Role of Financial Literacy in Women's Empowerment and Inclusive Growth

Prithvi Raj Gupta
The Bhopal School of Social Sciences

ABSTRACT

Increasing numbers of women worldwide are becoming financially literate. Financial literacy has become essential to women's economic and social empowerment in developing countries. As financial systems continue to grow more complex, women's ability to comprehend, access, and utilize financial services will play an important role in their decision-making prowess, financial independence, and well-being. This research investigates financial literacy's role in empowering women and promoting inclusive growth. It assesses the level of financial awareness among women, the availability of formal financial services, and how much their personal and economic empowerment is linked to their level of finance knowledge. The researcher will employ a descriptive qualitative research design using primary data collected from a sample of women with heterogeneous socioeconomic backgrounds. Results indicate that higher levels of financial literacy correlate positively with an increase in savings behaviour, participation in formal banking, making better investment decisions, and having greater confidence in finances; however, a large number of women still face barriers to accessing financial institutions and/or digital financial solutions and/or through social and cultural norms that prevent them from being financially inclusive. Therefore, targeted financial education programmes, policy initiatives, and institutional support are all required to further develop women's financial literacy.Not only does promoting financial literacy among women foster individual empowerment, it is necessary for sustainable and inclusive economic growth as well.

Keywords: Financial Literacy, Women's Empowerment, Financial Inclusion, Inclusive Growth, Economic Independence.

INTRODUCTION

Background of the Study

Today's digital financial environment places increased the ability of women's to make informed decisions through financial literacy, which is also very important for helping women engage in the economy. The wide range of digital financial services (e.g., banking, credit, insurance, and investing) has increased access for all consumers. Nevertheless, substantial gender disparities exist in financial awareness and participation. Many women, particularly those living in developing countries, experience barriers to financial independence due to social, cultural, and structural factors impacting their ability to attain this level of independence. Thus, educating women about their finance or providing access to education to women to teach them how to manage their finances is critical in order to promote economic stability, decision-making power, and other forms of empowerment for women.

Research Context

Financial inclusion and gender equality are the broad parameters of this research study, where financial literacy will be highlighted as a critical driver of women's empowerment and inclusive growth. Government, financial institutions and many global organizations have indicated that there are significant advantages to educating women about savings, budgeting and investing their money. In addition, however, significant portions of women still do not have sufficient financial literacy to be able to effectively plan and manage their own finances. This study will also provide an understanding of how financial literacy can affect women's empowerment and therefore support the overall development of the economy .

Problem Statement

Many women lack knowledge about finances, making them dependent on others for money management. This also prevents them from having an equality when it comes to making choices about their finances, as well as not being able to access banks or other forms of formal financial help. Due to the underdevelopment of financial education and the absence of digital competencies, women are unable to access various resources, including developing their own businesses or startups, thus limiting their ability to achieve independence. This report will review how women today have

very low levels of financial literacy, hindering their ability to be economically independent and participate fully in the development of society.

Purpose of the Study

The purpose of this study was to evaluate what role does financial literacy play to enhance women's empowerment as well as promote inclusive growth because of increasing awareness, improving accessibility, as well as how it affects women's ability to make informed financial decisions.

REVIEW OF LITERATURE

Numerous researchers have explored the significance of women's financial literacy for women's empowerment and inclusion into the economy. Researchers show that the more financial knowledge someone has, the better their decisions will be made and the more independent they can become as an individual.

In their research, Lusardi and Mitchell (2014) concluded that women tend to have lower levels of financial literacy than men; this affects the woman's ability to save, invest and plan for the future. Their study suggested that by improving financial education programs aiming for women empowerment, we can improve how women manage their finances and eliminate lack of financial confidence.

Additionally, the OECD (2018) provided findings that support the notion that financial literacy is important for women to understand how to use banking, budgeting, and investing, which will enhance their overall financial well-being.

In reference to access to financial services for women, Demirgüç-Kunt et al. (2017) stated that even though the number of people that have access to a bank account is increasing, many women still have challenges when attempting to engage in banking and other formal financial services. Barriers such as lack of documentation, insufficient digital knowledge, and cultural restrictions often prevent women from using bank accounts and digital financial services. The researchers recommended increased promotion of digital and financial education for women by the government and financial institutions to improve women's participation in finance.

According to Kabeer (2012), when women are financially independent; their confidence, ability to make decisions and status in the family and the wider community increase significantly. In addition, the World Bank (2020) found that women who are financially literate are more likely to save, invest and participate in activities that generate income and therefore contribute to economic growth and development. Research indicates that financial literacy is a critical factor in increasing women's awareness, access to financial services, and their empowerment, however, further research is needed; especially on the topic of women's empowerment through financial literacy within developing countries, particularly India.

OBJECTIVES

1.) To Assess the Level of Financial Literacy & Awareness of Women

2.) To Examine Women's Access & Use of Formal Financial Services

3.) To Understand How Financial Literacy Impacts Women's Empowerment & Inclusive Growth

RESEARCH METHODOLOGY

Research Design

The design determines the type of research; descriptive studies are based on observing an event and describing it within a specific context. The purpose of the study is to identify the current level of female student's financial literacy and assess how it has impacted their development and created opportunities for growth.

Nature of data

Data used by this study includes collected first-hand information (or primary data) obtained directly from participants using a structured survey delivered via an online form created with Google Forms. Second-hand (or secondary) data, which was used to create context for and support literatures within this study, came from additional sources such as books, journal articles, and website resources.

Sampling method and Sample size

The purposive selection technique was utilized when recruiting participants; the researcher selected the participant based on her availability to be able to complete the

survey/questionnaire, as well as her willingness to complete it. The final sample consisted of 64 female-college students at the researcher's post-secondary institution.

Tools and Instruments used

The primary instrument used to collect data consisted of a structured questionnaire delivered via a Google Form. The questionnaire contained questions regarding three factors associated with the participants:

- Level of financial awareness,
- Availability of and use/able access to banking & digital financial services, and
- Financial decision making and women's empowerment through being able to access and utilize banking and/or digital financial services.

Data Analysis Techniques

Analysis of the data collected from the questionnaire was performed using simple statistics – percentages of the participant's response on each question, tables with frequency distributions, and pie charts displaying both results and trends within the data collected. Analysis of the data will identify an association between financial literacy, access to services utilized by females, and female empowerment.

The study follows a descriptive research design, as it aims to analyze the existing level of financial literacy among female college students and examine its role in their empowerment and inclusive growth.

DATA ANALYSIS AND RESULTS / FINDINGS

The data analysis is based on the responses collected from 64 female students through a structured Google Form questionnaire. The analysis focuses only on the main questions that are directly linked to the three research objectives of the study. Simple statistical tools such as percentage analysis and tabulation have been used for interpretation.

Table 1: Overall Level of Financial Literacy among Respondents

Level of Financial Literacy No. of Respondents Percentage (%)

Level of Financial Literacy	No. of Respondents	Percentage (%)
Excellent	10	15.6
Good	33	51.6
Average	19	29.7
Poor	2	3.1
Total	64	100%

Interpretation:

The table indicates that approx 16% of respondents possess a high level of financial literacy, 80% have a moderate level, and 4% have a low level of financial literacy. This suggests that while a considerable proportion of female students have a reasonable understanding of financial concepts, there is still a section that requires improved financial awareness and education.

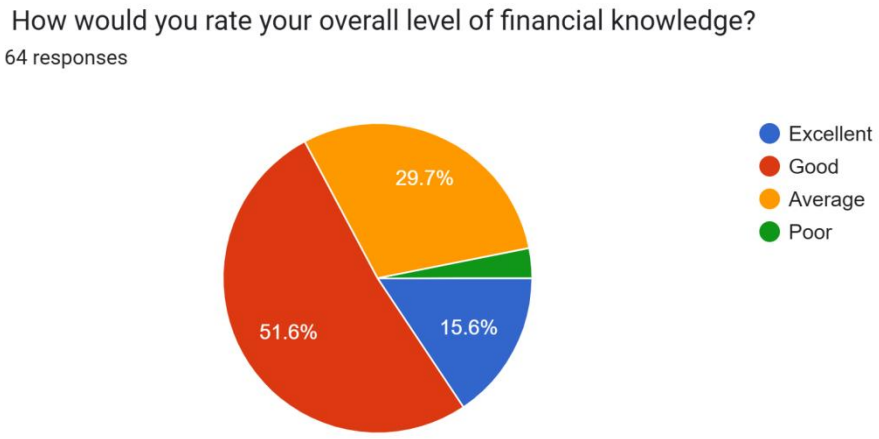


Table 2: Do you have access to Formal banking services or digital financial services ?

Response	No. of Respondents	Percentage (%)
Yes	61	95
No	3	5
Total	64	100%

Interpretation:

The results reveal that 95% of respondents have access to formal banking and digital financial services, while 5% do not. This shows that although financial accessibility has improved among young women, some still face barriers in accessing or using

formal financial services such as bank accounts, mobile banking, or digital payment platforms.

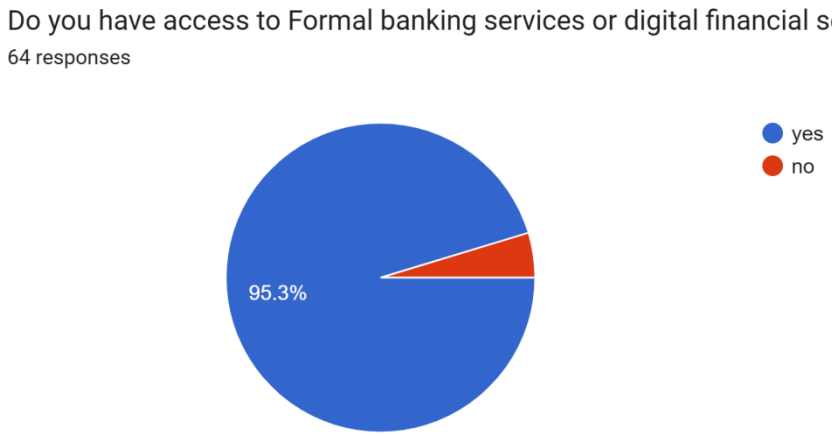


Table 3: Use of Digital Payment Methods

Frequency of Use	No. of Respondents	Percentage (%)
Regularly	47	73.4
Sometimes	14	21.9
Rarely	2	3.1
Never	1	1.6
Total	64	100%

Interpretation:

The table shows that 73.4% of respondents regularly use digital payment methods such as UPI, mobile banking, or e-wallets, while 3.1% use them only occasionally. A smaller proportion rarely or never use digital financial tools, indicating the need for greater digital financial awareness among some students.

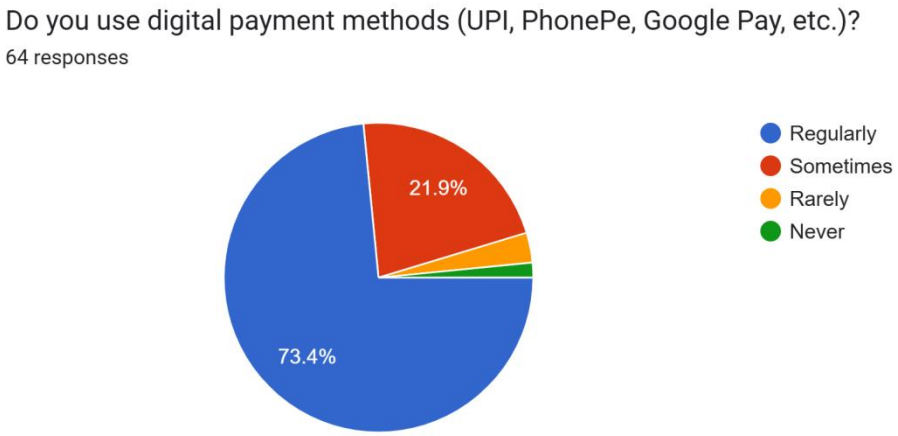


Table 4: How well do you understand basic financial terms like budgeting, saving, and investing?

Knowledge Level	No. of Respondents	Percentage (%)
Very well	16	25
Moderately well	35	54.7
Slightly	9	14.1
Not at all	4	8.3
Total	64	100%

Interpretation:

The findings indicate that 25% of respondents agree that they have a strong knowledge of finance, while 55% have moderate knowledge, 23% approx reported to have a low knowledge, which suggests that financial literacy plays a significant role in enhancing confidence, independence, and participation in financial matters among female students.

Overall Findings of the Study

The analysis suggests that a majority of female students possess moderate to high financial literacy and have access to basic banking and digital financial services. Most respondents actively use digital payment methods and acknowledge that financial literacy positively influences their confidence, independence, and decision-making ability. However, some students still lack adequate financial awareness and face

difficulties in fully utilizing formal financial services. This highlights the need for enhanced financial education and awareness programs for young women to promote greater financial inclusion and empowerment.

CONCLUSION

This study illustrates the importance of financial literacy in empowering women and creating inclusive economic growth. Financial literacy increases women's knowledge of finance, helps them gain access to and utilize formal financial services, and ultimately increases their self-confidence when making financial decisions. Financial literacy is particularly critical for female college students to promote their financial independence, enhance their ability to manage their finances successfully, and increase their participation in digital and traditional financial systems. The research indicates that being financially literate gives women the tools necessary to make well-informed financial decisions and become less dependent on others while contributing to the economic development of their communities. Thus, developing financial literacy is an important personal competency as well as a guiding principle for achieving gender equality, achieving financial inclusion, and achieving sustainable inclusive development. Therefore, it is imperative that we strengthen the delivery of financial education to young women to create a financially literate, confident, empowered generation.

LIMITATIONS OF THE STUDY

- The study is limited to 64 female students, which may not fully represent all women in society.
- The sample size is relatively small, which may affect the generalizability of the results.
- The research focuses mainly on awareness and accessibility and does not deeply examine all dimensions of financial empowerment.

SCOPE FOR FUTURE RESEARCH

Future research can include a larger and more diverse sample covering multiple colleges, working women, and rural populations. Comparative studies between rural and urban women can provide deeper insights into financial literacy gaps. Researchers can also examine the impact of formal financial education programs on women's empowerment over time. Further studies may explore the role of digital financial literacy and its influence on women's economic participation and decision-making.

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