





Financial Awareness of Women Entrepreneurs in Sivakasi City

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This study explores the financial knowledge of women entrepreneurs in Sivakasi, a city known for its industries. Financial literacy is crucial for business success, yet many women entrepreneurs face challenges in understanding key financial concepts for managing cash flow and accessing financial resources. This research aims to assess the level of financial knowledge among women entrepreneurs and its impact on their business performance. The study also investigates the role of socio-economic factors, such as education and family background, in shaping financial decision-making. By identifying gaps in financial literacy and the challenges faced by these entrepreneurs, the study seeks to provide insights for developing targeted financial training programs and policy interventions to empower women entrepreneurs and promote business sustainability. The findings will contribute to the overall economic development of Sivakasi by supporting the growth of women-led businesses.

Keywords: *Finance, Business, Knowledge, Women, Entrepreneurs, Challenges, Sivakasi.*



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1. INTRODUCTION

Financial knowledge is a critical aspect of entrepreneurship, influencing the growth, sustainability, and success of any business venture. In the context of women entrepreneurs, especially in Sivakasi City—known for its thriving industries, including fireworks, printing, and matchsticks—financial literacy plays an even more pivotal role. Accessing financial resources, managing finances, and navigating the intricacies of financial institutions are frequently particular difficulties faced by female entrepreneurs. There is a growing change in Sivakasi, where customary social norms have traditionally restricted women's

economic involvement, as more women are assuming entrepreneurial positions.

Limited financial knowledge continues to be a problem for many Sivakasi women entrepreneurs, which limits their capacity to make wise choices regarding financial planning, budgeting, and investing. In a highly competitive corporate world, these women need to be able to comprehend ideas like profit margins, credit facilities, and cash flow management. Small access to government programs, loans, and other financial services—all essential for establishing small businesses.

A country's industrial expansion is typically correlated with its economic development. The

entrepreneur is the force that drives manufacturing and plays several roles in the process of a nation's growth. The socioeconomic status of women should be raised in tandem with that of males to promote social justice and sustainable economic development. Women have the right to choose their path in life when they enjoy socioeconomic freedom. Women's social status is raised by entrepreneurship. Numerous intricate social, psychological, and economic variables influence entrepreneurship. Therefore, an examination of women's socioeconomic backgrounds is required to comprehend the business endeavors among them.

Investigating the financial literacy of female entrepreneurs in Sivakasi is therefore crucial for both advancing individual achievement and overall economic growth. We can encourage a more diverse and successful entrepreneurial ecosystem in Sivakasi by providing women with the necessary financial literacy.

The present investigation endeavors to evaluate the existing state of financial literacy among female entrepreneurs in Sivakasi, pinpoint deficiencies, and propose strategies for augmenting their financial proficiencies.

2. LITERATURE REVIEW

Identified issues such as restricted access to financing, family duties, and societal norms as part of an exploratory study on the difficulties faced by women entrepreneurs in Tamil Nadu. [Devi and Subramaniam \(2017\)](#) studied the challenges and opportunities faced by female entrepreneurs in the Tiruchirappalli district, with a focus on issues about funding, market accessibility, and business support services. [Deepika and Sasikala \(2020\)](#) express the Worldwide Entrepreneurship Development Institute released the Women Entrepreneurship Index study in 2015 to analyze the environment for women's entrepreneurship development in 77 different countries. According to the survey, the top ten nations for supporting women entrepreneurs were the United States, the United Kingdom, Australia, the Netherlands, Denmark, France, Sweden, Iceland, Norway, and Finland, Terjesen and Lloyd as reported in [Yadav & Unni, \(2016\)](#).

There are possibilities and obstacles for women entrepreneurs in India. The three main goals of the study were figuring out why women

participate in entrepreneurship, identifying barriers to women's entrepreneurship, and identifying opportunities for women entrepreneurs. Reviewing previous studies and other information yields secondary data. The study's conclusions highlight several challenges, including low self-esteem, social and cultural hurdles, market-oriented risk, motivating variables, business administration expertise, financial assistance awareness, exposure to the training program, and recognizing resources. [Deepak Kumar \(2014\)](#)

Government actions alone will not be adequate to achieve the goal of strengthening women, and society has to rebuild to establish an environment in which women have full opportunities for self-determination and take part in the social, political, and economic life of the nation. Men and women should not be separated based on their sex. [According to Singh \(2013\)](#)

Because of barriers to entrepreneurship, the South African government has played a significant role in addressing the socio-economic problems of high joblessness and poverty reduction [Agbenyegah 2013](#).

Numerous noteworthy research works have been carried out about women's financial literacy and that of female entrepreneurs. Financial literacy makes a significant contribution to entrepreneurial abilities. The author also indicated that the creation and growth of small, micro, and medium-sized enterprises may be significantly impacted by financial literacy and entrepreneurial skills being taught and trained at both the high school and university levels. [Osiah \(2010\)](#)

3. SCOPE OF THE STUDY

This study attempts to provide a comprehensive analysis of the financial literacy of female entrepreneurs in Sivakasi city. Its goal is to evaluate how well they comprehend fundamental financial ideas including taxation, accounting, budgeting, and financial planning. The study also looks at how easy it is for small entrepreneurs to access financial resources including loans, microloans, and government programs. Furthermore, it aims to pinpoint the challenges that people face when handling their finances, covering matters of cash flow, documentation, and decisions regarding investments.

Evaluating the accessibility and effectiveness of financial training programs specifically designed for women entrepreneurs will help to understand better how these initiatives contribute to women entrepreneurs' financial competence and business success. The research will also assess the impact of financial literacy on business performance, with a focus on profitability, sustainability, and growth. Finally, the study will take into account the influence of socioeconomic factors, such as education and family background, on financial decision-making.

4. NEEDS OF THE STUDY

The significance of financial literacy for small business sustainability and success makes the study of women entrepreneurs' financial literacy in Sivakasi City imperative. Due to a lack of formal financial education, many female entrepreneurs frequently struggle to manage their finances efficiently. The purpose of this study is to determine what financial knowledge gaps prevent participants from managing cash flow, making wise financial decisions, and gaining access to grants loans, and other financial resources.

Developing targeted financial literacy programs and assistance systems for female entrepreneurs will be considerably easier with an understanding of these requests. The research aims to support policy formation and capacity-building initiatives by tackling the unique obstacles encountered by small entrepreneurs, including restricted availability of financial training and little knowledge of government programs. In the end, it will help these women build the regional economy, fortify their companies, and enhance financial management.

5. STATEMENT OF THE PROBLEM

The economy is progressing successfully thanks in large part to the efforts of women entrepreneurs. These ladies struggle with psychological issues in addition to financial ones. A research statement on the business performance and financial literacy of women entrepreneurs in Sivakasi City can be developed based on the phenomenon previously stated.

The success and sustainability of women-owned enterprises are significantly influenced by their financial literacy. Many female entrepreneurs in Sivakasi City, a center for small and medium-sized enterprises, face specific challenges in

getting and using financial knowledge. Many women still have difficulty understanding financial management, getting access to financial services, and using financial literacy to expand their firms, even though their share in the entrepreneurial ecosystem is increasing. Their capacity to manage cash flow, acquire capital, make well-informed decisions, and guarantee long-term profitability is impacted by this knowledge gap in financial.

Understanding these challenges will allow this study to determine the areas in which female entrepreneurs require assistance, provide greater emphasis on financial literacy initiatives, and eventually provide them with the tools they need to enhance their capacity for making financial choices and the performance of their businesses.

6. RESEARCH GAP

Research on the financial literacy of female entrepreneurs in Sivakasi city is lacking in several important areas. First, empirical evidence about the degree of financial literacy among female entrepreneurs in this area is scarce, especially regarding their comprehension of fundamental financial ideas like investment, credit management, budgeting, and saving. A great deal of research that is now available is general and skips over the particular financial difficulties that Sivakasi's female entrepreneurs face.

7. OBJECTIVES OF THE STUDY

The Main Objectives of this study are:

- To Study the Financial Knowledge of Women Entrepreneurs in Sivakasi.
- To Analyze the Financial Challenges faced by the Women Entrepreneurs in Sivakasi.
- To Evaluate the Knowledge of Financial Schemes of Women Entrepreneurs in Sivakasi.

8. METHODOLOGY

In this study, both Primary data and secondary data were used in the investigation. primary data required for collecting from the selected Women Entrepreneurs. The Secondary data required for the study were gathered from textbooks, journals, and websites.

9. FINANCIAL AWARENESS OF WOMEN ENTREPRENEURS

A minimum of 51 percent of the capital and at least 51 percent of the jobs created by the business have to be held by women, according to the Government of India, for an enterprise to be considered owned and controlled by them. APJ Abdul Kalam asserts that a stable society is guaranteed when women are empowered, which is a necessary condition for building a good nation." Women's empowerment is crucial because their values and ideas contribute to the creation of good households, societies, and eventually countries.

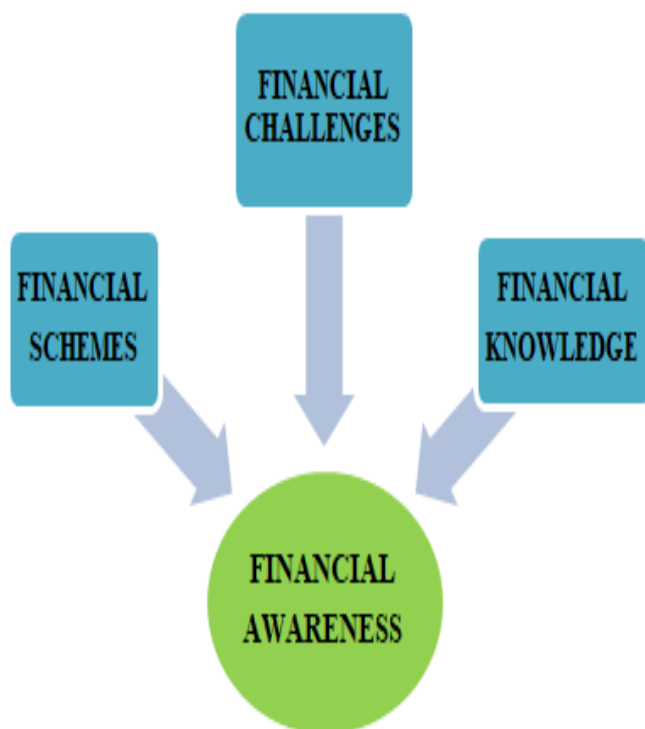


Fig-1: Financial Awareness

10. FINANCIAL KNOWLEDGE

India's rural population has significant obstacles when it comes to financial literacy. It has implications for the future outlook for the economy as well. Just a minority of India's disadvantaged people are aware of the notion of financial literacy, and many of them lack bank accounts. The two primary programs the central government is implementing to boost growth in these areas are eradicating poverty and financial literacy. Even though India's economy is one of the fastest growing in the world, with an 8% growth rate in 2014–2015, compared to other nations, financial literacy is still low.

Understanding financial principles and being able to handle personal or business finances well are considered to be components of financial knowledge. It includes a range of abilities, including managing debt, investing, saving, budgeting, and comprehending financial items like credit, insurance, and loans. Financial literacy is essential for entrepreneurs, particularly women, to make well-informed decisions about the expansion, profitability, and sustainability of their businesses.

In business, financial knowledge involves the ability to interpret financial statements, create cash flow projections, and manage working capital efficiently. Entrepreneurs with strong financial knowledge can assess funding options, negotiate loans, and manage financial risks, thereby improving their access to capital and reducing dependency on informal financial sources.

Since many Women Entrepreneurs face challenges while trying to obtain official financial services and support, financial literacy is especially crucial for them. They are more likely to invest in their businesses, obtain capital, and make wise financial judgments if they have the proper financial knowledge. Additionally, financial literacy enables women to plan for long-term growth, steer clear of expensive financial blunders, and guarantee the sustainability of their businesses. To improve the financial health and success of women-owned businesses and promote more economic empowerment and independence, it is essential to improve financial Understanding through training, mentorship, and resources.

11. FINANCIAL CHALLENGES

The growth of women-owned businesses in Sivakasi is hindered by significant financial challenges. A major hurdle is that there is limited access to financing because of a lack of financial documentation and collateral. Many people have trouble managing cash flow, which affects daily operations. They are also unable to manage budgets, comply with tax laws, and make wise financial decisions due to their lack of financial literacy. Their access to financial resources is further constrained by the financial institutions' inadequate support and their lack of understanding about government initiatives. Women entrepreneurs find it challenging to successfully expand and sustain their businesses as a result of these obstacles.

Financial difficulties are the obstacles that people or organizations encounter when trying to handle their money, find capital, and keep their financial stability. These obstacles may include cash flow issues, high-interest loans, restricted access to money, poor financial planning, and the inability to obtain long-term investment for entrepreneurs.

Other financial challenges that women entrepreneurs frequently face include prejudice in financial institutions based on age, higher interest rates, and restricted access to credit and venture capital. Additionally, they may not be economically literate or sufficiently educated to investigate different collaborations, government grants, or individual investor funding opportunities.

12. FINANCIAL SCHEMES

Women entrepreneurs in Sivakasi can benefit from several financial schemes designed to support their business ventures. Key schemes include the **Mudra Yojana Scheme**, which provides loans without collateral for small businesses, and the **Stand-Up India Scheme**, offering loans specifically for women and SC/ST entrepreneurs. **TREAD (Trade-Related Entrepreneurship Assistance and Development)** supports skill development and financial assistance for women. Additionally, **PMEGP (Prime Minister's Employment Generation Program)** provides subsidies on loans for new enterprises. These schemes help women entrepreneurs access much-needed capital, financial resources, and government-backed support to start or expand their businesses and contribute to the local economy.

Financial schemes are organized programs or plans intended to give people or businesses financial support or benefits. They typically get provided by governments, financial institutions, or non-governmental organizations. These programs frequently seek to boost entrepreneurship, ease financial constraints, and advance economic growth. Financial schemes for entrepreneurs can include tax incentives, grants, low-interest loans, and subsidies.

These programs are particularly important for female entrepreneurs who can encounter obstacles while trying to get traditional financial sources. Essential resources for launching or growing a business are provided by government-

backed programs, such as those that support small and medium-sized businesses (SMEs).

13. CONCLUSION

The study on the financial knowledge of women entrepreneurs in Sivakasi highlights the critical role of financial literacy in the success and sustainability of their businesses. It reveals that many women entrepreneurs lack essential financial skills, such as budgeting, cash flow management, and tax compliance, which limits their ability to make informed business decisions. Moreover, socio-economic factors such as education, family support, and awareness of financial schemes significantly influence their financial management practices. To bridge these gaps, it is essential to implement targeted financial literacy programs, improve access to financial resources, and increase awareness of government schemes. By enhancing financial knowledge, women entrepreneurs in Sivakasi can improve their business performance, contribute to local economic growth, and achieve long-term sustainability.

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