

Awareness and frequency of usage of plastic money in rural areas of Sonipat District of Haryana

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ABSTRACT

The Indian government is continuously introducing reforms to improve the usage rate of plastic money, to meet the changing needs of the economy, and to satisfy the demands of the consumer and wholesale market. Time requires the change in usage of hard money as with time composition of digitalization, technology and environment is changing with which citizens should adapt with for the progress of country. Keeping all this in mind government is arranging different programmes for awareness and usage of plastic money. Researcher has tried to find out awareness and frequency of usage of plastic money through a questionnaire filled from two hundred (N=200) respondents from rural areas of sonapat district of Haryana which were selected conveniently and purposely from ten village of sonapat as subjects. It was found that awareness differs on basis of demographics and even frequency of

usage of plastic was found to be lower than awareness.

Key words- Plastic money, Digitalization, Programmes

INTRODUCTION

Technology has changed the way we deal with money giving us more convenience and easy access to funds from anywhere. It all started with a simple credit card that allowed one to make purchases today and pay later. Further, technological advancements lead to a new trend where most banks gave one ATM card or debit card which can be used for withdrawing money as well as for making purchases or payments – offline as well as online.

Plastic money is a term that is used predominantly in reference to the hard plastic cards we use everyday in place of actual bank notes. They can come in many different forms such as cash



cards, credit cards, debit cards, pre-paid cash cards. Demonetization initiative has been a boon for India's e-payment providers. Paytm reported a three-times surge in new users -- tacking on over 14 million new accounts in November alone. While Oxigen Wallet's daily average users increased by 167% since demonetization began. In spite of it there a questions hangs is India ready for cashless economy prerequisite for which is financial literacy.

Financial Literacy simply means the ability to understand about money handling, savings and investments so as to make judicious decisions regarding ones financial resources and activities. The need for financial literacy has become important with the deregulation of financial markets and the rapid growth in technologically advancement of marketing financial products. Governments around the world have begun with many initiatives to impart knowledge about financial instruments so as to have financially knowledgeable citizens, for the public benefits and in

totality for the benefit of the nation with a strong economy.

Government is focusing on financial inclusion which is an important step in development, as access to finances helps the poor to lift themselves out of poverty. In many parts of the developing world like India microfinance is a good tool to fight with poverty by bringing financial services, including low-interest loans to the poor but just bringing good tools is not enough as their implementation is hypothetical without proper financial knowledge and basic financial literacy. Keeping this in mind RBI Governor Raghuram Rajan proposed inclusion of financial literacy in school curriculum because when children will be aware they can influence their families and in coming future they can take necessary steps to better manage their money.

Sustainable growth of a nation is closely related to the level of inclusion of its population into the financial net. Countries like India is struggling with poverty, less financial instruments and

what makes the problem more acute is low financial literacy. Rural area people are still trapped in influence of local money lenders.

According to a survey on Global Financial Literacy conducted by VISA in 2012, only 35% of Indians were found to be financially literate and India was among the least financially literate countries.

STATEMENT OF THE PROBLEM

The Problem selected for investigation in the present study has been titled as **“Awareness and frequency of usage of plastic money in rural areas of Sonipat District of Haryana”**

OBJECTIVES OF THE STUDY

Why study Financial literacy

1. To know relation between gender and their plastic money usage level.
2. To know relation between monthly income and level of plastic money usage.

3. To know relation between education and plastic money usage level.
4. To know relation between age and plastic money usage level.
5. To offer recommendations that help to enhance financial literacy

RESEARCH

QUESTIONS

The **research Questions** derived from these areas are as follows:

1. Is there any relation between gender and their usage of plastic money level?
2. Is there any relation between monthly income and usage of plastic money level?
3. Is there any relation between education and usage of plastic money level?
4. Is there any relation between age and usage of plastic money level?

HYPOTHESIS

H0 There is no significant relation between gender and usage of plastic money level.

H1 There is a significant relation between gender and usage of plastic money level .

H0: There is no significant relation between monthly income and usage of plastic money level.

H1 There is a significant relation between monthly income and usage of plastic money level.

H0 There is no significant relation between education and usage of plastic money level.

H0 There is no significant relation between occupation and usage of plastic money level.

H1 There is a significant relation between occupation and usage of plastic money level .

H0 There is no significant relation between age and usage of plastic money level .

H1 There is a significant relation between age and usage of plastic money level.

REVIEW OF LITERATURE

Anthes (2004) stated that financial literacy is the ability to read, analyze, manage and communicate about the personal financial conditions that affect material well being. **Mason and Wilson (2000)** have defined, financial literacy as Meaning making process in which individuals use a combination of skills and technologies, resources and contextual knowledge to make sense of information in order to be sufficiently informed to make decisions with an awareness of financial consequence.

Findings suggest that financial education is beneficial, but the extent of the benefits depends on the time horizon for changing financial behaviors. Financial education has positive relationship with financial literacy and long-term behaviors Another key finding from these research is that people with low levels of financial literacy seem to get more benefits **Sabri, Mohamad Fazli Fazli,(2011), Wagner, Jamie (2015), Irina kunovskaya (2010)** . **Tschache C. Arrington (2009)** The results of this survey showed that most of the participants of the survey were in favour of importance of financial literacy and financial literacy curriculum was also

important. The conclusions of this study were that financial education is advantageous and that the concepts taught in that type of curriculum were appreciated.

Pallavi Gupta et al. (2013) found a large variation in correlation among the different states of India with a very low correlation at the national level and suggested Indian government should promote Information Communication Technology models like biometric ATM, telecentres to achieve Financial Inclusion in India as high literacy is not compulsorily required in these models

Jariwala V. Harsha (2009) in his study found all the respondents have invested their savings in various investment alternatives, despite of it majority of the respondents possess lower level of financial literacy. From the analysis of financial literacy questions, was found that the majority investors are less financially literate in a state of India.

Deerajen Ramasawmy et al (2013) No significant difference was found at 5% level for the financial literacy level between male and female respondents while significant difference was found between male and female for the ability to read, analyse, manage and communicate. Based on this study, it was found that age, gender, language, race and income level do not have any impact on the level of financial literacy.

MATERIALS AND METHODS

To achieve the objective of the study, two hundred (N=200) respondents 100 males and 100 females were selected conveniently and purposely from rural areas of Sonapat district as subjects. Questionnaire was used to assess the awareness and usage of plastic money and its relation with different parameters such as age, gender, monthly income and education. In order to examine the hypothesis of the present study crosstab correlation was applied to compare the association between different variables.

Table showing association between age and basic financial literacy

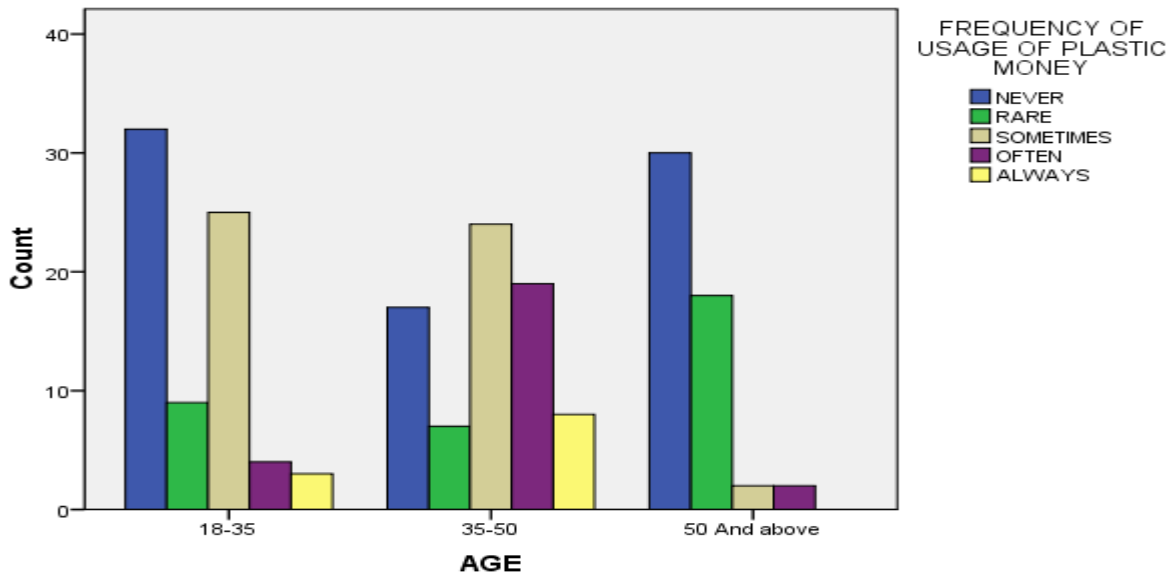
AGE * FREQUENCY OF USAGE OF PLASTIC MONEY Cross tabulation

Count		FREQUENCY OF USAGE OF PLASTIC MONEY					Total
		NEVER	RARE	SOMETIMES	OFTEN	ALWAYS	
AGE	18-35	32	9	25	4	3	73
	35-50	17	7	24	19	8	75
	50 And above	30	18	2	2	0	52
Total		79	34	51	25	11	200

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	-.144	.061	-2.044	.042 ^c
Ordinal by Ordinal	Spearman Correlation	-.124	.069	-1.757	.081 ^c
N of Valid Cases		200			

Bar Chart



The result revealed in above tables is that H0 is rejected and significant relation is found between age and frequency of

usage of plastic money. People between age of 35-50 uses plastic money more than other categories.

Table showing association between gender and basic financial literacy

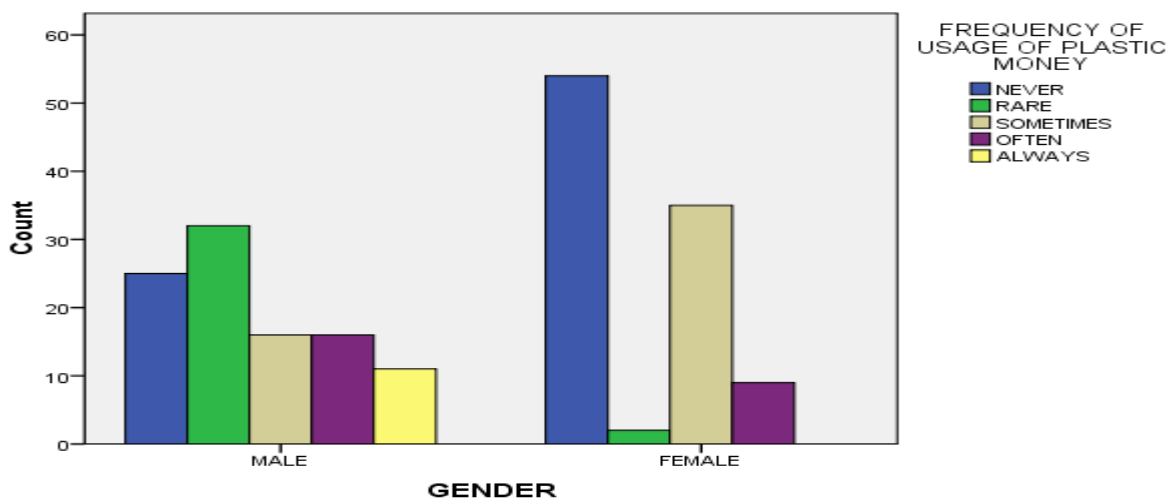
GENDER * FREQUENCY OF USAGE OF PLASTIC MONEY Cross tabulation

Count		FREQUENCY OF USAGE OF PLASTIC MONEY					Total
		NEVER	RARE	SOMETIMES	OFTEN	ALWAYS	
GENDER	MALE	25	32	16	16	11	100
	FEMALE	54	2	35	9	0	100
Total		79	34	51	25	11	200

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	-.228	.065	-3.287	.001 ^c
Ordinal by Ordinal	Spearman Correlation	-.224	.069	-3.240	.001 ^c
N of Valid Cases		200			

Bar Chart



The results revealed in above tables is that H0 is rejected and significant relation is found between gender and frequency of usage of plastic money. Women is found weaker and shows possess less basic

knowledge related to finance.54% of women were found such who have never tried using plastic money in comparison to 25 such males.

Table showing association between monthly income and usage of plastic money

MONTHLY INCOME OF RESPONDANTS * FREQUENCY OF USAGE OF PLASTIC MONEY Cross tabulation

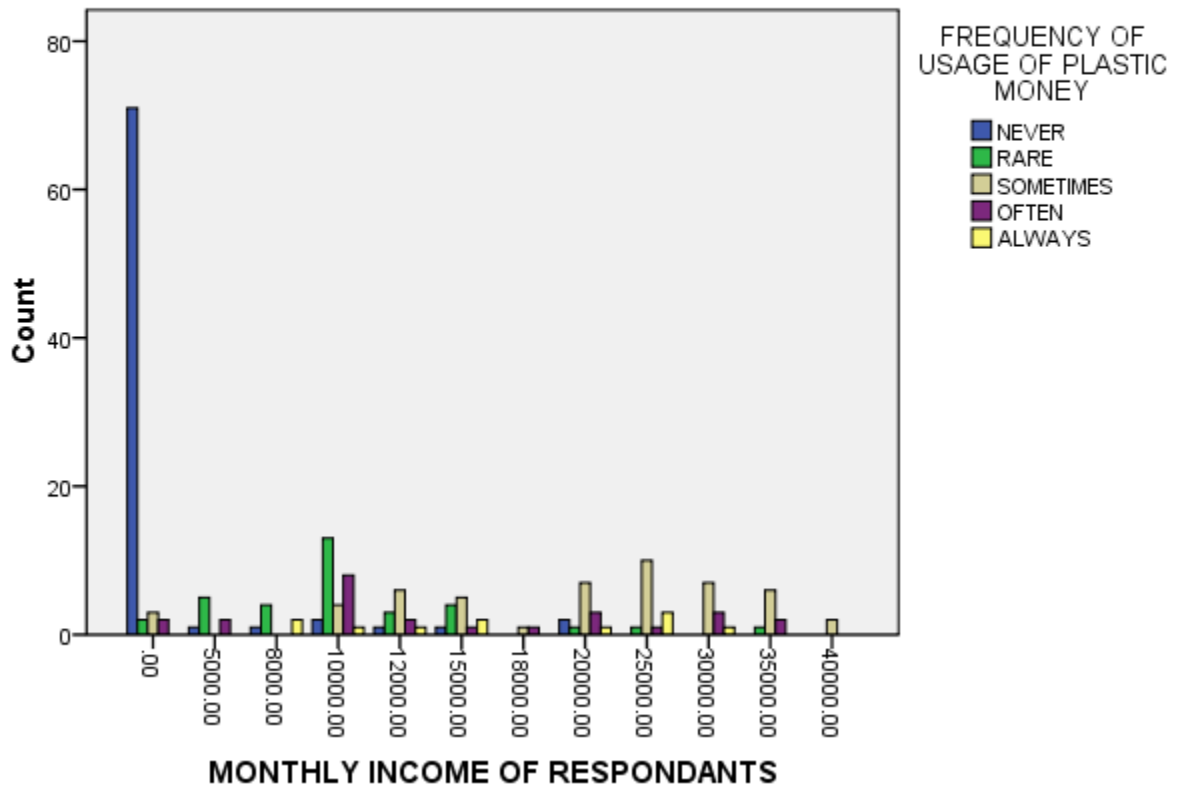
Count		FREQUENCY OF USAGE OF PLASTIC MONEY					Total
		NEVER	RARE	SOMETIMES	OFTEN	ALWAYS	
MONTHLY INCOME OF RESPONDANTS	0	71	2	3	2	0	78
	5000	1	5	0	2	0	8
	8000	1	4	0	0	2	7
	10000	2	13	4	8	1	28
	12000	1	3	6	2	1	13
	15000	1	4	5	1	2	13
	18000	0	0	1	1	0	2
	20000	2	1	7	3	1	14
	25000	0	1	10	1	3	15
	30000	0	0	7	3	1	11
	35000	0	1	6	2	0	9
	40000	0	0	2	0	0	2
Total		79	34	51	25	11	200

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.

Interval by Interval	Pearson's R	.631	.040	11.445	.000 ^e
Ordinal by Ordinal	Spearman Correlation	.732	.042	15.130	.000 ^e
N of Valid Cases		200			

Bar Chart



The results revealed in above tables is that H0 is rejected and significant relation is found between income and frequency

of usage of plastic money. Lower the income less usage of plastic money was found.

Table showing association between awareness and usage of plastic money

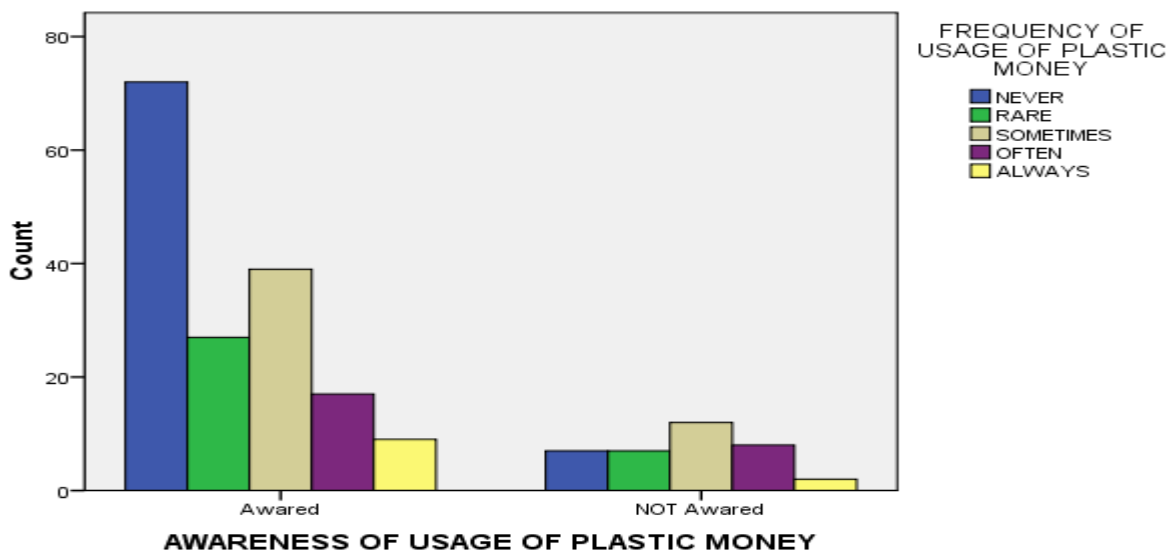
AWARENESS OF USAGE OF PLASTIC MONEY * FREQUENCY OF USAGE OF PLASTIC MONEY Cross tabulation

Count		FREQUENCY OF USAGE OF PLASTIC MONEY					Total
		NEVER	RARE	SOMETIMES	OFTEN	ALWAYS	
AWARENESS OF USAGE OF PLASTIC MONEY	Awared	72	27	39	17	9	164
	NOT Awared	7	7	12	8	2	36
Total		79	34	51	25	11	200

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.178	.067	2.540	.012 ^c
Ordinal by Ordinal	Spearman Correlation	.191	.066	2.742	.007 ^c
N of Valid Cases		200			

Bar Chart



The results revealed in above tables is that H0 is rejected and significant relation is found between awareness and frequency of usage of plastic money. In spite of people aware of digital instruments frequency of usage is low.

CONCLUSIONS

Gender, monthly income, level of education have association with basic financial literacy but in case of age no such association was found. Overall usage of plastic money was found to be very low many respondents were not even known to features of ATM cards.

RECOMMENDATIONS

Government should focus more on these rural areas as the basic financial literacy is not achieved by many of them. More of campaigns are required, financial educations weeks or months to be organized. Successful implementation of financial literacy programmes is most required.

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