



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 8.4
IJAR 2023; 9(5): 29-31
www.allresearchjournal.com
Received: 21-03-2023
Accepted: 06-04-2023

Sanju Kumari
Assistant Professor, GCW,
Loharu, Haryana, India

Financial literacy and women empowerment

Sanju Kumari

DOI: <https://doi.org/10.22271/allresearch.2023.v9.i5a.10784>

Abstract

In present scenario an individual must know the financial management. Economic independence of any person is dependent upon education, Age, income, occupation, marital status, saving and investment habits. The more the women is financially literate, the more secure and confident she will become. Economic independence differences are highly correlated with marital status and age in both genders. Rates of Low literacy severely impact the lifestyle of women, resulting they work hard, spending more time to pay debts and hence increasing its value, settling sometimes for earning less. A great change can be done by giving Financial Management Education to Women. This research paper studies about this topic in detail.

Keywords: Empowerment, women, literacy, independence

1. Introduction

Financial literacy is an opportunity to use effectively the skills of finance, like investing, personal financial management, and budgeting. Bearing lots of money which is not in a managed state is merely a waste as you are not going to earn more from that money unless you invest in various schemes, share markets etc. Financial Literacy is therefore necessary for both the genders but it is more important for women to keep a track of the financial materials and money. Financial literacy establishes a strong foundation with money, and this journey of management is lifelong. So if you start this journey as early as possible you are more likely to succeed. Both genders must participate in the financial matters of the family effectively. The reality is that in India the observation is that women lacks financial literacy. One of the main reason behind this is that women are brought up as 'home-makers' rather than going through the discussion of money since from childhood. But in today's world due to higher participation of women in our workforce, the topmost priority must be given women's financial literacy.

2. Need of Financial Literacy

For independence of women financial literacy is an important aspect. Number of problems arises when you do not know about financial management. Not having proper knowledge leads to burden of debts, poor money spending habits or lack of future spending habits etc. Financial literacy leads women to make their independent decisions during unforeseen circumstances or emergencies. A survey done in this regard revealed that there exists only small percentage of women who can grow and build their existing wealth. Only 33 percent of these can confidently invest their money perfectly. Now a days as the role of women in society is on rise, the financial literacy among them is not upto that level.

Women of India specially face a number of economic, cultural, physical and psychological restrictions that proves a barrier to their financial literacy but the fact is that women should be given equal power and opportunity as that to men for achieving financial literacy. Because financial literacy will ultimately be a boon to nation's economy. It will give them self-confidence and they can take independent decisions for the benefits of family, society and hence nation. This is necessary not only to the low earning women but also for the women from wealthy backgrounds.

Corresponding Author:
Sanju Kumari
Assistant Professor, GCW,
Loharu, Haryana, India

Women constitute almost fifty percent of our population so it would be unfair if the financial decisions are made only by the remaining half of the population. The needs of financial literacy are discussed.

2.1 More average life span

Studies have shown that on an average women live five year longer than men across many nations. Therefore if they will have knowledge about financial literacy and planning it will safeguard themselves and their families against any financial difficulties. Older middle class women across worldwide are underrated as compared to single older males.

2.2 Economic Expansion

Women investors help to grow the economy by increasing market liquidity and will expand the economic base.

2.3 Self-Reliant

Financial literacy will make women self – reliant and independent from men and will prove to be a boon to the social status of women.

2.4 Independence from oppression and exploitation

If women will be financially independent they will not be blackmailed against predatory lending practices and other financial exploitation forms.

2.5 Family wellness and welfare

Gender inequalities in financial literacy greatly affect the decisions about the family's financial matters. The health of any family is greatly affected by both men and women's spending habits. Various studies in this regard had concluded that women spend the money in a better way for the welfare of family members specially the children.

3. Contributing Factors to Financial Literacy of Women in India

3.1 Not being able to do things on their own

Women lack the freedom enjoyed by males in the society. The main cause of this is the fact that women are not given so much of financial independence as given to men. But the family as a whole must be taken into account before making any important financial decisions. This means that social responsibilities greatly affect the choice of policies. Women often do not involve themselves in financial matters and sacrifices for their own needs just to keep peace at their homes.

3.2 Cultural Norms and Expectations

Some of the societies do not allow women to handle the financial matters of the family so they lose confidence in themselves and prioritize only the household chores.

3.3 Inadequate financial initiatives aimed specifically for women

Only standard banking services are provided by some banks without taking consideration of women needs. Due to lack of the knowledge of vocabulary and other prerequisites women are not able to avail these services. Another barrier in financial literacy of women is that all schemes are designed based on business and not on the basis of household needs.

3.4 Problems with accessibility

Most of the banks are not in reach of women so women can't visit the bank as it is inconvenient and costly to reach there. Rural women deals with this kind of problem more often.

3.5 Poor knowledge of the available financial options and necessary steps

Most of the schemes are advertised in the newspapers, magazines or billboards but most of the women are unaware of the schemes available. So this lack of awareness is an obstacle to deal with financial management. So they rely on their spouses or other members of the family for assisting them before any kind of investment and financial planning.

3.6 Benefits that are less lucrative

The schemes give very less interest on the deposited money and have high interest rates on loan amount so the benefits are less. This ultimately results in low financial investments.

3.7 Lack of elementary education:

The women are less educated as compared to men. In fact many communities and cultures are not in support of higher education for women. Main reason behind lower financial literacy of women of India is mainly because of lack of primary education and knowledge of computer.

3.8 Insufficient financial resources

Non-working women are dependent on either their husband or father for any kind of financial help so they can't take their own decisions about the financial matters of the family.

4. Government efforts to improve financial literacy of women

By awareness programmes about the need of financial education access to more financial services A number of initiatives has been started by government of India which aims to increase the financial literacy of women in India. Various government programmes to improve economic security and education of financial management in women are run by government of India. Below are a few government programmes that have been implemented recently:

4.1 FLCC (Financial Literacy and Credit Counselling Centers)

Under this free financial management education is given to women to increase the country's economic level.

4.2 Beti Bachao, Beti padhao Yojana

This is the programme that deal with the goal of enhancing public awareness about the need women and their education.

4.3 Sukanya Samridhi Yojana

This scheme is very beneficial for girl child as it allows to get her the portion of family's money and she couldn't have to wait for boy child of the house for this purpose. This scheme ensures financial literacy and economic security of women.

4.4 Pradhan Mantri Jan-Dhan Yojana

A variety of financial services are provided to weaker section and low income groups which were previously unavailable such as, access to need-based credit, basic

savings bank account, remittances facility, insurance, and a pension. This will increase the financial literacy of women in India.

5. Conclusion

For development of our country as a whole women should be made financially literate. Various programme, projects and policies are made by government of India in this regard. On global level there are various NGOs which are committed to strengthen women through education and training. Women should learn from their abilities circumstances, and rights. There will be fewer job opportunities for women in lack of proper education and hence they become vulnerable to sex trafficking and violence and this will lead to a miserable life of women. The investments done in women or girl education will not go in vain. Because women have much greater abilities to transfer all their habits in their future generations. So women must be educated not only for themselves but also for the sake of future generations. According to a research working women make 15 percent less as compared to men. Financial literacy of women is of great importance as they have lower wages, higher life span and less working time so that they can save more upto their retirement time. Financially literate women feel much better and this education also helps the women which are facing domestic violence.

As compared men invest only 30 to 40 percent in the household whereas women ratio is 70 percent. In today's world women are slowly recognizing their abilities as there is no any field where they are not showing their potential whether it be sports, politics, literature, entertainment but in spite of that there are more areas where they have to work more. One such area is personal financial planning. Women are much successful in management household's financial matters. Women lag behind men in financial literacy. Women should also be given equal opportunities for achieving financial education. But women will manage the financial matters when they are earning something and not all the women of our country are in an earning position. Gender equality plays an important role in this. Women should be given more opportunities in every field.

6. References

1. <https://www.smilefoundationindia.org/blog/the-importance-of-financial-literacy-for-women/>
2. <https://timesofindia.indiatimes.com/readersblog/introspectivetales/economicempowerment-and-financial-literacy-of-women-in-india-46561/>
3. <https://mintgenie.livemint.com/news/personal-finance/financial-literacy-the-key-to-women-s-empowerment-151646708383810>
4. <https://www.annuity.org/financial-literacy/women/>
5. <https://www.outlookmoney.com/talking-money/the-importance-of-financial-literacy-among-women-in-todays-time-2895>
6. <https://feminismindia.com/2022/09/14/financial-illiteracy-in-women-why-arent-there-enough-women-in-finance-sectors/>