

BEYOND THE KITCHEN: ARE HOMEMAKERS FINANCIALLY LITERATE AND EMPOWERED? A CASE STUDY IN COIMBATORE CITY

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ABSTRACT

The literature unequivocally highlights the importance of financial literacy for improving well-being of households and empowering women. Yet, homemakers have a relatively low presence in empirical studies despite being important players in managing household finances. This study examines financial literacy and empowerment among Coimbatore City homemakers, as well as the challenges to financial literacy and empowerment. Structured surveys and semi-structured interviews were used. A purposive sample of 60 homemakers provided primary data. Descriptive statistics, chi-square test, Pearson correlation, simple linear regression, one-sample t-test, and factor analysis were used in SPSS. The research found that 68.3% of respondents had intermediate financial literacy, whereas income and education did not significantly affect it. A very positive correlation between financial literacy and empowerment ($r = 0.795$, $p < 0.001$). In addition, financial literacy explained 63% of variance in financial empowerment. The research revealed that financial barriers are multi-dimensional in nature. Challenging traditional views, lack of financial knowledge was not seen as the major barrier. Psychological barriers, digital financial barriers, institutional barriers, and financial support barriers were more important barriers to financial inclusion. The findings contribute to the literature on women's financial empowerment by providing empirical evidence from urban India and policy recommendations for establishing targeted financial capability programs for homemakers.

Keywords: Financial literacy and empowerment, homemakers, financial inclusion, women, Coimbatore, digital finance, and household decision-making.

INTRODUCTION

Financial literacy is understanding and using money skills. It involves budgeting, saving, and debt management. Financial literacy affects household wellbeing and inclusive economic growth. Financial literacy, the information, skills, attitudes, and behaviours that enable informed financial decisions and financial management, is defined by OECD/INFE (2023). Financial inclusion has improved in India as formal banking and finance evolved. Moreover, ability to transform that access into effective use remains uneven across India and particularly among different population groups.

Within these population groups, homemakers constitute a large but comparatively less examined group. Even though many homemakers are included in daily household budgeting and expenditure management, participation of homemakers in choices that carry significance, financial decisions such as savings allocation, credit, insurance, and long-term investment planning is limited. This separation between everyday financial decisions and strategic financial decisions matters economically because in-house financial agencies can influence consumption smoothing, risk, precautionary savings and financial resilience.

According to this study, empowerment means a homemaker's ability to make informed financial decisions and govern their finances at home. Kabeer (1999) defines empowerment as the ability to select, exercise agency, achieve desired outcomes. Thus, financial literacy is more than technical knowledge; it empowers, eliminates dependence, and promotes household financial decision-making.

Recent government initiatives like the Pradhan Mantri Jan Dhan Yojana and rapid digital payment development have increased financial inclusion in India. Despite advances in account ownership, women do not always use and access formal financial services (World Bank, 2022). Homemakers may face restrictions such as limited access to banks and being dependent on spouses or other family members for financial matters. These constraints limit access to wealth creation even when basic access is available.

Existing empirical research on Indian women's financial literacy has mainly covered working women, business owners, self-help group members and entrepreneurs, while urban and rural homemakers have been largely overlooked. The relationship between financial literacy, financial empowerment, and financial institutions in urban households has been studied limitedly; hence, this study addresses the question: **what is the level of financial literacy of homemakers in Coimbatore and how is it related to their financial empowerment in the household?**

By using a mixed-method approach, this study examines the financial literacy and empowerment of urban homemakers through questionnaire surveys and in-depth interviews. Contributions to the literature will be in following three areas: (i) measuring the prevalence of financial literacy among urban homemakers, (ii) assessing relationship between financial literacy and financial empowerment, (iii) identifying main barriers that prevent them from being financially active.

STATEMENT OF THE PROBLEM

The expansion of formal banking and digital finance in India has improved financial inclusion. But the availability of financial services is not always utilised effectively. Financial inclusion will not produce significant economic impact unless individuals have the knowledge, confidence and the capability to evaluate financial products and manage risks (OECD/INFE, 2023). This gap in access and capability is most pronounced in the household, where financial decision-making determines savings behaviour, risk protection, credit choices and long-run financial resilience.

Homemakers are a large but under-represented group, yet they often handle daily household expenses and budgeting but have little say in the larger financial decisions. There are

constraints such as little direct contact with formal financial institutions and being excluded from financial decisions.

Coimbatore, the education and industrial city with a growing financial and digital infrastructure, provides an urban space to study literacy and empowerment. However, there is limited methodical evidence on homemakers' financial literacy, empowerment and constraints in this regard.

REVIEW OF LITERATURE

Financial literacy affects household decisions and welfare. Lusardi and Mitchell (2014) define financial literacy as the ability to understand economic and financial information and make effective financial planning, debt management, and wealth accumulation decisions. Economically, financial literacy can reduce constraints and costs in financial markets, enabling households to allocate resources more efficiently across consumption, credit and savings.

Financial Literacy among Homemakers

Gender differences in financial literacy have persisted for decades due to education, labour market involvement, social norms, and financial product exposure (Lusardi and Mitchell, 2014; OECD/INFE, 2023). These inconsistencies are economically important because lower financial literacy translates into weaker financial planning, lower participation in formal markets and borrowing, as well as savings behaviour.

Evidence from India reflects similar patterns and highlights context-specific limitations. Bhushan and Medury (2013) note that Indian women have limited knowledge of formal financial products. However, financial inclusion policies have increased access to bank accounts and digital payments, but a large gap persists among households (especially women who are not working) lacking targeted opportunities to gain financial knowledge.

The literature from Tamil Nadu has emphasised women's participation in SHGs and microfinance schemes to increase access to formal financial services (NABARD, 2021). Although SHG evidence suggests improvements in savings behaviour and access to formal finance, these findings may not generalise to urban homemakers, whose financial environment provides greater access to digital services and banks.

Financial Literacy and Empowerment: Conceptual and Empirical Links

Research increasingly relates financial literacy to women's empowerment. According to Kabeer (1999), empowerment involves resources, agency, and results. Financial literacy promotes agency in economic decisions. Sen's capability perspective also suggests that development is about expanding freedoms, including the freedom to make informed economic choices.

Barriers to Financial Literacy and Empowerment for Women

The literature shows that women's financial participation is influenced by numerous barriers. Women may be discouraged from participating in strategic financial decision-making by socio-

economic, educational and informational constraints, and these also limit participation in complex financial products.

Digitalisation provides opportunities as well as costs; while digital finance removes physical barriers, it also increases cognitive and security barriers for low-digital-confidence groups. Digital access is not a guarantee of usage, and women may be hesitant to use digital finance for fear of error or fraud, or without adequate support. Institutional design and marketing matter too; financial inclusion schemes based on account opening may improve the inclusiveness indicators but do not guarantee informed use.

Research Gap

Three major insights that could be derived from the existing literature are as follows: (i) women suffer from lower levels of financial literacy; (ii) Financial literacy empowers and improves decision-making; and (iii) the barriers to financial inclusion are varied. Data on urban homemakers, financial literacy, financial empowerment, and their challenges to formal finance is scarce. Filling these gaps for Coimbatore adds value to the existing literature by focusing on an important category of households.

OBJECTIVES OF THIS STUDY

In response to the identified research gap, this study examines the financial literacy of homemakers in Coimbatore City and its relationship with their financial empowerment.

1. To assess the level of financial literacy among homemakers in Coimbatore City
2. To examine the relationship between financial literacy and empowerment of homemakers in Coimbatore City
3. To identify the barriers hindering financial literacy and empowerment among homemakers in Coimbatore City

METHODOLOGY

Research Design

This mixed-method study examined Coimbatore City homemakers' financial literacy and empowerment. Semi-structured interviews generated qualitative data on financial literacy, empowerment, and participation barriers. Results from the qualitative phase were used to refine the quantitative instrument and interpret the statistics.

Sample and Data Collection

In Coimbatore City, Tamil Nadu, 60 homemakers participated in this study. Purposive sampling was used to ensure variation in age, education and socio-economic background. Given the non-probability design and sample size, the findings are interpreted as **context-based evidence** rather than population estimates.

The inclusion criteria required that the participants:

- Self-identify as homemakers,
- Are residing in Coimbatore City for at least 5 years,
- Are responsible for managing household finances, either wholly or partially.

Exclusion criteria included women who were employed full-time outside the home.

Variables

The key variables examined in this study were as follows:

- **Financial literacy** was measured as a categorical variable (low, moderate, or high) based on the respondent scores.
- **Financial Empowerment:** This was conceptualized as a composite score which was continuously generated to indicate participants' sense of control and capacity in terms of finances.
- **Financial Barriers:** These were measured through 11 barrier indicators that focused on issues related to knowledge, access, digital complexities, psychological aspects, and sociocultural factors.
- **Demographic Variables:** Two parameters were considered— Income group (five categories: ₹0-₹25,000; ₹25,001-₹50,000; ₹50,001-₹75,000; ₹75,001-₹1,00,000; above ₹1,00,000) and Education Level (ranging from illiteracy to post-graduation and beyond).

Analytical Tools

The analysis of data was done through SPSS. The following were the methods used:

1. **Descriptive Statistics:** For literacy and barrier item responses, frequency distributions, means, and standard deviations were calculated.
2. **Chi-square test of independence:** Pearson Chi-squares were run to look at any possible relationship between income group and literacy rate and between education level and literacy rate. A p-value of .05 significance level was used.
3. **Pearson Correlation:** To measure financial literacy and empowerment, bivariate correlation was used.
4. **Simple linear regression:** Financial literacy and empowerment were the independent and dependent variables in a regression analysis.
5. **One-Sample t-test:** The 11 barrier items were analysed using a one-sample t-test against a neutral point of 3 to see if the respondents' answers were different from neutral.
6. **Factor analysis:** Principal Component Analysis (PCA) with Varimax rotation identified factor structures in the 11 barrier items. Retain factors with an eigenvalue greater than 1 and use the scree plot to confirm the factors.

Reliability and Validity

The barrier measures using Likert scale questions were assessed for internal consistency. The factor analysis results, including communality and component loading values, were used to verify the construct validity of the identified barriers.

Limitations

Though a sample size of 60 was adequate for the performed analyses, it limited the ability to generalise the results. Moreover, some educational groups had extremely low numbers of participants ($n = 1$), which made the interpretation of percentages in the chi-square cross-tabulation questionable

ANALYSIS

Objective 1: Financial literacy

Descriptive Analysis: Literacy Rate

The variable for literacy rate has been evaluated on the basis of 60 valid responses, which gives a mean value of 1.98 and a standard deviation value of 0.57. Based on these two statistics, the responses are very close to the moderate category and have low dispersion as well. The frequency distribution confirms this, as out of 60 responses, 41 (68.3%) belong to the moderate literacy category, while low literacy is 16.7% and high literacy is 15%.

It means that 85% of the respondents are either low literate or moderate literate, while very few of them are highly literate. It implies that the respondents belong to the moderate literacy category, and are not at all extreme. This right-skewed distribution of the variable should be considered while finding out any relationship between the variables.

Chi-Square Analysis: Income Group $\times$ Literacy Rate

Chi-Square Tests

	Value	df	Asymptotic Sig. (2- tailed)
Pearson Chi-Square	9.56	8	.297
Likelihood Ratio	12.45	8	.132
Linear-by-Linear Association	2.01	1	.156
N of Valid Cases	60		

The value of Pearson Chi-Square statistic is 9.56 with 8 degrees of freedom and asymptotic significance of .297, which is much higher than the critical level of .05. Hence, there is no statistically significant relationship between the variables Income Group and Literacy Rate in terms of 60 valid observations. It is supported by the values of Likelihood Ratio (12.45, $p = .132$) and Linear-by-Linear Association (2.01, $p = .156$).

According to the data from the crosstabulation table, in general, the respondents in all income groups have mostly moderate literacy rates. It should be noted that all 8 respondents of the income group ₹50,000-₹75,000 had moderate literacy rates, whereas the lowest income group

(₹0-₹25,000) has the highest proportion of respondents with moderate literacy rates (72.7%). The proportion of high literacy rates is relatively low and constitutes 15% of the whole sample. However, high literacy rates are slightly more common among higher-income groups. No statistically significant association exists between the two variables, despite a trend.

Chi-Square Analysis: Education × Literacy Rate

EDU × LITERACYRATE

			LITERACYRATE			Total
			LOW	MODERATE	HIGH	
EDU	Graduate	Count	6	13	6	25
		Row %	24.0%	52.0%	24.0%	100.0%
		Column %	60.0%	31.7%	66.7%	41.7%
		Total %	10.0%	21.7%	10.0%	41.7%
	Higher (8-10)	Count	2	4	0	6
		Row %	33.3%	66.7%	.0%	100.0%
		Column %	20.0%	9.8%	.0%	10.0%
		Total %	3.3%	6.7%	.0%	10.0%
	Higher (8-10);Higher Secondary (11-12)	Count	0	1	0	1
		Row %	.0%	100.0%	.0%	100.0%
		Column %	.0%	2.4%	.0%	1.7%
		Total %	.0%	1.7%	.0%	1.7%
	Higher Secondary (11-12)	Count	1	11	2	14
		Row %	7.1%	78.6%	14.3%	100.0%
		Column %	10.0%	26.8%	22.2%	23.3%
		Total %	1.7%	18.3%	3.3%	23.3%
	Higher Secondary (11-12);Gradua	Count	0	1	0	1
		Row %	.0%	100.0%	.0%	100.0%
		Column %	.0%	2.4%	.0%	1.7%
		Total %	.0%	1.7%	.0%	1.7%
	Illiterate	Count	0	0	1	1
		Row %	.0%	.0%	100.0%	100.0%
		Column %	.0%	.0%	11.1%	1.7%
		Total %	.0%	.0%	1.7%	1.7%
	Illiterate;Gradua	Count	0	1	0	1
		Row %	.0%	100.0%	.0%	100.0%
		Column %	.0%	2.4%	.0%	1.7%
		Total %	.0%	1.7%	.0%	1.7%
	Middle (6-8)	Count	0	1	0	1
		Row %	.0%	100.0%	.0%	100.0%
		Column %	.0%	2.4%	.0%	1.7%
		Total %	.0%	1.7%	.0%	1.7%
	Postgraduate and above	Count	0	5	0	5
		Row %	.0%	100.0%	.0%	100.0%
		Column %	.0%	12.2%	.0%	8.3%
		Total %	.0%	8.3%	.0%	8.3%
	Primary (1–5)	Count	1	4	0	5
		Row %	20.0%	80.0%	.0%	100.0%
		Column %	10.0%	9.8%	.0%	8.3%
		Total %	1.7%	6.7%	.0%	8.3%
Total		Count	10	41	9	60
		Row %	16.7%	68.3%	15.0%	100.0%
		Column %	100.0%	100.0%	100.0%	100.0%
		Total %	16.7%	68.3%	15.0%	100.0%

Pearson Chi-square statistics are 16.74 and 18 degrees of freedom; the corresponding p-value is .541, which significantly exceeds the standard alpha value of .05. In the study population, educational level does not significantly affect literacy rate. Likelihood Ratio statistics (18.94, $p = .395$) support this statement. The study has used 60 valid cases without any missing values and, hence, it is reliable for the studied sample.

The crosstabulation results indicate that the moderate literacy rate is the dominating category among all the levels of education; the percentage of this category in graduate, higher secondary, postgraduate and above, and primary level respondents are 52%, 78.6%, 100%, and 80% respectively. Notably, the graduate group exhibited the most spread across all three literacy levels, with 24% each in low and high literacy, suggesting slightly more variability at higher education levels. Some education categories, e.g. illiterate, middle (6-8) and the combined groups have very small cell counts ($n=1$), making percentage-based interpretations for these subgroups not reliable. In general, though intuitively, one might have expected education to influence literacy and the chi-square results indicate that, in this dataset, educational level is not a significant predictor of literacy (and this may be due to the small and unevenly distributed sample across education categories).

Objective 2: Financial literacy and Empowerment

Correlations

		FINANCIAL EMPOWERMENT	FINANCIAL LITERACY
FINANCIAL EMPOWERMENT	Pearson Correlation	1.000	.795
	Sig. (2-tailed)		.000
	N	60	60
FINANCIAL LITERACY	Pearson Correlation	.795	1.000
	Sig. (2-tailed)	.000	
	N	60	60

Correlation: Financial literacy and financial empowerment have a strong positive correlation ($r = .795$, $p < .001$, $n=60$) such that as financial literacy increases, financial empowerment significantly.

Model Summary (FINANCIAL EMPOWERMENT)

R	R Square	Adjusted R Square	Std. Error of the Estimate-
.80	.63	.63	9.71

Model Fit: The model explained 63% of the variance in financial empowerment ($R^2 = .63$), which is a reasonably strong fit, with a standard error of 9.71.

ANOVA (FINANCIAL EMPOWERMENT)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	9398.48	1	9398.48	99.64	.000
Residual	5470.58	58	94.32		
Total	14869.05	59			

ANOVA: The regression model was statistically significant overall ($F(1, 58) = 99.64, p < .001$), confirming that financial literacy is a meaningful predictor of financial empowerment rather than the relationship being due to chance.

Coefficients (FINANCIAL EMPOWERMENT)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	16.26	4.81	.00	3.38	.001
FINANCIAL LITERACY	.86	.09	.80	9.98	.000

Coefficients: The unstandardized coefficient ($B = 0.86, p < .001$) for financial literacy means that there is an 0.86 unit increase in the variable of financial empowerment due to a unit increase in financial literacy. Standardized beta ($\beta = .80$) supports the significance of financial literacy as a powerful predictor variable. Constant is 16.26 that is the level of financial empowerment at zero level of financial literacy.

Overall interpretation: Financial literacy proves to be a statistically significant and meaningful predictor of financial empowerment. The implications of the results suggest that improvement in people's financial literacy will contribute to their feeling of empowerment due to their financial skills and knowledge, and that the literacy contributes about two-thirds of variation in empowerment scores among 60 participants in the study.

Objective 3: Analysis of Financial Barriers — Descriptive Statistics, One-Sample T-Test & Factor Analysis

Descriptive Statistics & One-Sample T-Test (Test Value = 3)

One-Sample Test

	Test Value = 3					
	t	df	Sig. (2- tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
LACK OF FINANCIAL KNOWLEDGE	-4.08	59	.000	-.65	-.97	-.33
DEPENDENCE ON OTHERS TO EXPLAIN OR HANDLE FINANCIAL DOCUMENT	-2.15	59	.036	-.33	-.64	-.02
CULTURAL OR FAMILY EXPECTATIONS RESTRICT	1.81	59	.075	.25	-.03	.53
DIFFICULTY IN FINANCIAL INSTITUTIONS DUE TO MOBILITY OR TIMECONSTRAINT	1.24	59	.219	.18	-.11	.48
DIGITAL BANKING IS COMPLICATED-	1.61	59	.112	.30	-.07	.67
HESITANT TO ASK QUESTION ABOUT FINANCIAL MATTERS	1.61	59	.113	.25	-.06	.56
LACK OF MONEY TO SAVE OR INVEST	.10	59	.920	.02	-.31	.35
WARRY ABOUT MAKING MISTAKES	-.21	59	.831	-.03	-.35	.28
LACK OF SUPPORT FOR FINANCIAL INDEPENDENCY	.00	59	1.000	.00	-.35	.35
LIMITED EXPOSURE TO FINANCIAL SERVICES	-.43	59	.670	-.07	-.38	.24
AVOIDANCE IN HANDLING FINANCIAL MATTERS	-.61	59	.545	-.10	-.43	.23

Across all 11 barrier items ($n = 60$), the means ranged from 2.35 to 3.30 on a 5-point scale, clustering around the neutral midpoint. Only two barriers were statistically significantly different from the neutral value of 3.

- Lack of financial knowledge (Mean = 2.35, $t = -4.08$, $p < .001$) — respondents significantly *disagreed* that this was a barrier, suggesting that awareness may not be the primary obstacle.
- Dependence on Others to Handle Financial Documents (Mean = 2.67, $t = -2.15$, $p = .036$) — also significantly below 3, indicating that this is also a lesser-perceived barrier.

No other barriers were significant in contrast to the neutral mean of 3 (all $p > .05$), and these were: difficulty using internet banking ($M = 3.30$), cultural or family-related constraints ($M = 3.25$), embarrassment asking money-related questions ($M = 3.25$), and difficulty accessing organizations ($M = 3.18$). Therefore, there was no evidence of agreement or disagreement with regard to these barriers.

Factor Analysis

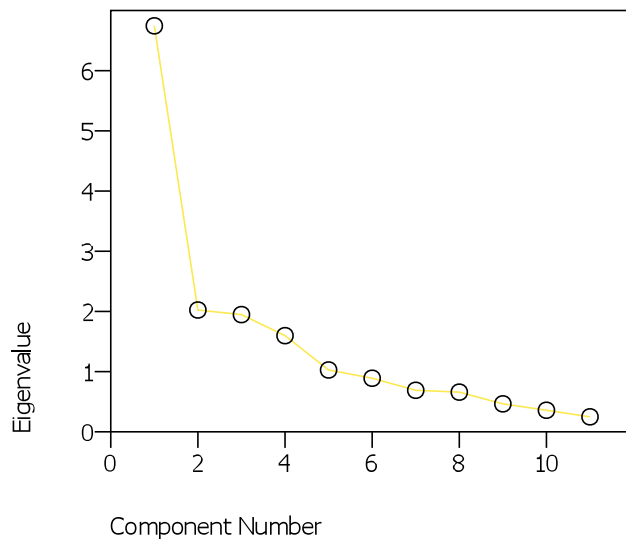
Communalities

	Initial	Extraction
LACK OF FINANCIAL KNOWLEDGE	1.49	1.26
DEPENDENCE ON OTHERS TO EXPLAIN OR HANDLE FINANCIAL DOCUMENT	1.42	1.13
CULTURAL OR FAMILY EXPECTATIONS RESTRICT	1.12	.83
DIFFICULTY IN FINANCIAL INSTITUTIONS DUE TO MOBILITY OR TIMECONSTRAINT	1.28	.89
DIGITAL BANKING IS COMPLICATED-	2.04	1.76
HESITANT TO ASK QUESTION ABOUT FINANCIAL MATTERS	1.42	.92
LACK OF MONEY TO SAVE OR INVEST	1.62	1.58
WARRY ABOUT MAKING MISTAKES	1.43	.78
LACK OF SUPPORT FOR FINANCIAL INDEPENDENCY	1.80	1.37
LIMITED EXPOSURE TO FINANCIAL SERVICES	1.43	.83
AVOIDANCE IN HANDLING FINANCIAL MATTERS	1.59	1.20

Communalities ranged mostly moderate to high, with the highest extraction value for “Digital Banking is Complicated” (1.76), while the lowest was reported for “Worry About Making Mistakes” (loadings ranged from 0.78). It suggests varying levels of shared variance among the variables.

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.75	40.5%	40.5%	6.75	40.5%	40.5%	3.94	23.7%	23.7%
2	2.02	12.2%	52.7%	2.02	12.2%	52.7%	3.28	19.7%	43.4%
3	1.95	11.7%	64.4%	1.95	11.7%	64.4%	2.93	17.6%	61.0%
4	1.60	9.6%	73.9%	1.60	9.6%	73.9%	2.02	12.1%	73.1%
5	1.03	6.2%	80.1%	1.03	6.2%	80.1%	.39	2.3%	75.4%
6	.89	5.3%	85.5%						
7	.69	4.1%	89.6%						
8	.66	4.0%	93.6%						
9	.46	2.8%	96.4%						
10	.36	2.2%	98.5%						
11	.25	1.5%	100.0%						

Scree Plot

Total Variance Explained: A 5-factor solution was identified due to eigenvalues of more than 1, which altogether accounted for 80.1% of the variance in the data. Factor 1 alone was responsible for 40.5% variance, which suggested that a dominant general barrier factor was found. The scree plot demonstrates a very sharp break after component 1, followed by smoother

levelling off of components 2 to 5, which also speaks of 4-5 factor solution.

Component Matrix

	Component				
	1	2	3	4	5
LACK OF FINANCIAL KNOWLEDGE	.67	.61	.62	.00	.26
DEPENDENCE ON OTHERS TO EXPLAIN OR HANDLE FINANCIAL DOCUMENT	.78	.09	.51	.49	-.12
CULTURAL OR FAMILY EXPECTATIONS RESTRICT	.62	.02	.54	.37	-.09
DIFFICULTY IN FINANCIAL INSTITUTIONS DUE TO MOBILITY OR TIMECONSTRAINT	.79	-.49	.10	-.13	.02
DIGITAL BANKING IS COMPLICATED-	.95	-.87	.31	-.15	.02
HESITANT TO ASK QUESTION ABOUT FINANCIAL MATTERS	.68	-.53	-.41	.02	.09
LACK OF MONEY TO SAVE OR INVEST	.66	.32	.22	-.97	-.23
WARRY ABOUT MAKING MISTAKES	.75	.14	-.34	-.22	.19
LACK OF SUPPORT FOR FINANCIAL INDEPENDENCY	.96	.31	-.49	.33	-.09
LIMITED EXPOSURE TO FINANCIAL SERVICES	.78	.32	-.25	-.14	.16
AVOIDANCE IN HANDLING FINANCIAL MATTERS	.89	.24	-.52	.23	-.17

Component Matrix (unrotated): Most of the items have relatively high factor loadings on Component 1 (from .62 to .96), which demonstrates the presence of an underlying general barrier factor even though various barriers exist. “Lack of Support for Financial Independency”

(.96) and “Digital Banking is Complicated” (.95) were the highest-loading factors in this factor.

Rotated Component Matrix

	Component				
	1	2	3	4	5
LACK OF FINANCIAL KNOWLEDGE	.23	-.12	.86	.47	.47
DEPENDENCE ON OTHERS TO EXPLAIN OR HANDLE FINANCIAL DOCUMENT	.28	.26	.99	-.02	-.05
CULTURAL OR FAMILY EXPECTATIONS RESTRICT	.12	.26	.87	.03	-.03
DIFFICULTY IN FINANCIAL INSTITUTIONS DUE TO MOBILITY OR TIMECONSTRAINT	.25	.85	.27	.20	.02
DIGITAL BANKING IS COMPLICATED-	.08	1.25	.40	.20	-.01
HESITANT TO ASK QUESTION ABOUT FINANCIAL MATTERS	.53	.79	-.09	-.10	-.01
LACK OF MONEY TO SAVE OR INVEST	.23	.20	.10	1.22	.04
WARRY ABOUT MAKING MISTAKES	.72	.31	.03	.32	.25
LACK OF SUPPORT FOR FINANCIAL INDEPENDENCY	1.10	.17	.34	.00	-.06
LIMITED EXPOSURE TO FINANCIAL SERVICES	.76	.16	.18	.35	.26
AVOIDANCE IN HANDLING FINANCIAL MATTERS	1.04	.20	.23	.06	-.15

Rotated Component Matrix (Varimax): five cleaner factor groups emerged after rotation.

- Component 1 (Support & Avoidance): Lack of support for financial independence (1.10), avoidance in handling financial matters (1.04), worry about making mistakes

(.72), and limited exposure to financial services (.76) all cluster together — emotional/psychological barrier dimension.

- Component 2 (Access & Digital): Difficulty in financial institutions (.85), digital banking complexity (1.25), and hesitance to ask questions (.79) — a practical access and digital literacy barrier.
- Component 3 (Knowledge and Social): Lack of financial knowledge (.86), dependence on others (.99), and cultural/family restrictions (.87) — a knowledge and social influence barrier.
- Component 4 (Economic): Lack of money to save or invest (1.22) — a standalone economic resource barrier.
- Component 5 appears less interpretable with low loadings and may not be substantively meaningful.

Overall interpretation:

The results show that financial barriers are multidimensional but have a strong common factor. The most dominant clustered barriers were psychological (fear of mistakes, lack of support, avoidance) and practical/digital (complex banking, access problems). Notably, lack of financial knowledge, which is considered a crucial barrier, was evaluated below neutral level.

CONCLUSION

In the context of this study, some interesting findings were found relating to the respondents' financial literacy, empowerment and the barriers they face.

With regard to financial literacy, a considerable number of respondents (68.3%) had a moderate level of literacy, while only a small number of people attained high literacy. Neither income nor education showed any statistical association with the literacy rates, which implies that there are additional variables involved in shaping financial literacy of the people in the sample under study.

The relation between financial literacy and empowerment proved to be very strong and statistically significant ($r = .795$, $p < .001$), with literacy explaining approximately 63% of the variance in empowerment scores. The results obtained confirm that acquiring the knowledge and skills in the sphere of finances improves the ability of the individuals to feel in control and confident in financial matters. In other words, financial literacy is one of the main mechanisms that can be used to empower women.

With regard to the financial barriers, the respondents were neither inclined to agree nor to disagree with the statement that those barriers were important. What should be highlighted here is that a lack of financial literacy – believed to be the main obstacle in the way of gaining control of one's money – was below the neutral midpoint, thus cannot be considered the main problem. Factor analysis showed that psychological barriers (fear of making a mistake, being afraid and lack of support) and practical and digital barriers (banking system complexity, difficulty in accessing banks) are the dominant clustered dimensions that explain 80.1% of the variance.

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