

A Study on Assessing Financial Literacy and Investment Behaviour Among Working Professionals in Kohima District, Nagaland

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ABSTRACT

Financial literacy plays a very important role in determining the financial choice of an individual and his investment and saving trend. The emphasis of the present research is to evaluate the prevailing level of financial literacy among professional workers and their saving and investment trend. By the identification of key areas like financial awareness, budgeting behaviour, risk perception, and investment behaviour, the study explores how much working professionals manage their finances. Statistical inference and a self-designed questionnaire are applied in the study to assess literacy and behaviour levels. Findings will provide insight into investment readiness of working professionals, including gaps and areas to focus on financial education programs. The study shall assist in the formulation of policy recommendations for enhancing investment literacy, enhancing financial decision-making, and economic stability for working professionals.

KEYWORDS: Financial Literacy, Investment Behaviour, Working Professional, Budgeting Behaviour, Risk Perception.

1. INTRODUCTION

Financial literacy is a fundamental ability that allows one to make responsible financial choices, manage their income effectively, and attain financial security in the future. With the ever-changing financial landscape of the world today, career professionals should be very cognizant of financial issues, such as budgeting, saving, investing, and risk management. But varying levels of economic literacy can have a profound impact on how well one is able to plan for the future, invest, and avoid poverty.

Savings and investment behaviour are influenced by several factors, such as income, occupation, financial literacy, and personal financial goals. Although some individuals are interested in investing and financial planning, others may lack the necessary knowledge or self-efficacy to make a sound choice. Financial literacy among working professionals of Kohima District, Nagaland, is a concern because it affects personal financial well-being and national economic growth. Knowing their investment pattern and saving habit can be used to assess the effectiveness of financial literacy initiatives and identify areas that require intervention.

The objective of the present study is to identify the level of present financial literacy among working professionals in Kohima District and their saving and investment attitude.

The study uses statistical techniques such as the Chi-Square test and ANOVA and investigates whether the saving attitude is significantly influenced by occupation and identifies the reasons why individuals get influenced to improve financial literacy. The study will assist policymakers, banks, and educators in developing financial education programs to enhance investment literacy and prudent money behaviour among professionals.

By filling the knowledge gap in financial education, this research is contributing to the overall discussion of financial literacy and economic empowerment and enabling individuals in Kohima District to make educated financial decisions towards a secure financial future.

2. REVIEW OF LITERATURE

1) K. Katini, Kaikho Hriizhiinio, and S Amalanathan, 2024

Financial capability is the foundation of economic empowerment of tribal women, based on financial exposure, socio-cultural convention, and educationally culturally adaptive (Mishra & Reddy, 2018). Empirical studies assume that cultural beliefs in Northeast India typically inhibit individual-level financial decision-making for group decision-making (Sharma & Dutta, 2020). The combination of financial education and cultural practice enhances financial inclusion, decision-making, and

economic resilience in the long term (Patel & Singh, 2019; Nair, 2022).

2) Dr Rashmita Barua, 2024:

Start-ups and MSMEs are economy drivers, and support is provided by schemes like Start-Up India and Udyam that facilitate ease of registration and compliance (Barua, 2024; Singh & Das, 2021). Education improves finance management and innovation, but credit and infrastructure are limiting factors (Mishra & Dutta, 2019; Das & Choudhury, 2022). Limiting factors have to be overcome for the growth of sustainable entrepreneurship in Northeast India (Patel, 2020; Barua, 2024).

3) Imnayangla Jamir & M. Hilaria Soundari, 2024:

Street vending is a significant contributor to the informal economy, yet tribal women have legal issues, denial of credit, and poor infrastructure (Bhowmik, 2018; Jamir & Soundari, 2024). Social discrimination and gender disparity also pose difficulties to women entrepreneurship (Singh & Patel, 2020). Self-help groups and microfinance facilitate livelihood, but long-term sustainability is on institutional support (Das & Choudhury, 2021). Better economic literacy, policy reform, and infrastructure can help maximize the vulnerability of tribal women vendors and unorganized enterprises (Jamir & Soundari, 2024; Sharma, 2019).

4) Promela Bhattacharjee and Amod Sharma, 2020:

Kisan Credit Card (KCC) facility enhances agricultural productivity, farm incomes, and financial outreach by making institutional credit available (Chavan, 2017; Kumar et al., 2019). The facility helps curb poverty through limiting dependence on costly moneylenders (Mishra & Panda, 2018). The farmers of North East India, though, face obstacles such as cost of administration and ignorance deterring access to loans (Barman & Gogoi, 2020). Despite advantages like increased mechanization and expenditure on irrigation, inefficiency in bureaucracy and inadequate financial literacy are weaknesses to effectiveness (Singh & Sharma, 2021; Sharma & Mehta, 2022). They must be addressed in an attempt to improve enforcement of KCC in Nagaland.

3. OBJECTIVE OF THE STUDY:

To evaluate the current level of financial literacy among working Profession

Hypothesis of the Study:

H₀ (Null Hypothesis): There is no difference in the level of working professionals' financial literacy in Kohima District.

H₁ (Alternative Hypothesis): Kohima District working class has a statistically significant difference in the measurement of financial literacy

4. RESEARCH METHODOLOGY:

Data Collection Method

In this project, I am dealing with Primary data. Primary data will be gathered directly from the Working Professions of the Kohima District (NAGALAND).

Research Tools and Techniques

The instrument and technique to be applied on the subject is Anova and chi-square Test. The research tool utilized in the study will be a Structured questionnaire that will gather qualitative and quantitative data from working professionals of Kohima District (Nagaland).

5. DATA ANALYSIS AND INTERPRETATION:

To evaluate the current level of financial literacy among working Profession

Table 1: Descriptive Statistics

	Financial literacy	workshop	Benefits of financial literacy	Motivation	Participation
Valid	100	100	98	100	99
Missing	100	100	102	100	101
Mean	2.920	1.460	1.745	1.660	1.657
Median	3.000	1.000	2.000	1.500	1.000
Mode	3.0	1.0	1.0	1.0	1.0
Std. Deviation	.8725	.5009	.7906	.7416	.8825

Interpretation

Statistical table gives details about financial literacy and its problems, and 100 answers were selected except "BENEFIT_OF_FINANCIAL_LITERACY" (N=98) and "PARTICIPATION" (N=99) because there were missing values. Mean of financial literacy is 2.92, i.e., respondents are moderately financially literate, median is 3.00 and mode is 3.00 and hence the highest frequency was of higher values of variable. Standard deviation of 0.8725 indicates moderate variation in financial literacy level. Mean = 1.46 for attendance at financial literacy workshops,

median = 1.00, mode = 1.00, indicates that most of the respondents had very poor attendance to financial literacy workshops, as indicated by poor variation (standard deviation = 0.5009).

The mean of the provided measures of financial literacy advantages is 1.745, median value 2.00, and mode value 1.00, hence suggesting that while the respondents are individuals who are aware that it exists, others may not necessarily be aware of its value as much. The motivation for financial literacy is 1.66 on the mean, 1.50 on the median, and 1.00 on the mode, which shows that the motivation is low but highly heterogeneous (standard deviation = 0.7416). The participation level towards financial literacy activities is 1.657 on the mean, 1.00 on the median, and 1.00 on the mode, which shows that the respondents are far below in their participation level. The 0.8825 standard deviation shows variability in participation to some extent. What would be observed is that money management capability is moderate whereas motivation, participation, and benefits perceived are low and require increased awareness generation and participation drives.

Table 2: Financial Literacy

	Frequency	Percent	Valid Percent	Cumulative Percent
Very low	4	2.0	4.0	4.0
Low	24	12.0	24.0	28.0
Medium	54	27.0	54.0	82.0
High	12	6.0	12.0	94.0
Very high	6	3.0	6.0	100.0
Total	100	50.0	100.0	
Missing System	100	50.0		
Total	200	100.0		

Interpretation

Distribution of the respondents' financial literacy level shows 54% respondents with the medium financial literacy level, i.e., average finance knowledge. Another 24% fall under the low, and 4% under the very low financial literacy level. This may mean that nearly one-third of the respondents may have poor finance basics knowledge. But 12% are in the above-good ranks of financial literacy and 6% in the very high ranks. The percentage adds up so that 82% of the sample are in the middle rank, if higher rank, of financial literacy and 18% of the sample in the lower ranks. There therefore appears to be something that is lacking.

Missing 50% is shown for the values, which tells us that even though the whole sample consisted of 200 individuals,

only 100 individuals had provided valid scores for this variable. Missing values will be affecting the overall finding because it lowers the overallizability of the finding. The fact that proportion of financially highly literate respondents was quite low indicates greater efforts towards financial education, particularly with lower literacy bases. These results lead to the understanding that financial education can make the community richer as well as specially designed awareness programs to bring the level of financial education and decision-making capacity higher.

Table 3: ANOVA Test

		Sum_of Squares	df	Mean Square	F	Sig.
Recommend financial programme	between groups	2.714	1	2.714	2.894	.092
	within groups	91.926	98	.938		
	total	94.640	99			
Motivates you	between groups	3.086	1	3.086	5.889	.017
	within groups	51.345	98	.524		
	total	54.440	99			
Financial literacy improve	between groups	2.763	1	2.763	4.584	.035
	within groups	57.860	96	.603		
	total	60.622	97			

Interpretation

The research shows that working professionals have moderate financial literacy but low exposure to financial literacy training and little motivation for greater financial knowledge. As financial awareness has a direct influence on savings and investment behaviour, there is a need to encourage formal financial education programs through the medium of workshops and employer-sponsored training.

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