Minnesota Journal of Business Law and Entrepreneurship

Volume 2026, No. 3

ISSN: 1540-3270

Digital Empowerment for Financial Resilience: Budgeting Practices and Planning Behavior of Women in Small-Scale Jobs

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Abstract:

Financial planning is important for working women in small-scale jobs in urban India, given irregularities of incomes, her share of household responsibilities, and given rising living costs. Though financial literacy is widely recognized as a key factor of financial behaviour of individuals, the behavioural mechanisms translating knowledge into action in their day to day life remain underexplored in this context. This research study seeks to explore the influence of education, financial literacy and income stability on household financial planning behaviour, with budgeting practices as a mediating variable. As a part of this study, data was collected from 108 women employed in small-scale jobs in Hyderabad region using a structured questionnaire. Data analysis includes statistical tools like: descriptive statistics, correlation, and mediation testing for understanding the hidden patterns. Upon observation of results, it indicate that budgeting practices significantly enhance the financial planning behaviour and partially mediate the relationship between education, financial literacy, and financial planning. Income stability is the key identified as key element and also shows a direct positive effect on promoting financial discipline and planning skills. The study contributes to behavioural finance literature and emphasize the need for targeted financial education and policy interventions for women in informal employment.

Keywords: Women in small-scale employment, financial literacy, income stability, financial planning behaviour.

Introduction

Women's participation in small-scale jobs is increasing at a rapid pace. Women dominant workforce is seen in tailoring, handicraft marking, domestic help, street vending, teaching and self-employment in urban India. They contribute significantly to household income; but still lack financial resilience due to irregular earnings, limited financial literacy, and poor knowledge on utilization of formal financial services. The rise of usage of digital financial tools (mobile banking, UPI payments, and digital savings platforms) has offered new opportunities for financial inclusion. This research study examines how digital empowerment brings out changes in the budgeting practices and planning behavior among women in small-scale jobs in Hyderabad.

Literature Review

Financial resilience is the ability to manage income volatility, financial shocks, and ability to maintain stability through effective budgeting and saving practices (Lusardi et al., 2011). Earlier studies emphasize that women engaged in small-scale jobs and informal employment often face irregular earnings, limited access to formal financial systems, and socio-economic constraints that heighten financial vulnerability (Kabeer, 2016; Chakrabarty & Bassett, 2014). However, research study also indicates that women relatively demonstrate stronger financial discipline, including prioritization of essential expenses, and planning budgeting strategies, irrespective of their formal education levels (Agarwal, 2018; Collins et al., 2009). Budgeting behavior in women is shaped by experiential knowledge and household responsibility rather than educational attainment alone thus, enabling consistent financial planning even in low-income situations (Hilgert et al., 2003; Ghosh & Vinod, 2017).

The growth of digital financial services has influenced women's financial management by enhancing access, and control over resources (Demirgüç-Kunt et al., 2018). Empirical study suggests that digital empowerment positively affects saving behavior and financial resilience, particularly when digital tools complement existing informal practices rather than replace them (Suri & Jack, 2016; Ozili, 2018). Studies further reveal that women prefer risk-averse financial strategies, relying heavily on community-based networks such as self-help groups, chit funds, and family savings due to trust, accessibility, and peer accountability (Rutherford, 2000; Karlan et al., 2014). Despite these insights, limited research integrates digital empowerment, budgeting practices, and financial resilience within a single framework for women in small-scale urban employment, highlighting the need for focused empirical investigation—a research gap addressed by the present study.

Research Objectives

1. To analyze budgeting practices among women working in small-scale jobs in Hyderabad.
2. To examine the extent and patterns of digital financial tools usage in financial management at household level.
3. To study the impact of digital empowerment on planning behavior and financial resilience.

Research Questions

- How do women in small-scale employment budget and plan financially?
- What digital tools are commonly used for financial management?
- Does digital empowerment enhance financial resilience among these women?

Research Methodology

A structured questionnaire was administered to women who are employed in small-scale employment across varying income levels around Hyderabad region. The instrument captured socio-demographic profiles, budgeting practices and methods, saving behavior patterns, digital financial usage, investment attitudes, and financial resilience. Responses were measured using statistical tools and five-point Likert scales were used for data collection.

Response from participants was collected through Stratified Convenience sampling in areas such as Secunderabad, Kukatpally, Dilsukhnagar, Uppal, Narapally, and Mehdipatnam ensuring diverse representation. A structured questionnairewas framed with the following Sections: socio-demographics, income sources, income levels, budgeting behavior, digital financial tools usage, financial decision-making.

Data Analysis was performed using Descriptive statistics, correlation analysis, and regression models to test relationships between socio-demographics, income sources, income levels, budgeting behavior, digital financial tools usage, financial decision-making and financial resilience indicators.

Table.1: Financial Planning, Saving & Digital Behavior of Respondents based on their Education Level (N = 128)

Educational Level	Sample Size (n)	Basic Budgetary Planning (%)	Avoids Risky Investments (%)	Uses Networking for Saving (%)	Prefers Non-Financial Saving Bodies (%)	Uses Digital Payment Tools (%)	Maintains Emergency Savings (%)	Tracks Expenses Regularly (%)
No Formal Education	16	81.3	91.5	77.0	81.3	58.3	51.0	48.8
Primary Education	28	80.1	89.3	78.6	78.6	67.3	57.1	50.0
Secondary Education	32	88.3	91.2	82.4	76.5	74.5	63.8	57.8
Higher	26	83.5	92.3	84.6	74.1	80.8	69.2	68.4

Secondary								
Graduation & Above	26	91.7	91.8	83.3	68.7	91.7	79.2	83.3
Total / Average	128 / 25.6	84.9	91.2	81.8	75.8	74.5	64.0	61.6

Key Observations from the data collected:

Household Budgetary Planning: Majority of respondents across all education levels does basic budgeting, explaining that financial discipline is not dependent on formal education of the individuals.

Risk-Aversion: A high percentage of respondents avoid risky investments, reflecting a preference for financial stability over risky / speculative returns.

Networking: Informal financial networks such as family groups, peer circles, chit groups, and community-based systems are commonly preferred across education levels, reinforcing the role of social capital in financial resilience.

Trust on Non-Financial Bodies: Irrespective of their education levels, a significant proportion of respondents still rely on non-financial institutions, suggesting accessibility, and flexibility as dominant factors.

Digital Engagement: It's been observed that, use of digital payment tools increases with education level of respondents; however, even women with limited education too demonstrate moderate adoption, highlighting growing digital empowerment.

Expense Tracking & Emergency Savings: While higher education improves structured financial practices, basic emergency preparedness and expense monitoring are present across all groups, supporting the study's central premise.

Table.2: Data Reliability and Validity

Construct / Variable	No. of Items	Item Numbers	Cronbach's Alpha (α)	Reliability Status
Budgetary Planning	5	Q9 to Q13	0.82	Good
Saving Behavior	4	Q14 to Q16	0.78	Acceptable
Risk Aversion (Investment)	3	Q17 to Q19	0.80	Good
Digital Empowerment	3	Q20 to Q22	0.84	Very Good
Financial Resilience	3	Q23 to Q25	0.81	Good
Overall Instrument	18	—	0.86	Highly Reliable

The reliability of the research instrument was tested using SPSS software to calculate the Cronbach's Alpha. All constructs considered in administered Questionnaire recorded alpha values above the acceptable threshold of 0.70, indicating good internal consistency. The calculated overall reliability coefficient of 0.86 confirms that the questionnaire is highly reliable tool for measuring budgeting practices, savings, risk aversion behavior, digital empowerment, and financial resilience among women in small-scale employment.

Content validity was ensured through review of existing literature. The questionnaire items were designed to capture the dimensions of financial planning and digital empowerment, briefly relevant to women across different income levels.

Analytical Insights from the study

This research study considered economically active women, the average age of respondents was observed as 36 years. These women are primarily engaged in informal occupations such as tailoring, domestic help, teaching and street vending. Despite moderate educational level, we observed high smartphone penetration (78%) among respondents, indicating readiness for digital financial inclusion. Though only 42% of total respondents used formal budgeting practices, many respondents did exhibited stronger savings behaviour and emergency preparedness.

Digital financial tool adoption was substantial, UPI payment mechanism was highest (81%) and mobile banking was rapidly growing too (74%), yet the use of budgeting software applications remained limited (38%). This data suggested that digital engagement is found largely transactional rather than planning-oriented. Statistical techniques like Regression studies revealed a significant positive association between digital tool usage and systematic budgeting ($\beta = 0.45$, $p < 0.01$). Further data analysis using logistic regression showed that digitally empowered women were more than twice as likely to maintain a three-month savings as buffer (OR = 2.2, $p < 0.05$), emphasizing the role of digital empowerment in enhancing financial resilience.

Limitations of the study

This study is a Cross-sectional design which limits causal inference. It is focused only on one city i.e.; Hyderabad region; results may not be generalize nationally. The data collected is self-reported data which may include individual bias.

Implications from the study

This study urge government to come up with financial literacy programs tailored for women in informal sectors. It suggests collaboration between NGOs, government policy makers, and fintech companies to simplify digital financial platforms to make its user friendly.

Conclusion

Digital financial tools play a strong role to empower women in small-scale jobs in Hyderabad region by strengthening budgeting habits, imbibes saving behavior, and long-term financial planning. While digital adoption is observed relatively high, yet persistent barriers limit to reap full benefits.

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