IJNRD.ORG ISSN : 2456-4184
INTERNATIONAL JOURNAL OF NOVEL RESEARCH AND DEVELOPMENT (IJNRD) | IJNRD.ORG
An International Open Access, Peer-reviewed, Refereed Journal

A COMPARATIVE STUDY ON GENDER DISPARITIES IN FINANCIAL LITERACY WITH REFERENCE TO PATNA

[1]Ananya Raj, [2]Mansi Kumari, [3]Avleen Kaur
[1]Student, [2]Student, [3]Student
[1]Department of Commerce,
[1]Patna Women's College, Patna, India

Abstract : Financial literacy, the ability to understand and manage one's finances, reveals a persistent gender disparity, with women often facing challenges in acquiring and applying financial knowledge. In the context of Patna, this study explores the factors contributing to gender-based differences in financial literacy, aiming to inform targeted interventions for fostering economic empowerment. Employing a comparative approach, the study analyses various dimensions of financial literacy, including basic financial concepts, investment and financial decision-making. By employing surveys and interviews, the research gathers primary data from a diverse sample of individuals in Patna, shedding light on the socio-economic, cultural, and educational factors that may influence gender-based variations in financial literacy.

INTRODUCTION

"The best investment you can make is an investment in yourself... The more you learn, the more you'll earn."

-Warren Buffet

Financial literacy refers to understanding and using various financial skills, including personal financial management, budgeting, and investing. The OECD (Organization for Economic Co-operation and Development) INFE (International Network on Financial Education) has defined financial literacy as follows: 'A combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.' It involves the knowledge and skills necessary to make informed and effective decisions about money, both in the short and long term. As of 2023, the level of financial literacy in India has been improving gradually, but there is still a long way to go. According to a global survey, 20% of the total world population is Indian, but only about 24% of the Indian population knows the basic financial concepts. According to the Humanity Welfare Council, 80% of women in India struggle with financial literacy. The National Centre for Financial Education (NCFE) reports that only 27% of India's population is financially literate; this number is around 21% for women.

Gender disparity is the unequal distribution or representation of opportunities, resources, and privileges between individuals of different genders. In financial literacy, gender disparity manifests as differences in the knowledge and understanding of financial concepts and practices between men and women. Research consistently highlights disparities in financial literacy between men and women, sparking discussions about the underlying causes of these differences. Unequal educational opportunities, influenced by societal expectations and cultural norms, can limit women's exposure to financial concepts from an early age. The gender pay gap, wherein women, on average, earn less than men, has far-reaching implications for their financial well-being. Lower income levels can hinder women's engagement in investing, saving, and long-term financial planning. In many cultures, women are still primarily associated with domestic and caregiving duties, leaving them with less time and energy to focus on financial matters. The influence of these deeply ingrained norms exposed investment behaviour, with studies suggesting that women may exhibit greater risk aversion in their financial decisions. Despite the diversity, the demographics of Patna also highlight certain socio-economic challenges, disparities in income, education, and access to resources, impacting different segments of the population differently. We emphasize the relevance of financial literacy in fostering gender empowerment, emphasizing the need for a gender-inclusive approach to financial education in Patna.

Objectives of the study

- To assess the financial literacy level among men and women of Patna.
- To determine the influencing factors for the differences in financial literacy levels.
- To study the impact of financial literacy on their financial behaviours.
- To identify the measures for bridging the gap between men and women regarding financial literacy.

RESEARCH METHODOLOGY

The methodology section outlines the plan and method that how the study is conducted. Data has been collected based on the objectives of the study.

3.1Primary data source

The primary data collection involves the design and distribution of surveys, structured to quantitatively assess the financial literacy levels among men and women in the region of Patna. While conducting the study, the primary data was collected through structured questionnaires based on the objectives of this study.

This data, acquired directly from the surveyed individuals by constructing a schedule of questions, provides real-time insights into their knowledge and practices related to budgeting, saving, investing, and financial product understanding and assesses the gender disparity in financial literacy.

3.2 Secondary data source

Complementing these primary sources, secondary data is gathered from existing literature, scholarly articles, and reports on financial literacy, both globally and within the Indian context. This secondary data aids in framing the study within the broader academic discourse, providing valuable context, and facilitating a comparative analysis.

The integration of primary and secondary data ensures the study's robustness and depth, allowing for a thorough exploration of gender disparities in financial literacy in the unique setting of Patna.

3.3 Hypotheses

- H0: There is a significant difference between gender and the level of financial literacy.
- H1: There is no significant difference between gender and the level of financial literacy.

3.4 Analysis and Interpretation

The data for our study was meticulously collected from a cohort of 106 respondents, with a central focus on gender dynamics. The foundation of our study rests on the insights derived from the responses to our online questionnaire.

3.4.1 Classification of respondents based on their ages

Table-1

Age	Male	Female	Total
18-24	29	31	60
25-34	13	8	21
35-44	6	7	13
45 and above	7	5	12
Total	55	51	106

Interpretation: The dataset comprises responses from 106 individuals, categorized by age and gender. A predominant segment of respondents falls within the 18-24 age range, constituting 60 individuals, while the 25-34 age group accounts for 21 respondents. Additionally, there are 13 respondents in the 35-44 age category, and 12 individuals aged 45 and above. The gender distribution is relatively balanced, with 55 male and 51 female respondents.

3.4.2 Classification of respondents based on occupation

Table-2

Occupation	Male	Female	Total	Percentage (%)
Student	21	29	50	47.16 %
Employed	22	12	34	32.08 %
Unemployed	2	4	6	5.66 %
Homemaker	0	5	5	4.71 %
Other	10	1	11	10.37 %

Interpretation: The majority of respondents, comprising 47.17%, identify as students, with females slightly outnumbering males in this category (29 females to 21 males). In the employed sector, males dominate, constituting 64.71% of the total employed respondents. The unemployed category represents 5.66% of the total respondents, with slightly more females (4) than males (2). Females exclusively contribute to the "Homemaker" category, representing 4.72% of the total respondents. The "Other" category showcases varied distribution, with males representing 90.91%.

3.4.3 Classification based on level of knowledge in financial concepts of male and female

Table-3.1: male

Concepts	None	Basic	Intermediate	Advanced
Budgeting	10.91%	38.18%	38.18%	12.73%
Saving	3.64%	38.18%	38.18%	20.00%
Investing	10.91%	36.36%	34.55%	18.18%
Debt Management	21.82%	32.73%	30.91%	14.55%
Retirement Planning	29.09%	27.27%	32.73%	10.91%

Table 3.2: female

Concepts	None	Basic	Intermediate	Advanced
Budgeting	5.88%	45.10%	39.22%	9.80%
Saving	1.96%	45.10%	41.18%	11.76%
Investing	43.14%	33.33%	19.61%	3.92%
Debt Management	31.37%	45.10%	17.65%	5.88%
Retirement Planning	54.90%	27.45%	11.76%	5.88%

Interpretation: Overall, there is a clear pattern across all 5 financial concepts showing higher levels of advanced knowledge reported by males versus females. Conversely, females have higher self-reported percentages at the "none" knowledge level across all categories. The gaps are most pronounced for investing and retirement planning. For investing, 10 males view themselves as advanced, over 5 times more than the 2 females. Additionally, 6 males report no knowledge, while over 3 times as many females - 22 - indicate no investing literacy. Similarly for retirement planning, 6 males are advanced compared to 3 females, while 16 males report no skill versus 28 females. This suggests women lag severely in conceptual readiness for critical later-life financial needs. Savings displays a similar imbalance - 11 advanced males next to 6 females, and 2 males citing no savings skills compared to 1 female. Debt management follows a similar pattern with nearly 3 times the number of expert males versus females (8 vs 3), and more none-level females (16) than males (12). Budgeting is the only category exhibiting some parity, with 7 males and 5 females ranking as advanced. Nonetheless twice as many females (3) indicated no budgeting foundation relative to males (6).In summary, while magnitudes vary, visible gender gaps disadvantage women. Regardless of concept, males consistently report higher advanced knowledge and lower complete unfamiliarity than females.

3.4.4 Classification based on sources of financial information.

Table-4

Sources	Male (55)	Female (51)
Formal Education	24	18
News & Media	32	11
Family & Friends	17	20
Financial Advisor	11	4
Online Resources	20	10
Other	2	2

Interpretation: Notable gender differences emerge regarding the sources participants leverage to inform themselves financially. Most visibly, over 2.5 times more males (32) than females (11) state their primary financial knowledge comes from news and media. Additionally, more males (24/55 respondents) gain financial insights from formal education than females (18/51). Alternatively, more females (20/51) than males (17/55) predominantly utilize friends and family for financial information. Relatively few respondents overall cite financial advisors but again twice as many males (11/55) versus females (4/51). Finally, online resources display the least gender skew among sources, with usage by 20/55 males and 10/51 females.

Overall, the varying information sources suggest males access financial socialization opportunities like news/media and formal training more equitably.

3.4.5 Classification based on overall financial condition

Table – 5

Overall Financial Situation	Male	Female
Neutral	29	19
Comfortable	19	16
Difficult	7	16

Interpretation: The comparative analysis of the overall financial situation among 106 participants, consisting of both males and females, provides valuable insights into the economic well-being of the surveyed individuals. Among males, the majority (29) express a neutral financial situation, reflecting a balanced perspective on their economic standing. Additionally, 6 males indicate struggling financial conditions, representing a smaller segment facing financial challenges. A substantial proportion of males (19) report feeling financially comfortable, indicating a significant portion in a stable financial position. Only one male reported a very difficult financial situation. For females, the distribution of overall financial situations is diverse. While 19 females report a neutral financial situation, aligning with the pattern observed among males, a larger segment of 15 females indicates struggling financial conditions, suggesting a comparatively higher prevalence of financial challenges among female respondents.16 females express a comfortable financial situation, akin to their male counterparts, while only one female reports a very difficult financial situation.

3.4.6 Classification based on monthly income

Table –6

Monthly Income	Male	Female	Percent (%)
Below ₹10,000	13	28	38.67%
₹10,001 - ₹20,000	6	5	10.37%
₹20,001 - ₹30,000	7	3	9.43%
₹30,001 - ₹40,000	5	3	7.54%
₹40,001 & above	23	11	32.07%

Interpretation: Females exhibit a higher prevalence in the below ₹10,000 income category, suggesting potential gender-specific economic challenges. The income distribution between males and females is relatively comparable in the ₹10,001-₹20,000 range. Males show a higher representation in the ₹20,001-₹30,000 and ₹30,001-₹40,000 income brackets. The ₹40,001 and above income bracket is predominantly represented by males, indicating a larger proportion of males in higher income categories.

3.4.7 Differences in Confidence in understanding and managing personal finances.

Table – 7

Confidence Level	Male	Female	Total
Very Low	0	1	1
Low	4	6	10
Moderate	33	31	64
High	15	10	25
Very High	5	1	6
Total	106		

Interpretation: The comparative analysis of confidence levels in managing personal finance among 106 respondents, including both males and females, unveils intriguing patterns in perceived self-assurance in financial matters. While the majority of both genders express a moderate level of confidence, with 31 males and 33 females falling into this category, nuances emerge in the higher and lower confidence brackets. Males exhibit a higher representation in the high (15) and very high (5) confidence categories, indicating a relatively greater number of confident male respondents. Conversely, females show a slightly higher prevalence in the low confidence category (6) compared to males (4). The very low confidence level is minimal overall but noteworthy, with only one female respondent falling into this category. These findings suggest a gender-specific variation in confidence levels, with women potentially facing challenges in expressing high confidence in managing personal finances.

3.4.8 Gender-Based Disparities in Financial Literacy

Table – 8

Respondents' view on the existence of gender disparities in access to financial education		
Yes	71	67%
No	35	33%

Interpretation: In our survey, out of 106 respondents, 35 respondents hold the viewpoint that there are no gender disparities in access to financial education. Whereas, a substantial majority of 70 respondents, accounting for nearly two-thirds of the surveyed population, acknowledge the existence of gender disparities in access to financial education, indicating a prevalent perception that such disparities are present.

3.4.9 Factors contributing to gender disparity in financial literacy.

Table – 9

Factors Contributing to Gender Disparities In Financial Literacy.	No. Of Respondents (71)	Percentage
Society	40	56.34%
Educational Opportunity	54	76.06%
Cultural Norms	46	64.79%
Workplace Dynamics	31	43.66%
Lack Of Media Influence	19	26.76%
Others	10	14.08%

Interpretation: Based on responses from 71 participants who responded yes to the existence of gender disparity in financial literacy, educational opportunity stands out as the most significant factor, with 76.06% of respondents recognizing its pivotal role. Cultural norms and societal influences closely follow, acknowledged by 64.79% and 56.34% of participants, respectively. Workplace dynamics and the lack of media influence also contribute, as noted by 43.66% and 26.76% of respondents, respectively. Additionally, 14.08% attribute gender disparities in financial literacy to other factors.

These findings underscore the multifaceted nature of gender disparities, emphasizing the interconnected impact of education, culture, society, and media on financial knowledge.

3.4.10 Initiatives or strategies that could help reduce gender disparities in financial literacy

Table – 10

Initiatives	No. Of Respondents (71)	Percentage
Financial Education Programs	66	92.96%
Workplace Financial Workshop	52	73.24%
Equal Access To Financial Resources	67	94.37%
Government Policies	54	76.06%
Representation In Media Marketing	40	56.34%
Other	8	11.27%

Interpretation: Based on responses from 71 participants who responded yes to the existence of gender disparity in financial literacy, financial education programs garner overwhelming support at 92.96%, emphasizing the crucial role of education in narrowing gender gaps. Workplace financial workshops follow closely, with 73.24% advocating for targeted workplace initiatives. The call for equal access to financial resources is resounding, with 94.37% recognizing its importance in fostering an inclusive financial environment. Government policies receive substantial backing at 76.06%, indicating recognition of regulatory measures in promoting gender equality. Representation in media marketing, supported by 56.34%, highlights the perceived impact of diverse representation on financial literacy. The findings underscore the multifaceted nature of initiatives needed to address gender disparities comprehensively, providing valuable insights for policymakers and advocates.

IV. RESULTS AND DISCUSSION

4.1 Major findings

Here are the major findings from the comparative study on gender disparities in financial literacy:

- Clear gender gaps exist across all assessed financial concepts like budgeting, savings, investing etc. with males consistently reporting higher levels of advanced knowledge compared to females.
- The gaps are most pronounced for investing and retirement planning literacy - areas critical for future financial security. For investing, 5 times more males rate themselves as advanced versus females.
- On financial concepts like retirement planning and investing, women also disproportionately report not knowing at all. For instance, 3 times more females have no investing skills compared to males.
- Different genders show variations in sources of financial information. Males use news, media, and formal education at nearly double the rates of women - showing their greater access.
- But females depend more heavily on informal personal connections like family and friends rather than professional services. This suggests limiting effects for women.
- Factors like unequal educational opportunities, cultural expectations, income gaps etc. emerge as reasons driving gender disparities in financial literacy.
- The age profile of respondents was relatively balanced between males and females, though the highest participation came from 18-24-year-olds. This shows the need for early financial literacy efforts.
- Occupation data reveals financial implications of broader labour gender gaps - with almost double employed males than females. Homemakers are exclusively women - limiting their economic participation.
- Engagement in active financial planning varied significantly among genders - with very few women planning finances even every week compared to men. This compounds knowledge gaps.
- Income distributions differed drastically among women relative to men - a majority of female respondents earn less than Rs 10,000 monthly highlighting economic challenges.

The study affirms the prevalence of significant gender divides across dimensions of financial literacy like knowledge, confidence, and behaviours. Multifaceted gaps in access, attitudes, and outcomes persist for women - underscoring the need for tailored policy and educational interventions to foster gender empowerment.

4.2 Conclusion

- This research on gender disparities in financial literacy has yielded valuable insights into the multifaceted nature of financial knowledge and behaviour across genders.
- The quantitative analysis revealed notable variations in financial literacy scores between genders, emphasizing the existence of a gender gap in financial knowledge.
- Women consistently scored lower on measures assessing budgeting, investment knowledge, and overall financial planning.
- The qualitative component of the study provided depth to the quantitative results by uncovering the contextual factors influencing financial literacy.
- Cultural expectations, educational experiences, and societal norms were identified as key contributors to gender-based differences in financial knowledge and decision-making.
- Women often reported facing unique challenges, such as limited access to financial resources and culturally ingrained roles that impacted their financial autonomy.
- This research adds valuable insights to the existing literature on gender and financial literacy.
- The findings offer a foundation for targeted interventions, policy advocacy, and future research endeavours aimed at fostering financial equality and empowerment for individuals of all genders.

4.3 Suggestions

Based on the above findings, the study recommends positive ways for policymakers, individuals, and society to deal with the problems found and make improvements in financial education and empowerment.

1. For the policymakers-

One key recommendation is the development and implementation of tailored financial education programs that specifically address the challenges faced by women.

These programs should encompass a range of topics, from basic financial concepts to advanced investment strategies, and be designed to cater to women's unique needs and experiences.

By tailoring content and delivery methods, financial education can become more accessible and relevant.

0. For the individuals-

Along with the implementation of policies there is a need to actively participate in such programs and workshops.

Individuals should take the initiative in acquiring and enhancing financial literacy skills throughout their lives.

By combining governmental actions and individual efforts, a collaborative approach can be established to address gender disparities in financial literacy, fostering a more inclusive and empowered society.

0. For society-

The society needs to Work towards challenging and breaking down gender stereotypes related to financial roles and responsibilities and promote the idea that financial knowledge and decision-making are essential skills for everyone.

There is a need for responsible media representation that portrays the diverse financial roles and capabilities of women.

Encouraging and getting involved in
open conversations about financial challenges and successes within the community inspire and support others in their financial journeys.
By implementing targeted interventions, advocating for policy changes, and fostering collaborative efforts, there is potential for significant progress in narrowing the gender gap in financial literacy and promoting financial empowerment for individuals of all genders.

4.4 References

- www.ncfe.org.in/reports/nsfe/nsfe2025
- www.ncfe.org.in/financial-literacy-initiative-undertaken-by-sebi#:~:text=Financial%20Education%20through%20Resource%20Persons,language%20and%20are%20paid%20honorarium.
- businessmanagementeconomics.org/pdf/Ayesha%20Jabeen.pdf
- www.ris.org.in/sites/default/files/Publication/DP-286-PDash-and-Rahul-Ranjan.pdf
- www.dhyeyaias.com/current-affairs/daily-current-affairs/financial-literacy
- taxguru.in/finance/financial-literacy-india-overview-2023.html
- www.forbes.com/sites/truetamplin/2023/09/21/financial-literacy--meaning-components-benefits--strategies/?sh=5e4ce26068cd
- www.livemint.com/money/personal-finance/national-education-day-2023-unveiling-the-gaps-in-financial-literacy-and-strategies-to-bridge-them-11699462576898.html
- yourstory.com/2023/07/financial-literacy-is-key-to-unlocking-india-economy
- economictimes.indiatimes.com/markets/stocks/news/international-womens-day-how-financial-literacy-can-empower-women-in-india/articleshow/98494289.cms