

WOMEN'S PARTICIPATION IN FAMILY FINANCE MANAGEMENT

M Padmaja¹, Dr. C. Samudhra Rajakumar²

¹ Research Scholar, Department of Business Administration, Annamalai University, Chidambaram.

² Research Supervisor, Department of Business Administration, Annamalai University, Chidambaram.

DOI: 10.47750/pnr.2022.13.508.388

Abstract

Today the contribution of women in family, business, and society is getting recognized. Women have started playing an essential role in family decision making with the changing demographics as more and more women have started getting involved in everyday financial and other related decisions of the family. The contribution of women in increasing family decisions with the change in their education, employment, and social awareness. The participation of women is a process that enables women to make decisions in family related to finance, family, and society. The process involves buying and selling things and having access to control over household resources and means. Activities are related to financial management of the household and decisions related to it like paying bills, tracking expenses, purchasing items for family, handling expenses of children, investment associated decisions of saved money, arranging funds for unexpected expenses, minimization of risk of invested money, retirement planning, buying policies for themselves and family members, etc. (Murari, 2019).

Keywords: Financial Planning, Role of Women, Family, Investment Decision Making, Family economy, women empowerment.

Introduction

Compared to old times, women of today have started getting involved more in decisions related to family, society, and business. Women were the most dormant part of society but have now come up and begun to participate in every walk of life. Women have not just become a significant part of society but have started making contributions to almost every decision taken in everyday life. The role played by them cannot be afforded to ignore but should be given more importance. As education, level of literacy, social status and awareness, and their significance is getting better, their involvement has also increased, and even women have started making contribution of income to their family. Previously majority of finance-related decisions were taken by the male members of the family. Still, with the rise in the importance of women, they have started taking part in decision making activities related to finance more actively. Talking about investment related decisions, women found to be more risk averse because of their conservative attitude, less knowledge about finance, and less confident (Sharma & Kota, 2019). Financial education and counseling usually take place most of the time at an individual level. On the other hand, decisions related to finance take place at household and at the level of intra household. All family members, along with children, now influence family financial decisions. There is a need for financial educators to understand not just the importance of spousal impact in financial decisions but also their incapable involvement in economic decisions of family by distinct genders and their succeeding results. There might be more finance related decisions makers in family like elder children. Thus, education on finance and its counseling at individual level might not reach other decision makers of the family, particularly partners and elder kids. Though, working with decision makers of family might be proved effective because approach of whole family would be practical in long term (Kim, Gutter & Spangler, 2017). Women are taking part in household financial decisions not just in urban cities but also

in rural areas, as it has become essential for them to get involved. A positive association was found between women's participation in household financial decisions with their access to resources, their socioeconomic status, age, and their perception. The structure of families is changing, and such changes are very much visible. Male members of society have accepted that it is not easy to live without the participation of women in their lives. Due to that, they have delegated part of the power of decision making to women in their families. Women at home would become more responsible after the delegation of decision making power to them (Rezapour & Ansari, 2014).

Being deviated from tradition role of women has led to taking over household responsibilities and taken up making money in labor market, which was traditionally a man's domain. The outcome of study shows that women are taking up more responsibilities than men nevertheless of who is earning money for family. This study provides implications for management of household finance. It also provides an essential insight into ways that partners in households that are headed by female manage their finances. Taking up more work, like working outside and managing finance at home such workload is making bad impact on well-being of finance at home (**L'Esperance, 2016**). It has become a priority to give economic empowerment to women along with gender equality. To reduce poverty, it is essential to provide economic empowerment to women and equality in society. An attempt has been made by this paper to give importance to women's economic empowerment. It is believed that development of women brings development in home, society, as well as nation. It is economic empowerment on which the empowerment of women depends. An economically empowered woman touches sky. Their potential, skills, knowledge, and dedication yield good results for themselves as well as for society. There is a need for the government to make needed efforts and steps to give protection, support, and guidance to women for a better future (Thanikaivel & Priya, 2018).

Literature Review

Bernasek & Bajtelsmit (2002) stated about having a presumed association between participation and influence of women in savings and investment related decisions. The outcome of the study implies that women have more impact on family financial decisions when they make some financial contribution to income of the family. However, women usually have lower levels of income as compared to male members of the family. They are less likely to get involved in financial decisions of households, like savings and investment related decisions. Women having larger part of income contribution in family are found to be more involved and focused towards the savings and investment decisions. Women's participation in household financial decisions was found to be significantly positive in relation to their share in total household financial income.

Hendriks (2019) revealed that it is believed that taking charge of financial future is deep method to exercise power over life. This is why strategy of equality between genders is dedicated mainly to transformation of the way women are involved in financial matters. This strategy of gender equality was informed through a series of literature and by analyzing data in study. The study concludes by recognizing economic empowerment of women as strong lever for transformation that drives equality between gender and benefits for female members of society, their kids, and their home. Many barriers are faced by women in accessing economic and productive resources due to engrained hindrances in legal and financial system of society.

Singh (2021) concluded from his study that marital status of women does not make any impact on their knowledge about finance, which means that it is no difference between single women and married women with reference to financial knowledge. With regard to other socio economic and demographic variables like age, educational level, income and occupation differ considerably. This study is also not free from limitations. Reasons behind it are this study was conducted on women from just one city and is not applicable in other Indian cities. Another reason is this study was conducted only on women and did not apply to men and children society. The last reason is study includes only socio economic and demographic variables and does not include impact of family, religious influence, and peer groups.

Ramesh & Umamaheswari (2021) found a significant association between parents' education and overall financial knowledge of women. Thus, the outcome of study shows that majority of study participants have high

educational qualification and are showing interest in investing in different financial sources. The study also revealed that women's attitudes towards savings and investment significant influence on other elements. It is also observed that income of women makes a significant impact on their concern about savings and borrowing along with investment decisions. There is a requirement for introduction of special financial literacy programs for a group of people with lower and middle income levels and people with higher education people. With this, women who are employed are benefitted by having knowledge of finance and have the ability to plan their investments, and savings and also track their income and expenses.

Manasa & Ishwara (2022) stated about attempt at financial literacy for measurement of understanding and decisions related to finances among people, particularly women. Significant role is played by women in their families, society, and even in business. Majority of women actively participate in every path of their life. Less knowledge and understanding about different investment avenues and their related risk and growth factors and lack of confidence among women are some of the common hindrance in life of women and restrict them from utilizing investment avenues available in market. Women must gain knowledge and understanding about investment avenues to enjoy its outcome. There is an urgent need to provide knowledge and financial literacy to women with detailed information about investment avenues so that they can elect investment options as per their requirement and risk-taking abilities. It is suggested that women must not invest their hard earned money in single basket to have better results and less risk. Whole family can be benefitted from awareness and knowledge among women members of family. Financial literacy is a term that indicates the ways to know and understand the way money works. Good knowledge of finance throws light on awareness of investment avenues, skills, and investment related decisions.

Goswami (2021) found that an increasing rate of employment among women has played important role in improving their participation in financial activities and getting involved in financial management of households. Employment of women has also improved their social status in society and made them independent. Looking at the decision makers of family, employment is decisive factor in providing them space. This study has attempted to frame a theory regarding participation of women in the process of decision making in their family concerning budget making of family in order to have control over expenses that occur in household activities. Now a day's, managing household budget is essential issue and discussed by many researchers. Adopting employment outside home by women leads to their economic independence. Working women outside their homes have the ability to earn money and spend it as per their choice and requirement.

Jain & Roy (2019) studied that empowerment of women is a recent trend in society. However, it lacks practicality in nature. Empowered women are found to be still dependent on male members of their family with reference to financial resources. Women at present time are found to be actively involved in earning money outside of their homes instead of becoming housewives and are not much interested in managing household finance. There is a need to encourage them to participate in management of their household finances and financial resources and take care of income and expenses.

Along with it, they should also invest their saved amount in fruitful investment avenues by themselves without taking help of male members of society. Women of present time must be taught starting from school about investment and the beneficial result they can get from their saved amount for their better future. Saving money for future would make them more confident and help them learn management of finances. Financial knowledge and literacy will improve women's empowerment and benefit the country.

Asandimitra, Aji & Kautsar (2019) revealed that first form of attitude and investment preference by working women is that most women have investment thoughts, and most of participants believe that investing in profitable investment avenues can give good results. Second form of attitude is most of study participants are interested in investing their money in property. Third form of attitude encourages working women to make investment plans like planning for retirement, security for family, etc. The study shows that women who are employed have sound financial knowledge and understanding that help them in saving money and investment plan and have control over their money, and are able to manage money.

Bhatt & Prajapati (2021) found that majority of women have control over their household finance activities like purchasing things and all decisions related to household finance management activities and investment related

decisions. Women are more concerned about household finance management as they are more concerned about savings of money. Today's women are independent,

have financial freedom, and also make contributions to income of family. Working women are independent are saving money and making investments. However, majority of them are not equal in earnings to male members of family. Study also observed that married women are actively participating in financial management and making investments.

Objectives

1. To ascertain how women participate in family finance management.
2. To identify different variables that make impact on women's participation in handling finance management.

Methodology

The study is empirical in nature. Number of participants was 191. Structured questionnaire was used to collect data. To identify outcome the Mean and t-tests were applied. Sampling method was convenience sampling.

Outcome

Table 1 displays the Age, 22 to 25 years are 36.12%, 25 to 28 years are 24.61%, and more than 28 years are 39.27%. Regarding Education, Intermediates are 22.51%, Graduates are 20.42%, Post Graduates are 26.70%, and Professionals are 30.37%. With reference to Regions, Rural are 32.98%, Semi Urban are 30.89%, and Urban are 36.13%. Looking at the marital status, Unmarried are 45.55%, and Married are 54.45%.

Table 1. Respondent's Demographic Details

Variable	Number of respondents	Percentage %
Age		
22 to 25 years	69	36.12%
25 to 28 years	47	24.61%
More than 28 years	75	39.27%
Total	191	100 %
Education		
Intermediate	43	22.51%
Graduate	39	20.42%
Post Graduate	51	26.70%
Professionals	58	30.37%
Total	191	100 %
Region		
Rural	63	32.98%
Semi Urban	59	30.89%

Urban	69	36.13%
Total	191	100 %
Marital Status		
Unmarried	87	45.55%
Married	104	54.45%
Total	191	100 %

Table 2. Women Participation in Family Finance Management

Sr. No.	Survey Statement	Mean Value	T-Value	Sig.
1.	Women participation in financial management depends on their financial literacy	4.33	18.704	0.000
2.	Participation of women in household finance management sometime vary with their marital status	4.29	18.257	0.000
3.	Women must be provided with financial knowledge and understanding to improve their involvement in money management	4.23	17.685	0.000
4.	Working women are more concerned about management of their household finances	4.13	15.919	0.000
5.	Women in urban areas are more involved in financial management of their house as compared to rural areas	4.19	17.040	0.000
6.	Empowerment of women has helped them get involved more in finance management of family	4.00	14.078	0.000
7.	Single women have to manage their household finance on their own	3.33	4.690	0.000
8.	Women choose investment option as per their knowledge and requirement	3.29	4.139	0.000
9.	Women have less participation in finance management who have more male members in family	4.02	14.384	0.000
10.	Majority of women are not ready to take much risk, and do not opt risky investment plans	4.10	15.784	0.000

Table 2 shows mean values of the “Women Participation in Family Finance Management” the first statements of T-test is about financial literacy “Women participation in financial management depends on their financial literacy” it has scored the mean value of 4.33, net statement is regarding “Participation of women in household finance management sometime vary with their marital status” with the mean value of 4.29, third statement suggests to provide financial knowledge to women “Women must be provided with financial knowledge and understanding to improve their involvement in money management” with the mean score of 4.23. Next statement is about involvement of working women in money management of house “Working women are more concerned about management of their household finances” has scored the mean score of 4.13, in fifth statement the comparison of urban and rural area is shown

“Women in urban areas are more involved in financial management of their house as compared to rural areas” the mean value is 4.19, next statement talks about women empowerment “Empowerment of women has helped them get involved more in finance management of family” mean score is 4.00. Seventh statement talks about household finance management by single women “Single women have to manage their household finance on their own” 3.33, next statement is about choosing of investment option as per choice and need “Women choose investment option as per their knowledge and requirement” it has scored the mean value of 3.29. The last two statements are “Women have less participation in finance management who have more male members in family” and “Majority

of women are not ready to take much risk, and do not opt risky investment plans” with the mean score of 4.02 and 4.10. T-value of each statement of the survey in the context of Women Participation in Family Finance Management are significant because t- value of statements are positively significant as the value is less than 0.05.

Conclusion

Women of all ages are now very much involved in household finance decision making. Reasons and comfort of participating in household financial decisions differs demographically. Involvement of women in family financial decision making shows women empowerment. Women participating in family decision making shows women are accountable for important family matters. A vital role is played by women in welfare of their family. Women are taking responsibility of their families and actively participating in finance management of household comfortably. Women are even trying to save their money in different investment options available in market. There is a need to improve knowledge and understanding of finance as many of them still lacks financial knowledge because of which they are unable to take care of finances and are not taking benefits of investment avenues. The study found that women’s participation and opting investment option as per their knowledge, understanding, and requirement. However, they choosing investment option differs as per their age, education, qualification, etc. It is the duty of our society to motivate women in their families to get involved and participate in household financial management as they have good knowledge about the needs and demands of family and they are the one who can take care of household finance in much better way.

References

1. Murari, K. (2019). Managing Household Finance: An Assessment of Financial Knowledge and Behavior of Rural Households, *Journal of Rural Development*, 38(4), 705-732.
2. Sharma, M., & Kota, H.B. (2019). The Role of Working Women in Investment Decision Making in the Family in India, *Australasian Accounting, Business and Finance Journal*, 13(3), 91-10.
3. Kim, J., Gutter, M.S., & Spangler, T. (2017). Review of Family Financial Decision Making: Suggestions for Future Research and Implications for Financial Education, *Journal of Financial Counseling and Planning*, 28(2), 253–267.
4. Rezapour, Z., & Ansari, H. (2014). Studying the factors associated with women's participation in family decision making (Case study: Northern Khorasan, Iran), *European Journal of Experimental Biology*, 4(1), 553-556.
5. L'Esperance, M. (2016). Gender and the Division of Household Financial Management, *Consumer Interests Annual*, 62, 1.
6. Thanikaivel, M., & Priya, K. (2018). Economic Empowerment of Women in India, *International Journal of Technical Research & Science*, 3(7), 251-253.
7. Bernasek, A., & Bajtelsmit, V.L. (2002). Predictors of Women's Involvement in Household Financial Decision-Making, *Financial Counseling and Planning*, 13(2), 1-9.
8. Hendriks, S. (2019). The role of financial inclusion in driving women’s economic Empowerment, *Development in Practice*, 29(8), 1029–1038.
9. Singh, A. (2021). Financial Literacy among Women: An Empirical Evidence, *an International Journal of Educational Technology*, 11(2), 91-98.
10. Ramesh, S., & Umamaheswari, S. (2021). A Study on Impact of Financial Literacy on Women in Bengaluru City, *Journal of Contemporary Issues in Business and Government*, 27(2), 4512-4522.
11. Manasa, B., & Ishwara, P. (2022). Impact of Financial Literacy on Investment Decision of Working Women, *Telangana State Journal of Commerce & Business Studies*, 1(1), 46-58.
12. Goswami, R. (2021). Role of Women in Decision-Making in the Family, *Journal of Emerging Technologies and Innovative Research*, 8(4), 264-269.
13. Jain, R., & Roy, B. (2019). Financial Literacy and Women: A Review of Literature, *THINK INDIA (Quarterly Journal)*, 22(4), 5666-5674.
14. Asandimitra, N., Aji, T.S., & Kautsar, A. (2019). Financial Behavior of Working Women in Investment Decision-Making, *Information Management and Business Review*, 11(2), 10-20.
15. Bhatt, P., & Prajapati, F. (2021). A Study On Women’s Behavior Towards The Investment Decision And Financial Planning With Special Reference To Ahmedabad, *Utkal Historical Research Journal*, 34(1), 74-79.