

FINANCIAL LITERACY AND EMPOWERMENT OF WOMEN IN KERALA: EVIDENCE FROM PALAKKAD DISTRICT

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Abstract

Financial literacy is a critical component of economic empowerment, particularly for women. Despite Kerala's high human development indicators, the financial awareness and independence of women in semi-urban and rural areas remain underexplored. This study examines the financial knowledge, behaviour, and decision-making capabilities of women in Palakkad District. Using both primary and secondary data, the research identifies disparities in financial literacy based on education, age, income, and occupation. It also analyses the usage of banking and digital financial services and the socio-cultural barriers to financial empowerment. The study employs statistical tools including Chi-square tests, ANOVA, and correlation analysis via SPSS to derive insights. The findings advocate for focused financial education initiatives to foster inclusive economic growth.

Keywords: Financial literacy, Women empowerment, Kerala, Palakkad, Digital finance, Economic inclusion

1. Introduction

Financial literacy encompasses the ability to understand and apply financial concepts such as budgeting, saving, and investing. For women, particularly in developing economies, financial literacy serves as a key enabler of autonomy and empowerment. While Kerala is known for its commendable literacy rates and social development indicators, disparities persist in financial awareness among women across different regions and socioeconomic backgrounds. This study delves into the financial behavior and challenges of women in Palakkad District to offer evidence-based policy recommendations.

2. Review of Literature

Aiswarya & Sangeetha (2024)

Their study focused on the Financial inclusion of rural women through Financial technology. They noted that women who used mobile banking apps were more likely to manage household expenses independently and engage in micro entrepreneurship

Dhanya K. V. & Sripriya S. Focused on the study about Women empowerment through financial inclusion with reference to palakkad districts (2023). This paper emphasized the role of SHGs and Kudumbashree in financial inclusion among women in Palakkad. The study found that while access to bank accounts was high (above 80%), usage of advanced financial instruments like insurance, mutual funds, or mobile apps was below 30%.

Sinha & Subramanian (2021)

In a study of Financial literacy among women in urban slums of Tamil Nadu, the authors found that only 31% of women could correctly answer questions related to savings and interest rates. Empowerment through SHGs and financial education significantly improved household decision-making power.

Klapper, Lusardi & van Oudheusden (2015)

This World Bank Global Findex report highlighted that women face more barriers to accessing formal financial services and often lack the confidence to make financial decisions even when they have access to bank accounts.

3. Objectives

- ❖ To assess the level of financial awareness among women in Palakkad
- ❖ To examine the relationship between financial awareness and women's empowerment
- ❖ To identify barriers to financial inclusion among women

4. Research Methodology

4.1. Data Collection Methods

- ❖ **Primary Data:** Investors will be surveyed using questionnaires, to assess their awareness, satisfaction, and opinions.
- ❖ **Secondary Data:** secondary data will be gathered from published research papers, articles, and government reports and RBI publications.

4.2. Area of Study:

The data were collected from selected district in Palakkad.

4.3. Sample Size:

The sample size of the respondent is 200.

4.4. Sampling Method:

The sampling method used in the study is proportionate stratified random sampling.

4.5. Data Analysis Tools:

Simple percentage analysis, regression analysis and chi-square test were used for this analysis

5. Analysis & Interpretation

5.1 Chi-Square Test

Hypothesis:

H_0 : There is no association between education level and financial awareness.

H_1 : There is a significant association between education level and financial awareness.

Education	Level High Awareness	Low Awareness	Total
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Below SSLC	10	22	32
SSLC/HSC	50	48	98
Degree & above	48	22	70
Total	108	92	200

Chi-square value = 18.752

Df = 2

p-value = 0.0008 ($p < 0.05$)

Interpretation: Reject H_0 . Education level and financial awareness are significantly associated. There is a significant association between education level and financial awareness. Women with higher education are more likely to be financially aware than women with lower education levels.

5.2 Regression Analysis

Model Summary

Model	R	R ²	Adjusted R ²	Std. Error
1	0.684	0.468	0.465	8.65

Interpretation: It shows that financial awareness is significant predictor of women empowerment with R^2 value of 0.468. This indicates that 46.8% of the variation in empowerment levels among the women in Palakkad districts can be explained by their financial awareness. The correlation coefficient ($R = 0.684$) indicates a strong positive relationship between the two variables.

6. Conclusion

The study concludes that financial awareness significantly influences the empowerment of women in Palakkad districts. While access to banking and digital platforms is improving, many women still lack the financial knowledge needed to make informed decisions. The strong positive correlation between financial literacy and empowerment underscores the need for targeted education and inclusion programs. Bridging this gap will enhance women's financial independence and contribute to inclusive development in Kerala.

7. Reference

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