

Original Article

# Financial Literacy and Product Preference Among Self-Employed

Binod Murmu<sup>1</sup>, Prof. Bhartendu Singh<sup>2</sup>

<sup>1</sup>Ph.D Scholar & Department of Commerce & Mizoram University, Aizawl, Mizoram, India

<sup>2</sup>Professor & Department of Commerce & Mizoram University Aizawl, Mizoram, India

Received Date: 05 March 2021

Revised Date: 07 April 2021

Accepted Date: 24 April 2021

**Abstract** - The main aim of the paper is to measure financial literacy, awareness, and preference for financial products among the self-employed. For the purpose of the study, 45 self-employed were selected from Aizawl District. The questionnaire was prepared for collecting primary data, and based on the questionnaire, and financial literacy level is measured. The study found that the majority of the respondents possess average financial literacy, and the preference for moderate-risk and high-risk financial products is very low among the respondents.

**Keywords** - Financial Attitude, Financial Behaviour, Financial Knowledge, Financial Literacy, Financial Products, Self-Employed

## I. INTRODUCTION

Financial literacy is the understanding of the management of personal finances. It allows individuals to understand financial issues better and provides them with the requisite knowledge and skills required to assess various financial products and investments opportunities available in the financial market. Previous researches in the field of financial literacy suggest that those with a low level of financial literacy face issues related to their personal finances. Therefore, financial literacy is a must for an individual in order to understand the various risks and returns associated with financial products.

In recent years, financial literacy has played an important role in financial reform across the world. While modern technology, investments, and liberalization have made new financial products and services widely available, much of the population remains ill-equipped to make informed financial choices or to evaluate complex financial products (Lusardi and Mitchell, 2007). In India, the Reserve Bank of India (RBI), which is India's central banking institution, has been actively engaged in efforts to enhance financial literacy in the country. In this context, a mission called "Project Financial Literacy" has already been implemented. Through this study, an attempt has been made to know the financial literacy level of self-employed in Aizawl.

## II. FINANCIAL LITERACY

"Financial literacy is the ability to understand how money works in the world, how someone manages to earn or make it, how that person manages it, how he/she invests it (turn it into more), and how that person donates it. To help others." (Markus & Veresiu, 2014).

Anthes (2004) stated that "personal financial literacy is the ability to read, analyze, manage and communicate about the personal financial conditions that affect material well-being."

Organization for Economic Co-operation and Development (OECD) (2005) defines financial education as "the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being."

Thus, financial literacy is the person's ability to understand and use knowledge and skills to manage personal financial matters and effective utilization of financial products available to him.

## III. REVIEW OF LITERATURE

Agarwal et al. (2010) surveyed the financial literacy of a select group of residents in India that take part in an online investment service of Yogi Financial Advisory Services in Hyderabad. The study observes the investment behavior, choice of liability, risk tolerance, and their usage of insurance of the participants. The findings of the study show that the vast majority of respondents appear to be financially literate based on their answers to questions concerning interest rates (numeracy), inflation, and risk diversification. However, the study shows variation across demographic and socioeconomic groups. The study also obtains additional information about the financial tendencies of the program participants (including risk tolerance, investment



preferences, investment goals, etc.) and relate those tendencies to financial literacy.

Agarwalla et al. (2012), in their study among 3000 respondents, shows that the level of financial knowledge is very low among the Indians. The result shows that less than ¼ of the respondents have good financial knowledge. Questions based on compound interest, inflation rates, and diversification were not understood by the respondents. The financial behavior and financial attitude were found positive among Indians. The result also shows men score higher than females in financial knowledge and female respondents are marginally better than females in financial behaviors and attitudes. The awareness for financial products is very low among the respondents.

Jariwala (2013), in his research paper, finds that most of the respondents possess a low-level financial literacy. The findings also show that male respondents possess a higher level of financial literacy as compared to female respondents; respondents among the age group of 18 to 35 years and above 56 years and above possess a lower level of financial literacy. The study indicates that respondents with higher monthly income, a higher number of years of investment experience, and those who shop around the maximum number of times make the maximum number of inquiries while investing possess a comparatively higher level of financial literacy than others.

Mathivanan & Mohanarajani (2013), in their research paper, aimed to analyze the gap between financial literacy and saving/investment behavior among working women. The findings of the study show that women have shown a high degree of awareness towards traditional saving/investment avenues. The study also shows that the investment behavior of women has also shifted from traditional bank-saving avenues to modern, technically risky capital market operations.

Battacharjee (2014), in his study, observed that the overall financial literacy level of respondents is not very high. Financial literacy level has been influenced by age, education, income, and nature of employment, whereas it does not get affected by the gender of the population. Moreover, the study recommended that it is time for policymakers and regulators to adopt appropriate strategies like introducing subjects based on finance in the secondary level of education rather than confining only in commerce based higher level of education and also encourage programs to ensure a higher level of financial literacy amongst the population.

Gupta & Kaur (2014), in their study of Financial Literacy among Micro entrepreneurs in Kangra district, shows that the results of their study are not supporting the expected ones. They possess low financial skills. This is

revealed by their deficient record-keeping practices, poor cash management, improper saving habits, and less awareness regarding different financial products and instruments.

NISM (2014), in their study of Financial Literacy and Inclusion survey of Mizoram among 1252 respondents of the age group 18-80 years, shows that financial literacy within males and females is 7% and 6%, respectively. Financial literacy in various age groups is more than 5%, and in the case of self-employed respondents, more than 5% are found financially literate.

Lokhande (2015), in his study of investment awareness and patterns of savings and investments by rural investors among 300 respondents, shows that the respondent prefers secured investment avenues. The most popular investment avenues were bank deposits, gold, and jewelry, real estate.

#### IV. RESEARCH METHODOLOGY

##### A. *Objectives of the study* (Size 10 & Bold & Italic)

1. To assess the financial literacy level among the self-employed in Aizawl District.
2. To assess the awareness and preference of financial products among self-employed.

##### B. *Sample Size*

The sample size consists of 45 self-employed from Aizawl, and purposive sampling was used to collect the data.

##### C. *Data Collection*

Primary data was collected through a structured questionnaire prepared by OECD-INFE (2011). The respondents were asked to answer questions including their personal profile, financial literacy (financial knowledge, financial behavior, financial attitude), and their awareness and preference of financial products.

Secondary data are collected from various books, journals, and websites.

##### D. *Scoring procedure for financial literacy*

For the purpose of the study, the scoring procedure framed by OECD and used by Atkinson and Messy (2012) and Desdemona and Sreekala (2016) is used for measuring financial literacy. For measuring the financial literacy of the respondents, the questionnaire consists of 8 questions on financial knowledge, 8 questions on financial behavior, and 3 questions on financial attitude.

The Financial Knowledge score is determined by adding all scores under the knowledge category. As a result, an individual will have a minimum score of 0 and the maximum score of 8. The financial Knowledge of an individual is considered to be poor when the score is less than 3, average when the score is 4 and 5, and high when the score is between 6 and 8.

The Financial Behaviour score is determined by adding all scores under the behavior category. As a result, an individual will have a minimum score of 0 and the maximum score of 8. The financial Behaviour of an individual is considered to be indifferent when the score is less than 3. If the score is 4 and 5, it is considered to be average and a score between 6 and 8 as positive Financial Behaviour.

The Financial Attitude score is determined by adding all scores under the attitude category. As a result, an individual will have a minimum score of 0 and a maximum of 5. The financial Attitude of an individual is considered to be indifferent when the score is less than 3. A score of 3 is considered to be with average Financial Attitude and a score between 4 and 5 as a positive financial attitude.

The financial Literacy score for an individual is determined by taking a weighted average of Financial Knowledge score, Financial Behaviour score, and Financial Attitude score. Weights used are 50% for Financial Knowledge, 30% for Financial Behaviour, and 20% for Financial Attitude.

**V. RESULT AND DISCUSSION**

**A. Key Demographic Profile**

A number of recent studies have examined financial literacy with relation to age, gender, educational qualification, family income, and employment status. For the purpose of the study, the researcher has identified three keys demographic information for analysis. The Key demographic information of the respondents consists of their gender, age, educational qualification.

**Table 1. Gender**

	Frequency	Percentage
Male	27	60.00%
Female	18	40.00%
Total	45	100.00%

Sample Survey

The sample respondents consist of 45 self-employed of Aizawl, of which 27 (i.e., 60%) were male respondents, and 18 (i.e., 40%) were female respondents

**Table 2. Age**

	Frequency	Percent
Less than or equal to 30	10	22.20%
Between 31-40	9	20.00%
Between 41-50	14	31.10%
Between 51-60	9	20.00%
More than 60	3	6.70%
Total	45	100.00%

Sample Survey

Table 2 shows the distribution of different age groups among the respondents. The highest percentage of respondents (31.1%) belongs to the age group of 41-50 years, followed by 22.2%, which belongs to the age group of less than or equal to 30 years, 20% of the respondents falls in the age group of 31-40 years and also in the age group of 51-60 years, and only 6.7% of the respondents constitute above the age of 60 years.

**Table 3. Educational Qualification**

	Frequency	Percent
Primary till 4 <sup>th</sup>	3	6.7
Middle 5 <sup>th</sup> -7 <sup>th</sup>	2	4.4
High School 8 <sup>th</sup> & 9 <sup>th</sup>	10	22.2
10 <sup>th</sup>	5	11.1
12 <sup>th</sup>	11	24.4
Graduation	13	28.9
Post-Graduation	1	2.2
Total	45	100

Sample Survey

Table 3 shows that 6.7% of the total respondents have primary education, middle standard constitutes 4.4%, high school 8<sup>th</sup> and 9<sup>th</sup> 22.2%, 10<sup>th</sup> standard 11.1%, 12<sup>th</sup> standard 24.4%, graduate 28.9%, and post-graduate 2.2%.

**B. Financial Knowledge**

This part of the analysis deals with assessing the financial knowledge of the respondents. The level of financial knowledge is measured using a set of eight questions which includes questions on their basic numeracy, understanding, and computation of simple and compound interest, time value of money, the relationship between inflation and return, inflation and prices, risk and return and risk reduction.

**Table 4. Gender and Financial Knowledge**

	Level of Financial Knowledge			Total
	Poor level	Average level	High level	
Male	2	13	12	27
Percentage	7.40%	48.10%	44.40%	100.00%
Female	0	7	11	18
Percentage	0.00%	38.90%	61.20%	100.00%
Total	2	20	23	45
Percentage	4.40%	44.40%	51.10%	100.00%

Sample Survey

Table 4 reveals that 44.4% of the male respondents have high a level of financial knowledge as compared to 61.2% of female respondents, while 48.1% of male and 38.9% of female respondents have an average level of financial knowledge, and 7.4% of male respondents have a poor level of financial knowledge. The overall result shows that the percentage of high-level financial knowledge is higher among the female respondents.

**Table 5. Age and Financial Knowledge**

	Level of Financial Knowledge			Total
	Poor level	Average level	High level	
Upto 40 years	2	9	8	19
Percentage	10.50%	47.40%	42.10%	100.00%
More than 40 years	0	11	15	26
Percentage	0.00%	42.30%	57.70%	100.00%
Total	2	20	23	45
Percentage	4.40%	44.40%	51.10%	100.00%

*Sample Survey*

Table 5 shows the cross-tabulation of age and financial knowledge of the respondents. The result shows that 42.1% of the respondents with age up to 40 years and 57.7% of the respondents with age more than 40 years have a high level of financial knowledge. The table also shows that 47.4 % and 42.3% of the age category up to 40 years and more than 40 years have an average level of financial knowledge respectively, and 10.5% of the respondents with age up to 40 years have a poor level of financial knowledge. The result also shows that the percentage of high-level financial knowledge is higher among the respondents whose age is more than 40 years.

**Table 6. Educational qualification and Financial Knowledge**

	Level of Financial Knowledge			Total
	Poor level	Average level	High level	
Upto 10 <sup>th</sup> Standard	0	6	14	20
Percentage	0.00%	30.00%	70.00%	100.00%
12 <sup>th</sup> Standard or above	2	14	9	25
Percentage	8.00%	56.00%	36.00%	100.00%
Total	2	20	23	45
Percentage	4.40%	44.40%	51.10%	100.00%

*Sample Survey*

Table 6 shows the results of cross-tabulation of educational qualification and financial knowledge. From the table, 70% and 30% of the respondents having qualification of up to 10<sup>th</sup> standard have high-level financial knowledge and average level financial knowledge respectively, whereas the percentage of high-level financial knowledge for the respondents having qualification of 12<sup>th</sup> standard or above is very low, i.e., 36%, moreover, 56% have an average level of financial knowledge and 8% have a poor level of financial knowledge. Strangely, the result shows that the percentage of high-level financial knowledge is higher among the respondents who possess lower education.

### C. Financial Behaviour

This part of the analysis deals with assessing the financial behavior of the respondents. A total of eight items were employed to assess their financial behavior, which relates to important questions assessing their affordability of products and expenditures, payment of bills on time, keeping a close watch on financial affairs, planning for financial goals, assessing their saving habits, and their borrowing propensities.

**Table 7. Gender and Financial Behaviour**

	Level of Financial Behaviour			Total
	Indifferent	Average level	Positive	
Male	2	8	17	27
Percentage	7.40%	29.60%	63.00%	100.00%
Female	2	4	12	18
Percentage	11.10%	22.20%	66.70%	100.00%
Total	4	12	29	45
Percentage	9.00%	26.60%	64.40%	100.00%

*Sample Survey*

Table 7 shows a gender-wise analysis of financial behavior. The results show that 63% of the male respondents have positive financial behavior as compared to female, which is 66.7%, on the other hand, 29.6% of male respondents have average financial behavior and 22.2% in case of female respondents, 7.4% of male and 11.1% of female respondents have indifferent financial behavior. The result shows that female respondents possess a higher percentage of positive financial behavior.

**Table 8. Age and Financial Behaviour**

	Level of Financial Behaviour			Total
	Indifferent	Average level	Positive	
Upto 40 years	2	4	13	19
Percentage	10.50%	21.10%	68.40%	100.00%
More than 40 years	2	8	16	26
Percentage	7.70%	30.80%	61.50%	100.00%
Total	4	12	29	45
Percentage	9.00%	26.60%	64.40%	100.00%

*Sample Survey*

Table 8 shows that 68.4% of the respondents with age up to 40 years and 61.5% of respondents with age more than 40 years possess positive financial behavior. The result also shows that respondents with age up to 40 years and more than 40 years possess 21.1% and 30.8% average financial behavior, respectively. Among the respondents with age, up

to 40 years is 10.5%, whereas it is 7.7% among the respondents with age more than 40 years. The result shows that positive financial behavior is higher among the respondents whose age is up to 40 years as compared with those whose age is more than 40 years.

**Table 9. Educational qualification and Financial Behaviour**

	Level of Financial Behaviour			Total
	Indifferent	Average level	Positive	
Upto 10 <sup>th</sup> Standard	2	5	13	20
Percentage	10.00%	25.00%	65.00%	100.00%
12 <sup>th</sup> Standard or above	2	7	16	25
Percentage	8.00%	28.00%	64.00%	100.00%
Total	4	12	29	45
Percentage	9.00%	26.60%	64.40%	100.00%

Sample Survey

Table 9 determines the financial behavior of the respondents with respect to their educational qualifications. The table shows that 65% of the respondents whose educational qualification is up to 10<sup>th</sup> standard possess positive financial behavior, whereas it is 64% among the respondents whose educational qualification is 12<sup>th</sup> standard or above. The result also shows that 25% of the respondents whose educational qualification is up to 10<sup>th</sup> standard and 28% of the respondents whose educational qualification is 12<sup>th</sup> standard or above possess average financial behavior. The percentage of poor financial literacy is very low among both categories. Only 10% of the respondents whose educational qualification is up to 10<sup>th</sup> standard and 8% of the respondents whose educational qualification is 12<sup>th</sup> standard or above possess poor financial literacy.

**D. Financial Attitude**

The financial attitude of the respondents is measured using three items recommended by OECD. The financial attitude question includes the propensity to save, propensity to consume, and planning. A five-point Likert scale was used to assess the attitude of the respondents.

**Table 10. Gender and Financial Attitude**

	Level of Financial Attitude			Total
	Indifferent	Average level	Positive	
Male	8	16	3	27
Percentage	29.60%	59.30%	11.10%	100.00%
Female	9	8	1	18
Percentage	50.00%	44.40%	5.60%	100.00%
Total	17	24	4	45
Percentage	37.80%	53.30%	8.90%	100.00%

Sample Survey

Table 10 shows the financial attitude of the respondents in relation to their gender. The table shows that among the male respondents, 11.1% possess a positive financial attitude, 59.3% possess an average financial attitude, and 29.6 % possess an indifferent financial attitude. Among the female respondents, only 5.6% possess a positive financial attitude, 44.4% possess an average financial attitude, and 9% possess an indifferent financial attitude. The overall result shows that the percentage of positive financial attitude is low among both male and female respondents.

**Table 11. Age-wise analysis of Financial Attitude**

	Level of Financial Attitude			Total
	Indifferent	Average level	Positive	
Upto 40	7	11	1	19
Percentage	36.80%	57.90%	5.30%	100.00%
More than 40	10	13	3	26
Percentage	38.50%	50.00%	11.50%	100.00%
Total	17	24	4	45
Percentage	37.80%	53.30%	8.90%	100.00%

Sample Survey

Table 11 determines the respondents' level of financial attitude with relation to the age of the respondents. The table shows that among the respondents with age up to 40 years, 5.3% of the respondents possess a positive financial attitude, 57.9% possess an average financial attitude, and 36.8 % possess an indifferent financial attitude. Among respondents with age more than 40, 11.5% possess a positive financial attitude, 50% possess the average financial attitude, and 38.5% possess an indifferent financial attitude. The overall result shows that the percentage for positive financial attitude is low among both the age categories.

**Table 12. Educational qualification and Financial Attitude**

	Level of Financial Attitude			Total
	Indifferent	Average level	Positive	
Upto 10 <sup>th</sup> Standard	9	8	3	20
Percentage	45.00%	40.00%	15.00%	100.00%
12 <sup>th</sup> Standard or above	8	16	1	25
Percentage	32.00%	64.00%	4.00%	100.00%
Total	17	24	4	45
Percentage	37.80%	53.30%	8.90%	100.00%

Sample Survey

Table 12 determines the respondents' level of financial attitude with relation to the educational qualification of the respondents. The table shows that among the respondents whose educational qualification is up to 10<sup>th</sup> standard 15 % of the respondents possess a positive financial attitude, 40% possess an average financial attitude, and 45% possess an indifferent financial attitude. Among respondents with educational qualifications of 12<sup>th</sup> standard or above, 4% possess a positive financial attitude, 64% possess an average financial attitude, and 32% possess an indifferent financial attitude. The overall result shows that the percentage for positive financial attitude is low among both the categories.

**E. Financial Literacy**

This section analyses the overall financial literacy of the respondents, which constitutes the score from financial knowledge, financial behavior, and financial attitude. The literacy level is determined by taking the weighted average of knowledge, behavior, and attitude.

**Table 13. Gender and Financial Literacy**

	Level of Financial Literacy			Total
	Poor level	Average level	High level	
Male	0	17	10	27
Percentage	0.00%	63.00%	37.00%	100.00%
Female	0	12	6	18
Percentage	0.00%	66.70%	33.30%	100.00%
Total	0	29	16	45
Percentage	0.00%	64.40%	35.60%	100.00%

Sample Survey

The overall analysis of financial literacy shows that there is not much difference in the percentage of male and female respondents possessing a high level of financial literacy; 37% of male and 33.3 % of female respondents' possess a high level of financial literacy, 63% of male and 66.7% of the female respondents have an average level of financial literacy. The overall result shows that male respondents have a slightly higher percentage of high financial literacy as compared to female

**Table 14. Age-wise analysis of Financial Literacy**

	Level of Financial Literacy			Total
	Poor level	Average level	High level	
Upto 40 years	0	13	6	19
Percentage	0.00%	68.40%	31.60%	100.00%
More than 40	0	16	10	26
Percentage	0.00%	61.54%	38.46%	100.00%
Total	0	29	16	45
Percentage	0.00%	64.40%	35.60%	100.00%

Sample Survey

Table 14 shows the respondents level of financial literacy in relation to their age

Among the age categories of up to 40, 31.6% have a high financial literacy level, and the remaining 68.4% have an average financial literacy level. Among the age categories of more than 40, 38.46% have an average financial literacy level, and the remaining 61.54% have an average financial literacy level. The overall result shows that the percentage of high financial literacy levels is higher among the higher age group.

**Table 15. Educational qualification wise analysis of Financial Literacy**

	Level of Financial Literacy			Total
	Poor level	Average level	High level	
Upto 10 <sup>th</sup> Standard	0	12	8	20
Percentage	0.00%	60.00%	40.00%	100.00%
12 <sup>th</sup> Standard or above	0	17	8	25
Percentage	0.00%	68.00%	32.00%	100.00%
Total	0	29	16	45
Percentage	0.00%	64.40%	35.60%	100.00%

Sample Survey

Table 15 shows the respondent's level of financial literacy with relation to their educational qualification. The result shows that among the respondents who have attained the educational qualification of 10<sup>th</sup> standard, 40% of the respondents have high financial literacy levels, and the remaining 60% have average financial literacy levels. Among the respondents with educational qualifications of 12<sup>th</sup> standard or more, 32% have a high financial literacy level, and the remaining 68% have an average financial literacy level.

**F. Financial Awareness and Preference of financial products**

**Table 16. Financial awareness and choice of financial products**

	Have you heard about any of these types of financial products?	
	Yes	No
Financial products		
Bank Fixed Deposits	37	8
Saving Account	44	1
Life Insurance	36	9
Public Provident Fund	9	36
Post Office Savings	28	17
National Saving Certificate	3	42
Kisan Vikas Patra	3	42
Pension Funds	23	22
Mutual Funds	7	38

Stock and Shares	14	31
Bonds	2	43
Debentures	2	43
Commodities Market	6	39
Forex Market	2	43

Sample Survey

Respondents have been asked about their awareness regarding various financial products available in the market. On the basis of their response, it can be said that 50% of the respondents are aware of financial products like fixed deposits, Savings accounts, Life Insurance, Post office savings, Pension funds. The awareness for financial products like National savings certificate, Kisan Vikas Patra, Mutual funds, Bonds, Debentures, Commodities market, and the Forex market is very low among the respondents.

**Table 17. Investment in financial products**

Financial products	Do you currently hold any of these types of products?	
	Yes	No
Bank Fixed Deposits	13	32
Saving Account	44	1
Life Insurance	4	38
Public Provident Fund	1	44
Post Office Savings	6	39
National Saving Certificate	0	45
Kisan Vikas Patra	0	45
Pension Funds	2	43
Mutual Funds	0	45
Stock and Shares	0	45
Bonds	0	45
Debentures	0	45
Commodities Market	0	45
Forex Market	0	45

Sample Survey

Table 17 depicts the respondents' preference for financial products. The result shows that the highest preference for financial products was savings account, followed by fixed deposits, post office savings, Life Insurance, Pension Funds, and Public provident funds, and no preference was shown for financial products like National Saving Certificate, Kisan Vikas Patra, Mutual Funds, Stock and Shares, Bonds, Debentures, Commodities Market and Forex Market.

## G. Findings

### 1) Findings related to Financial Knowledge

- The result shows that 51.1% of the respondents have a high level of financial knowledge, 44.4% have an average level of financial knowledge, and 4.4% have a poor level of financial knowledge.
- The gender-wise analysis of financial knowledge shows that 61.2% of the female respondents have a high level of financial knowledge as compared to 44.4% of male respondents.
- The age-wise analysis shows that 57.7% of respondents whose age is more than 40 years have a high level of financial knowledge as compared to 42.1% of the respondents whose age is less than 40 years; the result also shows that 10.5% of the respondents below 40 years possess the poor level of financial knowledge.
- Education-wise analysis of financial knowledge surprisingly shows that respondents who possess lesser educational qualifications have a higher percentage of the high level of financial knowledge. 70% of the respondents who have educational qualifications of till 10<sup>th</sup> standard possess a high level of financial knowledge as compared to only 36% among the respondents who have educational qualifications of 12<sup>th</sup> standard and above.

### 2) Findings related to Financial Behaviour

- The assessment of financial behavior of the respondents shows that 64.4% of the respondents have positive financial behavior, 26.6% have average, and 9.0% have indifferent financial behavior.
- Gender-wise analysis of the respondents shows that 63.0% of male and 66.7% of female respondents have positive financial behavior.
- Age-wise analysis shows that 68.4% of respondents below the age of 40 years have positive financial behavior as compared to 61.5% of the respondents above the age of 40 years.
- Educational-wise classification of the respondents for financial behavior shows that the percentage of respondents who possess positive financial behavior is almost the same for both categories.

### 3) Findings related to Financial Attitude

- The findings on the financial attitude of the respondents shows that:
  - 8.9%-Positive financial attitude
  - 53.3%-Average financial attitude
  - 37.8%- Indifferent financial attitude.
- The majority of male respondents, i.e., 59.3% and half of the female respondents (50%), have average financial attitudes.

- Age-wise analysis shows that 57.9% of respondents below the age of 40 years and 50% of respondents above 40 years have average financial attitudes.
- Education-wise analysis shows that only 15% of the respondents who possess educational qualification till 10<sup>th</sup> standard and only 4% of the respondents who possess the educational qualification of above 12<sup>th</sup> standard possess positive financial attitude.

#### 4) Findings related to Financial Literacy

- The overall assessment of the financial literacy level of the respondents shows that the majority of the respondents, i.e., 64.4% have an average level of financial literacy and 35.6% of the respondents have positive financial literacy.
- Gender-wise analysis of financial literacy among the respondents shows that the majority of the respondents possess average and high levels of financial literacy. 37% of male respondents and 33.3% of female respondents possess a high level of financial literacy. The result shows the percentage of high financial literacy is higher among the male respondents.
- Age-wise analysis of financial literacy of the respondents shows that 31.6% of the age group less than equal to 40 and 38.46% of the age group of more than 40 possess a high-level financial literacy. The result shows that the percentage of high-level financial literacy is higher among the age group of more than 40.
- Education-wise analysis of financial literacy of the respondents shows that the percentage of high-level financial literacy is higher among the less educated respondents. 40% of the respondents whose educational qualification is till 10<sup>th</sup> standard and 32% of the respondents whose educational qualification is 12<sup>th</sup> standard and above possess a high level of financial literacy.

#### 5) Findings related to Financial Products

- The highest awareness is for a savings account, followed by bank fixed deposits, life insurance, post office savings and pension funds, stock and shares, public provident fund, mutual funds, commodities market, national saving certificate, kisan Vikas Patra, bonds, debentures, and forex market. Thus it can be said that respondents are quite aware of the

traditional and safe financial products, whereas the awareness level of new-age financial products among the population is low.

- The majority of the respondents park their money in traditional and safe investment avenues. 97.78% of the respondents prefer savings account, followed by bank fixed deposits 28.89%, post office savings 13.33%, 4.44% in pension funds, and only 2.22% in public provident funds.

## VI. CONCLUSION

The study examines the financial literacy level of self-employed, the results show that the financial literacy level is moderate. The findings on financial products also indicate that respondents are quite aware of traditional and safe financial products, and the majority of the respondents choose to invest their money in less risky financial products like Savings Account and Bank Fixed Deposits.

## REFERENCES

- [1] W.L. Anthes., Frozen in the headlights: The dynamics of women and money, *Journal of Financial Planning*, 13(9) (2004) 130-142.
- [2] S. Agarwal and B. Mazumder., *Cognitive Ability and Financial Decision Making*, Chicago IL: Federal Reserve Bank of Chicago (2010). Available: <http://ushakrisna.com/cognitive.pdf>.
- [3] Organization for Economic Co-operation and Development (OECD), *Improving financial literacy: analysis of issues and policies* (2005). Available: <http://titania.sourceoecd.org/v1=4607980/cl=25/nw=1/rpsv/ij/oecdthe mes/9998007x/v2005n30/s1/p11>.
- [4] A. Lusardi and O. Mitchell., *Financial literacy and retirement preparedness: Evidence and implications for financial education*, *Business Economics*. 42(2007) 35-44.
- [5] S.K.Agarwalla, S.Barua, J.Jacob, and J.R. Varma, J.R., *A Survey of Financial Literacy among Students, Young Employees and the Retired in India*. (2012). Available: [http://www.iimahd.ernet.in/fls/fls12/Executive\\_Summary.pdf](http://www.iimahd.ernet.in/fls/fls12/Executive_Summary.pdf)
- [6] G.Markus and E.Veressiu., *Creating the Responsible Consumer: Moralistic Governance Regimes and Consumer Subjectivity*, *Journal of Consumer Research*. 41(2014) 849-867.
- [7] D. Mathivanan, and K. Mohanaranjani., *Existing Gap Between the Financial Literacy and Saving/Investment Behavior Among Indian Women: An Empirical Study With Special References To Coimbatore City*, *International Journal Of Research In Commerce, Economics & Management*, 3(4) (2013) 20-25.
- [8] K. Gupta and J. Kaur., *A Study of Financial Literacy among Micro-Entrepreneurs in District Kangra*, *International Journal of Research in Business Management*. 2(2) (2014) 63-70.
- [9] M.A.Lokhande., *A Study of Investment Awareness and Patterns of Savings and Investments by Rural Investors*, *Indian Journal of Finance*. 9(7) (2015) 22-31.
- [10] <http://www.ncefindia.org/images/pdfs/nasional-surveyy/Fact%20Sheet%20-%20Mizoram.pdf>