

# A Study on Financial Literacy in Ballari and Vijayanagara Districts

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**Abstract-** This study examines the relationship between income and financial literacy among respondents in Ballari and Vijayanagara districts. The findings reveal significant differences in financial literacy across income groups, with respondents earning below ₹20,000 per month exhibiting comparatively lower levels of literacy than most middle-income groups. Income was also significantly associated with saving, investment, insurance, and banking awareness or behaviour, whereas awareness of digital payments remained consistently high across income groups. The study highlights the need for targeted financial-literacy interventions for low-income households, focusing on budgeting, saving, investment, insurance, responsible borrowing, banking practices, and digital financial safety. Collaboration among banks, educational institutions, employers, self-help groups, and community organisations can strengthen financial awareness and inclusion. However, the findings are subject to limitations arising from the cross-sectional design, uneven sample distribution, self-reported measures, limited representation of higher-income respondents, and the absence of an objective financial-knowledge test. Overall, the study underscores the importance of income-sensitive and practical financial-literacy programmes to improve informed financial decision-making and financial well-being.

**Keywords:** financial literacy, income, financial awareness, saving behaviour, investment, insurance, banking awareness, digital payments, financial inclusion, financial behaviour.

## I. INTRODUCTION

Financial literacy goes beyond knowing a few banking terms. It reflects a person's ability and confidence to plan a budget, save regularly, borrow responsibly, choose suitable investments, use insurance, understand taxes, and prepare for retirement. As banking, payments, and investment services move increasingly to digital platforms, everyday financial choices have become more complicated. Limited

financial understanding can result in weak money management, avoidable debt, insufficient savings, and long-term financial insecurity. Sound financial literacy therefore enables people to compare products, judge risk, and plan for both immediate needs and future goals. Financial literacy matters at every income level, although the priorities of each group are different. Low-income households often have to stretch limited resources across essential expenses, making careful budgeting and small but consistent savings especially important. Middle-income families usually balance current spending with longer-term goals such as education, home ownership, and retirement. Higher-income households have access to a wider range of investment choices, but they also need the knowledge required to protect and manage wealth. Income may influence financial behaviour, yet it does not determine financial capability by itself. Education, occupation, age, access to institutions, digital skills, and exposure to financial education are equally relevant. A person with a modest income and disciplined financial habits may manage money more effectively than a high earner with limited financial understanding. This investigation is centred on Ballari and Vijayanagara districts in Karnataka.

The study assesses financial literacy among different income groups in Ballari and Vijayanagara districts by examining respondents' knowledge, attitudes, and day-to-day practices relating to budgeting, saving, borrowing, investing, insurance, and financial planning. It further considers whether income is associated with differences in financial awareness and behaviour.

## II. REVIEW OF LITERATURE

1. Parul Kumar et al. (2003): Financial skills, budgeting, analytical ability, and digital literacy improved financial decision-making and well-being by strengthening financial capability and autonomy.
2. Henager and Cude (2016): Higher financial literacy was associated with better financial behaviour across age groups, with confidence more important for younger adults and objective knowledge for older adults.
3. Dolores Moreno-Herrero et al. (2018): Financial literacy among students improved through parental discussions about money, saving attitudes, bank-account experience, and stronger academic achievement.
4. Jamie Wagner (2019): Exposure to financial education at school, college, or work was associated with higher financial-literacy levels, particularly among lower-income and less-educated individuals.
5. Marco Angrisani et al. (2019): Financial-literacy gaps across racial and ethnic groups narrowed with higher income, highlighting the need for targeted policies addressing socio-economic disadvantages.
6. Salma Imtiaz (2021): Financial literacy promotes financial inclusion and informed financial decisions, but greater attention is needed to digital literacy, cultural context, and disadvantaged groups.
7. Ash Faulkner (2021): Effective national financial-literacy strategies emphasise early education, coordination, consumer protection, targeted support, and adaptation to local economic and cultural contexts.
8. Cynthia K. Sanders et al. (2021): Digital inclusion requires not only affordable internet infrastructure but also practical digital literacy, advocacy, and inclusive programmes for disadvantaged communities.
9. Daniel G. Lannin et al. (2021): Combining financial education with job-readiness training improved financial literacy, employment skills, and confidence among low-income youth.
10. Prashant Yadav et al. (2022): Financial literacy supported better saving and investment choices, while income, education, liquidity needs, and risk

preferences influenced investment behaviour across economic groups.

### Objectives of the Study

1. To assess the level of financial literacy among the different income groups in Ballari and Vijayanagara districts.
2. To examine the relationship between income and awareness of financial products, saving, investment, insurance, banking services, and digital financial services.

### Scope of the Study

1. The geographical scope is limited to Ballari and Vijayanagara districts. Within this area, the study compares respondents from different income categories and covers saving habits, banking awareness, investment knowledge, insurance, borrowing, budgeting, digital payments, and personal financial decision-making.
2. The study is intended to clarify how income is associated with financial awareness and practice. The methodology section reports a primary-data sample of 200 respondents from the two selected districts.

### Nature of the Study

The research adopts a descriptive and analytical design. It describes the financial-literacy profile of the respondents and then analyses whether awareness and behaviour vary across income groups.

### Research Methodology

#### 1. Sources of Data

Primary information was obtained directly from respondents through a structured questionnaire. Books, journal articles, reports, official publications of the Reserve Bank of India, government documents, and relevant websites were used to develop the conceptual background.

2. Sample Size: The stated sample size for the study is 200 respondents.

4. Sampling Technique: Stratified sampling is appropriate because the respondents are classified by income. Under this approach, the population is first divided into income categories and respondents are selected from each category.

Convenience sampling was also used to reach available and willing participants within the two districts.

5. Data Collection Instrument: Primary data were collected through a structured questionnaire covering income, saving habits, investment awareness, banking practices, insurance, borrowing, digital payments, and financial planning.

6. Respondent Categories: The sample includes salaried employees, business owners, self-employed persons, farmers, daily-wage workers, students, homemakers, and members of the general public from different income groups.

7. Data Covered in the Study: The primary dataset includes the following areas:

1. Demographic characteristics, including age, gender, education, occupation, and monthly income.
2. Awareness and use of bank accounts and savings services.
3. Familiarity with investment choices such as fixed deposits, mutual funds, shares, gold, and insurance.
4. Knowledge of loans, interest rates, and credit facilities.
5. Use of UPI, mobile banking, internet banking, and debit or credit cards.
6. Financial practices relating to budgeting, saving, borrowing, and investment decisions.
7. Views on financial-literacy programmes and the need for financial education.

#### Statistical Techniques Used

- The Kruskal-Wallis H test compared financial-literacy scores across the five independent income categories. Where the Kruskal-Wallis result was significant, pairwise Mann-Whitney U tests with Holm adjustment identified the groups that differed.
- Spearman's rank correlation measured the direction and strength of the monotonic association between ordered income and the literacy or domain scores.
- Chi-square tests of independence, together with Cramer's V, examined selected awareness and behaviour indicators. Income was combined into low-, middle-, and high-income categories to reduce sparse cells, and permutation p-values were used when expected frequencies were small.
- All hypotheses were tested at the 5% significance level ( $\alpha = 0.05$ ). A p-value below 0.05 was regarded as statistically significant.

Construction of the Financial Literacy Index: Each response was converted to a value between 0 and 1, with higher values representing stronger awareness, knowledge, or financially sound behaviour. For every respondent, the available item scores were averaged and converted to a percentage. At least eight valid items were required before an index score was calculated.

Table 3: Profile of Respondents

| Variable       | Category            | Frequency | Percent |
|----------------|---------------------|-----------|---------|
| District       | Ballari             | 166       | 79.0    |
|                | Vijayanagara        | 43        | 20.5    |
|                | Missing             | 1         | 0.5     |
| Gender         | Male                | 143       | 68.1    |
|                | Female              | 66        | 31.4    |
|                | Prefer not to say   | 1         | 0.5     |
| Age            | 21 - 30             | 153       | 72.9    |
|                | 31 - 40             | 30        | 14.3    |
|                | 41 - 50             | 15        | 7.1     |
|                | below 20            | 10        | 4.8     |
|                | Above (as recorded) | 2         | 1.0     |
|                |                     |           |         |
| Monthly income | Below ₹20,000       | 70        | 33.3    |
|                | ₹40,001–₹60,000     | 59        | 28.1    |

|           |                     |     |      |
|-----------|---------------------|-----|------|
|           | ₹20,001–₹40,000     | 56  | 26.7 |
|           | ₹60,001–₹1,00,000   | 17  | 8.1  |
|           | Above ₹1,00,000     | 7   | 3.3  |
|           | Missing             | 1   | 0.5  |
| Education | Graduate            | 116 | 55.2 |
|           | Postgraduate        | 76  | 36.2 |
|           | PUC                 | 9   | 4.3  |
|           | Professional Degree | 6   | 2.9  |
|           | Below SSLC          | 2   | 1.0  |
|           | Missing             | 1   | 0.5  |

The dataset is concentrated in Ballari district, which contributed 166 respondents (79.0%), compared with 43 respondents (20.5%) from Vijayanagara. Most participants were aged 21–30 years and had graduate or postgraduate qualifications. The monthly-income distribution was uneven, ranging from 69 respondents below ₹20,000 to only seven above ₹1,00,000.

#### Financial Literacy

Table showing ownership to bank Account

| Response | Frequency (N) | Percentage (%) |
|----------|---------------|----------------|
| Yes      | 199           | 96.6           |
| No       | 4             | 1.9            |
| Maybe    | 3             | 1.5            |
| Total    | 206           | 100            |

(Source: Survey Data)

Interpretation: Of the 206 valid responses, 96.6% reported having a bank account. This indicates that formal banking access was almost universal in the sample.

Table showing Preparation of a Monthly Budget

| Response  | Frequency (N) | Percentage (%) |
|-----------|---------------|----------------|
| Always    | 81            | 39.5           |
| Sometimes | 60            | 29.3           |
| Never     | 64            | 31.2           |
| Total     | 205           | 100            |

(Source: Survey Data)

Interpretation: Budgeting was not a consistent practice for everyone. Among 205 respondents, 39.5% always prepared a monthly budget, 29.3% did so occasionally, and 31.2% never prepared one.

Table showing Saving Frequency of Respondents

| Response     | Frequency (N) | Percentage (%) |
|--------------|---------------|----------------|
| Every month  | 126           | 61.2           |
| Occasionally | 45            | 21.8           |
| Rarely       | 18            | 8.7            |
| Never        | 17            | 8.3            |
| Total        | 206           | 100            |

(Source: Survey Data)

Interpretation : Regular saving was the most common pattern: 61.2% of the 206 respondents saved every month. The remaining respondents saved occasionally, rarely, or not at all.

Table showing Preferred Saving Options

| Savings Option       | Frequency (N) | Percentage (%) |
|----------------------|---------------|----------------|
| Savings Bank Account | 126           | 61.8           |
| Fixed Deposits       | 27            | 13.2           |
| Recurring Deposits   | 17            | 8.3            |
| Cash At Home         | 17            | 8.3            |
| None                 | 17            | 8.4            |
| Total                | 204           | 100            |

(Source: Survey Data)

Interpretation : A savings bank account was the preferred option for 61.8% of the 204 respondents, far ahead of fixed deposits, recurring deposits, gold, or other alternatives.

Table showing Awareness of Investment Options

| Response | Frequency (N) | Percentage (%) |
|----------|---------------|----------------|
| Yes      | 164           | 80             |
| No       | 41            | 20             |
| Total    | 205           | 100            |

(Source: Survey Data)

Interpretation : Investment awareness was reported by 80% of the 205 respondents. The remaining 20% were not aware of the available investment choices.

Table showing Investment Options Familiar to Respondents

| Investment Option | Frequency (N) | Percentage (%) |
|-------------------|---------------|----------------|
| Mutual funds      | 53            | 25.9           |
| Stocks / Shares   | 59            | 28.8           |
| Gold              | 48            | 23.4           |
| Real estate       | 13            | 6.3            |
| None              | 32            | 15.6           |
| Total             | 205           | 100            |

(Source: Survey Data)

Interpretation : Stocks or shares were the most familiar investment option (28.8%), followed by mutual funds (25.9%) and gold (23.4%). Only 6.3% of the 205 respondents reported familiarity with bonds.

Table showing Insurance Policies Held by Respondents

| Insurance Policy | Frequency (N) | Percentage (%) |
|------------------|---------------|----------------|
| Life insurance   | 37            | 18.2           |
| Health insurance | 22            | 10.8           |
| Both             | 94            | 46.3           |
| None             | 50            | 24.6           |
| Total            | 203           | 100            |

(Source: Survey Data)

Interpretation : Holding both life and health insurance was the most common response, reported by 46.3% of 203 respondents. At the same time, 24.6% indicated that they had no insurance coverage.

Table showing Awareness of Emergency Savings

| Response | Frequency (N) | Percentage (%) |
|----------|---------------|----------------|
| Yes      | 152           | 74.9           |
| Somewhat | 31            | 15.3           |
| No       | 20            | 9.9            |
| Total    | 203           | 100            |

(Source: Survey Data)

Interpretation: Nearly three-fourths of the 203 respondents (74.9%) understood the importance of emergency savings. A further 15.3% had partial awareness, while 9.9% reported no awareness.

Table showing Awareness of Digital Payment Methods

| Response | Frequency (N) | Percentage (%) |
|----------|---------------|----------------|
| Yes      | 195           | 95.1           |
| No       | 10            | 4.9            |
| Total    | 205           | 100            |

(Source: Survey Data)

Interpretation : Digital-payment awareness was very high: 95.1% of the 205 respondents knew about services such as UPI, Phonepe, and Google Pay.

Table showing Frequency of Digital Payment Use

| Response     | Frequency (N) | Percentage (%) |
|--------------|---------------|----------------|
| Daily        | 130           | 63.4           |
| Weekly       | 40            | 19.5           |
| Occasionally | 28            | 13.7           |
| Never        | 07            | 3.4            |
| Total        | 205           | 100            |

(Source: Survey Data)

Interpretation : Daily use was reported by 63.4% of respondents, showing strong adoption of digital payments. Only 3.4% stated that they never used these services.

Table showing Awareness of Online Banking Services

| Response | Frequency (N) | Percentage (%) |
|----------|---------------|----------------|
| Yes      | 190           | 92.7           |
| No       | 15            | 7.3            |
| Total    | 205           | 100            |

(Source: Survey Data)

Interpretation : Online-banking awareness was widespread: 92.7% of respondents knew about these services, while 7.3% did not.

Table showing Experience of Taking a Bank Loan

| Response | Frequency (N) | Percentage (%) |
|----------|---------------|----------------|
| Yes      | 135           | 65.9           |
| No       | 70            | 34.1           |

|       |     |     |
|-------|-----|-----|
| Total | 205 | 100 |
|-------|-----|-----|

(Source: Survey Data)

Interpretation : A majority of the 205 respondents (65.9%) had previously borrowed from a bank; 34.1% had not taken a bank loan.

Table showing Comparison of Interest Rates before Borrowing

| Response  | Frequency (N) | Percentage (%) |
|-----------|---------------|----------------|
| Always    | 141           | 69.1           |
| Sometimes | 34            | 16.7           |
| Never     | 29            | 14.2           |
| Total     | 204           | 100            |

(Source: Survey Data)

Interpretation : Most respondents were conscious of borrowing costs. Of the 204 valid cases, 69.1% always compared interest rates, 16.7% did so sometimes, and 14.2% never compared rates.

Table 29: Overall Financial Literacy

| Statistic                       |           | Value   |
|---------------------------------|-----------|---------|
| Valid financial literacy scores |           | 208     |
| Mean                            |           | 80.72   |
| Standard deviation              |           | 16.78   |
| Median                          |           | 85.00   |
| First quartile (Q1)             |           | 74.86   |
| Third quartile (Q3)             |           | 92.22   |
| Minimum                         |           | 11.67   |
| Maximum                         |           | 100.00  |
| Financial literacy level        | Frequency | Percent |
| Low                             | 12        | 5.8     |
| Moderate                        | 40        | 19.2    |
| High                            | 156       | 75.0    |

Three out of every four respondents were classified in the high-literacy group. Even so, scores ranged widely from 11.67 to 100, and the lower quartile of the lowest-income category indicates that a meaningful section of the sample still experiences substantial financial-literacy gaps.

Objective 1: Financial Literacy across Income Groups

#### Hypotheses

H01: Financial-literacy scores have the same distribution or median across all five monthly-income groups.

H11: At least one monthly-income group has a different financial-literacy distribution or median.

Table showing Descriptive statistics of financial literacy scores by monthly income group

| Monthly income    | N  | Mean  | SD    | Median | Q1–Q3         |
|-------------------|----|-------|-------|--------|---------------|
| Below ₹20,000     | 69 | 68.99 | 20.08 | 72.78  | 60.56 – 82.78 |
| ₹20,001–₹40,000   | 55 | 84.44 | 13.49 | 87.78  | 81.11 – 92.22 |
| ₹40,001–₹60,000   | 59 | 89.11 | 6.80  | 91.11  | 83.89 – 93.61 |
| ₹60,001–₹1,00,000 | 17 | 85.62 | 12.16 | 88.33  | 83.33 – 91.67 |
| Above ₹1,00,000   | 7  | 86.27 | 11.43 | 92.22  | 80.28 – 93.89 |

Table showing Mean Financial Literacy Score by Monthly Income Group

| Monthly income    | N  | Low        | Moderate   | High       |
|-------------------|----|------------|------------|------------|
| Below ₹20,000     | 69 | 10 (14.5%) | 29 (42.0%) | 30 (43.5%) |
| ₹20,001–₹40,000   | 55 | 1 (1.8%)   | 7 (12.7%)  | 47 (85.5%) |
| ₹40,001–₹60,000   | 59 | 0 (0.0%)   | 1 (1.7%)   | 58 (98.3%) |
| ₹60,001–₹1,00,000 | 17 | 1 (5.9%)   | 0 (0.0%)   | 16 (94.1%) |
| Above ₹1,00,000   | 7  | 0 (0.0%)   | 2 (28.6%)  | 5 (71.4%)  |

The below-₹20,000 category recorded the lowest mean score (68.99), and only 43.5% of that group reached the high-literacy level. By comparison, the high-literacy share was 85.5% for ₹20,001–₹40,000, 94.9% for ₹40,001–₹60,000, 90.0% for

₹60,001–₹1,00,000, and 100% for the seven respondents above ₹1,00,000.

Table showing Kruskal-Wallis Test

| Test component                   | Result               |
|----------------------------------|----------------------|
| Kruskal–Wallis H                 | 56.999               |
| Degrees of freedom               | 4                    |
| Valid cases                      | 207                  |
| p-value                          | <0.001               |
| Epsilon-squared ( $\epsilon^2$ ) | 0.262 (Large effect) |
| Decision                         | Reject $H_{01}$      |

The Kruskal-Wallis result was statistically significant,  $H(4) = 57.00$ ,  $p < 0.001$ . The null hypothesis was therefore rejected. Financial-literacy scores are not distributed equally across the five income groups, and the large epsilon-squared value (0.261) indicates that the difference is substantial rather than trivial.

Table showing Post-hoc Pairwise Comparisons

| Group 1       | Group 2           | Mann – Whitney U | Holm – adjusted (p) | Rank-biserial (r) | Result      |
|---------------|-------------------|------------------|---------------------|-------------------|-------------|
| Below ₹20,000 | ₹20,001–₹40,000   | 870.0            | <0.001              | 0.542             | Significant |
| Below ₹20,000 | ₹40,001–₹60,000   | 575.0            | <0.001              | 0.718             | Significant |
| Below ₹20,000 | ₹60,001–₹1,00,000 | 224.0            | <0.001              | 0.618             | Significant |

After the Holm correction, the below-₹20,000 group scored significantly lower than the ₹20,001–₹40,000, ₹40,001–₹60,000, and ₹60,001–₹1,00,000 groups. The contrast with the above-₹1,00,000 category was not statistically significant after adjustment, mainly because that category contained only seven respondents. No adjusted pairwise difference among the four higher-income categories reached significance.

Table showing Spearman Rank Correlation

| Measure                   | Result                                                      |
|---------------------------|-------------------------------------------------------------|
| Spearman's rho ( $\rho$ ) | 0.473                                                       |
| p-value                   | <0.001                                                      |
| Direction                 | Positive                                                    |
| Strength                  | Moderate                                                    |
| Decision                  | Income rank is significantly associated with literacy score |

Ordered income and financial-literacy score were positively and moderately related ( $\rho = 0.473$ ,  $p < 0.001$ ). In practical terms, respondents in higher income categories generally recorded higher literacy scores, although income alone does not explain every individual difference.

Objective 2: Income and Financial-awareness Domains

Hypotheses

H02: Income has no significant relationship with financial products, saving, investment, insurance, banking, or digital financial services.

H12: Income has a significant relationship with at least one of the specified financial-awareness domains.

Table showing Domain-level Kruskal-Wallis and Spearman Results

| Domain             | Mean score | H (df=4) | KW p   | $\epsilon^2$ | Effect   | Spearman $\rho$ | $\rho p$ | Decision        |
|--------------------|------------|----------|--------|--------------|----------|-----------------|----------|-----------------|
| Financial products | 75.1       | 7.01     | 0.135  | 0.015        | Small    | 0.155           | 0.025    | Not significant |
| Savings            | 71.9       | 34.44    | <0.001 | 0.149        | Large    | 0.344           | <0.001   | Significant     |
| Investment         | 84.0       | 53.77    | <0.001 | 0.244        | Large    | 0.396           | <0.001   | Significant     |
| Insurance          | 73.7       | 40.08    | <0.001 | 0.177        | Large    | 0.431           | <0.001   | Significant     |
| Banking            | 89.5       | 26.01    | <0.001 | 0.108        | Moderate | 0.270           | <0.001   | Significant     |

|                            |      |      |       |       |            |       |       |                 |
|----------------------------|------|------|-------|-------|------------|-------|-------|-----------------|
| Digital financial services | 88.1 | 2.25 | 0.689 | 0.000 | Negligible | 0.043 | 0.540 | Not significant |
|----------------------------|------|------|-------|-------|------------|-------|-------|-----------------|

Significant income-group differences were found for saving, investment, insurance, and banking. Investment produced the strongest domain effect (epsilon-squared = 0.244), followed by insurance (0.177), saving (0.149), and banking (0.108). The

financial-products domain showed a weak positive correlation with income, but its Kruskal-Wallis result was not significant. Digital financial services showed no meaningful difference by income.

Table showing Income groups wise financial literacy scores across different domains.

| Domain                     | Below ₹20,000 | ₹20,001–₹40,000 | ₹40,001–₹60,000 | ₹60,001–₹1,00,000 | Above ₹1,00,000 |
|----------------------------|---------------|-----------------|-----------------|-------------------|-----------------|
| Financial products         | 72.2          | 83.3            | 80.6            | 83.3              | 83.3            |
| Savings                    | 55.6          | 83.3            | 88.9            | 72.2              | 83.3            |
| Investment                 | 66.7          | 100.0           | 100.0           | 100.0             | 100.0           |
| Insurance                  | 50.0          | 100.0           | 100.0           | 100.0             | 100.0           |
| Banking                    | 83.3          | 100.0           | 100.0           | 100.0             | 100.0           |
| Digital financial services | 100.0         | 100.0           | 100.0           | 100.0             | 100.0           |

Median domain scores reveal that the below-₹20,000 group was most disadvantaged in saving, investment, and insurance. Banking and digital-service scores were relatively high in every group, suggesting that basic access is widespread even though broader financial capability remains unequal.

For the indicator-level analysis, the five income categories were combined into low income (below ₹20,000), middle income (₹20,001–₹60,000), and high income (above ₹60,000). This consolidation reduced sparse cells and made the cross-tabulations more stable.

Table showing Chi-square Tests for Selected Indicators

| Indicator                                     | Low income: Yes | Middle income: Yes | High income: Yes | $\chi^2$ (df=2) | Permutation (p) | Cramér's V         | Decision        |
|-----------------------------------------------|-----------------|--------------------|------------------|-----------------|-----------------|--------------------|-----------------|
| Compares financial products(always/sometimes) | 75.4%           | 90.4%              | 87.5%            | 7.71            | .018            | 0.193 (Small)      | Significant     |
| Saves every month                             | 30.0%           | 75.7%              | 75.0%            | 40.33           | <0.001          | 0.439 (Moderate)   | Significant     |
| Aware of investment options                   | 52.9%           | 95.6%              | 91.7%            | 53.12           | <0.001          | 0.505 (Large)      | Significant     |
| Has an insurance policy (reported)            | 50.0%           | 83.5%              | 95.8%            | 32.01           | <0.001          | 0.391 (Moderate)   | Significant     |
| Knows online banking services                 | 84.1%           | 98.2%              | 95.8%            | 14.01           | .003            | 0.260 (Small)      | Significant     |
| Aware of digital payment methods              | 92.8%           | 96.5%              | 95.8%            | 1.33            | .555            | 0.080 (Negligible) | Not significant |

The indicator tests support the domain-level results. Monthly saving, investment awareness, reported

insurance ownership, and knowledge of online banking were significantly associated with income.

Product comparison showed a smaller but still significant relationship. Digital-payment awareness was uniformly high and did not differ significantly across the three consolidated income groups.

#### Detailed Interpretation of Results

**Financial Products :** The broad financial-products score combines comparison behaviour, self-rated knowledge, and confidence. It did not differ significantly across all five income groups ( $p = 0.135$ ). However, the ordered-income correlation was small and positive ( $\rho = 0.155$ ,  $p = 0.025$ ), and the indicator test suggests that low-income respondents were somewhat less likely to compare financial products before purchase.

**Savings:** Saving displayed a significant and large income effect,  $H = 34.44$ ,  $p < 0.001$ ,  $\text{epsilon-squared} = 0.149$ . Only 30.0% of the low-income group saved every month, compared with 75.7% of the middle-income group and 75.0% of the high-income group. This result shows that limited income is closely connected with weaker saving capacity and less consistent saving behaviour.

**Investment :** Investment awareness had the strongest relationship with income. The domain difference was large,  $H = 53.77$ ,  $p < 0.001$ ,  $\text{epsilon-squared} = 0.244$ , and the indicator-level association was also large (Cramer's  $V = 0.494$ ). Only 50.0% of low-income respondents were aware of investment options, compared with 97.8% of middle-income respondents and 93.8% of high-income respondents.

**Insurance :** Insurance ownership was used as a proxy because the questionnaire did not contain a direct insurance-awareness item. The domain was significantly related to income,  $H = 40.08$ ,  $p < 0.001$ ,  $\text{epsilon-squared} = 0.177$ . Only 29.0% of the low-income group reported holding a policy, compared with 84.8% of the middle-income group and 81.3% of the high-income group.

**Banking Services :** Banking literacy was high overall but still varied significantly by income,  $H = 26.01$ ,  $p < 0.001$ ,  $\text{epsilon-squared} = 0.108$ . Awareness of online banking was reported by 84.1% of low-income respondents, 98.9% of middle-income respondents, and every respondent in the high-income group.

#### Findings :

1. Young adults formed the largest age group, with 72.8% of respondents between 21 and 30 years.
2. Men represented 68.4% of the sample, while women accounted for 31.1%.
3. Ballari district contributed 78.2% of respondents, and the remainder came from Vijayanagara district.
4. The sample was well educated: 55.1% were graduates and 37.1% were postgraduates.
5. Bank-account ownership was almost universal, with 96.6% of respondents reporting access to an account.
6. Regular monthly saving was reported by 61.2% of respondents.
7. Savings bank accounts were the dominant saving method (61.8%), followed by fixed deposits (13.2%).
8. Four out of five respondents were aware of investment choices, although knowledge differed across instruments.
9. Both life and health insurance were held by 46.3% of respondents, whereas 24.6% had no insurance cover.
10. Digital-payment awareness reached 95.1%, and 63.4% used digital payments every day.
11. Awareness of online banking stood at 92.7%, indicating broad use of digital banking facilities.
12. The mean literacy score was 80.72, and 75% of respondents were placed in the high-literacy category.

13. The Kruskal-Wallis test confirmed a significant difference in literacy across income groups,  $H = 56.999$ ,  $p < 0.001$ .
14. Income was positively and moderately related to financial literacy (Spearman's  $\rho = 0.473$ ,  $p < 0.001$ ). Significant differences appeared in saving, investment, insurance, and banking, but not in digital-payment awareness.
15. The strongest income-related difference was observed in investment awareness, followed by insurance and savings behaviour, indicating that lower-income respondents require greater support in these areas to improve their overall financial capability.

#### Suggestions:

1. Financial-literacy initiatives should give first priority to households earning below ₹20,000, as this group recorded the lowest scores.
2. Schools, colleges, and training institutions should introduce practical lessons on budgeting, saving, insurance, investing, and responsible borrowing.
3. Banks should conduct regular awareness camps in rural and semi-urban communities, using demonstrations rather than only lectures.
4. Government agencies can encourage regular saving by linking awareness campaigns with accessible and suitable saving schemes.
5. Investment programmes should explain mutual funds, shares, fixed deposits, diversification, and long-term wealth creation, especially to lower-income groups.
6. Life and health insurance participation can be improved by simplifying policy information and explaining the value of risk protection.
7. Online-banking training should cover cybersecurity, fraud prevention, safe transactions, privacy, and grievance redressal.
8. Households should be encouraged to prepare a monthly budget and review actual spending against the plan.
9. Borrowers need guidance on comparing interest rates, charges, repayment periods, and alternative products before accepting a loan.
10. Community organisations, self-help groups, NGOs, and banks should work together to hold recurring local financial-literacy workshops.

Conclusion: concludes that financial literacy varies significantly across income groups, with respondents earning below ₹20,000 per month showing comparatively lower literacy, while income is significantly associated with saving, investment, insurance, and banking awareness or behaviour. The findings suggest prioritising low-income households through practical financial-literacy programmes covering budgeting, saving, investment, insurance, responsible borrowing, banking, and digital-payment safety. Banks, educational institutions, employers, self-help groups, and community organisations in Ballari and Vijayanagara should collaborate on regular awareness programmes. However, the findings should be interpreted cautiously because the cross-sectional design cannot establish causality, the sample is unevenly distributed across districts and income groups, the data are largely self-reported, and the financial-literacy index combines awareness, confidence, and behaviour rather than using an objective knowledge test. In addition, insurance awareness is proxied by policy ownership, and the low, moderate, and high literacy categories used are operational classifications rather than nationally validated standards.

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