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Financial Literacy and Financial Planning among Teachers of Higher Education – A Comparative Study on Select Variables

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Abstract

Teachers are one of the most influential people in our society. By having financial literacy and managing personal finance properly, they can become a role model to their students and help them to develop as fiscally and socially responsible citizens. Unfortunately, many teachers do not know how to manage their finances. There is a belief that teachers of technical education do not have sufficient financial literacy levels as compared to teachers of non-technical education. In this connection, an attempt is made to find out the levels of knowledge about financial literacy, personal financial planning among the technical and non-technical higher education teachers. This study is conducted as a sample study in historically reputed district i.e., Warangal of Telangana State with the help of structured schedule. The study found that the level of financial literacy among the teachers of higher education is satisfactory. Further, no significant difference is found in the perception of Technical and Non-Technical teachers towards the financial literacy and financial planning.

Key Words: Financial Literacy, Financial Planning, Teacher of Higher Education

JEL Classification: D14 & D31

Paper Classification: Research Paper

Introduction

For an individual, understanding basic principles of finance and their application is a must for financial well being. "Unfortunately, many people have a weak grasp of basic principles of personal finance. General attitudes toward spending and saving behavior are troubling as well. What is lacking is not information, but rather the ability to interpret the information" (Lerman & Bell, 2006, p.1).

In India, from the last decade, all the regulatory bodies are working towards boosting financial literacy, mainly the RBI, NCFE, NISM, IRDA, PFRDA, SEBI etc. Banks and AMCs are working towards boosting financial literacy. Having promoted the investor awareness programs across India, now they have realized the importance of financial literacy education at school level. This enables future generations to manage their finances very well and avert problem while investing their money. A study on Global Financial Literacy indicated that 'India has ranked 23rd out of 28 markets on VISA 2012 Global Financial Literacy Barometer'. The study pointed that Indians are

very conscious regarding their savings and show highest saving rates among its global peers, but the awareness in households about investments is very low.

According to the Reserve Bank of India project 'Project Financial Literacy', the status of financial literacy in India is not very good. Further, the condition in rural areas is very poor. Same is the case with women. Moreover, their literacy percentage is not good. It shows the importance of promoting financial literacy.

What is Financial Literacy?

Financial literacy is the application of knowledge and skills to administer financial resources efficiently in individual's life for his/her financial well being. An individual will understand his/her financial condition and find out how he can strengthen it. It instills financial behavior like savings, budgeting, planning and guides appropriate financial decisions in individual's life.

Another aspect which will be influenced by financial literacy is financial planning and it is important to individual's financial well being. Financial planning allows individuals to control their financial position. For this purpose, individuals need to recognize and set their priorities. Having a plan for spending, saving, and investing money makes a difference in how well financial needs and goals will be met. Meeting those goals require financial planning that considers all aspects of finance like budgeting and managing taxes, liabilities, purchase decisions, managing insurance, managing investment, retirement and estate planning (Kapoor et al.2014).

What is Personal Financial Planning?

Personal financial planning is the process of managing money to achieve personal economic satisfaction. Both financial and personal satisfaction is the result of an organized process that is commonly referred to as personal money management or personal financial planning (Kapoor et al., 2014).

An individual with good financial sense plans his/her personal finance in a better manner. Lot of research has been done in this area but no studies have been found on teachers of higher education with regard to financial literacy and its impact on financial planning. Therefore, an attempt is made to examine the levels of financial literacy, personal financial planning among the technical and non-technical teachers of higher education.

This study consists of five sections, following introduction, Section 2 summarizes the number of studies that are conducted with regard to financial literacy and financial planning. Section 3 is about the methodology used to perform this study. The fourth part comprises of data analysis and its interpretation which leads to conclusion presented in part five.

Review of Literature

Studies conducted previously on financial literacy and financial planning are presented.

Fernandes et al., (2014) revealed the characteristics of financial behavior that will influence policy decisions as tools to assist consumer financial behavior. Agarwal et al., (2015) found from their study that the probability of getting correct answers with regard to financial literacy is higher for male respondents than female and it increases with education level and the aggressiveness of the individual. Agarwal et al., (2010) stated in their study that the people in India have less financial knowledge compared with International standards. He also stated that financial knowledge among the men is marginally lesser than the women. Bhushan & Medury, (2013),

ING Group, (2011), Taylor, (2011) & Lusardi et al., (2010) found in their studies that financial literacy gets affected by demographic characteristics like education, gender, income, nature of employment and place of work. Higher income respondents had high financial literacy than lower income people. Ramakrishnan, (2012) concluded that financial education is important not only for individuals, but also for the whole society and economy. Empowered consumers make better choices for their individual well-being, which in turn will increase overall welfare. Ansong & Michael (2012) revealed that the age and work experience of an employee are positively related to financial literacy. At the same time, level of study, work location, education, access to media and the source of money has no influence on financial literacy. Jason, (2012) showed that financially literate individuals need not necessarily exhibit good financial behavior. Mohammad & Donald, (2010) found that students with higher financial knowledge had less financial problems and exhibited and reported savings behavior. Ronald & Grable, (2010) found that an individual's financial behavior is determined by his/her level of financial risk tolerance. Agarwal et al., (2010) revealed that though the majority respondents of his study showed to be financially literate, yet most of them are unable to meet their financial goals. Wendy & Holden, (2009) found that teachers are aware of financial education and need expanded personal financial education. Lewis & Linda, (2009) found with their study that financial management course could not make difference among the students with regard to financial literacy and financial management in comparison to those who have not done the course. Henn & Cormick, (2009) stated that financial education is required from school age to develop skills of taking financial decisions in their lifetime in the complex market. Shawn Cole et al., (2009) found that inadequate financial literacy among the individuals is the reason to fail often to plan for retirement, paying high interest on borrowings and less participation in financial system. Jappelli, (2009) found that financial literacy varies significantly among the countries and its level depends on education and social interactions. Minakshi, (2009) revealed that financial literacy encourages poor people to contribute more actively to their personal economic development. Schuchardt et al., (2009) reviewed literature of the last decade on financial literacy and found that significant research has been done on impact of financial education. They found that financial education leads to increase in financial knowledge, positive changes in financial attitude, motivation and planned behavior of an individual. Jamal et al., (2011) stated that lack of financial literacy has been found to be a widespread phenomenon at a global level including developed economies. Individuals, who have lower level of financial literacy do not accept innovative financial products, do not have sound financial planning and they do not take financial plans with serious consideration and commitment. Mohamed et al, (2013) and Kapoor et al., (2014) found that few teachers in their study still find it difficult to understand interest, loan terms, and how important it is to repay credit card amount on time etc. Research evidences that financial literacy has positive impact on personal financial management.

Research Gap

The review of literature revealed that a significant research has been done on financial literacy, financial education and its need for financial well being of an individual. Very few studies were found on teachers of higher education with regard to financial literacy and financial planning. No studies were found comparing financial literacy and personal financial planning between technical and non-technical teachers of higher education. Since, teachers of higher education are the most influential people in the society, financial literacy and personal financial management helps them to educate the students who are fiscally and socially responsible citizens. There is a belief among individuals that teachers in higher education particularly faculty of non-technical subjects will have high financial literacy in comparison to faculty of technical and are on the right track of

financial planning. Therefore, an attempt is made to study the levels of financial literacy and its impact on their financial planning.

Objectives of the Study

1. To study the levels of financial literacy among the teachers of higher education and to know its impact on their personal financial planning.

Hypothesis

Based on objectives of the study, the following hypotheses are formed.

1. There is no significant relationship between financial literacy and personal financial planning among teachers of higher education.
2. There is no impact of financial literacy on personal financial planning of teachers of higher education.

Research Methodology

A descriptive research design was undertaken to meet the objective of the study. The population for this study is teachers of higher education sector. They include government, autonomous and private colleges of higher education in Warangal city. Approximate total population of these colleges is 504 (approximately).This study has selected a sample of 354 respondents on convenience sampling.

Since, it is a comparative study, respondents were divided into two groups i.e., 177 respondent each from technical and non-technical education institutions. For the purpose of the study, faculty in technical education refers to those who does not have formal education about financial literacy example: - faculty teaching engineering, science, arts except economics and other studies which do not involve financial education as a subject, and faculty in non-technical education refers to those who have formal education about financial literacy example: - faculty teaching commerce, economics and management programs.

To collect the relevant information from the respondents, a survey method was used with a structured schedule. The financial literacy level is measured among teachers of higher education in terms of a) financial knowledge, b) financial behavior and c) financial studies and attitudes and financial planning is measured in terms of a) budgeting and tax planning, b) managing liquidity c) financing large purchases, d) protecting life and assets, e) investing savings and f) planning retirement and estate planning. For this purpose, Forty Five statements were asked. The responses were measured by taking likert five point scale, while tabulating the data 'strongly disagree' option was assigned a weight of one and 'strongly agree' was assigned a weight of five. In between these two extremes, other levels such as 'disagree', 'neither disagree nor agree' and 'agree' were assigned weights of two, three and four respectively. Data collected was evaluated and cleared from errors before being analyzed using SPSS and presented in the form of tables. Descriptive statistics such as frequencies, percentages, means and standard deviation were used. Further, study used the Pearson-product moment correlation coefficient to test the significant relationship between financial literacy of teaching community in higher education and components of personal financial planning. Further, Z-test is also applied to determine whether two sample means are different or same.

Empirical Results and Analysis

The study found that the level of financial literacy among the teacher of higher education is satisfactory. Further, no significant difference is found in the perception of Technical and Non-Technical teachers towards the financial literacy and financial planning.

Demographic Profile of the Respondents

The study sought to determine the respondents' demographic information and this included gender, marital status, age, educational qualifications and number of years of services (Table-1).

Table-1. Demographic Profile of the Respondents

			Technical	Non-technical	Total
Marital Status	Single	No. of respondents	33	30	63
		% within Technical and Non Technical	18.6%	16.9%	17.8%
		% of Total	9.3%	8.5%	17.8%
	Married	Count	144	147	291
		% within Technical and Non Technical	81.4%	83.1%	82.2%
		% of Total	40.7%	41.5%	82.2%
Age	20-30	Count	48	30	78
		% within Technical and Non Technical	27.1%	16.9%	22.0%
		% of Total	13.6%	8.5%	22.0%
	30-40	Count	57	66	123
		% within Technical and Non Technical	32.2%	37.3%	34.7%
		% of Total	16.1%	18.6%	34.7%
	40-50	Count	33	48	81
		% within Technical and Non Technical	18.6%	27.1%	22.9%
		% of Total	9.3%	13.6%	22.9%
	50 and above	Count	39	33	72
		% within Technical and Non Technical	22.0%	18.6%	20.3%
		% of Total	11.0%	9.3%	20.3%
Educational Qualification	Post Graduate	Count	147	138	285
		% within Technical and Non Technical	83.1%	78.0%	80.5%
		% of Total	41.5%	39.0%	80.5%
	Ph.D	Count	30	39	69
		% within Technical and Non Technical	16.9%	22.0%	19.5%
		% of Total	8.5%	11.0%	19.5%
Years of Service	Below One Year	Count	12	6	18
		% within Technical and Non Technical	6.8%	3.4%	5.1%
		% of Total	3.4%	1.7%	5.1%
	1 to 5 years	Count	51	42	93
		% within Technical and Non Technical	28.8%	23.7%	26.3%
		% of Total	14.4%	11.9%	26.3%
	6 to 10 Years	Count	63	57	120
		% within Technical and Non Technical	35.6%	32.2%	33.9%
		% of Total	17.8%	16.1%	33.9%
	above 10 Years	Count	51	72	123
		% within Technical and Non Technical	28.8%	40.7%	34.7%
		% of Total	14.4%	20.3%	34.7%

Sex	Male	Count	120	129	249
		% within Technical and Non Technical	67.8%	72.9%	70.3%
		% of Total	33.9%	36.4%	70.3%
	Female	Count	57	48	105
		% within Technical and Non Technical	32.2%	27.1%	29.7%
		% of Total	16.1%	13.6%	29.7%
Total	Count	177	177	354	
	% of Total	50.0%	50.0%	100.0%	

The study found that the majority of the respondents (70.3%) were male whereas 29.7% were female. It is found that 82.2% of respondents were married and 17.8% were not married. In both cases, equal participation is there from technical and non technical institutions. The highest proportion of respondents was composed of young people and who are less than 40 years consisting more than 50%. It is found that 19.5% of faculties from technical and non-technical are having Ph. D and majority of respondents (80.5%) are having Post Graduation which is basic qualification to teach in higher education. The numbers of Ph.D holders in the sample within the technical and non technical are almost same. Number of respondents from non-technical category is more with above 10 years of experience in comparison with technical teachers. This implies that during the time of the study, majority of the respondents had a service of more than 6 years (68%).

Financial Literacy Levels among Technical and Non-technical Teachers of Higher Education (Table-3)

Table-2. Mean and Standard Deviation of Main Variables among Technical and Non-technical Teachers of Higher Education

Technical or Non Technical		I	II	III	IV	V	VI	VII	VIII	IX
Technical	Mean	2.8872	3.8056	4.2400	3.9133	3.5867	3.4833	3.8375	3.4983	2.8867
	N	177	177	177	177	177	177	177	177	177
	Std. Deviation	.64354	.45943	.58431	.64452	.73726	.57318	.79834	.69419	.91345
Non technical	Mean	2.7500	4.1583	4.1867	3.9100	3.8367	3.5767	3.9250	3.6000	3.0400
	N	177	177	177	177	177	177	177	177	177
	Std. Deviation	.73335	.57770	.57504	.67641	.64044	.53246	.62657	.54493	.59124
Total	Mean	2.8186	3.9819	4.2133	3.9117	3.7117	3.5300	3.8813	3.5496	2.9633
	N	354	354	354	354	354	354	354	354	354
	Std. Deviation	.68961	.54908	.57787	.65788	.69900	.55285	.71594	.62285	.77002

I-Financial Attitude, II-Financial Knowledg, III-Financial Behavior, IV- Budgeting & Tax planning, V-Managing Liquidity, VI-Financing Large Purchases, VII-Protecting Life and Assets, VIII-Investing Savings and IX-Planning Retirement

Table-3. Financial Literacy Levels among Technical and Non-technical Teachers of Higher Education

		Technical		Non-Technical		Total	
	Financial Knowledge	**Mean**	**Std. Deviation**	**Mean**	**Std. Deviation**	**Mean**	**Std. Deviation**
1	Financial Knowledge	3.92	0.743	4.33	0.774	4.12	0.784
2	Time Value of Money	3.55	1.185	3.97	1.484	3.76	1.353
3	Inflation	3.58	0.907	4.02	1	3.8	0.975
4	Risk Diversification	4.2	0.84	4.45	0.91	4.33	0.881
5	Differential Uses	3.85	1.039	4.27	0.841	4.06	0.964
6	Cost of Finance	3.73	0.918	3.92	0.907	3.83	0.914
Financial Behavior							
7	Financial Goal	4.2	0.84	4.37	0.736	4.28	0.791
8	Financial Planning	3.93	0.989	3.93	0.899	3.93	0.941
9	Affordability	4.5	0.834	4.38	0.825	4.44	0.828
10	Identification of Alternatives	4.38	0.94	4.35	0.732	4.37	0.84
11	Control	4.18	0.813	3.9	1.02	4.04	0.929
Financial Attitude							
12	Spending V/s Savings	2.88	1.329	2.68	1.479	2.78	1.403
13	Pattern of Savings	3.85	0.88	3.52	1.127	3.68	1.021
14	Spending	1.73	1.048	1.82	1.049	1.77	1.045
15	Short term vision	2.72	1.043	2.93	1.3	2.83	1.179
16	Quality of Savings	3.17	1.196	2.8	1.325	2.98	1.27

The level of financial literacy among Technical and Non-technical Teachers of Higher Education found in terms of a) Financial Knowledge b) Financial Behavior c) Financial attitude. For this purpose, respondents were asked some specific questions with the help of structured schedule.

Financial Knowledge

From the study, it is found that technical and non-technical teachers of higher education agreed with a high rating mean of 4.12 that financial knowledge helped them in effective economic decision making. In case of 'Time value of money' there is not much difference in their opinion with mean of 3.55 and 3.97 respectively. With reference to 'Inflation', they agreed that inflation does shrink the value of money over time with mean of 3.58 and 4.02 respectively. Respondents felt that investing money into multiple avenues keeps them safer rather investing into single avenue with mean 4.33, where as technical teachers mean is 4.2 and non-technical is 4.45. Respondents agreed that they know the difference among a pension fund, an investment account, an insurance policy and a credit card with a mean of 4.06, whereas technical teachers mean is 3.85 and non-technical is 4.27. In case of cost of finance, respondents agreed that they know about the interest rates charged by banks and borrowing rates charged by financial institution with a mean of 3.83.

Financial Behavior

Respondents agreed that they have their financial goals in terms of short-term and long-term with mean rating of 4.2 and 4.37 respectively. Majority of them agreed that they have their own financial plan and they strictly go accordingly (Financial Planning) with mean rating of technical 3.93, non technical 3.93 It means that there is no variation in the opinion of two categories of

teachers on this question. With reference to the affordability, it was found many teachers of the selected colleges strongly agreed that before they buy something, they consider whether they can afford it or not with mean rating of 4.5 and 4.38 respectively. Majority teachers also agreed that they consider several products from different companies before making the decision to buy with mean of 4.38 and 4.35 respectively. Teachers agreed that they keep close personal watch on their financial affairs with mean rating of technical 4.18 and 3.9 non-technical.

Financial Attitude

Teachers of higher education neither disagree nor agree that they find more satisfaction to spend money than save money for the future with mean rating for technical teachers 2.88, non-technical teachers 2.68. They believe in developing a regular pattern of saving and stick to it with mean rating of 3.85 and 3.52. It means both categories of teachers are having similar opinions with respect to said variable. In case of 'spending' variable majority disagreed with the concept that money is to be spent and saving is not important with mean 1.73 and 1.82 respectively. It means that all the respondents agreed that saving is important. It was found teachers neither disagree nor agree with a variable 'short term vision' as long as they meet monthly payments, there is no need to worry about the length of time it will take them to pay off outstanding debts with overall mean rating of 2.72 and 2.93 respectively. With respect to quality of savings is concerned, many teachers of technical education agreed that 'does not a matter how much they save as long as they do save' with mean rating of 3.17 and non technical teachers neither disagree nor agree with mean rating of 2.8. It means that two categories of teachers had different opinion with respect to said variable.

Table-2 shows that the majority of teachers of higher education have a high level of financial literacy in terms of financial knowledge, financial behavior and financial attitude. The financial behavior and financial knowledge have a high rating mean of 3.98 and 4.2 respectively while the financial attitude have an average rating mean of 2.80. It is observed that in case of non-technical teachers who deal with relevant subject in their profession like economics, commerce etc., they tend to be careful with money.

Financial Planning among Technical and Non-technical Teachers of Higher Education (Table -4)

Table-4. Financial Planning Levels among Technical and Non-technical Teachers of Higher Education

		Technical		Non-Technical		Total	
	Budgeting And Tax Planning	**Mean**	**Std. Deviation**	**Mean**	**Std. Deviation**	**Mean**	**Std. Deviation**
1	Realistic Budget	3.72	1.01	3.7	0.83	3.71	0.92
2	Written Budget	4.08	0.944	3.9	1.037	3.99	0.992
3	Financial Plan	3.98	0.892	3.82	0.833	3.9	0.864
4	Tax Planning	3.62	1.121	3.83	0.886	3.73	1.012
5	Financial Management	4.17	0.867	4.3	1.046	4.23	0.959
Managing Liquidity							
6	Appropriate Liquid Assets	4.12	1.121	4.23	.871	4.18	1.001
7	Emergency Fund	3.35	1.205	3.73	1.006	3.54	1.122
8	Debt reduction	3.45	0.928	3.67	1.003	3.56	0.968
9	Reduction Vs Liquidity	3.57	0.909	3.80	0.953	3.68	0.935
10	Liquidity balancing	3.45	1.064	3.75	0.932	3.60	1.008
Financing Large Purchases							
11	Purchasing Parameters	4.23	0.831	4.22	0.825	4.23	0.825

12	Financial capacity	4.08	0.766	4.12	0.904	4.10	0.834
13	Debt	2.33	1.115	2.17	1.060	2.25	1.087
14	Savings	3.38	1.151	3.47	1.255	3.43	1.200
15	Mix of Debt and Savings	3.38	1.106	3.92	0.926	3.65	1.050
Protecting Life And Assets							
16	Adequate Protection	3.47	1.308	3.60	1.182	3.53	1.243
17	Need of insurance	4.18	1.033	4.18	0.813	4.18	0.926
18	Distinction of Insurance products	3.68	1.049	3.95	0.872	3.82	0.970
19	Financial Management	4.02	0.813	3.97	0.802	3.99	0.804
Investing Savings							
20	Appropriateness of Investments	3.93	0.899	3.80	1.022	3.87	0.961
21	Personal financial planning	3.58	1.062	4.12	0.739	3.85	0.950
22	Risk assessments	3.45	1.096	3.83	0.717	3.64	0.942
23	Portfolio review	3.29	.966	3.43	0.981	3.36	0.972
24	Opinion of others	3.23	1.170	2.82	1.127	3.03	1.163
Planning Retirement And Estate							
25	Retirement planning	2.97	1.275	3.35	1.132	3.16	1.216
26	Retirement planning execution	2.93	1.177	3.03	0991	2.98	1.085
27	Estate planning	3.38	1.136	3.62	0.904	3.50	1.029
28	Estate planning Execution	2.77	1.240	3.23	1.184	3.00	1.230
29	Variation in Estate value	2.38	1.263	1.97	1.178	2.18	1.234

The evaluation of technical and non-technical teachers of higher education behavior has been done towards personal financial planning in terms of 1) Budgeting and Tax Planning 2) Managing Liquidity 3) Financing Large Purchases 4) Protecting Life and Assets 5) Investing Savings and 6) Planning Retirement and Estate.

Budgeting and Tax Planning

Analysis of responses given by majority of teachers belonging to technical and non-technical education showed the following: They have a realistic budget for their current financial situation with mean rating of 3.72 and 3.7 respectively and a written budget is absolutely essential for successful financial management with mean rating of 4.08 and 3.9 respectively. They make specific financial plans for achieving an improved career situation and reduce their tax with mean rating of 3.98 and 3.82 respectively, their tax situation is appropriate to their level and type of income with mean rating of 3.62 and 3.83 respectively and also agreed that planning for spending money is a must to successful management of life with mean rating of 4.17 and 4.3 respectively.

Managing Liquidity

Study revealed that majority teachers of technical and non-technical education agreed to the following: Maintaining appropriate liquid assets is must for every individual with mean rating of 4.12 and 4.23 respectively, they have an adequate emergency fund with mean rating of 3.35 and 3.73 respectively, they are attempting to reduce their level of short term debt with mean rating of 3.45 and 3.67 respectively, reducing level of short term (below one year) debt increases liquidity with mean rating of 3.57 and 3.80 respectively and also agreed that they have good balance between short-term and long-term investment(liquidity balancing)with mean rating of 3.45 and 3.75 respectively.

Financing Large Purchases

Majority of teachers of technical and non-technical education agreed to the following: They plan purchases with the best price, quality, and service in mind with mean rating of 4.23 and 4.22 respectively, they purchase durables that are appropriate to their financial situation with mean rating of 4.08 and 4.12 respectively, they have specific savings for specific durables and they do not depend on loans with mean rating of 3.38 and 3.47 respectively, appropriate mix of Debt and Savings increase the affordability and reduce the risk in debt with mean rating of 3.38 and 3.92 respectively. And disagreed with majority of their durables have been purchased through loans (Debt) with mean rating of 2.33 and 2.17 respectively.

Protecting Life and Assets

Majority of teachers of technical and non-technical education agreed to the following: They have adequate insurance protection for their life, health and their possession with mean rating of 3.47 and 3.60 respectively. Life, Health and Property must be insured with mean rating of 4.18, they can differentiate the various types of insurance policies offered in the market with mean rating of 3.68 and 3.95 respectively, and also agreed that making their property insured against reasonable risks is necessary for successful financial management with mean rating of 4.02 and 3.97 respectively.

Investing Savings

Majority of teachers of technical and non-technical education has agreed to the following; their investments are appropriate to their income with mean rating 3.93 and 3.80 respectively. They know the difference between long term and short term investments and its importance in personal financial planning with mean rating of 3.58 and 4.12 respectively. They can assess the risk of their various investments with mean rating of 3.45 and 3.83 respectively; they continually reassess their investment portfolio with mean rating of 3.29 and 3.43 respectively.

With reference to statement 'I invest my money based on the opinions of others like friends and family members' technical teachers agreed with a mean rating of technical 3.23, where as non technical teachers neither disagree nor agree with mean rating of 2.82 with overall mean 3.03 which indicates all the teachers were toward agreeing.

Planning Retirement and Estate

Study revealed that majority teachers of technical education of selected colleges neither disagreed nor agreed that they have made plans for an adequate retirement income, mean rating of technical 2.97, whereas non-technical teachers of the selected colleges agreed with mean rating of 3.35, but overall mean 3.16 indicates that majority agreed. In case of Retirement planning, execution, technical teachers neither disagreed nor agreed with mean rating of 2.93, whereas non-technical teachers agreed with mean rating of 3.03 and overall mean indicates majority from both categories were towards agreeing. Further, majority of teachers agreed that having an estate planning leaves them with peace of mind if they were to pass away anytime with mean rating of 3.38 and 3.62 respectively. With reference to Estate planning Execution, technical teachers neither disagreed nor agreed with mean rating of 2.77, whereas non-technical teachers have agreed with mean rating of 3.23 but overall mean indicates slightly towards agreeing with mean of 3. It was established that majority of technical teachers of the selected colleges disagreed that Investing on Estate is waste of money, since its value varies in future with mean rating of 2.38, whereas non-technical teachers were slightly towards strongly disagree with mean rating of 1.97.

Table-2 with overall means of various aspects of personal financial planning shows that the majority of technical and non-technical teachers of higher education know about their personal financial planning stating mean of 3.91 as overall and separate technical and non-technical teachers for variable 'budgeting and tax planning'. In case of 'managing liquidity' mean is 3.58 and 3.83 respectively for technical and non-technical teachers and overall mean is 3.71. With reference to 'financing large purchases' mean is 3.48 and 3.57 respectively with overall mean of 3.53, with regard to 'protecting life and assets' mean is 3.83 and 3.92 respectively and with overall mean of 3.88, in case of 'investing savings' mean is 3.49 and 3.60 respectively with overall mean of 3.59 and for 'planning retirement and estate' they neither disagree nor agree with a mean of 2.88 and 3.04 with overall mean of 2.96.

Relation between Financial Literacy and Personal Financial Planning

Table-5 shows a correlation analysis between financial literacy and personal financial planning among teachers of higher education:

Table-5. Pearson Production Correlation

		I	II	III	IV	V	VI	VII	VIII	IX
Financial Attitude	Pearson Correlation	1	.150	-.068	.093	.077	.184	.138	.192	.227
	Sig. (2-tailed)		.104	.463	.313	.408	.046	.134	.038	.013
	N	354	354	354	354	354	354	354	354	354
Financial Knowledge	Pearson Correlation	.150	1	.312	.277	.399	.307	.269	.322	.295
	Sig. (2-tailed)	.104		.001	.002	.000	.001	.003	.000	.001
	N	354	354	354	354	354	354	354	354	354
Financial Behavior	Pearson Correlation	-.068	.312	1	.707	.567	.540	.525	.524	.340
	Sig. (2-tailed)	.463	.001		.000	.000	.000	.000	.000	.000
	N	354	354	354	354	354	354	354	354	354
Budgeting and Tax planning	Pearson Correlation	.093	.277	.707	1	.619	.485	.471	.571	.396
	Sig. (2-tailed)	.313	.002	.000		.000	.000	.000	.000	.000
	N	354	354	354	354	354	354	354	354	354
Managing Liquidity	Pearson Correlation	.077	.399	.567	.619	1	.539	.472	.563	.477
	Sig. (2-tailed)	.408	.000	.000	.000		.000	.000	.000	.000
	N	354	354	354	354	354	354	354	354	354
Finance Large Purchasing	Pearson Correlation	.184	.307	.540	.485	.539	1	.532	.568	.457
	Sig.(2-tailed)	.046	.001	.000	.000	.000		.000	.000	.000
	N	354	354	354	354	354	354	354	354	354
Protecting Life & Assets	Pearson Correlation	.138	.269	.525	.471	.472	.532	1	.591	.503
	Sig.(2-tailed)	.134	.003	.000	.000	.000	.000		.000	.000
	N	354	354	354	354	354	354	354	354	354
Investing Savings	Pearson Correlation	.192	.322	.524	.571	.563	.568	.591	1	.627
	Sig. (2-tailed)	.038	.000	.000	.000	.000	.000	.000		.000
	N	354	354	354	354	354	354	354	354	354
Planning Retirement	Pearson Correlation	.227	.295	.340	.396	.477	.457	.503	.627	1
	Sig. (2-tailed)	.013	.001	.000	.000	.000	.000	.000	.000	
	N	354	354	354	354	354	354	354	354	354

I-Financial Attitude, II-Financial Knowledge, III-Financial Behavior, IV- Budgeting & Tax planning, V-Managing Liquidity, VI-Financing Large Purchases, VII-Protecting Life and Assets, VIII-Investing Savings and IX-Planning Retirement

i. The variable 'budgeting and tax planning' has shown a positive but weak relationship with both the variables viz., 'financial knowledge' (r=0.277) and 'financial attitude'(r=0.093). This only reveals that people in general follow the flow of general intelligence to rationalize their spending with a budget and also learn to plan the tax. The positive and strong correlation with financial behavior (r=0.707) evidences this. Therefore rational spending and planning for reducing tax does not need a sound knowledge about financial aspects.

ii. Managing liquidity is moderately related to 'financial knowledge (r=0.399) and 'financial behavior' (r=0.567) with positive relationship. This reveals that people with good financial knowledge and behavior are able to manage their liquidity in a more appropriate way. The weak but positive relationship with 'financial attitude' (r=0.077) evidences that liquidity management does not require a strong financial attitude.

iii. The variable 'financing large purchases' has shown positive but weak correlation with both variables viz., 'financial attitude'(r=0.184) and 'financial knowledge'(r=0.307). This reveals that people in general follow the flow of general aptitude to finance their large purchases. The positive and moderate relationship with 'financial behavior' (r=0.540) evident that financing large purchases does require a good financial behavior.

iv. 'Protecting Life and Assets' has positive relationship with 'financial attitude', 'financial knowledge' and 'financial behavior'. It is weakly correlated with financial attitude (r=0.138) and (r=0.269) and moderately correlated with financial behavior (r=0.525). It is evident from the study that financial attitude and financial knowledge is not needed to protect life and assets. General intelligence is sufficient. But study shows that financial attitude helps significantly for protecting life and assets.

v. The variable 'Investing Savings' is positive but weakly related with 'financial attitude' (r=0.192) and moderately related to 'financial knowledge' (r=0.322) and 'financial behavior'(r=0.524). It reveals that one's financial knowledge and behavior plays a significant role in investing savings, but financial attitude does not have much role to play.

vi. The variable 'Planning and Retirement' also has positive relationship with all three financial literacy variables but weakly related with 'financial attitude' (r=0.227) and 'financial knowledge'(r=0.295) but moderately related with 'financial knowledge' (r=0.340). Therefore, planning for retirement does not need sound financial knowledge and financial attitude but it requires good amount of financial behavior.

Z – Test Results

Table-6 reveals the statistical results obtained by using Z-test to test the significant difference in the perception of Technical and Non-Technical Teachers towards variables considered for analyzing the financial literacy. The probability (p) value obtained from the test is 0.672 which is higher at the significance level, i.e., $\alpha = 0.05$, hence, null hypotheses is accepted. Further, the calculated value of Z for two-tail is 1.95 which is lesser than the tabular value of Z at 5 percent level of significance. Therefore, it is proved that there is no statistically significant difference in the perception of Technical and Non-Technical teachers towards the financial literacy. This insignificant statistical relationship in the sample of technical and non-technical teachers reveals that financial literacy is omni present irrespective of their professional specialization. Perhaps, for inculcating wise and persistent investment behavior and assuming certain levels of risk requires additional input of financial literacy.

Table 6. Z-Test-Two Sample for Means

Test	Technical Teacher	Non-Technical Teacher
Mean	3.570955556	3.664822
Known Variance	0.205	0.24
Observations	9	9
Hypothesized Mean Difference	0	
z	-0.422136247	
P(Z<=z) one-tail	0.336462786	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.672925572	
z Critical two-tail	1.959963985	

Conclusion

The study focused on factors of financial literacy and personal financial planning among teachers of higher education. It found that the level of financial literacy among the teacher of higher education is satisfactory. It is also found that the majority of technical and non-technical teachers of higher education have a high level of financial literacy are aware of various aspects of personal financial planning and are able to plan on their own irrespective of their subject of profession. Further, no significant difference is found in the perception of Technical and Non-Technical teachers towards the financial literacy and financial planning.

In spite of the survey results presented here, further surveys should be carried out to generate more representative analysis. Apart from the study on the higher education teachers, teachers of all levels and employees of all sectors of the economy should be made part of the study. This should aim at giving a clear picture of individuals' planning of personal finance. The results therein should aid policy makers and practitioners in formulating appropriate strategies to bridge any financial literacy gaps.

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