© SEP 2026 | IRE Journals | Volume 10 Issue 3 | ISSN: 2456-8880
DOI: https://doi.org/10.64388/IREV10I3-1722784

The Paradox of Women's Financial Control: Earning More, Spending Less

SHRIHARI, S[1], SIVA PRATHESHA S[2]
[1,2]*Assistant Professor, Sri Venkateswara College of Engineering (Autonomous), Pennalur Sriperumbudur, Chennai.*

***Abstract-* This study explores the conflict between formal financial inclusion and the everyday power dynamics within households as experienced by working women. It goes beyond the assumption that access to financial resources automatically equates to personal independence, examining how unwritten domestic hierarchies affect a woman's real control over her income. The findings reveal a significant gap between systemic integration and practical autonomy. Although many women have their own bank accounts, cultural expectations often compel them to hand over their salaries and seek family approval for personal expenditures. Importantly, the research challenges traditional economic bargaining models by showing that greater relative earnings do not necessarily enhance a woman's negotiating power; in fact, earning more than family members can trigger heightened domestic surveillance aimed at maintaining traditional gender roles. Ultimately, the study concludes that simply expanding financial products addresses only the superficial aspects of economic exclusion, while achieving genuine autonomy demands a shift in the informal social norms that shape the domestic balance of power.**

***Keywords:* Financial autonomy of women, Intra-Household Bargaining Power, Gender Roles and Stereotypes, Socio-Cultural Barriers, and female employment.**

I. INTRODUCTION

The historical evolution of women's status in India reveals a notable paradox. In earlier periods, women enjoyed significant domestic and social decision-making powers. However, later systemic changes curtailed their economic rights, creating a legacy of financial dependency (Srivastava, 2020). Although global financial inclusion has steadily expanded, a persistent nine percentage point gap in financial access remains for women in lower-income nations due to deeply ingrained institutional and societal constraints (Eckhoff et al., 2019). While expanding formal financial inclusion yields well-documented macroeconomic and household benefits, emerging evidence demonstrates that providing women with access to personal bank accounts also significantly strengthens non-financial dimensions of empowerment, such as domestic decision-making and physical mobility (Mishra et al., 2026). Even in literature, which is often considered a reflection of life, present women in the same way. The contemporary Indian literature in English: the rise of the "new Indian woman" illustrates a complicated environment in which young, urban, and financially independent women must constantly balance their individual autonomy against deeply ingrained familial and societal expectations (Lau, 2010). Though the present development economics often highlights formal financial inclusion as essential for women's empowerment, evidence shows that a woman's ability to convert fundamental banking access into genuine non-financial independence largely depends on her active earnings and acknowledged authority in household decisions (Pal et al., 2022).

For many years, India's financial inclusion success was measured based on the number of bank accounts opened. The Pradhan Mantri Jan Dhan Yojana (PMJDY) has succeeded in providing millions of women with access to the banking system, but a question persists: Does access mean control? Nowadays, women have debit/credit cards and can access their bank accounts, but it is still the man of the house who is in charge of managing the family funds. Despite historical and global patterns that have often limited women's role in decision-making to household or less important tasks, increasing levels of education and the economic need for dual-income families are changing women's perspectives, moving

© SEP 2026 | IRE Journals | Volume 10 Issue 3 | ISSN: 2456-8880
DOI: https://doi.org/10.64388/IREV10I3-1722784

them away from conventional, stereotyped roles towards greater independence in both family and professional contexts (Patil & Farooqui, 2016).

While educational advancements and targeted government policies have fostered greater financial literacy among urban women, a significant urban-rural divide persists, leaving many semi-urban and rural women sidelined from crucial household financial planning (Shrivastav & Singh, 2021). The rapid growth of the Indian economy in the digital world has made it easier for women to move past the old system of storing money. The smartphones have become new lockers that are breaking the patriarchal control by giving women a private, hidden, and instant way to access their money. Women are not just saving—they are borrowing, investing, and running businesses. This paper aims to explore the psychological and sociological challenges that stop women from gaining complete control over their finances.

II. LITERATURE REVIEW

2.1 Barriers to Women's Financial Inclusion in Society and Culture

A thorough systematic review covering two decades of research identifies six fundamental structural barriers that determine women's financial empowerment. These barriers include patriarchal systems, ethnic factors, and low financial literacy. To address these challenges, targeted interventions such as microfinance, self-help groups, and digital inclusion are essential (Saluja et al., 2023). In Indian society, women serve as the backbone of both family structures and the rural economy. However, a significant portion of their daily labor remains culturally and statistically overlooked. Traditional GDP metrics classify essential activities like household chores, childcare, and eldercare as "non-productive" simply because they are unpaid. In rural areas, millions of women engage in strenuous agricultural work, yet are often defined merely as "family helpers" rather than recognized as farmers, largely due to the lack of land ownership. This economic invisibility is further compounded by cultural norms that view a woman working outside the home as a sign of financial hardship. This perception frequently leads families to withdraw women from the formal workforce as their household incomes increase. By labeling this crucial daily labor as non-productive, society inherently devalues women's contributions. This not only strips them of financial independence but also compromises their decision-making power, reinforcing gender inequalities. Recognizing and valuing women's work is essential for fostering a more equitable society. The anticipated journey from formal literacy to economic independence is often interrupted by enduring structural obstacles. Educated women working in the informal labor market frequently face rigid gender stereotypes and educational mismatches that pressure them to prioritize domestic responsibilities over their financial autonomy (Paramjit et al., 2025).

2.2 The Relationship Between Financial Access and Non-Financial Independence

When women successfully access formal financial resources, the advantages often go well beyond simple macroeconomic measures or basic household welfare. Emerging empirical studies are shifting their focus to assessing how financial inclusion influences power dynamics in non-financial and domestic spheres. By defining financial inclusion primarily as a woman's access to and control over her own bank account, research has revealed significant positive associations with various indicators of personal autonomy (Mishra et al., 2026).

Independent access to financial resources is particularly associated with increased physical mobility and a greater ability to assert influence over personal and household decisions (Mishra et al., 2026; Shrivastav & Singh, 2021). This socio-economic change is especially impactful for highly marginalized groups, where financial inclusion has been shown to positively affect personal dynamics, such as a woman's sexual assertiveness within marriage (Mishra et al., 2026). Therefore, a personal bank account functions not just as a financial tool but as a powerful mechanism that enhances a woman's spatial and social autonomy.

2.3 The Gap Between Urban and Rural Areas and the Weaknesses in Policy

Despite the documented advancements in financial literacy and autonomy, significant disparities exist in how these benefits are distributed. A major theme observed in developing economies is the widening divide between urban and rural areas. Urban working women are increasingly using higher education and financial literacy to gain equal standing in managing family wealth. In contrast, women in semi-urban and rural areas remain severely marginalized (Shrivastav & Singh, 2021). This disparity is primarily due to unequal access to education, which is essential for fostering financial awareness and enabling independent decision-making.

Moreover, researchers warn against viewing financial inclusion policies as a complete solution to these issues. While targeted state-level interventions and microfinance initiatives have historically empowered vulnerable groups, abrupt changes in traditional gender roles can lead to unintended societal tensions. Specifically, while enhancing women's economic autonomy is beneficial, it can also provoke domestic backlash if access to formal banking is introduced without accompanying efforts to engage the community in discussions aimed at reshaping restrictive social norms (Mishra et al., 2026).

2.4 The Present Study (Identifying the Gap)

A review of the current literature establishes a clear connection between women's access to banking services and the broader benefits for households at the macro level. However, there remains a significant gap in understanding how local socio-cultural norms influence the actual use of these accounts, especially in rural areas where economic participation does not necessarily translate into structural rights. Most existing studies focus either on quantitative banking metrics or qualitative social norms, but rarely examine them together.

This study aims to fill that gap by using a mixed-methods approach to explore how intentional financial interventions—specifically when combined with community-led gender dialogues—affect the real financial autonomy of rural women in their everyday lives.

III. METHODOLOGY

This study aimed to explore the relationship between female employment, access to financial infrastructure, and the bargaining power women hold within their households. To achieve this, we conducted a primary, cross-sectional descriptive survey. We gathered data from a sample of 100 working women, selected through a non-probability convenience and purposive sampling method, ensuring that all participants were actively employed and earning their own income.

The data collection was facilitated through a structured online questionnaire that comprised 15 questions spread across five key areas: motivations for working, access to formal financial services (like having separate savings accounts and credit cards), control over their earnings, intra-household dynamics (including how spending decisions are made and managing parental financial support), and socio-cultural challenges they may face. We ensured ethical standards throughout the study, obtaining informed consent digitally before collecting any data and ensuring complete anonymity for all participants. We conducted our analysis using descriptive statistics, frequency distributions, and percentage profiling to establish baseline levels of financial inclusion. Additionally, we employed exploratory cross-tabulations to explore the impact of a woman's earning status on her spending autonomy.

IV. FINDINGS AND DISCUSSION OF RESULTS

4.1 The Findings

The survey data reveal a significant contradiction in the lives of working women: while obtaining a bank account is relatively straightforward, gaining true authority over household finances presents a much more complex challenge. On paper, financial inclusion appears to be a success, with 93% of the surveyed women owning a separate savings account. However, this access often doesn’t translate into real financial control. Alarmingly, 63% of these women still hand over their entire paychecks to their husbands or families, and more than half (53%)

report they cannot make personal purchases without first consulting their family.

When asked about the obstacles they face, these women point to cultural rather than institutional barriers. For instance, 41% cite rigid gender-role stereotypes—specifically the belief that men should manage family finances—as the main hindrance, while another 33% attribute their challenges to general societal pressure. These findings underscore the notion that having a bank account is not synonymous with economic power, reinforcing the argument made by Saluja et al. (2023) that financial policies often overlook the patriarchal structures that dictate daily life.

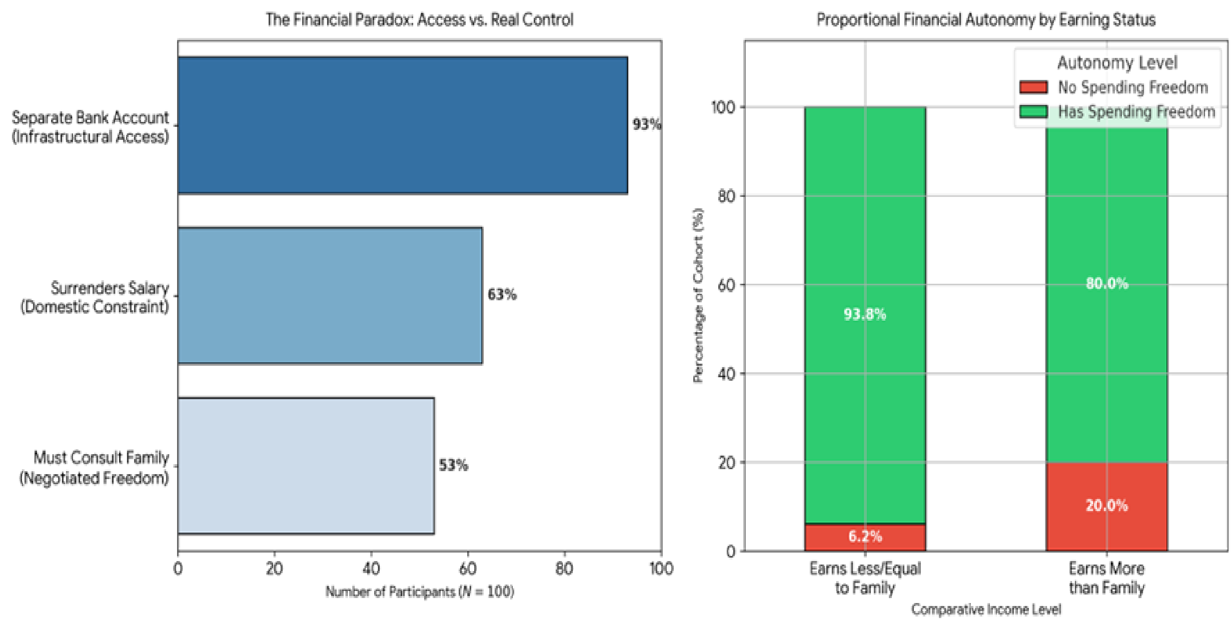

Figure 4.1: Distinguishing Structural Access Challenges from Behavioral Autonomy Constraints
This illustration was initially generated using [Google Gemini AI] and subsequently refined and verified for scientific accuracy by the authors.

Moreover, the data challenge conventional economic theories. Traditional models assume that the more money a woman earns, the more bargaining power she has within her household. However, our findings tell a different story. While 61% of respondents work out of both necessity and for personal empowerment, earning more than their families doesn't necessarily grant them control over their own finances. In fact, among the 35% of women who earn more than their family members, 20% face explicit restrictions on how they can use their income. In contrast, for those who earn less or the same as their relatives, the limitation rate drops to just 6.2%. This unexpected trend aligns with observations made by Paramjit et al. (2025) in recent studies of urban labor in India, where greater earnings for women often result in increased scrutiny or backlash from families seeking to uphold traditional hierarchies. Ultimately, simply raising a woman's salary or credit limit doesn't equate to true empowerment if she remains socially pressured to relinquish that control. Genuine financial autonomy transcends banking mechanics; it requires a fundamental shift in the informal social norms that govern household dynamics.

4.2 Examining the Contrast Between Structural Inclusion and Household Agency.

This trend becomes undeniably clear when we look at the stark contrast between our access data and behavioral data. If having a physical bank account were the key to empowerment, the 93% benchmark we recorded would naturally align with individual freedom. Yet, the reality is that nearly two-thirds of account holders are forced to hand over their paychecks, highlighting how unspoken family dynamics often overshadow the potential of formal banking systems.

This issue is deeply rooted within individuals rather than structural limitations: 41% of participants specifically identify learned gender roles as the main barrier preventing them from making their own financial choices. Furthermore, the fact that high-earning women face restrictions at a rate three times higher (20%) than their lower-earning counterparts (6.2%) suggests that out-earning a spouse poses a challenge to traditional family hierarchies, leading to increased scrutiny from family members. Simply introducing credit lines or promoting zero-balance accounts is merely a band-aid solution. Women will remain locked out of their finances until we take meaningful steps to address and dismantle the social patterns that dictate household power dynamics.

V. CONCLUSION

This study makes it clear that simply providing women with financial resources doesn't necessarily grant them control over their own finances. Although nearly 93% have access to banking, the reality that 63% of these women still give their paychecks to others and 53% have to ask for permission to spend their own money indicates that informal domestic hierarchies often overshadow formal financial systems. Furthermore, the finding that women who earn higher incomes experience financial restrictions at a rate three times greater (20%) than those with lower incomes (6.2%) reveals a critical flaw in conventional economic development models. It suggests that when women increase their earnings within a stringent patriarchal structure, it can provoke a backlash that leads to stricter financial scrutiny from family members, aimed at maintaining traditional roles.

Ultimately, these findings demonstrate that structural initiatives like opening zero-balance accounts or increasing credit access are merely surface-level solutions if the underlying cultural issues are ignored. For economic policies to create a meaningful and lasting impact, future efforts must shift their focus from purely financial mechanics to addressing and transforming the deeply rooted social norms that dictate power dynamics within households.

REFERENCES

[1] Eckhoff, S., Kibombo, G. M., Natukunda, M. M., Pennotti, C., & Vandergaag, K. (2019). What works to increase financial inclusion and women's financial autonomy? Intentional designs showing promise. Development in Practice, 29(8), 974–987. https://doi.org/10.1080/09614524.2019.1651824

[2] Lau, L. (2010). Literary representations of the 'new Indian woman': The single, working, urban, middle class Indian woman seeking personal autonomy. Journal of South Asian Development, 5(2), 271–292. https://doi.org/10.1177/097317411000500204

[3] Mishra, a., Risse, L. & Sinclair, S. Financial Inclusion and Women's Personal Autonomy in India. Soc Indic Res 181, 35 (2026). https://doi.org/10.1007/s11205-025-03782-9

[4] Pal M, Gupta H, Joshi YC (2022), "Social and economic empowerment of women through financial inclusion: empirical evidence from India". Equality, Diversity and Inclusion: An International Journal, Vol. 41 No. 2 pp. 294–305, doi: https://doi.org/10.1108/EDI-04-2021-0113

[5] Paramjit, Gupta, A., Goel, S., & Singh, S. (2025). Exploring the linkage between education and financial autonomy of women working in the urban informal sector. Economic & Political Weekly, 60(31), 29–33.

[6] Patil, D. M., & Farooqui, M. (2016). Dimensions of women's autonomy and family influence: A statistical study. International Journal of Science and Research, 5(10), 1472–1477. http://www.w-t-w.org/en/wp-content/uploads/2016/12/Dimensions-of-Women%E2%80%9Fs-Autonomy-and-Family-Influence-.pdf

[7] Saluja, O.B., Singh, P. & Kumar, H. Barriers and interventions on the way to empower women through financial inclusion: a 2 decades systematic review (2000–2020).

DOI: https://doi.org/10.64388/IREV10I3-1722784

Humanit Soc Sci Commun 10, 148 (2023). https://doi.org/10.1057/s41599-023-01640-y

[8] Shrivastav, D., & Singh, V. (2021). A study on financial literacy and financial planning among women. International Journal of Current Innovations in Advanced Research, 4(6), 33–37. http://www.ijciras.com/Users/ManuScript/ManuScriptDetails/60c67495-5e6c-4ed8-a648-0b10f56f8b10

[9] Singh, C., & Kumar, R. (2017). Financial literacy among women - Indian scenario. Universal Journal of Accounting and Finance, 5(2), 46–53. https://doi.org/10.13189/ujaf.2017.050202

[10] Srivastava, A. (2020). Role of financial independence in uplifting the status of women. International Journal of Current Innovations in Advanced Research, 3(7), 10–15. http://www.ijciras.com/PublishedPaper/IJCIRAS1707.pdf