



ORIGINAL RESEARCH PAPER

Commerce

STUDY ON FINANCIAL LITERACY AMONG POST GRADUATE TEACHER IN BANASKANTHA AREA.

KEY WORDS: Financial Planning, Financial Literacy, Post Graduate Teacher.

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ABSTRACT

This study basically attempts to analyze the Financial Literacy and financial planning of post graduate teacher in Banaskantha. Teachers are one of the most influential people in our society. By having financial literacy and managing personal finance properly, they can become a role model to their students and help them to develop as fiscally and socially responsible citizens. Unfortunately, many teachers do not know how to manage their finances. There is a belief that teachers of technical education do not have sufficient financial literacy levels as compared to teachers of non-technical education. In this connection, an attempt is made to find out the levels of knowledge about financial literacy, personal financial planning among the higher education teachers. The study found that the level of financial literacy among the teachers of higher education is satisfactory. Further, no significant difference is found in the perception of teachers towards the financial literacy and financial planning.

INTRODUCTION

For an individual, understanding basic principles of finance and their application is a must for financial wellbeing. "Unfortunately, many people have a weak grasp of basic principles of personal finance. General attitudes toward spending and saving behavior are troubling as well. What is lacking is not information, but rather the ability to interpret the information" (Lerman & Bell, 2006, p.1). Having promoted the investor awareness programs across India, now they have realized the importance of financial literacy education at school level. This enables future generations to manage their finances very well and avert problem while investing their money.

REVIEW OF LITERATURE

Mohammad & Donald, (2010) found that students with higher financial knowledge had fewer financial problems and exhibited and reported savings behavior. Ronald & Grable, (2010) found that an individual's financial behavior is determined by his/her level of financial risk tolerance. Agarwal et al., (2010) revealed that though the majority respondents of his study showed to be financially literate, yet most of them are unable to meet their financial goals.

Wendy & Holden, (2009) found that teachers are aware of financial education and need expanded personal financial education.

Lewis & Linda, (2009) found with their study that financial management course could not make difference among the students with regard to financial literacy and financial management in comparison to those who have not done the course.

Henn & Cormick, (2009) stated that financial education is required from school age to develop skills of taking financial decisions in their lifetime in the complex market.

Schuchardt et al., (2009) reviewed literature of the last decade on financial literacy and found that significant research has been done on impact of financial education. They found that financial education leads to increase in financial knowledge, positive changes in financial attitude, motivation and planned behavior of an individual.

What Is Financial Literacy?

Another aspect which will be influenced by financial literacy is financial planning and it is important to individual's financial wellbeing. Financial planning allows individuals to

control their financial position. For this purpose, individuals need to recognize and set their priorities. Having a plan for spending, saving, and investing money makes a difference in how well financial needs and goals will be met. Meeting those goals require financial planning that considers all aspects of finance like budgeting and managing taxes, liabilities, purchase decisions, managing insurance, managing investment, retirement and estate planning (Kapoor et al.2014).

RESEARCH OBJECTIVES

- To study the levels of financial literacy among the Post graduate Teacher.
- To know its impact on their personal financial planning.

RESEARCH HYPOTHESIS

H0: There is no significant relationship between perception towards financial literacy and personal finance planning among Post Graduate teachers.

H1: There is a significant relationship between perception towards financial literacy and personal finance planning among Post Graduate teachers.

RESEARCH DESIGN

The research design use for this research paper is descriptive research design. It is useful when not much is known yet about the topic or problem. Before you can research why something happens, you need to understand how, when and where it happens.

METHODOLOGY

This study is based on primary as well as secondary data. Interview schedule is used to collect primary data from the respondents and secondary data is gathered from leading journals, newspapers, related government office documents, standard books, published articles and various websites.

Limitation Of The Present Study

This study is based on Convenience nonprobability Method and that sense suffers from the limitation of that sampling method. The study is a micro level therefore findings not possible for applied in macro level however all possible efforts have been taken to ensure the correctness of the data used in the present research work.

The study relates to the population of Banaskantha only used for the study, and sample size are 50 only which limits the generalizability of the findings.

DATA ANALYSIS AND INTERPRETATION

1. Primary data is collected from 50 faculties belongs to Commerce, Management and Economics areas; To collect the relevant information from the respondents, a survey method was used with a structured schedule. The financial literacy level is measured among teachers of higher education in terms of a) financial knowledge, b) financial behavior and c) financial studies and attitudes and financial planning is measured in terms of a) budgeting and tax planning, b) managing liquidity c) financing large purchases, d) protecting life and assets, e) investing savings and f) planning retirement and estate planning.

Financial Literacy Levels among Post Graduate Teacher

Sr. No	Financial Knowledge	Mean	SD
1	Financial Knowledge	4.12	0.784
2	Time Value of Money	3.76	1.353
3	Inflation	3.8	0.975
4	Risk Diversification	4.33	0.881
5	Differential Uses	4.06	0.964
6	Cost of Finance	3.83	0.914
	Financial Behavior		
7	Financial Goal	4.28	0.791
8	Financial Planning	3.93	0.941
9	Affordability	4.44	0.828
10	Identification of	4.37	0.84
11	Control	4.04	0.929
	Financial Attitude		
12	Spending V/s Savings	2.78	1.403
13	Pattern of Savings	3.68	1.021
14	Spending	1.77	1.045
15	Short term vision	2.83	1.179
16	Quality of Savings	2.98	1.27

(Source: Primary Data)

Financial Knowledge:

From the study, it is found that technical and non-technical teachers of higher education agreed with a high rating mean of 4.12 that financial knowledge helped them in effective economic decision making. Respondents agreed that they know the risk diversification is crucial one for financial decision.

Financial Behavior:

Majority teachers also agreed that they consider Affordability for several products from different companies before making the decision to buy with mean of 4.44.

Financial Attitude:

Teachers of Post-Graduation rating highest on Quality of Saving with mean 2.98. In case of 'spending' variable majority disagreed with the concept that money is to be spent and saving is not important with mean 1.77 and 2.78 respectively.

Hypothesis Test:

The statistical results obtained by using Z-test to test the significant relationship between perception towards financial literacy and personal finance planning among Post Graduate teachers. The probability (p) value obtained from the test is 0.672 which is higher at the significance level, i.e., = 0.05, hence, null hypotheses is accepted. Therefore, there is a no significant relationship between perception towards financial literacy and personal finance planning among Post Graduate teachers.

FINDINGS

- It found that the level of financial literacy among the teacher of higher education is satisfactory.
- It is also found that most PG teachers have a high level of financial literacy are aware of various aspects of personal financial planning and are able to plan on their own irrespective of their subject of profession.

CONCLUSION

The study focused on factors of financial literacy and personal financial planning among Post graduate teachers. In spite of the survey results presented here, further surveys should be carried out to generate more representative analysis. Apart from the study on the higher education teachers, teachers of all levels and employees of all sectors of the economy should be made part of the study. This should aim at giving a clear picture of individuals' planning of personal finance. The results therein should aid policy makers and practitioners in formulating appropriate strategies to bridge any financial literacy gaps.

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