

A Study on Personal Financial Planning and Management of MGNREGA Workers In Karnataka State - A Theoretical Assimilation

Ravi N

Research Scholar

University of Mysore

Dr. Ravi Kumar K

Professor of Commerce

SJB College of Management Studies

BGS Health and Education City, Bengaluru, Karnataka, India

Abstract:

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been a pivotal social welfare program in India aimed at providing employment and income support to rural households. This study delves into the realm of personal financial planning and management among MGNREGA workers in the state of Karnataka, seeking to assimilate theoretical frameworks and practical insights. The objective of the study is to analyze the financial behaviors, challenges, and strategies employed by MGNREGA workers to manage their finances effectively. The theoretical foundation of the study draws from existing theories of personal finance, behavioral economics, and social determinants of financial well-being. The research also considers the unique contextual factors that influence the financial lives of MGNREGA workers, such as socio-economic backgrounds, education levels, and rural infrastructure. Preliminary findings suggest that while MGNREGA provides a stable source of income, workers encounter challenges related to irregular payment delays, financial emergencies, and lack of

financial literacy. The study identifies a range of coping mechanisms, including informal savings groups, reliance on family networks, and limited investment avenues. Furthermore, the research uncovers the role of behavioral biases in shaping financial decisions among MGNREGA workers, highlighting the importance of targeted financial education interventions. This study contributes to the existing literature by offering an in-depth analysis of the personal financial dynamics of MGNREGA workers within the specific context of Karnataka State. The findings are expected to inform policy recommendations aimed at enhancing the financial well-being of these workers. By bridging theoretical frameworks with on-the-ground realities, this research aims to foster a comprehensive understanding of personal financial planning and management among vulnerable populations engaged in government-led employment programs.

Keywords: *Mahatma Gandhi National Rural Employment Guarantee Act, rural households, theoretical frameworks, government-led employment programs.*

Introduction:

In recent decades, the dynamics of the labor market have undergone significant transformations, with a growing emphasis on the informal sector and rural employment opportunities. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has emerged as a crucial intervention to address rural unemployment and poverty across India, providing guaranteed employment to millions of rural workers. However, while MGNREGA has positively impacted livelihoods, it is essential to examine the financial well-being of its beneficiaries, particularly in terms of personal financial planning and management. The state of Karnataka, situated in the southern part of India, represents a diverse rural landscape where MGNREGA has played a pivotal role in shaping the socio-economic dynamics of its rural communities. The successful implementation of MGNREGA has led to increased income levels, enhanced job opportunities, and improved social security for workers in the state. However, a comprehensive understanding of the financial behaviors, practices, and challenges faced by MGNREGA workers remains relatively unexplored. This study aims to bridge this gap by delving into the realm of personal financial planning and management among MGNREGA workers in Karnataka. The study is founded on a theoretical assimilation of concepts from the fields of finance, economics, and sociology, in order to provide a holistic understanding of the

financial lives of these workers. By examining factors such as income patterns, expenditure habits, savings behavior, debt management, and access to financial services, the study seeks to unravel the complex financial decision-making processes undertaken by MGNREGA workers.

Theoretical Framework:

The study draws on theories from behavioral economics, financial psychology, and sociological perspectives on poverty and livelihoods. This theoretical amalgamation allows for a comprehensive exploration of the cognitive, emotional, and social factors influencing the financial choices of MGNREGA workers.

Anticipated Contribution:

The findings of this study will provide valuable insights into the financial lives of MGNREGA workers in Karnataka, shedding light on the intricate interplay between economic circumstances, individual behaviors, and institutional contexts. The study's outcomes can inform policymakers, NGOs, and financial institutions about the specific financial needs.

Review of Literature:

Review of Literature on Personal Financial Planning and Management of MGNREGA Workers in Karnataka State

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been a significant policy intervention aimed at

addressing rural unemployment and poverty in India. As MGNREGA workers constitute a vulnerable and economically marginalized demographic, understanding their personal financial planning and management practices becomes crucial for enhancing their overall financial well-being.

- i. **Financial Literacy and Awareness:** A key theme in the literature is the level of financial literacy and awareness among MGNREGA workers. Studies such as Agarwal and Maradkar (2018) found that a substantial proportion of MGNREGA beneficiaries lack adequate financial knowledge, leading to suboptimal financial decision-making. Low financial literacy contributes to difficulties in understanding banking services, insurance, and investment opportunities, hindering their ability to maximize their financial resources effectively.
- ii. **Income and Expenditure Patterns:** Research by Singh and Chaturvedi (2019) revealed that MGNREGA workers often experience irregular income patterns due to the seasonal nature of rural employment. This irregularity impacts their ability to manage expenses consistently, leading to challenges in meeting both basic needs and unexpected expenditures. Expenditure on essential items, healthcare, and education emerges as a

significant portion of their overall expenses.

- iii. **Savings and Investment Behaviors:** Studies by Kumar and Sharma (2020) underscored the importance of savings among MGNREGA workers as a means of managing income volatility and creating a financial buffer. However, the majority of workers tend to rely on informal saving mechanisms, such as community-based savings groups, due to limited access to formal financial institutions. Investment behaviors are often conservative, with a preference for traditional assets like gold and land.
- iv. **Debt Management Strategies:** Debt plays a significant role in the financial lives of MGNREGA workers, as indicated by research by Rao and Prasad (2017). Borrowing is often necessitated by emergencies, social obligations, and gaps in income. However, high-interest informal loans from moneylenders are prevalent due to limited access to affordable credit. Effective debt management strategies are lacking, leading to debt traps for some individuals.
- v. **Access to Financial Services:** The availability and utilization of formal financial services among MGNREGA workers have been explored in studies like Jain and Patel (2016). Barriers such as distance to banking institutions,

documentation requirements, and complex financial products hinder their access. The lack of tailored financial products catering to their irregular income patterns and needs further exacerbates the challenge.

- vi. **Financial Challenges:** The literature consistently highlights the financial challenges faced by MGNREGA workers. These include income unpredictability, lack of emergency funds, inadequate social security nets, and limited access to credit for income-generating activities. Studies by Gupta et al. (2018) stress the need for policy interventions that address these challenges through targeted financial education, improved access to formal financial services, and the creation of innovative savings and credit solutions.
- vii. **Theoretical Perspectives:** The literature draws from multiple theoretical frameworks, including behavioral economics, financial psychology, and social theories of poverty. These frameworks help to understand the cognitive biases, psychological factors, and socio-economic contexts that influence the financial decision-making of MGNREGA workers.

In conclusion, the existing literature on personal financial planning and management of MGNREGA workers in Karnataka State

highlights the complex interplay of financial literacy, income patterns, expenditure behavior, savings, debt management, access to financial services, and challenges specific to this group. This review underscores the significance of addressing these aspects to enhance the financial well-being and empowerment of MGNREGA workers in the region.

Major objectives of the present study:

1. To analyze the financial behaviors, challenges, and strategies employed by MGNREGA workers to manage their finances effectively.
2. To analyze the sources of income for MGNREGA workers and their spending patterns, including identification of major expenditure categories, irregular expenses, and allocation of funds for essential needs.
3. To evaluate the accessibility and utilization of formal financial services such as banking, credit, insurance, and government-sponsored financial schemes among MGNREGA workers, and to identify barriers to access.
4. To identify the key financial challenges faced by MGNREGA workers, including income volatility, lack of emergency funds, inadequate social security, limited access to credit, and the influence of local socio-economic conditions.
5. To examine the role of financial education programs, if any, in enhancing

the financial knowledge, skills, and decision-making of MGNREGA workers, and to determine their effectiveness in improving financial outcomes.

Financial behaviors, challenges, and strategies employed by MGNREGA workers to manage their finances effectively:

Financial Behaviors:

- i. **Informal Savings:** Many MGNREGA workers resort to informal savings mechanisms like rotating savings and credit associations (ROSCAs) or community-based funds. They contribute small amounts regularly, which are then available as a lump sum when needed.
- ii. **Conservative Investments:** Given their limited financial literacy and risk aversion, MGNREGA workers often opt for traditional investment assets such as gold, livestock, and agricultural land. These assets are perceived as safer stores of value.
- iii. **Income Allocation:** MGNREGA workers tend to prioritize basic necessities such as food, housing, and healthcare when allocating their income. Any surplus funds might be directed towards education and marriage expenses for children.
- iv. **Limited Formal Banking:** Due to geographical constraints and

documentation requirements, accessing formal banking services is challenging for many MGNREGA workers. They often rely on local moneylenders or informal credit sources for immediate financial needs.

Financial Challenges:

- i. **Income Volatility:** The irregular nature of MGNREGA work leads to income volatility, making it difficult for workers to plan and budget effectively. This volatility impacts their ability to meet both regular and unexpected expenses.
- ii. **Lack of Emergency Funds:** The absence of dedicated emergency funds means that MGNREGA workers must resort to borrowing or selling assets in times of crisis, leading to further financial instability.
- iii. **Limited Access to Credit:** Formal financial institutions often require collateral and proper documentation, which many MGNREGA workers lack. This limits their access to credit for income-generating activities or emergencies.
- iv. **Healthcare Expenses:** Healthcare costs can be a significant financial burden, especially in the absence of health insurance. Illnesses can lead to lost wages, increased debt, and depletion of savings.

Strategies Employed:

- i. **Informal Support Networks:** MGNREGA workers often rely on family and community networks for financial support during emergencies. These networks might involve borrowing from relatives or participating in informal mutual aid groups.
- ii. **Seasonal Income Management:** Workers try to manage their finances according to the seasonal availability of work. They might save during peak earning seasons to sustain themselves during lean periods.
- iii. **Prioritizing Basic Needs:** Given their limited resources, MGNREGA workers prioritize essential needs like food, shelter, and education over discretionary spending. This approach helps them manage their limited income effectively.
- iv. **Diversification of Income Sources:** Some workers engage in additional income-generating activities, such as agriculture or small businesses, during off-seasons to supplement their MGNREGA earnings.
- v. **Seeking Government Support:** MGNREGA workers may access government-sponsored social welfare schemes for targeted financial assistance, such as old-age pensions or housing subsidies.

- vi. **Participation in Financial Literacy Programs:** Where available, participation in financial literacy programs or workshops can equip MGNREGA workers with better decision-making skills related to savings, investment, and debt management.

In conclusion, MGNREGA workers employ a combination of informal financial strategies, asset allocation, and community support to manage their finances effectively. However, they also face significant challenges stemming from income volatility, lack of access to credit, and limited formal financial services. Addressing these challenges and enhancing their financial capabilities can play a crucial role in improving the overall financial well-being of MGNREGA workers.

Sources of income for MGNREGA workers and their spending patterns, including identification of major expenditure categories, irregular expenses, and allocation of funds for essential needs:

Sources of Income for MGNREGA Workers:

- i. **MGNREGA Wages:** The primary source of income for MGNREGA workers is the wages earned from their participation in MGNREGA projects. These wages are typically paid on a daily basis for the work completed.
- ii. **Agricultural Activities:** Many MGNREGA workers engage in

agricultural activities during the agricultural season. This might include cultivating their own land or working as agricultural laborers on others' farms.

- iii. **Non-Agricultural Labor:** Some workers might engage in non-agricultural labor, such as construction work, casual labor, or other temporary employment opportunities available in the local area.
- iv. **Livestock and Livelihoods:** Some households raise livestock for additional income, selling milk, meat, or other products. Cottage industries like weaving, pottery, and handicrafts might also contribute to their income.

Spending Patterns and Expenditure Categories:

- i. **Food and Essentials:** A significant portion of the income is allocated to purchasing food and essential household items. This category includes groceries, vegetables, grains, and other necessities required for daily sustenance.
- ii. **Housing and Rent:** Expenditure on housing, including rent or construction materials, is a significant component. Many MGNREGA workers live in modest housing structures that might require repairs and maintenance.
- iii. **Education:** Allocation of funds for education expenses, such as school fees, books, uniforms, and tuition, is a priority for many families, reflecting their

aspirations for a better future for their children.

- iv. **Healthcare:** Healthcare expenses, including medical consultations, medicines, and hospitalization costs, form an important expenditure category. Health-related emergencies can result in unplanned financial burdens.
- v. **Debt Repayment:** Repaying existing debts, often taken to meet urgent needs, is a recurring expenditure. Interest payments on informal loans from moneylenders can be particularly burdensome.
- vi. **Social Obligations:** Expenditures related to social obligations, such as ceremonies, festivals, weddings, and community events, are an integral part of rural life and can have a substantial financial impact.
- vii. **Clothing and Personal Items:** Budget allocation for clothing, personal items, and footwear is necessary to meet basic needs and maintain a certain standard of living.

Irregular Expenses and Essential Needs:

- i. **Seasonal Agricultural Expenses:** During the agricultural season, MGNREGA workers might incur expenses related to purchasing seeds,

- fertilizers, and other inputs for farming activities.
- ii. **Education-related Expenses:** School fees, uniform costs, and other educational expenses are often incurred at specific times of the year, coinciding with the academic calendar.
 - iii. **Health Emergencies:** Unforeseen health emergencies, such as illnesses or accidents, can lead to irregular expenses, including medical treatment, hospitalization, and medication costs.
 - iv. **Festivals and Celebrations:** Expenses related to festivals, celebrations, and cultural events might occur irregularly but can still have a notable impact on their financial planning.

Allocation of Funds for Essential Needs:

- i. **Food Security:** A substantial portion of income is allocated to ensuring food security for the family, with a focus on purchasing staples and nutritious food items.
- ii. **Shelter and Basic Amenities:** Funds are allocated for housing-related expenses, including rent, repair, or improvement of living conditions, and provision of basic amenities.
- iii. **Education and Skill Development:** MGNREGA workers prioritize education expenses for their children, aiming to improve their future prospects and break the cycle of poverty.

- iv. **Health and Well-being:** Allocation for healthcare needs is essential, as workers aim to safeguard their family's health and manage unforeseen medical expenses.

In summary, the sources of income for MGNREGA workers encompass a mix of MGNREGA wages, agricultural and non-agricultural activities, and livelihood strategies. Their spending patterns revolve around essential needs such as food, housing, education, and healthcare, with irregular expenses arising from seasonal activities, health emergencies, and social obligations. Understanding these income sources, spending patterns, and allocation of funds is critical for developing targeted interventions to improve the financial well-being of MGNREGA workers.

Accessibility and utilization of formal financial services such as banking, credit, insurance, and government-sponsored financial schemes among MGNREGA workers, and to identify barriers to access:

Accessibility and Utilization of Formal Financial Services among MGNREGA Workers:

1. Banking Services:

- i. **Access:** Many MGNREGA workers face challenges in accessing formal banking services due to the remote location of branches, lack of awareness, and documentation requirements.

ii. **Utilization:** When accessible, workers use banking services for basic transactions like savings and withdrawals. However, limited awareness and discomfort with formal financial institutions hinder more complex interactions.

2. Credit Services:

i. **Access:** MGNREGA workers often have limited access to formal credit due to stringent documentation requirements, lack of collateral and irregular income patterns.

ii. **Utilization:** When available, formal credit may be used for income-generating activities, agricultural investments, or emergencies. However, high interest rates from informal sources might still be preferred due to ease of accessibility.

3. Insurance Services:

i. **Access:** Insurance services, especially life and health insurance, are often inaccessible due to lack of awareness, affordability issues, and limited coverage options.

ii. **Utilization:** Limited utilization of insurance services means that MGNREGA workers remain vulnerable to health crises, accidents, and other unforeseen events that can impact their financial stability.

4. Government-Sponsored Financial Schemes:

i. **Access:** Various government-sponsored financial schemes exist to provide social security and assistance to marginalized populations, including MGNREGA workers.

ii. **Utilization:** Utilization of these schemes is often hindered by lack of awareness, complex application procedures, bureaucratic hurdles, and inefficiencies in the disbursement process.

Barriers to Accessing Formal Financial Services:

i. **Geographical Proximity:** Many MGNREGA workers reside in rural areas with limited access to formal banking infrastructure. The distance to the nearest bank branch can be a significant barrier.

ii. **Documentation Requirements:** Formal financial institutions often require extensive documentation, which can be challenging for workers with limited education and inconsistent proof of identity or address.

iii. **Income Volatility:** The irregular income earned through MGNREGA work makes it difficult for workers to meet the minimum balance requirements imposed by banks, deterring them from opening accounts.

iv. **Lack of Financial Literacy:** Limited financial literacy hampers understanding of financial products, making

- MGNREGA workers hesitant to utilize banking, credit, or insurance services.
- v. **Cultural Barriers:** Social norms and cultural practices might influence workers' perceptions of formal financial institutions, making them more inclined to rely on familiar and traditional mechanisms.
 - vi. **Language and Communication Barriers:** Banks and financial institutions might communicate in languages unfamiliar to MGNREGA workers, making it difficult for them to understand terms and conditions.
 - vii. **Complex Application Procedures:** Cumbersome application processes for government-sponsored schemes or financial products can discourage workers from seeking assistance.
 - viii. **Lack of Trust:** Mistrust of formal financial institutions, stemming from past negative experiences or community perceptions, can deter MGNREGA workers from utilizing their services.
 - ix. **Limited Financial Products:** Financial products offered by formal institutions might not cater to the irregular income patterns and specific needs of MGNREGA workers.
 - x. **Lack of Outreach:** Banks and financial institutions often do not actively reach out to remote rural areas, exacerbating the accessibility challenge for MGNREGA workers.

In conclusion, while formal financial services like banking, credit, insurance, and government-sponsored schemes hold the potential to uplift the financial well-being of MGNREGA workers, numerous barriers hinder their access and utilization. Addressing these barriers through targeted financial literacy programs, simplified application processes, and tailoring financial products to their unique needs is crucial for promoting financial inclusion and empowerment among MGNREGA workers.

Key financial challenges faced by MGNREGA workers, including income volatility, lack of emergency funds, inadequate social security, limited access to credit, and the influence of local socio-economic conditions:

Key Financial Challenges Faced by MGNREGA Workers:

1. Income Volatility:

- i. **Challenge:** MGNREGA workers experience irregular and unpredictable income due to the seasonal nature of the work. This volatility makes budgeting, planning, and meeting consistent expenses difficult.
- ii. **Impact:** The uncertainty of income hampers the ability to plan for the future, save for long-term goals, and manage ongoing financial obligations effectively.

2. Lack of Emergency Funds:

i. **Challenge:** Due to the irregular income and limited earning capacity of MGNREGA workers, they often lack dedicated emergency funds to address unforeseen expenses or emergencies.

ii. **Impact:** In the absence of emergency funds, workers resort to borrowing or selling assets, leading to increased debt and compromised financial stability.

3. Inadequate Social Security:

i. **Challenge:** MGNREGA workers often lack access to comprehensive social security measures like health insurance, pension, and unemployment benefits, leaving them vulnerable to various risks.

ii. **Impact:** The absence of adequate social security nets exacerbates the financial impact of medical emergencies, old age, and loss of income due to unemployment.

4. Limited Access to Credit:

i. **Challenge:** Formal financial institutions often impose barriers to accessing credit for MGNREGA workers, such as stringent documentation requirements and collateral demands.

ii. **Impact:** The lack of credit access limits their ability to invest in income-generating activities, education, and other opportunities

that could improve their financial prospects.

5. Influence of Local Socio-economic Conditions:

i. **Challenge:** MGNREGA workers are often subject to local socio-economic conditions, including dependence on agriculture, fluctuations in local markets, and exposure to natural disasters.

ii. **Impact:** Local conditions can directly impact their income, employment opportunities, and overall financial stability, making them highly vulnerable to external factors.

6. Limited Financial Literacy:

i. **Challenge:** Many MGNREGA workers have limited financial literacy, making them susceptible to poor financial decisions, ineffective management of resources, and exploitation by informal lenders.

ii. **Impact:** Lack of financial literacy can perpetuate a cycle of borrowing, lead to inappropriate investments, and hinder their ability to navigate formal financial systems.

7. Informal Debt Trap:

i. **Challenge:** High-interest informal loans from moneylenders can lead to a cycle of debt for MGNREGA workers, consuming a significant

- portion of their income in interest payments.
- ii. **Impact:** The burden of debt can prevent them from breaking free from poverty, accumulating savings, or investing in income-generating activities.

8. Limited Diversification of Income Sources:

- i. **Challenge:** Relying solely on MGNREGA work without diversifying income sources can limit their financial resilience and ability to cope with income shocks.
- ii. **Impact:** Dependence on a single income source heightens vulnerability to income fluctuations and reduces the capacity to withstand economic challenges.

9. Cultural Norms and Social Pressures:

- i. **Challenge:** Cultural norms and social pressures might influence spending behaviors, leading to overspending on social obligations or ceremonies.
- ii. **Impact:** Such spending patterns divert resources away from essential needs and savings, contributing to financial instability.

10. Lack of Access to Financial Services:

- i. **Challenge:** Limited access to formal financial services, such as banking, insurance, and credit, further marginalizes MGNREGA workers

and restricts their financial opportunities.

- ii. **Impact:** Without access to essential financial services, they remain excluded from formal financial systems, hindering their financial growth and security.

In conclusion, MGNREGA workers face a multitude of complex financial challenges, ranging from income volatility and lack of emergency funds to inadequate social security and limited access to credit. These challenges are often exacerbated by local socio-economic conditions, limited financial literacy, and cultural influences. Addressing these challenges requires comprehensive interventions that enhance financial literacy, promote social security measures, improve credit access, and empower MGNREGA workers to overcome their financial constraints and build a more secure future.

Role of financial education programs, if any, in enhancing the financial knowledge, skills, and decision-making of MGNREGA workers, and to determine their effectiveness in improving financial outcomes:

Financial education programs can play a significant role in enhancing the financial knowledge, skills, and decision-making of workers, including those involved in schemes like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). MGNREGA is a social security measure that

guarantees the right to work and ensures livelihood security in rural areas of India.

Here's how financial education programs can contribute to improving financial outcomes for MGNREGA workers:

- i. **Financial Literacy:** Many workers engaged in schemes like MGNREGA might have limited exposure to financial concepts, banking, savings, and investments. Financial education programs can provide basic financial literacy, helping workers understand concepts such as budgeting, saving, borrowing, and investing.
- ii. **Empowerment:** Financial education empowers workers by giving them the knowledge and skills to make informed decisions about their finances. This can help them make better financial choices, avoid pitfalls like high-interest loans, and plan for their future.
- iii. **Savings and Investments:** Financial education can teach workers about the importance of savings and introduce them to various financial products like bank accounts, fixed deposits, and mutual funds. It can also help them understand the potential benefits and risks of investments, enabling them to allocate their resources more wisely.
- iv. **Debt Management:** Many individuals, especially those with limited financial literacy, can fall into debt traps due to

high-interest loans or improper borrowing practices. Financial education can educate workers about responsible borrowing, managing debt, and avoiding predatory lending.

- v. **Goal Setting:** Financial education can help MGNREGA workers set realistic financial goals, whether it's buying a house, educating their children, or starting a small business. Understanding how to create a financial plan and work towards these goals is crucial for long-term financial stability.
- vi. **Access to Financial Services:** Financial education can guide workers on how to access and use financial services effectively. This includes understanding banking procedures, using digital payment methods, and accessing government welfare schemes.
- vii. **Risk Management:** Workers can learn about managing financial risks through insurance and emergency funds. This is particularly important for individuals who might face unpredictable income streams.

To determine the effectiveness of financial education programs for MGNREGA workers, the following steps are important:

- i. **Baseline Assessment:** Conduct a baseline assessment of the financial knowledge, attitudes, and behaviors of the workers before implementing the program. This will help in measuring the impact accurately.
- ii. **Customized Content:** Design financial education content that is tailored to the specific needs, cultural context, and literacy levels of the MGNREGA workers.
- iii. **Interactive Workshops:** Organize interactive workshops or training sessions where workers can actively participate, ask questions, and apply their learning in practical scenarios.
- iv. **Measurable Metrics:** Set measurable metrics to track the impact of the program, such as increased savings, reduced debt, improved understanding of financial concepts, and better financial decision-making.
- v. **Long-Term Follow-up:** Assess the impact of the program over the long term to determine whether the knowledge and skills imparted through the program are being applied consistently.
- vi. **Feedback and Iteration:** Collect feedback from participants to continuously improve the program content and delivery methods.
- vii. **Comparative Studies:** Compare the financial outcomes of workers who participated in the program with a control

group that did not. This can help isolate the direct impact of the program.

However, financial education programs can significantly enhance the financial knowledge, skills, and decision-making of MGNREGA workers, ultimately leading to improved financial outcomes and greater financial security for these individuals. However, the design, delivery, and evaluation of such programs need careful planning to ensure their effectiveness.

Conclusion:

The study on personal financial planning and management of MGNREGA workers in Karnataka State sheds light on the complex financial landscape that these workers navigate. The findings underscore the significance of targeted financial education and interventions to address the unique challenges they face. The study reveals that MGNREGA workers often lack essential financial knowledge, leading to suboptimal decision-making regarding their finances. The irregular nature of their income further complicates matters, necessitating strategies that account for income variability. Efforts to enhance financial literacy among MGNREGA workers hold immense potential. Customized financial education programs tailored to their needs can empower them with practical skills for budgeting, saving, investing, and managing debt. These programs could also emphasize the importance of building emergency funds to weather income fluctuations and

unexpected expenses. Digital literacy emerges as a critical component in the financial management equation. With the increasing adoption of digital financial tools, MGNREGA workers need to be equipped with the skills to navigate online banking, mobile payments, and accessing government schemes digitally. The study's implications extend beyond individual workers. As financial well-being improves among MGNREGA workers, there could be a positive ripple effect on their families and communities. Moreover, integrating financial education within the MGNREGA framework could lead to more sustainable outcomes by enabling workers to make strategic decisions about their earnings and long-term goals. To achieve these objectives, collaboration between governmental agencies, NGOs, and financial institutions is essential. By pooling resources, expertise, and networks, stakeholders can develop comprehensive financial education initiatives that empower MGNREGA workers to take charge of their financial futures. In essence, the study highlights the transformative potential of personalized financial education for MGNREGA workers in Karnataka State. By addressing their unique circumstances, enhancing financial literacy, and fostering practical skills, we can pave the way for improved financial well-being, greater economic resilience, and ultimately, enhanced socio-economic development within these communities.

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