

STUDY OF FINANCIAL LITERACY AMONG WORKING WOMEN OF INDIA AND ITS IMPORTANCE FOR ECONOMIC GROWTH

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Abstract

Financial literacy plays a pivotal role in empowering working women in India, enhancing their ability to make informed financial decisions and achieve economic independence. Despite increasing female participation in both formal and informal sectors, a significant gender gap persists in financial awareness, access to banking services, and long-term financial planning. This research explores the current states of financial literacy among Indian working women, its underlying causes and broader implications for individual empowerment and national economic development. Secondary data sourced from research papers, government reports, and institutional surveys indicate that only 21% of Indian women are financially literate compared to 27% of men, with access to active bank accounts also showing a 12% gender disparity. Socio economic barriers, cultural norms and lack of targeted financial education contribute to this gap. The study further analyses how improving women's financial literacy fosters entrepreneurship, digital inclusion, household economic securities and greater participations in the labour market. It also highlights key strategic areas such as skilling, formalisation, childcare infrastructure and digital empowerment as enablers of financial inclusion. The paper includes by offering practical recommendations to enhance financial literacy among working women, thereby promoting gender equality, economic resilience and inclusive national growth.

Keywords: Financial literacy, women empowerment, economic growth, gender disparity

Introduction:

Women's empowerment is one of the nation's greatest difficulties, and it can only be accomplished once the country's women are autonomous, educated, and financially aware. The ability to make thoughtful decisions and make wise financial management and use decisions is a sign of financial literacy. It is really encouraging to observe that although women are now on par with men in every

sector, they still rely on their family's male members to make financial decisions for them. Working women in India continue to have extremely low levels of financial literacy, which restricts their ability to become financially independent and maintain long-term financial stability. Even though they make substantial contributions to the official and informal sectors, many women do not have access to basic financial instruments and information. This gap is made worse by obstacles like pay inequality, job instability in informal work, and a lack of exposure to banking and digital finance. Closing this gap is essential for both national economic growth and personal empowerment. Improving women's financial literacy can help them make better decisions, save and invest sensibly, and safeguard their futures in a changing economic environment.

OBJECTIVE:

1. To evaluate working women's present financial literacy in India
2. To determine the main causes of the disparity in financial literacy between Indian men and women.
3. To investigate how financial literacy affects working women's economic empowerment in India
4. To know the role of financially literate women in economic growth of India.
5. To make practical suggestions for raising working women's financial literacy in India

RESEARCH METHODOLOGY

Scope of study- The study focuses on assessing the financial literacy of working women in India, pinpoint major obstacles, evaluating its impact on economic empowerment and suggest ways to increase their financial literacy so they may better contribute to the country's economic development and growth.

Methods of data-The study relies on secondary data collected from research papers, government reports and credible websites related to financial literacy.

REVIEW OF LITERATURE

-Dr. Pranati Tilak, Dr. Amol Murgai, Dr. Jyoti Suraj harchekar(2023)” With an emphasis on investments, savings, and insurance, a study examined the financial literacy of working women in India. An online poll was used to collect quantitative data from 160 working women of different ages and income levels. Only a small number of working women in India showed enough awareness of financial matters, according to the data, indicating a low degree of financial literacy. Women's financial literacy was found to be influenced by a number of factors, including age, income, education, and work experience². Just 7% of Indian women make their own investment decisions, according to another study.”

-Blessy Roy, Dr. Ruchi Jain(2019) The study examines working women's investment choices in the education sector of Udaipur, with a particular emphasis on their knowledge of available investment opportunities. The results show a conservative approach to saving and investing among female employees in both teaching and non-teaching positions, with the majority of respondents being aware of different investment alternatives and primarily placing their savings in bank and post office fixed deposit.

-Blessy Roy, Dr. Ruchi Jain(2018) In order to improve comprehension for wider economic advantages, the study looks at the financial literacy of women working in Jaipur's financial

industry. The findings show that women are not sufficiently informed of financial strategies and planning resources. The study emphasizes the need for better understanding of financial ideas, goods, and services in order to support women in the area in making long-term financial plans. All things considered, the results highlight how crucial it is to empower women via financial literacy in order to promote economic expansion.

-Tapasya Julka Malhotra, Shravasti Jain(2017) The study looks at women's financial literacy in Jaipur, India, with an emphasis on how well they handle money in the face of economic hardship. The study, which involved a sample of 250 women employed as stall operators and domestic helpers, found that they lacked financial confidence and knowledge of financial terminology. In order to empower these women and enable them to better manage their finances for themselves and their families, it highlights the importance of financial education. The study ends with suggestions for raising working women's financial literacy, emphasizing the value of prudent financial habits and budgeting for increased financial stability.

-Ms. Priyanka Agarwal, Radhika Choudhary Kureel and Dr. Suman Yadav(2017) The importance of financial literacy in strengthening a nation's financial system and accomplishing economic objectives is emphasized in the article. It examines how financial literacy and financial inclusion are related, characterizing financial literacy as the knowledge of how economic factors influence household choices. Studying initiatives by Indian financial authorities, suggesting a curriculum at the school level to increase financial literacy, and assessing its possible effects are among the goals. According to the conclusion, incorporating fundamental financial concepts into school curricula will improve investing behavior and promote people's financial well-being, which will ultimately help the economy as a whole.

Ms Trivedi Prerna, Dr. Maqbool Adeel(2017) The welfare of a nation's people, including their access to basic essentials like food, housing, healthcare, and education, is crucial to its progress. About 30% of Indians live below the poverty line, and many impoverished women in rural regions struggle to make ends meet and do not participate in initiatives aimed at reducing poverty. India places a high priority on reducing poverty and empowering women in its development programs because it understands that effective development necessitates this. This study examines the effects of self-help groups (SHGs) and microfinance as successful tactics for boosting women's socioeconomic status and empowerment.

-Akshita Arora(2016) Despite advancements since independence, working women in Rajasthan, India, continue to have a low awareness of financial planning tools, according to a poll that evaluates their financial literacy skills. Despite having stronger attitudes and behaviors than their knowledge scores, the results demonstrate that women generally have low awareness of financial topics. In terms of financial literacy, unmarried women also perform better than married women. The results highlight the necessity of focused financial education to enable women to successfully manage their money.

-Dr. Garima Baluja(2016) The report emphasizes how India's financial markets are expanding and how important financial planning is becoming, especially for women. Due to physical, psychological, and cultural hurdles, women's financial literacy is still quite low, despite the

acknowledged significance of financial planning. Despite government efforts, there is still a significant disparity in men's and women's financial literacy. In order to solve this, the paper promotes the creation of new educational institutions and financial literacy initiatives tailored to women in order to empower them, increase their independence, and support national development.

-Mohamad Fazli Sabri, Teo Tze Juen (2014) According to the report, women in Malaysia's public sector had lower levels of retirement confidence than males do. The results show that the aforementioned criteria and retirement confidence have favorable connections, with financial management being the most significant predictor. In order to prevent future financial catastrophes, the study highlights the necessity for financial advisors to raise working women's understanding of retirement planning.

-Mrs. Malti Chijwani (2014) The capacity to efficiently handle financial resources, including investments, real estate, and insurance, as well as comprehending ideas like compound interest and consumer rights, is known as financial literacy. A person's financial health may suffer from a lack of financial literacy. The financial literacy of working women in the Pune area is evaluated in this study. To assess their understanding of financial instruments and capacity for making wise investment choices, a prepared questionnaire was given out. The purpose of the study is to ascertain how well-equipped these women are with the abilities and know-how required for prudent money management.

Research Gap

Despite growing discourse around women's empowerment and financial inclusion, a significant research gap persists in comprehensively understanding the financial literacy of working women in India, particularly across various socio-economic and geographic segments. Much of the existing literature focuses either on general financial literacy or on male-dominated economic behaviour, often overlooking the unique challenges and needs of working women in both formal and informal sectors. Current studies tend to be region-specific and fail to capture the national perspective on how cultural norms, wage disparities, limited access to digital tools, and lack of institutional support restrict women's financial capabilities. Furthermore, most research emphasizes knowledge of basic financial concepts like savings and banking while neglecting deeper aspects such as investment planning, retirement savings, digital financial services and entrepreneurship-related financial management. As a result, the long-term impact of financial literacy on women's economic empowerment and their contribution to national development remains underexplored.

Additionally, few studies offer a strategic framework or practical recommendations that can be implemented at policy or community levels to bridge the gender gap in financial literacy. There is also limited integration of government schemes, technological advancement, and skilling initiatives into the financial literacy discourse for women.

This study aims to fill these gaps by providing a comprehensive assessment of working women's financial literacy in India, identifying the core cause of gender disparity, analysing its impact on women's empowerment and highlighting the role of financially aware women in national economic growth. It further seeks to suggest actionable strategies and policy interventions to enhance financial

literacy, promote digital inclusion, and formalize women’s economic participation. By addressing these overlooked areas, the research contributes meaningful insights toward a more inclusive financial ecosystem that empowers Indian working women at all levels.

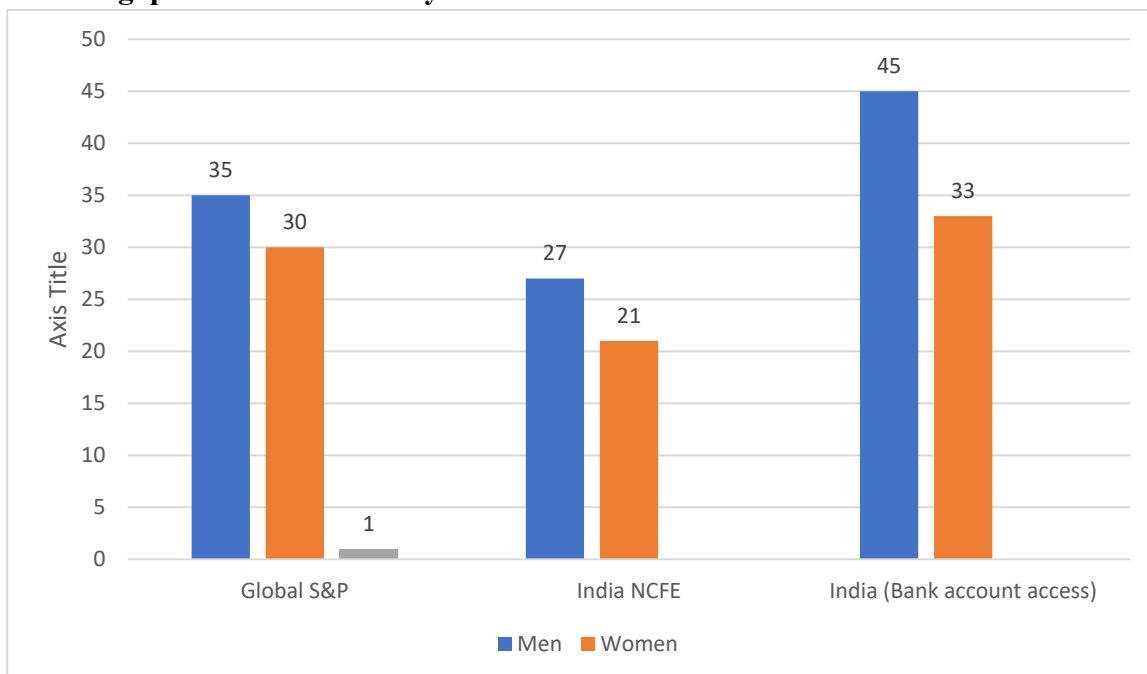
An Overview of Indian Working Women's Financial Literacy:

In India, there are serious gaps in working women's financial literacy, which impedes their ability to become economically independent and empowered. The concerning data and underlying causes influencing women's financial literacy and resource accessibility are brought to light by recent studies and surveys.

Current Statistics:

1. **General Literacy Rates:** In India, 27% of men are regarded as financially literate, while just 21% of women are. This discrepancy emphasizes how urgently women's financial education has to be improved.
2. **Access to Banking:** About 62% of Indian women lack bank accounts or have restricted access to banking services, which limits their capacity to properly handle their money.
3. **Challenges Faced:** A startling 80% of women have financial literacy issues, which is indicative of larger cultural and socioeconomic hurdles that prevent them from receiving financial education.

Gender gap in financial literacy and bank access



The gender disparity in bank access and financial literacy across many surveys is shown in this bar graph. For clarification, a matching table is provided below:

Table1. Gender gap in Financial Literacy and Bank Access

Category	Men (%)	Women (%)
Global (S&P) FinLit Survey	35	30
India NCFE Survey	27	21
India (Active bank account access)	45	33

- Justification: S&P Survey on Global Financial Literacy:
 - 35% of men and 30% of women
 - Depicts a global gender disparity in financial literacy of 5%.
- Financial Literacy in India (NCFE Survey):
 - Women 21%, Men 27%
 - India has a 6% gender gap in financial literacy, which is below the global average.
 - Shows that gender inequality and financial literacy are both worse in India.
- Access to Active Bank Accounts in India:
 - 45% of men and 33% of women
 - A 12% disparity in bank account accessibility, indicating a major obstacle to women's financial inclusion.
 - Women continue to fall behind in terms of account ownership and usage, even with programs like the Jan Dhan Yojana.

Implication: These numbers highlight the need for more banking access, focused financial education, and empowerment initiatives, especially in the unorganized and rural sectors.

Importance of Financial Literacy among Working Women in India

Aspects	Why financial literacy Matters	Economic Impacts	Supporting Data/ Examples
Economic labor Participation & Confidence behind	Enhances women’s ability to manage income, save, invest and make informed Job Decisions.	Increase labor force participation, tax contribution, and productivity.	FLFPR(Female force Participation Rate) rose to 41.7% But still lags

rate 50%			77.2% male
female			Global average.
Financial & Digital of Inclusion use	Enables women to use banking, UPI, digital wallets & govt schemes Effectively.	Drives cashless economy reduces, leakages, promotes inclusions in financial markets.	39.2% of bank accounts & 39.7% deposits are now held by women; rural internet 33%
Women-Led Entrepreneur-Ship loans	Equips women to understand loans, budgeting, taxation and business finance.	Encouraging women to job creators ,boosting innovation & Employment.	Nykaa, MobiKwiK, Yourstory;84% of Stand-Up India Go to women.
Household Economic Security financial mon-	Helps women balance expenses save for goals invest for children's future and manage emergencies.	Leads to healthier better educated families & long term poverty reduction.	Women spend 236 min/day on domestic work; literacy helps etise/invest spare time.
Reducing gender Pay gap	Empowers negotiation, pay transparency and Understanding of benefits.	Bridges gender wage disparities & supports Career advancements.	Urban men earn 29.4% more; rural men51.3% more than women.
Accessing legal/ Institutional Schemes benefits.	Informs women about rights, subsidies, maternity & safety protections.	Reduces dropout rates, improves retention & increases institutional trusts.	802 One stop Centres; 750 Fast Track Courts; 37% of orgs don't provide maternity

Scaling Remote Work & gig Opportunities with flexible	Helps women navigate freelance, gig jobs, & remote work platforms.	Unlocks underutilized talent pools, especially in rural & semi-urban areas.	67000 women run common service centres; gig economy booming job options.
Long term Financial Planning	Support saving for retirement, investing in Mutual funds,& managing demat accounts.	Builds wealth, reduces dependency & increases nation saving rate.	Female demat accounts tripled (2021-2024); growing mutual & SIP participation.

Key Strategic Areas & Measures

Strategic Area	Key Measures	Intended Impact
Skilling & local economy better Integration	-Align skilling with local demand -District-level Gender-Smart Skill Plan	Demand-driven skilling, employability.
Women’s enterprise & Finance	-Converged credit model (MUDRA) Stand-up India -SHGs as incubators -Peer mentorship	Growth of women led micro and nano enterprise
Childcare & Care Economy	-National Creche Grid -PPP childcare models -Skilling if care work.	Workforce retention recognition of unpaid care.
Infrastructure & Digital Ecosystems access.	-Gender budgeting in infra -PMGDISHA in rural areas -Community planning	Inclusive infrastructure, enhanced safety &
Formalisation & social visibility,	-Gender-smart Udyam drive	Legal protection,

Security	-Extend e-SHRAM, ESIC, NPS -Women-centric ODOP clusters	higher productivity.
Representation in governance	-gender quotas in boards & committees -Panchayat incentives -Capacity building on gender budgets.	Gender-sensitive decision making
Private Sector Work Norms careers	-Mandate paternity leave -Returnship & re-skilling -Gender equity Index	Inclusive workplaces, retention post breaks
Digital empowerment credit, Stack	-Adhaar-linked women's welfare stack -Doorstep fintech services via CSCs	Easier access to insurance, training
Decentralised Gender Planning interventions	-Gender Action Plans at local Levels -Use Time Use, NFHS, SECC data	Data- driven, context-specific

Analysis and Interpretation

The analysis of financial literacy among working women in India reveals critical insights into the gendered nature of financial empowerment and inclusion. According to data from the national centre for financial education (NCFE), only 21% of Indian women are financially literate compare to 27% of men. This 6% gap, though seemingly small, reflects deeply rooted socio-cultural and educational disparities that continue to limit women's access to financial knowledge and autonomy.

Despite growing workforce participation, financial independence remains elusive for many women. A 12% disparity in active bank account usage (33% of women vs.45% for men) indicates limited engagement with formal banking systems. Many working women especially in rural and semi-urban areas, still rely on male family members for financial decisions. This dependency restricts their ability to save, invest, or plan for the future effectively.

Further analysis shows that digital and entrepreneurial literacy is emerging as key driver of women's financial empowerment. Government initiatives like Stand-Up India have made significant contributions, with 84% of loans under the scheme going to women entrepreneurs. However, limited

digital literacy and lack of financial training often prevent women from fully leveraging these opportunities.

The Female Labour Force Participation Rate (FLFPR) remains low at 41.7% indicating that despite increased educational and economic opportunities, financial literacy alone is not enough. A comprehensive strategies involving financial education, skill development, and policy reform is essential to address these gaps.

In conclusion, the data underscore a strong correlation between financial literacy and women's economic empowerment. Financially literate women are more likely to engage savings, investments, entrepreneurship, and informed decision making, thereby contributing positively to household well-beings and national economic development. Enhancing financial literacy among working women is thus both a gender equity imperative and a strategic economic priority.

Finding of the study:

- There is a notable gender disparity in financial literacy, with only 21% of Indian women and 27% of males being financially knowledgeable.
- Many working women still rely on male family members to make financial decisions, especially in rural and semi-urban settings.
- Women continue to have low levels of digital financial literacy, which restricts their access to fintech services, online transactions and digital banking.
- Even though the number of women in the employment is increasing many of them do not handle their own money or assets.
- The total economic benefit of financial literacy initiatives is diminished by the still low Female Labour Force Participation Rate (FLFPR) which stands at 41.7%
- Though outreach and awareness are lacking, government programs like as Pradhan Mantri Jan Dhan Yojana and Stand-Up India have aided female entrepreneurs.
- Better educated women from metropolitan areas are more likely to participate in formal financial systems and exhibit better levels of financial awareness.
- Economic empowerment and financial literacy are positively correlated: women who possess financial knowledge are more likely to save, invest and launch businesses.
- Women's complete financial freedom is nevertheless impeded by cultural conventions and a dearth of focused financial education.
- In order to advance gender equality, and national growth, improved financial literacy might be extremely important.

Factors Contributing to Low Financial Literacy:

- **Cultural Barriers:** Women are frequently restricted to household duties by traditional roles, which prevents them from participating in financial affairs. This cultural context makes people reluctant to pursue financial education.

- **Economic Disparities:** Women's earnings are often 34% lower than men's for comparable employment, which has an impact on their ability to prepare and be financially independent. These problems are made worse by informal employment, which accounts for more than 90% of women's employment in India and restricts their access to financial services.
- **Lack of Resources:** Rather than consulting a professional, many women turn to friends and relatives for financial assistance. This dependence may result in bad investing choices and a lack of self-assurance while handling personal money.

CONCLUSION

In conclusion, it is critical to close the financial literacy gap among Indian working women in order to empower them and support the country's economic development. Even though there are more women working in a variety of fields, their capacity to make wise financial decisions is hampered by ongoing gaps in their access to resources and financial literacy. According to studies, women tend to be less knowledgeable about available financial solutions, use conservative investment techniques, and frequently rely on unofficial counsel. Nonetheless, programs like SHGs and microfinance have shown benefits for women's empowerment. Indian working women continue to have extremely low levels of financial literacy, which restricts their ability to contribute to the country's progress and economic emancipation. Access to formal banking, digital inclusion, and focused financial education are crucial. Implementing gender-sensitive financial initiatives that promote independence, security and inclusive economic growth requires cooperation from the government, companies and institutions. Comprehensive approaches are required to close this gap, such as incorporating financial education into corporate training and school curricula, holding community workshops, and expanding access to financial services. By putting these suggestions into practice, India can enable women to take charge of their financial lives, encouraging financial independence and prudent risk management while eventually advancing the growth and prosperity of the nation. Working women's financial literacy is a national growth strategy as well as a tool for personal empowerment. Women who possess financial literacy become catalysts for economic change, accelerating and strengthening India's transition to a robust and inclusive economy.

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