

## Financial Practices and Barriers among Rural Women of Gorakhpur District

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### ABSTRACT

The greatest challenge for any democratic country is to provide equal status to women regarding social justice, education, health facilities, and above all economic opportunities to promote better living standards and social progress. The word 'empowerment' means giving power. Women empowerment has become a burning issue all over the world, since last few decades. For the nation's economic development and social upliftment, a necessary condition is women empowerment. It is very important to understand the factors which create unfavorable conditions in the direction of women empowerment through financial literacy. The researcher investigates and found various responsible factors. This paper explains the concept and relationship between women empowerment and financial literacy. The emphasis is laid upon the importance of financial literacy for marginalized groups particularly women in rural sector, as it is a powerful weapon against poverty. Present paper highlights some of the barriers in providing financial literacy to the rural women such as: poor literacy status which is prerequisite for financial skills, unplanned expenses, absence of future plans, not upgraded with present financial schemes and practices, insufficient guidance about multiple growths of their savings. Women find it difficult to talk about personal finances with others. The present study was conducted in Gorakhpur district. Eleven Self-help groups of a block in the district were selected having 141 women members in all. The purpose of doing so is to find out the reasons behind present financial status of rural women and present economical practices adopted by them. Income, savings, investment practices and knowledge about the change in economic practices that should be adopted by them, are the major areas of concern of the study. Despite of various efforts the results in the area is not very satisfactory. The efforts to find out the probable reasons were investigated in the study.

**Key Words :** Women empowerment, Financial literacy, Rural women, Self-help groups, Barriers in financial literacy, Vocational training

### INTRODUCTION

The Government of India and the Reserve Bank of India (RBI) have initiated lots of steps to tackle the issue of women empowerment through financial inclusion by providing banking facilities to the poor section of society who are still untouched, like formation of self-help groups, cooperative movement, nationalization of banks, establishing regional rural banks (RRBs) etc. In India, self-help groups (SHGs) have proved its effectiveness to build strong relationship between the formal financial

systems and the excluded rural poor. Various economic activities could be started through SHG movement. This scheme is implemented with the help of NABARD as a main nodal agency in rural development.

Empowerment provides access to knowledge and resources to a greater extent, more power for decision making, ability to live planned lives and more control over situations which influence their lives. It is considerable that financial literacy makes an individual more self-reliant to achieve financial stability.

**Purpose of the study:**

- To find out the reason behind financial status of rural women and present economical practices adopted by them.
- To know about the existing financial knowledge among the rural women.
- To understand the kind of financial practices adopted by the rural women.

**Objectives of the study:**

- To study the socio-economic status of the female respondents (rural women).
- To assess the financial behavior towards expenses.
- To study the present economical practices adopted by the respondents.
- To analyze about the barriers in financial literacy of the female respondents.

**Review of literature:**

Banerjee and Sain (2016), finds in their study that SHGs have positive contribution towards women empowerment as well as improvement of financial literacy among the women in Kalna block II of West Bengal.

Kondal (2014), had conducted a study on 100 SHG women of Gajwel Mandel of Medak distt. in Andhra Pradesh finds that SHG increases empowerment of women by making them financially strong, as well as it helped them to save amount of money and invest it further for development.

Thangamani and Muthuselvi (2013), in a study finds that Self Help Group is important in re-strengthening and bringing together of the human race.

Mohd. Arif (2014), coated in his study that the SHG-bank linkage program needs to taken as a part of the financial inclusion process since it brings to the formal banking fold the excluded category of poor segments of societies who are not able to access banking services individually.

Louis (2015), found that the correlation between savings by SHGs, credit received by SHGs and loan outstanding against SHGs, during the study period was strong, positive and significant. But rate of growth in savings per SHG was significantly lower than the rate of growth of loan disbursed per SHG and loan outstanding per SHG.

**METHODOLOGY****Research design:**

The study is based on descriptive type of research.

**Sampling procedure:**

The study was conducted in four villages of Bhathut block in Gorakhpur district (U.P). Eleven Self Help Groups formed from three to four years before and running properly were randomly selected for the purpose of the study. 141 women members were included in the study.

**Development of tool:**

A pre-coded set of questionnaire was developed for the present study. It includes: General Information, Socio-economic Status and Knowledge Tool.

**Procedure of data collection:**

Primary data was collected with personal interview method and observation. The study is based on primary data collected through a field survey in the study area. Data were collected with the help of standard and developed scales.

**Statistical analysis:**

Data was collected and tabulated on frequency and percentage.

**RESULTS AND DISCUSSION**

Major Concerns of the study are about financial practices that are adopted regarding: income, savings, investment practices and knowledge about the change in economic practices.

As all the respondents were from self help groups, all of them were having low socio-economic background. It was measured by using the SES scale developed by Divya Singh and Dr. Deepa Vinay.

95.74% (135) of them were having irregular monthly income. The major source of income in their family is daily wages. Therefore, the income is never being regular.

Female members were getting limited amount just to fulfill household chores. Major part of money earn by male partners was spend by themselves. Although female were given some amount to spend but it is very less to take independent decision to spend.

In 87.94% (124) financial decisions of the family was taken by male partners. As male members were

**Table 1 : Financial behavior towards expenses**

Sr. No.	Elements of financial behavior	Yes	No
1.	Regular monthly income	6 (4.26)	135 (95.74)
2.	Limited amount for household chores	141 (100)	0 (0)
3.	Financial decisions taken by male partners	124 (87.94)	17 (12.06)
4.	Practice of making family budgets	0 (0)	141 (100)
5.	Having personal bank accounts	128 (90.78)	13 (9.22)
6.	Habit of operating bank account regularly	52 (36.88)	89 (63.12)
7.	Loan taken from group	113 (80.14)	28 (19.86)
8.	Familiar with ATM	20 (14.18)	121 (85.81)
9.	Use of ATM	0 (0)	141 (100)
10.	Record keeping of money transaction	11 (7.80)	130 (92.20)

only earning members so they take major financial decisions, not involving their female partners most of the time.

No practice of making family budget, money spend as per the need arises. Females were not having knowledge of family budget making, as the amount they were having was very less. But 90.78% (128) respondents have their personal bank accounts, but 63.12% (89) were not being operated regularly.

80.14% (113) of respondents have taken loan from their groups which were repaid accordingly.

Only 14.18% (20) of them were familiar with ATM card but none of them have used it.

Socially active females were familiar with banks, the literacy status leaves less impact on this practice.

The percentage of record keeping regarding money transactions was very less.

#### Financial Practices:

- Income: Nearly 95.73% (135) of them were having irregular monthly income as most of the source of income was daily wages.
- Savings: Regular monthly savings were made in the SHGs (Self help groups) but apart from this there was no regular savings in banks or in other forms.
- Expenditure: The habit of unplanned of expenses was prevailing with them. Although they were having some safe money but the idea of budgeting or planning was absent.
- Investments: There were no such investments which give multiple growths to their amount.
- Borrowing: Borrowings were made within the group (SHG) for farm productions, land, marriages, medical requirements, etc.

#### Barriers in providing financial literacy:

- **Poor literacy status:** The literacy status of the respondents was poor which create difficulty in understanding the financial matters. 41.84% of them were illiterate whereas 39.71% could manage to make their signatures.
- **Unplanned expenses:** None of them were practicing the habit of having plans for their expenses. They were finding it very difficult to decide their priority list of expenditure.
- **Absence of future plans:** Better future is the dream of everyone but the ideas like small and consistent savings were not with them.
- **Not upgraded with present financial schemes:** Various beneficiary schemes like small training programs regarding entrepreneurship, BHIM app, Jan Dhan Yojana, etc. were not known to them.
- **Insufficient guidance about multiple growths of Savings:** There is a need for proper guidance regarding multiple growth of money. It means how to make Rs 100 out of Rs 10 and further Rs 1000 and many more like this.
- **Finds difficult to talk about personal financial matters:** Although many of them were active enough to speak but they were unexpressive to speak about their personal financial matters.

#### Conclusion:

- Women Empowerment could be achieve through better financial literacy status which is prerequisite for good financial skills.
- There is a need of proper financial education program that is specially developed for rural women.

- Women should have better ideas and opportunities for multiple growth of their money.
- The rural women of the region need proper guidance to overcome the barriers in their financial skills.

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