

ASSESSING THE FARMERS' FINANCIAL LITERACY IN MYINN MWAY VILLAGE

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Abstract

The study assessed the level of financial literacy of farmers in Myinn Mway Village. The sample size of 171 households was collected from total 300 households to investigate their level of financial literacy through the administration of questionnaires. Findings from the study revealed that farmers need to improve their personal finance knowledge. The results showed that the participants answered about 52.36% of the questions correctly. None of the mean scores for financial literacy categories were above 60%. This led to the conclusion that the farmers are not well-informed about personal financial literacy issues. The study looked at the evidence of personal finance literacy among farmers in Myinn Mway Village, why some farmers are relatively more knowledgeable than others as well as how a farmer's financial knowledge influences his/her opinions and decisions on personal financial issues. It was evident that geographical location, age as well as the education levels of farmers significantly affects their level of financial knowledge. As a result, this study provided the following recommendations towards improving financial literacy among farmers as rural outreach, incorporating financial literacy into educational system and the establishment of financial literacy information sharing group.

Keywords: Personal Financial Knowledge, Farmers' Financial Literacy.

1. INTRODUCTION

Financial literacy can simply be defined as “the ability to make informed judgments and to take effective decisions regarding the use and management of money” (Schagen & Lines, 1996). Huston (2010) considers financial literacy including awareness and knowledge of financial instruments and their application in business and personal life. In general, these definitions show that financial literacy includes the ability to balance a bank account, budget preparation, save for the future and learn strategies to manage debt. A person is known as financial literate if he/she is able to manage his/her personal finance in life and changing society in order to which he/she must achieve necessary perception, develop his/her skills in this area and be able to understand the impact of individual's financial decisions on his/her own, others and the environment (Remund, 2010). Increased financial literacy has a positive impact on people's personal and business life. The financial knowledge helps reducing social and psychological pressures and increasing the welfare of the family in the personal life. Financial knowledge reduces stress, illness, financial disputes, abuse of children and

conflict among the families. People grown up in families with the higher financial knowledge and well-being are less depressed, show less aggressive and anti-social behavior and have more self-confidence (Fox et al., 2005). In work life, higher financial literacy has higher efficiency and productivity in result and will help employees to better understand benefits offered by the organization and improve their satisfaction (Brennan, 1998).

Everybody learns to manage money but not everybody manages it well. Some live hand to mouth focused only on making ends meet on a day-to-day basis. Others look ahead trying to prepare for unforeseen events or irregular demands such as school fees by setting some income aside as saving. So learning to manage money well is an important skill. It involves changing behavior, shifting from reactive to proactive decision-making and learning ways to plan, analyze and control household and business finances. Limitations in literacy and numeracy coupled with a lack of access to financial services can make acquiring these skills difficult for small scale farmers in developing countries, but they are vitally important. The traditional assumption opposed that all small farmers need to improve their lives is credit. Taking a loan without understanding your cash flow, evaluating your risks and being able to monitor your progress is a recipe for failure in terms of money management.

Financial literacy is relevant for everyone in a modern society regardless of income level, education, age, rural or gender. Everyone needs to understand how to draw up and live without a budget, to understand why and how to save, to borrow responsibly and to avoid becoming over-indebted, to make informed choices between different financial products and services, and to plan ahead for old age. Unfortunately, many people, smallholder farmers included, do not have the knowledge, skills and confidence to be able to do these things. As a result, many of those who could afford to save do not do so, many people are heavily over-indebted and many people are not benefiting from financial products and services which would help them to lead more prosperous live.

To live a healthy, happy and prosperous life, the individual need to avoid as well as solve financial challenges and problems. Being financially literate is important in achieving these objectives. Social problems such as divorces, mental illnesses, prostitution, suicide and a variety of other undesirable social experiences are often as a result of financial problems (Kinnunen and Pulkkinen, 1998; Yeung and Hofferth, 1998; Cleek and Pearson, 1985). Moreover, Wolcott and Hughes (1999) argue that depression, low self-esteem, emotional stress and isolation can be increased by instances of financial hardships. This in turn can lead to tension in marriages which may lead to divorce.

1.1 Objectives of the study

The primary objective of the study was to assess farmers' financial literacy in Myinn Mway Village in Sagaing Region. The study sought to achieve the following specific objectives:

1. To provide evidence of farmers' finance literacy in Myinn Mway Village in Sagaing.
2. To examine how farmer's financial knowledge influences his/her opinions and decisions on personal financial issues.

1.2 Method of the Study

The method of this study was mainly used descriptive, multiple response and chi-square test. This study adopted the quantitative approach. The study incorporated methods of collection and analysis of data in a quantitative way. The researcher also adopted the simple random sampling technique in selecting the samples for the study. In order to achieve the objectives of this study, paper based questionnaires and interview guides were the primary data collection instruments. Moreover, secondary data will be collected from reliable internet sources. Statistical Package for Social Sciences (SPSS) computer software was the data processing tool for this study.

Four categories were used to determine the level of financial literacy possessed by the farmers used in the survey. These were: very important, important, not sure, not important and not important at all. The farmers were also asked to make decisions on financial issues which are related. The sample was divided into two groups of farmers: those with more financial knowledge and those with less financial knowledge. Farmers that are classified as relatively more knowledgeable are those with scores higher than that median. Those that are classified as relatively less knowledgeable are those with scores equal to or below the median. A classification of the sample was done using the section median percentage of correct answer since the issues in each section are related. To statistically test whether the differences of the two groups' opinions and decisions are significant, the survey made use of cross tabulations and chi-square tests.

The participants' correct responses were used to calculate the mean percentage of the correct scores for all the questions and sections. The mean percentage of correct scores was grouped into

- i. more than 80% which represent a high level of knowledge;
- ii. 60% to 79% which represent a medium level of knowledge;
- iii. Below 60% which represent a low level of knowledge.

1.3 Scope and Limitation of the Study

To achieve the primary objective as well as the specific objectives of this study, the study focuses on farmers in Myinn Mway Village in Sagaing Region as the main geographical scope in terms of data collection. The study covers 57 percent (171 households) of total households (300 households) from Myinn Mway Village in Sagaing. The sample size for farmers was calculated based on Yamane's formula (Yamane, 1967).

$$n = \frac{N}{1+Ne^2}$$

Where, n = the sample size
N = the size of population
e = the error of 5 percentage points

By using Yamane's formula of sample size with an error 5% and with a confidence coefficient of 95% (Yamane, 1967), the calculation from a population of 300 households came up with 171 households.

1.4 Organization of the Study

This research is organized into four chapters; Chapter 1 is the introduction which includes objectives of the study, method of the study and scope and limitations of the study. Chapter 2 presents the literature review which will discuss the works of other researchers that are related to this study. Chapter 3 presents how the data collected from the field is processed and analyzed based on the objectives and research questions of the research. Finally, Chapter 4 presents the research findings and discussion, suggestion and recommendations and needs for the further researches.

2. THEORETICAL BACKGROUND

Financial literacy is the education and understanding of knowing how money is made, spent and saved, as well as the skills and ability to use financial resources to make decisions. These decisions include how to generate, invest, spend and save money. Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. Financial literacy is an important element of economic and financial stability, both for the individual and the economy.

The economies around the world have increasingly considered financial literacy as a key pillar for the development of a sound financial system. In current times, financial literacy has gained the attention of policymakers, regulators, governments and several other organizations. In this area, substantial efforts have been made and resources have been

developed by the financial education providers to promote financial literacy through a multitude of financial education programmers.

2.1 Financial Literacy

Financial literacy means different things to different people, and this is reflected most clearly in the many definitions used in the literature (Wothington, 2006). To some people, financial literacy is a concept that widely encompasses insight to economic issues in relation to how decisions of household are influenced by economic matters. To other people, the same financial literacy focuses in narrow way on basic cash management: savings, investment, insurance and budgeting (Hogarth, 2002).

However, when individuals gain more knowledge and more positive attitudes towards money, they tend to make better decisions which save resources and improve their situation. Financial literacy further promotes self-confidence, control and independence. Another benefit of financial literacy to individuals is the enhancement of their physical, emotional and psychological well-being. Thus, increasing financial literacy can affect a person's physical health and safety as well as his psychological well-being.

2.2 The Concept of Savings

Saving simply refers to the portion of income not spent (CFA Institute, 2015). Also, savings represents deferred consumption. Depending on the aim for saving, you can defer current consumption over a short or long time, for example, saving for a fridge can take a number of months, while saving for retirement will take much longer, probably an entire working life.

Saving leads to financial freedom as one does not need to rely on other people or financial institutions for money. Saving also gives a person the power to make future purchases in cash, which is cheaper than buying on credit and also earn interest on invested funds with financial institution.

2.3 The Concept of Borrowing

Borrowing is the temporary acquisition of money with the intent to repay the amount borrowed (Brealey, Myers and Allen, 2011). Simply put, borrowing is the act of present consumption for which future obligation is to be made usually at a price (interest expense). The most common form of borrowing happens between a consumer and a lending party usually a financial institution, either via a loan or another form of credit, such as a credit card. A loan is a contract between two parties: one party, the borrower, borrows money from another party, the lender, on the premise of repayment of the principal at a future date. The principal is the initial amount borrowed from the lending party. The lending party normally

charges interest, usually a percentage of the principal, in addition to the initial amount over the course of the loan. Interest is the price of money.

Borrowing is beneficial as it gives you instant satisfaction by allowing you to purchase something such as a car or a house whose price is above your current financial capacity. For example, if you are taking out a loan to buy a house, it means that you can live in the house as you pay off the loan instead of renting while trying to save for a house. Also, if you borrowed money to start a business, you could use some of the profits from the business to pay off the loan. Few people can pay for everything they need with money taken from savings. Lusardi and Tufano (2009) suggest that low financial literacy is associated with negative credit behaviors such as high-cost borrowing.

2.4 The Concept of Insurance

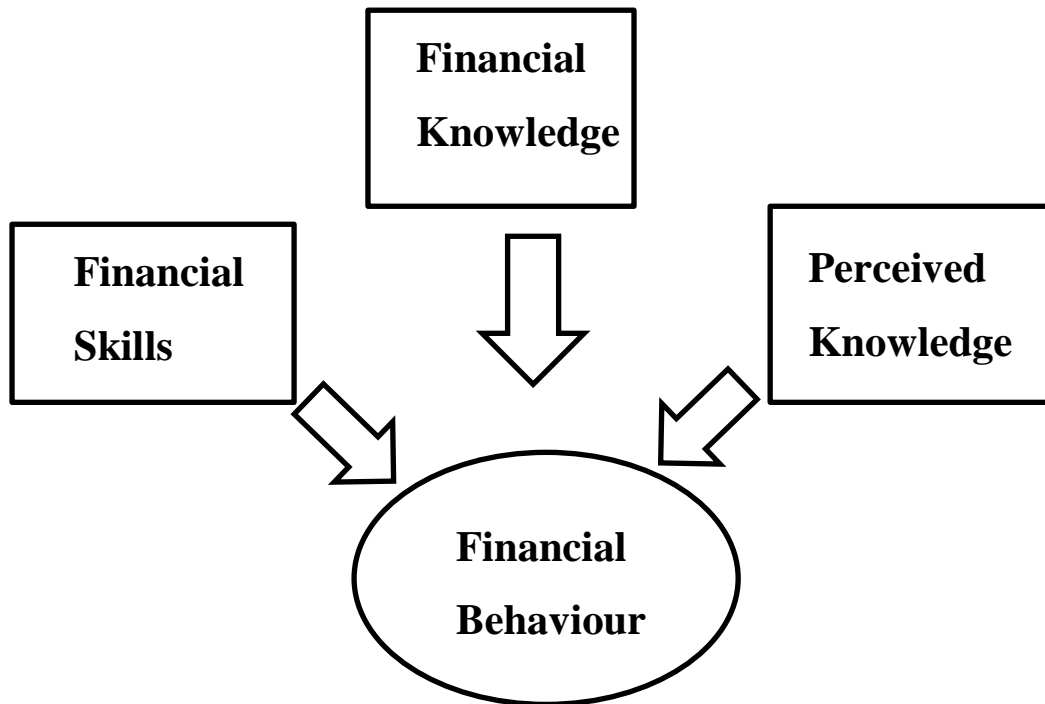
Insurance is the main way for businesses and individuals to reduce the financial impact of a risk occurring (Chance and Brooks, 2011). For example, in a car insurance policy, the insurance company agrees that if the car is damaged, the insurance company will pay the cost of repairing it. Under an income protection policy, the insurance company agrees that if its client is unable to work, the insurance company will pay its client an agreed amount. Examples of insurance products include car insurance, health insurance, disability insurance, life insurance and business insurance.

2.5 The Concept of Investment

In simple terms, investment refers to purchase of financial assets. Brealey et al (2011) defines investment as the commitment of money or capital to purchase financial instruments or other assets in order to gain profitable returns in the form of interest, income or appreciation of the value of the instrument. When an asset is bought or a given amount of money is invested in the bank, there is anticipation that some return will be received from the investment in the future. According to personal finance theories, an investment is the implementation of money for buying shares, mutual funds or assets with capital risk. Investments could take one of two forms; fixed income investments such as bonds, fixed deposits, preference shares and variable income investments such as business ownership (equities) or property ownership.

2.6 Conceptual Model of Financial Literacy

Hung et.al (2009) had suggested the conceptual model of financial literacy by focusing on financial knowledge, skills and behavior as well as their mutual relationships.



Source: Hung et.al's Conceptual Model of Financial Literacy

Figure (2.1) Hung et.al's Conceptual Model of Financial Literacy

Figure 2.1 presents these logical relationships among financial literacy components. The mutual relationship between financial knowledge, skills and behavior are important concepts in the theory of financial literacy. Financial knowledge, in particular, forms a basic part in financial literacy. It, in turn, reflects the individual's perceived financial knowledge and also impacts on the financial skills of the individual that depend on knowledge. However, actual financial behavior depends on actual financial knowledge, perceived financial knowledge and financial skills. The experiences gained by the individual through financial behavior also feed and boost the individual's actual and perceived financial knowledge. However, because of influences by other factors which could be internal or external, the relationship between these concepts is unlikely to be perfect.

3. ANALYSIS OF FARMERS' FINANCIAL LITERACY IN MYINN MWAY VILLAGE

The aim of this study was to assess the farmers' financial literacy in Myinn Mway village in Sagaing. On the conceptual framework, the necessary primary data were explored

using the questionnaire. Then the primary data was analyzed with the aids of SPSS Version 23 and this analysis was presented in this chapter.

3.1 Profile of Respondents

Profile of respondents covered in this study was presented in this sector. Regarding the profile, respondents' demographic factors such as age, gender, level of education, year of work and farm size were firstly presented in table 3.1.

Table (3.1): Demographic Characteristics of Respondents

| | | Number of Respondents | Percentage |
|--------------------|--------------------|-----------------------|------------|
| Gender | Male | 117 | 68.4 |
| | Female | 54 | 31.6 |
| Age | Less than 18 years | 4 | 2.3 |
| | 18-30 years | 5 | 2.9 |
| | 31-40 years | 32 | 18.7 |
| | 41-50 years | 47 | 27.5 |
| | Over 50 years | 83 | 48.5 |
| Education | Yes | 167 | 97.7 |
| | No | 4 | 2.3 |
| Level of education | Primary | 80 | 46.8 |
| | Secondary | 83 | 48.5 |
| | Tertiary | 4 | 2.3 |
| | Others | 4 | 2.3 |
| Years of work | Less than 5 years | 6 | 3.5 |
| | 5-10 years | 7 | 4.1 |
| | 10-20 years | 134 | 78.4 |
| | Over 20 years | 24 | 14.0 |
| Farm Size | Less than 10 acres | 161 | 94.2 |
| | 10-20 acres | 10 | 5.8 |

Source: Survey Data, 2020

A number of 300 households in Myinn Mway Village took part in the survey. 171 households of them responded. This represents about 57% of questionnaires sent out. Table 3.1 presented demographic characteristics of respondents. 97.7% of the respondents had some level of education and 2.3% had no education. Of the respondents who have had some level of education, 46.8% had primary education, 48.5 had secondary education and 2.3% had tertiary education. Of the respondents who have had no education, 2.3 % had some other form of education such as learning a special skill like mechanics, electrician etc. Demographically, 68.4% were male and 31.6% were female. Respondents who are less than 18 years were 2.3%, those 18-30 years were 2.9%, those between 31-40 years were 18.7%, those between 41-50 years were 27.5% and those above 50 years were 48.5%. Farmers who have worked less than 5 years were 3.5%, those between 5-10 years were 4.1%, those between 10-20 years were 78.4% and farmers over 20 years were 14%. With regards to farm

size which indirectly indicated their level of income, 94.2% of farmers had farmers less than 10 acres and 5.8% had farm between 10-20 acres.

3.2 Analysis of Mean Percentage Correct Response to Financial Literacy

This section of the analysis discussed the mean percentage correct responses to each survey question. In figure 3.2, there were three (3) groupings which show the mean percentage of the correct scores; that is below 60; 60-79 and over 80.

Table (3.2): Mean Percentage Correct Responses to Each Survey Question. Each section and the entire survey

| | Level of personal finance knowledge | | |
|---|-------------------------------------|------------------|------------------|
| | Low Below 60% | Medium 60-79% | High Over 80% |
| I. PERSONAL KNOWLEDGE IN PERSONAL FINANCE | | | |
| Budget | 10.5 | | |
| Investment | | | 85.4 |
| Spending vs. Financial assessment | 39.2 | | |
| Buying goods on credit will reduce purchasing power in future | 50.3 | | |
| Asset liquidity | | 73.4 | |
| Investment decisions | | 73.6 | |
| Overspending | | 73.7 | |
| Net worth calculation | | 76.15 | |
| Personal financial planning | | 78.48 | |
| Relevance of financial literacy | | 77.6 | |
| If the world farm product price falls, the price of farm product will | 30.85 | | |
| Treasury bills awareness | | 67.3 | |
| Mutual funds awareness | | 65.5 | |
| Saving awareness | | 69 | |
| Shares awareness | 33.3 | | |
| Pension awareness | 56.1 | | |
| Insurance awareness | | 62.6 | |
| Mean Correct Responses for the section | | 60.18 | |
| Median Correct Responses for the section | | 67.3 | |
| | | | |
| II. SAVINGS AND BORROWINGS | | | |
| Practice of savings | 33.9 | | |
| Personal understanding of savings | | 73.8 | |
| Credit worthiness | | 78.14 | |
| Loan co-sign consequences | | 74.6 | |
| Mean Correct Responses for the section | | 65.11 | |
| Median Correct Responses for the section | | 74.2 | |
| | | | |
| III. INVESTMENT & INSURANCE | | | |
| Insurance practice | 25.7 | | |
| Financial investments | | 70.2 | |
| Purpose of insurance | | 72.42 | |
| Personal understanding of insurance | | 76.48 | |

| | | | |
|--|--------------|--------------|--|
| Personal Understanding of interest rate | 33.03 | | |
| Buying a treasury bill is a good investment | 56.7 | | |
| Mean Correct Responses for the section | 55.76 | | |
| Median Correct Responses for the section | | 63.45 | |
| | | | |
| IV. PERSONAL FINANCIAL OPINIONS AND DECISIONS | | | |
| Investment finance decision | | 79.13 | |
| Importance of budget | 46.7 | | |
| Importance of spending within means | 15.4 | | |
| Importance of purchasing insurance | 14.2 | | |
| Importance of planning and implementing regular investment program | 10.7 | | |
| Importance of saving with financial institutions | 10.7 | | |
| Importance of monthly pension contribution | 21.9 | | |
| Mean Correct Responses for the section | 28.39 | | |
| Median Correct Responses for the section | 15.4 | | |
| | | | |
| Mean Correct responses for the entire survey= | 52.36 | | |
| Median Correct responses for the entire survey= | | 64.05 | |

Source: Survey Data, 2020

According to the results, the mean percentage score overall was 52.36, which indicates the percentage of respondents who answered the questions correctly. The correct score had a median percentage 64.05. The findings seemed to suggest that the farmers used in the survey have inadequate knowledge on personal finance.

One reason for the inadequate knowledge in personal finance among the farmers was their low level of education. From the survey, about 2.3% of the respondents had no formal education at all. Even among the formal educated respondents, 48.5% having secondary education and 46.8% having primary education. Among the 4.6% who have had tertiary education and other education, knowledge of personal finance was still low because most institutions of higher education places little important on educating students on personal finance (Danes & Hira, 1987). Even students in business schools were not required to take course in Personal Finance Management (Bialaszewski, Peneck & Zietlow, 1993). Second reason was that these farmers are mostly located in quite remote areas where most institutions trading in financial products do not find attractive for business. These institutions therefore did not spend any resources to educate these farmers on personal finance since they are out of their target group. Given these two reasons, the result that farmers are low on knowledge in personal finance was not surprising.

A reason for the low level of knowledge of the participants was because of the member of the respondents below 50 years. The results of the overall sample show that respondents above 50 years were more financially literate. About 51.4% of the respondents

were under 50 years. This group of farmers may not have had enough exposure to financial issues related to savings, pensions, borrowing and insurance.

3.3 Analysis of Mean Percentage Correct Responses to Sub Groups

This section of the analysis discussed the mean percentage of correct responses to sub groups among the farmers.

Table (3.3): Mean Percentage Correct Responses to Each Section by Characteristics of Sample

| | | Personal Knowledge in Personal Finance | Saving & Borrowings | Investment & Insurance | Personal Finance Decisions |
|-----------|--------------------|--|---------------------|------------------------|----------------------------|
| Gender | Male | 68.4% | 68.4% | 68.4% | 68% |
| | Female | 31.6% | 31.6% | 31.6% | 32% |
| Age | Less than 18 years | 2.3% | 2.3% | 2.3% | 2.4% |
| | 18-30 years | 2.9% | 2.9% | 2.9% | 3% |
| | 31-40 years | 18.7% | 18.7% | 18.7% | 18.9% |
| | 41-50 years | 27.5% | 27.5% | 27.5% | 27.2% |
| | Over 50 years | 48.5% | 48.5% | 48.5% | 48.5% |
| Farm Size | Less than 10 acres | 94.2% | 94.2% | 94.2% | 94.1% |
| | 10-20 acres | 5.8% | 5.8% | 5.8% | 5.9% |
| | 20-40 acres | 0% | 0% | 0% | 0% |
| | Over 41 acres | 0% | 0% | 0% | 0% |
| Education | Primary | 46.8% | 46.8% | 46.8% | 47.3% |
| | Secondary | 48.5% | 48.5% | 48.5% | 47.9% |
| | Tertiary | 2.3% | 2.3% | 2.3% | 2.4% |
| | Other | 2.3% | 2.3% | 2.3% | 2.4% |

Source: Survey Data, 2020

From Table 3.3, inference can be made that in terms of personal knowledge in personal finance, male farmers were more likely to be knowledgeable than female farmers in the central region. Similarly, with respect to savings and borrowings, investment and insurance and personal financial decisions, male farmers were more likely to be knowledgeable than female farmers. Generally, male farmers (68.4%) were more likely to be knowledgeable than female farmers (31.6%).

Moreover, with respect to age and financial knowledge in personal finance, there is the likelihood that farmers over 50 years (48.5%) were more knowledgeable. With respect to

savings and borrowings, investment and insurance and personal financial decisions, farmers over 50 years were more knowledgeable than the other age categories. Generally, the study explored that farmers over 50 years were more knowledgeable.

The results further showed that farmers whose farm sizes are less than 10 acres are more likely to be knowledgeable. This may be due to the fact that a minority of the farmers had their farm sizes to be 10-20 acres. It hadn't farmers over 20 acres.

Finally, with respect to the level of education of the farmers, the study revealed that farmers with secondary education (48.5%) are more knowledgeable. With respect to savings and borrowings, investment and insurance and personal financial decisions, farmers with secondary education were more knowledgeable than the other education categories. Generally, the study explored that farmers with secondary education are more knowledgeable.

3.4 Impact of Financial Knowledge on Personal Finance Opinions and Decisions

This section of the analysis discussed the impact of financial knowledge on personal finance opinions and decisions among the farmers. In this section, we examined how the farmers' opinions and education about some personal finance issues are affected by their financial knowledge. Farmers that are classified as relatively more knowledgeable were those with scores higher than that median. Those that are classified as relatively less knowledgeable were those with scores equal to or below the median.

Table (3.4): Drawing a Budget

| | Not Important at all | Not Important | Not Sure | Important | Very Important | Total |
|--------------------------|----------------------|---------------|----------|-----------|----------------|--------|
| High financial knowledge | 6 | 2 | 4 | 2 | 4 | 18 |
| | 7.59% | 8.33% | 22.22% | 13.33% | 11.43% | 10.53% |
| Low financial knowledge | 73 | 22 | 14 | 13 | 31 | 153 |
| | 92.41% | 91.67% | 77.78% | 86.67% | 88.57% | 89.47% |
| Total | 79 | 24 | 18 | 15 | 35 | 171 |

Chi Square of 3.613 with significant level of 0.461

Source: Survey Data, 2020

The farmers' responses to the importance of drawing a budget were reported in Table 3.4. About 11.43% of farmers in the more knowledgeable group ranked drawing a budget as

very important, 13.33% as important, 22.22% as not sure, 8.33% as not important and 7.59% as not important at all. The level of significant used to measure the differences in opinion was 0.461. This result showed that drawing a budget is higher in low financial knowledge as farmers' opinions. Farmers supposed that drawing a budget was not important. Thus, low in financial knowledge affected the farmers' finance opinions and decisions.

Table (3.5): Spending Less than Income

| | Not Important at all | Not Important | Not Sure | Important | Very Important | Total |
|--------------------------|----------------------|---------------|----------|-----------|----------------|--------|
| High financial knowledge | 9 | 10 | 14 | 16 | 9 | 58 |
| | 34.62% | 37.04% | 24.56% | 43.24% | 37.5% | 33.92% |
| Low financial knowledge | 17 | 17 | 43 | 21 | 15 | 113 |
| | 65.38% | 62.96% | 75.44% | 56.76% | 62.5% | 66.08% |
| Total | 26 | 27 | 57 | 37 | 24 | 171 |

Chi Square of 3.922 with significant level of 0.417

Source: Survey Data, 2020

Table 3.5 showed that 37.5% of respondents in the more knowledgeable group rank spending less than your income very important as opposed to 62.5% in the less knowledgeable group. This result showed that spending less than your income is higher in low financial knowledge as farmers' opinions. Farmers supposed that spending less than your income is not important because they don't consider the needs of financial plans and saving to fulfill in the long term goals.

Table (3.6): Buying an Insurance Policy

| | Not Important at all | Not Important | Not Sure | Important | Very Important | Total |
|--------------------------|----------------------|---------------|----------|-----------|----------------|--------|
| High financial knowledge | 6 | 13 | 12 | 7 | 6 | 44 |
| | 25% | 23.21% | 33.33% | 21.21% | 27.27% | 25.73% |
| Low financial knowledge | 18 | 43 | 24 | 26 | 16 | 127 |
| | 75% | 76.79% | 66.67% | 78.79% | 72.73% | 74.27% |
| Total | 24 | 56 | 36 | 33 | 22 | 171 |

Chi Square of 1.661 with significant level of 0.798

Source: Survey Data, 2020

As regards to insurance, only 27.27% in the more knowledgeable group ranked buying an insurance policy as very important compared to just about 72.73% in the less knowledgeable group in table 3.6. This result showed that buying an insurance policy is higher in low financial knowledge as farmers' opinions. Farmers supposed that insurance is not important because they don't have the knowledge about insurance and aren't associated with insurance company due to the fact that they live in remote place.

Table (3.7): Planning and Implementing a Regular Investment Program

| | Not Important at all | Not Important | Not Sure | Important | Very Important | Total |
|--------------------------|----------------------|---------------|----------|-----------|----------------|--------|
| High financial knowledge | 16 | 38 | 21 | 48 | 23 | 146 |
| | 88.89% | 80.85% | 91.30% | 85.71% | 85.19% | 85.38% |
| Low financial knowledge | 2 | 9 | 2 | 8 | 4 | 25 |
| | 11.11% | 19.15% | 8.70% | 14.29% | 14.81% | 14.62% |
| Total | 18 | 47 | 23 | 56 | 27 | 171 |

Chi Square of 1.602 with significant level of 0.808

Source: Survey Data, 2020

When it comes to planning and implementing a regular investment program, 85.19% in the more knowledgeable group viewed it as very important whereas only 14.81% in the less knowledgeable group view it as important in table 3.7. This result showed that planning

and implementing a regular investment program is higher in high financial knowledge as farmers' opinions. Farmers supposed that planning and implementing a regular investment program is important because they want to invest in farm products, their own business and other vocations such as coffee shop, cosmetic shop and beauty salon (beauty parlor).

Table (3.8): Saving With a Financial Institution

| | Not Important at all | Not Important | Not Sure | Important | Very Important | Total |
|--------------------------|----------------------|---------------|----------|-----------|----------------|--------|
| High financial knowledge | 11 | 14 | 24 | 27 | 44 | 120 |
| | 61.11% | 60.87% | 85.71% | 60% | 77.19% | 70.18% |
| Low financial knowledge | 7 | 9 | 4 | 18 | 13 | 51 |
| | 38.89% | 39.13% | 14.29% | 40% | 22.81% | 29.82% |
| Total | 18 | 23 | 28 | 45 | 57 | 171 |

Chi Square of 8.456 with significant level of 0.076

Source: Survey Data, 2020

In table 3.8, 77.19% of the more knowledgeable group ranked saving with a financial institution as very important while 22.81% of the less knowledgeable group thought so. This result showed that saving with a financial institution is higher in high financial knowledge as farmers' opinions. Farmers supposed that saving with a financial institution is important because they want to save in bank due to the interests received.

Table (3.9): Contributing Monthly Pension

| | Not Important at all | Not Important | Not Sure | Important | Very Important | Total |
|--------------------------|----------------------|---------------|----------|-----------|----------------|--------|
| High financial knowledge | 20 | 20 | 10 | 16 | 30 | 96 |
| | 54.05% | 54.05% | 58.82% | 48.48% | 63.83% | 56.14% |
| Low financial knowledge | 17 | 17 | 7 | 17 | 17 | 75 |
| | 45.95% | 45.95% | 41.18% | 51.52% | 36.17% | 43.86% |
| Total | 37 | 37 | 17 | 33 | 47 | 171 |

Chi Square of 2.095 with significant level of 0.718

Source: Survey Data, 2020

In table 3.9, 63.83% of the more knowledgeable group ranked contributing a monthly pension as very important while 36.17% of the less knowledgeable group thought so. The result showed that contributing a monthly pension is higher in high financial knowledge. Farmers supposed that contributing a monthly pension is important. The analysis made above from the results of the sample suggested that the farmers opinions are influenced by their level of personal finance knowledge and this in turn affect their decisions made about financial matters.

4. Conclusion

The chapter presented the general findings of the research in the context of the central ideas underpinning the objectives of this research. The perspective of this chapter did not only recommend solutions but presents the findings in relation to financial literacy among farmers. The key components of the chapter included the findings and discussion, suggestion and recommendations and the needs for further researches.

4.1 Findings and Discussion

Findings from the study seemed to suggest that the farmers used in the survey had inadequate knowledge on personal finance. Low level of education was one of the reasons for the inadequate knowledge in personal finance among the farmers. Farmers were less knowledgeable and inexperienced with issues concerning personal financial planning and budgeting, mutual funds and risk return associated with investment decisions. It was very apparent that individuals with less financial knowledge tend to hold wrong opinions and make incorrect decisions in the areas of general financial knowledge, savings and borrowing, insurance and investments decisions. Without adequate knowledge, they were more likely to make mistakes in the real world. Lastly, it was evident from the study that the farmers are hindered by language technicalities and clarities in accessing financial literacy information from avenues including the banks and the media. The ability to manage personal finances had become increasingly important in today's world. People needed to plan for long-term investments for their retirement and children's education. They must also decide on short-term savings and borrowing for a vacation, a down payment for a house, a car loan and other items. Moreover, they must manage their own medical and life insurance needs.

Another reason why the farmers have inadequate personal finance knowledge was their location. These farmers were mostly located in quite remote areas where most institutions trading in financial products didn't find attractive for business. The results of the responses were grouped into three; Low (below 60%), Medium (between 60%-79%) and

High (over 80%). Finding from the results showed that the farmers had medium financial knowledge in terms of personal financial knowledge in personal finance with an average score for correct responses to be 60.18% and median correct responses at 67.3% implying the financial knowledge of farmers in personal finance was medium. The personal knowledge in personal finance was low because of having below the medium. Thus, the results demonstrated a high level of financial literacy in during investment behavior with a mean percent correct score of 85.4%.

Findings from this survey revealed that, with respect to saving and borrowings, the farmers scored 60%-79% indicating their low level of financial knowledge in savings and borrowings. The study found out that the farmers were generally low in savings and borrowings with a mean correct score of 65.11%.

Similarly, upon assessing the respondents knowledge on investment and insurance as well as personal financial opinions and decisions were critically low with mean correct scores of 55.76% and 28.39% respectively.

4.2 Suggestions and Recommendation

As a step in improving the financial literacy among farmers in Myinn Mway Village, the study provides the following recommendations: rural outreach, incorporating financial literacy into educational system and establishment of Financial Literacy Information Sharing Group.

First, it is recommended that the stakeholders in the financial industry; Government, Financial Institutions, NGOs among others provide Financial Literacy training to rural communities, capitalizing on existing training and trainers in related areas. Financial literacy messages should be disseminated via community radios, information centers, televisions and farmers groups.

Second, financial literacy should be incorporating financial literacy into educational system. Financial literacy should be incorporated into the secondary school curriculum as part of the secondary school curriculum. Moreover, the result recommends a provision of financial literacy in primary schools through the development and dissemination of supplementary materials and the training of teachers in promoting financial literacy through extra-curricular activities.

Third, Financial Literacy Information Sharing Group will be comprised of a wide range of stakeholders and other partners including government institutions, banks and other stakeholders in the financial industry. This group would provide a forum for the broad community of stakeholders and partners to discuss developments and potential developments,

to highlight examples of good financial practices from which others can learn useful lessons and to provide feedback. The set objectives in chapter one are fully achieved. Stakeholders in the financial industry must put in place to reduce the level of financial illiteracy among farmers. In Myanmar, Yangon Stock Exchange should perform to widely understand the concept of financial literacy for the public. In doing so, investors and share prices increased in Yangon Stock Exchange. People are more interested in financial literacy. Finally, people in Myanmar can achieve the high level of financial knowledge.

4.3 Needs For Further Researches

This study only concentrated on farmers in Myinn Mway Village in Sagaing Region with sample size of 171 farmers hence generalization cannot be made. Therefore, further studies are required on mass scale to determine the financial literacy of farmers in Myanmar. The study provides the following recommendations for further studies. It should study in assessing the impact of financial literacy on the savings behavior of farmers in Myanmar and the prospects and challenges of financial literacy in Myanmar. Thus, the sample size will be larger and expanded survey will support to get the better result.

Acknowledgements

I would like to express our respect and thanks to Prof. Dr. Yi Yi Win , Rector of University of Co-operative and Management, Thanlyin for her permission to write this research paper. Then, my special thanks go to U Oo Tin Thein (Admin Pro-rector) and Daw Myint Myint Sein (Academic Pro-rector) for their suggestions to this paper.

In addition, I would also like to express my sincere gratitude to honorable Prof.Dr, Myint Myint Kyi, Head of Department of Management, Yangon University of Economic for her valuable contribution to this paper. I would like to express my respect to Daw Lwin Mar Kyaw, Lecturer, Department of Commerce, University of Co-operative and Management, Thanlyin. I would like to express my deepest gratitude to my supervisor, Dr. Htet Htet Hlaing, Associate Professor, Department of Commerce, University of Co-operative and Management, Sagaing, for the valuable advices and encouragements to complete my study successfully and her deep interest and comments.

Especially, I would like to thank all people who have supported me wholeheartedly in collecting data and analyzing the factors until successful completion of this study. I would like to say thanks to farmers in Myinn-Mway Village who participated to respond survey questionnaires, for getting high value of information data and their help to successful writing this study.

And I would like to express my thanks to all the teachers and the boards of examiners who guide in composing chapters to be smooth and systematics research. Last but not least, I would like to thank all my family, friends, colleagues and other persons who helped directly or indirectly toward the successful completion of this study.

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