

Financial Awareness and Decision-Making Among Women Entrepreneurs

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Abstract: This study delves into the financial literacy and decision-making capabilities of women entrepreneurs, with a particular focus on Coimbatore, India. The research investigates various factors that influence their entrepreneurial journeys, such as the challenges they face, their motivations for starting businesses, and the critical role of financial awareness in ensuring business sustainability. By adopting a mixed-methods approach, the study incorporates both qualitative and quantitative data, including surveys and interviews, to gain a comprehensive understanding of the subject. It further explores the impact of gender norms, educational background, family dynamics, and government support on women entrepreneurs' ability to make informed business decisions. The research also highlights the key barriers that limit women's access to financial resources and knowledge, and how these challenges hinder their overall business growth. Additionally, the study proposes strategies to enhance financial literacy among women entrepreneurs, including educational programs, access to mentorship, and government initiatives. The study aims to foster inclusive economic growth and contribute to the broader goal of gender equality in entrepreneurship. Overall, this research seeks to provide valuable insights for policymakers, educators, and entrepreneurs themselves to drive positive change.

Keywords: Financial literacy, Women entrepreneurs, Gender norms, Business sustainability

INTRODUCTION

This study examines the financial literacy and decision-making capabilities of women entrepreneurs in India, focusing on the challenges, motivations, and impact of financial awareness on business sustainability. Despite women's significant role in economic growth, they face barriers like limited access to finance, networks, and education, leading to lower participation in entrepreneurship.

The research aims to assess women's financial knowledge and explore how it influences their decision-making, business performance, and risk management. It also investigates the role of family

dynamics and societal norms in shaping financial practices. Using a mixed-methods approach, the study highlights obstacles to financial literacy and offers strategies for improvement. The goal is to empower women entrepreneurs by enhancing their financial literacy, enabling them to overcome challenges and achieve long-term business success. The study provides insights to inform policies and programs aimed at fostering inclusive economic growth and promoting women's financial empowerment in entrepreneurship.

OBJECTIVES

- To ascertain the degree of financial literacy among female entrepreneurs.
- To understand the investment practices of female entrepreneurs.
- To evaluate how family dynamics affect female entrepreneurs' financial management and risk-taking.
- To identify financial obstacles encountered by women entrepreneurs.

METHODOLOGY

This study uses a quantitative research methodology with a questionnaire to gather data from female entrepreneurs in Coimbatore, one of India's fastest-growing cities. The snowball sampling method was employed to reach a broader network of participants, as obtaining a complete list of women entrepreneurs was challenging. A sample size of 36 women entrepreneurs was chosen for manageable analysis. Primary data was collected through a Google questionnaire with multiple-choice questions, while secondary data was sourced from websites, periodicals, and online resources related to financial literacy and female entrepreneurship.

REVIEW OF LITERATURE

- Murthy C.S.V. (2022): Women's entrepreneurial participation has grown, with financial management

being crucial for success. Many women start businesses due to limited revenue options.

- Abdul Raheem & C. Prabhu (2021): Key obstacles for female entrepreneurs include lack of funds, collateral, market knowledge, and mentors. Government support through training and skill development programs is recommended.

- Meenu Goyal & Jai Prakash (2020): Factors like the desire for financial independence, family support, and creativity influence women's decision to become entrepreneurs. SHGs and financial literacy training are beneficial.

- Jagtap K. N. (2019): Rural women entrepreneurs should have the freedom to choose their businesses, which boosts confidence and success. Training in banking, financial literacy, and credit access is necessary.

INTERPRETATION

EDUCATION LEVEL AND SAVINGS APPROACH TOWARD UNEXPECTED BUSINESS EXPENSES

NULL HYPOTHESIS: There is no significant correlation between the respondents' education level and their savings approach to unexpected business expenses.

ALTERNATIVE HYPOTHESIS: There is a significant correlation between the respondents' education level and their savings approach to unexpected business expenses.

INTERPRETATION

Based on the statistical significance of the correlation, the null hypothesis is rejected, suggesting that as education levels rise, individuals may exhibit less traditional savings behavior in response to unexpected business expenses. This implies a potential shift towards more unconventional financial strategies among individuals with higher education levels. Therefore, there is a significant correlation between the respondents' education level and their savings approach to unexpected business expenses.

MARITAL STATUS OF THE RESPONDENTS AND LEVEL OF INVESTMENT

NULL HYPOTHESIS: There is no significant relationship between the marital status of the respondents and their level of investment.

ALTERNATIVE HYPOTHESIS: There is a significant relationship between the marital status of the respondents and their level of investment.

INTERPRETATION

Given that the respondents' level of investments and married status have a statistically significant correlation, the p-value is below the standard alpha threshold. Consequently, the null hypothesis of independence is disproved, indicating a relationship between investment levels and married status. Therefore, there is a significant relationship between the marital status of the respondents and their level of investment.

BUSINESS SECTOR OF THE RESPONDENTS AND THE LEVEL OF INTEREST SHOWN BY THEIR FAMILY

NULL HYPOTHESIS: There is no significant correlation between the business sector of the respondents and the level of interest shown by their family.

ALTERNATIVE HYPOTHESIS: There is a significant correlation between the business sector of the respondents and the level of interest shown by their family.

INTERPRETATION

The analysis suggests that there is a moderately negative association between the primary sector and family interest. However, there is a possibility that the correlation is not statistically significant. As a result, there is a lack of sufficient data to draw a conclusive connection between the interests of families and the primary sector. The null hypothesis is accepted. Therefore, there is no significant correlation between the business sector of the respondents and the level of interest shown by their family.

BUSINESS TENURE AND ENCOUNTERS WITH GENDER BIAS IN PROFESSIONAL DEALINGS

NULL HYPOTHESIS: There is no significant relationship between business tenure and encounters with gender bias in professional dealings.

ALTERNATIVE HYPOTHESIS: There is a significant relationship between business tenure and encounters with gender bias in professional dealings.

INTERPRETATION

Given that the tenure of the respondents' businesses and their encounters with gender bias in professional

dealings have a statistically significant correlation, the p-value is below the standard alpha threshold of 0.05. Consequently, the null hypothesis of independence is disproved, indicating a relationship between the business tenure and experience of gender bias. Therefore, there is a significant relationship between business tenure and encounters with gender bias in professional dealings.

CONCLUSION

Women are increasingly taking on roles traditionally held by men and excelling in them, but many still struggle with financial crises due to poor saving habits and lavish spending. Reducing spending and improving financial literacy can help strengthen savings and financial stability. Studies show that financially savvy female entrepreneurs contribute significantly to economic growth. A strong understanding of financial principles helps manage risks and avoid pitfalls. This study highlights the need for targeted financial education for female entrepreneurs, addressing barriers like time constraints and perceived complexity. The findings have important implications for policymakers and organizations supporting women in business, suggesting that improving financial literacy can enhance their success and overall impact.

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