

FINANCIAL LITERACY OF RURAL WOMEN TOWARDS

POST OFFICE SAVINGS SCHEMES

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ABSTRACT

A strong foundation of financial literacy can help and support various life goals, such as savings for education, retirement, debt maintenance, and running of business etc. It can be obtained through reading books, listening podcasts, subscribing to financial contents and talking to financial professionals. It includes the activities of creating budget, plan for retirement, management debt and also to track personal spending. Every individual household will have their financial plans and they move towards savings and investments in a diversified way based on their financial literacy. The role of women towards savings is ever growing due to their increase in the financial literacy. The women make their savings in risk free avenues such as banks, post office and their investment towards gold is always a predominant one. Women of all socio-economic level can access the post offices savings schemes due to their minimum investment amount and other specialists, thus making their economic status better and leading them to be empowered. At this juncture an attempt is made to study the financial literacy especially among rural women towards post office savings schemes and hence the study.

Keywords: Post Office Savings Schemes, Women, Financial literacy, Investment, Savings

INTRODUCTION

The term financial literacy refers to a variety of significant monetary abilities and concepts. People who are financially literate are generally lower to financial fraud. A solid groundwork of financial literacy can help support various life goals, such as saving for education or retirement, using debt responsibly, and running a business. Department of post or India post, has the largest postal network in the world, it has reached all the nook and corners of the country up to small villages, hilly regions and tribal areas. This wide spread networks helps to cover and contact all peoples in the country. India post is currently focusing on to meet the emerging challenges before it and to fulfill its role as a facilitator of communication and development in the emerging socio-economic environment. With liberalization of the financial sector in the last decade, the post office purposes to meet the rising expectation of its customers providing dedicated office rendering a basket of financial services including small savings in line with the international trend of post office.

OBJECTIVES:

1. To study the preference and financial literacy of rural women towards various postal savings schemes.
2. To study the level of satisfaction towards the savings scheme offered by India post.

STATEMENT OF PROBLEM

Post was the backbone of the country's communication with a crucial role in the country's socio-economic development. The size and diversity of the country and the services provided ensured that India post continued to touch the lives of people in many ways. Usually, women in the rural areas do not possess any assets other than gold. Absence of assets leaves women with fewer opportunities to avail institutional credit. Building and enhancing financial literacy of the population, especially women, is imperative to sustain financial inclusion, while ensuring women's empowerment. The habit of savings among the rural women from the low risk avenues such as banks, post office saving, finance by women self help groups, etc. At this juncture, an attempt is made to know the perspective of rural women's towards postal saving schemes.

SCOPE OF THE STUDY

The main purpose for this study, is to find the women's participation in rural areas especially for the saving purpose in post office savings schemes. The post office savings schemes is widely known and adopted mechanism by a large section of people in India its outreach has been continuously increasingly both in terms of number of accounts as well as number of branches, especially in rural areas. Its strength lies its reputation as government of India's Institutions and other multiple services with standardized across India. This study helps to find the investment attitude towards women's in rural areas, and their satisfaction level towards post office savings schemes.

METHODOLOGY OF THE STUDY

To accomplish the objectives of the study, primary data and secondary data has been used. A well structured interview schedule was prepared and the data is collected from 150 respondents who have availed the services of post offices with special reference to postal savings schemes. For the purpose of the study purposive sampling method has been adopted. And the study is confined to the rural areas of Coimbatore district only.

REVIEW OF LITERATURE

Bhagyashree Teli (2017)¹, "Role of Post office in channelizing small savings in rural areas", made a study , pointed out that the post office in small savings schemes for rural areas is good enough but if they want to increase deposit officials increase awareness through advertising and agents. Holasagi (2018)² , "Investor behavior and postal investment," in this study suggested that government can create more awareness among the rural people about the postal investment schemes and its benefits through it as it has not reached the people properly. N.Karunakaran.et.al (2020)³, "Post Office Savings and attitude of rural investors in Kerala: a study from kasaragod district", the study concludes that inorder to develop the rural areas, postal department has been introduced number of post office schemes to the public, but they need to re-orient their services to attract new customers. Naveen.et.al (2021)⁴, "A study on customer satisfaction in post office savings schemes with special reference in Coimbatore city", the study concludes that postal department should give initiatives about the savings schemes and their better services to the public.

Table 1 Demographic profile of the respondents

Demographic Profile		No.of. Respondents	Percentage
Age	Below 30 years	12	8
	31-40 years	42	28
	41-50 years	57	38
	Above 50 years	39	26
Educational Qualification	No formal education	39	26
	School level	51	34
	College level	48	32
	Professional qualification	12	8
	Others	-	-
Occupation	Agriculture	30	20
	Self employed	33	22
	Private employee	42	28
	Government employee	9	6
	Not employed (home maker)	36	24
Family monthly income	Below Rs.10000	6	4
	Rs.10001to Rs.20000	69	46
	Rs.20001 to Rs.30000	63	42
	Above Rs.30000	12	8
Family Members	2 members	6	4
	3-5 members	141	94
	Above 5 members	3	2
Amount of savings Permonth	Below Rs.1000	69	46
	Rs.1001toRs.2000	36	46
	Rs.2001 to Rs.3000	6	4
	above Rs.3000	6	4

Source: Primary Data

From the above table it is clear that, 38% of the respondents belong to age group of 41 -50 years, 34% of the respondents have completed their school level education, 28% of the respondents are working as a private employee, 46% of the respondents are earning the family monthly income of Rs.10001 to Rs.20000, 94% of the respondents have 3-5 members in their family and 46% of the respondent monthly saving amounted to Rs.2000 in the post office savings schemes.

Table – 2 Factors Influencing

S.No.	Factors	No. of Respondents	Percentage
1.	Safety	24	16
2.	Reliability	15	10
3.	Easy accessibility	27	18
4.	Convenience	45	30
5.	Remote area coverage	9	6
6.	Trustworthy	30	20

Source: Primary Data

It is found from the above table that 30% of the respondents are influenced by convenience as factor for making savings in post office saving scheme, followed by trustworthy (20%), and easy accessibility (18%).

Table-3 Post office savings schemes preferred

S.no.	Schemes	Used	Not used	Percentage of respondents
1.	National Savings Recurring Deposit	48 (32%)	102 (68%)	100
2.	National Savings Time Deposit	36 (24%)	114 (76%)	100
3.	National Savings Monthly Income Account	75 (50%)	75 (50%)	100
4.	Senior Citizens Savings Scheme Account	27 (18%)	123 (82%)	100
5.	Public Provident Fund Account	9 (6%)	141 (94%)	100
6.	National Savings Certificate (VIII issue) account	9 (6%)	141 (94%)	100
7.	Kisan Vikas Patra	9 (6%)	141 (94%)	100
8.	Sukanya Samrudhi Account	21 (14%)	129 (86%)	100

Source: Primary Data

It is evident from the above table that 50% of the respondents prefer national savings monthly income account followed by national savings recurring deposit (32%). It is also found that majority of the respondents are not preferring post office savings scheme.

Table 4 Level of Satisfaction Towards the Post Office Savings Schemes

Schemes	Very high satisfaction	High satisfaction	Moderate satisfaction	Low satisfaction	Very Low satisfaction
National Savings Recurring Deposit	15	57	72	6	-
National Savings Time Deposit	18	33	99	-	-
National Savings Monthly Income Account	33	63	51	3	-
Senior Citizens Savings Scheme Account	6	66	66	9	3
Public Provident Fund Account	-	24	108	18	-
National Savings Certificate (VIII issue) Account	-	15	93	39	3
Kisan Vikas Patra	-	24	72	54	-
Sukanya Samrudhi Account	18	21	60	51	-

Source: Primary Data

It is inferred from the above table that most of the respondents are moderately satisfied with the post office savings schemes.

SUGGESTIONS

As the Indian Postal Savings is a monopoly, it has to frame strategies to meet challenges of competition in the new world. It is found from the financial literacy of women towards the postal savings schemes is not upto the mark. Women Investors should be educated about the benefits of investment in diversified portfolios, which could offer maximum guarantee towards returns. Efforts should be taken to attract the women investors by providing right information and knowledge about the investment market, through advertisement, print media, and electronic media. It should play an active role in disseminating investment information for timely

decisions. Postal departments can make strategic alliances with the western union, data post, etc. to make quick and safe online transactions. The strength of the post office savings schemes viz., belief, trust and wide network has to be expanded in the upcoming years to match the unveiling competition which is existing in the other investment avenues.

CONCLUSION

The study concludes that financial literacy in women is not only a knowledge but also helps them in making better financial decisions. It encourages them to give their family support, to manage their own expenses, etc. There are number of initiatives taken by the various organizations to boost the financial literacy, but there is a need of some awareness programmes through advertisements, seminars, etc. Post office savings Schemes are better alternative choice for banks to save money as they provides various schemes, to the public. The savings pattern of rural women towards post office savings scheme is moderate as the financial literacy towards the various schemes offered is less. Hence it is suggested to the rural women to have a positive savings attitude towards the post office savings scheme as they can avail the benefits such as interest rates, accessibility, safety, and convenience. The postal department can also initiate various awareness campaigns and schemes to boost the financial literacy among the rural women.

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