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Financial Literacy And Gender Bias: Rethinking Women's Role In Household And Economic Decision-Making In India

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ABSTRACT

Gender bias in decision making in households remains a problem in India and thus prevents women to gain economic agency with the growing concern on financial literacy in programs on policymaking and development practitioners. This paper also examines the interface of gender bias with financial literacy and how gender bias constructs the role of women in household and economic financial decision-making. Through primary survey data (N = 100) analyzed through SPSS, this study views the financial authority in households, the confidence women have towards financial issues, as well as the degree of change in financial literacy training reveal changes in these dynamics. The results indicate that a vast majority of households leave financial decision-making to male household members with women experiencing a strong perceived bias. With statistical tests, it was established that financial literacy training is correlated with increased determination to screen finances among women. This paper anticipates that, laws and policies, although they give guidelines of equality, social norms and unavailability of financial knowledge is a significant impediment. It offers combined policy, education and cultural interventions in order to achieve significant financial empowerment of women.

Keywords: *Financial Literacy; Gender Bias; Women's Empowerment; Household Decision-Making; Economic Agency in India.*

INTRODUCTION

India has achieved significant economic growth, increased the proportion of the female labour force, and more access to financial service in the last 10 years. Nevertheless, the empowerment of women financially in the ratio of financial decision-making is not even and widespread in most households. An example is the Gender Gap Report by CRISIL/DBS in 2024, which states that now, approximately a half of female population is no longer making independent financial choices, and those who do can enjoy greater decision making liberty with growth of income and age. Females in higher income groups have better chances of demanding monetary independence than their semi-skilled groups and those in the lower income groups. In addition to this, women aged above 45 years exhibit greater autonomy than those of younger ages. Through these statistics, it can be argued that, notwithstanding the improvement, socio-economic and cultural conditions still confer in the middle of the extent of the power of women in decision making.
The role of financial literacy to make this participation even larger cannot be overemphasized. A recent paper, including Digital Financial Literacy and Its Impact on Financial Decision-Making of Women: Evidence from India (Mishra, Agarwal, Sharahiley and Kandpal, 2024), demonstrates that a significant percentage of circulating variability in financial decadence is explicated by digital financial literacy alongside the attitudinal variables and aviation to financial instruments among Indian women. In addition, schemes, initiatives and sensitization efforts on the part of the government, as well as student bodies have spread out

particularly in the past years- in states like Uttar Pradesh, for instance they are training entire swarms of female children in financial and computer skills through the Passport to Earning dominant platform. Such interventions are symptomatic of acknowledging the need to eradicate gendered financial disparities both using legal rights and skills training.

The two questions also are related because, first, to what extent does gender bias contribute to the lower weight attributed to the financial opinion and control of women in the domain of household finance, and second, to what extent do financial literacy (with the added aspect of digital financial literacy) enhance the confidence and participation of women in financial decision-making. Based on the survey data, displayed on the SPSS and analysed within the framework of interpreting the law, social, and economic setting of India, the research concentrates on the following questions.

Based on this the hypotheses which guide the research include the following:

H1: There is a significant difference in how gender bias is perceived in the household in terms of seriousness in the financial opinions of the women.

H2: No statistically significant difference between women who have undergone financial literacy learning and those who have not.

LITERATURE REVIEW

Much recent work has highlighted the development and enduring uncertainties in the financial agency of women. In Impact of Financial Literacy on Economic Empowerment: A Study of Women Investors, Srivastava, Sahoo, and Smriti Srivastava (2025) conclude that under surveyed women investors, economic empowerment is closely linked to high levels of financial inclusion, engagement in financial technologies and to financial decision-making and financial resilience. The authors applied structural equation modelling to the data collected among 300 women and it showed that the financial literacy is not unitary but dependent on several sub-dimensions, and the combination of these various sub-dimensions is also an important contributor to the autonomy of women.

In the Digital Financial Literacy and Its Impact on Financial Decision Making of Women: Evidence from India, it is concluded that financial attitude, subjective norms, perceived behavioural control, digital financial literacy, and financial access help to predict the decision-making behaviour of women significantly. In their model, they could account for approximately 71 percent of the variance in financial decision-making, indicating that the general concept of financial literacy (including the concept of digital literacy) explains much. Such associations are noted in that study, as well, the moderating role of government support as needed to enable literacy to be translated into empowerment, environments must be institutional and policy environments conducive to such translation.

Cord between social practice and legal provision is also well registering. According to a report (DBS Bank + CRISIL, 2024), legal reforms may have given women more rights (such as on property, inheritance, and being included in finances), but many Indian women instead of making their financial choices independently currently look in consultation with another person, most often family or partners. The report also shows that the risk aversion level is high: low-risk financial instruments like savings, fixed deposits instead of equities are favored by most women. The statistics says that among women, who are financially literate, the decisions are influenced even by the social norms and by the sense of being safe.

Financial literacy program interventions have been reviewed in other studies that have been carried out in the recent times. In his case study-driven study (2024) Comprehension of Financial Literacy Programs in India as Gateway to Empowering Women, Neal Bhatia explored different government and non-government courses of women entrepreneurs. The analysis indicates that despite raising awareness and the most basic financial skills, the coverage of such programs is still low, and their contribution to ensuring the level of digital and investment literacy can be disappointing. Even in case of an improvement in literacy, socio-cultural attitudes still restrain the incorporation of full decision-making role by women.

Poor financial literacy Determinants of Financial Literacy: a Systematic Review and Future Research Directions by Rehman and Mia (2024) has implemented a review of more than fifty studies (1981-2024) and reveals that the strongest predictors of financial literacy are the education level, income, urban or rural residence, access to technology, exposure to financial services and gender norms. This they also note is supposedly being seen in newer studies where emphasis is now being put on digital literacy, access to FinTech and subjective norms as areas of intervening variables.

In this way, according to the literature published since 2020, the situation in terms of mental inclusion in communities has been getting better, although still, gender bias in-house decisions remain. Financial literacy (especially digital literacy), and the institutional assistance appears to be the key change factor, though by itself, it is not sufficient when challenged by strong moral standards.

RESEARCH METHODOLOGY

The current research paper uses a quantitative technique in which primary data was gathered on a purposive sample population of 100 respondents, who also have heterogeneous age, socio-economic groups and educational levels. Questions that targeted in the survey tool were structured to finding out who handles finances at home, the frequency of women's participation in major purchases, confidence levels in their financial skills, opinion of gender discrimination, and the reception of formal or informal financial literacy training of the respondents. Firstly, data were collected and then entered and cleaned using SPSS version 25. The frequency distributions constituted the descriptive statistics used to present the simplest demographic patterns and financial decision-making patterns. The chi-square test was applied to test the relationships that existed between categorical variables that included the perception of bias as well as the influence of women on decision making. Nonparametric tests were used to evaluate whether financial literacy training relates to increased financial confidence levels amongst women in dealing with finances through a Mann-Whitney U test, as ordinal scales were used and the number of subsample trained respondents was not large enough.

Data Analysis and Results

Table 1. Age Distribution of Respondents

Age Group	Frequency	Percentage
18–24	26	26%
25–34	40	40%
35–50	24	24%
50 and above	10	10%
Total	100	100%

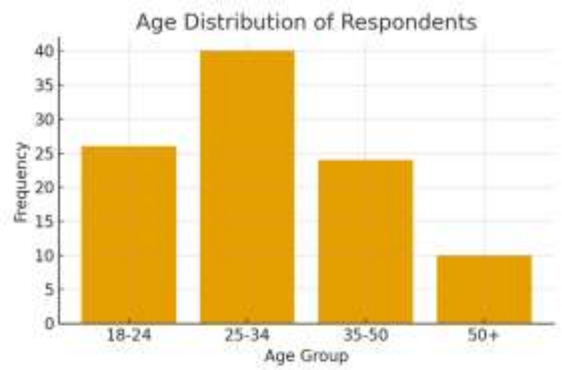

Figure 1. Age Distribution of Respondents

The demographic profile of respondents shows a concentration of participants in the younger and middle age brackets. As shown in Table 1, 40% of respondents were aged between 25–34 years, 26% were 18–24 years, 24% were 35–50 years, and only 10% were above 50. This indicates that the sample is skewed towards the economically active population, which is critical in understanding financial attitudes and decision-making behaviour.

Table 2. Who Usually Manages Household Finances

Category	Frequency	Percentage
Male Family Member	64	64%
Female Family Member	27	27%
Shared Equally	9	9%
Total	100	100%

Figure 2. Who Manages Household Finances?

When asked who usually manages household finances, results revealed a pronounced gender imbalance. As presented in Table 2, 64% of households reported male members as financial decision-makers, only 27% reported female members, while 9% described decision-making as shared equally. This demonstrates that despite wider discourse on gender equity, financial management remains largely male-dominated within households.

Table 3. Women's Say in Major Purchases

Response	Frequency	Percentage
Always	42	42%
Sometimes	24	24%
Rarely	13	13%
Never	21	21%
Total	100	100%

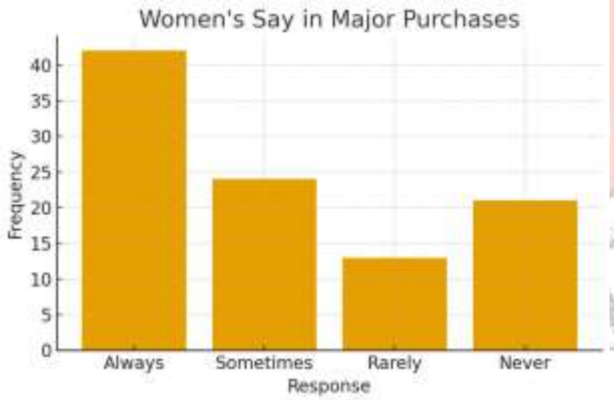

Figure 3. Women's Say in Major Purchases

The data also explored women's participation in major purchase decisions. As Table 3 indicates, 42% of respondents stated that women always have a say in household purchases, 24% reported "sometimes," whereas 13% indicated "rarely" and 21% "never." Although participation exists in many families, the fact that one-third of respondents acknowledge women as rarely or never being consulted underscores the persistence of gender bias.

Table 4. Confidence in Managing Money

Response	Frequency	Percentage
Very Confident	49	49%
Somewhat Confident	26	26%
Neutral	9	9%
Not very Confident	12	12%
Not Confident at all	4	4%
Total	100	100%

Figure 4. Confidence in Managing Money

Confidence levels in financial management were also examined. As seen in Table 4, nearly half of respondents (49%) described themselves as "very confident," while 26% were "somewhat confident." However, a significant minority of 16% admitted to low or no confidence. The presence of relatively high self-reported confidence levels is noteworthy. However, cross-tabulation with financial literacy training revealed that confidence is significantly higher among women who had received some form of training.

Table 5. Perceptions of Gender Bias in Financial Decision-Making

Response	Frequency	Percentage
Yes	67	67%
No	25	25%
Not Sure	8	8%
Total	100	100%

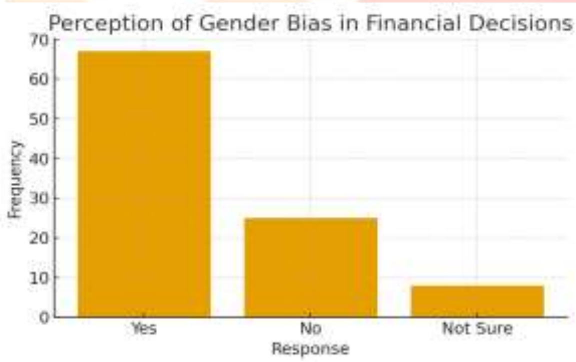

Figure 5. Perception of Gender Bias in Financial Decision-Making

The perception of gender bias was another crucial finding. According to Table 5, 67% of respondents agreed that women face bias in financial decision-making, 25% disagreed, and 8% were unsure. To test whether perceived gender bias is associated with how seriously women's financial opinions are taken, a Chi-Square test of independence was conducted. Results revealed a significant relationship ($\chi^2 = 34.366$, df = 8, $p < 0.001$). This means that in households where respondents acknowledged gender bias, women's financial views were less likely to be taken seriously, confirming Hypothesis 1.

Table 6. Financial Literacy Training and Confidence Levels

Training Received	Frequency	Percentage	Confidence Outcome
Yes	12	12%	Significantly higher
No	88	88%	Lower confidence
Total	100	100%	—

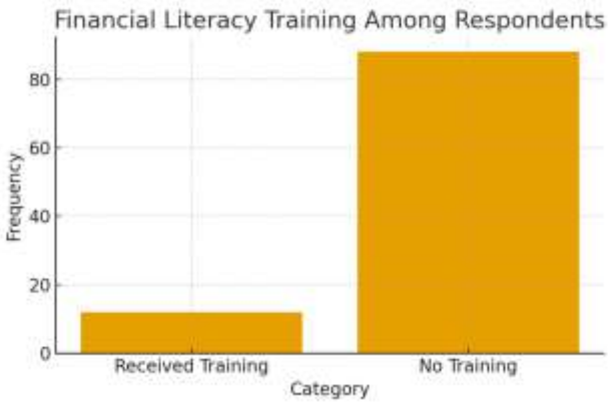

Figure 6. Financial Literacy Training Among Respondents

Finally, the effect of financial literacy training was measured. As shown in Table 6, only 12% of respondents had received financial literacy training, while 88% had not. To statistically verify the relationship, a Mann-Whitney U test was applied, given the ordinal nature of confidence ratings. Results showed a significant difference in confidence scores between trained and untrained groups ($U = 222.000$, $Z = -3.495$, $p < 0.001$). The mean rank for trained women (25.00) was much higher than for untrained women (53.98), suggesting that literacy interventions provide a measurable boost to confidence. This validates Hypothesis 2.

Summary of Findings

The use of descriptive statistics and hypothesis testing demonstrates there are two key learnings. First, gender bias to an extent nullifies the role played by women in financial decision-making because the households that recognized the bias were also most likely to discount the financial opinion of women. Second, it is evident that financial literacy training positively increases confidence levels, which is why it can be concluded that specific interventions can help to overcome cultural restraints. The findings reflect the current academic data (Mishra et al., 2024; Srivastava et al., 2025) and indicate that social norms are still a setback, nevertheless, financial education provides a feasible solution on the way to empowerment.

DISCUSSION

This study finding is in line with existing studies showing that despite the increase of access to financial services and literacy in India, it does not necessarily result in the creation of equal power in the decision-making of Indian women. Although many women believe that they are very much sure about the knowledge on finances, they still maintain that, women still do not have control of the household funds. Such imbalance indicates the persistence of cultural values and patriarchal regimes that support male dominance in the issues of family economics.

Research additional to the Kyostad Digital Financial Literacy study by Mishra et al. (2024) indicates that such predictors as digital financial literacy, subjective norms and financial accessibility have strong predictive value concerning the degree to which women take control of finance. In this study, the women who underwent financial literacy training expressed that their confidence is much higher and this indicates the significance of exposure to education and awareness has been important. Nevertheless, this kind of training is disproportionately distributed and in the informal industries or in rural areas, this kind of training is not full. According to Bhatia (2024), most programs educate but fail to emulate norms profoundly and provide a woman with egalitarian ownership of assets and decision-making power.

Literature suggests that law and policy effects in India including statutory changes to the legislations on inheritance and government financial inclusion are strides in the right direction. However, the legal benefits are satisfied through the social norms which restrict the women in their ability to enforce their rights. As one example, women can legally possess property, but not total ownership of it, or they can access bank accounts but be the driver behind the manner in which such money is spent. The report, CRISIL/DBS, indicates that though several women now have bigger bottom lines than they had 10 years back, financial decisions are still generally risk-averse and conservative and usually decided by members of the family. It implies that the financial literacy needs to be supported by the attitudinal and practices change at household and community levels.

Considering the findings, namely, high correlation between financial literacy training and confidence, there is a good opportunity to invest in more comprehensive and specialized literacy interventions, particularly, digital training of finance, which, according to within-research outcomes, exhibits enormous impacts. Yet these programs should be modeled in such a way so that they not only encompass the technical skills: they should offer lessons on rights, agency, in-house negotiation and financial decision making. Besides this, there must be institutional backing and policy implementation. There will also be only limited impact in case even the best financial literacy training can only serve the purposes of women unless legal rights (such as property rights or inheritance) appear practical, and unless the social context of the women is such as to discourage action on the behalf of what they know.

CONCLUSION

This paper confirms that although significant strategies to make progress in the areas of legal reforms, financial inclusion, and literacy programs in India have still been made since 2020, alone these advancements are not sufficient to guarantee fair female involvement in family decision-making. Findings of the initial survey prove that gender bias still is in widespread, that monetary management continues to be male-monopolized and that women develop more confidence with training in literacy- but control is still not the same as confidence.

Interventions should be multifaceted in order to attain a meaningful shift. To begin with, efforts should be increased toward having financial literacy programs delivered to women in areas that are underrepresented, specifically rural and informal ones, and focusing on digital and investment literacy. Second, there should be a stricter application of the law that will enforce that women are in a position to exercise their rights of inheritance, ownership of property and control of their account. Third, there need to be social and cultural interventions, education, media, local community programs which directly confronts gender norms that value the women as valued by learning on the home front and as responsibility partners in the household in making financial decisions.

Financial empowerment of women is not about fairness after all. It is also crucial in the achievement of sustainable growth of the economy, lessening of inequalities and ameliorating the general welfare of the society. Whenever women are equipped with the social access to the bodies of knowledge and the power to exercise it, the process of financial decision-making will be more balanced, functional, and about to serve the principles of justice and inclusiveness.

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