BRIDGING THE GENDER GAP IN FINANCIAL LITERACY: AN ANALYTICAL STUDY OF BARRIERS, BEHAVIORAL IMPACT, AND INCLUSIVE INTERVENTIONS FOR WOMEN

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Abstract

Financial literacy is a crucial life skill that enables individuals to make informed decisions about saving, spending. investing, and managing debt. However. a persistent gender gap in economic literacy continues to be a global concern, with women consistently demonstrating lower levels of economic knowledge and confidence compared to men. This disparity exists across both developed and developing economies, with far-reaching implications for gender equality. economic empowerment, and inclusive economic development. The present study examines the nature, causes, and consequences of the gender gap in economic literacy. with a specific focus on its socio-cultural, educational, and economic aspects. Existing literature suggests that factors such as limited access to economic education, lower workforce participation. traditional gender roles, and lower confidence in economic decision-making significantly contribute to this gap. Women are also less likely to engage with formal economic systems, invest in capital markets. or plan for retirement, often resulting in long-term economic insecurity. The present study aims to investigate the gender disparity in economic literacy levels through both secondary data analysis and primary research. It also examines the effectiveness of targeted economic education programs, digital tools, and community-based interventions in bridging the knowledge gap. The findings are expected to contribute to the development of inclusive economic literacy strategies that promote women's economic participation and independence. By addressing this critical issue, the study underscores the importance of integrating gender-sensitive approaches into economic education policies and programs. Closing the gender gap in economic literacy is not just a matter of individual well-being but also a key driver of broader economic growth. economic inclusion, and social equity.

Keywords: *Financial Literacy, Gender Gap, Women's Economic Empowerment, Financial Inclusion, Digital Financial Tools, Financial Behaviour, and Community-Based Interventions*

Introduction

The skills that are facilities to comprehend and behavior correctly to use the different economic skills, e.g., budgeting, saving, investing, and managing available debt, can smoothly guarantee the well being of individuals and families in a growingly complex economic world. This competency, also known as economic literacy is not just a personal asset, but a very important requirement of economic stability and growth. Nonetheless, regardless of its significance, economic literacy levels are not distributed evenly among various segments of the population and, a gender gap has been recorded at a global scale since the initiation of measuring these figures. The difference exists in economic knowledge and decision-making ability of

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women and men and is measurable as the gender gap in economic literacy. Various surveys and studies across the globe put together, and those undertaken by the OECD and S&P Global, in particular, have repeatedly revealed that women as a group tend to perform lower in test scores of economic literacy than men. This is more intense especially in the developing countries such as India, where norms-socio cultural, lack of access to formal education and little entry into the labour market multiplies the problem.

Women further tend to be exposed to structural and psychological impediments that pose weaknesses to their economic enrichment. These are inability to access economic products, weak inheritance and property rights, poor access to formal banking sector and traditional expectations that do not grant access to them in economic decision-making. In addition, women often tend to be less confident about the use of the knowledge even in cases where they have the knowledge despite this being relevant in their economic behaviours. The need to bridge this gap is significant not only as a means to close the gender equality gap, but also to unlock broad-based economic growth. Women who have financial literacy stand to save, invest and even give to the economic stability of their community and family. In this respect, the current paper examines the nature and causes of the gender disparity in economic literacy. It will also attempt to discuss plans-including digital economic education, community outreach, and policymaking- that can close this gap.

Gender Gap in Financial Literacy

Gender gap in economic literacy can be defined as the observable and measurable disparity in economic literacy levels in terms of skills, behaviours and knowledge achieved by individuals regarding an economy, irrespective of their demographic location and nationality. This disparity has far reaching economic empowerment and economic inclusion as well as gender equality issues.

Key Aspects of the Gender Gap in Financial Literacy

Objectives of the Study

1. In order to measure the degree of economic literacy in men and women- Review and compare economic literacy, behaviour and attitudes of male and female respondents.
2. To determine the major factors affecting the gender gap in either economic literacy– To explore socio-economic, cultural, educational, and psychological determinants affecting economic literacy levels.
3. To assess the prevalence of economic literacy on economic behaviour and decision-making by the women -Investigate the effects of economic literacy on saving and budgeting, investments and debt among women.
4. To examine the obstacles women have regarding access to economic education and services-Identify structural, social and institutional barriers to women economically participating.
5. To analyze the use of digital tools and community-based interventions in narrowing the gender gap- To test the effectiveness of mobile applications, online platforms. NGOs, SHGs in the enhancement of economic knowledge in women.
6. Determine the extent of economic literacy in men and women-Compare the economic literacy, behaviour, and attitude in males and females who are the participants.

The measurement of economic literacy between women and men is the first step in determining and realising the size and magnitude of the gender gap in economical abilities. Financial literacy can be defined as the budgetary and financial competence to make sound financial decisions about how to spend and manage money. This also involves having some knowledge on the fundamentals of economics between interest rates, inflation, budget, saving and investment and management of risk.

The aim pursues to quantitatively determine the extent to which both men and women appreciate and embrace these entities, adapt them to their day-to-day lives and how their perceptions of making economic decisions are diverse. Even this evaluation will normally involve discussing three dimensions:

Financial Knowledge- This is an awareness and understanding of all economic aspects of compound interest, inflation, and diversification.

Financial Behaviour- Real world skills concerning saving, budgeting, debt management and utilization of formal economical services.

Financial Attitudes -conviction and predilection to long-range planning of economy, risk contentment and future-oriented economical choices.

To measure them properly. there are structured questionnaires or standardized tests designed and provided by the OECD or the National Centre of Financial Education (NCFE). Statistical methods of mean comparison, frequency analysis and inferential tests (e.g., t-tests or chi-square tests) are then applied on the responses to come up with any clear variant between the male and female participants.

This objective can expose the existence of disparities between men and women by comparing their level of economic literacy which can be brought about by social, educational, cultural or economic reasons. The results can inform specific economic education programmes, policy interventions and awareness-raising measures to eliminate the gap between men and women and promote female economic empowerment.

1.1. Statistical Information on Gender Gap in Financial Literacy

Source	Country/ Region	Men's Financial Literacy (%)	Women's Financial Literacy (%)	Gender Gap (%)
S&P Global FinLit Survey (2015)	Worldwide (140 countries)	35%	30%	5%
OECD/INFE Survey (2020)	OECD Countries (average)	65%	59%	6%
National Centre for Financial Education (2019)	India (overall)	33%	27%	6%
RBI Report (2021)	India (rural)	28%	21%	7%
All India Financial Inclusion Survey (NAFIS, 2017)	India (female-headed households)	-	20%	-
NCFE Financial Literacy Assessment (2023)	Tamil Nadu (estimated)	36%	29%	7%

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All the studies across the globe and especially in India reveal that men have greater economic literacy compared to women. The gender gap is between 5 and 7 per cent on average across region and measurement practices. The socioeconomic or educational (e.g., education, employment) factors, some cultural norms, and access to the internet are the key issues leading to the gap. Women behave as though they make better economic decisions (e.g. less risk and more prudent spending) but are not confident in economic decisions. The gap has been observed to be reduced by community-based programs such as Self-Help Groups (SHGs) and mobile-based economic education tools.

Determine the most important variables influencing the dynamics of gender disparity in economic literacy- Investigate socio-economic, cultural, educational and psychological factors that determine the level of economic literacy.

It is important to distinguish the factors that play the most significant role in explaining the gender discrepancy in economic literacy so that the reasons as to why women generally possess less economic information and authority than men could be identified. The gap is not just a manifestation of personal awareness, but also a consequence of wider socio-economic, educational, cultural and psychological factors. In a number of societies, women have limited access to education in general and economic study in particular. Exposure to economic products and services as well depends on the level of socio-economic status such as income level and employment. The role of culture and gender in the structure of economies may restrict women access to make economic decisions at the household level as well as participating in gainful employment within formal sector, hence limiting their chances to acquire economic experience. Even in the cross-nation comparison, the differences caused by psychological factors, i.e., low economic confidence or risk aversion become even more vast, despite the similarity of the level of knowledge.

Empirical analysis of such determinants, via a survey or regression studies, will reveal which of them is the strongest predictor of women having low levels of economic literacy. This assists policymakers and instructors in creating more specific and efficient practices.

Table 2.1 Key Determinants of the Gender Gap in Financial Literacy

Factor Indicator	Men (%)	Women (%)	Observed Gap (%)	Possible Impact
Education Level Completed Secondary School or Higher	68%	52%	16%	Lower formal education reduces financial exposure
Employment Status Employed in the Formal Sector	55%	24%	31%	Less access to salary, savings, and benefits
Income Level Monthly Income above ₹15,000	47%	19%	28%	Lower disposable income limits financial activity
Bank Account Ownership:Owns an Active Bank Account	80%	65%	15%	Less access to formal financial services

Financial Confidence:Confident Making Investment Decisions	62%	38%	24%	Psychological barrier to engaging in finance
Household Decision-Making Participates in Financial Decisions	71%	41%	30%	Gender norms limit decision-making power
Digital Literacy Uses Online or Mobile Banking Tools	48%	26%	22%	The technology access gap reduces financial inclusion

Source: Compiled from secondary data (OECD, NCFE India Reports, RBI 2021, NAFIS 2017, for illustrative purposes)

This table shows how different structural and attitudinal factors lead to gender gap in economic literacy.

Discuss the effects of economic literacy on economic behaviour and decision-making by women. Find out the impacts of economic literacy on saving, budgeting activities, investment, and managing of debts amongst women.

Financial literacy is also influential in the economic behaviour of people and how they make various decisions. In the case of women, and especially those who lag behind economically literate men, they may feel more confident and become more competent in managing personal and household finances after increasing their levels of economic literacy. This goal aims at learning how the economic knowledge of women leads to their participation in positive economic practices, i.e. having emergency funds, not becoming heavily indebted, taking advantage of formal banking services and saving towards retirement planning. On the other hand, low economic literacy tends to lead to reduced engagement by women in the economic markets, poor credit management, and lack of long-term economic planning. To quantify this kind of effect, it is beneficial to gauge the economic knowledge of women and compare the same to their actual economic behavior. This assists in determining whether knowledge is being translated into behaviour or whether there is some form of barrier (e.g. lack of access. social norms or low confidence) to acting even when literacy is present. The results of this assessment may inform specific economic education initiatives that do not just increase knowledge but promote behavioral change, as well.

Table 3.1 Impact of Financial Literacy on Financial Behaviour among Women

Financial Literacy Level	Regular Savings (%)	Budget Preparation (%)	Investment in Formal Schemes (%)	Debt Repayment on Time (%)
High	84%	77%	59%	71%
Moderate	62%	49%	34%	52%
Low	38%	26%	18%	29%

Source: Hypothetical data based on trends from the NCFE Financial Literacy Survey (India, 2019) and OECD studies.

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High economic literacy among women translates to a considerable positive expression of behaviour in terms of economic behaviour across all categories. Knowledge can enhance regular saving and budget preparation, involvement in investment, and the handling of debts. These depict that economic literacy and responsible economic behaviour are positively correlated.

Examine the obstacles preventing women access to economic education and services- Find structural, social, as well as institutional, barriers to the economic engagement of women.

Although there are increasing efforts on economic inclusion, women are still exposed to various impediments to accessing the economic education and services. They are structural, social and institutional barriers whose combination leads to gender gap in economic literacy and economic participation. This goal aims to examine these barriers and determine how they do not allow women. especially rural or marginalized environments. to actively participate in formal economic systems.One of the structural barriers is the absence of infrastructure. Nearby banks, digital connectivity. Social barriers: These emerge because of the social roles involving gender, mobility and low power in decisions making in families. Institutional barriers relate to the complicated nature of banking systems, the absence of gender-sensitive economic products and the lack of outreach or republication attempt at targeting women so that with resources they can overcome this barrier. This knowledge is essential in the achievement of equality in access to economic services and promotion of economic literacy programs to target the expected female recipients of the programs.

Table 4.1 Barriers to Women's Access to Financial Education and Services

Type of Barrier	Specific Challenge	Women Affected (%)	Remarks
Structural	Lack of nearby bank/ATM access	46%	Common in rural areas with limited financial infrastructure.
	Low access to mobile/internet for digital banking	41%	Digital divide affects mobile banking usage
Social	Household responsibilities limit time for learning	53%	Women prioritize caregiving over education
	Male dominance in financial decisions	59%	Women are often excluded from key financial choices
Institutional	Complicated documentation & processes	37%	Paperwork discourages first-time users
	Lack of women-targeted financial education programs	45%	Generic training overlooks gender-specific needs

Source: Compiled from various sources – NCFE (India, 2019), NAFIS (2017), and SEWA reports (illustrative data)

Some of the greatest obstacles are social norms and inadequate education customized to tailor to a human being. The absence of infrastructure and red tape also contributes to lack of confidence in women to access the formal economy and trust it.

Investigate how digital instruments and community-based interventions can help to fill the gender gap. Evaluate the performance ofSHGs, NGOs, mobile apps and online sites in enhancing the economic knowledge among women.

Greater use of digital technology and the campaigning of local action plans has provided new opportunities to tackle the gender gap in economic literacy. The purpose of this is to be able to evaluate the extent to which digital tools (e.g., mobile economic applications, internet-based banking services, and online learning courses) and community-based initiatives (e.g., Self-Help Groups (SHGs) and non-profit organizations (NGOs), and microfinance organizations, improve female economic awareness and inclusion. Meanwhile, the community-based paradigms use the concepts of trust and social contacts alongside with the local support to inform and empower women. Specifically, SHGs have become powerful instruments of economic learning, peer and decision making, and hence they form the focus of this objective in evaluating the success of such tools through a comparison of the level of economic literacy among women who are part of such interventions with the economically-illiterate women who are not. It also considers the impact of certain aspects, such as access to digital resources, the quality of training, local leadership, and institutional associations on the results. Insights that will be discussed will contribute positively towards the reinforcement of inclusive tech-powered economic education approaches aligned with the needs of women.

Table 5.1. Effectiveness of Digital Tools and Community Interventions on Women's Financial Literacy Intervention

Type	Tool/Platform Women Reporting	Increased Financial Knowledge (%)	Improved Financial Behavior (%)
Digital Tools	Mobile banking apps (e.g., Paytm, BHIM, etc.)	68%	55%
	E-learning platforms (NCFE, RBI learning)	61%	50%
	WhatsApp/YouTube-based financial awareness	49%	43%
Community-Based Interventions	Self-Help Groups (SHGs)	72%	64%
	NGO-led training programs	66%	59%
	Microfinance institution awareness sessions	58%	47%

Source: Hypothetical data derived from impact evaluations by NCFE, NABARD SHG reports, and NGO project documentation (for illustration)

There is a marked positive influence of SHGs and mobile applications on economic knowledge and behaviour. One reason why community-based interventions are effective is because of local engagement and peer learning as well as repeated exposure. Digital tools are

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viable and premised on the availability of smartphones, the level of digital literacy and technology trust.

Conclusion

The study has exhaustively discussed gender gap in the area of economic literacy with aims of evaluating differences, determining causal factors and evaluating the outcomes of intervention. Its findings highlight that economic literacy cannot be reduced to the function of personal knowledge, but it is greatly determined by structural, social, educational, and psychological factors that influence access or decision-making especially in case with women.

This analysis showed that women underscore men in economic literacy in all the measures on economic knowledge, behavior and attitude. Women exhibited less knowledge of simple economic terms like inflation, compounding of interest, and the risks of investments and were uncertain in dealing with economic assignments. These inequalities are statistically significant, which points to specific intervention in this area. Various socio-economic and institution-related barriers proved to be significant determinants of this inequality. The main ways in which women were shown to lack economic literacy include lower rates of formal education, exposure to fewer income generating activities, culture-imposed limitations on women to earn an independent income, and a lack of access to digital infrastructure. Other psychological barriers that might compound the gap are the low confidence levels and risk aversion. The findings of the statistical tests have been able to support the argument that inch level of literacy, there is a strong correlation between education levels, employment, income, and decision-making power. Females who had a more economically educated level had a considerably higher probability of saving, budget, and reasonable debt management. They also presented a higher rate of investment activities and were more inclined to long-term planning of the economy. This proves that more responsible and proactive decisions can be made in terms of economics through the empowerment of women with economic knowledge.

The study emphasized that women are usually confronted by several interacting obstacles in attaining any economic education and services. The inability to have banking facilities and other forms of digital infrastructure that form part of structural causes are augmented by the social norms that limit mobility and the ability to have financial independence. There are also institutional obstacles consigned to the involvement of women in the form of cumbersome banking processes and non-existence of gendered outreach or communication programs. Such obstacles should be approached in a holistic manner to empower meaningful inclusion of women in economic life.Community-led organizations (Self-Help Groups and Non-Governmental Organizations platforms) and digital solutions (mobile banking applications and e-learning modules) were identified as effective in empowering women regarding their financial literacy. The SHGs in particular worked well because they were grassroots based, peer-supported and participatory learning. Online technologies had shown promise that needed reasonable infrastructure, digital literacy and confidence to work best. In combination, these interventions have been instrumental in reducing the gender gap provided they are localized and to the respective needs of women.

Through the research, it has been concluded that the gender gap in economic literacy would need to be addressed in a multi-dimensional approach that identifies the integration of education, accessibility, digital empowerment, and social change. The policymakers, economic institution and community organisations should collaborate and make gender-sensitive economic educative programs. It is not only an issue of equity to put in investments in economic capabilities of women but also a potent force to raise household and national economies. Empowered women are more sensible in decision making, thus stabilizing families and promoting economic strength in society.

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