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"A STUDY ON FINANCIAL LITERACY PROGRAM AT GENPACT"

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Abstract

Genpact is a global professional services firm delivering business outcomes that transform industries and shape the future. Fusing real-world expertise and collaborative innovation, we make businesses work better – breaking down boundaries, creating simplicity from complexity, and building ecosystems of impact. Guided by our experience reinventing and running thousands of processes for hundreds of companies, our Global Fortune 500 clients come to us for digital-led innovation and digitally-enabled operations that dig deep into data to turn insight into action.

Financial literacy is having theoretical or practical knowledge, skills and understanding of financial principles to manage money in insightful and effective manner. Therefore, financial literacy program accentuates on the ability to manage personal finances. Such skills can be acquired through the experience or education for an individual's personal and professional growth.So, this makes us understand that everybody needs financial literacy skills! This financial literacy program is designed to enable participants to learn the "basics" of financial management that allows them to use technology in ways that are relevant to their daily lives.

Keywords: - Annual percentage rate, Asset, Bankruptcy, Budget, Comparison shopping, Credit, Credit report, Credit score, Creditworthiness, Debit card, Debt, Default, Diversification, Emergency fund, Income, Interest, need vs. want, Pay yourself first, Principal, Time value of money

INTRODUCTION

Financial literacy programs of a company

Financial literacy is an essential skill for making savvy financial decisions, understanding the world around us, and being a good citizen. Changes in the pension system, the increasing complexity of financial instruments (including new instruments such as crypto assets), inflation, and increased risks (from the war in Ukraine to climate change) are some of the reasons behind the increasingly urgent need for individuals to have the knowledge and skills that will increase their financial resilience and wellbeing. The OECD Recommendation on Financial Literacy, adopted in 2020, recognized financial wellbeing as the ultimate goal of financial literacy.

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Despite this urgency, levels of financial literacy are remarkably low, even in countries with well-developed financial markets and in which individuals actively participate in financial markets. According to the latest OECD adult financial literacy survey, financial literacy is low in many of the countries belonging to the G7 and G20 bloc. This aligns with findings from a global survey on financial literacy that showed that only a handful of countries rank high on very basic measures of financial literacy. Not only is financial illiteracy widespread in the population, but it is particularly acute in some demographic sub-groups that are already financially vulnerable, such as women and those with low-income and low-educational attainment.

ABOUT THE COMPANY

Genpactis a global professional services firm delivering the outcomes that transform our clients' businesses and shape their future. We're guided by our real-world experience redesigning and running thousands of processes for hundreds of global companies. Our clients – including many in the Global Fortune 500 – partner with us for our unique ability to combine deep industry and functional expertise, leading talent, and proven methodologies to drive collaborative innovation that turns insights into action and delivers outcomes at scale. We create lasting competitive advantages for our clients and their customers, running digitally enabled operations and applying our Data-Tech-AI services to design, build, and transform their businesses. And we do it all with purpose. From New York to New Delhi and more than 30 countries in between, our 115,000+ team is passionate in its relentless pursuit of a world that works better for people. Get to know us at Genpact.com and on LinkedIn, Twitter, YouTube, and Facebook.

Genpact began in 1997 as a business unit within General Electric. Then, in January 2005, we became an independent company, bringing our process expertise and unique DNA in Lean management to more companies. We became a publicly traded company in 2007. Since December 31, 2005, we have expanded from 19,000+ employees and annual revenues of $491.90 million to 115,000+ employees and annual revenues of $4.37 billion as of December 31, 2022.

LITERATURE REVIEW

1. Literature search strategy

To be thorough in the reporting of our systematic review, we used the checklist and the flow chart from Prisma (Moher et al., 2009) shown in Figure 1. We undertook an exhaustive search of the literature on financial literacy and financial education programs or interventions in schools which involved children and adolescents. The first step comprised a database search in ERIC, Business Source Premier, Econlit and Web of Science, using different combinations of the following keywords: financial-literacy education, financial education in schools, financial education for youth,and personal finance at school. In the second step, to counteract the effect of inadequate choice of keywords, we searched the contents of the last five volumes of the Journal of Economic Education and the International Review of Economic Education, and searched the reference lists in McCormick (2009), Miller et al. (2014), and Totenhagen et al. (2015) for relevant studies (i.e. the snowball method). This hand search did not result into any additional studies next to the ones already identified in the database search. Finally, we consulted experts on the OECD/INFE Conference on Financial Resilience.

2. Selection criteria

The evidence on the impact of financial education on knowledge, attitudes, confidence and behavior among children and adolescents is relatively limited and recent. The majority of the studies were published less than 10 years ago. In this review, we cover the research published between 2004 and 2015, with a special focus on studies that evaluate programs in elementary schools, junior high schools and high schools. Furthermore, we include programs which aimed to increase the financial literacy of college students during their first year of college. According to Shim et al. (2010), this period constitutes an especially important transitional stage of development because most college students are not yet financially independent but are actively learning the skills neededto develop toward independence. We only include those studies that provide information about specific financial education programs. We therefore exclude studies that evaluate the overall effectiveness of financial education in general. Furthermore, we do not include studies that only assess financial literacy without testing the effects of educational programs or interventions, because we are interested in the effectivity of financial education programs, not in the general level of financial literacy among the population.

3. Contents of school-based financial-literacy education programs

Knowledge and understanding of planning and budgeting, earning an income and careers, saving and investing, spending and credit, and insurance and banking services are the core elements of financial education programs across different educational levels. Financial education programs in elementary schools primarily focus on planning and budgeting, saving, spending, and credit concepts. A few programs look at concepts regarding investment and banking services. In secondary schools, the majority of the financial education programs aim at spending and credit, saving and investment, and budgeting concepts. A few programs look at banking services, insurance, income, and careers. Financial education programs in college focus mainly on issues regarding budgeting, credit card use, and compulsive spending decisions. The financial education programs in this review revealed no fundamental differences in concepts across countries.

OBJECTIVES OF THE PROPOSED STUDY

As we know financial literacy is conceptual, practical and theoretical understanding of financial components and skills like investing, budgeting, taxation etc. So, the objectives behind this study to make one knowledgeably aware of:

- To track personal expenses

- Identify and explain factors effecting individual's financial future
- Having knowledge of taxation which helps in planning tax expenses
- Describes how the government influences the economy
- Maintain budgets
- By investing and paying off debts
- Helps in monitoring spending and expenses
- Provides sense of freedom

SCOPE AND LIMITATIONS

Financial literacy can refer to a variety of abilities, but some common examples include developing a household budget, understanding debt management and repayment, and weighing the benefits and drawbacks of various credit and investment options. These skills frequently necessitate at least a basic understanding of important financial concepts such as compound interest and the time value of money. Other goods, such as mortgages, student loans, health insurance, and self-directed investment accounts, have also grown in importance. People must now be much more aware of how to use them responsibly than in the past. It includes not only long-term financial strategy but also short-term financial strategy and also includes understanding how your current investment decisions may affect your future tax payments.

A lack of financial literacy education is responsible for poor money management skills and below-par financial planning for business and retirement.

Here are some of the effects financial illiteracy can have:

- Prohibits individuals from becoming productive members of the economy and society in the same way that the inability to read or write disadvantages generations

- Decreases the chances of assessing financial risks or opportunities. This makes financial choices riskier and potentially damaging

- Handicaps anyone seeking to be financially secure. For example, financial illiteracy can increase the chances of losses due to fraud or scams

- Magnifies the physical and mental issues associated with being in debt and lessens the chances of finding an appropriate debt solution

Financial illiteracy can have detrimental physical, mental and socioeconomic effects on people of all ages and all walks of life. Isn't it time that financial illiteracy and its effects were consigned to history with compulsory financial education?

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NEED OF THE STUDY

Developing financial literacy to improve your personal finances involves learning and practicing a variety of skills related to budgeting, managing, and paying off debts, and understanding credit and investment products. The good news is that, no matter where you are in life and financially, it's never too late to start practicing good financial habits.

Here are several practical strategies to consider.

- Create a Budget
- Pay Yourself First
- Pay Bills Promptly
- Get Your Credit Report
- Check Your Credit Score
- Manage Debt
- Invest in Your Future

Example of Financial Literacy:

Emma is a high school teacher who tries to inform her students about financial literacy through her curriculum. She educates them on the basics of a variety of financial topics, such as personal budgeting, debt management, education and retirement saving, insurance, investing, and even tax planning. Emma's students can and will use these concepts later in life for things like renting an apartment, getting a first job, or even just paying for fun activities such as going to the movies.

Understanding concepts such as interest rates, opportunity costs, debt management, compound interest, and budgeting, for example, could help her students manage the student loans that they might rely on to fund their college education and keep them from amassing dangerous levels of debt and endangering their credit scores. Similarly, she expects that certain topics, such as income taxes and retirement planning, will eventually prove useful to all students, no matter what they end up doing after high school.

SOURCES OF DATA COLLECTION

A **research design** is a strategy for answering your research question using empirical data. Creating a research design means making decisions about:

- Your overall research objectives and approach
- Whether you'll rely on primary research or secondary research
- Your sampling methods or criteria for selecting subjects
- Your data collection methods
- The procedures you'll follow to collect data
- Your data analysis methods
- A well-planned research design helps ensure that your methods match your research objectives and that you use the right kind of analysis for your data.

Step 1: Consider your aims and approach

Before you can start designing your research, you should already have a clear idea of the research question you want to investigate. The first choice you need to make is whether you'll take a **qualitative or quantitative** approach.

Step 2: Choose a type of research design

Within both qualitative and quantitative approaches, there are several types of research design to choose from. Each type provides a framework for the overall shape of your research.

Step 3: Identify your population and sampling method

Your research design should clearly define who or what your research will focus on, and how you'll go about choosing your participants or subjects.In research, a population is the entire group that you want to draw conclusions about, while a **sample** is the smaller group of individuals, you'll actually collect data from.

Step 4: Choose your data collection methods

Data collection methods are ways of directly measuring variables and gathering information. They allow you to gain first-hand knowledge and original insights into your research problem.

Primary Data Collection:

- Questionnaires: - Designed structured questionnaires to collect data from individuals or groups who are interested in investment.
- Observations- observe and record behaviours, actions, or events in Genpact of Investors.

- Focus Groups- Focus groups bring together a small group of individuals and discuss with them all the policies and their interest.

Secondary Data Collection: Online Databases, Publicly Available Data, Past Research Studies, Published Sources have been used to collect the data relating to the public interest, schemes and policies that is used by most of the investors in earlier years in Genpact.

Step 5: Plan your data collection procedures

As well as deciding on your methods, you need to plan exactly how you'll use these methods to collect data that's consistent, accurate, and unbiased.Planning systematic procedures is especially important in quantitative research, where you need to precisely define your variables and ensure your measurements are high in reliability and validity.

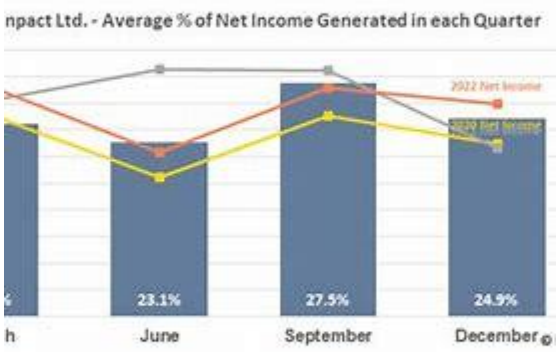
Step 6: Decide on your data analysis strategies

On its own, raw data can't answer your research question. The last step of designing your research is planning how you'll analyse the data.

TECHNIQUES OF ANALYSIS

Financial Statement Analysis Tools are sometimes called Financial Statement Analysis Techniques. There are 3 main tools that we can use to analyse financial statements and those tools are divided into several other methods. These are as follow:

- **Horizontal Analysis**: This is also called **Comparative Statements**. This analysis includes the comparison of an entity's financial statements over time periods.
- **Vertical Analysis**: This is also called **Common Size Financial Statements** This analysis includes comparison of an entity's financial statements against any based amount.
- **Financial Ratios Analysis**: This is also called **Accounting Ratios Analysis**.



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