

## **A STUDY ON IMPACT OF FINANCIAL LITERACY ON MILLENNIAL TEACHER OF UNDER GRADUATES AND POST GRADUATES BASED OUT IN BENGALURU CITY SUMEET**

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### ***Abstract***

*Teacher! A profession which creates all other profession, who are all the most influential people of the society. Not just teaching and academia they have a highly positive influence impact of many lives. Being financial literate and having ability to effectively manage their own finance by gaining fruitful financial resource can make them a role model of their own students and can also become a key contributor for the betterment and development of the society. The study with an objective to know if the millennial teachers are financially literate, employed age, income and marital status found that all the variable of the study have an positive impact on financial literacy.*

**Key Words:** Financial Literacy, Millennial Teachers, Age, Income, Marital Status

### **Introduction**

Financial literacy is the potential capabilities to make use of knowledge and skill acquired during the entire process of self-development and education with an objective of effectively handling all the financial resources available at their arsenal to have a sound financial future and to meet all contingencies arising at their door. It is the process by which one individual gain knowledge and understating of all the financial products and services and based on combination of their attitudes, awareness and information available they develop a financial plan in the most effective way in order to attain financial growth of oneself and family as a whole. It also includes a well structure developed blue print with inclusion such as how much to save, how to forecast a budget, how to plan expenditure, how to invest and where to invest and how to manage effectively. It is just an understanding of how to make money work even when one individual is in the deepest of his/her sleep. Unfortunately or due to unfavorable circumstances of our nation at present financial world in which millennial belong is much complex than the previous generation and almost three decades ago having a saving account and current account with a bank would serve the purpose but today many different and wide variety of financial products and services are available at door step and financial industry has a storm of financial advisor who are readily available to stretch their helping hand and to plan the future the way one likes its with the most comfortable manner. In India many financial and non-financial banking corporation like RBI, SEBI, IDBI and IDFC have taken an initiative to spread awareness and training citizens and positively pull towards the concept of saving and investing at absolutely no cost. Millennial's! Our nation's majority population falls in the age

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group of 23-34 popularly known as the millennial generation. This paper focus on working professional specifically millennials teachers of under graduate and post graduate of Bengaluru city. Recently our current finance minister Mrs. Nirmala Sitharaman was quoted saying that millennials don't believe in the concept of saving and investing, they wouldn't go out and buy a life insurance as well. This raised the objective of this research to know if millennial teachers also fall in this category of not believing in investing and saving.

### **Literature review**

**Agarwal P, Ansari and Yadav (2015)** found that women's have little financial knowledge and majorly depend on spouse for financial planning and they are not allowed to take decision. **Puneet Bhushan (2013)** found that overall literacy level is low and males have more financial knowledge the female of Himachal Pradesh salaried individual and employment, work environment, education and income have a major influence on financial literacy **Sumit Agarwal and D. Evan off (2015)** found that a selected citizen of India are financially literate and male have more knowledge than female **Hsu-Tong, Li-Chiu Chi and Chun-Lin Chen (2013)** found that elementary teacher have a medium level of financial literacy. **Owusu Eric (2015)** found that teachers of Ghana have a low financial literacy level and in some case its inadequate level of financial literacy

### **Research gap**

After robust review of papers on financial literacy some research gap has been observed

1. Very few studies have been done on teachers but not specifically on under and post graduates teachers.
2. A study on millen nails with respect to financial literacy hasn't been studied
3. Financial literacy study hasn't be found to be done on millennials and specifically belonging to Bengaluru city.

### **Research methodology**

#### **Research objective**

1. To study the impact of financial literacy on millennial teacher of under graduates and post graduates based out in Bengaluru city
2. To understand the key factor playing the major role in financial literacy

### **Research Design**

After review of various papers and journals the study developed a research design. This research employed both primary and secondary method of data collection. Primary data was collected through self-administrated questionnaire having 16 items for a total sample size of 160 respondents. Further the data collected through convenient sampling were statistically tested using SPSS software employing KMO and Bartlett's Test, Correlation and Regression analysis.

### **Research Question**

1. Does financial literacy have an impact on Millennial teachers?
2. Which are the factors amongst Age, Income and Marital status have more impact on millennial teachers?

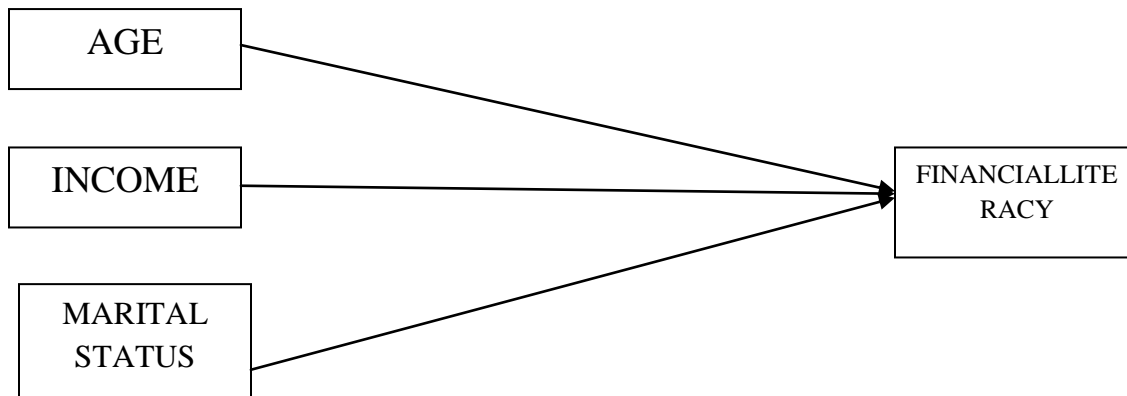
### **Research Hypothesis**

H1: Age has a positive impact on Financial Literacy of Millennials

H2: Income has a positive impact on Financial Literacy of Millennials

H3: Marital Status has a positive impact on Financial Literacy of Millennials

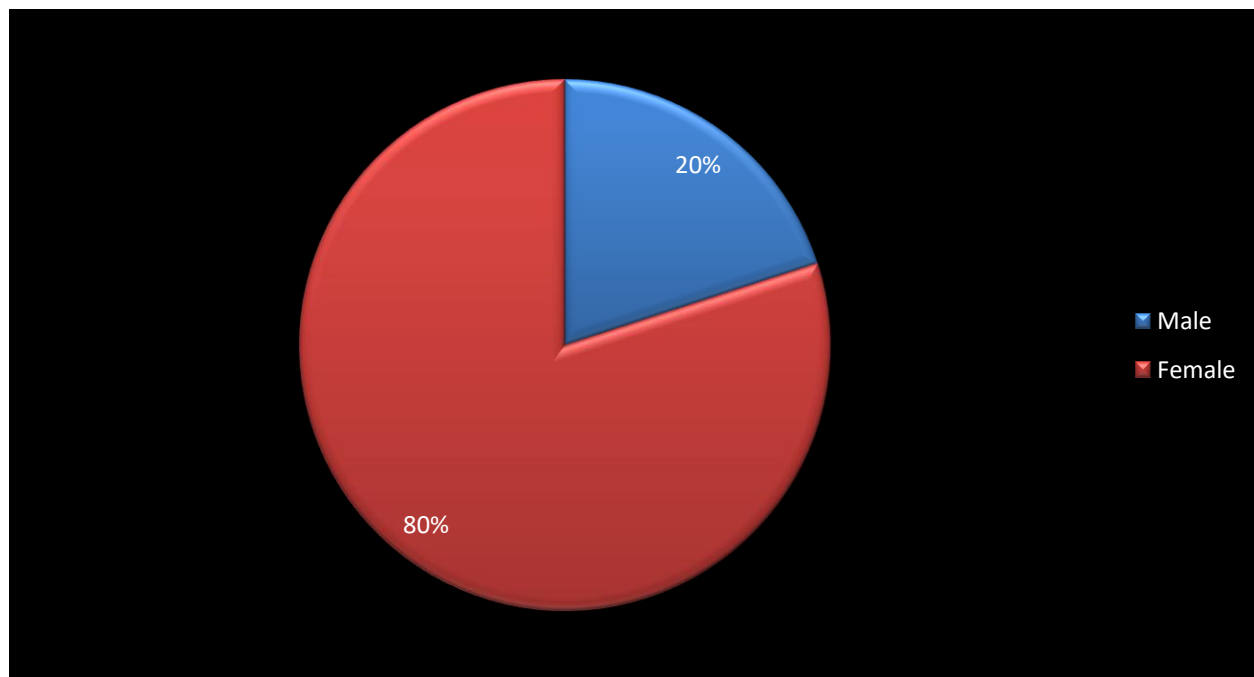
### **Research Framework**



**Data Analysis and Interpretation**

**Respondents Profile**

**Table 1 Respondents Distribution**



The above Pie Diagram shows the distribution of respondents of the study

**KMO and Bartlett's Test**

**Table 2. KMO and Bartlett's Test**

|  |         |      |          |
|--|---------|------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |         |      | .942     |
| Bartlett's Test of Sphericity                    | Approx. | Chi- | 2675.797 |
|  | Square  |      |          |
|  | Df      |      |          |
|  | Sig.    |      | .000     |

The above table shows KMO and Bartlett's Test value to be 0.942 which make the data suitable for research.

**CRONBACH'S ALPHA**

**Table 3. Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .968             | 16         |

The alpha coefficient for the item is 0,968, which says that all the items of the study have relatively high internal consistency. (if the value is more than 0.7 then it's is acceptable)

**Regression analysis**

This study with an objective to know The Impact of Financial Literacy on Millennial Teacher of under Graduates and Post Graduates adopted regression analysis to test the hypothesis of the study. Regression analysis is the most reliable method to study the impact of variables of the study.

H1: Income has a positive impact on Financial Literacy of Millennials

**Table 4. ANOVA<sup>a</sup>**

| Model      | Sum of Squares | df  | Mean Square | F      | Sig.              |
|------------|----------------|-----|-------------|--------|-------------------|
| Regression | 89.570         | 4   | 22.392      | 68.966 | .000 <sup>b</sup> |
| Residual   | 50.327         | 155 | .325        |        |                   |
| Total      | 139.896        | 159 |             |        |                   |

a. Dependent Variable: FLIT

b. Predictors: (Constant), I4, I1, I3, I2

The above regression analysis was done for testing the hypothesis "Income has a positive impact on Financial Literacy of Millennials". From the above table which can see that significance value is 0.000 which is less than the required vale of 0.05 which makes the hypothesis acceptable and which means that Income has a positive impact on Millennials decision

H2: Age has a positive impact on Financial Literacy of Millennials

H3: Marital Status has a positive impact on Financial Literacy of Millennial

**Table 5. ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 101.558        | 4   | 25.389      | 102.648 | .000 <sup>b</sup> |
|       | Residual   | 38.339         | 155 | .247        |         |                   |
|       | Total      | 139.896        | 159 |             |         |                   |

a. Dependent Variable: FLIT

b. Predictors: (Constant), A4, A1, A2, A3

The above table shows that significance value of 0.000 for the hypothesis “Age has a positive impact on Financial Literacy of Millennials” which is less than the acceptable range making and inference that Millennials Age has a positive impact.

**Table 6. ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| \     | Regression | 118.003        | 4   | 29.501      | 208.855 | .000 <sup>b</sup> |
|       | Residual   | 21.894         | 155 | .141        |         |                   |
|       | Total      | 139.896        | 159 |             |         |                   |

a. Dependent Variable: FLIT

b. Predictors: (Constant), MS4, MS3, MS2, MS1

From the table above this shows significance value 0.000 making the hypothesis “Marital Status has a positive impact on Financial Literacy of Millennial” acceptable which means marital status has an influential role on Millennials.

### **Result of hypothesis testing**

| Hypothesis   | Significance value | Accept/reject |
|--|--------------------|---------------|
| H1: Income has a positive impact on Financial Literacy of Millennials        | <0.05 i.e .000     | Accepted      |
| H2: Age has a positive impact on Financial Literacy of Millennials           | <0.05 i.e .000     | Accepted      |
| H3: Marital Status has a positive impact on Financial Literacy of Millennial | <0.05 i.e .000     | Accepted      |

### **Findings**

This study employed three hypotheses and hypothesis were tested Multiple Linear Regression with objective to know the impact of financial literacy on millennial teachers and found that age, income and marital status have a significant impact on millennial teachers of under and post graduate teachers of Bengaluru city. All the three hypotheses employed in the study have been accepted.

### **Recommendation for future research**

A further study can be done in other cities to know the impact of financial literacy, adding to which a few more variable like financial instrument could be employed to know if it creates more impact which could lead a way to better financial future.

### **Conclusion**

The study with an objective to understand the impact of financial literacy on millennial teacher of under graduates and post graduates based out in Bengaluru city. The study found that all the three variables Age, Income and Marital Status have a positive impact on financial literacy. Further this study adds on to the literature making it a base for future research.

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