

Factors Influencing Financial Independence of Women

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Abstract

Women as decision makers in Indian homes, dominated by patriarchal mindset has been undermined since ages. In India where female literacy has been estimated to be 70 percent by the year 2023, women have come out of their boundaries for self-dependency where they are able to take decisions for self-sufficiency. One aspect of self-sufficiency is financial independence which is an essential trait for personal growth and development. Financial Independence is a condition where individuals are able to meet their needs with their earnings. So far Financial Independence of women are concerned it is a state where women have sufficient resources and they do not have to rely on others. For the purpose of this study Financial Independence of Women have been defined as a state where they are in full control of their finances and are not dependent on others for their financial decisions. This paper is a culmination of responses collected from women across various sections of society (housewife, salaried women and entrepreneurs) and presents analysis on role of demographic, economic, social and personal factors on their level of financial independence. After analyzing the factors influencing the financial independence of women it was found out that in general the level of financial is low and it is the social and personal factors which are gnawing the financial independence of women. It was also found that salaried women were better off in terms of financial independence as compared to housewives and entrepreneurs.

Key Words: Financial independence, patriarchal, development, control, finances, economic, social

INTRODUCTION

Women in India have been confined to the roles defined for them by the society. Over the years' women has broken the shackles and have moved from the thankless role of home maker to bread earners with increase in literacy.

In India where female literacy has been estimated to be 70 percent by the year 2023, women have come out of their boundaries for self-dependency where they are able to take decisions for self-sufficiency. One aspect of self-sufficiency is financial independence which is an essential trait for personal growth and development. Financial Independence is a condition where individuals are able to meet their needs with their earnings.

The concept of financial independence goes beyond just having enough money or wealth. Achieving financial independence gives freedom to make the best use of time to pursue life's goals and dreams or help the citizens of the community to lead a life with purpose. It is a state where one has come to terms with the fact of having accumulated enough, has been freed from the shackles of debt and the tendency to make poor financial decisions, and has transformed

their relationship with money to make healthy financial choices. Gaining financial independence should not be confused with not having to work at all. Rather, financial independence gives the freedom to make choices at will, enabling individuals to achieve what matters the most while not having to worry about earning income. So far Financial Independence of women are concerned it is a state where women have sufficient resources and they do not have to rely on others. For the purpose of this study Financial Independence of Women have been defined as a state where they are in full control of their finances and are not dependent on others for their financial decisions.

Review of Literature

Various researches have been conducted on the level of financial independence and it has been found out that despite the increasing participation of women in workforce their level of financial independence is low. Daga et. al., (2021) in their study attempted to find the solution to the related issues faced by women to achieve financial independence. They found that too much importance of marriage in the Indian society possesses significant negative impact on the financial status of the unmarried women in India. Hence financial independence is low. Many researches indicate that women in India are engaged in unpaid domestic work and falling rates of women economic participation led to low levels of financial independence (Singh M., 2018 & Singh et. Al., 2000). Burke and Redmond, 2022 have pointed out that increased participation of women in the labour force improves the financial independence of women in general. A survey conducted by insurance company TATA AIA regarding financial awareness among the women of India it was found that 59 percent of working women are still dependent on the male member of the family to manage their finances. Regarding the factor affecting the financial independence of women there are limited academic researches. This paper tries to analyze the various factors that have a direct impact on the level of financial independence of women in India.

The research has been conducted with the following objectives:

1. To analyze factors determining financial independence of women.
2. To compare the various target groups on level of financial independence.

Research Methodology

For the purpose of the research descriptive study was conducted on women. The respondents were categorized into three groups i.e., Salaried, Entrepreneur and Housewife and comparison as made between these two groups on basis of level of financial independence. Data from 80 women could be ascertained for the purpose of study out of which 38 were salaried women, 20 were entrepreneurs and 22 were housewives. Research was based on primary data and data as collected on the basis of a structured questionnaire. The questionnaire was designed with four dimensions or factors which includes economic factor, social factor, personal factors and financial literacy. To design the questionnaire 5-point Likert scale was used where 1 indicates strongly disagree, 2 denoted disagree, 3 denotes neutral, 4 denotes agree and 5 indicates strongly disagree. For analyzing the various factors influencing financial independence measure of central tendency i.e. mean and standard deviation were calculated. ANNOVA was used to compare the mean of various target group i.e. Salaried, Entrepreneur and Housewife.

Result & Discussion

The primary aim of the study was to analyze the various factors influencing financial independence of women. For this purpose, mean and standard deviation was calculated. The result of the analysis is given in Table No. 1 below

Table No. 1 Analyzing the Factors influencing Financial Independence

Variables	Mean N=80	Standard Deviation
Economic Factors	1.9875	0.6760
Social Factors	2.3563	0.6178
Personal Factors	1.8725	0.5477
Financial literacy	2.4781	0.5628
Financial Independence	2.288	0.6146

The mean value of financial independence is 2.288 which indicates that the level of financial independence is not very encouraging. The factors which prominently contribute are financial literacy and social factors with mean value of 2.4781 and 2.3563 respectively. Economic factor shows that women are not very comfortable on economic front. The mean score of economic factor is 1.9875. The variable "Personal factors" has the lowest mean score (1.8725), indicating that, on average, respondents scored lower on this aspect. The standard deviations are relatively moderate, indicating some variability in the responses but not extreme dispersion.

Table No.2 Comparison of target groups on Financial Independence

		Financial Independence	Financial literacy	Economic factors	Social factors	Personal factors
Salaried	Mean	2.5053	2.7368	2.2737	2.5219	2.0684
	N	38	38	38	38	38
	Std. Deviation	.45019	.40247	.57407	.46848	.37855
Entrepreneur	Mean	1.8900	2.1375	1.7000	2.2250	1.6000
	N	20	20	20	20	20

	Std. Deviation	.65365	.66131	.60000	.69936	.56569
Housewife	Mean	2.0591	2.3409	1.7545	2.1894	1.7818
	N	22	22	22	22	22
	Std. Deviation	.63220	.50912	.72751	.71510	.66163

Salaried individuals show the highest mean score (2.5053), indicating a greater level of financial independence relative to entrepreneurs who have the lowest mean (1.8900), suggesting they might experience more variability or instability in financial independence. The house wives are better off than the entrepreneurs in terms of financial independence. This is indicated by the mean score of 2.0591. From the above table it is evident that the salaried class are in a better position on all the dimensions of financial independence but it is the personal factors which are more in way of financial independence. In India though the female literacy rate has increased the patriarchal norm of financial decision-making lies with the males of the house. Majority of the women they give up their jobs because of lack of family support in work life integration. As a result, the women in India become dependent on the males of the family for their economic survival, hence losing on financial independence.

Conclusion

The financial independence of women is shaped by a range of interconnected factors like personal factors which include education, financial literacy, employment opportunities, ability to take financial decisions, social factors like social norms, legal rights, access to financial resources. From the research it is evident that all round efforts have to be made on all fronts affecting the financial independence in order to improve the status of women on level of financial independence. Addressing these challenges requires a collective effort from governments, institutions, families, and society at large. By empowering women through education, skill development, equal job opportunities, and supportive policies, we can create an environment where every woman has the freedom and capacity to manage her own finances and contribute meaningfully to society. Achieving true financial independence for women is not only a matter of individual empowerment but also a key driver of social and economic progress.

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