

Accepted Manuscript

Financial Literacy and Financial Planning: Evidence from India

Sumit Agarwal, Gene Amromin, Itzhak Ben-David, Souphala Chomsisengphet,
Douglas D. Evanoff

PII: S1051-1377(15)00006-6
DOI: <http://dx.doi.org/10.1016/j.jhe.2015.02.003>
Reference: YJHEC 1480

To appear in: *Journal of Housing Economics*

Received Date: 20 January 2015
Accepted Date: 6 February 2015



Please cite this article as: Agarwal, S., Amromin, G., Ben-David, I., Chomsisengphet, S., Evanoff, D.D., Financial Literacy and Financial Planning: Evidence from India, *Journal of Housing Economics* (2015), doi: <http://dx.doi.org/10.1016/j.jhe.2015.02.003>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Financial Literacy and Financial Planning: Evidence from India

Sumit Agarwal*
Gene Amromin
Itzhak Ben-David
Souphala Chomsisengphet
Douglas D. Evanoff

Abstract

In this study we report findings about financial literacy and financial planning behavior based on a financial advisory program in India. We evaluate survey responses to three standard questions previously used to measure financial literacy. We then break down the data across particular demographic and socioeconomic groups and compare responses. Finally, we examine the investment behavior, liability choice, risk tolerance and insurance usage of program participants. We find that the vast majority of respondents appear to be financially literate based on their answers to questions concerning interest rates (numeracy), inflation, and risk/diversification. However, we do find variation across demographic and socioeconomic groups. We are also able to obtain additional information about the financial tendencies of the program participants (including risk tolerance, investment preferences, investment goals, etc.) and to relate those tendencies to financial literacy.

Keywords: Financial Literacy, Financial Education, Household Finance, Consumer Behavior

JEL Classifications: D1, L8, R2

* Agarwal is affiliated with the National University of Singapore; Amromin, and Evanoff with the Federal Reserve Bank of Chicago; Ben-David with the Fisher College of Business at The Ohio State University; and Chomsisengphet with the Office of the Comptroller of the Currency. The authors thank Carlo de Bassa Scheresberg for his constructive comments, as well as other participants at the April 25, 2014 Housing Finance Symposium sponsored by Florida State University and the Office of the Comptroller of the Currency. They also thank Tom Mayock and Keith Ihlanfeldt for coordinating this special issue of the *Journal*. Jacqui Barrett, Zach Duey and Robert McMenamin provided excellent research assistance. The views expressed are those of the authors and may not reflect the views of the Federal Reserve System, the Federal Reserve Bank of Chicago, or the Office of the Comptroller of the Currency.

Download English Version:

<https://daneshyari.com/en/article/961869>

Download Persian Version:

<https://daneshyari.com/article/961869>

[Daneshyari.com](https://daneshyari.com)