



Bandhan
IGNITING POTENTIAL

2021 - 2022

BANDHAN

FINANCIAL LITERACY PROGRAMME

(BFLP)

Key to Women Empowerment





Bandhan Financial Literacy Programme (BFLP)

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Abstract

Woman's economic empowerment achieved through functional and financial literacy is reflected in their participation in decision-making, productivity, and livelihood at household and community levels. However, women's economic empowerment and financial inclusion remain major concerns in rural and semi-urban India. Bandhan a not-for-profit organization, works on financial literacy among rural women to achieve the goal of financial inclusion of women. Bandhan Financial Literacy Programme (BFLP) seeks to answer the question – 'How does digital and financial inclusion improve the bargaining power of women both within their households and the society?'

The research at hand is based on a research study undertaken to assess the influence and effectiveness of BFLP to empower women leading to financial inclusion. The study conducted in 2021 took as indicators key outcomes expected through the programme and included financial experience, financial decision-making, financial goals, financial behaviour, financial skills, financial knowledge, and financial ability. The purposive random sample led to the selection of 246 representative samples from five districts in the State of West Bengal. Empirical evidence confirms that the financial literacy programme positively influences the planning and saving habits among women since the capacity to assess income against expenditure with skills to calculate ensures that risks, losses, and unproductive consumption expenditures are reduced while there is an overall increase in insurance, savings and investment products.

The study elucidates how Bandhan Financial Literacy Programme is striving to accomplish the national goal of empowering women and ensuring financial inclusion and active women participation in securing household finance and economic development. The study has revealed the need for larger empowerment based on digital financial literacy including investor protection with active interest among women from rural communities to use digital payment gateways for diverse opportunities and investments.

Keywords: Financial Behaviour, Financial Literacy, Monetary Decisions, Women Empowerment, and Financial Self-Efficacy



1. Introduction

Why financial literacy matters for ensuring women's empowerment? Let's give this issue some thought! Women's empowerment had been one of the priority areas of concern in our nation, which can only be attainable when they are educated and financially literate. Financial literacy can be defined as the ability to identify how money works in a normal course of action (Singh & Kumar, 2017). The Organization for Economic Co-operation and Development (OECD) has defined financial literacy as "a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual wellbeing". According to the Reserve Bank of India, financial literacy is defined as "the capacity to have familiarity with an understanding of financial market products, especially reward and risks to make informed choices". Besides, financial literacy is defined by the National Financial Educators Council as: "Possessing the skills and knowledge on financial matters to confidently take effective action that best fulfils an individual's personal, family and global community goals." Financial literacy means knowledge of financial matters and the ability to process financial information and make good financial decisions (Luksander et al, 2014). Precisely, it refers to the set of skills and knowledge that allows a person to make informed and effective choices and decisions with all of their monetary resources (Singh & Kumar, 2017). Financial independence enables an individual to make decisions rationally (Noctor et al., 1992).

According to Priyadharshini (2017), financial literacy and its components, such as financial attitudes and behaviour, financial skills, financial knowledge, financial capability, financial awareness, financial goals, and financial decisions, are intertwined and mutually dependent. A few studies have advocated that financial knowledge affects financial behaviour (Babiarz and Robb, 2014; Woodyard et al., 2017), financial goals (Priyadharshini, 2017) and financial decisions (Asaad, 2015; Parker et al., 2012). Financial literacy embraces financial knowledge, financial behaviour and financial attitude (Biswas & Gupta, 2021; Atkinson & Messy, 2012). Financial knowledge indicates the understanding and awareness of financial concepts such as the time value of money, simple and compound interest, risk and return, inflation and diversification, and the use of this understanding to solve financial problems. Financial literacy is defined as financial knowledge which is a basis for appropriate financial decision-making (Lusardi, 2012b; Huston, 2010; Hilgert et al., 2003). Besides, financial behaviour defines the ability to handle economic matters at important household-level financial or monetary decision-making like budgeting, saving, purchases of goods, timely payment of bills, long-term financial goals, selecting financial products and borrowing. Financial attitude is an attribute that determines his/her tendencies towards financial choices vis-à-vis planning for the future, and satisfaction in spending money.

Findings of a few studies substantiate that financial literacy is strongly correlated with voluntary retirement savings (Brown & Graf, 2013). In addition, a study conducted by Ansong and Gyensare (2012), reveals that age and work experience are positively associated with financial literacy. The level of financial literacy depends on the financial needs and behaviour of an individual. From the results of a few research studies, it can be inferred that financial literacy is highly influenced by age, geographical region, financial environment, experiences, income, and other sociodemographic factors such as family background, the number of dependents, mother's education, financial advice etc, (Sekar & Gouri, 2015). Bernasek and Bajtelsmit (2002) claim that the participation of women in household economic decisions increases with their share of household income and financial education.



2. Intervention by Bandhan

Bandhan (Bandhan-Konnagar) registered under West Bengal Societies Registration Act, 1961, began its journey in 2001 as a pro-poor development organisation to meet the cardinal goals of poverty alleviation and women's empowerment. The organisation is actively engaged in the development space for the socio-economic progress of the poor.

Bandhan strives to ensure women's empowerment through its Bandhan Financial Literacy Programme (BFLP) which is supported by Bandhan Financial Services Limited (BFSL). The Bandhan Financial Literacy Programme (BFLP) was launched in West Bengal during the year 2015. The programme intends to strengthen the financial inclusion of rural communities, particularly women at the grassroots. In the effort to ensure the holistic development of communities, financial literacy and inclusion are the means that support women to move from sustenance to sustainable growth. Accordingly, special emphasis is given to encouraging participants to acquire financial literacy comprising knowledge and skills. Beneficiaries are also trained to access different banking services, insurance and pension schemes. Bandhan attempts to support women from the rural and poorer section of society through Bandhan Financial Literacy Programme (BFLP).

Project Objectives

The main objective of the Bandhan Financial Literacy Programme (BFLP) is to disseminate financial education to the women in rural community leading to larger financial inclusion.

The specific objectives are stated below:

- To increase awareness among rural women about financial products and services.
- To empower them on financial planning and money management.
- To facilitate them in increasing income and savings through financial inclusion.
- To educate them about credit access, proper investment and repayment.
- To bring them under insurance and pension services



The Bandhan Financial Literacy Programme (BFLP) aims to:

Make the financial behaviour of women more responsible – think about long-term lifecycle needs.

- Change their habit of taking decisions under stress or instinct like going to the moneylender or buying expensive goods without understanding its terms and conditions.
- Differentiate between the productive and consumptive use of money especially when accessing credit, so that they would be able to repay.

Besides, keeping to the financial literacy guidelines set by the Reserve Bank of India, the Bandhan Financial Literacy Programme (BFLP) has adopted the following components:

- Money Management: How to proactively manage money?
- Debt Management: How to control debt and avoid over-indebtedness?
- Managing Savings: How to save regularly and in a safe location?
- Financial Negotiations: How to strengthen clients' bargaining position vis-à-vis input suppliers, other household members, and financial institutions?
- Use of Bank Services: How do banks work and impose charges? How clients can maximize bank services, interact with banks and effectively use ATMs?

Nevertheless, Bandhan Financial Literacy Programme (BFLP) supports a vision of improving the household financial stability of the beneficiaries since the programme's awareness programme and handholding support helps beneficiaries to control financial resources, secure income, enhance savings and build their capacity towards safe investments besides supporting in access of social security schemes. Women beneficiaries are identified through a process of surveys and community meetings. Subsequently, local community level Educators are trained on concerns related to motivating and sharing knowledge with women beneficiaries, and different tools and materials to disseminate awareness. Further, identifying and documenting the financial knowledge and skills of the beneficiaries and thereby assessing the gaps. Bandhan facilitates women beneficiaries for planning for financial linkages through regular follow-ups and handholding support for accessing financial services.





3. Need of the Study

Financial inclusion plays a substantial role in the development of any nation. In addition, financial ignorance carries significant costs. There is a gender gap in financial literacy prevalent across countries (Lusardi, 2019). Management of finance in day-to-day life is a crucial challenge for women. It is a gendered notion that women are less likely than men to handle finance properly. The exclusion of women from financial literacy deprives them of many social, monetary, and other rights contributing to their inequality in domestic and public arenas. As discussed above, various discourses emphasised that a lack of financial literacy can hinder the ability of individuals to make well-informed economic decisions (Michael, 2009). However, the irony is that while the need for financial literacy is generally acknowledged, still the significance of a gender dimension remains a subject for debate (Hung, et al, 2013). Findings of research studies by Marcolin and Abraham (2006); Schuchardt et al., (2008); Remund (2010) and Huston (2010) reveal that regardless of the improvement of funding for financial literacy programs, still it remains the case that the field of financial literacy has a major impediment to overcome due to a lack of an extensively disseminated measure of financial literacy, developed through rigorous psychometric analyses. A few research studies have examined the association between financial education and other types of effective interventions. However, the intense review of the literature reveals that there exist substantial research gaps related to behaviour theories to outline desirable financial behaviours.

“It is impossible to think about the welfare of the world unless the condition of women is improved. It is impossible for a bird to fly on only one wing.” —Swami Vivekananda

Against this backdrop, a study was executed based on the hypothesis that financial literacy significantly influences the dimensions of financial inclusion and financial well-being of households.





4. Research Questions



The research at hand intends to study the impact of financial literacy on the financial behaviour of women beneficiaries.

The study sought to address specific questions such as:

- What is the extent of influence that financial literacy has on women beneficiaries towards achieving financial inclusion at both individual and household levels (knowledge, skills, and confidence)?
- What are the outcomes achieved by women toward financial inclusion?
- What are the policy-strengthening areas emerging for women's purview of financial literacy interventions?





5. Research Objectives

Main objective: To assess the influence of the Bandhan Financial Literacy Programme (BFLP) on the financial inclusion of women

Specific objectives:

- To study the influence of the Bandhan Financial Literacy Programme (BFLP) on the knowledge and skills of women beneficiaries in handling financial decisions
- To identify the resources needed to develop women's knowledge and understanding regarding financial literacy
- To address the improvement of the existing components in the current module of the Bandhan Financial Literacy Programme





6. Methodology

This section discusses the methodology adopted for the accomplishment of this research including design, scope, sample size, sampling techniques, data collection methods, and limitations of the study.

Research Design: The research design adopted for this study was descriptive and analytical. Further, to apprehend the influence of financial literacy on women's empowerment, an intensive literature review was done.

Research Tools:

A mixed-method approach including both qualitative and quantitative methods was adopted to get a proper insight from the empirical study.

Such as:

- Secondary Research
- Focus Group Discussions
- Field Observations
- Interview schedules

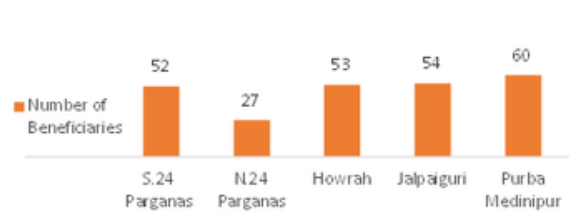
Sampling: The study was conducted using purposive random sampling across 46 implementing villages under the Bandhan Financial Literacy Programme situated in 5 districts of West Bengal that is Jalpaiguri, Purba Medinipur, North 24 Parganas, South 24 Parganas, and Howrah.

Sample Size: Women beneficiaries who have completed or were on the verge of completing a training programme organized by the Bandhan Financial Literacy Programme (BFLP) were considered as the treatment population. Hence, the treatment population for the Bandhan Financial Literacy Programme (BFLP) at the time of undertaking the study was 408021. The sample size was calculated to be 246 at a confidence level of 95%.

$$\text{Sample size} = \frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N} \right)}$$

- Population size (N) = 408021
- Confidence level = 95%
- Margin of Error = 5%
- Population Proportion = 20 %
- Z score at 95% CL= 1.96

Calculated Sample size = 245.76 = 246 (approx.)



Source: Primary Survey, 2021

Figure 1 : Number of women beneficiaries



Key Indicators: There is a need to analyse the financial literacy of women through seven selected components as Financial Experience, Financial Decision-making, Financial Goals, Financial Behaviour, Financial Skills, Financial Knowledge, and Financial Ability. It is important to mention that each of these financial components is interrelated and influences each other. The impact of financial literacy can be apprehended with the help of the following key performance indicators:



Figure 2 : Different indicators of financial literacy

Operational definitions (Construct):

Different concepts described below have been defined from the perspective of this research at hand:

- **Financial Experience:** Employment Status- Women's status of engagement in paid employment along with adequate financial literacy augments their experience on concerns related to finance.
- **Financial Decision-making:** Participation in household budgetary decision – In the context of the present research, the participation of women in the household budgetary decision-making process has been considered an indicator of financial decision-making.
- **Financial Goals:** Household budget/Insurance/ Savings / FD/ RD / PO – Women's response to having a household budget and an investment of their income in various sources such as Insurance/ Savings/ FD/ RD/ PO was considered as a criterion of financial goals.
- **Financial Behaviour:** Savings/ Withdrawal/ Loans – It refers to an individual's ability to operate their finances in terms of savings/ withdrawal.
- **Financial Skills:** Ability to access android phones/ Digital payment system – Financial skills of women is defined as their ability to avail banking on android phones and digital payment system.
- **Financial Knowledge:** Basic knowledge about calculation – Within this frame of reference, women's basic knowledge to calculate including addition, subtraction, division, and multiplication required to handle money and make financial decisions have been considered financial knowledge.
- **Financial Ability:** Ability to contribute towards household income – In this framework, women's ability to earn and contribute towards their monthly household income is defined as financial ability.



7. Limitations of the Study

The study was a single-period survey and hence, was based on the responses of the respondents at that point in time.





8. Empirical Shreds of Evidence

8.1 Financial experience: Engagement in income generating activities

Experience is one of the major factors that improve financial literacy. Dewi et al, 2020 & Frijns et al., 2014 proclaimed a positive and significant causal influence of monetary experience on financial literacy. Similarly, women's engagement in income-generating activities improves their ability to handle finance at individual and household levels. Hence, in a small but significant way handling money and managing income is considered a crucial experience that influences their know-how on economic matters. Table 8.1 indicates that on the positive side, 61.7 per cent of the women beneficiaries from the Purba Medinipur district are engaged in income-generating activities, followed by Jalpaiguri where 52.9 per cent of women were involved in income-generating activities. However, in the aggregate, a major percentage of women beneficiaries (i.e. more than 50 per cent) are confined to unpaid household duties confirming their financial dependency. Focus Group Discussions with women beneficiaries during the study confirmed that their involvement in the financial literacy forums has not only encouraged them toward financial inclusion but also motivated them to take up income-generating activities.

Table 8.1 District-wise responses to the status of engagement in income-generating activities (all percentages in row total)			
District	Engagement in Income Generating Activities (in per cent)		Total (N)
	Yes	No	
South 24 Parganas	40.4	59.6	52
North 24 Parganas	25.9	74.1	27
Howrah	41.5	58.5	53
Jalpaiguri	52.9	47.1	54
Purba Medinipur	61.7	38.3	60
Distribution of response	46.3	53.7	246
Source: Primary Survey, 2021			



The respondents were mainly involved in agricultural labour, construction work, and other piece-rate jobs such as zari work, saree, and bidi making. They further claimed that their income avenues were negatively affected by COVID-19 and job loss was also evident. Empirical findings from the field reflect that out of 246 women interviewed 114 were found engaged in income-generating activities which constitutes only 46.3 per cent of the selected sample.

8.2 Financial decision-making: Participation in household budgetary decision

A well-informed individual would always make better decisions on matters related to finance for the well-being of their households and the community thereby, fostering economic development (Hogarth, 2002). Poor financial decisions are always a consequence of a lack of financial literacy that can have adverse effects on an individual's economic status. A few research studies have examined the effect of financial literacy on economic decisions both in developed and developing (Klapper et al., 2011 & Priyadharshini, 2017). Findings from the empirical study substantiate that a majority of the women beneficiaries interviewed in all five districts are involved in financial decision-making with their spouses (see table 8.2). Focus group discussions with women beneficiaries in Dasbhaga village further substantiates the findings discussed above. However, there remains a gap in women's absolute autonomy in making household financial decisions. It can be inferred from the discussion in the previous section that their financial dependence could be one of the reasons that hold them back from taking any financial decisions individually. However, it cannot be denied that women's participation in the literacy forums has made them aware of the financial know-how and encouraged them to participate (though jointly with their husbands) in the household financial decision-making process as asserted by 83.3 per cent of the respondents.

Table. 8.2 District-wise responses to participation in the household financial budget (all percentages in row total)				
District	Household Financial Decision Making (in per cent)			Total (N)
	Self	Jointly with husband	Other family members	
South 24 Parganas	0	88.5	11.5	52
North 24 Parganas	11.1	88.9	0	27
Howrah	7.5	83	9.5	53
Jalpaiguri	5.5	81.5	13	54
Purba Medinipur	10	78.3	11.7	60
Distribution of response	6.5	83.3	10.2	246
Source: Primary Survey, 2021				



8.3 Financial goals: Insurance/ Savings/ RD/ PO

Financial goals play a vital role in determining financial literacy. Without a specific financial goal, an individual lacks a road map that directs him/her towards economic freedom (Priyadharshini, 2017). Clearly defined financial goals facilitate an individual to be financially wise. Effective financial goals are the key to the accomplishment of economic freedom. This research takes into consideration the investments made by women in diverse product options such as insurance, savings account, recurring deposits, fixed deposits, and post office deposits. However, observations from the field validated that women beneficiaries asserted that the Educator had played a significant role in encouraging and facilitating them towards financial inclusion which includes opening bank accounts, savings, availing Government schemes such as Lakshmi Vandar, PMJJBY, APY, pension schemes - West Bengal Widow Pension Scheme, 2010, Indira Gandhi National Old Age Pension Scheme (IGNOAPS) etc.

This gets revealed when one of the beneficiaries in Dasbarga village asserted:

“The Educator Didi guides us on a personal basis to avail the widow pension under West Bengal Widow Pension Scheme, 2010 where we get Rs. 1000/- per month.”

Adding to this discussion, another beneficiary added:

“ Educator Didi had helped me to avail Indira Gandhi National Old Age Pension Scheme (IGNOAPS) where individuals belonging to the BPL income group aged 60-79 can get a monthly pension of Rs. 200-500/-.”





8.3.1. Women beneficiaries' response to having a household budget:

Women beneficiaries emphasized that earlier they were prone to spend money without having any household budget. They stressed the fact that in the project-supported discussion forums, they were encouraged to plan their household budget including their household savings and expenditure. Findings from the field study revealed that in South 24 Parganas 71.2 per cent of women respondents expressed that they had a household financial budget (see table 8.3.1). Similarly, in the Jalpaiguri district, more than 50 per cent of the women beneficiaries also asserted that they keep or have a household financial budget.

On the other hand, the majority of the women beneficiaries in North 24 Parganas, Howrah, and Purba Medinipur revealed that they do not have any budget for their household expenses. Further, investigating the reason why women beneficiaries were not able to have an adequate household budget it was found that districts namely, Howrah, Hooghly, North and South 24 Parganas, Kolkata, East and West Medinipur, Nadia, and East Burdwan were adversely affected by natural calamities like Amphan. During the discussions, 55.3 per cent of the women beneficiaries emphasized that their household budget got negatively affected due to Amphan. In other words, they had to spend even their savings on the repair and reconstruction of the homes, building their livestock assets, etc.

**Table 8.3.1 District-wise responses toward household budget
(all percentages in row total)**

District	Having Household Budget (in per cent)		Total (N)
	Yes	No	
South 24 Parganas	71.2	28.8	52
North 24 Parganas	11.1	88.9	27
Howrah	30.2	69.8	53
Jalpaiguri	53.7	46.3	54
Purba Medinipur	41.7	58.3	60
Distribution of response	44.7	55.3	246

Source: Primary Survey, 2021



8.3.2 Status of women covered under insurance schemes:

As a component of financial goals insurance is considered an indispensable part of any economic plan to ensure an individual's preparedness for the unexpected. Observations from the field reveal that there has been a continuous effort to create financial awareness among women beneficiaries regarding the benefits of linkage with various insurance schemes under the Central and State Governments. Table 8.3.2 reveals that the majority of women respondents in the districts of Jalpaiguri, Purba Medinipur, and South 24 Parganas were found to have a positive response towards having access and enjoying the benefit of security under an insurance scheme. In North 24 Parganas since the project was piloting the literacy component around insurance schemes when the study was being carried on hence, 63 per cent of respondents replied that they are not covered under any insurance scheme.

Table 8.3.2 District-wise responses to availing insurance			
<i>(all percentages in row total)</i>			
District	Insurance (in per cent)		Total (N)
	Yes	No	
South 24 Parganas	57.7	42.3	52
North 24 Parganas	37	63	27
Howrah	49.1	50.9	53
Jalpaiguri	61.2	38.8	54
Purba Medinipur	53.3	46.7	60
Distribution of response	53.3	46.7	246
Source: Primary Survey, 2021			

Findings indicate that women usually avail insurance coverage from Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and Pradhan Mantri Jan Dhan Yojana (PMJDY). The easy access and security assurance under these schemes is a major reason behind women respondents favouring PMSBY, APY, PMJJBY and PMJDY. Focus group discussions with the beneficiaries at Gokulpur, Dasbhaga and Dhamsia villages affirm that during the forums they were encouraged by the educators to understand and access insurance schemes. In addition, answers to the queries regarding their understanding of different insurance schemes revealed that the beneficiaries had an access to the Pradhan Mantri Suraksha Bima Yojana (PMSBY) where they are secured now under a life coverage of Rs. 2 lakhs in case of accidental deaths and had to pay a premium of only Rs. 12 every year. Besides, a few of them also affirmed that they have availed of Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) which provides a life coverage of Rs. 2 lakhs for any kind of death casualties and paid a yearly premium of Rs. 330.



Further, during the focus group discussions (FGDs) one of the beneficiaries asserted that they are covered under the LIC insurance scheme which assures them a sum assured after 15 years (however she could not respond to the query on the amount of sum assured) although she pays a yearly premium of Rs. 4870. Observations from the field at Uttar Bodhra affirm that women beneficiaries are not aware of the diverse insurance products available in the market.

8.3.3. Women beneficiaries' response to having Savings Account (SB)/ Recurring Account (RD) / Post Office (PO)

Financial education can lead to multiplier effects on the saving habit of individuals. A well-educated household would resort to regular savings, leading to investment in the right channels and income generation. Savings expedites balanced consumption and augment purchasing power regardless of shocks due to unemployment, disability, unanticipated medical expenses or the costs entailed by purchasing a home or car (Heckman and Hanna 2015). Table 8.3.3 reveals that the majority of the women respondents (i.e 66.3 per cent of the respondents) do have a savings account and regularly deposit followed by savings through recurring deposit (RD) (i.e. 12.6 per cent of the respondents). During the focus group discussions, the beneficiaries asserted that the forum meetings facilitated under the Bandhan Financial Literacy Programme had mentored them to inculcate regular savings behaviour. Further, they emphasized that before attending the awareness forums they used to spend their entire income and later had to borrow money to fulfil their household needs. Women beneficiaries in Gokulpur village further confirmed that the awareness forums had enabled them to know the benefits of saving their money in the banks. They further emphasized that through these forums they are aware of the different sources to save their income such as savings in a bank, recurring, and post office accounts. One of the beneficiaries admitted that they prefer to save their money through a recurring deposit because of its convenience since a lump sum is not required to be diverted to savings. However, there remains a gap in their understanding when enquired about their knowledge of the interest rate that they avail on different investment schemes.

Table 8.3.3 District-wise responses to different sources of savings facilities (Savings Bank Account (SB)/ Recurring Deposit (RD) / Post Office (PO) (all percentages in row total)

District	SB (in per cent)		RD (in per cent)		PO (in per cent)		Total (N)
	Yes	No	Yes	No	Yes	No	
South 24 Parganas	82.7	17.3	5.8	94.2	9.6	90.4	52
North 24 Parganas	7.4	92.6	0	100	0	100	27
Howrah	47.2	52.8	11.3	88.7	1.9	98.1	53
Jalpaiguri	79.6	20.4	11.1	88.9	0	100	54
Purba Medinipur	83.3	16.7	26.7	73.3	1.7	98.3	60
Distribution of response	66.3	33.7	12.6	87.4	2.8	97.2	246

Source: Primary Survey, 2021



In the above table, all the investment indicators such as SB, RD, and PO are mutually exclusive to each other i.e. the total per cent of each of the indicators is 100 and not the overall per cent. The analysis further shows that the average monthly savings with a savings account of these 163 women were around Rs. 1292.02. It was found that the average monthly savings amount in a savings account was highest in South 24 Parganas i.e. Rs. 1583.65. On the other hand, the average monthly savings amount in a savings account was lowest in North 24 Parganas i.e. Rs. 59.26. The average monthly savings of 31 women in RD account was Rs. 764.52. Only 7 women respondents out of 246 replied that they have invested in the post office and their average monthly savings was Rs. 928.57 (see table 8.3.4).

Table 8.3.4 District-wise responses to the average monthly amount of savings in a Savings Account (SB)/ Recurring Deposit (RD) / Post Office (PO)

District	SB (in Rs.)	RD (in Rs.)	PO (in Rs.)	Total (N)
South 24 Parganas	1583.65	67.31	96.15	52
North 24 Parganas	59.26	0	0	27
Howrah	328.3	43.4	9.43	53
Jalpaiguri	551.85	64.81	0	54
Purba Medinipur	1324.17	240	16.67	60
Distribution of response	1292.02	762.52	928.57	246

Source: Primary Survey, 2021





8.4 Financial behaviour: Savings/Withdrawal

A few studies assert that financial literacy has a substantial influence on financial behaviour such as savings, withdrawals, loans, etc. (Bhushan, 2014; Hastings and Mitchell, 2020; van Rooij et al., 2012); on spending behaviour (Babiarz and Robb, 2014; Hung et al., 2009; Nye and Hillyard, 2013; Sabri and MacDonald, 2010; Zaimah et al., 2013); and debt behaviour (Bhushan and Medury, 2013; Robb, 2011). In addition, Nyamute and Maina (2011) observed that personal financial practices encompass savings practices, expenditure practices, debt management, investment, cash management, retirement, and unexpected practices of both employees who are financially educated versus those who are not. Greenspan (2002) discusses that financial literacy supports inculcating individuals with the financial knowledge necessary to create household budgets, initiate savings plans, and make strategic investment decisions. During the focus group discussions, the beneficiaries affirmed the significance of having a point of reference from which they avail updated information regarding various financial products and schemes including banking and insurance. Hence, they appreciated the role played by the educator and the programme in encouraging financial literacy and thereby facilitating financial inclusion.

8.4.1 Women beneficiaries' response to savings:

An attempt was made to understand the impact of financial literacy on the financial behaviour of women beneficiaries. Hence, a question seeking whether women beneficiaries spend the entire amount that they earn was included. Saving is recognized as positive financial behaviour that leads to families' improved well-being in the short and long term (Babiarz and Robb 2014; OECD 2016). During the empirical study, women beneficiaries responded to the query of whether they spent the entire amount of their income. Remarkably, it was noticed that 95.2 per cent of the women beneficiaries in South 24 Parganas responded that they do not spend the entire amount they earn (see table 8.4.1). Similarly, in four other districts, a major proportion of women beneficiaries responded that before attending the forums they used to spend the entire amount of their income earned and had to depend on loans from local moneylenders to meet their household needs. As a consequence, they were trapped under the burden of a loan with high-interest rates. Women respondents further asserted that attending the forums has made them aware of their spending behaviour and now they do not spend the entire income earned. The study reveals that in Uttar Bodhra village women beneficiaries prefer to save their income in 'Bhanrs' or Earthen Piggy Banks at home. In addition, women beneficiaries both in Gokulpur and Uttar Bodhra villages asserted that the distance of the bank from their villages was one basic reason that they avoided visiting the bank branch. On the other hand, few beneficiaries asserted that they availed of Customer Service Point (CSP) which is a point of service where non-banking individuals charge them a commission of 2 per cent and they are usually facilitated by their educator to avail service from the same. Women in the district of South 24 Parganas asserted that attending forums has made them conscious and now they spend their household income prudently and ensure small savings irrespective of their engagement in income-generating activities. This further facilitates them to use their savings in buying household commodities such as television, android phones, utensils, etc.





Table 8.4.1 District-wise responses to the spending of the entire amount of their income earned (all percentages in row total)

District	Spend all income (in per cent)		Total
	Yes	No	
South 24 Parganas	4.8	95.2	21
North 24 Parganas	0	100	7
Howrah	40.1	59.9	22
Jalpaiguri	11.2	88.8	27
Purba Medinipur	10.9	89.1	37
Distribution of response	14.9	85.1	114
Source: Primary Survey, 2021			

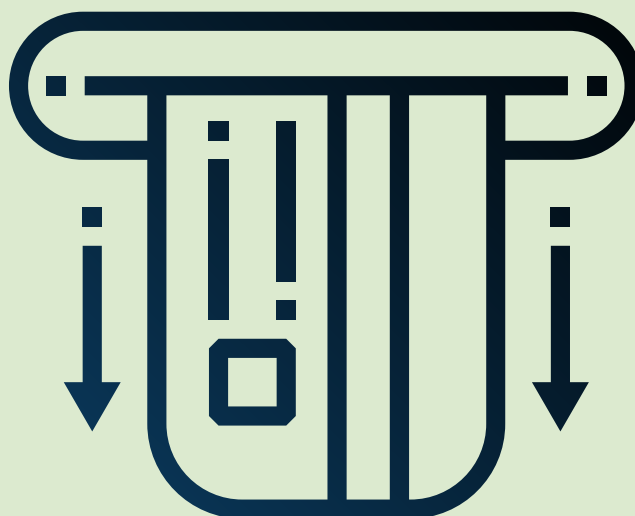
8.4.2 Women beneficiaries' response to withdrawal:

Further, a question pursuing their withdrawal behaviour was administered. It was revealed that in the district of South 24 Parganas, a major proportion of women respondents constituting 48.1 per cent replied they do not withdraw but rather prefer to save money for their future needs. This shows the positive impact of financial literacy on women's saving habits in South 24 Parganas. Similarly, in the Purba Medinipur district, 26.7 per cent of the women responded that they withdraw money on a half-yearly basis. However, it is important to be mentioned cent per cent of respondents in North 24 Parganas, 98.1 per cent in Howrah and 44.4 per cent in Jalpaiguri had irregular withdrawal behaviour. Also, the findings reveal that the average yearly withdrawal amongst 163 women beneficiaries who responded that they have savings accounts was Rs. 471.47 (approx.) (see table 8.4.2).





Table 8.4.2 District-wise responses to the withdrawal of savings								
(all percentages in row total)								
Districts	Monthly	Bi-Monthly	Quarterly	Half-Yearly	Yearly	Irregular	Not Withdrawn	Total (N)
South 24 Parganas	0	0	19.2	25	1.9	5.8	48.1	43
North 24 Parganas	0	0	0	0	0	100	0	2
Howrah	0	0	1.9	0	0	98.1	0	25
Jalpaiguri	0	13	25.9	13	0	44.4	3.7	43
Purba Medinipur	10	16.7	20	26.7	1.7	6.7	18.2	50
Distribution of response	3.1	8.6	18.4	18.4	1.2	31.3	19.6	163
Average Yearly Withdrawal from	(In Rs.)							
	471.47							
Source: Primary Survey, 2021								

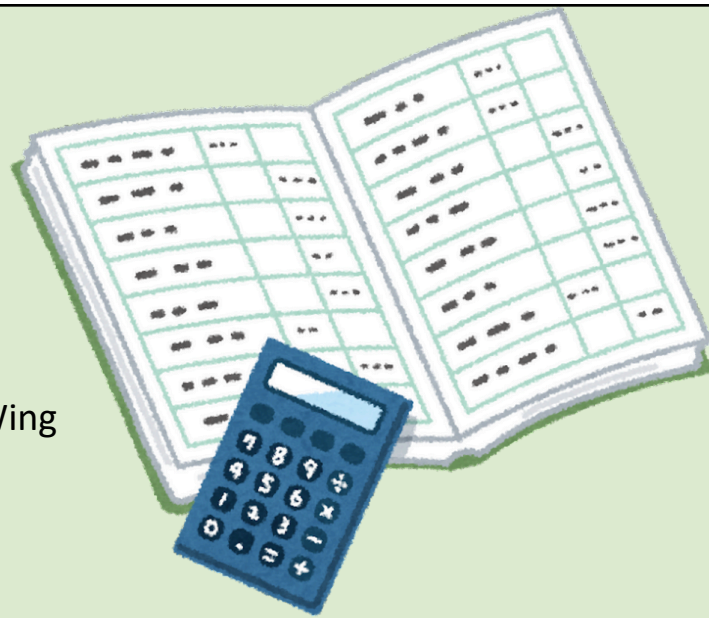




8.5 Financial knowledge: Basic numerical skills

Financial literacy is economic knowledge, which is the basis of appropriate monetary decision-making (Lusardi, 2012b; Huston, 2010 & Hilgert et. al.2003). Basic numerical ability is the knowledge that is essentially required for day-to-day calculations in matters involving finance. This takes the form of basic calculations associated with the cost of buying goods, paying bills, interest, and discounts, calculating returns, deciding on investment and savings, and decisions on expenditures, etc. At the rudimentary level numerical ability out skills of addition, multiplication, subtraction, and division. A lack of basic numerical skills will certainly influence individual and household-level financial functions. Table 8.5 illustrates women beneficiaries' positive response towards the attainment of basic knowledge about calculations required for the financial transaction/s including basic maths such as multiplication, division, etc. In all five districts women respondents replied that they have the primary idea of banking and requisite calculations.

Table 8.5 District-wise response to knowledge of banking and basic calculations (all percentages in row total)			
District	Knowledge of banking and basic calculations (in per cent)		Total
	Yes	No	
South 24 Parganas	98.1	1.9	52
North 24 Parganas	70	30	27
Howrah	67.9	32.1	53
Jalpaiguri	85.2	14.8	54
Purba Medinipur	73.3	26.7	60
Distribution of response	72	28	246
Source: Primary Survey, 2021			





8.6 Financial capability: Ability to contribute towards household income

According to the OECD (2013), financial capability is the ability to manage finances on an everyday basis and plan for the future. Financial capability is also defined as capability a product of a combination of knowledge, skills, and appropriate access to financial products and services (Despard & Chowa, 2014; Birkenmaier et al., 2013). In this context, women beneficiaries' competence to earn a livelihood and contribution towards their household monthly income has been considered an indicator of their financial capability. The study revealed that 114 women respondents were engaged in income-generating activities. Table 8.6 indicates that the average share of income of 114 women beneficiaries towards their monthly average household income was Rs. 2244.30. It is important to note that the average monthly household income where women were engaged in paid work was comparatively more than others. It is also intertwined with women's ability to manage their finance as discussed in other sections including investments.

Observations from the field substantiate that most of the women beneficiaries in Dasbhaga village are engaged in income-generating activities and are capable of contributing their monthly household income usually on a piece-rate basis such as zari work or paper trays. Focus group discussions with women beneficiaries in Gokulpur revealed that they are confined to unpaid agricultural activities such as threshing paddy plants to separate the seeds or grains from the straw and drying grains where they are considered helpers to the male members and hence, they have no rights on the earnings from the same. On the other hand, women beneficiaries in Uttar Bodhra are engaged in home-based zari work with payment at a piece rate.

Table. 8.6 Financial capability of women

Women's share of income to their average monthly household income	Avg. Income (Rs.)	N
	2244.3	114
Household income where women are engaged in income-generating activities	8310.09	114
Household income where women are not engaged in income-generating activities	7161.36	132
Source: Primary Survey, 2021		



9. 'Last Mile' Issues: The Challenges

Even though financial literacy aims to ensure the financial inclusion of poor women beneficiaries and thereby mainstream them, discussions with women beneficiaries during the field visit elucidate the following challenges that hinder the positive outcomes of financial literacy:

- Social structure is one of the significant factors that influence the participation of women beneficiaries in financial literacy forums. Specifically in conservative communities where women are not allowed to attend the forums alone.
- Respondents belong to the marginalised section of society hence, they do not have sufficient income. Lack of income-generating activities results in insufficient earnings which are usually meant to fulfil their daily needs i.e. only hand to mouth. Hence, as a result of insufficient earnings they do not have any financial household monthly budget.
- There are problems related to administrative hassles that easy access or linkage to different government schemes. Gradually, it becomes difficult to keep beneficiary motivation high.





10. The Way Forward: Conclusion and Discussions

An advanced cross-analysis of the above-mentioned financial components reveals that financial awareness among women as an outcome of attending the project has improved. This gets reflected in their responses to the questions related to the status of engagement in income-generating activities, saving behaviour, and having android phones. Findings reveal that even those women who are not engaged in income-generating activities avoid extravagant expenses and make the household expenditure judiciously. As mentioned earlier, women beneficiaries asserted that spending money cautiously has facilitated them to ensure small savings and thereby purchase household commodities (such as android phones, television, utensils etc.).

Women's engagement in income-generating activities broadens their financial knowledge. Hence, emphasis should be given to encouraging and facilitating women beneficiaries to take up paid engagement which would increase their participation in the household financial decision-making and improve their bargaining power within their families. This would also enhance their ability to contribute their share of income towards the monthly household income and cover expenses for domestic purposes. Consequently, it would strengthen their stance on household financial decisions individually.

In addition, findings from the field reveal that in all of the five concerned districts majority of the women beneficiaries invest and save their income in savings accounts with the banks as compared to RD/ PO. Interpretation of the empirical data reveals that there has been a substantial positive influence of financial literacy on the financial behaviour of women beneficiaries which proves that they do not spend their income but save it for the future. The findings of the research validate that focus should be put on other aspects of financial skills along with the technical side such as android phones, PhonePe, Google Pay, Paytm etc. The other financial skills should include analytical thinking, problem-solving skills, detail-oriented, household budgeting, and decision-making. Furthermore, basic financial knowledge comprising information on bank accounts, use of debit and credit cards, cheques, PAN cards, and ATM awareness needs to be improvised on regular basis. Nevertheless, the amount of time spent on educating women beneficiaries on financial literacy can be extended which would help to retain their motivation. Besides, simulation exercises and audio-visual projectors can be used as an aid during the discussion forums to help improve the learning process.

India is moving fast towards achieving the status of a developed economy and has a population and communities ridden with diversities in language, culture, patriarchal systems, social norms, family values, educational levels, functional literacy, etc. The Government is focussed strongly on inclusive growth for sustainable economic growth. Financial literacy of the population, particularly women, and the strong access, availability and use of all financial services essentially required at the household level to the farthest corners of the country is today's need. Financial literacy is the key to the engendered economic growth of the country. The study has established the gains made by women from the rural community in being financially literate. The immediate and long-term effects of financial literacy for social and economic empowerment at the level of individual, household and community or local 'circular' economy has been also been observed. All efforts should be made across the country at policy, business and civil society levels to lay thrust on an inclusive strategy and to invest in financial literacy for achieving the goals of social and financial inclusion.



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Acknowledgement

This report is an outcome of a research that was always possible due to the support of our respondents who patiently participated in the Focus Group Discussions (FGDs) and the interviews. A special thanks to the Senior Management of Bandhan, India for providing the opportunity and scope of work.

We are thankful to the staff members of Bandhan who are working at the grassroots level and ensuring the accomplishment of the programme objective for their cooperation and efforts. We express our heartfelt gratitude to our donors – Bandhan Bank Ltd. and Bandhan Financial Services Ltd. for their grant support. Last but not least the determination and enthusiasm put in by the team members of the Research & Communication Wing is highly appreciable.

