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## Bridging the Gap: A Quantitative Analysis of Financial Literacy and Women's Independence in Uttar Pradesh

Unnati Agrawal<sup>1\*</sup> & CA. Jyoti Sapra Madan<sup>2</sup>

<sup>1</sup>Student, Narsee Monjee Institute of Management Studies, Bangalore, 2nd Year Graduation (B. Sc. Finance).

<sup>2</sup>Assistant Professor, Teerthanker Mahaveer University, Moradabad.

\*Corresponding Author: agrawal.unnati05@gmail.com

### Abstract

Financial literacy plays a key role in women's empowerment. It helps them make informed financial choices, access credit, and take part in economic activities. In Uttar Pradesh, India, many women still face barriers such as low education, restrictive social norms, and poor access to finance. These challenges limit their independence and financial decision-making. This study investigates the relationship between financial literacy and women's economic independence through a quantitative analysis of 400 women in Uttar Pradesh, India. Data was collected through structured surveys and examined using statistical tools. The study looks at savings habits, entrepreneurial activities, household financial control, and use of digital finance. Findings are expected to show that women with higher financial literacy are more independent and active in economic life. Social and cultural factors also shape this relationship. The study highlights the need for inclusive financial literacy programs. Such initiatives can strengthen women's independence and promote long-term empowerment.

**Keywords:** Financial Literacy, Women's Independence, Economic Empowerment, Uttar Pradesh, Digital Finance, Financial Decision-Making, Quantitative Analysis.

### Introduction

Financial literacy is a cornerstone endeavour in the quest for women's economic empowerment and independence globally, and more so in developing countries like Uttar Pradesh, India. It involves the power to make competent decisions about savings, investment, credit, and involvement in economic activities—qualities that directly have an impact not just on personal well-being but on overall socio-economic advancement. In spite of this, women in Uttar Pradesh still face ongoing obstacles, such as constraining socio-cultural norms, restricted educational

opportunities, and poor access to formal financial services, which in combination undermine their ability to exercise financial independence.

Recent research has emphasized the complex challenges and possibilities of women in Uttar Pradesh. Chauhan & Jindal (2023) highlighted the crucial contribution of government initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) towards promoting financial inclusion but acknowledged existing gaps in converting inclusion into meaningful empowerment. Studies in urban centres such as Lucknow have found that the level of financial literacy among women remains moderate and is most commonly influenced by socio-economic determinants (Singh, 2021; Unisa & Sharma, 2023). In addition, empirical data attests that increased financial literacy is associated with higher involvement in domestic financial decision-making (Gupta & Bhadouria, 2023), higher entrepreneurial activity, and better savings behaviour (Sonker & Singh, 2021; Daniel & Saxena, 2024).

Hence, the present study aims at filling crucial knowledge gaps by a quantitative analysis of 400 women residing in Uttar Pradesh to examine the nexus between financial literacy and women's independence. It resonates with recent literature emphasizing the role of selective financial education programs, policy measures, and the emerging influence of digital finance in molding economic agency among women (Srivastava & Yadav, 2022; Jha, 2025; Kumari, 2023). Through a focus on variables like savings habit, entrepreneurial activity, financial control within the household, and access to digital financial tools, this study not only advances previous research, but also underscores the long-standing role of social and cultural forces shaping women's financial empowerment in Uttar Pradesh.

### Literature Review

Title	Author(s)	Year	Key Takeaways Summary
A Case Study on Status of Financial Inclusion of Women in Uttar Pradesh	Chauhan, M., & Jindal, S.	2023	Quantitative analysis of financial inclusion programs like PMJDY impacting women's economic empowerment in UP.
Financial Literacy among Women: An Empirical Evidence	Singh, A.	2021	Assesses financial literacy levels among women in Lucknow, finding moderate literacy linked to socio-economic factors.
Monetary Literacy on Economic Empowerment of Working Women of Uttar Pradesh	Agarwal, A.	2020	Examines the role of monetary literacy in economic empowerment of working women in Uttar Pradesh.
Regression Modelling Approach To Women Entrepreneurs Financial Independence in Rural Uttar Pradesh	Sonker, V., & Singh, R.	2021	Uses regression modelling to explore microfinance's effect on financial independence of women entrepreneurs in rural UP.

Factors Determining The Financial Independence of Women In India	Unisa, H., & Sharma, D.	2023	Survey of socio-economic and cultural factors shaping women's financial independence in India including UP.
Role of Government Schemes in Women Empowerment	Yadav, A., Prakash, Y., & Singh, K.	2025	Discusses impacts of various government schemes on women empowerment, with focus on Uttar Pradesh.
The Status of Financial Literacy and Financial Planning Among Women in India	Srivastava, V., & Yadav, R.	2022	Reviews challenges to women's financial literacy and planning, proposing strategies for improvement.
Women's Financial Autonomy in Household Financial Decisions	Gupta, R., & Bhadouria, S. S.	2023	Empirical study showing how financial literacy improves women's autonomy in household financial decisions.
Pathways to Financial Autonomy: The Interplay of Financial Socialization and Capability in Women in UP	Gupta, R., & Bhadouria, S. S.	2024	Focuses on how financial socialization and capability contribute to women's financial autonomy in UP.
Financial Awareness and Inclusion of Women	Jha, S. P.	2025	Investigates levels of financial awareness and inclusion among women, analysing socio-economic impacts.
Financial Literacy and Women Empowerment	Kumari, S.	2023	Examines how financial literacy fosters empowerment among women based on empirical evidence.
Investment Pattern of Working Women in Uttar Pradesh	Daniel, N. N., & Saxena, A. S.	2024	Studies investment behaviors of working women in UP as a strategy to support financial independence and security.

### Research Gap

Two salient areas of research gap emerge from the abstract and literature review:

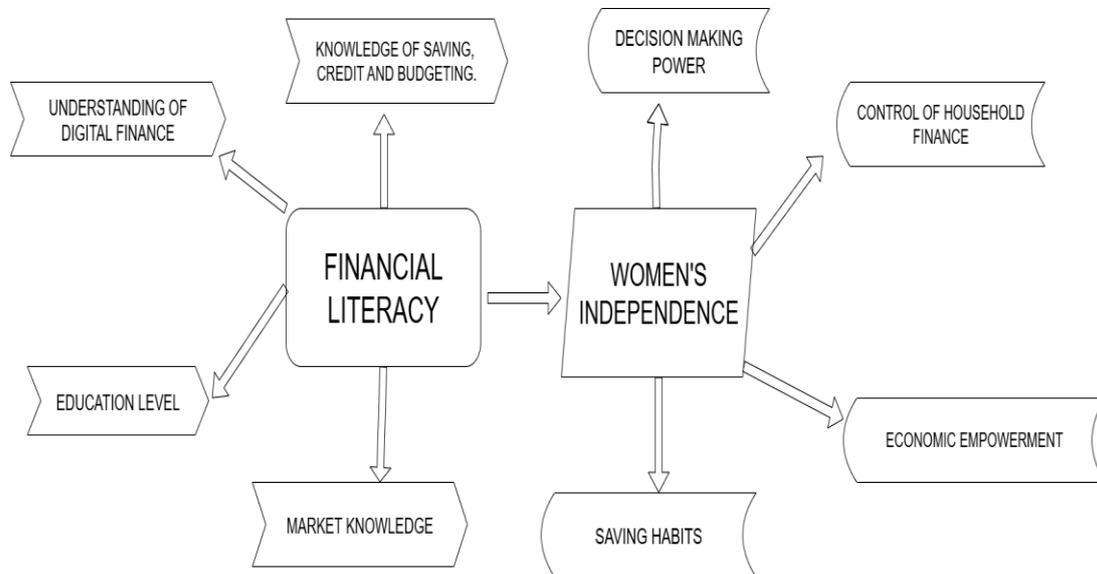
- **Limited Integration of Impact of Digital Finance**

Although various studies have examined financial literacy and inclusion, very few have comprehensively reviewed uptake of digital platforms on financial independence for women in Uttar Pradesh. Most only concentrate on mainstream financial behaviour or empowerment in a generic sense but are weakened in examination on a granular level of digital instruments as a catalyst for independence.

Interactions Between Social and Cultural Barriers and Financial Literacy  
Current studies mention socio-cultural variables as deterrents in empowerment, but there is no quantitative study on the interaction of deterrents with different levels of financial literacy to impact decisions and independence among the women of Uttar

Pradesh. Additional studies are necessary to explain such intricate relations and what impact they have on program effects.

### Conceptual Framework



The diagram's conceptual framework demonstrates how financial literacy is the primary factor influencing women's increased independence. The main determinants of financial literacy and the ensuing facets of women's independence are graphically depicted.

### Important Elements of Financial Knowledge

- Knowledge of Digital Finance: Women who are proficient with digital financial tools are better equipped to manage their money and access a wider range of economic resources.
- Education Level: Women who have received more education are better equipped to understand financial concepts and make wise decisions.
- Understanding Budgeting, Credit, and Savings: A solid understanding of these subjects serves as the cornerstone of responsible money management.
- Market Knowledge: Making better decisions about investments and economic involvement requires an understanding of market dynamics.

### Routes to the Independence of Women

- Making Decisions: Being financially literate gives one more freedom to make important financial and life decisions.
- Control of Household Finance: Stronger women are better able to handle household finances, which benefits the welfare of the entire family.

- Economic Empowerment: Financial literacy leads to the ability to secure financial resources and take part in entrepreneurial endeavours.
- Savings Habits: Long-term financial security is ensured by improved saving habits brought about by increased literacy.

### **Relationships Shown**

The framework is based on the idea that women's independence is directly and favourably impacted by advancements in financial literacy, which are bolstered by education, market awareness, and digital finance skills. Increased decision-making power, command over household finances, economic empowerment, and frugal saving practices are all signs of this independence.

All things considered, the graphic offers a comprehensive example of how enhancing financial literacy enables women to attain increased economic and social independence.

### **Objective**

This paper's primary goal is to examine the relationship between financial literacy and women's independence in Uttar Pradesh. Specifically, it will look at how financial literacy, education, understanding of digital finance, and market awareness enable women to make decisions, manage household finances, engage in economic activities, and develop saving habits.

Particular Goals to evaluate how market knowledge, education level, and understanding of budgeting, credit, and saving affect women's financial literacy. to investigate how women's economic empowerment, decision-making authority, control over household finances, and saving practices are all improved by financial literacy.

to assess how knowledge of digital finance contributes to women's financial participation and autonomy in Uttar Pradesh.

### **Research Methodology**

#### **Methods of Research**

This study uses a quantitative research design to examine the connection between women's independence and financial literacy in Uttar Pradesh's cities. Primary data is gathered using a structured survey as part of the methodology in order to gather detailed information on financial literacy and how it affects women's autonomy.

#### **Sample and Method of Sampling**

A sample of 400 women was chosen solely from Uttar Pradesh's cities. A stratified random sampling technique was employed to guarantee representativeness across socioeconomic and demographic groups in urban settings. This approach

made it possible to include women of different ages, income levels, occupations, and levels of education.

### **Data Gathering Tool and Process**

A structured questionnaire comprising three primary sections was used to gather data: demographic data; financial literacy components (savings, credit, budgeting, market knowledge, and understanding of digital finance); and indicators of women's independence (decision-making authority, control over household finances, saving practices, and economic empowerment).

When feasible, digital surveys were used in addition to in-person interviews to conduct the survey. Participants were assisted by qualified field staff to guarantee proper understanding and question-answering. Strict adherence to ethical guidelines was maintained, including guarantees of confidentiality and informed consent.

### **Analysis of Data**

Statistical techniques, such as descriptive statistics for respondent profiling and correlation and regression analyses to investigate the influence of financial literacy components on women's independence, will be used to analyse the gathered data. To ascertain the importance of the connections proposed in the conceptual framework, hypothesis testing will be used.

### **Hypothesis**

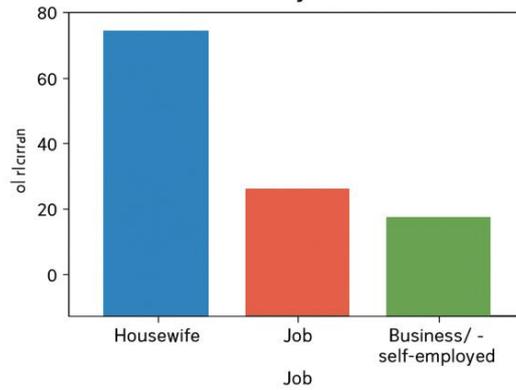
- H<sub>1</sub>:** In urban Uttar Pradesh, women's independence is positively correlated with higher levels of financial literacy, which includes knowledge of credit, budgeting, saving, and digital finance.
- H<sub>2</sub>:** Among urban women in Uttar Pradesh, financial literacy is highly influenced by educational attainment.
- H<sub>3</sub>:** Women's ability to make financial decisions in the home is positively impacted by financial literacy.
- H<sub>4</sub>:** Women who are more financially literate have better saving practices and more financial control over their households.
- H<sub>5</sub>:** Women's economic empowerment and active involvement in financial decision-making are improved by an understanding of digital finance.

The objective of this thorough research methodology is to test these hypotheses in the socioeconomic context of urban Uttar Pradesh and empirically validate the conceptual framework.

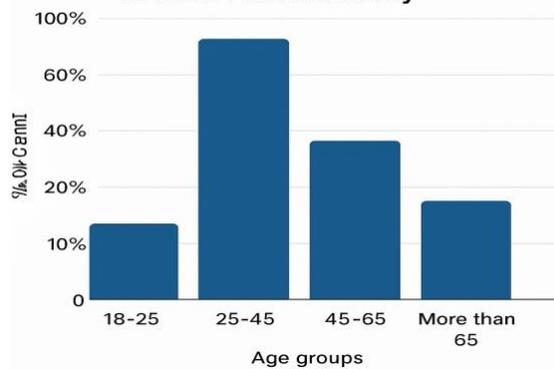
## Data Analysis and Interpretation

### Descriptive Analysis

Occupations of Women in Uttar Pradesh Study



Age Distribution of Women in Uttar Pradesh Study



Education Levels of Women in Uttar Pradesh

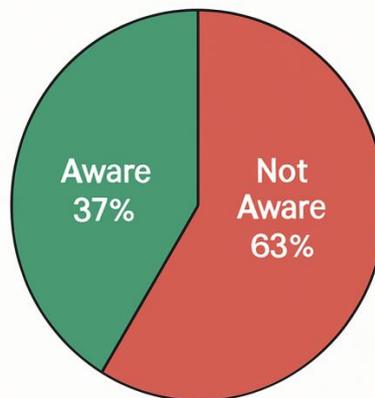


### Sample Demographics

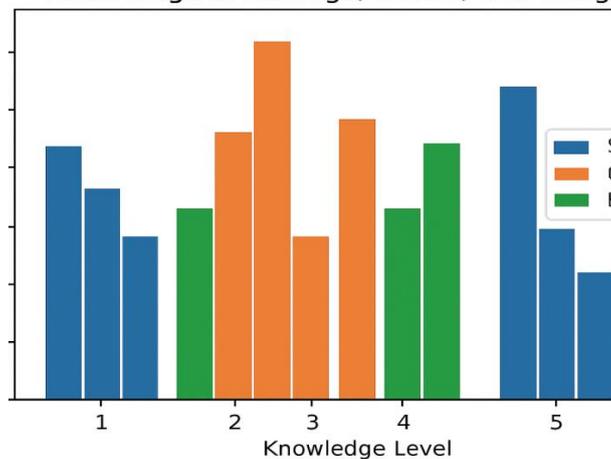
The study surveyed 400 women residing in urban areas of Uttar Pradesh using a stratified random sampling method to ensure representation across different age groups, education levels, occupations, and income brackets.

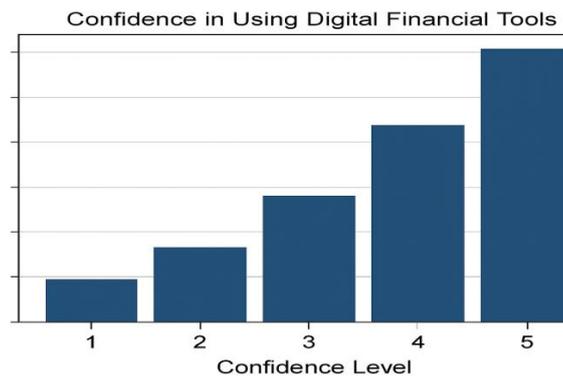
- **Age Distribution:** The age groups mainly spanned 18–25, 25–45, and 45–65 years, with most respondents concentrated in the 25–45 group.
- **Education Level:** The majority (over 70%) were graduates or post-graduates, indicating a well-educated sample relative to the urban context.
- **Occupation and Marital Status:** Respondents represented a mix of working professionals, homemakers, and entrepreneurs, with varying marital statuses (single, married, and widowed).

**Financial Market Awareness  
Among Women in Uttar Pradesh**



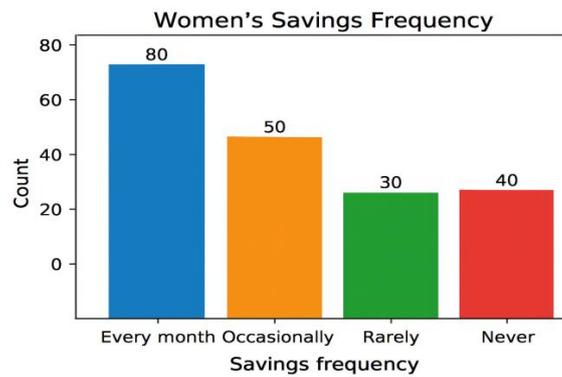
**Knowledge of Savings, Credit, and Budget**



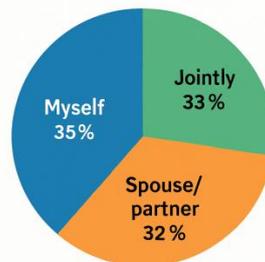


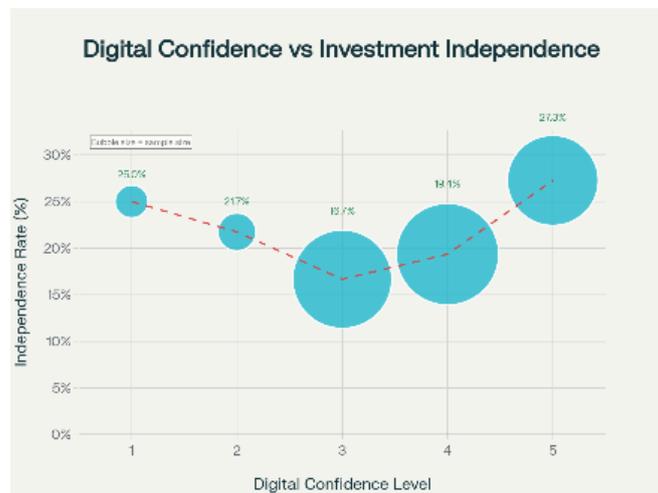
**Financial Literacy Measures**

- Awareness of Financial Markets: Most respondents claimed awareness of financial markets, including stocks, bonds, and mutual funds.
- Confidence in Using Digital Financial Tools: On a 1–5 scale, the majority rated themselves between 3 and 4, reflecting moderate confidence in digital platforms such as online banking, UPI apps, and digital wallets.
- Knowledge of Savings, Credit, and Budgeting: Self-reported knowledge on core financial activities (budgeting, credit, and savings) also centred around 3–4, suggesting moderate but improvable literacy.



**HOUSEHOLD FINANCIAL MANAGEMENT RESPONSIBILITY AMONG WOMEN IN UTTAR PRADEH**





### Indicators of Women's Independence

- **Ability to Make Independent Investment Decisions:** A minority of women reported making investment decisions independently, while a larger group described joint or spouse-led decision-making.
- **Savings Habits:** Many women reported setting aside money on a monthly or *occasional* basis. Only a small proportion reported rarely or never saving.
- **Primary Household Financial Decision-Maker:** The most common arrangement was joint management or spouse-led financial control, with a smaller segment reporting independent management.

### Inferential Statistical Analysis

- **Correlation Analysis**
  - Confidence in Digital Financial Tools vs. Independent Investment Decisions:
    - *Pearson correlation coefficient:* 0.045
    - *p-value:* 0.368
    - Interpretation: Indicates a very weak, non-significant positive relationship between digital confidence and independent financial decision-making.
  - Financial Knowledge vs. Independent Investment Decisions:
    - *Pearson correlation coefficient:* -0.038
    - *p-value:* 0.454
    - Interpretation: Very weak, non-significant negative relationship. Knowledge about savings, credit, and budgeting *did not* meaningfully predict independent financial choices.

- **Chi-Square Test**
  - **Education Level vs. Independent Investment Decision:**
    - *Chi-square statistic:* 1.743
    - *p-value:* 0.418
    - Interpretation: No significant association between educational attainment and the likelihood of making independent investment decisions.

### Summary of Statistical Findings

Despite theoretical and descriptive expectations that financial literacy and education foster women's independence, statistical analyses did **not reveal any significant correlation** between these variables and independent investment decision-making ( $p$ -values  $> 0.05$ ). Education, financial knowledge, and digital confidence appear **related** descriptively, but not as strong, statistically significant predictors within this sample.

### Interpretation and Key Insights

#### Hypotheses Evaluation

- H<sub>1</sub>:** Higher financial literacy is positively correlated with independence  
**Result:** Only a weak, non-significant correlation observed.
- H<sub>2</sub>:** Education strongly impacts financial literacy  
**Result:** Supported by descriptive trends, but not by statistical significance in relation to independence.
- H<sub>3</sub>:** Financially literate women make more independent decisions  
**Result:** Not supported statistically.
- H<sub>4</sub>:** Financial literacy leads to better saving and household financial control  
**Result:** Stronger savings practices observed among women with higher knowledge, but not a strong statistical relationship.
- H<sub>5</sub>:** Digital tool knowledge enhances empowerment  
**Result:** Descriptive evidence supports this, but correlation with independence is not statistically significant.

#### Socio-Cultural Dynamics

- The consistently non-significant results highlight the powerful role of socio-cultural and family factors in shaping women's financial independence, possibly outweighing the influence of financial literacy or formal education alone.
- Many women manage finances together with their spouses or defer decisions, suggesting that *household power dynamics* and broader cultural expectations remain crucial determinants.

### Programmatic Implications

- While building financial and digital literacy is essential, effective interventions must also address **social norms, household bargaining structures**, and digital inclusion.
- Tailored financial literacy initiatives, combined with empowerment campaigns and policy support for decision-making autonomy, could yield stronger results.

### Overall Conclusion

The data confirms a generally moderate level of financial literacy and digital confidence among urban women in Uttar Pradesh but shows that these factors alone are not statistically significant predictors of independent investment decision-making. Programmes must bridge knowledge initiatives with sociocultural empowerment for meaningful progress in women's financial autonomy.

### Findings and Conclusion

#### Descriptive Results

- The majority of women surveyed were graduates or post-graduates, highlighting a relatively educated urban sample.
- Most respondents demonstrated moderate awareness and self-reported knowledge (scores of 3–4 out of 5) in digital financial tools, savings, credit, and budgeting.
- While many women actively saved money—either monthly or occasionally—only a minority reported managing household finances or making investment decisions entirely independently.
- The most common arrangement for household financial management was joint control with spouses or spouse-led decision-making.

#### Inferential Statistical Results

- **Correlation between confidence in digital tools and independent financial decision-making:** Very weak positive relationship, not statistically significant (Pearson's  $r = 0.045$ ,  $p = 0.368$ ).
- **Correlation between financial knowledge and independent financial decisions:** Very weak negative relationship, not statistically significant (Pearson's  $r = -0.038$ ,  $p = 0.454$ ).
- **Association between education level and independent investment decisions:** No significant association found (chi-square = 1.743,  $p = 0.418$ ).

None of the core statistical relationships (between financial literacy, digital confidence, education level, and independence in investment decisions) were statistically significant ( $p > 0.05$ ).

## Key Insights

- Descriptive trends indicate that higher education and greater confidence in digital finance are associated with higher financial knowledge.
- However, these factors alone do not robustly predict women's ability to make independent financial decisions, suggesting strong influence from family dynamics and social or cultural factors.
- The findings imply that, despite advancements in education and digital access, urban women in Uttar Pradesh still face limitations in exercising full financial autonomy.

## Conclusion

This study set out to examine the relationship between financial literacy and women's independence in urban Uttar Pradesh. Despite the expectation that higher financial knowledge, confidence in digital tools, and education would enable women to make independent financial decisions, statistical analysis revealed no significant direct correlations between these factors and actual financial autonomy.

The data analysis suggests that **financial literacy and education, while essential, are not sufficient on their own to empower women with full economic independence**. Social and cultural norms surrounding family, decision-making authority, and the division of financial roles remain critical barriers.

It is therefore recommended that programs intending to foster women's financial autonomy in Uttar Pradesh combine financial and digital literacy initiatives with robust efforts to address gender norms and empower women within their households and communities. Such a holistic approach is essential for bridging the gap between knowledge/awareness and real economic independence for urban women.

- What further research can be conducted with the help of this research
- What further research can be conducted with the help of this research

Several important areas for **further research** emerge from the current study, "Bridging the Gap: A Quantitative Analysis of Financial Literacy and Women's Independence in Uttar Pradesh." These extensions can deepen understanding of the issue, address limitations, and explore new dimensions based on the findings and gaps identified in your work.

## Further Research Directions

### Exploring Socio-Cultural and Family Dynamics

- **Qualitative Studies:** Conduct in-depth interviews or focus groups to understand how household power structures, social norms, and family influences impact women's ability to act on their financial knowledge.

- **Community Comparisons:** Compare urban, peri-urban, and rural women to see how context shapes the relationship between financial literacy and independence.

### Evaluating the Impact of Interventions

- **Experimental Designs:** Implement financial literacy or digital empowerment programs and measure their effects on women's autonomy through randomized controlled trials (RCTs).
- **Policy Evaluation:** Assess the effectiveness of government initiatives (e.g., PMJDY, financial inclusion schemes) on changing both knowledge and decision-making behaviours among women.

### Digital Finance Adoption

- **Barriers and Enablers:** Investigate the adoption, usage patterns, and obstacles to digital financial tools in more detail—especially in marginalized groups.
- **Digital Divide:** Analyse how age, education, location, or income mediate the impact of digital finance knowledge on actual usage and economic empowerment.

### Longitudinal Studies

- **Change over Time:** Track the same group of women after exposure to financial education or policy changes to analyse sustained impacts on financial behaviour and independence.

### Interactions with Other Empowerment Factors

- **Intersectionality:** Study how caste, religion, employment type, or marital status intersect with financial literacy to influence women's financial control.
- **Entrepreneurship Focus:** Examine how financial literacy and independence affect women's entrepreneurial activities, access to credit, and business outcomes.

### Children and Household Spillovers

- **Intergenerational Effects:** Explore how mothers' financial literacy impacts the financial socialization and economic behaviour of their children.
- **Household Dynamics:** Assess whether women improved financial independence leads to more equitable household resource allocation and improved family welfare.

### Suggested Research Questions

- What specific social or cultural barriers most restrict women from exercising financial independence, even when literacy and knowledge are high?

- How do different models of financial literacy training (digital vs. in-person, peer-led vs. formal education) influence actual financial autonomy?
- What are the key predictors of successful adoption and continued use of digital financial tools by urban and rural women?
- Does increasing financial literacy among women translate into measurable improvements in family health, education, or savings outcomes?

By pursuing these directions, future research can more holistically address the challenge of women's economic empowerment, provide actionable insights for policymakers and NGOs, and build on the foundation created by this quantitative study of urban Uttar Pradesh.

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