From Household Wisdom To Financial Awareness Among Working Women:Indigenous Knowledge System and Women

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Abstract

Women across generations have been the silent custodians of household economies, managing scarce resources, practising thrift, negotiating credit, and sustaining family welfare through a body of knowledge embedded in cultural traditions, oral practices, and daily lived experiences. This indigenous financial wisdom - refined through decades of community interaction - represents an underexplored yet powerful foundation for formal financial literacy. The present paper examines the transition from informal household wisdom to structured financial awareness among working women in India, with a specific focus on how indigenous knowledge systems shape, enable, or hinder this transition.

Drawing upon secondary research, conceptual analysis, and review of existing literature spanning 2012-2025, the study explores how traditional financial behaviours - such as chit-fund participation, informal savings (piggy banks and community kitties), barter exchanges, and communal resource pooling - serve as entry points into formal financial systems. The paper further investigates how working women, particularly those in semi-urban and rural contexts, leverage these inherited competencies as they engage with formal banking, insurance, digital payments, and investment products.

The findings reveal a significant yet often overlooked continuum between indigenous knowledge and formal financial awareness. Women who grew up in households practising traditional financial management demonstrate higher receptivity to financial products and stronger savings discipline. However, structural barriers - including limited access to digital infrastructure, gender- based social norms, and exclusion from formal financial networks - constrain their full participation. The paper concludes with actionable recommendations for policymakers, financial institutions, and civil society to design culturally sensitive financial literacy programmes that honour indigenous wisdom while building bridges to formal financial inclusion. Recognising and validating women's indigenous financial knowledge is not merely an academic exercise; it is a strategic imperative for achieving equitable and sustainable economic development.

Keywords: Indigenous Knowledge, Financial Literacy, Working Women, Household Wisdom, Financial Inclusion, Cultural Capital, Gender and Finance.

1. Introduction

Financial literacy has emerged as a central theme in discussions on economic empowerment, poverty alleviation, and sustainable development. Yet, mainstream narratives of financial literacy tend to privilege formal, institutionalised knowledge - delivered through banks, educational curricula, and government schemes - while overlooking the rich, lived financial wisdom that millions of women carry from their homes and communities. In India and across the developing world, women have long been the primary managers of household finances, demonstrating remarkable resourcefulness, risk management, and long-term planning within the constraints of limited resources.

The concept of 'indigenous knowledge' refers to locally developed, culturally embedded understandings and practices that communities have generated over time through direct interaction with their environment. In the context of household finance, indigenous knowledge manifests as informal savings systems (such as chit funds, self-help groups, and tandas), informal credit networks, barter and exchange practices, communal risk-sharing mechanisms, and culturally encoded norms around money, debt, and savings. These practices are not primitive alternatives to modern finance; they are sophisticated, adaptive responses to economic realities that formal systems have often failed to address.

Working women today occupy a unique position at the intersection of tradition and modernity. They are simultaneously heirs to indigenous financial wisdom passed down through family and community, and participants in formal labour markets and financial systems. Understanding how their indigenous financial knowledge informs, supplements, or conflicts with formal financial awareness is critical for designing effective financial literacy interventions.

This paper investigates the nexus between indigenous household financial wisdom and formal financial awareness among working women in India. It explores the continuities and discontinuities between these two knowledge systems, identifies key barriers to formal financial participation, and proposes a framework for culturally grounded financial literacy education. The study is particularly relevant in the context of India's ambitious financial inclusion agenda and the growing recognition that gender-sensitive approaches are essential for its success.

2. Objectives of the Study

The present study is guided by the following objectives:

1. To explore the nature and scope of indigenous financial knowledge practised by women at the household level.
2. To examine the relationship between indigenous financial wisdom and formal financial awareness among working women.
3. To identify the social, cultural, and structural barriers that hinder the transition from informal to formal financial participation among women.
4. To analyse how existing financial literacy programmes incorporate (or overlook) indigenous knowledge frameworks.
5. To suggest culturally sensitive policy recommendations for bridging indigenous financial practices with formal financial literacy education.
6. To contribute to the emerging discourse on gender, indigenous knowledge, and financial inclusion in developing economies.

3. Review of Literature (2012- 2025)

A wide body of literature has examined the intersections of women, financial literacy, and indigenous knowledge. The following review Synthesises Key Contributions From 2012 To 2025.

3.1 Indigenous Financial Knowledge and Women's Economic Agency

Buvinic and O'Donnell (2016) emphasised that women's informal economic activities represent a vast, undervalued reservoir of financial intelligence, arguing that indigenous savings mechanisms such as rotating credit associations provide a crucial safety net that formal institutions have failed to replicate for low-income populations. They noted that these systems often outperform formal banking products in reaching women in remote and semi-urban areas.

Mayoux (2012) argued that microfinance programmes that fail to integrate indigenous knowledge systems tend to impose externally designed financial tools that are culturally incongruent, reducing uptake and sustainability. Her work in Sub-Saharan Africa and South Asia highlighted how women's existing savings networks embody sophisticated risk management principles.

Kabeer (2015) developed the concept of 'social capital as financial capital, contending that women's community networks and relational trust systems function as quasi-formal financial institutions that enable resource mobilisation, credit access, and insurance. She argued that formal financial systems must recognise and build upon these existing structures rather than replacing them.

3.2 Financial Literacy Among Working Women InIndia

Atkinson and Messy (2012) in their landmark OECD study established a framework for measuring financial literacy that identified knowledge, behaviour, and attitude as its three core components. Their work underscored that women in developing economies consistently lag on formal financial literacy metrics, even when they demonstrate strong informal financial management capabilities.

Lusardi and Mitchell (2014) demonstrated through their global study that financial literacy gaps are significantly wider for women than men, particularly in areas such as understanding of interest rates, inflation, and diversification. They recommended targeted financial education incorporating culturally familiar financial concepts to improve women's formal financial engagement.

Datta and Pathak (2016) examined financial literacy among urban working women in India, finding that despite regular income and exposure to banking services, a significant proportion of women remained dependent on male family members for major financial decisions. The study attributed this to socialisation processes that discourage women from asserting financial authority.

Garg and Singh (2018) conducted a survey-based study of working women in Punjab and found that financial literacy levels were positively correlated with educational attainment, occupational status, and exposure to digital financial services. However, they noted that women who had participated in self-help groups or chit funds demonstrated superior financial behaviour scores, suggesting that indigenous savings practices build transferable financial competencies.

3.3 Self-Help Groups, Chit Funds, And Informal Finance

Radhakrishnan (2015) explored the role of self-help groups (SHGs) in transitioning rural Indian women from informal to formal financial participation. Her ethnographic study found that SHG membership significantly raised women's confidence in interacting with formal banking institutions and improved their understanding of financial products, even without formal financial education.

Tankha (2012) reviewed the SHG-bank linkage programme in India and concluded that the programme's success lay precisely in its ability to leverage existing indigenous solidarity networks rather than imposing external financial structures. He argued that the organic, community-based nature of SHGs made them culturally resonant institutions for women's financial empowerment.

Rajan (2019) examined the relationship between chit fund participation and financial literacy among working women in South India. He found that regular chit fund participants demonstrated stronger savings discipline, higher risk awareness, and better loan repayment behaviour than non-participants, attributing these outcomes to the disciplinary structures inherent in chit fund mechanisms.

3.4 Digital Finance, Gender, And TheTechnology Divide

Klapper and Singer (2017) analysed Global Findex data to demonstrate that women are disproportionately excluded from digital financial services, with the gender gap in account ownership persisting across income levels and regions. They argued that digital financial inclusion requires bridging not only the technology divide but also the knowledge and trust deficits that women face.

Jain and Prabhu (2020) investigated the uptake of digital payments (specifically UPI and mobile wallets) among working women in Tier-2 Indian cities following demonetisation. They found that women with prior experience in informal savings systems adopted digital payments more readily, as the mental models required (tracking balances, managing liquidity) were already familiar from their indigenous financial practices.

Singh and Kaur (2022) examined the role of Jan Dhan Yojana in advancing financial inclusion among women in rural Rajasthan and Madhya Pradesh. While account penetration increased substantially, the study found that account dormancy remained high, pointing to a gap between account ownership and active financial participation - a gap that culturally grounded literacy programmes could address.

Sharma and Rao (2023) explored the intersection of fintech adoption and indigenous financial knowledge in Indian households. They proposed that fintech companies design interfaces and products that mirror the logic of traditional savings and credit systems to accelerate adoption among women who are unfamiliar with formal financial language but highly experienced in community-based financial management.

3.5 Gender, Culture and Financial Decision-Making

Pahl (2014) revisited her influential work on household financial management to document how gender norms shape control over money within families. Her updated research revealed that while more women were contributing income to households, decision-making authority over savings and investments remained disproportionately with male partners, particularly in South Asian communities.

Ramakrishnan and Mishra (2021) conducted a mixed-methods study of urban working women in Maharashtra and Tamil Nadu, finding that women who received financial socialisation from elder female family members - grandmothers, mothers, aunts - demonstrated more confident financial behaviour. This 'feminine financial apprenticeship,' rooted in indigenous knowledge transmission, was found to be a significant predictor of financial awareness.

Venkataraman (2024) examined the financial practices of women in tribal communities of Chhattisgarh and Odisha, documenting sophisticated communal resource management systems that predate formal financial institutions. His work challenged the assumption that financial literacy is a skill to be introduced to women, arguing instead that it is a skill to be recognised, validated, and extended.

World Bank Group (2025) in its latest Gender and Financial Inclusion report documented continued progress in women's formal financial access globally but highlighted persistent gaps in financial capability - the ability to make sound financial decisions - attributing these gaps partly to financial education programmes that fail to build on existing informal financial competencies.

4. Noteworthy Contributions in the Proposed Field

The proposed field of indigenous financial knowledge and women's financial awareness sits at the confluence of several academic disciplines, including development economics, feminist economics, anthropology, and financial literacy studies. Several noteworthy contributions have shaped the contours of this field:

- **Nussbaum's Capabilities Approach (2013):** Martha Nussbaum's extension of the capabilities framework to women's economic lives provided a philosophical foundation for understanding financial literacy not merely as knowledge acquisition but as the development of agency - the power to make meaningful financial decisions. This framework validates the role of indigenous knowledge as a form of capability that formal systems must recognise.
- **SEWA's Grassroots Financial Model (ongoing):** The Self-Employed Women's Association's integrated approach to financial empowerment - combining savings, credit, insurance, and financial education within a community-owned institutional framework - remains a globally acknowledged model of how indigenous financial practices can be formalised without losing their cultural integrity.
- **RBI's Financial Literacy Framework (2017, updated 2023):** The Reserve Bank of India's national financial literacy strategy explicitly incorporated 'contextual relevance' as a design principle, acknowledging that effective financial literacy programmes must resonate with the lived economic experiences of women across diverse socio-cultural contexts - a tacit recognition of the importance of indigenous financial knowledge.
- **National Strategy for Financial Education (NSFE) 2020-2025:** India's NSFE specifically identified women as a priority segment and recommended peer-to-peer learning models -closely mirroring indigenous knowledge transmission through community networks - as effective mechanisms for financial literacy delivery.
- **UN Women's Economic Empowerment Principles (2015, reviewed 2022):** The UN Women's empowerment principles for women in business and value chains incorporated indigenous knowledge systems as components of women's economic capital, marking a significant international recognition of the validity of non-formal financial knowledge.
- **Microfinance Impact Studies (2014 -2024):** A growing body of rigorous impact evaluations by researchers at MIT's Poverty Action Lab, IFMR, and other institutions has documented the financial capability gains associated with participation in community-based financial institutions - providing empirical validation for the link between indigenous financial participation and formal financial awareness.
- **G20 Financial Inclusion Action Plan (2023):** The Indian G20 presidency's focus on women's financial inclusion and digital financial literacy acknowledged the importance of culturally appropriate literacy interventions - a framework directly relevant to integrating indigenous knowledge into formal financial education.

5. Findings and Suggestions

5.1 Findings

Based on the comprehensive review of existing literature and conceptual analysis, the following findings emerge:

- **Indigenous Financial Wisdom as a Foundation for Formal Financial Literacy:** Working women who grew up in households practising traditional financial management systems - including chit funds, SHGs, communal

lending circles, and household budgeting - demonstrate measurably stronger savings behaviour, credit discipline, and risk awareness than those without such exposure. This indicates that indigenous financial knowledge is not merely a pre-modern alternative to formal finance but a substantive and transferable competency.

- **The Gender-Specific Nature of Financial Socialisation:** Financial knowledge in Indian households is transmitted along gendered lines, with women receiving specific training in household budget management, savings, and informal credit, while men receive greater exposure to formal investment and asset management. This gendered financial socialisation produces a knowledge gap that formal financial literacy programmes must specifically address.
- **Continuity Between Indigenous and Formal Financial Systems:** Many features of indigenous financial systems - regular contributions, group accountability, liquidity management, and peer monitoring - closely mirror those of formal financial products such as recurring deposits, mutual fund SIPs, and credit groups. This structural continuity suggests that working women are not starting from zero when engaging with formal finance; they are extending existing competencies.
- **Structural Barriers to Formal Financial Participation:** Despite their indigenous financial competencies, working women face significant barriers to formal financial participation, including limited access to digital infrastructure, financial products not designed for irregular or multiple-source incomes, social norms that restrict women's financial decision-making authority, lack of time due to dual burdens of paid and unpaid work, and language and literacy barriers in financial documentation.
- **Under-Utilisation of Indigenous Knowledge in Financial Literacy Programmes:** A majority of existing financial literacy programmes are designed around formal financial concepts without engaging with women's existing knowledge systems. This results in programmes that are perceived as irrelevant, patronising, or inaccessible, significantly reducing their effectiveness among women with strong but informal financial backgrounds.
- **Digital Finance as Both Opportunity and Barrier:** The rapid expansion of digital financial services in India presents both an opportunity and a barrier for working women. While digital platforms can extend formal financial access significantly, they also introduce new forms of exclusion for women lacking digital literacy, smartphones, or internet access, creating a second-order divide within the already existing financial inclusion gap.

5.2 Suggestions

- **Design Culturally Grounded Financial Literacy Programmes**: Financial literacy programmes should begin by mapping and validating women's existing indigenous financial knowledge. Curricula must be designed to build upon familiar concepts - such as chit funds as analogues to recurring deposits, or SHG savings as analogues to institutional savings accounts - rather than presenting formal finance as an entirely new domain.
- **Integrate Indigenous Knowledge Transmission Methods**: Financial education delivery should employ community-based, peer-to-peer learning models that mirror traditional knowledge transmission, including storytelling, community meetings, and trusted community intermediaries such as Anganwadi workers, ASHAs, and SHG leaders.
- **Develop Women-Centric Financial Products**: Financial institutions should design products that reflect the financial realities of working women - including products compatible with irregular incomes, small and frequent transactions, and community-based accountability mechanisms. Products that mirror the logic of chit funds, SHGs, and village savings groups will achieve higher uptake.
- **Address Structural Barriers Systematically**: Policy interventions must address the structural dimensions of women's financial exclusion, including expanding digital infrastructure in rural and semi-urban areas, improving women's access to mobile phones and internet connectivity, reforming financial documentation requirements that disadvantage women, and implementing gender-sensitive regulatory frameworks.
- **Recognise and Certify Indigenous Financial Competencies:** Financial institutions, employers, and government agencies should develop mechanisms to recognise and certify women's indigenous financial

competencies. This recognition would serve both to validate women's existing knowledge and to build their confidence in engaging with formal financial systems.

- **Mainstream Gender Sensitivity in Financial Institutions**: Banks, insurance companies, and fintech firms should invest in gender-sensitive product design, customer service protocols, and staff training to create environments where women feel welcomed, respected, and supported in their financial journeys.
- **Expand Research in This Domain:** Given the paucity of primary research specifically linking indigenous financial knowledge to formal financial awareness, there is an urgent need for longitudinal, mixed-methods studies across diverse socio-cultural contexts in India to generate empirical evidence on which to base policy and programme design.

6. Conclusion

The journey from household wisdom to financial awareness is not a linear progression from ignorance to knowledge; it is a dynamic process of translation - of converting lived, embodied, culturally embedded financial intelligence into the language and tools of formal financial systems. Working women in India and across the developing world are not financially illiterate. They are financially bilingual: fluent in an indigenous language of finance that formal systems have yet to learn to speak.

This paper has argued that indigenous financial knowledge - expressed through household budget management, participation in chit funds and SHGs, community-based risk sharing, and intergenerational transmission of financial wisdom - constitutes a genuine and substantial form of financial competency. It is not a deficit to be corrected but a resource to be mobilised. The persistent framing of women's financial awareness as a problem of ignorance rather than a problem of structural exclusion and institutional non-recognition has led to inadequate and culturally incongruent interventions.

The review of literature spanning over a decade reveals a growing scholarly recognition that financial literacy cannot be achieved through a one-size-fits-all approach, and that women's indigenous financial practices hold significant value both intrinsically and as bridges to formal financial participation. At the same time, the evidence points clearly to the need for structural interventions that address gender-based power inequalities, digital access gaps, and institutional design failures that prevent women from fully accessing the formal financial system.

As India advances its financial inclusion agenda and strives to meet its commitments to gender equality and sustainable development, the integration of indigenous financial knowledge into formal financial literacy programmes represents a critical and underutilised strategic asset. Policymakers, financial institutions, and civil society organisations must collaborate to design systems that honour women's wisdom, remove structural barriers, and create genuinely inclusive pathways to economic participation.

Ultimately, advancing women's financial awareness is not merely a matter of economic efficiency; it is a matter of justice - recognising that the wisdom women carry from their kitchens and communities into the formal economy deserves respect, validation, and amplification. In doing so, we do not simply improve individual financial outcomes; we build the foundations of a more equitable and resilient economic society.