



## Determinants of financial wellbeing among individuals in Agra region

Dr. Ankita Singh

Assistant Professor, Faculty of Commerce, Lal Bahadur Shastri Girls College of Management, Lucknow, Uttar Pradesh, India

### Abstract

**Purpose:** The study examined the level of financial wellbeing among a sample of individuals in Agra region based on various demographic and socio-economic variables.

**Methodology:** The sample of study was conducted among 400 individuals in Agra Region.

**Main Findings:** Result of the study showed that majority of individuals is at the moderate level of financial wellbeing. The financial wellbeing level is affected by gender, age, residential place, education, income and savings and it does not affected by marital status, religion and financial status.

**Application:** This research paper can be used by researcher, financial planner and government.

**Novelty/Originality:** The research paper provide meaningful information about the various factors that predict the financial wellbeing of individuals.

**Keywords:** Financial wellbeing, demographic variable, socio-economic variables, Independent sample test, Agra region

### Introduction

The increasing standard of living in India many people have become more worry about their financial wellbeing and they are more careful with their money spending activities. The acquisition of more and more knowledge related to finance will help individuals to improve their financial behaviour it ultimately help the individuals to make good decisions in financial matters. Many people face challenges in their day to day financial decisions due to this, there is a strong need to have proper understanding of issue related to financial aspect and financial wellbeing. Joo (2008) [6] stated that *financial wellbeing is a feeling that comes from the ability to meet the needs to get a healthy financial situation and this only happens when the individuals is satisfied and feeling comfortable with their current financial situation.* The consumer financial protection bureau (CFPB) has define *“Financial Wellbeing as a state of being where in a person can fully meet current and ongoing financial obligation, can feel secure in their financial future and is able to make choices that allow enjoyment of life.”*

Past literature demonstrate that various socio-economic and demographic factors play important role for predicting the level of financial wellbeing. The present study identified the effect of various demographic and socio-economic factors on the level of financial wellbeing in Agra region. The present research work will help government, Policy maker, financial planner, and financial regulators to make appropriate decisions in order to increase the level of financial wellbeing among individuals.

### Review of literature

Sabri, M. F *et al.* (2012) [8] investigate the relationship between personal and family background, academic ability and perceived financial wellbeing of college students. The study was conducted among college student in public and private college in Malaysia. The result found that personal and family background, academic ability contribute to student's financial wellbeing. The result also found

important difference between Malaya and Chines ethnic group in Malaysia.

Haque, A and Zulfiqar, M (2015) [5] highlight the key factor that effect the financial wellbeing. The study was conducted among 300 working women from non-financial sector. The result showed that financial wellbeing is positively related to the economic empowerment. Higher financial education level, greater will be the financial wellbeing and it increase women's empowerment. Economic empowerment is affected by various socio-economic and socio-demographic factors.

Chikezie, O.C. and Sabri, M.F. (2017) [2] explored the factors that determine the financial wellbeing of Nigerian students in Malaysia. The study was conducted among 420 Nigerian college students in universiti putra Malaysia. The result showed that only few students had high level of financial wellbeing. The result also identified the significant relationship between financial wellbeing and money attitude.

Sabri, M.F. and Falahati, L (2014) [4]. Finds religion has moderating effect on financial wellness.

Falahati, L and Sabri, M.F. (2015). Finds the moderating effect of gender on financial wellbeing of college students in Malaysia. The finding also confirm that males and females have different opinion while they dealing with financial matters.

Mokhtar, N. *et al.* (2015) [7] identified the level of financial wellbeing in Malaysia of public sector employees. Author also identified the socio economic determinants of financial wellbeing. The result exhibit that most of the employees have medium level of financial wellbeing. The result showed that only few factor effect the financial wellbeing of individuals.

Falahati, L and Paim, L (2011) [3]. Investigate the financial wellbeing among college students in Malaysia. The result showed significant gender difference among Malaysian college students related to financial matters.

**Objectives**

The following are the objectives of this present study-

1. To determine the level of financial wellbeing among individuals.
2. To find out the relationship between financial wellbeing and various Demographic and Socio-economic variables.

**Research methodology**

For the purpose of study a survey was conducted among the individuals of Agra region. The primary data was collected from the respondents by using a self-administered questionnaire. Simple Random sampling has been used to get information from the people. Total 400 respondent constitute a sample for the study. Total 10 hypotheses of the study has been tested with the help of independent sample test. For the purpose of analysis SPSS 21 was used.

**Hypothesis**

For the purpose of study following hypotheses have been proposed:

**Hypothesis 1**

**H<sub>0</sub>:** There is no association between gender and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between gender and financial wellbeing level of individuals.

**Hypothesis 2**

**H<sub>0</sub>:** There is no association between age and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between age and financial wellbeing level of individuals

**Hypothesis 3**

**H<sub>0</sub>:** There is no association between marital status and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between marital status and financial wellbeing level of individuals

**Hypothesis 4**

**H<sub>0</sub>:** There is no association between place of residence and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between place of residence and financial wellbeing level of individual

**Hypothesis 5**

**H<sub>0</sub>:** There is no association between religion and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between religion and financial wellbeing level of individuals

**Hypothesis 6**

**H<sub>0</sub>:** There is no association between education and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between education and financial wellbeing level of individuals

**Hypothesis 7**

**H<sub>0</sub>:** There is no association between Income and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between Income and financial wellbeing level of individuals

**Hypothesis 8**

**H<sub>0</sub>:** There is no association between nature of employment and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between nature of employment and financial wellbeing level of individuals

**Hypothesis 9**

**H<sub>0</sub>:** There is no association between savings and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between savings and financial wellbeing level of individuals

**Hypothesis 10**

**H<sub>0</sub>:** There is no association between financial status and financial wellbeing level of individuals.

**H<sub>1</sub>:** There is an association between financial status and financial wellbeing level of individuals.

**Data analysis and discussions**

**Profile of the respondents**

The socio-economic and other personal details of the respondents related to survey are given below:

**Table 1:** Demographic and Socioeconomic Details of the Respondents

Variable	Category	Frequency	Percentage
Gender	Male	224	56
	Female	176	44
Age(years)	18-30	135	33.8
	31-40	108	27
	41-50	75	18.8
	51-60	61	15.2
	More than 60	21	5.2
Marital status	Single	123	30.8
	Married	277	69.2
Place of residence	Urban	283	70.8
	Rural	117	29.2
Religion	Hindu	283	70.8
	Muslims	52	13
	Sikh	38	9.5
	Others	27	6.8
Education	No Education	8	2
	Primary	14	3.5
	Secondary	18	4.5
	Higher Secondary	60	15
	Graduation	177	44.2

	PG or Above	123	30.8
Income	Less than 2 lakhs	83	20.8
	2-4 lakhs	101	25.2
	4-6 lakhs	102	25.5
	6-8 lakhs	65	16.2
	More than 8 lakhs	49	12.2
Nature of employment	Govt. Job	126	31.5
	Private Job	109	27.2
	Business	66	16.5
	Not working	99	24.8
Financial status	Debt	81	20.25
	No Debt	319	79.75
Savings	0%	134	33.5
	1-10%	164	41
	10-20%	63	15.75
	More than 20%	39	9.75

Source: Primary Data

**Table 2:** Level of financial wellbeing

Financial wellbeing level	Frequency	Percentage
Poor/Low Level (0-0.50)	117	29.3
Moderate Level (0.51-0.75)	215	53.8
High Level (0.751-1)	68	17
Total	400	100

Source: Primary Data

Table 2 explain the distribution of respondents' according to their financial wellbeing level

Financial wellbeing scores are divided in to three level consist of Poor level (0-0.50), moderate level (0.51-0.75), and high level (0.751-1). Result shows 29.3% (117) respondents have low level of financial wellbeing, 53.8% (215) respondents have moderate level of financial wellbeing and 17% (68) respondents have high level of financial wellbeing.

**Table 3:** Mean score and Test value of Financial Wellbeing Level

Variables	Total sample	No. of Respondents	Mean score	Test value	Sig.
Gender	Male	224	210.75	-2.003	.045
	Female	176	187.45		
Age (years)	18-30	135	213.75	12.764	.012
	31-40	108	201.13		
	41-50	75	214.75		
	51-60	61	173.43		
	More than 60	21	136.95		
Marital status	Single	123	209.24	-1.008	.313
	Married	277	196.62		
Place of residence	Urban	283	213.54	-3.512	.000
	Rural	117	168.95		
Religion	Hindu	283	192.12	5.362	0.147
	Muslims	52	219.18		
	Sikh	38	215.99		
	Other	27	230.57		
Education	No education	8	74.44	23.422	0.000
	Primary	14	120.14		
	Secondary	18	143.56		
	Higher secondary	60	199.89		
	Graduation	177	208.68		
	PG or above	123	214.70		
Income	Less than 2 lakhs	83	169.34	30.626	.000
	2-4 lakhs	101	173.69		
	4-6 lakhs	102	202.92		
	6-8 lakhs	65	230.34		
	More than 8 lakhs	49	263.92		
Nature of employment	Government job	126	238.50	31.103	.000
	Private job	109	206.07		
	Business	66	189.73		
	Not working	99	153.19		
Savings	0%	134	173.24	12.684	0.005
	1-10%	164	208.84		
	10-20%	63	229.48		
	More than 20%	39	212.33		
Financial status	Debt	81	180.85	-1.715	.086
	No debt	319	205.49		

Source: Primary Data

**Association between gender and financial wellbeing level**

The table shows the mean value of financial wellbeing of male and female. The financial wellbeing of male is 210.75 and women is 187.45. The financial wellbeing of male is more than female. From the table it can be seen that the test value is -2.003 and p value is 0.045, which is less than 0.05. Hence the null hypothesis, there is no association between gender and financial wellbeing level is rejected. Thus it can be conclude that financial wellbeing level depends on gender.

**Association between age and financial wellbeing level**

The table shows the mean value of financial wellbeing of different age group. From the table it can be seen that the test value is 12.764 and p value is 0.012, which is less than 0.05. Hence the null hypothesis, there is no association between age and financial wellbeing level is rejected. Thus it can be conclude that financial wellbeing level depends on age.

**Association between marital status and financial wellbeing level**

The table shows the mean value of financial wellbeing of single (209.24) and married (196.62) respondents. The table shows the test value is -1.008 and p value is 0.313, which is greater than 0.05. Therefore the null hypothesis, there is no association between marital status and financial wellbeing level is accepted. Thus it can be conclude that financial wellbeing level is not depends on marital status of the individuals.

**Association between residential place and financial wellbeing level**

The table shows the mean value of financial wellbeing of urban (213.54) and rural (168.95) respondents. The result shows the test value is -3.512 and p value is 0.000, which is less than 0.05. Therefore the null hypothesis, there is no association between marital status and financial wellbeing level is rejected. Thus it can be conclude that financial wellbeing level is depends on residential place of the individuals.

**Association between religion and financial wellbeing level**

The table shows the mean value of financial wellbeing of different category of religion. From the table it can be seen that the test value is 5.362 and p value is 0.147, which is greater than 0.05. Hence the null hypothesis, there is no association between religion and financial wellbeing level is accepted. Thus it can be conclude that financial wellbeing level is not depends on religion of the individuals.

**Association between education and financial wellbeing level**

The table shows the positive correlation between financial wellbeing level and education. More education level increase the level of wellbeing. Table shows that the level of financial wellbeing is highest for the respondents who have PG or above (214.70) followed by those respondent who have graduation degree (208.68). The result shows the test value is 23.422 and p value is 0.000, which is less than 0.05. Therefore the null hypothesis, there is no association between education and financial wellbeing level is rejected. Thus it can be conclude that financial wellbeing level is depends on the education of individuals.

**Association between income and financial wellbeing level**

Table shows the positive correlation between financial wellbeing level and income. Higher income leads the level of financial wellbeing of the individuals. The table shows that financial wellbeing level is highest for the respondents having income level "more than 8 L" (263.92) followed by those who earn between Rs. 6-8 L Pa (230.34). The result shows the test value is 30.626 and p value is 0.000, which is less than 0.05. Therefore the null hypothesis, there is no association between income and financial wellbeing level is rejected. Thus it can be conclude that financial wellbeing level is depends on income of individuals.

**Association between employment status and financial wellbeing level**

The table shows the mean value of financial wellbeing of different category of employment status. The mean value of government job is 238.50, private job is 206.07, business 189.73 and not working is 153.19. The result shows the test value is 31.103 and p value is 0.000, which is less than 0.05. Therefore the null hypothesis, there is no association between employment status and financial wellbeing level is rejected. Thus it can be conclude that financial wellbeing level is depends on employment status of the individuals

**Association between savings and financial wellbeing level**

The table shows the mean value of financial wellbeing of different category of savings. From the table it can be seen that the test value is 12.684 and p value is 0.005, which is less than 0.05. Hence the null hypothesis, there is no association between savings and financial wellbeing level is rejected. Thus it can be conclude that financial wellbeing level is depends on saving of individuals.

**Association between financial status and financial wellbeing level**

The table shows the mean value of financial wellbeing of different category of financial status. The mean value of debt is 180.85 and no debt is 205.49. The result shows the test value is -1.715 and p value is 0.086, which is greater than 0.05. Hence the null hypothesis, there is no association between financial status and financial wellbeing level is accepted. Thus it can be conclude that financial wellbeing level is not depends on financial status of the individuals.

**Findings**

1. Financial wellbeing level among individual is not good. Only 17% individuals are come under high level of financial wellbeing category and 53.8% individuals are come under the moderate level of financial wellbeing.
2. The financial wellbeing level of male is greater than that of female. The difference between male and female individuals is statistical significant.
3. Financial wellbeing level is higher in middle age respondents i.e. who are belongs to age group 41-50. The result shows that the difference is statistical significant. Therefore, financial wellbeing depends on age of the respondents.
4. Single individuals are more financial wellbeing as compared to married. The result shows that the difference in individuals' financial wellbeing based on marital status is not statistical significant.

5. Urban resident respondent are more financial wellbeing as compared to rural resident.
  6. Financial wellbeing level is not depends on religion of individuals
  7. Financial wellbeing level is positively related to education of the respondents. Those people have high education are high financial wellbeing. The result also statistical significant. Hence financial wellbeing level is depends on education of individuals.
  8. Financial wellbeing is also positively correlated with income. Higher income leads the high financial wellbeing of individuals. The result are statistical significant.
  9. Financial wellbeing level is also depends on employment status of the individuals. Government job holder individuals are more financial wellbeing than other.
  10. Financial wellbeing level is depends on saving of individuals. More savings leads the high financial wellbeing level.
  11. Financial wellbeing level is not depends on the financial status of the individuals.
6. Joo SH. Personal financial wellness. In handbook of consumer finance research, 2008, 21-33. Springer New York.
  7. Mokhtar N, Husniyah AR, Sabri MF, Abu Talib M. Financial wellbeing aamong public employees in Malaysia: A Preliminary study. Asian social science,2015:11(18):49-54.
  8. Sabri MF, Cook CC, Gudmunson CG. Financial Wellbeing of Malaysian college students. Asian education and Development studies,2012:1(2):153-170.
  9. Sabri MF, Falahati L. Toward the framework of financial wellness determinants: Investigating the moderating effect of religion. Australian journal of basic and applied sciences,2014:8(9):275-281.
  10. Singhal M, Singh A. Factors contributing to the financial literacy of individuals: A critical literature review. Pen Acclaims,2020:8:1-12.
  11. Singh A. Financial literacy among women: An empirical evidence. TechnoLEARN: An International Journal of Educational Technology,2021:11(2):91-98,
  12. Singhal M, Singh A. Financial literacy: An empirical study of the adults in Lucknow region. International Journal of Novel Research and Development,2022:7(3):801-807.

### Conclusion

This paper investigate the level of financial wellbeing and its demographic and socio-economic determinants, among the individuals in Agra region. On the basis of above analysis it can be conclude that the respondent have moderate level of financial wellbeing. This shows that the people of Agra region are not much aware about their financial issues. The analysis also describe that financial wellbeing level varies significantly among individuals in Agra region, based on various demographic and socio-economic variables. The financial wellbeing level is affected by gender, age, residential place, education, income and savings and it does not affected by marital status, religion and financial status. At last, it can be concluded that financial wellbeing is not good in our country because people are not much aware about their financial matters and it is needed to take necessary action by the government to eliminate the hindrance and spread the awareness about the financial aspects.

### Reference

1. Consumer Financial Protection Bureau (2015). Measuring financial well-being: A guide to using the CFPB Financial well-being Scale. Retrieved from [consumerfinance.gov/financial-well-being](https://consumerfinance.gov/financial-well-being)
2. Chikezie OC, Sabri MF. The financial wellbeing of Nigerian students in universiti putra Malaysia. Journal of education and social sciences,2017:6(2):287-294.
3. Falahati L, Paim L. Gender difference in financial wellbeing among college students. Australian journal of basic and applied sciences,2011:5(9):1765-1776.
4. Falahati L, Sabri MF. An exploratory study of personal financial wellbeing determinants: Examine the moderating effect of Gender. Aqsian social science,2015:11(4):33-42.
5. Haque A, Zulfiqar M. Women's economic empowerment through financial literacy, financial attitude and financial wellbeing. Research journal of finance and accounting,2015:6(2):57-66