FINANCIAL LITERACY AMONG WOMEN EMPLOYEES IN POKHARA LEKHANATH METROPOLITAN

A dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfilment of the requirements for the Master's Degree

by

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**Financial Literacy Among women employees in Pokhara Lekhanath metropolitan.**" The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Basanta Paudel

March, 2021

Report of Research Committee

Mr. Basanta Paudel has defended research proposal entitled "**Financial Literacy Among women employees in Pokhara Lekhanath metropolitan.**"Successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Associate Professor: Dr. Achyut Gyawaliand submits the thesis for evaluation and viva voce examination.

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Approval Sheet

We have examined the dissertation entitled "**Financial Literacy Among women employees in Pokhara Lekhanath metropolitan**" presented by Mr. Basanta Paudel for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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ABBREVIATIONS/ACRONYMS

ANOVA	:	Analysis of Variance
FA	:	Financial Attitude
FB	:	Financial Behavior
FI	:	Financial Influences
FK	:	Financial Knowledge
FL	:	Financial Literacy
INGO'S	:	International Non-government Organizations
IPO	:	Initial Public Offering
NGO'S	:	National Government Organization
NRB	:	Nepal Rastra Bank
OECD	:	The Organization for Economic Co-operation & Development
SD	:	Standard Deviation
SPSS	:	Statistical Package for the Social Sciences
LTD	:	Limited

Abstract

This study surveys 200 women employees among Pokhara Lekhanath metropolitan city to examine their financial literacy; the impact of demographic, educational and personality characteristics on financial literacy. The research is a descriptive and analytical research design. The main research strategy used in this study is a survey questionnaire which allows quantitative data collection and analyzed. Mean, ANOVA and Independent leaner regression and correlation were used in carrying out analysis.

Results show that most of the women employees have lower Level of financial knowledge but they lack in understanding of money illusion, compound interest and inflation. Students are highly influenced by their life experience and job and they have positive attitude towards savings. The study further identified income, education Level, education stream and financial behavior as determinants of financial knowledge; and financial knowledge is unaffected by profession, financial influence and financial attitude. It is concluded that women employees have lower Level of financial knowledge. However, overall financial knowledge of the students is affected by some of their demographic, educational and personality characteristics.

The study can be useful for Nepal Rastra Bank, stakeholders, banking and Financial Institutions, researcher, general public and more for introduce new policy and rule for improving level of literacy among women employees. The government need to know or understand and implement the policy and strategy for financial literacy program for developing or upgrading overall academic financial condition. It can be beneficially for whole nation and individuals. New researcher can be added other students from different Level, stream, city and sectors as well. Similarly, research consists with an independent variable, namely demographic variables thus new researcher can be added social variables, economic variables and others variables as an independent variable.

Key words: Financial Literacy, Financial Knowledge, Financial Behavior, Financial Influences, Financial Attitude, women employees, Kaski, Nepal.

CHAPTER I

INTRODUCTION

1.1 Background of the study

Financial literacy is the education and understanding of various financial areas including topics related to managing personal finance, money and investing. This topic focuses on the ability to manage personal finance matters in an efficient manner, and it includes the knowledge of making appropriate decisions about personal finance such as investing, insurance, real estate, paying for college, budgeting, retirement and tax planning. Financial literacy helps individuals become self-sufficient so that they can achieve financial stability. Those who understand the subject should be able to answer several questions about purchases, such as whether an item is required, whether it is affordable, and whether it an asset or a liability (OECD 2005).

This field demonstrates the behaviors and attitudes a person possesses about money that is applied to his daily life. Financial literacy shows how an individual makes financial decisions. This skill can help a person develop a financial road map to identify what he earns, what he spends and what he owes. This topic also affects small business owners, who greatly contribute to economic growth and stability. Financial illiteracy affects all ages and all socioeconomic levels. Financial illiteracy causes many people to become victims of predatory lending, subprime mortgages, fraud and high interest rates, potentially resulting in bad credit, bankruptcy or foreclosure (Agunga 2014).

Financial literacy also involves the proficiency of financial principles and concepts such as financial planning, compound interest, managing debt, profitable savings techniques and the time value of money. The lack of financial literacy may lead to making poor financial choices that can have negative consequences on the financial well-being of an individual. Consequently, the federal government created the Financial Literacy and Education Commission, which provides resources for people who want to learn more about financial literacy (OECD 2005).

The main steps to achieve financial literacy include learning the skills to create a budget, the ability to track spending, learning the techniques to pay off debt and effectively planning for retirement. These steps can also include counseling from a financial expert. Education about the topic involves understanding how money works, creating and achieving financial goals and managing internal and external financial challenges(OECD-INFE.2011).

Financial literacy is an important component of sound financial decision-making, and many young people wish they had more financial knowledge (Lusardi, Mitchell & Curto, 2010). There is the need to improve financial literacy of individuals, especially students at university level so they can have positive cash management attitudes before they enter the job market. This positive attitude will help them to practice proper personal financial management as working adults (Dahlia, Rabitah & Zuraidah, 2009).

In the course of everyday life, people make a variety of financial decisions about saving, investing and borrowing. The global marketplace is increasingly risky and is becoming more vulnerable day by day. One of its main implications include rising costs of goods and services that push people to be able to make well-informed financial decisions (Lusardi& Mitchell, 2011).

Understanding financial literacy among young people is of critical importance for policymakers in several areas; it can aid those who wish to devise effective financial education programs targeted at young people as well as those writing legislation to protect younger consumers (Lusardi*et al.,* 2010).

Financial literacy among university students. Financial literacy is a blend of financial knowledge, awareness, skills, ability, attitudes and behaviors necessary to make prudent and reliable financial decisions to improve financial health. In today's fast-paced community, financial study appears to be the very first in Ghana to contribute to literature on the predictors of literacy is a fundamental skill for daily life. It means being competent to understand how money works, how to manages income and expenses, how and where to invests, manage financial risks effectively and most importantly avoid financial distress. Learning how to manage money (money management) is just as important as getting it (Danes &Hira, 1987). This

phenomenon requires individuals to be equipped with some knowledge and skills relating to personal financing, or simply financial literacy. In academia, financial literacy can be defined as ''one's understanding and knowledge of financial concepts" (Lee, 2005; and Hogarth & Hilgert, 2002). Financial literacy can have important implications for financial behavior. For instance, people with low financial literacy are more likely to have problems with debt (Lusardi & Turfano, 2009), less likely to participate in the stock market (Rooij et al., 2007), less likely to choose mutual funds with lower fees, less likely to accumulate and manage wealth effectively and less likely to plan for retirement (Lusardi & Mitchell, 2006).

Pension products contribute effectively in management of their pension schemes (Njuguna Pension finance literacy enables individuals to plan for retirement, make proper choices on & Otsola, 2011). It also influences the saving behavior and member participation in pension schemes of individuals and in turn contributes to economic growth of countries (Agnew, Szykman, Utkus& Young, 2007).

Worthington (2006) defined financial literacy as the ability to make informed judgments and to take effective decisions regarding the use of management and money. Remund (2010) on the other hand defines it as a measure of understanding key financial concepts. (Lusardi & Mitchell, 2013) further defined financial literacy as peoples" ability to process economic information and make informed decisions about financial planning, wealth accumulation, pensions, and debt." These authors suggest that a financial literate population is able to make informed decisions and take appropriate actions in matters affecting their financial wealth and wellbeing. OECD (2005) also gave a comprehensive definition of financial education" as:the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction, and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being."

According to Norman (2010) financial education refers to knowledge or an understanding on the importance of money and the use of money, it answers the question, why spend on this as opposed to that. It can literally be summed up as the

wise use of money. Financial literacy is the ability to understand finance. More specifically, it refers to the set of skills and knowledge that allow an individual to make informed and effective decisions through their understanding of finances.

According to Mahdzan and Tabiani (2013), increasing financial literacy and capability promotes better financial decision-making, thus, enabling better planning and management of life events such as education, housing purchase, or retirement. This is particularly more relevant for college students. Peng et al. (2007) stated that university students take on higher levels of personal financial responsibility. These students face more financial challenges in conjunction with relevant instruction. It is also more likely that college students are experiencing more challenges with finances as they pay bills, use credit cards, working, saving, budgeting monthly expenses, and manage debt. Thus, there is paramount importance of financial literacy among college students.

The awareness of the importance of financial education is gaining momentum among policy makers across the world's economies. Again, helping young people by understand their financial issues is quite important, as younger generations are likely to face ever increasingly complex financial products and services. They are also more likely to bear more financial risks in adulthood than their parents, especially in saving, planning for retirement and covering their healthcare needs (OECD, 2011).The need of financial literacy has become increasingly significant with the deregulation of financial markets and the easier access to credit, the ready issue of credit cards and the rapid growth in marketing financial products. Recognizing the importance of financial literacy, a growing number of countries have developed and implemented national strategies for financial education in order to improve the financial literacy of their populations in general, often with a particular focus on younger generations (Grifoni & Messy, 2012).

Financial literacy equipped individuals with the necessary knowledge, ability and tools to make informed financial decisions with confidence, to manage personal wealth with high degree of competency and heighten the efficiency in the demand for best financial products (Ali, 2013). When individuals acquire knowledge about savings and apply same, funds are made available to firms by means of loans from

financial institutions. These loans are used to finance productions and it does not only increase the gross domestic product (GDP) but also create employments among many others.

Low financial literacy has had a significantly greater impact on women than men (Lusardi & Mitchell, 2008). "Many women find it more difficult than men to successfully manage their money and attain financial independency. Women tend to be more anxious about their financial future and more uninformed about the ways to secure it, and they typically face more financial challenges than men" (Anthes & Most, 2000, p. 130). Furthermore, research suggests that women are less likely to seek out financial education and have less confidence about managing money (Lusardi & Mitchell, 2008). Such discrepancies between the sexes have often been attributed to factors such as income disparities, shorter employment tenure, fewer opportunities to save, the financial impact of care giving, and the fact that women are often financial enablers (Anthes & Most, 2000).

Skill Financial literacy education, which provides individuals with the "knowledge, aptitude, and base necessary to become questioning and informed consumers of financial services" and helps them to "manage their finances effectively" (Mason & Wilson, 2000, p. 5), is an effective means to close the gap between men and women's knowledge and confidence about managing finances (Goldsmith & Goldsmith, 2006). However, a paucity of literature exists that focuses on the educational practices of financial literacy programs, and studies generally "ignore the uniqueness of the populations being served".(Tisdell, Taylor, SprowFort´e, 2012,p.531).

The lack of research regarding pedagogical practices and the unique needs of women is particularly disconcerting given the fact that when learning about investment practices, women seem to have particular learning preferences, such as a partiality for learning with an expert and in concert with others (Hira & Loibl, 2007). To better understand how financial literacy programs specifically designed for women are responding to their financial and educational needs, we previously conduct a cross case analysis investigating the pedagogical approaches of four financial Literacy program.

The term financial literacy derives its description from The President's Advisory Council on Financial Literacy (PACFL 2008), in the U.S that was convened to "improve financial literacy among all Americans.'' The council defined financial literacy as the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being. It emphasized the fact that financial literacy goes hand in hand with financial education which was defined as the process by which people improve their understanding of financial products, services and concepts, so they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being.

Financial literacy is the major challenge faced by all countries globally. Financial literacy is the mix of one's knowledge, skill and attitude towards financial matters. It helps to make informed decisions and well-being of an individual. In today's world which has a market with complicated products, the need for financial literacy becomes inevitable. Country like India which has high young population, the government is in a position to increase the level of financial literacy. The government and other private institutions have taken steps through financial education programs. Now financial education is included in the school and university curriculum also.

Financial literacy goes beyond the provision of financial information and advice. It is the ability to know, monitor, and effectively use financial resources to enhance the well-being and economic security of an individual, his family, and his business. The (OECD-INDFE.2011) 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."Financial knowledge is the understanding of interest calculations, relationship between inflation and return, inflation and prices, risk and return, and the role of diversification in risk reduction. The financial behavior assesses how the individual deals with money. It includes prompt payment of bills, framing proper planned budgets and monitoring it, continuous saving habits etc. Financial attitude influences the behavior of the individual. Financial attitude is the opinion of the individual about the belief in planning, their propensity to save and consume. So, the combination of financial

knowledge, attitude and behavior determines the level of financial literacy of an individual.

Financial literacy is mainly concerned with better planning of retirement life, gradual wealth accumulation and better financial decision making. So to be financially literate becomes important from the initial stages of one's career. But due to some personal or professional hindrances they become financially illiterate. This leaves them with inadequate knowledge about financial dealings, inappropriate decisions etc. So, they have to be enhanced with financial knowledge and tools which are needed to make informed decisions. Financial literacy impacts the promotion of financial inclusion which ultimately results in financial stability of any economy. The need for financial literacy in India has gained importance because of low level of literacy and large section of population which is financially excluded from the formal financial set up.

Greenspan (2002) argues that financial literacy helps to inculcate individuals with the financial knowledge necessary to create household budgets, initiate savings plans, and make strategic investment decisions. Proper application of that knowledge helps households to meet their financial obligations through wise planning, and resource allocation so as to derive maximum utility (Mwangi & Kihiu, 2012).

In younger generations, school and college students are focal point for the study. In Nepal, to promote financial literacy, there are many programs held by government, non-government organization (NGOs) and private sector. Nepal Rastra Bank launched a program 'NRB with Students' for enhancing the financial literacy among students (NRB, 2014). In enhancing financial literacy, NRB Strategic Plan 2012-2016 focuses on financial literacy programs for women, victims of conflict, ethnic minorities, and deprived and marginalized section of population. Similarly, since 2012 monetary policy of NRB has emphasized on the financial awareness programs stating "because of low financial literacy financial services are not effective so appropriate strategy should be developed". However, hardly any study has been conducted on financial literacy among youth in Nepal. This paper, therefore, aims at identifying the financial literacy among the women employees of Pokhara Lekhanath Metropolitan.

1.2 Statement of the problems

Our nation's economic system and society's well-being depends in part on knowledgeable consumers. One problem may be that many individuals and families do not have the knowledge or skills to handle basic, let alone complex, financial decisions (Alhabeeb, 1999; Klemme, 2002; NEFE, 2002). Many might say, "I learned how to get a job and make money, but no one ever taught me how to manage money." Learning how to manage money is as important as earning it (Danes &Hira, 1987; Lachance & Choquette-Bernier, 2004).The U.S. has the lowest individual savings rate in the industrialized world, with rates continuing to drop. Between 1970and 2002 consumer debts among U.S. families increased by 152% whereas median family income only increased 13% (Economic Report of the President, 2006). Bankruptcies have risen by nearly 400% over the last two decades affecting 1,759,503 U.S households in 2006 (U.S. Courts Bankruptcy Filings, 2006).

Financial literacy condition in case of our country is poor. About two third of that population are literate and among literate and among literate population also, most of them are financially illiterate. Financially literate people can manage to save even though their earnings are low. Country's economic condition will be boost up only if the citizens of that country is financially literate .In any country, the rate of employees is high that any other profession. If those employees are financially literate and can manage take sound financial decisions, then economic condition of the nation can be changed. With the fact stated above, this study is focused to conduct research on profession of women employees in Pokhara Lekhanath Metropolitan.

Efforts have been made by different researchers and academicians to investigate into the concept of financial literacy at the personal level. Financial illiteracy regarding personal finance in both developed and underdeveloped countries are the problem which have an impact to the financial system of the particular country. In case of Nepal, financially literate citizens are very less. Financial literacy can be measured on the different paramount like financial knowledge, financial behavior, financial attitude; etc.

The study has following research questions:

i. What is the status of financial literacy among women employees?

ii. What is the impact of demographic characteristics (profession, income, age) and educational characteristics (level, type, and stream) in financial literacy among employees?

iii. What is the impact of personality characteristics (financial behavior, financial attitude and financial influence) on financial literacy of profession among women employees?

1.3 Purpose of the study

The general objective of the study is to examine the level of financial literacy of women employees in Pokhara Lekhanath Metropolitan. The specific objective of the research are as follows:

i. To examine the status of educational characteristics in financial literacy among women employees in Pokhara Lekhanath Metropolitan.

ii. To analyze the impact of demographic characteristics (profession, income, age) and educational characteristics (level, type, stream) in financial literacy among employees.

iii. To assess the impact of personality characteristics (financial behavior and financial attitude) on financial literacy of profession among women employees.

1.4 Research hypothesis

Following hypotheses has formulated for the study:

H1: There is significance effect profession on financial literacy.

H2: There is significance effect age on financial literacy.

H3: There is a significance effect of income on financial literacy.

H4: There is a significance effect of stream on financial literacy.

H5: There is a significance effect of institution on financial literacy.

H6: There is a significance effect of university on financial literacy.

H7: There is a significance effect of financial influence on   financial literacy.

H8: There is a significance effect of financial behavior on financial literacy.

H9: There is a significance effect of financial attitude on financial literacy.

1.5 Rationale of the study

This study will contribute to existing literature on financial literacy. The study is conducted in Nepal, where awareness about importance of financial literacy is in increasing trends. That means this study helps to attract policymakers, researchers, and other people to know and research on financial literacy. This study highlighted to analyse the status of financial literacy of profession among women employees in Pokhara Lekhanath Metropolitan which provide good opportunity to analyses the condition of employees' financial literacy in Pokhara Lekhanath Metropolitan. Similarly, it examined the impact of demographic, educational characteristics in financial literacy. This study will be helpful to stakeholders, Nepal Restra bank to develop and implement the literacy program. Similarly, this study will be helpful to financial institutions to launch different schemes and program. To the researcher for further research by taking more variables than this study and to the general public to see their status of financial literacy and take necessary action to improve the literacy if necessary.

1.6 Limitations of the study

As every study is conducted within certain limitations the present study is not an exceptional. The study is based on a financial literacy of profession among women employees in Pokhara Lekhanath Metropolitan, which may not represent the overall scenario of Nepal. Basically, the study is limited with-in the following factors:

i. The responses might not be very representatives of the population due to sample limitations, area limitations and result cannot be generalized since collected questionnaire is small.

ii. The study concentrates private sectors, public services, small entrepreneurs and big enterprises employees in Pokhara Lekhanath Metropolitan.

iii. The study only considers variables such as numeracy, compound interest, inflation, money illusion, risk and return, share market, banking, insurance, taxes, credit and diversification.

iv. The study covers demographics variables (gender, age, and income), educational variables (level, type, stream), personal variable (financial behavior, financial influence, financial attitude).

v. While calculation of correlation only personal variable have been taken.

1.7 Organization of the study

This study has organized into following five chapters.

Chapter I - Introduction:

This chapter deals with background of the study, statement of the problem, purpose of the study, significance of the study, research hypothesis, limitations of the study and organization of the study

Chapter II – Literature review:

This chapter includes review of literature which incorporates the theoretical review, review of previous studies, conceptual framework and research gap.

Chapter III – Research methodology:

This chapter focuses on research methodology and it contains research design, population and sample size, sources of data, data collection processing &procedures, model specification and analysis tools and technique used for this analysis along with pilot test.

Chapter IV– Results and discussion:

This chapter includes results and discussion, which focuses on data presentation and analysis and this chapter deals with the main body of the research works and deals with data presentation and analysis of data and scoring the empirical finding of the study through definite cause of research methodology.

Chapter V - Summary and Conclusions:

This chapter deals with summary, conclusion and implications. Reference and appendix   are also attached at the end of the study

CHAPTER II

LITERATURE REVIEW

Review of literature is the process of learning and understanding the concept of the related topic. After selecting the topic of research, researchers should study different materials (like Books, Journals, Magazines, Newspapers, Articles etc.) to collect the information's about the subject matter of the study. This process of studying different education materials which are related with the selected topic of the research is called "Review of Literature". It helps to find out the research gap.

2.1 Theoretical review

The study was guided by theories which had previously been developed and that have called for more research on the subject matter over the years. These theories include Behavioral theory, Prospect theory and Life cycle theory.

2.1.1 Behavioral finance theory

The roots of the concept of literacy refer to the human ability to read. In psychology and education, learning is commonly defined as a process that brings together cognitive, emotional, and environmental influences and experiences for acquiring, enhancing, or making changes in one's knowledge, skills, values, and world views (Illeris, 2004; Ormrod, 1995). The level of knowledge in any subject, including financial knowledge, can therefore be connected to variables, such as: Age, gender, level and program of study, parents' level of education, accessibility to media, sources of education on money matters, place of residence, among others (Shefrin & Statman, 1994). It is argued that some financial phenomena can be better explained using models where it is recognized that some investors are not fully rational or realize that it is not possible for arbitrageurs to offset all instances of mispricing (Barberis & Thaler, 2003). Over the past years psychologists have found again and again that the usual axioms of finance theory are descriptively false.

2.1.2 Prospect theory

Regret is an emotion that occurs after people make mistakes. Investors avoid regret by refusing to sell shares whose prices have gone down and willing to sell those that have appreciated. Moreover, investors tend to be more regretful about holding losing

stocks too long than selling winning ones too soon (Fogel & Berry, 2006). According to prospect theory, people feel more strongly about the pain from loss than the pleasure from an equal gain. People tend to under-weigh probable outcomes compared with certain ones and people respond differently to the similar situations depending on the context of losses or gains in which they are presented (Kahneman & Perttunen, 2004).Prospect theory was developed by Daniel Kahneman, professor at Princeton University's Department of Psychology, and Amos (Tverskyin 1979) as a psychologically realistic alternative to expected utility theory. (Kahneman, 2003) explain that prospect theory allows one to describe how people make choices in situations where they have to decide between alternatives that involve risk. It describes how people frame and value a decision involving uncertainty and therefore they look at choices in terms of potential gains or losses in relation to a specific reference point, which is often the purchase price. Prospect theory describes the states of mind affecting an individual's decision-making processes including regret aversion and loss aversion (Waweru *et al*, 2003). According to Kahneman (2003), an important implication of prospect theory is that the way economic agents subjectively frame an outcome or transaction in their mind affects the utility they expect or receive. This theory guided the current study which considered decision making between current consumption and savings for future consumption. This incorporates the usefulness of time value of money based upon discount rates and credit constraints and thus this study explored the moderating effect of financial factors on the relationship between financial literacy and financial preparedness for retirement which informed the specific objective four of the study.

2.1.3 Life cycle theory

This theory deals with economic decisions on retirement saving in the rationalization of an individual's income in order to maximize utility over his lifetime. Initially developed by (Ando & Modigliani, 1963), it was based on the conventional economic approach to saving and consumption which assumes that a fully rational and well-informed individual will consume less than his income in times of high earnings (during employment), and will save to support consumption when income falls (after retirement). This type of saving behavior enables households to smooth their marginal utility of consumption over their life cycle. This model assumes the following of the human behavior: that they are forward-looking over their life spans;

they can predict the financial resources they will have over their lifetime; they understand something about the financial resources they will need in all periods of their lives; and they make informed decisions about the use of their financial resources. Given that financial preparedness for retirement is future looking, the current study infers from life cycle theory to explain how individuals make decisions on deferring current consumptions inform of savings and investments to future savings. This incorporates the usefulness of time value of money based upon discount rates and thus this study explored the moderating effect of demographic characteristics, financial factors and the independent variable of financial literacy on financial preparedness for retirement.

The Economic Importance of Financial Literacy: Theory and Evidence.

Lusardi and Olivia (2014), "The Economic Importance of Financial Literacy: Theory and Evidence" This paper undertakes an assessment of a rapidly growing body of economic research on financial literacy. The study starts with an overview of theoretical research which casts financial knowledge as a form of investment in human capital. And organizing financial knowledge has important implications for welfare as well as policies intended to enhance levels of financial knowledge in the larger population. Next, we draw on recent surveys to establish how much (or how little) people know and identify the least financially savvy population subgroups. This is followed by an examination of the impact of financial literacy on economic decision-making in the United States and elsewhere. While the literature is still young, conclusions may be drawn about the effects and consequences of financial illiteracy and what works to remedy these gaps.

2.2 Empirical review

Financial literacy has been defined by many authors and scholars in large number of past studies and projects. Financial literacy can be defined as the set of skills and knowledge that allows a person to make effective financial decisions, with the effective use of his or her financial resources and available information. The literature mainly focused on the practice of financial literacy of management students.

Volpe et al. (2002) investigated the investment literacy among online investors. Investors 50 years of age or older were more knowledgeable than those who were younger. Women had lower level of investment knowledge than those was younger and logistic regression and ANOVA Test was used in this study. Investors with graduate degrees were more knowledgeable than those with some high school or college education. The result of this survey indicated that online investors should improve their knowledge about basic investment concepts and tools. The recommendation of this study was that women investors have need to improve their FL program than male investors.

Britt et al. (2004) examined financial behavior and problems among university students and it was determinate factors. The study examined the self-questionnaire about financial behavior of 1500university and college students in Malaysia. The study found that 90% were interested in learning about specific topics in financial education, where the highest percentage of them were found the need of counseling services, followed by learning about savings and investment, budgeting, how to increase their income and financial management. The study further found that those female students were more tended to enjoy shopping and bought items that were on sale than male, and males however, tended to hide their spending habits from their families. It suggested that, to improve the student's financial knowledge, college had to provide financial knowledge education to learn about saving and financial management.

Malik (2005) assessed the level of awareness of financial literacy among management students at the various collages. Four fundamental aspects in financial literacy were considered, namely, level and importance, definitions and theories, constraints and measures to improve financial literacy. Eight other questions were asked; in-depth focus groups also were conducted. Result showed the most significant influence on students' money management behaviors have their parents(70.0% reported parents together; 13.0% said mother, 6.0%, father). Few students identified as their most important influence a brother/sister, grandparents, other family relative or friend. The conclusion was that some "recommended" practices should be modified to more accurately match ways in which college students responsibly manage their finances. Thus, future researchers should develop

a scale of financial management responsibility that fits the financial management options available to college students.

Jorgensen (2007) examined the personal financial literacy of students in Virginia in USA. This descriptive, cross-sectional, on-line survey design study was created to collect data specifically for this study of college students. Participants in this study were undergraduate and graduate college students and 450 students taken as sample. The survey consists of 44 questions as well as 18 personal characteristic items. The study found that financial knowledge, attitude and behavior scores were low but that they significantly increased each year from freshman to masters. Further, students who were financially influenced by their parents had higher financial knowledge, attitude, and behavior scores. Finally, students with higher financial knowledge also had higher financial attitude and behavior scores.

Huston (2010) analyzed the measuring financial literacy was Increasing consumer financial literacy was a public policy objective to improve welfare through better decision making. The article was to examine previous literature to identify obstacles, and propose an approach, to develop a more standardized measure of financial literacy. The data were collected (interview, rating scales); the number, wording and order of items included in the instrument and the conditions of administration. The result showed majority of studies (72%) did not include a definition of financial literacy, these two constructs were conceptually different and then using the terms interchangeably indicates a potential problem. This lack of clarity was a barrier to a common or general understanding of the financial literacy construct.

Kindle (2010) examined student perceptions of financial literacy. The relevanced of financial literacy to social work had been framed almost exclusively in the context of poverty relief, but this study expanded this framework to the evidence linking financial stress, not merely poverty, to adverse client outcomes. Using a new 15-item, quantitative instrument and used logistic regression analysis this study survey 1,506 students perceptions were collected. Respondents demonstrated a moderate awareness of the relevance of financial literacy in 11 of 15 problem issued commonly encountered in practice, indicating a moderate receptivity to financial education. Future research should clarify the contours of financial knowledge that was required to assist clients.

Nidar and Bestari (2012) examined personal financial literacy of Padjadjaran in Indonesia university students, and analyzed the influencing factor like basic personal finance, income and spending, credit and debt, saving and investment and insurance. The study used questionnaire from 400 active students and logistic regression for analysis. The result showed that level of personal financial literacy of students at Padjadjaran University comes within the low category, and therefore needs to be improved, especially for the areas of: investment, credit, and insurance. Level of education, faculty, personal income, knowledge from parents, parent's income, and ownership of insurance factors had significant impact on personal financial literacy for Padjadjaran University students. The study recommended that among responsible parties in providing financial management knowledge to the communities, government, NGOs, Financial Institutions. The government or reasonable parties can develop the new workshop, financial knowledge education, training to students.

Agarwal et.al (2013) investigated the study on the influence of various socio-demographic factors on different dimensions of financial literacy among the working young in urban India. While the influence of several factors such as gender, education and income was similar to what had been reported in other contexts, a few factors specific to India, such as joint-family and consultative decision making process were found to significantly influence financial literacy. The influence of socio-demographic variables on the three response variables namely, financial knowledge, financial behavior and financial attitude was separately analyzed using ordered multinomial logistic regression. The study also investigated the relationship between the dimensions of financial literacy. Adding to the growing empirical understanding of financial literacy across countries, the study provides an analytical basis for enunciating policy for enhancing financial literacy of youth in India.

Mahdzan & Tabiani (2013) examined the influence of financial literacy on individual saving in the context of an emerging market, Malaysia. A survey was conducted on approximately 200 individuals in Klang Valley, Malaysia to study the relationship under investigation. Other determinants of individual saving were also examined, in particular, saving regularity, risk-taking behavior, and socio-demographic characteristics. Results of a Probity regression revealed that the level of financial literacy had a significant, positive impact on individual saving. In addition, saving

regularity, gender, income and educational level influenced the probability of saving positively. Results of this study suggest that it was important for policymakers to increase financial literacy of households by implementing various financial education programmed, to further influence saving rates at the national level.

Ramasawmy et.al (2013) assessed the level of awareness of financial literacy among management students at the University of Mauritius. Four fundamental aspects in financial literacy was considered, namely, level and importance, definitions and theories, constraints and measures to improve financial literacy. A survey methodology was adopted with the design of a questionnaire to capture information among the students at the University of Mauritius. Four fundamental aspects in financial literacy were considered, namely, level and importance, definitions and theories, constraints and measures to improve financial literacy. However, according to the results, most students had a medium level of knowledge and skills in financial literacy and in savings and borrowings. The study, it was found that age, gender, language, race and income level do not have an impact on the level of financial literacy. Recommendations was made so as to improve their level of knowledge and understanding in financial matters not only for management but for all students at the University, such as the need to include financial literacy courses in all curriculums.

Bhushan & Medury (2014) examined the relationship between financial literacy and investment behavior of salaried individuals in India and used Anova Test and Regression method for data analyzing. The study clearly implies that due to low level of financial literacy, individuals invest their money in traditional financial products and was not able to take advantage of new age financial products which can offer them higher returns. The results of the study suggested that financial literacy level of individuals affected the awareness as well as investment preferences of salaried individuals towards financial products.

Sariguln (2014) examined the level of financial literacy among university students in find out the relationship between FL and students characteristics, gender, education stream, parents, work status, and financial knowledge. 1127 students from three university and logistic regression analysis used for this study. The study founded that female participants were lower than male participants, social science students

hadhigher knowledge than other stream students, senior had higher knowledge than juniors, business school had more ideas than other stream school and educated parents kid had higher knowledge about FL. The study recommended that universities need to improve FL program of their students considering the characteristics of the students. That program may help for improving student's quality and economy outcomes.

Bongini, Trivellato and Zenga (2015)examined the business students and level of financial literacy. This study was conducted Gender gap was a general outcome of financial literacy surveys, which also highlight that differences among men and women in the domain of financial capability are irrespective of country differences on a sample of 400 undergraduate students. This study adopted a metric new to the domain of financial literacy, i.e., IRT models. The survey instrument consisted of 13 questions selected from the Jumpstart Coalition test of financial literacy. This study found that either was considering an overall measured of financial literacy. The interest raised in the young when they are pupils could present its positive effects as they mature, enabling them to enter adulthood with a higher level of financial literacy.

Chmelíkova(2015) analyzed financial knowledge, financial behavior, and financial attitudes of students of finance From the Czech Republic. The questions related to several aspects of financial literacy, such as financial knowledge, personal finance behavior, or decision making. The quantitative analysis was selected as suitable approach. The survey was conducted at the Masaryk University, Faculty of Economics and Administration in the Czech Republic. The results showed that the students had higher level of financial knowledge than the adult population in the Czech Republic. The results indicated that the participating students have higher level of financial knowledge, financial behavior, and overall financial literacy than the adults. The study recommended that participants demonstrated the understanding of main financial principles and their implications on the finance on future.

Potrich, Vieira and Kirch (2015) examined the individual's financial literacy level through socioeconomic and demographic variables. The sample consisted of 1,400 individuals living in Rio Grande do Sul, Brazil and data analysis was performed by

using descriptive statistics and multivariate analysis techniques. Logit and probit models were used. It found that most respondents (67.1%) were classified as female having a low financial literacy level than men. This study recommended that to identification may be useful, for instance, in assisting the various economic played to design financial strategies and products suitable to the customer's profile. From the government viewpoint, it may enable, for instance, identifying the most vulnerable groups and thus focus on actions to improve the financial literacy level of these specific groups.

Thapa and Nepal (2015) examined financial literacy of students in Nepal. In this study 436 college students had been selected as a sample and its impact of demographic, educational and personality characteristics on FL. The study used Mean, ANOVA and Logistic Regression model for data analysis. This study found that students have basic level of finance knowledge and some of students have higher knowledge. They have lack of financial activities and banking, inflation and share market, and low in credit, taxes, financial statement and insurance. Buying insurance policy, investing in stock markets, baying jewelry and lending friends, most of students were involved in family support. The study concluded that college students had basic level of financial knowledge and their level of financial knowledge was determined by their family income, age, stream of education, type of college they study and their financial attitude. The study recommended that the government, financial sector regulators, NGOs, and educators mightuse these findings educators for developed financial strategy and polices in financial literacy.

Amoah (2016) analyzed the level and impact of financial literacy on African Americans. The sample size was 382 African Americans residing in Columbus, Ohio. Data were collected utilizing the Jump-Start Coalition survey instrument for Measuring financial knowledge. Data were analyzed using T-Test and Anova Test. This finding was consistent with the major hypothesis that African- Americans had low levels of financial literacy and with the findings of previous studies. Results however, indicated that, formal financial education had a positive impact on knowledge of personal finance. There was significant knowledge difference ($t = 12.921, p = .00$) between participants who took courses in finance and economics and participants who did not. This study had positive social change implications in that it

could lead to improvement in economic well-being of African Americans as well as the health of the nation's economy. Findings of this study had the potential of assisting policymakers, regulators, and educators in devising appropriate mechanism to increased the level of financial literacy not only among African-Americans but also amongst other ethnic groups.

Semercioglu and Akcay (2016)examined the financial literacy level of high school students of high school and religion high school in Turkey. In this study, 519 high school students and non-random sampling method was used. The study used logistic model for data analyzed to determine differences between school types. This study found that there is a significant different between school types regarding the high school students. The study concluded that high schools students were better FL knowledge than religion high school. This study recommended that to helpful for government for developing economically and educationally program about financial knowledge. It helped to government and ministry of education plans training for financial literacy that are required for better understanding of FL understanding. FL program or course might be run for future in High school to increase financial activities.

Murugiah (2016) investigated the level of understanding and strategies to enhance financial literacy among Malaysian. Questionnaires were distributed to 2500 Malaysian in Peninsular Malaysia, age ranging from 18 to 45 years old in 2014. The survey showed that Malaysian considers themselves good in financial literacy but in reality they were still weak in mastering financial literacy knowledge. This study also showed that, in Malaysia context, financial literacy among young men who earn below RM1500 and certificate qualification holders need to be targeted as focus group to increase their financial literacy awareness and financial knowledge. Therefore as a conclusion, being able to positively handle the financial matters and make wise decisions about money are gist life skills.

Isomidinova and Singh (2017) examined the relationship between financial education, financial socialization agents and money attitude towards financial literacy among students in Tashkent, Uzbekistan in Uzbekistan had not been empirically tested. Based on a quantitative survey and a sample of 110 respondents,

data was analyzed using SPSS Version 20. The results showed that Financial Education and Financial Socialization Agents had a positive impact towards financial literacy among students in Uzbekistan. Financial Education was found to have the highest significant impact. The findings had significantly contributed to the advancement of knowledge in financial literacy of students. The results of this study well add to the current body of knowledge as well as assist in creating foundational solutions to ensure improvement of financial literacy of students inUzbekistan.

Table 2.3

Summary of Literature Review

Authors/ Years	Focus on	Key Findings
Volpe *et al.*(2002)	Investment Literacy Among online investors	Investors 50 years of age were more knowledgeable than those who was younger. Women had lower level of investment knowledge than men.
Fogel& Berry (2006)	disposition effect and individual investor decisions	The study suggests that individual investors are consistently engaging in behavior that they have been warned can cost them money and that they regret later.
Githui& Ngare (2014)	Investigated impact of financial literacy on retirement planning in informal factor in Kenya.	The study found that age, marital status, education, occupation, income, number of children variables are significantly associated with retirement planning.
Ade (2013)	Effect Of Financial Literacy On Pension Preparedness Among Members Of The Informal Sector In Kenya.	The study notes that there is a statistically significant positive relationship between financial literacy and retirement preparedness.

Mahdzan &Tabiani (2013)	Impact of Financial Literacyon Individual Saving in the Malaysian Context.	The study suggests that it is important for policymakers to increase financial literacy of households by implementing various financial education programs, to further influence saving rates at the national level.
Agunga (2014)	Effect of financial literacy on financial preparedness for retirement among permanent and pensionable employees in state owned corporations in Nairobi, Kenya	The study found that financial literacy positively affects financial preparedness for retirement. However, knowledge of financial instrument was found to be in significant while computation capability for retirement was significant
Murugiah (2016)	The Level of Understanding and Strategies to Enhance Financial Literacy among Malaysian.	The study shows that Malaysian consider themselves good in financial literacy but in reality they are still weak in mastering financial literacy knowledge. This study found that, in Malaysia context,
Wamae (2013)	Effect of behavior in investment decision making.	The study concluded herding effect, risk aversion, prospecting and anchoring influences the investment decision making in stock market.

Bhushan (2014)	Relationship between Financial Literacy and Investment Behavior of Salaried Individuals.	The study clearly implies that due to low level of financial literacy, individuals invest their money in traditional financial products and are not able to take advantage of new age financial products which can offer them higher returns. The study suggests that financial literacy level of individuals affects the awareness as well investment preferences of salaried individuals towards financial products.
Shaari et al. (2013)	Financial literacy among university students.	The study revealed that the spending habit and year of study have a significant positive relationship with the financial literacy, whereby the age and gender are negatively associated with the financial literacy. The study suggested that financial literacy can prevent the university students from engaging in extensive debt especially credit card debt.
Heenkenda (2014)	Inequalities in the financial inclusion in Srilanka: an assessmentof the functional financial literacy.	The study found that the majority of the respondents demonstrated a modest financial knowledge and the functional financial literacy was quite diverse across respondents depending on the levels of education, income, gender, age, etc.

Thapa& Nepal (2014)	Financial Literacy in Nepal: A Survey Analysis from College Students.	The study showed that the most of the students had basic level of financial knowledge but they lack in understanding of credit, taxes, share market, financial statement and insurance. The study further took points such as income, age, gender, and stream of education, types of college and attitude of students as determinants of financial knowledge.
Nidar&B istari (2012)	Personal Finance Literacy in Padjadjaran University of Indonesia.	The study showed that level of education, faculty, personal income, knowledge from parent's income and ownership of insurance factors have significant impact on personal financial literacy.
Britt et.al. (2004)	Financial Behavior and Problems among University Students.	The study found that female students were more tended to enjoy shopping and brought items that were on sale than male, and males however, tended to hide their spending habits from their families.
Jorgense n (2007)	Financial Literacy of College Students: Parental and Peer Influences.	The study revealed that financial knowledge, attitude and behavior scores were low but they significantly increased each year from freshman to masters.
Agarwal et.al. (2013)	Financial Literacy among Working Young in Urban India.	A few factors specific to India, such as joint family and consultative decision making process were found to significantly influence financial literacy in Urban Indian Youths.
Ramasa wmyet.al	A study of the level of Awareness of Financial	The study found that most students had a medium level of knowledge and skills in

. (2013)	Literacy among Management Undergraduates.	financial literacy and in savings and borrowings which stated that age, gender, language, race and income level did not have an impact on the level of financial literacy.
Lusardi et.al. (2010)	Financial Literacy among the Young: Evidence and Implications for Consumer Policy.	The study showed that financial literacy among the youth in Germany and showed that financial literacy was low, only less than one-third of young adults were found with basic knowledge of interest rates, inflation and risk diversification.

2.3 Research gap

A review of the literature on financial literacy shows that most of the studies focused on the students. Though some of the studies dealt with the educators teaching to Undergraduate and Graduate students to examine the relationship between their background characteristics, financial behavior, financial awareness and financial literacy. Some studies had done among young with the demographic variables. Similarly, some research had been conducted to test the investors' knowledge then some had done the research to test the financial literacy in adult's life by taking their attitudes to saving and borrowing, their use of banks and building societies, how they managed their transaction accounts, who managed the money in family groups, and about their confidence in handling money matters as variables of the study. In addition, knowledge of financial markets and instruments, of financial decision-making, of solving financial problems and of financial plans also taken as variables. Similarly, some research was conducted Among Working Young in Urban India.

In Nepalese context, studies are rarely found that have examined the financial literacy in women employment students. It is rarely found any study had been done about financial literacy on women employees in Nepal. This study will cover women employment in Pokhara Lekhanath Metropolitan city for the very first time. In this study, independent variables classify into 3 types namely personality characteristics, demographic characteristics and educational characteristics and results shows that

similarly to Jorgensen (2007) and Thapa and Nepal (2012).so this study will be fruitful to these interested person, scholars, students, teachers, businessman, civil society ,other stockholder and government for academically as well as policy perspectives. There is lack of literature in Nepalese perspective.

CHAPTER III

RESEARCH METHODOLOGY

This chapter deals with methodology aspect to be used in this study. Different types of methodology is used in various types of research depending up on purposes, nature of problem and data .The study uses quantitative methods in the analysis of the data gathered. This section captures the research design, population and sample, sources of data, data collection procedure, data processing procedure and data analysis tools & techniques. In this study the following methodologies are adopted

3.1 Research design

The research employee and descriptive and explanatory research design. In this study, the approach is women employed to establish how variables such as profession, income, qualification, financial behavior, financial influence and financial attitude impact on financial literacy of Pokhara Lekhanath Metropolitan 'women employees'. Thus, the main research strategy use in this study is a survey which allows quantitative data collection and analyses using descriptive and inferential statistics. Quantitative research methodology is also concerned with the collection and analysis of data in numeric form.

The study women employ an all-inclusive questionnaire design to cover major aspects of personal finance. It includes financial literacy on numeracy, inflation, compound interest, time value of money, money illusion, risk and return, share market, banking, insurance, taxes, credit and diversification. The research questionnaires based on the study conducted by Thapa & Nepal (2007) research study and Jorgensen (2007). Several considerations are made in the selection of questionnaire items for the study.

A full-fledged questionnaire is constructed covering five areas namely personal information of respondents, financial behavior, financial influence, financial attitude and financial knowledge with reference to Jorgensen (2007). Along with demographic information, survey participants were asked 21 questions including multiple-choice questions on their knowledge of finance, and multiple answer questions and opinion of different aspects of financial literacy. However, name was

optional. The pilot test was conducted among 20 prospective respondents and opinion of two experts was taken to refine and finalize the questionnaire.

3.2 Population and sample

The sample for this study has taken from private sector employees, Public services employees, small entrepreneur and big enterprises from Pokhara Lekhanath metropolitan in Kaski District. Kaski district is divided into several municipalities, The Pokhara Lekhanath metropolitan city has been selected for the study. Pokhara Lekhanath metropolitan city divided into 33 "Wada".Civil service women employment, government women employment, Bankers, private company employment, women Teachers is taken for the study, sample of the study is taken from 5 Wada Pokhara Lekhanath metropolitan city.

Pokhara Lekhanath Metropolitan city one of the growing and educated city in Nepal. It is located in the mid area of Nepal and highly populated city. The literacy rate in Kaski is higher than other districts except Kathmandu. The main aim of the study is to examine level of financial literacy of women employees. Hotel Pokhara Grand, Helping Hands Handicraft, Women skills and Development, Survey Department Pokhara, office of land Reform, Nepal electricity Authority, Office of chief minister and council of minister, ministry of social development, ministry of land management ,Agriculture and co-operative, District Administration office Kaski, Postal Service department Pokhara, Rastriya secondary school Bagar,Navin secondary school Gairapaten, Janapriya secondary school Bal Mandir secondary school, Nepal Restra bank Pokhara, Nepal bank ltd. ,Garima development bank Rastiya Banijya bank Nic Asiea bank ltd. are taken as sample. Whole Pokhara Lekhanath metropolitan women employee from management and non- management stream are population and among 200employee are sample. The research are visiting about 600 case study in aera so it has focus officer level and non-officer level finally total 40%. Out of the population, Civil service women employment (60), Bankers(58), private company employment(26), women Teachers(56) is taken for the study. 250 questionnaires distributed to the employees, 200 were the responded. So the response rate was 80 percent.

[Report from field survey: 2019]

3.3 Sources of data

The study is based on primary data: a judgement sample survey through questionnaire of 200 employees in Pokhara Lekhanath metropolitan city in Kaski. The questionnaire is structure into two sections. Section1 is concerned with demographic and educational profile of employees and section 2 focuses on getting information about influencing factor about financial behavior, financial attitude and financial influence. It also tries to find out the level of financial knowledge of respondents. The questionnaire includes both Likertscale questions (1to4)(i.e 4 is very true for me 1 is not at all true for me) and multiple choices question and option based questions.

3.4 Data collection processing procedures

The study collects data from the respondents by directly in their working place. Questionnaires were distributed to each and every individual. After receiving the response, data were decoded into SPSS version 22 tools.

3.5 Data analysis tools and techniques

It indicates the sources of data and how they collected. In this study data are collected through primary sources. They were collected from the respondent women employees in Pokhara Lekhanath metropolitan city. After collecting data, as necessarily required, they were separated and analyzed presentation and analysis of the collected data is the main theme of the research work. Collected data were first presented in systematic manner in tabular forms and then analyzed by applying statistical tools to achieve the research objectives.

This study uses the summary of descriptive statistics associated with the primary data analysis which is carried out on the basis of responses derived from questionnaire survey. Descriptive statistical tools like mean, standard deviation and percentage is used to described result obtained and ANOVA Test and linear regression and correlation will use to show the relationship between dependent variables and independent variable. Data are presented table which makes easier to analyze and understand the data. Data analyses on the basis of percentage of the respondents responding a questionnaire. The collected data is used for acquiring the scenario of the employees. The collected data is used for the analysis purpose. The collected data

are processed, analyses and interpret by using SPSS version 22 tools. The equation and variable will be used for the study are given below:

The model

$Log(p/1-p)$ = B0+ B1Profession+ B2age+ B3income+ B4strem+ B5institution+ B6university+ B7financial influence+ B8financial behavior+B9financial attitude +ei.

Wherei.e. (p= offinancial literacy)

    P   = the probability of a student who is more knowledgeable about finance.

    Profession = 1 if the participant is studying in Teacher, 0 otherwise

    Age   = 1 if the participant is studying in blew then 18, 0 otherwise

    Income   = 1 if the participant is studying in below 20000, 0 otherwise

    Stream   = 1 if the participant's stream is management, 0 otherwise

    institution = 1 if the participant's private collage, 0 otherwise

    university = 1 if the participant's Tribhuvan University, 0 otherwise

    behavior   = Financial Behavior measured in 4-point scale

    influence = Financial Influence measured in 4-point scale

    attitude   = Financial Attitude measured in 4-point scale

    ei   = Error term

3.6 Reliability and validity

The purpose of the validity and reliability analysis is to determine whether data are trustworthy or not. The designed questionnaire is finalized before requesting the respondents to participate. For the reliability test, Cronbach's Alpha was calculated for this questionnaire. It is generally used as a measure of internal consistency or reliability. Details results are shown in table 3.6.

Table 3.6 shows the Cronbach's alpha coefficients of independent variables-Financial Behavior Financial Influence, Financial Attitude. Cronbach's Alpha coefficient less than 0.6 is considered as 'poor'; greater than 0.6 but less than 0.8 is considered 'acceptable' and greater than 0.8 is considered 'good' (Sekaran, 2000). Here, Cronbach's Alpha of all variables is greater than 0.6 but less than 0.8. The

Cronbach's Alpha of all variables is acceptable. Therefore, the instruments used in this research are considered to be reliable.

Table 3.6

Shows the Cronbach's alpha variables

S.N.	Variables	Cronbach's Alpha
1.	financial behavior	0.766
2.	financial influence	0.795
3.	financial attitude	0.743
4.	financial literacy	0.768

3.7 Conceptual framework

The conceptual framework is an analytical tool used to make conceptual distinctions or organize ideas. Conceptual framework of the study explains the systematic explanation of the relationship among the dependent and independent variables for the purpose of explaining the financial literacy of women employees and its influencing factors on financial literacy. In the figure 2.7 financial literacy of profession women employees in Pokhara Lekhanath Metropolitan is the dependent variable taken for the study and independent variable are demographic characteristics, educational Characteristics and personality characteristics.

Independent Variable	Dependent Variable

Demographic Characteristics

Profession

Age

Literature

Education Characteristics

Level

Type of College

Stream

Level   of   Financial Literacy

Personality Characteristics

Financial Behavior

Financial Attitude

Financial Influence
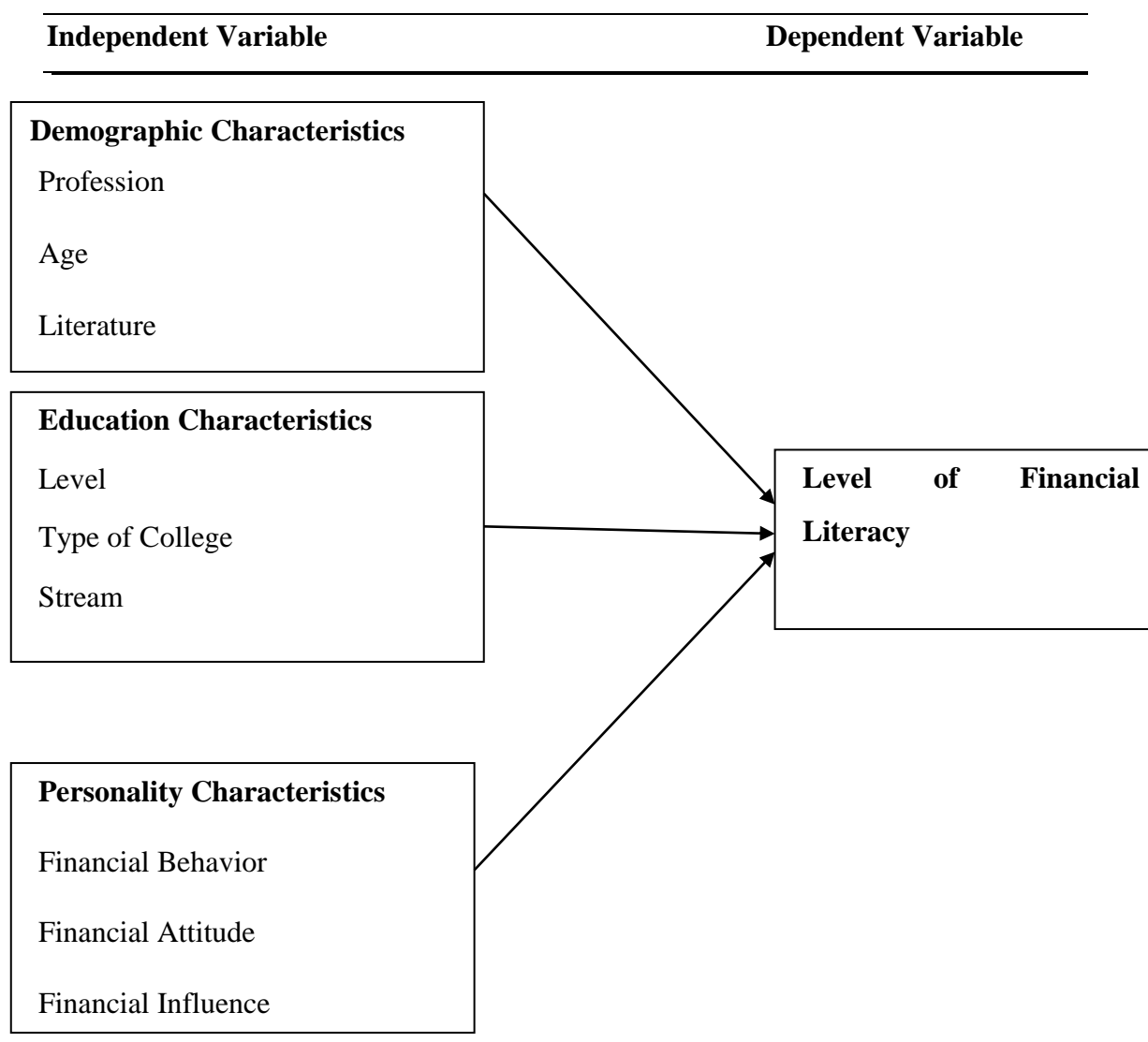
Sources: Thapa and Nepal(2012), Financial Literacy of Students, NRB Review

Figure 3.7 Theoretical Framework

3.7.1 Demographic characteristics

It consists of profession, age and income level. Professions are banking, civil service, and teachers whereas employees are subdivided into four groups as per the monthly income. First, below Rs. 20000, second, Rs. 20000 – Rs. 300000, third, Rs. 30000 – Rs. 50000 and four, above Rs. 50000.Age of employees are subdivided into five groups. First, below18, second, 18-20, third, 21-24, fourth, 25-29 and fifth, 30 and above.

3.7.2 Educational characteristics

Employees, on the basis of educational level are subgroup on three parts. They are i) High School Level ii) Under Graduate Level iii) Graduate level. Similarly, employees on the basis of education stream are management and non- management. On the basis of type employees employed on private sectors, public services, small entrepreneurs and big enterprises.

3.7.3Personality characteristics

It consists of financial attitude, financial behavior and financial influence. Financial attitude of employees have an impact on level of financial knowledge or not? What is the impact of financial behavior and financial attitude of the employees towards the financial literacy?

3.7.4 Financial literacy

Financial literacy involves the proficiency of financial principles and concepts such as financial planning, compound interest, managing debt, profitable saving techniques and the time value of money. The lack of financial literacy or financial illiteracy may lead to make poor financial choices that can have negative consequences on the financial wellbeing of an individual. The main steps to achieving financial includes: Learning the skills to create budgets, the ability to track spending, learning the techniques to pay off debts, and effectively planning for retirement. The topic focuses on the ability to manage personal finance matters in an efficient manner, and, it includes the knowledge of making appropriate decisions about personal finance such as investing, insurance, real estate, paying for college, budgeting, retirement and tax planning.

CHAPTER IV

RESULTS AND DISCUSSION

This chapter describes the analysis results generated from the process of data collection. It deals with the analysis and interpretation of the primary data collected through questionnaire from 200 respondents. Data were analyzed with reference to the purpose of this research as mentioned in the earlier chapter. The primary purpose of this chapter is to analyze and interpret the collected data and present the results of the questionnaire survey. The main purpose of this research study will be fulfilled with the outcomes derived from the analysis of the data.

4.1 Respondents profile

In the table below, respondents' demographic profile such as age, gender, monthly income range and educational level, type and stream are presented.

Table 4.1

Respondents Profile

DemographicCharacteristics		
	Frequency	**Percentage**
Profession		
teacher	56	28
civil services	60	30
bankers	58	29
private	26	13
Age		
below 18	0	0
18-20	6	3
21-24	30	15
25-29	68	34
30and above	96	48
Education Stream		
management	107	53.5
non-management	93	46.5

Monthly Income (NRS)		
Below20000	20	10
20000-30000	72	36
30000-50000	64	32
More than50000	44	22
University Affiliation		
Tribhuvan university	186	93
Pokhara university	8	4
Prubanchal university	6	3
far Western university	0	0
Type of collage		
private collage	36	18
government collage	164	82
Total		200

Source: Field Survey, 2019

Table 4.1 shows the characteristics of the sample. It shows28 percent of the respondents are Teacher, 30 percent of the respondents are Civil services, 29 percent of the respondents are Bankers, and13 percent of the respondent are private. While categorizing on the basis of age, 0 percent respondents are from below 18 and 3 percent, 15 percent, 34 percent and 48 percent are from 18-20, 21-24, 25-29 and 30 and above respectively. While categorizing on the basis of income level, 10 percent respondents are from below Rs 20000 and 36 percent, 32 percent and 22 percent respondents are from income group Rs 20000 – Rs 30000, Rs 30000 – Rs 50000 and More than Rs 50000 respectively. On the basis of education stream, 53.5 percent respondents are from management and 46.5 percent respondents are from non-management. While categorizing on the basis of Academic,18percent respondents are from Private collage and 82 percent respondents are from Government collage Similarly talking about University Affiliation on the basis of high Affiliate possessed highest percentage i.e. 93percentage while Tribhuvan university, Pokhara University, Prubanchal university and Far Western university employees are 4 percentage, 3 percentage and 0 percentage respectively.

4.2 Financial knowledge

Financial knowledge means having basic as well as advance concept about financial terms. It is the ability to have sound decisions regarding finance related topics. In this study, respondents were asked 12 questions from basic to advance level of finance covering numeracy, inflation, compound interest, money illusion, risk and return, share market, banking, insurance, taxes, credit and diversification.

Overall financial knowledge is divided into basic and advance categories. Basic financial literacy index is constructed by numeracy, compound interest rate, inflation, and money illusion questions (Rooij et al., 2007) and advance financial literacy index is developed by constituting questions related to risk and return, insurance, banking, taxes, credit, share markets and diversification.

Mean percentage scores of each section of sample characteristics are categorized on basic, advance and overall and are presented in table 4.3.Chen and Volpe's (1996; 2002), developed the benchmark of financial literacy. The benchmark grouped percentage correct scores into three categories: over 80% (Highest), 60 – 79% (Medium) and below 60% (Low). The benchmark implies that correct score of 80% and beyond show a high financial knowledge whilst scores between 60 to 79% indicate fair knowledge in finance. Lastly, scores of respondents below 60% is an indication of low financial knowledge, the level that needs more financial literacy education

Table 4.2.1

Frequency and Percentage of Components of Financial Knowledge

Concept	Total	Frequency	Percentage
Compound Interest 1	200	82	41
Compound Interest 2	200	62	31
Inflation	200	96	48
Risk And Return	200	32	16
Money Illusion	200	54	27
Net Worth	200	22	11
Share Market	200	168	84
Taxes Rate	200	114	57
Credit	200	102	51
Banking	200	190	95
Insurance	200	112	56

Source: Field Survey, 2019

Table 4.2 shows that most of the employees frequency and percentage of financial knowledge, among the questionnaires regarding financial education respondents (95%) correctly answered the question regarding banking followed by share market (84%) while very few respondents were familiar with taxes (57%), credit (51%) ,compound interest rate 1 (41%) ,net worth (35%), compound interest rate 2 (31%),inflation (29.5%) , money illusion (27%) , insurance (19%) and risk and return (16%).

Table: 4.2.2.

Mean and Standard Deviation in Financial Knowledge According to Level of Women employees.

Item	Total	Test scale:2.5	
		Mean	**Std. Deviation**
I have adequate Knowledge to manage my personal finance.	200	3.115	.96771
I understand inflation and how it may impact my future investment income.	200	3.130	.88147
Insurance provides opportunity to earn returns on premium in the future.	200	2.870	1.07652
It is less likely that you will lose all of your money if you save it in more than one place.	200	2.580	1.06266
High inflation that the cost of living is increasing rapidly	200	2.930	.97460
It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares.	200	2.930	.91327
An investment with a high return is likely to be high risk.	200	3.270	.88374

Source: Field Survey, 2019

Table 4.2.2 shows that maximum number of women employees are An investment with a high return is likely to be high risk achieve in knowledge, understand inflation and how it may impact my future investment income, adequate Knowledge to manage my personal finance, High inflation that the cost of living is increasing rapidly, usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares, Insurance provides opportunity to earn returns on premium in the future and Insurance provides opportunity to earn returns on premium in the future mean are 3.270,3.130,3.115,2.930,2.930,2.870 and 2.580 respectively. And overall mean value is 2.5 which means that they have average level of knowledge.

4.3 Financial influences

Financial influence means making impact on financial know how of the employees. This section shows that in what manner both more and less knowledgeable employees are influenced with parents, friends, school, books, media, job, life experience and internet. And what items regarding financial literacy have they learnt while growing up in the home.

Table 4.3.1Mean and Standard Deviation in Financial Influence According to Level of Women employees

Items	Total	Test scale:2.5	
		Mean	**Std. Deviation**
Parents	200	3.3500	.75522
Friends	200	2.2900	1.02526
School	200	2.5800	1.06266
Books	200	2.9300	.97460
Media	200	2.9900	.91327
Job	200	3.6000	.67993
Life experience	200	3.6200	.70576
Internet	200	3.1500	2.64243

Source: SPSS Results

Table 4.3.1 shows that mean of financial knowledge are influenced by life experiences is 3.62, Impact of friends, school and internet mean values are 3.35, 2.58

and 3.15 respectively whereas parents, books, media and job mean values are 3.35, 2.93, 2.99, 3.6 respectively. So I feel that many employee knows that that mean of financial knowledge are influenced by life experiences.

Table 4.3.2

Frequency and Percentage in Financial Influences According to Level of Women employees.

Items	Frequency	Percentage
Home while Growing up		
Budgeting	22	11
Investing	122	61
Taxes	79	39.5
Insurance	111	55.5
Loans	98	49
Interest Rate	88	44
Saving	132	66
Keeping records	18	9
Finance were handled in family		
Usually argued	111	55.5
Open discussed	79	39.5
Explicitly taught	56	28
Learned from examples	44	22
Included various decision	103	51.5
Others	2	1
Total	**200**	

Source: Field Survey, 2019

Table 4.3.2 shows that frequency of financial influences according to level of women employees, categories home while growing up, savings, Investing, Insurance, interest rate, Loans and Interest rate are132,122,111,98 and 88. Similarly, percentage are

66,61, 55.5, 49 and 44 respectively. Similarly, Finance were handled in family, usually argued, included various decisions openly discussed, explicitly taught, learned from examples, and others frequency and percentage are 111, 103, 79, 56, 44, 2 and 55.5, 51.5, 39.5, 28, 1 respectively.

4.4 Financial behavior

It is the capability to capture of overall understanding of impacts of financial decisions on one's (i.e. personal, family, community, country) circumstances and to make the right decisions related to the cash management, precautions and opportunities for budget planning. It can be defined as any human behavior that is relevant to money management. Common financial behaviors include cash, credit and saving behavior and women employees are asked 15 questions.

Table 4.4.1 shows the financial behavior of women employees regarding spending habit, maintaining records, use of savings, managing money in problem and use of additional income. Similarly, table 4.4.1 shows that mean and standard deviation of financial behavior regarding budgeting, planning, spending, investing etc

Table 4.4.1

Frequency and Percentage in Financial Behavior According to Level of Women employees.

Items	Frequency	Percentage
Spending oriented		**200**
Very economically	74	37
Somewhat Economically	74	74
Neither Economical	30	15
Rarely Saving	14	7
Very Spending Oriented	8	4
Maintain Financial Records		**200**
No Records	52	26
Minimal Records	108	54
Very Detailed Records	40	20
Money Left Right Before Income Arrives		**200**
Spend It On Consumer Goods	14	7
Keep It In Cash	18	9
Deposit It Into Bank	88	44
Invest It In The Capital Market	74	37
Lend It To Friends And Relatives	4	2
Invest It In Own Business	2	1
Buy Gold And Jewelry	0	0
Others	0	0
Run Out Money Before Next Income Arrives		**200**
Cut Down Expenses And Save	92	46
Borrow Money From Relatives, Friends	48	24
Spend Our Savings	36	18
Use A Credit Card Or Bank Loan	12	6
Work Extra Hours Or Extra Jobs	12	6
Others	0	0
What Would You Like To Do The Money		**200**
Bought Household Goods	12	6
Fixed Deposit For Future	52	26
Saving For Meeting Contingency	8	4
Repay Earlier Debts	20	10
Go For Travel Or Vacation	18	9
Investment In Own Business	12	6
Buy An Insurance Policy	0	0
Buy Shares	84	42
Others	4	2

Source: Field Survey, 2019

Table 4.4.1 shows that students about spending oriented of Very economically, somewhat economically, both economical, rarely saving and very spending oriented

are 74,74,30,14 and 8. Secondly maintain financial records of no records, minimal records and very detailed records are 52,108and 40 respectively. Again money left right before income arrives of spend it on consumer goods, keep it in cash, deposit it into bank, invest it in capital market, lend it to friends & relatives, invest it on own business, buy gold and jewelry and others are14, 18 ,88, 74, 4 ,2, 0 and 0 respectively. Similarly run out money before next income arrives of cut down expenses & save, borrow money from relatives & friends, spends our savings, use a credit card or bank loan, work extra hours or extra jobs and others are 92, 48, 36, 12, 12 and 0. While what would you like to do the money by bought household goods, fixed deposit for future, savings for meeting contingency, repay earlier debts, go for travel or vacation, investment in own business, buy an insurance policy, buy shares and others are 12, 52, 8, 20, 18, 12, 0, 84 and 4 respectively.

Table 4.4.2

Mean and Standard Deviation in Financial Behavior According to Level of women employees.

Items	Total	Test scale:2.5	
		Mean	**Std. Deviation**
Spending oriented	200	2.0400	1.07899
Maintain financial records	200	1.9400	.67727
Financial behavior(overall)	200	3.1120	1.065569
I budget and track my spending	200	3.1000	.97713
I contribute to a bank saving account regularly	200	3.1300	.88147
I compare prices when shopping for purchase	200	3.4200	.86449
I have a life insurance policy	200	2.8700	1.07652
I invest in the shares under IPO	200	2.9100	1.15262
I read to increase my financial knowledge	200	3.1200	.92187
I maintain adequate financial records	200	3.0700	.92160
I spend less than income	200	3.3800	.84805
I maintain adequate insurance coverage	200	2.9200	1.03875
I plan and implement a regular savings/investment program	200	3.2000	.89667

Source: Field Survey, 2019

Table 4.4.2 shows that compare prices when shopping for purchase, spend less than income, spending oriented, read to increase financial knowledge, plan & implement a regular savings/investment program and budget and track my spending has mean value are, 2.0400, 1.9400,3.2100, 3.1000, 3.100 respectively. Similarly contribute to a bank saving account regularly, have a life insurance policy, maintain adequate financial records, maintain adequate insurance coverage, maintain financial records and invest in the shares under IPO are 2.8700, 2.9100, 2.9100, 3.1200, 3.0700, 3.3800,2.9200and 3.2000 respectively. Finally, overall mean value is 2.5. It means that women employees have lower level of knowledge.

4.5 Financial attitude

Financial Knowledge refers to the understanding one has of important personal finance concepts, like budgeting and savings. Financial attitude refers to the one's beliefs and values related to various personal finance concepts, such as whether one believes is it important to save money. Table presents the results regarding financial attitude of the women employees.

Table 4.5

Mean and Standard Deviation of Financial Attitude According to Level of women employees

Items	Total	Test scale:2.5 Mean	Std. Deviation
Financial attitude (overall)	200	3.2736	1.002
I feel in control of my financial situation	200	3.310	.79818
I feel capable of using my future income to achieve my financial goals	200	3.270	.90620
I worry to manage my finance	200	3.310	.89325
I am uncertain about where my money is spent	200	2.970	.97666
I feel credit cards are safe and risk free	200	3.140	.89690
I feel capable of handling my financial future (e.g. buying insurance)	200	3.410	2.09376
I am afraid of loan	200	3.180	.93379
I give importance to saving money from my monthly income	200	3.490	.68721
I feel having life insurance is an important way to protect loved ones	200	3.430	2.01629
I enjoy thinking about and have interest in reading about money management	200	3.230	.88374
I enjoy talking to my peers about money related issues (i.e. taxes)	200	3.270	.93889

Source: Field Survey, 2019

Table 4.5 shows that maximum number of women employees are highly linked with give importance to saving money from monthly income, worry to manage finance ,feel in control financial condition, capable to bought insurance program in future and life insurance is an important way to protect loved ones mean value are3.490,, 3.310, 3.410and3.430 respectively. Similarly, afraid of loan, capable of future to achieve financial goals, credit cards are risk free , enjoy about think, uncertain about

where money is spent, and interest in reading about money management and enjoy talking about money related issues with peers mean value are3.180, 3.270, 3.140, 3.230, 2.970,and3.270 respectively. And overall mean value is 2.5 which means that they have lower level of knowledge.

4.6 Analysis of financial literacy

4.6.1 Analysis of variance (ANOVA)

ANOVA is used to test whether there is significant difference in financial attitude and behavior among different income and age the result is shown in Table 4.6.1

Table 4.6.1

Results of ANOVA

Characteristics	F-Statistics	F-Statistics	Sig
Profession	0.003	0.003	0.953
Age (in years)	0.379	0.379	0.540
Monthly Income (NRS)	4.623	4.623	0.034
Type of collage	11.514	11.514	0.001
Education Stream	7.622	7.622	0.007

Source: SPSS Results

Table indicates that profession and age are found to be insignificant, which means there is no significant difference in knowledge among employees. However, monthly income, education level and education stream are found significant at 10 percent and 1 percent level of significance respectively. This implies that there is significant difference in knowledge among various income, Type of collage and education stream groups. Financial knowledge increases as monthly income increases and increases in education level and education stream.

4.7 Linear regression analysis

Logistic regression is used to test whether there is significant relationship of profession, monthly income, education level, education stream, behavior, influence

and attitude on financial knowledge. It is used because dependent variable, financial literacy, is dichotomous.

Table 4.7.1

Multiple linear regression analysis between the Financial Literacy level and Demographic independent variable (coefficients)

		Coefficients[a]				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.803	.272		10.301	.000
	profession	.007	.017	.013	.415	.678
	age	.035	.022	.052	1.611	.109
	income	.003	.021	.005	.132	.895
	stream	.052	.040	.047	1.286	.200
	institution	.042	.049	.029	.848	.397
	university	-.096	.031	-.106	-3.143	.002
	financial influence	.464	.034	.580	13.719	.000
	financial behavior	.606	.040	.515	15.251	.000
	financial attitude	.011	.038	.012	.289	.773

a. Dependent Variable: financial literacy

This table 4.7.1 examines which of the 9 independent variables will influence the most in financial literacy among the respondents. Income has the strongest impact on financial literacy then after income and education stream has impart on financial literacy. It is concluded that income has strongest predictor to financial literacy among all the independent variables.

Thus, the determinant of financial literacy can be summarized by the following equation:

Financial literacy =-.501+.007profession+.035age+.003income+.052Educational stream+.042institution -.096university+.464Financialinfluence+.606Financial behavior +.011Financial attitude.

From the equation, if one unit of age of study increased, it will leads to a increase of 0.035 in financial literacy.

Besides, if one unit of profession increased, it will also leads to an035 of 0 .007 in financial literacy. While one unit of monthly of employee increased, it will leads to a increased 0.003 in financial literacy.

Furthermore, if one unit of Educational stream increased, it will also leads to an increase of 0.052 in financial literacy. While one unit of university increased, it will also leads to a decrease of -0.096 in financial literacy.

Also, if one unit of institution stream increased, it will also leads to an increase of 0.042institution in financial literacy. From the equation, if one unit of financial influence increased, it will also leads to an increase of 0.464 in financial literacy. if one unit of Financial behavior stream increased, it will also leads to an increase of 0.606in financial literacy Finally, one unit of Financial attitude increased, it will also leads to an increase of 0.011 in financial literacy.

Table 4.7.2

Summary of hypothesis testing

Hypothesis	P value	Level of significance	Result
H1: There is significant relationship between profession and financial literacy.	.678	0.05	Rejected
H2: There is significant relationship between age and financial literacy.	.109	0.05	Rejected
H3: There is significant relationship between income and financial literacy.	.895	0.05	Rejected
H4: There is significant relationship between stream and financial literacy.	.200	0.05	Rejected
H5: There is significant relationship between institution and financial literacy.	.397	0.05	Rejected
H6: There is significant relationship between university and financial literacy.	.002	0.05	**Accepted**
H7: There is significant relationship between financial influence profession and financial literacy.	.000	0.05	**Accepted**
H8: There is significant relationship between financial behavior and financial literacy.	.000	0.05	**Accepted**
H9: There is significant relationship between financial attitude and financial literacy.	.773	0.05	Rejected

4.8 Correlation

Correlation among women employee participation with financial influence, Financial Behavior, Financial attitude and financial knowledge are explained in this section of study. Correlation analysis, using Pearson Correlation Coefficient was conducted on

all independent and dependent variables. The sample size for this research study was 200 participants. Therefore, it is reasonable to expect some kind of statistically significant relationship among these pairs of variables. Table 4.8.1 shows the Pearson Correlation Coefficient between the dependent variable financial knowledge with independent variables Financial influence, Financial Behavior and Financial attitude. There is correlation between the independent variables with dependent variable.

Table 4.8.1 Pearson correlation coefficient

		Financial influence	Financial behavior	Financial attitude	Financial literacy
financial influence	Pearson Correlation	1	.384**	.692**	.788**
	Sig. (2-tailed)		.000	.000	.000
	N	200	200	200	200
financial behavior	Pearson Correlation	.384**	1	.440**	.721**
	Sig. (2-tailed)	.000		.000	.000
	N	200	200	200	200
financial attitude	Pearson Correlation	.692**	.440**	1	.632**
	Sig. (2-tailed)	.000	.000		.000
	N	200	200	200	200
financial literacy	Pearson Correlation	.788**	.721**	.632**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	200	200	200	200

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

This table contains the correlation information needed to answer the first hypotheses of this research study. Here, $p < .01$. It shows significant relationship between Financial influence and Financial literacy at 1 percent level, which implies that higher the Financial literacy higher will be the Financial influence.

There is correlation between the independent variable financial literacy employee participation with dependent variable employee fairness perception. This table

contains the correlation information needed to answer the second hypotheses of this research study .Here, p<.01. It shows significant relationship between financial literacy employee participation and employee fairness perception at 1 percent level, which shows higher the financial literacy employee participation higher, will be the fairness perception among employees.

There is correlation between the independent variable financial literacy employee participation with dependent variable organizational commitment. This table contained the correlation information needed to answer the third hypotheses of this research study. Here, p<.01. It shows significant relationship between financial literacy employee participation and organizational commitment at 1 percent level, which further implies higher the employee participation higher will be the organizational commitment.

4.9 Findings

This study has been concentrated on financial literacy among women employees in Pokhara Lekhanath Metropolitan. The major findings of the study are as follows:

i. Total questionnaire were distributed to 300 women employee in Pokhara Lekhanath Metropolitan. Out of total sample 200 employees were taken where 28 percent are Teacher (56), 30 percent are Civil service (60), 29 percent are Bankers (58) and 13 percent are private (26). Respondent's rate was 66.7%.

ii. The result showed that employees are above30 age group (48%), employee's income group 30000-50000(32%), management stream employees (53.5%), government institution (82%) and Tribhuvan University (93%).

iii. Most of the employees were totally depend on life experience (3.62), job (3.60). Parent's education and knowledge (3.35), internet (3.15), media (2.99), books (2.93), school (2.58) and friends (2.29).

iv. ANOVA test shows that there is significant difference in knowledge among various income, education level and education stream groups at 10 percent and 1 percent significant level. Financial knowledge increases as monthly income increases and increases in education level and education stream.

v. Income, education level and education stream are significant at 10 percent and 1 percent; financial behavior at 10 percent.

vi. Maximum women employee were afraid about loan(3.180), credit cards are save or risk free (3.140),feel in control of financial decision(3.31), capable of using future income to achieve financial goal(3.27), worry about manage finance(3.31), uncertain about where money spent(2.97), capable of buying insurance(3.41), insurance is important for life(3.43), thinking about reading money management(3.23) and enjoying to peers related money issues(3.27).

vii. Overall financial attitude of women employee were lower (2.5).

viii. women employee do not like spend Neither economical (15%), maintain minimal records (54%), deposit into bank account(44%), borrow money from relatives, cut down expenses and save (24%, 46%), fixed deposit for future(26), investment in own business (6%), repay earlier debts(10%), keep it in cash(9%), no records(18%), spend on consumer goods(18%), work extra hours(6%), buy share(42%)and invest in capital market(37%).

ix. Overall level of financial behavior is lower (2.5).

x. Less student's links with Finance were handled in family or parents included various decision(51.5%), open discussed(39.5%), explicitly taught(28%), learned from examples(22%),other(1%), home while growing up through loan(22.97%), savings(25.29), keeping records(18.16%), interest rate(14.09%), and taxes(6.56%).

xi. Most of the students has linked with numeracy (52.25%), compound interest (41%), risk & return (16%), taxes rate (57%) and banking (95%).

xii. Most of the students do not like share market (84%), money illusion (27%), credit (51%), net worth (11%), inflation (18%), insurance (56%), budgeting (11%), very spending oriented (4%), very detailed records (20%), buy gold and jewelry (0%), use credit card & bank loan (6%) and buy insurance policy (0%).

xiii. It can be concluded that much awareness is required in the area of employee's involvement in financial literacy. The three research hypotheses were formulated and tested to test the relationship, and the result showed positive significant relationship and rejected all three null hypotheses. Likewise, it can also be concluded that the employees of financial knowledge are highly motivated by women employee.

4.10 Discussions

Employees were found overall lower knowledgeable in finance. In particular, level of knowledge on, banking and share market was found highest compound and low in diversification interest, taxes, numeracy, banking and risk and return credit, inflation, and low in diversification, insurance, credit, money illusion, inflation. Instead of buying insurance policy, investing in stock markets, buying jewelry and lending friends, most of the Employees are involved in bank saving. Similar to Jorgensen (2007), they are influenced by their parents, books, life experience and school. Few Employees maintain very detailed records, very spending oriented, use credit cards to manage money, invest in their own business, borrow from friends and relatives to manage money problem and go for travel or vacation. However, investing in own business and shares are also highly risky task. Employees don't invest in their own business and share and they use fewer credit cards and borrow money from friends and relatives. Most of the Employees do not capable to control financial decision, worry to manage finance, afraid of loan, uncertain where money spent, and interest in reading money management. Similarly, profession and institution has significant relationship between financial behaviors. Which have already tested by Independent Sample F-Test which gave significance ANOVA. Test shows that different age level has significant relationship between financial behavior and financial attitude which have already tested. However, income level has insignificance relationship between financial behaviors which are tested by Anova Test result.

This result is not consistent with Shari et.al. (2013) may be because the respondents taken in the study Teacher ,Civil services ,Bankers and Private sectors are from private institution or government institution, management or non- management stream, respondents have similar level of knowledge regarding financial literacy. However, financial influence and financial attitude is not consistent with Henkenda (2014). This result is consistent with the results of Nidar & Bistari (2012), Thapa & Nepal (2014), Henkenda (2014). It may be because influenced by life experience, parents, school, etc. may results in enhancing the financial knowledge.

Similarly, it may be true because financial literacy program may increase the financial knowledge. Due to this result, may be, Government of Nepal and Nepal Rastra bank started financial literacy program long before. Besides, financial knowledge of

employees does not vary with how they engage in financial activities and what attitude they have.

Thus, financial knowledge is determined by income, level of education, education stream and financial behavior. However financial literacy is not affected by gender, financial influence and financial attitude.

CHAPTER V

SUMMARY AND CONCLUSION

5.1Summary

The research is a descriptive and analytical research design. The main research strategy use in this study is a survey which allows quantitative data collection and analyses using descriptive. Quantitative research methodology is also concerned with the collection and analysis of data in numeric form. The study women employee an all-inclusive questionnaire designed to cover major aspects of personal finance. It includes financial literacy on numeracy, inflation, compound interest, money illusion, risk and return, share market, banking, insurance, taxes, credit and diversification. Several considerations is made in the selection of questionnaire items for the study.

A full-fledged questionnaire is constructed covering five areas namely personal information of respondents, financial behavior, financial influence, financial attitude and financial knowledge with reference to Jorgensen (2007). Along with demographic information, survey participants are asked 21 questions including multiple-choice questions on their knowledge of finance, and multiple answer questions and opinion of different aspects of financial literacy. The questionnaire is distributed among 300 women employee. 200 were received out of 300. So the response rate is 66.7 percent. 200 entries were taken as usable entries which are Teacher are (56), Civil services are (60), Bankers are (58) and Private sector are (26). Data are described by frequency, percentage, mean and standard deviation and ANOVA Test and Independent Sample F-Test. Data are analyzing and coding by SPSS tools.

The study found that women employee have lower level of finance while they are less familiar with insurance, credit, and net worth, inflation (19 percent, 36 percent, 35 percent and 29.5 percent). Most of the students do not like to very spending oriented, very detailed records, buy jewelry, use a credit card, buy insurance and buy shares (12 percent, 17 percent and 1 percent, 10.5 percent, 3 percent and 2.5 percent). They neither work extra hour to manage money problem, rarely saving, no records, spend savings, repay earlier debts and investment in business (18 percent, 21.5,

percent, 35 percent, 18 percent, 10 percent and 6 percent). Age level has significant relationship between financial behavior, financial attitude. However, income group are insignificant with financial behavior at 3.112 percent and significant relationship with financial attitude. Other variable such as gender and institution has significance between financial behavior and financial attitude has insignificance between profession, stream and institution.

The result shows that most of the women employee like to deposit money, minimal records, cut down expenses & save, fixed deposit for future and buy shares (44 percent, 54percent , 46 percent, 26 percent and 42 percent). They maintain very detailed records (20 percent). Most of the women employees are influenced by their parents, books, school, internet, life experience and job with mean value3.35, 2.93, 2.5800, 3.1500, 3.62and3.62.

5.2 Conclusions

These study survey 200 women employees in Pokhara Lekhanath metropolitan to examine their financial literacy about FK, FB, FA and FI. Saving, spending, banking, insurance, risk & return, compound interest, budgeting, investing, taxes, loans, keeping records, decision making, share market, and financial knowledge and the relationship between the financial literacy and the characteristics such as profession, stream, income level, age and institution. The study finds that women employees in Pokhara Lekhanath Metropolitan city has lower level of knowledge on FL, consistent with Chen and Volpe (1987).

The study shows that there is significant relationship between financial knowledge and income, education level and education stream at 10 percent level and 1 percent level and financial behavior at 10 percent level. Income, level of education and education stream is consistent with Nidar and Bistari (2012), Thapa and Nepal (2014), Henkenda (2014). Which means with the increase in income, education level, education stream and financial behaviour, the level of financial knowledge also increases and vice versa. However, it shows insignificant relationship between financial literacy and gender, consistent with Shari et al. (2013), financial influence and financial attitude. However, gender is not consistent with Henkenda (2014). Which means with the increase in income, education stream and financial behavior,

the level of financial knowledge not increases and vice versa. However, it shows insignificant relationship between financial literacy and profession, consistent with Shari et al. (2013), financial influence and financial attitude. However, profession is not consistent with Henkenda (2014).

Volpe *et.al.* (2002) study found that ages of 50 or more than 50 were more knowledgeable, female had lower level knowledge than male and graduated are found more knowledgeable. The study clearly implies that due to low level of financial literacy, individuals invest their money in traditional financial products with Bhushan (2014). The study showed that most of the employees like to invest in their own business, like to deposit, go for travel and vacation and maintain adequate records. There is significant difference in knowledge among various income, education level and education stream. Financial influence and financial attitude are statistically insignificant which means these variables have no significant impact on the financial knowledge.

The study may give the conclusion that with the there is no change if income level, level of financial behavior is increase and vice-versa. Thus result shows that age and financial attitude, financial behavior has significant relationship which are already described in chapter 4.Similarly, parents' income founded significance with financial attitude at 3.2736 percent. With the increase in education stream and financial behavior, level of financial literacy is also increase. However, level of financial literacy is not affected by gender, age, financial influence and financial attitude.

5.3 Implications
This study can be a good reference for banking institutions and other those institutions which are working to enhance overall financial literacy among women employers in Pokhara Lekhanath metropolitan and others. The governments need to know or understand and implement the policy and strategy for financial literacy program for developing or upgrading nation financial condition.

The study has considered only 4 factors namely financial knowledge, financial attitude, Financial Influences and Financial behavior. FK classify into 11 more factor to financial knowledge can be sub grouped into various factors likely numeracy, inflation, compound, interest, time vale of money, money illusion, risk & return,

share market, banking, insurance, taxes, credit, diversification. Further research can be conducted considering more factors for future.

Financial behavior categorized into spending habit, maintain records, use of money for future & past, buy shares and insurance policy and budget are included as well investment own business.

This study shows that result consists with plus two students are heavily influence by their Parents, books, school, life experience and internet according to the mean and Standard deviation.

This study useful for new researcher and related institution for understanding student's financial attitudes. Control of financial situation, capable of using income, buying shares & insurance, loan, money management and money related issues are variable of financial attitude.

This study is concentrated only in Pokhara Lekhanath metropolitan city in Kaski district among women employers, further research can be conducted considering for different areas and participants in Nepal. Further research area may be businessman, entrepreneur, private employment, bankers, youth, labors, government employee, teacher, professor, people from urban Ares and more.

The study can be useful for Nepal Rastra Bank, stakeholders, banking and Financial Institutions, researcher, general public and more for introduce new policy and rule for literacy among students. It can be beneficially for whole nation and individuals.

5.4 Recommendation for future Researchers

i. New researcher can be increase sample size, area, number of respondents, affected factors of FL and its elements for future research.

ii. In this study only used women employees in Pokhara Lekhanath metropolitan city as sample. Therefore, new researcher can be added other employees from different level, stream, city and sectors as well.

iii. This research focused on 4 financial factor namely FA, FK, FI, and FB. New researcher can be added financial awareness, decision making, inclusion, budgeting, financial product, and so more.

iv. This research consists with an independent variable namely demographic variables thus new researcher can be added social variables, economic variables and others variables as an independent variable.

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Questionnaire on Financial Literacy of Women Employment
Section I: Respondents' Profile

Name (optional)…… … … … … … … … … … … … … … … … … …

Gender: Female [200]

Profession: Teacher [56]   Civil services [60   ]   Bankers [58] Private [26]

Age (in Years): Below 18 [0]   18-20 [6   ]   21-24 [30   ]
               25 - 29 [68   ]   30 and above [96   ]

Family Monthly Income Range:
      Below Rs.20, 000 [20   ]   Rs. 20,000- 30,000   [72]
      Rs.30, 000-50,000   [64   ]   More than Rs.50, 000 [44   ]

Educational Stream: Management [107]   Non-Management [93]

Type of Academic Institution/College: Private College [36   ]   Government College [164   ]

University Affiliation: TU [186]   PU [6   ]   Far U [   ]   Pokhara University [8]

Financial Behavior

1. How economical/spending oriented are you? (Please select only one option)
   a. Very economical [74]
   b. Somewhat economical [74]
   c. Neither economical nor spending oriented[30]
   d. Somewhat spending-oriented, rarely saving money[14]
   e. Very spending-oriented, hardly ever saving money [8]

2. In what manner do you maintain financial records?
   a. Maintain no records [52]
   b. Maintain minimal records [108]
   c. Maintain very detailed records [40]

3. If you (your family) have/has any money left right before the next income arrives, what would you usually do with it?   (Select the most appropriate option).
   a. Spend it on consumer goods (14)
   b. Keep it in cash (18)
   c. Deposit it into bank account (88)
   d. Invest it in the capital market (74)
   e. Lend it to friends or relatives (4)
   f. Invest it in our own business (2)
   g. Buy gold and jewelry   (0)
   h. Other (Please specify)… (0)

4. What do you usually do when you (your family) run(s) out of money before the next income arrives?
   a. Cut down expenses and save (92)
   b. Borrow money from relatives, friends and acquaintances (48)
   c. Spend our savings (36)
   d. Use a credit card or bank loan (12)
   e. Work extra hours or do additional jobs (12)
   f. Other (Please specify) [0]

5. *Let's assume that in addition to your regular income your family got some money in the amount of Rs50, 000- Rs200, 000. What would you do with this money most likely?*
   a. Purchasing of household goods like furniture, clothes etc.(12)
   b. Fixed deposit for future.(52)
   c. Saving for meeting contingency. (8)
   d. Repay earlier debts. (20)
   e. Go for travel or vacation. (18)
   f. Investment in own business.(12)
   g. Buy an insurance policy.(0)
   h. Buy shares. (84)
   i. Other (Please specify)… (4)

6. *Rate the following statements on a scale of 1-4 (1, not at all true for me; 2, somewhat not true for me; 3, somewhat true for me, 4, very true for me)*

Statements	1	2	3	4
a. I budget and track my spending	18	32	62	88
b. I contribute to a bank saving account regularly	18	42	66	84
c. I compare prices when shopping for purchases	10	20	46	124
d. I have a life insurance policy	30	40	56	74
e. I invest in the shares under IPO	36	34	42	88
f. I read to increase my financial knowledge	12	38	64	86
g. I maintain adequate financial records	14	36	72	78
h. I spend less than income	10	18	54	114
i. I maintain adequate insurance coverage	26	38	62	74
j. I plan and implement a regular savings/investment program	12	28	68	92

Financial Influences

7. *Rate the following items of influences on a scale of 1-4 (1, none; 2, not much; 3, some; 4,a lot). How much did you learn about managing your money from the following?*

Items	1	2	3	4
a. Parents	6	16	80	98
b. Friends	50	76	40	34
c. School	38	58	54	50
d. Books	20	42	70	68
e. Media	10	54	64	72
f. Job	0	22	36	142
g. Life experiences	4	14	36	146
h. Internet	28	47	41	84

8. *Which of the following items did you learn about in your home while growing up?*

(Check all that apply)

a. Budgeting [22] b. Investing [122] c. Taxes [79]

d. Insurance [111] e. Loans [98] f. Interest Rates [88]

g. Saving [132] h. Keeping Records [18]

9. How would you describe how finances were handled in your family? *(Check all that apply)*
    a. My parents usually argued about the finances [111]
    b. Within the family we openly discussed or finances .[79]
    c. My parents explicitly taught me about finances [56]
    d. We didn't' talk much about finances but I learned from their examples [44]
    e. My parents included me in various financial decisions [103]
    f. Other (Please specify)… [2]

Financial Attitude

10. *Rate the following items on a scale of 1-4 (1, not at all true for me; 2, somewhat not true for me; 3, somewhat true for me, 4, very true for me)*

Statements	1	2	3	4
a. I feel in control of my financial situation	2	36	60	102
b. I feel capable of using my future income to achieve my financial goals	12	26	58	104
c. I worry to manage my finance	12	22	58	108
d. I am uncertain about where my money is spent	16	50	58	76
e. I feel credit cards are safe and risk free	14	26	78	82
f. I feel capable of handling my financial future (e.g buying insurance)	16	24	62	98
g. I am afraid of loan	14	29	62	95
h. I give importance to saving money from my monthly income	2	16	64	118
i. I feel having life insurance is an important way to protect loved ones	16	28	48	104
j. I enjoy thinking about and have interest in reading about money management	12	24	70	94
k. I enjoy talking to my peers about money related issues(i.e. taxes)	10	37	47	106

Financial Knowledge

Please select only one answer option for question no. 11 to question no.21.

11. *Suppose you had Rs.1000 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?*
    a. More than Rs.1020 [82] b. Exactly Rs. 1020 [86]
    c. Less than Rs. 1020 [4] d. Do not know [28]

12. *Suppose you had Rs.1000 in a savings account and the interest rate is 20%*

per year and you never withdraw money or interest payments. After 5 years, how much would you have on this account in total?
   a. More than Rs. 2000[62]   b. Exactly Rs. 2000 [106]
   c. Less than Rs. 2000 [6]   d. Do not know [26]

13. *Imagine that the interest rate on your savings 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?*

   a. More than today[22]   b. Exactly the same[38]
   c. Less than today[96]   d. Do not know[44]

14. *Assume a friend inherits Rs.10,000. today and his sibling inherits Rs.10,000 3 years from now. Who is richer because of the inheritance?*

   a. My friend[26]   b. His sibling[100]
   c. They are equally rich[[32]   d. Do not know[42]

15. *Suppose that in the year 2014, your income has doubled and prices of all goods have doubled too. In 2014, how much will you be able to buy with your income?*

   a. More than today[34]   b. The same[84]
   c. Less than today[54]   d. Do not know[28]

16. *Net worth is:*
   a. The difference between expenditures and income.[30]
   b. The difference between outsiders' liabilities and assets.[112]
   c. The difference between cash inflow and outflow.[36]
   d. None of the above.[22]

17 *A company issues shares in the:*

   a. Secondary markets[18]   b. Primary markets[168]
   c. Stock exchange[14]   d. Derivative markets[0]

18 *What is the general corporate tax rate in Nepal?*

   a. 15%[66]   b. 20%[18]
   c. 25%[114]   d. 30%[2]

19 *What do you think deserves primary attention when one has to compare between the banks to choose the one where to take a loan from?*
   a. Bank's reputation (fame) and its reliability[78]
   b. View of the bank office and qualifications of its personnel.[14]
   c. Interest rate and the other costs[.102]
   d. Gifts and advertising campaigns[6]

20 *Who regulates the banks and financial institutions in Nepal?*
   a. Securities Board of Nepal.[2]
   b. Securities Exchange Commission.[2]
   c. Insurance Board of Nepal.[6]
   d. Nepal Rastra Bank.[190]

21 *The main reason to purchase insurance is to*

a. Protect you from a loss recently incurred[20]
b. Provide you with excellent investment returns[20]
c. Protect you from sustaining a severe loss[28]
d. Protect you from small incidental losses.[112]
e. Improve your standard of living by filing fraudulent claims.[20]

17. *Rate the following items on a scale of 1-4 (1, not at all true for me; 2, somewhat not true for me; 3, somewhat true for me, 4, very true for me)*

Statements	1	2	3	4
a. I have adequate Knowledge to manage my personal finance.	17	32	62	89
b. I understand inflation and how it may impact my future investment income.	8	42	66	84
c. Insurance provides opportunity to earn returns on premium in the future.	30	40	56	74
d. It is less likely that you will lose all of your money if you save it in more than one place.	38	58	54	50
e. High inflation that the cost of living is increasing rapidly	20	42	70	68
f. It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares.	10	54	64	72
g. An investment with a high return is likely to be high risk.	11	25	63	101

APPENDIX 2

Sources of Sample

SN	Office Name	Sample	Total
1.	. Hotel Pokhara Grand	12	49
2.	Helping Hands Handicraft	8	45
3.	Women skills and Development	6	40
4.	Survey Department, Pokhara	9	25
5.	office of land Reform	7	25
6.	Nepal electricity Authority	8	29
7.	Office of chief minister and council of minister	6	15
8.	office of land Reform	7	20
9.	ministry of land management	5	15
10.	ministry of Agriculture and co-operative	7	27
11.	District Administration office Kaski	5	25
12.	Postal Service department Pokhara	6	20
13.	Rastriya secondary school Bagar	15	25
14.	Navin secondary school Gairapaten ,	16	25
15.	Bal Mandir secondary school	12	19
16.	Nepal Restra bank, Pokhara branch	10	25
17.	Nepal bank ltd 4 branch	12	31
18.	Garima development bank, 4branch	10	27
19.	Rastiya Banijya bank 3branch	18	29
20.	nic Asiea bank ltd , 3 branch	8	25
21.	Janapriya multiple cumpus	13	39
Total		**200**	**600**

Source: Report of company, 2019]