

Financial literacy and financial planning among teachers of Higher Education

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Introduction

The changing business processes and the paradigm shift in the way business is transacted across the globe has varied in the recent decades. A lot more people are interested in investment their disposable income in various investment avenues as well as transacting their regular financial dealings using various methods available.

Financial literacy is an important concept when it comes to the modern financial world. Being aware of the ways and means to transact financial business, being aware of the good effect as well the bad effects of the same become vital in a world where everything operates at break-neck speed and the time that one loses in thinking about which investments to choose and what way to complete the transactions may result in a loss of profit or an opportunity lost in taking advantage of market situation.

Teachers part of the higher educational system have a lot on their plate with respect to their job. These college teachers have a range of responsibilities, from conducting lectures in offline or online modes, updating syllabus, taking tutorials, conducting doubt sessions and practical lectures as well as making exam papers for the students. They are also involved in the conduction of exams in various capacities such as paper correction, moderation, supervision of exams and declaration of results. Along with these, there are many other extra-curricular activities that take up the time of college teachers. They also have to attend Faculty Development Programs, Workshops and seminars to remain abreast with the current academic knowledge.

All this means that they have little time to dedicate to their individual work such as paying electricity, telephone bills, property and water taxes, payment of insurance policies. Going to various offices for these payments reduces whatever time they might get for their recreational activities and family.

Also, they remain ignorant about the various investment avenues available to them in banks and other financial institutions for investing and growing their hard-earned income. Hence it becomes necessary for the college teachers to be able to use the digital financial services in order to achieve a work-life balance, without any hassle.

It becomes more paramount for the teachers of higher educational courses to be aware of the various ways in which they can handle their finance. They need to be aware of the different investment avenues in which they can invest their hard-earned money and secure their post-retirement life as well as provide for future expenses and contingencies. They must try to find out the best

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possible processes to minimise their time spent in handling their finances as well as financial planning.

This research paper tries to find out the level of awareness regarding financial literacy and financial planning and how it can help them balance their work and life in the long run. It tries to find out the level of financial inclusion of the higher education teachers as they have the duty of laying the foundation of competency among students and hence they need to be themselves aware of what is going on in the field of finance and business.

Objectives of the Study:

1. To find out how many teachers are aware of the term Financial Literacy.
2. To find out what is the extent of awareness regarding various financial terms among the teachers of higher education.
3. To understand how these teachers manage their finances.
4. To find out how many teachers take help of various financial intermediaries and service providers for handling their finances.
5. Which type of financial services do they find more convenient out of traditional and digital financial services?
6. To find out the view of the teachers of higher education about the thinking that teachers should specifically be more aware of the various financial services and investment planning services so that they can pass on this knowledge to their students.

Research Methodology

For this research, the research persons have referred to previous studies related to the research topics in terms of research papers, articles, thesis, websites, etc for the collection of secondary data. For collection of primary data on the research topic, a questionnaire was circulated among the teachers of higher educational institutions and their responses were recorded by the research persons.

Following questions were part of the questionnaire:

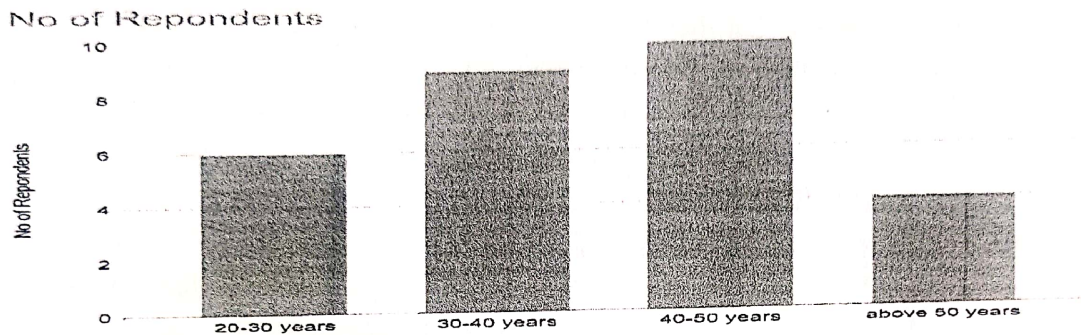
1. Name of the respondent.
2. Age of the respondent.
3. Field of teaching
4. Are you aware of the term 'Financial Literacy'?
5. Please select which of the following financial terms are you aware of?
 - Fin-Tech
 - Digital Financial Services
 - Online Banking Services
 - Online Trading Services
 - Cryptocurrency
 - Financial Advisor Services
6. Do you manage your finances on your own?
7. Have you taken help of any financial service providers for planning of your investments and payments?
8. If yes, which of the following service providers have you availed of?
 - Portfolio Managers
 - Investment Bankers
 - Chartered Accountants
 - Online Stock Trading Companies (Demat Service Providers)
 - Others

Which according to you is more convenient?
10. Do you think that teachers should specifically be more aware of the various financial services and investment planning services so that they can pass on this knowledge to their students?
The data of the respondents was recorded and analysed using various graphical tools such as pie charts.

Observations from the data analysis

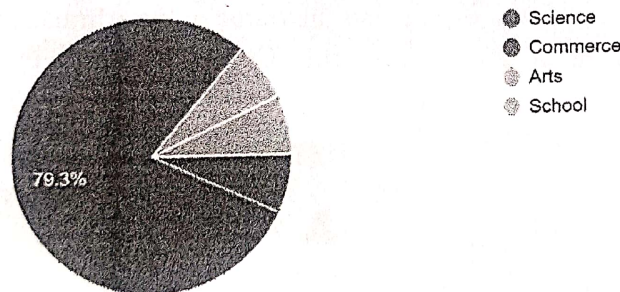
The research persons noted down the following observations as per questionnaire questions asked to the respondents:

1. Age of Respondents



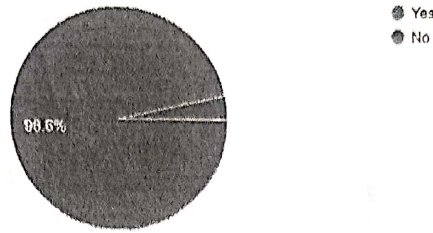
Most of the respondents as can be seen above were from age group 40 -50 years, followed by 30-40 years. Least number of respondents were from above 50 years group.

2. Field of Teaching:



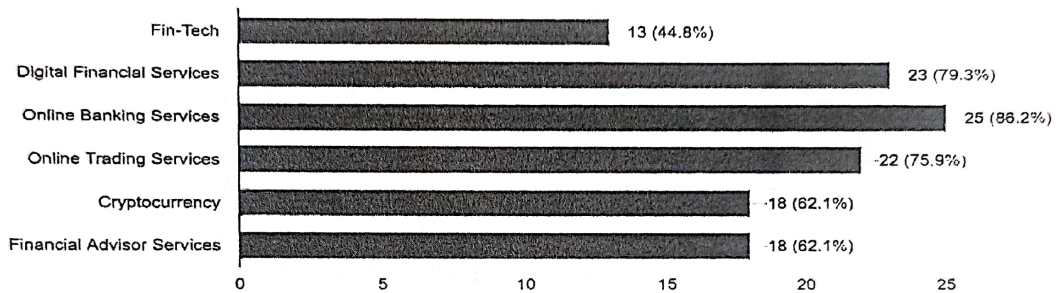
Maximum respondents were from Commerce Faculty (79.3%), followed by Arts, Science and Higher Secondary School (6.9% each).

3. Are you aware of the term 'Financial Literacy'?



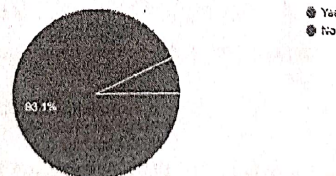
A total of 96.6% respondents replied that they were aware of the term Financial Literacy. Whereas only 3.4% respondents replied that they were unaware of the term.

4. Please select which of the following financial terms are you aware of?



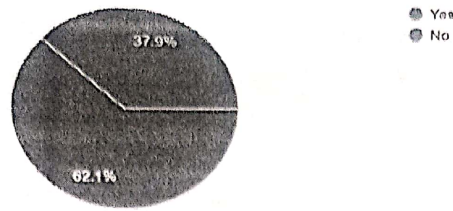
As can be seen from the bar graph, 86.2% respondents were aware of the term Online Banking Services, followed by 79.3% being aware of Digital Financial Services, which was closely followed by Online Trading Services to which 75.9% respondents answered in the affirmative. A comparatively lower number of respondents were aware of the terms Cryptocurrency, Fintech and Financial Advisory Services.

5. Do you manage your finances on your own?



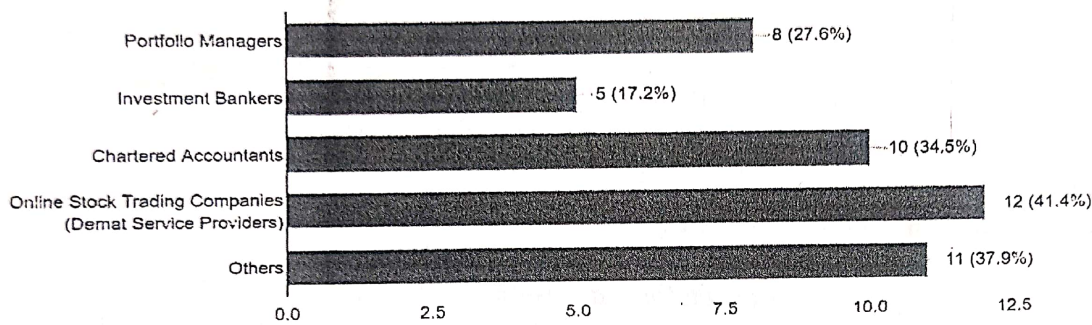
As can be seen, maximum number of teachers managed their owned finances (93.1%), while 6.9% had to take help of other service providers for the same.

6. Have you taken help of any financial service providers for planning of your investments and payments?



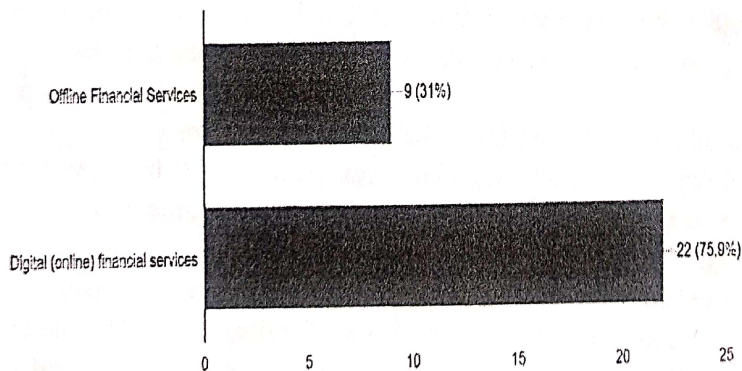
The above pie-chart shows clearly that 62.1% of the respondents availed the services of experts from financial field for their financial planning and payment needs.

7. If yes, which of the following service providers have you availed of?



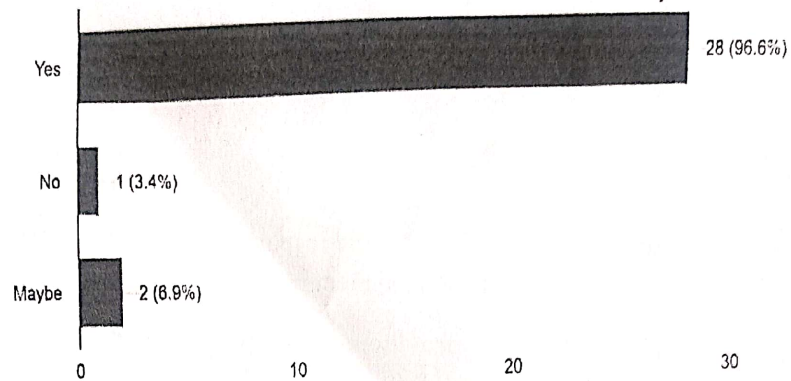
In response to the above question, 41.4% respondents replied that they use the services of Online Trading Companies, 34.5 % use Chartered Accountant services, 27.6% use Portfolio Manager services for their financial needs. 37.9% respondents use other services not mentioned in the options.

8. Which is more convenient? Traditional or Digital Financial Service?



75.9%, i.e, majority of respondents preferred Digital Financial Services.

9. Do you think that teachers should specifically be more aware of the various financial services and investment planning services so that they can pass on this knowledge to their students?



Majority of the respondents (96.6%) replied in affirmative to the questions, which underlines the fact that the teachers themselves feel it is necessary to be financially literate.

Conclusion:

The research persons came to the following conclusions from the analysis of the data provided by the respondents:

1. Most of the teachers of higher education field are aware of the term Financial Literacy.
2. These teachers, however, are not fully aware of the various terms related to finance which are prevalent in the current scenario.
3. Most of the teachers like to manage their own finance, but are also open to take professional help.
4. Most of the younger teachers are aware of the various technical terms related to finance and financial services.
5. Most of the teachers of higher educational institutes find the digital financial services to be more convenient over traditional services.
6. Almost all teachers agree that teachers should specifically be more aware of the various financial services and investment planning services so that they can pass on this knowledge to their students.

Suggestions:

The research persons would like to put forth the following suggestions:

1. Teachers should be given training on financial investment and planning as a part of their faculty development programme so that they become aware of the the dynamic world of finance irrespective of their stream of teaching.
2. The teachers of higher educational programmes can be sent for visits to various financial institutions such as stock exchanges, the Reserve Bank of India, Online Depositories, etc to enhance their financial knowledge, which in turn they would be able to pass on to their students.
3. The management of educational insitutions should encourage their teachers to carry out online transactions to make them ready for the digital financial revolution.
4. Further studies can be conducted on this topic, specific to streamwise, regionwise level of financial awareness among teachers.

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