

## WOMEN'S BEHAVIORAL PERSPECTIVE ON EFFECTIVE FINANCIAL MANAGEMENT: A PATHWAY TO FINANCIAL INDEPENDENCE

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### Abstract

This study explores the link between women's behavioral perspectives and effective financial management in achieving financial independence in India. Analyzing data from 384 women across sectors using t-tests, MANOVA, PROXSCAL, and SEM, findings show that behavioral traits - confidence, decision-making, and perceived control - enhance financial management. Public sector employees and higher-income groups exhibit greater independence. Five key factors - confidence, social/cultural influences, investment habits, financial technology use, and personal attitudes - correlate strongly with management and independence. Financial management mediates the behavior-independence relationship, highlighting the need for behaviorally informed financial empowerment strategies for policymakers, educators, and institutions.

**Keywords:-** Behavioral Finance; Financial Independence; Behavioral Traits, Working Women; Financial Management.

*F*inancial management is a multifaceted concept involving skills, literacy, investment awareness, and expense control within income limits. Beyond technical knowledge, it is shaped by behavioral traits and decision-making

patterns. Effective financial management reflects how individuals perceive and act on financial matters, fostering both economic well-being and financial independence. Independence, in turn, promotes responsibility, literacy, confidence, and informed investment

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choices. While often viewed simply, financial management becomes complex when behavioral factors are considered. This study explores effective financial management through behavioral finance, focusing on women's behaviors, attitudes, and perspectives in shaping or constraining their path to financial independence.

### Review of Literature

Financial management is increasingly studied through behavioral finance, which highlights the role of psychological and emotional factors in decision-making (Thaler, 1999; Kahneman & Tversky, 1979). Individual behaviors are shaped by biases, socio-economic conditions, and personal experiences, influence saving, investing, and planning. Women often display distinct financial patterns, marked by risk aversion and caution (Jianakoplos & Bernasek, 1998), linked to lower confidence, limited financial education, and traditional conditioning (Lusardi & Mitchell, 2008). A persistent gender gap in financial literacy contributes to weaker planning, vulnerability to shocks, and reduced independence (Lusardi & Tufano, 2015). Emerging challenges include digital exclusion, which limits women's access to mobile banking and fintech (UN Women, 2022). Structural barriers - such as wage disparities, unpaid care, and restricted access to institutions - further constrain participation (OECD, 2013; World Bank, 2020). Empowering women with knowledge and authority improves outcomes at household and community levels (Mottola, 2013). Hence, behaviorally informed, context-sensitive financial education is crucial (Chowa & Despard, 2020; Mahapatra & Vyas, 2023).

### Research Gap

While gender disparities in financial literacy and investment have been studied, women's behavioral traits - such as confidence, perceived control, and decision-making - remain underexplored as determinants of financial management and independence, particularly in socio-economic and developing contexts. This study addresses these gaps by examining how women's behaviors evolve with education, tools, and changing social roles.

### Statement of the Problem

Financial management extends beyond budgeting or investing, being shaped by behavioral patterns, attitudes, and decision-making styles (Lusardi & Mitchell, 2014). For women, financial behavior reflects socio-cultural, psychological, and economic influences, with barriers such as limited financial knowledge, resources, and autonomy (Hung, Parker & Yoong, 2009). Research shows women often display conservative risk preferences, lower confidence, and reduced investment participation (Sunden & Surette, 1998), restricting financial independence. In developing contexts, traditional roles and limited financial exposure reinforce reactive rather than strategic practices (OECD, 2013). This study explores behavioral dimensions - psychological traits, literacy, and context - in shaping women's financial management and autonomy.

### Objectives of the Study

1. To explore the relationship between women's behavioral perspective and effective financial management.

2. To examine how women's behavioral perspectives influence financial independence.
3. To assess the role of effective financial management in achieving financial independence.

### Significance of the Study

This research examines women's behavioral traits - confidence, decision-making, and perceived control - in shaping financial management and independence. By addressing overlooked behavioral barriers in developing contexts, it offers insights for policymakers, educators, and financial providers, promoting financial autonomy. It highlights mindset transformation as essential for women's true financial empowerment.

### Scope of the Study

This study examines working women's behavioral perspectives and their impact on financial management and independence. It considers traits like confidence, decision-making, and perceived control, along with literacy, investment habits, and socio-cultural influences. Covering public and private sector employees across income levels, it highlights how behaviors interact with structural factors to inform strategies for promoting women's financial autonomy.

### Hypotheses of the Study

$H_{01}$ : Women's positive financial behavioral perspective does not have a significant positive impact on effective financial management.

$H_{02}$ : Women's positive financial behavioral perspective does not

significantly contribute to achieving financial independence.

$H_{03}$ : The relationship between women's positive financial behavioral perspective and financial independence is not significantly mediated by effective financial management.

### Research Methodology and Sampling Techniques

This study adopted a descriptive and analytical research design, using both primary and secondary data. Primary data were collected through a pre-tested, structured questionnaire, distributed digitally via email, WhatsApp, and Telegram. Over 700 questionnaires were circulated over six months until the target was achieved. The focus was on working women, with equal representation from the public and private sectors to ensure balance. Respondents were further categorized into three pay-scale groups: Low, Mid, and Top salaried. According to the Economic Review (2024), 147,805 women are employed in the organized sector, with 111,816 in the public sector and 35,989 in the private sector. Using Krejcie and Morgan's formula (1970), the recommended sample size was 384, equally divided between sectors (192 each). Within each sector, 64 respondents were selected from each pay group. This equal distribution by sector and pay scale was deliberately maintained to ensure representativeness and minimize sampling bias.

### Data Analysis and Discussion

Understanding women's financial management requires examining

behavioral factors amid persistent gender disparities. Beyond literacy and savings, traits like confidence, risk perception, financial anxiety, and sense of control influence decisions (Lusardi & Mitchell, 2014; Mottola, 2013). Women often show greater risk aversion and lower confidence, limiting daily management and long-term independence (Jianakoplos & Bernasek, 1998; Lusardi & Tufano, 2015). These effects are amplified in developing societies by cultural and institutional barriers (OECD, 2013; World Bank, 2020). This study integrates behavioral analysis into financial management, highlighting how internal traits can enhance or hinder external interventions, offering insights for policymakers and institutions to foster sustainable financial empowerment.

### ***Profile of Sample Respondents***

Most respondents are aged 30–40, with 72% in the public sector and 68% in the private sector. Public sector women invest more frequently (twice a month), while 78% of private sector women invest monthly. Annually, public sector women spend <sup>1</sup> 20,000–<sup>1</sup> 30,000 on savings and investments, whereas private sector women spend <sup>1</sup> 20,000–<sup>1</sup> 40,000.

### ***Women's Behavioral Perspectives - Effective Financial Management - Financial Independence***

The study analyzed 27 factors to examine women's behavioral perspectives, effective financial management, and financial independence - particularly investment behaviors - using a one-sample t-test for significance and a Two-Way MANOVA to assess sectoral and pay scale differences and interactions.

The table 1 analyzes effective financial management among working women in public and private sectors using ten factors. Most respondents reported financial literacy, budgeting, saving and investment habits, debt management awareness, and emergency preparedness. They also showed confidence in decision-making and use of financial technologies. Mean scores and t-statistics confirm overall positive perceptions of financial management capability.

The Two-Way MANOVA examined the effects of employment sector (public vs. private) and pay scale (three levels) on ten dimensions of women's financial management. Results showed public sector employees performed better in literacy, budgeting, saving, investment, income management, technology use, and financial attitudes. Within the private sector, higher pay scale groups demonstrated stronger financial management than lower groups. A significant interaction effect indicated that pay scale influenced sectoral differences, particularly in literacy, budgeting, debt and income management, and financial attitudes, showing how income modifies sectoral impact on financial behavior.

The table 3 summarizes women's behavioral perspectives in financial management across eight factors using a five-point scale. Results show respondents possess strong financial knowledge, exercise autonomy in decision-making, maintain positive saving and investment attitudes, and manage financial stress effectively. Cultural influences, use of digital tools, and future financial orientation were also significant. Mean scores and one-sample t-tests confirm all

Table 1

Effective Financial Management Regarding Effective Financial Management

Statements	Mean	SD	Tm*	T**	P-v	T***	p-V
Understanding of financial terms (F1)	3.19	1.344	3.84	2.728	.007	25.360	.000
Awareness of financial instruments (F1)	4.39	.506		53.812	.000		
Knowledge of budgeting and debt management (F1)	3.46	1.434		6.219	.000		
Ability to compare and evaluate financial options (F1)	4.32	.749	3.58	34.429	.000	29.287	.000
Regularity of preparing a personal or household budget (F2)	3.91	1.139		15.711	.000		
Ability to track expenses (F2)	3.07	1.376		1.010	.313		
Budget adherence level (F2)	4.16	1.024	3.50	22.129	.000	12.042	.000
Adjustment of budget based on financial situation (F2)	3.17	1.291		2.582	.010		
Frequency and amount of saving (F3)	3.33	1.278		5.113	.000		
Types of savings used (F3)	3.47	1.234	3.41	7.431	.000	8.094	.000
Purpose-driven saving (F3)	3.40	1.341		5.799	.000		
Consistency in saving habits over time (F3)	3.79	1.104		14.102	.000		
Frequency of investment (F4)	3.59	1.193	3.53	9.611	.000	22.755	.000
Types of investment instruments used (F4)	3.07	1.463		.947	.344		
Risk tolerance in investment decisions (F4)	3.39	1.240		6.125	.000		
Awareness and use of diversified portfolios (F4)	3.83	1.068	3.71	15.312	.000	12.844	.000
Use of credit cards or loans (F5)	3.30	1.362		4.272	.000		
Awareness of interest rates and repayment terms (F5)	3.23	1.426		3.112	.002		
Timely repayment practices (F5)	3.31	1.499	3.64	3.998	.000	15.596	.000
Debt-to-income ratio awareness (F5)	3.96	1.110		17.002	.000		
Attitude toward borrowing and repayment (F5)	3.85	1.172		14.269	.000		
Existence of an emergency fund (F6)	3.47	1.463	3.39	6.248	.000	7.622	.000
Ability to cover unexpected expenses (F6)	3.57	1.277		8.738	.000		
Insurance coverage (F6)	4.09	1.012		21.031	.000		
Awareness of monthly income and sources (F7)	3.44	1.387	3.57	6.164	.000	16.143	.000
Income diversification (F7)	3.72	1.306		10.733	.000		
Expense-to-income ratio (F7)	3.23	1.594		2.785	.006		
Efforts to increase income (F7)	4.20	.927	3.39	25.309	.000	10.558	.000
Maintenance of financial records (F8)	3.57	1.352		8.269	.000		
Use of tools (apps, spreadsheets) to track finances (F8)	3.31	1.284		4.798	.000		
Frequency of financial review (F8)	3.28	1.385	3.57	3.966	.000	16.143	.000
Use of mobile banking, digital wallets (F9)	3.42	1.283		6.481	.000		
Use of budgeting and investment apps (F9)	3.38	1.419		5.300	.000		
Comfort with online transactions (F9)	3.82	1.173	3.55	13.745	.000	10.558	.000
Security practices in digital finance (F9)	3.65	1.253		10.111	.000		
Belief in the importance of financial planning (F10)	3.41	1.379		5.892	.000		
Confidence in managing finances (F10)	3.62	1.274	3.55	9.571	.000	10.558	.000
Attitude toward delayed gratification (F10)	3.81	1.144		13.859	.000		
Financial discipline and self-control (F10)	3.34	1.385		4.765	.000		

Source: Primary Data, SD= Standard Deviation, Tm\*=Total Mean Score, T\*\*=One Sample T-test, T\*\*\*=Independent Sample T-test, P-v=P-value

factors as statistically significant, indicating that working women hold a positive perception of their financial behavioral traits.

The Two-Way MANOVA examined the effects of employment sector (public vs. private) and pay scale (three groups) on nine factors of women’s financial behavioral perspectives. Results show

significant sectoral differences, with public sector employees reporting more positive perceptions in financial knowledge, attitudes, cultural influences, technology use, and future planning. Pay scale also influenced perceptions, with the highest-income group (₹ 50,001–₹ 1,00,000) showing the strongest positive traits. Interaction effects indicate that income level modifies behavioral factors

Table 2

Effective Financial Management- Dependency between Employment Sector and Pay Scale

Factors	Sector			Pay Scale			Sector * Pay Scale		
	( $\Lambda$ )	F	P-v	( $\Lambda$ )	F	P-v	( $\Lambda$ )	F	P-v
Financial Literacy	.937	6.348 <sup>b</sup>	.000	.914	4.306 <sup>b</sup>	.000	.908	4.625 <sup>b</sup>	.000
Budgeting Practices	.962	3.671 <sup>b</sup>	.006	.962	1.841 <sup>b</sup>	.066	.955	2.166 <sup>b</sup>	.028
Saving Behavior	.974	2.471 <sup>b</sup>	.044	.965	1.704 <sup>b</sup>	.094	.968	1.525 <sup>b</sup>	.144
Investment Behavior	.939	4.853 <sup>b</sup>	.000	.929	2.787 <sup>b</sup>	.002	.977	.882 <sup>b</sup>	.550
Debt Management	.978	1.718 <sup>b</sup>	.130	.978	.823 <sup>b</sup>	.607	.945	2.131 <sup>b</sup>	.020
Emergency Preparedness	.982	2.286 <sup>b</sup>	.078	.964	2.294 <sup>b</sup>	.033	.973	1.741 <sup>b</sup>	.109
Income Management	.962	4.964 <sup>b</sup>	.002	.933	4.434 <sup>b</sup>	.000	.925	4.965 <sup>b</sup>	.000
Record Keeping and Monitoring	.998	.223 <sup>b</sup>	.880	.986	.869 <sup>b</sup>	.517	.982	1.113 <sup>b</sup>	.353
Use of Financial Technology	.936	6.435 <sup>b</sup>	.000	.960	1.952 <sup>b</sup>	.050	.979	.992 <sup>b</sup>	.441
Attitudes and Beliefs	.908	9.521 <sup>b</sup>	.000	.951	2.370 <sup>b</sup>	.016	.940	2.954 <sup>b</sup>	.003

Source: Primary Data. b= Exact Statistics \*=Public Sector>Private sector Financial Literacy, Investment Behavior, Emergency Preparedness, Income Management, Use of Financial Technology, Attitudes and Beliefs =Highest pay scale groups have better than other (50001-100000> other pay scale group)( $\Lambda$ )= Wilks' Lambda, F=F test Value (MANOVA), P-v=P-value

Table 3

Working Women's Perception Regarding Women's Behavioral Perspective (WBP)

	Mean	SD	Tm*	T**	P-v	T***	p-V
Knowledge of basic financial concepts (F1)	3.82	1.310	3.76	12.245	.000	22.633	.000
Knowledge of financial products (F1)	3.14	1.463		1.925	.055		
Previous financial education/training (F1)	4.33	.768		33.946	.000		
Budgeting habits (F2)	3.48	1.333	3.46	7.042	.000	20.286	.000
Saving frequency and methods (F2)	3.99	1.373		1.167	.867		
Spending patterns (impulse vs. planned purchases) (F2)	4.01	1.282		15.500	.000		
Debt management practices (F2)	3.58	1.222		9.368	.000		
Emergency fund preparedness (F3)	3.23	1.274	3.37	3.524	.000	10.591	.000
Autonomy in financial decisions (F3)	3.18	1.337		2.614	.009		
Individual decision-making in the household (F3)	3.20	1.417		2.761	.006		
Role in long-term financial planning (F3)	3.14	1.468	3.83	1.932	.054	16.364	.000
Risk tolerance in financial choices (F3)	3.94	1.207		15.222	.000		
Positive attitude toward saving and investment (F4)	3.95	1.093		16.969	.000		
Positive perception of financial independence (F4)	3.57	1.501	3.83	7.463	.000	16.364	.000
Positive attitude toward debt and credit use (F4)	3.63	1.261		9.812	.000		
Belief in women's ability to manage finances (F4)	4.17	.967	3.72	23.653	.000	16.552	.000
Risk aversion (F5)	3.64	1.363		9.263	.000		
Self-efficacy in financial matters (F5)	3.87	1.274		13.377	.000		
Delay gratification (preference for short-term vs. long-term gain) (F5)	3.21	1.571	3.58	2.671	.008	23.882	.000
Financial anxiety or stress levels (F5)	4.15	.913		24.775	.000		
Influence of spouse/family on financial decisions (F6)	3.68	1.369	3.25	9.751	.000	5.032	.000
Cultural norms about women handling money (F6)	3.97	1.429		4.420	.675		
Peer influence on financial behavior (F6)	3.98	1.373		14.033	.000		
Role models or mentors in financial management (F6)	3.67	1.170	4.14	11.151	.000	50.194	.000
Use of online banking/mobile wallets (F7)	3.15	1.225		2.416	.016		
Comfort with digital financial tools (F7)	3.10	1.371	3.25	1.451	.148	5.032	.000
Online financial planning or budgeting apps usage (F7)	3.50	1.494		6.566	.000		
Setting financial goals (short-term/long-term) (F8)	4.43	.886	4.14	31.619	.000	50.194	.000
Retirement planning (F8)	4.59	.525		59.354	.000		
Investment for children's education or home purchase (F8)	3.14	1.348		1.978	.049		
Aspirations for entrepreneurship or business investment (F8)	4.39	.595		45.798	.000		

Source: Primary Data, SD= Standard Deviation, Tm\*=Total Mean Score, T\*\*=One Sample T-test, T\*\*\*=Independent Sample T-test, P-v=P-value

Table 4

**Women’s Behavioral Perspective -Dependency between Employment Sector and Pay Scale**

Factors	Sector			Pay Scale			Sector * Pay Scale		
	( $\Lambda$ )	F	P-v	( $\Lambda$ )	F	P-v	( $\Lambda$ )	F	P-v
Financial Knowledge	.925	10.206 <sup>b</sup>	.000*	.915	5.679 <sup>b</sup>	.000	.972	1.779 <sup>b</sup>	.101
Financial Behavior	.990	.787 <sup>b</sup>	.560	.964	1.392 <sup>b</sup>	.179	.955	1.745 <sup>b</sup>	.067
Financial Decision-Making	.982	1.714 <sup>b</sup>	.146	.959	1.961 <sup>b</sup>	.059	.925	3.729 <sup>b</sup>	.000
Attitudinal Variables	.973	2.603 <sup>b</sup>	.036	.958	2.044 <sup>b</sup>	.039	.971	1.405 <sup>b</sup>	.191
Psychological and Behavioral Factors	.973	2.648 <sup>b</sup>	.033	.934	3.255 <sup>b</sup>	.001	.909	4.600 <sup>b</sup>	.000
Social and Cultural Influences	.914	8.849 <sup>b</sup>	.000*	.913	4.377 <sup>b</sup>	.000	.966	1.627 <sup>b</sup>	.113
Use of Financial Technology	.909	12.562 <sup>b</sup>	.000*	.895	7.155 <sup>b</sup>	.000	.890	7.530 <sup>b</sup>	.000
Future Financial Goals and Planning	.921	8.007 <sup>b</sup>	.000*	.883	6.007 <sup>b</sup>	.000	.944	2.765 <sup>b</sup>	.005

Source: Primary Data. b= Exact Statistics, \*=Public Sector>Private sector Financial Knowledge, Psychological and Behavioral Factors, Attitudinal Variables, Social and Cultural Influences, Use of Financial Technology, and Future Financial Goals and Planning=Highest pay scale groups have better than others (50001-100000> other pay scale groups)( $\Lambda$ )= Wilks’ Lambda, F=F test Value (MANOVA), P-v=P-value

differently across sectors, particularly in decision-making, technology use, and goal-setting.

Table 5 presents an analysis of financial independence among working women, based on nine key factors. The mean and standard deviation values indicate that the majority of respondents agreed with all the factors, suggesting a strong sense of financial independence. Furthermore, the results of the one-sample t-test statistically validate these responses. Therefore, it can be concluded that the financial independence of working women is statistically significant and positively perceived across the sample.

Table 6 shows sectoral and pay scale differences in women’s financial independence. Public sector employees report higher levels of confidence, literacy, decision-making, and investment behavior compared to private sector counterparts.

Pay scale differences were significant, with women earning ₹ 50,001–₹ 1,00,000 demonstrating stronger financial literacy, proactive habits, and investment practices. Interaction effects reveal that income level shapes financial independence differently across sectors, particularly in proactive habits and investment behavior.

***Influence of Women’s Investment Behavioral Perspective, Effective Financial Management on Financial Independence.***

The SEM model demonstrates satisfactory fit, with key indices—CFI, RMSEA, Parsimonious Fit, and SRMR—within acceptable thresholds. Although the Chi-Square slightly exceeds the <5 cut-off, it remains acceptable for complex models. Overall, the model is statistically sound, supporting the hypothesized relationships and suitable for further interpretation.

**Table 5**  
**Working Women’s Perception Regarding Financial Independence**

Statements	Mean	SD	Tm*	T**	P-v	T***	p-V
Making financial decisions (F1)	3.71	1.518	3.90	3.799	.000	36.584	.000
Managing expenses and income (F1)	4.54	.673		44.994	.000		
Own decision (F1)	4.67	.468		69.849	.000		
Taking financial risk (F1)	3.68	1.201	4.11	11.126	.000	34.996	.000
Towards financial risk (F2)	4.37	.636		42.324	.000		
Towards financial uncertainty (F2)	3.84	1.046	4.28	15.672	.000	49.961	.000
Basic financial matters (F3)	4.45	.639		44.362	.000		
Various investment avenues (F3)	4.12	1.171		18.739	.000		
Planning and budgeting (F3)	4.38	.494	3.24	54.600	.000	7.801	.000
Digital financial services (F3)	4.18	1.055		21.920	.000		
To decide personal financial matters (F4)	3.21	1.282		3.158	.002		
Household financial planning and budgeting (F4)	4.18	1.053	3.62	21.977	.000	22.929	.000
To invest own money without prior approval from others (F4)	3.92	1.452		1.124	.262		
Experience in making large purchases (F4)	3.87	1.495		1.661	.097		
Experience in making large investments (F4)	3.01	1.412	3.37	.132	.895	9.899	.000
Financial stability (F5)	3.86	1.406		1.987	.048		
Financial Responsibilities (F5)	4.06	1.042		19.862	.000		
Prospects of investment (F5)	3.91	.973	3.91	18.283	.000	16.822	.000
Scope of financial decision (F5)	3.66	1.403		9.214	.000		
Money Management (F6)	3.98	1.355		.339	.735		
Unexpected events occurred (F6)	3.90	1.453	3.45	1.288	.199	13.636	.000
Influence of external factors (F6)	3.99	1.074		18.096	.000		
Financial decision went wrong (F6)	3.59	1.228		9.482	.000		
Sense of control over financial future (F7)	3.79	1.225	3.80	12.684	.000	15.113	.000
Ability to stick to a financial plan (F7)	4.21	.847		27.931	.000		
Perceived ability to improve one’s financial situation (F7)	3.78	1.300		11.826	.000		
Ability to control financial outcome (F7)	3.86	1.270	3.80	13.317	.000	15.113	.000
Regular budgeting and tracking expenses (F8)	3.90	1.498		1.255	.210		
Setting financial goals (short-term and long-term) (F8)	3.94	1.544		.741	.459		
Saving for emergencies (F8)	4.08	1.001	3.80	21.107	.000	15.113	.000
Reviewing or updating financial plans periodically (F8)	3.88	1.128		15.224	.000		
Seeking frequent financial advice (F8)	3.60	1.438		8.173	.000		
Trying to make Rational decisions (F9)	3.81	1.195	3.80	13.315	.000	15.113	.000
Interest in learning about investment opportunities (F9)	4.10	1.001		21.626	.000		
Experience with using digital investment platforms (F9)	3.70	1.313		10.481	.000		

Source: Primary Data, SD= Standard Deviation, Tm\*=Total Mean Score, T\*\*=One Sample T-test, T\*\*\*=Independent Sample T-test, P-v=P-value

**Table 6**

**Financial Independence-Dependency Between Employment Sector and Pay Scale**

Factors	Sector			Pay Scale			Sector * Pay Scale		
	(Λ)	F	P-v	(Λ)	F	P-v	(Λ)	F	P-v
Confidence in Handling Financial Matters	.963	3.615 <sup>b</sup>	.007	.964	1.746 <sup>b</sup>	.085	.972	1.321 <sup>b</sup>	.230
Assessment Attitude	.995	.878 <sup>b</sup>	.416	.982	1.752 <sup>b</sup>	.137	.995	.477 <sup>b</sup>	.753
Financial literacy	.932	6.828 <sup>b</sup>	.000	.958	2.019 <sup>b</sup>	.042	.960	1.911 <sup>b</sup>	.055
Independent Decision Making	.957	3.386 <sup>b</sup>	.005	.985	.551 <sup>b</sup>	.854	.970	1.149 <sup>b</sup>	.323
Handling Financial Anxiety	.979	2.040 <sup>b</sup>	.088	.979	.996 <sup>b</sup>	.437	.975	1.174 <sup>b</sup>	.312
Handling financial stress	.981	1.811 <sup>b</sup>	.126	.985	.704 <sup>b</sup>	.688	.991	.439 <sup>b</sup>	.898
Sense of Financial Control	.987	1.268 <sup>b</sup>	.282	.983	.826 <sup>b</sup>	.580	.989	.498 <sup>b</sup>	.858
Proactive financial habits	.927	7.367 <sup>b</sup>	.000	.920	3.975 <sup>b</sup>	.000	.955	2.180 <sup>b</sup>	.027
Investment Behaviour	.958	4.071 <sup>b</sup>	.003	.928	3.578 <sup>b</sup>	.000	.905	4.782 <sup>b</sup>	.000

Source: Primary Data. b= Exact Statistics\*=Public Sector>Private sector

Financial literacy, Proactive financial habits, Investment Behaviour =Highest pay scale groups have better than others (50001-100000> other pay scale groups)

**Table 7**  
**Model Fit Indices (SEM)**

Model		Values	p	Threshold Values
	Standardized RMR	0.772		<0.8
Absolute Fit	CMIN c2	1862.65	0.002	p>0.05
	RMSEA	0.077		<0.08
	GFI	0.902		>0.90
	CFI	0.915		>0.90
Incremental fit	NFI	0.971		>0.90
	X <sup>2</sup> /df (312.68) (Discrepancy Ratio)	5.9570		<5

*Source: Primary Data*

**Table 8**  
**Model Validity and Variance Extracted Through CFA**

Variable Construct	Items	Std. Factor Loadings	Cronbach's Alpha	Variance Extracted
Women's Behavioral Perspective	8	.928	.932	.723
Effective Financial Management	10	.912	.918	.713
Financial Independence	9	.883	.892	.721

*Source: Primary Data*

The CFA results show high standardized factor loadings, indicating strong associations between items and constructs. Cronbach's alpha values exceed 0.70, confirming reliability, while variance extracted demonstrates convergent validity. Discriminant validity is also supported, indicating that constructs are distinct. Overall, the measurement model is statistically reliable and theoretically valid.

All tested relationships are statistically significant ( $p = 0.000$ ). Women's behavioral perspective positively influences effective financial management ( $SRW = 0.770$ ) and financial independence ( $SRW = 0.826$ ). Effective financial management also mediates this relationship ( $SRW = 0.894$ ), highlighting its role in translating behavioral traits into financial independence.

The findings highlight the pivotal role of women's behavioral perspectives in

driving effective financial management and financial independence. Effective financial management also mediates this relationship, serving as a key pathway for translating behavioral traits into financial autonomy. All null hypotheses were rejected, confirming significant direct and indirect effects.

**Findings of the Study**

The study investigated the relationship between women's behavioral perspectives and effective financial management, with a focus on how this influences financial independence among working women across the public and private sectors. The results revealed that women generally hold positive behavioral attributes towards financial management, including confidence in financial decision-making, proactive saving and investment habits, and effective use of financial technologies. Public sector employees, as well as

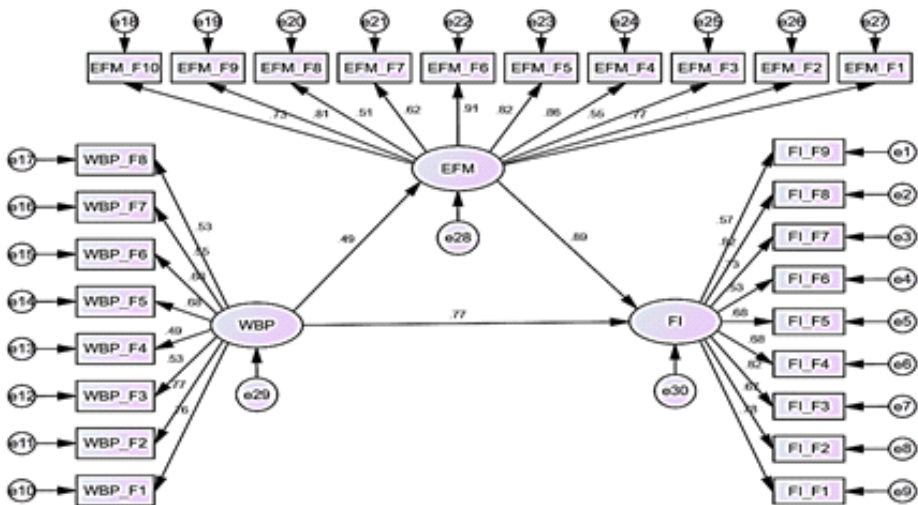
Table 9

Standardized Regression Estimate- Effective Financial Management- Women’s Behavioral Perspective-Financial Independence

			Estimate (SRW)*	S.E.	C.R.	P-v
EFM	<---	WBP	.770	.185	4.162	0.0001
FI	<---	EFM	.894	.122	7.327	0.0001
FI	<---	WBP	.826	.146	5.670	0.0001
	WBP	EFM	FI			
EFM	.491	.000	.000			
FI	.770	.894	.000			

Source: Primary Data \*SRW: Standardized Regression Weight S.E.=Standard Error, C.R.=Critical Ratio, P-v P-value

Figure 1  
Structural Equation Model: Mediation Effect



women in the ₹ 50,001–₹ 1,00,000 income group, demonstrated more favorable attitudes and behaviors across key dimensions such as financial literacy, psychological orientation, and future planning. Interaction effects suggested that income plays a moderating role in shaping behavioral traits within different sectors. Using PROXSCAL analysis, the study identified five core factors - confidence in financial matters, social and cultural

influences, investment behavior, use of financial technology, and personal attitudes and beliefs - that strongly correlate with both effective financial management and financial independence. Structural model estimations revealed that women’s behavioral perspectives significantly influence both effective financial management and financial independence. Effective financial management also serves as a critical mediator, translating

behavioral traits into financial independence.

### Recommendations of the Study

Integrate modules on the psychological aspects of finance, such as confidence-building, goal-setting, and decision-making under uncertainty. This goes beyond traditional financial literacy to a more holistic approach. Implement “behavioral training modules” to help women address these psychological factors. Tailored interventions should be developed for women in lower-income brackets and private sector roles, where behavioral perspectives and financial independence were found to be relatively weaker. Establish peer-support groups and mentoring initiatives where women can learn from each other and build confidence. Launch workplace-based financial wellness programs to provide support and resources directly to employees.

Policymakers and financial institutions should work together to improve access to fintech, particularly for women who may experience digital or social exclusion. This includes promoting user-friendly platforms, localized content, and female-centric fintech tools. Address structural barriers that hinder women’s financial participation, such as wage gaps and limited social security benefits, especially within the private sector. The ongoing assessment tools that monitor shifts in financial behavior over time - such as behavioral self-assessment scales and

personalized feedback systems - should be adopted to ensure sustained impact. By aligning financial empowerment initiatives with both behavioral insights and structural enablers, stakeholders can create more inclusive, effective pathways toward women’s financial independence.

### Conclusion

This research underscores the pivotal role of behavioral perspectives in shaping women’s financial outcomes. Beyond the traditional emphasis on financial literacy and access, the study reveals that psychological and attitudinal factors - such as confidence, cultural influences, and future orientation - substantially contribute to effective financial management and, in turn, financial independence. Public sector employment and higher income levels further enhance these dynamics, suggesting the importance of structural and contextual enablers. The findings advocate for a paradigm shift in financial empowerment strategies. Programs aimed at women should integrate behavioral insights into their design, ensuring that interventions are not only informational but also psychologically supportive and socially contextualized. This study contributes to the growing body of behavioral finance and gender economics literature by offering empirical evidence on how internal behavioral traits, when supported by conducive institutional frameworks, lead to sustainable financial empowerment for women.

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