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IMPACT OF DEMOGRAPHIC FACTORS ON FINANCIAL INCLUSION IN MYSORE DISTRICT

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ABSTRACT **DOI No: 10.36713/epra20118** **Article DOI: https://doi.org/10.36713/epra20118**

Demographic factors that influence the financial inclusion have become increasingly important for policy makers than ever before. Demographic profile of respondent's such as Sex, Age, Marital Status, Education, occupation and Income are highly considerable impact financial inclusion through Banks-Linkage programme. This study is to analyse the relationship between education and demographic factors impact on financial inclusion. The selected sample size of the study has selected 350 respondents from seven taluks of Mysore District. The study is employed Cross Tabulation Analysis and Chi-Square test for assessing impact of education and demographic factors on financial inclusion of respondents. The result of the analysis proved that education and demographic factors lead to enhance the financial inclusion.

KEY WORDS: ***Demographic factors, financial inclusion, Education.***

INTRODUCTION

The term financial inclusion has become not only fashionable but also extensive and quite relevant to India. The main reason for development concern about inclusive of wide spread "Financial Exclusion" in developing countries like India is direct and straight forward. The majorities of the people in India have no saving accounts; do not receive credit from a formal Financial Institutes and no insurance policies.

Financial Inclusion and Education

Financial inclusion is the programme that everyone should have access to affordable financial Services. This includes services like banking, credit, insurance and savings. The goal of financial inclusion is to help people build wealth and reduce Poverty and inequality.

In the context of financial inclusion, education for financial inclusion is anticipated to target those with no formal financial products; those using a very limited range of products, and inexperienced, newly included Consumers.

Financial Education is intended to facilitate access and, where appropriate encourage widening use of relevant financial Products and services for the benefits of individuals. Financial education usually involves knowledge, attitude and responsibility in making financial decision in order to achieve personal financial independence.

REVIEW OF LITERATURE

Government and Financial Institutions needs to create awareness about financial literacy and household Survey to access financial services (Karnataka 2013). Demand side factors irregular income, lack of trust, literacy level, high cost and technology are reason for financial inclusion is business correspondence model to financially exclusion community (Bhuvana 2016) financial literacy was affected internal factors refers to demographic elements such as age, sex, race, education, income, and occupation (Nidar's and Bestari's.2012). (Personal financial literacy among university students. world Journal of Social Sciences).The differences in financial literacy were correlated with demographic and economic Characteristics (Nanziri and Leibbrandt 2018).
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OBJECTIVE OF THE STUDY

To analyse the impact of demographic factors on financial inclusion in Mysore District.

HYPOTHESIS

The successes of finance inclusion initiates are associated with demographic factors of individuals.

METHODOLOGY

1. Respondents

The study selected 350 respondents from Seven Taluks of Mysore District, Karnataka. It fulfilled the sample adequacy requirement.

2. Data Base

The primary data of the research study were collected using a questionnaire, which were collected by a direct interview with target respondents. The secondary data were collected from publications of NABARD, RBI, Journals, working and occasional papers, etc.

3. Data Analysis and Interpretation.

The cross Tabulation Analysis and chi- Square test were employed to assess the impact of Education on demographic factors of respondents for financial inclusion through Bank Linkage programme.

4. Result and Discussion

The important of improved financial inclusion is depend on financial education for financial stability, financial literacy and inclusion development. The financial education is linked with demographic factors of target beneficiaries of bank-Linkage programme. Demographic factors as the Socio-economic characteristics and status of individuals, Comprising of Sex, Age, Marital Status, Education Occupation and Income. The following demographic factors are considered to assess its impact on financial inclusion in Mysore District. The Sample size of the respondents accounting for 350. The selected 350 respondent's fulfill the sample adequacy for the study. Cross Tabulation Analysis is employed to understand relationship between education and other demographic factors within a target respondent. In addition to cross Tabulation Analysis, Chi-Square test has been used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.

Financial Inclusion is a crucial basis for financial well being; the present analysis is to be considered differences caused by Education and other demographic factors such as Sex, Age.Martial Status, Occupation and Income.

Table: 1
Profile of Respondents

Profile	Particulars	No of Respondents	Percentage (%)
Sex	Male	200	57
	Female	150	43
Age	18-25	70	20
	26-35	150	43
	36-45	70	20
	46-55	40	11
	56 and above	20	06
Marital Status	Married	250	71
	Unmarried	150	29
Education	Illiterate	40	11
	High School	70	20
	PUC	90	26
	Graduate	80	23
	Post Graduate	50	14
	Others	20	06
Occupation	Agriculture	90	25
	Self-Employed	100	29
	Entrepreneur	70	20
	Business	60	17
	Industrialist	30	09
Income	Below10,000	140	40
	10,001 to 20,000	90	25
	20,000 to 30,000	70	20
	30,000 to above	50	14

(Source: Survey Data)

The above table (4.1) shows the profile respondents, and the major background of respondents related to profile factors which are highly considerable impact on financial inclusion through bank-linkage programme. The samples of respondents have been selected from Mysore District covering seven taluks viz. –H.D. Kote, Hunsur, K.R. Nagar, Mysore, Nanjanagud, Periyapatna and T. Narsipura.94From each talulk 50 member of SHGs randomly selected for the study various factors like, Sex, Age, Marital Status, Education, Occupation and Income have been considered to evaluate the effectiveness through cross tabulation analysis. The representation of each of factor of profile of respondents also indicated in the table.

The analysis reveals that male respondents are 57% female are 43%, the majority of age group belongs to 26-35 accounted for 40%, in respect of marital status married respondents are 71%, the education back ground of majority respondents possessed PUC accounted for 26%, followed by degree 23%, high school 20% and so on, the majority of respondents involved in self occupational activities accounted for 29%, followed by Agriculture of 25% , entrepreneurial and business activities accounted 20% and 17% respectively, the least is industrialist of only 9%.The majority of the respondents are fall under the income group of below Rs10,000 accounted for 40%, followed by Rs 10,001-20,000 of 26% and so on. It is considered that the majority of the respondents are utilizing the financial services through bank-linkage programme for self-employment and agricultural activities.

Table: 2
Cross tabulation analysis of Education versus age

Status		Education						Total
		Illiterate	10thstd	PUC	Graduate	Post-Graduate	Others	
Age	Count	20	10	20	20	0	0	70
18-25	% within age	28.6%	14.3%	28.6%	28.6%	.0%	.0%	100.0%
	Count	10	50	40	50	0	0	150
26-35	% within age	6.7%	33.3%	26.7%	33.3%	.0%	.0%	100.0%
	Count	10	10	10	0	20	20	70
36-45	% within age	14.3%	14.3%	14.3%	.0%	28.6%	28.6%	100.0%
	Count	0	0	20	10	10	0	40
46-55	% within age	.0%	.0%	50.0%	25.0%	25.0%	.0%	100.0%
	Count	0	0	0	0	20	0	20
>55	% within age	.0%	.0%	.0%	.0%	100.0%	.0%	100.0%
Total	Count	40	70	90	80	50	20	350
	% within age	11.4%	20.0%	25.7%	22.9%	14.3%	5.7%	100.0%

Table: 3
Chi-Square Test

Test	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	330.455	20	.000**

(Source: Survey Data)

Table (4.32) and (4.33) shows the result of cross tabulation analysis and Chi- Square test related to hypothesis formulated for establishing relationship between educational background and age of respondents. The value of Pearson Chi-Square test is 0.000 it is less than significant level at 1%. So that the alternative hypothesis, there is significant relationship between education and sex in participation of financial inclusion programme has been accepted and null hypothesis is rejected.

Table: 4
Cross tabulation analysis of Education versus Sex

Status			Education						Total
			Illiterate	10thstd	PUC	Graduate	Post-Graduate	Others	
Sex	Male	Count	20	50	50	50	30	0	200
		% within sex	10.0%	25.0%	25.0%	25.0%	15.0%	.0%	100.0%
	Female	Count	20	20	40	30	20	20	150
		%within sex	13.3%	13.3%	26.7%	20.0%	13.3%	13.3%	100.0%
Total		Count	40	70	90	80	50	20	350
		% within sex	11.4%	20.0%	25.7%	22.9%	14.3%	5.7%	100.0%

(Source: Survey Data)

Table: 5
Chi-Square Test

Test	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	34.530	5	.000**

(Source: Survey Data)

Table (4.34) and (4.35) shows the association of educational background and sex status of respondents in financial inclusion programmes. To assess the relationship cross tabulation analysis and Chi-Square test are used. The result of the Pearson Chi-Square value is 0.000, it is lower than the significant level at 1%. It indicates that there is relationship between educational background and sex status in participations of financial inclusion related programmes. Therefore, alternative hypothesis has been accepted and null hypothesis is rejected.

Table: 6
Cross tabulation analysis of Education versus Marital status

Status			Education						Total
			Illiterate	10thstd	PUC	Graduate	Post-Graduate	Others	
Marital status	Married	Count	40	30	80	60	30	10	250
		%within Marital status	16.0%	12.0%	32.0%	24.0%	12.0%	4.0%	100.0%
	Unmarried	Count	0	40	10	20	20	10	100
		% within Marital status	.0%	40.0%	10.0%	20.0%	20.0%	10.0%	100.0%
Total		Count	40	70	90	80	50	20	350
		%within Marital status	11.4%	20.0%	25.7%	22.9%	14.3%	5.7%	100.0%

(Source: Survey Data)

Table: 7
Chi-Square Test

Test	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	65.644	5	.000**

(Source: Survey Data)

Table (4.36) and (4.37) indicates the association of educational background and marital status of respondents with financial inclusion through SHGs-Bank linkage programme. To assess the result, the cross tabulation analysis and Chi-Square test are used. The result value of tests is 0.000 it is less than the significant level at 1%, the result suggests that, the alternative hypothesis, there is a relationship between education and marital status in association with financial inclusion could be accepted and null hypothesis has been rejected.

Table: 8
Cross tabulation analysis of Education versus Occupation

Status		Education						Total
		Illiterate	10thstd	PUC	Graduate	Post Graduate	Others	
Occupation	Count	30	10	20	20	10	0	90
Agriculturist	% within Occupation	33.3%	11.1%	22.2%	22.2%	11.1%	.0%	100.0%
	Count	0	20	30	20	30	0	100
Self employed	% within Occupation	.0%	20.0%	30.0%	20.0%	30.0%	.0%	100.0%
	Count	0	30	10	10	0	20	70
Entrepreneur	% within Occupation	.0%	42.9%	14.3%	14.3%	.0%	28.6%	100.0%
	Count	10	10	30	10	0	0	60
Business	% within Occupation	16.7%	16.7%	50.0%	16.7%	.0%	.0%	100.0%
	Count	0	0	0	20	10	0	30
Industrialist	% within Occupation	.0%	.0%	.0%	66.7%	33.3%	.0%	100.0%
Total	Count	40	70	90	80	50	20	350
	% within Occupation	11.4%	20.0%	25.7%	22.9%	14.3%	5.7%	100.0%

(Source: Survey Data)

Table: 9
Chi-Square Test

Test	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	269.361	20	.000**

(Source: Survey Data)

The table (4.38) and (4.39) shows the role played by the education and occupational background of respondents in association with financial inclusion programme through bank linkage. The result of the analysis indicates that, there is an absolute association of education and occupational background of respondents. The cross tabulation analysis and Pearson Chi-Square test results indicate the value of 0.000, it less than the significant level at 1%. The result suggests to accept alternative hypothesis and to reject null hypothesis.

Table: 10
Cross tabulation analysis of Education versus Income

Status		Education						
		Illiterate	10thstd	PUC	Graduate	Post-Graduate	Others	
Income	Count	20	20	40	40	20	0	140
	%within Income							
<10,000		14.3%	14.3%	28.6%	28.6%	14.3%	.0%	100.0%
	Count	10	10	20	30	10	10	90
10,001 – 20,000	%within Income	11.1%	11.1%	22.2%	33.3%	11.1%	11.1%	100.0%
	Count	10	20	10	10	20	0	70
20,001 – 30,000	%within Income	14.3%	28.6%	14.3%	14.3%	28.6%	.0%	100.0%
	Count	0	20	20	0	0	10	50
>30,000	%within Income	.0%	40.0%	40.0%	.0%	.0%	20.0%	100.0%
Total	Count	40	70	90	80	50	20	350
	%within Income							
		11.4%	20.0%	25.7%	22.9%	14.3%	5.7%	100.0%

(Source: Survey Data)

Table: 11
Chi-Square Test

Test	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	106.252	15	.000**

(Source: Survey Data)

Table (4.40) and (4.41) demonstrates the relationship between education and income earning capacity of respondents for participation in financial inclusion activities to avail financial services through bank-linkage programmes. The association of education and income of respondents have exhibited a significant role in availing financial services through SHGs-bank linkage programme. The finding of the cross tabulation analysis and Pearson Chi-Square test value is 0.000, this count is less than the significant level at 1%, this result suggests to accept the alternative hypothesis and to reject the null hypothesis.

CONCLUSION

The study focused the impact of Education other demographic factors, such as Sex, Age, Marital Status, Occupation and Income on financial inclusion and bank, linkage programme. The education of respondents with 10th standard (SSLC), PUC, Graduate, Postgraduate. Differences demostratably impact the relation between Sex, Age, Marital Status, Occupation and Income. The result of analysis found that respondents with higher education background have more knowledge about financial literacy and bringing more. Respondents under financial inclusion with bank-linkage programme in Mysore District.

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