

Financial Preparedness of Salaried Women in India and Financial Digital Disruption: are they Adapting or Being Marginalised

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ABSTRACT

Introduction: In the fast-changing socioeconomic environment in India, women need to be financially prepared to promote gender equality and economic resilience, in line with the UN Sustainable Development Goals (SDGs), especially SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth). With India's diverse demographic and a large female population working in formal and informal sectors, equipping women with financial knowledge and access to resources boosts household stability and national development. The growth of digital finance presents significant opportunities but also brings about challenges, often resulting in women feeling uncertain about their investment options, credit risks, and financial safety, underscoring the need for focused financial education and inclusion programmes.

Objectives: This study examines the financial preparedness of salaried women. Despite earning salary, it is uncertain if women can adequately plan financially for the future in an era of digital transformation

Methods: The data collected from 600 participants was analysed using Mean, Standard deviation, mean score analysis, one-way Analysis of Variance, Post hoc test. This study is aligned with Sustainable Development Goals.

Results: The analysis revealed that the level of financial preparedness is average and not excellent and fintech adoption is moderate among salaried women,

Conclusions: Even though they earn a salary, women's financial preparedness needs improvement because of moderate financial engagements. Significant steps should be taken to enhance digital literacy, financial inclusion and reduce cybersecurity issues. Key insights for developing access to digital finance, gender-inclusive financial policies, training programs, and pension plans, fostering enhanced economic resilience among salaried women which will ensure achievement of sustainable development goals.

Keywords: Financial Preparedness, Financial Stress, Digital Financial Services, Sustainable Development Goals (SDGs)

INTRODUCTION

India is experiencing demographic, economic, and social transformations characterised by a transition from joint to nuclear families, which weakens conventional financial stability. As rightly pointed out by Mitchell & Utkus (2004) individuals must try to solve problems based on their guesses of unidentified facts about the future in order to save appropriately in the present when they earn and measure how prepared they are (Lusardi & Mitchell, 2007). There is a great concern about adequate financial resources for retirement (Gist, Wu, & Verman, 2004). Tackling these matters is in harmony with the Sustainable Development Goals 5 (Gender Equality) and 8 (Decent Work and

Economic Growth), to empower women and promote inclusive economic advancement in the digital era of information overload. According to Aegon life readiness survey 2018, only 28% of the Indian workers have a written plan, 58% of them have a plan which is not written down and 15% don't have a plan at all. The 2023 OECD/INFE International Survey indicates that women worldwide exhibit lower scores than males in financial well-being and resilience. Lusardi and Mitchell (2023) emphasise that individuals possessing higher financial literacy are more likely to participate in retirement planning and accumulate greater wealth. Their findings indicate that enhancing financial literacy can result in improved financial decision-making and preparedness for retirement.

OBJECTIVES OF THE STUDY

The main question raised for this study was the level of financial preparedness. Even though salaried women earn money, whether they are able to prepare financially for the future.

To determine the level of financial preparedness of salaried women in India in an era of digital transformation

H1: The level of financial preparedness of salaried women in India is low

METHODOLOGY

In order to find the Level of Financial preparedness of salaried women in India, the respondents (n=600) are asked 12 questions on five-point Likert scale out of which only 8 are remaining after convergent validity test. The responses are scored as 1 for Strongly Disagree, 2 for Disagree, 3 for neutral, 4 for Agree, 5 for Strongly Agree. The total score of the 8 questions for all 600 respondents is found out, based on which the mean % score of Level of Financial preparedness was calculated.

RESULTS

Table 1: Mean percentage score analysis for statement on Financial preparedness

Code	Statements	SA	A	N	D	SD	Mean	Std. Deviation	Mean % score
FP1	I set long term financial goals and I try to achieve it	49	73	153	205	120	3.46	1.18	69.13
		(8.2)	(12.2)	(25.5)	(34.2)	(20)			
FP2	I have the ability and understanding to plan for my long term financial future	100	253	123	74	50	3.47	1.15	69.3
		(16.7)	(42.2)	(20.5)	(12.3)	(8.3)			
FP3	I have the ability and understanding to choose appropriate insurance	68	186	179	117	50	3.18	1.12	63.5
		(11.3)	(31)	(29.8)	(19.5)	(8.3)			
FP4	I am a good tax planner	39	125	184	155	97	2.76	1.15	55.13
		(6.5)	(20.8)	(30.7)	(25.8)	(16.2)			
FP5	Financial planning is important for those who have lot of money	158	130	103	97	112	2.79	1.46	55.83
		(26.3)	(21.7)	(17.2)	(16.2)	(18.7)			
FP6	Retirement is too far for me to think about	98	142	132	138	90	2.97	1.31	59.33
		(16.3)	(23.7)	(22)	(23)	(15)			
FP7	I believe in taking out insurance to be prepared for unexpected	115	226	163	61	35	3.54	1.09	70.83
		(19.2)	(37.7)	(27.2)	(10.2)	(5.8)			
FP8		45	117	196	133	109	2.76	1.18	55.2

	I am very much confident in retirement plan	(7.5)	(19.5)	(32.7)	(22.2)	(18.2)			
FP9	I have saved or I am saving enough money to maintain lifestyle after retirement	54	110	144	140	152	2.62	1.28	52.47
		(9)	(18.3)	(24)	(23.3)	(25.3)			
FP10	I am investing or have invested in pension funds to assist me after retirement	70	152	128	141	109	2.89	1.29	57.77
		(11.7)	(25.3)	(21.3)	(23.5)	(18.2)			
FP11	I have allocated income to meet future requirements like education, marriage etc...	76	184	135	114	91	3.07	1.27	61.33
		(12.7)	(30.7)	(22.5)	(19)	(15.2)			
FP12	I am adequately covered by my health insurance	93	199	121	104	83	3.19	1.28	63.83
		(15.5)	(33.2)	(20.2)	(17.3)	(13.8)			

Source: Primary Data (Figures in brackets shows percentages)

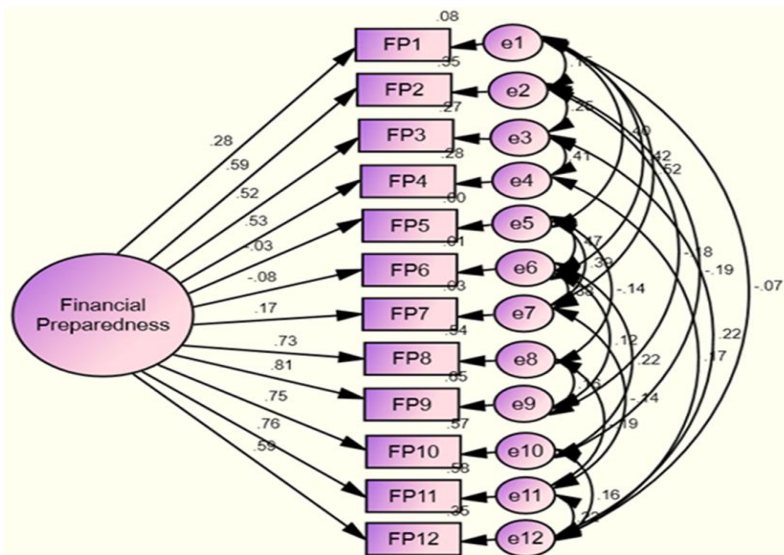


Fig:1 CFA model of Financial Preparedness

The items FP1 (I set long term financial goals and try to achieve it), FP5 (Financial planning is important for those who have money), FP6 (Retirement is too far for me to think about), FP7 (I believe in taking out insurance to be prepared for unexpected) has regression coefficient values less than 0.4. Hence only these items have no significant influence on financial preparedness.

LEVEL OF FINANCIAL PREPAREDNESS

In order to find the Level of Financial preparedness of salaried women in India, the respondents are asked 12 questions on five-point Likert scale out of which only 8 are remaining after convergent validity test. The responses are scored as 1 for Strongly Disagree, 2 for Disagree, 3 for neutral, 4 for Agree, 5 for Strongly Agree. The total score of the 8 questions for all 600 respondents is found out, based on which the mean % score of Level of Financial preparedness was calculated.

Table 2: Mean, Standard deviation and z value for Level of Financial preparedness of salaried women in India

Variable	N	Mean	Std. Deviation	Mean % score	CV	z	p value
Financial preparedness	600	23.93	7.09	59.82	29.62	13.572	<0.001

The mean percentage score of Level of Financial preparedness of salaried women in India is 59.82% which indicates that level of financial preparedness of salaried women in India is good or medium. The CV indicates that this score is not as stable as the value is more than 20%. To test whether the sample information that we observe exists in the population or to verify that the level of Financial preparedness of salaried women in India is good or not, the following hypothesis is formulated

Ho: The level of financial preparedness of salaried women in India is average

H1: The level of financial preparedness of salaried women in India is good

To test the above hypothesis one sample Z test is used and the result is exhibited in Table 2. From the table the p value is less than 0.05 which indicates that the test is significant. So it can be concluded that the level of financial preparedness of salaried women in India is good.

From the table the p value is less than 0.05 which indicates that the test is significant. So, it can be concluded that the level of financial preparedness of salaried women in India is good. The mean percentage score is 59.82% and can be concluded that the level is good or medium but not excellent. The results are similar to the survey done in India by HSBC. The HSBC future retirement survey in India (2017) found that 66% perceived to be financially prepared for the future but only 33% are putting aside money to meet their needs.

USAGE AND BARRIERS TO THE FINANCIAL TECHNOLOGY PLATFORMS

The results indicate that fintech adoption is moderate, with 46% of individuals having recently used such applications. Mobile wallets are the most prevalent service, which is indicative of a preference for convenient payment methods. Nevertheless, broader adoption is impeded by challenges such as security concerns and the complexity of financial terminology.

Table 3: Usage and barriers to the financial technology platforms

Statements	Percentage
Usage of Fintech apps for transactions in the last six months	46%
Prefer Mobile wallets (e.g., Google Pay, PhonePe, Paytm)	52%
Prefer Investment apps (e.g., Groww, Zerodha, Paytm Money)	17%
Difficulty understanding financial jargon	43%
Fear of fraud or cyber threats	83%
Poor digital literacy	56%
Lack of trust concerns	35%
Prefer traditional banking	12%

CONCLUSION AND FUTURE DIRECTIONS

Given the moderate level of FinTech engagement, women's financial readiness requires further attention. Enhancing financial literacy, fostering confidence in digital finance, and expanding access to investment opportunities should be the main goals. Simplifying financial language, enhancing digital literacy, tackling cybersecurity issues, and encouraging digital inclusion are important steps. In order to improve women's financial security, banks and financial institutions must provide tailored financial solutions for long-term savings, retirement planning, and emergency money, while fintech platforms should create investment instruments that are accessible to women. Creating tailored training programs and pension schemes guarantees financial readiness, in accordance with SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth), to promote resilience and economic autonomy.

CONFLICT OF INTEREST

The authors have no conflicts of interest to declare. All co-authors have seen and agree with the contents of the manuscript and there is no financial interest to report. We certify that the submission is original work and is not under review at any other publication.

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