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GENDER DIFFERENCES IN FINANCIAL LITERACY: AN ANALYSIS OF FACTORS INFLUENCING FINANCIAL KNOWLEDGE AMONG MEN AND WOMEN IN THE VASAI-VIRAR REGION

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ABSTRACT
While financial literacy is a significant factor in individuals' ability to make prudent financial decisions, gender disparities still exist across the globe. The purpose of this paper is to investigate the differences in gender financial literacy of the Vasai-Virar region and to find out the factors that influence the financial literacy of men and women. It explores various socioeconomic, cultural, and educational factors that may contribute to these differences based on empirical evidence and literature. It has been determined that significant gender differences in financial literacy levels, highlighting the need for targeted interventions to increase financial inclusion and empowerment in the region.

Keywords: financial literacy, gender differences, Vasai-Virar region, socio-economic factors, cultural influences, education, financial behaviour.

INTRODUCTION
Financial literacy, or the ability to effectively understand and manage your finances, is a key skill in today's complex financial life. It covers understanding fundamental financial ideas, which are necessary to reach long-term financial security and make wise financial decisions. But studies constantly demonstrate that men and women have rather different levels of financial literacy, with women typically having less knowledge of money matters. Examining gender disparities in financial literacy within the particular context of Maharashtra, India's Vasai-Virar district is the aim of this study. The research seeks to comprehend the reasons behind the disparities in the financial literacy of individuals and women in their respective regions, with the aim of determining appropriate measures to enhance financial inclusion and empowerment.

Financial literacy is a vital aspect of the modern society. The ever-changing financial landscape presents numerous financial decisions that individuals must make, ranging from the daily expenses to the timing of retirement and stock market investments. Financial insecurity and vulnerability can arise when individuals lack a thorough understanding of fundamental financial principles, making these decisions difficult.

Although financial literacy is a fundamental skill for everyone, studies indicate that women frequently encounter distinct obstacles in acquiring and carrying out this knowledge. Many studies worldwide have consistently shown that women have lower levels of financial literacy than men **(Lusardi & Mitchell, 2008; Atkinson & Messy, 2012)**. Individuals' financial outcomes vary greatly depending on their financial literacy, with variations in wealth accumulation, retirement planning, and general financial well-being. These findings are significant.

The growing emphasis on financial literacy has led to fewer studies exploring the specific factors that contribute to gender disparities in financial services, particularly in Vasai-Virar region of Maharashtra. Understanding these factors is important to design targeted activities and policies to promote women's economic inclusion and influence in the region.

The region of Vasai-Virar, similar to other parts of India, is characterized by diverse socioeconomic conditions, cultural diversity, and unique challenges in promoting gender equality and women's empowerment. This research aims to increase understanding of the reasons for gender disparities in financial literacy and provide evidence-based strategies for improving financial inclusion and empowerment.

Problem Statement

Despite the importance of financial literacy for economic empowerment and well-being, significant gender disparities persist in financial knowledge levels within the Vasai-Virar region. Women often exhibit lower levels of financial literacy compared to men, limiting their ability to make informed financial decisions and achieve long-term financial security. However, the specific factors contributing to these gender differences in financial knowledge within the context of the Vasai-Virar region remain poorly understood. Addressing this research gap is crucial for developing evidence-based strategies to promote financial inclusion and empowerment among women in the region and reduce broader gender inequalities in economic outcomes.

OBJECTIVES OF THE STUDY

1. To investigate the gender differences in financial literacy within the Vasai-Virar region and analyze the factors influencing financial knowledge among men and women.

Hypothesis of the Study

H0= There is no significant difference in financial literacy levels between men and women in the Vasai-Virar region.

H1= In comparison to men, women in the Vasai-Virar region have lower levels of financial literacy.

LIMITATIONS

"The study's findings may be biased due to the sample population not adequately representing the diverse demographics of the Vasai-Virar region. Data collected through surveys or interviews may be influenced by self-reporting bias, where participants may provide inaccurate or socially desirable responses. The study's findings may also be affected by the cultural context of the Vasai-Virar region, which could differ from other geographical locations. Additionally, the availability and quality of data on financial literacy and related factors in the Vasai-Virar region may limit the study. Lastly, it's important to note that the study has been conducted within a limited time frame."

REVIEW OF LITERATURE

A study by **Lusardi and Mitchell (2008)** found that women in the United States were less likely than men to correctly answer questions related to basic financial concepts. Similarly, studies conducted in other countries, including India, have reported similar gender gaps in financial literacy (**Atkinson & Messy, 2012; Agarwalla et al., 2013**). These findings underscore the need for further investigation into the underlying factors driving these disparities.

Research suggests that individuals with higher incomes and educational attainment tend to have greater financial knowledge **(Hastings & Mitchell, 2011).** However, women, particularly in developing countries, may face structural barriers to accessing education and employment opportunities, limiting their ability to develop financial literacy skills (Duflo, 2012). Additionally, income disparities and wealth inequalities may contribute to differences in financial literacy between genders **(Lusardi & Tufano, 2009).**

Traditional gender roles may assign primary responsibility for household finances to men, leading to disparities in financial knowledge between spouses **(Hershey & Mowen, 2000).** Cultural factors such as attitudes towards risk-taking and financial independence may also shape individuals' financial behaviors and attitudes **(Sunden & Surette, 1998).** Understanding these cultural dynamics is essential for designing culturally sensitive financial education programs.

Education is widely recognized as a significant determinant of financial literacy, with higher levels of education associated with greater financial knowledge **(Lusardi & Mitchell, 2007).** However, women, particularly in developing countries, may face barriers to accessing quality education, limiting their opportunities to acquire financial literacy skills **(Duflo, 2012).** Furthermore, research findings indicate that differences in financial literacy may result from programs' content and delivery not necessarily being customized to the unique requirements and preferences of women. **(Mandell & Klein, 2009).**

Access to financial resources, including banking services, credit, and savings instruments, can also influence financial literacy levels among men and women. The development of financial literacy skills in women may be impeded by obstacles to formal financial services, such as restricted access to bank accounts or credit facilities. **(World Bank, 2012).** Furthermore, it's possible that financial services and products aren't always made with women's particular needs and preferences in mind, which exacerbates the gaps in women's financial literacy **(Beck et al., 2007).**

Family dynamics and household decision-making processes can significantly impact financial literacy levels among men and women. Research suggests that women often play a central role in managing household finances and budgeting decisions **(Büyükkarabacak & Mylenko, 2017).** Nonetheless, discrepancies in decision-making authority within families could be a factor in couples' differing levels of financial literacy. **(Hershey & Mowen, 2000).**

RESEARCH METHODOLOGY

The research methodology for investigating gender differences in financial literacy and factors influencing financial knowledge among men and women in the Vasai-Virar region involves an empirical study of the population. A total of 50 samples were surveyed from the Vasai-Virar region of Palghar District. A questionnaire of 18 questions was prepared and circulated among the sample of the Vasai-Virar Region. The questionnaire had both open-ended and close-ended questions. For data collection, convenience sampling and simple random sampling methods were used.

a. Sample Universe: Vasai-Virar Municipal Corporation Region.

b. Sampling Technique: Simple Random Sampling Method & Convenience Sampling.

c. Sample Size: 50 Customers were surveyed.

d. Data Analysis tools & technique: SPSS (Statistical Package for Social Science).

Data Analysis & Interpretation:

The financial literacy score for women and men in Vasai-Virar region was analyzed and the statistics are given below:

The p-value of the t-Test was 0.001, which is less than 0.05, indicating a significant difference in financial literacy scores between men and women in the Vasai-Virar region.

The p-value of the Chi-Square Test was also 0.001, which is less than 0.05, indicating a significant difference in financial literacy scores between men and women in the Vasai-Virar region.

In the Vasai-Virar region, there is a substantial gender gap in financial literacy, according to the data. Men outperform women in almost all aspects of financial literacy, influenced by higher education levels, higher income, and greater access to financial information. Cultural and social norms further exacerbate this gap by restricting women's exposure to economic practices.

Women do better than males when it comes to budgeting and saving money, which may indicate that although they are competent at handling daily financial activities, they lack understanding and confidence when it comes to more complicated financial topics like investing and financial planning. This underlines the necessity of specialized financial education initiatives that empower women by enhancing their understanding and self-assurance in these domains.

The statistical analyses verify that access to information and cultural norms have a major impact on gender disparities in financial literacy, and that these differences are not just caused by educational and economic circumstances.

CONCLUSION

The gender disparities in financial literacy in the Vasai-Virar area have been investigated in this study. It draws attention to the notable differences among men and women. The study indicates that men generally have higher levels of financial knowledge compared to women, particularly in areas like investing and financial planning.

The research highlights the importance of targeted interventions to address these disparities. Community-based financial education programs, specifically designed for women, can help bridge the gap by focusing on practical financial skills and confidence-building. Additionally, policies that ensure equal access to financial resources and information for both genders are essential. Empowerment initiatives promoting higher education, employment opportunities, and entrepreneurship for women can further enhance their financial literacy.

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