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# Relationship among Financial Socialization, Financial Inclusion and Economic Empowerment of Women members of SHG: An Empirical Analysis

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**Abstract:** Women in Self-Help Groups (SHGs) are especially affected by financial socialization, which has a substantial impact on their financial behaviour, literacy, and decision-making. This study tries to evaluate how SHG engagement improves financial capability, well-being, and socio-economic advancement while examining the connection between financial socialization and financial inclusion. The study assesses whether financial socialization is essential to enhance financial inclusion among women SHG members taking into consideration the effects of peer pressure, social learning, and institutional support. The basic data used in this empirical study came from a sample of 300 women SHG members who are working in the district of Anugul (Odisha). To enhance the reliability of data collection, a strong questionnaire along with timetable were created utilizing standardized instruments created by reputable researchers. To gauge financial well-being and competence, here the study uses the Financial Well-Being Scale and the Financial Well-Being and Capabilities Scale. Individual, home, and familial socialization were also evaluated using a self-administered questionnaire, and socio-economic variables were recorded using a Demographic Profile Sheet. The study used a mixed-method approach to examine the null hypothesis ($H_0$), which states that financial socialization has no discernible effect on financial inclusion, financial capacity, or well-being. The results will help financial institutions and Government to create inclusive financial services and focused financial literacy initiatives for women. The study concludes by highlighting the critical role that SHGs play in facilitating socio-economic advancement and financial empowerment of Women Entrepreneurs of India vis-a vis Odisha.

**Keywords:** financial literacy, financial inclusion, women's self-help groups (SHGs), financial socialization, institutional support, socio-economic empowerment, and Odisha.

## Introduction

It is well observed that financial inclusion in under-developed & developing nations is the key factor for the economic empowerment, especially for women. For the economic empowerment of women two parameters like financial inclusion and finance socialisation very critical role. Finance socialisation is basically the adoption of the process which not only enhances the theoretical knowledge about financial matters and issues but also helps to develop the attitude and behaviours meticulously affect the financial behaviour. Financial inclusion as financial system generally changes and influences women's financial choices. By giving women access to loans, savings, and other financial services, Self-Help Groups (SHGs) have played a crucial role in promoting financial independence and minimizing economic inequality. The relationship between women's financial socialization and financial inclusion in Self-Help Groups (SHGs) is examined in this study, which also looks at how peer pressure, financial education, and socioeconomic variables affect women's financial behaviours. This study attempts to determine the degree to which SHGs promote financial inclusion and enable women to make wise financial decisions by evaluating empirical evidence.

Policymakers, financial institutions, and development organizations looking to improve women's financial involvement and economic resilience must have a thorough understanding of these processes. This study will offer practical advice on how to use financial socialization in SHGs to promote economic growth and wider financial inclusion. India, a diverse nation, has made great strides in attaining inclusive prosperity via financial inclusion. The journey began with the nationalization of banks in 1969 and continued with iconic initiatives like PMDJY and SHG bank Linkage. Women in India have historically encountered a number of socioeconomic obstacles, such as restricted access to financial services and opportunities. Numerous programs and actions have been implemented at the institutional, governmental, and regulatory levels to address these issues and advance women's financial inclusion. Account openings for PMJDY accounts have increased significantly. As of August 2023, there were almost 50.09 crore Jan Dhan accounts open, with average deposits increasing by almost three times from Rs. 1065 crore in 2015 to Rs. 4087 crores in 2023. Women possess around 56% of these accounts, whereas in rural and semi-urban regions, women own 67% of the accounts (PIB 2023). The fact that India has the largest percentage of dormant accounts worldwide—35%—is even more depressing. Women account owners are typically 5 percentage points more likely than males to have inactive accounts in developing nations; in India, this difference is the largest at 12%. Over 32% of the accounts owned by women remain dormant. The utilization of accounts also reveals a different story, since the majority of them are utilized for crises, salary or wage withdrawals, or to access government benefits, hence reducing women's financial inclusion (Global Findex database 2021). The country has made significant progress in ensuring that women are financially included through initiatives like PMJDY, the introduction of a variety of women-centric financial products, including savings accounts, fixed deposits, and insurance policies, often with special features and incentives, SHG movements, the development of a digital financial ecosystem that allows women in rural areas to access financial services through mobile banking and digital wallets, the implementation of financial literacy programs and campaigns aimed at women to improve their financial knowledge and decision-making skills, legal reforms related to property rights and inheritance rights, support for women entrepreneurs, including access to credit, training, and mentorship, and the allocation of funds specifically for women's welfare and empowerment through gender budgeting are all important. There is still a gender disparity in financial inclusion, with greater obstacles for women living in rural and underprivileged areas. Among the persistent issues were social and cultural concerns, low financial literacy, and the continued prevalence of gender-based violence in some areas (Fletschner & Kenney, 2011). Policymakers continue to prioritize issues including reducing gender biases, increasing access to financial services in distant areas, and the necessity for continuous education and awareness campaigns. In India, achieving complete financial inclusion for women necessitates a multifaceted strategy that includes financial institutions, civil society groups, government regulations, and the active involvement of women. Gender equality and economic progress both depend on it (Duflo, 2012; Bucciol et al., 2022).

**Reviews of Literature**

Two related ideas that have a big impact on people's financial capacities and well-being as well as their overall degree of financial inclusion are financial socialization and financial inclusion. They are closely related because people's access to and efficient use of financial resources may be influenced by how they are exposed to financial ideas and services. By encouraging people to access and use financial services, effective financial socialization may increase financial literacy and awareness, which can then enhance financial inclusion (Gudmunson et al., 2007; Beverly & Burkhalter, 2005). Numerous studies have revealed notable gender disparities in financial socialization across nations (Shim et al., 2010). Financial socialization is made possible by conversations between parents and children during parenting (Hira & Loibl, 2005) as well as by interactions and relationships between members of the social setup, such as neighbors, social groups, economic groups, etc. (Lusardi & Mitchell, 2007). However, gender differences are also included in these conversations. The degree of financial socialization varies by gender, according to several studies (Agnew et al. 2018; Braunstein & Welch, 2002; Chen & Volpe, 2002). This leads to differences in financial belief, financial behavior, financial attitude, financial skill and knowledge, financial confidence, and ultimately the use of financial products (Goldsmith & Heaney, 1997; Fonseca et al., 2012; Volpe et al., 2002; Worthington, 2006; Agnew et al., 2018). Gender differences in financial socialization and progress occur both at home and in the social domains. To put it succinctly, women are not as financially socialized as men, which causes them to be involved in the economy later. A crucial criterion for promoting all-encompassing economic growth in a country is financial inclusion. It is crucial to guarantee women's financial empowerment in order to promote broad financial inclusion in a growing country like India. Prior studies have demonstrated the strong link between parental financial education and children's maturation of financial attitudes and knowledge, which in turn shapes their financial behaviors (Shariff & Nagabhi, 2020). The existence of gender biases and differences in parental financial conversations between male and female children, however, calls into question the role that parents play in helping girls develop sound financial habits. The importance of the family as the main source of financial education is well-emphasized by Gudmunson and Danes' (2011) family financial socialization hypothesis. In the home setting, friends and the media can have a significant impact as instruments for financial socialization. Numerous studies have emphasized the significance of family financial socialization, including those conducted by Gudmunson & Danes (2011). None have, however, explicitly pinpointed the main reason why women are socialized to finance. The purpose of this study is to examine how group dynamics affect the intentional financial socialization process in the context of the Self-Help Group (SHG) bank connection program. According to Shim et al. (2010), Luhr (2018), Friedline & Rauktis (2014), Kim et al. (2011), Moschis (1985), Le baron & Kelly (2021), financial socialization is the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviors that improve one's financial capabilities and well-being. Anthony et al.'s (2022) study emphasizes how gender plays a crucial role in shaping financial behavior and how that behavior affects financial well-being, especially for female respondents. Young individuals' financial actions are significantly shaped by their parents' financial socialization, which has long-lasting benefits. This highlights the possibility of developmental treatments meant to improve this group's financial behavior. According to Anthony et al.'s (2022) research hypothesis, women's financial literacy and money management abilities are areas of concern, and gender moderates the relationship between financial behavior and young adults' financial well-being (Lusardi & Mitchell, 2011; Mottola, 2013; Hung et al., 2012). Borden et al. (2008) also observed that women had a negative attitude toward money. According to Ward (1974), more research clarifies how women are differentially conditioned in terms of financial socialization in the home. Hilgert et al. (2003) explore the connection between women's participation in home financial management, financial behavior, and financial knowledge. They discover a strong link between financial practices and knowledge, emphasizing the value of experiential learning from friends, family, and personal experiences (Churchill & Moschis 1979; Moschis & Churchill 1978). Beyond established economies, emerging countries are also affected by the relationship between financial literacy and behavior (Cole et al., 2011). Better risk management and savings practices can result from increased financial literacy, which supports economic development and stability. Family financial socialization and sociodemographic traits are also important factors in determining financial behavior (Pitt et al., 2006; Lusardi et al., 2010). In the framework of women's economic empowerment, Gurtoo (2007) examines supply-side initiatives including microfinance and financial literacy initiatives. Despite the potential for microfinance programs to empower women, growth is hampered by access restrictions and legal obstacles. The importance of women's empowerment in microfinance policy is emphasized by Mayoux (2003), who advocates for a deeper integration of empowerment measures in microfinance programs. Lusardi and Tufano (2015) stress the value of financial literacy and the severe repercussions of poor financial literacy when making decisions. In light of this, the current study is to investigate how individual and group variables impact women members of Self-Help Groups' (SHGs') financial socialization. It aims to determine if attending community-based Self-Help Groups (SHGs) improves or modifies financial attitudes and behaviors, and whether these groups are the main sources of financial information and awareness for its members. The multifaceted aspect of financial empowerment is shown by the exploration of mediating factors including financial competence in connection to financial well-being (Sherraden, 2013). Manski (1993) provides information on how peer dynamics, which include identity concerns, social norms, responses, and strategic implementations, impact social behavior. Due to members' propensity to imitate one another, Benjamin et al. (2010) emphasize the importance of peer effects in group settings, especially when it comes to influencing financial behavior. The importance of social capital and connection in promoting positive financial behavior is further emphasized by Bernheim (1994). Additionally, Malhotra & Baag (2021) emphasize how social learning helps communities make wise financial decisions. Their research shows that people share knowledge, talk about money, and come to decisions that promote financial well-being when they come together in a social setting. Peer effects therefore promote social learning and foster sound financial practices. A qualitative investigation of the financial health of women SHG members in Uttarakhand, India, was carried out by Srivastava et al. in 2024. Their results imply that by facilitating access to resources and creating a positive atmosphere for financial decision-making, SHGs considerably enhance financial well-being. The study highlights that in order for women to attain financial well-being, equitable access to resources and the development of a sustainable economic environment are essential. Nanda and Jena (2024) examined the connection between women SHG members' financial inclusion and financial socialization. They noted recurring issues that impede financial inclusion, including persistent gender-based violence, low financial literacy, and social and cultural obstacles. To properly address these challenges, the authors support ongoing education and awareness campaigns. A 2019 study by Shetty and Hans questioned the efficacy of financial inclusion programs devoid of social intermediation. In order to attain complete empowerment, they contend that such programs only address a portion of women's empowerment and emphasize the significance of combining financial and social intermediation. According to Gaonkar (2022), Self-Help Groups (SHGs) facilitate financial inclusion by encouraging members to save small amounts of money. In order to promote financial inclusion, the author highlights how SHGs help the most impoverished members of society build their saving capacity. In her study of the literature on women's empowerment through Self-Help Groups (SHGs), Kumari (2024) emphasized how microfinance-based entrepreneurship helps women to enhance their financial standing and decision-making skills. The review emphasizes how SHGs have a major influence on women's financial inclusion and empowerment.

When taken as a whole, these findings highlight how important SHGs are for helping women socialize financially and advance financial inclusion. They emphasize how crucial it is to combine financial efforts with social intermediation in order to accomplish socioeconomic growth and full women's empowerment.

## Objective

The study's goal is to examine the complex inter-relationships of financial socialization, financial inclusion, and the role that Women Self-Help Groups (SHGs) play as catalysts for women's empowerment and socio-economic advancement.

## Hypothesis

$H^o$: Women SHG members' financial inclusion, welfare, and financial aptitude are not significantly impacted by financial socialization.

## Design of Research

The current study uses a correlational research approach to investigate the relationship between financial socialization, Self-Help Group (SHG) participation, and people's financial capacities and well-being. Examining the direction and degree of relationships between these variables across societal, familial, group, and individual dimensions is made possible by this methodology. It makes the assumption that a person's exposure to purposeful financial socialization in Self-Help Groups (SHGs) enhances their financial capacity and well-being, which in turn makes it easier for them to be included in financial systems. A wide range of factors affect women who participate in Self-Help Groups (SHGs). These include group dynamics inside the SHG environment as well as familial issues including childhood, family relationships, and cultural standards. Their financial attitudes, behaviours, knowledge, confidence, and usage habits are all influenced by these elements taken together.

According to the approach, SHG members may become more financially capable and empowered by enhancing the process of purposeful financial socialization, which is described as conscious attempts to instil financial knowledge, skills, and attitudes. In the end, it is anticipated that this empowerment would encourage their integration into financial institutions, making financial resources and services more accessible. The study model essentially clarifies the various ways that financial capacity, fostered by purposeful financial socialization, leads to people's empowerment and ultimate integration into financial institutions, especially in the context of Self-Help Groups. The model described in the RBI Report on National Strategy for Financial Inclusion (NSFI) for the period 2019-2024 (RBI, 201845) served as the basis for measuring the sample respondents' degree of financial inclusion for this study. This model usually includes a number of important variables. These metrics are intended to evaluate how readily available and actively utilized a variety of financial services and products are by both individuals and enterprises. The following are a few typical measures used to assess financial inclusion:

- Financial Services Access
- Financial services utilization
- Financial services affordability
- Financial Services Quality;
- Financial Awareness and Literacy;
- Inclusion of Vulnerable and Underserved Groups;
- Digital Financial Inclusion

All things considered, measuring financial inclusion entails a thorough evaluation of accessibility, use, price, quality, literacy, and inclusion across various demographic groups and geographical regions. In order to encourage greater financial inclusion and economic empowerment, these indicators assist stakeholders and policymakers in tracking advancements, identifying gaps, and creating focused interventions. A thorough examination of various viewpoints was carried out using the model previously described and a triangulation technique, which combines information from literature reviews, expert opinions, and focused group discussions (FGDs) with stakeholders like beneficiaries, banking professionals, and researchers.

## Methods of Research

The basic data used in this empirical study came from a sample of 300 women who were members of Self-Help Groups (SHGs) in the Odisha district of Anugul. The Women Self-Help Group (SHG) movement in Odisha is greatly aided by the innovative projects and robust institutional backing of the Anugul district. The district is home to a thriving SHG ecosystem that empowers women from underrepresented populations via a variety of activities. SHGs have significantly improved women's agency and well-being in Anugul by facilitating access to financial services, skill development, and revenue-generating activities. Their achievements have acted as a model for SHG movements across the country in addition to influencing replication and scaling-up initiatives inside Odisha. The SHG movement in Anugul is a shining example of creativity and influence, promoting women's empowerment and constructive change both locally and globally.200 observed respondents and 100 in the control group made up the multi-stage randomly selected sample used in the sampling procedure. Prior to statistical analysis, a pilot test of the data collecting questionnaire and schedule was conducted to guarantee its validity and reliability. To guarantee representativeness, a rigorous multi-stage random sampling technique was utilized. Every block in the district was represented, and samples from every block were distributed equally. Using a list of SHG members, sample responders were selected at random from each block. The respondents' willingness to engage was a determining factor in final selection.

For this study, a total sample of 300 women Self-Help Group (SHG) members from Anugul district of Odisha was selected. Among them, 200 were observed respondents, while 100 constituted the control group.

The following researchers' standardized instruments served as the foundation for the creation of a strong questionnaire that was used to gather data.

- The well-being of finances and their capabilities
- Socialization of individuals, households, and families
- Personal/Family and Household Socialization: Self-administered survey
- Demographic Profile Sheet: Self-reported survey

The current empirical study is based on primary data that was gathered using validated instruments and a strict sampling procedure, guaranteeing validity and reliability. Lastly, the data gathered from the survey was analysed using the proper statistical methods.

**Analysis of Data**

**Table 1: Demographic profile of respondents**

| Demographic Factors | Sub Factors | Observation Group | | Control Group | |
|---|---|---|---|---|---|
| | | Number of respondents (200) | Percentage | Number of respondents (100) | Percentage |
| Age Group | 50-65years | 62 | 31 | 19 | 19 |
| | 35-50Years | 128 | 64 | 68 | 68 |
| | 20-35years | 10 | 5 | 13 | 13 |
| Social Group | SC | 48 | 24 | 31 | 31 |
| | ST | 38 | 19 | 29 | 29 |
| | OBC | 81 | 40 | 18 | 18 |
| | General | 33 | 17 | 22 | 22 |
| Marital Status | Married | 151 | 75 | 80 | 80 |
| | Unmarried | 12 | 6 | 10 | 10 |
| | Widows | 14 | 7 | 08 | 08 |
| | Separated | 23 | 12 | 2 | 2 |
| Educational Qualification | Below10th | 150 | 75 | 58 | 58 |
| | Intermediate | 36 | 18 | 28 | 28 |
| | Graduate | 14 | 7 | 14 | 14 |
| Economic Status of HH | BPL | 72 | 36 | 52 | 52 |
| | APL | 128 | 64 | 48 | 48 |

Middle-aged women make up the bulk of respondents in both groups, with 64% of respondents in the Observation Group and 68% in the Control Group being between the ages of 35 and 50. The comparatively small proportion of younger respondents (20–35 years), particularly in the Observation Group (5%), raises the possibility that older women are more likely to engage in financial socialization in SHGs. While the bulk of respondents in the Control Group fall into the SC (Scheduled Caste) group (31%), OBC (Other Backward Classes) respondents make up the biggest social category in the Observation Group (40%). Although there are comparatively fewer responders in the ST and General categories, they nevertheless contribute significantly to the study. Married women may be significantly impacted by financial inclusion initiatives, as seen by the high percentage of responders in both categories (75% in the Observation Group and 80% in the Control Group). Women who are separated or bereaved make up 10% of the Control Group and 19% of the Observation Group, underscoring the significance of financial inclusion for women in precarious marriages. A possible obstacle to financial literacy and inclusion is highlighted by the fact that the majority of respondents in both groups (75% in the Observation Group and 58% in the Control Group) had less than a 10th grade education. Only 7% of respondents in the Observation Group and 14% in the Control Group had completed higher education, indicating a lower percentage of respondents with advanced degrees. Compared to the Observation Group (36%), a larger proportion of respondents in the Control Group (52%) come from Below Poverty Line (BPL) families. On the other hand, the majority of respondents in the Observation Group (64%) come from families that are over the poverty line (APL), indicating that financial inclusion programs may have had a favourable impact on their financial situation.

**Table 2: Descriptive Analysis of the Influence of Group and Family Behaviour on Financial Socialization**

| Group, familial, and individual behaviours that impact financial socialization | | Group of Observations | | Group of Control | | F-score | p value |
|---|---|---|---|---|---|---|---|
| | | Mean | SD | Mean | SD | | |
| Familial | Copying actions | 2.98 | 0.499 | 2.99 | 0.599 | 2.311 | 0.599 |
| | Exchange and dissemination of knowledge | 3.05 | 0.811 | 3.29 | 0.943 | 3.001 | 0.611 |
| | involvement in financial decision-making | 3.22 | 0.601 | 3.28 | 0.711 | 3.241 | 0.398 |
| | Self-directed economic activity | 3.29 | 0.799 | 3.52 | 0.659 | 1.999 | 0.432 |
| | Autonomous navigation | 2.99 | 0.645 | 3.48 | 0.699 | 2.002 | 0.499 |
| | Possession to properties | 3.01 | 0.312 | 2.98 | 0.877 | 2.005 | 0.611 |
| Group | Community communication and information exchange | 4.45 | 0.499 | 3.25 | 0.799 | 9.012 | 0.029 |
| | Effect from colleagues | 4.29 | 0.099 | 3.21 | 0.899 | 9.997 | 0.001 |
| | Collective choices | 4.28 | 0.497 | 3.55 | 0.889 | 9.985 | 0.001 |
| | Group unity and reliance | 3.99 | 0.699 | 2.99 | 0.812 | 10.013 | 0.003 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Familial Factors | 2.975 | 0.397 | 3.198 | 0.945 | 3.411 | 0.497 |
| Group Factors | 4.65 | 0.712 | 3.197 | 0.799 | 9.998 | 0.001 |

Table 2 compares the personal, family, and group behaviours that influence financial socialization in the control and observed groups of women who belong to Self-Help Groups (SHGs). Although the differences are small, the observed group's mean scores are marginally lower than those of the control group across all family categories. In particular, the observed group shows somewhat lower mean scores in the following areas: imitative behaviours, knowledge sharing and dissemination, ownership of assets, independent economic action, independent movement, and involvement in economic choices. The F scores and p-values, however, show that these changes are not statistically significant. In contrast, the observed group performs much better than the control group in every group component. noticeably, the observed group records considerably higher mean scores in the following areas: group interaction and information sharing, peer influence, group decision making, and group cohesiveness and reliance. This leads to statistically significant p-values and noticeably higher F scores. Given that the observed group showed higher levels of participation, cohesiveness, and influence inside the SHG scenario, this suggests that group dynamics have a significant impact on financial socialization.

**Table 3: Regression Analysis of Individual, Family, and Group Behaviors Impacting Financial Socialization**

| Overview of the Modeling | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Model | R | R Square | R-squared adjusted | Standard Deviation from the Estimate | Change Statistics | | | | |
| | | | | | R-Square Change | F Modification | df1 | df2 | Change in Sig. F |
| 1 | 0.799 | 0.638 | 0.601 | 0.702 | 0.199 | 8.002 | 9 | 401 | 0.000 |

| Anova | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of squares | df | Mean square | f | Significance |
| 1 | Regression | 50.012 | 9 | 5.9735 | 6.333 | 0.000 |
| | Residual | 201.112 | 202 | 0.975 | | |
| | Total | 229.225 | 211 | | | |

| **Coefficients** | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Unstandardized coefficients** | | **Standardized coefficients** | **t** | **Sig.** | **95% Confidence interval for B** | | **Correlation** | | | **Collinearity statistics** | |
| **Model 1** | **B** | **Std. error** | **Beta** | | | **Lower bound** | **Upper bound** | **Zero-order** | **Partial** | **Part** | **Tolerance** | **VIF** |
| Constant | 3.999 | 0.901 | | 5.111 | 0.000 | 2.491 | 5.009 | | | | | |
| Imitative Actions | 0.061 | 0.059 | 0.049 | 0.899 | 0.044 | 0059 | 0.201 | 0.167 | 0.051 | 0.051 | 0.812 | 1.451 |
| Information exchange and distribution | 0.071 | 0.049 | 0.081 | 0.999 | 0.031 | 0.039 | 0.182 | 0.161 | 0.051 | 0.061 | 0.599 | 1.712 |
| Taking part in financial choices | 0.099 | 0.009 | 0.069 | 0.897 | 0.051 | 0.299 | 0.099 | 0.146 | 0.052 | 0.039 | 0.051 | 3.001 |
| Self-directed economic activity | 0.098 | 0.039 | 0.098 | 3.001 | 0.005 | 0.041 | 0.199 | 0.278 | 0.009 | 0.201 | 0.812 | 1.301 |
| Self-Reliant Movement | 0.071 | 0.081 | 0.045 | 0.811 | 0.071 | 0.087 | 0.198 | 0.088 | 0.049 | 0.046 | 0.799 | 1.334 |
| Possession to property | 0.009 | 0.099 | 0.008 | 0.089 | 0.035 | 0.201 | 0.199 | 0.146 | 0.006 | 0.003 | 0.401 | 3.111 |
| Team Communication and Exchange of Information | 0.401 | 0.201 | 0.201 | 3.001 | 0.031 | 0.048 | 0.699 | 0.036 | 0.009 | 0.009 | 0.987 | 2.221 |
| Influence from Colleagues | 0.299 | 0.101 | 0.202 | 3.045 | 0.002 | 0.501 | 0.099 | 0.284 | 0.201 | 0.211 | 0.711 | 1.511 |
| Collective Choice-Making | 0.199 | 0.049 | 0.206 | 3.999 | 0.000 | 0.299 | 0.098 | 0.235 | 0.199 | 0.225 | 0.799 | 1.211 |
| Cohesiveness and Dependence in the Group | 0.097 | 0.099 | 0.051 | 0.988 | 0.004 | 0.431 | 0.141 | 0.011 | 0.051 | 0.041 | 0.901 | 1.095 |

Several important insights into the elements impacting financial socialization among women Self-Help Group (SHG) members are shown by the regression analysis findings (table 3). First, the model summary shows a substantial correlation between financial socialization and the independent variables (group and familial behaviour characteristics). This implies that the attitudes and behaviours of SHG members toward money are greatly influenced by family and group dynamics. The coefficients table makes it clear that some factors have a greater impact on monetary socialization versus alternatives. In particular, factors like "Peer Influence" and "Group Decision Making" show robust positive correlations with financial socialization, suggesting that SHG members who experience more peer influence and group decision-making are more financially literate and empowered. These results highlight the value of social networks and cooperative decision-making procedures in encouraging the adoption of prudent financial habits and the exchange of financial knowledge within SHGs. On the other hand, factors like as "Independent Mobility" and "Imitative Behaviour" show less or no correlation with financial socialization. The combined influence of peer networks and group decision-making dynamics within the SHG environment seems to outweigh the influence of these factors, even if they may still have some bearing on financial behaviours.

**Table 4: Observed and Controlled Group Indicator of inclusion in finance**

| Indicator of inclusion in finance | Observed group | | Controlled group | |
|---|---|---|---|---|
| | Numbers | % | Numbers | % |
| Poor (0-30) | 6 | 3 | 67 | 67 |
| Medium (30-60) | 92 | 46 | 33 | 33 |
| High (60-90) | 99 | 49 | NIL | NIL |
| Fully inclusion (90-100) | NIL | NIL | NIL | NIL |
| F score | 80.111 | p 0.000 | Significance | Significant on the 5% degree of significance |

Important information on the degree of financial inclusion among the observed and control groups of female Self-Help Group (SHG) members may be found in the Indicator of Inclusion in Finance (Table 4). Significant differences between the two groups are shown by the study, with the observation group showing noticeably greater levels of financial inclusion than the control group. In particular, 49% of participants in the observation group fit into the "High" category, suggesting a strong degree of financial inclusion, but none of the people in the control group do so. The control group, on the other hand, has a startlingly high percentage of individuals who are classified as "Poor," suggesting that this group is not financially included. As seen by the much higher score in the control group, our results imply that SHG involvement is essential to improving financial inclusion among women. The substantial difference in the two groups' degrees of financial inclusion is further supported by the high F-score of 80.111 and the significant p-value of less than 0.0001. All things considered, our findings demonstrate how well SHGs work to advance financial inclusion and stress the significance of focused interventions to alleviate financial exclusion among underserved women.

**Table 5: FS, FE, FW, and FI Correlation**

| Aspects | Specifications | 'FS' | 'FE' | 'FW' | 'FI' |
|---|---|---|---|---|---|
| 'FS' | Individual, family, and collective factors | 1 | 0.591 | 0.399 | 0.542 |
| 'FE' | Income, Expenditure, Savings, Purchasing Assets, Managing Future Shock, and Diversified Income | | 1 | 0.398 | 0.445 |
| 'FW' | Financial results that include control over their finances, financial stability, financial flexibility to make decisions that let them enjoy life, and financial responsibilities met | | | 1 | 0.499 |
| 'FI' | Excellence Use, & Accessibility | | | | 1 |

Financial socialization (FS), financial empowerment (FE), financial well-being (FW), and financial inclusion (FI) are the elements that are shown in table 5 along with their association coefficients (Pearson's r). Financial Empowerment (FE) ($r = 0.591$, $p < 0.05$), Financial Well Being (FW) ($r = 0.399$, $p < 0.05$), and Financial Inclusion (FI) ($r = 0.542$, $p < 0.05$) all have favourable correlations with Financial Socialization (FS). This suggests that those with higher financial socialization levels also often have better degrees of financial inclusion, well-being, and empowerment. People who have higher degrees of financial empowerment are more likely to have favourable financial outcomes and a sense of control over their finances, according to a positive association found between Financial Empowerment (FE) and Financial Well Being (FW) ($r = 0.398$, $p < 0.05$). Financial Well Being (FW) and Financial Inclusion (FI) show a positive correlation ($r = 0.445$, $p < 0.05$), indicating that people who believe they are in control of their finances and have financial security are more likely to have access to financial services and financial participation possibilities.

**Findings**

The results of the research show that although the observed and control groups of women Self-Help Group (SHG) members differ somewhat in regard to familial characteristics, group dynamics are the true differentiator. When compared to the control group, the observed group shows noticeably greater levels of influence, cohesiveness, and involvement in the SHG environment. This implies that peer influence, group interaction, information sharing, group decision-making, and cohesiveness are important factors in determining how SHG members develop their financial socialization (Singh et al., 2024; Champatiray et al., 2023). These results highlight how vital it is to create encouraging group settings in SHGs in order to improve women participants' financial literacy, decision-making, and sense of empowerment (Mohanty et al., 2023; Bhalerao et al., 2022). The results indicate a high correlation between financial socialization among women members of Self-Help Groups (SHGs) and group and familial behaviour characteristics. In particular, factors like "Group Decision Making" and "Peer Influence" have strong positive correlations with financial socialization, highlighting the role that peer networks and SHGs' participatory decision-making procedures play in fostering financial empowerment and literacy. On the other hand, variables like as "Independent Mobility" and "Imitative Behaviour" show less or no correlation with financial socialization. These findings highlight how important social dynamics are in SHGs for encouraging women members to share financial knowledge and adopt wise financial behaviours (Panda et al., 2023). Overall, the results show that in order to improve the financial well-being of women SHG members, interventions that foster group cohesion, facilitate information sharing, and encourage participatory decision-making are necessary.

The observation and control groups of women members of Self-Help Groups (SHGs) showed a significant difference in their degree of financial inclusion, according to the findings. In particular, the observation group's levels of financial inclusion are noticeably greater than those of the control group. The way participants are distributed throughout the Financial Inclusion Index's various categories serves as proof of this. On the other hand, the vast majority of individuals in the control group are categorized as "Poor," suggesting that this group is not financially included. This disparity is further highlighted by the mean scores, which show that the observation group outperformed the control group. These results demonstrate the beneficial effects of SHG membership on improving women's financial inclusion and the necessity of focused interventions to alleviate financial exclusion among underserved populations.

All things considered, these relationships imply that financial socialization, empowerment, inclusion, and well-being are strongly correlated. Enhancing financial socialization techniques may help people become more financially empowered, inclusive, and well-off, which will eventually increase their financial stability and resilience (Sahu et al., 2023). The results point to strong relationships between a number of variables pertaining to women's membership in Self-Help Groups (SHGs) and their financial well-being. First, financial outcomes and financial socialization are positively correlated; stronger financial socialization is linked to increased financial inclusion, well-being, and empowerment. This emphasizes how crucial family and social dynamics are in influencing people's financial attitudes and behaviors, which in turn improves financial results. Second, there is a positive relationship between financial empowerment and financial well-being, suggesting that people who feel empowered have a higher chance of having favourable financial results and feeling in control of their money. This emphasizes how crucial elements like asset acquisition, savings, and income diversification are to improving people's financial stability and resilience. Financial inclusion and financial well-being are also positively correlated, indicating that people who believe they are financially stable and in control are more likely to have access to financial services and financial participation possibilities. This demonstrates how access to financial resources and opportunities is linked to financial well-being. These results, taken together, highlight the significance of creating supportive family and community settings, encouraging financial empowerment, and expanding access to financial services and opportunities for women SHG members to improve their financial inclusion and well-being.

## Conclusion

Self-Help Groups (SHGs) are essential for empowering women by promoting literacy and financial inclusion. SHGs' collaborative culture provides a forum for women to pool resources, obtain credit, and develop money management abilities. Through mutual support and shared experiences, these groups help members develop a healthy financial mentality and behaviours in addition to strengthening financial socialization. The implications are far-reaching; as women gain greater self-assurance and knowledge in these groups, they become more adept at handling financial complexities. This might include being skilled at investing, saving, budgeting, and using a variety of financial services and products. Such empowerment has beneficial effects on families and communities as a whole in addition to the individual members. Social development, economic emancipation, and a more inclusive financial environment for women are all accelerated by SHGs. To sum up, the results show how several factors that affect women's membership in Self-Help Groups (SHGs) and financial well-being interact in complex ways. In order to enhance financial results, they highlight the critical role that social dynamics and familial dynamics play in influencing people's financial attitudes and behaviours. Additionally, the significance of asset acquisition, savings, and income diversification in enhancing financial resilience is highlighted by the positive relationship between financial empowerment and well-being. Furthermore, the connection between inclusion and financial well-being emphasizes how important it is to have access to financial services and chances for involvement in order to improve overall financial health. All things considered, the results highlight the necessity of focused interventions to create encouraging family and community settings, encourage financial empowerment, and improve women in SHGs' access to financial resources. Policymakers, practitioners, and stakeholders may all gain from addressing these issues as they can empower women and promote inclusive economic growth in local communities.

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