

Financial Planning And Decision-Making And Its Gender Role Among Ethnic Households In Kerala



Dr. Abdul Salam. K^{1*}, Dr. Bindu. K², Dr. Santhosh. C³

^{1*}Associate Professor of Commerce, Government College Mananthavady, Nallurnad (P.O), Wayanad, Kerala, India, 6706 45, Mob; 9495741770, Mail ID; abdulsalamkmdy@gmail.com

²Associate Professor of Commerce, Government Brennen College, Dharmadam (P.O), Thalassery, Kannur, Kerala, India, 670106, Mob; 9446026137, Mail ID; drbinduvinvar@gmail.com

³Associate Professor of Commerce, Government College Peringome, Peringome (P.O), Kannur, Kerala, India, 670106, Mob; 9846216504, Mail ID; santhoshmythry@gmail.com

ABSTRACT

Financial planning and decision-making at household level determines the better financial performance and it determines the household savings and investment. The proper planning and decision-making at household level is important to reduce various types of financial difficulties. Since independence, the government provided numerous types of financial assistance to the tribes and the important reason for their financial backwardness is also attached to the absence of proper financial planning and decision-making at their individual and household level. This paper is an attempt to examine the prevalence of financial planning and decision-making among prominent tribal households in Wayanad district of Kerala. Besides overall evaluation, the concept was analyzed and compared across the five sample tribal groups, namely the Paniya, the Adiya, Kattunaika, Kurichiya and Kuruma households. The study observed significant difference in the degree and dimension of practicing the financial planning and decision-making among the study groups and also a greater male dominance in the financial matters among the tribal households.

KEY WORDS: Financial planning, Financial decision-making, Tribes, Tribal households, Gender role

INTRODUCTION

Financial planning and decision-making at household level is the most important aspect as it determines the savings, investment and also the standard of living of the family or households. One of the important reasons for the poor financial performance in any household is the absence of the proper financial planning. The proper planning of household financial matters will help to reduce the difficulty in meeting its ways and means. It also helps to avoid unnecessary spending and consequent financial deficits.

In the tribal households also, the absence of proper financial planning and decision-making lead them to financially backward and marginalized. In spite of numerous financial assistances to them by the government, they still continue to be the most economically vulnerable section of the society. So, this paper examines the extent of financial planning, budgeting, decision-making among tribal households. Because who makes the decision is also important at household level, the study also examines the decision-making role and type of household member responsible for handling day-to-day household financial decisions. To have a comparative description, the concept was analyzed first in a general way and then the factors were particularly compared across the five sample tribal groups, namely the Paniya, the Adiya, Kattunaika, Kurichiya and Kuruma households.

LITERATURE REVIEW

Bona and Flores (2017) examined the level of financial planning awareness among households and observed the need for proper financial education among the households in order to improve the financial performance and economic progress. Krishna Murali (2019) in his study portrayed the nature of financial management practices of rural households in Sikkim and observed that the finance related decision-making contributes positively towards the efficiency in managing households' finance. Biswas and Gupta (2021) in their study assessed the impact of financial literacy on household decision-making in the State of West Bengal in India. He observed gender difference in household financial literacy and found significant influence of financial literacy on saving and investment decision among the households. Andoko & Yenni Martok (2020) in their study on Explanatory analysis of financial planning on household financial behaviour analysed the financial planning on household behaviour and stressed the influence of financial planning and decision-making on the financial behaviour of households. Mohini and Veni (2018) in their study Households in Visakhapatnam City in India examined the awareness of financial planning among households and stressed the importance of formal financial education to financial planning among households. Abeda Shaikh (2021) in her

studied the nature of Household finance and their spending behaviour and observed effects of difference in the financial literacy among different demographic groups. Kim, Gutter and Spangler (2017) in their study evaluated the family decision-making among households and stressed the implications of financial literacy at the household and intra-household level. Ridwan, Laxmi, Shanka and Nguyen (2019) examined the strategies of successfully managing personal fiancé and highlighted the need to build an efficient personal finance management process. Singh, Kapoor and Kang (2019) analysed the perception of people of Punjab towards personal financial planning and observed that people have positive attitude towards various aspects of personal financial planning and different demographic groups have different perception on personal financial planning. Gumbo, Mveku, Simon, Mutero & Cornick (2022) in their study on the effect of financial literacy on household financial decision making in Zimbabwe, The research paper explored the effect of financial literacy on household financial decision making in Zimbabwe. The main objectives were to determine the effect of financial literacy on financial decision-making and to explore factors that influence household financial decision making. Lusardi, Schneider, Tufano (2011) examined financial fragility among households and their results indicated differences in coping ability among households. Samapti, Patel & Parekh (2017) in their study on “An exploration of the financial practices of tribal communities in Jhabua, India” examined the financial challenges faced by the tribal communities of India and its negative impact on their Livelihoods and financial status. Yilan Xu and Rui Yao (2022) examined the household financial decision-making

responsibility allocation among spouse and its relationship to wealth accumulation. Sudipta Sarkar (2022) in his study on financial inclusion among tribal households of Purulia districts of west Bengal and observed the illiteracy and absence of financial literacy among them.

Above reviews show that, literature is scanty on the study of dimensions of financial planning and decision-making among tribal households in Kerala. So, this paper examines some of important aspects of household financial management like prevalence of financial planning, decision-making as well as the decision-making role among the tribal households in Wayanad District of Kerala.

RESEARCH METHODOLOGY

The study aims at examining the extent of financial planning, decision-making as well as the decision-making role among tribal households in Wayanad District of Kerala. The research design is exploratory and descriptive one based on the survey method. The instrument used for the survey is interview schedule. Disproportionate stratified random sampling was followed for collecting samples. A sample consisting of 80 households each from each of the five tribal folks like, Paniya, Adiya, Kattunaika, Kurichiya, and Kuruma were taken and therefore the size of the sample is 400 tribal households in Wayanad District.

RESULTS AND DISCUSSION

1. Financial Planning and Budgeting.

The study observed that nearly 50 percent of the tribal households never planned their financial matters in advance. Only less than 10 percent of the households responded that they regularly plan their earnings and expenditures (Figure: 1).

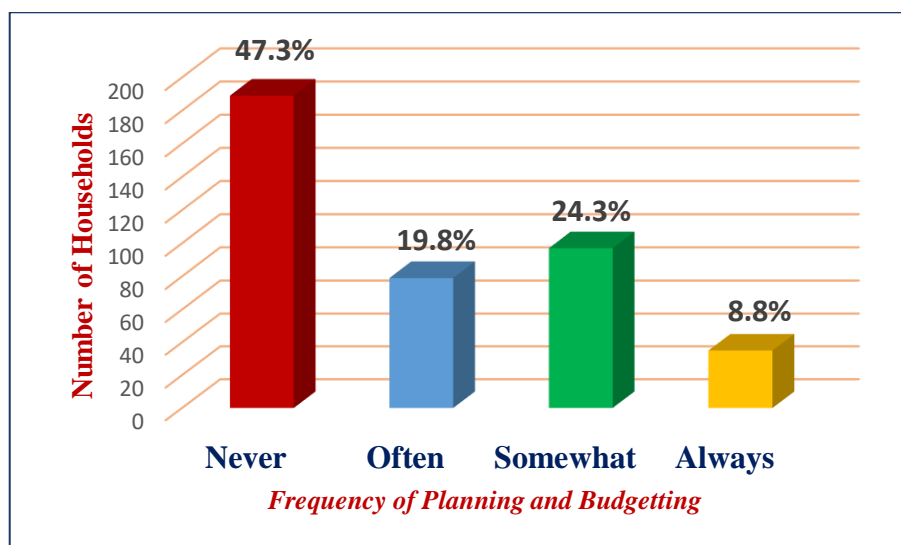


Fig: 1 Financial Planning and Budgeting among tribal Households

2. Financial planning and budgeting across tribal households.

The financial planning and budgeting across the tribal household reveals that, even if such formal planning and budgeting does not exist among the tribal households, tribes like Kurichiya and Kuruma made some extent of financial planning in their households. The table 1 shows the intensity of financial planning among the tribal households. As

presented in the table, around 50 percent of the Paniya, Adiya and Kattunaika tribal households never planned their earnings and expenditures in advance, while only 25% of Kurichiya and Kuruma tribes responded that they had never planned their financial matters. Only less than 10 percent of the households, who are mainly from the Kurichiya and Kuruma tribes, responded that they regularly plans their financial matters.

Table 1 Financial Planning in households across Tribal Groups

		Paniya	Adiya	Kattunaika	Kurichiya	Kuruma	Total
Never	Number	49	49	52	21	18	189
	%	61.3	61.3	65.0	26.3	22.5	47.3
Often	Number	16	17	10	20	16	79
	%	20	21.3	12.5	25	20	19.8
Somewhat	Number	13	11	18	21	34	97
	%	16.3	13.8	22.5	26.3	42.5	24.3
Always	Number	2	3	0	18	12	35
	%	2.5	3.8	0	22.5	15	8.8
Total	Number	80	80	80	80	80	400
	%	100	100	100	100	100	100

Chi-square test of independence was performed to examine the relation between the degree of income and expenditure planning and the type of tribal group. The relation between these variables is significant, $\chi^2 (12, N = 400) = 83.835, p < .001$. Kurichiya and Kuruma are more likely to prepare household budgets than the other three categories. However, the degree of association was not very strong, Cramer's $v = .264, p < .001$.

3. Decision-Making Role in the households.

The study revealed that, the husband has an important role in the financial matters in more than fifty percent of the tribal households. In one-fourth of the sample households, the decisions were taken jointly by the husband and wife (Figure-2). The result also showed that, compared to the Kurichiya and Kuruma tribes, the role of the wife and children is greater in the household financial decisions, among the Paniya, Adiya and Kattunaika tribes.

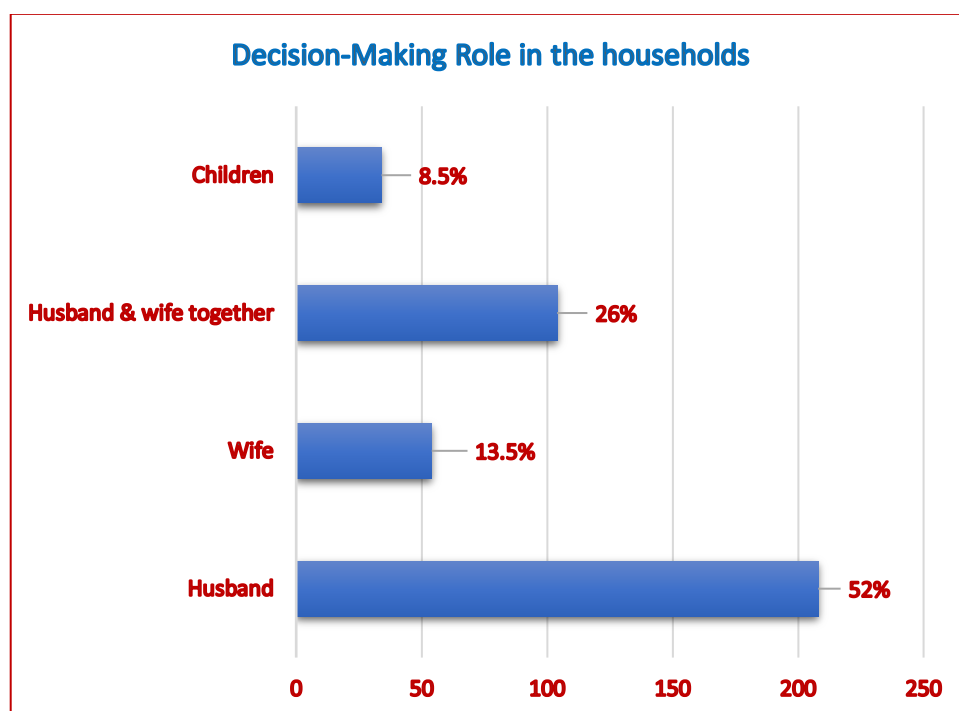


Fig:2 Decision-making role in the households

4. Decision-making role across the households

Decision-making role across the tribal households shows that, among nearly 60% and 70% respectively of the Kurichiya and Kuruma

households, husband is the important decision-maker. While the wife's role is nearly 20% among all the tribal groups together, wife's role is greater among the Paniya households.

Table 2 Household Financial Decision Makers in the Tribal Households

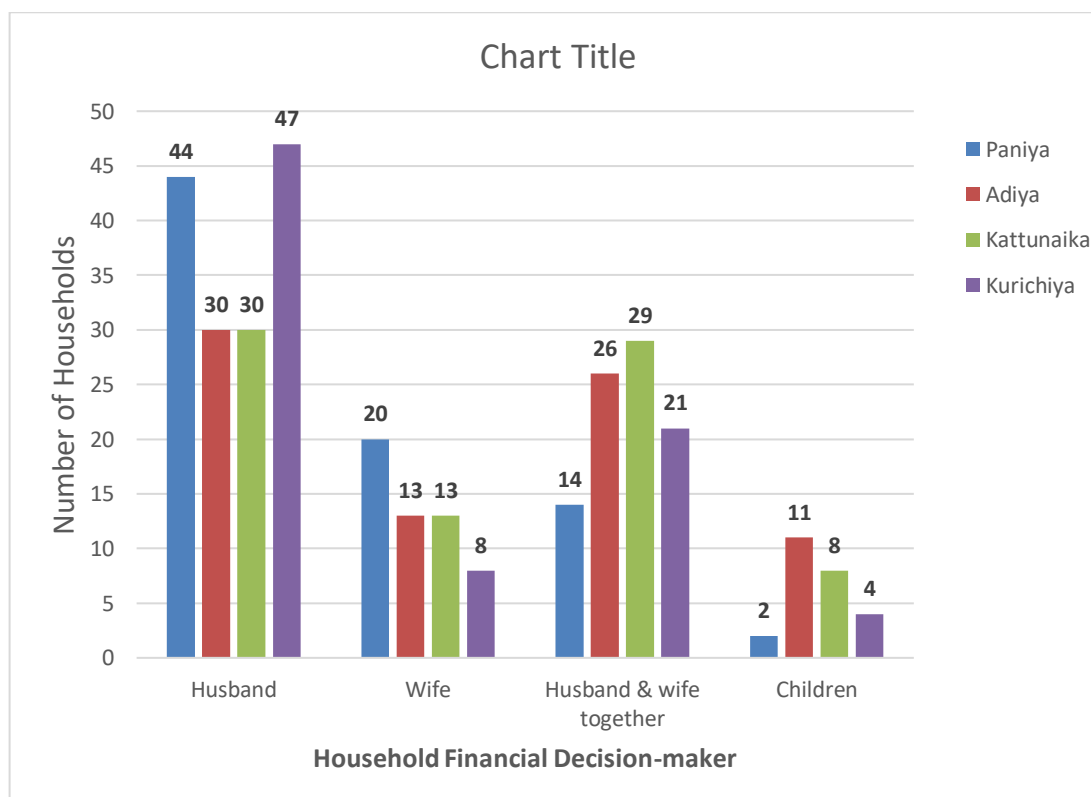
		Paniya	Adiya	Kattunaika	Kurichiya	Kuruma	Total
Husband	Count	44	30	30	47	57	208
	%	55	37.5	37.5	58.8	71.3	52
Wife	Count	20	13	13	8	7	54
	%	25	16.3	16.3	10	8.8	13.5
Husband & wife together	Count	14	26	29	21	12	104
	%	17.5	32.5	36.3	26.3	15	26
Children	Count	2	11	8	4	4	34
	%	2.5	13.8	10	5	5	8.5
Total	Count	80	80	80	80	80	400
	%	100	100	100	100	100	100

Source: Primary Survey

Chi-square test of independence shows that there is a statistically significant association between the type of decision maker and the category of the tribal household, $\chi^2 (12, N = 400) = 39.9, p=.002$. However, the degree of variation of the financial decision maker across tribal groups was weak, Cramer's $v = .16, p=.002$. It makes it evident that, despite

marginal differences, husbands were the important financial decision maker in almost all categories of tribal households, followed by wives. It reveals the male dominance in financial decision making in tribal households in Wayanad.

Decision-making role across the households were presented in the following figure



Source: Primary Survey

Figure 1 Financial Decision Makers across Tribal Groups

Conclusion

The absence of the proper financial planning at household level lead to the poor financial performance. The financial backwardness of the tribes also attached to the lack of proper financial planning and decision making at household level. They don't even think about ensuring proper earning at individual or household level and even if there is earnings, they often spent the entire amount in the day of earning itself. This paper examined the extent of financial planning, decision-making and the decision-making role among five prominent tribal households in Wayanad district of Kerala.

The study observed that various tribal groups differ significantly in practicing planning and decision-making among them and for many of the tribal households financial planning and budgeting is not at all familiar. The tribes like Kurichiya and Kuruma made some extent of planning and decisions in their household financial matters. The study also observed that, the husband has a dominant role in the financial matters among the tribal households. The female role as a financial decision-maker is little bit greater among the Paniya tribes.

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