

A Study of Financial Awareness among Self Help Groups

With special reference to Kolhapur City

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Abstract

Self-help groups are groups of people who provide mutual support for each other, their objective to help each other. The Self Help Groups (SHGs) basic Principle stresses on organizing the rural poor into small groups through a process of social mobilization, training and providing bank credit and government subsidy. SHGs are playing significant role in the self-employment by raising the level of income and standard of living rural people. Members from self help group are women only who come together and work together for self reliance Financial awareness among them becomes necessary as they are suppose to manage their funds independently. The research paper has focused on the study of financial awareness among women of these self help group in Kolhapur city area. Study selected 50 self help groups. Findings of the study reveals that women of self help group uses banking services and also uses ATM cards widely.

Keywords: SHG, financial awareness, banking, self reliance.

Introduction:

Self-help groups, also known as mutual help, mutual aid, or support groups, groups of people who provide mutual support for each other. In a self-help group, the members share a common problem, often a common disease or addiction. Their mutual goal is to help each other to deal with, if possible to heal or to recover from, this problem. Many groups have professionals serve as leaders or provide supplementary resources. Peers can model healing for each other. By “the veteran

helping the rookie,” the person who has “already ‘been there’” helps the new members through peer influence, the newer member is affected. Although the newer member learns that the problem can be dealt with and how, the older member who helps also benefits. One possible effect of this peer model is empowerment. The Self Help Groups (SHGs) Guiding Principle stresses on organizing the rural poor into small groups through a process of social mobilization, training and providing bank credit and government subsidy.

The SHGs are to be drawn from the BPL list approved by the Gram Sabha wherein about ten persons are selected, one each from a family and focus on the skill development training based on the local requirement. Ten persons are selected, one each from a BPL family to form a group which is expected to implement following code of conduct like Assigning name to the SHG, Regular meetings in a Democratic way, Open exchange of thoughts in these meetings, Participation in the Decision Making process, Bank Account in the name of the SHG and Selecting a President and Secretary from the SHG. The groups’ total fund is to be deposited in the bank account so created. SHGs that are in existence for about six months and have demonstrated the potential of a viable group enters the 3rd stage, wherein it receives a ‘Revolving Fund’ from DRDA and Bank as a cash-credit facility.

This money may be utilized for internal lending among the members. If group is found to be regular in its internal lending and successfully utilizes this revolving fund; proposal for bank loan may be forwarded for sanctioning. In order to change the face of socio-economic scenario, micro enterprises and SHGs are playing significant role in the self-employment by raising the level of income and standard of living rural people. SHG movement is supposed to build economic self reliance of rural poor, overcome misuse and create confidence predominantly among women who are mostly unseen in the social structure. Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. Understanding basic financial concepts allows people to know how to navigate in the financial system. People with appropriate financial literacy training make better financial decisions and manage money better than those without such training. Financial inclusion is where individuals and businesses have access to useful and affordable financial products and services that meet their needs that are delivered in a responsible and sustainable way. Financial

inclusion is defined as the availability and equality of opportunities to access financial services. As the SHG developed in the view of socio economic development of women this leads to empower women in financial aspect. Financial awareness becomes necessary for women to rises their standard of living and become self reliance.

Objectives of the Study:--

- To study the financial awareness among self help groups.
- To study use of banking services availed by members of Self help groups.

Research Methodology:

- Population: 50 Self help groups in Kolhapur city.
- Sample: 1044 members of self groups in Kolhapur city.
- Sampling Method: Convenience sampling method.
- Data Collection Method: Schedule method has been used to collect primary data.

Data Analysis and Interpretation:

Table No.1

Awareness about banking among members of Self Help Groups

Sr. No.	Particulars	No. of Respondents	Percentage
1	Yes	1002	96%
2	No	42	4%
	Total	1044	100%

Above table states that 96% members of Self Help Groups are aware about banking and 4 % members are not aware about the same. Most of the women from self help groups have knowledge about banking.

Table No.2**Holding a bank account of members of Self Help Groups**

Sr. No.	Particulars	No. of Respondents	Percentage
1	Yes	1002	96%
2	No	42	4%
	Total	1044	100%

Above table shows that 96% members of Self Help Groups holds a bank account and 4% members do not hold the accounts. Members of self help groups who have awareness about banking holds a bank account.

Table No.3**In which Sector Banks members of Self Help Groups hold bank account**

Sr. No.	Particulars	No. of Respondents	Percentage
1	Public Sector	492	49%
2	Private Sector	357	35.6%
3	Cooperative Sector	153	15.4%
	Total	1002	100%

As the above table states that 49% members possesses bank account in Public sector banks, 35.6% members holds bank account in private sector while 15.4% members have bank account in cooperative banks. Women from self help groups prefer Public sector banks for opening a bank account.

Table No.4**Regular transactions from bank account by members of Self Help Groups**

Sr. No.	Particulars	No. of Respondents	Percentage
1	Yes	888	88.60%
2	No	114	11.40%
	Total	1002	100%

It is observed from table that 88.60% members operate bank account regularly and 11.40% members use bank account less often. It is clear that majority members of self help groups do banking transactions regularly.

Table No.5**Reason to use bank account by members of Self Help Groups**

Sr. No.	Particulars	No. of Respondents	Percentage
1	Loan	147	14.70%
2	Saving	408	40.70%
3	Both	447	44.60%
	Total	1002	100%

As the above table states that 14.70% members avail loan while 44.60% members use bank account for savings and for loan also. Women of self help groups use bank account for savings purpose mostly.

Table No.6**Passbook and cheque book used by members of self help groups**

Sr. No.	Particulars	No. of Respondents	Percentage
1	Yes	936	93.42%
2	No	66	6.58%
	Total	1002	100%

Above table shows that 93.42% members use cheque book and passbook for financial transactions whereas 6.58% still ignorant about the same. Basic services of passbook and cheque book are availed by the self help groups.

Table No.7**ATM Card issued to members of self help groups**

Sr. No.	Particulars	No. of Respondents	Percentage
1	Yes	804	80.24%
2	No	198	19.76%
	Total	1002	100%

Above table states that 80.24% members of self help groups possesses ATM card while 19.76% members do not have the same. New technology of ATM cards is availed by members of self help groups.

Table No.8**Purpose of ATM Card used by members of self help groups**

Sr. No.	Particulars	No. of Respondents	Percentage
1	Withdraw	525	65%
2	Swipe	54	7%
3	Online Payment	27	3%
4	All	198	25%
	Total	1002	100%

As the above table states that 65% members uses ATM Cards for withdraw purpose.7% members use ATM cards for swipe at POS.3% members of self help group use ATM Cards for online payment and 25% use ATM cards for all the purposes.

Findings:

1. Members of self help group from age group 30 to 50 is 72%.
2. Education of the 57.1% members is upto secondary and 21% members studied upto higher secondary. Self help group members are mostly completed basic education only.
3. Most of the women from self help groups have knowledge about banking.
4. Members of self help groups who have awareness about banking holds a bank account.
5. Women from self help groups prefer Public sector banks for opening a bank account.
6. Majority of members of self help groups do banking transactions regularly.
7. Women of self help groups use bank account for savings purpose mostly.40% women use bank account for savings. Loan facility is not availed by women of self help groups.
8. Basic services of passbook and chequebook are availed by the self help groups.

9. 65% women opened their bank account in last 5 to 10 years.

10. Banks issued ATM cards to 80% of the members of self help groups.

11. All of the women who have issued ATM cards uses the cards mostly for withdraw of cash. Only 7% use cards for swipe at POS and only 3% member use for online payments.

Conclusion:

Self help group focuses on the women empowerment by group effort. It has been found that women of self help groups have completed basic education .These members of SHG are aware about banking as they possesses bank accounts and also operates regularly. Also they use chequebook and passbook facilities provided by the bank. Mostly these women bank account for saving purpose only, they do not avail loan facility. Most of members have bank accounts more than two years .ATM cards are also used by women of self help groups. Though they use ATM cards, cards are used mostly for cash withdrawl. Other facilities of ATM cards such as swipe, online payment not used by majority of women of self help groups as they are not well educated. New banking technology awareness is present among women but usage is less among the same.

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