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Economic Empowerment for Married Women Through Digital Savings in India

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Executive Summary

Financial participation within households serves as a crucial indicator of women's economic empowerment. While previous studies have explored household finances and savings, digital savings via online or mobile channels have been overlooked. Despite low current usage, the authors argue that the increasing adoption of digital finance in India, particularly digital payments, indicates understated potential for digital savings in the near future. This study, conducted in Delhi, involved low to middle-income married women with smartphones and an independent income source. Findings reveal a correlation between improved savings and enhanced bargaining power for women within households. Challenges in adopting digital finance for women were also identified, such as societal norms limiting independent smartphone ownership. Nevertheless, women expressed interest in learning about digital finance, emphasizing the need for dedicated resources and financial education to empower women economically through digital savings. Some recommendations for promoting digital savings among women include:

- Personalizing onboarding support—Facilitate targeted support through in-person digital banking introductions in community or women-centric spaces, including practical demonstrations and context-specific guidance.
- Addressing concerns around fraud—Provide information on fraud prevention, effective redressal mechanisms, and clear guidelines to empower

women to protect their financial information, boosting their confidence in digital banking.

- Utilizing behavioral tools for savings—Make use of behavioral tools such as anchoring and mental accounting in conjunction with digital savings tools to improve women's adherence to savings goals and address common financial planning challenges.
- Enabling peer-to-peer conversations between existing users and non-users—Create and facilitate platforms for women to discuss experiences, address concerns, share success stories, and provide guidance.

Introduction

Financial participation at the household level is seen to be a strong indicative measure of women's economic empowerment. Past studies have typically studied this topic from the perspective of household finances, savings and, in some cases, digital finance. However, digital savings—i.e. savings via online or mobile channels - have largely been ignored, and with good reason. The incidence of digital savings usage is very low and the value proposition of such products and services is not clear to the target population. The authors assert that these trends will change in the near future.

Given the rapid uptake of digital finance in India, especially the proliferation of digital payments¹, digital savings is not far behind. Further, extant literature has shown that savings and income contribute to women's bargaining power and agency at the household level. Expanding the savings landscape through digital savings can unlock improved scenarios for the economic empowerment of women. This brief provides findings and lessons from a qualitative study aiming to extend established insights to include the interplay of digital savings, digital finance, and women's economic empowerment.

Research Approach

This study was conducted by the Busara Center under a research grant by the Women's Economic Empowerment and Digital Finance (WEE-DiFine) Initiative at BRAC Institute of Governance and Development (BIGD), Brac University.

The study took place in urban and peri-urban areas of Delhi, India, involving married women with low to middle incomes who had access to personal or shared smartphones and who had an independent source of income. The research used semi-structured in-depth interviews (IDIs) and focus group discussions (FGDs) to explore topics like savings patterns, digital finance adoption, mental accounting, money allocation, expenses, and agency. Each FGD had 3-5 participants and encouraged dialogue about savings behaviors, approaches, barriers, strategies, and financial decision-making dynamics within their households. The sample was recruited through convenience and snowball sampling, identifying eligible women in accessible networks. In total, 16 IDIs and 4 FGDs were conducted.

Findings

Results from the study establish a premise for digital savings as a tool for women's economic empowerment by validating established links between savings and women's empowerment. They also reflect generally on digital finance and the financial engagement of women. Women show a strong affinity for savings as a route toward financial stability and better standing within the household, and they are willing to take up digital finance to achieve these outcomes. This takeaway is underscored across two key emergent themes from the study:

1. For women, better savings translates to higher bargaining power and financial stability: Improvements in women's economic status, including their bargaining power and agency in household decision-making, are closely associated with financial aspects like earnings and savings. Higher savings translate to better standing for women in intra-couple conflict resolution.

“ Husband has the ultimate decision power because he earns more than me. He earns 18,000-20,000 and I earn 10,000. If our incomes were the same, we would have equal power. —[27, Househelp]

“ Wives must save money for their kids, and for a while not tell anyone about it. Because there are always ups and downs. So if you are able to save any money, you must save them. —[37, Janitor]

2. Women are open to digital finance as a path to better financial outcomes, despite practical challenges: Societal norms limit women's agency in smartphone usage, and a lack of technological support undermines their confidence, resulting in reduced uptake of digital financial applications. Despite these challenges, participants registered their interest in learning about digital finance and developing confidence in operating mobile applications.

¹ Digital payments have gone up at a yearly growth rate of >50% between 2017-22 (National Informatics Centre, 2023)

“ See if you guide me and help me gain trust over these digital platforms, then I will convince my brother the same way. He will tell me things like, that I am taking risk, that there are chances of fraud too, you don't understand these things. But if I get that confidence within myself I can even convince my brother. —[27, Janitor]

Initiatives aimed at enhancing these aspects would consequently augment women's roles within their households and in the broader societal context. Importantly, better savings options would enable women to avoid saving strategies like hiding income from husbands, which restrict their ability to bargain.

This is where digital savings come in. From a policy perspective, it is clear that India is strongly pushing toward digital finance, as seen by the rapid uptake of enabling digital infrastructure such as Aadhaar (digital ID), Unified Payments Interface (digital payments), and DigiLocker (digital document storage). As things stand, digital savings are far behind digital payments and digital credit, offering significant opportunities to write a few new chapters in India's digital story. In particular, women need to be included in the growth of digital finance through dedicated financial education and resources, both of which can be managed at the policy and business levels.



Conclusion and Recommendations

Findings from this research posit that the benefits from increased digital savings activities empower women. From a policy perspective as well, it is clear that India is strongly pushing for increased uptake of digital finance tools. As things stand, the popularity of digital savings lags far behind that of digital payments and digital credit and bridging this gap will require a major push from both policymakers and implementers. We provide some recommendations below for improving digital savings uptake among married women.

- Targeted support in the form of in-person introductions to digital banking in community or women-centric spaces can help overcome barriers. These sessions should cover functionalities, features, and advantages, providing practical demonstrations and context-specific information. This will ensure women understand how digital banking meets their financial needs. While hand-holding activities may be expensive to implement, the personal guidance and support provided during the initial stages can significantly enhance women's confidence and understanding of digital banking applications.
- Impart context-specific digital literacy for effective navigation of the digital finance landscape. Step-by-step tutorials, interactive workshops, and user-friendly materials tailored to women's preferences build confidence. Relatable examples and real-life scenarios help women understand the benefits and risks of digital banking, increasing their willingness to adopt these technologies.
- Enable peer-to-peer conversations between existing and non-users. Create, facilitate, and encourage platforms for women to discuss experiences, address concerns, share success stories, and provide guidance. This informal exchange builds trust, alleviates fears, and encourages more women to explore digital banking.
- Address common fears of fraudulent transactions. Providing information on avoiding fraud, effective redressal mechanisms, and clear guidelines can empower women to protect their personal and financial information. Such education measures will ensure informed decisions and boost women's confidence during their digital banking journeys.
- Utilize behavioral tools to improve savings goal adherence. By making goals salient, behavioral interventions like anchoring and mental accounting have been shown to lead to better financial planning. If encouraged appropriately, pairing behavioral insights with digital savings tools can help solve the most common challenges that women face by improving savings goal adherence.



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