the number of colleges providing personal financial planning courses in Australia and vast scope for research related to personal financial planning as profession considering its need in the present context.

Altfest (2004) states that there is need of recognizing personal financial planning as a separate academic discipline and formulation of its own theories. He opines that there is an immense scope to undertake academic research in advanced degrees, such as Ph. D on the means of increasing financial literacy as it is one of the major obstacles in elevating personal financial planning, which would result in future growth and further recognition of the field as academic discipline and profession.

Muske & Winter (2004) studied the personal financial management practices among financial managers of seven families and found that they had an efficient cash flow management as their personal financial goals were concentrated on short term obligations and needs, rather than long term financial well- being of families. They opined that professionals need to consider the differences in household financial objectives, motives and tools while formulating management plans and tools due to the fact that specific sort of uniform tools cannot be applied to households as in case of companies.

Chen & Volpe (2002) revealed that women are financially less literate than men as they exhibit less enthusiasm for, lower confidence in and less willingness to learn personal financial management topics however personal financial practices of both are positively impacted by experience and education irrespective of gender.

Chen & Volpe (1998) stated that the knowledge level of college students was low especially in the area of investment. Education had a great impact as non-business majors and lower class rank students had relatively low knowledge. Women, students under age 30 and with little work experience were other groups belonged to low level of knowledge category. They also added that the level of knowledge possessed will influence the decisions and opinions regarding personal finance areas of general knowledge, savings and borrowing, investment. With regard to insurance, less knowledgeable were prone to take wrong decisions in spite of little difference in the opinion regarding insurance between more and less knowledgeable.

2.2.5 Impact of Financial Literacy on Personal Financial Management

Gallego-Losada et al. (2022) opines that the government must concentrate on increasing the level of financial literacy among individuals to enable them to design retirement strategies on their own without expecting the government to provide for their old age. They also add that failure in managing the responsibility of personal finances may lead to long term effects for individuals and the society as a whole which calls for spreading financial literacy to the utmost level.

Fitriah et al. (2021) examined the impact of financial literacy and financial inclusion on personal financial planning by considering 200 respondents from Palembang city of Indonesia. The results stated that financial literacy has significant positive impact on financial planning whereas financial inclusion has insignificant impact. Together, financial literacy and inclusion have significant positive impact on financial planning.

Banagan et al. (2021) found that financial management literacy possessed enabled the surveyed 135 graduate students and professionals to follow make efficient financial decisions. Those with financial knowledge followed savvy financial management practices in terms of savings, spending, investing, insuring, debt management and estate planning. They further stated that individuals with financial literacy will have promising financial future.

M.U et al. (2019) studied the impact of financial literacy on personal financial planning in Bengaluru District of Karnataka State and suggested that to achieve financial satisfaction individuals are required to have best financial planning and management practices that enable them to achieve required financial goals, while individual's financial practices depend on their acquired financial knowledge. People who lack financial knowledge and capability may depend on financial planning services to take efficient financial decisions. But usually it is well educated, higher income group with knowledge of finance who go for financial advice and planning.

Bhargava et al. (2017) studied the impact of financial literacy on personal financial management considering types of occupation and the study revealed that financial literacy has a significant impact on personal financial management. They observe that personal financial management skills differ based on occupational groups due to variation in their level of financial literacy possessed with service class and professionals possessing high level of literacy than business class and have better personal financial management practices. But the impact of financial literacy on personal financial management was identified as low and the same irrespective of their occupation groups.

Jayantilal (2017) through a survey revealed that despite working in bank, employees were not fully familiar with advanced financial concepts. High level of financial literacy resulted in diversification of investments, savings and relying on less sources of borrowing. The author recommends the banks to conduct financial literacy programs to enhance the financial literacy level possessed by employees thus making their personal financial management practices efficient in terms of high investments, diversified savings and low debt burden which are necessary for enhancing the financial wellbeing leading to better job performance.

Mwathi et al. (2017) examined the effects of financial literacy on personal financial decisions among Egerton University employees, Kenya and concluded that financial knowledge and skills are significant determinants of personal financial decisions in terms of money management, savings and investment management, debt management whereas financial attitude did not influence significantly. The overall financial literacy among Egerton University employees was found to have positive and statistically significant relationship with personal financial decisions.

Coşkuner (2017) from the study undertook in State University of Turkey to know the link between financial literacy and financial management practices considering its four aspects -saving, non-investment borrowing, following financial trends and comparing financial services before buying revealed that financial management practices explain the level of financial literacy possessed expect non-investment borrowing which has negative but insignificant relationship with financial literacy level. He firmly states that financial literacy is must for attaining financial success through improved financial decision making processes.

Surendar & Sarma (2017) found the level of financial literacy possessed among 354 technical and non-technical higher education teachers in Warrangal of Telangana district was satisfactory and they had awareness regarding various aspects of personal financial planning. Financial literacy in terms of knowledge, attitude and behaviour towards financial matters had remarkable impact on the personal financial planning aspects like budgeting and tax planning, managing liquidity, financing large purchases, protecting life and assets, investing savings and planning retirement. In addition there was no significant difference in the way financial literacy and personal financial planning were perceived by the respondents irrespective of their subject of profession representing that financial literacy is omnipresent though requires extra inputs while dealing with complex financial decisions like investment, risk management.

Sayinzoga et al. (2016) revealed through a study of a one- week financial training on financial literacy and behaviour among small farmers in Rwanda, that there was an increase in the financial literacy of the participants. Training resulted in better financial behaviour in terms of greater savings, more borrowing, decrease in default of repayment and high probability of starting new income generating activities. They also state that financial training influences the behaviour through multiple channels like change in attitude and perception, thus increased financial literacy may not be the only cause of better behaviour.

Sabri et al. (2015) found that financial literacy affects the retirement confidence of individuals but not directly by conducting a survey on financial literacy, management practices and retirement confidence among women workers of government agencies in Malaysia. High financial literacy will result in an efficient personal financial management practices which leads to retirement confidence. Thus, it was concluded that personal financial management practices plays a mediating role between the two factors which necessitates the inclusion of education regarding personal financial management practices in financial literacy programmes to enhance retirement confidence.

Mien & Thao (2015) investigated the youth in Vietnam to know the factors affecting personal financial management behavior by considering a model comprising of four factors- financial knowledge, attitude, behavior, locus of control and found that there exists influence of knowledge, attitude and locus of control on financial behaviour. They stated that financial attitude has a significant influence on financial behaviour though financial literacy too has positive impact on it whereas, more external locus of control leads to worse financial management behavior. The study did not satisfy the indirect effect of financial literacy on behaviour through locus of control and also the moderated role of financial literacy between attitude and behaviour.

Kebede et al. (2015) by reviewing the recent studies i.e. from 2010-15 on financial literacy and its correlates like personal financial management and financial inclusion state that most of the works undertaken evidences low level of financial literacy both in developed and developing countries. Financial literacy is used as a means of achieving financial inclusion and improved personal financial management practices like better personal savings, decline in over indebtedness, involvement in investment that leads to financial wellbeing. They also opine that financial literacy has influence on financial outcomes of individuals, households and economy as a whole.

Njehia (2014) surveyed 140 employees of Mumias Sugar Company Limited in Western Kenya to and stated that financial literacy enables investors to come up with strategies like savings accumulation, insurance purchase and assets diversification that mitigate risk and hence provides cushion against rough period. On the other hand financial illiteracy may curb people's saving skills and old age investment thus distressing their retirement well-being.

Makhandia (2013) undertook a research project in Kenya considering the case of FIKA (Financial Knowledge for Africans) training programme with the sample of 60, with participants and non- participants of 30 each. It was found that the financial knowledge level of the participants was higher than the non- participants representing the ability of training programmes in increasing the confidence among participants.

Financial knowledge explained 44.7% variance in the financial practices indicating the relationship between the two variables. Money management practices in terms of timely payment of bills, timely loan repayment, prompt debt collection and borrowing restricted for investment purpose differed significantly but not in other cases like expenditure tracking, budgeting, formal spending plan, price comparisons, expenditure prioritization and due diligence on loan terms. Saving and investment culture was significantly different among two groups only in understanding of risk factor whereas in the areas of having regular savings plan, risk taking, having clear long term goals and investing in additional income streams there was no significant difference at all. The difference in financial risk management practices between the groups was significant in case of taking up of medical insurance alone which is due to the fact that it was imposed to be pre- condition for participating in the training program whereas there was no significant difference in emergency saving practice, insuring of asset and diversification of investments which provides insights on the need to reconsider the strategies of financial training programmes. Thus it was concluded that there is need to consider the improvement in financial capability of the participants rather than stressing only on the financial knowledge level.

Jonubi & Abad (2013) examined the influence of financial literacy, saving regularity, risk taking behaviour and socio-demographic factors (age, gender, income, educational level, work experience and number of children) on individual saving in Klang valley, Malaysia and found that the level of financial literacy in terms of both basic and advanced financial literacy influences individual savings in a positively significant way and also the saving regularity. It was observed that older people have relatively more savings and people with higher income, higher education and more number of children have higher probability of having better savings with men having positive savings practices as compared to women.

Rooij et al. (2012) studied the relationship between financial literacy, retirement planning and household wealth and found positive relationship. They opine that increased financial literacy mean decreased financial mistakes and increased financial literacy will reduce the cost of collecting, processing financial information and financial planning which will encourage the participation in stock market and retirement plan that leads to wealth accumulation.

Boon et al. (2011) suggested through the study of common individuals in Malaysia that financial literacy gap is the main hindrance faced by individuals in adopting personal financial planning. They found that people who have high level of financial literacy were most ready to engage in personal financial planning practices than their counterparts in medium and low financial literacy groups. The study also revealed that people had neutral understanding of the components of personal financial planning but hesitant to rely on professionals for financial matters while level of education influenced both basic and advanced financial literacy level of respondents.

Nyamute & Maina (2011) considered profession as the criteria in their research project for classifying respondents as financially educated and uneducated with the sample of 192 respondents (144- bankers, accountants/ auditors and financial analysts and 48- Administrative Assistants, Public Relations Officer, and Human Resource Managers etc.) They stated that there was no behavioral difference among the groups in terms of their savings, expenditure, debt, investment, money, retirement and unexpected expenses. Even the employees perceived to be financially educated were practicing the standard financial behaviour to a very small extent and those perceived to be financially uneducated also exhibited some financially savvy behaviours thus providing evidence that the formal source of financial education like formal education or employment training may not be the only means to acquire such knowledge. Financial experience and characteristics too may contribute to the required financial literacy and competencies.

Fornero & Monticone (2011) studied the effect of financial literacy on pension plan participation in Italy, stated that the propensity to save for retirement through a private pension plan is high among financial literates. Women and less educated performed shoddier compared to men and educated class in financial literacy assessment comprising knowledge of interest, inflation and stocks. Regional disparities were also noticed among the respondents.

Lusardi & Mitchell (2010) found that the consumers with financial literacy will be more prepared for retirement than illiterates while male, educated and elder respondents had high level of financial literacy and thus were more likely to plan for retirement. They opine that financial literacy leads to informed personal financial decisions that will strengthen the economy in fundamental ways. Thus suggested that it is necessary to develop, spread and evaluate cost- effective financial literacy programmes to the targeted groups.

Hastings & Mitchell (2010) examined the impact of financial illiteracy and impatience on investment decisions and retirement planning in Chile, Latin America. They found that lack of patience in terms of concentration on short term returns and neglecting benefits in long run strongly influenced retirement saving and investment in health. It was noticed that young, men, educated and high income people had high financial literacy and also had high propensity to save and participate in retirement plan.

Mandell & Klein (2009) found through a study on the impact of financial literacy education on subsequent financial behaviour of high school students graduated between 2001- 2004 considering groups, who had and had not taken Personal financial management course that the level of financial literacy measured within 5 years of graduation among both the groups of students was the same. It was revealed that studying personal financial management course in high school had no influence on the financial behaviour of graduates as even those who had taken financial literacy course were not having better savings pattern and financial behaviour.

Lusardi (2008/a) stated that financial literacy is an important tool to make informed choice by the consumers, but the level of financial literacy is certainly low in specific groups like women, minorities and those with low education while lack of financial literacy will lead to improper savings, retirement planning and borrowing behaviours. Thus felt the need of efficient financial education programmes to address these issues.

Lusardi (2008/b) studied the role of financial literacy, information and financial education programmes on savings for retirement among households in U.S.A. and found that the level of financial literacy is certainly low among certain vulnerable groups. It was observed that lack of information and resistance to depend on financial advice add to it resulting in inability to save and have a secured retirement life and suggest efficient financial programs to address these problems.

Kotzé & Smit (2008) studied the relationship between personal financial literacy and debt management in the context of new venture creation among South

African entrepreneurs by surveying 286 Business Management students and proved that high level of financial knowledge is associated with higher control in personal finances, confidence in money management and making investment decisions independently. They added that as personal savings and loan from friends or family were the main financial source for startups, confidence in personal financial management had a great influence on financial management of ventures. Thus felt that increased financial literacy can reduce the failure of new ventures by ensuring efficient management of personal savings and debt which are regarded as the main components of personal financial health.

Nyamute & Maina (2008) studied the effect of financial literacy on personal financial management practices among employees of Finance and Banking institutions by considering savings practices, expenditure practices, debt management, investment, money management, retirement management, unexpected expenses management practices, basic personal management practices among financially educated and not financially educated employees and identified that financial literates have a better appreciation and application of the financial management practices and even people perceived to be not financially literate also exhibit some strong characteristics of personal financial management implying that formal financial education is not the only source of literacy.

Lusardi & Mitchell (2008) stated that there persists a relationship between level of financial literacy and planning by surveying 785 50+ women in US using the module on Planning and Literacy developed for 2004 Health and Retirement Study and found that elder women in United States exhibit low level of financial literacy and most of them do not have a retirement plan. Only 29% respondents could answer all questions asked on financial literacy. It was concluded that lack of financial literacy will cause negative impact on making sound saving and investment decisions over a long retirement period.

Lusardi & Mitchelli (2007) found a significant relationship between financial literacy and retirement preparedness and revealed that financial literacy will guide the financial practices and decisions like savings, investment, mortgages, pension planning etc. They opine that literacy regarding financial products and practices required for a secure retirement life is low, even in developed countries especially among specific vulnerable groups like less educated, low income, women and minorities causing financial distress at old age. They suggest that financial education programs therefore to be effective must target particular population subgroups addressing their specific saving needs and preferences thus ensuring the provision of customized financial literacy tool box to plan and execute retirement plans in a better way.

Rooij et al. (2007) identified that lack of financial literacy will have impact on stock market participation through a study which revealed that, financial illiterates are less likely to participate in stock market due to the complexities in decisions regarding portfolio management which will result in a huge loss of wealth for the households.

Lusardi & Mitchell (2006) examined the retirement wealth among Americans who are at the verge of retirement and found that the amount of wealth differs among individuals based on their financial literacy level and planning. Thus, concluded that those with higher financial literacy and planning will have better savings and retirement practices leading to enough retirement wealth.

Lusardi & Mitchell (2005) studied the relationship between financial literacy and planning in the context of retirement wellbeing and identified that majority of Americans are not confident about their savings for retirement and widespread financial illiteracy among older Americans which has significant influence on tools and success of planning efforts used, thus negatively impacting the retirement wellbeing. They revealed that the negligible share which had a well planned retirement savings depended on formal sources like financial experts, seminars and not on family, friends or relatives.

2.2.6 Financial Problems of Unorganised Workers

Singhal et al. (2022) opines that though social security is a fundamental human right and basic necessity, those that are provided to workers of unorganised sector are insufficient and most of them apply only to organised workers. Thus, there exists great need to reinforce the social security provisions applicable to unorganised workers.

Sharma et al. (2021) revealed that the organised sector milk producers were provided with adequate cattle feed that was even provided on credit by co-operatives while unorganised milk producers faced severe problems in connection with marketing and storage facilities, supply of medicines and equipments affecting quality of milk production through a survey of 240 milk producers in Gujarat with samples of 120 each from organised and unorganised sectors i.e., with or without (DCS) Dairy Co-operative Society in their village.

Baruah & Bezbaruah (2020) found that there exist severe financial access problems among unorganised urban enterprises in Assam and though unorganised sector provides livelihood to a large share especially incase of developing countries like India, it faces myriads of problems, among which lack of financial access is crucial. The study suggests that providing financial access to unorganised enterprises by formal financial institutions and also creating awareness among unorganised enterprise owners on the financial formal services is must for the success of unorganised enterprises.

Sharma et al. (2019) found that though 80% of the informal static urban workforce respondents had formal bank accounts, 40% of them had no money in such accounts. Only 30% of them were aware of the financial services available for them like MUDRA (Micro Units Development and Refinance Agency), NRLM (National Rural Livelihoods Mission) and DAY (Deendayal Antodaya Yojana). They reveal that most of the banks surveyed, had faced problem due to lack of repayment capacity of informal borrowers which is the main hurdle in providing financial services like debt facility to informal sector followed by lack of residential proof/ permanent address and informal workforces end up depending on local money lenders for credit at high interest rates causing debt burden and poverty.

Vetrivel (2017) identified that unorganised retailers are facing severe financial problems and majority of them are suffering from limited financial resources along with the problem of bad debt. Problems of inadequate working and fixed capital, difficulty in accessing government concessions/ subsidies, inability to provide security for loan and reluctance by financial institutions to extent credit are dominating among unorganised retailers in India.

Gadre & Jadhao (2016) found that only less than 10% respondents earned monthly income of more than ₹ 9000 and monthly family income of more than ₹ 15000 with a lot of financial problems relating to capital formation, daily financial adjustments and while acquiring loan. It was observed that majority of them had borrowed at high interest rates from local money lenders during the times of emergency.

Sindhu et al. (2015) revealed that street vendors in Tirunelveli and Nagercoil, the two towns of South India were facing severe financial constraints during initial investment as well as in working capital arrangement. It was noticed that most of them had financed their initial capital investment from personal savings or borrowings from informal money lenders and manage the working capital requirement by reinvesting their earnings, thus almost 88% of them were unable to have any sort of savings from the earnings made. Surprisingly it was observed that none of them had awareness regarding micro finance or vendor organizations that could help them to sort out their financial problems to remarkable extent.

Bhavani & Bhanumurthy (2015) stated that unorganised manufacturing enterprises in India have limited financial access in terms of availability of loan facilities from formal financial system and there persists large financial resource gap as 70% of productive investments in enterprises studied were financed out of informal financial sources representing the inadequacy of loans provided by formal institutions.

Gloria & Santhi (2014) stated that urban areas have relatively lesser propensity to save and is unaware of formal saving when compared to rural. Inflation was identified as the main hurdle for both rural and urban unorganised workers to save.

Dutta & Kar (2014) examine the role of Micro credit through SHGs (Self Help Groups) and MFIs (Micro Financial Institutions) is playing in linking formal lending institutions to the unorganised sector in rural India, thus reducing financial problems and poverty. But there exists evidences regarding loopholes in such system which forces the unorganised sector enterprises to depend on informal lending sources that are often exploitative.

2.2.7 Financial Literacy Level and its Need among Unorganised Workers

Jana et al. (2019) suggested that creating education and employment opportunities can contribute significantly towards inclusion of vulnerable groups into formal financial system through increased income and increased financial literacy will result in an increased tendency of being financially included.

Jana et al. (2017/a) revealed that the nature of occupation i.e. engaging in qualitatively better occupation among various types of unorganised work will lead to increased financial literacy possessed and also availing of services in the financial market. In addition to it, education and income influences financial literacy positively whereas men have more access to financial services than women. They reveal that financial literacy facilitates inclusion through increased access to financial services.

Jana et al. (2017/b) identify that men had more awareness of different financial terms and types of accounts and though there was no association between level of education and awareness regarding financial terms, types of bank accounts, regulatory bodies; it significantly influenced time value of money, awareness of interest calculation and skill of filling forms in banks and post offices. Increase in the level of income was associated with increase in knowledge regarding savings planning for education, major purchases and emergency needs.

Yeboah & Obeng (2016) stated willingness to participate and amount willing to be paid is negatively associated with number of dependents and trust in formal insurance whereas premium payment flexibility influences positively. Risk experienced and peer influence increases the chance of participation. Along with other factors like income, savings, marital status the financial literacy level possessed also has a great bearing on the amount willing to pay for micro- insurance. Thus it is suggested that the providers of micro- insurance must concentrate on increasing the financial literacy level among its existing as well as potential consumers to increase the willingness to take up as well as amount willing to be paid towards micro insurance.

Jeyabharathi & Amarjothi (2016) stressed the importance of financial inclusion among unorganised in developing countries, like India. They stated that, including this vulnerable class of people into formal financial system will result not just in unorganised sector formalization but also in reducing informal employment in organised sector, thus increasing tax base and reducing governmental expenditure towards social security measures for unorganised workers. To achieve the objective of financial inclusion of the unorganised, they feel that promoting financial literacy is must as it is the basic necessity for empowering the individuals towards actively seeking support from formal financial institutions. Thus, stressed that banks and MFIs must consider financial literacy in the formulation of their business model as an important strategy rather than as just a condition under Corporate Social Responsibility.

Jiyane & Zawada (2013) found that Informal Sector Women Entrepreneurs in South Africa lacked communication skills, business skills in terms of knowledge of record keeping and stock taking, mathematical skills and had unprofessional money and general business management behaviour and skills. Most of them expressed their need to receive training. They opine that imparting financial education to this sector is particularly important as informal sector is the major contributor of employment, development and empowerment and due to the heterogeneity nature of this class, it is required to provide a tailored sector specific financial education programmes to benefit them.

Ade (2013) found that the there exists high level of awareness among informal sector small scale traders of Nairobi county, Kenya on formal pension plans available like NSSF (National Social Security Fund), Individual pension plan and Mbao pension plan but found the level of participation just half of the awareness level. 7.2 % of respondents were not saving in any form for their retirement. The average financial literacy level was 12.9% which was high among male as compared to female counterparts. Informal workers preparedness towards pension is significantly and positively related with financial literacy along with other control variables like age, monthly income whereas marital status, gender and education had no significant relationship. The author adds that there is great need to promote pension participation by providing incentives in the form of matching amount of contribution to be made with the ability of the contributors to specific products.

2.3 Summary of Literature Review

Personal Financial Management practices imply behaviour of individuals and households regarding financial matters. This may include wide array of components like for what do they spend, how much do they save, where do they invest, and from whom do they borrow. These practices are influenced by factors including socio-demographic variables like age, gender, education, occupation, location and also economic variables like income level, financial experience. But the most alarming impact is of financial literacy level. Level of financial literacy possessed together with attitude towards the need of managing one's finances will have bearing on the financial practices and decisions of individuals. Financial wellbeing of individuals is the outcome of efficient management of financial resources. It is evident from most of the works reviewed that individuals have positive attitude as they know the need to have proper personal financial management practices but lack the required skills mainly due to financial illiteracy. The methods practiced, tools adopted and objectives framed in managing their finances differ among individuals.

Financial literacy refers to the knowledge regarding financial concepts which will guide financial behaviour and thus facilitate attainment of financial wellbeing. Though the level of financial literacy possessed differs with various socio-demographic and economic factors, majority of the works undertaken upheld financial literacy as the basic need of the day for every individual irrespective of their background.

Financial literacy possessed will influence the personal financial management practices in a positive way. But formal financial education or training may not be the only source of financial literacy. Inspite of having high financial literacy and good financial behaviour, one may not achieve financial wellbeing due to other factors like resource constraints. In the same way financial wellbeing may not always result from high financial literacy and good financial behaviour.

Unorganised workers constitute a major part of workforce in both organised as well as unorganised sector. They contribute a lot to the society in the form of employment generation, poverty alleviation, providing goods and services at low cost and accelerating economic growth. But they face a lot of socio- economic problems both at the place of work and residence.

Unorganised workers face acute financial problems as their incomes are low and not regular. They depend on local money lenders for borrowing because formal banks are reluctant in most cases as they lack security to provide for such loans. Lack of knowledge and awareness regarding financial products and services available for their benefit is another hurdle faced by them in managing their hard earned money.

Financial literacy has a bearing on the degree to which the informal workers access formal financial services. Increased financial knowledge will strengthen the savings practice, insurance take up, investment diversification and formal credit access among the unorganised, thus strengthening their financial management practices. But the level of financial literacy possessed is very low causing financial exclusion and distress.

2.4 Research Gap

Though there are considerable number of works undertaken in the field of personal financial management and its relationship with financial literacy, works undertaken within the country are minuscule. There are no evidences of such works undertaken in connection with workers of unorganised sector considering their overall personal financial management practices. Majority of the works on unorganised consider aspects like social security, employment security and financial inclusion. There exists lack of research work undertaken to study their overall personal financial management practices considering components of money management, savings management, investment management, debt management and relating it with their financial literacy level possessed and financial wellbeing achieved. No attempt has been made to study their attitude towards personal financial management and the challenges that they face towards adopting efficient financial management plan. The present study tries to fulfill this gap.

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CHAPTER – III

Chapter- III

Personal Financial Management- A Conceptual Insight

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Personal Financial Management- A Conceptual Insight

3.1 Introduction

Resources are the means of achieving required outcomes but are scarce, thus call for their management. An efficient management of resources ensure their optimum utilization and finance is one such important resource and usually will not reach a point where it will be considered to be more than required. It is not only the life blood of business but also of individual's. Business aims at achieving profits and market position which requires the proper management of it's sources and applications of funds. The same way efficient management of personal finances by individuals leads to their better financial status and position in society. Thus, even an individual needs to plan and manage his/her assets, liabilities, incomes and expenses appropriately for the smooth functioning of his/her life business. It is important to note that such individual financial decisions and practices influence the financial conditions of the economy just like business financial decisions.

Earlier, financial education was focused on business economics without due importance to individual's personal finance. Once the importance of individual's financial decisions on the financial conditions of the economy as a whole was known, personal financial management education gained the required attention.

Cautious planning and management of one's financial sources and applications with an intention of achieving financial success is termed as 'Personal Financial Management'. It is all about making right decisions while dealing with daily life course financial decisions like what, how much, from where to buy and also major decisions of how much to save, where to invest, when to start planning on securing retirement life, how to deal with emergencies, from whom to borrow etc .

The Certified Financial Planners (CFP) Board defines financial planning as "the process of determining whether and how an individual can meet life goals through the proper management of financial resources"

Personal financial management involves the knowledge and planning of various aspects that affects the personal financial position either positively or negatively, in present or in future. It is bounded by financial planning that protects individuals from financial crisis (Bhargava et al., 2017)[1]

From the above two definitions it is evident that the terms personal financial planning and personal financial management are used interchangeably representing the same meaning. But, as planning is the initial step of any management process, it can be considered as the vital component of personal financial management. Thus, every personal financial management practice will start with planning and a good personal financial plan with a proper execution leads to efficient management of personal finance.

The basic tenets of personal financial management are *save often, spend carefully, borrow cautiously and invest wisely.*

Figure- 3.1: Personal Finance Equation

INCOME – EXPENSES = FREE RESOURCES

↓ ↓

SAVING INVESTING

Source:*(Gedmintienė & Visockaitė, 2016)*[2]

3.2 Influencing Factors of Personal Financial Management

Personal Financial Management is a scientific term representing regular life course activities and decisions related to financial matters. Irrespective of gender, education and income level, every person is involved in management of finance either efficiently or inefficiently, formally or informally. The way of management is based on a wide array of factors it is influenced by.

A series of factors like gender, age, education, income level, nature of occupation, experience and wealth holding etc influence with varying degree and direction, the efficiency in personal financial management. In general, any rational decision making practice is based on theoretical knowledge and practical experience gained. Thus, two of the strongest positive and significant influences on personal financial management practices are the level of financial literacy and financial

[1] Bhargava, N. R., Mittal, S., & Kushwaha, V. S. (2017). Impact of Financial Literacy on Personal Financial Management Based on Occupation. *Journal of Advance Management Research*, *05*(04).

[2] Gedmintienė, D. D., & Visockaitė, A. (2016). The importance of personal finance for investment and applying financial behaviour principles in personal finance investment decisions in Lithuania. *Socialinių Mokslų Studijos*, (8), 118–131.

inclusion, former providing theoretical knowledge of financial concepts and the latter providing practical exposure to formal financial environment.

3.2.1 Financial Literacy

Financial literacy refers to the capability of individuals in comprehending financial rules, practices, norms and conditions that enable them in making proper decisions related to finance. Accordingly, financial literacy, acts as the way to develop preparedness and decision making processes in financial matters and thus is the key for success and desired outcomes regarding finance. It will provide individuals the comprehension of financial concepts and instruments available in financial market and will make them equipped to navigate in the dynamic financial world so as to achieve the required financial goals. Thus it will feed the demand side as informed individuals will get into the formal financial system resulting in a formally, systematically managed personal finance.

On the other hand, by providing knowledge regarding financial policies, products and services, financial expertise and bargaining power, financial literacy makes individuals better savers, investors, retirement and emergency planners and thereby giving a major thrust in bringing the unbanked folks to the formal financial system and contributes a major part towards the financial infrastructure of the economy.

Thus, though not the only factor influencing personal financial management practices, if only one needs to be chosen among various factors, it is most reasonable to consider financial literacy than financial inclusion as inclusion in itself is influenced by financial literacy level possessed.

As a bringer of financial security to individuals by providing required skills to make informed choices among various options available in the financial market, financial literacy is required for all classes of the society irrespective of their age, income and occupation status as it protects them from financial traps like high transaction costs charged by non- financial institutions. It is not just confined to theoretical knowledge of financial information and advice, but comprises of the practical application of acquired knowledge that enables the acquisition and proper utilization of financial resources to achieve financial wellbeing. As a result, financial literacy is a combination of knowledge regarding investment avenues, financial skills that enable tactfully using that knowledge and financial attitude in terms of behaviour of individuals.

So, it can be regarded as comprising mainly three components as per OECD, 2013 – "Financial knowledge referring to understanding of financial concepts that a person has as a basis for financial management; Financial behaviour representing a person's behaviour in managing and controlling their finances; and Financial attitude covering a person's beliefs and feelings about money or personal inclination towards financial matters".

An individual who has gained knowledge regarding financial matters that guides him to exhibit savvy financial behaviour with positive attitude towards finance will be regarded as financially literate.

It is connected with making financial decisions at personal level. It covers intimate knowledge of financial concepts like compound interest, time value of money, consumer protection, financial planning, investment schemes etc that enables to make proper decisions regarding personal financial matters.

In relation to personal financial management, it can be considered as a combination of two elements- understanding of personal finance related information and application of that information in managing personal finance. Thus it will ensure that individuals behave appropriately in financial matters - money basics/ personal finance basics, borrowing, saving/ investing, protecting resources which will ensure attainment of financial wellbeing.

Financial literacy as the knowledge regarding personal management of finances provides individual with the twin benefits. Firstly it is the protection from financial frauds and the second is skill of planning financially secure future. It is also a mechanism to achieve financial freedom through the facilitation of extensive financial inclusion.

As a whole, it can be regarded as the knowledge required for processing the available financial information that guides in strengthening one's financial situation through inculcating the financial habits of planning, budgeting, saving and making informed decisions about personal finance with an intension of achieving financial wellbeing.

It refers to individual's capabilities including problem solving, understanding own's specific problems, and using the requisite skills, attitudes, knowledge and behaviour to analyse, manage and communicate personal finance matters to ultimately achieve his/her financial well-being. Thus financial literacy is the financial knowledge that brings financially savvy behaviour among individuals and leads to their financial wellbeing.

Financial literacy is the know-how of terminologies and principles related to finance. Financially illiterate people will be prone to mismanagement of personal finances in terms of poor risk diversification, inefficient portfolio management and lack of preparedness towards retirement due to inadequate savings. Lack of financial literacy makes individuals to ignore the information available regarding financial market characters resulting in financial decisions based on irrational psychological factors.

Understanding the significance of financial literacy in bringing the people living far away from formal financial system and are prone to improper management of finance to the horizon of formal financial system, government has come up with various measures of spreading financial literacy. Financial Literacy Centers are playing a significant role as the platforms for achieving the goals of such programmes.

3.2.2 Financial Inclusion

Improving ability without an opportunity to apply it will not be sufficient to provide fruitful results. Financial inclusion refers to providing access to formal financial market at affordable cost to all sections of the society. With the view of providing affordable and accessible financial instruments to financially excluded, government has come up with various innovative financial inclusion programmes. These programmes have aimed at strengthening the financial practices of vulnerable classes of the society like women, minorities, uneducated, low and irregular income groups by feeding the supply side.

The concept of financial inclusion is not about mere opening of simple bank accounts or a branch in an unbanked area. Even services like insurance, pension, equity comes in its horizon along with banking services thus resulting in efficient management of one's finances. The main idea behind this concept is to ensure that even the person standing in the last is not left out from the benefits of economic growth.

Government with an intension to bring every person in the country under the roof of formal financial system has come up with various programmes and schemes. Some of the recent financial inclusion programmes are listed below.

Table- 3.1: List of Financial Inclusion Programmes

Scheme Name	Date of Launch	Focus
Pradhan Mantri Jan Dhan Yojana (PMJDY)	Aug 28, 2014	Financial Services
Atal Pension Yojna(APY)	May 09, 2015	Pension Scheme for Unorganised Workers
Pradhan Mantri Vaya Vandana Yojana(PMVVY)	July 21, 2017	Pension Scheme
Startup India Scheme	Jan 16, 2016	Funding Support and Incentives to Startups
Pradhan Mantri Mudra Yojna (PMMY)	Apr 08, 2015	Credit Service to Micro-Units
Pradhan Mantri Suraksha Bima Yojna (PMSBY)	May 09, 2015	Accidental Death Insurance
Sukanya Samriddhi Yojana (SSY)	Jan 22, 2015	Savings Scheme targeted at the Parents of Girl Children
Jeevan Suraksha Bandhan Yojana	Aug 01, 2015	Social Security System
Credit Enhancement Guarantee Scheme (CEGS) for Scheduled Castes (SCs)	May 6, 2015	Financial Inclusion of SC Entrepreneurs
Venture Capital Fund for Scheduled Castes under the Social Sector Initiatives	Jan 16, 2015	Venture Capital to SC Entrepreneurs
Varishita Pension Bima Yojana (VPBY)	Aug 15, 2014	Senior Citizen Pension Scheme
Pradhan Mantri Jeevan Jyoti Bima Yojna (PMJJBY)	May 09, 2015	Life Insurance
Pradhan Mantri Shram Yogi Maan-Dhan scheme (PMSYM)	Mar 05, 2019	Old Age Protection and Social Security for Unorganised Workers

Source: *https://en.wikipedia.org/wiki/List_of_government_schemes_in_India*

https://www.bankbazaar.com/personal-loan/financial-inclusion.html

3.3 Need for Personal Financial Management

Managing money is as vital as earning so as to ensure healthy financial life. A well structured financial plan and management practices will keep individuals ready to face the upcoming needs. It will ensure that the available finance is used for generation of wealth and is not spent unnecessarily. It will provide a frame of action which will enable the achievement of defined goals. A well planned and designed personal financial management practice will make it possible to overcome the problems in case of emergency situations and avoids distress. It will ensure the attainment of financial satisfaction by facilitating the achievement of life's goals.

Increased life expectancy, rising costs of healthcare and complexities in financial markets call for the basic knowledge of personal financial management to enable every earning person to think and act on securing their financial future.

Good personal financial management practices will make individuals to feel organized and aware of their situation. Also help them to avoid unnecessary expenses, carry less debt, have better savings, increase wealth, secure old age and provide cushion for emergencies. Thus, it improves the quality of life standard by ensuring safety, security and creation of wealth.

It can also be considered as the route map from where an individual is to where he wants to be financially as it aims at proper allocation of available financial resources to avenues that not only preserves it but also will increase its value, thus providing chance for creation of wealth.

Planning and managing of personal finance will contribute to the betterment of present and future lives of individuals, enabling to live debt free, stressless life, ensuring education to children and surviving old age without working.

Know-how regarding management of personal finance sophisticates an individual to deal with financial responsibilities as well as opportunities and challenges which indirectly helps in development of the nation.

Financial hardships and dissatisfaction can have toxic effects on quality of life in terms of marital satisfaction, job productivity, physical and mental health. On one hand, financial problems cause emotional and psychological distress associated with financial deprivation. On the other, better financial management practices will reduce the financial problems and increase satisfaction.

Thus it is not just related to economic and social, but also to psychological aspects because cost, savings, investment practices of individuals will not only result in the financial conditions but also influence their attitudes, emotions and expectations.

The utmost need of managing personal finances is attainment of financial wellbeing

3.3.1 Financial Well-being

The way people feel about their financial situation is the financial well-being. It is also about the extent people are confident of their financial decisions and their impact on future.

Financial wellbeing depends on how well personal finance is managed and is also the ultimate goal of financial literacy. Thus, personal financial management practices mediate between financial literacy and its goal of financial wellbeing.

Consumer Financial Protection Bureau (CFPB) had to define and measure the end goal of financial literacy programmes, i.e, Financial Well-being, in order to measure the success of different strategies adopted in financial literacy programmes. An open- ended interview of 60 hours based undertaken in 2015 on consumers' and financial practitioners' perspectives along with panel discussions with experts suggested that financial well-being has the central four elements, as mentioned below:

- "Having control over day-to-day, month-to-month finances";
- "Having the capacity to absorb a financial shock";
- "Being on track to meet your financial goals"; and
- "Having the financial freedom to make the choices that allow you to enjoy life".

Among the four elements, first and fourth relates to present situation whereas second and third to future. Thus they are strongly bound by time-frame.

Though there were different views of satisfying life among different respondents interviewed, two themes were very common and consistent: "security and freedom of choice, in the present and in the future".

Figure- 3.2: Elements of Financial Well-being

	Present	Future
Security	Control over your day-to-day, month-to-month finances	Capacity to absorb a financial shock
Freedom of choice	Financial freedom to make choices to enjoy life	On track to meet your financial goals

Source: *Consumer Financial Protection Bureau, USA (2015)*

Thus, CFPB defined Financial Wellbeing as "a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life". It generally implies satisfaction of an individual related to his/ her financial situation. The same definition has been adopted by Organisation for Economic Co-Operation and Development (OECD) in 2015.

The report further stated that financial well-being is not rigidly associated with level of income as individuals who are not so rich may still feel and have high financial well-being level whereas high income individuals might not feel or have high financial well-being level at all. It considered financial well-being as "a continuum, ranging from severe financial stress to be highly satisfied with one's financial situation and not strictly on income".

Though the factors outside of individual's control also affect financial wellbeing, as per the report, it was considered as "an indication of how individuals can make the best out of the situation, given the current financial circumstances".

Figure- 3.3: Framework of Factors Influencing Financial Well-being

Source: *Consumer Financial Protection Bureau, USA (2015)*

Based on the above framework representing factors influencing financial well-being, CFPB stated that "to make it likely that a person will accomplish something, a person needs to:

- Know how to do it (knowledge and skills);
- Feel confident in knowing how to do it effectively (attitude);
- Believe that doing it is valuable (attitude);
- Have the opportunity to do it (opportunity); and
- Encounter a decision context that is conducive to doing it (decision context)".

Based on these grounds, Consumption Research Norway, Statens Institutt for Forbruksforskning (SIFO) undertook a survey in October 2016 and came up with another definition of financial well-being that reads as-

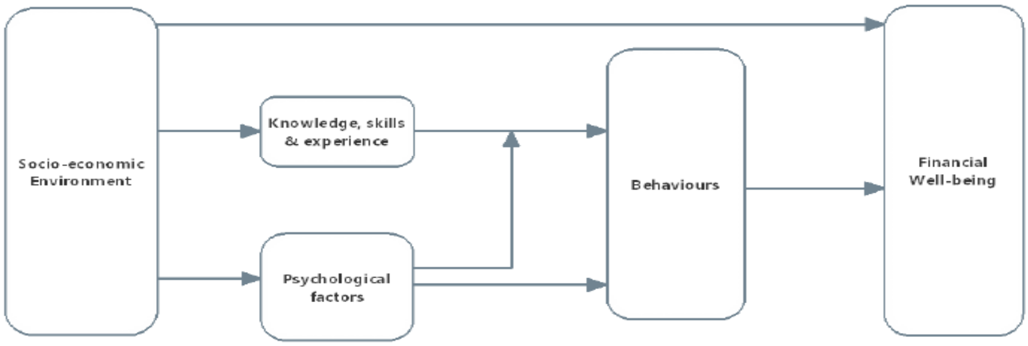
"The extent to which someone is able to meet all their current commitments and needs comfortably, and has the financial resilience to maintain this in the future."

The overall financial well-being measure comprised of 12 questions which were classified into two aspects, "current financial well-being and financial resilience". Later, due to policy reasons the component of current financial well-being was sub- divided into two measures "meeting financial commitments' and feeling comfortable financially", thus making a total of three components.

Thus as per the SIFO report financial well-being is made up of components such as:

- "Better financial status (Financially comfortable);
- Ability to meet commitments; and
- Resilience for the future".

Figure- 3.4: Conceptual Model of Financial Well-being



Source: *SIFOs Financial Well-being Survey 2016*

"Financial well-being reflects the financial status where a person or family has sufficient resources to live a comfortable life. It is about being financially healthy, happy and free from worries".

There are two measures of financial well-being

1. Objective indicators
2. Subjective indicators

Quantitative indicators visible from financial status like income, expenditure, debt, assets, debt to income ratio, net worth, consumption of goods, saving, socio-economic status, number of children and home ownership are some objective or position scales that are generally used.

Subjective measures include financial satisfaction or satisfaction with certain financial aspects such as income satisfaction and savings satisfaction. It refers to internal and subjective assessment of the amount of person's financial resources which may be sufficient or insufficient and satisfactory or unsatisfactory.

Though objective method will provide more tangible evidence and is easier to understand by respondent, subjective measures provide more complete assessment of financial well-being by identifying the views, feelings and perceptions about one's financial status that provide an individual with better symptoms and sign of wellbeing.

Prior literature in the field have also stated that subjective measures outweigh objective measures in assessing personal financial well-being as how people assess their financial well-being mainly depends on their own preferences irrespective of their objective financial situation and as such, people with similar socio-demographic characteristics and financial situation as defined by objective measures such as assets or income may assess their financial well-being differently as it depends on what they compare it to and what do they prefer it to be.

People compare what they have with what others have and care about how they stand relative to their former classmates, neighbours, friends, or colleagues. This reconfirms the need to conceptualize financial well-being with a subjective lens. Changes can occur in terms of what kind of living standard is desired, but also in terms of whether the available means will suffice to achieve it, all of which contributes to the dynamics of financial well-being.

3.4 Components of Personal Financial Management

3.4.1 Money Management

"Routine money management encompasses two high level concepts: managing the money that goes out, i.e., living within your means; and managing the money that comes in, i.e., making sure you have enough income to cover your needs". CFPB (2015)

One of the main causes of financial mess is unhealthy and unwise spending behaviour in terms of lavish spending on discretionary products like clothing and entertainment.

Basic money management is the most crucial component as all the remaining components are based on how well this component is managed. Money management involves keeping track of the incomes and expenses so as to ensure that the daily financial needs are met successfully. It aims at controlled utilization of available income sources, reducing unnecessary expenses thus enabling availability of resources for savings, investment, pension, insurance etc. Individuals without proper money management plan end up spending more than their available income and thus end up in debt trap.

The process of money management comprises of three steps. The first step is to assess the total income in terms of wages/ salaries, rent from owned properties, interest on fixed deposits and other regular incomes. The next step is to calculate total expenses. Expenses can be classified as fixed, committed and discretionary. Fixed expenses refer to those that do not vary from a month to another like house rent, insurance premium, and payment towards EMI. Committed expenses includes payment towards utilities like food, transportation, power and water bill, children's education expenses, allowances for elderly parents. Spending on clothing, entertainment, extracurricular activities of children are termed as discretionary expenses. It also includes unplanned and inevitable expenses like medical bills.

The third step is to compare the total income and the total expenses to calculate excess or deficit. Deficit calls for cutting down of unnecessary expenses and practicing conservative money management practices to avoid borrowing to meet the needs and excess funds provide an opportunity for fulfilling the future financial goals.

Thus, money management involves two mechanisms- budgeting or planning in terms of assessment of income, expenses, excess/ deficit; controlling in the form of avoiding excess spending.

3.4.2 Debt Management

Debt management practices of individuals affect the weight of debt burden that they need to carry and their wealth holding. The amount of debt holding has social and psychological implications. High level of debt causes negative self perception towards the ability to control financial situation and to achieve financial well-being. Getting struck in the debt trap can be mainly through two main mistakes. The first is borrowing interest linked funds and not repaying back on time thus attracting penalties. The second is borrowing money and using it mainly for the purpose of consumption.

3.4.3 Savings Management

Population savings is the main contributor of the economic financial flows in terms of credit and investment that stimulates economic growth. One of the most important saving decisions is the amount to be saved. It is based on three factors-income, normal expenses and the economic environment. The main objective of saving is to have funds in future to cater to the normal level of consumption when the level of income is affected by any factor like old age. Authors of scientific literatures often say that 10% of the normal expenses must be kept as saving. There is another general rule of thumb that states that we need to save 10% to 15% of our income.

Savings is a decision related to postponing the consumption of income earned today. Individuals keep a part of their income during high earning periods of employment keeping in mind the objective of funding their spending needs during low income earning periods like retirement. It will not only smooth out the individual financial needs but will also play a significant role in the infrastructure development and long term investments of the economy thus contributing to hedging out financial crisis and downturns in economy.

3.4.4 Investment Management

Investments are the additional sources of income that provides regular inflows to meet the individual needs and to achieve financial independence in life. It differs from savings as it involves three distinguishing characteristics- involvement of risk, possibility of earning profits and chance of increase in the value of asset. Investment decisions are made considering the amount available for investment, decided period of investment, expected profits, risk bearing capacity and purpose to be achieved through investment. These factors will act as guiding factors in deciding to choose the financial instrument or avenue out of wide variety of options available in the financial market.

Investment management results in allocation of savings to assets and projects to produce future income, thus contributing for the accomplishment of financial goals in terms of elimination of debt, retirement preparedness and meeting the emergencies through insurance.

Personal financial advisors recommend that the funds created to meet emergencies and unexpected situations must be five times of the monthly salary and the money kept aside to meet long term objectives like retirement must ensure the availability of required amount to live comfortably after retirement, which is generally recommended to be two third of current income assuming that all loans have been paid off and no children expenses need to be paid.

3.5 Summary

The demand side factor, financial literacy and the supply side factor, financial inclusion when combined together in a policy formulation can result in bringing efficiency in the personal financial practices of individuals which will ultimately lead to achievement of financial well-being in life. The various components or dimensions of managing personal finance i.e, money management, debt management, savings management and investment management are mutually inclusive and interdependent in nature. For example, the efficiency with which basic money management is done will influence the amount that will be left out to save, invest and helps to stay out of debt trap. On the contrary, an inefficient debt management practice will nullify the positive results of money management, erode the savings and provides no chance to invest. Thus, there is need to concentrate on strengthening the various aspects of personal financial management inorder to attain healthy financial outcomes and lead a satisfactory financial life.

CHAPTER – IV

Chapter- IV

Workers of Unorganised Sector- An Overview

4.1 Introduction

4.2 Informal Sector and Employment: Global History

4.3 Unorganised/Informal Sector and Employment/Worker: National Developments

4.4 Workers of Unorganised Sector in Karnataka

4.5 Characteristics of Unorganised Sector and Workers

4.6 Contribution of Unorganised Sector

4.7 Problems of Workers of Unorganised Sector

4.8 Need of Personal Financial Management for Unorganised Sector Workers

4.9 Summary

Chapter – IV

Workers of Unorganised Sector - An Overview

4.1 Introduction

Unorganised sector, also called as informal sector constitutes a significant part especially incase of developing nations like India. The unorganised sector in India generally comprises of unskilled or semi-skilled workers who are not employed by the organised sector and thus migrate to urban areas in search of job. It accounts for more than 90% and around 50% of total workforce and national production of Indian economy respectively. Progress in the growth of Indian economy has been tied up with increasing informalisation. Informal economy which has been exhibiting new dynamism in terms of output, employment and earnings also evidences growing inter linkages with formal economic activities as organised sector is believed to consign work to unorganised sector. Indian informal sector is concentrated with a high fraction of economically and socially unfortunate groups who are resourceless and are wage labourers, earning just for their livelihood. Thus, faster and inclusive growth demands addressing the needs of those engaged in this sector, ranging from basic amenities to providing skills to live sophisticated life.

Unorganised sector can also be considered as any dynamic activity producing small scale earnings through simple skills. It is not bound by regulations and laws like labour taxation or environmental and is not generally monitored to be included in GDP (Gross Domestic Product) of the economy, but is supposed to follow the rules formulated for orderly business operation by local authorities.

It includes two types of employments. Self- employed and unpaid family workers belong to first type of employment in unorganised sector, where as wage-employed workers without social insurance coverage, a fixed employer and tax payment constitute the second type. Thus, it occurs outside the legal framework.

4.2 Informal Sector and Employment/Worker: Global History

Initially economists failed to pay attention to informal sector like sociologists and anthropologists on the informal activities of existence. The first to introduce the term informal sector was a social anthropologist, Keith Hart. He introduced it while making a conference presentation on “Informal income opportunities and urban employment in Ghana" held in the Institute of Development Studies (IDS)in September 1971. He considered informal sector as concept covering small self-employed individual workers in developing countries only. Then, informal sector was fully recognized and was introduced into international usage by Kenya Mission Report of the International Labour Organization (ILO) in 1972. As per the report, *informal sector* meant "activities of the poor who are working very hard, but are still not recognized, protected, recorded or regulated by the public authorities", whereas, *informal activities* meant "way of doing things characterised by small scale of operation, family ownership of enterprises, reliance on indigenous resources, labour-intensive and adapted technology, skills acquired outside the formal school system, ease of entry and unregulated and competitive markets."

It also added that "Informal sector activities are largely ignored, rarely supported, often regulated and sometimes actively discouraged by the Government."

This development was followed by using of the terminology of informal sector by policy makers and researchers. But, there existed a lack of universally accepted definition of informal sector around the world and thus the definition of informal sector varied among different countries.

Until an international discussion and debate on the informal sector was held in the 78th Session of the International Labour Conference (1991), the concept was considered as restricted only to specialists and technicians. But this conference provided a space not only government officials but also for employers' and workers' representatives to express their views which generally covers the economy as a whole. The Director General's Report on the conference, "The dilemma of the informal sector" clearly stated that the informal sector which they had treated earlier as a temporary problem and believed that it will disappear spontaneously with economic growth, will actually grow due to urban poverty and overcrowding in the coming years.

A major step was taken in the Fifteenth International Conference of Labour Statisticians (15th ICLS) held in January 1993 by providing an international statistical definition of the informal sector and statistical measure of employment in the informal sector which was later included in the revised international System of National Accounts (SNA 1993).

The 15th ICLS mentioned that *informal sector* "is regarded as a group of production units which form part of the household sector as household enterprises or equivalently, unincorporated enterprises owned by households".

As per SNA (1993) *informal sector* consists of "units engaged in the production of goods or services with the primary objective of generating employment and income to the persons concerned. These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees. The informal sector forms part of the household sector as household enterprises or, equivalently, unincorporated enterprises owned by households".

Employment in the informal sector includes "all jobs in informal sector enterprises or all persons who, during a given reference period, were employed in at least one informal sector enterprise, irrespective of their status in employment and whether it was their main or a secondary job".

With an intension of providing internationally acceptable definition agreeable to labour statisticians as well as national accountants, the 15th ICLS (ILO 2000) adopted enterprise approach rather than labour approach i.e., "based on the characteristics of the production units in which the activities take place rather than the characteristics of persons involved or of their jobs".

This approach resulted in exclusion of a huge share of workers having informal job status due to reasons such as:

a. Though small-scale or causal self-employment activities fall under enterprise-based definition, individuals involved in them might not report in statistical surveys that they are self employed, or employed at all.
b. Activities at the borderline between self and wage employment like free-lancers, sub-contractors, out-workers or other workers were likely to be missed or wrongly classified.
c. The definition was not able to absorb all the aspects of informalisation of employment due to increased informal jobs in formal sectors too.
d. The definition may exclude domestic servants, gardeners and others employed in private households.

Considering the above shortcomings, along with users of statistics, the international Expert Group on Informal Sector Statistics popular as the Delhi Group, pointed on the need to "compliment the definition and measurement of employment in the informal sector with a definition and measurement of informal employment"(CSO/India 2001).

Considering the suggestions of the Delhi Group, a conceptual framework for defining informal employment was proposed in the ILO report on 'Decent Work and the Informal Economy'. After getting the acceptance of International Labour Conference, the Delhi Group and other meetings to which it had been presented, the framework was tested by several countries like India, Brazil, Mexico, Republic of Moldova and Georgia which was successful. Finally it was endorsed as an international statistical standard in December 2003by 17th ICLS (ILO 2003).

'Enterprise based' and 'Job based', the two aspects and concepts of informalisation were combined together and the 17th ICLS defined *informal employment* as "comprising the total number of informal jobs, whether carried out in formal sector enterprises, informal sector enterprises, or households, during a given reference period".

4.3 Unorganised/ Informal Sector and Employment/Worker: National Developments

The first Indian National Commission on Labour (1966-69) defined *unorganised sector workforce* as –"those workers who have not been able to organize themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments".

The identification criteria of *unorganised sector* as per National Sample Survey Organization (NSSO) for its periodical surveys of unorganised enterprises constitute, "enterprises not covered under the Annual Survey of Industries (ASI) in case of manufacturing industries and all enterprises, except those run by the Government (Central, State and Local Body) and in the corporate sector in case of service industries".

The NSSO survey (1999-2000) considered “all non-agricultural enterprises, excluding those covered under the ASI, with type of ownership as either proprietary or partnership” as *informal non-agricultural enterprises*.

The *unorganized sector* as defined by the Central Statistical organization, includes “all those unincorporated enterprises and household industries (other than the organized ones) which are not regulated by any legislation and which does not maintain annual accounts or balance sheets”. But this administrative nature based definition which is as per existing legal framework leaves out a bigger section of unorganized self-employed labour.

As per Ministry of Labour and Employment, under Section 2 (m) of the Unorganized Workers’ Social Security Act (2008), *unorganised sector* includes “an enterprise owned by individuals or self-employed workers and engaged in the production or sale of goods or providing service of any kind whatsoever, and where the enterprise employs workers and the number of such workers is less than ten”.

The Unorganized Workers’ Social Security Act, 2008 has defined *unorganized workers* as “a home-based worker, self-employed worker or a wage worker in the unorganised sector and includes a worker in the organised sector who is not covered by any Acts mentioned in Schedule II of the Unorganised Workers Social Act 2008”.

The Ministry of Labour, Government of India has categorized unorganized labour force under four categories as below,

1. *In Terms of Occupation* category includes “small and marginal farmers, landless agricultural labourers, share croppers, fishermen, those engaged in animal husbandry, beedi rolling, labeling and packing, building and construction workers, leather workers, weavers, artisans, salt workers, workers in brick kilns and stone quarries, workers in saw mills, oil mills etc”.
2. *In Terms of Nature of Employment Category* covers “attached agricultural labourers, bonded labourers, migrant workers, contract and casual labourers”.
3. *In Terms of Specially Distressed Categories* involve “toddy tappers, scavengers, carriers of head loads, drivers of animal driven vehicles, loaders and unloaders”.
4. *In Terms of Service Categories* considers “midwives, domestic workers, fishermen and women, barbers, vegetable and fruit vendors, newspaper vendors etc”.

There exists a large group of other unorganised workers in addition to above mentioned four categories.

National Commission for Enterprises in the Unorganised Sector (NCEUS) set up a Task Force and came up with a harmonized definition on unorganised sector as different definitions were used as per the requirements of different organizations in India.

As per NCEUS, *informal sector* consists of "all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers".

There was a general view that the formal employment relationship exists only in organised sector and never in unorganised sector. But in contrast to this view few employment relationships are formal even incase of unorganised sector and a considerable share of workers in the formal sector are working without formal employment relationship, social security and protection.

Considering these aspects, National Commission for Enterprises in the Unorganised Sector (NCEUS) complemented the definition of unorganised/ informal sector with a definition of informal employment/workers.

As per NCEUS, *Informal workers* consist of "those working in the informal sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers"

Thus NCEUS has grouped employment in India into four categories as "formal employment in the formal or organized sector", "informal employment in formal sector", "formal employment in the informal sector" and "informal employment in the informal sector"

While estimating the size and distribution of unorganised sector employment, all workers in the agricultural sector except those in plantations are considered as informal sector workers based on the assumptions that the "plantations are usually large and its workers are protected under Plantations Labour Act, 1951"and "agricultural activities in India are generally undertaken by private households with small pieces of land in contrast to organised farming which is very rare".

As per the World Bank - ECA, Informal Sector in Transition Economies, “the size of the informal labor market varies from the estimated 4%-6% in the high-income countries to over 50% in the low-income countries”

4.4 Workers of Unorganised Sector in Karnataka

“Economic activities i.e. production and distribution of goods and services by the operating units of the households which essentially differ from the formal sector in terms of technology, economies of scale, use of labour intensive processes, and virtual absence of the well maintained accounts” are referred as *informal sector*. “Establishments hiring less than 10 workers without any social security measures and employment guarantee by contractual arrangement” are called *unorganized units*. “All kinds of labour working in small factories or even in small, medium and large productive units working as casual, contract, bad and temporary workers who have not been effectively unionized” are to be classified as *unorganized workers*.

The unorganised sector is labour intensive and creates job opportunity for a large segment of the population. Informal labourers, termed as Grey Economy are economically and socially poor and are resourceless. They lack access to social and financial amenities. Unorganised sector help them through employment generation and poverty alleviation. But, inadequate availability of information makes it difficult to measure the economic impact of informal sector, which is due to the financial limitations faced by the Statistical offices and also because of the very characteristics of the informal sector in a specific country. On the other hand, informal sector lacks a clear cut operational definition for the purpose of data collection which adds to the problem.

Though there is significant lack of statistical data available, prior research works undertaken confirm that the share of unorganised workers is notably high among agricultural workers, building and other construction workers and home based workers. Women workers in the informal sector of Karnataka are expected to earn ₹ 50 - ₹ 80 per day, whereas men may earn around ₹ 60 - ₹ 120.

The Government of Karnataka identified 43 categories of unorganised workers for extending social security benefits as under

Table- 4.1: Categories of Unorganised Workers in Karnataka

<table>
<tr>
<td>• Tailors
• Washermen
• Head Load Workers
• Hotel Workers
• Auto, Taxi, Private Bus and Lorry Drivers and Conductors
• Auto Mobile Workshop Workers
• Domestic Workers.
• Labourers Involved in Agriculture/ Horticulture and Animal Rearing
• Workers Involved in Coir Work
• Home Based Weavers
• Fishermen
• Potters
• Cobblers
• Barbers
• Butchers
• Blacksmiths
• Goldsmiths.
• Home Based Beedi Workers
• Home Based Agarbatti Workers
• Sculptors/Craftsmen
• Small Artists
• Workers Involved in Bamboo Work</td>
<td>• Workers Involved in Oil Processing /Food Processing
• Workers Involved in Timber Work
• Sericulture Workers
• Cotton Ginning and Processing Workers
• Workers Working in Printing Press
• Workers Involved in Stone Crushing
• Workers Working in Tanneries
• Workers Working in All Types of Mills
• Street Vendors
• Drivers/Conductors/Helpers/Cleaners Cart Pullers/Rickshaw Wallas/TangaWallas
• Workers Involved in All Kinds of Repair Work and Waste Disposal
• Rag Pickers
• Workers Involved in Cooking/ Cleaning in Marriage Halls/ Midday Meal Labourers and Assistants
• Sanitary Workers
• Workers Involved in Office Cleaning on Contract Basis
• Security Guards/ Watchmen Working on Contract Basis
• Porters
• Tourist Guides
• MandakkiBatti workers
• Photo Graphers</td>
</tr>
<tr>
<td colspan="2">• Other Categories.(The workers covered under Sec2(m) & 2(l) of unorganized workers Social Security Act, 2008)</td>
</tr>
</table>

Source: *Government of Karnataka- Department of Labour- Annual Report for the Year 2016*

In the year 2018, 101 more categories were identified and are listed below

• Farm Equipment Production • Bakery Works • Band Play Artists • Bangles Production • Bead Production and Raising of Beads • Beauticians • All Works Related to Beedi Production • Cycle Repairs • Bindi Production • Boat Sailors • Book Binding • Small scale Production of Bricks and Tiles • Paint Brush Production • Building and other Construction Workers • T V Cable Workers • Carpentery • Mat Weavers • Cashew Processing • Toddy Extraction • Garment Workers (who are outside the coverage of ESI &PF) • Craftsmanship • Theatre Works • Cloth Printers • Club and Canteen Services • Sweets and Savory Production	• Pan Beeda Selling • Production of Plastic Goods • Works in Quarry and Stone Mine • Flour Mill • Sand Paper Production • Sand Lifting • Scavengers • Sheep Breading • Shops and Commercial Organization Works • Small Industry and Cottage Industry Works • Soaps Production • Sports Equipment's Production • Steel and Other Metallic Vessels and Other Household Articles Production • Sweeping • Leather Goods Production • Telephone Booth Services • Tobacco Processing • Toys Production • Transport Services (Driving / Cleaning) • Welding and Soldering • Petrol Bunks and Gas Bunk Workers • Parking Toll Collectors • Candles Production • Anganavadi and Aasha Workers • Gas Cylinders Distributors • Coconut and Arecanut Processing Workers • Circus Company Workers

• Works in Marriage and Convention Halls, Tents, Pendals • Courier Service • Data Entry Operators/ Typists • Distribution of Petroleum Products • Dyeing Service • Retail Electricity Service • Electrification Services • Embroidery Works • Envelop Production • Crackers Production • Flower Works and Garland Production • Foundry Works (Casting) • Gardening • Gems Cutting • Glass Articles Production • Health Services • Bee- Hiving • Locks Production and Repairs • Match Box Production • Small Scale Collection of Forest Produces • Newspaper Selling • Non-Government Organizations Services • Packing and Packaging • Workers in Home Stay and Resorts • Mattress Production	• Roadside Vendors of Pots, Pitchers and other Decorative Items • Food and Beverage Sellers in Buses and Trains • Agents in Private Bus Stands • Ice Cream Sellers • Umbrella Repairs • All type Training Personnel • Corral Fitting and Horn Polishing for Cows • Old Paper Buying • Milk Vendors • Hair Collectors • Non-Permanent Employees in Local Organizations (Except Outsources) • Cowherds • Workers Working in Religious Institutions Outside the Coverage of Muzrai Department • Orchestra Workers • Gas Stove Repairs • Grind Workers • Bangles Sellers • Jaggery Producers • Sheep Wool Fleecer • Devadasees • Sheep Wool Blanket Weavers • Teachers and Guest Lecturers in Private Non Aided Educational Institutions • Hair Cleaning and Processing Works • Physical Works in Unspecific Fields

Source: *Karnataka State Unorganised Workers Social Security Board (KSUWSSB), Bengaluru*

Though the above classification was made with an intension of providing social security benefits to unorganised workers in Karnataka, the Board is struggling to reach them and roll out the benefits as there is no survey undertaken to count the number of unorganised workers many of whom live in the state capital Bengaluru. As stated by the Assistant Labour Commissioner of the board, K L Ravikumar (2018), budgetary allocation for schemes and programmes are made based on the Socio-Economic and Caste Census- 2011 as there is no comprehensive survey of the unorganised workers inspite of several discussions made at the department meetings about it. The 2011 census report stated that the number of unorganised workers in Bengaluru excluding construction workers was close to 8 lakh. But the census, does not make sector wise classification and covers only a few sectors like domestic workers, construction, sanitation, home based, transport, shopkeepers and electricians. Thus, it is not a report to be relied heavily on for effective planning of the schemes as a large section of unorganised sectors is not counted in it. Due to these pitfalls, planning of the schemes are made just based on assumptions and by gathering information available from other departments like transport, women and child welfare, urban development and rural development. Labour and Employment Minister Santhosh Kumar Gangwar addressing the gathering in Rajyasabha (2019) had mentioned that the government was about to prepare a separate data on unorganised workers in India. But inspite of several discussions at state and central level, there is no separate published data on unorganised workers available till date.

4.5 Characteristics of Unorganised Sector and Workers

The *informal sector* would include “all unregistered commercial enterprises and all non-commercial enterprises that have no formal structure in terms of organization and operations”. As the name itself suggests the sector is informal in both character and operations.

Some of the dominant characteristics of informal sector enterprises are as follows:

a) Small capital investment with slight or no division between labour and capital
b) Means of production in the informal sector units have completely indigenous ownership
c) Heterogeneity in activities
d) Large number of units with small scale of operation employing limited number of workers

e) Free entry and exit into the market as licensing or registration is not compulsory
f) Lack of accessibility to finance and infrastructural facilities
g) Labour intensive production techniques that are predominantly manual and primitive requiring low or no skills
h) Existence of unregulated and highly competitive labour market
i) Absence of formal employer – employee relationship as most employment relations are based on casual employment and or social relationships with informal and unwritten contracts with little or no rights
j) Existence of ineffective and inadequate labour laws and regulations
k) Marketing and promotion based mostly on personal selling or word of mouth
l) Pricing of the products set through bargaining between seller and buyer
m) Involvement of some degree of illegality in many activities like pick pocketing, prostitution, hawking and peddling without any license and thefts that are involved in the 'irregular' informal sector.

Lack of educational opportunities and inefficient work skills of many workers in developing countries restrict them to informal economy. This segment of workforce is described by the International Labor Organization 2007 as — "low skill, low productivity, low wage, low investment".

Some of the characteristics of unorganised workers are as follows

a) Omnipresent throughout India due to their overwhelming number range
b) Lack a stable durable avenue of employment due to excessive seasonality of employment
c) Stratification based on community and caste especially in rural areas
d) Generally characterized with bondage and indebtedness caused by inability to meet basic livelihood needs out of their meager income
e) Subject to significant exploitation both at the place of work as well as living
f) Face substandard value of remuneration, work status and terms of employment
g) Suffer from large scale ignorance and illiteracy as a result of restricted experience with the outside world
h) Lack required attention of trade unions
i) Mostly living on hand to mouth basis, satisfying basic requirements such as food, shelter and clothing.

4.6 Contribution of Unorganised Sector

Unorganized sector provides significant employment opportunities to large mass of uneducated, unskilled and poor, which otherwise would have been openly unemployed. It has a remarkable role in absorption of female workers as a major portion of women have been employed in this sector. Indian labour market has been featured with the predominance of unorganised employment. This situation exist not just in the present, but even since early 80's and before that, as more than 90% of the workforce were dependent on the unorganised sector for their livelihood. The pattern and trend analysis of employment growth indicates decline in formal employment growth rate in the total employment representing expansion in informalisation of labour market.

There is even increasing inter linkages between formal and informal sector. Unorganised sector produces cheap semi-finished goods and services and supplies it to organised sector, thus reducing production cost. On the other hand, unorganised labour market provides abundant unskilled, cheap labour to organised enterprises without the need to provide social security or much facility and helps cutting down remuneration cost. Consequently, unorganised sector contributes in low cost production of goods and service in organised industries.

Informal economies may be considered as potential nursery of future economic growth in formal economy especially incase of developing countries. Being source of living to a large number of people, they also provide cushion against underdevelopment and economic uncertainty in the formal sector.

It is also involved in recycling of waste materials and production of cheap consumer goods and services making it affordable to low income groups. As a result, it helps to satisfy the needs of poor class of people along with reducing their cost of living especially in urban areas.

Hence, it can be stated that unorganised sector makes a significant contribution and has an importance of its own in the course of economic development through creation of employment opportunities and reduction in production cost of formal enterprises as well as cost of living for urban poor. It needs to be nurtured properly so that it can expand and develop optimally.

4.7 Problems among Workers of Unorganised Sector

Whether it is related to economic environment or other social aspects of life, our nation is overwhelmingly informal or unorganised. Workers in the unorganised sector make mammoth social and economic contributions to the society at large. But, the workers in the unorganised sector enterprises and activities face severe problems especially related to finance. The contribution of post-independence growth and development in reducing the accumulated burden of neglect, injustice and discrimination that the unorganised workers carry from the long historical past is negligible.

The relationship between poverty incidence in Indian states and its informal sector employment is significantly positive. Those employed in this sector are usually uneducated and poverty stricken. They lack the required skills to be a part of organised market and thus get absorbed by the unorganised sector. Abundant supply of unskilled labour has resulted in low wages as well as low productivity. Their earnings are so low that they often have to take up multiple jobs to provide barely enough for subsistence. Undertaking of multiple jobs may also be a result of job insecurity as they can be thrown out of job without prior notice or reason.

As these workers are easily available to work for lower wages and benefits, they lack the leverage of bargaining power like unionised workers who use traditional collective bargaining strategies such as strikes to get their demands fulfilled. They also suffer from fluctuating income and absence of basic right as worker. They have been remained outside the realm of social security measures provided by employer.

They lack a fixed place of work which is the main cause of vulnerability of informal workers, especially women. Owing to dearth of space in towns and cities, majority of the informal units undertake their operations in odd places, overcrowded centers and pavements. In addition to this, considerable portion of informal workforce are migratory in nature and may not possess a valid identity proof which makes it hard for them to open bank accounts and get the benefits of formal financial services. Thus they are forced to opt informal financial services.

Due to illiteracy and lack of unawareness, these marginalised groups do not even considerably avail the benefits of the governmental schemes meant for them.

They could not be easily identified, targeted and helped in receiving such benefits even by the government.

Financial services provided by banks to informal sector is usually restricted to saving facilities through no frills accounts like the Jan-Dhan Account and do not resort to extending loans due to lack of required documents and ability to provide securities by unorganised workforce.

As unorganised enterprises' asset bases tend to be very low and extremely volatile, banks consider them as unworthy creditors. Hence, the owners of unorganised enterprises will have to heave the needed investment being personally liable at their own risk, without any limitation on debt obligations incurred during production process. They are distressed within sufficient fixed and working capital, lack of ability to provide securities and disinclination of formal financial arrangements to extend credit, problem of bad debts and difficulties in availing concessions/subsidies provided by the government. Thus they have limited financial access and large financial resource gaps.

The government does not provide unorganised sector, the same backing support as it does to organised sector when it comes to bank finance, protection from foreign competitions, accessibility to capital market, imported raw materials and foreign technology. Lack of research and training facilities creates obstacle in producing based on market demand and to face competition which has resulted in distress sale of the products of the sector.

4.8 Need of Personal Financial Management for Unorganised Sector Workers

There is a great need for structuring the financial flow in informal sectors as the income received by unorganised workers is not only low but also uneven and uncertain. But, lack of financial awareness, comprehensive management training etc. imposes major obstacles in bringing efficiency in their personal financial practices. The World Bank (2018) had revealed that "insufficient funds to maintain accounts and the misconception that there must be only one account for a family as the two-fold prime reasons that withheld the poor from not engaging in formal financial system".

The need for managing the personal finances by unorganised workers could be grouped under three headings. "First, long gaps in income receipts due to seasonal employment which also reduces the total income received during a period; second, sudden and unexpected crises like accidents and sickness which can wipe out the meagre savings which an unorganised worker has and impose the burden of usurious loans which bind him/her to the moneylender and, third, the inevitable old age and death which overtake the unorganised worker before s/he makes any provision for them."

Approximately 90% of Indian informal workers have not formalized their cash transactions. Most of the workers live on day to day basis and use the leftover money for their bad habits like smoking and boozing. On the other hand, some who have the intensions of making provisions for future needs are unaware of the means and thus follow some crude methods like saving in grocery boxes, investing in untrustworthy chit funds. Thus, primitive and inefficient financial practices lead the personal financial management of informal workers inspite of efforts by the government in bringing them under the realm of formal financial system. The main cause of which is due to the fact that most of the governmental efforts end up with mere opening of bank accounts, even the operation of which is totally unknown to uneducated masses like informal workers. As a result, the accounts become frozen due to lack of transactions and the people continue on their informal methods like always. As per the World Bank Findex report (2018), "the coverage of savings account among Indians at the age group of more than 15 years is 80%, but the usage ratio is certainly low as only 43% of the account holders withdrew money in the past 12 months". In addition to it, "the country has one of the highest rates of informal financial services in the world as 12% of its adult population borrowed from an informal lender between 2011 and 2014".

Workers of unorganised sector are the most vulnerable class and are required to make most prudent financial decisions so that their limited wealth can generate returns that will help them to manage all aspects of life satisfactorily. Hence, the term 'Personal Financial Management' from the basic concept of financial literacy, is important for all classes but is extremely vital for the unorganized class of the society.

4.9 Summary

The chapter is intended to throw light on the conceptual study of the workers of unorganised sector at state, national and global level. Considering the density and the growth rate of informal workers in both organised and unorganised sectors of the economy and also the significance of their contribution to the society at large, it can be pointed that this class of people constitute an important population for the study and policy formulation. The financial tribulations that they are facing due to their very own characteristics of unskilled and low productivity resulting in low income, seasonal employment causing irregular income, financial exclusion as a result of financial illiteracy, lack of social security measures etc provides scope to concentrate on bringing efficiency in their personal financial management practices and contribute towards financial wellbeing of this most economically contributory, yet financially weak section of the economy.

CHAPTER – V

Chapter- V

Personal Financial Management Practices among Workers of Unorganised Sector - An Analysis

5.4 PART – C

5.4.1 Inferential Statistics

5.4.1.1 Relationship Analysis

5.4.1.2 Impact Analaysis

5.4.1.2.1 The Impact of Dimensions of Financial Literacy and Personal Financial Management Practices on Financial Well-being (Direct effects)

5.4.1.2.2 The Impact of Financial Literacy and Personal Financial Management Practices on Financial Well-being (Direct effects)

5.4.1.3 Mediation Analysis

5.4.1.3.1 Impact of Financial Literacy on Financial Well-being (Direct Effect)

5.4.1.3.2 The Mediating Role of Dimensions of Personal Financial Management Practices in the Relationship between Financial Literacy and Financial Well-being

5.4.1.3.3 The Mediating Role of Personal Financial Management Practices in the Relationship between Financial Literacy and Financial Well-being

5.4.1.4 Comparative Analysis

5.4.1.4.1 Difference in Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions among Different Sub Groups of Workers of Unorganised Sector

5.4.1.4.2 Difference in Challenges Faced among Different Sub Groups of Workers of Unorganised Sector in Adopting Personal Financial Management Practices

5.5 PART - D

5.5.1 Preference towards Savings and Investment Avenues among Workers of Unorganised Sector

5.5.2 Attitude of Workers of Unorganised Sector towards Personal Financial Management Practices

5.5.3 Challenges Faced by Workers of Unorganised Sector in Adopting Personal Financial Management Practices

5.6 Summary

Chapter- V

Personal Financial Management Practices among Workers of Unorganised Sector - An Analysis

5.1 Introduction

The chapter deals with the statistical analysis of primary data collected with regard to ***A Study on Personal Financial Management Practices among Workers of Unorganised Sector in Karnataka.*** Three categories of unorganised sector workers viz., agricultural labourers, construction workers and home based manufacturers of food and beverages are considered for the study. The personal financial management practices of all three categories are analysed, organised and presented in this chapter in four parts as follows.

5.2 PART – A

This part is exclusively related to workers of unorganised sector as respondents and accordingly is divided into two sections.

5.2.1 Section – I

Socio- demographic and economic profile of respondents is provided in this section.

5.2.2 Section – II

In this section a brief analysis is made regarding awareness of formal and informal banking system, preference towards specific source of borrowing and its reason, possession of bank account and reasons for being unbanked, awareness of different avenues of saving and investment, awareness of and participation in financial inclusion and literacy programmes.

5.3 PART - B

It broadly deals with the conceptual framework, descriptive analysis of the three main constructs viz., Financial Literacy, Personal Financial Management Practices and Financial Well-being followed by Explorative Factor Analysis for dimension reduction, Confirmatory Factory Analysis for verifying the reliability and validity of the instrument.

5.4 PART - C

This part depicts statistical analysis in the form of testing of hypotheses.

5.5 PART – D

It provides detailed information on preference towards saving and investment avenues followed by attitude towards and challenges faced in adoption of personal financial management practices among sample workers of unorganised sector in Karnataka.

5.2 PART - A

5.2.1 Section - I

5.2.1.1 Personal Profile of Respondents

Thirteen attributes are considered to study the personal profile of the sample respondents comprising eight social factors viz., gender, age, education qualification, current occupation, nature of occupation, marital status, number of members in the family and type of residence; two demographic factors viz., division and location; three economic factors viz., gross monthly income, savings and periodic income surplus. The data collected on these aspects are analyzed and presented with the help of tables and graphs in this section.

Table- 5.1: Socio Profile of Respondents

Socio Factors	No. of Respondents	%	Socio Factors	No. of Respondents	%
Gender			**Nature of Occupation**		
Male	243	57.2	Self employed	132	31.1
Female	182	42.8	Casual basis	177	41.4
Total	**425**	**100**	Contract basis	105	25.6
Age (Years)			Monthly salary/wage basis	11	1.9
Less than 30	57	13.4	**Total**	**425**	**100**
31 - 40	147	34.6	**Marital Status**		
41 - 50	136	32	Single	54	12.7
51 - 60	64	15.1	Married	323	76
More than 60	21	4.9	Divorced/Separated	01	0.2
Total	**425**	**100**	Widow/Widower	47	11.1
Education Level			**Total**	**425**	**100**
No formal schooling	175	41.2	**Family Size**		
Primary	113	26.6	Less than 2	100	23.5
High school	58	13.6	2-4	196	46.1
PUC	30	7.1	4-6	126	29.6
Undergraduate	24	5.6	More than 6	03	0.7
Diploma or ITI	25	5.9	**Total**	**425**	**100**
Total	**425**	**100**	**Residence Type**		
Occupation			Own house	307	72.2
Agricultural Labourer	140	32.9	Rental house	88	20.7
Construction Worker	142	33.4	Leased house	28	6.6
Home Based Manufacturer of Food & Beverages	143	33.6	Temporary Sheds/Tents	02	0.5
Total	**425**	**100**	**Total**	**425**	**100**

Source: *Field Survey*

As per **Table- 5.1**, 243 (57.2%) and 182 (42.8%) respondents are male and female respectively. The proportion of male respondents of the study is relatively higher than the proportion of female respondents.

Age is classified into five equal size open ended class intervals. Out of 425 respondents, 57 (13.4%), 147 (34.6%), 136 (32.0%), 64 (15.1%) and 21 (4.9%) respondents belong to the age group of less than 30, 21 – 40, 41 – 50, 51 – 64 and more than 60 years respectively. It is also evident from the table that majority of respondents belong to middle age between 31- 50. The percentage of respondents aged above 60 years accounts to only 4.9%. Thus, the unorganised sector in Karnataka is predominantly engaged by middle age group.

Out of 425 respondents, 175 (41.2%) have no formal education whereas, 113 (26.6%), 58 (13.6%), 30 (7.1.2%), 24 (5.6%) and 25(5.9%) respondents have primary, high school, PUC, undergraduate and diploma or ITI level of education respectively. The representative education qualification of respondents is no formal education with 175 respondents (41.2%). The total percentage of workers with no formal education and only primary education comprises approximately 68% (288 respondents). Thus, the workers of unorganized sector in Karnataka are characterized by no or very low level of formal education.

Since the study is pertained to workers of unorganised sector, the occupation of the respondents is classified into agricultural labourer, construction worker and home based manufacturer of food & beverages. Out of 425 respondents, 140 (32.9%), 142 (33.4%) and 143 (33.6%) respondents are from the group of agricultural labourers, construction workers and home based manufacturers of food & beverages respectively. Thus, it reveals the fact that the sample size chosen for the study across various occupational groups of unorganised sector are approximately equal.

The nature of occupation of respondents is classified into four groups i.e., self-employed, casual basis, contract basis and monthly salary/wage basis. Out of 425 respondents, 132 (31.1%), 177 (41.4%), 105 (25.6%) and 11 (1.9%) belong to self-employed, casual basis, contract basis and monthly salary/wage basis categories. The unorganised labourers working for monthly salary or monthly wage basis is relatively low and it comprises only 1.9%. Majority of the workers surveyed i.e., 177 out of 425 (41.4%) are working on casual basis.

Out of total respondents of the study, 54 (12.7%), 323 (76.0%), 1 (0.2%) and 47 (11.1%) respondents are single, married, divorced/separated and widow/widower respectively. It is evident from the table that there is much difference in the percentage of respondents of single and married. The number of divorced/separated and widow/widower respondents comprise merely 11.3% percent of the total number of respondents.

Number of families with less than 2, 2 - 4, 4 - 6 and more than six family members comes to 100 (23.5%), 196 (46.1%), 126 (29.6%) and 3 (0.7%) respectively.

The modal number of members in the family of respondents is 2 – 4 as presented. The percentage of family with less than two members is relatively higher than the percentage of families with more than 6 members.

Table- 5.2: Demographic and Economic Profile of Sample Respondents

Demographic Factors	No. of Respondents	%
Division		
Belgaum	110	25.9
Bengaluru	105	24.7
Kalaburagi	104	24.5
Mysuru	106	24.9
Total	**425**	**100**
Location		
Urban	185	43.5
Rural	164	38.6
Semi-urban	76	17.9
Total	**425**	**100**
Economic Factors	**No. of Respondents**	**%**
Monthly Income (In ₹)		
Less than 5,000	05	1.2
5,001 – 10,000	158	37.2
10,001 – 15,000	141	33.2
15,001 – 20,000	82	19.3
20,001 – 25,000	21	4.9
25,001 – 30,000	14	3.3
Above 30000	04	0.9
Total	**425**	**100**
Monthly Savings (In ₹)		
Less than 1,000	36	8.5
1,001 – 5,000	241	56.7
5,001 – 9,000	12	2.8
9,001 – 13,000	09	2.1
13,001 – 17,000	04	0.9
More than 17,000	01	0.2
Total	303	71.3
Not Responded	122	28.7
Total	**425**	**100**
Income Surplus		
Yes	344	80.9
No	81	19.1
Total	**425**	**100**

Source: *Field Survey*

Based on **Table- 5.2**, 110 (25.9%), 105 (24.7%), 104 (24.5%), and 106 (24.9%) respondents are selected from Belgaum, Bengaluru, Kalaburagi and Mysuru divisions respectively. The size of the sample from each of the geographical divisions is approximately equal. Thus, the total sample respondents from the four geographical divisions altogether represent research population of Karnataka.

For the sake of the study, the place of residence of the workers is broadly classified into three. They are urban, rural and semi-urban. As per the table, the number of respondents residing in urban, rural and semi-urban is 185 (43.5%), 164 (38.6%) and 76 (17.9%) indicating that the modal type of place of living of the workers in the present study is urban.

The income level of respondents is classified into seven class intervals of open-ended. It is revealed in the table that 5 (1.2%), 158 (37.2%), 141 (33.2%), 82 (19.3%), 21 (4.9%), 14 (3.3%) and 4 (0.9%) respondents have the monthly income of less than ₹ 5,000, ₹ 5,001 – ₹ 10,000, ₹ 10,001 – ₹ 15,000, ₹ 15,001 – ₹ 20,000, ₹ 20,001 – ₹ 25,000, ₹ 25,001 – ₹ 30,000 and more than ₹ 30,000 indicating that the modal monthly income of the workers of unorganised sector of the study area is ₹ 5,001 – ₹ 10,000 since it has the highest frequency number, 158 (37.2%).

The savings level of respondents is classified into six class interval of open-ended. Out of 425 respondents, 122 (28.7%) respondents have failed to keep account of their capacity to save and thus have not responded. It is revealed that 36 (8.5%), 241 (56.7%), 12 (2.8%), 9 (2.1%), 4 (0.9%) and 1 (0.2%) respondents have monthly savings of less than ₹ 1,000, ₹ 1,001 – ₹ 5,000 ₹ 5,001 – ₹ 9,000, ₹ 9,001 – ₹ 13,000, ₹ 13,001 – ₹ 17,000 and more than ₹ 17,000. The modal monthly savings of the workers of unorganised sector of the study area is ₹ 1,001 – ₹ 5,000 since it has the highest frequency number, 241 (56.7%).

Out of total respondents, 344 (80.9%) respondents stated that their periodic or term income exceeds expenditure whereas, the remaining 81 (19.1%) respondents stated that it does not. Since, the excess of income over expenditure is a major determinant of positive saving and investment, this empirical data reflects the ability to have efficient personal financial management practice by majority of the respondents.

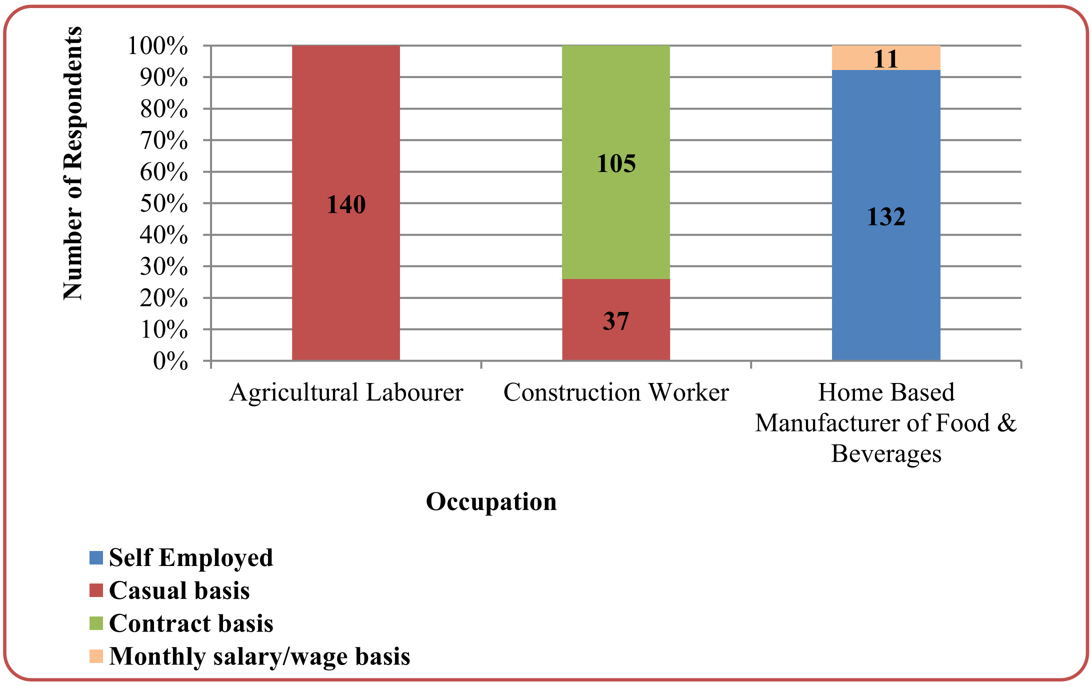
Table- 5.3: Cross Tabulation of Occupation and Nature of Occupation

		Nature of Occupation				Total
		Self employed	Casual basis	Contract basis	Monthly salary/wage basis	
Occupation	Agricultural Labourer	00 (0%)	140 (100%)	00 (0%)	00 (0%)	**140**
	Construction Worker	00 (0%)	37 (26.06%)	105 (73.94%)	00 (0%)	**142**
	Home Based Manufacturer of Food & Beverages	132 (92.31%)	00 (0%)	00 (0%)	11 (7.69%)	**143**
Total		**132**	**177**	**105**	**11**	**425**

Source: *Table- 5.1*

As per the above table, all agricultural labourers work on casual basis. Construction workers predominantly work on contract basis (73.94%), though they work on casual basis too (26.06%). 92.31% and 7.69% of home based manufacturer of food & beverages belong to self-employed and monthly salary or wage basis workers category.

Graph- 5.1: Cross Tabulation of Occupation and Nature of Occupation



Source: *Table- 5.3*

Table- 5.4: Cross Tabulation of Occupation and Monthly Income

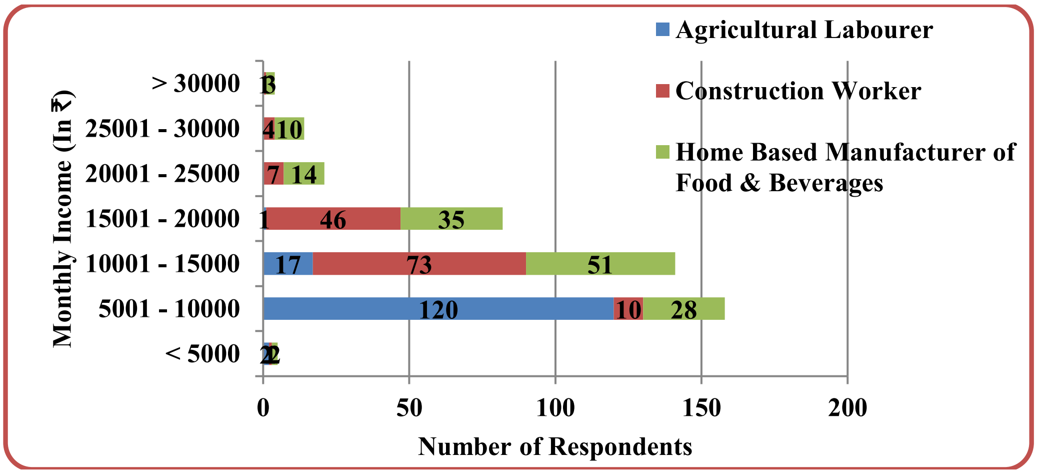
		Monthly Income (In ₹)							Total
		< 5,000	5,001 – 10,000	10,001 – 15,000	15,001 – 20,000	20,001 – 25,000	25,001 – 30,000	> 30,000	
Occupation	Agricultural Labourer	02	120	17	01	00	00	00	**140**
	Construction Worker	01	10	73	46	07	04	01	**142**
	Home Based Manufacturer of Food & Beverages	02	28	51	35	14	10	03	**143**
Total		**05**	**158**	**141**	**82**	**21**	**14**	**04**	**425**

Source: *Table- 5.1 and Table- 5.2*

As presented in **Table- 5.4**, all agricultural labourers have income less than ₹ 20,000 per month. The monthly income of construction workers and home based manufacturers of food & beverages is distributed between less than ₹ 5,000 to more than ₹ 30,000.

In terms of gross monthly income of the workers, home based manufacturer of food & beverages have the highest income and agricultural labourers have lowest income. Thus, it is evident that the modal income range of agricultural labourers, construction workers and home based manufacturers of food & beverages is between ₹ 5,001 – ₹ 10,000, ₹ 10,001 – ₹ 15,000 and ₹ 10,001 – ₹ 15,000 respectively.

Graph- 5.2: Cross Tabulation of Occupation and Monthly Income



Source: *Table- 5.4*

Table- 5.5: Cross Tabulation of Occupation and Monthly Savings

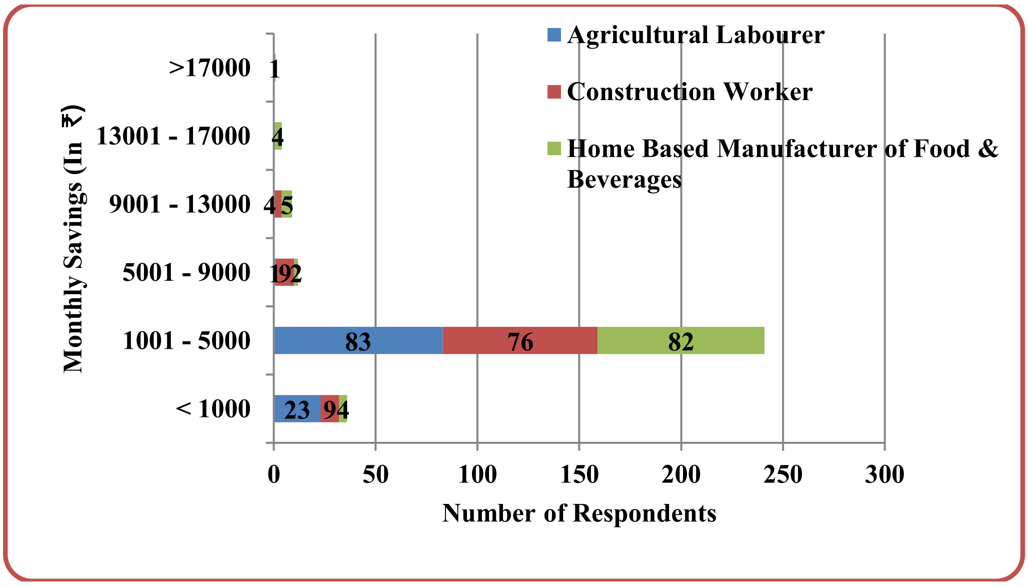
		Monthly Savings (In ₹)						Total
		< 1,000	1,001 – 5,000	5,001 – 9,000	9,001 – 13,000	13,001 – 17,000	>17,000	
Occupation	Agricultural Labourer	23	83	01	00	00	00	**107**
	Construction Worker	09	76	09	04	00	00	**98**
	Home Based Manufacturer of Food & Beverages	04	82	02	05	04	01	**98**
Total		**36**	**241**	**12**	**09**	**04**	**01**	**303**

Source: *Table- 5.1 and Table- 5.2*

As per **Table- 5.5**, all agricultural labourers' gross savings is less than ₹ 9,000 per month. The monthly savings of construction workers and home based manufacturers of food & beverages is distributed between ₹ 1,000 – ₹ 13,000 and between ₹ 1,000 – ₹ 17,000 respectively.

In terms of gross monthly savings of workers, modal monthly savings range of agricultural laborers, construction workers and home based manufacturers of food & beverages is ₹ 1,001 – ₹ 5,000. Thus, it is evident that the three groups of workers of the study area do not differ much in their savings pattern and their gross monthly savings is the same.

Graph- 5.3: Cross Tabulation of Occupation and Monthly Savings



Source: *Table- 5.5*

5.2.2 Section – II

5.2.2.1 Banking Habits, Borrowing Patterns, Awareness of Savings and Investment Avenues, Awareness and Participation in Financial Inclusion and Literacy Programmes

Awareness of formal and in-formal banking system, preference towards specific source of borrowing, holding of bank account, awareness of different savings and investment avenues, awareness of and participation in financial inclusion and literacy programs are the key elements which directly and/or indirectly influence the personal financial management practices as well as its efficiency of an individual. The empirical data collected in this direction is presented in this section using tables.

Table- 5.1: Awareness of Formal and Informal Banking System

Formal Banking System Awareness	No. of Respondents	Per cent
Yes	404	95.1
No	21	4.9
Total	**425**	**100.0**
Informal Banking System Awareness	**No. of Respondents**	**Per cent**
Yes	407	95.8
No	18	4.2
Total	**425**	**100.0**

Source: *Field Survey*

Table- 5.6 provides information on whether the workers of unorganised sector in the study area are aware of formal and informal banking system like local funding, lending, chit fund etc. Out of 425 respondents, 404 (95.1%) respondents are aware of formal banking system whereas 21 (4.9%) respondents are not. Out of total respondents, 407 (95.8%) are aware of informal financial practices whereas 18 (4.2%) respondents are not.

Table- 5.7: Preferred Source of Borrowing and Reasons for Preference

Source of Borrowing	No. of Respondents	Per cent
Banks	120	28.2
Co-operative Societies/SHGs	122	28.7
Local Money Lender	110	25.9
Friends/Relatives	73	17.2
Total	**425**	**100.0**

		Reason for Preference				**Total**
		Low/no interest	Repayment flexibility	Easily accessible	No other option	
Source of Borrowing	Banks	109	07	00	04	**120**
	Co-operative Societies/SHGs	108	03	09	02	**122**
	Local Money Lender	04	01	31	74	**110**
	Friends/Relatives	45	07	17	04	**73**
Total		**266**	**18**	**57**	**84**	**425**

Source: *Field Survey*

Table- 5.7 provides information on the preferred source of borrowing of workers of unorganised sector in the study area and reason for their preference. Out of 425 respondents, 120 (28.2%), 122 (28.7%), 110 (25.9%) and 73 (17.2%) of the workers prefer banks, co-operative societies or SHGs, local money lender and friends or relatives as their source of borrowing. As per the data presented above co-operative societies/SHGs (28.7%) are the most preferred source of borrowing for the respondents, followed by banks. From the table, it is also evident that nearly 26% (25.9%) still prefer local money lender as their source of borrowing.

Low/no interest is pointed as the main reason determining the source of borrowing followed by having no other option, easy accessibility and repayment flexibility. Banks, co-operative societies/ SHGs and friends are preferred as source of borrowing mainly due to their nature of providing loans at low interest. Out of 110 respondents borrowing from local money lenders, 74 and 31 respondents stated the reason for their preference as having no other option and easy access respectively.

Table- 5.8: Holding an Active Bank Account and Reasons for Not Holding

Active Bank Account	No. of Respondents	Per cent
Yes	417	98.1
No	08	1.9
Total	**425**	**100.0**
Reason	**No. of Respondents**	**Per cent**
Find it unsuitable or insignificant	04	50.0
Complex process of account opening and operating	02	25.0
Cooperative small fund investment	01	12.5
Banks are located far-away	01	12.5
Total	**08**	**100.0**

Source: *Field Survey*

Table- 5.8 presents data on whether the respondents of the study area hold an active bank account or not and also depicts the reasons as provided by respondents for not having active bank account. As observed, out of 425 respondents, 417 (98.1%) respondents hold an active bank account and 8 (1.9%) respondents do not. It is evident as per the table that the primary objective of financial inclusion strategy, in terms of accessibility of basic banking services, is not achieved to the fullest as 8 respondents (1.9%) still do not have bank accounts.

Out of these eight respondents, four respondents stated that holding an active account is unsuitable or insignificant whereas two respondents stated that opening and operating a banking account is a complex process. Only one respondent each stated the reasons of having a co- operative small fund investment instead of formal banks and accessibility issue in the form of long distance from banks as reasons for not having an active bank account.

Table- 5.9: Awareness of Different Savings and Investment Practices

Avenues		Awareness Yes	Awareness No	Total
Deposit in mainstream banks (Saving/recurrent account)	N	419	06	**425**
	%	98.59	01.41	**100**
Fixed Deposit	N	353	72	**425**
	%	83.06	16.94	**100**
Mutual funds/Special Investment Plans (SIPS)	N	39	386	**425**
	%	9.18	90.82	**100**
Real Estate/Property	N	295	130	**425**
	%	69.41	30.59	**100**
Gold Investment	N	425	00	**425**
	%	100	00	**100**
Co-operative small fund investment	N	98	327	**425**
	%	23.06	76.94	**100**
Insurance (Health Insurance)	N	214	211	**425**
	%	50.35	49.65	**100**
Insurance (Life Insurance)	N	225	200	**425**
	%	52.94	47.06	**100**
Term Plan(With pension facility)	N	116	309	**425**
	%	27.29	72.71	**100**
Local /Personalized debt lending /debt oriented investment	N	321	104	**425**
	%	75.53	24.47	**100**
Post Office	N	356	69	**425**
	%	83.76	16.24	**100**
Chit Funds	N	351	74	**425**
	%	82.59	17.41	**100**

Source: *Field Survey*

The table depicts awareness of respondents in the enlisted avenues or instruments for saving/investing. As per the table, all respondents are aware of gold investment, followed by deposit in mainstream banks, post office, fixed deposits and chit funds with 98.59%, 83.76%, 83.06% and 82.59% respectively. Respondents are least aware of mutual funds/Special Investment Plans (SIPS) as only 9.18% are aware of these avenues.

Table- 5.10: Awareness and Participation in Financial Inclusion Programmes

Financial Inclusion Programme		Unaware	Aware	Availed	Total
Pradhan Mantri Jan Dhan Yojana (PMJDY)	N	85	215	125	**425**
	%	20	50.6	29.4	**100**
Atal Pension Yojana (APY)	N	244	156	25	**425**
	%	57.4	36.7	5.9	**100**
Pradhan Mantri Vaya Vandana Yojana (PMVVY)	N	424	01	00	**425**
	%	99.8	0.2	00	**100**
Start Up India Scheme	N	403	22	00	**425**
	%	94.8	5.2	00	**100**
Pradhan Mantri Mudra Yojana (PMMY)	N	416	09	00	**425**
	%	97.9	2.1	00	**100**
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	N	416	07	02	**425**
	%	97.9	1.6	0.5	**100**
Sukanya Samriddhi Yojana (SSY)	N	375	37	13	**425**
	%	88.2	8.7	3.1	**100**
Jeevana Suraksha Bandhan Yojana	N	412	13	00	**425**
	%	96.9	3.1	00	**100**
Credit Enhancement Guarantee Scheme (CEGS) for (SCs)	N	423	02	00	**425**
	%	99.5	0.5	00	**100**
Venture Capital Fund for SC's under Social Sector initiatives	N	424	01	00	**425**
	%	99.8	0.2	00	**100**
Varishtha Pension Bima Yojana (VPBY)	N	416	09	00	**425**
	%	97.9	2.1	00	**100**
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	N	402	22	01	**425**
	%	94.6	5.2	0.2	**100**
Pradhan Mantri Shram Yogi Maan-Dhan Scheme (PMSYM)	N	380	44	01	**425**
	%	89.4	10.4	0.2	**100**

Source: *Field Survey*

As per the above table, regarding the awareness and participation in various financial inclusion programs, PMJDY accounts the highest as half of the respondents (50.6%) are aware and nearly 30% (29.4%) have availed the benefits of it, while 36.7% are aware of APY and 1.9% are it's beneficiaries. Thus, it is evident that the PMJDY is highly popular among the respondents.

Table- 5.11: Participation and Reason for Non- Participation in Financial Literacy Programmes of Financial Literacy Centers

Participation	Frequency		Per cent
Yes	03		0.7
No	422		99.3
Total	**425**		**100.0**
Reason	**Responses**		**% of Cases**
	N	**%**	
Lack of Interest	17	2.66	04
Lack of Time	85	13.30	20
Far distance (far location of financial literacy centers)	72	11.27	16.94
Lack of communication	76	11.89	17.88
Threat or risk of information exchange	34	5.32	08
Lack of awareness of financial literacy centers	355	55.56	83.53
Total	**639**	**100.0**	**150.35**

Source: *Field Survey*

Table- 5.11 presents the details on whether the respondents of the study area have participated in any financial literacy programmes conducted by financial literacy centers and also reasons for their non-participation. As observed, out of 425 respondents, only 3 (0.7%) respondents have participated and 422 (99.3%) respondents have not participated in any of the financial literacy programmes by financial literacy centers.

Out of the six reasons specified, lack of awareness of financial literacy center (55.56%) is the major reason for non-participation. Lack of time (13.30%) and lack of communication (11.89%) are the second and third major reasons for non-participation in the financial literacy programs found during the field investigation.

5.3 PART – B

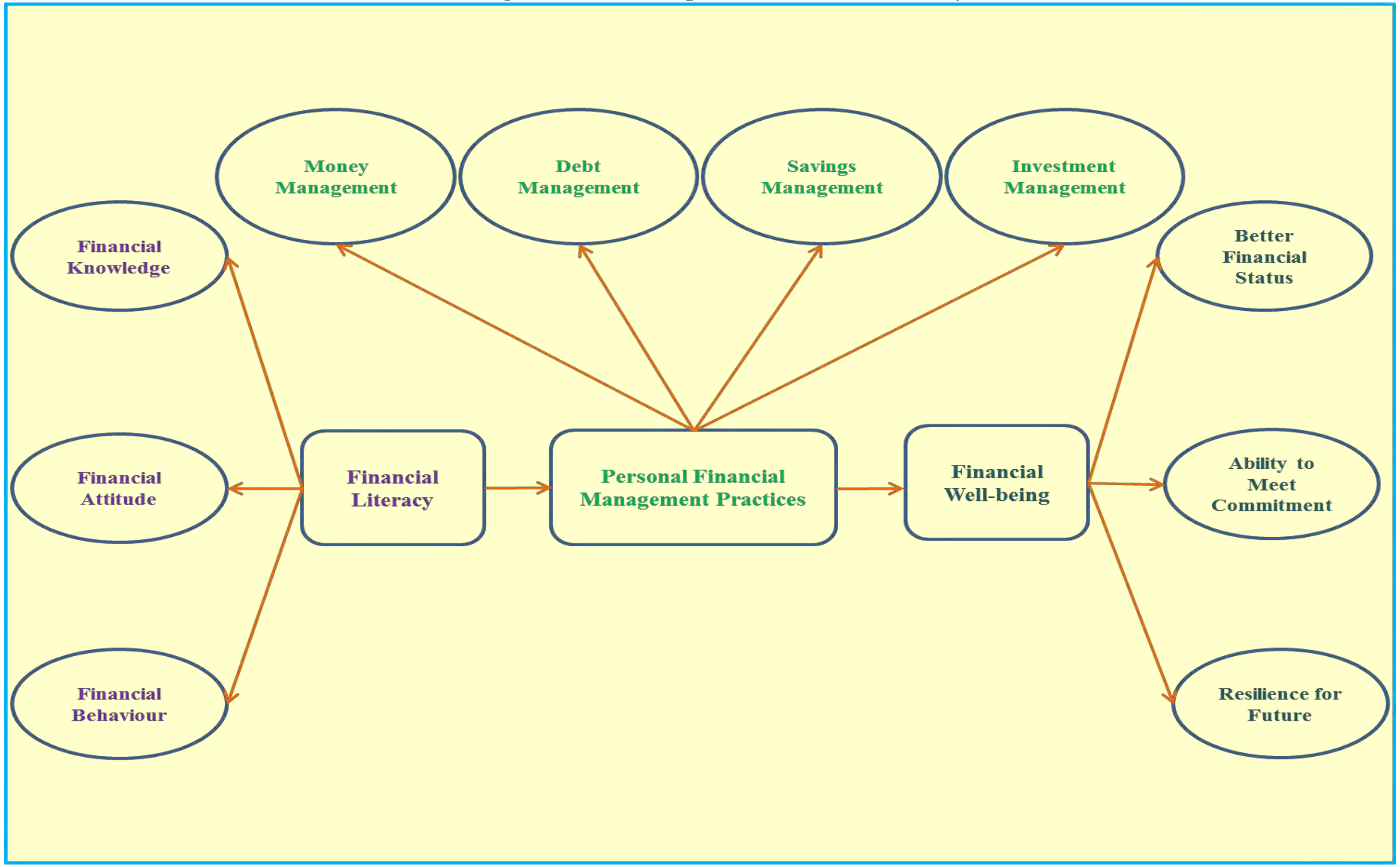
5.3.1 Conceptual Model of the Study

Financial literacy plays a pivotal role in determining how an individual deals with his personal finances. The process of achievement of individual financial well-being basically depends on how efficiently personal financial management practices are followed. Thus financial literacy influences personal financial management practices which in turn will influence the financial well-being of an individual. With this background, the present study is carried out to know the mediating role played by personal financial management practices between financial literacy and financial well-being among workers of unorganised sector in Karnataka. In this direction, the conceptual model in **Figure- 5.4,** focusing on three aspects viz., personal financial management practices, financial literacy and financial well-being is proposed and explored using appropriate tools.

The various dimensions of financial literacy, personal financial management practices and financial well-being are identified through extensive literature review as well as direct and indirect personal interview with subject experts.

Three components of financial literacy are identified and considered in the study as influencing factors for measuring it. They are financial knowledge, financial attitude and financial behaviour. Personal financial management practices are considered to comprise of money management, debt management, savings management and investment management. These four management practices are taken as the dimensions of personal financial management practices of an individual in the study. Financial well-being is considered to be consisting of three components. They are better financial status, ability to meet commitments and resilience for future.

Figure- 5.1: Conceptual Model of the Study



Source: *Researcher Built Model Based on Literature Reviews*

The extreme left side of the conceptual model in **Figure- 5.1**, is the financial literacy comprising of three sub components viz., financial knowledge, financial behaviour and financial attitude. Similarly, personal financial management practices comprise of four sub factors. They are money management, savings management, debt management and investment management. At the extreme right side of the conceptual model, is financial well-being which comprises three sub-components. They are better financial status, ability to meet commitment and resilience for future. As per the conceptual model, financial literacy is exogenous factor and personal financial management practices and financial well-being are endogenous factors.

The interrelations and interdependence among these three latent factors, their components, as well as set of items to measure their components are identified through literature survey. The responses of the respondents on these items/statements are obtained through schedules.

At the first step, to test the proposed conceptual model, the explorative factor analysis is being conducted for components of financial literacy, personal financial management practices and financial well-being. At the second step, confirmatory factor analysis is being conducted to check the validity and reliability of the measurement model. After verifying the validity and reliability of the model, testing of hypotheses has been undertaken.

5.3.2 Descriptive Analysis of Financial Literacy, Personal Financial Management Practices and Financial Well-being

This section provides frequency and descriptive analysis of the items/ statements in each construct present in the three main variables considered for the study viz., financial literacy, personal financial management and financial well-being.

5.3.2.1 Descriptive Analysis of Financial Literacy

Financial literacy is considered to be comprising of three dimensions viz., financial knowledge, financial attitude and financial behaviour. An individual possessing awareness of financial aspects, exhibiting savvy financial behaviour with positive attitude towards finance is considered to be financially literate. Seven items on financial knowledge, five items on financial attitude and nine items on financial behaviour, presented in five point scale of measurement are used to study financial literacy of respondents. Frequency and descriptive analysis of the same has been presented in **Table- 5.12(a), Table- 5.12(b) and Table- 5.12(c)**.

Table- 5.12(a): Descriptive Analysis of Financial Knowledge

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	The purchasing power of ₹ 100 in hand today, is relatively more than the same amount an year after	F	156	95	117	30	27	425	3.76	1.2009	-0.662	-0.419
		%	36.7	22.4	27.5	7.1	6.4	100				
2	If someone borrows a sum of ₹ 100 from you today and gives ₹ 100 a day after, then no interest is said to be received on that loan	F	343	78	04	00	00	425	4.8	0.4250	-1.851	2.397
		%	80.7	18.4	0.9	00	00	100				
3	An investment of ₹ 100 at 2% p. a simple interest will result in exactly ₹ 102 in the account at the end of the year	F	179	96	98	47	05	425	3.93	1.0948	-0.595	-0.8
		%	42.1	22.6	23.1	11.1	1.2	100				
4	An investment of ₹ 100 made at a compound interest of 2% p. a will result in more than ₹ 110 in the account at the end of 5 years	F	79	86	237	15	08	425	3.5	0.8984	0.232	-0.054
		%	18.6	20.2	55.8	3.5	1.9	100				
5	If someone offers you the chance to make a lot of money it is likely that there is also a chance that you will lose a lot of money	F	114	95	117	71	28	425	3.46	1.2320	-0.279	-0.941
		%	26.8	22.4	27.5	16.7	6.6	100				
6	High inflation means that the cost of living is increasing rapidly	F	103	89	167	33	33	425	3.46	1.1651	-0.333	-0.485
		%	24.2	20.9	39.3	7.8	7.8	100				
7	It is less likely that you will lose all of your money if you save it in more than one place	F	105	109	117	32	62	425	3.38	1.3269	-0.469	-0.819
		%	24.7	25.6	27.5	7.5	14.6	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

**** = Response for the statement has been reverse coded*

Statements regarding financial aspects of time value of money, interest on loan, simple interest, compound interest, risk return relationship, inflation and diversification are used to study the financial knowledge of respondents.

The value of money reduces with passage of time and this concept is termed as the time value of money. Knowledge regarding this concept will probe individuals to involve in investment practices with an intension to set off the reduction in value of money with the returns earned in the form of interest. Based on the mean value (3.76 ≈ 4), in **Table- 5.12(a)** it can be concluded that the sample workers of unorganised sector in Karnataka agree to the statement regarding time value of money, thus they are aware that the value of money reduces with passage of time.

Borrowing money will result in reduction in the disposable income available at hand due to interest payment. The knowledge regarding the same will hold back individuals from borrowing. Considering the mean value (4.80 ≈ 5), it can be stated that the sample workers of unorganised sector in Karnataka are strongly agree to the statement regarding interest on loan, thus they are highly aware of the concept.

Knowledge of simple interest will enable individuals to calculate and compare returns while making investments and interest expenses while borrowing. The mean value (3.93 ≈ 4) states that the sample workers of unorganised sector in Karnataka agree to the statement on simple interest, thus they are aware of the concept.

Compound interest, though a complicated concept than simple interest is required to gain the benefit of higher interest returns on investment and to avoid huge interest expenses on borrowings. The mean value (3.50 ≈ 4) states that the sample workers of unorganised sector in Karnataka agree to the statement on compound interest, thus they are aware of the concept.

Risk increases with the chance of earning higher returns and based on the mean value (3.46 ≈ 4) it can be concluded that the sample workers of unorganised sector in Karnataka agree to the statement on risk return relationship, thus they are aware of the concept.

Knowledge regarding the concept of inflation encourages individuals to save and invest for future in order to keep up with the increased cost of living. Considering the mean value (3.46 ≈ 3) it can be concluded that the sample unorganised sector workers in Karnataka agree to the statement on inflation, thus they are aware of the concept.

Diversified savings and investment pattern helps to set off losses in one avenue with profits of another and thus reduces the risk of huge losses and based on the mean value ($3.38 \approx 3$) it can be concluded that the sample workers of unorganised sector in Karnataka give neutral response to the statement on investment or risk diversification, thus they are unaware of the concept.

Table- 5.12(b): Descriptive Analysis of Financial Attitude

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	I tend to live for today and let tomorrow take care of itself***	F	196	104	69	19	37	425	3.95	1.2597	-1.09	0.175
		%	46.1	24.5	16.2	4.5	8.7	100				
2	I find it more satisfying to spend money than to save it for the long term***	F	191	138	28	35	33	425	3.99	1.2438	-1.207	0.373
		%	44.9	32.5	6.6	8.2	7.8	100				
3	Money is meant for spending***	F	192	83	82	30	38	425	3.85	1.3089	-0.873	-0.384
		%	45.2	19.5	19.3	7.1	8.9	100				
4	It is important to discuss money matters with family and friends	F	194	100	74	27	30	425	3.94	1.2330	-1.007	0.019
		%	45.6	23.5	17.4	6.4	7.1	100				
5	Money is meant to be earned and spent, not to be planned, saved or managed***	F	179	134	37	36	39	425	3.89	1.2902	-1.064	-0.024
		%	42.1	31.5	8.7	8.5	9.2	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

**** = Response for the statement has been reverse coded*

Having positive attitude towards finance will drive individuals towards efficient financial planning and management practice. On the other hand having negative attitude will encourage improper behaviour and will lead to financial stress. Five statements are used to study the attitude of the respondents towards money.

As per **Table- 5.12(b)**, average respondents support the thought of thinking and planning for future and not to live considering only the present circumstances, evident from the mean value for the statement ($3.95 \approx 4$). This represents that the sample unorganised sector workers in Karnataka agree that they do not tend to live at present without considering the needs of future.

Though spending money can provide satisfaction at present, saving money is important to secure future financial life. As represented by the mean value for the statement ($3.99 \approx 4$), it can be stated that the sample workers of unorganised sector in Karnataka agree that they do not find satisfaction in spending money than saving it for future.

The thought that money in itself is just meant to be spent will encourage unnecessary purchasing habits and make individuals not to inculcate saving and investing habits. Considering the mean value ($3.85 \approx 4$) it is found that the sample workers of unorganised sector in Karnataka agree that they do not treat money as something meant just for spending.

Discussing money matters with family and friends will increase the knowledge of financial facts helping in taking profitable decisions and average respondents affirm about it as per the mean value ($3.94 \approx 4$) which concludes that the sample workers of unorganised sector in Karnataka agree about the need to discuss money matters with family and friends.

Money is a resource, which needs to be managed efficiently in order to satisfy not just present demands but also future needs. Based on the mean value of the statement ($3.89 \approx 4$), it can be concluded that the sample workers of unorganised sector in Karnataka agree to the requirement of planning, saving and managing money along with earning and spending.

Table- 5.12(c): Descriptive Analysis of Financial Behaviour

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	I take utmost care in making financial decisions of my family by preparing a household budget	F	107	151	80	43	44	425	3.55	1.2563	-0.674	-0.528
		%	25.2	35.5	18.8	10.1	10.4	100				
2	I have an active saving plan	F	112	174	58	38	43	425	3.64	1.2432	-0.855	-0.245
		%	26.4	40.9	13.6	8.9	10.1	100				
3	I have the capacity to face any major expense equivalent to my monthly income without borrowing from outside	F	138	135	69	56	27	425	3.71	1.2265	-0.692	-0.556
		%	32.5	31.8	16.2	13.2	6.4	100				
4	I compare the price of things before I buy them	F	05	08	49	151	212	425	1.69	0.8369	1.316	1.963
		%	1.2	1.9	11.5	35.5	49.9	100				
5	I choose the products that I buy very carefully by considering the information and advice available	F	08	11	52	137	217	425	1.72	0.9107	1.392	1.923
		%	1.9	2.6	12.2	32.2	51.1	100				
6	I keep a close personal watch on my financial affairs	F	08	14	45	151	207	425	1.74	0.9105	1.401	2
		%	1.9	3.3	10.6	35.5	48.7	100				
7	I set long term financial goals and strive to achieve them	F	127	111	102	44	41	425	3.56	1.2781	-0.555	-0.703
		%	29.9	26.1	24	10.4	9.6	100				
8	Before I buy something I carefully consider it's affordability	F	196	95	78	28	28	425	3.95	1.2256	-0.982	-0.029
		%	46.1	22.4	18.4	6.6	6.6	100				
9	I pay my bills on time	F	181	92	92	48	12	425	3.9	1.1581	-0.68	-0.631
		%	42.6	21.6	21.6	11.3	2.8	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

**** = Response for the statement has been reverse coded*

The way an individual behaves regarding day to day financial matters will decide of his financial position in long run. Savvy financial behaviour will pave way for healthy financial life and avoids financial distress. Nine statements covering the aspects of budgeting, saving, planning for emergency, comparing prices, seeking information and advice, control on financial affairs, setting of term goals, considering affordability and paying bills are used to study the financial behaviour of the respondents.

Budgeting is a powerful tool for planning and controlling of financial affairs and making economical decisions. The mean value ($3.55 \approx 4$) provides evidence that the sample workers of unorganised sector in Karnataka agree that they make family related financial decisions based on household budget.

Having a fixed, consistent savings plan and increasing the amount of savings with increase in income will enable individuals to lead financially less risky life. As per the mean value ($3.64 \approx 4$), it can be stated that the sample unorganised sector workers in Karnataka agree that they have an active savings plan.

Health and other life emergencies may result in borrowing even at the cost of high interest and leads to financial depression at the time of repayment. Saving and investing for future financial emergency will enable individuals to stay out of debt traps. According to the mean value ($3.71 \approx 4$), it is evident that the sample workers of unorganised sector in Karnataka agree that they have emergency savings and can bear expenses equal to their monthly income without borrowing.

Comparing the prices before buying enables purchase at economical price and saves a part of expense. The mean value ($1.69 \approx 2$), states that the sample workers of unorganised sector in Karnataka disagree that they compare the prices of things that they need to buy.

Seeking information and advice on purchases is a part of rational buying behaviour which helps individuals to get quality goods at economical price and thus enhances purchase satisfaction. With reference to the mean value ($1.72 \approx 2$), it can be noted that the sample workers of unorganised sector in Karnataka disagree that they consider available information and advice in their purchase decisions.

Keeping a keen account of transactions will help to retain strong control on financial matters. As per the mean value ($1.74 \approx 2$), it can be concluded that the sample workers of unorganised sector in Karnataka disagree that they closely monitor all their financial affairs.

Setting financial goals for future will not only curtail discretionary expenses but will also encourage better saving and investment practices with intensions of achieving them. Mean value ($3.56 \approx 4$) for the statement proves that the sample workers of unorganised sector in Karnataka agree that they set long terms goals and make effort towards them.

Considering the price of the products keeping in mind the total disposable income available at hand will curb unnecessary purchases. Based on the mean value ($3.95 \approx 4$), it can be found that the sample workers of unorganised sector in Karnataka agree that they consider affordability of the products before they buy.

Failure to pay dues within the stipulated time period will not only affect credibility of individuals but may also attract additional expenses in the form of penalty fees or interest and the respondents seem to be aware of it. Mean value ($3.99 \approx 4$), concludes that the sample workers of unorganised sector in Karnataka agree that they pay their bills on time.

5.3.2.2 Descriptive Analysis of Personal Financial Management Practices

Four dimensions of personal financial management practices viz., money management, debt management, savings management and investment management are considered for the study. A total of thirty six statements comprising ten on money management, nine on debt management, nine on savings management, and eight on investment management, presented in five point scale of measurement are used to study the personal financial management practices of the respondents. Frequency and descriptive analysis of the same has been presented in **Table- 5.13(a), Table- 5.13(b), Table- 5.13(c) and Table- 5.13(d)**.

Table- 5.13(a): Descriptive Analysis of Money Management Practices

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	I keep track of my income and expenses	F	150	142	85	30	18	425	3.88	1.098	-0.865	0.119
		%	35.3	33.4	20	7.1	4.2	100				
2	I stay away from spending on unnecessary or unplanned stuffs	F	172	129	52	64	08	425	3.92	1.139	-0.777	-0.556
		%	40.5	30.4	12.2	15.1	1.9	100				
3	I never spend more than I can afford	F	180	108	93	41	03	425	3.99	1.046	-0.639	-0.704
		%	42.4	25.4	21.9	9.6	0.7	100				
4	I give priority to my needs than wants while spending	F	182	92	109	36	06	425	3.96	1.073	-0.61	-0.682
		%	42.8	21.6	25.6	8.5	1.4	100				
5	I am never careless in money matters	F	170	116	102	31	06	425	3.97	1.030	-0.659	-0.432
		%	40	27.3	24	7.3	1.4	100				
6	I always spend as per my plan or budget	F	67	41	141	137	39	425	2.91	1.188	0.42	-0.673
		%	15.8	9.6	33.2	32.2	9.2	100				
7	I keep close watch on my amount of spending	F	188	109	76	36	16	425	3.98	1.141	-0.921	-0.068
		%	44.2	25.6	17.9	8.5	3.8	100				
8	I always make sure that my financial situation is never out of control	F	21	34	103	118	149	425	2.2	1.149	0.708	-0.28
		%	4.9	08	24.2	27.8	35.1	100				
9	I fix goals for managing my money	F	60	46	141	107	71	425	2.8	1.248	0.294	-0.77
		%	14.1	10.8	33.2	25.2	16.7	100				
10	I am capable of achieving money management goals	F	93	68	153	69	42	425	3.24	1.241	-0.08	-0.868
		%	21.9	16	36	16.2	9.9	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

Considering the mean values of the respective statements on money management in **Table- 5.13(a),** conclusions can be drawn that the sample workers of unorganised sector in Karnataka agree that they, keep track of incomes and expenses (mean = 3.88 ≈ 4), do not make unnecessary spending (3.92 ≈ 4), never spend more than their affordability (3.99 ≈ 4), prioritize needs over wants while spending (3.96 ≈ 4), are not careless in money matters (3.97 ≈ 4), keep close watch on amount of spending (3.98 ≈ 4), and are capable of achieving money management goals (3.24 ≈ 4) while they provide moderate response on practices of spending as per plan or budget (2.91 ≈ 3), keeping financial situation under control (2.2 ≈ 3), and fixing goals for managing money (2.8 ≈ 3).

Table- 5.13(b): Descriptive Analysis of Debt Management Practices

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	I compare the rate of interests to be paid on the debts while borrowing	F	126	16	75	108	100	425	2.91	1.554	0.256	-1.448
		%	29.6	3.8	17.6	25.4	23.5	100				
2	I do not depend on informal money lenders for borrowing	F	101	21	95	110	98	425	2.8	1.466	0.355	-1.22
		%	23.8	4.9	22.4	25.9	23.1	100				
3	I pay interests on time	F	136	44	86	127	32	425	3.29	1.379	0.024	-1.43
		%	32	10.4	20.2	29.9	7.5	100				
4	I repay the principal amount of loan taken within the specified time	F	00	57	91	84	193	425	2.03	1.099	0.555	-1.118
		%	0	13.4	21.4	19.8	45.4	100				
5	I collect the loans owed to me properly	F	140	47	85	106	47	425	3.3	1.427	-0.082	-1.405
		%	32.9	11.1	20	24.9	11.1	100				
6	I consider my repayment ability before borrowing and do not borrow more than my repayment capacity	F	145	20	73	118	69	425	3.13	1.526	0.089	-1.521
		%	34.1	4.7	17.2	27.8	16.2	100				
7	I invest the borrowed amount in short term return yielding instruments like chit funds to earn quick returns and repay the debts	F	263	38	75	06	43	425	4.11	1.324	-1.294	0.417
		%	61.9	8.9	17.6	1.4	10.1	100				
8	I always make sure that I donot undertake excess borrowing	F	03	69	41	22	290	425	1.76	1.199	1.139	-0.404
		%	0.7	16.2	9.6	5.2	68.2	100				
9	I maintain good credit history with my sources of borrowing	F	01	38	86	49	251	425	1.8	1.065	0.906	-0.637
		%	0.2	8.9	20.2	11.5	59.1	100				

Source: *Field Survey*
Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

The mean values of the respective statements on debt management in **Table-5.13(b)**, concludes that the sample workers of unorganised sector in Karnataka agree that they invest a part of borrowed amount in order to repay the debts ($4.11 \approx 4$) but disagree that they repay the principal amount of loans taken within the specified time ($2.03 \approx 2$), do not undertake excess borrowing ($1.76 \approx 2$) and maintain good credit history with sources of borrowing ($1.8 \approx 2$). They provide moderate response on practices of comparing the rate of interests on debts while borrowing ($2.91 \approx 3$), not depending on informal money lenders for borrowing ($2.8 \approx 3$), paying interests on time ($3.29 \approx 3$), collecting loans owed to them properly ($3.3 \approx 3$), considering repayment ability before borrowing and not borrowing more than repayment capacity ($3.13 \approx 3$).

Table- 5.13(c): Descriptive Analysis of Savings Management Practices

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	I keep aside a part of my income as savings	F	121	160	61	46	37	425	3.66	1.239	-0.79	-0.367
		%	28.5	37.6	14.4	10.8	8.7	100				
2	I save before spending my income	F	26	127	102	66	104	425	2.78	1.277	-0.107	-1.242
		%	6.1	29.9	24	15.5	24.5	100				
3	I save out of every income that I get	F	30	81	180	60	74	425	2.84	1.135	-0.115	-0.604
		%	7.1	19.1	42.4	14.1	17.4	100				
4	I increase the amount of savings when my income increases	F	31	115	143	69	67	425	2.94	1.164	-0.205	-0.798
		%	7.3	27.1	33.6	16.2	15.8	100				
5	I have a fixed savings pattern that I review often	F	80	72	153	90	30	425	3.19	1.176	0.058	-0.819
		%	18.8	16.9	36	21.2	7.1	100				
6	I have kept aside some money to meet my future needs	F	71	52	114	114	74	425	2.84	1.317	0.279	-0.996
		%	16.7	12.2	26.8	26.8	17.4	100				
7	I always look forward to save money wherever possible	F	08	55	76	73	213	425	1.99	1.171	0.785	-0.687
		%	1.9	12.9	17.9	17.2	50.1	100				
8	I save atleast 10 percent of my gross monthly income	F	28	52	188	74	83	425	2.69	1.117	0.074	-0.492
		%	6.6	12.2	44.2	17.4	19.5	100				
9	I have a savings plan for both short term and long term requirements of my household	F	159	100	127	27	12	425	3.86	1.079	-0.574	-0.435
		%	37.4	23.5	29.9	6.4	2.8	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

Taking into account the mean values of the respective statements on savings management in **Table- 5.13(c)**, it can be concluded that the sample workers of unorganised sector in Karnataka agree that they keep aside a part of income as savings (3.66 ≈ 4), and have a savings plan for both short term and long term household requirements (3.86 ≈ 4) but disagree that they always look forward to save money wherever possible(1.99 ≈ 2). They express moderate response towards practices of saving before spending (2.78 ≈ 3),saving out of every income (2.84 ≈ 3)**,** increasing amount of savings with increase in income (2.98 ≈ 3)**,** following fixed savings pattern that they review often (3.19 ≈ 3)**,** keeping aside money to meet future needs (2.84 ≈ 3)and saving atleast 10 percent of gross monthly income (2.69 ≈ 3).

Table- 5.13(d): Descriptive Analysis of Investment Management Practices

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	I have a source of income other than my occupation	F	235	03	17	34	136	425	3.39	1.853	-0.365	-1.772
		%	55.3	0.7	04	08	32	100				
2	I consider the risk involved while making investments	F	229	49	98	46	03	425	4.07	1.124	-0.72	-0.907
		%	53.9	11.5	23.1	10.8	0.7	100				
3	I compare the returns while making investment decisions	F	232	47	107	29	10	425	4.09	1.130	-0.851	-0.43
		%	54.6	11.1	25.2	6.8	2.4	100				
4	I look for liquidity of the investment products	F	228	72	45	76	04	425	4.04	1.202	-0.84	-0.823
		%	53.6	16.9	10.6	17.9	0.9	100				
5	I assign long term goals to my money	F	87	94	90	54	100	425	3.03	1.453	-0.118	-1.33
		%	20.5	22.1	21.2	12.7	23.5	100				
6	I have diversified investment pattern	F	197	64	106	19	39	425	3.85	1.303	-0.842	-0.375
		%	46.4	15.1	24.9	4.5	9.2	100				
7	I will analyse the information related to the source before making any investments	F	228	66	76	43	12	425	4.07	1.171	-0.942	-0.32
		%	53.6	15.5	17.9	10.1	2.8	100				
8	I know the calculation of interest that I earn from my investments	F	46	66	188	58	67	425	2.92	1.163	-0.033	-0.531
		%	10.8	15.5	44.2	13.6	15.8	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

With reference to the mean values of the respective statements on investment management in **Table- 5.13(d)**, it can be concluded that the sample workers of unorganised sector in Karnataka agree that they consider risk involved in investment ($4.07 \approx 4$), compare returns from different options ($4.09 \approx 4$), look for liquidity of the investment products ($4.04 \approx 4$), diversify their investments ($3.85 \approx 4$) and analyse related information before making investments ($4.07 \approx 4$) while they exhibit moderate opinion towards practices of assigning long term goals to money ($3.03 \approx 3$), having a source of income other than occupation ($3.39 \approx 3$) and calculating interest earned from investments ($2.92 \approx 3$).

5.3.2.3 Descriptive Analysis of Financial Well-being

Better financial status, ability to meet commitments and resilience for future are considered as the three dimensions of financial well-being in the study. Each dimension comprises of three statements, presented in five point scale of measurement in order to study financial well-being of the respondents. Frequency and descriptive analysis of the same has been presented in **Table- 5.14**.

Table- 5.14: Descriptive Analysis of Financial Well-being

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
Better Financial Status												
1	I am satisfied with my present financial situation	F	30	141	135	94	25	425	3.13	1.027	-0.21	-0.62
		%	7.1	33.2	31.8	22.1	5.9	100				
2	My financial situation limits my ability to do the things important to me***	F	28	141	127	92	37	425	3.07	1.076	-0.248	-0.708
		%	6.6	33.2	29.9	21.6	8.7	100				
3	I have too much loans right now***	F	40	132	127	92	34	425	3.12	1.101	-0.18	-0.721
		%	9.4	31.1	29.9	21.6	08	100				
Ability to Meet Commitments												
1	I tend to worry about paying my normal living expenses***	F	28	116	143	113	25	425	3.02	1.020	-0.002	-0.64
		%	6.6	27.3	33.6	26.6	5.9	100				
2	My finances control my life***	F	16	83	133	135	58	425	2.68	1.053	0.157	-0.675
		%	3.8	19.5	31.3	31.8	13.6	100				
3	I have money left over at the end of the month	F	19	157	144	48	57	425	3.08	1.093	-0.568	-0.506
		%	4.5	36.9	33.9	11.3	13.4	100				
Resilience for Future												
1	Because of my money situation, I feel like I will never have the things I want in life ***	F	07	95	140	139	44	425	2.72	0.978	0.017	-0.75
		%	1.6	22.4	32.9	32.7	10.4	100				
2	I am concerned that my money won't last***	F	10	104	119	150	42	425	2.74	1.011	0.096	-0.84
		%	2.4	24.5	28	35.3	9.9	100				
3	I am just getting by financially***	F	09	60	176	138	42	425	2.66	0.913	0.105	-0.227
		%	2.1	14.1	41.4	32.5	9.9	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

**** = Response for the statement has been reverse coded.*

Considering the mean value of the statements on better financial status in **Table- 5.14**, it can be concluded that the sample workers of unorganised sector in Karnataka have moderate opinion towards their satisfaction on financial situation (3.13 ≈ 3), not having financial situation that limits their ability of doing things (3.07 ≈ 3) and not possessing too much loans (3.12 ≈ 3).

Based on the mean value of the statements on ability to meet commitments in **Table- 5.14**, it can be concluded that the sample workers of unorganised sector in Karnataka have moderate opinion towards their financial situation as not to worry for paying normal living expenses (3.02 ≈ 3), not having a life controlled by finance (2.68 ≈ 3) and having left with excess income at the end of the month (3.08 ≈ 3).

As per the mean value of the statements on resilience for future in **Table- 5.14**, it can be concluded that the sample workers of unorganised sector in Karnataka have moderate opinion towards their financial situation as not the one that forbids to have things that they want in life (2.72 ≈ 3), not being worried that their money won't last enough (2.74 ≈ 3) and not just getting by financially (2.66 ≈ 3).

5.3.3 Explorative Factor Analysis of Financial Literacy, Personal Financial Management Practices and Financial Well-being

Explorative factor analysis has been conducted on the components of financial literacy, personal financial management practices and financial well-being to check sample adequacy, communalities, total variance explained and factor loadings. Measurement of sampling adequacy is done by comparing the magnitude of observed correlation coefficients and partial correlation coefficients using KMO and Bartlett's Test. Principal Component Analysis method of extraction and varimax technique of factor rotation is carried out to reduce the number of items in each of the components of the three constructs. The factor coefficient value less than 0.4 are suppressed and output of the factor analysis is represented as follows.

5.3.3.1 Explorative Factor Analysis of Financial Literacy

The output of Explorative factor analysis of three aspects of financial literacy viz., better financial knowledge, financial attitude and financial behaviour considered in the study is presented as follows.

Table- 5.15: KMO and Bartlett's Test for Financial Literacy

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.891
Bartlett's Test of Sphericity	Approx.Chi-Square	6057.732
	df	120
	Sig.	0.000

As observed in **Table- 5.15**, theresult of KMO is 0.891 which is higher than 0.5. The Chi square value of Bartlett's test on the components of financial literacy is 6057.732 with 120 degrees of freedom is also statistically significant at 5% since the p-value is less than 0.05. Therefore, the test outcome of KMO and Bartlett suggests the rejection of null hypothesis of correlation matrix is an identity matrix; and the correlation matrix appears to be factorable.

Table- 5.16: Communalities of Financial Literacy

Statement	Extraction
Financial_Knowledge_1	0.689
Financial_Knowledge_3	0.605
Financial_Knowledge_4	0.529
Financial_Knowledge_5	0.634
Financial_Knowledge_6	0.697
Financial_Knowledge_7	0.657
Financial_Attitude_1	0.909
Financial_Attitude_2	0.912
Financial_Attitude_3	0.872
Financial_Attitude_4	0.912
Financial_Attitude_5	0.831
Financial_Behaviour_1	0.777
Financial_Behaviour_2	0.802
Financial_Behaviour_7	0.704
Financial_Behaviour_8	0.735
Financial_Behaviour_9	0.692

Extraction Method: Principal Component Analysis

Table- 5.16 presents the list of items with factor co-efficient values more than 0.4. The excluded statements (Financial_Knowledge_2, Financial_ Behaviour_3, Financial_Behaviour_4, Financial_Behaviour_5 and Financial_ Behaviour_6) have factor co-efficient values less than 0.4 and thus are suppressed.

Table- 5.17: Total Variance Explained (Financial Literacy)

Factor	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.565	41.031	41.031	6.565	41.031	41.031
2	3.887	24.294	65.325	3.887	24.294	65.325
3	1.505	9.407	74.732	1.505	9.407	74.732

Extraction Method: Principal Component Analysis

Table- 5.17, presents the total variance of the set of inter related items extracted to identify the underlying dimension in the data set of financial literacy by using principal component analysis method of extraction and varimax method for factor rotation. The total variance, extracted sums of squared loadings and rotation sums of squared loadings of dimensions of financial literacy are displayed in the table**.** The cumulative percentage of extracted sums of squared loadings is 74.732%. Three factors are identified for financial literacy.

Table- 5.18: Factor Loadings of Financial Literacy

Statement	Factor		
	Financial Attitude	Financial Knowledge	Financial Behaviour
Financial_Knowledge_1		0.828	
Financial_Knowledge_3		0.775	
Financial_Knowledge_4		0.711	
Financial_Knowledge_5		0.795	
Financial_Knowledge_6		0.834	
Financial_Knowledge_7		0.805	
Financial_Attitude_1	0.906		
Financial_Attitude_2	0.911		
Financial_Attitude_3	0.907		
Financial_Attitude_4	0.906		
Financial_Attitude_5	0.861		
Financial_Behaviour_1			0.847
Financial_Behaviour_2			0.864
Financial_Behaviour_7			0.777
Financial_Behaviour_8			0.735
Financial_Behaviour_9			0.721

Extraction Method: Principal Component Analysis **Rotation Method:** Varimax with Kaiser Normalization Rotation converged in 5 iterations

The factor loadings of statements of financial literacy are represented in **Table- 5.18**, where three factors are extracted from the rotation. All these three factors have Eigen value of more than 1. The names for extracted the three factors are assigned from the second column of **Table- 5.18.** The first factor - 'financial attitude' explains 41.031%, the second factor - 'financial knowledge' explains 24.294% and the last factor - 'financial behaviour' explains 9.407% of variance respectively after the extraction. The cumulative extraction sum of squared loadings is 74.732%.Each item in the respective factors has factor loading of more than 0.4, indicating the degree of correlation between the items or indicators to the respective factors.

5.3.3.2 Explorative Factor Analysis of Financial Well-being

The output of Explorative factor analysis of three aspects of financial well-being viz., better financial status, ability to meet commitments and resilience for future considered in the study is presented as follows.

Table- 5.19: KMO and Bartlett's Test for Financial Well-being

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.802
Bartlett's Test of Sphericity	Approx. Chi-Square	2961.779
	df	36
	Sig.	0.000

As shown in **Table- 5.19**, the result of KMO is 0.802 which is higher than 0.5. The Chi square value of Bartlett's test on the components of financial well-being is 2961.779with 36 degrees of freedom is also statistically significant at 5% since the p-value is less than 0.05. Therefore, the test outcome of KMO and Bartlett suggests the rejection of null hypothesis of correlation matrix is an identity matrix; and the correlation matrix appears to be factorable.

Table- 5.20: Communalities of Financial Well-being

Statement	Extraction
Better_Financial_Status_1	0.941
Better_Financial_Status_2	0.923
Better_Financial_Status_3	0.928
Meet_Commitment_1	0.767
Meet_Commitment_2	0.830
Meet_Commitment_3	0.749
Resilience_Future_1	0.862
Resilience_Future_2	0.811
Resilience_Future_3	0.714

Extraction Method: Principal Component Analysis

Table- 5.20 provides list of items with factor co-efficient values more than 0.4. As all the statements have factor co-efficient values more than 0.4 none are suppressed.

Table- 5.21: Total Variance Explained (Financial Well-being)

Factor	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.048	44.973	44.973	4.048	44.973	44.973
2	2.291	25.456	70.429	2.291	25.456	70.429
3	1.186	13.175	83.604	1.186	13.175	83.604

Extraction Method: Principal Component Analysis

Table- 5.21 shows the total variance of the set of inter related items extracted to identify the underlying dimension in the data set of financial well-being by using principal component analysis method of extraction and varimax method for factor rotation. The total variance, extracted sums of squared loadings and rotation sums of squared loadings of dimensions of financial well-being are displayed in the table. The cumulative percentage of extracted sums of squared loadings is 83.604%. Three factors are identified for financial well-being.

Table- 5.22: Factor Loadings of Financial Well-being

Statement	Factor		
	Better Financial Status	Ability to Meet Commitments	Resilience for Future
Better_Financial_Status_1	0.942		
Better_Financial_Status_3	0.936		
Better_Financial_Status_2	0.937		
Meet_Commitment_2		0.802	
Meet_Commitment_1		0.875	
Meet_Commitment_3		0.848	
Resilience_Future_1			0.883
Resilience_Future_3			0.886
Resilience_Future_2			0.838

Extraction Method: Principal Component Analysis **Rotation Method:** Varimax with Kaiser Normalization Rotation converged in 4 iterations

The factor loadings of financial well-being are depicted in **Table- 5.22**, where three factors are extracted from the rotation and all these three factors have Eigen value of more than 1. The names of the extracted three factors are assigned from the second column of **Table- 5.22.** The first factor - 'better financial status' explains 44.973%, the second factor - 'ability to meet commitments' 25.456% whereas the last factor-'resilience for future' explains 13.175% of variance respectively after the extraction. The cumulative extraction sum of squared loadings is 83.604%. Each item in the respective factors has factor loading of more than 0.4, indicating the degree of correlation between the items or indicators to the respective factors.

5.3.3.3 Explorative Factor Analysis of Personal Financial Management Practices

The output of Explorative factor analysis of four aspects of personal financial management practices viz., money management, debt management, savings management and investment management considered in the study is presented as follows.

Table- 5.23: KMO and Bartlett's Test for Personal Financial Management Practices

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.921
Bartlett's Test of Sphericity	Approx. Chi-Square	9428.763
	df	190
	Sig.	0.000

As mentioned in **Table- 5.23**, the result of KMO is 0.921 which is higher than 0.5.The Chi square value of Bartlett's test on the components of personal financial management practices is 9428.763with 190 degrees of freedom is also statistically significant at 5% since the p-value is less than 0.05. Therefore, the test outcome of KMO and Bartlett suggests the rejection of null hypothesis of correlation matrix is an identity matrix; and the correlation matrix appears to be factorable.

Table- 5.24: Communalities of Personal Financial Management Practices

Statement	Extraction
Money_Mgmt_1	0.822
Money_Mgmt_2	0.805
Money_Mgmt_3	0.827
Money_Mgmt_4	0.875
Money_Mgmt_5	0.815
Money_Mgmt_7	0.807
Debt_Mgmt_1	0.849
Debt_Mgmt_2	0.881
Debt_Mgmt_3	0.854
Debt_Mgmt_5	0.813
Debt_Mgmt_6	0.903
Savings_Mgmt_1	0.788
Savings_Mgmt_2	0.800
Savings_Mgmt_3	0.867
Savings_Mgmt_4	0.840
Savings_Mgmt_8	0.668
Investment_Mgmt_2	0.920
Investment_Mgmt_3	0.716
Investment_Mgmt_4	0.913
Investment_Mgmt_7	0.885

Extraction Method: Principal Component Analysis

Table- 5.24 provides list of items with factor co-efficient values more than 0.4. The excluded statements (Money_Mgmt_6, Money_Mgmt_8, Money_ Mgmt_9, Money_Mgmt_10, Debt_Mgmt_4, Debt_Mgmt_7, Debt_Mgmt_8, Debt_Mgmt_9, Savings_Mgmt_5, Savings_Mgmt_6, Savings_Mgmt_7, Savings_ Mgmt_9 Investment_Mgmt_1, Investment_Mgmt_5, Investment_Mgmt_6 and Investment_Mgmt_8) have factor co-efficient values of less than 0.4 and thus are suppressed.

Table- 5.25: Total Variance Explained (Personal Financial Management Practices)

Factor	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.241	46.207	46.207	9.241	46.207	46.207
2	3.258	16.289	62.495	3.258	16.289	62.495
3	2.847	14.237	76.732	2.847	14.237	76.732
4	1.299	6.496	83.228	1.299	6.496	83.228

Extraction Method: Principal Component Analysis

Table- 5.25 states the total variance of the set of inter related items extracted to identify the underlying dimension in the data set of personal financial management practices by using principal component analysis method of extraction and varimax method for factor rotation. The total variance, extracted sums of squared loadings and rotation sums of squared loadings of dimensions of personal financial management practices are displayed in the table**.** The cumulative percentage of extracted sums of squared loadings is 83.228%. Four factors are identified for personal financial management practices.

Table- 5.26: Factor Loadings of Personal Financial Management Practices

Statement	**Factor**			
	Money Management	Debt Management	Savings Management	Investment Management
Money_Mgmt_1	0.831			
Money_Mgmt_2	0.82			
Money_Mgmt_3	0.81			
Money_Mgmt_4	0.867			
Money_Mgmt_5	0.852			
Money_Mgmt_7	0.831			
Debt_Mgmt_1		0.885		
Debt_Mgmt_2		0.911		
Debt_Mgmt_3		0.865		
Debt_Mgmt_5		0.835		
Debt_Mgmt_6		0.924		
Savings_Mgmt_1			0.811	
Savings_Mgmt_2			0.888	
Savings_Mgmt_3			0.873	
Savings_Mgmt_4			0.895	
Savings_Mgmt_8			0.78	
Investment_Mgmt_2				0.875
Investment_Mgmt_3				0.799
Investment_Mgmt_4				0.847
Investment_Mgmt_7				0.834

Extraction Method: Principal Component Analysis **Rotation Method:** Varimax with Kaiser Normalization Rotation converged in 6 iterations

The factor loading of personal financial management practices is represented in **Table- 5.26**, where four factors are extracted from the rotation. All these four factors have Eigen value of more than 1. The names of extracted four factors are assigned from the second column of **Table- 5.26.** The first factor - ‘money management’ explains 46.207%, the second factor - ‘debt management’ explains 16.289%, the third factor - ‘savings management’ explains 14.237%, whereas the last factor namely ‘investment management’ explains 6.496% of variance respectively after the extraction. The cumulative extraction sum of squared loadings is 83.228%. Each item in the respective factors has factor loading of more than 0.4, indicating the degree of correlation between the items or indicators to the respective factors.

5.3.3.4 Dimension Reduction Based on the Output of Exploratory Factor Analysis

Some of the items or statements of financial knowledge, financial behaviour, financial attitude, money management, savings management, debt management, investment management, financial status, ability to meet commitment and resilience for future are reduced after examining the output of explorative factor analysis. The initial number of items under each construct and final number of items under each construct after examining the results of explorative factor analysis are depicted in **Table- 5.27**

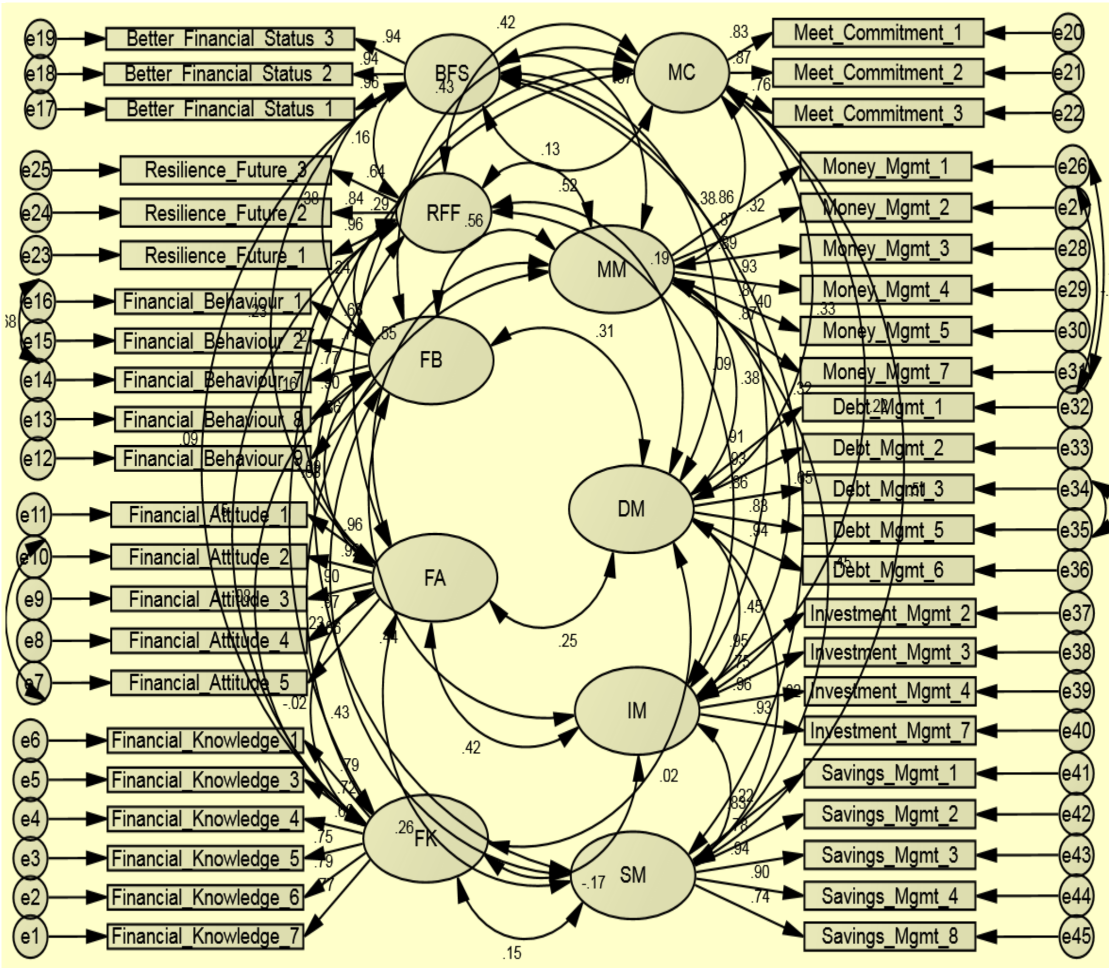
Table- 5.27: Number of Items

Sl. No	Dimensions	Initial No. of Items	Final No. of Items
Financial Literacy			
1	Financial Knowledge	07	06
2	Financial Attitude	05	05
3	Financial Behaviour	09	05
Financial Well-being			
1	Better Financial Status	03	03
2	Ability to Meet Commitment	03	03
3	Resilience for Future	03	03
Personal Financial Management Practices			
1	Money Management	10	06
2	Debt Management	09	05
3	Savings Management	09	05
4	Investment Management	08	04

5.3.4 Confirmatory Factor Analysis of Financial Literacy, Personal Financial Management Practices and Financial Well-being

In this section, CFA is applied to investigate the relationships across the three variables involved in the study viz., financial literacy, personal financial management practices and financial well-being to ensure that the proposed model can be used to measure the relationship as well as the impact across such variables.

Figure- 5.2: Confirmatory Factor Analysis of Financial Literacy, Personal Financial Management Practices and Financial Well-being



FK = Financial Knowledge; FA = Financial Attitude; FB = Financial Behaviour; MC = Money Management; DB = Debt Management; SM = Savings Management; IM = Investment Management; BFS = Better Financial Status; MC = Ability to Meet Commitments; and RFF = Resilience for Future.

Table- 5.28: Results of Measurement Model

Constructs	Statements	Unstandardised Estimates	S.E.	C.R.	P	Standardised Estimate
Financial Knowledge	Financial_Knowledge_7	01				0.773
	Financial_Knowledge_6	0.901	0.054	16.706	***	0.794
	Financial_Knowledge_5	0.898	0.057	15.617	***	0.747
	Financial_Knowledge_4	0.578	0.043	13.587	***	0.66
	Financial_Knowledge_3	0.764	0.051	14.876	***	0.716
	Financial_Knowledge_1	0.924	0.056	16.602	***	0.789
Financial Attitude	Financial_Attitude_5	01				0.859
	Financial_Attitude_4	1.073	0.035	30.815	***	0.965
	Financial_Attitude_3	1.061	0.04	26.321	***	0.899
	Financial_Attitude_2	1.029	0.025	40.708	***	0.917
	Financial_Attitude_1	1.095	0.036	30.737	***	0.964
Financial Behaviour	Financial_Behaviour_9	01				0.864
	Financial_Behaviour_8	1.099	0.046	24.137	***	0.897
	Financial_Behaviour_7	0.987	0.052	19.088	***	0.773
	Financial_Behaviour_2	0.886	0.052	16.926	***	0.713
	Financial_Behaviour_1	0.849	0.054	15.695	***	0.676
Better Financial Status	Better_Financial_Status_1	01				0.962
	Better_Financial_Status_2	1.02	0.024	41.822	***	0.938
	Better_Financial_Status_3	1.05	0.024	43.001	***	0.943
Ability to Meet Commitments	Meet_Commitment_1	01				0.834
	Meet_Commitment_2	1.075	0.055	19.652	***	0.867
	Meet_Commitment_3	0.974	0.057	16.972	***	0.757
Resilience for Future	Resilience_Future_1	01				0.96
	Resilience_Future_2	0.9	0.045	19.844	***	0.836
	Resilience_Future_3	0.62	0.043	14.349	***	0.638

Money Management	Money_Mgmt_1	01				0.858
	Money_Mgmt_2	1.048	0.044	24.078	***	0.868
	Money_Mgmt_3	0.988	0.039	25.338	***	0.89
	Money_Mgmt_4	1.054	0.038	27.447	***	0.926
	Money_Mgmt_5	0.955	0.039	24.444	***	0.874
	Money_Mgmt_7	1.058	0.04	26.533	***	0.874
Debt Management	Debt_Mgmt_1	01				0.909
	Debt_Mgmt_2	0.968	0.029	32.91	***	0.933
	Debt_Mgmt_3	0.842	0.031	26.8	***	0.863
	Debt_Mgmt_5	0.838	0.034	24.529	***	0.83
	Debt_Mgmt_6	1.012	0.03	33.337	***	0.937
Investment Management	Investment_Mgmt_2	01				0.953
	Investment_Mgmt_3	0.995	0.046	21.509	***	0.749
	Investment_Mgmt_4	1.082	0.023	46.617	***	0.965
	Investment_Mgmt_7	1.018	0.026	39.58	***	0.931
Savings Management	Savings_Mgmt_1	01				0.835
	Savings_Mgmt_2	0.968	0.05	19.329	***	0.784
	Savings_Mgmt_3	1.036	0.04	26.155	***	0.944
	Savings_Mgmt_4	1.018	0.042	24.378	***	0.904
	Savings_Mgmt_8	0.8	0.045	17.784	***	0.741

*** = The impact is statistically significant at 0.001 level
S.E. = Standard Error; C.R. = Critical Ratio; P = Probability value

Results of measurement model including standardized factor loading, critical region and p value are presented in **Table- 5.28.** The 'p' value of the standardized factor loadings in the measurement model is statistically significant at 5% since; the p values are less than 0.05. Thus, indicators and latent factors of this model can be used for building the structural model and testing the hypotheses.

5.3.4.1 Construct Reliablility and Validity

In this section, the reliability and validity measures are assessed to ensure that each construct is valid and reliable to measure what it is used to measure for. The reliability and validity of the proposed model is assessed in two parts. The first part involves checking the convergent reliability which is measured through Cronbach's Alpha (CA), Compositie Reliability (CR), Average Variance Extracted (AVE) and Maximum Shared Variance (MSV). These tests are assessed to ensure that respondents are able to reply similarly to the statements in each constructs. The second part involves assessing discriminant validity through applying Fornell & Larcker Criterion and Heterotrait- monotrait (HTMT) ratio of Correlation to ensure that respondents are able to distinguish each construct from other constructs.

5.3.4.1.1 Convergent Reliablility

In order to satisfy convergent reliability test**,** values ofCompositie Reliability (CR) and Cronbach's Alpha (CA) must be more than 0.7, values of Average Variance Extracted (AVE) must be more than 0.5. The value of Maximum Shared Variance (MSV) must be higher than AVE inorder to satisfy test of discriminant validity. The four values related to each construct is measured and the results of the same is presented in **Table- 5.29.**

Table- 5.29: Convergent Reliability

Construct	CA	CR	AVE	MSV
Financial Knowledge	0.881	0.884	0.559	0.07
Financial Attitude	0.968	0.966	0.85	0.465
Financial Behaviour	0.905	0.891	0.623	0.465
Better Financial Status	0.963	0.964	0.898	0.268
Ability to Meet Commitments	0.856	0.861	0.674	0.268
Resilience for Future	0.854	0.859	0.676	0.174
Money Management	0.954	0.955	0.778	0.427
Debt Management	0.955	0.953	0.802	0.199
Investment Management	0.924	0.946	0.817	0.427
Savings Management	0.937	0.925	0.714	0.258

CA = Cronbach's Alpha; CR = Convergent Reliability; AVE = Average Variance Extracted; and MSV = Maximum Shared Variance

As per Table- 5.29, Cronbach's Alpha (CA) and Compositie Reliability (CR) of each construct is more than 0.7, Average Variance Extracted (AVE) is more than 0.5 and Maximum Shared Variance (MSV) is more than Average Variance Extracted (AVE) . Thus, it can be concluded that each construct is reliable and the respondents are able to reply similarly to the statements in each constructs.

5.3.4.1.2 Discriminant Validity

In order to satisfy discriminant validity test**,** all the diagonal values must be higher than the values below them in Fornell & Larcker Criterion and all the values must be higher than 0.75 in Heterotrait- Monotrait (HTMT) Ratio of Correlation. Fornell & Larcker Criterion and Heterotrait- Monotrait (HTMT) Ratio of Correlation values related to each construct is measured and the results of the same is presented in **Table- 5.30** and **Table- 5.31** respectively.

Table- 5.30: Fornell & Larcker Criterion

Construct	FK	FA	FB	BFS	MC	RFF	MM	DM	IM	SM
Financial Knowledge	0.748									
Financial Attitude	-0.022	0.922								
Financial Behaviour	0.08	0.682***	0.789							
Better Financial Status	0.091†	0.229***	0.381***	0.948						
Ability to Meet Commitments	0.266***	0.290***	0.434***	0.517***	0.821					
Resilience for Future	0.145**	0.158**	0.239***	0.160**	0.417***	0.822				
Money Management	-0.088†	0.551***	0.564***	0.373***	0.325***	0.131*	0.882			
Debt Management	0.016	0.249***	0.309***	0.379***	0.333***	0.187***	0.382***	0.895		
Investment Management	-0.166**	0.423***	0.440***	0.401***	0.222***	0.086†	0.653***	0.446***	0.904	
Savings Management	0.147	0.263	0.434	0.321	0.507	0.235	0.447	0.32	0.222	0.845

Significance of Correlations: † $p < 0.100$; * $p < 0.050$; ** $p < 0.010$; *** $p < 0.001$

FK = Financial Knowledge; FA = Financial Attitude; FB = Financial Behaviour; MC = Money Management; DB = Debt Management; SM = Savings Management; IM = Investment Management; BFS = Better Financial Status; MC = Ability to Meet Commitments; and RFF = Resilience for Future

It is evident from **Table- 5.30,** that all the diagonal values are higher than the values below them and thus ensures that there is no issue related to discriminant validity.

Table- 5.31: Heterotrait- Monotrait (HTMT) Ratio of Correlation

Construct	FK	FA	FB	BFS	MC	RFF	MM	DM	IM	SM
Financial Knowledge										
Financial Attitude	0.02									
Financial Behaviour	0.147	0.654								
Better Financial Status	0.089	0.222	0.35							
Ability to Meet Commitments	0.278	0.29	0.5	0.518						
Resilience for Future	0.151	0.133	0.22	0.073	0.339					
Money Management	0.089	0.549	0.55	0.373	0.329	0.101				
Debt Management	0.011	0.244	0.278	0.383	0.315	0.152	0.399			
Investment Management	0.181	0.422	0.338	0.405	0.228	0.063	0.651	0.486		
Savings Management	0.157	0.251	0.516	0.303	0.53	0.155	0.44	0.3	0.207	

FK = Financial Knowledge; FA = Financial Attitude; FB = Financial Behaviour; MC = Money Management; DB = Debt Management; SM = Savings Management; IM = Investment Management; BFS = Better Financial Status; MC = Ability to Meet Commitments; and RFF = Resilience for Future

It is evident from **Table- 5.31,** that values related to each construct is higher than 0.75, and thus ensures that there is no issue related to discriminant validity.

Table- 5.32: Model Fit Indices

SL. No.	Measures	Value of the Model	Threshold Value	Acceptability
Absolute Fit Indices: Goodness of Fit				
1	GFI	0.864	> 0.80	Yes
2	AGFI	0.827	> 0.80	Yes
Absolute Fit Indices: Badness of Fit				
3	Chi-Square	2513.719 & df = 895		
4	Chi-Square/df	CMIN/df = 2.809 p-value = 0.00	< 3 Good < 5 Permissible	Yes
5	RMSEA SRMR	0.065 0.0657	< 0.05 Good 0.05 - 0.10 Moderate > 0.10 bad	Yes
Incremental Fit Indices: Goodness of Fit				
6	NFI	0.878		
7	CFI	0.917	> 0.95 Great > 0.90 Traditional	Yes
8	TLI	0.909	> 0.90	Yes
Parsimonious Fit Indices: Goodness of Fit				
9	PCFI	0.829	0 < PCFI < 1; Higher values are preferred	Yes
10	PNFI	0.794	Higher values are preferred	Yes

The absolute fit indices of goodness of fit index and average goodness of fit indices values are within the threshold value. Similarly, the chi-square divided by its degree of freedom value is less than 3, and is also within threshold value. Various measures of incremental and parsimonious fit indices values are also within the acceptable threshold values. Thus, the items used to measure the constructs are good fit and valid for further consideration in the study.

5.4 PART – C

5.4.1 Inferential Statistics

5.4.1.1 Relationship Analysis

The various dimensions of financial literacy are financial knowledge, financial attitude, and financial behaviour. The various dimensions of personal financial management practices are money management, debt management, savings management and investment management. The various dimensions of financial well-being are better financial status, ability to meet commitments and resilience for future. Each dimension of the variable is assigned with a score by imputing the items or statements corresponding to it and the score of latent variables is calculated by imputing the constructs or dimensions corresponding to it. Association among the three variables and their dimensions is analyzed using Karl Pearson's Co-efficient of Correlation to test the hypothesis mentioned below.

H_{01}: There is no significant relationship among Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions.

H_{a1}: There is a significant relationship among Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions.

Table- 5.33: Relationship among the Dimensions of Financial Literacy and Personal Financial Management Practices

		Money Management	Debt Management	Savings Management	Investment Management
Financial Knowledge	Pearson Correlation	-0.095	0.017	0.160**	-0.178**
	Sig. (2-tailed)	0.050	0.721	0.001	0.000
Financial Attitude	Pearson Correlation	0.569**	0.258**	0.274**	0.436**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000
Financial Behaviour	Pearson Correlation	0.600**	0.330**	0.464**	0.466**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000

**. Correlation is significant at the 0.01 level (2-tailed)

*. Correlation is significant at the 0.05 level (2-tailed)

- As per **Table- 5.33**, the correlation coefficient value between financial knowledge and money management is negative (r = -0.095, p-value = 0.050) and it is statistically insignificant at 5%. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The correlation coefficient value between financial knowledge and debt management is positive (r = 0.017, p-value = 0.721) and it is not statistically significant at 5%. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The correlation coefficient value between financial knowledge and savings management is negative (r = 0.160, p-value = 0.001) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial knowledge and investment management is negative (r = -0.178, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

  Therefore, it can be concluded that financial knowledge has significantly positive relationship with savings management and significantly negative relationship with investment management.

- The correlation coefficient value between financial attitude and money management is positive (r = 0.569, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial attitude and debt management is positive (r = 0.258, p-value = 0.00) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial attitude and savings management is positive (r = 0.274, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

- The correlation coefficient value between financial attitude and investment management is positive (r = 0.436, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

  Therefore, it can be concluded that financial attitude has significantly positive relationship with all the four dimensions of personal financial management practices.

- The correlation coefficient value between financial behaviour and money management is positive (r = 0.600, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial behaviour and debt management is positive (r = 0.330, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial behaviour and savings management is positive (r = 0.464, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial behaviour and investment management is positive (r = 0.466, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that financial behaviour has significantly positive relationship with all the four dimensions of personal financial management practices.

Table- 5.34: Relationship between Financial Literacy and Personal Financial Management Practices

		Personal Financial Management
Financial Literacy	Pearson Correlation	0.818^{**}
	Sig. (2-tailed)	0.000

**. Correlation is significant at the 0.01 level (2-tailed)

- As per **Table- 5.34**, the correlation coefficient value between financial literacy and personal financial management practices is positive (r = 0.818, p-value = 0.000) and it is statistically significant at 5%. Therefore, it can be concluded that **financial literacy has significant positive relationship with personal financial management practices**. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Table- 5.35: Relationship among Dimensions of Financial Literacy and Financial Well-being

		Better Financial Status	Ability to Meet Commitments	Resilience for Future
Financial Knowledge	Pearson Correlation	0.098^{*}	0.295^{**}	0.159^{**}
	Sig. (2-tailed)	0.043	0.000	0.001
Financial Attitude	Pearson Correlation	0.236^{**}	0.313^{**}	0.165^{**}
	Sig. (2-tailed)	0.000	0.000	0.001
Financial Behaviour	Pearson Correlation	0.404^{**}	0.480^{**}	0.257^{**}
	Sig. (2-tailed)	0.000	0.000	0.000

**. Correlation is significant at the 0.01 level (2-tailed)

*. Correlation is significant at the 0.05 level (2-tailed)

- As per **Table- 5.35**, the correlation coefficient value between financial knowledge and better financial status is positive (r = 0.098, p-value = 0.043) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

- The correlation coefficient value between financial knowledge and ability to meet commitments is positive (r = 0.295, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

- The correlation coefficient value between financial knowledge and resilience for future is positive (r = 0.159, p-value = 0.001) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that financial knowledge has significantly positive relationship with all the three dimensions of financial well-being.

- The correlation coefficient value between financial attitude and better financial status is positive (r = 0.236, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial attitude and ability to meet commitments is positive (r = 0.313, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial attitude and resilience for future is positive (r = 0.165, p-value = 0.001) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that financial attitude has significantly positive relationship with all the three dimensions of financial well-being.

- The correlation coefficient value between financial behaviour and better financial status is positive (r = 0.404, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between financial behaviour and ability to meet commitments is positive (r = 0.480, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

- The correlation coefficient value between financial behaviour and resilience for future is positive (r = 0.257, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that financial behaviour has significantly positive relationship with all the three dimensions of financial well-being.

Table- 5.36: Relationship between Financial Literacy and Financial Well-being

		Financial Well-being
Financial Literacy	Pearson Correlation	0.636**
	Sig. (2-tailed)	0.000

**. Correlation is significant at the 0.01 level (2-tailed)

- As per **Table- 5.36**, the correlation coefficient value between financial literacy and financial well-being is positive (r = 0.636, p-value = 0.000) and it is statistically significant at 5%. Therefore, it can be concluded that **financial literacy has significant positive relationship with financial well-being.** Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Table- 5.37: Relationship among Dimensions of Personal Financial Management Practices and Financial Well-being

		Better Financial Status	Ability to Meet Commitments	Resilience for Future
Money Management	Pearson Correlation	0.387**	0.352**	0.138**
	Sig. (2-tailed)	0.000	0.000	0.004
Debt Management	Pearson Correlation	0.394**	0.361**	0.197**
	Sig. (2-tailed)	0.000	0.000	0.000
Savings Management	Pearson Correlation	0.336**	0.551**	0.249**
	Sig. (2-tailed)	0.000	0.000	0.000
Investment Management	Pearson Correlation	0.413**	0.240**	0.090
	Sig. (2-tailed)	0.000	0.000	0.065

**. Correlation is significant at the 0.01 level (2-tailed)

*. Correlation is significant at the 0.05 level (2-tailed)

- As per **Table- 5.37**, the correlation coefficient value between money management and better financial status is positive (r = 0.387, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between money management and ability to meet commitments is positive (r = 0.352, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between money management and resilience for future is positive (r = 0.138, p-value = 0.004) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that money management has significant positive correlation with all the three dimensions of financial well-being.

- The correlation coefficient value between debt management and better financial status is positive (r = 0.394, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between debt management and ability to meet commitments is positive (r = 0.361, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between debt management and resilience for future is positive (r = 0.197, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that debt management has significant positive relationship with all the three dimensions of financial well-being.

- The correlation coefficient value between savings management and better financial status is positive (r = 0.336, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between savings management and ability to meet commitments is positive (r = 0.551, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between savings management and resilience for future is positive (r = 0.249, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that savings management has significant positive relationship with all the three dimensions of financial well-being

- The correlation coefficient value between investment management and better financial status is positive (r = 0.413, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between investment management and ability to meet commitments is positive (r = 0.240, p-value = 0.000) and it is statistically significant at 5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The correlation coefficient value between investment management and resilience for future is positive (r = 0.090, p-value = 0.065) and it is statistically insignificant at 5%. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***

Therefore, it can be concluded that investment has significant positive relationship with better financial status and ability to meet commitments.

Table- 5.38: Relationship between Personal Financial Management Practices and Financial Well-being

		Financial Well-being
Personal Financial Management	Pearson Correlation	0.615**
	Sig. (2-tailed)	0.000

**. Correlation is significant at the 0.01 level (2-tailed)

- As per **Table- 5.38**, the correlation coefficient value between personal financial management practices and financial well-being is positive ($r = 0.615$, p-value = 0.000) and it is statistically significant at 5%. Therefore, it can be concluded that **personal financial management practices has significantly positive relationship with financial well-being.** Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

5.4.1.2 Impact Analaysis

Causal relationship between financial literacy and financial well-being as well as personal financial management practices and financial well-being is studied in two parts. In the first part the direct impact of each dimension of independent variables (Financial literacy and personal financial management practices) on dependent variable (financial well-being) is considered whereas in the second part financial literacy and personal financial management practices are considered as single constructs to study their impact on financial well-being. The following hypothesis has been framed and tested.

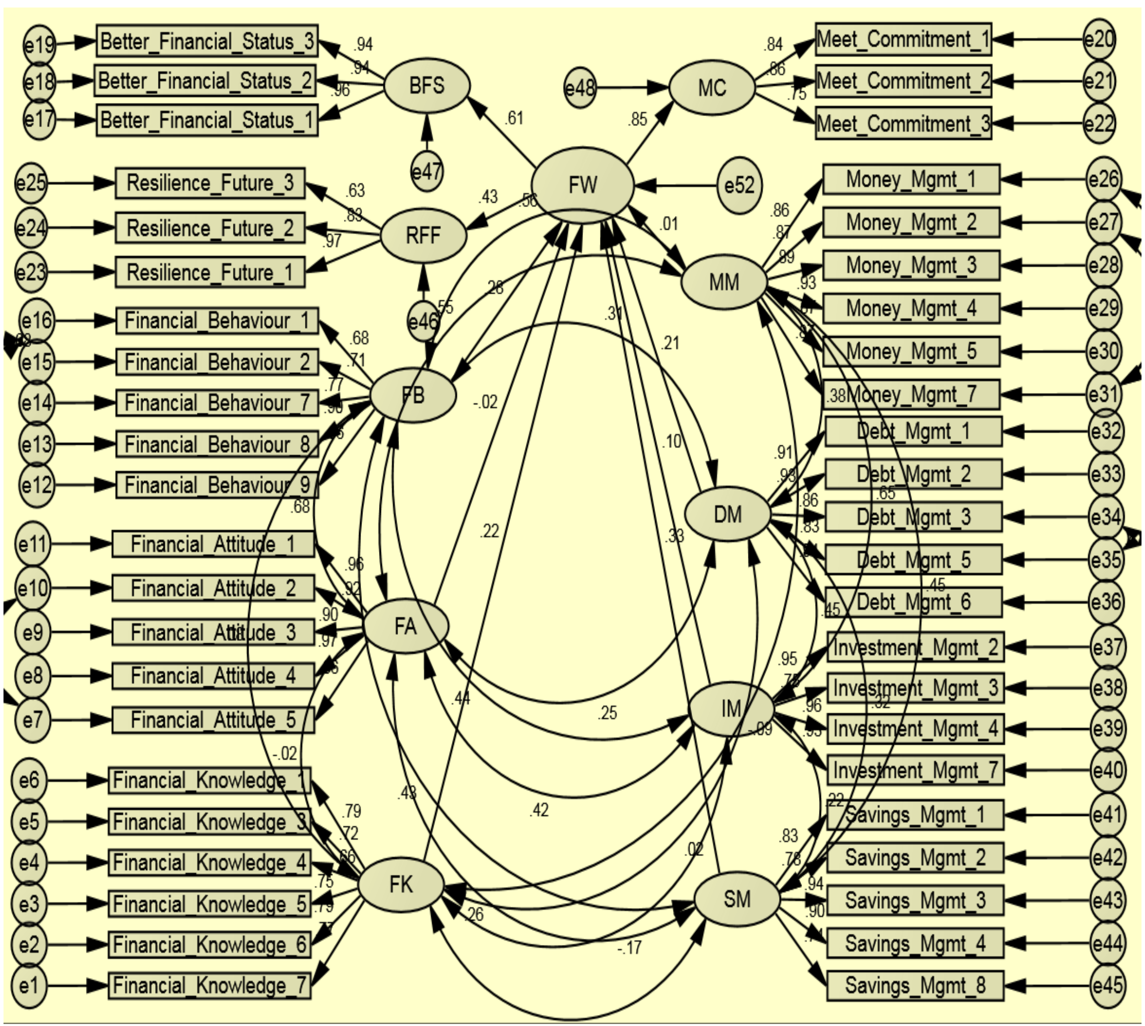
H_{02}: There is no significant impact of Financial Literacy, Personal Financial Management Practices and their Dimensions on Financial Well-being

H_{a2}: There is a significant impact of Financial Literacy, Personal Financial Management Practices and their Dimensions on Financial Well-being

5.4.1.2.1 The Impact of Dimensions of Financial Literacy and Personal Financial Management Practices on Financial Well-being (Direct effects)

To study the direct impact of dimensions of financial literacy viz., financial knowledge, financial attitude and financial behaviour as well as the direct impact of dimensions of personal financial practices viz., money management, debt management, savings management and investment management on financial wellbeing, Structural Equation Model in **Figure- 5.3** is used and the results of the same are presented in **Table- 5.39**.

Figure- 5.3: The Impact of Dimensions of Financial Literacy and Personal Financial Management Practices on Financial Well-being (Direct effects)



FK = Financial Knowledge; FA = Financial Attitude; FB = Financial Behaviour; MC = Money Management; DB = Debt Management; SM = Savings Management; IM = Investment Management; BFS = Better Financial Status; MC = Ability to Meet Commitments; RFF = Resilience for Future; and FW = Financial Well-being

Table- 5.39: The Impact of Dimensions of Financial Literacy and Personal Financial Management Practices on Financial Well-being (Direct effects)

Hypotheses	Unstandarized Estimate	S.E.	C.R.	P	Standarized Estimate
FW <--- MM	0.008	0.06	0.133	0.894	0.01
FW <--- SM	0.237	0.043	5.458	***	0.334
FW <--- DM	0.109	0.029	3.767	***	0.21
FW <--- IM	0.067	0.047	1.426	0.154	0.098
FW <--- FB	0.203	0.059	3.462	***	0.276
FW <--- FA	-0.012	0.047	-0.26	0.795	-0.018
FW <--- FK	0.155	0.038	4.088	***	0.216

*** = The impact is statistically significant at 0.001 level
S.E. = Standard Error; C.R. = Critical Ratio; and P = Probability value

The structural model in **Figure- 5.3**, considers financial well-being as dependent variable and financial knowledge, financial attitude, financial behaviour, money management, debt management, savings management and investment management as independent variables.

- As per **Table- 5.39**, the regression coefficient value between money management and financial well-being is positive (b = 0.01) and it is statistically insignificant at 5% as probability value (p-value = 0.894) is greater than 0.05. This implies that the impact of money management on financial well-being is negligible. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The regression coefficient value between savings management and financial well-being is positive (b = 0.334) and it is statistically significant at 5% as probability value is less than 0.05. This implies that increased efficiency in savings management will lead to increase in financial well-being by 33.4%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The regression coefficient value between debt management and financial well-being is positive (b = 0.21) and it is statistically significant at 5% as probability value is less than 0.05. This implies that increased efficiency in debt management will lead to increase in financial well-being by 21%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

- The regression coefficient value between investment management and financial well-being is positive (b = 0.154) and it is statistically insignificant at 5% as probability value (p-value = 0.098) is greater than 0.05. This implies that the impact of money management on financial well-being is negligible. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***

  Therefore it can be concluded that the two dimensions of personal financial management practices viz., savings and debt management have significant positive impact on financial well-being.

- The regression coefficient value between financial behaviour and financial well-being is positive (b = 0.276) and it is statistically significant at 5% as probability value is less than 0.05. This implies that increased efficiency in financial behaviour will lead to increase in financial well-being by 27.6%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

- The regression coefficient value between financial attitude and financial well-being is negative (b = -0.018) and it is statistically insignificant at 5% as probability value (p-value = 0.795) is greater than 0.05. This implies that the impact of financial attitude on financial well-being is negligible. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***

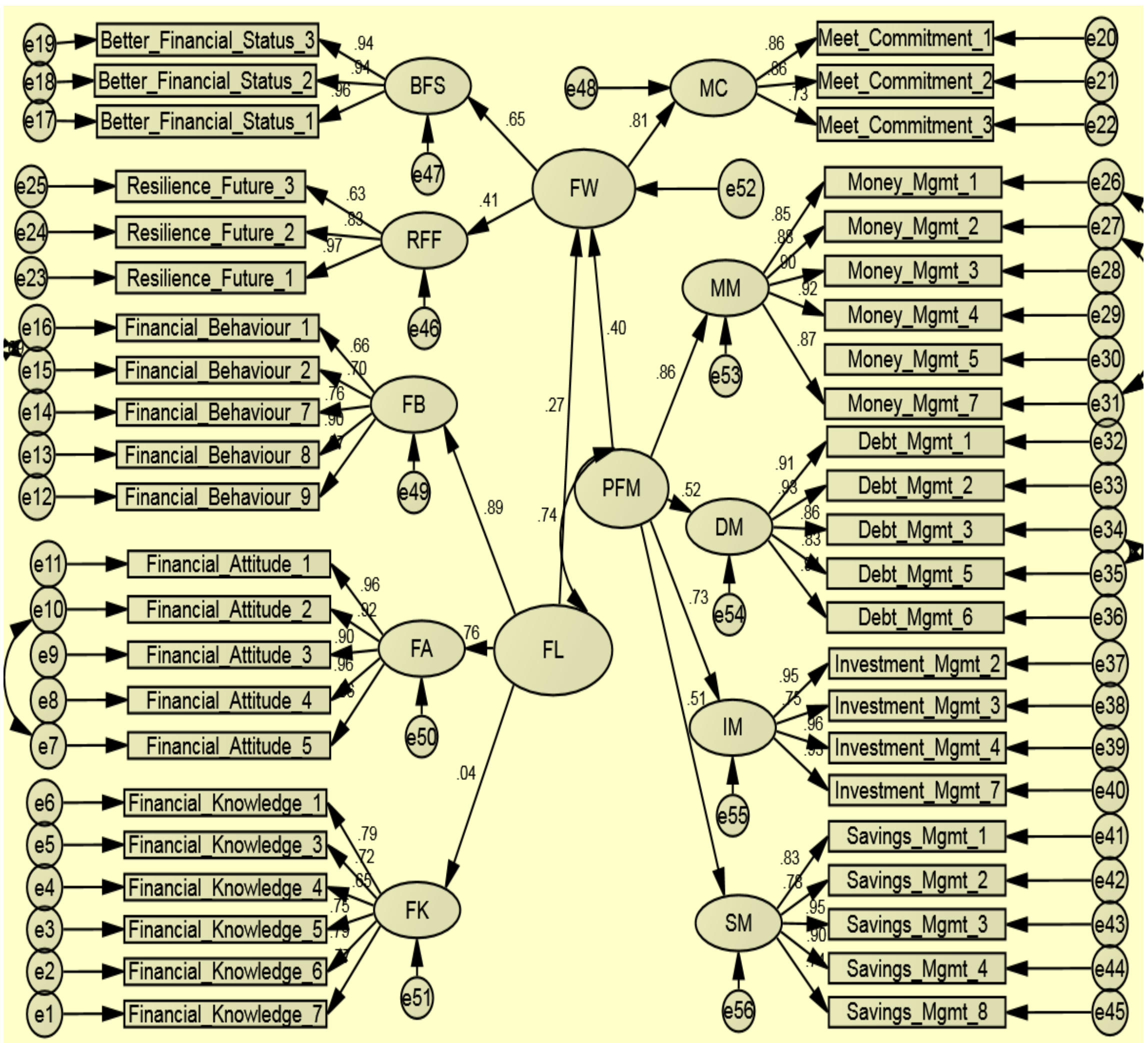
- The regression coefficient value between financial knowledge and financial well-being is positive (b = 0.216) and it is statistically significant at 5% as probability value is less than 0.05. This implies that increased level in financial knowledge will lead to increase in financial well-being by 21.6%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

  Therefore it can be concluded that the two dimensions of financial literacy viz., financial knowledge and financial behaviour have significant positive impact on financial well-being.

5.4.1.2.2 The Impact of Financial Literacy and Personal Financial Management Practices on Financial Well-being (Direct effects)

To study the direct impact of financial literacy and personal financial practices on financial wellbeing, Structural Equation Model in **Figure- 5.4** is used and the results of the same are presented in **Table- 5.40**.

Figure- 5.4: The Impact of Financial Literacy and Personal Financial Management Practices on Financial Well-being (Direct effects)



FK = Financial Knowledge; FA = Financial Attitude; FB = Financial Behaviour; MC = Money Management; DB = Debt Management; SM = Savings Management; IM = Investment Management; BFS = Better Financial Status; MC = Ability to Meet Commitments; RFF = Resilience for Future; FL = Financial Literacy; PFM = Personal Financial Management Practices; and FW = Financial Well-being

Table- 5.40: The Impact of Financial Literacy and Personal Financial Management Practices on Financial Well-being

Hypotheses	Unstandardised Estimate	S.E.	C.R.	P	Standaridized Estimate
FW <--- FL	0.218	0.086	2.542	0.011	0.275
FW <--- PFM	0.351	0.097	3.629	***	0.398

*** = The impact is statistically significant at 0.001 level
S.E. = Standard Error; C.R. = Critical Ratio; and P = Probability value

The structural model in **Figure- 5.4**, considers financial literacy as well as personal financial management practices as independent variables and financial well-being as their dependent variable.

- As per **Table- 5.40**, the regression coefficient value between financial literacy and financial well-being is positive (b = 0.275) and it is statistically significant at 5% as probability value is less than 0.05. This implies that increased level of financial literacy will lead to increase in financial well-being by 27.5%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The regression coefficient value between personal financial management practices and financial well-being is positive (b = 0.398) and it is statistically significant at 5% as probability value is less than 0.05. This implies that increased efficiency in personal financial management practices will lead to increase in financial well-being by 39.8%. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

  Therefore it can be concluded that financial literacy as well as personal financial management practices have significant positive impact on financial well-being

5.4.1.3 Mediation Analysis

Financial literacy provides an individual with the required knowledge regarding financial aspects that will enable them to to take financial decisions with positive attitude towards financial matters. Thus they will involve in managing their money efficiently which enables to stay out of debt traps, increased saving and investing oppurtunities, leading to higher financial well-being. Thus personal financial management practices is assumed to mediate the impact that financial literacy has on financial well-being and the following hypothesis has been framed to be tested.

H_{03}: Personal Financial Management Practices and it's Dimensions do not significantly mediate the relationship between Financial Literacy and Financial Well-being

H_{a3}: Personal Financial Management Practices and it's Dimensions significantly mediate the relationship between Financial Literacy and Financial Well-being

The basic criteria to test the indirect effect of independent variable on dependent variable through mediation of mediating variable, is that there must be significant direct effect of independent variable on independent variable. Thus inorder to test the mediating role of personal financial management and its dimensions between financial literacy and financial well-being, the direct effect of financial literacy on financial well-being must be significant for which the following hypothesis has been framed to be tested using the model in **Figure- 5.5**.

H_0: There is no significant direct effect of Financial Literacy on Financial Well-being

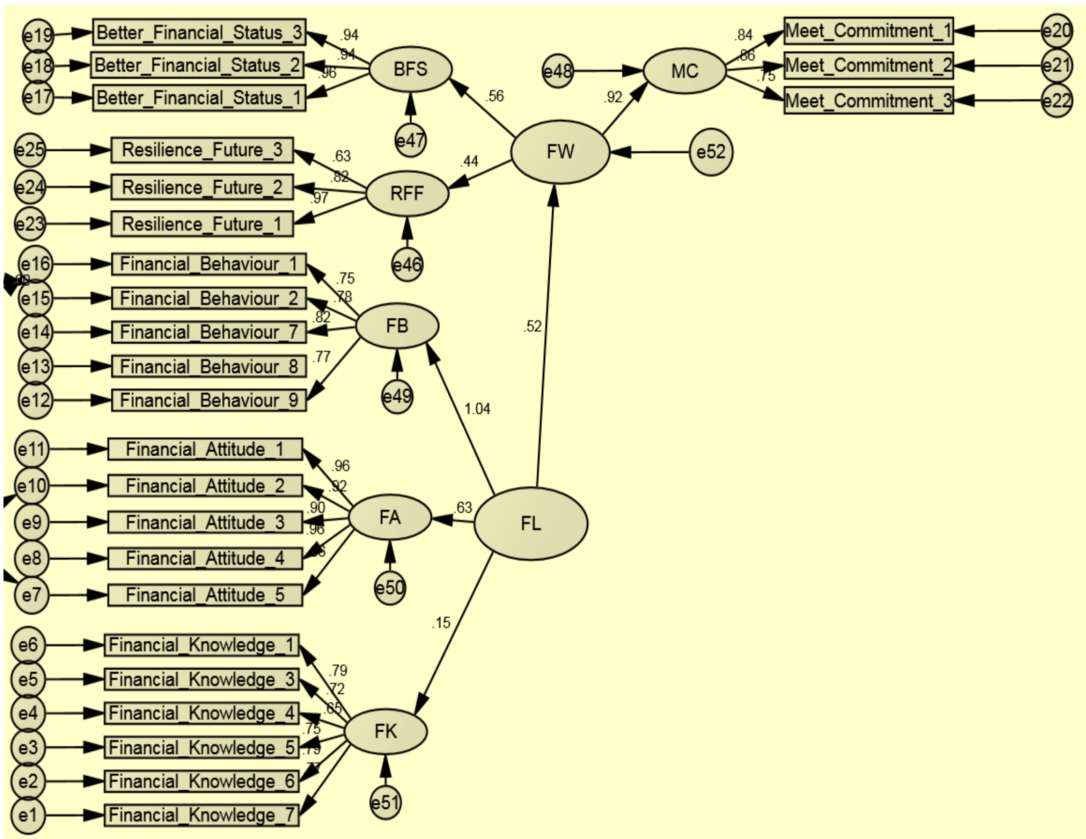
H_a: There is a significant direct effect of Financial Literacy on Financial Well-being

This is followed by testing the mediating role of the four dimensions of personal financial management practices viz., money management, debt management, savings management and investment management between financial literacy and financial well-being using the model in **Figure- 5.6**. Finally the mediating role of personal financial management practices as a single construct is tested using the model in **Figure- 5.7**.

5.4.1.3.1 Impact of Financial Literacy on Financial Well-being (Direct Effect)

To study the direct impact of financial literacy on financial wellbeing in the absence of personal financial management practices and their dimensions, the Structural Equation Model in **Figure- 5.5** is used and the results of the same are presented in **Table- 5.41**.

Figure- 5.5: Impact of Financial Literacy on Financial Well-being (Direct Effect)



FK = Financial Knowledge; FA = Financial Attitude; FB = Financial Behaviour; MC = Money Management; DB = Debt Management; SM = Savings Management; IM = Investment Management; BFS = Better Financial Status; MC = Ability to Meet Commitments; RFF = Resilience for Future; FL = Financial Literacy; and FW = Financial Well-being

Table- 5.41: Impact of Financial Literacy on Financial Well-being (Direct Effect)

Hypotheses	Unstandardised Estimate	S.E.	C.R.	P	Standarized Estimate
FW <--- FL	0.446	0.07	6.335	***	0.525

*** = The impact is statistically significant at 0.001 level
S.E. = Standard Error; C.R. = Critical Ratio; and P = Probability value

The structural model in **Figure- 5.5**, considers financial litearcy as independent variable and financial well-being as its dependent variable.

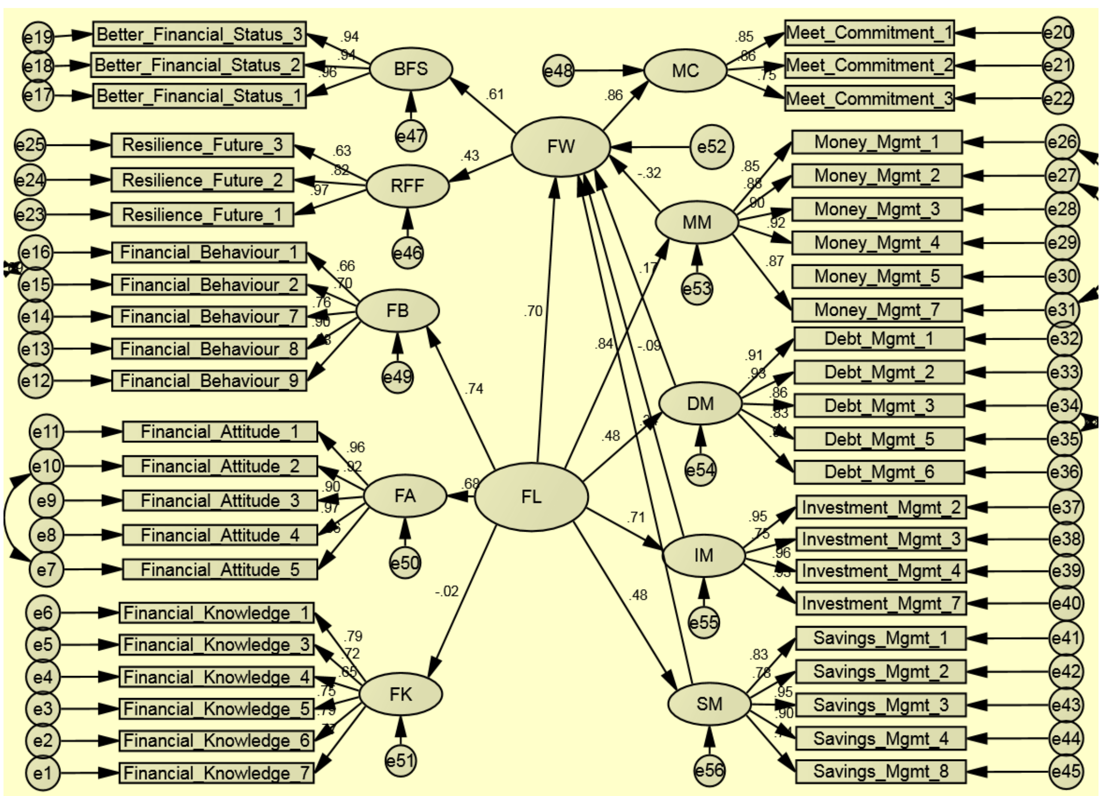
- As per **Table- 5.41**, the regression coefficient value between financial literacy and financial well-being is statistically significant at 5% as probability value is less than 0.05. Thus, there exists significant direct effect of financial literacy on financial well-being. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it is possible to study mediation analysis between financial literacy and financial well-being.

5.4.1.3.2 The Mediating Role of Dimensions of Personal Financial Management Practices in the Relationship between Financial Literacy and Financial Well-being

To study the indirect effect of the financial literacy on financial well-being through the dimensions of personal financial management practices, the Structural Equation Model in **Figure- 5.6** is used and the results of the same are presented in **Table- 5.42**.

Figure- 5.6: The Mediating Role of Dimensions of Personal Financial Management Practices in the Relationship between Financial Literacy and Financial Well-being



FK = Financial Knowledge; FA = Financial Attitude; FB = Financial Behaviour; MC = Money Management; DB = Debt Management; SM = Savings Management; IM = Investment Management; BFS = Better Financial Status; MC = Ability to Meet Commitments; RFF = Resilience for Future; FL = Financial Literacy; and FW = Financial Well-being

Table- 5.42: The Mediating Role of Dimensions of Personal Financial Management Practices in the Relationship between Financial Literacy and Financial Well-being

Hypotheses	Unstandardised Estimate	S.E.	C.R.	P	Standardized Estimate
SM <--- FL	0.661	0.08	8.245	***	0.482
IM <--- FL	1.008	0.084	11.941	***	0.707
DM <--- FL	0.904	0.107	8.445	***	0.482
MM <--- FL	1.047	0.083	12.564	***	0.842
FW <--- FL	0.69	0.225	3.065	0.002	0.705
FW <--- MM	-0.255	0.12	-2.133	0.033	-0.324
FW <--- DM	0.088	0.032	2.743	0.006	0.168
FW <--- IM	-0.061	0.06	-1.005	0.315	-0.088
FW <--- SM	0.246	0.045	5.439	***	0.345

*** = The impact is statistically significant at 0.001 level
S.E. = Standard Error; C.R. = Critical Ratio; and P = Probability value

The structural model in **Figure- 5.6**, considers financial litearcy as independent variable, financial well-being as its dependent variable and dimensions of personal financial management practices as mediating variables between them.

- As per **Table- 5.42**, The regression coefficient value between financial literacy and savings management is statistically significant at 5% as probability value is lesser than 0.05. The regression coefficient value between investment management and financial well-being is also statistically insignificant at 5% as probability value is less than 0.05. Thus, there exist significant indirect effect of financial literacy on financial well-being through the mediation of savings management and it can be concluded that savings management mediates the relationship between financial literacy and financial well-being. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted***

- The regression coefficient value between financial literacy and investment management is statistically significant at 5% as probability value is lesser than 0.05. The regression coefficient value between investment management and financial well-being is statistically insignificant at 5% as probability value is more than 0.05. Thus, there does not exist significant indirect effect of financial literacy on financial well-being through the mediation of investment management and it can be concluded that investment management does not mediate the relationship between financial literacy and financial well-being. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected***

- The regression coefficient value between financial literacy and debt management is statistically significant at 5% as probability value is lesser than 0.05. The regression coefficient value between debt management and financial well-being is also statistically significant at 5% as probability value is less than 0.05. Thus, there exists significant indirect effect of financial literacy on financial well-being through the mediation of debt management and it can be concluded that debt management mediates the relationship between financial literacy and financial well-being. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted***

- The regression coefficient value between financial literacy and money management is statistically significant at 5% as probability value is lesser than 0.05. The regression coefficient value between money management and financial well-being is also statistically significant at 5% as probability value is less than 0.05. Thus, there exists significant indirect effect of financial literacy on financial well-being through the mediation of money management and it can be concluded that money management mediates the relationship between financial literacy and financial well-being. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted***

Therefore, it can be concluded that money management, debt management and savings management significantly mediate the relationship between financial literacy and financial well-being.

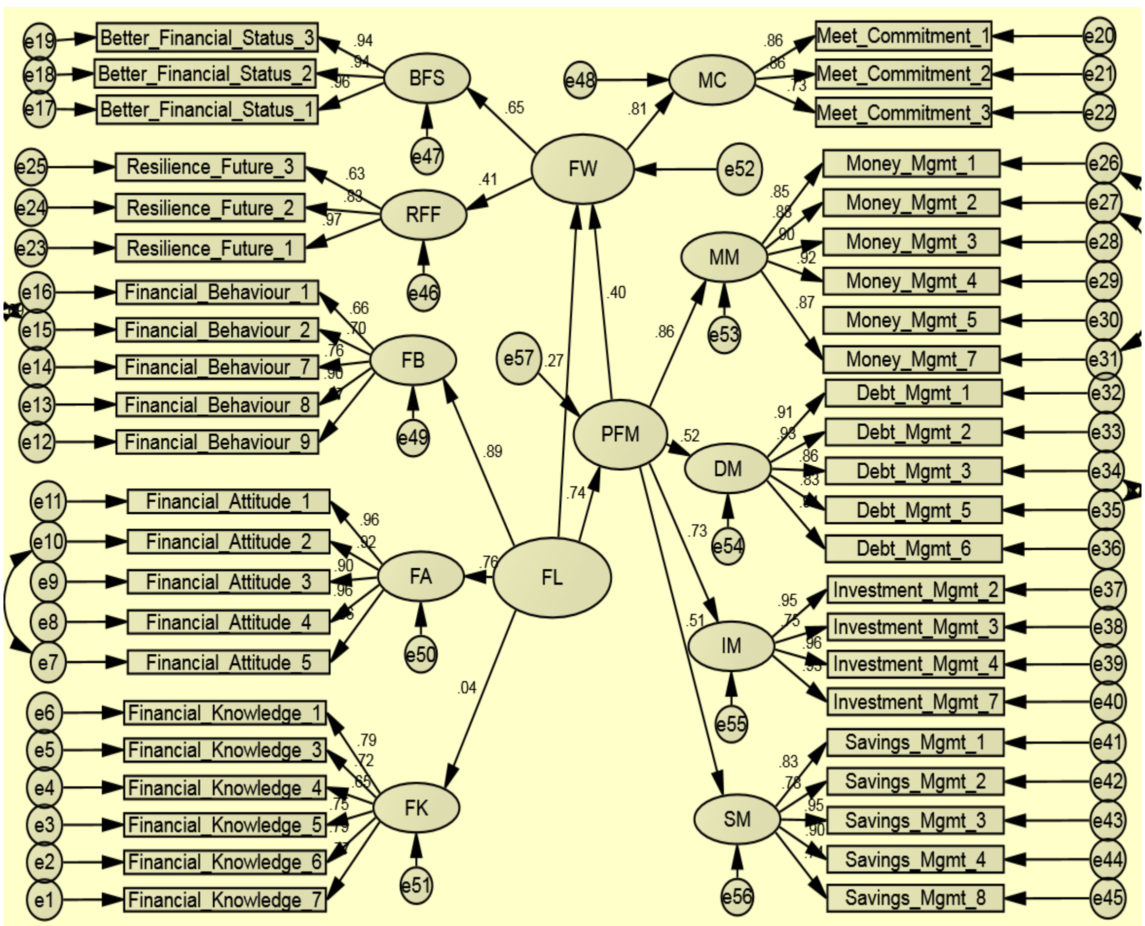
Nature of Mediation:

The regression coefficient value between financial literacy and financial well-being is statistically significant at 5% as probability value is lesser than 0.05. Thus, there exists significant indirect effect of financial literacy on financial well-being in the presence of the mediating variables. Hence, it can be concluded that **money management, debt management and savings management partially mediate the relationship between financial literacy and financial well-being.**

5.4.1.3.3 The Mediating Role of Personal Financial Management Practices in the Relationship between Financial Literacy and Financial Well-being

To study the indirect effect of the financial literacy on financial well-being through personal financial management practices, the Structural Equation Model in **Figure- 5.7** is used and the results of the same are presented in **Table- 5.43**.

Figure- 5.7: The Mediating Role of Personal Financial Management Practices in the Relationship between Financial Literacy and Financial Well-being



FK = Financial Knowledge; FA = Financial Attitude; FB = Financial Behaviour; MC = Money Management; DB = Debt Management; SM = Savings Management; IM = Investment Management; BFS = Better Financial Status; MC = Ability to Meet Commitments; RFF = Resilience for Future; FL = Financial Literacy; PFM = Personal Financial Management Practices; and FW = Financial Well-being

Table- 5.43: The Mediating Role of Personal Financial Management Practices in the Relationship between Financial Literacy and Financial Well-being

Hypotheses	Unstandardised Estimate	S.E.	C.R.	P	Standaridized Estimate
PFM <--- FL	0.667	0.062	10.751	***	0.744
FW <--- FL	0.218	0.086	2.542	0.011	0.275
FW <--- PFM	0.351	0.097	3.629	***	0.398

*** = The impact is statistically significant at 0.001 level
S.E. = Standard Error; C.R. = Critical Ratio; and P = Probability value

The structural model in **Figure- 5.7**, considers financial litearcy as independent variable, financial well-being as its dependent variable and personal financial management practices as mediating variable between them.

- As per **Table- 5.43**, the regression coefficient value between financial literacy and personal financial management practices is statistically significant at 5% as probability value is lesser than 0.05. The regression coefficient value between personal financial management practices and financial well-being is also statistically significant at 5% as probability value is less than 0.05. Thus, there exists significant indirect effect of financial literacy on financial well-being through the mediation of personal financial management practices and it can be concluded that **personal financial management practices significantly mediate the relationship between financial literacy and financial well-being.**Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted***

  Nature of Mediation:

  The regression coefficient value between financial literacy and financial well-being is statistically significant at 5% as probability value is lesser than 0.05. Thus, there exists significant indirect effect of financial literacy on financial well-being in the presence of the mediating variable. Hence, it can be concluded that **personal financial management practices partially mediate the relationship between financial literacy and financial well-being.**

5.4.1.4 Comparative Analysis

Though at an outset it appears that there exists difference in the mean values computed for any specified groups, but the differences may not be significant. To test the significance of the differences in mean values ANOVA is used. If the F value in ANOVA is significant, it represents that the mean difference between the groups is also significant.

5.4.1.4.1 Difference in Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions among Different Sub Groups of Workers of Unorganised Sector

The factors of financial literacy, personal financial management practices and financial well-being are continuous in nature and occupation type of workers of unorganised sector is nominal in nature with three groups. Hence, to test the significant differences in these dimensions, the following hypothesis has been framed and tested using One-way ANOVA.

H_{04}: There is no significant difference in mean rating scores of Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions among different sub groups of workers of unorganised sector considered in the study

H_{a4}: There is a significant difference in mean rating scores of Financial Literacy, Personal Financial Management Practices, Financial Well-being and their Dimensions among different sub groups of workers of unorganised sector considered in the study

Table- 5.44 and **Table- 5.45** represent the output of descriptive statistics and result of ANOVA of dimensions of financial literacy. Similarly, **Table- 5.46** and **Table- 5.47** represent the output of descriptive statistics and result of ANOVA of dimensions of personal financial management practices. **Table- 5.48** and **Table- 5.49** represent the output of descriptive statistics and result of ANOVA of dimensions of financial well-being.

Table- 5.44: Descriptive Statistics of Financial Literacy and it's Dimensions Based on Type of Occupation

Financial Literacy and its Dimensions	Occupation Type	N	Mean	Std. Deviation	Std. Error
Financial Knowledge	Agricultural Labourer	140	20.8714	5.53451	0.46775
	Construction Worker	142	21.5282	5.15393	0.43251
	Home Based Manufacturer of Food and Beverages	143	22.0909	5.81391	0.48618
	Total	**425**	**21.5012**	**5.51761**	**0.26764**
Financial Attitude	Agricultural Labourer	140	19.2929	6.77543	0.57263
	Construction Worker	142	19.9296	5.54881	0.46565
	Home Based Manufacturer of Food and Beverages	143	19.6224	5.54597	0.46378
	Total	**425**	**19.6165**	**5.97133**	**0.28965**
Financial Behaviour	Agricultural Labourer	140	18.0071	5.25671	0.44427
	Construction Worker	142	18.8099	5.60133	0.47005
	Home Based Manufacturer of Food and Beverages	143	18.9860	4.84112	0.40483
	Total	**425**	**18.6047**	**5.24620**	**0.25448**
Financial Literacy	Agricultural Labourer	140	58.1714	12.22566	1.03326
	Construction Worker	142	60.2676	11.36432	0.95367
	Home Based Manufacturer of Food and Beverages	143	60.6993	11.60927	0.97082
	Total	**425**	**59.7224**	**11.76011**	**0.57045**

Source: *SPSS Output*

As indicated in **Table- 5.44**, the average value of financial knowledge of agricultural labourers, construction workers and home based manufacturers of food and beverages is 20.8714, 21.5282 and 22.0909 respectively. Similarly, the average value of financial attitude of agricultural labourers, construction workers and home based manufacturers of food and beverages is 19.2929, 19.9296 and 19.6224 respectively. The average value of financial behaviour of agricultural labourers, construction workers and home based manufacturers of food and beverages is 18.0071, 18.8099 and 18.9860 respectively. The average value of financial literacy of agricultural labourers, construction workers and home based manufacturers of food and beverages is 58.1714, 60.2676 and 60.6993 respectively. At the outset, there is a difference in the average value of dimensions of financial knowledge, financial attitude, financial behaviour and overall financial literacy; however, the statistical difference in the mean value of these dimensions is examined by using one-way ANOVA and result is represented in **Table- 5.45**.

Table- 5.45: Results of ANOVA of Financial Literacy and it's Dimensions Based on Type of Occupation

		Sum of Squares	df	Mean Square	F	Sig.
Financial Knowledge	Between Groups	105.358	02	52.679	1.736	0.177
	Within Groups	12802.891	422	30.339		
	Total	**12908.249**	**424**			
Financial Attitude	Between Groups	28.588	02	14.294	0.400	0.671
	Within Groups	15089.897	422	35.758		
	Total	**15118.485**	**424**			
Financial Behaviour	Between Groups	76.760	02	38.380	1.397	0.248
	Within Groups	11592.831	422	27.471		
	Total	**11669.591**	**424**			
Financial Literacy	Between Groups	515.451	02	257.726	1.871	0.155
	Within Groups	58123.787	422	137.734		
	Total	**58639.238**	**424**			

Source: *SPSS Output*

- As indicated in **Table- 5.45**, the F-value of financial knowledge with 2 and 422 degree of freedom is 1.736 and it is statistically insignificant at 5% since the p-value is 0.177. Therefore, it can be concluded that financial knowledge of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***

- The F-value of financial attitude with 2 and 422 degree of freedom is 0.400 and it is statistically insignificant at 5% since the p-value is 0.671. Therefore, it can be concluded that financial attitude of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The F-value of financial behaviour with 2 and 422 degree of freedom is 1.397 and it is statistically insignificant at 5% since the p-value is 0.248. Therefore, it can be concluded that financial behaviour of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The F-value of financial literacy with 2 and 422 degree of freedom is 1.871 and it is statistically insignificant at 5% since the p-value is 0.155. Therefore, it can be concluded that financial literacy of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***

Therefore, it can be concluded that **there is no significant difference in mean rating scores of financial Literacy and its dimensions among agricultural labourers, construction workers and home based manufacturers of food and beverages.**

Table- 5.46: Descriptive Statistics of Personal Financial Management Practices and it's Dimensions Based on Type of Occupation

Personal Financial Management Practices and its Dimensions	Occupation Type	N	Mean	Std. Deviation	Std. Error
Money Management	Agricultural Labourer	140	24.4214	5.81002	0.49104
	Construction Worker	142	23.5493	5.21805	0.43789
	Home Based Manufacturer of Food and Beverages	143	23.1818	6.53338	0.54635
	Total	**425**	**23.7129**	**5.88951**	**0.28568**
Debt Management	Agricultural Labourer	140	15.2571	6.72306	0.56820
	Construction Worker	142	14.3944	6.44338	0.54072
	Home Based Manufacturer of Food and Beverages	143	16.6294	6.99464	0.58492
	Total	**425**	**15.4306**	**6.77227**	**0.32850**
Savings Management	Agricultural Labourer	140	14.2857	5.15694	0.43584
	Construction Worker	142	14.3592	4.85877	0.40774
	Home Based Manufacturer of Food and Beverages	143	16.0699	5.40689	0.45215
	Total	**425**	**14.9106**	**5.20037**	**0.25226**
Investment Management	Agricultural Labourer	140	16.5071	4.99999	0.42258
	Construction Worker	142	16.3099	3.93238	0.33000
	Home Based Manufacturer of Food and Beverages	143	16.1469	4.62686	0.38692
	Total	**425**	**16.3200**	**4.53094**	**0.21978**
Personal Financial Management Practices	Agricultural Labourer	140	70.4714	16.15547	1.36539
	Construction Worker	142	68.6127	14.58788	1.22419
	Home Based Manufacturer of Food and Beverages	143	72.0280	18.50731	1.54766
	Total	**425**	**70.3741**	**16.52296**	**0.80148**

Source: *SPSS Output*

As indicated in **Table- 5.46**, the average value of money management of agricultural labourers, construction workers and home based manufacturers of food and beverages is 24.4214, 23.5493 and 23.1818 respectively. Similarly, the average value of debt management of agricultural labourers, construction workers and home based manufacturers of food and beverages is 15.2571, 14.3944 and 16.6294 respectively. The average value of savings management of agricultural labourers, construction workers and home based manufacturers of food and beverages is 14.2857, 14.3592 and 16.0699 respectively. The average value of investment management of agricultural labourers, construction workers and home based manufacturers of food and beverages is 16.5071, 16.3099and 16.1469respectively. The average value of personal financial management practices of agricultural labourers, construction workers and home based manufacturers of food and beverages is 70.4714, 68.6127 and 72.0280 respectively. At the outset, there is a difference in the average value of dimensions of personal financial management practices; however, the statistical difference in the mean value of these dimensions is examined by using one-way ANOVA and result is represented in **Table- 5.47**.

Table- 5.47: Results of ANOVA of Personal Financial Management Practices and it's Dimensions Based on Type of Occupation

		Sum of Squares	df	Mean Square	F	Sig.
Money Management	Between Groups	114.415	02	57.208	1.654	0.192
	Within Groups	14592.563	422	34.580		
	Total	**14706.979**	**424**			
Debt Management	Between Groups	362.187	02	181.094	4.004	0.019
	Within Groups	19084.015	422	45.223		
	Total	**19446.202**	**424**			
Savings Management	Between Groups	290.047	02	145.024	5.476	0.004
	Within Groups	11176.555	422	26.485		
	Total	**11466.602**	**424**			
Investment Management	Between Groups	9.205	02	4.602	0.223	0.800
	Within Groups	8695.275	422	20.605		
	Total	**8704.480**	**424**			
Personal Financial Management Practices	Between Groups	833.044	02	416.522	1.529	0.218
	Within Groups	114922.471	422	272.328		
	Total	**115755.515**	**424**			

Source: *SPSS Output*

- As indicated in **Table- 5.47**, the F-value of money management with 2 and 422 degree of freedom is 1.654 and it is statistically insignificant at 5% since the p-value is 0.192. Therefore, it can be concluded that money management of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The F-value of debt management with 2 and 422 degree of freedom is 4.004 and it is statistically insignificant at 5% since the p-value is 0.019. Therefore, it can be concluded that debt management of agricultural labourers, construction workers and home based manufacturers of food and beverages differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The F-value of savings management with 2 and 422 degree of freedom is 5.476 and it is statistically significant at 5% since the p-value is 0.004. Therefore, it can be concluded that savings management of agricultural labourers, construction workers and home based manufacturers of food and beverages differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The F-value of investment management with 2 and 422 degree of freedom is 0.223 and it is statistically insignificant at 5% since the p-value is 0.800. Therefore, it can be concluded that investment management of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***
- The F-value of personal financial management practices with 2 and 422 degree of freedom is 1.529 and it is statistically insignificant at 5% since the p-value is 0.218. Therefore, it can be concluded that personal financial management practices of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***

Therefore, it can be concluded that there is no significant difference in mean rating scores of personal financial management practices and its dimensions among agricultural labourers, construction workers and home based manufacturers of food and beverages.

Table- 5.48: Descriptive Statistics of Financial Well-being and it's Dimensions Based on Type of Occupation

Financial Well-being and its Dimensions	Occupation Type	N	Mean	Std. Deviation	Std. Error
Better Financial Status	Agricultural Labourer	140	9.1143	2.98699	0.25245
	Construction Worker	142	9.4507	2.76651	0.23216
	Home Based Manufacturer of Food and Beverages	143	9.4196	3.48723	0.29162
	Total	**425**	**9.3294**	**3.09286**	**0.15003**
Ability to meet Commitments	Agricultural Labourer	140	8.3286	2.89242	0.24445
	Construction Worker	142	8.6197	2.52570	0.21195
	Home Based Manufacturer of Food and Beverages	143	9.3776	2.85273	0.23856
	Total	**425**	**8.7788**	**2.79032**	**0.13535**
Resilience for Future	Agricultural Labourer	140	7.7000	2.61897	0.22134
	Construction Worker	142	8.0775	2.58768	0.21715
	Home Based Manufacturer of Food and Beverages	143	8.5874	2.39521	0.20030
	Total	**425**	**8.1247**	**2.55523**	**0.12395**
Financial Well-being	Agricultural Labourer	140	25.1429	6.14521	0.51937
	Construction Worker	142	26.1479	5.41072	0.45406
	Home Based Manufacturer of Food and Beverages	143	27.3846	6.53584	0.54655
	Total	**425**	**26.2329**	**6.10443**	**0.29611**

Source: *SPSS Output*

As indicated in **Table- 5.48**, the average value of better financial status of agricultural labourers, construction workers and home based manufacturers of food and beverages is 9.1143, 9.4507 and 9.4196 respectively. Similarly, the average value of ability to meet commitments of agricultural labourers, construction workers and home based manufacturers of food and beverages is 8.3286, 8.6197 and 9.3776 respectively. The average value of resilience for future of agricultural labourers, construction workers and home based manufacturers of food and beverages is 7.7000, 8.0775 and 8.5874 respectively. The average value of financial well-being of agricultural labourers, construction workers and home based manufacturers of food and beverages is 25.1429, 26.1479 and 27.3846 respectively. At the outset, there is a difference in the average value of dimensions of financial well-being; however, the statistical difference in the mean value of these dimensions is examined by using one-way ANOVA and result is represented in **Table- 5.49**.

Table- 5.49: Results of ANOVA of Financial Well-being and it's Dimensions Based on Type of Occupation

		Sum of Squares	df	Mean Square	F	Sig.
Better Financial Status	Between Groups	9.731	02	4.865	0.507	0.602
	Within Groups	4046.152	422	9.588		
	Total	**4055.882**	**424**			
Ability to meet Commitments	Between Groups	83.251	02	41.625	5.459	0.005
	Within Groups	3217.959	422	7.625		
	Total	**3301.209**	**424**			
Resilience for Future	Between Groups	56.185	02	28.093	4.371	0.013
	Within Groups	2712.205	422	6.427		
	Total	**2768.391**	**424**			
Financial Well-being	Between Groups	357.055	02	178.528	4.879	0.008
	Within Groups	15442.883	422	36.595		
	Total	**15799.939**	**424**			

Source: *SPSS Output*

- As indicated in **Table- 5.49**, the F-value of better financial status with 2 and 422 degree of freedom is 0.507 and it is statistically insignificant at 5% since the p-value is 0.602. Therefore, it can be concluded that financial status of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly. Hence, ***the null hypothesis is accepted and alternative hypothesis is rejected.***

- The F-value of ability to meet commitments with 2 and 422 degree of freedom is 5.459 and it is statistically significant at 5% since the p-value is 0.005. Therefore, it can be concluded that ability to meet commitments of agricultural labourers, construction workers and home based manufacturers of food and beverages differ significantly. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The F-value of resilience for future with 2 and 422 degree of freedom is 4.371 and it is statistically significant at 5% since the p-value is 0.013. Therefore, it can be concluded that resilience for future of agricultural labourers, construction workers and home based manufacturers of food and beverages differ significantly. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***
- The F-value of financial well-being with 2 and 422 degree of freedom is 4.879 and it is statistically significant at 5% since the p-value is 0.008. Therefore, it can be concluded that financial well-being of agricultural labourers, construction workers and home based manufacturers of food and beverages differ significantly. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that there is a significant difference in mean rating scores of financial well-being and its two dimensions, ability to meet commitments and resilience for future whereas there is no significant difference in mean rating scores of better financial status among agricultural labourers, construction workers and home based manufacturers of food and beverages.

5.4.1.4.2 Difference in Challenges Faced among Different Sub Groups of Workers of Unorganised Sector in Adopting Personal Financial Management Practices

The factors of the three types of challenges are continuous in nature and occupation type of workers of unorganised sector is nominal in nature with three groups. Hence, to test the significant differences in their types the following hypothesis has been framed and tested using One-way ANOVA.

H_{05}: There is no significant difference in mean rating scores of challenges faced in adopting Personal Financial Management Practices among different sub groups of workers of unorganised sector considered in the study

H_{a5}: There is a significant difference in mean rating scores of challenges faced in adopting Personal Financial Management Practices among different sub groups of workers of unorganised sector considered in the study

Table- 5.50 and **Table- 5.51** represent the output of descriptive statistics and result of ANOVA of challenges faced

Table- 5.50: Descriptive Statistics of Challenges Faced Based on Type of Occupation

		N	Mean	Std. Deviation	Std. Error
Financial Market Related Challenges	Agricultural Labourer	140	16.2571	3.24840	0.27454
	Construction Worker	142	16.4507	2.88448	0.24206
	Home Based Manufacturer of Food and Beverages	143	14.6503	3.91145	0.32709
	Total	**425**	**15.7812**	**3.46500**	**0.16808**
Personal Income Related Challenges	Agricultural Labourer	140	17.2429	2.21788	0.18745
	Construction Worker	142	17.4859	1.97407	0.16566
	Home Based Manufacturer of Food and Beverages	143	15.7622	3.23266	0.27033
	Total	**425**	**16.8259**	**2.64447**	**0.12828**
Living Conditions Related Challenges	Agricultural Labourer	140	21.7786	2.97730	0.25163
	Construction Worker	142	21.1901	3.34735	0.28090
	Home Based Manufacturer of Food and Beverages	143	17.9161	2.57971	0.21573
	Total	**425**	**20.2824**	**3.42993**	**0.16638**

Source: *SPSS Output*

As indicated in **Table- 5.50**, the average value of financial market related challenges among agricultural labourers, construction workers and home based manufacturers of food and beverages is 16.2571, 16.4507 and 14.6503 respectively. Similarly, the average value of personal income related challenges among agricultural labourers, construction workers and home based manufacturers of food and beverages is 17.2429, 17.4859 and 15.7622 respectively. The average value of living conditions related challenges among agricultural labourers, construction workers and home based manufacturers of food and beverages is 21.7786, 21.1901 and 17.9161 respectively. At the outset, there is a difference in the average value of the three types of challenges faced in adopting personal financial management practices among different sub groups of workers of unorganised sector; however, the statistical difference in the mean value of these dimensions is examined by using one-way ANOVA and result is represented in **Table- 5.51.**

Table- 5.51: Results of ANOVA of Challenges Faced Based on Type of Occupation

		Sum of Squares	Df	Mean Square	F	Sig.
Financial Market Related Challenges	Between Groups	278.234	02	139.117	12.199	0.000
	Within Groups	4812.415	422	11.404		
	Total	**5090.649**	**424**			
Personal Income Related Challenges	Between Groups	247.985	02	123.992	19.257	0.000
	Within Groups	2717.131	422	6.439		
	Total	**2965.115**	**424**			
Living Conditions Related Challenges	Between Groups	1231.123	02	615.561	69.142	0.000
	Within Groups	3756.995	422	8.903		
	Total	**4988.118**	**424**			

Source: *SPSS Output*

- As indicated in **Table- 5.51**, the F-value of financial market related challenges with 2 and 422 degree of freedom is 12.199 and it is statistically significant at 5% since the p-value is 0.000. Therefore, it can be concluded that financial market related challenges differ significantly among agricultural labourers, construction workers and home based manufacturers of food and beverages. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

- The F-value of personal income related challenges with 2 and 422 degree of freedom is 19.257 and it is statistically significant at 5% since the p-value is 0.000. Therefore, it can be concluded that personal income related challenges differ significantly among agricultural labourers, construction workers and home based manufacturers of food and beverages. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

- The F-value of living conditions related challenges with 2 and 422 degree of freedom is 69.142 and it is statistically significant at 5% since the p-value is 0.000. Therefore, it can be concluded that living conditions related challenges differ significantly among agricultural labourers, construction workers and home based manufacturers of food and beverages. Hence, ***the null hypothesis is rejected and alternative hypothesis is accepted.***

Therefore, it can be concluded that **there is a significant difference in mean rating scores of challenges faced in adopting personal financial management practices among agricultural labourers, construction workers and home based manufacturers of food and beverages**.

5.5 PART - D

5.5.1 Preference towards Savings and Investment Avenues among Workers of Unorganised Sector

Table- 5.52 represents preference for participation of the respondents in listed 13 saving and investment avenues, with additional information on the share of respondents not involved in saving or investment practices.

Table- 5.52: Preference towards Savings and Investment Avenues

SL No.	Avenues	N	Always	Sometimes	Occasionally	Rarely	Never	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	Deposit in Mainstream banks (Saving/recurrent account)	F	22	20	93	61	229	425	1.93	1.187	1.054	0.126
		%	5.2	4.7	21.9	14.4	53.9	100				
2	Fixed Deposit	F	05	15	57	55	293	425	1.55	0.933	1.62	1.802
		%	1.2	3.5	13.4	12.9	68.9	100				
3	Mutual funds/Special Investment Plans (SIPs)	F	06	03	23	09	384	425	1.21	0.697	3.689	13.901
		%	1.4	0.7	5.4	2.1	90.4	100				
4	Real Estate/Property	F	03	04	02	72	344	425	1.24	0.576	3.521	16.188
		%	0.7	0.9	0.5	16.9	80.9	100				
5	Gold Investment	F	35	16	17	265	92	425	2.15	1.063	1.553	2.002
		%	8.2	3.8	04	62.4	21.6	100				
6	Cooperative small fund investment	F	05	01	05	21	393	425	1.13	0.539	5.453	32.909
		%	1.2	0.2	1.2	4.9	92.5	100				
7	Insurance (Health Insurance)	F	11	8	5	40	361	425	1.28	0.806	3.451	11.785
		%	2.6	1.9	1.2	9.4	84.9	100				
8	Insurance (Life Insurance)	F	25	06	13	58	323	425	1.48	1.051	2.475	5.213
		%	5.9	1.4	3.1	13.6	76	100				
9	Term Plan (With Pension Facility)	F	32	02	06	08	377	425	1.36	1.093	2.884	6.63
		%	7.5	0.5	1.4	1.9	88.7	100				
10	Local /personalized debt lending/debt-oriented investment	F	03	01	07	20	394	425	1.12	0.484	5.432	34.147
		%	0.7	0.2	1.6	4.7	92.7	100				
11	Post Office	F	39	05	06	81	294	425	1.62	1.199	2.089	3.116
		%	9.2	1.2	1.4	19.1	69.2	100				
12	Chit Funds	F	143	8	16	51	207	425	2.6	1.811	0.459	-1.653
		%	33.6	1.9	3.8	12	48.7	100				
13	Cash accumulation	F	297	38	54	19	17	425	4.36	1.112	-1.652	1.674
		%	69.9	8.9	12.7	4.5	04	100				
14	Living at present, irrespective of future demands or needs	F	34	11	23	27	330	425	1.57	1.213	2.042	2.746
		%	08	2.6	5.4	6.4	77.6	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Always = 1, Sometimes = 2, occasionally = 3, Rarely = 4, and Never = 5*

Deposits in mainstream bank accounts is no risk, low return invest avenue suitable for any kind of investors. But it is evident from **Table- 5.52** that, majority of the respondents i.e., 75.8% do not prefer to deposit their money in mainstream bank accounts (53.9% - never, and 21.9% - occasionally). Considering the mean value $1.93 \approx 2$, it can be concluded that the workers of unorganised sector in Karnataka rarely deposit in mainstream bank accounts like savings account and recurring account.

Fixed deposits are risk-free and yield higher returns than regular savings deposits. Most of the respondents i.e., 82.3% do not prefer fixed deposits (68.9% - never, and 13.4% - occasionally). Based on the mean value $1.55 \approx 2$, it can be concluded that the workers of unorganised sector in Karnataka rarely invest in fixed deposits.

Though returns are high in mutual funds and Special Investment Plans, they are subject to risk and thus are not preferred for investors with low risk appetite (90.4% - never, and 5.4% - occasionally). Considering the mean value $1.21 \approx 1$, it can be stated that the workers of unorganised sector in Karnataka never invest in mutual funds/ Special Investment Plans.

Respondents show negative tendency towards investing in real estate/property (80.9% - never, and 16.9% - rarely). Considering the mean value $1.24 \approx 1$, it can be concluded that the workers of unorganised sector in Karnataka never invest in real estate/property.

Gold, the most traditional form of investment is not preferred by majority of the respondents i.e., 84% (62.4% - rarely, and 21.6% - never). The mean value $2.15 \approx 2$, confirms that the workers of unorganised sector in Karnataka rarely invest in gold.

Co-operative small fund investment does not seem to be popular and preferred option among the respondents (92.5% - never, and 4.9% - rarely). As per the mean value $1.13 \approx 1$, it can be stated that the workers of unorganised sector in Karnataka never prefer co-operative small fund investment.

Health insurance will enable to get medical care without straining on personal income and savings. Failing to take up health insurance may result in erosion of financial resources at times of medical emergency due to high medical costs. But most of the respondents i.e., 94.3% show negative tendency towards taking up of health insurance (84.9% - never, and 9.4% - rarely). Considering the mean value 1.28 ≈ 1, it can be concluded that the workers of unorganised sector in Karnataka never prefer health insurance.

Life insurance avoids financial problems that arise due to untimely death of the bread winner of the family by providing financial support to family members. But, the importance of life insurance cover is not realized by majority of the respondents i.e.,89.6% (76.0% - never, and 13.6% - rarely). Taking into account the mean value of 1.48 ≈ 1, it can be concluded that the workers of unorganised sector in Karnataka never prefer life insurance.

Pension plans will enable to have a source of income without working at old age. The major share of response i.e., 96.2% regarding their preferences towards pension is disturbed between positive and negative tendency to take up pension plans (88.7% - never, and 7.5% - always). With reference to the mean value 1.36 ≈ 1, it can be concluded that the workers of unorganised sector in Karnataka never prefer to devote their money for pension facility.

Post offices provide a wide array of instruments and plans for saving and investing money. But majority of the respondents i.e., 88.3% do not prefer to save or invest in post office (69.2% - never, and 19.1% - rarely). Considering the mean value 1.62 ≈ 1, it can be concluded that the workers of unorganised sector in Karnataka never prefer post office savings and investment options.

There exist various formal and informal chit fund schemes that help in small savings and also to borrow easily. 82.3% of the responses on preference towards chit fund schemes is distributed across positive and negative tendency to opt it (48.7% - never, and 33.6% - always). Based on the mean value 2.60 ≈ 1, it can be concluded that the workers of unorganised sector in Karnataka show moderate preference towards chit funds.

Accumulating income surplus in the form of cash is prone to high risk of theft. The cash kept idle will not generate any returns and also its purchasing power reduces due to inflation. Majority of the respondents i.e., 82.6% are not concerned regarding the value reduction of accumulated cash or the foregone opportunity to earn returns on it (69.9% - always, and 12.7% - occasionally). Considering the mean value $4.36 \approx 4$, it can be concluded that the workers of unorganised sector in Karnataka sometimes prefer to save by accumulating cash.

Living in the present without considering the future financial needs and demands will cost a huge payout at the times of emergencies and thus is not preferred for healthy financial life. The response towards the statement is distributed between agreement and disagreement (77.6% - never, and 8.0% - always). Considering the mean value $1.57 \approx 2$, it can be concluded that the workers of unorganised sector in Karnataka rarely prefer to live at present, irrespective of future demands or needs.

5.5.2 Attitude of Workers of Unorganised Sector towards Personal Financial Management Practices

The attitude of respondents towards personal financial management practices is analyzed using their responses on seven statements comprising four positive and three negative statements. The frequency table and descriptive statistics on these individual seven statements is represented in **Table- 5.53**.

Table- 5.53: Attitude towards Personal Financial Management Practices

SL No.	Statements	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	A situational awareness based or adaptive financial planning and management can help ensuring better financial wellbeing in future	F	314	103	05	00	03	425	4.71	0.56267	-2.74	12.16
		%	73.9	24.2	1.2	00	0.7	100				
2	Living in present, while forgetting the future (towards financial planning) will give more satisfaction towards personal earning and living***	F	224	57	33	84	27	425	3.86	1.39751	-0.755	-1
		%	52.7	13.4	7.8	19.8	6.4	100				
3	It is preferable to make expenses for current demands, irrespective of future needs***	F	221	72	08	82	42	425	3.82	1.47387	-0.795	-1
		%	52	16.9	1.9	19.3	9.9	100				
4	Unskilled or inappropriate financial practices can cause no-left over fund when needed	F	347	61	05	10	02	425	4.74	0.64253	-3.19	11.37
		%	81.6	14.4	1.2	2.4	0.5	100				
5	Proportionate saving pattern of increasing savings with increased income helps retaining control over finance and hence supports financial wellbeing	F	347	71	02	01	04	425	4.78	0.55629	-3.83	20.02
		%	81.6	16.7	0.5	0.2	0.9	100				
6	If given an opportunity, I would like to learn to manage my personal finance better	F	298	72	41	06	08	425	4.52	0.86885	-2.05	4.157
		%	70.1	16.9	9.6	1.4	1.9	100				
7	The concept of Personal Financial Management is irrelevant for people with insufficient money***	F	117	20	129	56	103	425	2.98	1.50145	0.09	-1.33
		%	27.5	4.7	30.4	13.2	24.2	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

**** = Response for the statement has been reverse coded*

Adaptive planning and managing of personal finance based on the situational needs is the key to future financial wellbeing and as per the **Table- 5.53**, most of the respondents i.e., 98.1% are aware of it (73.9% - Strongly Agree, and 24.2% - Agree). Considering the mean value of $4.71 \approx 5$, it can be concluded that the workers of unorganised sector in Karnataka strongly agree that situational based financial management practices are required to achieve better financial status.

Though living without considering future can give more satisfaction towards personal earning and living at present, it will cost more than the momentary satisfaction at times of financial crisis in future and most of the responses i.e., 72.5% regarding it are distributed between agreement and disagreement (52.7% - Strongly Agree, and 19.8% - Disagree). Based on the mean value of $3.86 \approx 4$, it can be stated that the workers of unorganised sector in Karnataka agree that living at present without planning for future financial needs will not bring them more satisfaction towards their earnings.

Majority of the responses i.e., 72% on requirement to consider future needs prior to making expenses for current demands is distributed between agreement and disagreement (52.7% - Strongly Agree, and 19.3% - Disagree). As per the mean value of the statement, $3.82 \approx 4$ it can be concluded that the workers of unorganised sector in Karnataka agree that it is not preferable to make expenses for current demands, without considering the future needs.

Lack of financial resources can be a result of improper resource management practice and most of the respondents i.e., 96% agree to it (81.6% - Strongly Agree, and 14.4% - Agree). Considering the mean value of $4.74 \approx 5$, it can be concluded that the workers of unorganised sector in Karnataka strongly agree that inappropriate financial practices will result in future financial crisis.

Majority of the respondents i.e., 98.3% are aware of the importance of proportionate saving pattern in achievement of better financial status (81.6% - Strongly Agree, and 16.7% - Agree). The mean value of $4.78 \approx 5$ represents that the workers of unorganised sector in Karnataka strongly agree for the need to have the practice of increasing savings with increased income in order to have better control of finances and achieving financial well-being.

Most of the respondents i.e., 87% are aware of the need to learn about managing their personal finances in a better way (70.1% - Strongly Agree, and 16.9% - Agree). Considering the mean value of 4.52 to $\approx$ 5, conclusion can be made that the workers of unorganised sector strongly agree that they are waiting for an opportunity to learn about personal financial management skills.

The concept of Personal Financial Management for people with insufficient income is as needed as for high income profile individuals and most of the responses i.e., 57.9% regarding it are distributed between moderate response and agreement (30.4% - Neutral, and 27.5% - Agree). Based on the mean value of 2.98 $\approx$ 3, it can be stated that the workers of unorganised sector in Karnataka have a moderate opinion on the thought that personal financial management is relevant even for low income groups like them.

5.5.3 Challenges Faced by Workers of Unorganised Sector in Adopting Personal Financial Management Practices

Out of the various challenges that the workers of unorganised sector face in adopting personal financial management practices, 13 main obstacles were identified from research reviews and were classified under three heads viz., financial market related, personal income related and living conditions related. Opinion of the respondents on extent to which they consider the listed reasons as a challenge, were collected and analysed. **Table- 5.54(a), Table- 5.54(b) and Table- 5.54(c)** represents frequency table along with mean, standard deviation, skewness and kurtosis for the same.

Table- 5.54(a): Financial Market Related Challenges Faced in Adopting Personal Financial Management Practices

SL No.	Challenges	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	Lack of knowledge regarding financial instruments	F	310	85	18	08	04	425	4.62	0.73972	-2.425	6.636
		%	72.9	20	4.2	1.9	0.9	100				
2	Lack of access to financial market	F	310	66	29	16	04	425	4.56	0.85069	-2.086	3.896
		%	72.9	15.5	6.8	3.8	0.9	100				
3	Lack of trust on financial institutions, especially insurance firms, chit-funds, SHG, etc.	F	125	35	112	15	138	425	2.99	1.6121	-0.021	-1.514
		%	29.4	8.2	26.4	3.5	32.5	100				
4	Misleading/ cheating intermediaries	F	176	65	102	09	73	425	3.62	1.46378	-0.68	-0.862
		%	41.4	15.3	24	2.1	17.2	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

Awareness regarding financial instruments available in the market helps investors to choose the most suitable option for them considering investment capacity, risk appetite, returns expectation etc. and as per the **Table- 5.54(a)**, most of the respondents i.e., 92.9% agree that lack of knowledge regarding available options hinder them from participating in personal financial management practices (72.9% - Strongly Agree, and 20% - Agree). Considering the mean value of 4.62 to $\approx$ 5, conclusion can be made that the workers of unorganised sector strongly agree that they lack awareness regarding financial instruments.

Majority of the respondents i.e., 88.4% show agreement towards accessibility issue as a challenge that they face to participate in financial market (72.9% - Strongly Agree, and 15.5% - Agree). The mean value, 4.56 to $\approx$ 5, represents that the workers of unorganised sector strongly agree that they lack access to financial markets.

Trust issues can hinder an individual from getting the benefits of financial institutions like insurance firms, chit-funds, SHG, etc and lead to informal, inefficient financial practices like cash accumulation at home. 61.9% responses on this factor as a challenge are distributed between agreement and disagreement (32.5% - Strongly Disagree and, 29.4% - Strongly Agree). The mean value being 2.99 to $\approx$ 3, confirms that the workers of unorganised sector possess neutral feeling towards lack of trust on financial institutions as a barrier towards their personal financial management.

Due to lack of knowledge and access, a huge portion of the unorganised workers rely on the informal intermediaries in their location to reach financial markets. Being cheated or misled by financial intermediaries will result in losing their hard earned money and thus they may decide not to participate in financial markets (41.4% - Strongly Disagree and, 24% - Neutral). As per the mean value, 3.62 to $\approx$ 4, it can be concluded that the workers of unorganised sector agree that misleading and cheating intermediaries act as barriers in managing their finance efficiently.

Table- 5.54(b): Personal Income Related Challenges Faced in Adopting Personal Financial Management Practices

SL No.	Challenges	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	Lack of income surplus	F	325	61	24	08	07	425	4.62	0.81265	-2.542	6.648
		%	76.5	14.4	5.6	1.9	1.6	100				
2	Irregular or uncertain income patterns	F	303	106	08	03	05	425	4.64	0.67179	-2.72	10.024
		%	71.3	24.9	1.9	0.7	1.2	100				
3	Lack of secondary source of income	F	288	113	18	02	04	425	4.6	0.6837	-2.225	6.836
		%	67.8	26.6	4.2	0.5	0.9	100				
4	Delayed income/salary	F	103	85	71	25	141	425	2.96	1.59997	-0.07	-1.566
		%	24.2	20	16.7	5.9	33.2	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

Having left with nothing to save or invest is the main problem for individuals with low income and 88.4% of the respondents agree towards it (72.9% - Strongly Agree, and 15.5% - Agree). As per the mean value, 4.56 to $\approx$ 5, it can be concluded that the workers of unorganised sector strongly agree that their income caters only for their basic necessities and provides no scope for saving or investment.

Seasonal employment is the main characteristic of unorganised sector. Due to lack of continuous employment, the income from the sector is irregular which makes it difficult to follow a fixed savings and investment pattern (71.3% - Strongly Agree, and 24.9% - Agree). Based on the mean value of 4.64 to $\approx$ 5, it can be concluded that the workers of unorganised sector strongly agree that their income is irregular and thus does not allow for continuous saving or investment.

Most of the respondents i.e., 94.4% believe that having an additional source of income would have helped them to involve in personal financial management practices (67.8% - Strongly Agree, and 26.6% - Agree). Considering the value of the mean, 4.6 to $\approx$ 5, it can be concluded that the workers of unorganised sector strongly agree that they need an additional source of income so as to involve themselves in managing of their finance.

Delayed income can be a problem towards meeting present financial commitments and also in having financial plans for future. 57.4% of the response towards delayed income as a challenge is distributed between agreement and disagreement (33.2% - Strongly Disagree, and 24.2% - Agree). Considering the mean value of 2.96 to $\approx$ 3, it can be concluded that the workers of unorganised sector have neutral opinion towards delayed income as a challenge towards their personal financial management practices.

Table- 5.54(c): Living Conditions Related Challenges Faced in Adopting Personal Financial Management Practices

SL No.	Challenges	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	Standard Deviation	Skewness	Kurtosis
1	Present Living fulfillment/Accomplishment	F	311	106	07	00	01	425	4.71	0.51812	-1.973	6.194
		%	73.2	24.9	1.6	00	0.2	100				
2	High-cost of living	F	310	88	25	00	02	425	4.66	0.63291	-2.091	5.422
		%	72.9	20.7	5.9	00	0.5	100				
3	Uncertain health/life conditions	F	293	53	66	09	04	425	4.46	0.89507	-1.546	1.588
		%	68.9	12.5	15.5	2.1	0.9	100				
.4	Uncertain living conditions (home/ job/ enterprise due to mobile-working nature)	F	194	38	74	08	111	425	3.46	1.66513	-0.5	-1.402
		%	45.6	8.9	17.4	1.9	26.1	100				
5	Past or inherited or current financial debt or liability	F	109	25	154	28	109	425	2.99	1.47701	0.012	-1.241
		%	25.6	5.9	36.2	6.6	25.6	100				

Source: *Field Survey*

Note: *The weight used for the scale is: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and strongly Agree = 5*

Majority of the respondents i.e., 98.1% agree that their income exhausts after meeting the present basic needs and thus they do not have resources left to save and invest for future (73.2% - Strongly Agree, and 24.9% - Agree). Considering the value of the mean, 4.71 to ≈ 5, it can be concluded that the workers of unorganised sector strongly agree that they are unable to involve in planning for future financial needs as they are concentrated towards present living fulfillments/ accomplishments.

Though the rate of inflation applies to all the sections of the economy uniformly, its effect on low irregular income groups is worse than individuals with high fixed income (72.9% - Strongly Agree, and 20.7% - Agree). The mean value of 4.66 to ≈ 5, confirms that the workers of unorganised sector strongly agree that increasing cost of living has become hurdle for them in having financial plan and management practice.

Life and health emergency can erode the meager savings of low income sections and become impediment in managing their limited financial resources (68.9% - Strongly Agree, and 15.5% - Neutral). The mean value of 4.66 to ≈ 5, confirms that the workers of unorganised sector strongly agree that uncertainty in health and life challenges their ability to manage personal finance.

Remarkable share of unorganised sector workers do not have a fixed place of work and are migrant in nature without even a permanent residence which results in not having the required KYC documents or other essentials to be a part of formal financial system. 71.7% of the response towards this challenge is distributed between agreement and disagreement (45.6% - Strongly Agree, and 26.1% - Strongly Disagree). The mean value of 3.46 to ≈ 3, confirms that the workers of unorganised sector possess neutral feeling towards mobile working nature as a hurdle towards personal financial management.

Having high level of debt will result in very less income surplus to save and investment as the major share of income goes to the lender as interest and principal repayment. 51.2% of the responses towards debt trap as a challenge are distributed equally between agreement and disagreement with 36.2% having moderate response

(36.2% - Neutral, 25.6% - Strongly Agree, and 25.6% - Strongly Disagree). Taking into account the mean value of 2.99 to $\approx$ 3, it can be said that the workers of unorganised sector in Karnataka possess moderate opinion on debt as the reason for unsystematic personal financial management practice.

5.6 Summary

The chapter provides information on analysis of data collected from the respondents and interpretation of the results in four parts. The first part is divided into two sections. First section throws light on the personal profile of the respondents and the second provides information on banking practices and borrowing patterns. The second part depicts the conceptual model of the study comprising the three main variables viz., financial literacy, personal financial management practices and financial well-being, descriptive analysis of the statements used to study the variables and their dimensions followed by exploratory factor analysis and confirmatory factor analysis of those variables. The third part deals with testing of hypotheses. The last and the fourth part provides descriptives on the preference towards savings and investment avenues, attitude towards and obstacles faced in adopting personal financial practices among workers of unorganised sectors in Karnataka state.

CHAPTER – VI

Chapter- VI

Summary of Major Findings, Suggestions and Conclusion

Chapter – VI

Summary of Major Findings, Suggestions and Conclusion

6.1 Introduction

The last chapter presents summary of major findings of the study classified into three sections considering the factors to which, the findings relate to. Based on the objectives formulated and resultant findings, suggestions have been offered to policy makers, financial institutions and labour department which is followed by scope for further research.

6.2 Major Findings of the Study

The summarized findings from analysis results are classified into three sections as follows:

Section- I 6.2.1 Overall findings of the study

Section- II 6.2.2 Specific findings of the study

Section- III 6.2.3 Hypotheses Results Based Findings

Section- I

6.2.1 Overall Findings of the Study

The overall findings aim to provide the details of socio- demographic and economic profile of sample respondents along with few observations of the study and are accordingly presented under four heads as related to:

6.2.1.1 Social Factors

6.2.1.2 Demographic Factors

6.2.1.3 Economic Factors

6.2.1.4 Other Factors

6.2.1.1 Social Factors

The factors considered under this head are gender, age, education qualification, current occupation, nature of occupation, marital status, number of members in the family and type of residence.

- The survey result shows that more than 55% (57.2%) respondents are male and the remaining (42.8%) are female
- More than 65% (66.6%) respondents belong to the middle age group of 30-50 years and only around 5% (4.9%) are above 60 years
- Workers of unorganised sector are mainly characterized with lack of education as revealed during the study since 41.2% respondents have no formal educational background and only 18.6% have college level education
- The principal nature of occupation in unorganised sector as observed is casual basis. More than 40% are employed on daily wage basis whereas around only 2% (1.9%) are getting fixed monthly wages
- More than one-third respondents are married and nearly 24% being single, divorced or widow/widower
- Nearly 70% respondents are from nuclear families with less than 4 family members and less than 1% (0.7%) with more than 6 members in their families
- More than 70% (72.2%) have own houses and only 0.5% reside in temporary sheds/ tents. This might be due to the positive outcome of various housing schemes of the Government like The Basava Vasati Yojana, Rajiv Gandhi Vasati Yojana and Pradhan Mantri Awas Yojana etc

6.2.1.2 Demographic Factors

Division and location are the two demographic factors considered in the study.

- Above 60% respondents reside in urban or semi-urban areas with urbanization and informalisation going hand in hand. Urbanization creates demand for unskilled, cheap labour thus resulting in migration of workers from rural areas to get informal jobs

6.2.1.3 Economic Factors

Findings related to the three economic factors viz., gross monthly income, savings and periodic income surplus are presented under this head

- Above 90% respondents earn a monthly income of less than ₹ 20,000 and only 0.9% are earning above ₹ 30,000 per month

- Sixty five percent respondents save less than ₹ 5,000 per month whereas only 6% have monthly savings of above ₹ 5,000 while remaining 28.7% have not kept account of their saving capacity or do not save at all
- Surprisingly, around 81% (80.9%) respondents state that their periodic income exceeds expenditure and nearly 80% (79.5%) are aware of different banking or investment practices. Inspite of this, as stated earlier only 6% have monthly savings above ₹ 5,000

6.2.1.4 Other Factors

Awareness of formal and in-formal banking system, preference towards specific source of borrowing and its reasons, holding of bank account and reason for not holding, awareness of different savings and investment avenues, awareness of and participation in financial inclusion and literacy programs are considered as the other factors

- More than 95% respondents (95.1% and 95.8%) are aware of formal banking systems and informal financial practices while only 4.9% and 4.2% respondents are unaware of the same
- Though nearly 30% respondents prefer banks (28.2%) and Co-operative Societies/ Self Help Groups (28.7%) for borrowing, 25.9% respondents still prefer to borrow from local money lenders as they do not have any other source of borrowing or because of easy accessibility. Inspite of various banking loan schemes with low interest, the lengthy, formal and rigid documentation procedures make it difficult to consider bank loans as accessible source of borrowing for the respondents
- Ninety eight percent respondents hold an active bank account while only around 2% (1.9%) do not, as they find it unnecessary or consider it as a complex process
- Only 27.29% respondents are aware of term plans with pension facility while 50.35% and 52.94% have health and life insurance plans awareness respectively. Awareness on mutual funds/ SIPs is observed to be the least as only 9.18% are aware of it
- Nearly 30% (29.4%) and approximately 6% (5.9%) respondents are the beneficiaries of Pradhan Mantri Jan Dhan Yojana and Atal Pension Yojana respectively. Only 3.1% and 0.5% have availed the benefits of Sukanya Samriddhi

Yojana and Pradhan Mantri Suraksha Bima Yojana respectively. The share of respondents registered under Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Shram Yogi Maan- Dhan Scheme is just 0.2% each. Surprisingly, none of them have availed the benefits of the other seven financial inclusion programmes considered for the study. The percentage of respondents being unaware of the available programmes are considerably higher than the aware groups under each programme except incase of Pradhan Mantri Jan Dhan Yojana as 80% are aware, of which only 29.4% have availed the benefits of the programme

- Almost all (99.3%) respondents state that they have never participated in any financial literacy programmes conducted by Financial Literacy Centers out of which, 55.56% states the reason as lack of awareness regarding such centers/ programmes

Section- II

6.2.2 Specific Findings of the Study

This part of the study aims at presenting major findings related to specific variables and is classified into six heads as related to:

6.3.1 Financial Literacy

6.3.2 Personal Financial Management Practices

6.3.3 Financial Well-being

6.3.4 Preference towards Savings and Investment Avenues

6.3.5 Attitude towards Personal Financial Management Practices

6.3.6 Challenges in the Adoption of Personal Financial Management Practices

6.2.2.1 Financial Literacy

- The weighted average of responses on seven statements related to financial knowledge is 3.76 $\approx$ 4, representing that respondents are aware of basic financial concepts

- The weighted average of responses on five statements related to financial attitude is 3.92 $\approx$ 4, representing that respondents possess positive financial attitude

- The weighted average of responses on nine statements related to financial behaviour is 3.05 ≈ 3, representing that respondents exhibit moderate financial behaviour
- The weighted average of responses on twenty one statements related to financial literacy is 4.07 ≈ 4, representing that respondents have good level of financial literacy

6.2.2.2 Personal Financial Management Practices

- The weighted average of responses on ten statements related to money management (3.49 ≈ 3), represents that respondents exhibit moderate money management practices
- The weighted average of responses on nine statements related to debt management is (2.79 ≈ 3), representing that respondents exhibit moderate debt management practices
- The weighted average of responses on nine statements related to saving management (2.98 ≈ 3), represents that respondents exhibit moderate saving management practices
- The weighted average of responses on eight statements related to investment management is 3.68 ≈ 4, representing that respondents exhibit savvy investment management practices
- The weighted average of responses on thirty six statements related to personal financial management (3.23 ≈ 3), represents that respondents exhibit moderate personal financial management practices

6.2.2.3 Financial Well-being

- The weighted average of responses on three statements related to better financial status (3.23 ≈ 3), represents that respondents have moderate opinion on their financial status
- The weighted average of responses on three statements related to ability to meet commitments is 2.93 ≈ 3, representing that respondents exhibit moderate opinion on their ability to meet commitments

- The weighted average of responses on three statements related to resilience for future is 2.71 ≈ 3, representing that respondents exhibit moderate opinion on their resilience for future
- The weighted average of responses on nine statements related to financial well-being is 2.91 ≈ 3, representing that respondents exhibit moderate opinion on their financial well-being

6.2.2.4 Preference towards Savings and Investment Avenues

- Cash accumulation is the most preferred personal financial management practice as revealed during the study by the respondents as nearly 70% (69.9%) and 9% (8.9%) always and sometimes follow it as their personal financial practice accounting for a total of 78.8% respondents with highest average response of 4.36 ≈ 4
- The average value of responses on chit funds is 2.16 ≈ 2, with 33.6% and 1.9% following it always and sometimes as their personal financial practice, accounting for a total of 35.5% respondents
- Eight percent (8.2%) and around 4% (3.8%) always and sometimes use gold investment as their personal financial practice accounting for a total of 12% respondents with average response value of 2.15 ≈ 2

6.2.2.5 Attitude towards Personal Financial Management Practices

- The weighted average of responses on seven statements related to attitude towards personal financial management practices is 4.20 ≈ 4, representing that respondents possess positive attitude towards personal financial management practices

6.2.2.6 Challenges in the Adoption of Personal Financial Management Practices

- The weighted average of responses on the four challenges related to financial market is 3.95 ≈ 4, representing that the respondents agree that they face financial market related challenges in adopting personal financial management practices
- The weighted average of responses on the four challenges related to personal income is 4.21 ≈ 4, representing that the respondents agree that they face personal income related challenges in adopting personal financial management practices.

- The weighted average of responses on the five challenges related to living conditions is 4.06 ≈ 4, representing that the respondents agree that they face living conditions related challenges in adopting personal financial management practices

Section- III

6.2.3 Hypotheses Results Based Findings

Findings of hypotheses results are related to the objective achievement of the study and are classified under four heads as related to:

6.4.1 Relationship Analysis

6.4.2 Impact Analysis

6.4.3 Mediation Analysis

6.4.4 Comparative Analysis

6.2.3.1 Relationship Analysis

- The correlation coefficient value between financial literacy and personal financial management practices is positive ($r = 0.818$, p-value = 0.000) and it is statistically significant at 5%. Therefore, it can be concluded that ***Financial Literacy has significant positive relationship with Personal Financial Management Practices***
- The correlation coefficient value between financial literacy and financial well-being is positive ($r = 0.636$, p-value = 0.000) and it is statistically significant at 5%. Therefore, it can be concluded that ***Financial Literacy has significant positive relationship with Financial Well-being***
- The correlation coefficient value between personal financial management practices and financial well-being is positive ($r = 0.615$, p-value = 0.000) and it is statistically significant at 5%. Therefore, it can be concluded that ***Personal Financial Management Practices has significantly positive relationship with Financial Well-being***

6.2.3.2 Impact Analysis

- The regression coefficient value between financial literacy and financial well-being is positive ($b = 0.275$) and it is statistically significant at 5% as probability value is less than 0.05. This implies that ***Financial Literacy has significant positive impact on Financial Well-being***

- The regression coefficient value between personal financial management practices and financial well-being is positive (b = 0.398) and it is statistically significant at 5% as probability value is less than 0.05. This implies that ***Personal Financial Management Practices has significant positive impact on Financial Well-being***

6.2.3.3 Mediation Analysis

- The regression coefficient value between financial literacy and personal financial management practices is statistically significant at 5% as probability value is lesser than 0.05. On the other hand, the regression coefficient value between personal financial management practices and financial well-being is also statistically significant at 5% as probability value is less than 0.05. Thus, there exists significant indirect effect of financial literacy on financial well-being through the mediation of personal financial management practices. The regression coefficient value between financial literacy and financial well-being tested to analyze the nature of mediation, is statistically significant at 5% as probability value is lesser than 0.05. Thus, there exists significant indirect effect of financial literacy on financial well-being in the presence of the mediating variable. Hence, it can be concluded that ***Personal Financial Management Practices partially mediate the relationship between Financial Literacy and Financial Well-being***

6.2.3.4 Comparative Analysis

- The F-value of financial literacy with 2 and 422 degree of freedom is 1.871 and it is statistically insignificant at 5% since the p-value is 0.155. Therefore, it can be concluded that ***Financial Literacy of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly***
- The F-value of personal financial management practices with 2 and 422 degree of freedom is 1.529 and it is statistically insignificant at 5% since the p-value is 0.218. Therefore, it can be concluded that ***Personal Financial Management Practices of agricultural labourers, construction workers and home based manufacturers of food and beverages do not differ significantly***

- The F-value of financial well-being with 2 and 422 degree of freedom is 4.879 and it is statistically significant at 5% since the p-value is 0.008. Therefore, it can be concluded that ***Financial Well-being of agricultural labourers, construction workers and home based manufacturers of food and beverages differ significantly***
- The F-value of financial market related challenges with 2 and 422 degree of freedom is 12.199 and it is statistically significant at 5% since the p-value is 0.000. Therefore, it can be concluded that ***Financial Market Related Challenges differ significantly among agricultural labourers, construction workers and home based manufacturers of food and beverages***
- The F-value of personal income related challenges with 2 and 422 degree of freedom is 19.257and it is statistically significant at 5% since the p-value is 0.000. Therefore, it can be concluded that ***Personal Income Related Challenges differ significantly among agricultural labourers, construction workers and home based manufacturers of food and beverages***
- The F-value of living conditions related challenges with 2 and 422 degree of freedom is 69.142 and it is statistically significant at 5% since the p-value is 0.000. Therefore, it can be concluded that ***Living Conditions Related Challenges differ significantly among agricultural labourers, construction workers and home based manufacturers of food and beverages***

6.3 Suggestions of the Study

Based on the major findings presented, the study provides few suggestions to the authorities related to unorganised workers which are classified into three heads as suggestions to:

6.3.1 Policy Makers

6.3.2 Financial Institutions

6.3.3 Labour Department

6.3.1 Policy Makers

Suggestions provided to policy makers are presented under three heads as related to:

6.3.1.1 General Literacy and Awareness

6.3.1.2 Financial Literacy Programmes

6.3.1.3 Financial Inclusion Programmes

6.3.1.1 General Literacy and Awareness

- ❖ Providing basic literacy is the key to strengthen an individual financially, as general literacy and financial literacy are considered as two faces of the same coin. But, as revealed during the study more than 40% respondents are illiterates and are not able to educate themselves or their family members even if they are intended to, as they do not have a fixed work place and keep on migrating in search of jobs. Making provision for free evening classes in all Government schools can go a long way in strengthening their general as well as financial capabilities
- ❖ Awareness of insurance and pension schemes with their requirement to live financially undisturbed life needs to be communicated to unorganised workers in comprehensible manner with the help of media, newspapers and predominantly through Gram Panchayat staff and members as nearly 50% and more than 70% respondents are unaware of taking insurance cover and investing for their old age respectively
- ❖ Awareness must be created regarding the need of personal financial management practices and the possibility of achieving financial well-being irrespective of income levels as there exists a mixed opinion among unorganised workers regarding the misconception that managing personal finance is not meant for low income groups like them
- ❖ Fixation of minimum wage rates is done by both the Central and State Government as the subject of labour belongs to concurrent list under the Indian Constitution. Extending the benefits of Minimum Wages Act 1948 to unorganised workers through state legislation, which presently covers only the organised and keeping unorganised continuously informed regarding the minimum wages that

they are eligible for provides them the required bargaining power in the labour market and protects them from financial exploitation

- ❖ Establishment of debt counselling centers providing free services at each taluk level will help low income, debt trapped groups like unorganised workers to efficiently manage their past inherited or current financial liability thus relieving them from debt traps
- ❖ Undertaking innovation of financial products that well suits the life cycle and life conditions of unorganised poor and more number of financial literacy and inclusion programmes that targets workers of unorganised sector in particular is highly needed
- ❖ Unorganised workers, who are generally poor and disadvantaged, need to be given a role in making, implementation, monitoring and evaluation of the policies related to them.

6.3.1.2 Financial Literacy Programmes

- ❖ Conducting financial literacy programmes in places other than formal places like banks, will help to reach out even people who do not often visit banks like unorganised workers. Identifying work places of unorganised workers and conducting financial literacy programmes there can help to reach a large share of financial illiterates
- ❖ Financial Literacy Programmes need to educate unorganised workers regarding the basic financial concepts like time value of money, interest on loan, simple interest, compound interest, risk return relationship, effect of inflation and diversification, as these knowledge would be of more help to improve their savings habits, reduce informal way of lending and to promote long term financial goals thereby improving their standard of living
- ❖ Financial knowledge will be of no use if it is not capable of developing positive behaviour and attitude, having positive attitude without proper knowledge may lead to inappropriate behaviour due to overconfidence, whereas lack of positive attitude hinders the application of obtained knowledge into behavioural practice. Thus, financial education programmes must provide a balanced combination of inputs on financial knowledge, behaviour and attitude.

6.3.1.3 Financial Inclusion Programmes

- ❖ Rigorous efforts are necessary to make unorganised workers aware of the various financial inclusion programmes designed and implemented by the Government to financially strengthen them. As illiteracy prevails dominantly in the unorganised sector, using volunteers, asha workers, anganwadi workers, religious leaders to communicate personally regarding the benefits of such programmes can be much effective
- ❖ More number of financial inclusion programmes targeting workers of unorganised sector in particular like Atal Pension Yojana, Pradhan Mantri Shram Yogi Mandhan Yojana needs to be implemented to infuse the unorganised workers in formal financial system

6.3.2 Financial Institutions

- ❖ The lengthy formal procedures and rigid documentation to provide loans by financial institutions need to be reduced in order to bring the share of respondents (25.9%) who are still borrowing from local money lenders
- ❖ It is evident from the findings that periodic income exceeds expenditure incase of around 81% respondents though their income surplus is not so high. Thus, arrangements are to be made to provide low cost financial services allowing for savings and investment in small amounts, so that they are encouraged to participate actively in management of even their meager savings
- ❖ Awareness needs to created regarding the benefits of being a part of the formal financial system which exceeds its cost and also steps must be taken to simplify the procedures and requirements for opening and operating bank accounts as nearly 2% (1.9%) respondents still do not hold active bank accounts
- ❖ Rigorous arrangements are required to be made to spread the knowledge regarding financial instruments and provide easy access to financial markets thus helping to stay away from the misleading and cheating intermediaries. Financial institutions must also take steps aiming to build trust in the minds of unorganised workers to bring them under the purview of formal financial system
- ❖ The benefits of using formal financial avenues in terms of both risk and return need to be communicated to unorganised workers by banks as nearly 79% still

predominantly following cash accumulation as their means of savings, which is exposed to risk of theft and also deterioration in value without generating any possible returns

6.3.3 Labour Department

- ❖ The department has to design mechanism to see that the schemes and facilities designed by the Government for the financial benefit of unorganised workers reach the beneficiaries efficiently
- ❖ The national portal, e-SHRAM introduced by the Central Government for registration of unorganised workers through National Data Base of Unorganised Workers (NDUW) may not reach the major share of unorganised, who are illiterates. Thus, each District Labour Department has to initiate the programme to register unorganised workers in the portal through its officials
- ❖ The department needs to recommend State and Central Government to enact new laws toward fixation of minimum wages and providing specific working hours for unorganised workers

6.4 Areas of Further Research

The work carried out is an attempt for a comprehensive study of personal financial management practices considering the main factor affecting it- financial literacy and the remarkable result that it leads to- financial well-being, in the context of three representative sub groups of unorganised sector workers - agricultural labourers, construction workers and home based manufacturers of food and beverages. There exists enormous scope for further study with different dimensions and few areas identified are presented.

- ▪ Study can be undertaken considering factors affecting personal financial management practices other than financial literacy like financial inclusion level
- ▪ Comparative analysis of personal financial management practices between unorganised workers of formal and informal sector can make significant contribution to the field
- ▪ Personal financial management practices among transgender groups in unorganised sector can be an interesting study as majority of them are employed in unorganised sector

- A study on the personal financial management practices of women workers in unorganised sector can be undertaken as there is prevalence of gender discrimination in terms of wage payment and also difference in financial literacy and awareness level
- Impact of COVID-19 on the economic conditions and personal financial management practices of unorganised workers can serve as a timely study

6.5 Conclusion

Lao Tsu, a Chinese philosopher once said, “if you give a hungry man a fish, you feed him for a day, but if you teach him how to fish, you feed him for a lifetime”. Recognizing the need to financially empower the workers of unorganised sector in Karnataka, Government has come up with various social security measures through the establishment of Karnataka State Unorganised Workers Social Security Board (KSUWSSB). But without the knowledge of personal financial management, all such programmes can provide financial assistance but may not be successful in empowering them considerably. On the other hand providing knowledge and skills of personal financial management can reduce the burden of public expenditure on social security for unorganised workers and also enable them to achieve financial independence and well-being. Thus, it is the crucial time for the state government to shift its concentration from mere providing of financial assistance to ensuring financial management skills for low income unorganised groups.

Personal financial management practices play a pivotal role in the process of achievement of financial well-being by individuals. Financial Literacy which is a combination of financial knowledge, financial attitude and financial behaviour influences the way individuals deal with their finances in terms of money management, savings management, investment management, debt management etc and thus finally affects their financial well-being resulting in better financial status, increased ability to meet commitments and resilience for future. The present study provides evidence for the relationship between these variables in the context of workers of unorganised sector in Karnataka.

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ANNEXURES

Annexures

I. Interview Schedule

II. Interview Schedule (Kannada Version)

III. Financial Literacy Index

INTERVIEW SCHEDULE

Annexure- I

Interview Schedule for Unorganised Sector Workers (Agricultural Labourers, Construction Workers and Home Based Manufacturers of Food and Beverages)

Dear Respondent,

I **Meghana D. S.,** Research Scholar, Department of Commerce, Sahyadri Commerce and Management College (Constituent College of Kuvempu University), Shivamogga have undertaken Ph. D work on the topic **"A Study on Personal Financial Management Practices among Workers of Unorganised Sector in Karnataka"** under the guidance of Dr. K. S. Sarala, Professor, Department of Commerce and Management, Sahyadri Commerce and Management College (Constituent College of Kuvempu University), Shivamogga. As a part of my study, I would like to get your response regarding Personal Financial Management Practices followed by you. The information provided would be kept confidential and will be used for academic purpose only. I request you to kindly spare your valuable time to answer this questionnaire and assist me in my research work.

Thanking you,

Meghana D. S.

PART - A

Note: Please put a (√) mark to indicate your preference and the precise response for respective questions.

a. Gender

Male ☐ Female ☐ Others ☐

b. Age ……………………..

c. Educational Background

No formal schooling ☐ Primary ☐ High school ☐ PUC ☐

Undergraduate ☐ Postgraduate ☐ Diploma, ITI ☐ others ☐

d. Present occupation……………

e. Nature of occupation

Self employed ☐ Casual basis ☐
Contract basis ☐ Monthly Salary/ wage basis ☐

f. Gross monthly income……………………..

g. Gross monthly savings……………………..

h. Marital status

Single ☐ Married ☐ Divorced/Separated ☐ Widow/widower ☐

i. Size of family

Less than 2 ☐ 2-4 ☐ 4-6 ☐ More than 6 ☐

j. Location

Urban ☐ Rural ☐ Semi- urban ☐

k. Type of residence

Own house ☐ Rental house ☐ Leased house ☐ Temporary Sheds/Tents ☐

l. Are you aware of formal banking system?

Yes ☐ No ☐

m. Are you aware of informal financial practices (local funding, lending, and chit funds)?

Yes ☐ No ☐

n. Which is your most preferred source of borrowing?

Banks ☐ Co-operative societies/SHGs ☐
Local money lender ☐ Friends/ Relatives ☐

o. Select the reason for your preference towards source of borrowing

Low/ no interest	☐	Repayment flexibility	☐
Easily accessible	☐	No other option	☐

p. Do you have an active bank account?

Yes ☐ No ☐

If No, specify reason for not having a bank account

Factors	
1. Find it unsuitable or insignificant	☐
2. No saving after recurrent expenditure	☐
3. Complex process of account opening and operating	☐
4. Don't have required KYC document(s)	☐
5. Account has been closed due to lack of transactions	☐
6. Cooperative small fund investment	☐
7. Banks are located far-away	☐
8. Lack of trust (on mainstream banking systems)	☐

q. Does your periodic or term income exceeds your expenditure to make certain investment?

Yes ☐ No ☐

r. Kindly indicate your awareness towards different saving and investment avenues.

Avenues	
1. Deposit in Mainstream banks (Saving/recurrent account)	☐
2. Fixed Deposit	☐
3. Mutual funds/Special Investment Plans (SIPs)	☐
4. Real Estate/Property	☐
5. Gold Investment	☐
6. Co-operative small fund investment	☐
7. Insurance (Health Insurance)	☐
8. Insurance (Life Insurance)	☐
9. Term Plan (With pension facility)	☐

10. Local or personalized debt lending or debt-oriented investment
11. Post Office
12. Chit Funds

s. Kindly indicate your awareness and participation in the below mentioned financial inclusion programs

Financial Inclusion Programmes	Aware	Availed
1. Pradhan Mantri Jan Dhan Yojana (PMJDY)		
2. Atal Pension Yojana (APY)		
3. Pradhan Mantri Vaya Vandana Yojana (PMVVY)		
4. Start Up India Scheme		
5. Pradhan Mantri Mudra Yojana (PMMY)		
6. Pradhan Mantri Suraksha Bima Yojana (PMSBY)		
7. Sukanya Samriddhi Yojana (SSY)		
8. Jeevan Suraksha Bandhan Yojana		
9. Credit Enhancement Guarantee Scheme (CEGS) for Scheduled Castes (SCs)		
10.Venture Capital Fund for Scheduled Castes under the Social Sector Initiatives		
11. Varishtha Pension Bima Yojana (VPBY)		
12. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)		
13. Pradhan Mantri Shram Yogi Maan-Dhan scheme (PMSYM)		

t. Have you ever participated in any financial literacy programs conducted by Financial Literacy Centers in your locality or elsewhere?

Yes ☐ No ☐

If No, specify the reason

Reasons	
1. Lack of Interest	
2. Lack of time	
3. Far distance (far location of financial literacy centers)	

4. Lack of communication

5. Threat or risk of information exchange

6. Lack of awareness of financial literacy centers

PART- B

Note: The following questions are presented in 5-Point Likert's scale. Kindly put a (√) mark to indicate your preference and the precise response for respective statements.

a. FINANCIAL LITERACY

Variables	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I. Financial knowledge					
1. The purchasing power of ₹ 100 in hand today, is relatively more than the same amount an year after	☐	☐	☐	☐	☐
2. If someone borrows a sum of ₹ 100 from you today and gives ₹ 100 a day after, then no interest is said to be received on that loan.	☐	☐	☐	☐	☐
3. An investment of ₹ 100 at 2% p. a simple interest will result in exactly ₹ 102 in the account at the end of the year.	☐	☐	☐	☐	☐
4. An investment of ₹ 100 made at a compound interest of 2% p. a will result in more than ₹ 110 in the account at the end of 5 years.	☐	☐	☐	☐	☐
5. If someone offers you the chance to make a lot of money it is likely that there is also a chance that you will lose a lot of money	☐	☐	☐	☐	☐
6. High inflation means that the cost of living is increasing rapidly	☐	☐	☐	☐	☐
7. It is less likely that you will lose all of your money if you save it in more than one place	☐	☐	☐	☐	☐
II. Financial Attitude					
1. I tend to live for today and let tomorrow take care of itself.	☐	☐	☐	☐	☐
2. I find it more satisfying to spend money than to save it for the long term.	☐	☐	☐	☐	☐
3. Money is meant for spending.	☐	☐	☐	☐	☐
4. It is important to discuss money matters with family and friends	☐	☐	☐	☐	☐

5. Money is meant to be earned and spent not to be planned, saved or managed					
III. Financial Behaviour					
1. I take utmost care in making financial decisions of my family by preparing a household budget.					
2. I have an active saving plan.					
3. I have the capacity to face any major expense equivalent to my monthly income without borrowing from outside.					
4. I compare the price of things before I buy them.					
5. I choose the products that I buy very carefully by considering the information and advice available.					
6. I keep a close personal watch on my financial affairs.					
7. I set long term financial goals and strive to achieve them.					
8. Before I buy something I carefully consider it's affordability					
9. I pay my bills on time.					

b. FINANCIAL WELL- BEING

Variables	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I. Better Financial Status					
1. I am satisfied with my present financial situation					
2. My financial situation limits my ability to do the things important to me					
3. I have too much loans right now					
II. Ability to Meet Commitments					
1. I tend to worry about paying my normal living expenses					
2. My finances control my life					

3. I have money left over at the end of the month					
III. Resilience for Future					
1. Because of my money situation, I feel like I will never have the things I want in life					
2. I am concerned that my money won't last					
3. I am just getting by financially					

c. ATTITUDE TOWARDS PERSONAL FINANCIAL MANAGEMENT

Variables	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. A situational awareness based or adaptive financial planning and management can help ensuring better financial wellbeing in future					
2. Living at present, forgetting the future (towards financial planning) can give more satisfaction towards personal earning and living					
3. It is preferable to make expenses for current demands, irrespective of future needs					
4. Unskilled or inappropriate financial practices can cause no-left over fund when needed					
5. Proportionate saving pattern of increasing savings with increased income helps retaining control over finance and hence supports financial wellbeing					
6.If given an opportunity, I would like to learn to manage my personal finance better					
7. The concept of Personal Financial Management is irrelevant for people with insufficient money					

d. PREFERENCE TOWARDS SAVING AND INVESTMENT AVENUES

Avenues	Always	Sometimes	Occasionally	Rarely	Never
1. Deposit in Mainstream banks (Saving/recurrent account)	☐	☐	☐	☐	☐
2. Fixed Deposit	☐	☐	☐	☐	☐
3. Mutual funds/Special Investment Plans (SIPs)	☐	☐	☐	☐	☐
4. Real Estate/Property	☐	☐	☐	☐	☐
5. Gold Investment	☐	☐	☐	☐	☐
6. Co-operative small fund investment	☐	☐	☐	☐	☐
7. Insurance (Health Insurance)	☐	☐	☐	☐	☐
8. Insurance (Life Insurance)	☐	☐	☐	☐	☐
9. Term Plan (With pension facility)	☐	☐	☐	☐	☐
10. Local or personalized debt lending or debt-oriented investment	☐	☐	☐	☐	☐
11.Post Office	☐	☐	☐	☐	☐
12. Chit Funds	☐	☐	☐	☐	☐
13. Cash accumulation	☐	☐	☐	☐	☐
14. Living at present, irrespective of future demands or needs	☐	☐	☐	☐	☐

e. PERSONAL FINANCIAL MANAGEMENT PRACTICES

Personal Financial Management Practices	Always	Often	Sometimes	Rarely	Never
I. Money Management					
1. I keep track of my income and expenses	☐	☐	☐	☐	☐
2. I stay away from spending on unnecessary or unplanned stuffs	☐	☐	☐	☐	☐
3. I never spend more than I can afford	☐	☐	☐	☐	☐

4. I give priority to my needs than wants while spending	☐	☐	☐	☐	☐
5. I am never careless in money matters	☐	☐	☐	☐	☐
6. I always spend as per my plan or budget	☐	☐	☐	☐	☐
7. I keep close watch on my amount of spending	☐	☐	☐	☐	☐
8. I always make sure that my financial situation is never out of control	☐	☐	☐	☐	☐
9. I fix goals for managing my money	☐	☐	☐	☐	☐
10. I am capable of achieving money management goals	☐	☐	☐	☐	☐
II. Debt Management					
1. I compare the rate of interests to be paid on the debts while borrowing	☐	☐	☐	☐	☐
2. I do not depend on informal money lenders for borrowing	☐	☐	☐	☐	☐
3. I pay interests on time.	☐	☐	☐	☐	☐
4. I repay the principal amount of loan taken within the specified time.	☐	☐	☐	☐	☐
5. I collect the loans owed to me properly.	☐	☐	☐	☐	☐
6. I consider my repayment ability before borrowing and do not borrow more than my repayment capacity.	☐	☐	☐	☐	☐
7. I invest the borrowed amount in short term return yielding instruments like chit funds to earn quick returns and repay the debts	☐	☐	☐	☐	☐
8. I always make sure that I donot undertake excess borrowing	☐	☐	☐	☐	☐
9. I maintain good credit history with my sources of borrowing	☐	☐	☐	☐	☐
III. Savings Management					
1. I keep aside a part of my income as savings	☐	☐	☐	☐	☐
2. I save before spending my income	☐	☐	☐	☐	☐
3. I save out of every income that I get	☐	☐	☐	☐	☐

4. I increase the amount of savings when my income increases	☐	☐	☐	☐	☐
5. I have a fixed savings pattern that I review often	☐	☐	☐	☐	☐
6. I have kept aside some money to meet my future needs	☐	☐	☐	☐	☐
7. I always look forward to save money wherever possible	☐	☐	☐	☐	☐
8. I save atleast 10 per cent of my gross monthly income	☐	☐	☐	☐	☐
9. I have a savings plan for both short term and long term requirements of my household	☐	☐	☐	☐	☐
IV. Investment Management					
1. I have a source of income other than my occupation	☐	☐	☐	☐	☐
2. I consider the risk involved while making investments	☐	☐	☐	☐	☐
3. I compare the returns while making investment decisions	☐	☐	☐	☐	☐
4. I look for liquidity of the investment products	☐	☐	☐	☐	☐
5. I assign long term goals to my money	☐	☐	☐	☐	☐
6. I have diversified investment pattern	☐	☐	☐	☐	☐
7. I will analyse the information related to the source before making any investments	☐	☐	☐	☐	☐
8. I know the calculation of interest that I earn from my investments	☐	☐	☐	☐	☐

f. CHALLENGES IN ADOPTING PERSONAL FINANCIAL MANAGEMENT

Challenges	**Strongly Agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
1. Lack of knowledge regarding financial instruments	☐	☐	☐	☐	☐
2. Lack of access to financial market	☐	☐	☐	☐	☐
3. Lack of excess income	☐	☐	☐	☐	☐

4. Irregular or uncertain income patterns	☐	☐	☐	☐	☐
5.Present Living fulfillment/Accomplishment	☐	☐	☐	☐	☐
6. Lack of secondary source of income	☐	☐	☐	☐	☐
7. High-cost of living	☐	☐	☐	☐	☐
8. Delayed income/salary/wage	☐	☐	☐	☐	☐
9. Uncertain health/life conditions	☐	☐	☐	☐	☐
10. Uncertain living conditions (home/ job/ enterprise due to mobile-working nature)	☐	☐	☐	☐	☐
11. Past or inherited or current financial debt or liability	☐	☐	☐	☐	☐
12. No trust on financial institutions, especially insurance firms, chit-funds, SHG, etc.	☐	☐	☐	☐	☐
13. Misleading/ cheating intermediaries	☐	☐	☐	☐	☐

Thank you for your co-operation and sparing your valuable time and assisting for my research work

Research Scholar

Meghana D. S.

INTERVIEW SCHEDULE
(KANNADA VERSION)

Annexure- II

ಅಸಂಘಟಿತ ವಲಯದ ಕಾರ್ಮಿಕರ ಪ್ರಶ್ನಾವಳಿ
(ಕೃಷಿ ಕಾರ್ಮಿಕರು, ಕಟ್ಟಡ ನಿರ್ಮಾಣ ಕಾರ್ಮಿಕರು, ಗೃಹಾಧಾರಿತ ಆಹಾರ ಮತ್ತು ಪಾನೀಯಗಳ ತಯಾರಕರು)

ಆತ್ಮೀಯ ಪ್ರತಿವಾದಿಗಳೇ/ಪ್ರತಿಕ್ರಿಯಾಗಾರರೇ,

ಮೇಘನಾ ಡಿ.ಎಸ್., ಎಂಬ ಸಂಶೋಧನಾರ್ಥಿಯಾದ ನಾನು ಡಾ. ಕೆ.ಎಸ್. ಸರಳಾ, ಪ್ರಾಧ್ಯಾಪಕರು, ವಾಣಿಜ್ಯ ಮತ್ತು ನಿರ್ವಹಣಾ ವಿಭಾಗ, ಸಹ್ಯಾದ್ರಿ ವಾಣಿಜ್ಯ ಮತ್ತು ನಿರ್ವಹಣಾ ಕಾಲೇಜು (ಕುವೆಂಪು ವಿಶ್ವವಿದ್ಯಾನಿಲಯದ ಘಟಕ ಸಂಸ್ಥೆ), ಶಿವಮೊಗ್ಗ ಇವರ ಮಾರ್ಗದರ್ಶನದಲ್ಲಿ "ಕರ್ನಾಟಕದ ಅಸಂಘಟಿತ ವಲಯದ ಕಾರ್ಮಿಕರಲ್ಲಿ ವೈಯಕ್ತಿಕ ಹಣಕಾಸು ನಿರ್ವಹಣಾ ಅಭ್ಯಾಸಗಳ ಕುರಿತು ಒಂದು ಅಧ್ಯಯನ" ಎಂಬ ವಿಷಯ ಕುರಿತು ವಾಣಿಜ್ಯ ವಿಭಾಗದಲ್ಲಿ ಪಿಹೆಚ್.ಡಿ. ಪದವಿಗಾಗಿ ಸಂಶೋಧನೆಯನ್ನು ಮಾಡುತ್ತಿದ್ದೇನೆ. ನನ್ನ ಅಧ್ಯಯನದ ಒಂದು ಭಾಗವಾಗಿ ನಿಮ್ಮ ವೈಯಕ್ತಿಕ ಹಣಕಾಸು ನಿರ್ವಹಣಾ ಅಭ್ಯಾಸಗಳ ಬಗ್ಗೆ ಪ್ರತಿಕ್ರಿಯೆಯನ್ನು ಪಡೆಯಲು ಇಚ್ಛಿಸುತ್ತೇನೆ. ನೀವು ಒದಗಿಸಿದ ಮಾಹಿತಿಯನ್ನು ಗೌಪ್ಯವಾಗಿಡಲಾಗುವುದು ಹಾಗೂ ಅದನ್ನು ಶೈಕ್ಷಣಿಕ ಉದ್ದೇಶಕ್ಕಾಗಿ ಮಾತ್ರ ಬಳಸಲಾಗುತ್ತದೆ ಈ ಪ್ರಶ್ನಾವಳಿಗೆ ಉತ್ತರಿಸಿ ನನ್ನ ಸಂಶೋಧನಾ ಕಾರ್ಯದಲ್ಲಿ ನನಗೆ ಸಹಾಯ ಮಾಡಲು ನಿಮ್ಮ ಅಮೂಲ್ಯ ಸಮಯವನ್ನು ನೀಡಬೇಕೆಂದು ತಮ್ಮಲ್ಲಿ ವಿನಂತಿಸುತ್ತೇನೆ.

ವಂದನೆಗಳೊಂದಿಗೆ,

ಮೇಘನಾ ಡಿ.ಎಸ್.

ಭಾಗ – ಎ

ನಿಮ್ಮ ಆದ್ಯತೆ ಮತ್ತು ಆಯಾ ಪ್ರಶ್ನೆಯ ನಿಖರತೆಯ ಮೇರೆಗೆ ಪ್ರತಿಕ್ರಿಯೆಯನ್ನು ಸೂಚಿಸಲು (√) ಗುರುತು ಹಾಕಿ

ಎ. ಲಿಂಗ

ಪುರುಷ ☐ ಮಹಿಳೆ ☐ ಇತರೆ ☐

ಬಿ. ವಯಸ್ಸು ....

ಸಿ. ವಿದ್ಯಾಭ್ಯಾಸ

ಶಾಲಾ ಶಿಕ್ಷಣ ಪಡೆದಿಲ್ಲ ☐ ಪ್ರಾಥಮಿಕ ☐ ಪ್ರೌಢಶಾಲೆ ☐

ಪಿಯುಸಿ ☐ ಪದವಿಪೂರ್ವ ☐ ಪದವೀಧರ ☐

ಡಿಪ್ಲೊಮಾ, ಐಐಟಿ ☐ ಇತರೆ ☐

ಡಿ. ಪ್ರಸ್ತುತ ಉದ್ಯೋಗ ....

ಇ. ಉದ್ಯೋಗದ ಸ್ವರೂಪ

ಸ್ವ ಉದ್ಯೋಗ ☐ ದಿನಗೂಲಿ ಆಧಾರದ ಮೇಲೆ ☐

ಗುತ್ತಿಗೆ ಆಧಾರದ ಮೇಲೆ ☐ ಮಾಸಿಕ ವೇತನ/ಸಂಬಳದ ಆಧಾರದಲ್ಲಿ ☐

ಎಫ್. ಒಟ್ಟು ಮಾಸಿಕ ಆದಾಯ ....

ಜಿ. ಒಟ್ಟು ಮಾಸಿಕ ಉಳಿತಾಯ ....

ಹೆಚ್. ವೈವಾಹಿಕ ಸ್ಥಿತಿ

ಏಕೈಕ ☐ ವಿವಾಹಿತ ☐ ವಿಚ್ಛೇದನ ☐ ವಿಧವೆ ☐

ಐ. ಕುಟುಂಬದ ಸದಸ್ಯರ ಸಂಖ್ಯೆ

2 ಅಥವಾ ಕಡಿಮೆ ☐ 2–4 ☐ 4–6 ☐ 6 ಕ್ಕಿಂತ ಹೆಚ್ಚು ☐

ಜೆ. ಸ್ಥಳ

ನಗರ ☐ ಗ್ರಾಮೀಣ ☐ ಅರೆ ನಗರ ☐

ಕೆ. ವಸತಿ ವಿಧಾನ

ಸ್ವಗೃಹ ☐ ಬಾಡಿಗೆ ಮನೆ ☐

ಭೋಗ್ಯದ ಮನೆ ☐ ತಾತ್ಕಾಲಿಕ ಗುಡಿಸಲು/ಡೇರೆಗಳು ☐

ಎಲ್. ನಿಮಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸ್ವರೂಪ/ವ್ಯವಸ್ಥೆಯ ಅರಿವು ಇದೆಯೇ?

ಹೌದು ☐ ಇಲ್ಲ ☐

ಎಂ. ನಿಮಗೆ ಅನೌಪಚಾರಿಕ ಹಣಕಾಸಿನ ಅಭ್ಯಾಸಗಳಾದ ಸ್ಥಳೀಯ ಧನಸಹಾಯ, ಸಾಲ, ಚಿಟ್‌ಫಂಡ್‌ಗಳ ಬಗ್ಗೆ ಅರಿವು ಇದೆಯೇ?

ಹೌದು ☐ ಇಲ್ಲ ☐

ಎನ್. ನೀವು ಸಾಲ ಪಡೆಯಲು ಯಾವ ಮೂಲಕ್ಕೆ ಹೆಚ್ಚಿನ ಆದ್ಯತೆ ನೀಡುವಿರಿ

ಬ್ಯಾಂಕ್‌ಗಳು ☐ ಕೋ–ಆಪರೇಟಿವ್ ಬ್ಯಾಂಕ್‌ಗಳು/ಎಸ್‌ಹೆಚ್‌ಜಿಗಳು ☐

ಸ್ಥಳೀಯ ಲೇವಾದೇವಿದಾರರು ☐ ಸ್ನೇಹಿತರು/ಸಂಬಂಧಿಕರು ☐

ಒ. ನೀವು ಸಾಲ ತೆಗೆದುಕೊಳ್ಳುವ ಮೂಲದ ಕಡೆಗೆ ಆದ್ಯತೆ ನೀಡಲು ಕಾರಣವೇನು?

ಕಡಿಮೆ/ಬಡ್ಡಿ ಇಲ್ಲ	☐	ಸುಲಭ ಮರುಪಾವತಿ ವಿಧಾನ	☐
ಸುಲಭವಾಗಿ ಪಡೆಯಬಹುದು	☐	ಬೇರೆ ಆಯ್ಕೆಗಳಿಲ್ಲ	☐

ಪಿ. ಪ್ರಸ್ತುತ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಖಾತೆ ಚಾಲ್ತಿಯಲ್ಲಿದೆಯೇ?

ಹೌದು ☐ ಇಲ್ಲ ☐

ಇಲ್ಲದಿದ್ದರೆ, ಬ್ಯಾಂಕ್ ಖಾತೆ ಇಲ್ಲದಿರುವುದಕ್ಕೆ ಕಾರಣವನ್ನು ನೀಡಿ

	ಅಂಶಗಳು	
1	ಇದು ಸೂಕ್ತವಲ್ಲದ್ದು ಅಥವಾ ಅಮುಖ್ಯವಾದದ್ದು ಎನಿಸಿದಕ್ಕೆ	☐
2	ಮರುಕಳಿಸುವ ಖರ್ಚಿನಿಂದ ಉಳಿತಾಯವಿಲ್ಲದಿರುವುದರಿಂದ	☐
3	ಖಾತೆ ತೆರೆಯುವ ಮತ್ತು ಕಾರ್ಯನಿರ್ವಹಿಸುವ ಸಂಕೀರ್ಣ ಪ್ರಕ್ರಿಯೆಯಿಂದ	☐
4	ಅಗತ್ಯವಾದ KYC ದಾಖಲೆಗಳು ಇಲ್ಲದಿರುವುದರಿಂದ	☐
5	ವಹಿವಾಟಿನ ಕೊರತೆಯಿಂದಾಗಿ ಖಾತೆಯನ್ನು ಮುಚ್ಚಲಾಗಿದೆ	☐
6	ಸಹಕಾರಿ ಸಣ್ಣನಿಧಿ ಹೂಡಿಕೆ	☐
7	ಬ್ಯಾಂಕುಗಳು ಬಹು ದೂರವಿರುವುದರಿಂದ	☐
8	ನಂಬಿಕೆಯ ಕೊರತೆ (ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯ ಮುಖ್ಯವಾಹನಿಯ ಕುರಿತು)	☐

ಕ್ಯೂ. ಕೆಲವು ಹೂಡಿಕೆಗಳನ್ನು ಮಾಡಲು ನಿಮ್ಮ ಆವರ್ತಕ ಅಥವಾ ಅವಧಿಯ ಆದಾಯವು ನಿಮ್ಮ ವೆಚ್ಚವನ್ನು ಮೀರುತ್ತದೆಯೇ?

ಹೌದು ☐ ಇಲ್ಲ ☐

ಆರ್. ವಿಭಿನ್ನ ವೈಯಕ್ತಿಕ ಹಣಕಾಸು ನಿರ್ವಹಣೆಯ ಅಭ್ಯಾಸಗಳ ಬಗ್ಗೆ ಇರುವ ಅರಿವನ್ನು ದಯಮಾಡಿ ತಿಳಿಸಿ

ಮಾರ್ಗಗಳು	
1. ಮುಖ್ಯವಾಹಿನಿಯ ಬ್ಯಾಂಕುಗಳಲ್ಲಿ ಠೇವಣಿ (ಉಳಿತಾಯ/ಮಾಸಿಕ ಠೇವಣಿ)	☐
2. ಸ್ಥಿರ ಠೇವಣಿ	☐
3. ಮ್ಯೂಚುಯಲ್ ಫಂಡ್‌ಗಳು/ವಿಶೇಷ ಹೂಡಿಕೆ ಯೋಜನೆಗಳು	☐
4. ಸ್ಥಿರಾಸ್ತಿ/ಆಸ್ತಿ	☐
5. ಚಿನ್ನದ ಮೇಲೆ ಹೂಡಿಕೆ	☐
6. ಸಹಕಾರಿ ಸಣ್ಣನಿಧಿ ಹೂಡಿಕೆ	☐
7. ವಿಮೆ (ಆರೋಗ್ಯ ವಿಮೆ)	☐
8. ವಿಮೆ (ಜೀವವಿಮೆ)	☐
9. ಅವಧಿ ಯೋಜನೆ (ಪಿಂಚಣಿ ಸೌಲಭ್ಯದೊಂದಿಗೆ)	☐
10. ಸ್ಥಳೀಯ ಅಥವಾ ವೈಯಕ್ತಿಕ ಸಾಲ ನೀಡುವಿಕೆ ಅಥವಾ ಸಾಲ ಆಧಾರಿತ ಹೂಡಿಕೆ	☐
11. ಅಂಚೆ ಕಛೇರಿ	☐
12. ಚಿಟ್ ಫಂಡ್‌ಗಳು	☐

ಎಸ್. ವಿವಿಧ ಆರ್ಥಿಕ ಸೇರ್ಪಡೆ ಕಾರ್ಯಕ್ರಮಗಳಲ್ಲಿ ಅರಿವು ಮತ್ತು ಭಾಗವಹಿಸುವಿಕೆಯನ್ನು ದಯಮಾಡಿ ಸೂಚಿಸಿ

	ಆರ್ಥಿಕ ಸೇರ್ಪಡೆ ಕಾರ್ಯಕ್ರಮಗಳು	ತಿಳಿದಿದೆ	ಸಹಾಯ ಪಡೆದಿದ್ದೇನೆ
1.	ಪ್ರಧಾನ್‌ಮಂತ್ರಿ ಜನ್ ಧನ್ ಯೋಜನೆ (PMJDY)	☐	☐
2.	ಅಟಲ್ ಪಿಂಚಣಿ ಯೋಜನೆ (APY)	☐	☐
3.	ಪ್ರಧಾನಮಂತ್ರಿ ವಯ ವಂದನಾ ಯೋಜನೆ (PMVVY)	☐	☐
4.	ಸ್ಟಾರ್ಟ್ ಅಪ್ ಇಂಡಿಯಾ ಯೋಜನೆ	☐	☐
5.	ಪ್ರಧಾನ್ ಮಂತ್ರಿ ಮುದ್ರಾ ಯೋಜನೆ (PMMY)	☐	☐
6.	ಪ್ರಧಾನಮಂತ್ರಿ ಸುರಕ್ಷಾ ಬಿಮಾ ಯೋಜನೆ (PMSBY)	☐	☐
7.	ಸುಕನ್ಯಾ ಸಮೃದ್ಧಿ ಯೋಜನೆ (SSY)	☐	☐
8.	ಜೀವನ್ ಸುರಕ್ಷಾ ಬಂಧನ್ ಯೋಜನೆ	☐	☐
9.	ಪರಿಶಿಷ್ಟ ವರ್ಗದವರಿಗಾಗಿ ಕ್ರೆಡಿಟ್ ಎನ್‌ಹ್ಯಾನ್ಸ್‌ಮೆಂಟ್ ಗ್ಯಾರಂಟಿ ಸ್ಕೀಮ್ (CEGS)	☐	☐
10.	ಸಾಮಾಜಿಕ ವಲಯ ಉಪಕ್ರಮಗಳ ಅಡಿಯಲ್ಲಿ ಪರಿಶಿಷ್ಟ ವರ್ಗದವರಿಗೆ ವೆಂಚರ್ ಕ್ಯಾಪಿಟಲ್ ಫಂಡ್	☐	☐
11.	ವರಿಷ್ಠ ಪೆನ್ಷನ್ ಬಿಮಾ ಯೋಜನೆ (VPBY)	☐	☐
12.	ಪ್ರಧಾನಮಂತ್ರಿ ಜೀವನ ಜ್ಯೋತಿ ಬಿಮಾ ಯೋಜನೆ (PMJJBY)	☐	☐
13.	ಪ್ರಧಾನಮಂತ್ರಿ ಶ್ರಮ ಯೋಗಿ ಮನ್-ಧನ್ ಯೋಜನೆ (PMSYM)	☐	☐

ಟ. ನಿಮ್ಮ ಪ್ರದೇಶದಲ್ಲಿ ಅಥವಾ ಎಲ್ಲಿಯಾದರೂ ನೀವು ಯಾವುದೇ ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಕಾರ್ಯಕ್ರಮಗಳಲ್ಲಿ ಅಥವಾ ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಕೇಂದ್ರಗಳಲ್ಲಿ ಭಾಗವಹಿಸಿದ್ದೀರಾ?

ಹೌದು ☐ ಇಲ್ಲ ☐

ಇಲ್ಲದಿದ್ದರೆ, ಇಲ್ಲದಿರುವುದಕ್ಕೆ ಕಾರಣವನ್ನು ನೀಡಿ

ಕಾರಣಗಳು	
1. ಆಸಕ್ತಿಯ ಕೊರತೆ	☐
2. ಸಮಯದ ಅಭಾವ	☐
3. ದೂರದ ಸ್ಥಳ (ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಕೇಂದ್ರದಿಂದ ದೂರವಿರುವುದು)	☐
4. ಸಂವಹನದ ಕೊರತೆ	☐
5. ಮಾಹಿತಿ ವಿನಿಮಯದ ಹೆದರಿಕೆ ಅಥವಾ ಅಪಾಯ	☐
6. ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಕೇಂದ್ರದ ಬಗ್ಗೆ ಅರಿವಿನ ಕೊರತೆ	☐

ಭಾಗ – ಬಿ

ಕೆಳಗಿನ ಪ್ರಶ್ನೆಗಳನ್ನು 5 ಪಾಯಿಂಟ್ ಲಿಕರ್ಟ್‌ನ ಪ್ರಮಾಣದಲ್ಲಿ ಪ್ರಸ್ತುತಪಡಿಸಲಾಗಿದೆ. ನಿಮ್ಮ ಆದ್ಯತೆ ಮತ್ತು ಆಯಾ ಪ್ರಶ್ನೆಗಳಿಗೆ ನಿಖರವಾದ ಪ್ರತಿಕ್ರಿಯೆಯನ್ನು ಸೂಚಿಸಲು ದಯವಿಟ್ಟು (√) ಗುರುತು ಹಾಕಿ

ಎ. ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆ

ಚರಾಂಶಗಳು	ಬಲವಾಗಿ ಒಪ್ಪುತ್ತೇನೆ	ಒಪ್ಪುತ್ತೇನೆ	ತಟಸ್ಥ	ಒಪ್ಪುವುದಿಲ್ಲ	ಬಲವಾಗಿ ಒಪ್ಪುವುದಿಲ್ಲ
I. ಆರ್ಥಿಕ ಜ್ಞಾನ					
1. ಇಂದು ಕೈಯಲ್ಲಿರುವ ರೂ. 100 ರ ಖರೀದಿ ಸಾಮರ್ಥ್ಯವು ಒಂದು ವರ್ಷದ ನಂತರ ಅದೇ ಮೊತ್ತಕ್ಕಿಂತ ಹೆಚ್ಚಾಗಿದೆ					
2. ಯಾರಾದರೂ ನಿಮ್ಮಿಂದ ರೂ. 100 ಸಾಲ ಪಡೆದು ರೂ. 100 ನ್ನು ಮರುದಿನ ಪಾವತಿ ಮಾಡಿದರೆ ಆ ಹಣದ ಮೇಲೆ ಯಾವುದೇ ರೀತಿಯ ಬಡ್ಡಿಯನ್ನು ಪಡೆದಿಲ್ಲ ಎಂದು ಹೇಳಲಾಗುತ್ತದೆ					
3. ವರ್ಷಕ್ಕೆ ಶೇ. 2% ಬಡ್ಡಿದರದಂತೆ ರೂ. 100 ನ್ನು ಹೂಡಿಕೆ ಮಾಡಿದರೆ ವರ್ಷದ ಕೊನೆಯಲ್ಲಿ ಖಾತೆಗೆ ರೂ. 102 ನಿಖರವಾಗಿ ದೊರೆಯುತ್ತದೆ					
4. ವರ್ಷಕ್ಕೆ ಶೇ. 2% ಬಡ್ಡಿದರದಂತೆ ರೂ. 100 ನ್ನು ಹೂಡಿಕೆ ಮಾಡಿದರೆ 5 ವರ್ಷದ ಕೊನೆಯಲ್ಲಿ ರೂ. 110 ಕ್ಕಿಂತ ಹೆಚ್ಚು ಹಣವು ಖಾತೆಯಲ್ಲಿರುತ್ತದೆ					
5. ಯಾರಾದರೂ ನಿಮಗೆ ಅತಿ ಹೆಚ್ಚು ಹಣವನ್ನು ಗಳಿಸುವ ಅವಕಾಶ ನೀಡಿದರೆ, ಅತಿ ಹೆಚ್ಚು ಹಣವನ್ನು ಕಳೆದುಕೊಳ್ಳುವ ಸಾಧ್ಯತೆ ಕೂಡ ಇರುತ್ತದೆ					
6. ಹೆಚ್ಚಿನ ಹಣದುಬ್ಬರ ಎಂದರೆ ಜೀವನ ವೆಚ್ಚ ವೇಗವಾಗಿ ಹೆಚ್ಚುತ್ತಿದೆ ಎಂದರ್ಥ					
7. ನೀವು ಒಂದಕ್ಕಿಂತ ಹೆಚ್ಚು ಸ್ಥಳದಲ್ಲಿ ಹಣವನ್ನು ಉಳಿಸಿದರೆ ಎಲ್ಲಾ ಹಣವನ್ನು ನೀವು ಕಳೆದುಕೊಳ್ಳುವ ಸಾಧ್ಯತೆ ಕಡಿಮೆ					
II. ಆರ್ಥಿಕ ನಿಲುವು					
1. ನಾನು ಇಂದು ಬದುಕಲು ಒಲವು ತೋರುತ್ತೇನೆ ಮತ್ತು ನಾಳೆ ತನ್ನನ್ನು ತಾನೇ ನೋಡಿಕೊಳ್ಳುತ್ತದೆ					
2. ಹಣವನ್ನು ದೀರ್ಘಕಾಲದವರೆಗೆ ಉಳಿಸುವು–ದಕ್ಕಿಂತ ಖರ್ಚು ಮಾಡುವುದು ಹೆಚ್ಚು ತೃಪ್ತಿಕರವಾಗಿದೆ ಎಂದು ನಾನು ಭಾವಿಸುತ್ತೇನೆ					
3. ಖರ್ಚು ಮಾಡಲೆಂದೇ ಹಣವಿದೆ					

4.	ಹಣದ ವಿಷಯವಾಗಿ ಕುಟುಂಬದವರು ಮತ್ತು ಸ್ನೇಹಿತರೊಂದಿಗೆ ಚರ್ಚಿಸುವುದು ಮುಖ್ಯ					
5.	ಹಣವನ್ನು ಸಂಪಾದಿಸುವುದು ಖರ್ಚು ಮಾಡಲು, ಯೋಜಿಸಲು, ಉಳಿಸಲು ಅಥವಾ, ನಿರ್ವಹಿಸಲು ಅಲ್ಲ					
	III. ಆರ್ಥಿಕ ವರ್ತನೆ					
1.	ಮನೆಯ ಹಣಕಾಸಿನ ಯೋಜನೆಯನ್ನು ಸಿದ್ಧಪಡಿಸುವ ಮೂಲಕ ನನ್ನ ಕುಟುಂಬದ ಆರ್ಥಿಕ ನಿರ್ಧಾರಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳುವಲ್ಲಿ ನಾನು ಹೆಚ್ಚು ಕಾಳಜಿವಹಿಸುತ್ತೇನೆ					
2.	ನನಗೆ ಸಕ್ರೀಯ ಉಳಿತಾಯ ಯೋಜನೆ ಇದೆ					
3.	ಹೊರಗಿನಿಂದ ಸಾಲ ಪಡೆಯದೆ ನನ್ನ ಮಾಸಿಕ ಆದಾಯಕ್ಕೆ ಸಮಾನವಾದ ಪ್ರಮುಖ ವೆಚ್ಚವನ್ನು ಎದುರಿಸುವ ಸಾಮರ್ಥ್ಯ ನನ್ನಲ್ಲಿದೆ					
4.	ನಾನು ವಸ್ತುಗಳನ್ನು ಖರೀದಿಸುವ ಮುನ್ನ ಅವುಗಳ ಬೆಲೆಯನ್ನು ತುಲನೆ ಮಾಡುತ್ತೇನೆ					
5.	ಲಭ್ಯವಿರುವ ಮಾಹಿತಿ ಮತ್ತು ಸಲಹೆಗಳನ್ನು ಪರಿಗಣಿಸಿ ಬಹು ಎಚ್ಚರಿಕೆಯಿಂದ ಖರೀದಿಸುವ ಉತ್ಪನ್ನಗಳನ್ನು ಆಯ್ಕೆ ಮಾಡುತ್ತೇನೆ					
6.	ನನ್ನ ಹಣಕಾಸಿನ ವ್ಯವಹಾರಗಳ ಬಗ್ಗೆ ನಾನು ವೈಯಕ್ತಿಕವಾಗಿ ನಿಗಾ ವಹಿಸುತ್ತೇನೆ					
7.	ನಾನು ದೀರ್ಘಾವಧಿಯ ಆರ್ಥಿಕ ಗುರಿಗಳನ್ನು ಹೊಂದಿರುತ್ತೇನೆ ಮತ್ತು ಅವುಗಳನ್ನು ಸಾಧಿಸಲು ಪ್ರಯತ್ನಿಸುತ್ತೇನೆ					
8.	ನಾನು ಏನನ್ನಾದರೂ ಖರೀದಿಸುವ ಮುನ್ನ ನಾನು ಆ ಖರ್ಚನ್ನು ನಿಭಾಯಿಸಬಹುದೇ ಎಂದು ಎಚ್ಚರಿಕೆಯಿಂದ ಪರಿಗಣಿಸುತ್ತೇನೆ					
9.	ನಾನು ನನ್ನ ದರಪಟ್ಟಿಯನ್ನು ಸಮಯಕ್ಕೆ ಪಾವತಿಸುತ್ತೇನೆ					

ಬಿ. ಆರ್ಥಿಕ ಯೋಗಕ್ಷೇಮ

	ಚರಾಂಶಗಳು	ಬಲವಾಗಿ ಒಪ್ಪುತ್ತೇನೆ	ಒಪ್ಪುತ್ತೇನೆ	ತಟಸ್ಥ	ಒಪ್ಪುವುದಿಲ್ಲ	ಬಲವಾಗಿ ಒಪ್ಪುವುದಿಲ್ಲ
	I. ಉತ್ತಮ ಆರ್ಥಿಕ ಸ್ಥಿತಿ					
1.	ನನ್ನ ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ಪರಿಸ್ಥಿತಿಯಿಂದ ನಾನು ತೃಪ್ತನಾಗಿದ್ದೇನೆ					
2.	ನನ್ನ ಆರ್ಥಿಕ ಪರಿಸ್ಥಿತಿಯು ನನಗೆ ಮುಖ್ಯವಾದ ಕೆಲಸಗಳನ್ನು ಮಾಡುವ ಸಾಮರ್ಥ್ಯವನ್ನು ಮಿತಿಗೊಳಿಸುತ್ತದೆ					
3.	ನನ್ನ ಬಳಿ ಇದೀಗ ತುಂಬಾ ಸಾಲವಿದೆ					

	II. ಹೊಣೆಗಾರಿಕೆ ನಿರ್ವಹಣಾ ಸಾಮರ್ಥ್ಯ					
1.	ನನ್ನ ಸಾಮಾನ್ಯ ಜೀವನ ವೆಚ್ಚವನ್ನು ಪಾವತಿಸುವ ಬಗ್ಗೆ ನಾನು ಚಿಂತಿಸುತ್ತೇನೆ					
2.	ನನ್ನ ಹಣಕಾಸು ನನ್ನ ಜೀವನವನ್ನು ನಿಯಂತ್ರಿಸುತ್ತದೆ					
3.	ತಿಂಗಳ ಕೊನೆಯಲ್ಲಿ ನನ್ನ ಬಳಿ ಹಣ ಉಳಿಯುತ್ತದೆ					
	III. ಭವಿಷ್ಯಕ್ಕಾಗಿ ನಿಶ್ಚಲತೆ					
1.	ನನ್ನ ಹಣಕಾಸಿನ ಪರಿಸ್ಥಿತಿಯಿಂದಾಗಿ ಜೀವನದಲ್ಲಿ ನಾನು ಬಯಸಿದ ವಸ್ತುಗಳನ್ನು ಎಂದಿಗೂ ಹೊಂದಲಾಗುವುದಿಲ್ಲ ಎಂದು ನಾನು ಭಾವಿಸುತ್ತೇನೆ					
2.	ನನ್ನ ಹಣ ಉಳಿಯುವುದಿಲ್ಲ ಎಂಬ ಕಾಳಜಿ ನನಗಿದೆ					
3.	ನನ್ನ ಆರ್ಥಿಕ ಸ್ಥಿತಿಯನ್ನು ಬಹಳ ಕಷ್ಟಪಟ್ಟು ಸಂಭಾಳಿಸುತ್ತಿದ್ದೇನೆ					

ಸಿ. ವೈಯಕ್ತಿಕ ಹಣಕಾಸು ನಿರ್ವಹಣೆಯ ಬಗ್ಗೆ ಮನೋಪ್ರವೃತ್ತಿ

	ಚರಾಂಶಗಳು	ಬಲವಾಗಿ ಒಪ್ಪುತ್ತೇನೆ	ಒಪ್ಪುತ್ತೇನೆ	ತಟಸ್ಥ	ಒಪ್ಪುವುದಿಲ್ಲ	ಬಲವಾಗಿ ಒಪ್ಪುವುದಿಲ್ಲ
1.	ಸಾಂದರ್ಭಿಕ ಅರಿವು ಆಧಾರಿತ ಅಥವಾ ಹೊಂದಾಣಿಕೆಯ ಹಣಕಾಸು ಯೋಜನೆ ಮತ್ತು ನಿರ್ವಹಣೆ ಭವಿಷ್ಯದಲ್ಲಿ ಉತ್ತಮ ಆರ್ಥಿಕತೆಯನ್ನು ಹೊಂದಲು ಸಹಾಯ ಮಾಡುತ್ತದೆ					
2.	ಭವಿಷ್ಯತ್‌ನ್ನು ಮರೆತು ಪ್ರಸ್ತುತದಲ್ಲಿ ಬದುಕುವುದು, (ಹಣಕಾಸು ಯೋಜನೆ ಕಡೆಗೆ) ಜೀವನಕ್ಕೆ ಹೆಚ್ಚಿನ ತೃಪ್ತಿಯನ್ನು ನೀಡುತ್ತದೆ					
3.	ಭವಿಷ್ಯದ ಅಗತ್ಯತೆಗಳನ್ನು ಲೆಕ್ಕಿಸದೆ ಪ್ರಸ್ತುತ ಬೇಡಿಕೆಗಳಿಗಾಗಿ ಖರ್ಚು ಮಾಡುವುದು ಉತ್ತಮ					
4.	ಅಸಮಂಜಸವಾದ ಅಥವಾ ಸೂಕ್ತವಲ್ಲದ ಹಣಕಾಸಿನ ನಿರ್ವಹಣೆಯಿಂದ ಅಗತ್ಯ–ವಿದ್ದಾಗ ಹಣಕಾಸು ಉಳಿದಿರುವುದಿಲ್ಲ					
5.	ಹೆಚ್ಚಿನ ಆದಾಯದೊಂದಿಗೆ ಹೆಚ್ಚಿನ ಉಳಿತಾಯ–ವನ್ನು ಮಾಡುವುದರಿಂದ ಹಣಕಾಸಿನ ಮೇಲೆ ನಿಯಂತ್ರಣ ಹೊಂದುವುದರೊಂದಿಗೆ ಆರ್ಥಿಕವಾಗಿ ಸಬಲರಾಗಲು ಬೆಂಬಲ ನೀಡುತ್ತದೆ					

ಡಿ. ಉಳಿತಾಯ ಮತ್ತು ಹೂಡಿಕೆಗೆ ಮಾರ್ಗಗಳು

	ಮಾರ್ಗಗಳು	ಯಾವಾಗಲೂ	ಕೆಲವೊಮ್ಮೆ	ಸಾಂದರ್ಭಿಕವಾಗಿ	ವಿರಳವಾಗಿ	ಎಂದಿಗೂ ಇಲ್ಲ
1.	ಮುಖ್ಯವಾಹಿನಿಯ ಬ್ಯಾಂಕುಗಳಲ್ಲಿ ಠೇವಣಿ (ಉಳಿತಾಯ/ಆರ್.ಡಿ. ಮಾಸಿಕ ಠೇವಣಿ)					
2.	ಸ್ಥಿರ ಠೇವಣಿ					
3.	ಮ್ಯೂಚ್ಯುಯಲ್ ಫಂಡ್‌ಗಳು/ವಿಶೇಷ ಹೂಡಿಕೆ ಯೋಜನೆಗಳು					
4.	ಸ್ಥಿರಾಸ್ತಿ/ಆಸ್ತಿ					
5.	ಚಿನ್ನದ ಮೇಲೆ ಹೂಡಿಕೆ					
6.	ಸಹಕಾರಿ ಸಣ್ಣನಿಧಿ ಹೂಡಿಕೆ					
7.	ವಿಮೆ (ಆರೋಗ್ಯ ವಿಮೆ)					
8.	ವಿಮೆ (ಜೀವವಿಮೆ)					
9.	ಅವಧಿ ಯೋಜನೆ (ಪಿಂಚಣಿ ಸೌಲಭ್ಯದೊಂದಿಗೆ)					
10.	ಸ್ಥಳೀಯ ಅಥವಾ ವೈಯಕ್ತಿಕ ಸಾಲ ನೀಡುವಿಕೆ ಅಥವಾ ಸಾಲ ಆಧಾರಿತ ಹೂಡಿಕೆ					
11.	ಅಂಚೆ ಕಛೇರಿ					
12.	ಚಿಟ್ ಫಂಡ್ಸ್					
13.	ನಗದು ಸಂಚಯನ					
14.	ಭವಿಷ್ಯದ ಬೇಡಿಕೆಗಳು ಅಥವಾ ಅಗತ್ಯಗಳನ್ನು ಪರಿಗಣಿಸದೆ ಪ್ರಸ್ತುತದಲ್ಲಿ ವಾಸಿಸುತ್ತಿರುವುದು					

ಇ. ವೈಯಕ್ತಿಕ ಹಣಕಾಸು ನಿರ್ವಹಣಾ ಪರಿಪಾಠ

	ವೈಯಕ್ತಿಕ ಹಣಕಾಸು ನಿರ್ವಹಣಾ ಪರಿಪಾಠ	ಯಾವಾಗಲೂ	ಆಗಾಗ್ಗೆ	ಕೆಲವೊಮ್ಮೆ	ಅಪರೂಪಕ್ಕೆ	ಎಂದಿಗೂ ಇಲ್ಲ
I.	**ಹಣಕಾಸು ನಿರ್ವಹಣೆ**					
1.	ನನ್ನ ಆದಾಯ ಮತ್ತು ಖರ್ಚುಗಳ ಮೇಲೆ ನಿಗಾ ಇಡುತ್ತೇನೆ					
2.	ನಾನು ಅನಗತ್ಯ ಖರ್ಚು ಮಾಡುವುದರಿಂದ ದೂರವಿರುತ್ತೇನೆ					
3.	ನಾನು ನಿಭಾಯಿಸಲು ಸಾಧ್ಯವಿಲ್ಲದಷ್ಟು ಖರ್ಚು ಮಾಡುವುದಿಲ್ಲ					
4.	ನನ್ನ ಬೇಡಿಕೆಗಳಿಗಿಂತ ಅಗತ್ಯಗಳಿಗೆ ನಾನು ಖರ್ಚು ಮಾಡುವಾಗ ಹೆಚ್ಚು ಆದ್ಯತೆ ನೀಡುತ್ತೇನೆ					

5. ಹಣದ ವಿಷಯದಲ್ಲಿ ನಾನು ಎಂದಿಗೂ ಅಸಡ್ಡೆ ಹೊಂದಿಲ್ಲ
6. ನನ್ನ ಆದಾಯಕ್ಕೆ ತಕ್ಕಂತೆ ಖರ್ಚು ಮಾಡುತ್ತೇನೆ
7. ನನ್ನ ಖರ್ಚಿನ ಬಗ್ಗೆ ಸೂಕ್ಷ್ಮವಾಗಿ ಗಮನಿಸುತ್ತಿರುತ್ತೇನೆ
8. ನನ್ನ ಹಣಕಾಸಿನ ಪರಿಸ್ಥಿತಿಯನ್ನು ಎಂದಿಗೂ ನನ್ನ ಕೈಮೀರಿ ಹೋಗದಂತೆ ಖಚಿತಪಡಿಸಿಕೊಳ್ಳುತ್ತೇನೆ
9. ನನ್ನ ಹಣವನ್ನು ನಿರ್ವಹಿಸಲು ನಾನು ಲಕ್ಷ್ಯವನ್ನು ನಿಗದಿಪಡಿಸುತ್ತೇನೆ.
10. ನಾನು ಹಣಕಾಸಿನ ನಿರ್ವಹಣೆಯನ್ನು ಸಾಧಿಸುವ ಸಾಮರ್ಥ್ಯವನ್ನು ಹೊಂದಿದ್ದೇನೆ

II. ಸಾಲ ನಿರ್ವಹಣೆ

1. ಸಾಲ ಪಡೆಯುವಾಗ ಸಾಲದ ಮೇಲೆ ಪಾವತಿಸಬೇಕಾದ ಬಡ್ಡಿದರವನ್ನು ನಾನು ಹೋಲಿಸುತ್ತೇನೆ
2. ನಾನು ಅನೌಪಚಾರಿಕ ಸಾಲವನ್ನು ನೀಡುವವರನ್ನು ಅವಲಂಬಿಸುವುದಿಲ್ಲ
3. ನಾನು ಸಮಯಕ್ಕೆ ಸರಿಯಾಗಿ ಬಡ್ಡಿಯನ್ನು ಪಾವತಿಸುತ್ತೇನೆ
4. ನಾನು ತೆಗೆದುಕೊಂಡ ಅಸಲಿನ ಮೊತ್ತವನ್ನು ನಿಗದಿತ ಸಮಯದೊಳಗೆ ಮರುಪಾವತಿಸುತ್ತೇನೆ
5. ನನಗೆ ನೀಡಬೇಕಾಗಿದ್ದ ಸಾಲವನ್ನು ಸರಿಯಾದ ಸಮಯಕ್ಕೆ ಸಂಗ್ರಹಿಸುತ್ತೇನೆ
6. ಸಾಲ ಪಡೆಯುವುದಕ್ಕಿಂತ ಮುಂಚೆ ನನ್ನ ಮರುಪಾವತಿ ಸಾಮರ್ಥ್ಯವನ್ನು ಪರಿಗಣಿಸುತ್ತೇನೆ ಮತ್ತು ಮರುಪಾವತಿ ಮಾಡುವುದಕ್ಕೆ ಆಗುವುದಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ಸಾಲವನ್ನು ಪಡೆಯುವುದಿಲ್ಲ
7. ನಾನು ಎರವಲು ಪಡೆದ ಹಣವನ್ನು ತ್ವರಿತ ಆದಾಯ ಗಳಿಸಲು ಮತ್ತು ಸಾಲವನ್ನು ಮರುಪಾವತಿಸಲು ಚಿಟ್‌ಫಂಡ್ ಹಾಗೂ ಅಧಿಕ ಲಾಭ ಬರುವ ಇಳುವರಿ ಸಾಧನಗಳಲ್ಲಿ ಹೂಡಿಕೆ ಮಾಡುತ್ತೇನೆ
8. ನಾನು ಯಾವಾಗಲೂ ಹೆಚ್ಚುವರಿ ಸಾಲವನ್ನು ತೆಗೆದುಕೊಳ್ಳುವುದಿಲ್ಲ
9. ನಾನು ಉತ್ತಮ ಸಾಲ ನಿರ್ವಹಣೆಯನ್ನು ಮಾಡುತ್ತೇನೆ ಎಂಬ ದಾಖಲೆಯನ್ನು ನಿರ್ವಹಿಸುತ್ತೇನೆ

III. ಉಳಿತಾಯ ನಿರ್ವಹಣೆ

1. ನನ್ನ ಆದಾಯದ ಒಂದು ಭಾಗವನ್ನು ಉಳಿತಾಯವಾಗಿ ಇಟ್ಟಿರುತ್ತೇನೆ
2. ನನ್ನ ಆದಾಯವನ್ನು ಖರ್ಚು ಮಾಡುವ ಮೊದಲು ಉಳಿತಾಯ ಮಾಡಿರುತ್ತೇನೆ.
3. ನಾನು ಗಳಿಸುವ ಪ್ರತಿಯೊಂದು ಆದಾಯದಲ್ಲೂ ನಾನು ಉಳಿಸುತ್ತೇನೆ

4. ನನ್ನ ಆದಾಯದ ಹೆಚ್ಚುವರಿ ಆಗುತ್ತಿದ್ದಂತೆ ಉಳಿತಾಯದ ಪ್ರಮಾಣವನ್ನು ಹೆಚ್ಚಿಸುತ್ತೇನೆ	☐	☐	☐	☐	☐
5. ನಾನು ಸ್ಥಿರವಾದ ಉಳಿತಾಯವನ್ನು ಹೊಂದಿದ್ದು ಅದನ್ನು ನಾನು ಆಗಾಗ್ಗೆ ಪರಿಶೀಲಿಸುತ್ತೇನೆ	☐	☐	☐	☐	☐
6. ನನ್ನ ಭವಿಷ್ಯದ ಅಗತ್ಯಗಳನ್ನು/ಆಸೆಗಳನ್ನು ಪೂರೈಸಲು ನಾನು ಹಣವನ್ನು ಇಟ್ಟಿರುತ್ತೇನೆ	☐	☐	☐	☐	☐
7. ನಾನು ಸಾಧ್ಯವಾದಾಗಲೆಲ್ಲಾ ಹಣವನ್ನು ಉಳಿತಾಯ ಮಾಡಲು ನೋಡುತ್ತೇನೆ	☐	☐	☐	☐	☐
8. ನಾನು ಒಟ್ಟು ಮಾಸಿಕ ಆದಾಯದ ಕನಿಷ್ಠ 10 ಪ್ರತಿಶತವನ್ನು ನಾನು ಉಳಿಸುತ್ತೇನೆ	☐	☐	☐	☐	☐
9. ನನ್ನ ಮನೆಯ ಅಲ್ಪಾವಧಿ ಮತ್ತು ದೀರ್ಘಾವಧಿ ಅವಶ್ಯಕತೆಗಳಿಗಾಗಿ ನಾನು ಉಳಿತಾಯ ಯೋಜನೆಯನ್ನು ಹೊಂದಿದ್ದೇನೆ	☐	☐	☐	☐	☐

IV. ಹೂಡಿಕೆ ನಿರ್ವಹಣೆ

1. ನನ್ನ ಉದ್ಯೋಗದ ಹೊರತಾಗಿ ನನಗೆ ಬೇರೆ ಆದಾಯದ ಮೂಲವಿದೆ	☐	☐	☐	☐	☐
2. ಹೂಡಿಕೆ ಮಾಡುವಾಗ ಉಂಟಾಗುವ ಅಪಾಯವನ್ನು ನಾನು ತಿಳಿದಿರುತ್ತೇನೆ	☐	☐	☐	☐	☐
3. ಹೂಡಿಕೆ ಮಾಡುವಾಗ ಅದರಿಂದ ದೊರೆಯುವ ಲಾಭವನ್ನು ಹೋಲಿಕೆ ಮಾಡುತ್ತೇನೆ	☐	☐	☐	☐	☐
4. ಹೂಡಿಕೆ ಉತ್ಪನ್ನಗಳ ಗುಣಮಟ್ಟ/ದ್ರವ್ಯತೆಯನ್ನು ನಾನು ನೋಡುತ್ತೇನೆ	☐	☐	☐	☐	☐
5. ನನ್ನ ಹಣಕ್ಕೆ ನಾನು ದೀರ್ಘಾವಧಿಯ ಗುರಿಯನ್ನು ಹೊಂದಿರುತ್ತೇನೆ	☐	☐	☐	☐	☐
6. ನಾನು ವಿವಿಧೆಡೆ ಹೂಡಿಕೆಯನ್ನು ಮಾಡಿದ್ದೇನೆ	☐	☐	☐	☐	☐
7. ಯಾವುದೇ ಹೂಡಿಕೆ ಮಾಡುವ ಮೊದಲು ನಾನು ಮೂಲದ ಮಾಹಿತಿಯನ್ನು ಪರಿಶೀಲಿಸಿರುತ್ತೇನೆ	☐	☐	☐	☐	☐
8. ನನ್ನ ಹೂಡಿಕೆಗಳಿಂದ ಗಳಿಸುವ ಲಾಭ/ ಬಡ್ಡಿಯನ್ನು ಲೆಕ್ಕಹಾಕಲು ನನಗೆ ತಿಳಿದಿದೆ	☐	☐	☐	☐	☐

ಎಫ್. ವೈಯಕ್ತಿಕ ಹಣಕಾಸು ನಿರ್ವಹಣೆಯನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುವಲ್ಲಿ ಸವಾಲುಗಳು

ಸವಾಲುಗಳು	ಬಲವಾಗಿ ಒಪ್ಪುತ್ತೇನೆ	ಒಪ್ಪುತ್ತೇನೆ	ತಟಸ್ಥ	ಒಪ್ಪುವುದಿಲ್ಲ	ಬಲವಾಗಿ ಒಪ್ಪುವುದಿಲ್ಲ
1. ಹಣಕಾಸಿನ ಸಾಧನಗಳ ಬಗ್ಗೆ ಜ್ಞಾನದ ಕೊರತೆ	☐	☐	☐	☐	☐
2. ಹಣಕಾಸು ಮಾರುಕಟ್ಟೆಗೆ ಪ್ರವೇಶದ ಕೊರತೆ	☐	☐	☐	☐	☐
3. ಹೆಚ್ಚುವರಿ ಆದಾಯದ ಕೊರತೆ	☐	☐	☐	☐	☐

4. ಅನಿಯಮಿತ ಅಥವಾ ಅನಿಶ್ಚಿತ ಆದಾಯದ ಮಾದರಿಗಳು
5. ಪ್ರಸ್ತುತ ಜೀವನದ ಬೇಡಿಕೆಯ ನೆರವೇರಿಕೆ/ ನಿರ್ವಹಣೆ
6. ದ್ವಿತೀಯ ಆದಾಯ ಮೂಲದ ಕೊರತೆ
7. ಹೆಚ್ಚಿನ ಜೀವನ ವೆಚ್ಚ
8. ಆದಾಯ/ವೇತನದ ವಿಳಂಬ
9. ಅನಿಶ್ಚಿತ ಆರೋಗ್ಯ/ಜೀವನದ ಸ್ಥಿತಿ
10. ಅನಿಶ್ಚಿತ ಜೀವನ ಸ್ಥಿತಿಗಳು (ಕಾರ್ಯನಿರ್ವಹಣೆಯಿಂದ–ಮನೆ/ಉದ್ಯೋಗ/ ಉದ್ಯಮ)
11. ಹಿಂದಿನ ಅಥವಾ ಅನುವಂಶೀಯವಾಗಿ ಅಥವಾ ಪ್ರಸ್ತುತ ಹಣಕಾಸು ಸಾಲ ಅಥವಾ ಬಾಧ್ಯತೆ
12. ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳು ವಿಶೇಷವಾಗಿ ವಿಮಾ ಸಂಸ್ಥೆಗಳು, ಚಿಟ್‌ಫಂಡ್‌ಗಳು, ಸ್ವಸಹಾಯ ಸಂಘಗಳು ಇತ್ಯಾದಿಗಳ ಮೇಲೆ ನಂಬಿಕೆಯ ಕೊರತೆ
13. ಮಧ್ಯವರ್ತಿಗಳಿಂದ ದಾರಿತಪ್ಪಿಸುವಿಕೆ/ಮೋಸ ಮಾಡುವಿಕೆ

ನಿಮ್ಮ ತಾಳ್ಮೆ ಮತ್ತು ಅಮೂಲ್ಯವಾದ ಸಮಯಕ್ಕಾಗಿ ತುಂಬಾ ಧನ್ಯವಾದಗಳು

ಸಂಶೋಧಕರ ಹೆಸರು

ಮೇಘನಾ ಡಿ.ಎಸ್.

FINANCIAL LITERACY INDEX

Computation of Financial Literacy and it's Dimensions Score

Financial Knowledge, Financial Behaviour, Financial Attitude and Financial Literacy scores calculated as per 2018 OECD/INFE Toolkit for measuring financial literacy and financial inclusion which is an updated version of the toolkit welcomed by G20 leaders in September 2013 and used in OECD publications are presented below.

Computation of Financial Knowledge Score

The knowledge score is computed as the number of correct responses to the seven financial knowledge questions relating to impact of inflation on spending power, identification of interest, simple interest calculation, understanding the implication of compounding, relationship between risk and reward, definition of inflation and risk diversification. It ranges between 0 and 7.

Financial Knowledge

SL. No.	Indicator	N	Correct	Don't Know/ Incorrect	Total
1	Impact of inflation on spending power	F	251	174	425
		%	59.1	40.9	100
2	Identification of interest	F	421	04	425
		%	99.1	0.9	100
3	Simple interest calculation	F	275	150	425
		%	64.7	35.3	100
4	Understanding the implication of compounding	F	165	260	425
		%	38.8	61.2	100
5	Relationship between risk and reward	F	209	216	425
		%	49.2	50.8	100
6	Definition of inflation	F	192	233	425
		%	45.2	54.8	100
7	Risk diversification	F	214	211	425
		%	50.4	49.6	100

Source: *Primary Data*

Financial Knowledge Scores

Score	Frequency	Percent
00	01	0.2
01	96	22.6
02	41	9.6
03	39	9.2
04	38	8.9
05	52	12.2
06	86	20.2
07	72	16.9
Total	**425**	**100.0**

Source: *Primary Data*

Computation of Financial Behaviour Score

The behaviour score is computed as a count of the number of "financially savvy" behaviours relating to budgeting, active saving , avoiding borrowing to make ends meet, comparing prices, choosing products, keeping watch on financial affairs, striving to achieve goals , making considered purchases, paying bills on time. It ranges between 0 and 9.

Financial Behaviour

SL No.	Indicator	N	Savvy Behavior	Unsavvy Behaviour
1	Budgeting	F	258	167
		%	60.7	39.3
2	Active saving	F	286	139
		%	67.3	32.7
3	Avoiding borrowing to make ends meet	F	273	152
		%	64.2	35.8
4	Comparing prices	F	13	412
		%	3.1	96.9
5	Choosing product	F	19	406
		%	4.5	95.5
6	Keeping watch on financial affairs	F	22	403
		%	5.2	94.8
7	Striving to achieve goals	F	238	187
		%	56.0	44.0
8	Making considered purchases	F	291	134
		%	68.5	31.5
9	Paying bills on time	F	273	152
		%	64.2	35.8

Source: *Primary Data*

Financial Behaviour Scores

Score	Frequency	Percent
00	11	2.6
01	44	10.4
02	23	5.4
03	73	17.2
04	79	18.6
05	125	29.4
06	68	16.0
07	01	0.2
08	01	0.2
Total	**425**	**100.0**

Source: *Primary Data*

Financial Attitudes Score

The attitude score is computed as the average response across five attitude questions: i.e., the sum of the values for the five statements divided by five. The attitudes score, therefore, ranges from 1 to 5.

Financial Attitude

SL. No.	Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
1	Do not tend to live for today	F	196	104	69	19	37	425
		%	46.1	24.5	16.2	4.5	8.7	100
2	Do not find it more satisfying to spend than save	F	191	138	28	35	33	425
		%	44.9	32.5	6.6	8.2	7.8	100
3	Do not agree that money is there to be spent	F	192	83	82	30	38	425
		%	45.2	19.5	19.3	7.1	8.9	100
4	It is important to discuss money matters with family and friends	F	194	100	74	27	30	425
		%	45.6	23.5	17.4	6.4	7.1	100
5	Do not agree that money is meant to be earned and spent not to be planned, saved or managed	F	179	134	37	36	39	425
		%	42.1	31.5	8.7	8.5	9.2	100

Source: *Primary Data*

Financial Attitude Scores

Score	Frequency	Percent
01	33	7.8
02	31	7.3
03	65	15.3
04	113	26.6
05	183	43.1
Total	**425**	**100.0**

Source: *Primary Data*

Overall Financial Literacy Score

The overall financial literacy score is obtained as the sum of the three previous scores (financial knowledge (7), financial attitude (5) financial behaviour (9). It can take any value between 1 and 21. For the purpose of reporting it has been normalised to 100 for reporting by multiplying by 100/21.

Overall Financial Literacy Scores

Score	Frequency	Percent
03	08	1.9
04	09	2.1
05	08	1.9
06	08	1.9
07	08	1.9
08	14	3.3
09	28	6.6
10	36	8.5
11	53	12.5
12	68	16.0
13	48	11.3
14	37	8.7
15	42	9.9
16	32	7.5
17	22	5.2
18	04	0.9
Total	**425**	**100.0**

Source: *Primary Data*

Financial Literacy Index

Score	Frequency	Percent
Low Literacy (<35%)	41	9.6
Medium Literacy (35%-75%)	340	80.0
High Literacy (75%-100%)	44	10.4
Total	**425**	**100.0**

Source: *Primary Data*