

INVESTIGATING RELATIONSHIP BETWEEN FINANCIAL LITERACY AND FINANCIAL INCLUSION PROCESS OF BISP BENEFICIARIES



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Author's Declaration

I Muhammad Juma hereby state that my Mphil thesis titled Investigating Relationship between Financial Literacy and Financial Inclusion Process of BISP Beneficiaries is my own work and has not been submitted previously by me for taking any degree from Pakistan Institute of Development Economics or anywhere else in the country/world.

At any time if my statement is found to be incorrect even after my Graduation the university has the right to withdraw my Mphil degree.

Date: 29 may 2023


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Muhammad Juma

Dedication

I dedicate this Research to My Mom Bakhtawar, and Dad Meqdad Ali. Who have been great sources of inspiration and support; their love encouraged me at every step-in life and particularly during my studies. I dedicate my little effort to my Siblings whose love, trust, and encouragement will remains unforgettable to me.

(Muhammad Juma)

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ABSTRACT

Pakistan is facing the problem of extremely low levels of financial inclusion including poor saving and investment behavior. All these problems have a common root-cause that is financial illiteracy of the general public. In order to assess the graveness of the financial literacy situation in Pakistan it is of paramount importance to have its better and deeper understanding. For this purpose, it is important to first identify the factors that influence it. Since there is insufficient empirical evidence on the factors that play a major role in affecting people's financial literacy in Pakistan, this study will try to assess these factors through BISP beneficiaries of Hazara community in Pakistan. The aim of the research is to explore financial literacy level of BISP beneficiaries of Hazara Community. To identify and analyze different factors affecting financial literacy to provide recommendations to the policy makers and service providers in the light of the findings. The quantitative questionnaire survey has been conducted to collect the data from 232 women respondents from Hazara community of Balochistan. It has been argued out in the study that the women in Hazara community are lagging behind in the financial literacy due to which she has been excluded from the financial decision of the household and she remain dependent on someone else to send and receive money. It has been recommended in the study to launch the financial training programs for women; and initiate the awareness campaign for financial literacy on social media.

Key words: Financial literacy, mobile banking application, financial inclusion, financial stability, financial behavior.

Table of Contents

ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
List of Figure	viii
List of Table	x
CHAPTER 1. INTRODUCTION	11
1.1 Background	11
1.2 Problem Statement	14
1.3 Research Questions	15
1.4 Significance of the Research	15
1.5 Objectives	15
1.6 Organization of thesis	16
CHAPTER 2. LITERATURE REVIEW	17
2.1 Defining Financial Literacy	17
2.2 Importance of Financial Literacy	18
2.2.1 Role of Financial Literacy in Poverty Reduction	20
2.2.2 Financial Literacy and Financial Inclusion	21
2.2.3 Financial Literacy and Financial Sector Stability	22
2.3 Factors affecting Financial Literacy	23
2.3.1 Personal Socio-economic and Demographic	23
2.3.2 Financial Knowledge	24
2.3.3 Financial Behavior	25
2.3.4 Other Factors	26
2.4 International Studies	26
2.4.1 USA	26
2.4.2 UK	28
2.4.3 Australia	28
2.4.4 South Africa	30
2.4.5 India	31
2.4.6 Indonesia	32

2.4.7	Mongolia	33
2.4.8	Bangladesh.....	34
2.4.9	Pakistan.....	35
2.5	Conclusion.....	36
CHAPTER 3: THEORETICAL FRAMEWORK		37
3.1 Empirical Framework/ Model		37
3.1.1	Age.....	37
3.1.2	Income.....	37
3.1.3	Education	37
3.1.4	Employment Status.....	38
Social capital.....		38
3.1.6	Financial Inclusion.....	39
3.1.17	Measuring Financial Literacy.....	40
3.2 Conceptual framework		40
CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY		45
4.1 Introduction		45
4.2 Research Design		45
4.2.1	Sampling	45
4.2.2	Sampling size.....	46
4.2.3	Sampling characteristics	46
4.2.4	Locale of the study	47
4.3 Data collection method		47
4.4 Data Analysis		48
4.4.1	Estimation Technique.....	48
Principal Component Analysis (PCA)		49
4.6 Ethical consideration		51
CHAPTER 5 ANALYSIS AND DISCUSSION		53
5.1 Socio-economic context of the respondents		53
5.2 Financial Literacy		56
5.3 Mobile Phone Access and usage		58
5.4 Bank Access and Usage		60
5.5 Mobile money access and usage		63

5.6 Financial Habits, Training and Perceptions	68
5.7 Perceptions about financial knowledge	69
5.8 Estimations	72
Variance Inflation Factor (VIF)	73
5.8.1 Interpretation	75
CHAPTER 6: CONCLUSION	80
6.1 Limitation	82
6.2 Recommendations	82
References:	84

List of Figure

Figure 1: Global Fin.Lit Survey	12
Figure 2: (Garg and Singh (2018), Bongomin et al (2016); (2017), and Bongomin et al.)	41
Figure 3: Percentage of respondents in each age group.....	46
Figure 4: Marital status of respondents.....	47
Figure 5: Education level of respondents.....	53
Figure 6: Employment status of respondents.....	53
Figure 7: Monthly Income Level	54
Figure 8: Average monthly income of household.....	54
Figure 9: Main Source of Household Income.....	55
Figure 10: How long it has been since you joined the BISP?.....	55
Figure 11: Respondents' ability to read and write	56
Figure 12: Respondent's ability to do basic calculations.....	56
Figure 13: Respondent's information about mobile money	57
Figure 14: Respondent's Information about different financial products.....	57
Figure 15: Mobile phone access	58
Figure 16: Mobile phone type.....	58
Figure 17: Reason for not owning a mobile phone.....	59
Figure 18: Usage of mobile phone.....	59
Figure 19: Account ownership.....	60
Figure 20: Account type.....	60
Figure 21: Distance to nearest bank.....	61
Figure 22: Reason for not owning a bank account	61
Figure 23: ATM card usage	62
Figure 24: Internet banking.....	62
Figure 25: Usage intensity of internet banking.....	63
Figure 26: Access to mobile money.....	63

Figure 27: Mobile money shops	64
Figure 28: Mobile money usage	64
Figure 29: Mobile money preference.....	65
Figure 30: Mobile money applications	65
Figure 31: Mobile money functions.....	66
Figure 32: Mobile money transactions	66
Figure 33: Purpose of using mobile money	67
Figure 34: Reason for not using mobile money.....	68
Figure 35: Mode of money transfer	68
Figure 36: Received any Financial Training.....	69
Figure 37: Respondents opinion on FL training programs	69
Figure 38: Respondents opinion on impact of neighborhood on FL	70
Figure 39: Respondents opinion on impact of television on FL.....	70
Figure 40: Respondents opinion on impact of BISP on their FL.....	71
Figure 41: Respondent’s understanding of FL importance.....	71
Figure 42: Respondent’s opinion on impact of Decision making on their FL.....	72
Figure 43: Respondent’s opinion on impact of MM on their financial knowledge.....	72

List of Table

Table 1: Linear regression 74
Table 2: Variance inflation factor 74
Table 3: Linear regression 75
Table 4: Variance inflation factor 75
Table 5: Factors Affecting Financial Literacy 76
Table 6: Factors Affecting Financial Inclusion 78

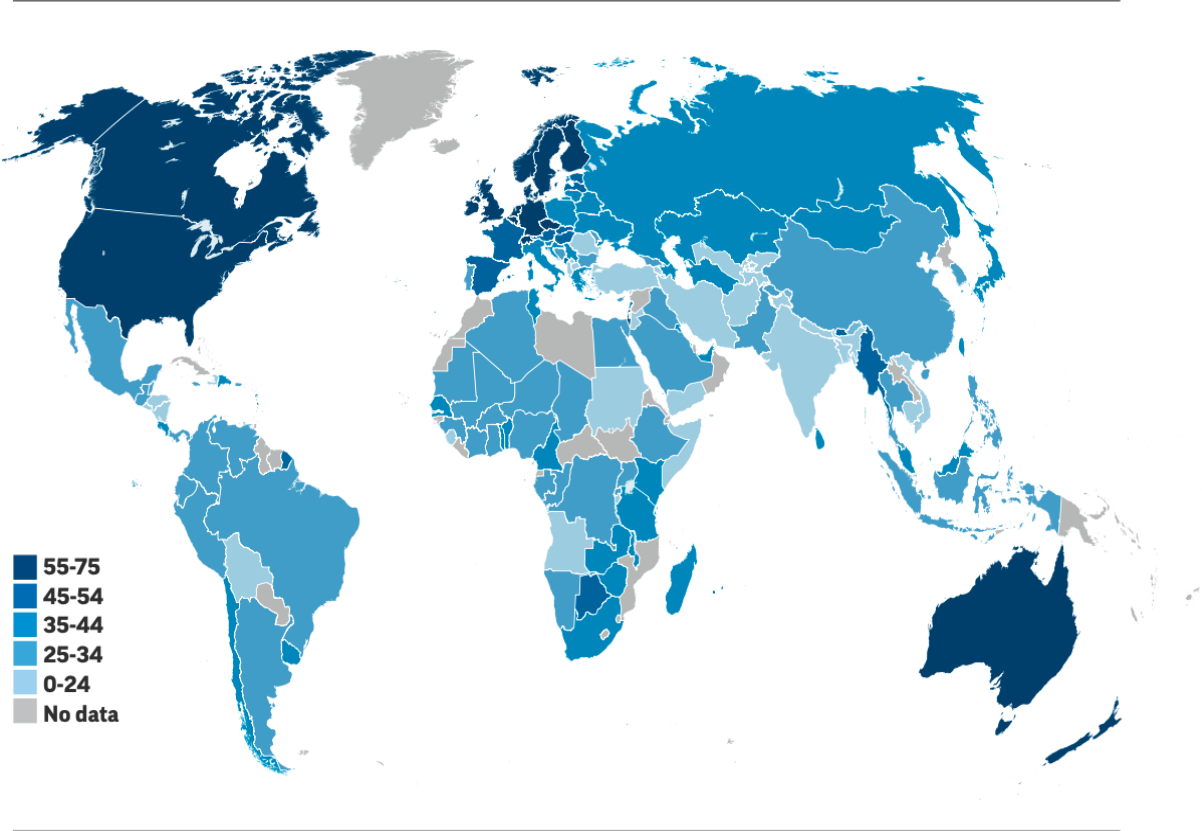
CHAPTER 1. INTRODUCTION

1.1 Background

In a rapidly progressing world, financial well-being is a prime concern of every developing and developed country. Financial literacy is one of crucial determinants of financial well-being. In current age there is large number of financial services available due to privatization of banks, introduction of microfinance schemes and emergence of mobile money. Therefore, only a financially literate individual can assess all the financial products and services available at their disposal and make an appropriate financial decision. Hence increasing financial well-being is only possible by enhancing public financial literacy. Enhancing financial literacy is not just helpful in eradication of poverty but it also increases financial inclusion and provides stability to financial sector of a country. Due to all these reasons many developing countries have earmarked financial literacy as policy concern and studies are being conducted to include it in ongoing and future financial well-being interventions.

Many researchers use terms like financial knowledge, financial literacy and financial education in interchangeable manner. Many attempts have been made by researcher across the globe to define and measure financial literacy. World Bank defines financial literacy as “*The ability to use one's knowledge and skills to effectively manage financial resources, ideally for a lifetime of financial well-being*”. Financial Literacy Survey conducted in 140 countries by S&P's Global found only 1-in-3 adults to be financially literate. The study also found that 30% of women worldwide were financially literate compared to men where that number was 35% .One

important fact that came to light in the survey was the difference of financial literacy levels in developed and emerging world economies. Only 28% of adults from developing countries were financially literate compared to developed world where that number was found to be almost double (on average 55 %). Financial illiteracy has serious implications for these emerging economies as it results in less financial inclusion, poor saving and investment behavior, poor financial sector stability and less economic growth. The figure below shows percentage of financially literate adults worldwide as per S&P's Global survey



Source: S&P Global FinLit Survey.

Figure 1: Global Fin.Lit Survey

Pakistan being a developing country is also coping with problem of financial illiteracy. Only 26pc of adults in Pakistan were found financially literate as per Financial Literacy Survey conducted by S&P's Global in year 2014. This financial illiteracy leaves an adverse impact on Pakistani financial sector. Global Findex report of year 2021 showed that only 21 % of the adult population in a country of over 210 million people has formal bank account and this number has remained stagnant since year 2017. This report also suggested that in a span of past 12 months only 14% people saved any money. Being a country where young population is 64% (below age of 30) these numbers suggest only one thing that is lack of financial literacy.

Considering this situation State Bank of Pakistan have launched National Financial Literacy Program (NFLP) and National Financial Literacy Program for Youth (NFLP-Y) with collaboration of Asian Development Bank to give knowledge about basic financial concepts, financial products and services to Pakistani people in general and Pakistani youth in particular. This can be considered a good beginning but graveness of the matter demands a much comprehensive and targeted approach.

First of all misconception of literacy being equivalent to financial literacy must be avoided as many research like Chen et al (1998); Volpe et al (1996);Richard (2012) have shown that it is not the case in reality. Therefore, it is necessary to incorporate financial literacy training in curriculum from very basic level. Jumpstart can be a great example to replicate in this regard which provide basic financial training to students at College and High school level in America.

Secondly in order to assess the gravity of the situation a national level financial literacy survey should be conducted. This survey will help in bridging the gap between current financial literacy of people and what their financial literacy should be. Federal Reserve in US conducted a Survey of Household Economics and Decision making which could be replicated in Pakistan.

1.2 Problem Statement

Role of financial literacy is very important when it comes to financial inclusion, eradication of poverty and economic growth of a country. A financially literate people are able to evaluate financial resources and services available to them more effectively. Financial literacy improves saving investing and borrowing behavior of public and not just the utilization of resources thereby, providing stability to the entire financial system. As it is evident from the facts that discussed in the previous section Pakistan is facing the problem of extremely low levels of financial inclusion including poor saving and investment behavior. All these problems have a common root-cause that is financial illiteracy of the general public.

In order to assess the graveness of the financial literacy situation in Pakistan it is of paramount importance to have its better and deeper understanding. For this purpose, it is important to first identify the factors that influence it. Since there is insufficient empirical evidence on the factors that play a major role in affecting people's financial literacy in Pakistan, this study will try to assess these factors through BISP beneficiaries of Hazara community in Pakistan. The study particularly focus on Hazara Women in Balochistan it is due to its unique characteristics as their women experiences more discrimination or has limited access to higher education and healthcare due to due to lack of knowledge regarding financial literacy and inclusion among aged Hazara women. Secondly, the experience of Hazara women in Balochistan is representative of a larger population and can be generalized to other hazara communities or other minority groups in the region.

There are two main reasons for selecting BISP beneficiaries. One, female financial literacy level is lower than male financial literacy level and due to these targeting women is more

important to identify the factors that influence their financial literacy. Secondly, these beneficiaries are already part of poverty reduction program and are exposed to different financial services and products. Hence, they will help in understanding the financial needs of women and to check if there has been any increase in their financial literacy as a result of Benazir Income Support Program.

1.3 Research Questions

1. What is the financial literacy of BISP beneficiaries of Hazara Community?
2. Have being the member of BISP Beneficiaries affected their financial literacy in any way?
3. What the factors on which their financial literacy depend?

1.4 Significance of the Research

Having a good financial knowledge is important for better financial decision making which can lead to improvements in living standard. With the emergence of new and improved financial products every other day it is important for the people to keep up with them for the above-mentioned reason. The findings of this paper will help the policy makers improving the levels of financial literacy in Pakistan. With identified influencing factors, the policy makers will be able to design an effective financial literacy strategy.

1.5 Objectives

This study pursues the following specific objectives to investigate the above-mentioned problem Statement:

- To explore financial literacy level of BISP beneficiaries of Hazara Community
- To identify and analyze different factors affecting financial literacy
- To provide recommendations to the policy makers and service providers in the light of the findings

1.6 Organization of thesis

This thesis is organized in five chapters. Chapter 1 discusses brief introduction of the study. Chapter 2 Includes literature review of previous studies conducted locally and internationally to analyze level of literacy. The methodology adopted to complete this research is explained in Chapter 3. Chapter 4 includes the analysis and results of data collected in survey. Chapter 5 includes the conclusion and future recommendations.

CHAPTER 2. LITERATURE REVIEW

Survey results across the globe have shown that financial decision-making abilities are hampered by low level of financial literacy. Poor personal financial decisions have repercussions not only on individual level, but also affect overall economic stability of a nation and operation of its financial system. Therefore, many studies have been conducted in in developing and developed countries that addresses financial literacy of general population. This chapter include examination of previous literature with aim to develop a model to measure financial literacy in Pakistan. This examination will also shed light on how financial literacy is conceptualized internationally, its significance in term of individual and national level, different factors affecting financial literacy and how it is being measured globally.

2.1 Defining Financial Literacy

Financial literacy is defined by different researchers, organization and many research areas in many different ways. So core concepts of financial literacy must be clearly defined in order to understand it properly. This section will compare related but distinct concepts to financial literacy and examine the existing conceptual and operational definitions of financial literacy.

Marcolin and Abraham (2006) cited an early definition by Noctor et.al (1992) which account ability to take effective money management decisions and making of informed judgments as financial literacy. Atkinson and Messy (2012) also used ability to make sound financial decisions utilizing knowledge, awareness and skills to achieve individual financial

wellbeing to define financial literacy. Onea and Dornean (2012) studied different definitions of financial literacy and how different dictionaries defined terms “financiall” and “literacy”.

Most researchers like FINRA (2003) and Hilgert (2003) define financial literacy on the basis of knowledge (or understanding) with some like definitions requiring just familiarity. Other definitions include decision making and judgment along with knowledge such as provided by Mandell (2007) and Lusardi (2008). Moore (2003) concludes that experience provides the basis for knowledge so because of this argument practical experience is necessary to define financial literacy. So according to literature financial literacy can be variably defined as a specific form of acquired or perceived knowledge, skill and ability to utilize that knowledge, good financial experience and financial behavior.

2.2 Importance of Financial Literacy

Developed countries have earmarked financial literacy as policy concern since early 1990s. As enhancement in financial literacy help citizens to properly manage daily money exchange and in taking optimal saving, lending and investment decisions which intern benefits economy of the country. Importance of financial literacy in asset and liability management of personal finances is evident from increasing number of empirical studies on it. Now developing and low income countries are also working towards financial literacy as it is has become relevant issue.

Capuano and Ramsey (2011) reviewed of financial literacy conducted across the globe and categorized three main beneficiaries of financial literacy; community, financial system and the economy and individuals. The benefits of Financial Literacy reaped by community include

better understanding of government financial policies and increased financial inclusion. In term of financial system and economy financial literacy is beneficial as it introduces market discipline by increasing competition, improving product quality and promoting innovation. Financial literacy also help economy as it improve lending and spending behavior of citizens. On individual level benefits of financial literacy include financial efficiency, improved retirement and savings planning, better debt management and investment behavior.

Financial sector is vibrant in developing countries due to services and complex financial products offered to new consumers and continuous entry of new service providers. Therefore, according to Miller et al. (2009) relevance of financial literacy in developing countries is paramount. Similarly, Gray et al. (2009) pointed out that due to rapidly changing landscape of financial services and products in the developing world make improvement in financial literacy more critical for people living there.

In order to gain advantage of developments in financial world people in developing countries need to acquire basic knowledge of personal finance. In this regard Nalini (2011) argued that people will seek financial services and products due to increase in financial literacy therefore it is primary step for financial inclusion. The significances of financial literacy in developing countries related to financial inclusion is also pronounced by Gupta and Kaur (2014) in their study. The study states that financial literacy generates demand of financial products and services as it creates awareness in common man for the same. It increases the speed of financial inclusion by spreading information about needs and benefits of services and products offered by the financial institutes.

Presented below is role of financial literacy in financial sector stability, poverty reduction and financial inclusion in context of developing countries;

2.2.1 Role of Financial Literacy in Poverty Reduction

In many developing countries poverty still remains a challenge despite implementation of many poverty reductions programs. The evidence suggest that poverty reduction programs aimed at welfare enhancement e.g. microfinance entrepreneurship, income and employment creation, and other similar programs should integrate personal financial education as realization of importance of welfare improvement and poverty reduction programs by population is greatly affected by their financial literacy (Engelbrecht, 2011). Financially literate citizens have better personal financial management skills which is in turn evident in their financial outcomes and behaviors.

According to Gary et. al, (2009), effective use of financial services , better management of scarce assets and increase in incomes is result of change in financial behaviors due to incorporation of financial literacy education in poverty reduction programs. Mundy and Masok (2011) discussed that financial literacy help in improve programs in education, health, and social development along with achievement of financial goal. Therefore improving financial literacy can cause sustainable socio- economic growth and poverty reduction.

Availability of investment fund improves due to effect of financial literacy on personal saving behavior, both at household and national level (Miller et al., 2009; Subha and Priya, 2014). In developing countries personal financial management people smoothening consumption and allow people save income. Financial literacy has significant effect in enhancement of saving

and investment. In this regard Gine (2013) pointed that people rely heavily on personal savings in developing countries to finance investments due to incomplete credit markets. Therefore financial literacy is important to stop people from self-control problems, over borrowing and impulse purchasing in order to save money for investment. Subha and Priya (2014) stated that financial literacy reduce risk and optimize earning by improving the understanding of investment options which in turn help in poverty alleviation in developing countries.

2.2.2 Financial Literacy and Financial Inclusion

Evidence show that Lack of access to formal financial service in developing countries result in persistent poverty. Thus global and national policy has included improvement of access to financial services as one of methods of poverty reduction (Gardeva and Rhyne, 2012). This improvement of access to financial services for poor people is call financial inclusion. Chibba (2009) defined financial inclusion as provision of financial services to people at affordable rate to attain economic growth. Different methods of improving financial inclusion in enhancing number of commercial bank branches, micro finance institutes and mobile money shops.

According to (Hieltjes and Petrova, 2013) these mobile money and microfinance institutes not only reduced cost of formal financial services but also improved access by a great deal thereby improving financial inclusion. Despite improvement of access to financial institutes financial inclusion is slow in most developing countries (center for financial inclusion action, 2013). This can be explained by result of (Fin Scope Survey III Uganda, 2013) survey which suggest that low demand for financial service is due to lack of financial literacy and suggests that developing countries must improve financial education of their citizens in order enhance financial inclusion. Scholars and international organizations thus view financial literacy as part

of financial inclusion (Chibba, 2009). They argue that less use of financial products and services introduced for welfare improvement by general public is a direct result of their financial illiteracy.

Similarly, Nalini (2011) discussed that financial literacy prompts people to seek and receive financial services there by acting as primary step for financial inclusion. In order to prepare population of developing countries to deal with developments emerging regularly in financial system and to improve of financial inclusion, the role of financial education is paramount. (Shankari et al., 2014)

2.2.3 Financial Literacy and Financial Sector Stability

Mundy and Masok (2011) in their report on implementation of financial literacy policy in Uganda highlighted that financial literacy is beneficial not only for individuals but for financial service providers as well as entire financial system. Financial literacy reduce cost incurred by financial institute in making new client financially literate consumers automatically demand formal financial products. Similarly finical institutes require less spending for promotion and explanation of services and products offered by them. Mundy and Masok also argued that take-up of financial product of financially literate consumers and increase in their saving level stimulate further economic activity.

Financially educated consumers compel financial institutes and service providers to innovate and improve economic efficiency thereby indirectly encouraging competition. This was discussed by Shankari et al. (2014) in their study who argued that this genuine competition of service providers enhances sustainability in economy and develops financial system of a country.

This study also discussed how increase financial literacy can help regulators of financial sector. In this regard Mundy and Masok (2011) argued that financial consumer protection rules are complemented by financial literacy.

In order to create inclusive, well-functioning and sustainable financial sector policy makers developing countries should earmark promotion of financial literacy as a policy concern.

2.3 Factors affecting Financial Literacy

Review of previous studies show various determinants that influence individual financial literacy. These determinants are classified into three main groups which are discussed below in detail;

2.3.1 Personal Socio-economic and Demographic

The demographic and socio-economic profile of individual affects their financial literacy. Some of characteristic that fall in socio-economic and demographic category are listed below;

- Age Gender
- Education
- Marital Status
- Income
- Occupation
- Wealth
- Qualification
- Family status(parent's education and occupation)

Many studies have been conducted to measure the influence of these factors on financial literacy of individuals. Summary of some of these studies are discussed below;

Mohamad Fazli Sabri et. al, (2010) used ANOVA , t-tests, and regression methods to study the financial literacy of Malaysian students. The main objective was to study the impact of sociocultural factors on these students' financial literacy. They argued that financial literacy at this level ha a significant relationship with discussions on finance in families. Similarly Puneet Bhushan et. al, (2013) selected salaried individuals for their study to judge financial literacy using socio-demographic factors. Study concluded a moderate level of financial literacy and used survey approach to collect data.

Trizah et. al, (2014) examined financial literacy of employees using socio-demographic factors. The basically used survey method and design a descriptive research to calculate the effect of financial advisory and information sources on financial literacy.

2.3.2 Financial Knowledge

Financial literacy is dependent on knowledge of individual about money management and available financial services. Some of characteristic that fall in financial knowledge category are listed below;

- Basic Knowledge of financial product and services
- Financial education
- Management of money
- Knowledge about lending, saving and investing
- Management of risk

Summary of some studies conducted to measure the influence of these factors on individual financial literacy is discussed below;

Annamaria Lusardi et. al, (2009) used a multivariate analysis to examine ability of well-equipped young adults to make financial decision. In order to predict financial decision making ability they used cognitive ability and educational attainment as independent variable. According to their study only 33% young adults had basic knowledge of financial terms like inflation interest rates and risk diversification.

Aren S, (2014) discussed definitional issues related to financial literacy and different determinants affecting financial literacy using prior studies. The researcher also mentioned different methods adopted to determine financial literacy. He tried to determine relation of financial literacy with investment preferences.

2.3.3 Financial Behavior

Some of characteristic that fall in financial Behavior category are listed below;

- Confidence, self-belief and self-esteem
- Behavior toward Savings
- Behavior toward Investment
- Behavior toward Portfolio and diversification

Victoria et. al, (2014) used underlying determinants like confidence, self-belief and self-esteem to measure financial literacy. The study used a qualitative research approach to conclude that short-term focus effect financial matters greatly. Islamoglu et. al, (2015) studied investment

behavior of bankers taking into account factors like were , behavioral characteristics ,income level, investor attitude, banking and payment decisions.

Kharchenko et. al, (2011) studied saving behavior of Ukrainians and studied impact of financial literacy on it. Based on previous literature they suggested that since there is a correlation between wealth and literacy so it can be argued that saving are indirectly influenced by financial literacy.

2.3.4 Other Factors

Some other factors that contribute towards financial literacy include:

- Financial Attitude
 - Attitude toward finances
 - Responsibility toward finances
- Financial training
 - Any sort of training received

2.4 International Studies

The studies conducted on financial literacy in various developed and under-developed countries across the globe are covered in this section;

2.4.1 USA

Cutler (1997) conducted earliest studies to financial literacy in the US. They conducted a national survey of American public and concluded that majority of American public had very less information about day to day financial matters like health care, social security and

insurance. Students of US high school were investigated for financial literacy by many researchers like Mandell (1997), Huddleston et al (1999), Williams-Harold (1999), the National Council on Economic Education (NCEE, 2005) and the Jump\$tart Coalition (2005, 2006). All these studies rated the financial literacy and financial knowledge of American high school students to be very low.

Similarly University students were focus of studies like Chen et al (1998); Volpe et al (1996). A total of 924 college students were surveyed for financial literacy. The study examined relationship of student characteristics with financial literacy and analyzed how opinions and decisions of university students were impacted by this literacy. The study calculated an overall mean score of 52.87 percent which is very low considering that the target population was highly educated. The study also came to conclusion that wrong opinions and make incorrect decisions were made by students who were ranked low in financial literacy.

Chen and Volpe (1998) used logistics regression models on data collected from students of different demographic background to measure their financial literacy. They also calculated variation in financial literacy using variance techniques on subgroups of students. Beal and Delpachitra (2003). Joo and Garman (1998) also used similar method to derive a relationship between productivity of workers at job and their financial wellness. They conclude that financial education of workers at workplace is good for both employer and employee. Workers were also subject of Chen and Volpe,(2005) study for financial literacy. The study argued that outsourcing of personal finance training of employee to outside finance planner is believed to only effective option by employees.

2.4.2 UK

Financial literacy study was conducted by Schagen and Lines (1996) of UK population in general and four groups ; single parents and families subsidized housing, working or training young people and higher education students living away from home. Due to selection of well-educated sample the study concluded that financial dealing confidence of most participants was very high. In light of rising debt levels in UK for university students (Graduate Prospects, 2005), single parents and students were notable exceptions.

A study was also conducted by Adult Financial Literacy Advisory Group to find how financial education can be promoted in young people and adults (AdFLAG, 2000, p. 10). The study concluded that as need for self-reliance is growing, need of financial literacy is also growing. The study recommended that formally short term courses for financial literacy should be built for needy population like young people, sole parents, people living in social housing, older people, ethnic minorities, and people with disabilities. This is due to the fact that there is now less government involvement in finances and difficulties arising as work patterns are changing, new financial products continue to get more complex.

2.4.3 Australia

(Beal and Delpachitra, 2003) Tested five skills of first-year students, from five faculties of the University of Southern Queensland the skills under test included planning, analysis, and basic concept, decision making and insurance. Information about ten independent variables was collected from survey and modeled using logistic regression. By classifying respondents into high achiever and low achievers a dichotomous dependent variable was defined. Study concluded that higher income, lower aggregate risk and greater work experience was likely for

financially literate students. Study also concluded that university students are not financially knowledgeable and skilled which affect their future negatively.

In 2003 ANZ bank financed first national financial literacy survey in Australia (RMR, 2003). For data collection 3548 adults were surveyed using telephone call out of which 202 adults were asked for in-depth survey that included an interview. Methodology of the survey was questionable as during study it was assumed that individual's need should be considered while testing their financial knowledge, so all questions were not asked to all respondents. The criticism was that one consumer should have knowledge of all services and products available to them even if they opt not to use them and two that a positive bias is introduced when questions are asked to people about services that they already know off. A third and major flaw in the methodology was self-rating questions because instead of testing actual understanding of matter only perception of understanding was collected. All these flaws resulted in positive bias which was evident when ANZ results showed overall high level of financial literacy. ANZ survey attempted to calculate financial literacy by computing knowledge understanding, perceptions, attitudes, behavior and awareness. Study concluded that people with level of education, or that not working or in unskilled work place have low level financial literacy.

(CBF 2004a, 2004b) Investigated link between outcomes of individuals and financial literacy The CBA's survey was conducted on 5000 Australians using telephone. The study also investigated effects of improving financial literacy on macro and micro economics. The study concluded poor financial literacy was exhibited by students, younger people, less educated and lower income people and people who never had paid employment. Study showed that age or experience cannot be taken as measure of financial literacy as older age groups showed lower financial literacy. The study also stated that most respondents (85%) used 'trial and error'

experiences to learn about financial management. The second phase showed that people of all ages and whole community benefited from improvements in financial literacy. Third phase concluded that 16 000 new jobs can be created by improving financial literacy in Australia boosting economy by \$6 billion per annum.

So in conclusion Delpachitra (2003) and CBA survey contradicted the results of ANZ survey which showed a high level of financial literacy in Australian citizens. Both these studies concluded that Australian people have poor financial knowledge and skills. Despite these contradiction all studies were able to identify demographic groups who's financial literacy was way lower compared to others and recommended that interventions needs to be made to improve financial literacy of these groups.

2.4.4 South Africa

Kojo (2010), studied young entrepreneur in South Africa for the impact of level of financial literacy on them (Survey was conducted among Vhembe, South Africa). The results showed that these young entrepreneur s above average financial literacy level which was a great contributor in their entrepreneurial skills

Richard (2012) conducted an exploratory study of ell educated students in South Africa for financial literacy. The research aimed to study financial literacy in university students of an emerging economy. 214 students from different South-African universities were asked for survey. Study showed a moderate level of financial literacy in the students. The author argued that since sample selected was already well educated one so it is necessary to take steps to improve financial literacy

Olawale (2017) conducted a study among new micro-enterprises owners in South Africa to check the level of financial literacy. The study used different financial skills including book-keeping, control and analysis, financial planning, risk-management, business terminology understanding, information handling skills and use of technology as benchmark for the financial literacy of entrepreneurs. Self-administered questionnaire survey was used to collect data. Result suggested a low level of financial literacy in owners of micro-enterprises.

Olawale conducted a study in to assess financial literacy of such students in South-Africa who went to non-business universities. A questionnaire based self-administered survey was used to collect data in order to evaluate impact of financial literacy on portfolio choice, savings and borrowing behavior, and retirement planning. The results showed a poor level of financial literacy in students.

2.4.5 India

Kamini et al (2019) studied working women for financial literacy and used Structural Equation Approach to find its association of financial Behavior, financial Attitude, and financial Knowledge. A total of 394 women from public and private sector background were selected for survey. 5-point Likert scale questionnaire was given to participants and results were analyzed using (SEM) structural equation modeling approach. The study concluded that association of financial literacy is stronger with financial behavior and financial attitude than that with financial knowledge in working women in Delhi.

J.D Jayaraman (2018), evaluated the level of financial literacy in Indian students belonging to high schools. The study found that financial literacy was very low in Indian high school students when compared to students of developed countries of similar age. Sample size of

this study was 608 students who obtained just 45% score in basic financial literacy question. Study also argued that financial literacy was positively affected by parent involvement. Study recommended involvement of parents and need of hands-on training for improvement in financial literacy.

Werner et al (2012), studied saving patterns of Indians to identify relation between caste affiliation and financial literacy. The basic purpose of this paper was to empirically investigate impact of social interaction on investment behavior and financial awareness of people. The study revealed that social interaction had positive relation with financial literacy. The study also stated that people belonging to casts living in backward are were unaware of many available various financial instruments

Sobhesh et al (2015), found in their study that young working Indians who live in urban areas show poor financial attitude and financial knowledge. They however exhibited a better financial behavior. Study also argued that financial literacy was impacted negatively by joint family system and recommended that consultative decision-making should be promoted in Indian families. Study also recommends need of focused intervention in men for financial attitude and women for financial behavior improvement.

2.4.6 Indonesia

Indonesia, the third most populous country in Asia, is classified as a high human development nation, ranked 111th in terms of HDI. However, its financial literacy score is 32, which is 2 points lower than the Southeast Asia average. Financial education in Indonesia is primarily overseen by Bank Indonesia (BI) and the Financial Services Authority (OJK). In November 2013, the President launched the first National Strategy on Financial Literacy,

coordinated by the OJK, which is legally mandated to provide financial education as part of its consumer protection responsibilities (OECD, 2019). Collaborating closely with the Ministry of Education and the financial industry, the OJK and Bank of Indonesia successfully integrated financial education into the national education curriculum. This inclusion started in Indonesian high schools in July 2014, following pilot programs in 156 schools across 7 provinces. Presently, financial education is integrated into the curricula at all education levels, except for early childhood education, and is taught within subjects like Economics and Social Sciences (OECD, 2019). A financial literacy textbook for senior high school students was published in 2014 and incorporated into the economics curriculum by 2016. Simplified versions of this textbook were also distributed to elementary and junior high school students in 2014 and 2015, respectively (OECD, 2020). A comprehensive overview of financial literacy in Indonesia can be found in a book chapter (Amidjono et al, 2016), while the evaluation of financial literacy as a public policy outcome is explored in a study conducted in Indonesia (Harun et al, 2020). Various research studies have been carried out on financial literacy in specific populations in Indonesia, including young children (Fauziah & Sarib, 2019); (Sari & Fatimah, 2017), the poor (Lopus et al, 2019), college students (Rafinda & Gal, 2020), small and medium-sized enterprise owners (Purwidiyanti & Tubastuvi, 2019), migrant workers (Brahmana & Brahmana, 2017), academicians (Danila et al, 2019), and university employees (Yap et al., 2018).

2.4.7 Mongolia

Mongolia, a landlocked country situated between Russia and China, is classified as a developing nation with a high human development ranking of 92nd. According to the global

financial literacy survey, Mongolia has a score of 41, higher than the East Asia average. Household stress tests conducted in Mongolia suggest that the household sector is vulnerable to various shocks related to interest rates, the cost of basic consumption, asset prices, and unemployment (Doojav & Bayarjargal, 2018). Financial protection for consumers in Mongolia is deemed necessary (Giannetto et al., 2019). Research has also been conducted on the correlation between financial literacy and pension planning among Mongolian herders (Gombodorj et al., 2019).

2.4.8 Bangladesh

Chandra Das (2019), studied Bangladesh capital market for financial literacy. The study argued that continuously evolving market require traders to be financially literate so they can make decide how much to save and when to invest. The study was conducted using a semi-structured questionnaire. Responses of 100 participants aging from 30 to 70 years were recorded. The study concluded that most traders lacked in financial literacy and recommended intervention need to be made to improve it.

Morshadul Hasan (2021), calculated the impact of financial literacy on financial inclusion. The study used Bangladesh rural population data of banking, Fintech and microfinance. The data was analyzed using Probit regression, logistic regression and complementary log–log regression. The result showed that impact of financial literacy and knowledge was significant on financial access. The study recommended improvement in financial literacy a necessity for financial inclusion.

2.4.9 Pakistan

Zaman et al (2017) conducted a study in Lahore, Pakistan to study Islamic financial literacy and evaluated how it impacted the Islamic banking services in Pakistan. The research survey was conducted with 70 female and 230 male participants. SEM (structural equation modeling) technique was used to assess data on AMOS and SSPS. The results suggested that adoption of Islamic financial services was positively affected by attainment of Islamic financial literacy. Study recommended that steps should be taken to improve Islamic financial literacy in order to increase rate of Islamic financial services adoption my public

Arif, K. (2015) studied financial literacy as a factor that affect individual Investment Decision. Data of 154 investors of Karachi Stock Exchange was collected using a modified questionnaire that included socio-demographic questions as well as questions pertinent to financial decision making. The results indicated that firm status and its financial statements were more significant in decision making than financial literacy.

Nimra (2020) in their study examined impact of financial literacy on account ownership in any financial institute. Study used binary regression model to asses data collected from 564 participants in Sahiwal, Pakistan. The study found a positive relation between account ownership and financial literacy. The study also concluded that financial literacy is necessary for financial inclusion.

Mustabsar (2016), studied how risk tolerance were impacted by financial literacy and experience. This was a theoretical study that discussed previous literature to determine variables that influence process of decision making.

Ghaffar (2016) studied financial literacy in Pakistan. 300 respondents were asked 10 financial literacy questions pertaining to their socio-demographic characteristics. The study concluded that financially literate people intended to save more, people of middle and old age were financially careful and saving habits of male respondents were found move better than female respondents.

2.5 Conclusion

Socio economic and demographic factors are the most studied factors among many factors affecting financial literacy. Although a significant number of studies had been conducted on various developing countries but very few exist for Pakistan. This gap in literature makes it difficult for the policymakers to understand the gravity of financial literacy in Pakistan and is rendering making of targeted and efficient policies difficult.

CHAPTER 3: THEORETICAL FRAMEWORK

3.1 Empirical Framework/ Model

This section will discuss the selected variables that could potentially affect the Financial Literacy

3.1.1 Age

The limit for BISP beneficiaries is of being married women with national valid CNIC with families scoring high with the poverty scorecards they are identified through proxy means test which is approved by World Bank. The widow or divorced female of all age group are eligible. The age has very significant effect on the financial literacy of the female household the literature show the female with in younger age are more updated and well aware of financial literacy than the people in the older ages (Handayani, 2009).

3.1.2 Income

All those family members who held eligible as BISP beneficiaries are the one score high in poverty scorecard for overall month. Income has a key role in financial inclusion process and financial literacy level the study shows that people with higher income are more financially literate and used to money than the lower income families (Wagner et al. 2022).

3.1.3 Education

There is no limitation on the education of the families, whoever fall below the poverty line are eligible for the BISP welfare program. Education has positive impact on the financial inclusion process and financial literacy level of the individual study shows that people with the higher education level are more familiar to the financial institution and financial management's

basics. The study shows that the students of colleges and universities are more financially knowledgeable compare to the student of higher school. Same the educated person are more knowledgeable than the uneducated person (Wagner et al. 2022)).

3.1.4 Employment Status

Government employees, armed forces, or another affiliated to government agencies counted ineligible for BISP beneficiaries. Families without male household members and with disabilities are eligible for the BISP welfare program. Employment status plays an important role in financial level of individuals. Study conducted by Struckell et al (2022) shows that self-employed people are more finically literate than individuals with traditional employment.

3.1.5 Marital Status

The marital status of the women can potentially affect the financial literacy and financial inclusion process of the women. There have been ambiguous findings in this regards. Bruine de Bruin et al. (2010) found that single individuals are more likely to be financially literate as compared to married individuals. In contrast to this, Lusardi and Tufano (2009) found opposite results in which single individuals showed low literacy levels. Cole et al. (2009) reported no significant relationship between financial literacy and marital status in Indonesia and India. Married women mostly rely on their husbands or male family members for financial transactions and hence may depict low levels of financial literacy.

Social capital

Social capital is defined by Kumar (2017) as the “set of social resources of a community that increases the welfare of that community (p. 67). This definition informs that social capital is a resource that benefits not just the individual but also all the surrounding community. Earlier,

Adler and Kwon (2002) coined social capital as the “goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. It affects flow from the information, influence, and solidarity, it makes available to the actor” (p. 23). The development of knowledge, skills, attitude (KSA), and behaviour of low-income workers is greatly influenced by their interaction in their social circle. In other words, social capital influences the financial inclusion of an individual through their financial literacy. Therefore, social capital is examined as a moderator of the relationship between financial literacy and financial inclusion.

3.1.6 Financial Inclusion

Being financially included affects the financial literacy of the individuals (Biswas & Gupta, 2013). Following questions were used to measure the Financial Inclusion index using Principle Component Analysis:

- Do you own a bank account?
- Do you own a Cell Phone?
- Are you aware of Mobile Money services like Easy paisa, Jazz Cash, Omni, HBL Connect etc?
- Do you have mobile money shops/agents (easypaisa, omni, Jazz cash etc) in your area?
- Have you ever used any of the mobile money (easypaisa, omni, Jazz cash etc) services?
- Which of the following do you use most often?
- Do you also have mobile money apps in your phone?

After measuring the impact of financial inclusion and other socio-economic factors on the Financial Literacy of the women, financial inclusion Index was used as a dependent variable in the second empirical model.

3.1.17 Measuring Financial Literacy

Over the years, no particular measure of financial literacy has been used. Studies and past research have used various measures depending upon the nature of the study (Huston, 2010). For the purpose of this study, we will use following basic questions to measure the financial literacy of the BISP beneficiaries.

1. Are you able to do basic money calculations (addition, subtraction, multiplication, division)
2. Do you know how to use ATM cards?
3. Do you know have knowledge about following financial products? (Credit Card, debit card, pension fund, bank loan, microfinance loan, interest, mobile money)
4. How easy/difficult it is for you to do the following? (Send money, receive money, withdraw money, check balance)

From these questions, a Financial Literacy Index was generated using Principle Component Analysis like done by Atkinson and Messy (2012).

3.2 Conceptual framework

The reviewed studies enabled for the creation of the conceptual model, as seen in Figure 1. At first, a study by (Bongomin et al, 2017) in Uganda assessed the role of knowledge, skills, attitude and behavior in enhancing the financial literacy of low income individuals and the immediate impact on financial inclusion. The study confirmed the impact of knowledge, skills, attitude and behavior on financial literacy. However, the study showed that there is a mediating influence of financial literacy between attitude and financial inclusion of poor households in Uganda. A

previous study by the same authors assessed the role of demographics in creating differences in financial literacy and financial inclusion. This study has confirmed that age plays a role in financial literacy where young individuals showed lower levels of financial literacy. In addition, it demonstrated that in general males have higher financial literacy than females. Furthermore, (Bongomin et al, 2018) evaluated the mediating impact of social capital between financial literacy and financial inclusion, as well as the direct impact. The authors demonstrated that social capital played a significant mediator role, however, not direct influence from financial literacy on financial inclusion was found. Based on the argument above and the explored literature, a conceptual model has been prepared, as seen in Figure 2.

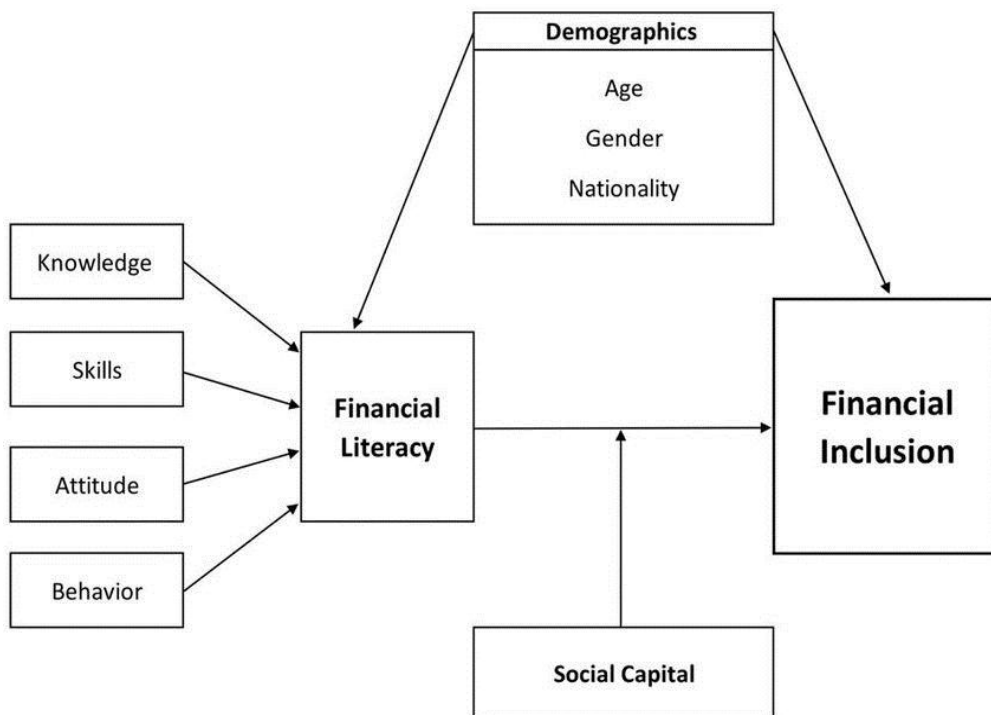


Figure 2: (Garg and Singh (2018), Bongomin et al (2016); (2017), and Bongomin et al.)

A conceptual framework for financial inclusion and its determinants provides a structured understanding of the relationships between the variables. Financial inclusion is the availability and accessibility of affordable financial services and products to all individuals and businesses, particularly those traditionally underserved or excluded from the formal financial system. It includes giving people access to essential financial services like bank accounts, savings accounts, loans, insurance, and payment systems. Financial inclusion initiatives ensure everyone can access safe and affordable financial tools and resources, regardless of income level, gender, age, or geographic location. Societies hope to reduce poverty, foster economic growth, and improve well-being by promoting financial inclusion.

Financial literacy and financial inclusion are inextricably linked. Improving financial literacy is critical for increasing financial inclusion because individuals require the knowledge and skills to use available financial services effectively. On the other hand, financial inclusion plays an essential role in promoting financial literacy by allowing individuals to access financial products and services, participate in the formal financial system, and gain hands-on experience managing their finances.

Demographics and social capital are two critical factors influencing financial inclusion, as Different age groups may have different financial requirements and preferences. Young adults, for example, may require access to affordable credit or savings options, whereas older adults may priorities retirement planning. Financial inclusion initiatives must consider the diverse needs of different age groups.

Gender disparities in financial inclusion can exist, with women frequently facing more significant barriers to accessing financial services. Closing the gender gap in financial inclusion

necessitates concerted efforts to address specific issues confronting women, such as limited access to formal identification, cultural norms, and discriminatory practices.

Individuals and households with lower incomes are more likely to face financial exclusion due to limited resources, a lack of collateral and insufficient access to financial services. To ensure participation in the formal financial system, financial inclusion initiatives must address the unique challenges economically disadvantaged populations face. Individuals and communities' social capital is their relationships, trust, and social networks. By providing information, support, and opportunities for financial inclusion, social networks can help people gain access to financial services. Individuals with strong community ties and trust can navigate the financial system, gain access to formal financial services, and benefit from peer-to-peer lending or informal saving groups.

Hypotheses

Based on the conceptual model as in Figure 1, several hypotheses were formulated:

Individual Factors

- H1a: The financial knowledge of the BISP beneficiaries impacts positively their financial literacy.
- H1b: The financial skills of the BISP beneficiaries has positively impact their financial literacy.
- H1c: The financial attitude of the BISP beneficiaries has positively impact their financial literacy.

- H1d: The financial behaviour of the BISP beneficiaries positively has positive impact on their financial literacy.

Financial Literacy

- H2: Higher financial literacy of the BISP beneficiaries has positively impact on their financial literacy.

Moderator

- H3: Social capital positively moderates the relationship between financial literacy and financial inclusion.

Demographics

- H4a: Age of the BISP beneficiaries has significantly influence their perceptions of financial literacy and financial inclusion of the beneficiaries.

- H4b: Gender has also significantly influence on financial literacy and financial inclusion though here we have females as BISP beneficiaries.

- H4c: Nationality of females members of family also has significantly influence on financial literacy and financial inclusion of women in some part of our rural areas the females are not allow to make Identity card.

CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

In this research mix method research has been used in which both qualitative and quantitative approaches have been used. The data has been collected from the quantitative survey and the graphs have been generated by transcribing the data into Google Form. These graphs have been then qualitatively interpreted.

4.2 Research Design

This research study has discussed the financial literacy level among the Hazara Community in Quetta more specifically Hazara Town and Marri Abad (Alamdar Road) Hazara populated areas in Balochistan. The financial literacy has been measured by taking the BISP beneficiaries from Hazara Town residence and Marri Abad residence major Hazara community members populated region.

4.2.1 Sampling

Convenience sampling is a non-random sampling technique in which the aim is not to bring forth a sample that is true representation of the characteristics of the population. Rather the convenience sampling is used when the data could be obtained from any person who comes across (Neuman, 2014). The prime motive behind opting for convenience sampling and targeting BISP beneficiaries of Hazara community in particular was to explore the financial literacy of women from areas that are often neglected by national level researchers. This research will help in understanding the true picture of financial literacy situation in unexplored areas of Pakistan.

In the present research, I have personally visited the BISP center in Quetta which is providing services to the Hazara community during my data collection. I discussed the person in charge of the BISP center that I want to conduct my research on financial literacy among the BISP beneficiaries. I was granted permission by the BISP center, and I started conducting survey. Those respondents who gave their consent to be part of research were included in the sample.

4.2.2 Sampling size

The sample size included 232 respondents from whom the survey questionnaires were filled.

4.2.3 Sampling characteristics

All respondents were women. The selected age group of the women ranged from 18 years to 60 years. The young age group comprises of the age group 18-30. The middle age group is considered from 30-50. The old age group includes the women from 50-60. The percentage of each group in the selected sample for the present study has been shown in the Fig 4.2 below:

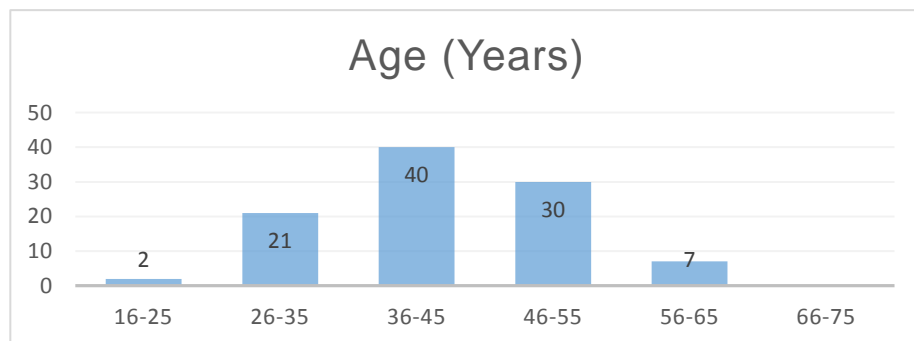


Figure 3: Percentage of respondents in each age group

Most of the women who were selected in the present research study were married. While there were some widowed and divorced but not in considerable number. Similarly, the unmarried women were also not found in very large number. The marital status of the women has been represented in the Fig 4.

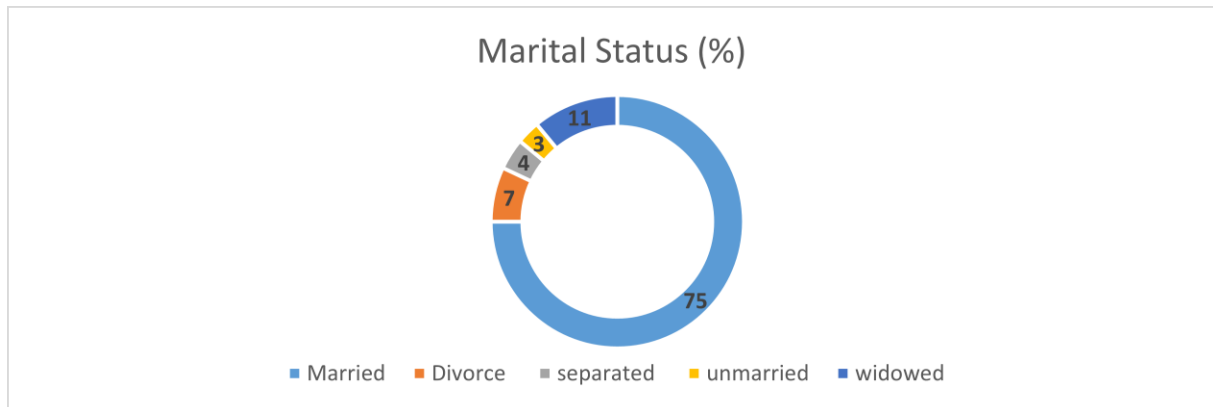


Figure 4: Marital status of respondents

4.2.4 Locale of the study

Present research is focusing on the Hazara community therefore Quetta city from Balochistan was selected as vast majority of Hazara community live there.

4.3 Data collection method

The data has been collected through the quantitative survey. I have created a structured questionnaire in which the respondents were asked to select one option from the categories that has been given to them.

4.4 Data Analysis

We employed Exploratory Data Analysis to examine, and display observed data in relatively straight forward way. Exploratory Data Analysis method analyzed data set to summarize their main characteristics through data visualization. Data Visualization will encompass the following types of graphs, *bar charts*, *Pie charts*.

4.4.1 Estimation Technique

Ordinary Least Square method of estimation was used to measure the impact of socio-economic variables on the financial literacy of the women. Two separate models were generated in which the first model measured the impact of financial inclusion on the financial literacy of the women. The second model measures the impact of the financial literacy on the financial inclusion of the women.

Mathematically the models are represented as follows:

$$\text{FinLit} = \beta_0 + \beta_1 \text{FinInc} + \beta_2 \text{income} + \beta_3 \text{maritalstatus} + \beta_4 \text{emplstatus} + \beta_5 \text{age} + \beta_6 \text{education} + U_i \quad (1)$$

The second empirical model that estimated the relationship between the financial inclusion and socioeconomic variables is given as:

$$\text{FinInc} = \beta_0 + \beta_1 \text{FinLit} + \beta_2 \text{income} + \beta_3 \text{maritalstatus} + \beta_4 \text{empstatus} + \beta_5 \text{age} + \beta_6 \text{education} + U_i \quad (2)$$

Where,

FinLit represents Financial Literacy score measured through PCA

FinInc represents Financial Inclusion Index measured through PCA

Empstatus represents the employment status of the women. It is a binary variable.

Rest of the variables is self-explanatory.

Principal Component Analysis (PCA)

PCA stands for Principal Component Analysis. It is a statistical technique used for dimensionality reduction and data exploration. PCA is commonly used to identify patterns and relationships within a dataset by transforming the original variables into a new set of uncorrelated variables called principal components.

The detailed results of the Principal Component Analysis (PCA) used to construct the financial literacy and financial inclusion measures are as follows:

Financial Literacy Index (FinLit):

The financial literacy index (FinLit) was constructed using PCA analysis and included the following variables:

- The respondent's ability to read or write.
- The respondent's ability to do basic calculations.
- The respondent's awareness of terms related to banking and finance, such as bank loan, current account, saving account, debit card, credit card, pension, budget, taxes, insurance, and investment.

Financial Inclusion Index (FinInc):

The financial inclusion index (FinInc) was also constructed using PCA analysis. The variables used to construct this index include:

- Ownership of a bank account.
- Ownership of a cell phone.
- Awareness of mobile money services like Easy paisa, Jazz Cash, Omni, HBL Connect, etc.
- Presence of mobile money shops/agents (e.g., easypaisa, omni, Jazz cash) in the respondent's area.
- Previous usage of mobile money services.
- Preferred usage of mobile money services.
- Ownership of mobile money apps on the respondent's phone.

Estimation Results:

The study utilized Ordinary Least Square (OLS) regression analysis to estimate the impact of socio-economic variables on the financial literacy and financial inclusion of women. The results of the two separate models are as follows:

Model 1: Impact of Financial Inclusion on Financial Literacy

Financial inclusion has a positive and significant impact on the financial literacy of women in the Hazara community. A 1% increase in the financial inclusion index score leads to a 32% increase in financial literacy. Education of women is also found to be statistically significant and positively affects their financial literacy.

Age is negatively related to financial literacy, suggesting lower levels of financial literacy among older women. However, this result is statistically insignificant.

Marital status, employment status, and income are all found to be statistically insignificant in affecting the financial literacy of the respondents.

Model 2: Impact of Financial Literacy on Financial Inclusion

Financial literacy has a positive and significant impact on the financial inclusion of women in the Hazara community. A 1% increase in the financial literacy index score results in an 86% increase in financial inclusion.

Employment status of women is statistically significant and positively affects their financial inclusion, indicating that working women are more likely to be financially included compared to unemployed or housewife women.

Income is also positively associated with financial inclusion, suggesting that women with higher incomes are more likely to be financially included.

Age, marital status, and education of women are all found to be statistically insignificant in affecting their financial inclusion.

4.6 Ethical consideration

It is necessary to take the consent of the respondents before conducting their interview. The respondents' queries should be answered in a proper manner. The researcher should also take the consent of the respondents before recording the interviews of the respondents. This is necessary to get the trust of the respondents.

The identities of the respondents should be kept confidential to avoid bringing any harm to them from any side. The respondents should be asked first that whether they are comfortable in showing their identities or not. The identities of the respondents should only be shown if they have given the permission to the researchers.

Moreover, the interviewees would be given the option of leaving the interview or withdraw their views that they considered inappropriate from their perspective. Some respondents do not develop rapport with the researcher, and they want to leave the research process. The researcher should keep the respondents comfortable during the data collection so that they should not leave on the first place. But in a case, they want to leave they should be allowed to leave. (Kvale, 1994)

In the present research study, the respondents were informed that the data collection is done primarily for writing dissertation for the fulfillment of the degree M.Phil. in Public Policy from PIDE. The respondents were given the option of leaving the interviews and survey if they are not feeling comfortable to give their response. The identities of the respondents have not been revealed in the research.

Those respondents who did not want to become part of the research process was not forced to become part of the research. Some of the respondents also started to provide me with list of problems as they thought that I might be someone who is on inspection of the BISP centers due to which they started to complain me about the problems which they were facing. So, I clarified my position to them and said that I am just doing research to get my degree and I did not give them any sort of false promises.

CHAPTER 5 ANALYSIS AND DISCUSSION

5.1 Socio-economic context of the respondents

Most of the respondents in the sample consisted of uneducated and primary educated women. 31.1 % women were illiterate and 30.3 % women had only primary education. Figure 5 show education level of respondents

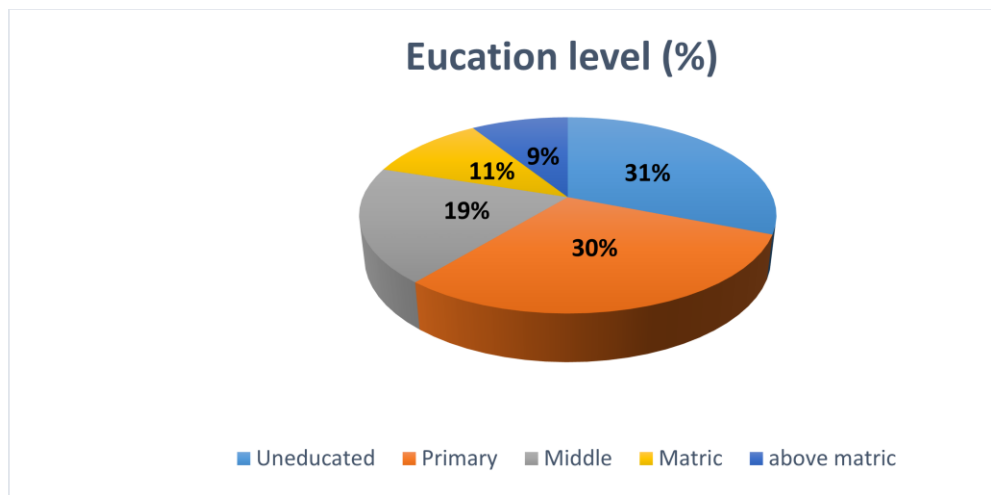


Figure 5: Education level of respondents

Majority of the respondents 87.8% said that they are housewives and do not work outside the hon

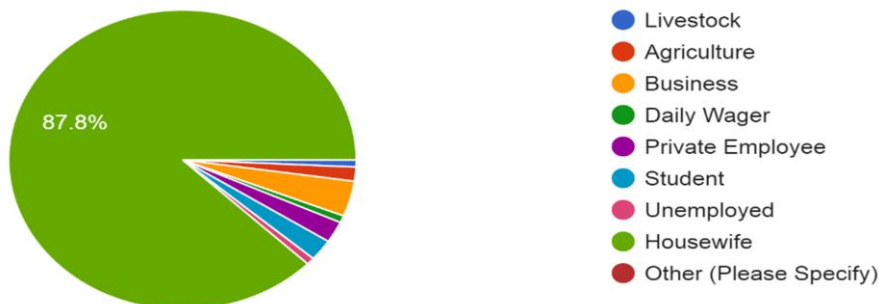


Figure 6: Employment status of respondents

Those women who were working said that they earn less than Rs. 20000 in a month. 81.3% women said that they are earning less than Rs. 20000 in a month. However, there were also women who earned 20000-50000 in a month. 12.5% women said that they earn higher than Rs 20000 .Figure 7 show monthly income level of respondents.

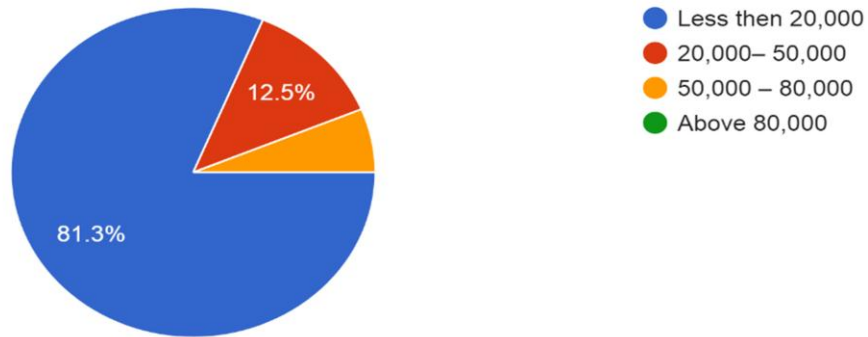


Figure 7: Monthly Income Level

A vast majority 86% of women said that their average monthly income of household income is between 21000 Rs to 40000 Rs. Figure 8 shows average monthly income of household.

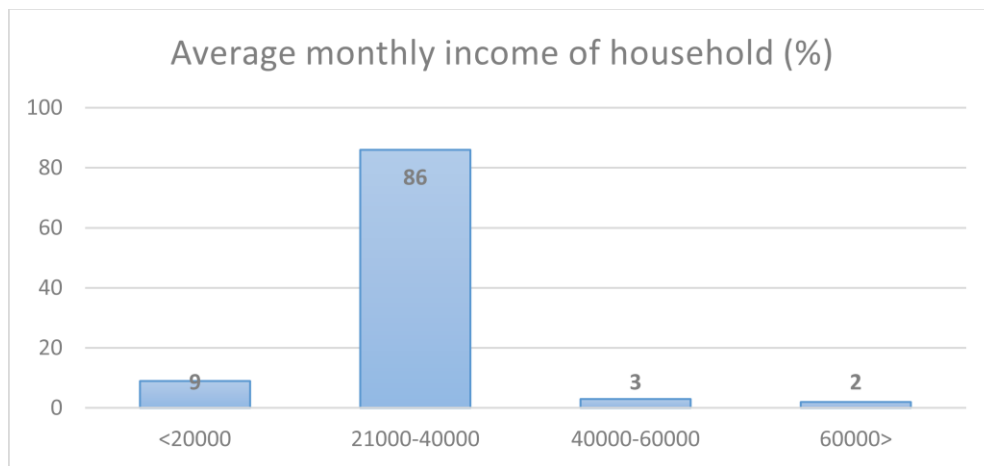


Figure 8: Average monthly income of household

The families of most women in the present research study were working under the private sector. 56.8% of woman said that their household income comes by employment in private sector. While 31.1 % of woman said tha their household income depends on the labor. There was a small minority of women who also said that their household income is derived from the business. 8.3% of woman said that their household income is derived from the business.

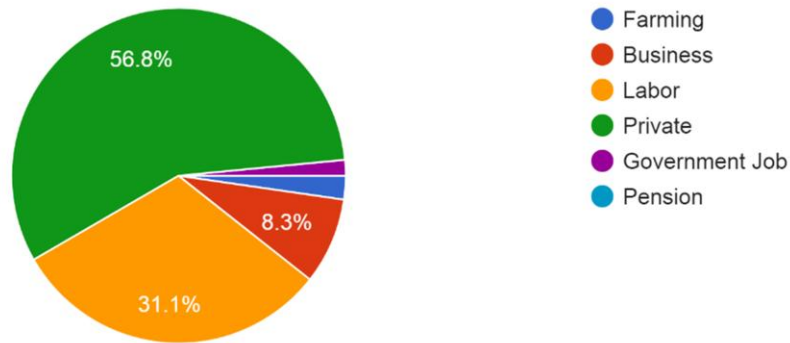


Figure 9: Main Source of Household Income

58 % of women have been using the BISP program for more than 5 years. On the other hand, the 15 % of women were registered with BISP program for less than two years. Fig 10 shows respondents' duration with BISP.

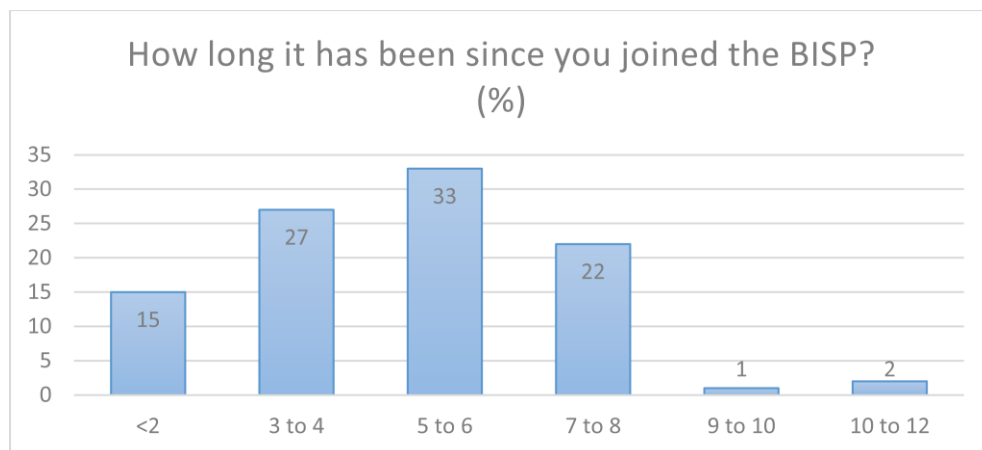


Figure 10: How long it has been since you joined the BISP?

5.2 Financial Literacy

Nearly, half (49.2 %) of respondents inform that they did not know how to read or write.

Figure 11 show the division of respondents with respect to their ability to read and write

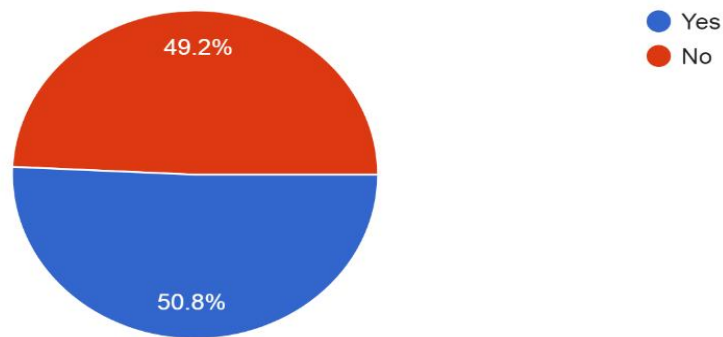


Figure 11: Respondents' ability to read and write

There were many women who said that they do not know how make calculations. 71.2% women said that they cannot do basic calculations. While 28.8 % of the women said that they could do basic calculations see figure 12:

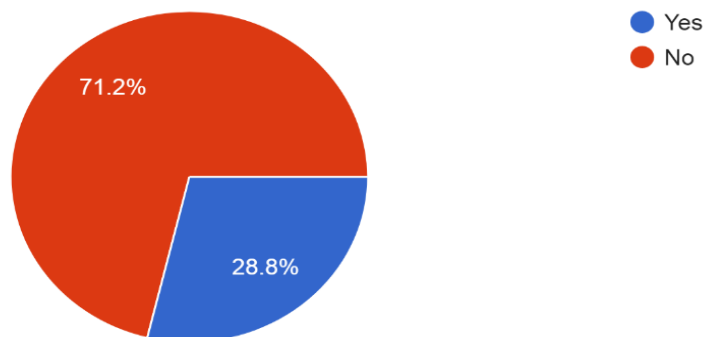


Figure 12: Respondent's ability to do basic calculations.

72.1 % of the women said that they were not aware if they could do financial transactions through mobile phone. While 28.8 % of the women said that they could do financial transactions through mobile phone see figure 13:

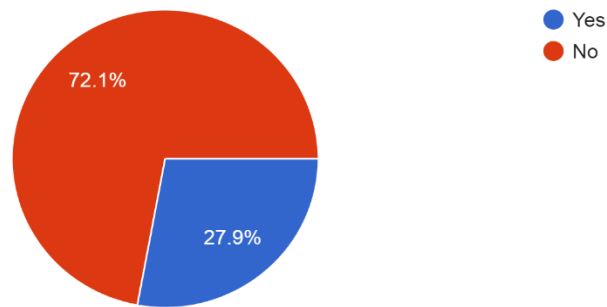


Figure 13: Respondent's information about mobile money

Most of the women in the research study were aware of the pension funds and bank loan. There were 58.9 % women who knew about the pension fund while there were 41.9% women who knew about the bank loan facilities. Similarly, the women also knew about the credit card and the debit card services. 41.9 % of the women knew about the credit card, and 34.1 % knew about the debit card.

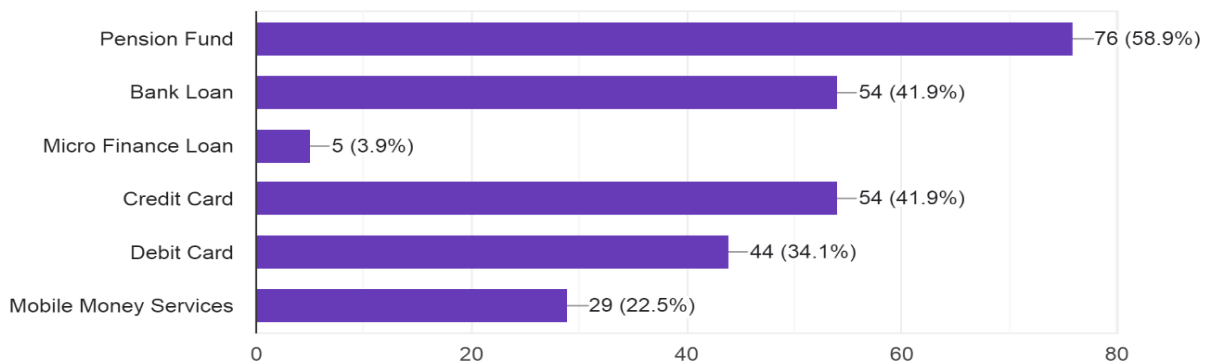


Figure 14: Respondent's Information about different financial products

5.3 Mobile Phone Access and usage

Majority of the women said that they do not have their own cell phones. 53.4% of woman said that they do not have cell phone while 45.6% of women said that they have their own cell phone see fig. 15:

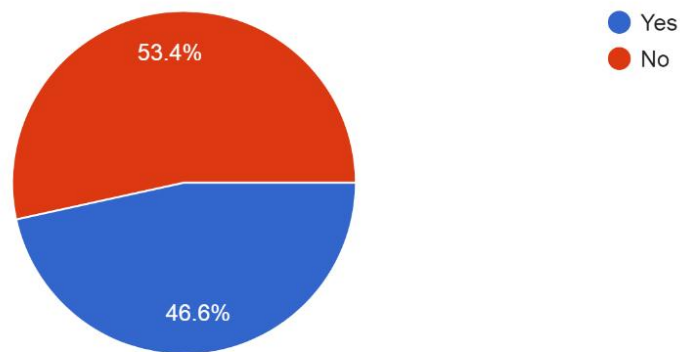


Figure 15: Mobile phone access

Those women who had their own cell phones most of them were using smartphone. 66.2% of women said that they are using smartphones while 33.6% of the women said that they are using simple phones.

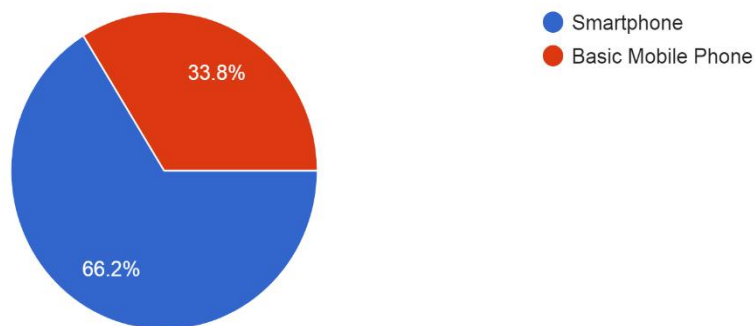


Figure 16:

Mobile phone type

Most of the women who do not have their own cell phones said that the major reason for not having cell phone is that they do not know how to get one. 37.4 % of women said that they do not know how to get a phone while 26.6% women said that they face difficulty while using the smartphone.



Figure 17: Reason for not owning a mobile phone

Most of the women who were using cell phones reported that they face difficulty when using the cell phones. 43.2 % of women said that they face difficulty while using the cell phone. While 28.8 % of women said that they do not face difficulty while using the cell phone. 16.6 % women said that they face very difficult in using the phone.

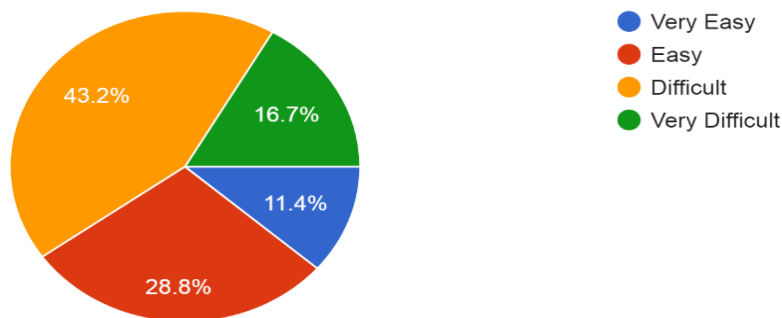


Figure 18: Usage of mobile phone

5.4 Bank Access and Usage

There were 80.8% women who said that they do not have bank account. While there were 19.2 % percent of women said that they do have a bank account.

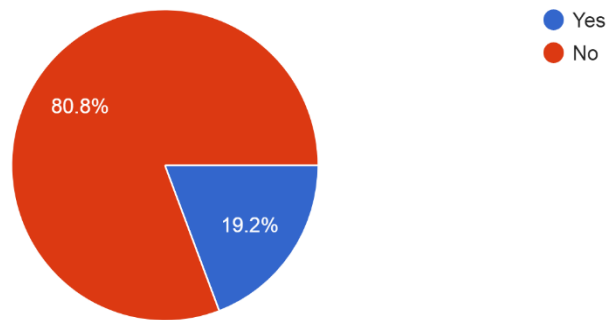


Figure 19: Account ownership

Most of the women who had bank account, they did not know what type of account they have. 91 % of women said that they do not know which type of bank account they have. There was minority group of women who knew that they have current account in bank.

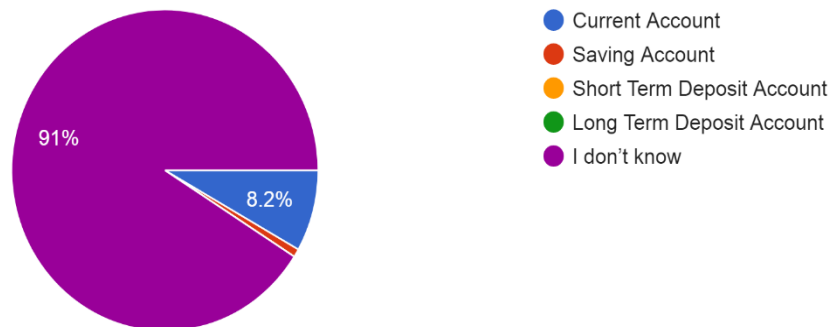


Figure 20: Account type

Majority of the women said that their bank is not located at a much longer distance from their home. 28.8 % women said that they have to travel 1-3 km to reach the bank, while 25 % of the women said that they have to travel less than 1 km to reach the bank.

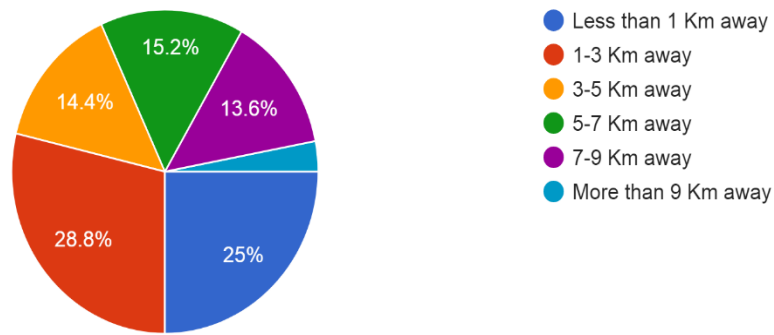


Figure 21: Distance to nearest bank

The women who do not have bank account when asked about why they do not have a bank account, 87.3 % of women said that they never needed a bank account for them.

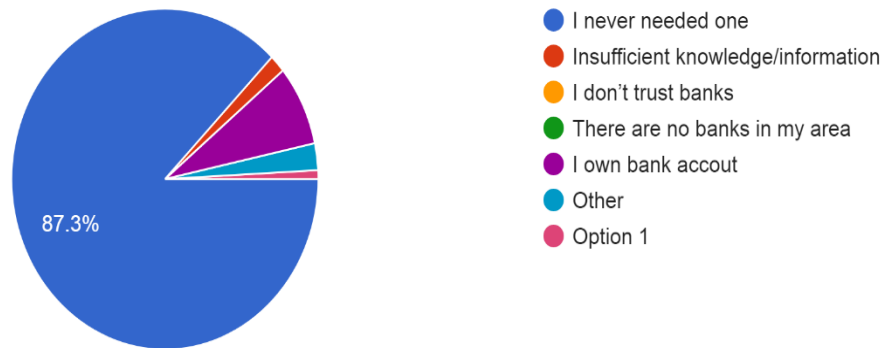


Figure 22: Reason for not owning a bank account

Majority of the women did not know how to use the ATM service. 79.4% of women said that they do not know how to use the ATM service. While 20.6% of woman said that they know how to use ATM.

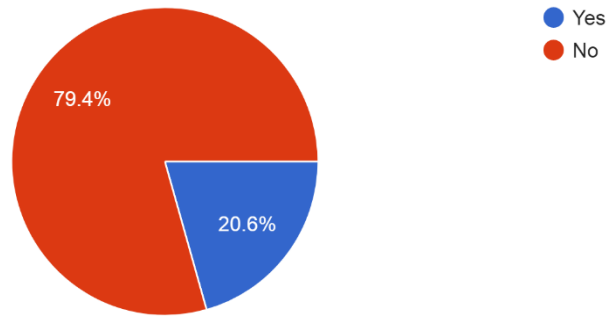


Figure 23: ATM card usage

Majority of the women said that they do not use the mobile bank application. 43.9% of the women said that they do not know how to use the mobile banking application. While 41.7% percent said that they do not have mobile banking application

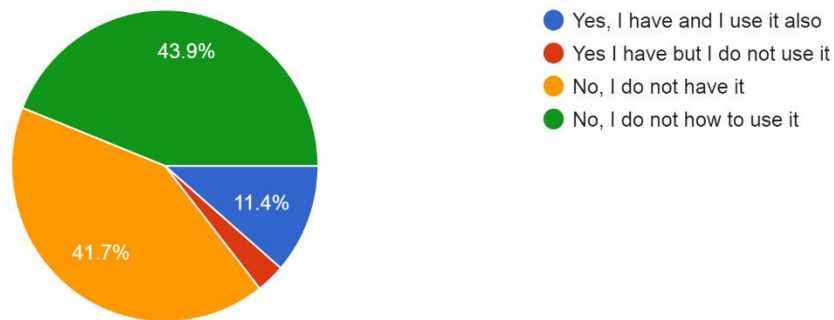


Figure 24: Internet banking

Those women who have the mobile banking application most of the women did not use it. 50 % of the women said that they never used the mobile banking application. While 16.7 % of women said that they used mobile banking application sometimes. 12.7% women said that they occasionally used the mobile banking application.

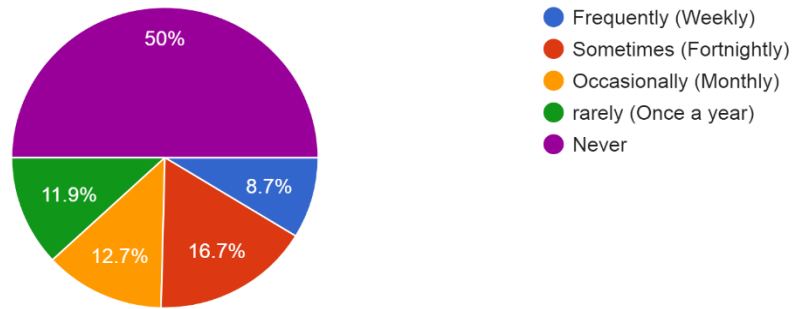


Figure 25: Usage intensity of internet banking

5.5 Mobile money access and usage

Majority of the women (71.5 %) were unaware about mobile money transaction services such as Easy paisa, Jazz cash, UBL Omni, and HBL connect. While 28.5 % of the women were aware that such facility is available.

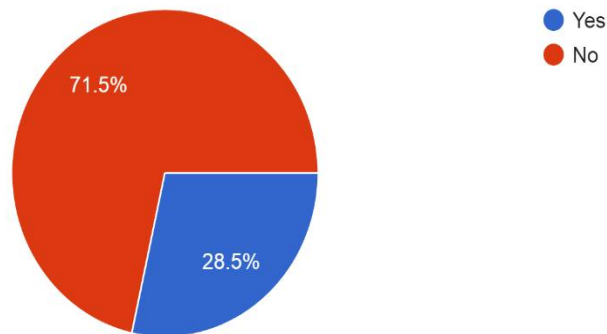


Figure 26: Access to mobile money

Many of the women were unaware that whether there is a shop for online money transfer in their area. 62.9% of women said that they are unaware of any shop for online money transfer. However, there were 24.2% of woman who knew that there is online money transfer shop in their area.

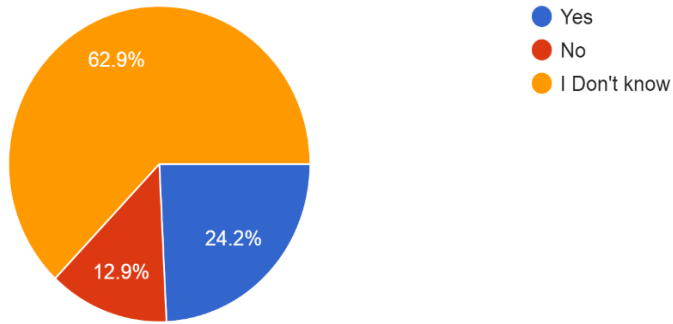


Figure 27: Mobile money shops

Majority of the women (80.2 %) of women said that they have never used easypaisa, omni, jazz cash etc. While 19.8 % women said that they have used the online money transfer service.

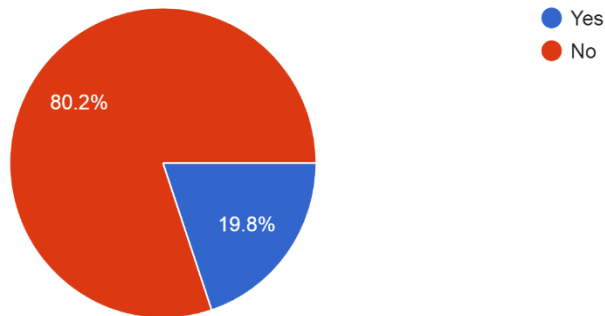


Figure 28: Mobile money usage

Those women who were using the online money transfer service were asked that how they usually send and receive the money. 61.3 % of women said that they used the mobile money account to perform the transaction.

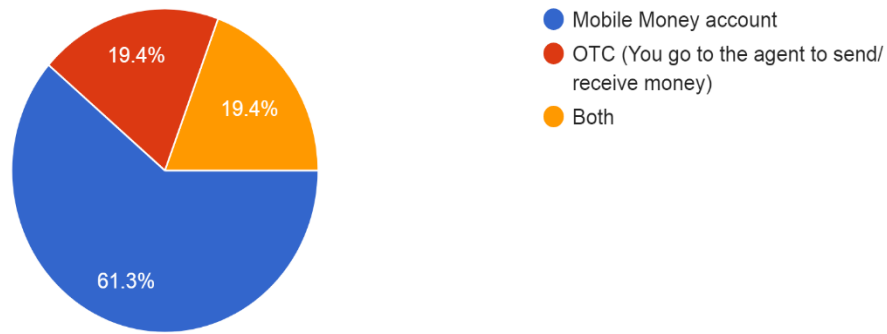


Figure 29: Mobile money preference

Majority (86.9%) of women said that they do not have the mobile money application in their phone. Only 13 % of women said that they have the mobile money application in their mobile phone.

Do you also have mobile money apps in your phone?

130 responses

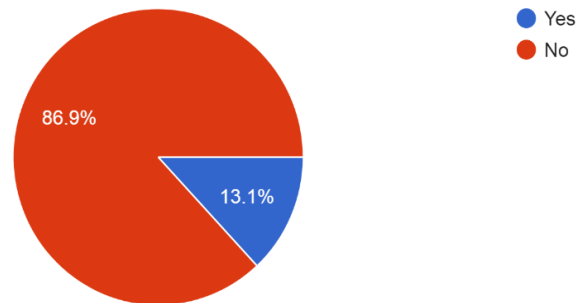


Figure 30: Mobile money applications

When the women were asked about that what functions they perform from their mobile money accounts, 94.7% women said that they used to send and receive money for personal use, while 19.3% women said that they send and receive money for their business dealings. There was only 3.5 % of women who said that they used to give donations using the mobile money accounts.

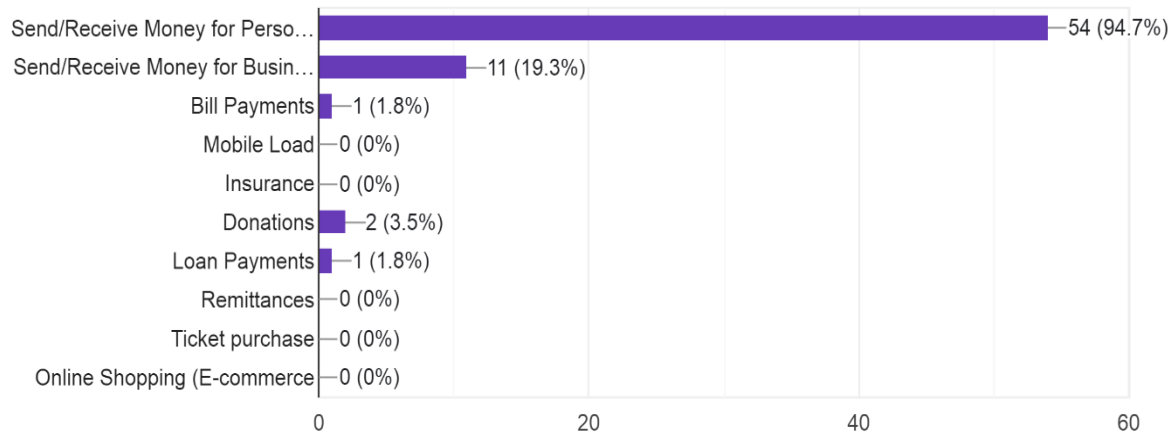


Figure 31: Mobile money functions

However, majority of the women who are using the mobile money accounts were not doing transactions by themselves. 62.8% of women used to take the help of family members to do the transactions. Mean While 24 % of the women did the transactions by themselves. While the 7 % of women relied on their relatives for doing transactions from the mobile money account as shown in figure 32.

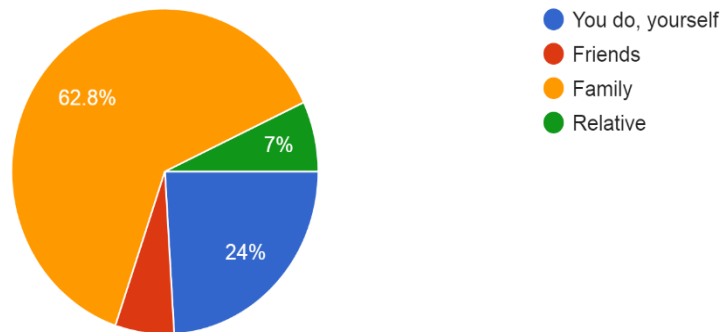


Figure 32: Mobile money transactions

Many women said that they started using the mobile money account because they had to send money to someone. 54.9% of women said that they started using the mobile money account

to send the money to someone. While 26.5 % of women said that they had to receive money from someone due to which they have started using the mobile money account.

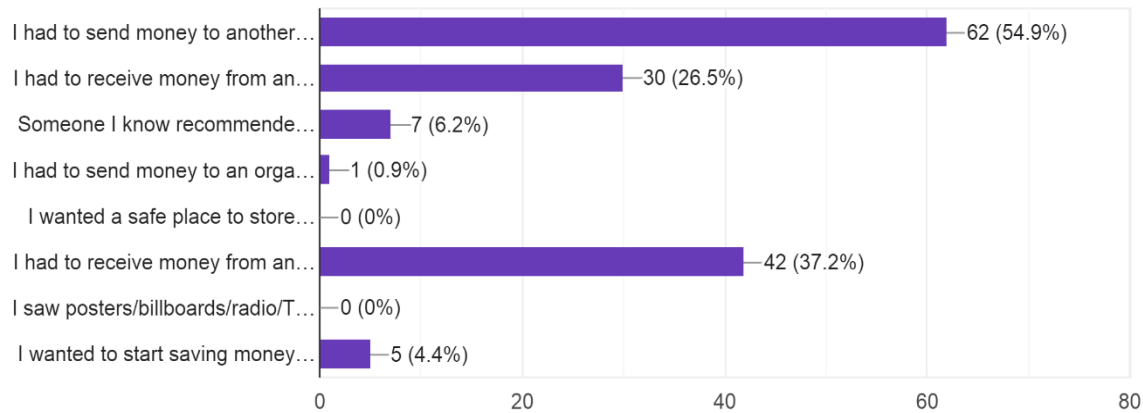


Figure 33: Purpose of using mobile money

Majority of women who is not using the mobile money account said that they do not have enough knowledge to use the mobile money account. 86.5 % of women said that they do not have adequate knowledge to use the mobile money account. While only 9% of the women said that they are using another type of money transfer method.

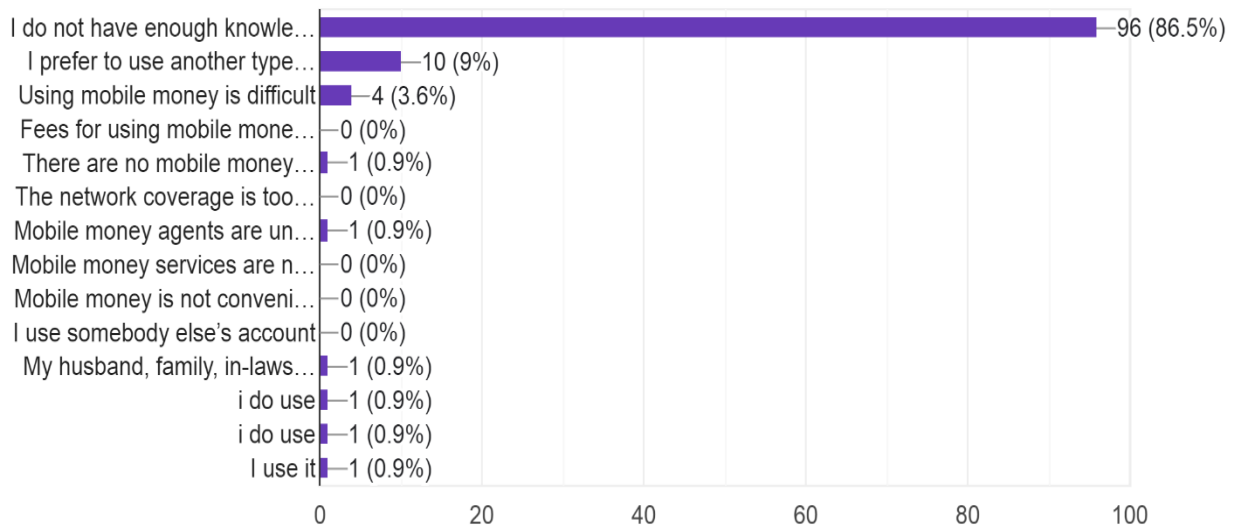
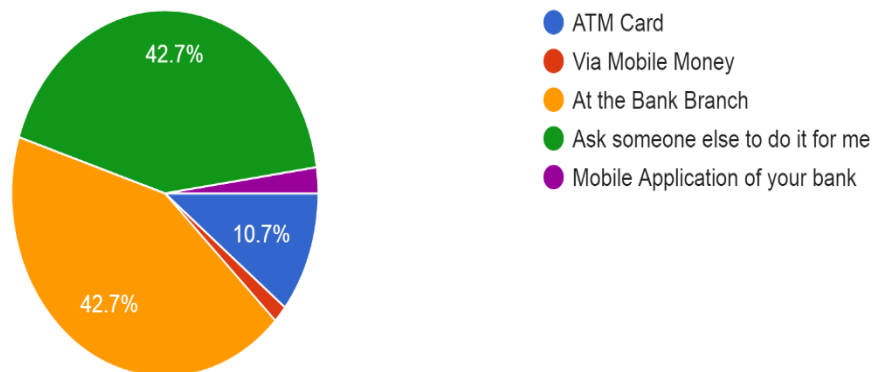


Figure 34: Reason for not using mobile money

5.6 Financial Habits, Training and Perceptions

Majority of the women said that they either visit the bank branch or ask someone else to transfer money on their behalf. 42.7% of women said that they visit bank branch, while 42.7% of the women also said that they would someone else to do this task for them.

Figure 35: Mode of money transfer



Majority of the women have not received any training on financial literacy. There were 96.9 % women who said that they did not receive any financial literacy training.

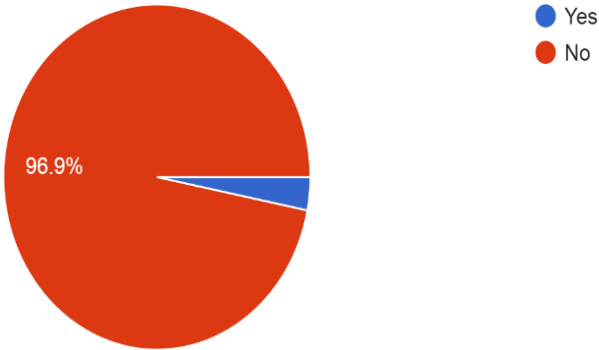


Figure 36: Received any Financial Training

5.7 Perceptions about financial knowledge

Majority of the women agreed that the financial literacy training program could increase their financial knowledge. 67.4% of the women agreed and 21.2 % women strongly agreed that the financial literacy training could increase their financial knowledge.

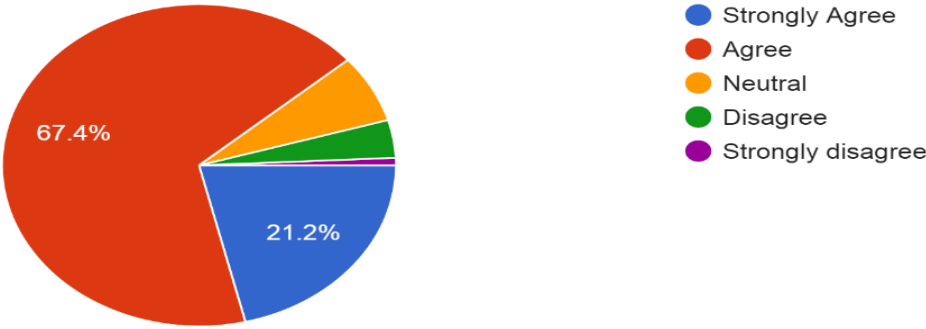


Figure 37: Respondents opinion on FL training programs

65.2 % of women agreed, and 20.5 % women strongly agreed that the people around them can positively influence their financial knowledge.

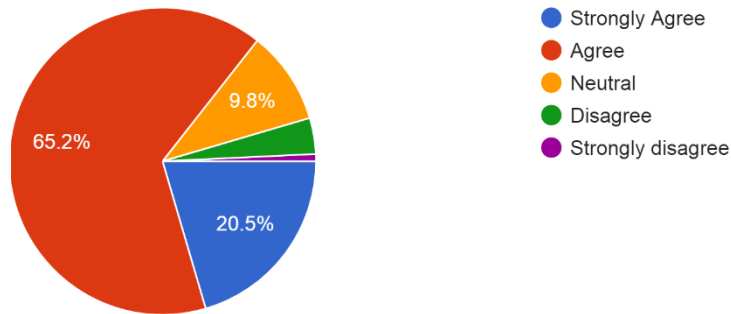


Figure 38: Respondents opinion on impact of neighborhood on FL

Majority of the women agreed with the statement that the television and listening to the news increases their financial knowledge. While 15.2 % disagreed and 24.2 % remained neutral on the role of television and news in increasing the financial knowledge of women.

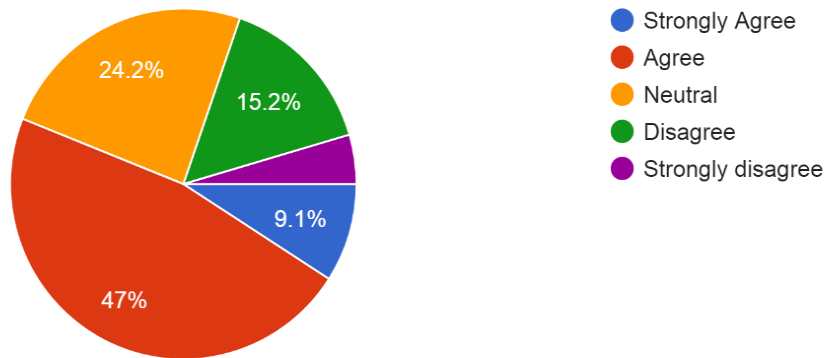


Figure 39: Respondents opinion on impact of television on FL

A vast majority of the women (72%) also agreed to the statement that their association with BISP has increased their financial knowledge. While 25.8% of the women remained neutral.

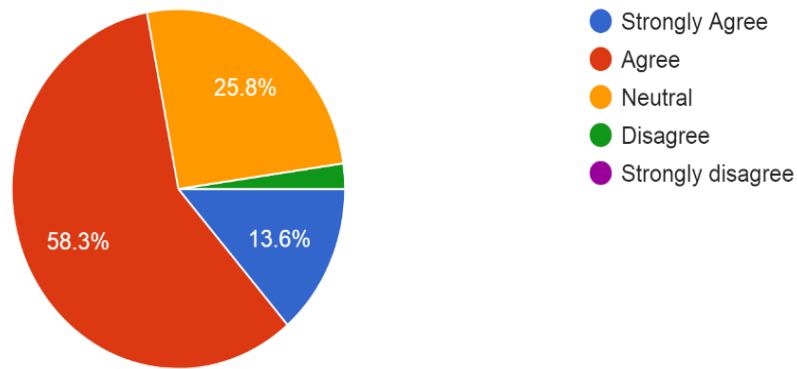


Figure 40: Respondents opinion on impact of BISP on their FL

Half (50 %) of women agreed and 12.1% strongly agreed that they understood the importance of financial knowledge in making better life decision While 11.4 % of women disagreed with it.

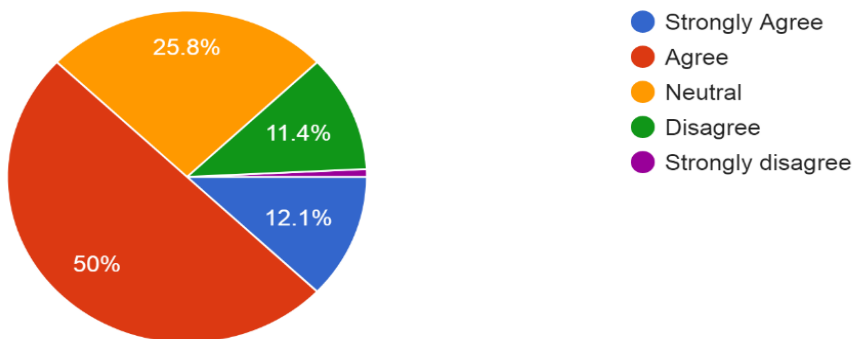


Figure 41: Respondent's understanding of FL importance

50 % of women agreed and 10 % of women strongly agreed that decision making powers in household finances can improve their financial knowledge.

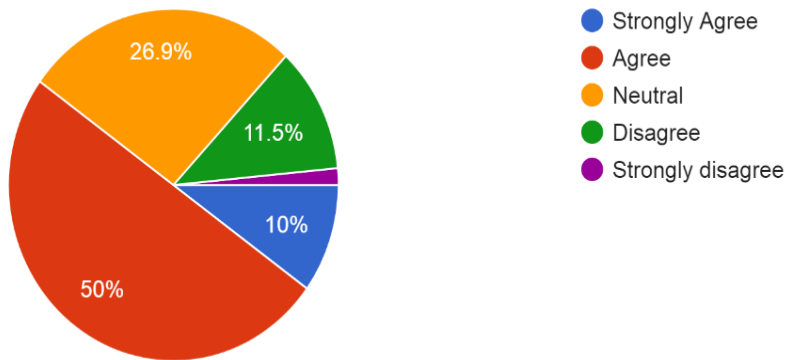


Figure 42: Respondent's opinion on impact of Decision making on their FL

More than half of respondents agreed that using mobile money can improve their financial knowledge.

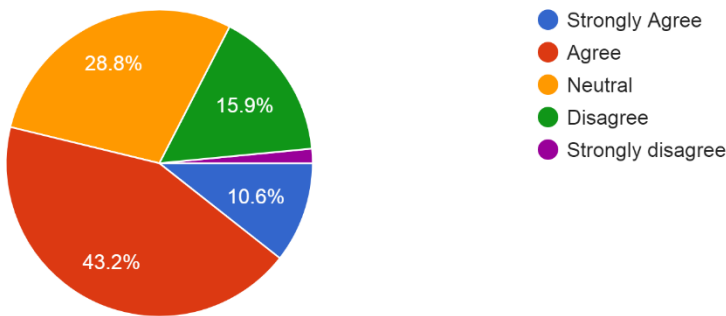


Figure 43: Respondent's opinion on impact of MM on their financial knowledge

5.8 Estimations

The statistical analysis of the relationship between financial inclusion and financial literacy among women in Hazara community has been added. This relationship between financial inclusion and financial literacy was explored using two empirical exercises. In the first one the, financial literacy was taken as a dependent variable and financial inclusion along with other socio-economic factors were the explanatory variables. In the second exercise, socio-

economic variables were remained unchanged however, financial inclusion became dependent variable and the financial literacy became independent. In the second exercise we attempted to explore how financial literacy impacts financial inclusion.

Variance Inflation Factor (VIF)

It is a measure used in regression analysis to assess multicollinearity among predictor variables. Multicollinearity occurs when two or more predictor variables in a regression model are highly correlated with each other.

The VIF quantifies how much the variance of the estimated regression coefficient is inflated due to multicollinearity. It measures the extent to which the variance of the estimated regression coefficient of a particular predictor variable increase when other predictor variables are included in the model.

The formula to calculate the VIF for a predictor variable "X" is as follows:

$$\text{VIF}(X) = 1 / (1 - R^2(X))$$

Where $R^2(X)$ represents the coefficient of determination when "X" is regressed on all the other predictor variables in the model.

The interpretation of the VIF is as follows:

If $\text{VIF}(X) = 1$: There is no multicollinearity. The predictor variable "X" is not correlated with other predictor variables.

If $\text{VIF}(X) > 1$ and $\text{VIF}(X) < 5$: There is moderate multicollinearity. The predictor variable "X" is correlated with other predictor variables, but it is not problematic.

If $VIF(X) \geq 5$: There is high multicollinearity. The predictor variable "X" is highly correlated with other predictor variables and it may cause issues in the regression analysis.

Typically, VIF values above 5 or 10 are considered indicative of problematic multicollinearity, but the threshold can vary depending on the context and the specific research field.

Table 1: Linear regression

Fin	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
Finlit	.869	.131	6.65	0	.61	1.128	***
Gender	.396	1.362	0.29	.772	-2.302	3.094	
maritalstatus	-.426	.286	-1.49	.14	-.993	.141	
Education	-.01	.073	-0.13	.896	-.155	.136	
Income	.033	.013	2.48	.015	.007	.06	**
Employmentstatus	1.641	.43	3.81	0	.789	2.494	***
Constant	-1.007	.542	-1.86	.066	-2.08	.066	*
Mean dependent var		0.020	SD dependent var		1.876		
R-squared		0.512	Number of obs		120		
F-test		19.732	Prob > F		0.000		
Akaike crit. (AIC)		418.575	Bayesian crit. (BIC)		438.088		
*** $p < .01$, ** $p < .05$, * $p < .1$							

Table 2: Variance inflation factor

	VIF	1/VIF
Finlit	1.69	.592
Education	1.594	.627
employmentstatus	1.105	.905
Income	1.03	.971
maritalstatus	1.018	.982
Gender	1.016	.984
Mean VIF	1.242	.

Table 3: Linear regression

Finlit	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
Fin	.324	.049	6.65	0	.227	.42	***
Gender	-.488	.83	-0.59	.558	-2.133	1.158	
maritalstatus	.276	.175	1.58	.116	-.069	.622	
Education	.242	.039	6.28	0	.166	.318	***
Income	-.012	.008	-1.39	.166	-.028	.005	
Employmentstatus	.001	.279	0.00	.997	-.552	.554	
Constant	-.263	.335	-0.79	.433	-.927	.4	
Mean dependent var	0.068		SD dependent var		1.228		
R-squared	0.575		Number of obs		120		
F-test	25.479		Prob > F		0.000		
Akaike crit. (AIC)	300.125		Bayesian crit. (BIC)		319.638		
*** $p < .01$, ** $p < .05$, * $p < .1$							

Table 4: Variance inflation factor

	VIF	1/VIF
Fin	1.471	.68
employment status	1.247	.802
Education	1.182	.846
Income	1.068	.936
marital status	1.015	.985
Gender	1.013	.987
Mean VIF	1.166	.

5.8.1 Interpretation

The results of first empirical exercise presented in Table 5.1 revealed that financial inclusion positively and significantly affects the financial literacy of the women in Hazara community. The results indicate that a 1% increase in the financial inclusion index score results in a 32% increase in the Financial Literacy of the women. Biswas & Gupta (2013) also came to similar conclusion in their study.

Education of the women is also found to be statistically significant and positively affecting their financial literacy. Wagner et al. (2022) also concluded that highly educated people exhibit high levels of financial literacy. Age is found to be negatively related to financial literacy indicating lower level of financial literacy among older aged women just like Hanayani (2009) found. However, this result is found to be statistically insignificant. Similarly, marital status of the women, employment status and income are all found to be statistically insignificant in affecting the financial literacy of the respondents. This result is in contrast to the findings of Bruin et al. (2010) who found that single individuals are more likely to be financially literate as compared to married individuals. Cole et al. (2009) supports our result with having no significant relationship between financial literacy and marital status in Indonesia and India.

Table 5: Factors Affecting Financial Literacy

Dependent: FinLit	Coef.	p-value	Sig
FinInc	.324	0	***
Age	-.488	.558	
Maritalstatus	.276	.116	
Education	.242	0	***
Empstatus	.001	.997	
Income	-.012	.166	
Constant	-.263	.433	
Mean dependent var	0.068	SD dependent var	1.228
R-squared	0.575	Number of obs	120

F-test	25.479	Prob > F	0.000
Akaike crit. (AIC)	300.125	Bayesian crit. (BIC)	319.638
*** p<.01, ** p<.05, * p<.1			

The results of second empirical exercise presented in Table 2 revealed that financial literacy positively and significantly affects the financial inclusion of the women in Hazara community. The result indicates that a 1% increase in the financial literacy index score results in an 86% increase in the Financial Inclusion. This result supports the notion that being financially literate increases the demand of formal financial services and hence the increase in financial inclusion. Capuano and Ramsery (2011) found similar positive relationship between financial inclusion and financial literacy. Nalini (2011) and Gupta and Kaur (2014) also established that the increase in financial literacy increases financial inclusion as people seek more and better financial services and products.

Employment status of the women is also found to be statistically significant in affecting their financial inclusion indicating that a working woman is more likely to be financially included in comparison to a woman who is unemployed or is a housewife. Income is also found to be positively associated with the financial inclusion of the women representing that women with high income are more likely to be financially included, a result similar to that of Wagner. (2022). Soumare et al (2016) found similar results in a study conducted in Central and West Africa.

On the contrary, Age, Marital status and Education of the women are all found to be statistically insignificant in affecting the financial inclusion of the women respondents of Hazara community. Supporting this outcome, Izquierdo (2015) also found insignificant relationship

between marital status and financial inclusion in Peru. However, Soumare et al (2016) found contrasting results in this regard in the Central and West Africa.

Table 6: Factors Affecting Financial Inclusion

Factors Affecting Financial Inclusion			
Dependent: FinInc	Coef.	p-value	Sig
Finlit	.869	0	***
Age	.396	.772	
Maritalstatus	-.426	.14	
Education	-.01	.896	
Empstatus	1.641	0	***
Income	.033	.015	**
Constant	-1.007	.066	*
Mean dependent var	0.020	SD dependent var	1.876
R-squared	0.512	Number of obs	120
F-test	19.732	Prob > F	0.000
Akaike crit. (AIC)	418.575	Bayesian crit. (BIC)	438.088
*** p<.01, ** p<.05, * p<.1			

Hence overall, the results suggest that financial inclusion and financial literacy are mutually reinforcing, with each positively affecting the other. Women who are financially literate are more likely to demand formal financial services, leading to increased financial inclusion. Similarly, women who are financially included are more likely to have access to information and

resources that can improve their financial literacy. The results also highlight the importance of education in promoting financial literacy among women.

The VIF of both models shows that the value of VIF is between 1.01 and 1.69 which is lower than 5 therefore it is conclude that there is not serious issue of multicollinearity in the models.

CHAPTER 6: CONCLUSION

The study concludes that financial inclusion and formal education are the major reasons behind low levels of financial literacy among women in Hazara community. Since mostly women are financially excluded and have very low levels of education, it is difficult for them to have knowledge about formal financial devices.

The underlying reason behind this result is that women spend most of the time doing domestic work and mostly rely on their male family members for financial purposes. In this manner, the women do not have enough exposure to get financial literacy. Even those women who are able to read and write and make simple or basic calculations, they do not have financial literacy.

The study also reports that when it comes to the factors affecting financial inclusion of the Hazara community women, then financial literacy, employment status and income are the main factors that significantly affect the financial inclusion level of the women. Women who are financially literate, work someplace and earn some level of income are more likely to be financially included.

Although the women have the knowledge about the different financial services offered by the banks like the pension funds, bank loan, credit card services and debit card serve. However, using mobile banking application and having knowledge about the financial services are different from each other. However, it does not mean that having the knowledge about the financial services of the bank means that they also have access to these services.

There are lot of women who do not have bank account and those women who have bank account they lack the knowledge about it. For instance, they do not know whether their bank account is current, saving, profit and loss, etc. Even though the banks are not located at a much

larger distance so that the women could not reach there but still, she has been excluded from having the financial knowledge. The reason that women do not have bank account is that they never needed a bank account for any transactions. In addition to it, women are also unaware of using the ATM service.

The women do not know that how they are going to use the mobile phone banking. It is due to this reason that they are unable to send or receive money by themselves. Most of the women who do not have their own cell phones said that the major reason for not having cell phone is that they do not know how to get one. There were many women who do not know how to read text messages themselves. Even those women who have their smartphone, they do not have enough knowledge to use their smartphones. Those women who do not have mobile phone, they actually do not know that how to get the mobile.

It has been found in the study that women do not have the knowledge that how to use the mobile banking application. The majority of the women is unaware of the online money transfer facility such as Easy paisa, jazz cash, UBL Omni, and HBL connect. Moreover, the women are also unaware that whether there is shop for online transfer of money in their area or not. Even if the women are sending and receiving money from using the mobile banking application, she is getting help from someone else or else the women are visiting the Bank branch to send the money. Mostly, the family members are providing the service of sending and receiving the money on the behalf of the woman. The women have started to use the mobile banking application to send and receive money.

It is dilemma that the women financial literacy has not remained a focus of the governmental policy. The financial literacy training program is not organized on an official level to provide financial literacy to the women. Rather the women are getting financial literacy from

the people around her, as it is mentioned in the online money transfer earlier those women usually take help from someone or visit the bank branch.

Moreover, the awareness raising campaign on the television and the news channels is also contributing to increasing the financial literacy of the women. Those women who became part of the BISP, their financial knowledge have been increased with the passage of time. Similarly, when the financial knowledge of the women increased her participation in the financial decision making of the household would also increases. Similarly, those women who have used the mobile banking application their financial knowledge also increased.

6.1 Limitation

The research has only focused on the Hazara community in Quetta Balochistan, other communities have not been discussed in the present research who are availing BISP service. Moreover, there are other places in different where Hazara community is settled but present research has focused on Quetta.

6.2 Recommendations

- The financial training program should be launched in which the poor and illiterate women should be trained on priority basis, and those who are educated up to some extent and lack the knowledge of technological innovation in the financial transactions should also be given training on how to use the latest technology for their benefit. Hence, in this

manner not only the illiterate women would benefit from it rather the educated women who lack the technological knowledge would also benefit from it.

- Awareness campaign should be launched on not just the television, but also in social media, because the number of the social media users is increasing. Most of the younger generation women are now exposed to the social media sites because many have purchased the smartphones now. But they lack the necessary training to use the financial applications in their smartphones. Hence, a government sponsored advertisement should be displayed on the social media for the sake of awareness among the women. Presently, the women are no longer dependent on the television for getting aware rather the digitalization and the technological innovation has changed the conditions and now the women have smartphones which is a much larger sources of information than television which was limited in scope.
- Females should be trained in Hazara community in financial training programs and those trained females of the community should then impart their learned knowledge to other female members of their community. Hence, the government then does not have to send someone specially to train the women in financial literacy. This is a cost-effective measure for the government. The poverty reduction could also be done at the same time because the women would learn more financial literacy and they would then contribute in the decisions related to the finances in the home.

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Questionnaire

MPhil Student: **Jumma Khan**

Supervisor:

Pakistan Institute of Development Economics, Islamabad

Dear Respondents, you are invited to answer this survey form on voluntary basis. This survey is being conducted as part of a research study at Pakistan Institute of Development Economics, Islamabad.

The purpose of this study is to _____. This study will help in _____.

Your responses will remain confidential. If you have any query, you can always email at (-----). I will appreciate your time and cooperation.

Name: _____

Contact No: _____

A. DEMOGRAPHICS/PERSONAL INFORMATION

A1: Gender: Male Female

A2: Age (in years): _____

A3: Marital Status: Single Married Divorced Widowed Separated

A4: District: _____

A5: Education Level: Primary Middle Secondary Intermediate Graduate or Higher

A6: Employment Status: Self-employed/Business Private Employee Agriculture/Livestock Daily Wager Government Employee Unemployed Retired Housewife Pensioner Student Other

A7: Monthly Personnel Income level: Less than 20,000 20,000 – 50,000 50,000 – 80,000 Above 80,000

A8: Average Monthly Income of Household (Rs.) _____

A9: Main source of Household Income:

Farming Business Labor Private Job Government Job Pension Other _____

A10: Household members: _____

A11: How long have you been a BISP beneficiary (in years)? _____

B. Financial Literacy

B1: Do you know how to read and write? Yes No

B2: Do you know how to do basic calculations? Yes No

B3: Are you aware that you can send/receive money through mobile phone? Yes No

B4: How easy or difficult it is for you to do the following activities?

Types of activities	Very Easy	Easy	Difficult	Very Difficult	Not Applicable
a. Send Money					
b. Receive Money					
c. Withdraw Money					
d. Check Balance					

B5: Have you heard of the following financial products?

Products	Yes	No
Pension Fund		
Bank Loan		
Micro Finance Loan		
Credit Card		
Debit Card		
Mobile Money Services		

C. Mobile Phone Access and Usage

C1: Do you own a Cell Phone? Yes No

C2: If yes, which type of phone do you own? Smartphone Basic Mobile Phone

C3: If no, then what are the reason of not owning a cell phone?

- a. It is too expensive for me
- b. I am not permitted to own a cell phone
- c. I do not need a cell phone
- d. It is difficult for me to use
- e. I do not know how to get one
- f. Other _____

C4: How easy/difficult it is for you to use a cell phone?

- a. Very Easy
- b. Easy
- c. Difficult
- d. Very Difficult

C5: Who reads text messages to you?

- e. Self
- f. Family member
- g. Neighbors
- h. Other

C6: How easy/difficult it is for you to understand the following types of text messages?

Types of text messages	Very Easy	Easy	Difficult	Very Difficult	Not Applicable
Text messages from friends and family					
Text messages from BISP					
Text messages from Banks					
Text messages from Mobile Network Operators					

D. Bank Access and Usage

D1: Do you own a bank account? Yes No

D2: If yes, which type of bank account do you own? Current Account Saving Account Short Term Deposit Account Long Term Deposit Account I don't know

D3: How far is the nearest branch of bank in your area? :

- Less than 1 Km away 1-3 Km away 3-5 Km away 5-7 Km away 7-9 Km away More than 9 Km away

D4: If you do not own a bank account then what are the reasons for not having one?

- a. I never needed one
- b. Insufficient knowledge/information
- c. I don't trust banks
- d. There are no banks in my area
- e. Religious/cultural reasons
- f. Lack of cooperation by bank officials
- g. Other

D5: Do you know how to use an ATM card? Yes No

D6: Do you use ATM card? Yes No

D7: If yes then how often do you use it?

Frequently (Weekly) Sometimes (Fortnightly) Occasionally (Monthly) rarely (Once a year) Never

D8: Do you have and use mobile application of your bank?

Yes, I have and I use it also Yes I have but I do not use it No, I do not have it No, I do not how to use it

D9: If you have a mobile application of your bank then how often do you use it?

Frequently (Weekly) Sometimes (Fortnightly) Occasionally (Monthly) rarely (Once a year) Never

E. Mobile Money Access and Usage

E1: Are you aware of Mobile Money services like Easy paisa, Jazz Cash, Omni, HBL Connect etc? Yes No

E2: Do you have mobile money shops/agents (easypaisa, omni, Jazz cash etc) in your area? Yes No I don't know

E3: Have you ever used any of the mobile money (easypaisa, omni, Jazz cash etc) services? Yes No

E4: Which of the following do you use most often?

Mobile Money account OTC (You go to the agent to send/receive money) both

E5: Do you go to shops/mobile money agents for transactions (OTC)? Yes No

E6: How often do you go to shops/mobile money agents to send/receive money?

Frequently (Weekly) Sometimes (Fortnightly) Occasionally (Monthly) Rarely (Once a year) Never

E7: Do you also have mobile money apps in your phone? Yes No

E8: If you have a mobile money account then how often do you use it? Time interval scale

Frequently (Weekly) Sometimes (Fortnightly) Occasionally (Monthly) Rarely (Once a year) Never

E9: Which of the following functions do you perform from your mobile money accounts? (Multiple options)

Send/Receive Money for Personal Use Send/Receive Money for Business Purposes Bill Payments Mobile Load
Insurance Donations Loan Payments Remittances Ticket purchase Online Shopping (E-commerce)

E10: Who makes these transactions for you?

You do, yourself Friends Family Relative Other _____

E11: What led you to start using mobile money in the first place? (Multiple Options)

I had to send money to another person
I had to receive money from another person
Someone I know recommended/convincing me to use mobile money
I had to send money to an organization/government agency: e.g., had to pay a bill
I wanted a safe place to store my money

I had to receive money from an organization/government agency: e.g., pension, conditional cash transfer or welfare benefits
I saw posters/billboards/radio/TV advertising that convinced me
I wanted to start saving money with an m-money account

E12: Select the main reasons for not using Mobile Money: (Multiple options)

I do not have enough knowledge about it
I prefer to use another type of institution, e.g. Bank
Using mobile money is difficult
Fees for using mobile money are too high
There are no mobile money agents close to where I live/work
The network coverage is too poor/unreliable in the area where people with whom I transact live/work
Mobile money agents are unfriendly; they make me feel unwelcomed
Mobile money services are not reliable
Mobile money is not convenient for me
I use somebody else's account
My husband, family, in-laws do not approve of me using mobile money
Other _____

F. FINANCIAL HABITS, TRAINING AND PERCEPTIONS

F1: If need to, how do you mostly transfer money?

- | | |
|-----------------------|-------------------------------------|
| a. ATM Card | d. Ask someone else to do it for me |
| b. Via Mobile Money | e. Mobile Application of your bank |
| c. At the Bank Branch | f. Other _____ |

F2: Have you ever received any financial literacy training? Yes No

F3: If yes, what was the training about? _____

F4: Perceptions about Financial Knowledge

		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I believe financial literacy training programs can enhance my financial knowledge					
2	The people around me influence my financial knowledge in a positive way					
3	I believe watching television (listening to news) enhances my financial knowledge					
4	Since becoming BISP beneficiary, my financial knowledge has increased					
5	I understand the importance of financial knowledge in making better life decisions					
6	Having decision making power in household finances increases my financial knowledge					
7	Using mobile money can increase financial knowledge					