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GRASS ROOTS APPROACH TO FINANCIAL LITERACY INITIATIVES RETHINKING

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ABSTRACT

This paper discusses the implementation of the financial literacy initiative, focusing on the improvement of the grass root level. It emphasizes the need for financial literacy and inclusion for secondary and tertiary level students as they are the grass root of society. The viewpoint adopted a qualitative approach to discussing the need for financial inclusion implementation. Which, selected terms and words related to financial literacy, strategic implementation, and inclusion were used to search and discuss in this paper. The paper emphasized the grass roots level improvement which means the student segment is to be focused on; it discusses the practical problems of students in learning financial aspects, and the need for a strategic approach to implementation for literacy and inclusion for individual financial growth. Further, it highlights the literacy creation platforms like media, social media, and technology advancements.

Type: Practitioner Paper / View Point

KEYWORDS: Financial Literacy, Students, Financial Inclusion

Financial Literacy

Any system or a practice starts from family and its everyday activities and routines that make the family alive and active. Notably the economic activities are significant and crucial by its nature that depends on the savings and income. Not only savings of the family will lead to the economic wealth of family but also depend on the investments of the family. Then it gets the savings and investments are sensitive when it becomes finance decision oriented that may impact the present and future plans Agarwal et. al (2017). The finance decisions are effective when a family and its members must have known the financial investment platforms, financial products and services available in the financial institutions. Now the concept is coming into the practice as the financial literacy Bhargava, (2016) and its importance is the need of the hour for both exclusive and inclusive growth of every individual in a family and in a society.

Financial Literacy at Family -When we think of a family and a society, the financial literacy might have been taught up to the root level. The root of a family or a society is Children who must have grown with financial knowledge and financial ability. Family is the prime source of learning for children especially the finance and economic aspects of life. The children who are most of their life time spending in schooling and college level education than the family environment. The educational institutions may be playing the vital role in shaping the student's community creating more opportunities for financial growth of family through financial literacy Pamarthy & Anand (2012). Apart from family, the educational institutions may give the students a vast exposure to the learning about financial aspects like savings and investments, doing business and earning profits.

Students are the Grass Root - As far as financial literacy is concerned, the grass root of any society, the student's community either school or college level, they must have been taught the financial products, financial services, financial measures, financial resources Verma et al (2017), which are directing to withstand in their life and sustain and survive among the financial difficulties. This is quite observed that there are effective curriculum and learning practice implemented in educational institutions but there are no uses of it. Students are learning finance as financial theories and they are not practicing it, they do not bring it to real life. The institutions have failed to create the scope for practical and ground reality difficulties regarding the financial investments, financial opportunities and startups and doing business. There are many research studies of financial literacy Verma et al (2017), and its effects in society which are suggesting that the financial literacy should happen and begin from the primary level of education to secondary and territory level. They suggest that the grass root obstacles must be properly removed and the roots must be sufficiently watered. Agarwal et al (2017) they listed the obstacles like the mindset of the students that cannot easily be accessed the financial services like borrowings, loan facilities, investments, taxation and so on, they are unaware the financial products and services, they are unaware the financial initiatives taken by the government, they are financially excluded, though they make attempt to utilize the government initiatives for financial inclusion Malhotra, N. (2023), financial investments and savings, they have faced the challenges like intermediaries at grass root level, process delay, purposeful deny on income sources of their family members, mortgaging their properties for accessing loans and advances, high interest rates for loans, low interest rates for their deposits, unaware of individual investment portfolios and savings options and so on.

Financial Literacy Initiatives for students - As far as concern the RBI and government initiatives for financial literacy is concerned, National Centre for Financial Education (NCFE) - promotes financial education through workshops, seminars, training programmes, and campaigns RBI (2020), Financial Literacy Centres (FLCs) - commercial banks create their FLCs in districts, especially rural areas, and conduct monthly camps to raise awareness about financial products among farmers, school children,

senior citizens, self-help groups, and small and micro-entrepreneurs, ‘RBI Kahta Hai’ Initiative - educates people about banking facilities and services, including senior citizen banking, knowing banknotes, precautions in digital banking, Financial Education Microsite - The RBI runs a microsite focused on spreading financial knowledge through films, games, and other resources in simple language. The information caters to school children, trainers, and entrepreneurs, Financial Literacy Modules in School Curricula RBI (2020) - collaborating with several State Educational Boards to introduce financial literacy modules in school curricula, effectively carrying out its mission and reaching its objectives and goals. Though it is effectively implemented, properly channelized, properly utilized, there are still many pitfalls and gaps prevalence observed in the field. First of all, the students should be brought into the practice of savings habits and investment options, decisions and spending on their own. They must be practiced to do budget and expenses for their higher studies and for everyday life routines. At school level and college level, they have to be sufficient exposure to organize programs using budgets and expenses.

Financial literacy though media and technology - As far as the media and advanced technology platforms is concerned, the students segment are addictively involved in the financial transactions for their everyday expenses, though it shows they are actively included in finance services and accessing finance products, they are lacking the savings options and investment options and decisions, they live in the spending culture, they are not in saving and investment culture Santhoshi (2016), The educational institutions may activate the practical model of Edu Fin Saving Plan at grass root level – encouraging students to inculcate the habit of savings, this strategy may lead students may save money every day in their educational institution itself, with proper regulations guided by government, the students they may get back their savings when they complete their course, they may invest their saved money in various options like securities, business, invention, startups and so on. In terms of advanced technology, they are exposed to use of modern gadgets like mobile, palm tap, laptops, tabs and so on, those teach them, practice them one side of the financial inclusion, another side of financial inclusion for development is lacking Bhargava, (2016). There is no assurance of safety of their money in their payment and spending options using modern mobile banking and online transactions. They face the technical defects like poor network coverage, huge data consumption required for transactions, unauthorized merchants that may affect hugely regarding their spending and investments. The media platforms greatly create a vast exposure on the financial services, inclusion, investment portfolios and others to the public Bhargava, (2016). The students have to be encouraged to get connected in network through media and software application platforms. The educational institutions in every state, may take up a Mutual Fin Edu Friends plan – to encourage students get connected for sharing of financial knowledge, financial sources access, investment plans, expenses and so on.

Financial content available platforms - As far as social media platforms are concerned, the teachings, lectures, demonstrations, films, acts, awareness videos, shorts, whatsapp sharings are boon to the public as well as to the young adults especially students. The platforms are sufficiently doing its great job guiding the consumers not to become the victims of financial malpractices, defects and cheatings. On the other hand, the information and its sources are not reliable and credible. The authentication on the sources of information must be assured and safety of transactions and savings must be assured through the regulatory bodies. Government and non-governmental banking and financial institutions may take initiatives to tie up with educational institutions from schoolings to college level for financial service access, use of financial products and investments. For this initiative, they may do the model village, model school, model college concepts for implementing the FinBankEdu plans – encouraging financial institutions to tie up with educational institutions Malhotra, N. (2023), for educating financial literacy to the students.

With this purview on the financial literacy, this article emphasizes the importance of implementation of finance scheme, plan, and finance awareness programs for the public as well as the students. There are quite observations of challenges to reach the grass root level implications like intermediaries at all the levels regarding the financial services and products access and delivery, unaware of accessing the networking communications and connectivity Roy, P. & Patro, B. (2022), lack of community tie ups, name sake actions and executions, lack of interests in investments and earnings among the students, taxation process, interest rates and lack of update on the frequent regulations changes by RBI regarding the finance services and fiancé sources. The article supports to the concept of Learning at Early Stage of life will lead to the protected wealthy and healthy life in middle and last stage of life. Further the article attempts to agree with strategic rethinking on financial literacy with the traditional approach as well as the modern approach that in the school or college level, the students may be encouraged to organize any programs and events by generating their own savings and spending by this way they get exposure to the practice of financial products and services at the grass root level in the finance field.

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