Influence of Demographic Variables on Personal Fund Management Practices of Scheduled Tribes of Kerala – An Empirical Study

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Abstract

Personal fund management decisions are vital because good personal fund management practices lead to a state of financial well-being. The state's well-being remains a question mark in the lives of some marginalized sections. Tribes are one among them. Therefore, this study was done to examine how demographic factors affected the personal finance management strategies of Kerala's scheduled tribes. Age and Gender are the two demographic variables taken here for analysis. A total of 395 samples from the Attappady tribal territory were chosen for the investigation using a stratified random selection approach. Data were collected by administering a structured schedule. Data analysis employed the ANOVA test. The study contains detailed demographic and Socioeconomic profiles of the respondents based on the section to which they belong. There are three sections of tribes, Irula, Muduga, and Kurumba. The analysis results found that the selected demographic variables have no significant effect on the personal fund management practices of Scheduled tribes of Kerala.

Keywords: Demographic variables; Financial well-being; Personal fund management practices; Scheduled tribes; Kerala

Introduction:

People nowadays are more accountable than ever for their own money throughout their lives. Now the pension plans have also changed. Employer-sponsored defined benefit pension plans are being replaced globally by private defined contribution pension plans. It, in turn, shifts the responsibility for saving for and investing in retirement from businesses to employees. Having the right skills is essential for making wise money management decisions. Personal fund management, from a layperson's perspective, is understanding your financial situation in order to maximize your resources for both present and future planning. It is concerned with the basic decisions regarding cash flows, expenditure, investing, and protection. Managing personal finance not only deals with deciding the day-to-day expenses but also prudently making decisions to have financially secured better tomorrows. There is a positive direct correlation between control over personal finance and a financially secure life.

Personal financial management is affected by various factors. Financial knowledge, financial behavior, financial attitude, socioeconomic variables, demographic factors, etc., are some of them. Since all these variables differ for different people, the degree of effectiveness of personal fund management decisions also differs. The more one possesses financial literacy and knowledge better his decisions will be. Lower-income people's personal financial management behavior is strongly and negatively impacted by an external locus of control while being significantly and positively impacted by factors like financial knowledge and attitude (Sovitha,2020). Low levels of financial knowledge and attitude, as well as a high level of external locus of control, are all indicators of lower levels of personal financial management behavior among lower-income individuals.

Scheduled tribes of Kerala constitute around 4 lakh population. Pniya, Irula, Cholanaikka, Muduga, Kurumba, Kurichyas, Kurumas, etc., are some of the tribal sects that belong to Kerala. Although Kerala's local governments made great strides in providing residents with high-quality services, Scheduled Tribes' experiences fell short of expectations. In this study, the researcher is attempting to determine how demographic factors may affect the personal finance management strategies of Kerala's Scheduled Tribes.

Literature Review:

Obey and Olawale (2018), in their study titled 'Evaluating The Effect of Owners' Demographic Characteristics on The Financial Management Behaviour of Rural Entrepreneurs in South Africa, enquired about the fund management behavior of rural entrepreneurs. They have used a quantitative research design in their study. The questionnaire was the tool used for collecting primary data from 100 respondents. The sample was selected by using convenience and Snowball sampling. Descriptive statistics, factor analysis, and t-tests were used to analyze the data. The findings showed that rural entrepreneurs' financial management practices are unacceptably poor. Results of a t-test revealed a strong relationship between rural businesses' financial management practices and educational attainment. In order to help rural businesses develop their financial management skills, recommendations included becoming aware of and utilizing government services.

Yiing-Jia Loke (2017) conducted a study on 'The Influence of Sociodemographic And Financial Knowledge Factors on Financial Management Practices of Malaysians' to study how Malaysians' four chosen financial management practices are affected by sociodemographic and financial awareness characteristics. The study also examines Malaysians' levels of financial literacy and pinpoints any gaps in their understanding. The study used a survey method for collecting primary information from 200 participants. The findings show that a variety of variables, gender, and regularity of income, including ethnicity, education, age, and financial literacy, have a significant influence on how people manage their finances. In their efforts to improve people's money management behaviors, regulators, financial educators, and consumer advocacy groups should consider the findings.

Min Zhan et al. (2008), in this study, pre-training financial management training and post-training knowledge were measured among low-income persons. According to the findings, there exist knowledge gaps on basic financial management issues, notably when it comes to investing, saving, and making use of public and employment benefits. The findings of the regression analysis also show that a number of factors, such as education, English language proficiency, race and ethnicity, and banking experience, have an impact on participants' levels of financial awareness. In terms of policy and practice, it is examined how to provide efficient financial management training for low-income audiences.

Lee and Park (2000) studied how financial management techniques and family lifecycle stages impact household savings in their study titled 'The Effect of Family Life Cycle and Financial Management Practices on Household Saving Patterns'. They found that savings are significantly influenced by household income, education, and race. Additionally, it was noted that households without children, middle-aged couple households without dependent children, and older households without dependent children are more likely to save than other comparable households in the lifecycle stage of younger single households. This is in accordance with the effects of the family lifecycle stages. The likelihood that a household would save money is increased by longer time horizons for financial planning, retirement savings objectives, purchasing of durable goods and emergency supplies, and low credit card debt. The findings have ramifications for both public policy and financial management education.

Subarna (2014) carried out a study on 'Knowledge, Attitude and their Effect on the Recently Graduated Employees' Financial Management Practices and Satisfaction' to ascertain how financial knowledge and attitude among 110 recently graduated employees affect financial management practices and contentment with the financial condition. The family's financial security increased with the length of employment, and newly graduated employees were shown to have stronger financial management skills. The respondent's family's wealthy financial history, their long work history, and the excellent financial management strategies they chose were all associated with higher financial status satisfaction. Yet, it was discovered that their financial literacy was unimportant in predicting their financial management strategies and level of contentment with their financial situation.

Research Gap:

Researchers have conducted many studies on the importance and factors that influence personal fund management practices since it has a direct relation with the state of financial well-being. From the earlier studies, it is evident that financial management practices are affected by demographic factors, socioeconomic factors, financial knowledge, financial behavior, etc., but the influence may differ for urban people, rural people, semi-urban people, etc. since the socioeconomic background and the nature of financial affairs differs for these categories. Studies of this kind will be more vital among marginalized groups because they lack proper financial management practices actually. Thus, the focus of this study is on examining how demographic factors affect the ethical fund management practices of Keralan tribal groups.

Objectives of the Study:

1. To know the demographic profile of tribes based on their sections, like Irula, Muduga, and Kurumba.

2. To categorize the respondents based on the sectors they belong to and their socio-economic profile.

3. To examine how demographic factors affect and how Kerala tribes handle their personal finances.

Hypothesis of the Study:

H0: Gender will have no significant effect on their knowledge of financial management practices.

H0: The age group will have no significant effect on their knowledge of financial management practices.

H0: Both Gender and Age groups will have no significant effect on their knowledge of financial management practices.

Research Methodology:

- **Source of data**

Both primary and secondary data are used as the study's foundation. Primary data is gathered using an organized schedule, while Secondary data is gathered from various public documents, magazines, journals, etc.

- **Sampling design**

In the Attappady tribal area, there is a total of 32,956 Scheduled tribes as per 2011 Census data. Three sections of tribes constitute the sample, Irula, Muduga, and Kurumba. The samples were chosen using stratified random sampling. As per Slovin's formulae, a total of 395 respondents were selected for taking primary data.

- **Statistical Tools and Techniques**

Microsoft Excel and the Statistical Package for the Social Sciences were used to analyze the data. Frequencies, percentages, and the chi-square test were applied in the statistical analysis to test the hypothesis.

Data Analysis and Discussion

The respondents were selected from the Attappady tribal region, Kerala. There were three sects of tribal people, Irula, Muduga, and Kurumba.

Table: 1

Demographic profile of the respondents

Sl No	Variables	Categories	Sections of Tribes			Total
			Irula	Muduga	Kurumba	
1	Age	Below 20	3 (2.28)	0 (0)	1 (0.76)	4 (1.01)
		21 – 40	56 (42.42)	64 (48.48)	75 (57.25)	195 (49.37)
		41 – 60	45 (34.09)	48 (36.36)	38 (29.01)	131 (33.16)
		Above 61	28 (21.21)	20 (15.16)	17 (12.98)	65 (16.46)
2	Gender	Male	57 (43.18)	93 (70.45)	101 (77.10)	251 (63.54)
		Female	75 (56.82)	39 (29.55)	30 (22.90)	144 (36.46)
3	Marital status	Married	109 (82.58)	110 (83.33)	111 (84.73)	330 (83.55)
		Unmarried	4 (3.03)	3 (2.28)	0 (0)	7 (1.77)
		Others	19 (14.39)	19 (14.39)	20 (15.27)	58 (14.68)
4	Educational Qualification	Illiterate	45 (34.09)	38 (28.79)	28 (21.37)	111 (28.10)
		Below SSLC	52	63	65	180

			(39.39)	(47.72)	(49.62)	(45.57)
		SSLC	21 (15.91)	20 (15.14)	28 (21.37)	69 (17.47)
		Plus Two	7 (5.30)	3 (2.26)	8 (6.11)	18 (4.55)
		Graduation	2 (1.52)	4 (3.03)	2 (1.53)	8 (2.03)
		Above Graduation	1 (0.76)	2 (1.53)	0 (0)	3 (0.76)
		Others (Technical)	4 (3.03)	2 (1.53)	0 (0)	6 (1.52)

Source: Primary data

Table 1 demonstrates that the researcher only included participants who were at least 18 years old. 49.37% of respondents (the majority) were in the age range of 21 to 40. 251 men and 144 women made up the sample of respondents, and 83.55% of the men and 1.77 percent of the women were married. Widows, widowers, and single moms make up the 'others' group, which constitutes 14.68% of the population. Personal interviews with individuals were used to acquire the data required for the timetable. The full schedule was completed in Malayalam because the responders struggled with English. 45.57% of the total respondents said that their educational level was 'Below SSLC'. It's significant to notice that only three responses qualify as 'Above graduation'.

Table: 2

Socio-economic profile of respondents

Sl No	Variables	Categories	Sections of Tribes			Total
			Irula	Muduga	Kurumba	
1	Occupation	Un employed	22 (16.67)	13 (9.85)	4 (3.05)	39 (9.87)
		Self-occupied	6 (4.54)	3 (2.27)	7 (5.34)	16 (4.05)
		Paid laborers / MGNREGS	89 (67.41)	94 (71.21)	106 (80.92)	289 (73.16)
		Private job	4 (3.03)	6 (4.54)	0 (0)	10 (2.54)
		Government job	4 (3.03)	9 (6.82)	11 (8.40)	24 (6.08)
		Farmer	2 (1.52)	1 (0.76)	2 (1.53)	5 (1.27)

		Collection & sale of forest products	1 (0.76)	0 (0)	0 (0)	1 (0.25)
		Dairy farming	2 (1.52)	5 (3.79)	0 (0)	7 (1.77)
		Others	2 (1.52)	1 (0.76)	1 (0.76)	4 (1.01)
2	Number of family members	Up to 2	29 (21.97)	36 (27.27)	28 (21.38)	93 (23.55)
		2 – 4	73 (55.30)	50 (37.88)	48 (36.64)	171 (43.29)
		4 – 6	28 (21.21)	35 (26.52)	45 (34.35)	108 (27.34)
		Above 6	2 (1.52)	11 (8.33)	10 (7.63)	23 (5.82)
3	Number of working members	Up to 2	29 (21.97)	36 (27.27)	28 (21.37)	93 (23.54)
		2 – 4	73 (55.30)	50 (37.88)	48 (36.64)	171 (43.29)
		4 – 6	28 (21.21)	35 (26.52)	45 (34.35)	108 (27.35)
		Above 6	2 (1.52)	11 (8.33)	10 (7.64)	23 (5.82)
4	Annual income	Below Rs.1,20,000	119 (90.15)	112 (84.85)	113 (86.26)	344 (87.09)
		Rs. 1,20,000 – 2,40,000	7 (5.30)	10 (7.57)	0 (0)	17 (4.30)
		Rs. 2,40,000 – 3,60,000	1 (0.76)	0 (0)	6 (4.58)	7 (1.77)
		Rs. 3,60,000 – 4,80,000	1 (0.76)	5 (3.79)	6 (4.58)	12 (3.04)
		Rs. 4,80,000 – 6,00,000	4 (3.03)	5 (3.79)	6 (4.58)	15 (3.80)

Source: Primary data

Among the total respondents 73.16 % work as paid workers under MGNREGS. Each responder has a nuclear family arrangement. The majority of respondents (43.29%) had between 2 and 4 family members, and 92.91% of these households had up to 2 workers. The majority of families (87.09%) make less than Rs. 120,000 annually. It is obvious that the majority of respondents do not have a stable financial situation. In the income range of Rs. 2,40,000–Rs. 3,60,000, 0.25 percent of people reside. Just 3.8% of people come from a higher income group (Rs.4,80,000-Rs.6,00,000).

Gender and Age are the two Demographic variables taken here to study the effect on financial management practices of tribes from Irula, Kurumba, and Muduga. ANOVA was the tool used for data analysis. The hypotheses set for the test were:

Table 3

Influence of Gender and Age on financial management practices of select tribes from Attappady

Source	Sum of squares	DF	Mean square	F	Sig.
Corrected Model	.696[a]	7	.099	1.159	.325
Intercept	459.506	1	459.506	5.361	.000
Age group	.581	3	.194	2.260	**.081**
Gender	.092	1	.092	1.071	**.301**
Age group * gender	.093	3	.031	.363	**.780**
Error	33.172	387	.086		
Total	3171.733	395			
Corrected Total	33.868	394			

a. R Squared = .021 (Adjusted R Squared = .003)

Source: Computed data *** Level of Significance: 5%**

Table 3 makes evident that the age group's p-value is 0.081, which is larger than 0.05 at the 5% threshold of significance. Therefore, it is acknowledged that the Age group is nil. Therefore it is concluded that the Age group will have no significant effect on their knowledge about financial management practices.

Similarly, the gender p-value is 0.301, larger than 0.05 at the 5% threshold of significance. As a result, the null hypothesis is accepted in regard to the gender group. Therefore it is concluded that gender will have no significant effect on their knowledge about financial management practices.

Additionally, at the 5% level of significance, the p-value for age group and gender is 0.780, which is larger than 0.05. In that situation, the null hypothesis is likewise accepted. Therefore it is concluded that both Gender and Age groups will have no significant effect on their knowledge about financial management practices.

Conclusion:

To quote Benjamin Franklin, ‘If you fail to plan, you are planning to fail’. One may have a range of financial goals, but if you want to achieve them at the right moment, you must start creating a financial plan when you are still fairly young in your life. If the process of financial management is perfect, then one can attain a financially secure life, increase savings, and able to attain a peaceful mind. The study aimed to analyze the effect of demographic factors, age, and gender on personal fund management practices of scheduled tribes of Kerala. The test results proved that age and gender have no effect on the effective fund management practices of the respondents. The p-value fetched was greater than 0.05 at a 5% level of significance; hence the study accepted the null hypothesis. There were earlier studies also got the same result. There is no discernible correlation between demographic factors and personal financial management practices of lower-income persons with regard to age or gender (Sovitha,2020). Thus this study added to the argument that demographic factors have nothing to do with personal financial management.

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