

## **Assessing Financial Literacy Level among Teaching Faculty- A Study with Reference to Dakshina Kannada District**

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### **ABSTRACT**

*The motivation behind this examination is to evaluate the level of budgetary education among showing staff in the Dakshina Kannada District. The main objective of the study is to find out the financial literacy level among teaching faculty. The particular goals of the investigation are to analyze showing staff comprehension of learning in cash administration, funds and acquiring, speculation, and retirement arranging, to inspect in addition whether some gathering of showing workforce are moderately more proficient than others in money related issues and how showing personnel' information impacts their suppositions and choices on individual issues in back. This examination grasps consistent and expressive research approaches. The examination is finished in the Dakshina Kannada District. The objective populace for this investigation is instructing staff. An example of 100 showing staff is chosen utilizing stratified and comfort inspecting. Keeping in mind the end goal to gather information specialist utilized the poll as the exploration instrument. Quantitative information is gathered utilizing a poll that comprised of both open-finished and close-finished inquiries. The connection between money related education and statistic attributes of the showing personnel is inspected by utilizing weighted mean.*

**Keywords:** Financial literacy, Teaching faculty, Investment, Retirement Planning, Savings and Borrowing.

### **INTRODUCTION:**

Monetary proficiency is the instruction and comprehension of different money related zones. This theme centres on the capacity to oversee individual back issues in a productive way, and it incorporates the learning of settling on proper choices about individual fund, for example, contributing, protection, land, paying for school, planning, retirement and assessment arranging and so forth.

Budgetary education likewise includes the capability of monetary standards and ideas, for example, monetary arranging, self multiplying dividends, overseeing obligation, gainful reserve funds procedures and the time estimation of cash. The absence of monetary education may prompt settling on poor money related decisions that can have negative outcomes on the budgetary prosperity of a person. Thus, the government made the Financial Literacy and Education Commission, which gives assets to individuals who need to take in more about monetary proficiency.

### **CONCEPTUAL FRAMEWORK:**

#### **Personal Finance:**

Individual back is the investigation of taking care of cash. It includes every single budgetary choice and exercises of an individual or family unit – the acts of acquiring, sparing, contributing and spending.

Matters of individual fund incorporate the buying of money related items, similar to charge cards, life and home

protection, contracts and obviously different ventures and speculation vehicles. Saving money is additionally viewed as a piece of individual back, including checking and bank accounts and 21st century on the web or versatile instalment administrations like PayPal and Venmo.

### **Savings and securing:**

Saving insinuates the bit of pay that isn't spent, the bit of pay that is kept for at some point later. Obtaining suggests taking money, to return it back later on with or without a premium.

### **Retirement Planning:**

Retirement arranging is the way toward deciding retirement salary objectives and the activities and choices important to accomplish those objectives. People are very conscious Retirement transcription is that the approach toward deciding retirement remuneration objectives and also the activities and selections vital to accomplish those objectives. Individuals are terribly acutely aware regarding their retirement. Retirement arrangement incorporates identifying wellsprings of pay, assessing prices, execution an investment program and overseeing resources. Future cash streams are assessed to choose whether or not the retirement wage objective are accomplished

Specialists in speculation and cash connected administration overtimes say that symptom is that the most serious hazard within the venture and fund administration. Specialists likewise, for the foremost half, concur that people don't have the money connected education vital to decide on imperative individual financial selections in their own explicit best blessings. Thus, it's famous that once concluding monetary management there ought to be the wide cultivation of economic management data. In recent years, monetary skill has gained the eye of a large vary of state agencies, faculty administrators, community interest teams, and alternative organizations. In Dakshina Kannada District conjointly stressed monetary skill of individuals. However it's vital to understand the amount of monetary skill of individuals of D.K district particularly teaching United Nations agency builder of educated future generation. Thus this paper tries to satisfy constant objective by conducting informative descriptive analysis.

### **LITERATURE REVIEW:**

Many definitions exist in various literatures about what financial literacy is. The terms financial literacy, financial knowledge, and financial education frequently have been utilised conversely both as a part of the academic writing and in the popular media (Huston, 2010)<sup>1</sup>. Financial literacy can be interpreted broadly or narrowly. In a broader perspective, financial literacy can be stated as comprehension of economics and how economic conditions and circumstances influence family unit decisions (Worthington 2006)<sup>2</sup>. A thin meaning of financial literacy concentrates on essential money administration tools, for example, budgeting, and savings, investing and insurance (Natalie, Newton and Chrisann, 2010)<sup>3</sup>. Financial literacy is the capacity to make educated judgements and to take compelling decisions in regards to the utilization and management of money. Financial literacy is, in this manner, a blend of a man's skills, knowledge, demeanours and at last their practices in connection to money (Australia and New Zealand Bank ANZ, 2011)<sup>4</sup>. However characterises financial literacy as the capacity to utilise information and skills to oversee financial assets successfully for a lifetime of financial well-being. Financial literacy is characterised as individuals' capacity to handle economic information and settle on educated decisions about financial planning, wealth collection, debt, and pensions (Lusardi and Mitchell, 2014)<sup>5</sup>. Being financially literate is vital for people to settle to make wise decisions.

From the various definitions financial literacy tries to measure people's understanding and how they make financial decisions. Thus, in this study, the term financial literacy is defined as the individual's ability to understand and have basic knowledge in economic and financial concepts, as well as the ability to use that knowledge to manage financial resources.

### **RESEARCH METHODOLOGY:**

Research methodology is nothing however strategy used for assembling and analysing the information so as to create full analysis paper. They includes as follows,

#### **Population of the Study:**

The full set of cases from that a sample is taken is named the population (Sauders, et al., 2012). The target population of the study consisted of teaching school within the Dakshina Kannada District of Karnataka. The

overall teaching school population was calculable one thousand. Here teaching faculty means teachers or lecturers those who are teaching in UG and PG section.

### Sample size and sampling techniques:

A total sample of a hundred teaching college was designated from a complete teaching college population of a thousand. The sampling technique used for this analysis was stratified and convenient sampling technique.

### Information collection:

This analysis created use of Primary information collected through the employment of form, open and closed finished queries were designed and administered to respondents. Structured questionnaires were accustomed gather unbiased opinion of respondents and therefore the investigator provided steerage to clarify problems to respondent.

### DATA ANALYSIS AND INTERPRETATION:

#### Demographic Details of Teaching Faculty:

Data analyses were presented on the responses from the 100 teaching faculty who were surveyed for the purpose of the study in the Dakshina Kannada District of the Karnataka. This also presented discussions of the analysis.

**Table 1: Demographic Profile of the Respondents**

		No. of Respondents	Total	Percentage %
A. Gender	Male	54	100	54%
	Female	46		46%
B. Age group (In Years)	20-29	72	100	72%
	30-39	10		10%
	40-49	14		14%
	50 and above	4		4%
C. Education Qualification	PG Only	78	100	78%
	PG with M.PHIL	4		4%
	PG with NET/SLET	12		12%
	Ph.D.	6		6%
D. Experience	None	10	100	10%
	Less than 2 years	44		44%
	Two to less than 4 years	18		18%
	Four to less than 6 years	3		3%
	Six years or more	25		25%
E. Field of Study	Business	78	100	78%
	Economics	6		6%
	Humanities (arts, social sciences, language etc.)	10		10%
	Sciences	6		6%
F. Annual income	Below 1 Lakh	37	100	37%
	Between 1 to 3 lakhs	50		50%
	Between 3 to 5 Lakhs	8		8%
	Above 5 Lakhs	5		5%
G. Designation	Guest Faculty	39	100	39%
	Assistant Professor	39		39%
	Associate Professor	5		5%
	Professor	7		7%
	Other	10		10%

**Source:** Field Survey, December 2017

From the samples characteristics table on top of (Table No.1) there have been a hundred respondents for the study, the males recognized the bulk of fifty four (54%) and females were forty six (46%). The age

categorization of the respondents showed that seventy two (72%) were in between twenty and twenty nine, 10(10%) were between thirty and thirty-nine and 18(18%) were over forty years. The figures from the age teams urged that majority of the respondents, eighty two (82%) were between twenty and thirty-nine years. Hence, the bulk of the teaching college within the District beneath study area unit thought-about vernal and so aren't exposed to real-life things and don't attach a lot of importance to problems with personal finance. More significantly, on the qualification of the teaching school, the figures showed that, majority of the teaching school seventy eight (78%) had earned their Post graduation solely, followed by twelve (12%) had cleared NET/SLET along side Post graduation. whereas half-dozen (6%) and four (4%) severally had p.H.D. and M.PHIL along side Post graduation at the time of the survey.

As teaching school handle totally different subjects or courses, the sphere of study of the teaching school was thus terribly essential. The survey showed that, most of the teaching faculty; 78(78%) and ten (10%) severally specialised in Business and Humanities(arts, Social Sciences, Languages etc.) 6 (6.0%) teaching school area unit specialised in Science and remaining 6 June 1944 of teaching school specialised fields of study is social science. once it involves Annual financial gain of teaching school the on top of table shows that majority (87%) of teaching faculty' financial gain comes below the classes of below three lakhs.39% of respondents square measure Guest school and same proportion (39%) represents Assistant Professors.

#### **Financial literacy Level of teaching school:**

The lack of monetary| acquisition could result in creating poor monetary selections that may have negative consequences on the financial well-being of a private. So here scientist examined the monetary acquisition level among teaching school.

**Table 2: Mean Percentage of correct responses to each survey question, each section, and the entire survey**

Subject	Level of Knowledge		
	Low	Medium	High
	Below 60%	60 %-79%	Over 80%
<b>General knowledge in Finance</b>			
Personal finance literacy	51.4		
Personal financial planning		65.7	
Budgetary activities	53.5		
Liquidity		61.4	
Mean Correct Response for the Section	58		
<b>Savings and Borrowing</b>			
Higher Interest Charge			88.7
Credit worthiness			82.4
Loan Guarantee			87.1
Lending Factor		69.7	
Overdraft			84.3
Mean Correct Response for the Section			82.44
<b>Retirement Planning</b>			
Employer's portion of contribution	28.6		
Mean Correct Response for the Section	28.6		
<b>Mean Correct Response for the entire survey</b>	<b>56.35</b>		

**Source:** Field Survey, December 2017

#### **Respondents general knowledge in finance:**

It is one factor creating cash and also the alternative, knowing the way to pay it. The previous is usually the troublesome one. In table a pair of teaching faculty' public knowledge in finance is given. The teaching college incontestable a awfully low public knowledge in finance with a mean score of 58 %.

#### **Respondents Knowledge in savings and Borrowing:**

Knowledge in savings incorporates a direct impact on individuals' future monetary standing. Those extremely knowledgeable and additional disciplined at savings square measure additional seemingly to be financially sound and avoid superfluous borrowing. In table 2, teaching faculty' information in savings and borrowing is

bestowed. Teaching school scored a mean mark of 82.44%. Teaching school incorporates a high level of information in savings and borrowing as a result of most of them trust savings as a type of a precaution motive of holding money. They conjointly rely on loans and overdrafts to fulfil their short funding, and as a result, learn additional regarding these problems.

#### **Respondents Knowledge in Retirement Planning:**

The respondents were any requested to point their data of the EPF theme. The results bestowed in Table No 2 a pair of indicate that they scored 28.6% that is extremely low. From the chances on top of one will say that teaching school is a lot of knowledgeable in savings and borrowing compared to different areas.

#### **Analysis of the results by subgroups:**

In this section, the investigator assessed the connection between personal money acquirement and participants' qualification, age group, rank, financial gain level, years of expertise, field of experience and gender area unit examined. Table three showed the mean correct response for cognition, Savings and Borrowing, Retirement coming up with sections and therefore the whole survey by subgroups. The existence of any distinction in data among the varied subgroups would be examined easy mean proportion methodology.

**Table 3: Mean Percentage of Correct Responses to Each Section by Characteristics of Sample.**

	<b>General Knowledge</b>	<b>Savings &amp; Borrowing</b>	<b>Retiring Planning</b>	<b>Overall Mean %</b>
<b>Gender</b>				
Male	48.78%	75%	26.83%	50.2033
Female	56.06%	77.27%	27.27%	53.5333
<b>Age Group</b>				
20 -29	54.81%	74.52%	25%	51.44
30 -39	36.11%	69.4%	22.22%	42.58
40 – 49	45%	85%	50%	60
50 and Above	87.5%	100%	0%	62.5
<b>Field of Study</b>				
Business	56.696%	80.36%	25%	54.019
Economics	37.5%	43.75%	25%	35.417
Humanities	50%	78.57%	42.86%	57.143
Science	32.14%	75%	28.57%	45.237

**Source:** Field Survey, 2018 and Author's Compilation

#### **Financial Literacy and Gender:**

The findings additionally showed that feminine participants were additional knowledgeable in finance than their Male counterparts. The male participants scored a median of 50.2033% as against 53.533% for females.

#### **Financial Literacy and Respondents' Age:**

The results more prompt that participants within the fifty and on top of cohort were a lot of knowledgeable than the opposite age teams as they scored the best correct responses each section wise and on the whole survey of 62.5% compared to those in age twenty to twenty nine with the whole score of 51.44%.

#### **Financial Literacy Level and Respondents' Field of Study:**

Participants who are done their study in Business as their major areas are more knowledgeable than the other fields. Participants with Business background scored 62.75% and those who studied Economic field scored 35.417% mean correct responses which is least score when compared to other fields.

#### **Financial Management Practices:**

Most prosperous investment call result from an honest plan, inventive plans and specifically sound monetary management practices. Here research worker asked regarding monetary management practices of teaching faculty.

**Table 4: Financial Management Practices**

	Never	Rarely	Often	Very Often	Always
Regularly set aside money each month for saving and future needs	10%	28%	52%	0%	10%
Compare prices when shopping for major expenses	2%	18%	63%	4%	13%
Keep track of expenditure and income	8%	21%	53%	3%	15%

**Source:** Field Survey, December 2017

The level of one's financial knowledge goes a long way to influence very key financial management practices that ensure financial discipline. It is based on this grounds that personal financial management practices of the teacher in relation to some key important decisions about their everyday life is assessed. From the above table 4, on the issue of savings culture of the teachers, 10% said they never set aside money, 28% said they rarely set some money aside, 52% often and 10 % always save for future needs which on the whole was encouraging and if sustained could go a long way to help plan for their future.

On the issue of price comparison during their major shopping activities, 63 % often, 4% very often and 13% always compare prices as against only 18% who rarely compare price of commodities before purchasing. And finally, on the keeping of financial records which entails income and expenditure, 8% never, 21% rarely keep financial records whilst, 53% often, 3% very often and 15% always keep their financial records.

#### **HOW PARTICIPANTS HAVE THOUGHT ABOUT RETIREMENT:**

Retirement is one of the most important life events many of us will ever experience. From both a personal and financial perspective, realizing a comfortable retirement is an extensive process that takes sensible planning and years of persistence. Even once it is reached; managing retirement is an ongoing responsibility that lasts throughout your life. Therefore researcher asked about how respondents thought about retirement. The following table shows that respondents' opinion:

**Table 5: How Participants Have Thought About Retirement**

	No. of Respondents	Percentages
A lot	17	17%
Some	32	32%
Little	36	36%
hardly at all	15	15%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Source:** Field Survey, December 2017

The study sought to find out how teaching faculty have thought about retirement. The result as presented in table 5 revealed that 17 (17%) of respondents' say they had thought a lot about retirement followed by 32(32%) some, Not surprisingly 36(36%) said little because in this study it is found that majority of respondents are young faculty who are less care about their retirement planning and at young age majority of people and 15 (15%) said hardly at all. This observation showed that some teaching faculty are concerned about retirement, but majority respondents are not much thought about retirement.

#### **CONCLUSIONS:**

In conclusion, the money acquirement level of the participants (teaching faculty) of the Dakshina Kannada District may well be aforementioned to be inadequate as their overall mean share score of 56.35 on basic personal finance is on the low facet. This lack of adequate money information, within the end of the day, has extensive consequences on the teaching school because it is determined that, teachers' information on finance and retirement isn't smart and inspiring that within the future can limit participants' money selections creating and designing. Money illiteracy and its resultant consequences on the participants (teaching faculty) may probably hinder their productivity since the teaching faculties' performance will be seriously affected as they'll continually have money worries and challenges to rely on.

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