A STUDY ON FINANCIAL LITERACY AMONG YOUNGSTERS IN CHENNAI CITY

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ABSTRACT: Financial literacy is a combination of skill, knowledge and attitude towards financial related aspects of an individual. It provides to take proper financial decision for the person who need of it. Research has been organized throughout the world in order to identify and measure the financial literacy level .The government has been conducted a financial literacy survey in our country. In general most of the survey insist to find the level of financial literacy. This article focuses to identify the level of financial literacy of the youngster in Chennai and it identifies the Excellency with respect to financial decision. This study identifies that income, qualification, gender and age affects the level of financial literacy. It also finds out the financial alternatives preferred by youngsters. With the help of this study required strategies can be identified and for the betterment in financial decision by the youngster in Chennai city.
Keywords: Financial Literacy, Knowledge, Attitude, Financial decisions, Youngsters.

INTRODUCTION OF THE STUDY

The financial literacy plays a major provcation carried out by all countries in the world Financial literacy is a mixture of ones knowledge, skill and attitude towards the information which is related to finance. It provides to take financial decisions for the person who is required for it. . In present scenario throughout the world which highlight the characteristics of a market with complex products, required literacy with respect to finance become more essential. Country like India, which constitutes high young population, so the government and private should take some stepsto educate and increase the level of awareness with related to financial literacy. When financial literacy exceeds the source of monetary information and advice. In such situation the power to understand , supervise, the optimum use of financial sources to reinforce the welfare and economic refuge of a private , his family, and his business.

The OECD defines financial literacy as "A combination of awareness, acquaintance, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial well-being."
Financial literacy is mainly concentrates on suitable plan of an individual life after retirement, gradual increasing their wealth accumulation and better financial decision. So every individual to be financially literate is becomes very important from their career initial stages. In some circumstances the personal or professional difficulties leads to financially illiterate. This results with incompetent knowledge on how to deal with financial aspects, unavoidable or unacceptable decisions etc., so, they need to be enhanced with required financial knowledge and tools which enables the individual aware and expertise on taking decisions. Many researchers have been conducted so far all over the world for measuring the extent of monetary literacy. Even many governments also conducted a survey at county level related to financial literacy. Most of the surveys have shown the light on their citizen's standard with respect to monetary literacy. This study one-step forwarded and narrowed down and it focused on the youngsters to financial literacy and also how they are well equipped while taking decision with respect to financial matters. . The research also concentrates on the individual's sources, their knowledge on financial management and therefore the challenges faced by them in financial matters.

In recent decades, financial products and services increased due to many private companies come into the picture of offering the financial products throughout the country. In earlier days we may prefer cash purchase but today we prefer online payments like google pay, Paytm or preferring the plastic cards like debit cards or credit cards. Other financial products, like insurance, fixed deposits and self-directed investment accounts, PPF etc.. This

has made it even more imperative for people to know the way to use them responsibly.

Although there are many skills which may fall into the umbrella of monetary literacy, popular examples include household budgeting, learning the way to manage and pay off debts, and evaluating the trade-offs between different credit and investment products. Oftentimes, these skills require at least a working knowledge of key financial concepts, such as interest and therefore the value of cash . Given the importance of finance in modern society, lacking financial literacy are often very damaging for an individuals' long- term financial success. Unfortunately, research has shown that financial illiteracy is extremely common, with the Financial Industry regulatory **agency** (FINRA) estimating that some 66% of individuals in lack of monetary literacy.

The lack of monetary literacy can cause variety of pitfalls. Financially illiterate individuals could also be more likely to accumulate unsustainable debt burdens, for instance, either through poor spending decisions or through a scarcity of long-term preparation. This successively can cause poor credit, bankruptcy, housing foreclosure, or other negative consequences. Thankfully, there are now more resources than ever for those wishing to teach themselves about the planet of finance. One such example is that the government- sponsored Financial Literacy and Education Commission, which offers a variety of free learning resources.

REVIEW OF LITERATURE

Laura, Outi (2014) This Paper explains the "Young people's perceptions of responsibilities of organizations promoting financial capability" have concentrated on the perceptions of young people on the roles and responsibilities of school, public, private and non-profit sector in promoting financial capability among the young. The qualitative data was collected via focus young but tend to focus on macro-finance issues in financial education.

Pillai, Carlo, D'Souza (2012) This paper reveals " young adults in middle class of any families in Chinese are considering amplified access to their family's wealth and to analyze the development of financial literacy and family inome fiscal prudence correlations has been applied from the target respondent of all young adults of Chinese families and also applied regression and found the result wealthier adults have higher financial literacy .Their suggestion was society should raise the availability and access related to financial education for all young adults in China.

Jacob Joshy, Agarwalla Sobhesh, B Samir, Jayanth R. Varma (2012) they found that "Financial knowledge among Indians is very low than the International standards which was done from 3000 individuals. But the financial behaviour and attitude of the employees and retired seems to be positive. The financial knowledge among the women are marginally high than the men. Greater access to consumption credits has influenced the financial behaviour of young employees".

Ansong and Gyensare (2012) a study among reveals that "the age and work experience are positively related to Financial literacy. Also, mother's education is positively correlated with respondents' financial literacy. But, level of study, work location, father's education, access to media and the source of education on money has no influence on financial literacy". They conducted their research from the students of Cape Coast 250 UG and PG.

OBJECTIVES OF THE STUDY

- To analyze the association between financial literacy of the respondents with their demographic groups such as gender, age, income, qualification and region wise categories.
- To find out the relationship between the age of the respondents and preferred financial alternatives.

SCOPE OF THE STUDY

This study focuses on the financial literacy gained by youngsters in the Present Scenario and to find the relationship between financial literacy and various demographic and socio-economic factors.

NEED OF THE STUDY

• Financial literacy may be a crucial concept to assist the needed people to manage the various factors and save adequately to supply after retirement in order to avoid their debt at high level.
• Financial literacy is required for difficult financial Product, lack of awareness with respect to financial matters.
• With 65 percent of India's population under the age of 35 years, India today assertions one among the most important workforces within the world. An outsized segment of this demographic belongs to the young group So, measuring financial literacy among the people under the age of 35 becomes important.

LIMITATIONS OF THE STUDY

- Due to time constraints, the whole population could not be considered.
- This study is restricted to youngsters in Chennai alone.
- This study may not reveal exact results due to the bias answers of the respondents.
- Lack of previous research studies related to this topic.

RESEARCH METHODOLOGY

Research Design: Descriptive Research Design
Target Respondents: youngsters in Chennai city.
Sample size: 198
Sampling Technique :Convenience Sampling
Data Source: Primary data, Secondary data
Tools For Analysis: Karl Pearson and Pearson **c**orrelation
Chi-Square Test

ANALYSIS

CHI-SQUARE TEST FOR AGE AND FINANCIAL LITERACY:
Null Hypothesis- There is no significant association between age and financial literacy.
Alternative Hypothesis- There is significant association between age and financial literacy.

RTICULARS	*I carefully judge while purchase anything whether I can have enough money to pay for it or not.*			*Feels satisfied while spending money instead of saving it for future.*			*I ll not worry for tomorrow instead I live today's life happily*		
	Value	Degrees of freedom	Significant value . (2-	Value	Degrees of freedom	Significant value . (2-	Value	Degrees of freedom	Significant value . (2-
Pearson Chi-Square	130.693[a]	12	0	144.539[a]	12	0	186.263[a]	12	0
Likelihood Ratio	139.456	12	0	152.023	12	0	194.179	12	0
Linear-by-Linear Association	3.866	1	0.049	0.762	1	0.383	0.434	1	0.51
N of Valid Cases	198			198			198		

Interpretation: The chi square p values for different financial literacy variables are 0.000, 0.000 & 0.000 respectively. The p values are less than 0.05(p < 0.05), the difference between observed and expected frequencies is significant and therefore the H0is rejected. Hence There is association between age and financial literacy.

CHI-SQUARE TEST FOR GENDER AND FINANCIAL LITERACY:

Null Hypothesis- There is no association between gender and financial literacy.

Alternative Hypothesis- There is association between gender and financial literacy.

PARTICULARS	*I carefully judge while purchase anything whether I can have enough money to pay for it or not.*			*Feels satisfied while spending money instead of saving it for future.*			*I ll not worry for tommorrow instead I live todays life happily*		
	Value	Degrees of freedom	Significant value . (2-sided)	Value	Degrees of freedom	Significant value . (2-sided)	Value	Degrees of freedom	Significant value . (2-sided)
Pearson Chi-Square	34.146[a]	4	.002	27.480[a]	4	.000	38.663[a]	4	.007
Likelihood Ratio	37.784	4	.002	29.083	4	.000	44.516	4	.007
Linear-by- Linear Association	20.695	1	.002	.832	1	.362	.381	1	.537
No of Valid Cases	198			198		198			

Interpretation: The chi square p values for different financial literacy variables are 0.002, 0.000 & 0.007 respectively. The p values are less than 0.05(p < 0.05), the difference between observed and expected frequencies is significant and therefore the H0is rejected. Hence There is association between gender and financial literacy.

CHI-SQUARE TEST FOR EDUCATION AND FINANCIAL LITERACY:

H0: There is no association between education of the respondents and financial literacy.

H1: There is association between education of the respondents and financial literacy.

PARTICULARS	*I carefully judge while purchase anything whether I can have enough money to pay for it or not.*			*Feels satisfied while spending money instead of saving it for future.*			*I ll not worry for tommorrow instead I live todays life happily*		
	Value	Degrees of freedom	Significant value . (2-sided)	Value	Degrees of freedom	Significant value . (2-sided)	Value	Degrees of freedom	Significant value . (2-sided)
earson Chi- Square	22.807[a]	8	.004	30.907[a]	8	.000	36.290[a]	8	.000
Likelihood Ratio	29.070	8	.000	36.438	8	.000	42.979	8	.000
Linear-by-Linear Association	1.554	1	.212	.007	1	.933	.038	1	.845
N of Valid Cases	198			198			198		

Interpretation: The chi square p values for different financial literacy variables are 0.004, 0.000 & 0.000 respectively. The p values are less than 0.05(p < 0.05), the difference between observed and expected frequencies is significant and therefore the H0is rejected. Hence There is association between education and financial literacy.

CHI-SQUARE TEST FOR MARITAL STATUS AND FINANCIAL LITERACY:

Null Hypothesis (H0):- There is no association between marital status of the respondents and financial literacy.

Alternative Hypothesis- There is association between marital status of the respondents and financial literacy.

PARTICULARS	*I carefully judge while purchase anything whether I can have enough money to pay for it or not.*			*Feels satisfied while spending money instead of saving it for future.*			*I ll not worry for tommorrow instead I live todays life happily*		
	Value	Degrees of freedom	Significant value . (2-sided)	Value	Degrees of freedom	Significant value . (2-sided)	Value	Degrees of freedom	Significant value . (2-sided)
Pearson Chi- Square	10.591	4	.062	5.803[a]	4	.214	8.601[a]	4	.072
Likelihood Ratio	16.373	4	.003	7.290	4	.121	13.393	4	.010
Linear-by-Linear Association	7.109	1	.008	1.184	1	.276	2.497	1	.114
N of Valid Cases	198			198			198		

Interpretation: The chi square p values for different financial literacy variables are 0.062, 0.214 & 0.072 respectively. The p values are greater than $0.05 (p > 0.05)$, the difference between observed and expected frequencies is not significant and therefore the H0 is accepted. Hence There is no association between marital status of the respondents and their financial literacy.

KARL PEARSON CORRELATION
CORRELATION BETWEEN AGE AND FINANCIAL ALTERNATIVES:

Null Hypothesis (H0):There is no significant relationship between age of the respondents and financial alternatives.

Alternative Hypothesis (H1): There is significant relationship between the age of the respondents and financial alternatives.

Correlations			safe/low risk avenues (savings account, FD, PF, national saving certificate, post office savings, govt securities)	moderate risk avenues(mutuals, life insurance, debentures, bonds)	traditional investmen t avenues(r eal estate(pro perty),gold silver, chit	emerging investment avenues (virtual real estate, hedge funds, private equity investments, art and passion)
Age	Pearson Correlation	1	-.674[**]	.005	-.036	-.674[**]
	Sig. (2-tailed)		.000	.946	.610	.000
	N	198	198	198	198	198
safe/low risk avenues	Pearson Correlation	674[**]	1	.272[**]	.278[**]	1.000[**]
	Sig. (2-tailed)	.000		.000	.000	.000
	N	198	198	198	198	198
moderate risk avenues	Pearson Correlation	.005	.272[**]	1	.124	.272[**]
	Sig. (2-tailed)	.946	.000		.082	.000
	N	198	198	198	198	198
traditional investment avenues	Pearson Correlation	-.036	.278[**]	.124	1	.278[**]
	Sig. (2-tailed)	.610	.000	.082		.000
	N	198	198	198	198	198
emerging investment avenues	Pearson Correlation	674[**]	1.000[**]	.272[**]	.278[**]	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	198	198	198	198	198

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation: The significant value $0.01 > 0.000$. H0 is rejected and H1 is accepted. Hence there is a relationship between age and (safe/low risk avenues and emerging investment avenues).The significant value $0.01 < 0.946, 0.610$. H0 is accepted and H1 is rejected. Hence there is no relationship between age and (moderate risk avenues and traditional risk avenues)

FINDINGS

- 13.6% of respondents are between the age group of 16-20 years. 43.9% of respondents falls under the age group of 21-25 years. 21.7% of respondents falls under the age group of 26-30 years and 20.7% of respondents falls under the age group of above 31-35 years.
- 57.3% of the respondents are Female and 42.7% of the respondents are Male. Therefore, the majority of the respondents are female.
- 47% are post graduated, 46% are under graduated and 7.1% are completed their secondary school level.
- 3.5% are self-employed, 35.4% are in paid employment, 10.6% are looking for work, 50.5% are students.
- 6.1% are belongs to village, 15.7% are from small town, 10.6% are from town, 67.7% are from city.
- 9.1% are married and 90.9% are single.
- 65.2% are completely agree with that statement, 22.7% are agree with that, 9.1% of the respondents have unbiased opinion with that statement, 0.5% are disagree and 2.5% are completely disagree with the above mentioned statement.
- 4% are completely agree with that statement, 1.5% are agree with that, 24.7% of the respondents have unbiased opinion with that statement, 23.2% are disagree and 46.5% are completely disagree with the above mentioned statement.
- 4% are completely agree with that statement, 3.5% are agree with that, 24.2% of the respondents have unbiased opinion with that statement, 23.7% are disagree and 44.4% are completely disagree with the above mentioned statement.
- 59.1% are completely agree with that statement, 26.8% are agree with that, 11.1% of the respondents have unbiased opinion with that statement, 0.5% are disagree and 2.5% are completely disagree with the above mentioned statement.
- 66.7% are chosen the high rate which is 5, 23.2% are go with the good rate which is 4, 10.1% of the respondents have accepted the moderate rate which is 3 in the rating scale.
- 49% are chosen the high rate which is 5, 27.8% are go with the good rate which is 4, 23.2% of the respondents have accepted the moderate rate which is 3 in the rating scale.
- 63.6 % are given the slightly low rate which is 2 and 36.4 % are move on to the very low rating at the rate of 1 in the rating scale.
- 66.7% are chosen the high rate which is 5, 23.2% are go with the good rate which is 4, 10.1% of the respondents have accepted the moderate rate which is 3 in the rating scale.
- 57.1% are strongly agree with that statement, 29.3% are agree with that, 13.1% of the respondents have neutral opinion with that statement, 0.5% are disagree with the above mentioned statement.
- 52% are strongly agree with that statement, 25.3% are agree with that, 14.1% of the respondents have unbiased opinion with that statement, 8.6% are disagree with the above mentioned statement.
- 51.5% are strongly agree with that statement, 17.2% are agree with that, 31.3% of the respondents have unbiased opinion with the above mentioned statement.
- 32.3% are strongly agree with that statement,20.2 % are agree with that, 18.2% of the respondents have unbiased opinion with that statement, 20.2% are disagree and 9.1% are strongly disagree with the above mentioned statement.
- 0.5% are strongly agree with that statement, 0.5% are agree with that, 25.8% of the respondents have neutral opinion with that statement, 27.3% are disagree and 46% are strongly disagree with the above mentioned statement.
- 9.6% of the respondents have neutral opinion with that statement, 29.3% are disagree and 61.1% are strongly disagree with the above mentioned statement.
- Age, gender, education are closely associated with financial literacy but not between the marital status.

- There is relationship between age and (*safe/low risk avenues and emerging investment avenues)* but not between *(moderate risk avenues and traditional risk avenues)*

SUGGESTIONS

- Government should take initiative to start practical education from schools and college level about financial literacy.
- Government should conduct campaigns for general public to increase the awareness about the importance of financial literacy.
- In a workplace, employer can arrange seminars about portfolio management and about investment opportunities available for them to increase the knowledge of their employees in a better manner.
- We can learn by ourselves by reading books, surfing through internet and by gaining experience under financial sectors.
- Planning for monthly budget makes our financial knowledge gets increased.
- Considering financial literacy month to enhance the importance of financial knowledge.
- Follow the yearly budget regularly.
- Keep an eye to the financial podcasts, magazines, and financial newsletters.

CONCLUSION

The study was set out to explore the correlation among age and financial alternatives and to compare demographic factors and financial literacy.

The study sought to answer the following questions:
1. Is there any impact on financial literacy based on demographic factors?
2. what kind of financial alternatives preferred by the youngsters?
3. Decisions taken by the youngsters while they are in the financial crisis.

The findings of this study have shown that from the weighted average, majority of the respondents choose good decisions about financial matters that indicates in this developing economy financial literacy among youngsters in Chennai is high as compared to earlier days. With the help of chi square table, it can be find out that age, gender and education influences the financial literacy but not the marital status.

From the correlation table we can find that the youngsters in Chennai gives most preference to safe/low risk and emerging investment avenues. This study done in Chennai city from youngsters concluded that financial literacy level is above average and government should take the necessary measures to increase the awareness to the youngsters about financial related matters.

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