

# Financial literacy among Teachers: A Descriptive Survey

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## Abstract

“A person either disciplines his finances or his finances disciplines him”- **Orrin Woodward**. Financial literacy is the most important part of our daily life. It is the ability to understand and make use of a variety of financial skills. Apart from teaching and nation building , teachers are the role models in the society. By having basic knowledge about financial literacy and ability to handle personal finance will inspire the future citizens. The aim of this study is to examine the knowledge of financial literacy among Teachers at Ernakulam district. This study uses financial literacy and investment decisions as the variables. A quantitative research approach was used in this study. Primary data was collected by questionnaire method. The samples were selected by using convenience sampling. Data were analyzed using descriptive statistics. In this background, this study found significant effect of financial literacy will be based on socio-demographic, education and income among the teaching community. Study found that majority of the teachers having basic level of financial literacy and personal financial planning. The study targeted a very small group which will be the miniature form of the society. Study strongly recommends the improving financial awareness among people.

**Key words: Financial literacy, Teaching community, socio-demographics**

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## I. Introduction

Knowledge about personal finance is more important in the modern era. Financial market is rapidly changing with the development of modern technology and universalisation of education. Peoples have chosen their own method to acquire financial knowledge than formal education from the academic centers. A study conducted among people of Haryana revealed that only one third of total respondents had high level of financial literacy, Majority (57%) of respondents lack positive financial attitudes and need proper financial education<sup>1</sup>. More over high end technology and cash less economic system create a revolutionizing the people to make payment systems. Each financial decision has created by their own well being and future developments. In this contest understand how financially knowledgeable person, their financial knowledge would help him/her there financial decisions<sup>2</sup>.

Financial literacy always enhances confidence in investments and self control over money matters. Commonly peoples show their incapability about their financial decisions. Research shows that financial literacy has created a positive vibe in an economy. Financial literacy is an ability of individual to take considerable decisions in respect of the effective and better utilization of money<sup>3</sup>. After demonetization and spread of COVID 19, there was a rapid increase in cashless transactions in India. Due to advanced financial technology like mobile banking, online payments and credit card uses are increased. It has created more complexity in economic transactions. Studies say that technology has changed the conventional mode of business transactions in to cheaper, faster and safer part of modern transactions<sup>4</sup>.

The aim of this paper is too aware of financial literacy among school teachers at Ernakulam district. Here investigator tries to understand how much close relation between financial literacy and financial transactions in our economy, especially in an educated community. Many studies were conducted in this topic of financial literacy but this paper try to understand the impact of financial transactions among educated Teaching Community.

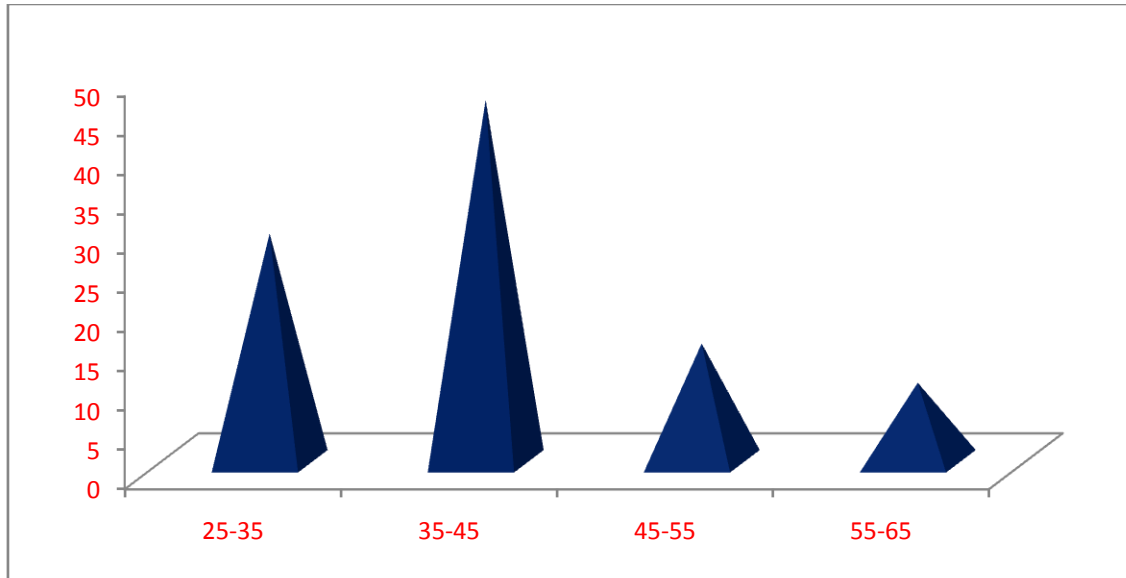
## II. Materials And Methods

The present study was carried out among the Teaching community at Ernakulam district. The purpose of the study was to assess the knowledge regarding financial literacy among educated teachers. The research design used for this study is descriptive survey method. The information regarding financial literacy was collected from the participants by using structured knowledge questionnaire. Data were collected about socio demographic characteristics and knowledge about financial literacy among the teachers. Sample size of this

study comprised of 100 participants between 20-65 years and samples were selected by convenience sampling method.

**III. Results**

Majority of participants (46%) were in the age group of 35-45 years, 29% belongs the age group of 25-35 years, 15% belongs the age group of 45-55 years and 10% belongs to the age group of 55-65 years.(Fig:1)



**Figure 1:** distribution of respondents based on age

**Table 1:** Distribution of respondents based on the demographic characteristics (N=100)

S.No	Sample characteristics	Frequency(Number)	Percentage (%)
Gender	Female	94	94
	Male	6	6
Education	Degree	28	28
	Masters Degree	65	65
	Any Other	7	7
Income (Rs/month)	10000-30000	47	47
	30000-60000	6	6
	60000-80000	19	19
	>80000	28	28

The data showed that majority of participants (94%) were Females and only 6% were males. Data describes that majority of participants (47) had family income of Rs 10000-30000/-, 28% had family income above Rs 80000/-, 19% had family income between Rs 60000-80000/-, and 6% had family income between Rs 30000-60000/-. Majority of the participants were post graduates (65%). 28% were graduates and 7% had other qualifications. (Table:1)

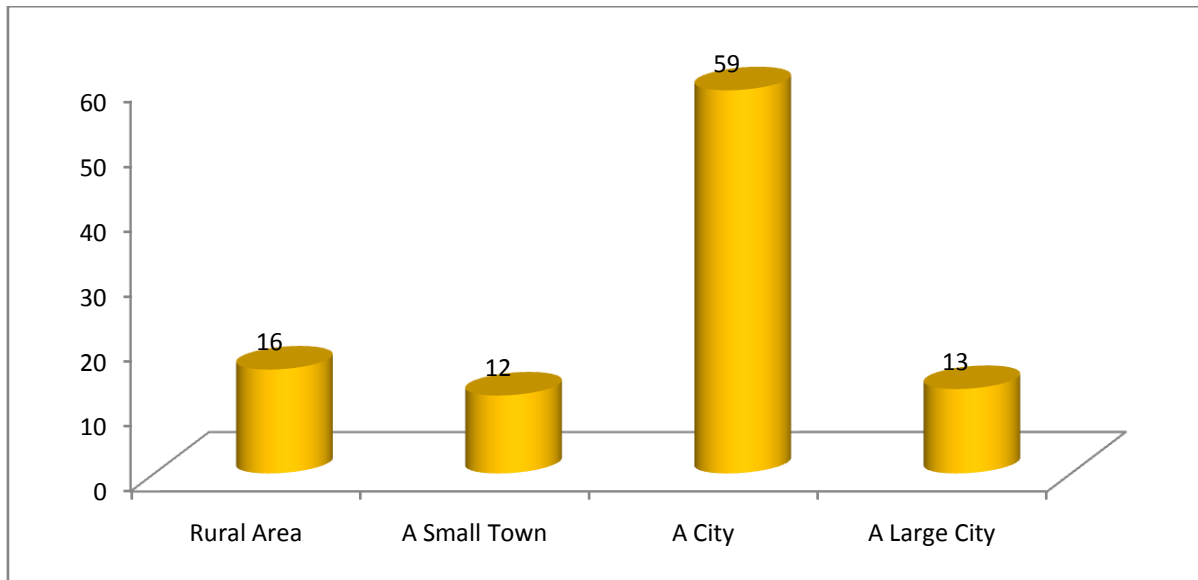


Figure 2. Distribution of the respondents based on living area

Among 100 participants nearly 60% belongs to a city, 16% from rural area, 12% from a small town and another 13 % from a large city back ground.

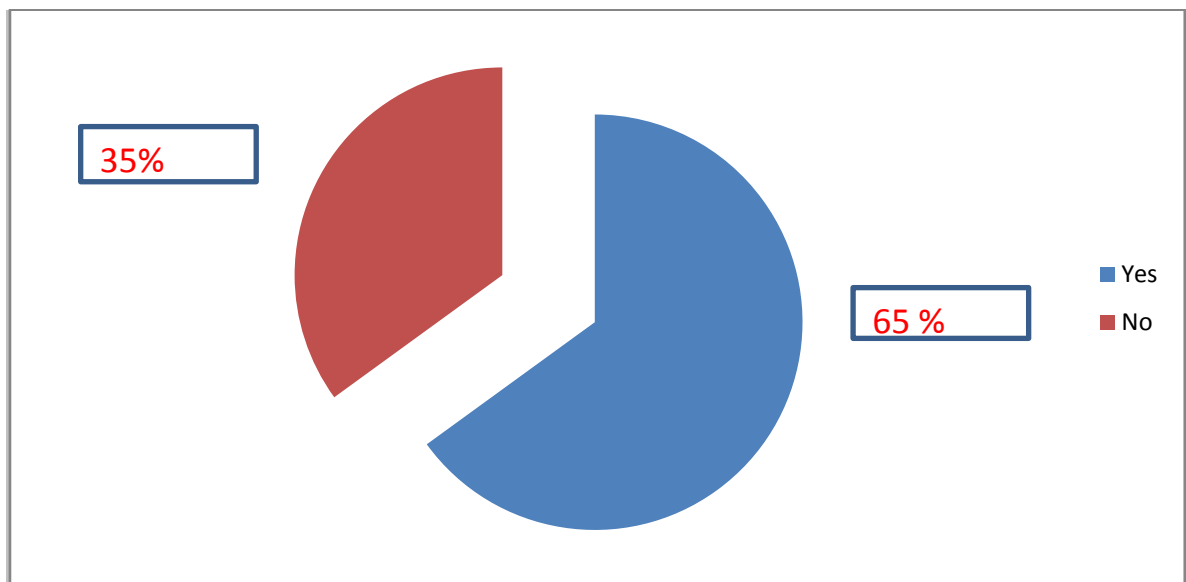


Figure 3. Distribution of respondents based on their Family Budget.

The present study shows that majority of participants 65(65%) had their own family budget but 35 (35%) were not maintaining any family budget

According to the survey 31 (31%) said they had adequate knowledge about financial matters, 59(59%) had moderately adequate knowledge and about 10(10%) had inadequate knowledge regarding financial matters. (Fig :4)

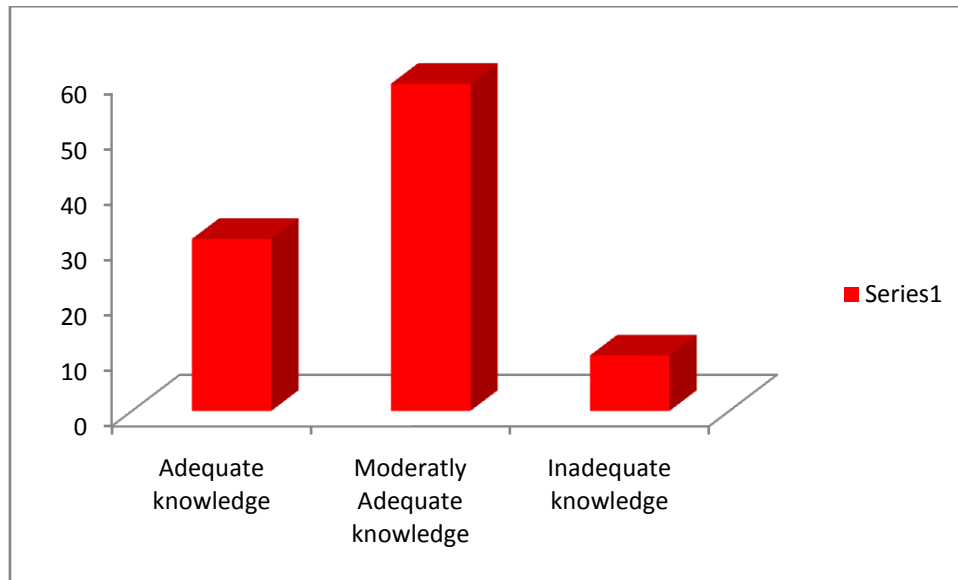


Figure 4. Distribution of respondents based on level of market knowledge.

Table 2: Distribution of respondents based on the Financial literacy (N=100)

S.No	Sample characteristics	Frequency(N numbers)	Percentage (%)
Financial Decision in Family	Self	23	23
	Self & spouse	57	57
	Family members together	20	20
Financial Planning in respondents	yes	84	84
	No	16	16
Knowledge about Economics Transactions	Pension fund	75	75
	Investment fund	65	65
	Bank loan	88	88
	Insurance policies	88	88
	Mobile transactions	78	78
	Online payments	88	88
Most Influential source of financial information.	Newspaper	22	22
	Self experience	38	38
	Advice from others	28	28
	Financial articles	12	12
Income adequate to meet expenses	Yes	53	53
	No	44	44
	Don't Know	3	3
Usage of digital banking for	Money transfer	9	9

economic transactions	Online shopping	16	16
	Purchase of goods	6	6
	All the above	69	69
Maintenance of Financial Transaction Records	No records	19	19
	Maintain minimal records	62	62
	Maintain very detailed record	19	19
Medical insurance policy	Yes	66	66
	No	34	34

The above data shows that financial decision in the family was taken by self and spouse 57%, self 23% and family together 20%, 84% of participants had proper financial planning and 16% had no planning in finance. In this study examined knowledge about economic transactions in different aspects and found that 75% had knowledge about pension fund, 65 % were knowledge about Investment fund, 88 % has bank loan and 88% had Insurance policies. 78% of respondent were using mobile transactions and 88% of using online payments.

The most influential source of finance (38%) were self experience, 28% advice from others, 22% from news papers and 12% from financial articles from the journals. It was observed that 53% had the income adequate meet the expenses. most of them are reacted positively . Almost 69% respondents are using any of the digital banking methods like online banking, plastic currency etc .The researcher found that maintenance of financial transaction records, 62% has maintain minimal records ,at the same time 19 % maintained detailed records of their financial transactions and 19 % did not maintain any records.

#### IV. Discussion

The present study intended to assess the knowledge regarding financial literacy among teaching community in selected groups in Ernakulam district. In this study majority 59% of participants showed an average level of knowledge .Only 31% shows adequate knowledge and 10% shows poor knowledge. A cross sectional study to assess awareness, knowledge and practice of financial management <sup>5</sup>. Mandell, Lewis & Klein, Linda (2009). In his studies “The Impact of Financial Literacy Education on Subsequent Financial Behavior “ his findings indicates that those who have formal education were no more financially literate than those who had not. There was a strong impact of source of knowledge about financial literacy in their life 60% acquire knowledge from their parents 13% acquire knowledge from friends, 4% each from relatives and teachers but 21% from self learned or from own experiences<sup>6</sup>. A similar study was conducted among Indian doctors in 2021 reveled that most of the professionals 36.5% collecting the financial knowledge from their own home 34.7% seeking professional help and 28.8% manage their own .It shows that there is no drastic differences in my studies and studies based on Indian doctors.

As a part of Financial information collected by the respondents, most of 38% self experiences 28% advice from others 21% from news papers and 13% from financial articles. A similar study was conducted by Hridhya p k in her studies An Insight to financial literacy in India-A review of literature found that financial literacy can be further improve with the inclusion of this topic in school curriculum. Financial literacy can improve further in higher education levels also <sup>7</sup>

In my study 68% respondents had basic knowledge about digital banking transactions and also doing all type of transactions like money transactions; track the money balance with bank, purchase of goods and online shopping. The current study found a significant association with financial knowledge and digital transactions in an economy. This study try to understand who will take the financial decision in respondents family, 57% responses was self and spouse together ,23% want to take self and 20% has taken by entire family members together .Similar studies conducted by Smith JP, McArdle JJ, Willis R. their findings was revealed that financial decision in the family has taken together with husband and wife according studies shows that numeracy is the main role player in the financial decision making<sup>8</sup>. Present study reveals that most influential source of financial information from self experience 38%. financial sources is the most important for our day to day life ,recent study measures the influence of financial information system on competitive advantage in organizations in amman stock exchange., according to this study financial information will increase competitive advantage in financial efficiency <sup>9</sup>

My study focused another area about knowledge in economic transactions ,according to my findings 88% respondents had knowledge about bank loans ,online payments and insurance policies, 78% has the

knowledge about mobile transactions, 75% knows about pension funds and all most 65% had knows about investment funds. Here we can see that most of the respondents had knowledge about basic financial transactions in the economy. similar studies shows that financial literacy is that there is often a substantial mismatch between peoples self-assessed knowledge their actual knowledge<sup>10</sup>. According to the demand theory, the innovations are created as the response to the demand of business entities that want to acquire competitive advantage in their business environment (this type of new developments are called the demand-driven innovations). This demand can be influenced either by the internal needs of the business entity aiming at improvement in its activity or by the changes in its environment requiring the proper adjustment in its business strategy<sup>11</sup>. The rapid global growth of payments, transfers and other financial transactions speak about modern digital way of transactions. It provides speed and rapid financial assistance to everyone and every were.<sup>12</sup> The technology has spread rapidly in the developing world, "leapfrogging" the provision of formal banking services by solving the problems of weak institutional infrastructure and the cost structure of conventional banking.<sup>13</sup>

## V. Conclusion

Present study was undertaken to assess the financial literacy among the selected teachers at Ernakulum district. This study has given an insight for the researcher about financial literacy among educated teaching community. The present study findings showed that there was a need for providing financial literacy among the people including teachers. Periodically update the knowledge, reviewed and evaluate the financial literacy programs.

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