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The Role of Gender in Household Financial Decision-Making: A Survey-Based Analysis in Urban India

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Abstract: *This research paper explores the role of gender in household financial decision-making within urban India, focusing on the disparities between male and female respondents in financial literacy, investment behaviors, risk preferences, and decision-making authority. A survey-based methodology was employed, targeting 500 households across five major urban centers in North India. The study found that males generally exhibited higher financial literacy, were more likely to engage in riskier investments such as mutual funds and stocks, and predominantly controlled major financial decisions. In contrast, females preferred safer investments like gold and fixed deposits and were primarily responsible for daily expenses and savings. Education and employment emerged as critical factors influencing financial behaviors, with higher educational attainment and active economic participation correlating with better financial literacy and decision-making capabilities. These findings underscore the need for targeted financial education programs, policies promoting higher education and employment for women, and improved access to professional financial advice. By addressing these disparities, stakeholders can enhance women's financial empowerment and promote gender equality in financial decision-making, contributing to the broader economic development and stability of urban India.*

Keywords*: Gender, Financial Decision-Making, Financial Literacy, Investment Behavior, Urban India, Risk Preferences.*

1. Introduction

Household financial decision-making encompasses the processes and factors influencing how households manage and allocate their financial resources. These decisions significantly impact economic stability and long-term financial health. The role of gender in household financial decision-making has become a focal point of research, highlighting how traditional gender norms and evolving societal roles shape financial behaviors and outcomes. Understanding these dynamics is particularly crucial in developing economies like India, where rapid urbanization and socio-economic changes are reshaping household structures and financial practices.

Gender differences in financial decision-making are influenced by a range of factors, including education, employment status, cultural norms, and access to financial resources. Historically, men have predominantly controlled financial decisions within households, a trend rooted in socio-cultural norms that designate men as primary breadwinners and financial managers. However, as women's participation in the workforce increases and educational attainment levels rise, these traditional roles are being challenged (Bahl, 2023).

In urban India, the landscape of household financial decision-making is undergoing a significant transformation. Urbanization brings about higher levels of education and employment opportunities for women, contributing to shifts in traditional gender roles. Despite these advancements, gender disparities in financial decision-making persist. For instance, female-headed households are statistically less likely to access formal financial services compared to male-headed households, with significant implications for financial inclusion and economic empowerment (Ghosh & Vinod, 2017).

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A comparative study by Bahl (2023) examined financial decision-making among urban working women in India and Singapore, revealing that education levels play a crucial role in equalizing financial decision-making power between genders. The study found that when education levels are equal, both genders have a similar say in financial decisions. This underscores the importance of educational attainment in bridging the gender gap in financial decision-making.

Moreover, cultural norms and societal expectations continue to influence financial behaviors. L'Esperance (2018) highlights how relative income and gender norms shape financial decision-making within couples, indicating that men often manage household finances irrespective of their financial literacy levels. This phenomenon is not unique to India but prevalent across various cultures, reflecting deeply ingrained gender roles.

The financial inclusion of women is another critical area impacted by gender dynamics. Ghosh and Vinod (2017) analyzed household-level data to explore the interface between gender and financial access in India. Their findings indicate that female-headed households are less likely to access formal financial services and more reliant on informal financial systems. This disparity underscores the barriers women face in achieving financial inclusion, including lower financial literacy, limited access to financial products, and socio-economic constraints.

Further evidence from the matrilineal society of Meghalaya in India provides a unique perspective on female empowerment and financial decision-making. Rink and Barros (2021) found that women in this society, who traditionally manage household finances, tend to prioritize welfare-enhancing expenditures like food over savings. This highlights how cultural norms can significantly influence financial priorities and decision-making processes.

The shift towards gender parity in financial decision-making has broad economic implications. Guiso and Zaccaria (2020) argue that more egalitarian gender norms within households enhance financial market participation, equity holdings, and asset diversification. Their research suggests that patriarchal norms incur economic costs by limiting household financial management's efficiency and outcomes.

Wagner and Walstad (2022) contribute to this discourse by examining gender differences in financial behaviors within single and joint households. Their study, using data from the National Financial Capability Study, found that women, both in single and joint households, are less likely to engage in proactive financial behaviors like maintaining emergency funds or non-retirement investments. These findings highlight the need for targeted financial education programs to empower women and enhance their financial decision-making capabilities.

The significance of this research lies in its potential to inform policy and practice aimed at promoting gender equality in financial decision-making. By understanding the factors that contribute to gender disparities and identifying effective strategies to address them, stakeholders can develop interventions that enhance women's financial literacy, access to financial services, and overall economic empowerment.

In conclusion, the role of gender in household financial decision-making in urban India is a multifaceted issue influenced by educational attainment, cultural norms, access to financial resources, and socio-economic conditions. While significant progress has been made, persistent gender disparities highlight the need for continued efforts to promote gender equality in financial practices. This study aims to contribute to this ongoing discourse by providing empirical insights into the gender dynamics of household financial decision-making in urban India, thereby informing policies and interventions that support women's economic empowerment and financial inclusion.

2. Literature Review

Gender dynamics in household financial decision-making have been widely studied, offering insights into how gender roles influence financial behaviors and outcomes. This literature review synthesizes findings from various studies, highlighting the methodology, key findings, and implications relevant to understanding the role of gender in financial decision-making within urban Indian households.

Wagner and Walstad (2022) conducted a comprehensive study using data from the 2018 National Financial Capability Study, which analyzed gender differences in financial behaviors among single and joint households in the United States. They found that single women were significantly less likely to engage in proactive financial behaviors, such as maintaining emergency funds or having non-retirement investments, compared to their male counterparts. The study used logistic regression models to control for variables like age and financial literacy, revealing persistent gender disparities in financial preparedness (Wagner & Walstad, 2022).

Bahl (2023) explored financial decision-making among urban working women in India and Singapore through a survey of 37 women from upper socio-economic backgrounds. The study employed a Likert scale to measure the power dynamics in household financial decisions and found that educational attainment significantly influenced the equality of financial decision-making between genders. The results indicated that working women had a greater role in financial decisions compared to homemakers, highlighting the impact of employment on women's financial agency (Bahl, 2023).

Ghosh and Vinod (2017) examined the constraints on financial inclusion for women in India by analyzing household-level data. Their study revealed significant gender disparities in access to formal financial services, with female-headed households being 8% less likely to access formal finance compared to male-headed households. The study also highlighted that education and wages were critical factors in explaining these disparities, suggesting that socio-economic conditions play a vital role in financial inclusion (Ghosh & Vinod, 2017).

L'Esperance (2018) investigated how relative income and gender norms influence financial decision-making within couples using panel data from the Survey of Consumer Payment Choice. The study found that partners who earned more were more likely to manage household finances, regardless of gender. However, traditional gender norms often dictated that men took on this role, even when women were equally or more financially literate. This research highlighted the persistence of gender norms in financial management decisions (L'Esperance, 2018).

Rink and Barros (2021) provided a unique perspective by studying financial decisions in the matrilineal society of Meghalaya, India. Their research showed that women in this society, traditionally the household financial managers, prioritized welfare-enhancing expenditures over savings. This study used self-collected data from 650 individuals and highlighted the long-term effects of cultural norms on financial decision-making (Rink & Barros, 2021).

Guiso and Zaccaria (2020) focused on the economic implications of gender equality in household financial management. Their study utilized data from Italian couples over 30 years to measure the effects of gender parity on financial market participation and investment behaviors. The findings suggested that more egalitarian norms led to increased household participation in financial markets and improved financial outcomes, underscoring the economic benefits of gender equality (Guiso & Zaccaria, 2020).

Banerjee and Roy (2020) examined intra-household gender disparities in financial literacy in West Bengal, India. Their study, based on a primary survey, found significant gender gaps in financial literacy, with female household heads showing lower levels of financial knowledge compared to their male counterparts. The research highlighted the role of education and mass media in improving financial literacy among women (Banerjee & Roy, 2020).

Dangol (2018) investigated gender differences in financial decision-making among university students in Nepal. The study used survey questionnaires to compare the financial risk-taking behaviors of male and female students. The results indicated that women were generally more risk-averse than men, preferring safer investments. This finding is consistent with broader literature

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suggesting that women tend to be more conservative in financial decision-making (Dangol, 2018).

In summary, these studies collectively underscore the complex interplay of gender norms, socio-economic factors, and cultural influences in shaping household financial decision-making. They highlight the persistent gender disparities in financial behaviors and access to financial services, despite ongoing socio-economic changes. The findings suggest that addressing these disparities requires targeted interventions, such as financial education programs and policies promoting gender equality in financial inclusion.

Despite extensive research on gender differences in financial decision-making, there remains a significant gap in understanding the specific dynamics within urban Indian households. Most studies focus on broader socio-economic factors or cross-country comparisons, leaving a gap in the context-specific analysis for urban India. This study aims to fill this gap by providing a detailed, survey-based analysis of how gender roles influence financial decisions in urban Indian households. Addressing this gap is significant as it will inform targeted policy interventions and financial education programs tailored to the unique socio-cultural landscape of urban India.

3. Research Methodology

This study employed a survey-based research design to investigate the role of gender in household financial decision-making within urban Indian households. The research aimed to collect quantitative data that could provide insights into the differences in financial behaviors and decision-making processes between male and female respondents. The study targeted urban areas in North India, specifically focusing on five major cities: Delhi, Chandigarh, Jaipur, Lucknow, and Dehradun.

Data were collected through structured questionnaires distributed to a representative sample of households in these urban areas. The survey was designed to capture detailed information on various aspects of household financial decision-making, including financial literacy, investment choices, risk preferences, and the influence of socio-economic factors. The sampling technique employed was stratified random sampling to ensure that different socio-economic strata within each city were adequately represented.

Table: Data Collection Details

Aspect	Details
Data Source	Structured Questionnaire
Sample Size	500 households
Target Population	Households in urban areas of North India
Geographic Coverage	Delhi, Chandigarh, Jaipur, Lucknow, Dehradun
Sampling Method	Stratified Random Sampling
Data Collection Period	January 2024 - March 2024
Key Variables Collected	Financial Literacy, Investment Choices, Risk Preferences, Socio-economic Factors
Questionnaire Sections	Demographics, Financial Literacy, Investment Behavior, Risk Preferences, Decision-Making Processes

The questionnaire was divided into several sections to comprehensively cover all relevant aspects of household financial decision-making. The sections included:

- Demographic Information: Collecting data on age, gender, education, occupation, and income.
- Financial Literacy: Assessing respondents' knowledge and understanding of financial concepts.
- Investment Behavior: Exploring the types of investments made by households and the decision-makers involved.

- Risk Preferences: Understanding the risk tolerance levels of different household members.
- Decision-Making Processes: Investigating who makes the financial decisions and how these decisions are made within the household.

The collected data were analyzed using statistical tools to identify patterns and relationships between gender and financial decision-making behaviors. The primary data analysis tool used was SPSS (Statistical Package for the Social Sciences), which facilitated a comprehensive analysis of the survey data.

Table: Data Analysis Details

Analysis Tool	Details
Software	SPSS (Statistical Package for the Social Sciences)
Types of Analysis	Descriptive Statistics, Inferential Statistics, Regression Analysis
Key Metrics	Mean, Median, Standard Deviation, Correlation, Regression Coefficients
Outcome Measures	Financial Literacy Scores, Investment Patterns, Risk Tolerance Levels

Table: Analysis Procedures

Procedure	Description
Descriptive Statistics	Summarized data to describe the sample characteristics
Inferential Statistics	Tested hypotheses and made inferences about the population
Regression Analysis	Examined relationships between variables

The methodology outlined above provided a robust framework for understanding the gender dynamics in household financial decision-making in urban North India. By employing a detailed and systematic approach to data collection and analysis, the study aimed to generate reliable and insightful findings that could inform policy and practice aimed at promoting gender equality in financial decision-making.

4. Results and Analysis

The survey data collected from 500 households in five urban areas of North India were analyzed to understand the role of gender in household financial decision-making. The analysis revealed significant differences in financial literacy, investment behavior, risk preferences, and decision-making processes between male and female respondents. The results are presented in the following tables, each followed by a detailed interpretation and discussion.

4.1 Descriptive Results

Table 1: Demographic Characteristics of Respondents

Characteristic	Male Respondents (%)	Female Respondents (%)
Age (mean)	42	39
Education Level		
- High School	35	40
- Undergraduate	40	35
- Postgraduate	25	25
Occupation		
- Employed	60	45
- Homemaker	0	40

Characteristic	Male Respondents (%)	Female Respondents (%)
- Retired	10	5
- Unemployed	30	10
Monthly Income (INR)		
- < 20,000	25	35
- 20,000 - 50,000	45	45
- > 50,000	30	20

Interpretation: The demographic data indicate a higher percentage of male respondents in employment compared to female respondents. Additionally, females are more likely to be homemakers, reflecting traditional gender roles. Educational attainment is relatively balanced between genders, which is crucial for analyzing financial literacy and decision-making.

Table 2: Financial Literacy Scores

Financial Literacy Score	Male Respondents (%)	Female Respondents (%)
High (8-10)	30	20
Medium (5-7)	50	40
Low (0-4)	20	40

Interpretation: Financial literacy scores show a significant disparity between genders. Males generally exhibit higher financial literacy compared to females, with a larger percentage scoring in the high range. This suggests the need for targeted financial education programs for women.

Table 3: Investment Choices by Gender

Investment Type	Male Respondents (%)	Female Respondents (%)
Savings Account	85	80
Fixed Deposits	70	60
Mutual Funds	55	35
Stock Market	45	20
Real Estate	50	30
Gold	60	70

Interpretation: Investment preferences vary significantly between genders. Men are more likely to invest in mutual funds and the stock market, whereas women show a higher preference for gold investments. This indicates differing risk tolerance levels and financial goals.

Table 4: Risk Tolerance Levels

Risk Tolerance Level	Male Respondents (%)	Female Respondents (%)
High	40	20
Medium	40	50
Low	20	30

Interpretation: Risk tolerance levels reveal that males are more inclined towards high-risk investments compared to females, who prefer moderate to low-risk options. This can be linked to the observed investment behaviors and financial literacy levels.

Table 5: Decision-Making Authority in Households

Decision-Making Area	Male (%)	Female (%)	Joint (%)
Daily Expenses	30	50	20
Major Purchases	60	20	20
Investments	50	20	30
Savings and Budgeting	40	40	20
Children's Education	30	40	30

Interpretation: The data show that women are primarily responsible for daily expenses and savings, while men dominate decisions on major purchases and investments. Joint decision-making is most common in children's education, indicating some level of collaboration.

Table 6: Influence of Education on Financial Decision-Making

Education Level	Financial Literacy (mean)	Investment in Stocks (%)	Risk Tolerance (mean)
High School	4.5	20	3.0
Undergraduate	6.5	40	4.5
Postgraduate	8.0	50	5.0

Interpretation: Higher education levels correlate with better financial literacy, higher investment in stocks, and greater risk tolerance. This underscores the importance of education in enhancing financial decision-making capabilities.

Table 7: Impact of Occupation on Financial Behaviors

Occupation	Financial Literacy (mean)	Investment in Mutual Funds (%)	Risk Tolerance (mean)
Employed	7.0	45	4.5
Homemaker	4.0	20	3.0
Retired	5.5	30	3.5
Unemployed	3.5	15	2.5

Interpretation: Employment status significantly impacts financial behaviors. Employed respondents show higher financial literacy and risk tolerance compared to homemakers and unemployed individuals, highlighting the role of active economic participation in financial decision-making.

Table 8: Monthly Income and Investment Patterns

Monthly Income (INR)	Savings Account (%)	Fixed Deposits (%)	Mutual Funds (%)	Stock Market (%)
< 20,000	90	70	20	10
20,000 - 50,000	85	75	40	25
> 50,000	80	65	55	40

Interpretation: Higher income levels are associated with a greater propensity to invest in mutual funds and the stock market, while lower-income groups prefer safer investment options like savings accounts and fixed deposits. This reflects varying risk appetites and investment capacities based on income.

Table 9: Gender and Financial Goals

Financial Goal	Male Respondents (%)	Female Respondents (%)
Wealth Accumulation	60	40
Children's Education	50	60
Retirement Planning	45	35
Emergency Savings	30	50

Interpretation: Men prioritize wealth accumulation and retirement planning, whereas women focus more on children's education and emergency savings. These differences highlight varying priorities in financial planning between genders.

Table 10: Sources of Financial Advice

Source	Male Respondents (%)	Female Respondents (%)
Financial Advisors	40	30
Family and Friends	35	50
Online Resources	25	20

Interpretation: Women are more likely to rely on family and friends for financial advice, while men tend to consult financial advisors and use online resources. This suggests differences in trust and accessibility of financial advice sources between genders.

4.2 Inferential Statistics

To draw inferences about the broader population from our sample, we employed inferential statistical methods. This section details the hypothesis testing conducted to determine the significance of observed differences between male and female respondents in various financial behaviors and literacy.

Hypothesis 1: There is a significant difference in financial literacy scores between male and female respondents.

- **Null Hypothesis (H0):** There is no significant difference in financial literacy scores between male and female respondents.
- **Alternative Hypothesis (H1):** There is a significant difference in financial literacy scores between male and female respondents.

Using a two-sample t-test, we compared the mean financial literacy scores of male and female respondents.

Hypothesis Testing

Gender	Mean Financial Literacy Score	Standard Deviation	Sample Size (n)
Male	6.5	1.8	250
Female	4.2	2.1	250

T-test Results:

- **t-statistic:** 12.34
- **p-value:** < 0.001

Interpretation: Since the p-value is less than 0.05, we reject the null hypothesis. There is a statistically

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significant difference in financial literacy scores between male and female respondents.

Hypothesis 2: There is a significant difference in risk tolerance levels between male and female respondents.

- **Null Hypothesis (H0):** There is no significant difference in risk tolerance levels between male and female respondents.
- **Alternative Hypothesis (H1):** There is a significant difference in risk tolerance levels between male and female respondents.

Using a chi-square test, we examined the distribution of risk tolerance levels across genders.

Risk Tolerance Level	Male Respondents (%)	Female Respondents (%)
High	40	20
Medium	40	50
Low	20	30

Chi-Square Test Results:

- **Chi-square statistic:** 15.62
- **p-value:** < 0.001

Interpretation: Since the p-value is less than 0.05, we reject the null hypothesis. There is a statistically significant difference in risk tolerance levels between male and female respondents.

4.3 Regression Analysis

We conducted regression analyses to identify the predictors of financial literacy scores and investment behaviors. The regression models included independent variables such as gender, education, income, and occupation.

Regression Model 1: Predictors of Financial Literacy Scores

Dependent Variable: Financial Literacy Score

Independent Variables: Gender (male=1, female=0), Education Level, Monthly Income, Occupation

Regression Results:

Variable	Coefficient	Standard Error	t-statistic	p-value
Gender	1.5	0.3	5.00	<0.001
Education Level	0.8	0.2	4.00	<0.001
Monthly Income	0.5	0.1	5.00	<0.001
Occupation	0.4	0.2	2.00	0.045
Constant	2.0	0.5	4.00	<0.001

Interpretation: Gender, education level, monthly income, and occupation are significant predictors of financial literacy scores. Being male, having higher education, higher income, and being employed are associated with higher financial literacy scores.

Regression Model 2: Predictors of Investment in Stocks

Dependent Variable: Investment in Stocks (yes=1, no=0)

Independent Variables: Gender (male=1, female=0), Education Level, Monthly Income, Risk Tolerance

Logistic Regression Results:

Variable	Coefficient	Standard Error	z-statistic	p-value
Gender	0.8	0.2	4.00	<0.001
Education Level	0.6	0.1	6.00	<0.001

Variable	Coefficient	Standard Error	z-statistic	p-value
Monthly Income	0.7	0.1	7.00	<0.001
Risk Tolerance	1.0	0.2	5.00	<0.001
Constant	-3.0	0.5	-6.00	<0.001

Interpretation: Gender, education level, monthly income, and risk tolerance are significant predictors of investment in stocks. Being male, having higher education, higher income, and higher risk tolerance increase the likelihood of investing in stocks.

5. Discussion

The results of this study provide a comprehensive understanding of the role of gender in household financial decision-making within urban Indian households. By comparing our findings with the existing literature reviewed in Section 2, we can identify how our study contributes to filling the literature gap and explore the broader implications of these results.

5.1 Financial Literacy

The study revealed significant gender disparities in financial literacy, with males generally exhibiting higher financial literacy scores compared to females. This finding aligns with the literature that consistently reports lower financial literacy among women (Wagner & Walstad, 2022; Ghosh & Vinod, 2017). Our analysis demonstrated that gender, education level, monthly income, and occupation are significant predictors of financial literacy scores. Specifically, being male, having higher education, higher income, and being employed were associated with higher financial literacy scores.

Wagner and Walstad (2022) emphasized the importance of financial literacy in enabling individuals to make informed financial decisions. Our findings support this view, highlighting the critical role of education in enhancing financial literacy. Ghosh and Vinod (2017) also noted the impact of socio-economic factors on financial literacy, which our study corroborates. However, our study extends these findings by providing specific insights into the urban Indian context, where educational attainment and employment status significantly influence financial literacy levels.

5.2 Investment Behavior

Our study identified distinct gender differences in investment behaviors. Males were more likely to invest in mutual funds and the stock market, while females showed a higher preference for gold investments. This difference in investment preferences is linked to varying risk tolerance levels, with males displaying higher risk tolerance compared to females.

L’Esperance (2018) and Rink and Barros (2021) both highlighted how gender norms and cultural influences shape investment behaviors. Our findings are consistent with these studies, showing that traditional gender roles and risk aversion among females lead to more conservative investment choices. However, our study adds to the literature by quantifying these behaviors within the specific urban Indian context, demonstrating the need for targeted financial education to encourage more balanced investment strategies among women.

5.3 Risk Tolerance

The analysis revealed that males are generally more inclined towards high-risk investments, whereas females prefer moderate to low-risk options. This finding is consistent with previous studies, such as those by Dangol (2018) and Ghosh and Vinod (2017), which found that women tend to be more risk-averse in financial decision-making.

Our study's findings on risk tolerance align with the literature that suggests women’s lower risk tolerance impacts their investment choices (Dangol, 2018; Banerjee & Roy, 2020). The lower financial literacy among females, as noted in our study, likely contributes to their risk aversion. By providing detailed insights into the risk preferences of urban Indian women, our study fills a significant gap in understanding the interplay between financial literacy and risk tolerance in this demographic.

5.4 Decision-Making Authority

The study showed that women are primarily responsible for daily expenses and savings, while men dominate decisions on major purchases and investments. Joint decision-making is most common in children's education, indicating some level of collaboration within households.

The findings align with Ghosh and Vinod (2017) and Bahl (2023), who highlighted that men often control significant financial decisions, whereas women manage daily household finances. However, our study provides more granular insights into the specific areas of decision-making where gender roles differ, underscoring the persistent influence of traditional gender norms in urban Indian households.

5.5 Influence of Education

Higher education levels were found to correlate with better financial literacy, higher investment in stocks, and greater risk tolerance. This underscores the importance of education in enhancing financial decision-making capabilities.

Banerjee and Roy (2020) emphasized the role of education in improving financial literacy and decision-making. Our study supports this assertion, demonstrating that educational attainment is a critical factor in financial behaviors. The findings suggest that promoting higher education among women could significantly enhance their financial literacy and investment behaviors.

5.6 Impact of Occupation

Employment status significantly impacts financial behaviors, with employed respondents showing higher financial literacy and risk tolerance compared to homemakers and unemployed individuals.

Bahl (2023) found that working women have more significant roles in financial decision-making compared to homemakers. Our study reinforces this finding, indicating that active economic participation enhances financial literacy and decision-making capabilities. This highlights the need for policies that support women's employment to improve their financial empowerment.

5.7 Monthly Income and Investment Patterns

Higher income levels were associated with a greater propensity to invest in mutual funds and the stock market, while lower-income groups preferred safer investment options like savings accounts and fixed deposits.

Ghosh and Vinod (2017) noted that income levels significantly influence financial behaviors. Our study confirms this, showing that higher income provides greater capacity and willingness to engage in riskier investments. This suggests that improving income levels could facilitate more diversified investment portfolios among urban Indian households.

5.8 Gender and Financial Goals

Men prioritize wealth accumulation and retirement planning, whereas women focus more on children's education and emergency savings. These differences highlight varying priorities in financial planning between genders.

Rink and Barros (2021) observed that cultural norms significantly impact financial priorities. Our findings support this, indicating that traditional gender roles influence financial goals. This emphasizes the need for tailored financial planning advice that considers gender-specific priorities.

5.9 Sources of Financial Advice

Women are more likely to rely on family and friends for financial advice, while men tend to consult financial advisors and use online resources. This suggests differences in trust and accessibility of financial advice sources between genders.

L’Esperance (2018) highlighted the role of social networks in financial decision-making. Our study extends this by showing that women in urban India rely more on informal advice sources. This underscores the importance of improving access to professional financial advice for women to enhance their financial decision-making.

5.10 Implications and Significance

The findings of this study have several significant implications for policy and practice:

1. Financial Education Programs: Targeted financial education programs for women could help bridge the gender gap in financial literacy and empower women to make informed financial decisions.
2. Promoting Higher Education: Encouraging higher educational attainment among women can enhance their financial literacy and decision-making capabilities, leading to more balanced investment behaviors.
3. Supporting Women's Employment: Policies that support women's participation in the workforce can improve their financial empowerment and overall economic well-being.
4. Tailored Financial Advice: Providing tailored financial planning advice that considers gender-specific priorities and risk preferences can help individuals achieve their financial goals more effectively.
5. Improving Access to Financial Services: Enhancing access to professional financial advice for women can reduce their reliance on informal advice sources and improve their financial decision-making.

This study fills a significant gap in the existing literature by providing a detailed, context-specific analysis of gender dynamics in household financial decision-making in urban India. While previous studies have highlighted broader socio-economic factors and cross-country comparisons, our study offers specific insights into the urban Indian context. By identifying the predictors of financial literacy, investment behaviors, and risk preferences, this research provides a nuanced understanding of the factors influencing financial decision-making in urban Indian households. The results of this study underscore the persistent gender disparities in financial literacy, investment behaviors, and decision-making authority within urban Indian households. These disparities highlight the need for targeted interventions to promote gender equality in financial decision-making. By addressing the underlying factors contributing to these disparities, policymakers and practitioners can enhance the financial empowerment of women and foster more equitable financial practices in urban India.

6. Conclusion

The study on the role of gender in household financial decision-making within urban Indian households revealed significant findings that enhance our understanding of how gender influences financial behaviors and decision-making processes. Through a comprehensive survey conducted across five major urban centers in North India, we observed distinct disparities between male and female respondents in terms of financial literacy, investment preferences, risk tolerance, and decision-making authority.

One of the most striking findings was the significant difference in financial literacy scores between genders. Males exhibited higher financial literacy compared to females, which was strongly associated with higher education levels, income, and employment status. This finding underscores the critical need for targeted financial education programs aimed at women to bridge the literacy gap and empower them to make informed financial decisions.

Investment behaviors also varied markedly between genders. Males were more inclined towards investing in mutual funds and the stock market, reflecting their higher risk tolerance levels. In contrast, females showed a preference for safer investment options such as gold and fixed deposits. This difference highlights the impact of risk aversion among women, which can be attributed to lower financial literacy and traditional gender norms that influence their financial decision-making processes.

The study also revealed that women are primarily responsible for managing daily household expenses and savings, while men dominate major financial decisions such as investments and significant purchases. This division of financial responsibilities reflects enduring traditional gender roles within households. However, joint decision-making was more common in areas like children's education, indicating some level of collaborative financial management.

Education emerged as a crucial factor influencing financial literacy and decision-making. Higher education levels were correlated with better financial literacy, higher investment in riskier

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financial instruments, and greater overall financial confidence. This finding highlights the importance of promoting higher education among women to enhance their financial capabilities and participation in financial markets.

Employment status significantly impacted financial behaviors, with employed individuals showing higher financial literacy and risk tolerance compared to homemakers and unemployed respondents. This indicates that active participation in the workforce not only provides economic benefits but also enhances financial decision-making skills. Policies that support women's employment and economic participation can therefore play a vital role in improving their financial empowerment.

Income levels also played a significant role in shaping investment patterns. Higher income groups demonstrated a greater propensity to invest in mutual funds and the stock market, while lower-income groups preferred safer options like savings accounts and fixed deposits. This finding suggests that improving income levels can facilitate more diversified and potentially higher-yielding investment portfolios.

The study's findings have broader implications for policy and practice. Firstly, the significant gender disparities in financial literacy and investment behaviors call for targeted financial education programs for women. Such programs should focus on enhancing financial knowledge, building confidence in managing finances, and encouraging risk-taking in investment decisions. Financial literacy initiatives can be integrated into the education system and community programs to reach a wider audience.

Secondly, promoting higher education among women is essential for their financial empowerment. Educational policies and programs that encourage female participation in higher education can lead to better financial literacy and more informed financial decisions. Scholarships, financial aid, and other support mechanisms can help women overcome barriers to accessing higher education.

Thirdly, supporting women's employment can have far-reaching benefits for financial decision-making within households. Policies that promote gender equality in the workplace, provide childcare support, and offer flexible working arrangements can help women balance work and family responsibilities, thereby enhancing their economic and financial independence.

Lastly, improving access to professional financial advice for women can reduce their reliance on informal sources of financial information and improve their financial decision-making. Financial institutions and advisors should develop tailored financial products and services that cater to the specific needs and preferences of women, providing them with the tools and knowledge to make informed investment choices.

In conclusion, this study provides valuable insights into the role of gender in household financial decision-making within urban India. The findings highlight significant gender disparities in financial literacy, investment behaviors, and decision-making authority, emphasizing the need for targeted interventions to promote gender equality in financial practices. By addressing the underlying factors contributing to these disparities, policymakers and practitioners can enhance the financial empowerment of women, leading to more equitable and effective financial decision-making within households. These efforts will not only improve the financial well-being of women but also contribute to the overall economic development and financial stability of urban India.

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