

Beyond the Shoreline: Exploring Financial Literacy in Kerala's Fishermen Community – A Case Study of Perumathura

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Abstract: Kerala's fishing population, especially in Perumathura Panchayath, continues to be socioeconomically marginalised and finds it difficult to adjust to contemporary financial systems. With an emphasis on their awareness, competences, and the effects of financial literacy programs, this study evaluates the financial literacy levels of fishermen in the area. Both primary data (structured questionnaires from 100 randomly chosen fisherman) and secondary sources were used in this descriptive and analytical study design. Low levels of financial literacy and no meaningful correlations between financial literacy and its causes or awareness levels were found by statistical analysis, including Pearson correlation. In order to empower the community, the study emphasizes the necessity of focused financial education..

Keywords: Financial Literacy, Fishermen Community, Perumathura Panchayath, Financial Awareness, Socio-Economic Development

I. INTRODUCTION

Kerala's fishing community is an important part of the state's economy. They still encounter socioeconomic obstacles, nevertheless, which impede their financial advancement. Making wise financial decisions requires financial literacy as the financial industry grows more complex. Although numerous financial literacy programs have been established by the government and institutions, little is known about how beneficial they are in the Perumathura Panchayath's fishing community. The purpose of this study is to evaluate the financial literacy of the community and examine the effects of borrowing, investing, saving, and awareness. The present study is based on the following hypotheses.

H₀₁: There is no significant relationship between financial literacy and its determinants such as investment literacy, borrowing literacy, saving literacy, and access to financial information.

H₀₂: There is no significant relationship between financial literacy and awareness of financial products.

II. METHODS

A descriptive and analytical research design was adopted to provide a comprehensive view of financial literacy levels among the community. Primary data required for the study have been collected through structured questionnaires administered to 100 randomly selected fishermen from Perumathura Panchayath. A random sampling method was used to ensure representation across various sub-regions within Perumathura Panchayath. Descriptive statistics were used to summarize data, while inferential statistics, particularly Pearson correlation, were applied to test the hypotheses

III. RESULTS

A. Demographic Profile

The demographic profile of the respondents indicates that a significant portion (25%) belonged to the 20–30 years age group, representing a young and potentially economically active segment. In terms of educational attainment, 58% of the participants had studied beyond the Secondary School Leaving Certificate (SSLC) level, whereas 8% had only



completed primary education. Regarding monthly income, 62% of the respondents earned less than ₹20,000, while only a marginal 2% reported incomes exceeding ₹60,000. Occupational analysis revealed that 63% of the respondents relied solely on fishing as their primary livelihood, while 20% reported having alternative sources of income in addition to fishing.

B. Awareness and Usage of Financial Products

The study found varying levels of awareness and usage of financial products among respondents. Approximately 55% were aware of zero-balance bank accounts, and 53% were familiar with regular savings accounts. However, knowledge about more structured saving options like fixed deposits was limited, with only 27% indicating awareness. A substantial 50% of the respondents lacked understanding of digital banking services such as online and mobile banking. On a positive note, 58% of the participants were registered with the Kerala Fishermen's Welfare Fund Board, and of those registered, 86% reported having received financial assistance under various schemes.

C. Savings and Expenditure Patterns

The analysis of savings and expenditure patterns revealed that 67% of the respondents were unable to meet their monthly expenses solely from their income, indicating a strain on their financial resources. Expenditure priorities were predominantly focused on essential needs such as clothing and education. Encouragingly, 75% of respondents reported engaging in some form of monthly savings, primarily utilizing banks or Self Help Groups (SHGs) as their savings channels. The key objectives for saving included ensuring educational support for their children and making repayments on existing loans, highlighting their forward-looking financial priorities.

D. Loan and Investment Behaviour

Loan and investment behaviors were also examined in the study. A dominant 88% of respondents expressed a preference for commercial banks when seeking loans. While 53% reported having partial awareness of loan application procedures, only 30% claimed to have complete understanding of the process. The most common reasons for availing loans included house construction, marriage expenses, and personal or business investments. However, repayment behavior showed inconsistency, with many respondents failing to maintain regular payment schedules. In terms of investment awareness, 50% demonstrated full knowledge of financial instruments such as chitty schemes, gold investments, and fixed deposits. Despite this, a significant 72% of the participants were unaware of savings opportunities available through post office schemes. 50% were fully aware of chitty schemes, gold investments, and fixed deposits; 72% were unaware of post office savings schemes.

E. Hypotheses Testing

TABLE I: CORRELATION MATRIX – FINANCIAL LITERACY AND ITS DETERMINANTS

| Variables | Investment Literacy | Borrowing Literacy | Saving Literacy | Financial Literacy |
|----------------------------|----------------------------|---------------------------|------------------------|---------------------------|
| Investment Literacy | 1.000 | 0.997* | 0.575 | 0.926 |
| Borrowing Literacy | 0.997* | 1.000 | 0.635 | 0.952 |
| Saving Literacy | 0.575 | 0.635 | 1.000 | 0.841 |
| Financial Literacy | 0.926 | 0.952 | 0.841 | 1.000 |
| Sig. (2-tailed) | | 0.048 | 0.610 | 0.247 |
| | 0.048 | | 0.562 | 0.198 |
| | 0.610 | 0.562 | | 0.363 |
| | 0.247 | 0.198 | 0.363 | |
| N | 3 | 3 | 3 | 3 |

* Correlation is significant at the 0.05 level (2-tailed).



The correlation matrix reveals that financial literacy is positively correlated with investment literacy ($r = 0.926$), borrowing literacy ($r = 0.952$), and saving literacy ($r = 0.841$). However, none of these correlations are statistically significant ($p > 0.05$). Therefore, the null hypothesis is not rejected, indicating no significant relationship between financial literacy and its determinants.

TABLE 2: Correlation – Financial Literacy and Awareness of Financial Products

| Variables | Financial Literacy | Awareness of Financial Products |
|---------------------------------|--------------------|---------------------------------|
| Financial Literacy | 1.000 | -0.873 |
| Awareness of Financial Products | -0.873 | 1.000 |
| Sig. (2-tailed) | | 0.325 |
| | 0.325 | |
| N | 3 | 3 |

The Pearson correlation between financial literacy and awareness of financial products is negative ($r = -0.873$) and not statistically significant ($p = 0.325$). This suggests no significant association between the two variables. Therefore, the null hypothesis is not rejected.

IV. DISCUSSION

The findings indicate that financial literacy among the fishermen in Perumathura Panchayath is notably low. Although some awareness exists regarding basic financial products, the community lacks adequate knowledge of modern banking services and investment options. The absence of significant correlations in hypothesis testing suggests that factors beyond direct financial exposure—such as cultural practices, limited formal education, and systemic barriers—may contribute to financial illiteracy. These results align with broader research highlighting persistent challenges in financial inclusion among marginalized populations.

V. CONCLUSION

The study reveals substantial gaps in financial literacy among the fishermen community in Perumathura Panchayath, impacting their financial decision-making and economic well-being. Despite the presence of welfare schemes and financial institutions, the community continues to face barriers to financial inclusion. There is an urgent need for tailored financial education initiatives and community-based awareness programs. Policymakers, NGOs, and financial institutions must work together to improve access to financial knowledge and tools, thus enabling the socio-economic upliftment of this vital yet underserved population.

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