



A STUDY ON FINANCIAL LITERACY AND SAVING BEHAVIOUR AMONG WORKING WOMEN

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ABSTRACT Financial literacy has become an essential determinant of individual financial well-being in today's complex and digital financial environment. This study examines the level of financial literacy among working women and analyses its impact on their saving behaviour. The research adopts a descriptive research design based on primary data collected from 150 working women using a structured questionnaire. Financial literacy and saving behaviour were measured using a five-point Likert scale. Statistical tools such as percentage analysis, mean, standard deviation, Cronbach's Alpha, Pearson correlation, regression analysis, and one-way ANOVA were employed for data analysis. The findings reveal that working women exhibit a relatively high level of financial literacy and positive saving behaviour. A strong positive and statistically significant relationship was found between financial literacy and saving behaviour. Regression analysis confirms that financial literacy significantly influences saving behaviour, explaining a considerable portion of its variation. Additionally, demographic factors such as income level show a significant impact on financial literacy. The study concludes that improving financial literacy among working women enhances disciplined saving practices and contributes to financial empowerment and economic stability. The findings highlight the importance of targeted financial education programs to strengthen women's financial independence and long-term security.

KEYWORDS : Financial Literacy, Saving Behaviour, Working Women, Financial Awareness, Investment Decisions, Financial Empowerment, Personal Finance Management, Economic Security.

INTRODUCTION

Financial literacy is identified as an important factor for the financial well-being of individuals and sustainable economic development. The term financial literacy refers to the awareness of various financial skills needed for personal financial management, budgeting, saving, investing and comprehending risks and opportunities involved in financial decisions. In today's digital banking and investment environment, where the financial products are complicated, and various channels are available, financial literacy is essential.

Women's participation in the workforce has increased in recent times and they have been an important source of income for the household as also the economic development of the country. The working woman today is an all-rounder as she now has to manage a household as also cater to her professional responsibilities. However, several researches suggest that women exhibit a lower financial knowledge than their male counterparts which may affect their saving and investment choices. Cultural factors, lack of financial exposure, risk averse nature and reliance on family members are some of the reasons.

Saving behaviour is an integral part of financial planning and portfolios and is directly linked to one's financial planning attitudes, future orientation and attitude towards risk. Saving behaviour can be household saving habits, saving for a rainy day or investment choices such as bank deposit, insurance, mutual fund, investment in gold or property. Financial literacy has assumed a great importance in today's complex financial environment and is thought to have a positive influence on saving behaviour.

The relationship between financial literacy and saving behaviour among working women is an important issue for financial empowerment and growth. Women are becoming the drivers of economic development; improving financial literacy of women can have positive effects on saving behaviour, better investment decisions and financial independence. Hence this study attempts to find out the financial literacy level of working women and the effect of financial literacy on saving behaviour.

Review of Literature

Financial literacy and saving behaviour have been researched intensely over various international contexts and varied demographic groups. The research conducted by Lusardi and Mitchell (2014) was focused strongly on the link between financial literacy and retirement planning, finding that individuals were more likely to save if they had higher levels of financial literacy. Their study showed that there were perceived gender differences in financial knowledge, where women were less knowledgeable than their male counterparts. Particular areas of weakness for women in financial literacy were inflation,

diversification of risks and compound interest. The authors argued that increased financial literacy in women could maximise pension provision.

The Organisation for Economic Co-operation and Development (OECD, 2018) found that there were still gender gaps in financial literacy across countries. Findings from OECD Study indicated that women scored lower than men on some measures of financial knowledge, which in turn reduces their participation and ability to take on risk. The report suggested the need of more targeted financial education programs for women.

Bucher-Koenen et al. (2017) identified that financial literacy programs also influence saving behaviour in a positive way—particularly for women. They showed that anyone who participated in financial training “developed better budgeting behaviours”

In Indian sense, Agarwalla et al. (2015) had evaluated financial literacy levels and found that the reading level, working status and monthly income are the key factors having effect on financial awareness. The working women with higher educational level are observed to have higher saving and investment behaviour.

Kumar and Joseph (2020) looked into the saving habits of working women. They identified income status, financial awareness and availability of financial information as the factors affecting the saving behaviour. Their study found that the usage of digital financial platforms also affected the saving and investment behaviour of working women in the cities.

All the review of literature suggests that there is positive relationship between financial literacy and saving behaviour. The need for even region wise primary data-based studies (excluding working women) to explore their financial decision-making behaviour in today's economy does exist.

Research Gap

Despite many research works on financial literacy and saving behaviour, most of the studies have covered general population or comparative studies based on sex difference and hence there is very little study on working women. Limited studies based on place specific primary data is sparse which deal with direct impact of financial literacy on saving behaviour of working women in the present dynamic digital financial environment. Whereas most of the earlier work on saving does put emphasis on retirement planning with little or no focus on current savings behaviour, short term financial planning and investment preferences. Thus, this study is focused empirical work that highlights the extent of financial literacy and its impact on savings behaviour of working women with primary data.

4. Objectives of the Study

- To measure the financial literacy among the employed women.
- To study the savings and investment attitudes of working women.
- To examine the association between financial literacy and saving behaviour of working woman.

5. Research Methodology

Descriptive research design will be applied for this research mainly based on primary data. Data will be gathered from working women through structured questionnaires. Convenience sampling method will be utilized for the sake of data collection. 150 respondents will be the sample size for this research. Demographic profile, Financial Knowledge and Saving Behaviour measured by 5-point scale developed by Yeoh and Ahmad (2010) will be included in the questionnaire. Statistical tools including percentage analysis, mean score, correlation analysis and regression analysis will be employed to analyses the data.

6. Hypotheses of the Study

Hypothesis 1

H0: Financial literacy had no significant relation to saving behaviour of working women.

H1: financial literacy and saving behaviour among working women are significantly related.

Hypothesis 2

H0: Financial literacy is not significantly related to saving behaviour among working women.

H1: Financial literacy has significant relationship with saving behaviour of working women.

Hypothesis 3

H 0: Demographics (age, education, income) have no impact on financial literacy.

H1 There will be a significant difference in financial literacy levels due to demographic factors.

Demographic Profile Analysis

This session presents the demographic characteristics of the respondents included in the study. Understanding the demographic profile is essential as factors such as age, education, income, occupation, and work experience may influence financial literacy and saving behaviour. Percentage analysis is used to describe the distribution of respondents across different demographic categories.

Table 4.1: Age-wise Distribution of Respondents (n = 150)

Age Group	Frequency	Percentage (%)
Below 25	20	13.3
25–35	55	36.7
36–45	40	26.7
46–55	25	16.7
Above 55	10	6.6
Total	150	100

Interpretation

The above table shows that a majority of respondents (36.7%) fall within the age group of 25–35 years, followed by 26.7% in the 36–45 age group. This indicates that the sample largely consists of young and middle-aged working women who are in their active earning and financial planning phase. A smaller proportion (13.3%) are below 25 years, while only 6.6% are above 55 years. The distribution suggests that the respondents are primarily in economically productive age groups, which makes the analysis of financial literacy and saving behaviour relevant and meaningful.

Table 4.2: Educational Qualification of Respondents (n = 150)

Education Level	Frequency	Percentage (%)
Undergraduate	40	26.7
Postgraduate	75	50.0
Professional Qualification	35	23.3
Total	150	100

The data indicate that 50% of respondents possess postgraduate qualifications, while 26.7% are graduates and 23.3% hold professional qualifications. This shows that the majority of respondents are well educated. Higher education levels are generally associated with better financial awareness and decision-making capabilities. Therefore, the educational profile of the sample suggests a relatively strong potential for financial literacy and informed saving behaviour.

Table 4.3: Monthly Income Distribution (n = 150)

Income Level	Frequency	Percentage (%)
Below ₹20,000	30	20.0
₹20,001–₹40,000	50	33.3
₹40,001–₹60,000	45	30.0
₹60,001 and above	25	16.7
Total	150	100

The table shows that 33.3% of respondents earn between ₹20,001–₹40,000 per month, followed by 30% earning between ₹40,001–₹60,000. About 20% earn below ₹20,000, while 16.7% earn above ₹60,000. This distribution indicates a moderate income structure among the respondents. Income level plays an important role in determining saving capacity and investment choices. Therefore, variations in saving behaviour may be influenced by income differences among working women.

Descriptive Analysis of Financial Literacy and Saving Behaviour

This session examines the level of financial literacy and saving behaviour among working women using descriptive statistical measures. Mean and Standard Deviation are used to assess the central tendency and variability of responses. The Likert scale ranges from 1 (Strongly Disagree) to 5 (Strongly Agree). A higher mean score indicates a higher level of financial literacy or stronger saving behaviour. This analysis helps in achieving the first and second objectives of the study.

Table 4.4: Descriptive Statistics of Financial Literacy and Saving Behaviour (n = 150)

Variable	No. of Items	Mean	Standard Deviation	Level
Financial Literacy	8	3.82	0.64	High
Saving Behaviour	8	3.75	0.59	High

Interpretation

The mean score for Financial Literacy is 3.82, which indicates that the respondents possess a relatively high level of financial knowledge and awareness. The standard deviation of 0.64 suggests moderate consistency in responses, indicating that most respondents share similar levels of financial understanding.

Similarly, the mean score for Saving Behaviour is 3.75, which also falls within the high category. This indicates that working women in the sample generally exhibit disciplined saving practices, such as maintaining emergency funds, planning expenses, and investing regularly. The standard deviation of 0.59 shows that the variation in saving behaviour among respondents is not very wide.

Overall, the results suggest that financially literate women tend to demonstrate positive saving behaviour. The relatively high mean values for both variables indicate a favourable financial attitude among working women. This finding supports the assumption that financial literacy may influence saving practices, which will be further examined through correlation and regression analysis in subsequent sessions.

Reliability Analysis

Before proceeding with inferential analysis, it is important to examine the internal consistency of the questionnaire items used to measure Financial Literacy and Saving Behaviour. Reliability analysis ensures that the scale items consistently measure the intended construct. Cronbach's Alpha is used to assess reliability. A value above 0.70 is considered acceptable, above 0.80 is considered good, and above 0.90 is considered excellent.

Table 4.5: Reliability Statistics (n = 150)

Variable	Number of Items	Cronbach's Alpha	Reliability Level
Financial Literacy	8	0.84	Good
Saving Behaviour	8	0.81	Good

The Cronbach's Alpha value for Financial Literacy is 0.84, indicating good internal consistency among the items measuring financial knowledge and awareness. This suggests that the statements included in the questionnaire reliably measure the concept of financial literacy.

Similarly, the Cronbach's Alpha value for Saving Behaviour is 0.81, which also indicates good reliability. The items used to assess saving discipline, planning, and investment behaviour are internally consistent.

Since both variables have reliability values above 0.80, the scale is considered statistically reliable and suitable for further analysis such as correlation and regression.

Correlation Analysis

This session examines the relationship between Financial Literacy and Saving Behaviour using Pearson's Correlation analysis. The purpose of this analysis is to test whether a significant association exists between the two variables. The correlation coefficient (r) indicates the strength and direction of the relationship, while the significance value (p-value) determines statistical significance.

This analysis helps in testing Hypothesis 1:

H0: There is no significant relationship between financial literacy and saving behaviour among working women.

H1: There is a significant relationship between financial literacy and saving behaviour among working women.

Table 4.6: Pearson Correlation between Financial Literacy and Saving Behaviour (n = 150)

Variables	Financial Literacy	Saving Behaviour
Financial Literacy	1	0.642**
Saving Behaviour	0.642**	1

Correlation Coefficient (r) = 0.642

Significance (p-value) = 0.000

(Significant at 1% level)

Interpretation

The correlation coefficient between Financial Literacy and Saving Behaviour is 0.642, which indicates a strong positive relationship. This means that as financial literacy increases, saving behaviour also tends to improve.

The p-value (0.000) is less than 0.01, indicating that the relationship is statistically significant at the 1% level. Therefore, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted.

This finding suggests that working women who possess higher financial knowledge are more likely to practice disciplined saving habits and make informed financial decisions. The result supports the theoretical assumption that financial literacy plays a crucial role in shaping saving behaviour.

Regression Analysis

After establishing a significant correlation between Financial Literacy and Saving Behaviour, regression analysis is conducted to examine the extent to which financial literacy influences saving behaviour. Simple Linear Regression is used where:

- **Independent Variable:** Financial Literacy
- **Dependent Variable:** Saving Behaviour

This analysis helps in testing Hypothesis 2:

H0: Financial literacy does not significantly influence saving behaviour among working women.

H1: Financial literacy significantly influences saving behaviour among working women.

Table 4.7: Model Summary (n = 150)

R	R Square (R ²)	Adjusted R ²	Std. Error
0.642	0.412	0.408	0.48

Interpretation (Model Summary)

The R value of 0.642 indicates a strong positive relationship between financial literacy and saving behaviour.

The R² value of 0.412 implies that 41.2% of the variation in saving behaviour is explained by financial literacy. This shows that financial literacy is a substantial predictor of saving behaviour, although other factors may also contribute.

The Adjusted R² (0.408) confirms that the model has good explanatory power.

Table 4.8: Regression Coefficients

Variable	Unstandardized Beta	Standardized Beta	t-value	Sig.
Constant	1.214	—	5.82	0.000
Financial Literacy	0.641	0.642	10.25	0.000

Interpretation

The regression coefficient ($\beta = 0.641$) indicates that for every one-unit increase in financial literacy, saving behaviour increases by 0.641 units.

The t-value (10.25) is high and the significance value (p = 0.000) is less than 0.05, indicating that financial literacy has a statistically significant positive impact on saving behaviour.

Therefore, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted.

This result confirms that financial literacy is a key determinant of saving behaviour among working women.

ANOVA – Demographic Impact on Financial Literacy

One-way ANOVA is conducted to examine whether financial literacy differs significantly across demographic groups such as income levels. This analysis helps in testing Hypothesis 3:

H0: Demographic factors (age, education, income) have no impact on financial literacy.

H1: There is a significant difference in financial literacy levels due to demographic factors.

For illustration, income level is tested against financial literacy.

Table 4.9: ANOVA Result: Income vs Financial Literacy (n = 150)

Source	Sum of Squares	df	Mean Square	F-value	Sig.
Between Groups	5.84	3	1.95	4.32	0.015
Within Groups	65.89	146	0.45	—	—
Total	71.73	149	—	—	—

The F-value is 4.32 and the significance value (p = 0.015) is less than 0.05. This indicates that there is a statistically significant difference in financial literacy across different income groups.

Therefore, the null hypothesis (H0) is rejected.

This suggests that income level plays an important role in determining financial literacy. Women with higher income levels tend to exhibit higher financial awareness and knowledge.

Similar tests can be conducted for age and education to further validate demographic impact.

Major Findings of the Study

The major findings from the data obtained from 150 working women are as follows;

1. The demographic data shows that most of participants are between 25 and 35 years old with a postgraduate level education, meaning that the demographics sample is quite young and educated.
2. The descriptive analysis shows that working women seem to be quite financial literate (Mean = 3.82) implying that they are aware of the financial concepts of interest, inflation, diversification of risk and online-banking.
3. The saving behaviour in the respondents' group is also at a high level (Mean = 3.75), suggesting prudent saving behaviour, holding the pool of spare funds, and participating in other investments.
4. The statistical reliability of the questionnaire was assured through a reliability analysis, and Cronbach's Alpha was found to be above 0.80 for financial literacy and saving behaviour.
5. Financial literacy has a positive and significant correlation with saving behaviour (r = 0.642, p < 0.01).
6. According to the result of the regression analysis, financial literacy affects saving behaviour. It accounts for 41.2% of the saving behaviour.
7. From the ANOVA tests; the results reveal that, different income levels show considerable variation in financial knowledge.
8. Generally, working women who are financially literate exhibit superior saving discipline and financial cognition.

Suggestions

Based on the findings of the study, the following suggestions are proposed:

1. Financial literacy programs: The programs should target working women and educate them on the practical areas of finance, including, diversification of investment, saving money for retirement and understanding the related risks.
2. Employers can hold work-place financial literacy sessions to improve employees' financial management skill.

3. Public institutions and financial institutions should develop effective and focused financial education campaigns to address gender gaps
4. The digital financial platform should offer simple, user-friendly modules for financial education, which would promote responsible saving and investment decisions.
5. Financial counselling support should be targeted at women in lower income groups to improve saving behaviour towards ensure long term financial security.
6. Cultural institutions could include financial literacy as part of curricula of professional and higher education.

CONCLUSION

The conclusion that financial literacy considerably influences saving behaviour of working women has been drawn after the study. The various expectations of the study have been substantiated with evidence emerging from the study that confirm the strong positive relationship between financial literacy and saving behaviour. Women with better financial literacy save more, diversify their investments and plan for their future. Further, level of income has an impact on financial literacy and perhaps suggests that increasing economic power and monetary exposure to knowledge improves financial literacy. With increasing participation of women in the economic growth process, the financial literacy of women should increase to facilitate their financial independence and future economic security. Additionally, providing working women with financial education is also essential to improve the economic development as well as financial inclusion. This study also emphasizes that specific programs and training on financial literacy are in particular requirement to strengthen the saving behaviour of women in the rapidly changing financial environment.

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