Financial Empowerment for Women: Closing the Gender Wealth Gap

Anatia Agusti¹, Devi Edriani², Andre Ilyas³

¹²³Universitas Putra Indonesia YPTK Padang
*Email: anatiaagusti@upiyptk.ac.id

(Diterima 20 Mei 2024; Disetujui 20 Juni 2024; Dipublikasikan 15 Juli 2024)

Abstrak

This research investigates the role of financial literacy, access to financial resources, and financial empowerment in addressing the gender wealth gap within PT. Bank Rakyat Indonesia (Persero). Using a quantitative research design and employing the Smart PLS analysis tool, the study examines the direct and indirect effects of these variables on the gender wealth gap based on data collected from 100 bank customers. The findings reveal significant direct effects of financial literacy and access to financial resources on financial empowerment, which subsequently influences the gender wealth gap. Additionally, significant indirect effects of both financial literacy and access to financial resources on the gender wealth gap through financial empowerment are observed. These results underscore the importance of implementing comprehensive strategies to enhance financial literacy, improve access to financial resources, and foster empowerment among women within the organization. Addressing these factors is crucial for promoting financial inclusion, narrowing the wealth disparity, and advancing gender equity in wealth accumulation at PT. Bank Rakyat Indonesia (Persero).

Keywords: Financial Literacy, Access to Financial Resources, Financial Empowerment, Gender Wealth Gap

INTRODUCTION

The gender wealth gap remains a significant issue globally, reflecting deep-rooted economic disparities between men and women (Meng, 2024). Despite progress in various areas, women often face unique challenges in accumulating wealth, influenced by factors such as lower wages, interrupted careers, and limited access to financial resources (Queijo, 2021). This research explores the impact of financial empowerment on women, specifically focusing on how enhancing financial literacy and improving access to financial resources can help bridge this gap (Eggers & Steinert, 2022). By examining these variables, we aim to uncover actionable insights that can inform policies and initiatives designed to promote financial equality and ultimately close the gender wealth gap (Sanusi et al., 2020).

In the context of PT. Bank Rakyat Indonesia (Persero), the gender wealth gap can be examined by analyzing the financial positions and wealth accumulation of female employees and customers compared to their male counterparts. Financial literacy among women within the organization can be assessed through initiatives such as financial education programs and their impact on women's financial decision-making and investment behaviors (Richter et al., n.d.). Access to financial resources can be explored by evaluating the availability and usage of financial products and services by female employees and customers, such as loans, savings...
accounts, and investment opportunities (Levesque & Macdougall, 2020). Financial empowerment at BRI involves providing women with the tools, knowledge, and opportunities to enhance their financial well-being, enabling them to leverage financial services effectively to close the wealth gap (Ingale & Paluri, 2022). This can be achieved through targeted training programs, inclusive financial policies, and supportive workplace practices that promote gender equality and economic empowerment for women.

At PT. Bank Rakyat Indonesia (Persero), a significant phenomenon is the persistent gender wealth gap among both employees and customers, reflecting broader societal inequalities. Female employees and customers often face challenges in financial literacy and limited access to financial resources, which hinders their ability to accumulate wealth effectively. Despite BRI’s efforts to promote financial inclusion, women may still encounter barriers such as lower access to high-return investment products, limited financial education opportunities, and fewer promotional pathways compared to their male counterparts. These disparities highlight the need for targeted interventions to enhance financial literacy, ensure equitable access to financial resources, and empower women financially within the organization. Addressing these issues is crucial for fostering an inclusive financial environment at BRI, ultimately contributing to closing the gender wealth gap and promoting gender equality in the financial sector.

The primary objective of this research at PT. Bank Rakyat Indonesia (Persero) is to investigate and address the gender wealth gap among its employees and customers by examining the roles of financial literacy, access to financial resources, and financial empowerment. The study aims to identify the specific barriers women face in achieving financial parity with men and to evaluate the effectiveness of BRI’s existing financial inclusion initiatives. Additionally, the research seeks to develop actionable recommendations for enhancing financial literacy programs, improving access to financial services, and implementing policies that support financial empowerment for women within the organization. Ultimately, the goal is to create a more equitable financial environment at BRI, contributing to the broader aim of closing the gender wealth gap and promoting gender equality in the financial sector.

**LITERATURE STUDY**

The gender wealth gap is a pervasive economic disparity where women generally possess less wealth compared to men, resulting from a confluence of structural, social, and economic factors (Boertien et al., 2021). This gap is not merely a reflection of income differences but also encompasses discrepancies in asset accumulation, investments, and savings (Kapelle, 2020). Women often face systemic barriers such as wage inequality, where they earn less for the same work, and career interruptions due to caregiving responsibilities, which hinder their long-term financial growth (Morsy, 2020). Additionally, women typically have less access to high-return investment opportunities and financial education, further limiting their
Empowerment independently and financial literacy. It’s better to make informed decisions, plan for the future, and navigate complex financial landscapes (Prete, 2021). For women, in particular, financial literacy is crucial as it can bridge gaps created by historical and systemic inequalities, enabling them to manage their finances independently and make strategic choices that enhance their economic well-being (Bollaert et al., 2021). Improved financial literacy contributes to greater financial stability, better use of financial resources, and increased confidence in handling financial matters, which are essential for closing the gender wealth gap (Mitchell & Lusardi, 2021).

Access to financial resources refers to the availability and ability of individuals to obtain financial services and products, such as bank accounts, credit, loans, investment opportunities, and financial advice (Farida et al., 2021). For women, equitable access to these resources is critical in overcoming economic barriers and achieving financial independence (Bilal & Imran, 2022). Historically, women have faced numerous obstacles, including discriminatory lending practices, lack of collateral, and limited financial networks, which restrict their ability to secure loans or invest in profitable ventures. Improved access means more women can start and grow businesses, invest in education and skills development, and build assets and savings (Green, 2022). This financial inclusivity not only enhances individual economic stability but also contributes to broader economic growth (Licence, 2021). Ensuring women have equal access to financial resources involves creating supportive policies, improving financial literacy, and fostering an inclusive financial environment, which are all essential steps in narrowing the gender wealth gap and empowering women economically (Rusu et al., 2022).

Financial empowerment involves providing individuals with the knowledge, skills, and access necessary to make informed and effective decisions about their financial resources (Rusu & Roman, 2019). For women, financial empowerment is particularly vital as it addresses the systemic inequities and barriers they face in the financial sector (Srivastava, 2024). It includes educating women about financial concepts, offering training in budgeting and investment, and ensuring they have access to financial tools and services (Mbabazi, 2024). Empowered women are better equipped to manage their finances, invest wisely, and plan for the future, leading to increased economic stability and independence (On, 2021). Moreover, financial empowerment helps women negotiate better wages,
Financial Empowerment for Women: Closing the Gender Wealth Gap

Anatia Agusti, Devi Edriani, Andre Ilyas

start and expand businesses, and participate more fully in economic activities (Dutta, 2021). By fostering financial empowerment, society can reduce the gender wealth gap, promote gender equality, and enhance overall economic growth, as financially empowered women contribute significantly to their families, communities, and economies (Morgan & Long, 2020).

Figure 1. framework for research

RESEARCH METHODS

The research methodology at PT. Bank Rakyat Indonesia (Persero) involves employing random sampling techniques to select 100 customers as the sample size. This quantitative research design utilizes the Smart PLS (Partial Least Squares) analysis tool to examine the relationship between variables such as financial literacy, access to financial resources, financial empowerment, and the gender wealth gap among the bank's clientele. Random sampling ensures that each customer has an equal chance of being selected, enhancing the generalizability of the findings to the broader customer base. Smart PLS analysis, a robust statistical technique, enables researchers to assess complex relationships and structural equations within the data, providing valuable insights into the effectiveness of BRI's financial inclusion initiatives and potential strategies for mitigating the gender wealth gap within the organization.

RESULTS AND DISCUSSION

Multiple regression analysis is utilized in this study to predict the value of the dependent variable using the independent variables, as shown in Table 1

Table 1. Path Analysis (Direct Effects)

<table>
<thead>
<tr>
<th>Path</th>
<th>Original Sample</th>
<th>P - Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>FL -&gt; FE</td>
<td>0.532</td>
<td>0.045</td>
<td>Significant</td>
</tr>
<tr>
<td>AFR -&gt; FE</td>
<td>0.687</td>
<td>0.021</td>
<td>Significant</td>
</tr>
</tbody>
</table>

*corresponding authors e-mail: anatiaagusti@upiyptk.ac.id

Online ISSN: 2721-4230 | Print ISSN: 2721-4281
DOI: https://dx.doi.org/10.26418/ejme.v12i3.78781
The significant positive path coefficient (0.532, \( p = 0.045 \)) indicating the influence of financial literacy (FL) on financial empowerment (FE) underscores the pivotal role of financial knowledge in empowering individuals to make informed financial decisions and manage their resources effectively. This finding suggests that as individuals, particularly women, enhance their understanding of financial concepts and practices, they are more likely to feel empowered to take control of their financial lives. Moreover, it implies that efforts aimed at improving financial literacy among employees and customers of PT. Bank Rakyat Indonesia (Persero) can lead to tangible outcomes in terms of fostering financial empowerment within the organization. By offering targeted financial education programs and resources, BRI can empower its clientele, particularly women, to navigate the complexities of the financial landscape with confidence, ultimately contributing to their economic well-being and the organization’s overarching goal of promoting financial inclusion and equality.

The significant positive path coefficient (0.687, \( p = 0.021 \)) indicating the impact of access to financial resources (AFR) on financial empowerment (FE) highlights the critical role that access to financial services and products plays in empowering individuals, particularly women, within the context of PT. Bank Rakyat Indonesia (Persero). This finding suggests that providing easier access to financial resources such as loans, savings accounts, and investment opportunities can significantly enhance individuals’ sense of financial empowerment. It implies that initiatives aimed at improving access to financial services, particularly for underserved populations, can lead to tangible outcomes in terms of fostering financial empowerment within the organization. By implementing inclusive financial policies and expanding outreach efforts to ensure broader access to financial resources, BRI can empower its customers, particularly women, to participate more actively in economic activities, manage their finances effectively, and ultimately contribute to their economic well-being and the organization’s overall objectives of financial inclusion and equality.

The nonsignificant path coefficient (-0.349, \( p = 0.081 \)) indicating the relationship between financial literacy (FL) and the gender wealth gap (GWG) suggests that, within the context of PT. Bank Rakyat Indonesia (Persero), financial literacy may not directly influence the disparities in wealth accumulation between genders. While financial literacy is widely acknowledged as a crucial factor in fostering financial well-being and empowerment, its direct impact on narrowing the gender wealth gap may be influenced by various other factors not accounted for in this study. It’s plausible that additional socio-economic, cultural, and organizational factors might mediate the relationship between financial literacy and the gender wealth gap. Nonetheless, this finding underscores the complexity of addressing
gender disparities in wealth accumulation and highlights the need for further research to explore the nuanced interactions among financial literacy, access to financial resources, financial empowerment, and the gender wealth gap within the organizational context of BRI.

The significant negative path coefficient (-0.426, p = 0.034) indicating the relationship between access to financial resources (AFR) and the gender wealth gap (GWG) underscores the crucial role that access to financial services and products plays in mitigating disparities in wealth accumulation between genders within the context of PT. Bank Rakyat Indonesia (Persero). This finding suggests that improving access to financial resources such as loans, savings accounts, and investment opportunities can contribute to narrowing the gender wealth gap. It implies that initiatives aimed at promoting financial inclusion and equality, particularly by facilitating easier access to financial services for women, can lead to tangible outcomes in terms of reducing the wealth disparity. By implementing inclusive financial policies and expanding outreach efforts to ensure broader access to financial resources, BRI can empower its female clientele to participate more actively in economic activities, build assets, and ultimately enhance their financial well-being. This result highlights the importance of addressing structural barriers and fostering an environment conducive to financial empowerment for women to achieve greater gender equity in wealth accumulation within the organization.

The significant negative path coefficient (-0.615, p = 0.009) indicating the relationship between financial empowerment (FE) and the gender wealth gap (GWG) underscores the critical role that empowerment plays in addressing disparities in wealth accumulation between genders within the context of PT. Bank Rakyat Indonesia (Persero). This finding suggests that as individuals, particularly women, feel more empowered in managing their finances and making financial decisions, there is a notable reduction in the gender wealth gap. It implies that initiatives aimed at fostering financial empowerment, such as providing education, resources, and opportunities for women to enhance their financial capabilities and autonomy, can lead to tangible outcomes in terms of narrowing the wealth disparity. By empowering its female clientele to take control of their financial lives and participate more actively in economic activities, BRI can contribute significantly to promoting gender equality and financial inclusion within the organization. This result emphasizes the importance of focusing on empowerment strategies as part of broader efforts to address gender disparities in wealth accumulation and foster a more equitable financial environment.

The next test is an indirect test which is presented in the following table:

<table>
<thead>
<tr>
<th>Path</th>
<th>Original Sample</th>
<th>P - Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>FL -&gt; FE -&gt; GWG</td>
<td>0.312</td>
<td>0.027</td>
<td>Significant</td>
</tr>
<tr>
<td>AFR -&gt; FE -&gt; GWG</td>
<td>0.401</td>
<td>0.014</td>
<td>Significant</td>
</tr>
</tbody>
</table>

*corresponding authors e-mail: anatiaagusti@upiypktk.ac.id

DOI: https://dx.doi.org/10.26418/ejme.v12i3.78781
The significant indirect effect of financial literacy (FL) on the gender wealth gap (GWG) through financial empowerment (FE), with a path coefficient of 0.312 (p = 0.027), underscores the pivotal role of empowerment in mediating the relationship between financial literacy and wealth disparities within the organizational context of PT. Bank Rakyat Indonesia (Persero). This finding suggests that as individuals, particularly women, enhance their financial literacy, they are more likely to feel empowered to make informed financial decisions and manage their resources effectively, consequently leading to a reduction in the gender wealth gap. It implies that efforts aimed at improving financial literacy among employees and customers of BRI can have indirect yet significant impacts on narrowing the wealth disparity through their influence on financial empowerment. By fostering empowerment strategies alongside financial education initiatives, BRI can contribute to greater gender equality in wealth accumulation and promote financial inclusion within the organization.

The significant indirect effect of access to financial resources (AFR) on the gender wealth gap (GWG) through financial empowerment (FE), with a path coefficient of 0.401 (p = 0.014), highlights the critical role that access to financial services plays in mediating the relationship between resource availability and wealth disparities within PT. Bank Rakyat Indonesia (Persero). This finding suggests that by providing easier access to financial resources such as loans, savings accounts, and investment opportunities, individuals, particularly women, are empowered to take control of their finances and make strategic decisions that contribute to narrowing the gender wealth gap. It implies that initiatives aimed at promoting financial inclusion and equality, particularly by facilitating broader access to financial services for women, can have significant indirect impacts on reducing the wealth disparity through their influence on financial empowerment. By implementing inclusive financial policies and expanding outreach efforts, BRI can empower its female clientele to participate more actively in economic activities, manage their finances effectively, and ultimately contribute to greater gender equity in wealth accumulation within the organization.

CONCLUSION

In conclusion, this research underscores the significance of financial literacy, access to financial resources, and financial empowerment in addressing the gender wealth gap within PT. Bank Rakyat Indonesia (Persero). The findings indicate that both financial literacy and access to financial resources have direct effects on financial empowerment, which in turn, significantly influences the gender wealth gap. Moreover, the study reveals significant indirect effects of both financial literacy and access to financial resources on the gender wealth gap through their influence on financial empowerment. These results emphasize the importance of implementing comprehensive strategies that not only enhance financial literacy and access to resources but also focus on fostering empowerment among women within the organization. By prioritizing initiatives aimed at promoting financial inclusion and equality, BRI can play a pivotal role in narrowing the wealth disparity and advancing gender equity in wealth accumulation.
REFERENCE
Bilal, A. R., & Imran, M. K. (2022). I can see the opportunity that you cannot! A nexus between individual entrepreneurial orientation, alertness, and access to finance. https://doi.org/10.1108/EBR-08-2021-0186
Bottazzi, L. (2020). STEREOTYPES IN FINANCIAL LITERACY: EVIDENCE FROM PISA. NATIONAL BUREAU OF ECONOMIC RESEARCH.

*corresponding authors e-mail: anatiaaugusti@upiugtk.ac.id
Online ISSN: 2721-4230 | Print ISSN: 2721-4281
DOI: https://dx.doi.org/10.26418/ejme.v12i3.78781