

ASSOCIATION BETWEEN FINANCIAL LITERACY AND INVESTMENT BEHAVIOUR: A STUDY OF ACADEMICIANS IN HARYANA

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ABSTRACT

Individuals need to be more well informed and skilled in dealing with their personal finances. Because financial products and services are widely available and financial decisions become more complex and multifaceted due to rapid development of financial markets. Financially literate persons are more capable to gather money efficiently as compare to others. The aim of this research is to establish a relation between awareness about financial matters and choices for investment and the influence of financial literacy on the factors which affects the decisions of investment. This research is based on data obtained from as many as 600 academicians across various schools, colleges and universities spread over 6 Haryana districts. This analytical process is based upon cross tabulation, chi-square test, multiple response and regression analysis. The chi-square test results reveal a close relation between decision to invest and financial literacy levels. At the same time an association between financial literacy and investment choices vis-à-vis investment objectives is also established in this study. The results shown by simple regression reveals that financial literacy affects the investment decision.

Keywords: Financial Literacy, Investment Alternatives, Investment Behavior.

INTRODUCTION

Amongst the present development of financial markets, financial decisions have become multifaceted and more intricate and financial products & services are widely available. It arises a necessity for persons to be more well informed and conversant in management of their personal finances. Highly financially literate are more likely to gather wealth efficiently Gangwar and Singh (2018). By contributing

to saving and progress of financial sector, financial literacy has a potentiality to impact the growth of an economy. Savings are beneficial for entire economy as it makes possible to place funds in financial assets and channelise through financial intermediaries consequently by higher productivity and economic growth, these investments benefit the nation (Mahdzan and Tabiani, 2013). National savings can be increase by encouraging individuals to save more. Despite the fact that India enjoys the status of a country with high saving across globe, but the investment of these saving is what bothers economists. As explained by Ahluwalia (2006) "Indians are wise saver but poor investors".

To enhance the understanding about personal financial conditions, to choose utmost suitable financial instrument and to enable individuals to make better financial plans, it is necessary to increase financial literacy. Financial awareness has a positive effect on personal savings of individuals (Mahdzan and Tabiani, 2013; Bayer et al., 2017). Hogarth (2002) defined financial literacy as "the ways how people manage their money in terms of insuring, investing, saving and budgeting". "The ability to make informed judgements and to take effective decisions regarding the use and management of money is financial literacy" (Schagen& Lines, 1996). According to Roy Morgan Research (2003, p-1) "financial literacy is about enabling people to make informed and confident financial decisions regarding all aspects of their budgeting, spending and saving and their use of financial products and services, from everyday banking through to borrowing, investing and planning for the future." OECD, 2018 (p - 4) defines Financial Literacy as, "A combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing."

Investment behaviors are defined as "how the investors judge, predict, analyze and review the procedures for decision making, which includes investment psychology, information gathering, defining and understanding, research and analysis" (Slovic, 1972; Alfredo and Vicente, 2010 as cited by Boda and Sunitha, 2018, p - 1). "Investment behaviour of individuals is concerned with choices about purchases of small amount of securities for their own account" (Nofsinger and Richard, 2002). A financially literate individual possesses the knowledge of analytical skills that in what ways financial affairs can be handled, how financial institutions works and attain their financial responsibility (Beal &Delpachtra, 2003). This paper tried to examine the relationship of financial literacy of academicians with their investment choices and factors affecting investment decisions in Haryana.

REVIEW OF LITERATURE

Singh and Sharma (2016) stated that knowledge about financial instruments and financial literacy help the investors to take well-versed financials decisions to safe and secure future of self and their dependents to a large extent. Investors'

knowledge, interest and commitment for financial planning play an important role in their life by helping in everlasting future planning. Pallavi and Anuradha (2017) found that individuals were less aware about financial securities like shares, mutual fund and debentures. Sangeetha et al., (2019) further also found that middle class families were too aware about the traditional investment alternatives and least prefer the provident fund, retirement plan and capital market instruments. Their financial skills, attitude and behavior found better as compared to their financial knowledge. They had adequate risk bearing capacity and positive investment behavior. Financial literacy had substantial impact on investment behaviour and consumption behaviour. Kumar and Annu (2021) studied that financial literacy of academicians in Haryana is affected by residential status, teaching level, monthly income, discipline of study, type of employment.

Kulkarni and Rawal (2016) found that the main objective of the both male and female college teacher in Navi Mumbai for investing was marriage, tax concessions and education of children and they were found to prefer the traditional avenues of investment like government securities, bank deposits and bullions. The major objective of investment was tax planning in which they were found to take help of investment advisor. Awareness of tax planning scheme have significant impact on investment preference (Pallavi and Anuradha, 2017). Aswinprabha and Pandian (2016) studied that majority of women were found to save for their children education and preferred gold or silver, life insurance and bank deposit for investment purposes so they were considered risk avoider. In this study various variables were tested in association with financial literacy out of them some were found to be significantly related like: reading news, advertising & internet, financial advisors, risk perception etc. Lusardi and Mitchell (2009) argue that People who are not financially literate have lack of plan for retirement and concluded that financial literacy is main determining factor of retirement planning. Hence the saving for retirement is not only becoming more challenging but also more critical for young consumers and required ever greater level of financial knowledgeability. Mahdzan, Mohd-Any & Chan (2017) stated that retirement planning is associated with age, income, future expectations and financial literacy & risk aversion affects retirement portfolio allocation in terms of participation in high-risk assets. The basic goal of IT Professionals for investment is to earn return to meet their needs in future (Shaik, Khetan, Jaggaiah and Khizerulla, 2022). Kumar, Tomar and Verma (2019) also found that financial literacy and financial planning for retirement are related.

Aren and Aydemir (2015) stated in research in turkey that gender, advanced financial literacy, risk and repay criteria found to significantly influence the investment in stock. The participation in stock market was significantly influenced by investment awareness, financial literacy, risk tolerance and financial education (Misra, 2018) whereas according to Gangwar and Singh, (2018) financial literacy and participations in stock market were not expected to be positively related. Abdeldayem, 2016; Gupta, 2017; Bhushan, 2014; Mehra and Indapurkar,

2020 stated that persons belonging to high financial literacy group (HFLG) were much aware about all financial instruments except for post office savings schemes and certificate of deposit while persons belonging to group with low financial literacy select traditional and safe investment avenues and hesitate to invest in much multifaceted investment alternatives notwithstanding the fact that these are more beneficial financially because these are comparatively riskier. Similarly found by Shaik, Khetan, Jaggaiah and Khizerulla (2022) that IT professional has given more preference to bank deposit and insurance policies. Bayrakdaroglu and Şan, (2015) examines that level of students' financial literacy differentiates according to their grade levels and as the financial literacy increases the number of financial products holding preferences is also expected to increase and as the students pass to upper grade degree the confidence level on financial literacy start to decline. Financial literacy and investment awareness and preferences were found associated (Gupta, Gupta & Pathani, 2018; Gupta, 2017).

Seetharaman, Niranjana, Patwa and Kejriwal (2017) found that Attitude towards risk, expected return and level of risk tolerance have influence on Risk profile. Asset familiarity is affected by the availability of financial products, financial knowledge, familiar investment products and patriotism & social identification. Investment behavior is influenced by market sentiments, expected returns, investment objectives, familiarity with asset and past experience. Mudzingiri et al., (2018) argues that self-confidence, risk preferences, and perceptions about financial literacy affected the financial behavior of students of university. Singh and Raheja (2019) explored factors affecting the investment which were future prospects, complimentary benefits, information and government policy, conditions, inflation and growth rate, financial requirements, investment experience and knowledge of investors. Singh, Bhattacharjee and Kajol (2022) perform a social network analysis approach to find the factor affecting the awareness towards investment in equity investment and found that intent and ability to invest, age, trust, education, money and other factors are important drivers of awareness towards equity investment. Academicians were not found so aware about various investment avenues. According to Musundi (2014) major factors affecting investment decision making includes trend in interest rates, investment risk, returns, and investment portfolio. Kumari (2020) stated investment decision are significantly influenced by the financial literacy. Out of five dimensions of financial literacy, three (financial skill, knowledge about investment and money management) have significant effect on investment decisions. Bhuyan, Singh and Bhattacharjee (2021) examine that investors of south assam have moderate awareness about the equity market and equity investment According to Oteng (2019) the factors determining the investment decision are minimization of risk, expected dividends, local investment losses, diversification purpose, loans availability facilities and opinion of family member and recommendations given by financial advisers and experts. Sujono, Mirosea, Hajar (2023) observed that familiarity, Hindsight Bias, Mental accounting, Availability, Herding, Emotional Bias determines the investment decisions.

According to Mutuku (2015) two factors (financial knowledge and financial awareness) affect the investment and these factors strongly effect on decision making of the employees in Kenya. Mugo (2016) further studied financial knowledge and financial attitude positively and significantly related with investment decisions while financial behavior and financial awareness positively and non- significantly related. Garang (2016) found that risk-taking capacity is directly affected by financial literacy and diversification capabilities of entrepreneurs to large extent and investment decisions are positively correlated with retirement and saving literacy. According to Awais, et al., (2016) financial literacy and experience about investment leads to better investment decisions and in the presence of risk tolerance, these help to analyze investment opportunities thoroughly. According to Sharma (2016) sound financial knowledge makes easy decision-making relation to finance and higher financial literacy deals to a high-risk bearing capacity of the individual investors, consequently they become more familiar with technical jargons and knowhow related with portfolio management. Rizvi and Abrar (2015) inferred that more financial literacy about investment portfolio leads to positive attitude of the investors and accounting information and financial literacy were the variables which influence maximum.

According to Singh and Gupta (2021) financial literacy, investment attitudes and decision making are positively associated which indicates that better financial knowledge leads to a positive attitude towards financial matter. Akims and Jagongo (2017) formed a conceptual model according to which investment decision depends upon the financial knowledge, gender & age and concluded that the more financial knowledge helps in better investment practices. Zakaria et al., (2017) established in their study that basic financial literacy and risk tolerance capacity are not related in any manner whereas advanced and overall financial literacy was positively related with risk tolerance. Financial literacy and investment decision were found highly correlated (Popat and Pandya, 2018; Oteng, 2019). Financial literacy influences the Investment decision (Akims and Jagongo, 2017; Mugo, 2016; Bhushan, 2014 and Hassan, Tamimi and Kalli, 2009; Janor et al., 2016). Bhuyan, Bhattacharjee, Singh and Bhattacharjee (2021) found that equity investors' risk perception level have not any impact on their equity's investment and past experience have an influence on their decision.

Individual having experience has better ability to analyse whether an investment is risky or not rather than individual having no experience. Seraj, Alzain and Alshebami (2022) investigated that overconfidence has moderating role between financial literacy and investment decision. Acharya, Santhosh, Bhat and Sumalatha (2023) observed that the way, the teachers invest their money is directly and positively related with their financial literacy level as they have a more propensity to save money routinely, planning for future and invest properly.

RESEARCH OBJECTIVES

To find the association between financial literacy and investment preferences.

To find the association between financial literacy and investment objectives.

To find the effect of financial literacy on factors influencing investment decisions.

RESEARCH METHODOLOGY

Research design used for this study is correlational cum causal. Primary data is collected by using non-probability sampling method is used. Total number of academicians in Haryana 182171 and calculated sample size is 399.12 or 400 from Yamane Formula which is further extended to 600. As already mentioned, 600 academicians having age between 24 to 60 from various schools, colleges and universities from 6 districts of Haryana (out of which 55 % were male and 63% belongs to urban area) were covered by using a questionnaire while secondary data was picked up from website, journals, research paper, articles, newspaper and magazines etc. Financial literacy score is measure by using OECD method for each participant by calculating the values at three dimensions of financial literacy: financial knowledge, financial attitude and financial behavior. The maximum score can be 5 for each respondent for financial attitude and financial behavior as these were measured on five-point Likert scale while it can be 12 in case of financial knowledge as it was measured on twelve MCQ further it was scaled down to 5. As a result, a respondent could obtain maximum 15 in respect of financial knowledge, financial attitude and financial behaviour (5+5+5). For financial literacy the average score was 10.52 and median score (10.75) was used to frame the respondents' level of financial literacy among. The median score elucidated low financial literacy if the score is equal to less than median and high level of financial literacy if the score is more than median value. Data related to investment decisions was collected by multiple response type questions related to selected investment avenue, objective of investment. Variables influencing investment decisions rated on five-point Likert scale and four factors were identified using factor analysis. Different descriptive and inferential statistics like frequency, percentage, correlation and regression analysis, multiple response analysis and chi-square test etc. were used for data analysis.

DATA ANALYSIS AND DISCUSSION OF RESULTS

Association between financial literacy level and decision to invest

Association between decision to invest and financial literacy was analysed using crosstabulation and chi-square test. Respondents who don't invest anywhere (96), out of them majority 61 (63.5%) were from low FLL group and 35 (36.5%) were from high FLL group. Respondents who invest their savings somewhere (504), out of

them 240 (47.6%) were less financially literate and 264 (52.4%) were high financially literate.

H₁: financial literacy and decision to invest are not independent

Table 1

Financial Literacy Level and Decision to Invest Crosstabulation					
Financial literacy level			Decision of Investment		Total
			No	Yes	
low	Count		61	240	301
	%		63.5%	47.6%	50.2%
high	Count		35	264	299
	%		36.5%	52.4%	49.8%
Total		Count	96	504	600
		%	100.0%	100.0%	100.0%

Source: Primary data

Following table 2 represent value of chi square, phi and Cramer's V. The chi square test's value is 8.178 and p value .004 with degree of freedom 1. As p value is < .05 which indicates the rejection of null hypothesis that financial literacy and decision to invest are independent and concluded that they are not independent i.e., significantly associated. The Cramer's V value is also significant with p value .004 and degree of association is 11.7% between these two variables.

Table 2

Values of Chi square, phi and Cramer's V				
		Value	p-value	Significance
Pearson Chi-Square		8.178	Asymp. Sig. (2-sided) .004	Significant
Nominal by Nominal	Phi	.117	(Approx. Sig.) .004	Significant
	Cramer's V	.117	(Approx. Sig.) .004	Significant
N of Valid Cases		600		

Source: Primary data

Association between financial literacy and selection of investment alternative

H1: financial literacy and selection of investment alternatives are not independent. (This hypothesis is tested by applying chi square test individually on the different investment alternative by taking them each a categorical variable having two categories whether it is selected or not.)

Table 3
Cross-tabulation of Financial Literacy and Investment Alternatives

Investment alternative	Financial literacy				Value of chi square	p-value	Null hypothesis	Association
	Low		High					
	Count	%	Count	%				
Shares	33	35.9%	59	64.1%	6.229	.013	Reject	Association
Debentures & bonds	4	22.2%	14	77.8%	4.827	.028	Reject	Association
Mutual funds	73	41.2%	104	58.8%	4.446	.035	Reject	Association
Gold & silver (precious metals)	90	50.6%	88	49.4%	.955	.328	Accept	No Association
Post office saving schemes	111	51.9%	103	48.1%	2.693	.101	Accept	No Association
Real estate	62	40.8%	90	59.2%	4.070	.04	Reject	Association
Insurance and pension plan	107	45.1%	130	54.9%	1.095	.295	Accept	No Association
Crypto Assets	2	50.0%	2	50.0%	.009	.923	Accept	No Association
Fixed deposit	117	50.4%	115	49.6%	1.363	.243	Accept	No Association

Source: Primary data

Table 3 displays the relation between financial literacy and different investment alternatives selected by respondents. 92 respondents have invested in shares, out of them majority 64.1% were highly financially literate. The chi square test's value is found significant at 5% level so that financial literacy and selection of shares as investment alternative can be said significantly related. The results are comparable with the other studies by Misra, 2018; Gupta, 2017. 77.8% respondents who had invested in debentures and bonds were found with high financial literacy. Results derived are similar as inferred by the previous studies by Assefa and Rao, 2018; Gupta, 2017. The chi square test's value is significant at 5% level and it can be said that financial literacy and selection of debentures and bonds as investment alternative is significantly related. Respondents who have invested in mutual fund, out of them majority 58.8% were highly financially literate.

The chi square test's value and p value is also significant which indicates the financial literacy and selection of mutual fund for investment are significantly related. Respondents who have invested in gold and silver (precious metals), post office savings schemes, insurance and pension plan, fixed deposit and crypto assets almost equal from both group and value of chi square and p value is also not significant for these which indicates that financial literacy and selection of these financial products are not significantly related. Respondents who have invested in real estate, majority of them 59.2% were high financial literacy group. Chi square

and p value is also significant which indicates that financial literacy and selection of real estate is significantly related. It can be said that financial literacy and selection of different investment alternatives are not independent. The results are in line with previous studies Gupta, Gupta and Pathani, 2018; Gupta, 2017; Kulkarni and Rawal, 2016; Bhushan, 2014.

Association between financial literacy and objectives of investment

H1: Financial literacy and objectives of investment are not independent.

(This hypothesis is also tested by applying chi square test individually on the different investment objectives by taking them each a categorical variable having two categories whether it is their investment objective or not.)

Table 4
Cross-tabulation of Investment Objectives and Financial Literacy

Objective of investment	Financial literacy				Value of chi square	p-value	Null hypothesis	Association
	Low		High					
	count	%	Count	%				
Retirement planning	112	42.7%	150	57.3%	5.190	.023	Reject	Association
Tax planning	97	42.2%	133	57.8%	5.029	.025	Reject	Association
Marriage	61	48.8%	64	51.2%	0.093	.760	Accept	No Association
Education of family members	143	43.9%	183	56.1%	5.215	.022	Reject	Association
To meet unexpected financial contingencies	111	39.6%	169	60.4%	16.069	.000	Reject	Association
Buying house	80	50.0%	80	50.0%	0.533	.465	Accept	No Association

Source: Primary data

The table 4 epitomize the association of financial literacy with different objectives of investment. Respondents who have invested for retirement planning, majority of them 57.3% were highly financially literate. Chi square value and p value is also significant at 5% level indicating the financial literacy and retirement planning are significantly related. Findings are in line with Lusardi and Mitchell (2009); Kumar, Tomar and Verma (2019), Similarly high financial literate respondents were more among who have invested with the objective of tax planning as compare lower financially literate. Chi square and p value are also significant for their association. So, it can be said that financial literacy and tax planning are significantly related and concluded that knowledge related to financial issues also leads to better tax planning. Respondent, who have invested for the purpose of marriage and buying house are almost equal from both group and value of chi square test is also non-significant indicating the no relation between these investment objectives and

financial literacy. 60.4% respondents were from high financial literacy group, whose investment objective was to meet unexpected financial contingencies and p-value and chi square value are also significant which indicating the association between financial literacy and the objective to meet unexpected financial contingencies is statistically significant. Similarly, respondents whose investment objectives is education of family members, majority of them were from high financial literacy group. Chi square and p value is also significant so it can be said that financial literacy and this investment objective is also statistically significantly related. High financial literate respondents were found more concerned about retirement planning, tax planning, education of family members and to meet unexpected financial contingencies.

Effect of financial literacy on investment decisions: Effect of financial literacy on investment decisions is assessed by using simple regression analysis considering financial literacy as independent variable and factors influencing investment decision (identified by factor analysis) as dependent variables.

Table 5
Results of correlation and regression analysis

Sr. No.	Name of factors	Correlation			Regression		
		Pearson correlation	p-value	Significance	R ²	T- test (Sig. value)	F-test (Sig. value)
Factor-1	Personal investment experience and future prospects	.261	.000	Significant	.068	.000(sig)	.000(sig)
Factor-2	Personal financial need and requirement	.175	.000	Significant	.031	.000(sig)	.000(sig)
Factor-3	Informal information and safety	.058	.193	Non-significant ¹	.003	.193(non-significant) ¹	.197(non-significant) ¹
Factor-4	Formal information and advice	.048	.278	Non-significant ¹	.002	.282(non-significant) ¹	.278(non-significant) ¹
	Sum of all factors	.223	.000	Significant	.05	.000(sig)	.000(sig)

Source: Primary data

Note 1. As displayed by Pearson correlation coefficient, there is no relationship between two variables. So, there is no need to run regression analysis for these variables as it is one of the assumptions of regression that there should be linear relation between variables. But as per the valuable suggestions of reviewer the values of regression analysis are shown in the table even if these are insignificant.

Financial literacy and personal investment experience & future prospects

Table 5 epitomize the results of correlation and regression between financial literacy and Factor affecting investment decisions. Pearson correlation coefficient for financial literacy and factor - 1 (Personal investment experience and future prospects) is .261 which is significant as p value is .000. The value of R^2 is 0.068, which indicates that 6.8 % of variance of academicians' personal investment experience and future prospects can be predicted by their financial literacy. The value of t-test for the significance shows that whether individual independent variable is significant at 95% confidence level or not. Table shows that Level of Financial literacy (independent variable) is statistically significant with a value of 0.000, which is < 0.05 .

The F test's result helps to determine the significance of linear regression. As shown in table the F- test's value is also significant with value of 0.000, indicating that linear regression was statistically significant and concluded that at 95% confidence level model is statistically significant.

Financial literacy and personal financial need & requirement

Table 5 epitomize the Pearson correlation coefficient for financial literacy and Factor -2: Personal financial need and requirements is significant as p value is .000. The value of R^2 is 0.031, which indicates that 3.1 % of variance of academicians' personal financial need and requirements can be predicted by their financial literacy level. The value of t-test for the significance shows that whether individual independent variable is significant at 95% confidence level or not. Table shows that Level of Financial literacy (independent variable) is statistically significant with a value of 0.000, which is < 0.05 . As table represents the F- test's value is also significant with value of 0.000, indicating that linear regression was statistically significant and concluded that at 95% confidence level model is statistically significant.

Financial literacy and informal information & safety

As represented by table -5 the correlation coefficient of financial literacy and Factor - 3: Informal information & safety is 0.058 with a significant value of 0.193, which is $>$ (greater than) 0.05 at 5 % significance level which means no relationship exists between financial literacy level and informal information & safety. The value of t-test and f- test are also not significant so that individual independent variable i.e. financial literacy and linear regression model are not statistically significant at 95% confidence level.

Financial literacy and formal information or advice

As displayed by table -5 the correlation coefficient of financial literacy level and Factor - 4: formal information or advice is -0.048 with a significant value of 0.278, which is > (greater than) 0.05 at 5 % significance level which means no relationship exists between financial literacy level and formal information or advice. The value of t- test and f- test are also not significant so that individual independent variable i.e. financial literacy and linear regression model both are not statistically significant at 95% confidence level.

Coefficient of Correlation between sum of all investment factors and financial literacy is 0.223 with a .000 significance value which means these are related to each other. The f-test and t-test both are also significant with p value- .000 indicating individual independent variable i.e. financial literacy and linear regression model both are not statistically significant at 95% confidence level.

DISCUSSION AND CONCLUSION

Financial literacy develops not only the ability in an individual to handle day to day personal financial matters but also to make him financially responsible in such a way that he/she can make informed future financial plan. The study found that decision whether a respondent invests or not, is substantially related with the level of financial literacy as respondents who does invest anywhere, majority of them were less financially literate. Financial literacy also have a relation with selection of investment as High financially literate individual were more likely to choose risky investment alternatives as compare to less financial literate. Financial literacy is associated with objectives of investment as most of high financially literate individual were found to invest for retirement planning, tax planning, unexpected contingencies and for education as compare to less financially literate individuals. Financial literacy has a substantial impact on two factors of investment decision: personal financial need & requirement and personal investment experience & future prospects. Financial literacy was not significantly related to formal information or advice and informal information & safety. The results of the study indicated that financial literacy affects the investment behaviour of the academicians in Haryana which are consistent with the results of previous researches like: Jariwala (2013), Bhushan (2014), Oteng (2019), Janor et. al (2016), Kumari (2020), Ganwar and Singh (2018).

THEORETICAL IMPLICATIONS OF THE STUDY

This study has a theoretical contribution to existing literature related to financial literacy and investment behaviour. Financial literacy for this study is measured in a way which not only covers the knowledge about financial matter but also covers the

attitude and behaviour regarding their regular financial matter. The investment process i.e, selection of investment alternative, investment objective and factors which can affect the investment decision are also found to significantly related with the financial literacy.

PRACTICAL IMPLICATIONS OF THE STUDY

Financial literacy persuades individual to put their funds to invest in a more informed way. Better decision making in financial matters can be stimulated by increasing financial literacy and financial capability, which enables the healthier financial planning and better management of life events like: housing purchase, illness, education, or retirement (Mahdzan and Tabiani, 2013). To improve the well-being and poverty reduction, savings and financial market participation should be increased. For which there is a need to advance financial education efforts in both developed and developing countries.

LIMITATION AND SCOPE FOR FUTURE RESEARCH OF THE STUDY

Due to limited time and money this study is only restricted to Haryana. Only academicians of Haryana were selected for the study. In future, research can be explored to other state of the country and other section of the society like – households, doctors, bank employees etc and comparison between states as well as different section of society can also be possible.

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Section - B
Financial literacy

Financial knowledge is some basic knowledge of key financial concepts and the ability to apply numeracy skills in financial situations. Please answer the following questions on the basis of your understanding.

1. Suppose you have ₹ 100 in a saving account and rate of interest is 2% p.a. with simple interest rate method. How much amount you would have after 5 years?
 More than ₹ 102 less than ₹ 102 Exactly ₹ 102 Don't Know
2. Suppose you have ₹ 100 in a saving account and rate of interest is 20% p.a. Under compounding interest, how much would you have in this account in total after 5 years?
 More than ₹ 200 less than ₹ 200 Exactly ₹ 200 Don't Know
3. Imagine that the interest rate on your saving account was 1% per year and inflation was 2% per year. After 1 year how much would you be able to buy with the money in this account?
 More than today less than today Exactly today
 Don't Know
4. Assume a friend inherits ₹ 10000 today and his sibling (brother/sister) inherits ₹ 10000 after 3 years from now. Who is richer because of the inheritance?
 Friend his sibling they are equally rich Don't Know
5. Suppose that in the year 2022 your income has doubled and prices of all goods have doubled too. In 2022, will you be able to buy with your income:
 more than today less than today same as today Don't Know
6. Shares are normally riskier than bonds. True False Don't Know
7. Considering a long time period for example 10 or 20 years, which asset normally gives the higher return among the specified below?
 Fixed deposits Bonds Shares Don't Know
8. Normally which asset displays the higher price fluctuations over time?
 Fixed deposits Bonds Shares Don't Know
9. High inflation means the cost of living is increasing rapidly.
 Yes No Don't Know

10. When an investor spreads his money among different assets, does the risk of losing money: Increases Decreases
 Stay the same Don't Know
11. Buying a company stock usually provides a safer return than a stock mutual fund.
 True False Don't Know
12. An investment with high return is likely to be high risk.
 True False Don't Know

Financial attitude is a state of mind, opinion and judgement of a person about finances. Please answer the followings statements according to your opinion.

Sr no.	Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1.	I tend to live for today and let tomorrow take care of itself.					
2.	Money is there to be spent.					
3.	I find it more satisfying to spend money than to save it for long term					
4.	My financial situation limits my ability to do the things that are important to me.					
5.	I tend to worry about paying my normal living expenses.					
6.	While dealing with my personal finances, I feel apprehensive/fearful.					

7.	Thinking about the state of my personal finances make me feel guilty or anxious.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	I consider myself as risk taker about financial matters.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Having a financial plan is very important.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	I prefer to borrow for investment rather than waiting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Dealing with money is stressful because it is a source of worry.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Talking about money management issues with my peers make me happy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	I have interest in increasing knowledge about money management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Financial behavior is an individual's behavior towards expenditures, financial planning, bills payment and saving. Please answer the following statements.

Sr no.	Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1.	I set long term financial goals and strive to achieve them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	I pay my bills on time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.	If I borrow money, I have a responsibility to pay it back.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	I keep a close personal watch on my financial affairs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Before I buy something, I carefully consider whether I can afford it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	I have been actively buying investment in the past year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	I use mobile phone to make or receive payments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	I analyze the right time to invest in assets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	I use a banking app or money management tool to keep track of my outgoing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	I regularly contribute to my saving account.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	I keep track of my spending.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	I keep some money separate for special events.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	I prefer to develop a budget for a period for my own money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	I maintain my financial records in detail.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section – C						
Investment behavior:						
1. Do you invest your savings: Yes No						
2. In which of the following investment alternative you have invested in recent years (you can select more than one options.)						
Shares		Debentures & Bonds				
Mutual funds		Gold & Silver (precious metals)				
Post office saving schemes		Real estate				
Insurance and pension plan		Crypto Assets				
Fixed Deposit		Others (Please mention)				
3. Select the objectives of your investment.						
Retirement planning		Tax planning				
Marriage		Education of family members				
To meet unexpected financial contingencies		Buying house				
Others (please mention)						
1. Following variables may influence your investment decisions. Please rate them.						
Sr no.	Statements	Not influence	Least influence	Neutral	Some what Influence	Most influence
1.	Recommendations of brokers/advisors/agents	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2.	Past performance of investment avenues	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3.	Past experience of investment	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4.	Expected rate of return on investment in near future	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5.	Inflation rate	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6.	Purpose of diversification	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

7.	Risk associated with investment avenues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Opinion of family member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Opinion of friends and relatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Safety of investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Discussion with professional colleagues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Fluctuations in price of firm stock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	Liquidity of the investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	Time horizon of investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	Affordability (minimum amount requirement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.	Benefits of income tax deductions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.	Familiarity with investment avenues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18.	Success stories of investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.	Discussion with existing investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20.	Intention of getting rich quickly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>