

TABLE OF CONTENTS

Title	Page No.
Declaration	i
Certificate of Supervisor	ii
Anti-Plagiarism Report	iii
Abstract	iv-ix
Acknowledgements	x
Table of Contents	xi-xvi
List of Tables	xvii-xix
List of Figures	xx
Abbreviations	xxi-xxiii
Chapter 1: NEED AND SCOPE OF FINANCIAL LITERACY FOR MICROFINANCE BENEFICIARIES	1-51
1.1 Introduction – Financial Literacy - Concept and Importance	1
1.1.1 Financial Literacy	2
1.1.2 Components of Financial Literacy.....	3
1.1.2a Financial Knowledge	4
1.1.2b Financial Behaviour	6
1.1.2c Financial Attitude.....	8
1.2 How Financial Education builds up Financial Literacy?	13
1.3 Financial Literacy Drives in the Globe and in India	15
1.3.1 Initiatives of the Organization for Economic Co-operation and Development (OECD)	17
1.3.2 Financial Literacy Initiatives in India	19
1.3.2.1 Initiatives by the National Centre for Financial Education (NCFE).....	20
1.3.2.2 Initiatives of the Reserve Bank of India (RBI)	22
1.3.2.3 Initiatives of the Securities Exchange Board of India (SEBI)	24
1.3.2.4 Initiatives of the Insurance Regulatory and Development Authority of India (IRDAI).....	24
1.3.2.5 Initiatives of the Pension Fund Regulatory and Development Authority (PFRDA)	25

1.3.2.6 Initiatives of the Development Financial Institutions and Banks	25
1.3.2.6a National Bank for Agriculture and Rural Development (NABARD)	25
1.3.2.6b Small Industrial Development Bank of India (SIDBI).....	26
1.3.2.6c National Payment Corporation of India (NPCI).....	27
1.3.2.6d State Bank of India (SBI)	27
1.4 Self-Help Groups (SHGs) as Target Organizations for Financial Literacy Programmes.....	28
1.4.1 The Roll Out of Self-Help Groups (SHGs) in India	29
1.4.2 Growth of Self-Help Groups in West Bengal	34
1.4.3 Growth of SHGs in Darjeeling District	36
1.5 Statement of the Problem	37
1.6 Conclusion.....	41
References.....	42

**Chapter 2: REVIEW OF LITERATURE, OBJECTIVES, SCOPE OF THE
STUDY AND RESEARCH METHODOLOGY 52-97**

2.1 Literature Review	52
2.1.1 Literature review related to Financial Literacy.....	52
2.1.2 Literature review related to Financial Well-Being	68
2.1.3 Literature review related to Financial Self-Efficacy.....	74
2.1.4 Literature review related to Financial Resilience	78
2.2 Identification of the Research Gaps	81
2.3 Objectives of the Study	82
2.4 Research Hypotheses.....	83
2.5 Scope of the Study.....	83
2.6 Research Methodology.....	84
2.6.1 Population Frame	86
2.6.2 Method of Sampling	86
2.6.2.1 Sample size and Description.....	86
2.6.2.2 Sample Profile.....	88
2.6.3 Data Collection	89
2.6.3.1 Primary Data	89
2.6.3.2 Secondary Data	89

2.6.3.3 Time Period.....	89
References.....	90
Chapter3: FINANCIAL ACTIVITIES OF SELF-HELP GROUPS AND FINANCIAL LITERACY REQUIREMENTS OF SELF-HELP GROUP MEMBERS	98-116
3.1 Introduction	98
3.2 Formation of SHG and Thrift Generation	98
3.3 Inter-lending Activities and Book-Keeping Activities.....	99
3.4 Bank Linkage	102
3.5 Credit Linkage.....	105
3.6 Problems of Financial Literacy of Women SHG Members	109
3.7 Conclusion.....	113
References.....	114
Chapter 4: EXPLORATION AND CONFIRMATION OF FACTORS DETERMINING FINANCIAL LITERACY AND LEVELS OF FINANCIAL LITERACY IN DARJEELING DISTRICT.....	117-156
4.1 Introduction	117
4.2 Factors determining financial literacy of women SHG members in Darjeeling District.....	118
4.3 Sample and Research Instrument	119
4.4 Analysis of Data	120
4.4.1 Exploratory Factor Analysis	120
4.4.1.1 Reliability Test.....	122
4.4.1.2 Adequacy of Data	122
4.4.1.3 Principal components analysis (PCA)	123
4.4.2 Confirmatory Factor Analysis (CFA).....	131
4.4.2.1 Assessing Measurement Model Validity	132
4.4.2.1.1 Assessing Model Fit Validity	136
4.5 Reporting of Scores of Sample SHG members	138
4.6 Socio-demographic variables and Financial Literacy	140
4.6.1 Age and Financial Literacy	141
4.6.2 Marital Status and Financial Literacy	143
4.6.3 Education and Financial Literacy	144
4.6.4 Employment status and Financial Literacy.....	145
4.6.5 Household Income and Financial Literacy	146

4.6.6	Family size and Financial Literacy	147
4.6.7	Vintage of SHG membership and Financial Literacy	148
4.7	Conclusion.....	150
	References.....	151
Chapter 5: FINANCIAL RESILIENCE AND FINANCIAL SELF-EFFICACY		
– AN ASSESSMENT OF FACTORS AND LEVELS 157-199		
5.1	Introduction: Financial Resilience and Financial Self-efficacy	157
5.1.1	Financial Resilience	157
5.2	Factors determining Financial Resilience of women SHG members in Darjeeling District	160
5.2.1	Exploratory Factor Analysis (EFA).....	160
5.2.1.1	Reliability Test.....	161
5.2.1.2	Adequacy of Data	161
5.2.1.3	Principal Component Analysis (PCA).....	162
5.2.2	Confirmatory Factor Analysis (CFA).....	166
5.2.2.1	Validation of the Measurement Model	166
5.2.2.2	Model Fit Validity.....	168
5.3	Scores and Levels of Financial Resilience	170
5.4	Financial Resilience and Socio-demographic variables	171
5.4.1	Relationship between Age and Financial Resilience levels.....	172
5.4.2	Relationship between Marital Status and Financial Resilience levels.....	173
5.4.3	Relationship between Education and Financial Resilience levels	174
5.4.4	Relationship between Employment Status and Financial Resilience levels	176
5.4.5	Relationship between Household Income and Financial Resilience levels	177
5.4.6	Relationship between Family size and Financial Resilience levels.....	178
5.4.7	Relationship between Vintage of SHG membership and Financial Resilience levels.....	179
5.5	Financial Self-efficacy	181
5.5.1	Measurement of Financial Self-efficacy	183
5.5.2	Scores and Levels of Financial Self-efficacy of the Sample Respondents	184
5.6	Financial Self-efficacy and Socio-demographic variables	185
5.6.1	Relationship between Age and Financial Self-efficacy	185

5.6.2	Relationship between Marital Status and Financial Self-efficacy	186
5.6.3	Relationship between Education and Financial Self-efficacy	187
5.6.4	Relationship between Employment Status and Financial Self-efficacy	188
5.6.5	Relationship between Household Income and Financial Self-efficacy	189
5.6.6	Relationship between Family Size and Financial Self-efficacy	190
5.6.7	Relationship between Vintage of SHG membership and Financial Self- efficacy.....	191
5.7	Conclusion.....	192
	References.....	193
Chapter 6: ASSESSMENT OF FINANCIAL WELL-BEING LEVEL OF MICROFINANCE BENEFICIARIES		200-227
6.1	Financial Well-being- Introduction	200
6.2	Factors	202
6.3	Research Instrument	202
6.4	Identification of Factors which influence Financial Well-Being	203
6.4.1	Exploratory Factor Analysis	203
6.4.2	Results.....	204
6.4.2.1	Reliability Test.....	204
6.4.2.2	Adequacy of Data	204
6.4.2.3	Principal Components Analysis (PCA)	204
6.5	Confirmatory Factor Analysis (CFA).....	208
6.5.1	Measurement Model Assessment	208
6.5.2	Assessing Model Fit Validity	210
6.6	Financial Well-Being scores of Sample SHG members	212
6.7	Financial Well-Being and Socio-demographic factors	214
6.7.1	Relationship between Age and Financial Well-Being	214
6.7.2	Relationship between Marital Status and Financial Well-Being	216
6.7.3	Relationship between Education and Financial Well-Being	217
6.7.4	Relationship between Employment Status and Financial Well-Being	218
6.7.5	Relationship between Household Income and Financial Well-Being	220
6.7.6	Relationship between Family Size and Financial Well-Being	221
6.7.7	Relationship between Vintage of SHG membership and Financial Well- Being	222

6.8 Conclusion.....	224
References.....	225
Chapter 7: EXPLORING THE RELATIONSHIP BETWEEN FINANCIAL LITERACY, FINANCIAL SELF-EFFICACY, FINANCIAL RESILIENCE AND FINANCIAL WELL-BEING USING STRUCTURAL EQUATION MODELING (SEM)	228-243
7.1 Theoretical Background	228
7.1.1 The link between Financial Literacy and Financial Well Being.....	228
7.1.2 The link between Financial Literacy and Financial Resilience	229
7.1.3 The link between Financial Literacy and Financial Self-Efficacy.....	230
7.1.4 The link between Financial Resilience and Financial Well-being.....	230
7.1.5 The link between Financial Self-efficacy and Financial Well-being.....	232
7.2 Proposed Structural Model.....	232
7.3 Structural Equation Modeling (SEM)	234
7.3.1 Assessing Validity of the Structural Model.....	234
7.3.2 Standard Path Estimates for the Structural Model.....	237
7.4 Conclusion.....	239
References.....	240
Chapter 8: CONCLUSION AND POLICY RECOMMENDATIONS.....	244-257
8.1. Summary of Findings	244
8.2. Policy Implications.....	252
8.3. Limitations of the Study	253
8.4. Scope of Future Research.....	254
References.....	256
Bibliography	258-287
Appendix 1: RBI Circulars	288-296
Appendix 2: Questionnaire for Self Help Group Members.....	297-305
Appendix 3: Photographs taken during field visits	306-307
List of Publications	308