

## **Financial Literacy Level: An Analysis of Jaipur District Rural Women**

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### **ABSTRACT**

Financial inclusion plays a major role in social and economic empowerment in developing countries such as India. Rural women who were previously facing challenges in accessing formal financial systems are the pioneers of inclusive finance with the help of government programs, technological advancements, and improved literacy. In a bid to determine the financial literacy of rural women, this paper examines the banking habits, knowledge, borrowing behavior, and digital use of women in Jaipur district, Rajasthan. Primary data was collected by a structured questionnaire by fifty respondents. The study indicates that all the participants have a bank account and more than three-fourths of them have accessed credit through official sources. Also, eighty percent of respondents use mobile or UPI banking. The income and educational level are closely related to financial awareness and use of financial services. The paper concludes that focused policies, exposure to technology, and financial education have played a role in increasing financial inclusion. To continue such developments, it proposes to strengthen literacy programs and cyber infrastructure.

**Keywords:** digital banking, inclusive growth, rural women, financial inclusion, financial literacy, and Rajasthan

### **1 INTRODUCTION**

Financial inclusion is an indispensable part of sustainable economic development. It ensures that individuals and companies, especially the low-income and underprivileged segments, are able to access feasible and affordable financial services, which meet their demand, which include credit, insurance, savings, payments, and transactions. The Reserve Bank of India (RBI, 2023) argues that inclusionary finance enhances economic inclusion, reduces inequality, and makes people more resilient to financial shocks. Females comprise nearly half of the rural population in India and they often have the family money. Historically, however, they have not been able to be absorbed into formal financial systems due to social norms, illiteracy and limited mobility. The availability of banking and credit to women has significantly increased in the last decade as a result of the programs such as the Pradhan Mantri Jan-Dhan Yojana (PMJDY), the Direct Benefit Transfer (DBT), the Self-Help Group (SHG) initiatives, and the Digital India. The semi-urban and rural economies of Jaipur region of Rajasthan render Jaipur a good environment to study the role played by rural women into the emerging financial landscape in India. This paper is the analysis of the financial literacy and rural women inclusion in Jaipur and also the socio economic determinants that impact their participation.

### **2 THEORETICAL FRAMEWORK**

In order to comprehend the concept of financial inclusion and financial literacy, one can utilize a number of theoretical perspectives:

1. According to the Financial Literacy Model, the three elements of financial capability are knowledge, behaviour and attitude (Atkinson and Messy, 2012). Being financially literate does not only imply being financially aware, it also implies practical financial decision-making.
2. The behavioural finance approach postulates that cognitive biases and sociocultural factors influence overall individual decision making (Thaler, and Sunstein, 2008). Informal learning and practices of the community in rural settings affect financial behaviour.
3. According to the Access-Usage Framework (Sarma, 2015), the degree of inclusion depends on a person being able to gain access to and utilize financial services. The difference between the frequency of transactions executed and the ownership of the accounts shows good inclusion.
4. Empowerment Theory (Kabeer, 1999): In this theory, the more that women are able to control their funds, the more they will have their rights to increase their levels of autonomy, their social status, and their bargaining power. Thus, financial inclusivity is not only an economic objective but a gender equity concern as well. This paper brings together the elements of awareness, behaviour and access to determine the interactions between them in the pursuit of effectual inclusion of rural women.

### **3 REVIEW OF LITERATURE**

The studies conducted in the emerging markets indicate high relations between the welfare of women in their household and financial literacy. It is stated that education and exposure to formal institutions increases financial involvement (Bagli and Dutta, 2012). As Singh et al. (2017) discovered, rural North Indian women who were members of Self-Help Groups (SHGs) grew to develop more positive saving behaviors. RBI (2021) argues that online programs such as UPI and Aadhaar-based payments have helped to ease the lives of marginalised individuals when obtaining financial services.

Choudhury (2020) explains that literacy programs in the rural regions should be culturally acceptable to be effective. These findings were in addition to a positive relationship between banking activity and smartphone use among rural Rajasthan women (Gupta and Jain, 2023). The relationship between the patterns of specific inclusiveness and linking financial literacy with sustainable financial behaviour is still lacking despite these findings. This paper bridges that gap by narrowing on the Jaipur district.

The rural Jaipur socioeconomic setting offers a crucial context under which it is necessary to manage the financial literacy and inclusion tendencies of rural women in the district. Despite Jaipur being viewed as a metropolitan city, almost fifty percent of its population lives in the rural parts where agriculture, dairy farming, and informal labour are the major sources of livelihood. The moderate levels of female literacy in the areas are of about 6064 with majority of the women involved in household budgeting even when they have not undergone formal training. Small-scale entrepreneurship, tailoring, handicrafts, and microenterprises operated by SHGs are gradually becoming sources of economic diversification and raise the demand of women on the formal banking, savings, and credit services. PMJDY, DBT transfers, SHG bank linkages, Bharat net connection and the wide availability of smart phones has enhanced digital and financial infrastructure, which resulted in adoption of UPI, ATM and mobile banking services by rural women. Nevertheless, their financial behaviour is still affected by the social norms, restriction of mobility, early marriage, and insufficient exposure to higher financial concepts. The skill development programmes, NGO initiatives and community learning platforms have contributed to the digital awareness but there are still gaps brought about by fear of abuse, lack of confidence in technology and dependence on the male members of the family in complex financial decisions. In general, the demographic, economic, digital, and socio-cultural peculiarities of rural Jaipur give rise to a specific space in which the growing access to technology and financial services is slowly empowering women, and structural impediments are still forming trends in the engagement of people in the formal financial ecosystem.

#### **4 RESEARCH METHODOLOGY**

The research design used was descriptive because it was aimed at a systematic investigation of the financial literacy and inclusion rates of women in rural areas in Jaipur district through quantitative primary data with secondary data as a supportive tool. An instrument of structured questionnaire was also created to gather data on demographics, savings behaviour, borrowing behaviour, investment behaviour, and digital financial use and the internal reliability of the questionnaire was established using Cronbachs alpha of 0.82. The samples were to be stratified and picked randomly with 50 respondents being chosen at various panchayats of rural Jaipur to represent different age groups, education levels, and occupational groups. The study was a positive study, which focused on objective measurement of variables and statistical interpretation. Primary data collection was performed in form of field visit, interviews and assisted form-filling to suit respondents with low level of literacy. RBI bulletins, NABARD financial inclusion reports, government databases, and past scholarly researches were used as sources of secondary data to facilitate the contextual understanding. Simple correlation methods were used to test the association between the socio-economic variables and financial behaviour, whereas data analysis comprised of descriptive statistics, cross tabulation and percentage distribution to determine patterns in financial activities. Other measures undertaken in the methodology to maintain validity and limit bias were pilot testing of the questionnaire, the variables were clearly defined in operations and the administration procedures were standardized. Ethical issues like informed consent, confidentiality and voluntary participation were adhered to. Generally, the methodological framework provided a credible and systematic evaluation of the financial literacy level and financial inclusion activity of rural women in Jaipur district giving a solid interpretation and policy recommendation base.

##### **4.1 Objectives**

1. To assess the monetary literacy of the rural women of Jaipur district.
2. To determine their manner of investing, saving as well as borrowing.
3. To measure the affair of digital financial services.
4. To determine the socioeconomic impact of factors on financial inclusion.
5. To come up with legislative suggestions to enhance the financial involvement of women.

##### **Research Design**

It was descriptive research design. A total of 50 rural women in the Jaipur district were distributed a structured questionnaire to complete in a bid to obtain primary data. Stratified random sampling was used to have a representative sample in terms of age and career group.

#### 4.2 Data Collection Tools

The questionnaire addressed demographics and borrowing, savings, investing, and the use of technology. The internal consistency and reliability were reassured using Cronbach alpha = 0.82. The secondary data was based on past research and RBI bulletins as well as NABARD reports.

#### 4.3 Data Analysis Techniques

The data were analysed in terms of cross-tabulation, simple correlation and percentage distribution in order to identify the patterns in literacy and inclusion.

### 5 DATA INTERPRETATION AND ANALYSIS

The analysis of the information gathered among 50 rural women in Jaipur district was done through descriptive and inferential statistical methods that revealed the trends in terms of financial awareness, saving behaviours, credit behaviour, and adoption of digital banking. Demographic variables of age, education, occupation, and income were interpreted with the help of percentage distribution and cross- tabulations, which showed that most respondents were representatives of the economically active age group between 31 and 50 years old and had secondary or higher education, which positively impacted their involvement in the sphere of finances. Savings behaviour analysis revealed that 100% of the respondents had bank account and 60% of them saved on a regular monthly basis, which shows that there is a significant trend of moving to formal banking and enhanced financial discipline. The trend in borrowing also revealed that, 76 percent borrowed their money, mainly by banks, and a considerable percentage was spent on business, education, or housing, thus a shift in informal moneylenders to institutional credit providers. Digital financial behaviour was determined based on the use of ATM cards, UPI, internet banking and mobile apps; 80% said they actively used mobile banking or UPI platforms, which promotes the growing adoption of digital infrastructure and government-driven implications. Simple correlation analysis was employed to assess that there is a positive correlation between education and the use of digital banking and the correlation ( $r = 0.62$ ) is positive which indicates that the higher the level of education, the better the confidence and ability to use technology based financial tools. Comparative studies of income and savings rate also revealed that women having high income levels were more predictable in their savings behaviour, whereas women having self employment or agricultural livelihoods had higher borrowing to pursue productive activities. On the whole, the data analysis demonstrates some obvious tendencies of an increase in financial participation, digitalization, and awareness rates among rural women, but there are still some spots of reluctance to more complicated financial products like credit cards and insurance, which demand more specific financial literacy initiatives and assistance.

**Table 1 Demographic Profile of Respondents by Variable Category %**

Variable	Category	Respondents	%
Age	20–30 year old	8	16
	31–40 year old	18	36
	41–50 year old	15	30
	51–60 year of age	7	14
	over 60 year	2	4
Education	Secondary Education Levels	10	20
	Senior Secondary	15	30
	Graduation	18	36
	After Graduation	7	14
Annual Income	< ₹1 lakh	6	12
	₹1–3 lakh	28	56
	> ₹3 lakh	16	32
Employment	Employment in Agriculture	15	30
	Self-employed	20	40
	Private Service	10	20

	Government Service	5	10
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Most of the respondents are in the economically active age range of 31 to 50, and half have attended college. The high percentage of women who work for themselves indicates that entrepreneurial activity is on the rise in rural Rajasthan.

**Table 2 Saving Techniques**

Aspect	Category	Respondents	%
Having Bank Account	Yes	50	100
Number of Accounts	One	30	60
	Two	15	30
	Three or more	5	10
Types of Account	Savings	25	50
	Fixed Deposit	10	20
	Recurring Deposit	8	16
	All Types	7	14
All kinds of Cheque Book Facility	Yes	42	84
	No	8	16
Frequency of Saving	Monthly	30	60
	Occasionally	15	30
	Rarely	5	10

The fact that every respondent has at least one bank account indicates nearly complete inclusion. Regular monthly savings of 60% show improved financial discipline as a result of awareness campaigns and DBT contributions.

**Table 3 Borrowing Behavior**

Variable	Category	Respondents	%
Borrowed Loan	Yes	38	76
	No	12	24
Purpose	Business	15	30
	Education	10	20
	Housing	8	16
	Agriculture	5	10
	Personal	12	24
Source	Banks	30	60
	Cooperative Societies	10	20
	SHGs and MFIs	10	20

Primarily from official institutions, 76% of respondents had received credit. This implies a decrease in the utilization of informal lenders. Loans for education and businesses show a change in the trend of purposeful borrowing.

**Table 4 Financial Tools and Digital Banking**

Channel	Users	%
ATM/Debit Card	47	94
Credit Card	15	30
UPI and Mobile Banking	40	80
Internet Banking	25	50
Micro-pension plan or insurance	22	44

Digital usage is impressive, as 80% of people use UPI or mobile banking. Technology adoption was facilitated by women's self-help groups, but the pandemic sped up technological advancements.

## **6 DISCUSSION AND BARRIERS & CHALLENGES**

The study results suggest that the financial inclusion and financial literacy of rural women in Jaipur district are in a definite upward trend, which is the result of the government programs, digitalization, and community-based mechanisms of financial support, including Self-Help Groups. The overall success of PMJDY and DBT tools in including women into the formal banking channel is witnessed by the universal account ownership among the respondents, and the high rate of monthly savings and the extensive use of online banking tools are indicative of the changing behaviour trends due to greater exposure to mobile technologies and financial literacy initiatives. Nevertheless, the analysis also reveals inequalities based on education and income, with women having higher educational levels showing more confidence in utilizing mobile banking and UPI systems, whereas lower-income households did not use more advanced types of savings and relatively low-value credits. This is consistent with the empowerment theory, which focuses on the importance of knowledge and access in empowering agency and financial decision-making. The shift to formal to informal sources of credit, which is reflected in the preference of bank and cooperative loans, is an indication that more trust is put on institutional mechanisms, though the reluctance to use complicated products like insurance and credit cards indicates that the trust in sophisticated financial instruments is not high. Contrasts to current literature prove the fact that digital adoption grows significantly, when women are supported on a community level, trained, and exposed to peers. Comprehensively, these results highlight the importance of the fact that although rural women are engaging in more financially active actions, there is a need to make such changes deep and long-term because of insufficient literacy and awareness of digital safety, as well as a robust presence of institutions supporting the change at the grassroots level.

Even though there is a significant improvement, rural women in Jaipur still have a number of obstacles to their full financial inclusion and their involvement in formal financial systems without fear. Lack of digital literacy is one of the primary barriers, with a significant number of women having restricted skills in using mobile banking interfaces, deciphering financial messages and transacting safely online, which causes fear of fraud, misinformation, and misuse. The autonomy of women is also limited by socio-cultural norms and the decision-making process is often dominated by the male members of the family leading to low independent access to financial services and lack of confidence in handling complicated products. Economic limitations also compound the issues with the lack of regular income due to agriculture or informal labour limiting ability to save and borrow, and a large household burden limiting the time women have to learn financial skills. Ineffective internet connectivity, the absence of bank branches or ATMs in rural villages, and the excessive distance between the infrastructures are some of the gaps in infrastructure that deter the usage of financial institutions. Also, lack of knowledge on insurance, pensions and credit products means that women are not able to take advantage of the long-term financial planning instruments, reaffirming a dependence on short-term credit and simple savings. The problem of trust, the fear of being trapped in debt and lack of knowledge on formal papers such as KYC and loan agreements will always exist. All these hurdles underscore the necessity of culturally sensitive, specifically tailored financial education initiatives, enhanced digital access, doorstep banking, and long-term supportable mechanisms to enhance the financial empowerment of rural women.

## **7 RECOMMENDATIONS AND POLICY IMPLICATIONS**

- Local Financial Education: Financing: Training in local languages has to be done on a regular basis in partnership with banks and academic institutions.
- Enhancement of Digital Literacy: To tackle cyber security, government and non-governmental organizations ought to offer practical classes on how to conduct transactions with safety on the internet.
- Enhancing SHG-Bank Relationships: SHG credit limits can be increased and micro insurance programs launched to improve the resilience of women.
- Assistance to the Entrepreneurs: Rural women entrepreneurs will be given special credit and guidance to ensure that they can generate revenue through borrowing.

- Monitoring and Evaluation: Create district-level dashboards where gender-specific inclusion indicators can be tracked to implement evidence-based policy changes.

## **8 CONCLUSION**

The study results indicate that the rural women in the Jaipur district are now more financially literate and this has enhanced their financial inclusion. This has been realized through government schemes, online banking and increased level of education. the transition of the usage point access to a greater inclusion level where women own and participate in the financial activity. To sustain the trend of financial empowerment of women and inclusive growth in India, digital infrastructure, institutional support enhancement, and the development of appropriate financial education will be needed.

This paper offers a detailed evaluation of the financial literacy, financial behaviour, and digital adoption rates of women in rural areas of Jaipur district and shows a picture of both great achievements and the system-level problems. The results emphasize how government-driven programs like PMJDY, DBT, and SHG-bank linkages have managed to achieve almost universal account ownership and promote frequent savings, which is an indication of a transition of women who were left out of the institutional frameworks to formal financial participation. The increased adoption of mobile banking, UPI payments, and ATM services show the beneficial effect of digital infrastructure and the increasing smartphone adoption, and the growing levels of education and community-based learning platforms have also contributed to raising the confidence of women in financial transactions. Nonetheless, the research also points to the lapses in the development of higher levels of financial awareness because a significant number of the respondents are still reluctant to use credit cards, insurances, and long-term investment plans because of the lack of awareness, intimidation by the fear of the misuse of such opportunities, and the socio-cultural limitations which do not allow people to take independent decisions. The interrelationship between income and education and financial behaviour supports the importance of specific policy interventions, which should focus on both capability and access. All in all, the discussion supports the idea that, although some rural women in Jaipur are moving toward the more active participation in the financial ecosystem rather than mere account-ownership, the deep and sustainable financial inclusion is not attained yet unless additional work is done in the areas of digital literacy training, improved financial education, better local banking infrastructure, and empowerment programs that reinforce autonomy. Enhancing these will not just help the women be financially robust but also serve larger objectives of inclusive development, reduction of poverty and the socio-economic development in rural Rajasthan.

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