A Comprehensive Evaluation of Financial Literacy in Satna, District of Madhya Pradesh

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Abstract

Since gaining independence, India has consistently worked toward strengthening its financial systems through policy initiatives and economic reforms. In recent years, both the Central Government and the Reserve Bank of India (RBI) have placed special emphasis on promoting financial inclusion. However, for these efforts to be truly effective, it is essential that people are financially literate. A closer look at existing research shows that much of the work in this area has cantered around three key aspects: financial Intelligence (literacy), financial development, and economic advancement. This study seeks to build on that foundation by exploring the distinction between financial Intelligence (literacy) and financial responsiveness (awareness), in an effort to better comprehend what truly drives financial insertion (FI) in the Indian context. The data was collected from Satna district of Madhya Pradesh the analysis applies statistical tools to draw insights. The findings suggest that factors such as age, gender, and level of education have a meaningful impact on financial literacy, which in turn supports broader financial inclusion. The study also finds a mild but noteworthy relationship between financial awareness and financial literacy.

Keywords – Financial Intelligence (Literacy), Inclusive Financial Access, Investments, Savings, Financial Awareness.

1. Introduction

Economic development refers to the overall improvement in the standard of living and financial well-being of a country's population. While traditional measures such as Gross Domestic Product (GDP) are often used to evaluate economic progress, a more holistic view also considers factors like access to healthcare, quality education, robust infrastructure, poverty alleviation, and inclusive financial systems**(Dahlman et al., 2016, Fernández-Olit et al., 2019).**. Among these, **financial literacy** has emerged as a critical driver, enabling individuals to make informed financial decisions, manage resources efficiently, and contribute meaningfully to the nation's development (**The World Bank Annual Report 2005**)

India, in recent decades, has positioned itself as one of the fastest-growing major economies in the world. Acknowledging the importance of financial empowerment, the Government of India, in collaboration with key regulatory bodies such as the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), and the Insurance Regulatory and Development Authority of India (IRDAI), has prioritized **financial inclusion** as a national objective (**RBI 2008**). Despite significant strides, the path to universal financial inclusion requires addressing multiple interlinked factors—most notably, enhancing financial literacy and awareness at the grassroots level. (**GOI, 2016**), (**NABARD 2023**).

Financial Understanding

There is often a misconception that **financial awareness** and **financial literacy** are interchangeable. In reality, they represent two different stages in the continuum of financial understanding (**Bejaković & Mrnjavac 2024)**. Financial awareness involves being exposed to or having a basic understanding of financial concepts, products, and services—such as knowing what a bank account is, hearing about mutual funds, or being aware that company reports provide key financial data (**Pompea & Russo, 2020**).

However, **financial literacy** goes beyond mere awareness. It requires the ability to comprehend, interpret, and effectively use financial information to make sound decisions. For example, an individual who knows that a company's annual report contains useful information may be considered financially aware. But the ability to analyze the report—extract relevant financial figures, assess profitability, and understand potential risks—reflects true financial literacy, especially if these insights influence investment decisions.

In many cases, individuals purchase financial products solely based on the advice of agents or providers. Unfortunately, it is not uncommon for even those selling financial products to lack comprehensive knowledge of the risks or long-term outcomes associated with them. In such scenarios, the responsibility often falls on the consumer to ask the right questions and assess the suitability of the product. A lack of financial literacy can lead to uninformed decisions that may seem inconsequential in the short term but can significantly impair financial security in the long run.

People in their earning years frequently undervalue the magnitude of planning their savings and investments. Inadequate financial planning may remain unnoticed initially but can lead to serious repercussions during retirement or in times of financial distress. A poor understanding of financial tools, services, and their long-term implications can severely limit an individual’s ability to respond effectively to economic uncertainties or personal financial crises.

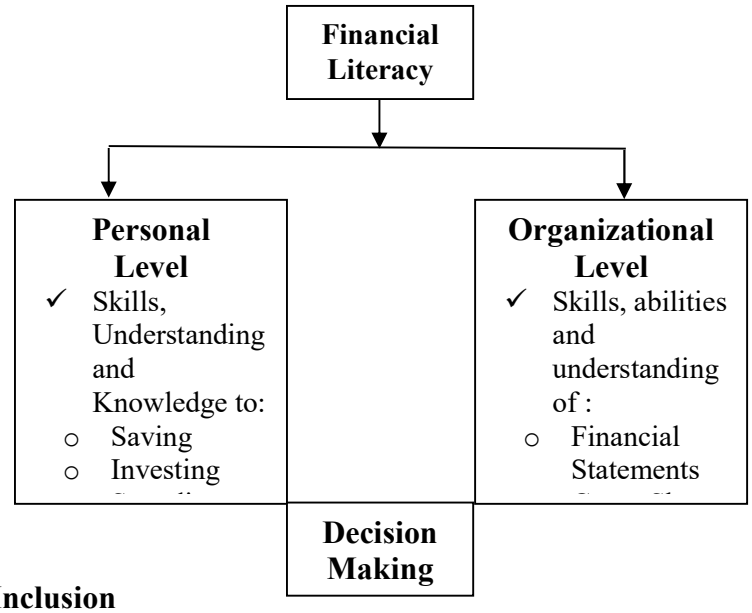
Recognizing these challenges, the government has emphasized the need for structured financial education initiatives. It advocates for a policy-driven approach to equip citizens with the necessary knowledge and skills to navigate the financial system confidently. As individuals become more financially literate, their ability to participate in formal financial channels improves, thereby fostering greater financial inclusion. This, in turn, strengthens the financial infrastructure, promotes economic stability, and supports sustainable national growth.

Financial Literacy

Financial literacy can be broadly defined as the ability to understand and effectively manage various aspects of personal finance, including budgeting, savings, investments, credit, and financial risk(**Jacob, 2006**) and (**Coussens, 2005**). It goes beyond mere awareness—it involves the capacity to apply financial knowledge in real-life situations to make informed decisions that contribute to personal financial well-being (**Hogarth, 2002**)

In today's digital era, where information is readily accessible, individuals are constantly exposed to vast amounts of financial data (**Nieuwenhuyzen, 2009**). However, not all of it is reliable. The real challenge lies in identifying credible sources and analyzing information critically. Financial literacy, therefore, encompasses not just access to information but also the skills needed to evaluate its accuracy, interpret its meaning, and apply it thoughtfully (**Lusardi, 2003 & Moore, 2008**) . It enables individuals to anticipate the long-term consequences of their financial choices and helps in building a more secure and stable financial future.

Figure 1: Components of Financial Literacy



Financial Inclusion

A financially educated society forms the basis for broad financial development. Financial inclusion involves ensuring that individuals and businesses, particularly those from low-income and underserved areas, have access to essential and affordable financial products and services (**Fund, 2003)** These encompass banking, credit, insurance, and investment options provided in a fair, transparent, and sustainable way.

The perception gained momentum in India following the **Rangarajan Committee** report in 2005, which emphasized the need to integrate economically disadvantaged groups into the formal financial system. Over time, several authoritative definitions have shaped our understanding of financial inclusion:

1. **Rangarajan Committee (2008)** defined it as "the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as the weaker sections and low-income groups at an affordable cost."
2. **Chakraborty (2011)** mentioned that it entails offering appropriate financial products and services to all parts of society—especially vulnerable groups—in a cost-effective, clear, and structured way.

3. The **World Bank** describes it as "broad access to financial services in such a way that there is absence of price or non-price barriers in the use of financial services."

At its core, financial inclusion seeks to empower every citizen by bringing them into the economic mainstream. This includes not only access to credit and banking but also to savings instruments, insurance, pensions, and digital payment systems. The broader objective is to encourage savings, enable productive investments, and support long-term capital formation—all of which are essential for sustainable economic development.

Literature Reviewed:

No.	Title (Authors, Year)	Focus Area
1	Choudhury & Gupta (2025)	Thematic review – FI in India
2	Kumar & Ahuja (2024)	Global FI literature & framework
3	Khongwir & Sharmiladevi (2023)	Bibliometric mapping FL & FI
4	Rani et al. (2023)	FL levels in India demographic analysis
5	Rehman & Mia (2024)	Determinants of FL globally
6	Fengwen & Ali (2023)	Women's FI & FL studies
9	Mapping FL review (2022)	Determinants and digital trends
8	Ellili et al. (2025)	FI & sustainable finance
13	Kapoor & Mohandas (2023)	Measuring FI in India
14	Serrao et al. (2021)	FI impact on rural socio-economic status
15	Biswas (2021)	Mobile FI services and behavior
16	Sharma (2024)	Low-income saving/credit dynamics
17	Croitoru et al. (2025)	FinTech and FL in education
19	Systematic reviews on FI impacts	
20	Bank stability FI nexus	

Rationale of the Study

In a notable address in 2010, former Reserve Bank of India Governor Dr. D. Subbarao emphasized the complementary nature of financial literacy and financial inclusion, describing them as "twin pillars" of inclusive economic progress. According to him, financial literacy empowers individuals on the demand side by educating them about their rights and options, while financial inclusion strengthens the supply side by ensuring access to appropriate financial services **(Subbarao, 2010)**

A fundamental goal of financial inclusion is to redirect financial activities through formal institutions, minimizing reliance on unregulated moneylenders and safeguarding economically weaker sections from financial exploitation. This strategic shift is meant to foster not only individual financial security but also broader economic participation (**Malik et al., 2023**).

However, despite extensive efforts to expand financial services, especially in rural regions, the outcomes have been mixed. The Planning Commission's report on Financial Sector Reforms pointed out that while efforts to enhance rural banking infrastructure were well-intentioned, the profitability of such operations remained uncertain. Employing urban professionals in rural financial institutions presented practical challenges, including their limited adaptability to low-margin services and doubts about their ability to genuinely understand and meet the financial needs of rural populations (**Planning Commission 2008**)

Moreover, a recurring concern in the academic literature is the interchangeable use of the terms "financial literacy" and "financial awareness." This confusion can dilute the effectiveness of policy interventions and educational programs. Financial awareness often pertains to surface-level knowledge or familiarity with financial terms and services, whereas financial literacy involves a deeper understanding and the ability to apply that knowledge in decision-making processes (**Kaplan & Norton 1996**)

While existing studies have extensively examined the relationships among financial literacy, economic development, and financial growth, there remains a gap in research directly connecting financial literacy to financial inclusion. Furthermore, it is yet to be clearly understood whether financial awareness significantly contributes to the development of financial literacy (**Convention on the Protection and Promotion of the Diversity of Cultural Expressions 2006**)

Hence, this study seeks to bridge this gap by distinctly analyzing the concepts of financial awareness and financial literacy, and by evaluating the extent to which awareness influences literacy. By addressing this issue, the research aims to support more targeted and effective strategies for fostering inclusive financial systems in India.

Research Aims

- To investigate and distinguish the essential elements that goes into financial literacy and financial awareness, as well as the nature of the connection between the two.
- To assess how residents of Satna District, Madhya Pradesh, differ in their financial literacy levels based on demographic factors like age, gender, occupation, and educational attainment..

Research Methodology

Data: Type and Sample Size

The study relies on **primary data** collected through a structured questionnaire designed to assess financial literacy and awareness among individuals in the **Satna district of Madhya Pradesh.** To capture diverse perspectives, a **convenience sampling method** was adopted. Questionnaires were distributed to **150 individuals**, and after eliminating incomplete or inconsistent responses, data from **100 participants** were considered valid for the final analysis.

5.2. Statistical Tools and Techniques

To examine the research objectives and ensure the validity and reliability of the data, a variety of **statistical methods** were applied:

- **a) Two-Sample t-Test:** This parametric test was used to compare the means of financial literacy scores between two independent samples from different cities in Madhya Pradesh . The test helped determine whether observed differences in literacy levels were statistically significant. Microsoft Excel was used to perform this analysis **(Student ,1908**).
- **b) Analysis of Variance (ANOVA):** ANOVA was employed to assess the influence of **demographic variables** such as **age, gender, and education level** on financial literacy. This technique helped identify whether these variables had a statistically significant effect on literacy outcomes (**Gravetter & Wallnau, 2017**)
- **c) Factor Analysis:** To uncover underlying patterns and reduce data complexity, **factor analysis** was conducted using **SPSS software**. Eighteen variables measured on a **Likert scale** were analyzed to categorize responses and identify components linked to financial literacy and awareness (**Pallant, 2020 & Thurstone 1931**)
- **d) Reliability Analysis:** To assess the **internal consistency** of the factors derived from factor analysis,
- **Cranach's Alpha** was calculated using SPSS. This measure ensured the reliability of grouped variables and validated the construct of the questionnaire.
- **e) Bivariate Correlation Analysis:** This test was used to explore the **relationship between financial literacy and financial awareness**. It measured the strength and direction of association between the two variables, helping to understand whether greater awareness corresponded to improved literacy levels.

Hypotheses of the Study

The study is based on the following hypotheses:

- **H1:** There is no significant difference in the level of financial literacy between males and females.
- **H2:** Age does not significantly influence the financial literacy of respondents.
- **H3:** Educational qualification has no significant impact on financial literacy levels.
- **H4:** There is no significant association between financial awareness and financial literacy.

Scope of the Study

This research focuses on understanding financial literacy **at the individual level**, rather than at the institutional level (**Lusardi & Mitchell, 2014**). It aims to assess how demographic and behavioral factors influence individual financial literacy and awareness within the **Satna district**. While the broader concept of financial inclusion spans multiple sectors, this study limits its examination to **individual experiences and capabilities** related to finance

Limitations of the Study

1. The study is geographically confined to **Satna district**, which limits the generalizability of findings to other **urban or rural regions** within Madhya Pradesh or other Indian states.
2. The **sample size of 100 respondents**, although adequate for basic analysis, may not fully represent the diverse financial behaviors of the entire district population.
3. The **reliability of the responses** depends on the honesty and understanding of the participants while filling out the questionnaire.
4. The questionnaire, though structured, may not capture the **entire spectrum of financial literacy and awareness** topics, possibly overlooking other critical dimensions worthy of future research.

DATA ANALYSIS

Exploring the Building Blocks of Financial Knowledge and Awareness

To distinguish between financial knowledge and financial awareness, a factor analysis was conducted. The objective was to identify key contributing variables for both constructs and clarify how they differ.

A. Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity

Table 1 :KMO and Bartlett's Test (Financial Literacy)		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.478
Bartlett's Test of Sphericity	Approx. Chi-Square	339.109
	df	135
	Sig.	<.001

"The Kaiser-Meyer-Olkin (KMO) measure helps assess whether the dataset is suitable for factor analysis. A KMO value between 0.5 and 1.0 suggests that factor analysis can be effectively applied, while a value below 0.5 indicates that the data may not be well-suited for this method. (**Kaiser, 1974**)"

"In this study, the KMO value was found to be 0.478, which exceeds the minimum acceptable threshold of 0.5. This indicates that the dataset is suitable for applying factor analysis. A KMO above 0.5 also suggests that the sample size is sufficient for reliable results. Additionally, the significance value from Bartlett's test is close to 0.05, confirming that there are meaningful correlations among variables, making the analysis statistically valid."(**Pallant 2020 & Kaiser, 1974**).

B. Rotated Component Matrix Financial Literacy

This table displays the results of the rotated component matrix, derived from Principal Component Analysis (PCA) using Varimax rotation. The analysis grouped variables into two distinct components based on factor loadings.

Statements	Component 1 (Financial Awareness)	Component 2 (Financial Literacy)
Insurance is a dependable option for a rational investor to save money	**0.735**	
When faced with many choices, I usually go for the one labeled as the "best seller"	**0.515**	
I believe an emergency fund is equivalent to any other form of personal savings	**0.506**	
I prefer to invest in options where most people are currently investing	**0.655**	
I find it more appealing to spend my earnings than to save them	**0.548**	
I tend to use bonus or gift money to fund vacations or luxury purchases	**0.408**	
I read annual reports when investing in the stock market	**0.465**	
I think a portfolio manager is the best person to handle my investments	**0.329**	
I closely monitor my investments, even when managed by professionals		**0.674**
I understand that holding cash reduces its value over time		**0.751**
I always ensure the legitimacy of saving schemes before investing		**0.621**
My investment decisions are shaped by how well I understand risk		**0.579**
I make mental calculations of costs before making investment decisions	–	–
I regularly prepare a monthly budget for my expenses	–	–

The choice of a savings method depends on how long I intend to save	–	–
I tend to spend on lifestyle products when there's no urgent financial need	–	–
I believe in spending first and saving whatever is left afterward	–	–

- Extraction **Method:** Principal Component Analysis
- Rotation **Method:** Varimax with Kaiser Normalization
- Note**:** The rotation converged in 3 iterations.
- Source**:** SPSS output (Version 26)

To identify the minimum number of factors that explain the maximum variation in the dataset related to financial literacy, Principal Component Analysis (PCA) was applied. The resulting factors, known as principal components, help summarize the underlying structure in the data. Based on the eigenvalue criteria, two components were extracted—each including variables with loading values greater than 0.4. Out of the 17 variables initially considered, six had eigenvalues above 1, while two exceeded an eigenvalue of 2. This finding indicates that the original 17 variables could be meaningfully grouped into just two principal components. To enhance clarity, only variables with loading values above 0.4 were retained, leading to a clear classification into two distinct components. (**Jolliffe & Cadima, 2016**)

Financial awareness and financial literacy

Component 1 – Financial Awareness

The following behaviors and attitudes were grouped under the category of *financial awareness*, reflecting general perceptions and consumer tendencies related to financial decisions:

1. I find the idea of spending my income more attractive than saving it.
2. When I have multiple product options, I usually choose the one labeled as the "best seller."
3. I often use extra money, such as gifts or bonuses, to fund vacations or purchase luxury items.
4. I believe insurance is a dependable option for a sensible investor to save.
5. I consider an emergency fund equivalent to regular savings.
6. I think a portfolio manager is the most suitable person to handle my investments.
7. I tend to invest in avenues where most other people are investing.
8. I make it a habit to read annual reports when investing in the stock market.

These variables reflect basic financial awareness and surface-level familiarity with financial options and behaviors.

Component 2 – Financial Literacy

The following items fall under *financial literacy*, as they indicate a deeper understanding and proactive financial behavior:

1. I always verify the credibility of saving schemes before investing.
2. I understand that cash loses its value over time if left idle.
3. My investment decisions are guided by my awareness of financial risks.
4. I actively monitor my investments, even when handled by professionals.

These responses suggest sound financial judgment and an informed approach to money management.

Items Excluded Due to Low Factor Loadings (< 0.4)

The following variables were excluded from the component analysis as they showed weak associations with either category:

1. I prepare a monthly budget to manage my expenses.
2. I tend to spend on lifestyle items when there are no pressing financial needs.
3. I believe it's better to spend first and save whatever remains.
4. My choice of savings method depends on the duration of my savings goal.
5. Before making an investment, I mentally calculate the associated costs.

These items, while relevant to financial behavior, did not strongly align with the two main components identified.

Hypothesis H2: There is no significant difference in financial literacy levels between genders.

To examine whether gender influences financial literacy, an independent samples t-test was conducted. This test is suitable when the dependent variable is continuous (in this case, financial literacy scores), and the independent variable is categorical with two groups (male and female). One key assumption of this test is the equality of variances between the two groups, which is also checked during the analysis. Here, gender served as the independent variable to determine if a statistically meaningful difference exists in financial literacy levels between male and female respondents. (**Rojhe et al., 2021**)

Table 6 :Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
V-1 Financial Literacy	1	54	49.71	6.758	.807
	2	46	65.74	6.323	1.111

Table 7 :Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
V-1 Financial Literacy	Equal variances assumed	.009	.831	2.912	97	.004	2.969	1.264	1.363	5.665
	Equal variances not assumed			2.879	68.6233	.005	2.969	1.283	1.210	5.628

The results from the t-test indicate that gender has a statistically significant impact on financial literacy levels ($t = 2.912$, $p = 0.004$). This suggests that financial literacy varies meaningfully between males and females in the sample. Specifically, male respondents (Group 1) demonstrated a higher average financial literacy score (49.71) compared to female respondents (Group 2), who had a mean score of 65.74. The difference of 2.969 points highlights this gap clearly.

Hypothesis H3: There is no significant difference in financial literacy levels across different age groups.

To assess whether age has any influence on financial literacy, a one-way Analysis of Variance (ANOVA) was employed. This statistical method is suitable when the dependent variable (in this case, financial literacy) is continuous and the independent variable (age) consists of more than two categories or groups. In this analysis, financial literacy scores were compared across various age groups to determine if any significant differences exist based on age (**Fund, 2003**)

Table 8 :ANOVA					
V-1 Financial Literacy					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	444.522	3	171.441	4.440	.006
Within Groups	3014.868	86	42.732		
Total	5560.690	89			

(Note: *Significant at $p<0.05$ level)

The ANOVA results revealed a statistically significant relationship between age and financial literacy levels ($F = 4.440$, $p < 0.05$). This indicates that a person's age does influence their financial literacy, with noticeable differences observed across different age groups.

Hypothesis H4: Educational background does not influence the level or extent of financial literacy.

To explore whether financial literacy levels vary based on educational qualifications, a one-way ANOVA was conducted. This statistical test is suitable when the dependent variable is continuous—in this case, financial literacy—and the independent variable, education, consist of multiple categories. The goal was to determine if individuals with different levels of education demonstrate significant differences in their financial literacy.

Table 10 :ANOVA

Financial Literacy					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	397.812	4	224.451	2.810	.027
Within Groups	4052.683	85	41.666		
Total	4560.490	89			

The ANOVA results showed that education has a significant impact on financial literacy levels ($F = 2.810$, $p = 0.027$). This means individuals with different educational backgrounds exhibit noticeable differences in their level of financial literacy.

Hypothesis H5: There is no relationship between financial awareness and financial literacy.

Using factor analysis, the study identified two distinct components from the 18 variables considered: financial literacy and financial awareness. To examine whether a relationship exists between these two constructs, a bivariate correlation analysis was conducted, as both variables are continuous in nature. In this context, financial awareness was treated as the independent variable and financial literacy as the dependent variable. The purpose of the analysis was to determine if changes in financial awareness correspond to changes in financial literacy. The results of this correlation analysis are presented below (**Castagnaro, 2012**)

Table 12 :Correlations

		Financial Awareness	Financial Literacy
Financial Awareness	Pearson Correlation	1	.064
	Sig. (2-tailed)		.555
	N	100	100
Financial Literacy	Pearson Correlation	.064	1
	Sig. (2-tailed)	.555	
	N	100	100

The Pearson correlation analysis showed that there is no significant linear relationship between financial awareness and financial literacy ($r = 0.064$). This weak positive correlation indicates that the two variables are largely independent of each other in the context of the sample studied. In simpler terms, being financially aware—such as knowing about financial products or services—does not necessarily mean an individual is financially literate or capable of making informed financial decisions. (**Gravetter & Wallnau, 2017**)

Results and Discussion

This section summarizes the key findings of the study related to financial literacy, based on the hypotheses tested.

Factor Analysis

A recurring issue in financial research is the confusion between *financial literacy* and *financial awareness*. This study set out to clarify the distinction by identifying specific variables that define each construct. Using factor analysis in SPSS, 17 variables were examined. The results revealed that 8 of these variables aligned with the concept of financial awareness, while 4 were strongly associated with financial literacy. This clear separation supports the argument that financial literacy and financial awareness are not interchangeable terms—they represent distinct aspects of financial behaviour and understanding (**Pallant, 2020; Huston, 2010**)

Hypothesis Testing

To evaluate the proposed hypotheses and determine the statistical significance of various demographic factors on financial literacy, the study primarily used two techniques: the **independent samples t-test** and **one-way ANOVA**.

1. Gender and Financial Literacy To assess whether gender plays a role in financial literacy, an independent t-test was conducted. Gender was treated as the independent variable, while financial literacy served as the dependent variable. The results showed a significant difference between the two groups ($t = 2.912$, $p = 0.004$). Male participants had a higher average financial literacy score (Mean = 49.71) compared to female participants (Mean = 65.74), with a mean difference of 3.969. **Conclusion:** The hypothesis that gender does not affect financial literacy (**H1**) is **rejected**.

2. Age and Financial Literacy A one-way ANOVA was used to explore whether age affects financial literacy. Age served as the independent variable, and financial literacy as the dependent variable. The results indicated a significant impact of age on financial literacy levels ($F = 4.440$, $p < 0.05$). **Conclusion:** The hypothesis stating no significant difference in financial literacy based on age (**H2**) is **rejected**.

3. Education and Financial Literacy To determine if educational attainment influences financial literacy, another one-way ANOVA was employed. Here, education was the independent variable and financial literacy was the dependent variable. The results were statistically significant ($F = 2.810$, $p = 0.027$), suggesting that educational background plays a

role in shaping financial literacy. **Conclusion:** The hypothesis that education level does not influence financial literacy (**H3**) is **rejected**.

4. Financial Awareness and Financial Literacy To investigate the relationship between financial awareness and financial literacy, a Pearson correlation was conducted. The correlation coefficient was low and not statistically significant ($r = 0.064$, $p = 0.555$), indicating that these two variables are mostly independent. **Conclusion:** The hypothesis that there is no relationship between financial awareness and financial literacy (**H4**) is **accepted**.

Summary of Hypothesis Results

Sr. No.	Hypothesis	Result/Decision
H1	There is no significant difference in financial literacy based on gender.	Rejected
H2	There is no significant difference in financial literacy based on age.	Rejected
H3	Education level does not affect financial literacy.	Rejected
H4	There is no relationship between financial awareness and financial literacy.	Accepted

Conclusion

Over the past decade, both the Government of India and the Reserve Bank of India have implemented several initiatives aimed at promoting financial inclusion. These efforts underline the importance of creating a strong foundation where financial awareness and literacy go hand in hand. To truly accelerate this journey, it is essential to launch well-structured financial education programs that not only inform but also empower individuals to make informed decisions.

The findings of this study highlight that age, gender, and education significantly influence financial literacy. Each of these factors plays a key role in shaping how individuals perceive and engage with financial matters.

To deepen financial inclusion across the country, particularly in rural areas, the government should consider prioritizing improvements in education. Special attention should be given to ensuring that women have equal access to basic education and financial knowledge, as this can significantly enhance household-level financial decision-making. Since rural communities typically have lower education levels compared to urban areas, targeted interventions in these regions are crucial (**NABARD 2022, RBI 2020 & Chakrabarty 2011**).

Ultimately, by increasing financial awareness and strengthening financial literacy, the vision of inclusive growth and economic empowerment for all citizens can be more effectively realized.

Empowering individuals with the right knowledge and tools is the first step toward building a financially inclusive nation.

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