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Factors Determining The Financial Independence Of Women In India

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Abstract:

Women's financial independence is a crucial aspect of gender equality and empowerment. The ability of women to control their own finances can lead to greater autonomy, decision-making power, and opportunities for personal and professional growth. However, in India women face numerous challenges in achieving financial independence including cultural norms, lack of access to education and training and limited economic opportunities. This study aims to examine the factors that influence Indian Women's financial independence. The study will explore the socio-economic and cultural factors that shape women's financial decisions and behaviours, as well as the role of education, employment, and financial literacy in promoting financial independence. We conduct the survey by using a tool of questionnaire and distributed the working women through WhatsAap chat. The data is going to collect from 500 working and non-working women members randomly from NCR region. The data were analyzed using empirical, exploratory and descriptive research design methods will be used to explain relationship and test of significance in order to find out the results and conclusions.

Keywords: Financial independence, NCR, Self-efficacy, empowering women, financial literacy

Introduction:

Education is a key factor in empowering women and improving their financial independence. By gaining education and skills, women are better equipped to participate in workforce and earn higher wages. Education also provides women with greater knowledge and awareness of their rights, which can help them to make informed financial decisions and improve their financial wellbeing.Financial Independence is the combination of two words that are finance and independence. Finance is concerned with money-related decisions, while independence is derived from the Greek word which is also the combination of two words auto and nomos. The term auto means self and nomos means custom, the connotation of that is the one who works on their own terms. Initially the word independence was used in a political manner only, later it diversified into many things.

Bhattacharyya and Ghosh et al. reported that in the late 1990s, globalization unveiled a potential employment opportunity for Indian women in Information Technology (IT) sector offering an opportunity to be financially independent, thus liberating them from the strong patriarchal control and suppression **(1).**

Financial independence is a crucial aspect of women's empowerment, as it allows them to make independent decisions, and achieve goals. However, in India societal and cultural factors often hinder women's financial independence. Identifying these factors is crucial to design effective interventions and politics that can help women to achieve economic empowerment. One of the primary factors that impact women's financial independence in India is the prevailing patriarchal mindset. The mindset is deeply ingrained in the Indian culture and it is reflected in various social customs and practices including dowry, child marriage, and the concept of "kanyadan". Another factor that affects women's financial independence in India is limited access to education and employment opportunities.

Buss, Feingold, Kenrick et al. reported that, an increasing number of women pursue traditionally male-dominated careers, closing the gender gap in earnings. A few researchers have investigated how women's earning capacity is tied to their mate preferences Women who have greater focus on career with high income tend to emphasize on potential mates' resource-acquisition ability; so such women occupy high professional position and may look for partner with even higher professional position and status **(2, 3, 4).**

Lee and Mortimer found that family socialization, economic self-efficacy, and the attainment of financial independence in young adults is limited. The purpose of this study is to identify factors associated with perceived financial independence of young adults using a nationally representative sample in the U.S. Further, we explore the association between financial independence and educational attainment status with additional analyses **(5).**

Leslie A. Whittington and H. Elizabeth Peters found that in contrast to own financial resources, the coefficients on parental resources and especially the deterrent effect of income at young ages are larger for females than for males. Parental resources also play an important role in the independence decision. Higher parental income reduces the probability that a child will become independent **(6).**

C.E. Bannier, M.Neubert found that to reduce the gender gap in standard investments it appears to be important to raise women's actual literacy and risk tolerance. Sophisticated investments are significantly related to perceived financial literacy with a stronger association for women than for men **(7).**

Women particularly those from marginalised communities, often lack access to formal financial institutions and services such as bank accounts, loans and insurance. This makes it difficult for them to save money, invest in their education or business or accesscredit when needed.

Some of the key statistics on factors determining the financial independence of women in India over the past years are:

1. Education: Access to quality education plays a crucial role in women's financial independence from 2016 to 2020. In2016, the literacy rate for female aged 7 years and above was 70.7%, while in 2020 it reached 77.7%.
2. Employment: The participation of women from 2016 to 2020, the female labour rate increased from 27.2% to 23.3%. However it is important to note that the overall rate is still lower compared to men.
3. Wage Gap: In 2016, women in urban areas earned approximately 70% of men's wages. However, by 2020 this gap had narrowed, with urban working women around 71 to 80% of men's wages. In rural areas gender gap is wider.
4. Entrepreneurship: Women entrepreneurship has witnessed growth from 2016to 2020 the number of women owned businesses increased by around 20% with contribution of Govt. scheme to enhance the women financial growth.
5. Access to financial services: Financial inclusion in banking sectors from2016 to 2020, the percentage of women with bank accounts increased from 77% to 83%. Initiatives like PradhanMantri Jan DhanYojana(PMJDY), Sukanya Samriddhi Yojana, Mudra Yojana, BetiBachao BetiPadhao, Mahila E-Haat, National Rural Livelihood mission (NRLM), and RashtriyaMahilaKosh etc., have played a significant role in improving financial inclusion by providing easy access to banking services, insurance and pensions

Steps individuals and organisations take to promote women's financial independence:

Promoting women's financial independence in India requires the collective efforts of individuals, organisations and the government. Here are some steps that can be taken at the individual and organisational level to promote women's financial independence.

- Promote education and training
- Increase access to financial resources
- Challenges traditional gender roles and biases
- Implement policies and initiatives that promotes gender equalit
- Increase access to education and trainings
- Increase access to financial resources
- Create supportive infrastructure

Significance

The significance of the study on factors that influence Indian Women's financial independence lies in the fact that it sheds light on the various factors that affect the financial independence of women in India. The study highlights the importance of education, employment, entrepreneurship, financial literacy and social support in promoting women's financial independence. This study contributes the larger goal of achieving gender equality and promoting sustainable development in India.

Literature Review

KristiinaKorjonen (2009); the idea of this bachelor's thesis is born out of interest towards the impact of the poverty to the mental health of women. Soon the topic specified into India and the problems of mental health which are experienced by the local women.

Dr.GarimaBaluja (2016); In this study with the onset of several financial and economic reforms, the scope of entire market is getting wider. Several new financial products are being introduced in market that is generating the need for individuals to plan and invest their finances tactfully.

Prasanth Raman (2014), In this study shopping in India is at very nascent but is gradually gathering steam. Research on what factors affects the female buying behaviour has typical been disjointed. The purpose of this study into examines the different factors that influence the female shopping attitude toward online shopping.

Chetna Singh (2017),In this study one of the biggest challenges of our country is women empowerment which can only be attained by making women educated, finance liberated and independent. Financial literacy can be understood as the ability to know how money works in a normal course of action.

Maanya Singh (2018), In this study significant contributor to gender inequality in India is our falling rates of women's economic participation (ILO) and therefore lack of women's financial independence. This study aimed to use a mixed-method approach to investigate the impact of the creation of MSME businesses by Indian women on their economic and social empowerment, as well as identify the factors limiting their furthers scalability.

Objectives:

1. To analyse the factors determining the financial independence of women
2. To investigate the relationship between environmental factors and financial independence

Scope of Study:

This study is limited to women in India and their experiences with financial independence

Limitations:

1. The sample for the study is collected from very few respondents. Hence, findings cannot be treated as representative of the entire nation.
2. Time is a serious issue, with in short span of time research work has been done, and this is one of the limitations of the study

Research Methodology

Sample design

The data were collect with the help of a probability sampling technique so that the sample data represent the true picture of the target participants. In the present study, the target participants will be both working and non-working women from different sections of society.

Women belonging to aged 18 years and more will be considered in the study. The study will include women of different ages, professions, incomes, and marital statuses. The study will geographically restrict to the limited states of the country. The data were collected from the National capital region (NCR) including Haryana, Uttar Pradesh, Rajasthan and Delhi of working and non-working women using self-administered, structured survey questionnaires by the researcher team and through online data (Whatsapp chat, google forms etc.), collections platform from across the different cities of NCR. The survey questionnaire translated into English, Hindi, Marwari, Urdu and Haryanvi for the convenience to increase the response data.

Data collection

Primary data

Quantitative Data Collection Methods- using statistical analysis of the close-ended questions, correlation and regression methods, mean, median or mode measures.
Qualitative Data Collection Methods- It includes interviews, questionnaires.

Secondary data

The secondary data includes magazines, newspapers, books, journals, Government publications, Public records, Business documents, Technical and trade journals

Result and discussion

Table 1: How has financial literacy affected financial independence of Women?

	Frequency	Per cent
Valid Improved it significantly	29	27. 6
Improved it somewhat	25	23.8
Had no significant impact	15	14.4
Worsened it somewhat	30	28.5
Worsened it significantly	6	5.7
Total	105	100.0

Interpretation

The data provided in the table shows the responses of 105 0 individuals to the question "How has financial literacy impacted your financial independence?" Out of the 105 individuals surveyed 27.6% (29) responded that financial literacy improved their financial independence significantly, while 23.8% (25) responded that it improved it somewhat. On the other hand, 14.4% (15) of the respondents said that financial literacy worsened their financial independence somewhat, and 28.5(30) responded that it worsened it significantly. Finally, 5.7% (6) of the respondents said that financial literacy had no significant impact on their financial independence

Table 2: Major barriers to your financial independence

	Frequency	Per cent
Valid Lack of access to formal financial institutions	33	28.5
Lack of financial literacy	22	20
Social norms and expectations	23	21.9
Gender discrimination	19	18
Other	8	6. 6
Total	105	100

Interpretation

The table presents a summary of responses from a survey or study conducted to identify the major barriers to financial independence. The most commonly reported barrier to financial independence is "lack of access to formal financial institutions," with 28.5% of respondents reporting this as a barrier. The second most commonly reported barrier is "lack of financial literacy," with 20% of respondents reporting this as a barrier. "Social norms and expectations" were reported as a barrier by 21.9% of respondents. "Gender discrimination" was reported as a barrier by 18% of respondents. Finally, 6.6% of respondents reported "other" barriers, which could include factors like lack of job opportunities, insufficient income, or unexpected financial setbacks.

Table 3: How important is financial independence to you

		Frequency	Percent
Valid	Very important	56	11.7
	Somewhat important	22	20.9
	Not important	12	11.4
	Don't know	15	14.2
	Total	105	100.0

Interpretation

According to the data presented, out of the 105 respondents surveyed, 56 of them (11.7%) considered financial independence to be very important. Another 22 respondents (20.9%) considered it somewhat important, while 12 (11.4%) said it was not important. Additionally, 15 respondents (14.2%) said they did not know how important financial independence was to them.

Table 4: Key factors that determine financial independence

	Frequency	Per cent
Education and skills	54	51.42
Income and savings	22	20.95
Access to credit and loans	13	12.38
Family support	16	15.23
Total	105	100

Interpretation

Based on the given data, the respondents were asked to identify the key factors that determine their financial independence. The responses were categorized into five factors: education and skills, income and savings, access to credit and loans, family support, and other.The most common factor identified was income and savings, with 20.95% of respondents choosing this as a key factor. Access to credit and loans was the second most commonly chosen factor, with 12.38% of respondents selecting it. Education and skills and family support were chosen by a relatively high percentage of respondents, at 51.42% and 15.23%, each. The majority of respondents, 39.1%, chose "other" as a factor that determines their financial independence.

Table 5: How has the economic environment influenced your financial independence?

		Frequency	Percent
Valid	Positively	45	42.8
	Negatively	7	6. 6
	No significant impact	23	21.9
	Don't know	30	28.5
	Total	105	100.0

Interpretation

Based on the given data, a survey was conducted to understand the impact of the economic environment on financial independence, and 500 responses were collected. Out of the total respondents, 42.8% of them reported a positive impact on their financial independence due to theeconomic environment, while only 6. 6% reported a negative impact. 21.9% of the respondents reported no significant impact, and 28.5% of the respondents reported that they do not know how the economic environment has impacted their financial independence.

Table 6. How have social norms and expectations influenced your financial independence?

		Frequency	Percent
Valid	Positively	58	55.2
	Negatively	16	15.23
	No significant impact	21	20.0
	Don't know	10	9.5
	Total	500	100.0

Interpretation

The data presented shows the responses of 105 individuals to a survey question about the impact of social norms and expectations on their financial independence. Of the total respondents, 58 (55.2%) reported that social norms and expectations have positively impacted their financial independence, while 16 (15.23%) said they have had a negative impact. 21 (20.0%) respondents stated that they have experienced no significant impact, while 10 (9.5%) reported that they do not know how social norms and expectations have affected their financial independence

Table 7: I feel financially secure and independent.

	Frequency	Per cent
ValidStrongly disagree	21	20
Disagree	18	18.9
Neither agree nor Disagree	18	18.9
Agree	25	23.8
Strongly agree	23	21.9
Total	105	100

Interpretation

The above table shows the responses of 105 individuals to a statement regarding their feelings of financial security and independence. The responses were categorized into five levels of agreement: "Strongly disagree," "Disagree," "Neither agree nor disagree," "Agree," and "Strongly agree." Of the 105 respondents, 20.0% strongly disagreed with the statement, 18.9% disagreed, 18.9% neither agreed nor disagreed, 23.8% agreed, and 21.9% strongly agreed.

Conclusion

Our result shows that every woman should aim to be financial independent to develop her family socio-economic growth. The findings of this study reinforce the assumption of financial independent of women will be enhance the financial literacy is an important determinant of financial well-being and financial empowerment.

Recently the Government of India has launched Beti Bachao, Mudra Yojana, Beti Padhao scheme and in addition, State Government also offering subsidy to established their self-startup projects. The concept of financial independent making working and non-working women independent both socially as well as financially and improving the efficiency of women welfare.

Findings:

1. The major barriers to financial independence are lack of access to formal financial institutions, lack of financial literacy, social norms and expectations, and gender discrimination, with lack of access being the most prevalent The survey revealed that Around 73.5% of respondents find financial independence important, with 52.9% considering it very important and 20.6% somewhat important, while 11.2% do not find it important and 15.4% are unsure.
2. The investigation revealed that the key factors that determine financial independence are income and savings, access to credit and loans, and other miscellaneous factors.
3. The examination confirmed that the 43.1% of respondents reported a positive impact, 7.2% reported a negative impact, 21.6% reported no significant impact, and 28.1% reported not knowing the impact of the economic environment on their financial independence.

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Declarations

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