

FINANCIAL LITERACY AND WAR WIDOWS IN MAHARASHTRA**Dr. Sanhita Athawale***Principal**Shree Siddhivinayak Mahila Mahavidyalaya
Karve Nagar, Pune-52.**Email Id: prin.ssvmm@maharshikarve.org***Prof. Sagar Devidas Mhetre***Assistant Professor**Shree Siddhivinayak Mahila Mahavidyalaya
Karve Nagar, Pune-52.**Email Id: sagarmhetre0965@gmail.com***Abstracts**

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing therefor the objective of this paper is to know the financial literacy status among the War Widows in Maharashtra. A number of researchers have tried their hands to put forth the changes. On contrary a diminutive work has been done in the field of financial literacy & war widows. The contribution of the War Widows in the economy will contribute to their own welfare as well as the nation's economic growth. Women are accountable for the household budget, household expenses, and savings for the emergency fund as well as income generation in such situations. Since, we are in a rising economy in the world, many financial transformations are happening. On the other hand, many financial malpractices, smooth fake activities are also happening in our society especially in rural areas. This is because a lack of awareness in financial literacy. Hence, financial literacy plays a very important part to connect the women and war widows in financial inclusion preventing them from financial malpractices and including them in a present economic growth.

Key Words: War widows, Financial Literacy, Economic Growth.

Copyright © 2022 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial Use Provided the Original Author and Source Are Credited.

Introduction

Financial literacy means the control of knowledge and understanding of financial matters. Financial literacy is mainly used in link with personal finance matters. Financial literacy often entails the knowledge of properly making decisions pertaining to certain personal finance areas like real estate, insurance, investing, saving, tax planning and retirement. It also involves intimate knowledge of financial concepts like compound interest, financial planning, and the mechanics of a credit card, advantageous savings methods, and consumer rights. Financial literacy in rural areas is comparatively lower than urban and metropolitan areas. Financial information and financial knowledge is important for rural women, because the minimum financial literacy is needed for

This Research paper is based on major research project work sponsored by ICSSR, New Delhi

effective financial decision making and money management. Financially literate individuals can make effective use of financial products and services; will not get cheated by people selling financial products not suited for them. Financial literacy aids in improving the quality of financial services and contribute to economic growth and development of a country. Financial literacy is important for several reasons. The Organization for Economic Co-operation and Development (OECD) defines Financial Literacy and Financial Education. Financial Literacy is defined as a combination of financial awareness, knowledge, skills, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial well-being (OECD, 2012). According to World Bank Financial literacy represents the level of aptitude in understanding personal finance. It often refers to awareness and knowledge of key financial concepts required for managing personal finances and is generally used as a narrower term than financial capability

Objective

The present research paper focuses on the following objectives;

1. To analyze the financial literacy of war widows in Maharashtra.
2. To check whether Veerapatni from Maharashtra utilizes various investment avenues.
3. To check if Veerapatni from Maharashtra has a health insurance policy and other insurance coverage.

Research gap

Several researchers have attempted to focus on financial literacy & women. On contrary, small work has been done in the field of financial literacy & war widows. The present study focuses on financial literacy among the war widows of Maharashtra.

Methodology

The primary data has been gathered through the questionnaires method. For analyzing the data simple statistical tools like averages, charts and graphs are used.

1. Sample size: sample size is 149.
2. Data collection: In this research paper data is collected though interview scheduled.

Literature Review

1. Dr. D. Subbarao (2009), stated in a Valedictory address, “There are barriers to access financial services demanding from both demand-side and supply-side factors. From the demand side, the big barriers are the lack of awareness about financial services and products, limited literacy, especially financial literacy of the population, and social refusal. Many of the common financial products are unsuitable for the poor and there is not much of an effort to design products suitable to their needs. From the supply side, the main barrier is the transaction costs that the bankers take in. Because of current low volumes, banks find that extending financial services is not cost-effective. Furthermore, lack of communication, lack of infrastructure, language barriers, and low literacy levels all raise the cost of providing services and inhibit bankers from the supply side”
2. Martha Klatt (2009), in her online survey ‘An Assessment of Women's Financial Literacy’ measured the financial literacy and behavior of women. It was observed that though women are more knowledgeable about money and investment matter they face certain obstacles in financial matters. Education plays vital role in financial literacy. Training, workshops, seminar on money management and investment can play important role in creation of financial literacy.

- According to survey by National Institute of Security Management (NISM) (2015) on financial literacy and financial Inclusion in the year 2014, financial literacy among urban respondents was more than rural respondents. It was also found that male respondents were more aware than female respondents as far as financial literacy is concerned.
- Jamie Frances Wagner (2015) in her study on National Financial Capability Study in U.S 2012 found a positive relationship between financial education and a person's financial literacy. It was observed that level of education and income play an important role in financial literacy and people having low financial literacy are benefitted from the financial education training program.

The components of financial literacy are as follows

Financial Attitude: It shows approach of individual towards money by spending, saving and planning.

Financial Behaviour: It shows action taken towards money management at individual level or at household like Preparation and involvement of household budget & management , Ability towards meeting monthly expenses & how to manage the gap (credit availed or not?) , Gathering information before purchase of financial product/Services , Setting long term goals and strive to achieve them etc.

Financial Knowledge: It shows awareness about basic concepts which help in financial decision making process.

Current paper focuses on the financial knowledge. It shows awareness about basic concepts which help in financial decision making process.

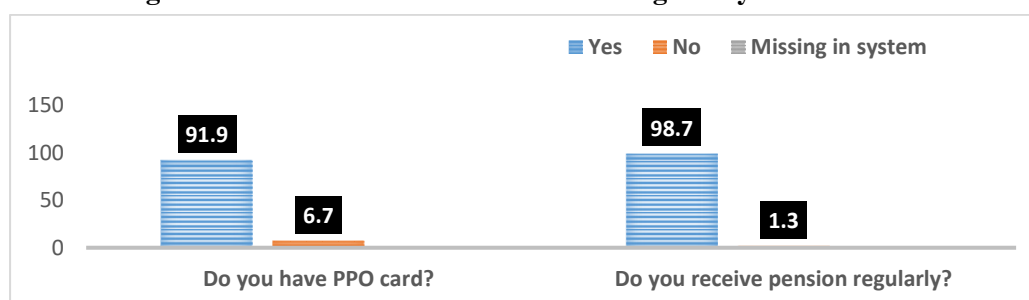
Data and Discussion

Financial literacy has many aspects. It is not possible to study all aspects in one interview schedule; therefore this paper focuses on financial knowledge of war widows in Maharashtra. It also takes in to consideration financial awareness, financial decision making process, role of widows into that and financial stability. Following data shows some of these aspects and analysis is done on that basis.

Possession of PPO card and Regularity in Pension

Pension Payment Order is the document which is issued at the time of sanction of Liberalised Family Pension to the Veer Nari. Once the identity card of the War Widow is prepared, the proceedings for all monetary help she is entitled to is initiated by the Ministry. The PPO number is allotted and it remains with her for lifetime. This is a basic document, the family of martyr possess. And thus, having PPO is very important for her to get recognized as war widows and avail all the benefits eventually. Being aware of it and holding the card with herself becomes part of her administrative and financial literacy.

Figure 5.1: Possession of PPO card and Regularity in Pension



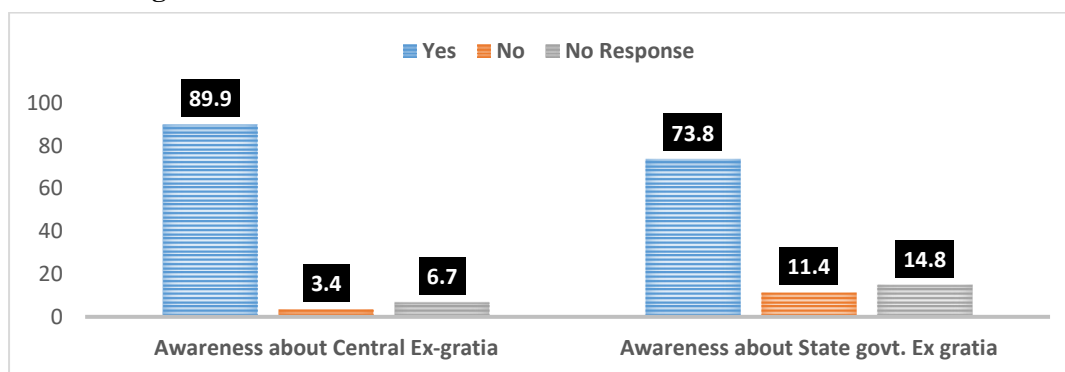
Above given figure shows percentage of Veer Nari who possess Pension Payment Order in panel A and panel B shows responses of Veer Nari about regularity in pension. It was observed that more than 91% of respondents possess PPO card. 6.7% responded that they don't have PPO card. This can be a case of lost, damaged or torn PPO card. Still they can use the PPO number for further proceedings and can re issue the card from concerned office. 1.3 % of respondents did not respond the question. They might belong to the segment of respondents who were not quite active in financials and are not well informed about the documents.

Panel B of the figure elaborates regularity in pension. More than 98% war widows recorded that they receive their pension regularly. Only 1.3 said that they don't receive pension regularly. These were the Veer Nari who resides in rural and remote pockets of the state. Hence cannot withdraw the pension immediately after the pension amount is deposited in the bank account.

Awareness about Central and State Government Ex-Gratia

In case of battle casualty, the Central Government as well as State Government gives Ex-gratia (One time Amount) to the family of the martyr. This extends financial support to the family of martyr to sustain and provide basic financial support for further journey. The amount of central ex Gratia is applicable to families of martyr from all states and UTs. But State Ex gratis differ State wise. In Maharashtra current amount of ex gratia is 1 cr. The amount received under this is noteworthy and can help widow to changer her life totally if utilized correctly. Thus, primarily being aware about it is very important.

Figure 5.2: Awareness about Central and State Government Ex-Gratia



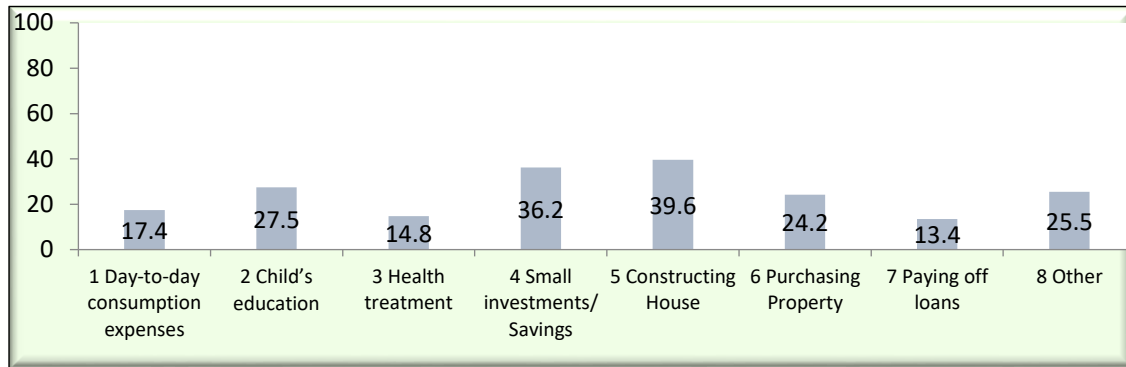
The graph represents the percentage of awareness about the Central Ex-gratia and the State Gov. Ex-gratia. The Central Ex-gratia shows a high percentage of about 89.9% as compared to the State Gov. Ex-gratia which is 73.8%. Only 3.4% are not aware about the Central Ex-gratia while on the other side 11.4% are not aware about State Gov. Ex-gratia. The percentage of widows who did not response to the question was 6.7% and 14.8% in the Central Ex-gratia and in the State Gov. Ex-gratia respectively. Generally, all the needed information is provided by ZSWO itself at the time of visit to family of deceased soldier. Thus mostly they are aware of it.

Heads on which ex gratia is spent

Decision making is very important part of her stand and decisive role which ultimately indicates her awareness and financial literacy. Ex Gratia is credited to the bank accounts of the beneficiaries. It is divided in 20:60 ratio among mother, father and widow of the martyr. This is a considerable amount given by central as well as state governments. It helps the family to sustain when they lose bread winner for the family. The family can use it for

fulfilling basic needs, education of children, investment, for seeking some source of livelihood. It extends financial security up to certain extend to the family and saves them from any financial crisis.

Figure 5.3: Heads on which ex gratia is spent

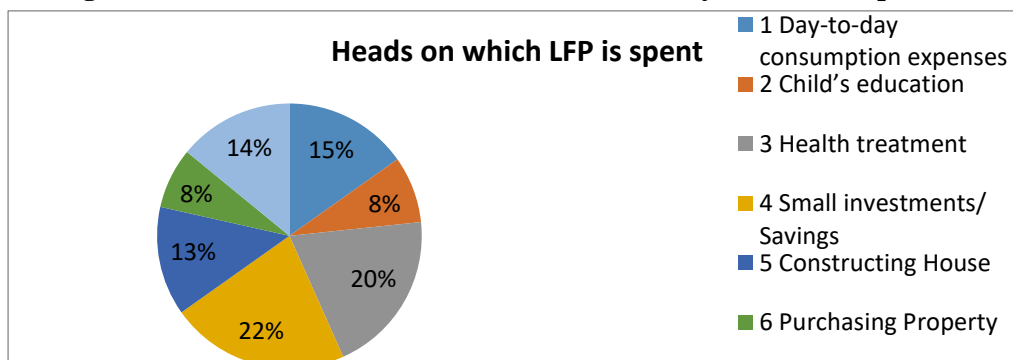


The figure shows that maximum i.e., around 40% of the respondents utilised the amount of ex gratia for constructing pakka house. Following to that more than 36% invested the amount in small investments and savings. Around 24% deployed the amount for purchasing properties whereas around 27% borne expenses of child's education from Ex gratia. Approximate 14 % respondents supported their medical expenses through ex gratia. One more important observation is around 13% paid off their previous borrowing and cleared previous loans. It shows that ex gratia is utilised in varied way to resettle and restart the lives of the Next of Kins of the martyr.

Heads on which pension is spent

The amount of Liberalised Family Pension is equal to the last pay drawn by the martyr soldier. It depends on the rank of the soldier at the time of martyrdom. It supports the family to sustain and lead a good financial life ahead. It is one of the important aspects of the welfare and resettlement policy of the government for the families of the soldiers who suddenly lost the breadwinner and experience an devastating trauma. Aspect of pension and spending right directly leads to daily household spending. Being aware about how much they receive monthly and to plan it correctly in the way that her life will lead to wellbeing and overall welfare after the casualty. It includes literacy about pay commissions, dearness allowances, monthly deposits received in the bank account, various methods to withdraw the monthly pension and lastly, most important how to and where to spend the money. More planned and vision spending shows her behavioural importance which reflects her financial awareness and literacy.

Figure 5.4: Heads on which LFP (Liberalised Family Pension) is spent



The figure shows that maximum percentage of respondents (39.6%) recorded that they use pension for small investments and savings. Following to that around 36% used it for health treatment. More than 27% use it for fulfilling day today needs. Construction of house and paying off old debts (24.2% and 25.5% respectively) are also important areas where the amount of pension is utilised. More than 14% recorded that they use it for education of their children whereas 13% use it for property instalments. It shows that LFP extends considerable financial backing the family.

Participation in Household Decision Making (Which of the following decisions do you make on your own?)

Participation in financial decisions imparts the lady a sense of recognition in the family. It apparently reflects in her self-image and how she portrays herself in her social life. Table 5.1 and figure shows the responses to the questions about participation of Veer Nari in house hold decision making. In all of the panels shown below, it is evident that significant number of widows have ‘Always’ say in financial decision making, daily spending decisions, and lending financial support to their family and friends. It casts 86, 86 and 63 % respectively in the three of the questions. Similarly, equal response is given to ‘Many Times’ as well that is around 10 % of total responses given by war widows. There is important finding in last panel (c) response that comparatively less number of respondents have right to lend financial help to their family and friends. There is also a significant number which says they can ‘Never’ take such decision. This can be concluded war widows have enough say in decision making that is bound to their own family, or related and limited to personal decision. But while lending money to closed people, they face some restrictions. This shows they don’t have absolute say over money that they receive.

Figure 5.5(a) Do you take your financial decisions on your own?

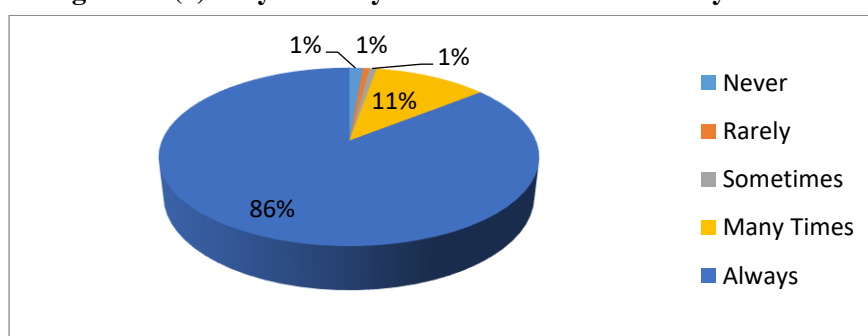


Figure 5.5(b) Do you make your day today decisions on your own?

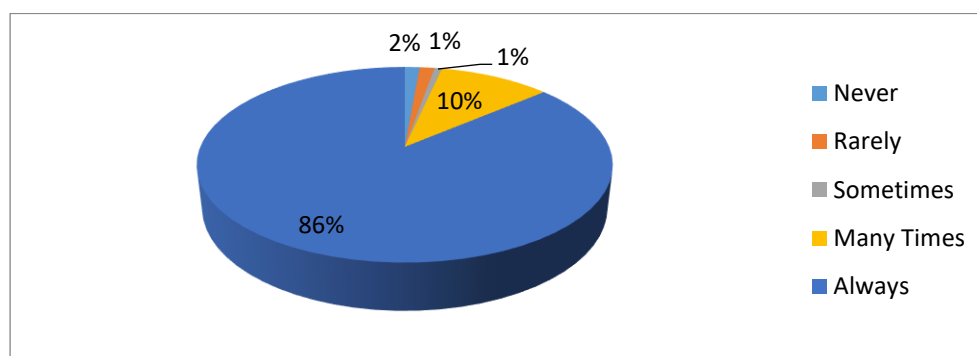
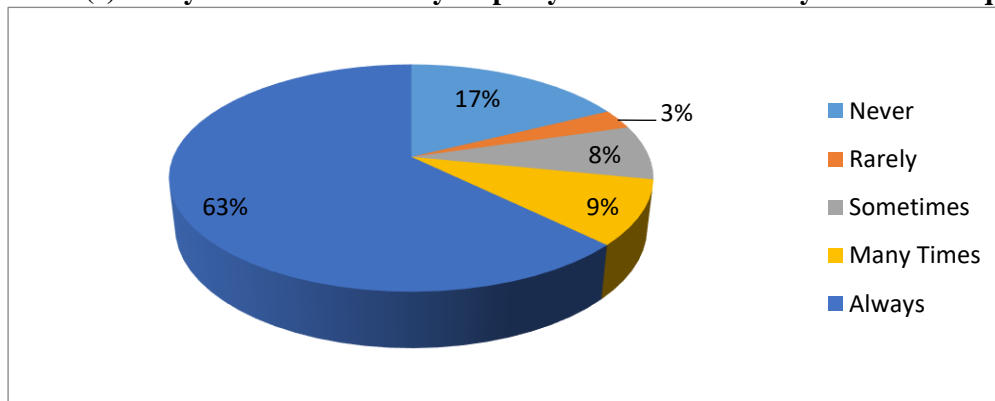


Figure 5.5(c) Can you extend monetary help to your maternal family whenever required



Participation in monetary decisions in the family

In all of the decision which includes Household spending/ Day today spending, purchasing household stuff, Marriages/ Festivals, Investments like Rd/FD/Gold purchase/Insurance and Purchase and sale of Property respondents, etc. where, respondents generally show inclination towards 'always' taking decision under above mentioned heads. Further looking deep into it, each head, comparatively respondents have less decision making power in bigger financial decision like long term investments like FD, gold insurance and even sell- purchase of property with 69% and 60% respectively saying 'Always'. But smaller decisions 71% and 72% respectively always have right to take decisions related to household, like day to day spending and related purchases are in the hands of respondents. 11% of them even say they can 'Never' been considered while deciding sell and purchase of property like important decision. In all other cases, women generally have strong decisive stand 'many times' in their life.

Table 5.2 Participation in monetary decisions in the family

| | 1 Household spending/ Day today spending | | 2 Purchasing household stuff | | 3 Marriages/ Festivals | | 4 Investments like Rd/FD/Gold purchase/Insurance | | 5 Purchase and sale of Property | |
|------------|--|------|------------------------------|------|------------------------|------|--|------|---------------------------------|------|
| | Freq | % | Freq | % | Freq | % | Freq | % | Freq | % |
| Never | 3 | 2.0 | 5 | 3.4 | 4 | 2.7 | 7 | 4.7 | 17 | 11.4 |
| Rarely | 8 | 5.4 | 7 | 4.7 | 7 | 4.7 | 9 | 6.0 | 6 | 4.0 |
| Sometimes | 3 | 2.0 | 8 | 5.4 | 5 | 3.4 | 7 | 4.7 | 4 | 2.7 |
| Many Times | 25 | 16.8 | 16 | 10.7 | 25 | 16.8 | 14 | 9.4 | 19 | 12.8 |
| Always | 106 | 71.1 | 108 | 72.5 | 102 | 68.5 | 103 | 69.1 | 90 | 60.4 |

Right to make decisions about spending ex gratia

Among 149 respondents, 140, which is almost 94% finds it easy to take all the decisions related to spending of ex-gratia. Only 9 of them reacted 'No' while the question was asked whether they have right to spend ex-gratia at their end. This shows almost all of them have good hold about bigger amount they receive through state and centre

Ex-gratia. Very few who reacted negatively to it must belong to rural area or of older in age where family interference is more evident.

Table 5.3: Right to make decisions about spending ex gratia

| Right to make decisions about spending ex gratia | | |
|--|-----------|---------|
| | Frequency | Percent |
| Yes | 140 | 94 |
| No | 6 | 4 |
| Total | 149 | 100 |

Choice of Withdrawal and spending money without asking to family

Similarly, choice of withdrawal and spending with an added clause- ‘without asking to family’ is more indicative towards their absolute right in the financial decision making. As the earlier table suggests, they think they do have right to make financial decisions of their own and the family but it is not ‘absolute’. They follow the family rules and norms and may have to consult other family members before they withdraw or spend the money they have. Almost 10% that is 15 out of 149 respondents says they ‘Can’t’ withdraw or spend money without consulting to family. While remaining 88.6% of them have positively responded to this question.

Table 5.4: Choice of Withdrawal and spending money without asking to family

| Choice of Withdrawal and spending money without asking to family | | |
|--|-----------|---------|
| | Frequency | Percent |
| Yes | 132 | 88.6 |
| No | 15 | 10.1 |
| Total | 149 | 100 |

Veer Nari having Coverage of Life Insurance

The below the table no 1.1 represents the percentage of Life insurance policy and the percentage of health insurance policy of the widows. Here we observe that only about 54% of the widows are enrolled in the life insurance scheme and 43% of the widows are not aware about it or have not enrolled in life insurance.

Table 5.5: Veer Nari having Coverage of Life Insurance

| Percentage | Do you have Life insurance? | Do you have a Medclaim policy for you and Family? |
|-------------|-----------------------------|---|
| Yes | 54.4 | 26.2 |
| No | 43 | 71.8 |
| No Response | 2.7 | 2 |
| Total | 100 | 100 |

Life insurance plays an important role in one’s life. It extends hand of support to the succeeders of the insured. Post demise of her husband, a war widow needs to shoulder the responsibilities in the family. Life insurance can help the family in case of any unfortunate mis happening in the family. Considering the responsibilities of the Veer Nari co on the other hand the percentage of widows enrolled in the Medclaim policy is very low which about 26%

only. Here the percentage of widows who have not enrolled or are not aware about the Mediciam policy is about 72%. The percentage of widows who did not response to both the questions was 2.7% and 2% respectively for Life insurance scheme and Mediciam policy.

Finding

- More than 90% of the war widows have PPO cards which is important document for availing government benefits.
- Pension is disbursed and deposited regularly in the accounts of the beneficiaries.
- Maximum Veernari are aware of state and central ex gratia. Still considerable numbers of them are not aware about the source and agency from which they received money.
- The main heads on which Ex gratia and pension amount is spent are building house, purchasing property and education of children. Ex gratia is utilised in varied way to resettle and restart the lives of the Next of Kins of the martyr.
- Veer naris of selected samples do have right to make financial decisions of their own and the family but it is not 'absolute' as many of them can't make decisions without consulting it to the family.
- In bigger financial decision like long term investments like FD, gold insurance and even sell- purchase of property they less frequent stake. But smaller decisions 'always' have right to take decisions related to household, like day to day spending and related purchases are in the hands of respondents
- War widows have enough say in decision making that is bound to their own family, or related and limited to personal decision.

Conclusion

Awareness about financial transactions and financial management is important in the globalised era. Possession of Financial knowledge is inevitable if one wishes to lead a good and stable financial life. Central as well as State government has implemented and executed various initiatives for welfare and resettlement of the families and war widows of the martyrs who have laid their lives for the nation. Government extends monetary support by way of ex gratia and liberalised family pension to the family to save them from any kind of financial crisis. The amount of ex gratia, pension and other sources are being utilised for enhancing their economic, social status and empowerment of the war widows. Behind her husband the lady has to stand for the family and children. She has to make various financial choices which are discussed in the paper. It shows that the level of financial awareness among war widows is in Maharashtra is improving. Despite of this many of the war widows are facing various issues on the front of financial decision making. Government needs to undertake and execute well devised programmes for creating financial awareness and financial literacy.

References

1. Ahuvalia, M. S. (2006). Speech at launching of the book —How India Earns, Spends and Saves!, launched by Deputy Chairman, Planning Commission, Government of India, Montek Singh Ahluwalia, February 6, 2006. New Delhi.
2. Dr.Duvvuri Subbarao, Governor, the Reserve Bank of India at the FICCI-IBA Annual Conference on 'Global Banking: Paradigm Shift' organised jointly by FICCI and IBA on September 10, 2009 in Mumbai.

3. An Assessment of Women's Financial Literacy by Martha Klatt (2009) American Psychological Association, 5th edition
4. The research conducted by Sonia Marcolin Anne Abraham on Financial literacy research: current literature and future Opportunities, (2006) 3rd International Conference of Contemporary Business 2006 Leura, 21-22 September.
5. Researcher Lusardi, A. and Olivia Mitchell O.S conducted study on Planning and financial literacy how do women fare, NBR working paper.
6. <https://m.rbi.org.in/financialeducation/fame.aspx>
7. <https://www.oecd.org/finance/financial-education/measuringfinancialliteracy.htm>

Cite This Article:

Dr. Sanhita Athawale & Prof. Sagar Devidas Mhetre, (2022). Financial Literacy and War Widows in Maharashtra, Electronic International Interdisciplinary Research Journal, XI (III) May-June, 95-104.