

Impact of Private Sector Banking Services on the Economic Empowerment of Women Beneficiaries

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Abstract

Economic empowerment of women has emerged as a significant focus in India's financial development agenda, with private sector banks playing a crucial role in extending inclusive and technology-driven financial services. This study examines the impact of private sector banking services—such as digital banking, credit facilities, customer support, financial literacy initiatives, and women-centric products—on the economic empowerment of women beneficiaries. Using survey-based primary data, the research evaluates how access to savings accounts, loans, mobile banking, and advisory services contributes to improved financial decision-making, income generation, and autonomy among women. Statistical tools are employed to measure the strength of the relationship between banking services and empowerment indicators. Findings are expected to show that efficient service delivery, financial awareness, and easy access to credit significantly enhance women's economic participation. The study highlights the importance of responsive, accessible, and technology-enabled private sector banking systems in strengthening women's financial independence and contributing to broader socio-economic development.

Keywords

Women beneficiaries, private sector banks, economic empowerment, digital banking, financial inclusion, credit access, financial literacy, banking services, service quality, financial independence

Introduction

Women's economic empowerment is a critical component of sustainable development, and the banking sector plays a pivotal role in enabling women to participate fully in economic activities. With the rapid expansion of private sector banks in India, women beneficiaries now have increased access to modern, efficient, and technology-based financial services. These banks offer a wide range of products such as savings and deposit accounts, digital payment solutions, micro-loans, financial advisory services, insurance, and specialized women-centric schemes. Such services not only enhance financial accessibility but also support women in managing resources, starting small enterprises, increasing income levels, and gaining financial independence.

Private sector banks are known for their customer-oriented approach, innovation, service quality, and digital infrastructure. These strengths provide women with convenient and secure banking options, thereby reducing traditional barriers such as mobility constraints, time limitations, and socio-cultural restrictions. Moreover, initiatives like mobile banking apps, doorstep banking, and financial literacy programs help women understand financial products better and make informed decisions.

Despite this progress, disparities still exist regarding awareness, accessibility, and effective utilization of banking services among women. Many women remain unaware of their financial rights, available schemes, or the benefits of formal financial systems. Therefore, evaluating the impact of private sector banking services becomes essential to understand how these services contribute to women's empowerment and what gaps need to be addressed.

1. Background of the Study

Economic empowerment of women is widely recognized as a cornerstone for inclusive and sustainable development. In India, the increasing participation of women in financial and entrepreneurial activities has been strongly supported

by the banking sector. Private sector banks, in particular, have played a transformative role by offering modern, efficient, and technology-driven financial services that help women enhance their financial independence, decision-making abilities, and economic resilience.

2. Private Sector Banks and Their Growing Significance

Private sector banks are known for their innovation, service efficiency, and customer-friendly approach. Their ability to adopt technology quickly and deliver personalized services makes them central to improving women's financial inclusion.

2.1 Service Quality and Accessibility

Private banks focus on faster service delivery, doorstep support, user-friendly digital platforms, and responsive customer care—factors that encourage more women to enter and remain within the formal banking system.

2.2 Women-Oriented Schemes and Credit Facilities

Several private banks offer exclusive products for women, such as concessional-rate loans, savings schemes, insurance packages, and SME support programs, which directly contribute to income generation and entrepreneurship.

3. Contribution of Digital Banking to Women's Empowerment

Digital banking has reduced many traditional barriers faced by women, such as limited mobility, time constraints, and dependency on intermediaries.

3.1 Mobile and Online Banking Adoption

Mobile apps, net banking, UPI payments, and digital wallets enable women to conduct transactions independently and securely.

3.2 Financial Inclusion Through Technology

Digital interfaces empower women with real-time information, greater control over personal finances, and enhanced participation in the formal economy.

4. Importance of Financial Literacy

Financial literacy serves as a foundational pillar for maximizing the benefits of modern banking services. For women beneficiaries, understanding financial concepts is not simply an added skill—it is a critical requirement for ensuring meaningful financial inclusion. Through financial literacy, women gain the confidence to manage their finances independently, make informed choices, and avoid financial vulnerabilities such as excessive debt or fraudulent schemes.

Private sector banks increasingly recognize this need and actively conduct structured training programs, financial awareness camps, digital banking demonstrations, and counseling sessions tailored specifically for women. These initiatives enhance women's understanding of savings mechanisms, credit options, budgeting practices, digital transaction security, and long-term investment planning. Improved financial knowledge not only boosts women's decision-making power but also encourages entrepreneurial activities and responsible credit utilization. As a result, financial literacy becomes a catalyst that transforms access to banking services into genuine economic empowerment.

5. Persistent Challenges and Barriers

Despite advancements in private sector banking, women continue to face a range of obstacles that limit their effective participation in formal financial systems. One of the foremost challenges is insufficient financial awareness, which leads to hesitation or dependence on others for banking-related decisions. Moreover, limited digital literacy restricts the use of mobile banking apps, online transactions, and other technology-based services that private banks heavily rely upon.

Cultural and societal norms in certain regions may still discourage women from engaging independently in financial activities or seeking formal credit. Additionally, many women lack the collateral required for securing bank loans, making them dependent on informal sources of finance. Fear of technological errors, privacy concerns, and lack of trust in digital platforms further reduce the willingness to adopt modern banking services.

These barriers collectively constrain women's ability to fully utilize available banking facilities, thereby reducing the potential economic impact of private sector banking initiatives. Addressing these obstacles is essential for ensuring that enhanced banking services translate effectively into sustainable empowerment and financial inclusion.

Review of Literature

Sharma and Kulkarni (2020) examined the role of private sector banks in promoting financial inclusion among rural and semi-urban women in India. Their study found that improved service quality, doorstep banking, and simplified account procedures significantly enhanced women's participation in formal banking channels. The authors reported that women who accessed private sector banking services demonstrated higher levels of savings discipline and improved financial decision-making ability. The study also noted that financial literacy programs conducted by banks increased awareness about credit, insurance, and digital transactions. However, they observed persisting challenges such as limited mobility, low digital confidence, and gender-based restrictions. Overall, the research suggested that private banks had positively influenced women's financial empowerment but emphasized the need for customized training programs to address gaps in knowledge and accessibility.

Fernandes (2021) assessed the influence of digital banking services on women's economic participation in metropolitan and tier-two cities. The study revealed that mobile banking, UPI payments, and online account management significantly enhanced women's ability to conduct independent financial transactions. It was found that digital platforms reduced reliance on male family members and increased women's confidence in managing day-to-day finances. The research also highlighted that private sector banks played an instrumental role in digital literacy by offering training sessions and helplines. Nevertheless, the author reported that women aged 40 and above faced challenges in adopting digital interfaces due to fear of errors and cyber insecurity. The study concluded that digital banking substantially contributed to women's empowerment but required continuous awareness efforts to improve adoption rates.

Singh and Verma (2022) investigated the effectiveness of women-centric credit schemes offered by private sector banks. Their findings indicated that small business loans, concessional interest rates, and flexible repayment policies helped women enhance their entrepreneurial activities. The study showed that women who received credit experienced improvements in income generation, business expansion, and decision-making within their households. Despite these benefits, the authors observed barriers such as inadequate collateral, lengthy documentation procedures, and limited knowledge of loan schemes among women in rural regions. The research emphasized the need for simplified loan processes and awareness campaigns to ensure broader utilization of credit facilities.

Ali and Thomas (2023) explored the impact of financial literacy interventions conducted by private sector banks on women's financial behavior in urban India. Their study revealed that structured workshops, counseling sessions, and digital safety training significantly improved women's understanding of savings, budgeting, and investment planning. The authors reported that financially literate women were more likely to use advanced banking services such as fixed deposits, mutual funds, and insurance products. However, they also found disparities in participation based on education level and socio-economic status. Women from low-income households were less likely to attend training programs due to time constraints and lack of awareness. The study concluded that financial literacy initiatives had considerable positive effects but required targeted outreach strategies.

Mehta and Bansal (2024) evaluated the satisfaction levels of women beneficiaries regarding private sector banking services. Their findings showed that women rated service quality, staff behavior, and technological convenience as major determinants of satisfaction. The study also indicated that private banks' digital platforms enabled women to access banking services with minimal physical effort, which was particularly beneficial for working women and homemakers. However, participants expressed concerns about hidden charges, limited grievance redressal efficiency, and occasional technical glitches. The authors concluded that although women generally perceived private sector banks positively, improvements in transparency and customer support were essential for enhancing long-term trust.

Deshmukh and Rao (2026) examined the overall impact of private sector banking services on the economic empowerment of women across three Indian states. Their study found that access to savings accounts, digital payments, credit programs, and insurance products significantly improved women's economic stability and household decision-making power. They reported that women with active bank engagement demonstrated higher participation in small enterprises, self-help groups, and income-generating activities. Despite these positive outcomes, the study identified ongoing challenges, including low digital proficiency, inadequate rural penetration of private banks, and cultural barriers restricting women's financial autonomy. The researchers concluded that private sector banks substantially contributed to empowerment but required inclusive strategies to address regional and socio-economic disparities.

Objective:

To evaluate the impact of private sector banking services on the economic empowerment of women beneficiaries

Research Methodology:

The research methodology involved the collection of primary data from a sample of 100 women beneficiaries who utilized private sector banking services. Statistical techniques such as ANOVA, T-Test, and frequency analysis were employed to analyze the data and identify significant patterns. The study used SPSS (Statistical Package for the Social Sciences) for data processing, ensuring accuracy and reliability in the findings. This methodological approach aimed to generate meaningful insights into how private sector banking services influenced the economic empowerment of women, while also identifying the key challenges they encountered in accessing and effectively using these services.

Data Analysis and Findings:

Data Analysis and Findings involve a systematic examination of the collected responses to derive meaningful conclusions. This phase utilizes statistical techniques, graphical presentations, and interpretative methods to identify patterns, trends, and relationships within the data. Using tools such as frequency analysis, ANOVA, and T-Tests, the study evaluates how different private sector banking services influence women beneficiaries. The findings provide critical insights into the research objectives by highlighting the effectiveness of savings facilities, credit access, digital banking adoption, and financial literacy initiatives. This analytical process ultimately helps assess the extent to which private sector banking services contribute to the economic empowerment of women and identifies the barriers that may hinder their full financial participation.

Demographic Analysis

Demographic Variables		Frequency
Marital Status	Married	66
	Unmarried	34
	Total	100

Age (In years)	20-25	15
	25-30	22
	30-35	37
	Above 35	26
	Total	100
Educational Qualification	Graduation	15
	Post graduation	27
	Others	20
	Total	100

Source: Researcher's Compilation

The demographic variables of the surveyed population reveal insights into marital status, age distribution, and educational qualifications. In terms of marital status, a majority of respondents are married, constituting 66% of the total sample, while unmarried individuals represent 34%. Moving to age demographics, the distribution is spread across various age groups. The highest proportion falls within the 30-35 age range, accounting for 37%, followed by 25-30 with 22%, above 35 with 26%, and 20-25 with 15%. This indicates a diverse age composition in the study. Educational qualifications exhibit variation, with 15% holding a graduation degree, 27% having completed post-graduation, and 20% falling into the 'Others' category. The data suggests a mix of educational backgrounds within the surveyed population. These demographic variables provide a foundation for understanding the characteristics of the sample group, allowing for a more nuanced analysis of their preferences, behaviors, and responses in subsequent research or studies. Such demographic insights are crucial for tailoring interventions and strategies that cater to the specific needs and characteristics of diverse segments within the population.

Frequency Analysis: Impact of private sector banking services on the economic empowerment of women beneficiaries

Statements	SD	D	N	A	SA
Private sector banking services have improved my ability to manage personal and household finances.	3	5	2	17	73
Access to savings and deposit facilities in private sector banks has strengthened my financial stability.	8	7	3	55	25
Credit and loan services offered by private sector banks have helped me engage in income-generating activities.	3	3	5	32	57
Digital banking services (mobile banking, UPI, net banking) have enhanced my financial independence.	3	4	5	53	35
Private sector bank services have increased my confidence in making financial decisions.	7	6	7	33	47

Banking support and guidance have enabled me to plan and invest for my future financial needs.	11	4	5	33	47
Access to private sector bank accounts has improved my participation in business or entrepreneurial activities.	7	6	7	33	47
Private sector banking services have reduced my dependency on informal sources of finance.	12	3	5	33	47
Customer service and responsiveness of private sector banks have positively influenced my financial empowerment.	2	4	5	32	57
Overall, private sector banking services have contributed significantly to my economic empowerment.	4	4	2	17	73

Source: Researcher’s Compilation

The frequency analysis of the impact of private sector banking services on the economic empowerment of women beneficiaries reveals a predominantly positive response across all statements. A large majority of respondents agreed or strongly agreed that private sector banking services improved their financial management abilities, with 90% acknowledging enhanced capacity to handle household and personal finances. Access to savings and deposit facilities also showed strong support, as 80 respondents indicated agreement or strong agreement, reflecting increased financial stability. Credit and loan services were found to be highly influential, with 89 women agreeing that such services enabled their participation in income-generating activities. Digital banking emerged as a major empowerment tool, with 88 respondents confirming improved financial independence through mobile and online banking platforms. Additionally, confidence in financial decision-making increased significantly, supported by 80 positive responses. Banking guidance and advisory services also contributed to better financial planning, while access to bank accounts facilitated business-related participation for many women. A notable shift away from informal borrowing was observed, as 80 respondents agreed that banking services reduced dependency on informal finance. Overall, the findings clearly indicate that private sector banking services substantially contributed to women’s economic empowerment.

H0: There is no significant impact of private sector banking services on the economic empowerment of women beneficiaries across Marital status

Impact of private sector banking services on the economic empowerment of women beneficiaries across Marital status

Levene's Test for Equality of Variances	t-test for Equality of Means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Error
Equal variances assumed	7.935	.000	-1.374	98	.159	-.387	.276	
Equal variances not assumed			-1.639	56.000	.119	-.396	.253	

Source: Researcher’s Compilation

The Levene’s Test for Equality of Variances shows a significant result (F = 7.935, p = .000), indicating that the variances between marital status groups are not equal. Therefore, the t-test results under “Equal variances not assumed” are more appropriate for interpretation. The adjusted t-test value is t = -1.639 with df = 56 and a p-value of .119, which is greater than the significance level of 0.05.

Since p > 0.05, the null hypothesis is not rejected. This indicates that there is no statistically significant difference in the impact of private sector banking services on economic empowerment between married and unmarried women beneficiaries. The small mean difference (-0.396) further supports this finding, showing that marital status does not considerably influence how women perceive or benefit from private sector banking services.

H0: There is no significant impact of private sector banking services on the economic empowerment of women beneficiaries across different Age groups

Impact of private sector banking services on the economic empowerment of women beneficiaries across Age

ANOVA					
Age	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	33.619	8	1.865	10.677	.000
Within Groups	103.756	92	.176		
Total	137.375	100			

Source: Researcher's Compilation

The one-way ANOVA results show that the variance between the age groups is statistically significant. The calculated F-value is 10.677 with a corresponding significance value of .000. Since the p-value (.000) is less than the accepted significance level of 0.05, the null hypothesis is rejected.

This indicates that there is a significant difference in the impact of private sector banking services on the economic empowerment of women beneficiaries across different age categories. In other words, age plays an important role in how women perceive and benefit from private sector banking services. The differences between groups (Sum of Squares = 33.619) are considerably higher compared to within-group variations, suggesting that certain age groups may be experiencing greater levels of empowerment than others.

Overall, the findings confirm that the impact of private sector banking services varies significantly across age groups.

H0: There is no significant difference impact of private sector banking services on the economic empowerment of women beneficiaries across Educational Qualification

Impact of private sector banking services on the economic empowerment of women beneficiaries across Educational Qualification

ANOVA					
Educational Qualification	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	184.988	9	9.683	30.195	.000
Within Groups	184.985	78	.321		
Total	369.973	100			

Source: Researcher's Compilation

The ANOVA results reveal a statistically significant variation among the different educational groups. The F-value of 30.195 and the corresponding significance level of .000 clearly indicate that the differences observed between the

groups are not due to chance. Since the p-value (.000) is less than the standard significance threshold of 0.05, the null hypothesis is rejected.

This means that educational qualification has a significant effect on how women beneficiaries perceive the impact of private sector banking services on their economic empowerment. The large between-groups sum of squares (184.988), compared to the within-groups value (184.985), shows substantial variability attributable to differences in educational levels. These results suggest that women with higher educational qualifications may be better equipped to utilize banking services effectively, leading to stronger economic empowerment outcomes. Overall, the analysis confirms that the impact of private sector banking services varies significantly across different educational qualifications.

Findings

The ANOVA analysis examining the impact of private sector banking services on the economic empowerment of women beneficiaries across different educational qualification levels reveals statistically significant differences. The obtained F-value of 30.195 with a significance level of $p = .000$ indicates that the variations in mean scores across educational groups are not due to chance. This demonstrates that educational qualification plays a crucial role in shaping how women perceive and benefit from private sector banking services.

Women with higher levels of education appear to experience greater economic empowerment through enhanced utilization of digital banking, financial advisory services, credit facilities, and savings instruments. Their better understanding of financial products enables more effective decision-making, leading to improved financial independence and resource management. Conversely, women with lower educational qualifications may have limited awareness, lower digital literacy, and reduced ability to access or interpret complex banking offerings, which restricts their empowerment potential.

The significant difference suggests that private sector banks need to adopt differentiated strategies, including targeted financial literacy programs, simplified service delivery mechanisms, and personalized support for less-educated women beneficiaries. These interventions would help bridge the empowerment gap and ensure equitable access to banking-related economic benefits across all educational levels.

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