

# A Study on the Impact of Financial Behaviour on Financial Literacy among Women in Urban Rajasthan

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**Abstract:** Financial literacy refers to the presence of a collection of abilities, information, and behaviours that enable a person to make educated as well as successful financial choices. Consequently, the need for a detailed study arises regarding the financial behaviour of women in Rajasthan. This study aims to understand the impact of financial behaviour on financial literacy among women in urban Rajasthan. It also accentuates financial behaviour's positive and significant relation to financial literacy. It has been observed in the study that most of the financial decisions are taken by males whereas women face psychological, cultural, and physical barriers which keep them from becoming financially literate. Results of the study reveal that positive financial behaviour has a major effect and is necessary for higher financial literacy. This study focuses on determining the level of financial literacy among women in Urban Rajasthan.

**Keywords** — *Accentuates, Financial Behaviour, Financial Literacy, Psychological Barriers, Urban Rajasthan and Women Literacy.*

## I. INTRODUCTION

Financial literacy refers to having enough knowledge and awareness to be able to make sound financial decisions. It can understand and effectively use various financial skills like personal financial management, budgeting and investing, and attitude towards financial matters [24]. In a 2014 survey held by standard and poor's, a leading finance company titled "Financial Literacy, around the World" found a point gap of 5 percent between men and women globally, whereas in India this gap was calculated at 8 percent [13].

Rajasthan holds one of the lowest financial literacy rates among the Indian states, where the financial literacy rate of women is only 12 percent according to a 2015 survey by the National Centre of Financial Education [7]. Financial behaviour is the combination of psychology, economics, and other social sciences to identify and understand why people make certain financial choices. Many studies have been conducted to explore their financial habits and overall financial behaviour only to discover that some of the barriers to their financial growth were common, i.e., lack of income, lack of awareness towards finances, lack of confidence while making financial decisions, and cultural barriers [4].

A further point of view expressed by certain writers such as a person's ability to participate in the stock market is

hindered by a lack of financial understanding or sophistication. Moreover, when it comes to assessing one's financial literacy degree, one's domicile is critical since the amount of money spent and the amount of money saved fluctuates significantly depending on where one lives [33]. A person needs to protect himself or herself against income fluctuations, which have become more unpredictable in recent years [14]. If a woman is married, she is somewhat more likely to be reliant on her husband for financial problems related to the home, leading some to assume that a woman's marital status has an impact on her ability to be financially independent [15]. A great deal of room remains for future inquiry in this field, particularly in the case of growing economies such as India, which is making steady progress toward the objective of becoming a financially literate nation. It is essential to pay close attention to the financial education of women to promote economic development in the country.

Financial behaviour determines how emotional, cognitive, and psychological factors influence the investment and saving decisions of an individual [26]. It is the result of such financial behaviour that for most women personal finance is handled by their spouse or some other male of the house. As a result, many studies have confirmed that women can be quite unfounded in their financial decision-making abilities. Healthy financial behaviour helps to explain the difference between completely rational financial decisions

that are taken after acquiring the correct related knowledge of finance and decisions taken under someone else's influence or based on emotions [27]. To help make women become more financially literate government should create more women-specific programs and also new universities should be established to make women more financially literate. Not only this would help empower women but would also help in the growth of the whole country.

## II. REVIEW OF LITERATURE

A literature review is a comprehensive summary of important texts as well as other materials on a certain subject. The review may comprise scientific journal articles, novels, government publications, Web sites, and other sources. The literature review describes, summarizes, and evaluates each reference. In the current study, the articles have been selected for review based on the keywords like financial literacy, financial behaviour, women's financial literacy, etc. These keywords were searched by using google scholar to identify the appropriate articles in the top journals.

Financial literacy is critical in financial well-being, and differences in financial knowledge acquired early in life may explain a significant amount of financial as well as total well-being in adulthood [1]. FinTech (financial technology) is revolutionising the financial services industry at an unprecedented pace. Financial literacy is described as not just possessing information and understanding of financial concepts and risks, but also having the skills, motivation, and ability to apply that knowledge and insight to make good decisions in a range of financial settings. To improve people and society's economic well-being while also allowing participation in economic life [30]. As a result, since financial literacy involves both financial knowledge and financial behaviour, this research paper analysed studies on both topics.

It also investigates the associated decision-making behaviour. It is disturbing that the vast majority of the general population has little or no comprehension of financial behaviour and decision-making. Investments have not been made based on adequate advice and the dangers connected with them. Male respondents were found to have greater levels of financial literacy than female ones. This might be because decision-making power is placed on the shoulders of the household's male members [5]. While the age of the respondents does not influence their level of financial awareness.

Whether an individual makes the right or wrong financial decisions is determined by his or her level of financial literacy, and to achieve financial goals, one must have fundamental financial abilities, understanding, knowledge, mind-set, and demonstrated behaviour. Another important part of financial literacy, is a person's attitude and

preferences [28]. Aside from knowledge, people's attitudes toward short-term demands or long-term future planning, spending or saving priorities, and other monetary issues influence people's behaviour and hence play an important role in shaping their financial destiny.

Baluja, investigate the spatial differences in literacy and female labour participation in Rajasthan. It also suggests that the urban-rural literacy gap may have closed entirely, even though the male-female literacy gap has expanded over time [5]. Financial literacy means distributing financial education across the country. While the importance of financial literacy is well recognised, the importance of the gender aspect is still being disputed [21]. The majority of people have fundamental financial knowledge, but the understanding of larger, everyday financial concepts such as compound interest and diversification is lacking in large sectors of the population [29].

Jariwala investigated the level of financial literacy among individual investors in Gujarat state, India, as well as its influence on investment choices. According to the research, 39.2 percent of the 285 respondents had a higher level of financial literacy, indicating that financial literacy has a statistically significant effect on investment choices [22]. Financial literacy, like health and general literacy, may be separated into two parts: knowing personal financial information and implementing it. As a consequence, it may be characterised as a test of how well an individual understands and utilises personal financial data.

### Research Gap

The majority of the research was done in India. Based on these research papers, it is possible to conclude that financial literacy has a statistically significant effect on investment decisions such as savings and investments and that financial behaviour is an important component of financial literacy and plays an important role in determining one's financial future. The participation of female investors, who would improve market liquidity and widen the scope of commerce in the economy, is required for the country's overall progress. This is feasible if women have received financial education. To be financially independent, women must get familiar with the financial industry. This may boost their social standing since females may be able to compete with the male population in terms of financial decisions.

## III. RESEARCH METHODOLOGY

The research is based on quantitative research methodology in which the results are identified in the form of numbers. This research methodology is considered more effective as it helps the researcher in analysing and comparing the results by keeping in mind the identified statistics.

### Research Objectives

The objective of the study is:

- To understand the relationship between financial behaviour and financial literacy.
- To analyse the factors that affect the financial literacy of women in urban Rajasthan
- To evaluate the impact of financial behaviour on financial literacy among women in urban Rajasthan.

*Research Hypothesis*

**H<sub>0</sub>** – There is no significant impact of financial behaviour on financial literacy among women in urban Rajasthan.

**H<sub>a</sub>**– There is a significant impact of financial behaviour on financial literacy among women in urban Rajasthan.

*Sample of the Study*

**Table 1: Details about the Research Sample**

<b>Population</b>	Women of Urban Rajasthan
<b>Sampling Frame</b>	Ajmer, Bikaner, Kota, Udaipur, and Bharatpur
<b>Sampling Technique</b>	Stratified Simple Random Sampling Method
<b>Sample Size</b>	110

The cities were chosen from the Rajasthan government's urban site. These cities were chosen based on their contribution to Rajasthan's overall growth. Furthermore, the population consisted of all women in urban Rajasthan; however, the sample frame was divided into tiny pieces, and 22 literate women from each city were chosen at random from each section. As a result, a total of 110 samples were chosen using the stratified simple random sampling approach.

*Research Design*

The purpose of this research is to conduct an empirical review of the influence of financial behaviour on financial literacy among women in metropolitan Rajasthan. And it is intended to give insight into the financial behaviour and financial literacy of women in metropolitan Rajasthan. A questionnaire with a five-point Likert scale was utilised for data collection, and data were obtained from a sample of women in metropolitan Rajasthan using simple random sampling.

The research is both explanatory and descriptive in character. Data is gathered from both primary and secondary sources, including research publications, websites, reports, and journal articles. The questionnaire was divided into two portions, the first including questions about financial behaviour and the second containing questions about financial literacy.

*Validity and Reliability*

The questionnaire's reliability, as well as validity, has been evaluated after it was designed. Cronbach's alpha has been determined to assess the questionnaire's reliability. Table 2 is showing the reliability statistics of the study. It comprises

of Cronbach's alpha, and its standardized items with the total number of observations of the study. Total number of observation on which the reliability has been tested were 14 in number. As seen in table 2, the alpha value was around 86 percent, which depicted that the questionnaire is valid and reliable for accomplishing the research and determining the answers.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.867	.876	14

**IV. DATA ANALYSIS AND INTERPRETATION**

The data in this study has been analysed by using descriptive analysis. In this, the questionnaire was distributed among 110 respondents to analyse the relationship between financial behaviour and literacy of women of urban Rajasthan. The collected data has been organized within an excel sheet and further the results have been presented in the form of tables and charts. As the 104 samples were valid for testing hence all descriptive and inferential analyses have been applied on 104 samples. It assessed the level of financial literacy among women in urban Rajasthan, calculative and numeracy skills as well as questions regarding risk and return are employed in the first section of the questionnaire and the second section consists of questions related to financial behaviour.

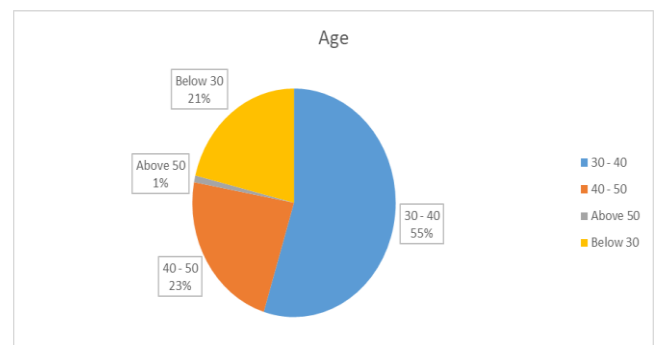
*a. Demographic Details*

**a. Age**

**Table 3: Description of Age of Respondents**

Age	Count of Age
30 - 40	57
40 - 50	24
Above 50	1
Below 30	22
<b>Total</b>	104

**Figure 1: Description of Age of Respondents**



This study is designed to provide an understanding of the financial behaviour and financial literacy level of women in urban Rajasthan. A set of personal characteristics of 110 women respondents in Rajasthan i.e. marital status and age

were utilized here to ascertain the financial behaviour of the respondents.

From table 3 it has been interpreted that most of the respondents that is 57 were between 30 to 40 years old, however 24 respondents were between 40- 50 years old and least were from above 50 age group.

**b. Marital Status**

**Table 4: Description of Marital Status of Respondents**

Marital Status	Count of Marital Status
Married	86
Single	18
Total	104

**Figure 2: Description about Marital Status of Respondents**

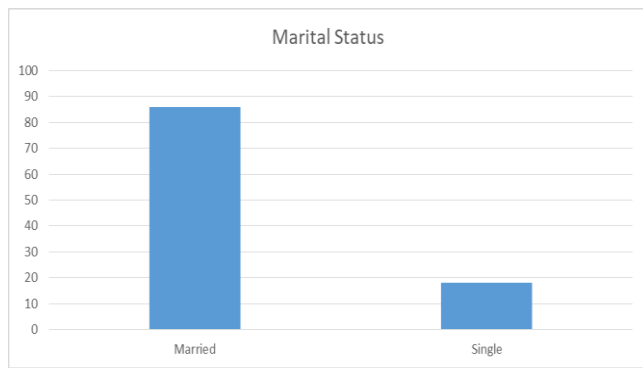


Table 4 is depicting the marital status of the respondents. It has been seen that among 104 respondents 86 were married and 18 were unmarried. Hence it can be interpreted that most of the women who participated in the study were married, and the results have been calculated from their point of view.

**c. Annual Income**

**Table 5: Description of Annual Income of Respondents**

Annual Income	Count of Annual Income
Above Rs. 10 lakhs	15
Below Rs. 8 lakhs	51
Rs.8 lakhs-10 lakhs	38
Total	104

**Figure 3: Description of Annual Income of Respondents**

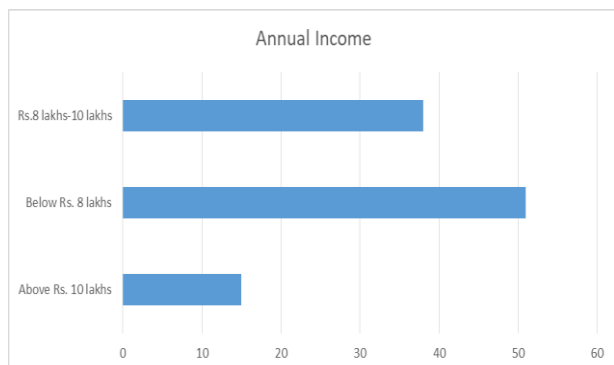


Table 5 depicted the annual income of the respondents. It has been interpreted from the table that the annual income

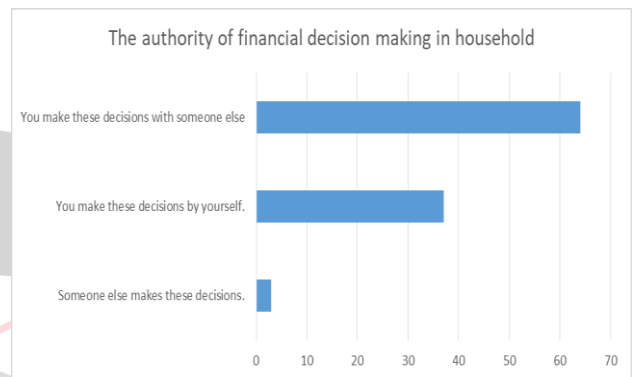
of most of the respondents was below 8 lakh and the least respondents belonged to above 10 lakh slab. 38 respondents were having the income between 8 to 10 lakh per annum. It implied that most respondents were earning moderately.

**d. The authority of financial decision-making in the household.**

**Table 6: Description of authority of financial decision-making in the household**

Particulars	Count
Someone else makes these decisions.	3
You make these decisions by yourself.	37
You make these decisions with someone else	64
Total	104

**Figure 4: Description of authority of financial decision-making in the household**



It can be interpreted from table 6 that, 64 respondents were agreeing that they make various decisions at home with someone else. It implied that most of the women were not making household decisions only based on their personal opinion, they might be needing help from their husbands, father, or any other person. On the other hand least respondents that is 3 relied that someone else make financial decisions for them.

**b. Financial Literacy**

Financial literacy, according to the Organization for Economic Cooperation and Development (OECD), includes not just information and comprehension of financial ideas and dangers, but also abilities, drive, and confidence [41]. It aids in the application of such information and knowledge to make good judgments in a variety of financial scenarios. Furthermore, to promote people's as well as society's financial well-being, to allow participation throughout economic life.

A person is financially literate if he has some fundamental knowledge of key financial concepts. These key concepts include the time value of money, diversification, calculations of interest plus principals, risk and return, compound interest, inflation and its relationship with price and returns, and numeracy skills requiring simple calculations [11]. Based on responses given by the



respondents their financial knowledge is measured through different questions. These questions cover a range of basic financial issues and require simple calculations.

**a. Financial Knowledge**

**Table 7: Financial Knowledge related responses based on Likert scale**

**Interpretation:**

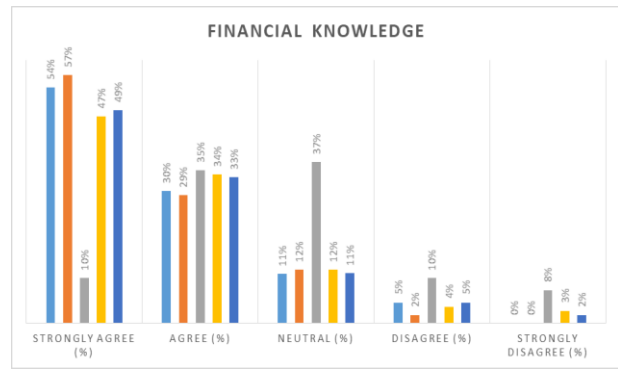
Sr. No.	Financial Knowledge	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
1.	They were aware of the concept of disposable income	54%	30%	11%	5%	0%
2.	Knowing to diversify investments to maximize their returns	57%	29%	12%	2%	0%
3.	They observe the index movements of Sensex and Nifty before investing.	10%	35%	37%	10%	8%
4.	Have an understanding of the power of compound interest.	47%	34%	12%	4%	3%
5.	Have an idea over tax-saving financial avenues.	49%	33%	11%	5%	2%

Based on collected data through the responses it was found that 54% of the women were well aware of the concept of disposable income, 11% of them were neutral, while 5% of them disagreed to have any knowledge about it. 57% of women knew diversifying investments for good returns, 12% of women were neutral, while 2% of them were not aware of the importance of diversification of investments.

On the question of whether or not they follow the share market, 10% of the respondents tend to strongly agree, 10% of women disagreed whereas 8% strongly disagreed with it. 47% of women strongly agreed about knowing compound interest, 12% of the women were neutral while 3% of them disagreed with having any knowledge about it. 49% of the women tend to strongly agree about tax-saving financial avenues, 33% of them agreed and 2% of the respondents strongly disagreed.

Based on these responses the result was determined and is shown in the figure given below for reference.

**Figure 5: Financial Knowledge related responses based on Likert scale**



The figure above shows the level of financial knowledge among women regarding various financial concepts through graphical representation. The figure is showing the left to right description of each statement included in table 7. As per it most respondents were strongly agreed that they were aware of the concept of the disposable income. 57% respondents were strongly agreed that they know to diversify investments to maximize their returns. 35% respondents were agreed that they observe the index movements of Sensex and Nifty before investing. 47% respondents were strongly agreed that they are having an understanding of the power of compound interest and 49% were having an idea over tax-saving financial avenues.

**b. Financial Behaviour**

Financial behaviour is a major component of financial literacy. It affects people’s investment and saving decisions towards finance. Having a positive or negative behaviour towards finance affects the financial well-being of an individual [35]. There is several positive financial behaviour that one can adopt but the most basic is that one must spend less than he earns. Other positive financial behaviour also includes: creating a budget to manage regular or irregular expenses, building and maintaining a fund for future emergencies, maintaining sufficient insurance for property, liability, life, and health, realizing that the closer one is to achieve a financial goal the less risk should one take and maintaining proper funds for retirement [36]. If an individual has a negative behaviour towards savings or prioritizes short-term needs means they would be unable to meet the unexpected future emergencies whereas having a positive financial behaviour provides financial security to an individual in the present and future scenarios as well.

**Financial Behaviour**

**Table 8: Financial Behaviour related responses based on Likert scale**

Sr. No.	Financial Behaviour	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
1.	Plans for reaching their financial	55%	38%	4%	4%	0%

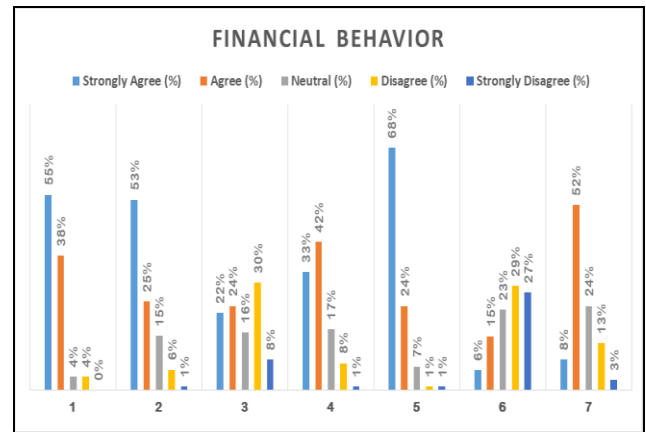
	goals.					
2.	Maintaining their financial records in detail.	53%	25%	15%	6%	1%
3.	Saving at least 10% of their gross monthly income.	22%	24%	16%	30%	8%
4.	Having a definite spending pattern for regular monthly expenses.	33%	42%	17%	8%	1%
5.	Comparing prices while purchasing the products.	68%	24%	7%	1%	1%
6.	Overspending, if they like something.	6%	15%	23%	29%	27%
7.	Regular review of the adequacy of their insurance coverage.	8%	52%	24%	13%	3%

**Interpretation:**

The table above shows the role of financial behaviour in financial literacy based on survey responses given by the women as given in the table above. It was found that 55% of the respondents tend to strongly agree to make plans on how to reach financial goals while only 4% of them disagreed with it. 53% of the women strongly agreed about maintaining their detailed financial records, 15% of women were neutral while 6% of them disagreed. Most of the women disagreed about saving at least 10% of their gross monthly income i.e., 30%, whereas only 22% of them strongly agreed and 16% of women were neutral. 42% of the women agreed to have a definite spending pattern for regular monthly expenses while 2% of them strongly disagreed. 38% of the women strongly agreed about comparing prices while purchasing the products, 36% of them agreed to it and 6% of the respondents disagreed.

Based on these responses the result was determined and is shown in the figure above through graphical presentation for reference.

**Figure 6: Financial Behaviour related responses based on Likert scale**



The above figure shows the level of financial knowledge among women regarding various financial concepts through graphical representation. The figure is showing the left to right description of each statement included in table 8. It was discovered that 55% of respondents strongly agree with making strategies on how to achieve financial goals, while only 4% disagreed. 53% of women strongly agreed that they should keep extensive financial records, 15% were neutral, and 6% disagreed. The majority of women, or 30%, disputed that they should save at least 10% of their gross monthly income, while just 22% strongly agreed and 16% were neutral. 42% of the ladies believed that they had a distinct spending pattern for regular monthly expenses, whereas 2% strongly disagreed. When it comes to comparing prices when purchasing things, 38% of women strongly agreed, 36% agreed, and 6% disagreed.

*c. Data Interpretation*

Descriptive statistics, reliability analysis, and correlation analysis were used in the study. The internal reliability from each of the assessment scales utilised, namely financial literacy as well as financial behaviour, has been assessed using reliability analysis.

**Relationship between financial attitude (FA) and financial literacy (FL)**

**Table 9: Description of Relationship between financial attitude (FA) and financial literacy (FL)**

		Financial Attitude	Financial Literacy
Financial Attitude	Pearson Correlation	1	.781
	Sig. (2-tailed)		.026*
	N	104	104
Financial Literacy	Pearson Correlation	.781	1
	Sig. (2-tailed)	.026*	
	N	104	104

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

The table below shows the relationship between financial literacy and financial Behaviour. The data were analyzed using MS excel and the results are of statistical significance. The correlation was used between financial literacy and financial behaviour where correlation stands positive. Thus, as a result, the  $H_a$  (alternative hypothesis) was accepted, and  $H_0$  (null hypothesis) has been rejected. As a consequence, it may be stated that there is a significant impact of financial behaviour on financial literacy among women in urban Rajasthan.

### Findings

The purpose of this research is to gain a better knowledge of the financial behaviours and financial literacy levels of women in metropolitan Rajasthan. The majority of respondents, 57, were between the ages of 30 and 40, with 24 falling between the ages of 40 and 50 and the fewest being above the age of 50. 86 of the 104 respondents were married, while 18 were unmarried. As a result, the majority of the women who participated in the study were married, and the results were calculated from their perspective. The majority of respondents had an annual income of less than Rs. 8 lakh, while the fewest had an income of more than Rs. 10 lakh. 38 respondents reported an annual income of between Rs. 8 and Rs. 10 lakh. It implied that the majority of respondents had a middle-class income. 64 respondents said that they make various decisions with someone else at home. It implied that most women were not making home decisions solely based on their personal preferences; they may have needed assistance from their husbands, fathers, or other family members. On the other hand, the fewest respondents, three, relied on someone else to make financial decisions for them. Based on the responses, it was discovered that 54 percent of the women were highly aware of the notion of disposable income, 11 percent were neutral, and 5 percent denied having any knowledge of it. Diversifying assets for good returns was known by 57 percent of women, 12 percent of women were neutral, and 2 percent were unaware of the need of diversification of investments.

On the issue of whether or not they follow the stock market, 10% of respondents strongly agreed, 10% of women disagreed, and 8% severely disagreed. 47 percent of women strongly agreed that they knew compound interest, 12 percent were neutral, and 3 percent rejected that they knew anything about it. When it comes to tax-saving financial routes, 49 percent of women highly agree, 33 percent agree, and 2 percent strongly disagree. It was discovered that 55 percent of respondents strongly agree with making strategies on how to achieve financial goals, while only 4 percent disagreed.

53 percent of women strongly agreed that they should keep extensive financial records, 15 percent were neutral, and 6

percent disagreed. The majority of women, or 30%, disputed that they should save at least 10% of their gross monthly income, while just 22% strongly agreed and 16% were neutral. 42 percent of the ladies believed that they had a distinct spending pattern for regular monthly expenses, whereas 2% strongly disagreed. When it comes to comparing prices when purchasing things, 38 percent of women strongly agreed, 36 percent agreed, and 6 percent disagreed.

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### V.DISCUSSION

The sample comprises of working-educated women, consequently, it is anticipated a high level of financial awareness among them. However, Miller, believed that in contrast to the expectations, only a small number of women were ranked among the most financially aware. When compared to women from urban as well as suburban areas, those from rural areas had less financial awareness [27]. Financial awareness is more prevalent among highly educated as well as women of urban Rajasthan, perhaps as a result of the access that they receive from the rest of the world. Several women have favourable attitudes about financing and investment concerns, which reflects their wisdom, discipline, and vigilance when it comes to handling family finances [8]. They are concerned about saving money for the future even though they are from the middle category as well as have a high level of education, however, their lack of economic knowledge and appreciation of investment goods appears to be an obstacle for individuals.

Our poll found that women are incompetent when it comes to grasping inflation as well as compound interest ideas, which is supported by the dismal educational performance in India. It is earned a bad score even though our sample was drawn from a well-educated group, indicating that we must enhance the overall level of education in the nation [2]. It is also possible that some of the respondents did not complete the questionnaire thoroughly and accurately. However, the reality that most women are unaware of the many investment opportunities available throughout the region cannot be overlooked [24]. This is the case when the sample size is restricted to qualified working women; the situation would have been much worse if the degree of financial knowledge among jobless and illiterate women had been investigated.

Women's overall understanding of financial planning tools, procedures, and processes, according to the findings of the

study, has remained weak throughout the twentieth century and through the twenty-first [18]. There are many reasons for this, including a lack of financial understanding among women and a lack of awareness regarding financial goods [13]. Their dependence on many other family members, particularly male family members, for financial-related problems, might also be a contributing factor to their lack of engagement in investment decision-making. Among the good aspects of the findings is the favourable attitude as well as behaviour of women when it comes to financial concerns. If we want to get good results mostly on financial literacy survey, it is must improve the outcomes of the women's financial skills [7]. These findings can have ramifications for both women and society itself since financial knowledge has been demonstrated to be associated with a wide range of financial choices.

Women's financial literacy may be enhanced by taking the appropriate actions and measures, which can be implemented by the government and perhaps the private sector, such as hosting financial literacy seminars, among other things [23]. These seminars should not just target the rural population, but also urban women, since the findings indicate that the degree of financial literacy among urban women is equally insufficient, according to our findings. Various financial literacy programmes must be tailored particularly to the needs of women, taking into consideration both their financial as well as educational requirements [26]. Efforts may also be made to give financial education to females at the grassroots level, i.e., at the elementary school level and the universities, that can aid in instilling financial awareness and practice in them from a young age in their life.

A woman's financial attitude gets influenced by her family's income as well as her income. According to our sample size, the amount of money earned by working women appears to have a beneficial impact on their financial attitudes [8]. In this survey, a greater proportion of respondents from high-income categories expressed a favourable attitude toward saving as well as financial planning to attain their long-term objectives. Women from low-income families in Rajasthan seem to have a pessimistic attitude on saving and making financial plans for the future, according to research. Overall, the findings indicate that today's women are strong-willed when it comes to making plans for their future financial objectives as well as consumption [9]. Women in higher income levels are more likely to save and to have a positive attitude toward financial planning than other women. It is noteworthy to note that women have a positive attitude toward financial planning, even though they scored lower here on the economic knowledge test, as demonstrated by the findings [3].

Furthermore, giving workshops or offering financial education is simply the first stage in disseminating financial information; it is more vital than perhaps the audience use this understanding within their investment choices as well as for wealth growth once they have received their education. Organizing workshops or seminars for working women also isn't difficult; employers might take the lead in this area by hosting such workshops and seminars mostly in the workplace themselves after or before normal working hours [7]. Employers may aid their workers in selecting the most appropriate as well as safe investment routes from the outset, as well as in determining how to create a Demat account, among other things [31]. To promote financial literacy as in the nation, the government may support such programmes and provide benefits to firms that participate in them, therefore benefiting the economy. Having strong financial skills is essential for female entrepreneurs in today's complicated financial world, and society must support this investment through women.

## VI. CONCLUSION

A correlation is found between financial behaviour and financial literacy among women in urban Rajasthan. A higher level of financial literacy is found in the women with positive financial behaviour as compared to those with less positive financial behaviour. They are more aware while making an investment decision and have a better knowledge about the management of their finances. Also, women with a higher financial literacy have positive financial behaviour. To better check, the financial literacy level of women in urban Rajasthan the paper is divided into two sections.

The purpose of this research is to have a better knowledge of the financial behaviour and financial literacy levels of women in metropolitan Rajasthan. The majority of responses (57) were between the ages of 30 and 40, with 24 falling between the ages of 40 and 50 and the fewest falling above the age of 50. Among the 104 respondents, 86 were married and 18 were unmarried. As a result, the majority of the women who took part in the study were married, and the results were derived from their perspective. The majority of respondents earned less than Rs. 8 lakh per year, while the fewest earned more than Rs. 10 lakh per year. 38 respondents reported an annual income of between Rs 8 and Rs 10 lakh. It implied that the majority of respondents earned a middle-class income. 64 respondents agreed that they make various decisions at home with someone else. It implied that most women were not making home decisions solely based on their personal preferences; they may have required assistance from their husbands, fathers, or other family members. On the other side, only three respondents depended on someone else to make financial decisions for them. Based on the data gathered through the responses, it was discovered that 54 percent of the women were highly aware of the notion of disposable income, 11 percent were



neutral, and 5 percent denied having any knowledge of it. Diversifying investments for good returns was known by 57 percent of women, 12 percent were neutral, and 2 percent were unaware of the value of diversification of investments.

When asked if they follow the stock market, 10% strongly agreed, 10% disagreed, and 8% severely disagreed. 47 percent of women strongly agreed that they were aware of compound interest, 12 percent were neutral, and 3 percent were not aware of it at all. In terms of tax-saving financial routes, 49 percent of women strongly agree, 33 percent agree, and 2 percent strongly disagree. It was discovered that 55 percent of respondents strongly agreed with making strategies on how to achieve financial goals, while only 4 percent disagreed. 53% of women strongly agreed that they should keep extensive financial records, 15% were neutral, and 6% disagreed. The majority of women, or 30%, disagreed with saving at least 10% of their gross monthly income, while just 22% strongly agreed and 16% were neutral. 42 percent of the women believed that they had a defined spending pattern for regular monthly expenses, while 2 percent strongly disagreed. When it comes to comparing pricing when purchasing things, 38% of women strongly agreed, 36% agreed, and 6% disagreed.

A large number of disadvantaged districts of Rajasthan have inadequate educational opportunities for women, who are also subjected to unjust and discriminatory inheritance and divorce rules. In the absence of these rules, women are unable to accumulate sufficient financial resources to provide for themselves in the case of a divorce or separation. The importance of financial literacy is becoming more apparent at a time when education has been considered literally by the majority of states in the nation. Researchers were motivated to conduct this study in the state of Rajasthan because of these factors, among others. Various components of financial literacy have been included in the questionnaire that we developed. Aside from the basic questions, the questionnaire additionally seeks for socio-demographic characteristics from women, including their age, marital status, and other similar information. Correlation analysis by rejecting the null hypothesis showed that there is a significant impact of financial behaviour on financial literacy among women in urban Rajasthan.

Finally, since the findings have been based upon respondents' self-reported attitudes and actions, the findings may be skewed as a consequence of respondents' biases while filling out the survey questionnaire. In addition, there may be a variety of other characteristics, such as the literacy of the household, the quality of schooling, and the self-confidence of a woman, that impact the financial literacy level of women, which may be taken into consideration in the future research. It is necessary to investigate the degree of financial literacy among women at the national and sub-national levels. The findings of the same poll will probably

change if it is done in a metropolitan area since individuals in urban areas are more careful regarding their future spending as well as financial planning. This study is a first step in the right direction, and it can catalyse additional investigation in this field.

## Recommendations

It can be concluded from the results that most of the women from five selected cities of urban Rajasthan, were not getting influenced by their financial behaviour towards the financial investments across the country. Their financial literacy is getting influenced in this manner.

Hence it is recommended that they must get basic knowledge of financial investments. In this manner, their financial behaviour can be productive enough to help them in achieving the optimum level of financial literacy to invest and save finance for themselves and their families. It can help them in security and overall empowerment. Further, this recommendation can be forwarded to the all-women of India or outside it. However the study is having a few limitations like its sample size and location being restricted to a level, in future, it can be related to Women of Urban India or any other state.

## APPENDIX

### I. QUESTIONNAIRE

#### I. Demographic Profile

##### a. Age

- Below 30
- 30– 40
- 40-50
- Above 50

##### b. Marital Status

- Single
- Married
- Divorced
- Widowed

##### c. Annual income

- Below Rs.8 lakhs
- Rs.8-10 lakh
- Above Rs.10 lakhs

##### d. Who is responsible for making financial decisions in your household?

- You make these decisions by yourself.
- You make these decisions with someone else (some decisions are made by you, and some – by someone else)

Someone else makes these decisions.

**II. Financial Literacy**

**a. Financial Knowledge**

Please specify your level of financial knowledge for the following statements.

Sr. No.	Financial Knowledge	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
a)	You know the concept of disposable income and understand it.					
b)	You have knowledge to diversify your investments to maximize returns.					
c)	You observe the index movements of Sensex and Nifty and use the same for making investment.					
d)	You are able to understand the power of compound interest.					
e)	You have an idea over tax saving financial avenues.					

**b. Financial Behaviour**

Please indicate the extent to which you strongly agree or strongly disagree with the following factors.

Sr. No.	Financial Behaviour	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
a)	You make plans on how to reach financial goals.					
b)	You maintain your financial records in detail.					
c)	You save at least 10% of your gross monthly income.					
d)	You have definite spending pattern for regular monthly expenses.					
e)	You compare prices while Purchasing the products.					
f)	When you like something, you will buy it without hesitation even if you have already overspent.					
g)	Regularly you review the adequacy of the insurance coverage.					
h)	You have confidence in your financial decision making.					
i)	You usually compare prices while doing online					

shopping.					
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**III. Financial Attitude**

Please indicate the extent to which you strongly agree or strongly disagree with the following statements.

Sr. No.	Financial Attitude	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
a)	It is important to have a financial plan for the betterment of your future.					
b)	You are willing to risk a percentage of your income in order to get a good return on an investment.					
c)	You read the business section of the newspaper regularly.					
d)	You enjoy talking to your peers about money management issues.					
e)	You would consider less risk and more returns when making financial decisions.					
f)	You like to gather information regarding tax aspects.					
g)	You tend to spend less than your income regularly.					

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