

ASSESSING THE EFFECTIVENESS OF SUKANYA SAMRIDDHI YOJANA IN PROMOTING FINANCIAL INCLUSION IN RURAL AREAS, ERODE

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ABSTRACT

An empirical analysis of the Sukanya Samriddhi Yojana's effectiveness is presented in this report. For female children, the Sukanya Samriddhi Yojana is a deposit scheme. On January 22, 2015, the Beti Bachao Beti Padhan Initiative was introduced by the Indian government through the Ministry of Women and Children. This lessens the financial burden on parents and guardians by allowing them to make plans for their child's future. The girl child must reside in India and be under ten years old. Any post office across the nation is able to open this plan. The poll's findings indicate that rural populations are comparatively unaware of this initiative. This initiative still lacks adequate government planning, management support, feedback, and publicity. An interview and a Google Forms survey were used to gather the data. Only Erode, Rural, is included in the study. Investigating the connection between respondents' age, awareness, and degree of investor satisfaction is the aim of this study.

Keywords: Erode Rural, Awareness, Effectiveness, Satisfaction, and Sukanya Samriddhi Yojana

INTRODUCTION

The goal of the Sukanya Samridhi Yojana, a savings program that was introduced on January 22, 2015, as part of the Beti Bachao Beti Padhao campaign, is to encourage parents to save money for their daughter's future. The program is offered by all Indian Post Offices and approved commercial banks. The account can only be opened in the name of a female child by her parents or legal guardians, and it is available to a maximum of two girls per household. The annual deposit ranges from a minimum of Rs. 250 to a maximum of Rs. 1.5 lakh and can be made in multiples of Rs. 100. Demand drafts, checks, or cash can be used to open the account. Although more deposits are accepted, interest will not be paid on amounts over the cap. The annual compound interest rate is 8.2%. The Income Tax Act's Section 80C permits a tax deduction for contributions. Up to half of the girl's money can be taken out once she turns eighteen. When the girl turns eighteen or gets married, the account may be closed early. By offering savings and tax advantages, the account aims to assist women in protecting their financial future.

OBJECTIVE OF THE STUDY

- To examine the awareness levels of SSY scheme among rural households in Erode.
- To assess the extent of participation in the SSY scheme in rural areas, Erode.
- To identify challenges in implementing the SSY scheme in rural areas, Erode.

RESEARCH TECHNIQUES

The study was undertaken in Erode city. The study requires both primary and secondary data. Primary data was collected using questionnaires. Secondary data was collected from journals, articles, books, internet and works from internet sources. In this study the sample units represent individual customer who gets benefits from Sukanya Samridhi yojana provider and those who were using it at various levels. Primary Data Collection_ he studies uses survey method to gather firsthand information from participants. Questionnaire: A structured questionnaire with both closed-ended and open-ended questions will be used to collect data on Sukanya Samridhi Yojana scheme and interview schedule. Secondary Data Collection

To support the primary data, the study also reviews existing literature, including: Research articles based on Sukanya Samridhi Yojana scheme.

Market studies on awareness about Sukanya Samridhi Yojana scheme.

REVIEW OF LITERATURE

Singh (2024): "Investor Behaviour and Preferences Towards Post Office Savings Schemes in Rural Himachal Pradesh" Discusses about the investor's behaviour towards the savings schemes. The study was conducted from a sample of 140 respondents mainly from three districts of Himachal Pradesh. The study concludes by saying that common people in hill areas mainly mobilize their savings in post office saving schemes than formal banking forms. focuses to find out the rural people awareness regarding the saving and investments. The paper also points out the problems faced by the rural inhabitants at the time of making savings in post office saving schemes. conducted to determine the factors that motivate the investors to prefer post office saving schemes. The study concludes that mainly investment in post office is made by rural females. The biggest benefit of investing in postal schemes is tax relief.

Seema Yadav (2023): "Social Empowerment and Education Access for Girls in India: A Study on BBBP" The Beti Bachao Beti Padhao (BBBP) scheme, initiated by the Government of India in 2015, stands as a beacon of hope in the country's quest for gender equality and the empowerment of girl children. This groundbreaking program addresses gender discrimination, promotes education, and strives to improve the socio-economic status of girls. Despite India's rich cultural heritage, gender-based disparities and skewed sex ratios persist, and BBBP seeks to challenge these deeply ingrained norms. Through a comprehensive set of strategies, including awareness campaigns, financial incentives like the Sukanya Samridhhi Account, and community engagement, BBBP has made notable progress in achieving its objectives. The scheme places a strong emphasis on education access, resulting in increased enrolment rates and reduced dropout rates among girls.

BENEFITS OF SSSY

The Post Office Sukanya Samridhhi Yojana offers an attractive 8.2% annual interest rate, making it one of the highest among small savings schemes in India. It provides tax benefits under Section 80C, with investments up to Rs 1.5 lakh qualifying for deductions, while both interests earned and the maturity amount are tax-free. Designed to secure long-term financial stability, it helps parents save for their girl child's education and marriage. The scheme is flexible, allowing deposits as low as Rs 250 and up to Rs 1.5 lakh annually. Partial withdrawals are permitted for higher education or marriage after the child turns 18. As a government-backed initiative, it ensures guaranteed returns, offering peace of mind to investors. The scheme has a long tenure, maturing when the girl turns 21 or upon her marriage at 18, with a 15-year contribution period, though interest continues to accrue even after contributions cease.

DATA ANALYSIS AND INTERPRETATION

TABLE 1

Age of the parent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30 - 40	19	18.6	18.6	18.6
	40 - 50	45	44.1	44.1	62.7
	Above 50	36	35.3	35.3	98.0
	Below 30	2	2.0	2.0	100.0
	Total	102	100.0	100.0	

INTERPRETATION

The data reveals that the majority of parents fall in the **40-50 age group (44.1%)**, followed by those **above 50 years (35.3%)**. The **30-40 age group** constitutes **18.6%**, while only **2% of parents are below 30**. This indicates that most parents participating in the study are middle-aged or older, suggesting that financial planning for their children's future is a key priority.

CHISQUARE ANALYSIS TABLE 2

Crosstab				
		Do you clearly understand the purpose and benefits of the SSY scheme?		Total
		1	2	
Educational qualification	formal education	1	3	4
	Doctoral level	1	7	8
	PG level	4	18	22
	School level	10	12	22
	UG level	12	34	46
Total		28	74	102

Chi-Square Tests				
	Value	df	Asymptotic	Significance (2-sided)
Pearson Chi-Square	5.483 ^a	4	.241	
Likelihood Ratio	5.379	4	.251	
N of Valid Cases	102			
a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.10.				

INTERPRETATION

- The table presents the relationship between **educational qualification and understanding of the purpose and benefits of the Sukanya Samriddhi Yojana (SSY) scheme**. The responses are categorized as:
- The **Pearson Chi-Square value is 5.483**, with a **significance level of 0.241 (>0.05)**, meaning the relationship between educational qualification and understanding of SSY benefits is **not statistically significant**.
- The **Likelihood Ratio (5.379, p = 0.251)** further confirms that **education level does not strongly influence SSY awareness**.

TABLE 3

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.077	3	2.359	1.055	.372 ^b
	Residual	219.090	98	2.236		
	Total	226.167	101			
a. Dependent Variable: Occupation						
b. Predictors: (Constant), Are you satisfied with the withdrawal and the maturity condition of SSY?, How satisfied are you with the interest rate offered under SSY?, How would you rate the ease of opening an SSY account?						

INTERPRETATION

- The **F-value is 1.055**, with a **p-value of 0.372 (>0.05)**, indicating that the overall model is **not statistically significant**.
- This means that satisfaction with SSY's **withdrawal conditions, interest rates, and ease of account opening does not significantly impact occupation type**.

FINDING AND SUGGESTIONS

The majority of parents fall in the 40-50 age group (44.1%). This indicates that most participants are middle-aged or older, suggesting financial planning for their children's future is a priority.

33.3% of SSY holders are between 15-20 years, and another 33.3% are above 20 years. This suggests that awareness and usage of SSY accounts increase as children grow older.

52.9% of respondents are mothers, while 47.1% are fathers. This suggests mothers are slightly more involved in financial decisions regarding SSY.

Business owners (34.3%) form the largest group, followed by professionals (30.4%). This indicates a diverse occupational background among SSY contributors.

45.1% of parents hold an undergraduate degree, while 21.6% have a postgraduate degree indicating that higher education correlates with increased financial planning.

The majority earn between ₹30,001 - ₹40,000 (49%). This suggests that SSY account holders predominantly belong to middle-income groups.

46.1% of families have 4-5 members, indicating a preference for smaller families.

60.8% of respondents have not heard about SSY, This highlights the need for increased financial literacy and awareness programs.

62.7% opened SSY accounts in post offices, This indicates post offices remain the preferred choice due to accessibility and trust.

57.8% of families have two female children, indicating a trend toward smaller families.

FINDING IN CHI-SQUARE ANALYSIS

Pearson Chi-Square value: 5.483 ($p = 0.241 > 0.05$), No significant relationship between education level and awareness of SSY benefits.

Pearson Chi-Square value: 1.797 ($p = 0.773 > 0.05$), No significant correlation between education level and awareness of SSY eligibility.

Pearson Chi-Square value: 5.007 ($p = 0.287 > 0.05$), No significant relationship between education level and SSY benefit awareness.

FINDING IN ANOVA ANALYSIS

F-value: 1.055 ($p = 0.372 > 0.05$), indicating no significant impact. Satisfaction with SSY's withdrawal conditions, interest rates, and ease of account opening does not significantly affect occupation type.

SUGGESTIONS

There are various ways that may be used to boost rural entrepreneurship. To begin, awareness efforts may be targeted through local community centers, self-help organizations, and internet channels, as there is no substantial variation in government scheme awareness across age groups. To increase scheme accessibility, lowering paperwork requirements and giving village level support would promote more participation, especially because there was no significant difference in ease of application across age groups. Financial help should also be increased, since while 45.9% of respondents believe existing government support is enough, many believe more assistance is required; giving flexible lending alternatives and extending aid might further improve rural enterprises. Another critical step is private sector engagement, with 63.1% of respondents favoring collaborations with banks, nongovernmental organizations, and corporate enterprises to increase financial inclusion and economic opportunity. In addition, delivering additional training programs, particularly in financial literacy, company management, and government schemes, would serve the 76.6% of respondents who expressed an interest in workshops. Finally, customizing plans to certain age groups' demands, since variances in company revenue and opinions on government assistance were seen, would result in a more tailored and successful strategy for rural entrepreneurs from varied demographics.

CONCLUSION

The assessment of **Sukanya Samriddhi Yojana** in promoting financial inclusion in rural Erode highlights both strengths and areas for improvement. While a significant portion of respondents have benefitted from government schemes, awareness and accessibility remain key challenges. The study found no major association between age groups and awareness or ease of application, indicating that outreach efforts should be improved across all demographics.

Additionally, private sector collaboration, enhanced financial aid, and skill-based training programs can further strengthen the impact of the scheme. To maximize financial inclusion, a multi-faceted approach involving government reforms, community engagement, and public- private partnerships is.

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