

# Does Demographic Variables Influence on Financial Inclusion in India Post With Reference To Ariyalur District?



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**Abstract**—Financial Inclusion are influenced by the segment of Human population (Demographic) variables such as Gender, Age, Educational Qualification, Occupation, Marital Status, Family Size, Income and their residential area under convenience sampling method were adopted. The primary data were collected with 70 Respondents of Post office account holder with the help of a well structured close ended and likert scale questionnaire which consists of parameters to measure the influence variables on financial inclusion. The collected data were analyzed with the help of the SPSS.21 software for validating the assumptions made by researcher.

The study therefore done found that Demographic variable influence the financial inclusion processes, chi-square analysis and reliability test were confirmed that the demographic variables had sufficient impact on the financial inclusion of India Post.

**Keywords:** Financial Inclusion, Human population variables, India post.

## I. INTRODUCTION

Financial Inclusion is very important and backbone of the Economic development of the country. It leads to inclusive growth directly or through capital increase. Post office offer and connects the all individuals who are vulnerable groups at affordable cost. But, India post facing certain challenges particularly by demographic variables those who are Aged person, Women, Low income person, Unmarried person, Occupation, High family members, living in rural area are not willing to open account in Post office. So, Financial inclusion can be determined by demographic variables. Thus, the demographic variables makes irrationally towards financial inclusion.

## II. LITERATURE REVIEW

Leora Klapper and Dorothe Singer (2013), Conducted a research to identify the influence of demographic variables on financial inclusion. The study found that the women, poor

adults, rural residents, older, less educated persons, less likely to be employed play a dominant voice on financial inclusion of India post.

### Hypothesis

Ho: There is no significant difference between demographic variable and financial inclusion services of

India post.

## III. METHODOLOGY OF STUDY

The present study is suitable to be analyzed in descriptive as well as explorative study methods. Under convenience sampling method, the primary data was collected through well structured close ended questionnaire from 70 account holders in Ariyalur district post office. Each and every construct has served items which consists of 5 point likert scale to measure the influence correctly/

The appropriate statistical tools were used to measure the reliability and relationship of constructed items. The analysis of SPSS.21 software was used to analyze the collected data.

## IV. INFLUENCES SELECTION FOR THE STUDY

As to a cause of without awareness, without financial education, without income and assets, Gender gap, Social rejection and harsh procedure many still prefer to borrow money from easy sources like money lenders. The financial literacy among the rural population of the country is preventing movement the growth of the economy as majority of the population does not have access for sound or orderly credit. The concept of examining financial access became important immediately after the all India rural Credit survey that was completed in the 1950. The results of the survey revealed that farmers relied heavily on money lenders in the year 1950- 1952 and 1960 (Daniel Thorner). Theirs borrowings, investments and their circle were money lenders, friends, neighbors and relatives.

## V. THEORETICAL MODEL

The theoretical model has been prepared with the assumption that the gender, age, Educational qualification, Occupation, Marital status, Family Size, Income, residence area significantly influences the financial inclusion of post office.

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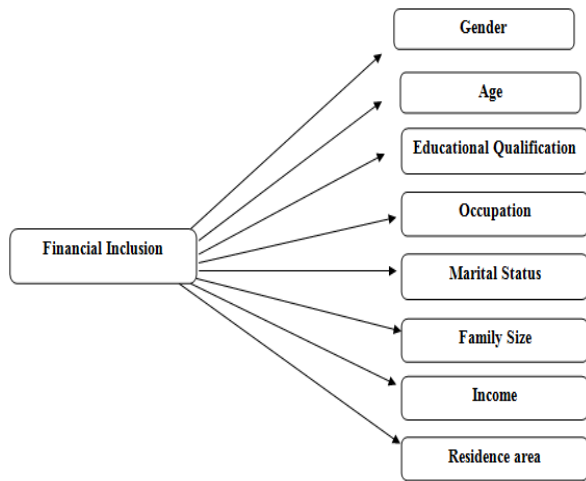
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**Table : 1 Cronbachis Alpha test Result for Reliability**

Cronbachis Alpha	No of items
.091	8

Source: Computer based on the primary data in SPSS.

The Table1 indicates the reliability test of the constructed items on total demographic variables. Cronbach alpha value is .091 with respect of Gender, Age, Educational Qualification, Occupation, Marital status, Family size, Income, Residence area. The alpha value is more than the value of 0.6. So, the items are reliable and there is internal consistency in the constructed items. Further, the data is useful to do for further analysis.

**Ho ( i ) :** There is no Association between the Financial Inclusion and Gender of the Respondents

**Table : 2 Financial Inclusion of Gender Category ( Chi-Square Test)**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.790 <sup>a</sup>	4	.774
Likelihood Ratio	3.044	4	.550
Linear-by-Linear Association	1.274	1	.259
N of Valid Cases	70		

Source : Primary Data

Table: 2 it is found that it has the calculated value of 1.790 with 4 degree of freedom, it has the significant value of .774, which is more than 5 percent level of significant and there is significant difference between Gender and financial inclusion. Hence the results indicates that the Female person are not interested to open a/c in post office.

**Ho ( ii ) :** There is no Association between the Financial Inclusion and Age of the Respondents

**Table : 3 Financial Inclusion of Age Category (Chi-Square Test)**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.981 <sup>a</sup>	12	.116
Likelihood Ratio	12.625	12	.397
Linear-by-Linear Association	.014	1	.907
N of Valid Cases	70		

Source : Primary Data

Table: 3 It is found that it has the calculated value of 17.981 with 12 degree of freedom, it has the significant value of .116, which is more than 0.01 percent level of significant and there is significant difference between age group and financial inclusion. Aged person are not willing to open a/c.

**Ho ( iii ) :** There is no Association between the Financial Inclusion and Education of the Respondents

**Table : 4 Financial Inclusion of Education (Chi-Square Test)**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.388 <sup>a</sup>	6	.495
Likelihood Ratio	5.341	6	.501
Linear-by-Linear Association	1.104	1	.293
N of Valid Cases	70		

Source : Primary Data

Table : 4 It is found that it has the calculated value of 5.388 with 6 degree of freedom, it has the significant value of .495, which is more than 0.01 percent level of significant and there is significant difference between Education and financial inclusion. Hence the results indicates that the Illiterate person are not interested to open a/c in post office.

**Ho ( iv ) :** There is no Association between the Financial Inclusion and Occupation of the Respondents

**Table : 5 financial inclusion and Occupation (Chi-Square Test)**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.826 <sup>a</sup>	12	.925
Likelihood Ratio	7.468	12	.825
Linear-by-Linear Association	.213	1	.644
N of Valid Cases	70		

Source : Primary Data

Table 5 It is found that it has the calculated value of 5.826 with 12 degree of freedom, it has the significant value of .101, which is more than 5 percent level of significant and there is significant difference between Occupation and financial inclusion .

Hence the results indicates that the Agriculture person are not interested to open a/c in post office.

**Ho (v) :** There is no Association between the Financial Inclusion and Marital status of the Respondents

**Table : 6 Financial Inclusion of Marital Status(Chi-Square Test)**

	Value	Df	Asymp. (2-sided)	Sig.
Pearson Chi-Square	.467 <sup>a</sup>	2	.792	
Likelihood Ratio	.799	2	.671	
Linear-by-Linear Association	.123	1	.725	
N of Valid Cases	70			

Source : Primary Data

Table :6 It is found that it has the calculated value of .476 with 2 degree of freedom, it has the significant value of .792,which is more than 5% level of significant and there is significant difference between Marital status and financial inclusion . Hence the results indicates that the unmarried person are not interested to open a/c in post office.

**Ho (vi) :** There is no Association between the Financial Inclusion and Family Size of the Respondents

**Table : 7 Financial Inclusion of Family Size (Chi-Square Test) & Results**

	Value	Df	Asymp. (2-sided)	Sig.
Pearson Chi-Square	10.661 <sup>a</sup>	9	.300	
Likelihood Ratio	10.913	9	.282	
Linear-by-Linear Association	1.750	1	.186	
N of Valid Cases	70			

Source : Primary Data

Table : 7 It is found that it has the calculated value of 10.661 with 9 degree of freedom, it has the significant value of .300,which is more than 0.01percent level of significant and there is significant difference between Family size and financial inclusion. Those who have more family members

can not open account in post office.

**Ho (vii) :** There is no Association between the Financial Inclusion and Income of the Respondents .

**Table: 8 Financial Inclusion of Income Category (Chi-Square Test)**

	Value	Df	Asymp. (2-sided)	Sig.
Pearson Chi-Square	8.328 <sup>a</sup>	12	.759	
Likelihood Ratio	7.152	12	.847	
Linear-by-Linear Association	.292	1	.589	
N of Valid Cases	70			

Source : Primary Data

Table : 8 It is found that it has the calculated value of 8.328 with 12 degree of freedom, it has the significant value of .759,which is more than 5 percent level of significant and there is significant difference between Income and financial inclusion . Hence the results indicates that the those who have earned low income are not interested to open a/c in post office.

**Ho (viii) :** There is no Association between the Financial Inclusion and Residence Area of the Respondents .

**Table : 9 Financial Inclusion of Residence Area (Chi-Square Test)**

	Value	Df	Asymp. (2-sided)	Sig.
Pearson Chi-Square	2.156 <sup>a</sup>	6	.905	
Likelihood Ratio	3.295	6	.771	
Linear-by-Linear Association	1.267	1	.260	
N of Valid Cases	70			

Source : Primary Data

Table: 9 It is found that it has the calculated value of 2.156. with 6 degree of freedom, it has the significant value of .905,which is more than 5 percent level of significant and there is significant difference between residence area and financial inclusion

Hence the results indicates that the those who living in rural area are not interested to open a/c in post office

**Table : 10 Financial Inclusion and Demographic Variables ( Correlation)**

		Correlations							
		Women are not interested to open A/C in their name	Aged persons are not interested to open A/C in their name	Illiterate are not interested to open A/C in their name	Agriculture person does not open A/C due to low income & seasonal income	Un married women do not get awareness to open A/C	We cannot savings due to we are more family members	We earn low income so we can not open A/C.	We have enough time to open a/c/
Women are not interested to open A/C in	Pearson Correlation	1	-.036	-.005	.146	-.089	.398**	-.127	-.076
	Sig. (2-tailed)		.770	.969	.228	.465	.001	.295	.533

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their name	N	70	70	70	70	70	70	70	70
Aged persons are not interested to open A/C in their name	Pearson Correlation	-.036	1	-.103	.125	.027	-.188	-.024	.146
	Sig. (2-tailed)	.770		.397	.302	.827	.119	.840	.227
	N	70	70	70	70	70	70	70	70
Illiterate are not interested to open A/C in their name	Pearson Correlation	-.005	-.103	1	.009	.155	-.021	-.037	-.175
	Sig. (2-tailed)	.969	.397		.939	.201	.864	.763	.147
	N	70	70	70	70	70	70	70	70
Agriculture person does not open A/C due to low income & seasonal income	Pearson Correlation	.146	.125	.009	1	-.006	.018	.000	.114
	Sig. (2-tailed)	.228	.302	.939		.960	.883	1.000	.347
	N	70	70	70	70	70	70	70	70
Un married women do not get awareness to open A/C	Pearson Correlation	-.089	.027	.155	-.006	1	-.155	.154	.099
	Sig. (2-tailed)	.465	.827	.201	.960		.200	.204	.416
	N	70	70	70	70	70	70	70	70
We cannot savings due to we are more family members	Pearson Correlation	.398**	-.188	-.021	.018	-.155	1	-.117	-.028
	Sig. (2-tailed)	.001	.119	.864	.883	.200		.336	.819
	N	70	70	70	70	70	70	70	70
We earn low income so we can not open A/C.	Pearson Correlation	-.127	-.024	-.037	.000	.154	-.117	1	.078
	Sig. (2-tailed)	.295	.840	.763	1.000	.204	.336		.520
	N	70	70	70	70	70	70	70	70
We have enough time to open a/c/	Pearson Correlation	-.076	.146	-.175	.114	.099	-.028	.078	1
	Sig. (2-tailed)	.533	.227	.147	.347	.416	.819	.520	
	N	70	70	70	70	70	70	70	70

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table: 10 It is found that it has significant value is at the 0.01 . significant value is less than 5 percent level of significant and there is weakened Association Existed between the Demographic variables and Financial Inclusion of India post.

### VI. FINDINGS AND RESULTS OF THE STUDY

According to the financial inclusion services of India post, the Human population (Demographic) variables Gender ,age group, Education,, Income ,Family size Occupation, Marital Status and Residence Area variables take part as game changer role in determining the financial inclusion service of India post.

### VII. CONCLUSION

The Demographic variables were analyzed from post office account holders towards financial inclusion. The variables were observed to highly influence the financial inclusion in post office. The studies have proved that demographic variables had effect on the financial inclusion. This study covered over theory later proved to be fact that demographic variables have a heavy hand in the rural areas residents.

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