

Finlit of Costermongers in Coimbatore City

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Abstract

The history of business starts with street vending, which plays a vital role today to upgrade and support a family's economic status and the country's economy. Paper cash transaction is a traditional method that is comfortable for the Costermongers but still, they are facing some issues in the issuance of fake notes by the buyer, balance cash, etc. So, to widen the vision of the Finlit among costermongers about the digital cash transaction, schemes, and banking services. The world is moving on to the Digi-cash technique to track unaccounted transactions using paper cash and to identify mistakes, frauds, etc. The current study aims to interpret the level of Finlit amidst Costermongers. The survey is made to bring out the Finlit among the Costermongers, primary data is collected from 75 Costermongers using a convenient sampling method working in the municipality area of Coimbatore district. The study stated that many Costermongers are not aware of the scheme and the services provided by the banks due to a lack of Finlit.

Keywords: *Costermongers, Finlit, Digi-cash, Bank Services*

Introduction

The capacity to make wise financial decisions is referred to as financial literacy. Financial literacy is described by the OECD as "the awareness, knowledge, skill, attitude, and behavior required to make wise financial decisions and ultimately achieve individual financial well-being."

People with good financial knowledge and decision-making abilities may balance their options and choose wisely for their financial conditions, such as when and how to save and spend, compare prices before making a major purchase, or prepare for retirement or other long-term goals.

Statement of the Problem

Business is the word that always says make money by investing your hard work and selling your smartness. Street Vendors are the people who sell products produced by others or by themselves on the streets. They struggle to make many to face day-to-day expenses. During the COVID pandemic, they faced great financial struggles. Most of the street vendors don't have saving habits because they have money their earning is enough to face their daily needs. They don't have job security and life security. The government introduced special schemes for street vendors to develop their living standards and provide loans for their businesses. Many manufacturers make use of street vendors to sell their products. But they're not providing any job security to them. Street vendors don't have permanent jobs they can sell different products as per the demand and the climatic changes. There is a need to study financial literacy among the costermongers. The study focuses on the costermonger's demographic status and financial literacy in various aspects.

Scope of the Study

Street vending is the traditional method in the business sector. The world is moving to the next pace of development especially in finance technology. In simple words paperless economy, most of the costermongers are struggling in competing with the digital mode of business. So, future researchers can focus on the digital fraud and crimes faced by the costermongers and also the struggles of perishable goods sellers or street food sellers.

Objective: To evaluate the Finlit and to relate the demographic status among the Costermongers in Coimbatore District.

Review of the Literature

Dr. Mari Selvam. P, & Sambath Kumar S. (2023) In recent years, there has been a lot of discussion on the relationship between financial satisfaction and the quality of life of women in Coimbatore city. The convenience sampling method is used and recommended the government to support women street vendors by announcing an exclusive financial status to improve their economic condition.

Lalengkawli H, &Bhartendu Singh. (2022) The Study attempts to analyse the status of financial literacy among street vendors in Lunglei district of Mizoram. They adopted an exploratory research design. An attempt is made to find the financial literacy and demographic profile of street vendors.

Methodology

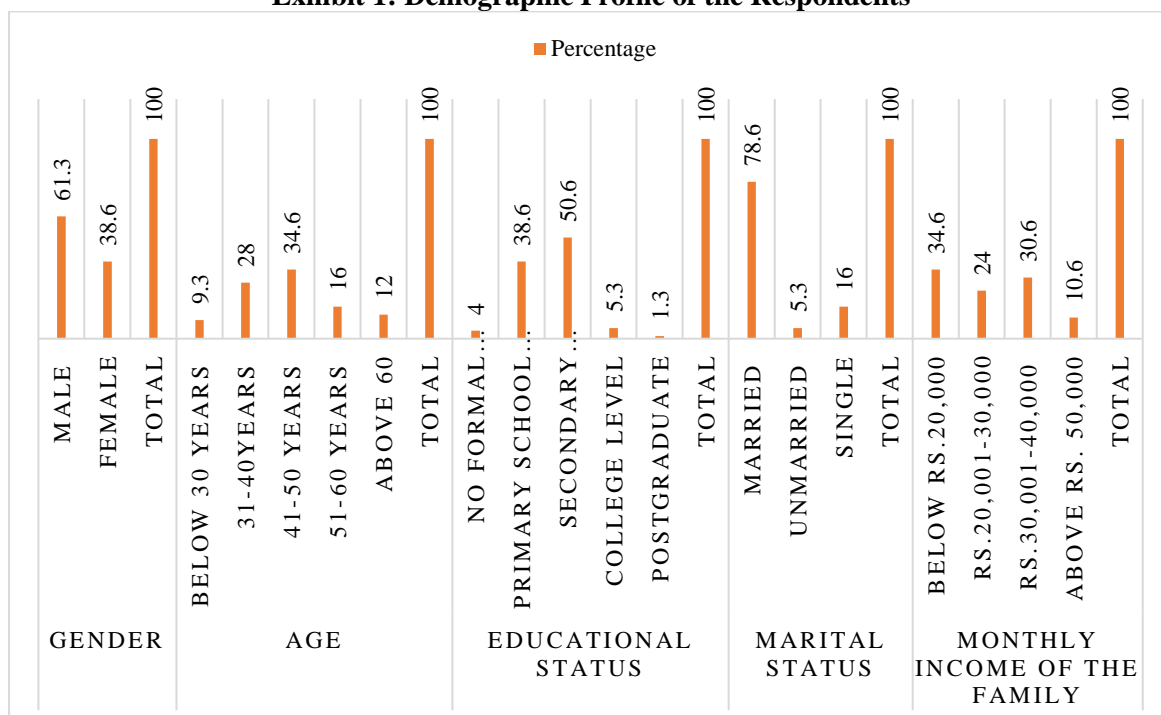
Methods of Data Collection	Primary and Secondary
Sample design	Convenient Sampling
Area of the study	Coimbatore
Sample Size	75
Statistical Tool	Simple Percentage

Hypotheses

- i)The education Qualification of the respondents has no significant effect on Finlit.
- ii) Income of the respondents has no significant effect on Finlit.
- iii) Economic Status of the respondents has no significant effect on Finlit.

Analysis

Exhibit 1: Demographic Profile of the Respondents



The above table shows that the majority of the respondents, 61.3% were females and only 46% were males. It is revealed that street vending is undertaken by females. Most of the respondents, 34.6% belonged to the age group of 41-50 years, followed by 31-40 years (28%). Only 4% of the respondents were found to be illiterate. Interestingly, few costermongers possessed higher educational qualifications with graduate (5.3%) and postgraduate degrees (1.3%). Out of 75 Costermongers, 38.6% studied till class 10th and formed the majority among the respondents. It was found that the majority of the respondents were married women, (78%).

Level of Finlit among the Respondents

To analyse the level of Finlit among the respondents, the question was divided into three different types of financial knowledge, behavior, and attitude was taken.

Financial knowledge deals with having bank accounts themselves:

Exhibit 2: No of the respondents have an account for himself/ herself

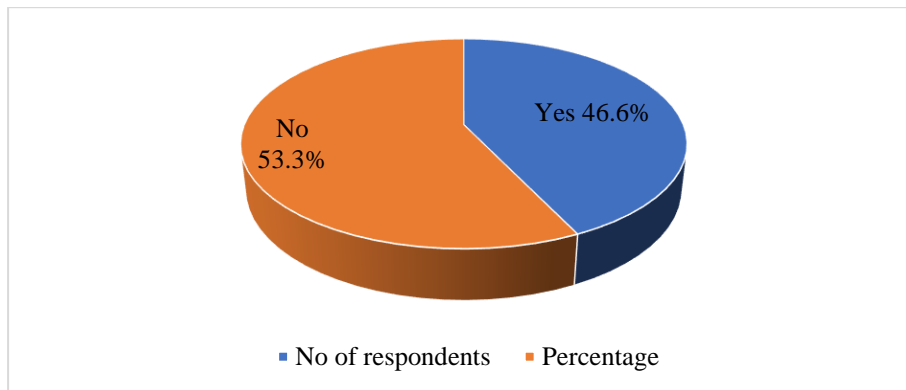


Exhibit 2 shows that the majority of the costermongers (53.3%) don't have their own savings accounts, and most (46.6%) of the respondents have their own savings accounts.

Exhibit 3: The main reason the costermonger's open a savings account

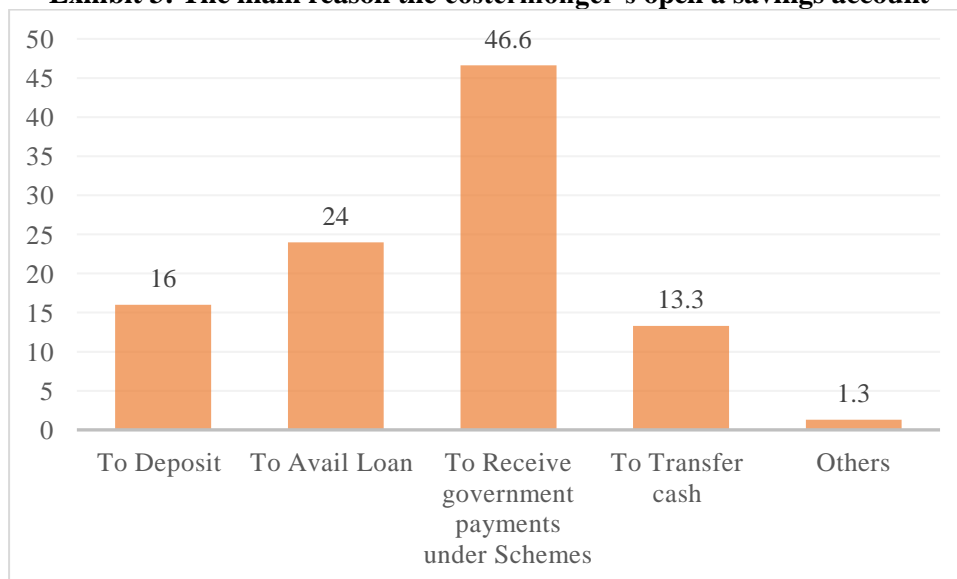
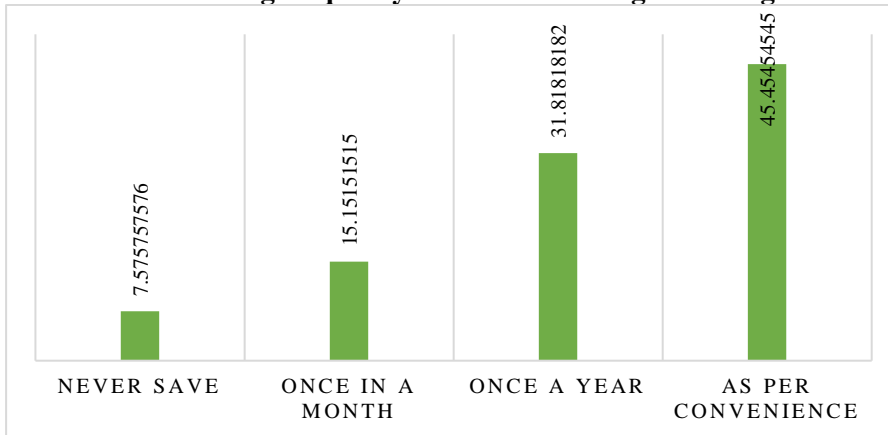


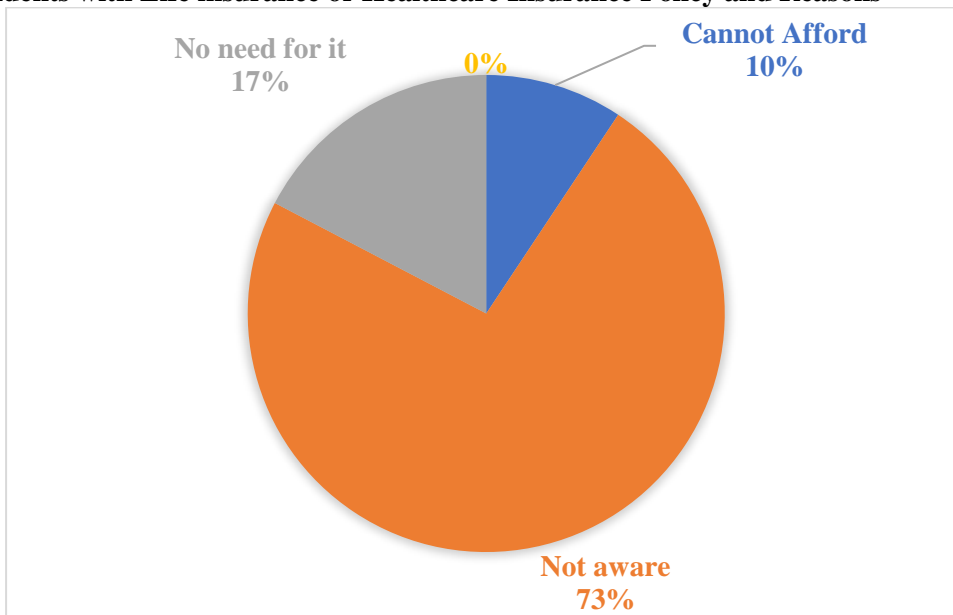
Exhibit 3 shows that 46.6% of the respondents opened bank accounts to receive government payments under schemes, followed by 24% of the respondents opening bank accounts to avail of loans in the bank, and 16% of the respondents to deposit money.

Exhibits 4: Saving frequency of the Costermongers through bank



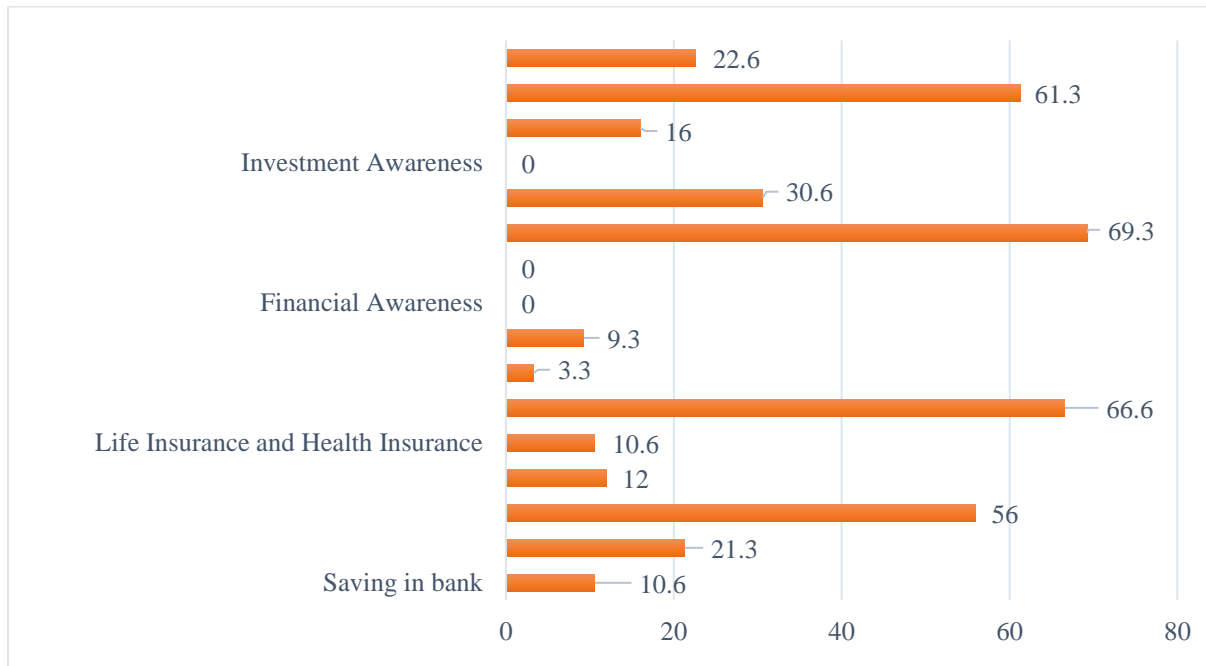
Out of the total respondents, 45.4% of the respondents saved money in the bank at their convenience. 31.8% of the respondents saved money once a year. Only 7.5 of the respondents never saved money.

Respondents with Life insurance or Healthcare Insurance Policy and Reasons



Out of the total respondents, 73% of the respondents are not engaged in any insurance policy due to not being aware of the importance of insurance and the procedures of any insurance policies.

Importance Given by the Respondents



Regarding savings in banks, 56% of the respondents mentioned that savings in banks is important and 12% of the respondents stated that very important. 21.3% of the respondents were neutral. In connection to the importance of life insurance and health insurance, most of the respondents (66.6%) were neutral. With regard to the importance of financial awareness, 69.3% of the respondents feel that financial awareness is important and 30.6% of the respondents feel that it's very important. Similarly, most of the respondents (61.3% of the respondents) mentioned that awareness of investment opportunities is important.

Suggestions:

Financial Literacy: Financial literacy rate is very low compared to the literacy rate in our country. So, the government should focus on street vendors' financial literacy to develop their living standards.

Awareness about the Schemes: The Costermongers are not aware of the license and schemes offered by the government for them. So, to make them aware and make use of it more awareness programs and business training camps must be conducted in all the districts with the help of state government or MSME enterprises association.

Government Loans: Our government is providing loans through the public and private sector banks for street vendors under the PM SVANidhi scheme. Many of them are not aware of the scheme and the vendors who know about it not making use of it. Because they don't feel it is useful for them. So, the government must look into the different schemes and provide various services to improve the well-being of street vendors. Can introduce schemes for young street vendors' schemes, senior citizens schemes, and women street vendors.

Empowerment Costermongers Association: The street vendors association must be formed and their needs & wants must be recorded to solve and provide better solutions and services to them. They're also one of the many reasons for our nation's economic development.

Conclusion

India's literacy rate has increased as compared to the 20th century. But still educated people are struggling in managing finance. As compared to the literacy rate the financial literacy rate is very low in our country. Finance plays a vital role in human life so each and every one must have knowledge about financial management. Street vending is considered to be the traditional form in the business world. So here the study focuses on the Costermonger's financial literacy level. The study reveals that even educated vendors are not aware of the schemes and loans provided by the bank and the government. They don't have the habit of saving and securing their business from risks. So, in our

study, we recommend the government educate and conduct camps to create awareness among people about the services available for street vendors.

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