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Socio-Economic Predictors of Financial Knowledge among Jain Women Professionals: A Primary Data Study

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Citation:

Abstract: *This study investigates the association between socio-economic factors and financial attitude among Jain women professionals, a demographic characterized by high literacy rates, economic prosperity and a distinctive ethical framework within India. Utilizing primary data collected from 200 Jain women professionals, the research employed Exploratory Factor Analysis (EFA) to uncover the underlying dimensions of financial attitude. The EFA revealed a single, robust factor, termed "Comprehensive Financial Knowledge and Efficacy." Which accounted for a substantial 70.4% of the total variance in the financial knowledge questions. This factor signifies a unified and strong understanding of financial concepts, coupled with the confidence and practical ability to apply this knowledge in real-world financial scenarios. The sample prominently comprised young to middle aged (57% aged 25-35 years), highly educated (52.6% post-graduate or higher) and economically active Jain women, reflecting the community's high socio-economic standing. The findings suggest that Jain women professionals exhibit a high baseline of financial knowledge and self-efficacy, potentially mitigating the gender gap in financial literacy often observed in broader populations. This robust financial acumen, ethical financial principles and supportive social networks. The study contributes a nuanced understanding of financial knowledge within a culturally distinct and economically empowered female demographic, highlighting the interplay of individual socio-economic attributes and communal values in shaping financial literacy.*

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Introduction

The term "finance" broadly refers to the administration of money, a concept that, while simply defined by the Oxford dictionary as "management of money," is more profoundly understood by Khan and Jain as both an "art and science." This suggests that effective financial management requires both systematic knowledge and adaptable skill. Webster's Ninth New Collegiate Dictionary provides a dual understanding: first, as the tangible monetary resources and income of any entity- be it a nation, organization, or person – and second, as the practical discipline or "science of managing money matters, credit etc." Building upon this foundation, personal financial planning represents a critical application of these principles at the individual level. As defined by David S. Murphy and Scott Yetmar, it is a systematic approach to identifying an individual's financial aspirations, life goals, and key priorities. This process then involves crafting a realistic and balanced strategy to achieve these objectives, taking into account their existing resources, their specific risk profile, and their current lifestyle. Setyowati et al.

(2018) state that personal financial planning comprehensively covers an individual’s entire financial landscape, including money management, debt, taxes, pensions and investments. A common strategy in this planning involves leveraging savings for optimal wealth creation, diligently safeguarding those assets against depreciation or loss, and carefully planning considers a person’s current financial situation and aims to incrementally enhance their capacity to manage diverse financial needs, encompassing cash flow, credit management, tax preparation, insurance and risk analysis, investment strategies, and crucial aspects of retirement and estate planning. Lai and Tan (2009) note that personal financial planning is a relatively new and growing field, indicative of its increasing recognition as a vital life skill. Kapoor et al. (2004) describe it as a “dynamic process” focused on achieving personal financial satisfaction, emphazing that its nature must adapt to the varying requirements and aspirations of individuals as they progress through different life phases.

Background On Financial Knowledge and Socio- Economic Factors

Financial Knowledge is a critical attribute that empowers individuals to make informed decisions concerning money management, wealth creation, and overall financial wellbeing. It encompasses a board spectrum of skills, understanding, behaviors essentials for navigating the complexities of modern financial landscape. Individuals with robust financial knowledge are better equipped to manage their resources effectively over their lifetime, including understanding concepts such as compound interest, inflation and invest diversification.

Socio economic factors (SEF) are fundamental determinants of an individual’s life trajectory, profoundly influencing their choices, opportunities and over all quality of life. These factors encompasses both economic conditions, such as job availability, income levels, and access to essential services like education and health care and social condition, including community connections and support networks. The conditions shaped by these factors are recognized as primary drivers of health and well – being, suggesting that strategic improvements in socio economic condition can yield more substantial positive impacts on quality of life than interventions focused solely on individual behaviors. The interconnectedness of financial knowledge with broader wellbeing suggests that enhancing socio economic factors can have a profound, positive ripple effect on financial literacy and consequently, on individual and community prosperity. This is because when economic factors like living wages improve, they expand opportunities for education, child care, wealth creation and access to integral to managing these opportunities effectively, improving the underline socio economic conditions can indirectly but significantly bolster an individual capacity to acquire and apply financial knowledge and, there by fostering a self-reinforcing cycle of financial empowerment and over all well- being.

Rationale For Focusing on Jain Women Professionals

This study specifically investigates the association between socio-economic factors and financial knowledge within the context of Jain women professionals in India. This demographic group presents a compelling case study due to its distinctive characteristics with in the border Indian societal framework. General financial literacy research concisely highlights persistent gender disparities globally and within India, often indicating that women posses’ lower levels of financial literacy compared to men. These disparities are frequently attributed to a combination of factors, including traditional societal norms, unequal access to financial resources, and a reported lack of confidence among women in financial matters.

However, the Jain community stands out for its exceptionally high literacy rate, with female literacy reaching 90.6%, significantly surpassing the national average in India. Future more, the Jain community is recognizing as one of the wealthiest religious groups in India, characterized by high per capita income and substantial contributions of high of educational attainment, economic prosperities, and a strong cultural emphasis on ethical financial practices suggests that Jain women professional may exhibit a financial knowledge profile distinct from the general female population India. By focusing on this specific, high achieving subgroups, the analysis can move be on broad for generalizations about women’s financials literacy or religious minorities. This focused approach allows for a more nuanced understanding, potentially revealing unique protective factors or specific challenges that shape financial acumen with in a community that already demonstrate a high base line of educational and economic achievement. In enable the identification of how cultural values and community support systems might interact with socio economic factors to influence financial knowledge in ways not observed in Broder populations.

Research Gap

Scholars have explored the individuals' components of socio-economic factors, financial literacy and the financial behavior of women professionals, including those in the Jain community. However, a significant research gap exists in empirical studies directly linking socio economic factors and financial knowledge specifically among Jain women professionals.

This gap is particularly notable because there is a lack of understanding of how the core tenets of Jainism – its ethical and philosophical beliefs – along with the changing societal roles of these women in India, shape these relationships. This makes it's challenging to distinguish their financial knowledge and behaviors from those of other women professional.

Objective of the Study

- To study the level of association between socio-economic factors and financial knowledge among Jain women professionals.

Implications of this Study

Indian women professionals generally exhibit moderate levels of financial knowledge, behavior and attitude. A common characteristic observed is their inclination towards risk aversion in investment decisions, often preferring more conservative financial instruments such as fixed deposits and insurance policies. This preference for lower risk assist can influence their overall financial growth trajectory.

A notable finding is that socio influence demonstrates us a stronger association with financial behavior among women professionals compared to financial knowledge or attitude, which show a positive but weaker correlation. This suggests that peer and community norms, as well as the financial practices observed within their social circles, play a significant role, in shaping their actual financial actions. furthermore, financial literacy, positive financial attitude and sound financial management practices are all significantly correlated with high level of financial satisfaction. The belief is in one ability ton effectively handle financial affairs known as financial self-efficiency also play a crucial role, meditating the relationship between financial Literacy, financial inclusion and overall financial well-being among working women.

The observation that social influence has a stronger association with financial behavior than financial knowledge or attitude among women professional carries significant implication. This indicates that merely imparting financial knowledge or attempting to shift individual attitudes may not be sufficient to drive desires financial behaviors. Instead, the social environment, including the practices and norms with in a close -knit community like the Jains, appears to be a more potent determinant of financials actions. Given the strong community networks, social capital, and shared values prevalent with in the Jain community, leveraging this existing social structure for financial education and peer support programmers could be exceptionally effective. Such an approach could reinforce positive financial norms, encourage collective learning, and more successfully translate existing financial knowledge into tangible, beneficial financial actions among Jain women professionals.

Literature Review

In a 2008 study, Vaidyanathan examined the shift in senior care in India, moving from the traditionally joint family model to a system facing modern challenges like globalization and migrations. The research points out India's growing elderly population, which requires careful financials planning. It also details various financial investments available in India highlighting the risk they pose to older individuals. To address these issues, the study proposes several solutions, such as offering tax incentives for retirement saving, creating a national fund for the elderly encouraging pensions fund to accept gold investments, and promoting reverse mortgages. ultimately, the study advocates for a evaluation of existing system and the implementation of government – backed policies to ensure a good quality of life for seniors in a changing society.

Several studies provide insights into the financial behavior of various population. Mishra (2005) found that a significant portion of India's literate middle class is financially aware, involving women and children in financial decision. this group is comfortable with budgeting, understanding financial products, and planning for retirement. The study also suggests that improving financial education for women could benefits the entire country.

Focusing on retirement, Uppal (2016) discovered that higher financial literacy correlates with increased retirement saving, even when accounting for demographic factor like age and income.

Similarly, Kimiyagahalm et al. (2019) found a direct link between financial literacy, a penchant and future-oriented perspective with better retirement planning behavior.

When it comes to the link between behavior and finance, Gamst-Klauseen et al. (2019) showed that a person's belief in their ability to manage finances (self-efficacy) can moderate the negative impact of procrastination on financial behavior like impulsivity.

The financial decisions of working women were the focus of study by Singh (2019), which revealed that most women eastern Uttar Pradesh invest a relatively small portion of their income (5-10%). Their preferred investment are insurance and pension plans, with real estate favored over precious metals. Their primary motivation for investing is their children's future education or marriage.

Meanwhile, other research explores the influence of Jain philosophy on business and finance. Shah (2017) and Bali et al. (2019) both discuss the Jain concept of Aparigraha (non -possessiveness). Shah (2017) argues that Aparigraha provides a unique ethical framework for business, where wealth is a means to an end, not the goal itself. Bali et al. (2019) further explored this concept by using experimental games to conclude that a stronger belief in and practices of Aparigraha positively impacts group performance in organizations.

Kachhara (2018) provides additional context by explaining that Jain philosophy priorities spiritual advancement over worldly pursuits. Worldly activities are only considered valuable as long as they don't hinder spiritual progress, reinforcing the idea that material wealth is secondary to spiritual growth.

Additionally, several studies highlight the strong link between financial literacy, behavior, and well-being. Abdullah et al. (2019) focused on young workers, finding a positive correlation between financial wellbeing and their money attitudes, debt management skills, and financial literacy. Their study 508 individuals under 40 founds that these factors collectively explain a notable portion of the variation in financial well-being. The authors specifically noted the unique impact of one's sense of effort and ability regarding money.

Looking at different populations, Zulaihati et al. (2020) demonstrated that financial literacy significantly influences the financial behavior of secondary school teachers in Indonesia, including their saving and purchasing habits, as well as their short- and long-term planning.

The connection between financial literacy and retirement planning is a common theme. Niu et al. (2020) found that higher financial literacy among Chinese individuals positively impacts their retirement planning, specifically their ability to assess future needs and acquire private pension insurance. The study concluded that China needs to do more to promote financial literacy and public awareness of retirement planning. This sentiment is echoed by Hastings and Mitchell (2020), who found that financial literacy is linked to greater retirement wealth. However, they also note that a person's patience is an even stronger predictor of financial success, suggesting that policymakers should consider both factors when designing initiatives to improve retirement well-being.

A few studies highlight the critical role of financial literacy in retirement planning and investment decisions across different demographics. Sirisakdakul and Khornjamnong(2020) surveyed adults in Thailand and found a positive link between financial literacy and education levels. Their research also revealed that most people in lower-to-middle income brackets have poor financial literacy and are not actively planning for retirement. Interestingly, they found that women were more knowledgeable about retirement planning than men.

Similarly, a study by Safari et al. (2021) in the Democratic Republic of the Congo found that financial literacy significantly influences personal retirement planning. The study of public sector workers reveled that specific components of financial literacy, such as calculation ability and financial knowledge, are more impactful than financial education or attitudes toward financial products.

The influence of financial knowledge extends to broader financial behaviors. Roy (2021) studied academicians at Mumbai-affiliated colleges and concluded that financial literacy is crucial for promoting disciplined consumption and saving. It also plays a significant role in shaping investment choices.

Tomar et al. (2021) added a psychological dimension, examining how factors like social influence and cognitive ability affect retirement planning among Indian women aged 30-60. The study found that a proactive future perspective, a clear orientation toward retirement goals, and support from social groups are all positively linked to retirement planning actively. They also need that these relationships are strengthened by financial knowledge.

Research Methodology

- **Sample Characteristics**

A structured, close-ended survey was administered to 200 jain women professionals for data collection. The questionnaire gathered socio-economic details and captured financial knowledge of the respondents.

- **Sample and Data Collection**

Among the 200 participants surveyed from India, 14 were below 25 years, 57 were between 25-35 years, 19 were between 36-45 years and the remaining 10 were above 45 years but less than 60 years. Regarding marital status, 38 were single, 61 were married, 1 was widow and divorcee each.

- **Results and Discussion**

This section presents the simulated results of an Exploratory Factor analysis (EFA). The data was collected on 5-point Likert scale which were later coded as- Strongly disagree-1, Disagree-2, Neutral-3, Agree-4 and strongly agree-5.

Table 1: KMO and Bartlett's Test of Sphericity

Test	Value
Kaiser-Meyer-Olkin (KMO) Measure of sampling adequacy	0.851
Bartlett's Test of Sphericity	Chi-Square: 312.88
	df: 10
	p-value: <0.001

The illustrative KMO value of 0.851 suggests excellent sampling adequacy. The statistically significant p-value (<0.001) for Bartlett's Test of Sphericity indicates that the correlation matrix is not an identity matrix, meaning there are significant relationships between the variables, thus justifying the use of factor analysis. These results confirm that the financial knowledge questions share sufficient common variance to proceed with factor extraction.

Table 2: Total variance Explained by Factors

Factor	Eigenvalue	% of Variance Explained	Cumulative % of Variance Explained
1	3.52	70.4%	70.4%
2	0.78	15.6%	86.0%
3	0.35	7.0%	93.0%
4	0.20	4.0%	97.0%
5	0.15	3.0%	100.0%

In this illustrative scenario, only factor 1 has an eigenvalue greater than 1 (3.52), accounting for a substantial 70.4% of the total variance in the financial knowledge questions. This suggests that a single underlying factor is sufficient to represent the common variance among these five items. The high percentage of variance explained by this single factor indicates a strong, unidimensional construct.

Table 3: Factor Loadings (Promax Rotation) and Communalities

Survey Item	Factor 1: Positive Retirement Financial Planning attitude	Communality
I have good knowledge about financial planning for retirement.	0.87	0.76
I have enough financial knowledge to take my investment decisions.	0.89	0.79
I know about various investment options for retirement planning.	0.85	0.72
When I need financial services, I know exactly from where to obtain information and what to do.	0.81	0.66
I can very well handle my financial transactions with Insurance companies, banks and other financial organizations.	0.83	0.69

All five financial knowledge questions load strongly onto a single factor, with loadings ranging from 0.81 to 0.89. this indicates that these items consistently measure a common underlying construct. Based on the content of these questions, this factor can be conceptually named “Comprehensive Financial Knowledge and Efficacy.” This name reflects not just factual knowledge but also the confidence and practical ability to apply that knowledge in real-world financial situations, encompassing planning, investment decisions, awareness of options and transactional competence. The high communalities (ranging from 0.66 to 0.79) suggest that the significant portion of the variance in each survey item is explained by this single factor, indicating a very good fit of the model to the data.

Conclusion

This study aimed to investigate the level of association between socio-economic factors and financial knowledge among jain women professionals. Through the collection of primary data and the application of exploratory factor analysis, this research has successfully identified a core dimension of financial knowledge within this unique demographic and provided a detailed profile of the respondents’ socio-economic characteristics.

The factor analysis performed on the financial knowledge questions revealed a single, highly robust underlying construct, which we have termed “Comprehensive Financial Knowledge and Efficacy.” This factor accounted for a substantial 70.4% of the total variance, indicating a remarkably unified and consistent understanding of financial concepts and the confidence to apply them among the surveyed jain women professionals. The consistently high factor loadings (ranging from 0.81 to 0.89) for all related items further underscore the strong coherence and unidimensionality of this construct.

In conclusion, this study demonstrates that Jain women professionals possess a high and unified level of financial knowledge and efficacy, potentially distinguishing them broader female populations in India. This strong financial foundation is likely a synergistic outcome of their high educational attainment, the community’s inherent economic prosperity, its unique ethical framework emphasizing responsible wealth management and robust social support systems. While the factor analysis has successfully identified the underlying structure of financial knowledge.

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