



## OWNERSHIP OF BANK ACCOUNTS IN INDIA: UNDERSTANDING THE GENDER GAP

**Dr. Sonal Purohit**

Assistant Professor

FMS WISDOM, Banasthali University, PO Banasthali, India  
[sonalpearl@yahoo.com](mailto:sonalpearl@yahoo.com), [sonalpurohitbanasthali@gmail.com](mailto:sonalpurohitbanasthali@gmail.com)

### Abstract

*In an attempt to evaluate the gender gap in the ownership of bank accounts between the male and females in India data from reports of RBI, journals and websites was collated for four years (2010-2013). The interpretation of the secondary data compiled from the reports of RBI revealed that there was a significant difference in the ownership of bank accounts between male and females with males holding significantly higher ( $P < 0.0001$ ) number of bank accounts. This gap existed region wise, population wise and bank group wise. The increase in the number of female bank accounts over the years (2010-2013) was very slow suggesting the need for more efforts to open bank accounts for females in India.*

**Keywords:** *Gender Gap, Bank Account, Ownership, Financial Inclusion*

### Introduction

The empowerment and autonomy of women and the improvement of their political, social, economic and health status is a highly important end in itself. In addition, it is essential for the achievement of sustainable development. The full participation and partnership of both women and men is required in productive and reproductive life, including shared responsibilities for the care and nurturing of children and maintenance of the household.

Some interesting papers show that providing access to own savings instruments increases consumption and productive investment, especially for women, (Dupas and Robinson, 2009); and female empowerment.



A lot of studies suggest that putting earnings in women's hands is the intelligent thing to do to speed up development and the process of overcoming poverty. Women usually reinvest a much higher portion in their families and communities than men, spreading wealth beyond themselves. This could be one reason why countries with greater gender equality tend to have lower poverty rates

Research shows that women reinvest up to 90 per cent of their income in their families, compared with 30 to 40 per cent by men (Phil Borges, 2007). Despite this, and despite being recognized across the world as a better credit risk, women are more likely to be financially excluded than men. Women are 15 percent less likely than men to have a bank account, a pattern that holds in all regions of the world and across income groups within countries.

In developing economies, 46 per cent of men report having an account at a formal financial institution, while only 37 per cent of women do (Klapper and Demircuc-Kunt, 2012).

Many Indian women typically give their earnings to their husbands - when in fact women are seen as more astute savers than men and it would make sense for them to have a bank account of their own. With more and more women going to work in India - and a larger number of them in the informal economy - financial inclusion has become vital for women. Several studies confirm that women's economic empowerment generally improves their status in a family, which, in turn, also contributes to the country's economy. It is important that women not only learn about managing their finances, but continue to educate themselves financially. This would finally lead to the upliftment of women as they will gain confidence, will be able to take independent decisions and can become secure by managing their own finances. Banks play a vital role helping women achieve economic independence and thereby enjoy and benefit from their other rights. Managing the bank accounts can be seen as a symbol of their financial identity and a means for greater financial autonomy.

What India needs is financial inclusion for women. Banking is an effective means for financial inclusion of women. The introduction of the national level schemes such as the Jan Dhan Yojana by Prime Minister at National level also shows the growing importance of holding bank accounts by females and makes the study lot more important.

---

\*This was said by Nicola Bellomo, the European Ambassador to Swaziland when he was speaking at EU funded two day women empowerment workshop in the East of Swaziland on June, 18'2014



## Literature Review

Even in light of heightened international awareness of gender issues, it is a disturbing reality that no country has yet managed to eliminate the gender gap. A number of studies have been done on the gender gap but these are mostly directed towards gender gap in terms of education, health, social status, employment and work status. Even the studies which are done to study the inequalities in banking are on the pay gaps or employment inequalities. Data from the World Bank's Global Financial Inclusion database highlights the existence of significant gender gaps in ownership of accounts and usage of savings and credit products (**Demirguc-Kunt, Klapper and Singer 2013**). One recent study (**Beck, Behr and Guettler 2012**) found that borrowers matched with loan officers of the opposite gender had less favorable loan terms and conditions. The World Economic Forum assessed the size of the gender gap by measuring the extent to which women in 58 countries have achieved equality with men in five critical areas: economic participation, economic opportunity, political empowerment, educational attainment, and health and well-being. A wide variety of sources covering developed and developing economies, including the OECD/INFE financial literacy survey (**Atkinson and Messy, 2012**) and other international and national studies, provide evidence of gender differences in all aspects of financial literacy, including financial knowledge, attitudes and behavior. **Francine, Blau and Kahn, 2007** drew data from published government statistics on female to male earning ratios of full time workers to study the gender pay gap. The results reveal that trends in inequality among women show a deterioration in the relative economic status of less educated women that is strikingly parallel to similar trends in the labour market for men. **Autor and Wasserman, 2012** concluded that the emerging gender gaps in educational attainment and labor market advancement will pose two considerable challenges for social and economic policy. First, due to the rising importance of education over the last three decades as a determinant of lifetime income. A second challenge posed by these developments is the impact that stagnating male educational attainment and diminished male labor market opportunities are likely to have on the well-being of children and potential mates. A special issue on gender and ageing (**Folbre et al, 2005**) note that women are a majority among the elderly, little is heard about gender differences in economic resources. **Even and Macpherson, 2004**, surveyed how the US gender gap in pensions evolved over the last 30 years. **Oostendorp, 2009** in a study found that the occupational gender wage gap tends to decrease with increasing economic development, at least in richer countries, and decreased with trade and foreign direct investment (FDI) in richer countries, but finds little evidence that trade and FDI also reduce the occupational gender wage gap in poorer countries. A study conducted by World Bank revealed that there is a large gender gap in access to formal banking. Women are 15 percent less likely than men to have a bank account, a pattern that holds in all regions of the world and across income groups within countries. No study has been done on the gender gap in banking habits in India. The status of women in Rajasthan is an international issue. The study will draw a picture of the social and economic position of women in Rajasthan.



**The Global Gender Gap report (2011)** shows that despite the rapid economic growth, the explosion of microcredit programs and self-help groups, and laudable efforts to increase women's political participation, gender disparities have remained deep and persistent in India. Gender disparities are even more pronounced in economic participation in India.

**Saha, 2002** did a research on gender gaps in research on Health Services in India. He conducted a review of studies on health services conducted in India in the last decade through a gender lens. The researcher has tried to see the interplay of gender and social position in accessibility, acceptability, cost and effectiveness of health services for reproductive health concerns of women and men. It can be seen that since the mid-1980s health research has undergone a major shift as it went beyond the conventional framework to understand linkages between the health care service system, and the socio-economic and cultural factors vis-à-vis access and utilization, and in turn the health status of people.

According to (**Chavan, 2007**) Gender inequality pervades developed and developing societies in varying forms and degrees. Women in general and poor women in particular, are deprived of basic economic opportunities and entitlements that are widely available to men. There are large disparities between men and women in terms of access to basic facilities, such as nutrition, health and education, as well as access to employment and ownership of various means of production. One such form of gender inequality is with regard to the access to banking services. The need to provide bank credit to women on an equitable basis has been frequently highlighted in the literature.

The study done by **Bezbaruah, 2012** explored women's experiences of work and employment in the banking sector in India, addressing the paucity of research in this area. The research assesses how the assumptions of theories on gender, work and employment, primarily based on empirical experiences from the Global North can be interpreted in the Indian context. It argues that experiences of gender inequalities are geographically reconfigured in the Indian banking sector through the interplay between gendered organizational practices, local cultural discourses on femininity, institutional factors, particularly government laws and organizational structures.

From the literature review it can be seen that a number of studies have been conducted in India on women and banking but they mostly cover the employment gap in banking or role of institutions to provide credit facility to women. The gender gap in participation in formal banking remains uncovered. This study will throw a light on the gender gap which exists in the ownership of bank accounts in India. The data is collected not only population wise but also region wise and bank group wise which will help in giving a clearer picture of the situation that where does the gap exist. By quantifying the data the specific areas can be identified which need attention to reduce the gap.

In India the gender gap which persists in the ownership of bank accounts remains uncovered.



### Objectives of the study

1. To study the gap in ownership of bank accounts region wise, bank wise and population group wise.
2. To study the growth rate of male and female Bank Accounts
3. To suggest ways for reducing this gap, if any.

### Hypothesis

**H1** There is a significant difference between male and female in ownership of bank accounts region wise.

**H2** There is a significant difference between male and female in ownership of bank accounts bank group wise.

**H3** There is a significant difference between male and female in ownership of bank accounts population wise.

### Research Methodology

Secondary data was collected and compiled for the study. This secondary data i.e the number of bank accounts region wise, population wise and bank group wise was collected from Reports of RBI and Banks, Journals and Websites. The data was compiled and studied for analysis and interpretation. The gender gap in ownership of bank accounts is analyzed on the basis of Region, Bank Group and Population Group. Tables and Graphs have been used to present the interpretation. Chi square test has been applied to see if there is any significant difference in the ownership of bank accounts gender wise. The percentage growth rate of Bank accounts has been presented in a tabular form.

### Analysis & Interpretation

**TABLE 6. 1: Region Wise bank accounts in India**

	MALE						FEMALE				
	2010	2011	2012	2013	2014		2010	2011	2012	2013	2014



<b>Northern Region</b>	83484	90635	92140	100744	115829	25437	27519	33983	42406	49678
<b>Eastern Region</b>	80179	92273	95824	107665	131792	17938	20871	28029	36449	48761
<b>Central Region</b>	105453	122461	107639	129093	169863	27011	30694	46986	45772	58622
<b>Western Region</b>	78321	92417	96221	107030	126659	24168	27561	32572	48235	57444
<b>Southern Region</b>	127359	140119	147928	168836	213719	55303	62422	72056	99341	114239

**Source:** Data compiled from Basic Statistical Report of RBI

	Pearson Chi Square	Df	P
2010	6685.66	4	<.0001
2011	8513.27	4	<.0001
2012	5127.41	4	<.0001
2013	8816.57	4	<.0001
2014	6533.11	4	<.0001

The critical value for differential 4 is 9.4877. As the chi square value is greater than the critical value, there is a significant difference in the ownership of bank accounts by Male and Female.

Hence, H1 is accepted

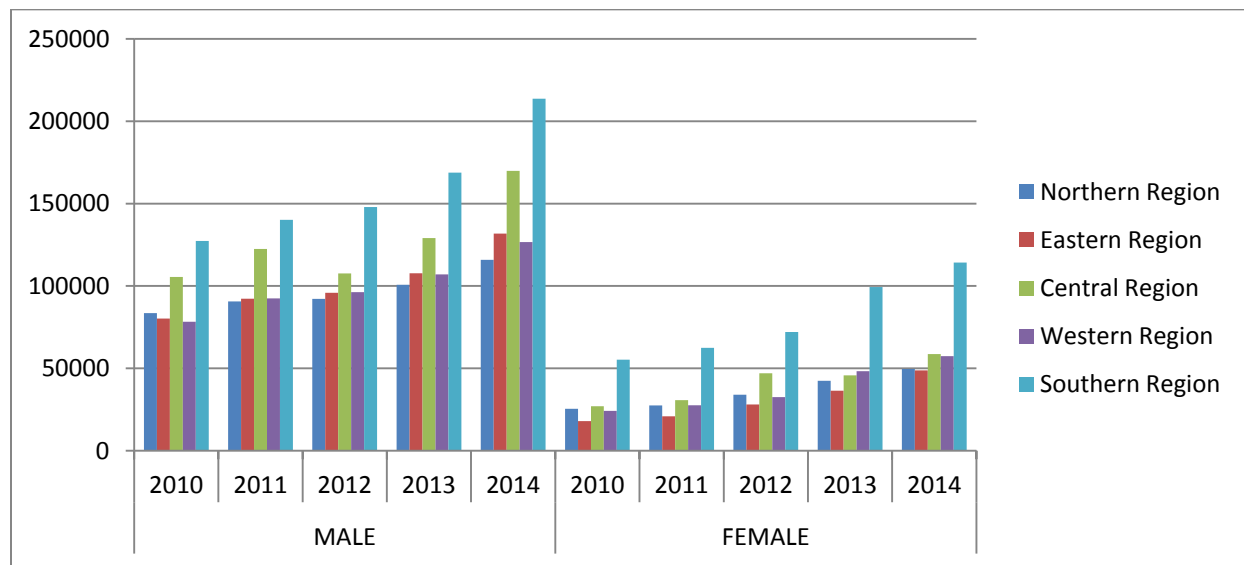
**TABLE 6.2:** Percentage Growth of Bank Accounts (Calculated from above Table 6.1)

	<b>Northern Region (%)</b>		<b>Eastern Region (%)</b>		<b>Central Region (%)</b>		<b>Western Region (%)</b>		<b>Southern Region (%)</b>	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2011	8.5	8.15	15.08	16.35	16.12	13.64	17.99	14.04	10.01	12.87



2012	1.6	23.49	3.84	34.29	-12.11	53.79	4.12	18.18	5.57	15.44
2013	9.34	24.78	12.36	30.01	19.9	-2.58	11.23	48.09	14.14	37.87
2014	14.97	17.14	22.40	33.77	31.58	28.07	18.33	19.09	26.58	14.99
Annual % Growth rate	7.74	19.06	12.87	34.36	12.21	23.40	12.34	27.54	13.56	21.31

**GRAPH 6.1 Number of Bank accounts Regionwise**



From the above table 6.2 and graph 6.1 it is clearly visible that there is a huge gender gap in the ownership of bank accounts region wise. The gap was highest in Central Region in the year 2011. The difference in ownership of bank accounts is 91767. The bank accounts of males in Northern Region in the year 2011 are 90635 in comparison to 27519 bank accounts owned by females. In The gap was lowest in Western Region in the year 2010. The gap in number of bank accounts in this region was 54153 in the year 2010. The growth rate of bank accounts of females was showing a positive trend. The highest growth rate of female bank accounts was in the year 2012 in Central region (53.79%)



**TABLE 6.3: Bank Group Wise savings bank account in India**

	MALE					FEMALE				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
<b>SBI &amp; Associate Bank</b>	136815	157774	172621	200663	237868	30171	37765	47484	61547	71150
<b>Nationalized Bank</b>	228431	255404	244805	273833	346267	77776	88332	111286	150036	192184
<b>Foreign Bank</b>	3028	2856	2820	1970	2593	935	775	801	1387	822
<b>Regional Rural Banks</b>	70764	74886	62227	75606	98699	26044	25746	35362	30567	34423
<b>Private Sector Banks</b>	48336	61100	72372	77767	90794	18252	20453	23472	34738	38274

**Source:** Data compiled from Basic Statistical Report of RBI

	Pearson Chi Square	df	P
<b>2010</b>	4430.93	4	<.0001
<b>2011</b>	3107.29	4	<.0001
<b>2012</b>	10231.1	4	<.0001
<b>2013</b>	11205.02	4	<.0001
<b>2014</b>	16500.22	4	<.0001

The critical value for differential 4 is 9.4877. As the chi square value is greater than the critical value, there is a significant difference in the ownership of bank accounts by Male and Female.

Hence, H2 is accepted

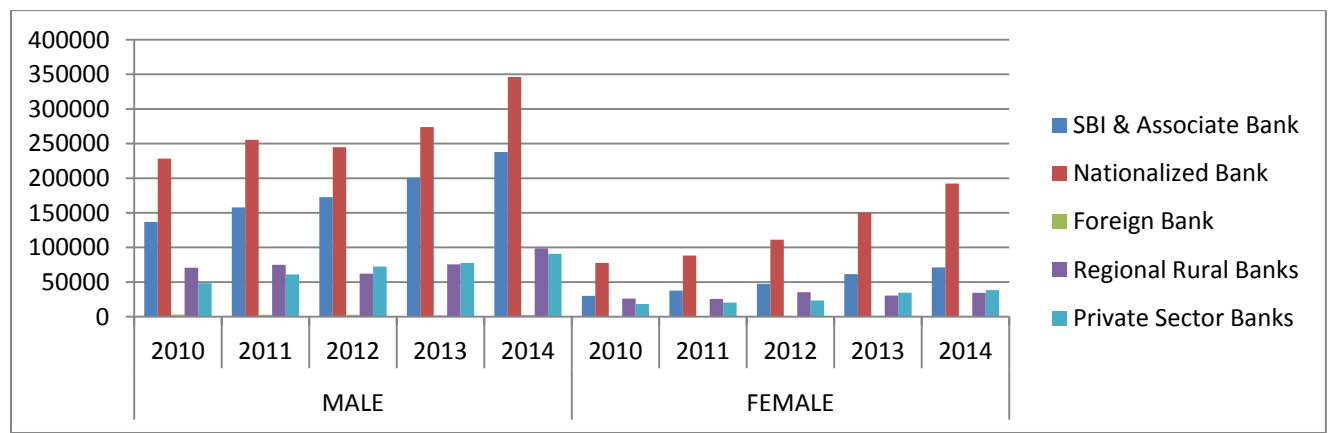




**TABLE 6.4 : Percentage growth of Bank Accounts (Calculated From Above Table 6.2)**

	SBI & Associates (%)		Nationalized Bank (%)		Foreign Bank (%)		Regional Rural Banks (%)		Private Banks (%)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2011	15.31	25.17	11.80	13.57	-5.68	-17.12	5.82	-1.14	26.41	12.06
2012	9.41	25.74	-4.14	25.99	-1.26	3.35	-16.90	38.13	18.45	14.76
2013	16.25	29.62	11.86	34.82	-30.14	73.16	21.5	-13.56	7.46	47.99
2014	18.54	15.60	26.45	28.09	31.62	-40.73	30.54	12.61	16.75	10.17
Annual % Growth Rate	14.77	27.16	10.32	29.42	-2.87	-2.41	7.89	6.43	17.56	21.94

**GRAPH 6.2 Number of Bank accounts Bank Group wise**



From the above Graph 6.2 and Table 6.4 it can be seen that there was a gender gap in ownership of bank accounts Bank wise. In SBI and Associates the gap was highest in the year 2013. The number of male accounts was 200663, whereas the female accounts are 61547 in number and the difference in number of bank accounts is 139116. In foreign banks the number of accounts was less and the gap is also less. In nationalized banks the gap was more in the year 2011. In private sector banks the gap was more in the year 2012. The number of accounts owned by males is



72372 and the number of accounts owned by females was 23472. In case of foreign banks the percentage growth of female bank accounts was very high in the year 2013 (73.16%)

**TABLE 6.4: Population Group Wise savings bank account in India**

	MALE					FEMALE				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
<b>Rural</b>	154034	173673	165424	195784	257200	47283	52570	72317	83299	109280
<b>Semi Urban</b>	129919	147310	154034	179702	221710	38862	44752	56432	72774	90997
<b>Urban</b>	99765	113225	113138	124088	148178	31763	35907	42697	55405	62872
<b>Metropolitan</b>	103656	117811	122248	130266	151133	35265	39841	46960	66798	73704

**Source:** Data compiled from Basic Statistical Report of RBI

	Pearson Chi Square	df	P
<b>2010</b>	262.69	3	<.0001
<b>2011</b>	258.21	3	<.0001
<b>2012</b>	842.35	3	<.0001
<b>2013</b>	1461.94	3	<.0001
<b>2014</b>	932.03	3	<.0001

The critical value for differential 4 is 7.. As the chi square value is greater than the critical value, there is a significant difference in the ownership of bank accounts by Male and Female.

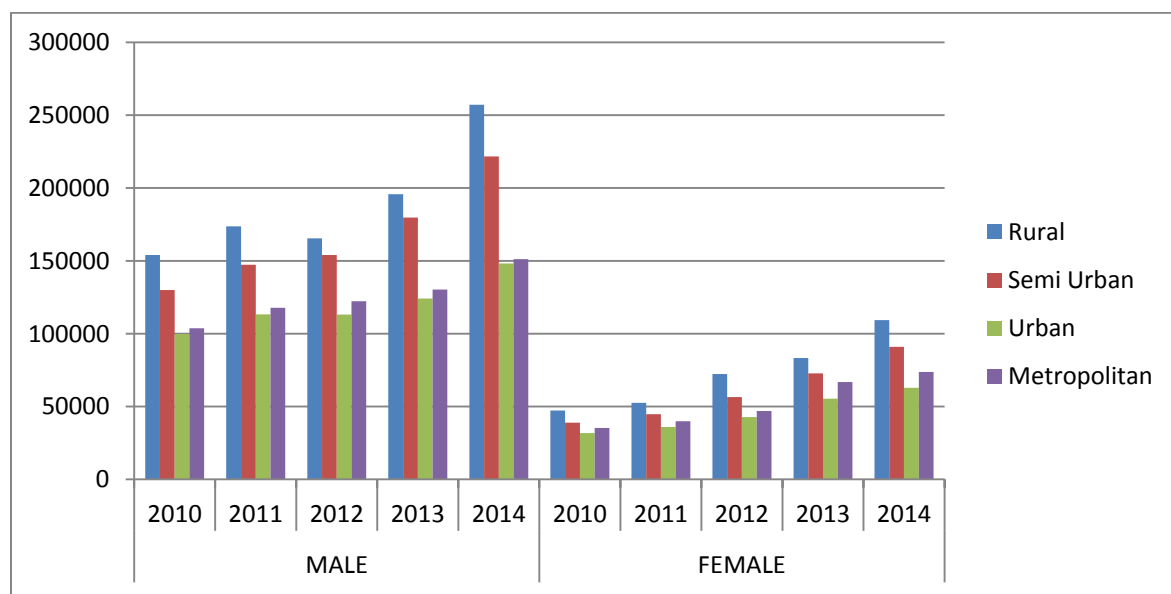
Hence, H3 is accepted



**TABLE 6.5: Percentage Growth in Bank Accounts (Calculated from above Table)**

	Rural Area (%)		Semi-Urban (%)		Urban (%)		Metropolitan (%)	
	Male	Female	Male	Female	Male	Female	Male	Female
2011	13.65	11.18	11.80	15.16	13.49	13.04	13.66	12.98
2012	-4.75	37.56	4.56	26.09	-0.077	18.91	3.77	17.87
2013	18.35	15.19	16.67	28.96	9.68	29.76	6.56	42.25
2014	31.36	3.12	23.37	25.04	19.41	13.47	16.01	10.33
Annual % Growth Rate	13.39	26.22	14.13	26.83	9.70	19.59	9.16	21.80

**GRAPH 6.3 Number of bank accounts in India Population wise**





From Table 6.5 and Graph 6.3 the gender gap in ownership of bank accounts population wise can be clearly seen. The highest gender gap was in rural area in the year 2011. The gap shows a difference of 121103 banks accounts. The lowest gender gap was in urban area in the year 2010. The difference in ownership of bank accounts was 68002. In the semi urban region the gender gap was more in the year 2011. The condition of ownership of female accounts is not good in metropolitan cities also although the percentage growth of female bank accounts is good in this area. From the data it can be interpreted that the annual % growth rate of bank accounts is more of females than males, still the gap is significant.

### **Suggestions**

Although the government has been trying hard to reduce the gender gap in banking by launching a plethora of schemes but these seem not enough and a lot more efforts need to be made by the policy makers and banks as well. Some of the steps in this regard can be

- More policies should be formulated by banks and government to increase the number of bank accounts owned by females. More schemes like the Jan Dhan yojana scheme should be launched to provide an edge to women for banking.
- To reduce the gender gap there should be efforts to increase the female financial literacy by banks and regulators. Workshops seminars should be organized by the banks to increase the awareness among females. In these not only importance of having bank account should be told but also a platform should be given to the women for discussion and problem solving.
- Easy access to banking and simplification of form and processing can help to a great extent.
- Separate counters for females having own bank accounts wherein assistance in operating as well as learning should be given to them.
- Banks should develop female oriented banking customized products and services which can reach the unbanked females. Although some are there like women advantage account of ICICI Bank, but there needs to be more of such products which have simple features and less requirements of keeping minimum balance. Attractive schemes such as easy loans on female bank accounts can also help to some extent.
- Studies should be conducted to find out the reasons for this gap. This can help in formulating a directional approach for decreasing this gap.
- The regions where the gap is more need special attention. The bank personnel can be encouraged to work for more inclusion of female bank accounts. For this the banks can also be awarded by the policy makers.
- Above all it is very important that the females understand the importance of owning bank accounts and this can be achieved only with the help of rigorous awareness programs.



- States should include banking literacy to women as a part of their national curriculum.
- Community savings groups can also be initiated by the financial institutions and regulators.

## Conclusion

The study gives a picture of the gender gap in ownership of bank accounts. The analysis of data which is done population group wise, region wise and bank wise shows that the gender gap exists everywhere in ownership of bank accounts. There is a significant difference in the ownership of banks accounts between males and females. The number of female bank accounts is increasing over years but this growth is at a very slow pace. The policy makers and banks need to make serious efforts to increase the number of female bank accounts. The policy formulation should be revised; the financial literacy and awareness of women on banking services should be increased.

It was concluded that there is a significant difference in the ownership of banks accounts between males and females in India. The number of female bank accounts is increasing over years but this growth is very slow

## Scope of Further Research

A study on the reasons behind this gender gap will give a clearer picture for deciding the course of action towards reducing this gap.

## References

- Autor D. & Wassermen M. (2012). "Wayward Sons: The Emerging Gender gap in in Labour Markets and Education", retrieved from <http://economics.mit.edu/files/8754>
- Atkinson, A. and Messy, F. (2012). Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study, *OECD Working Papers on Finance, Insurance and Private Pensions*, No. 15, OECD Publishing. Retrieved from <http://dx.doi.org/10.1787/5k9csfs90fr4-en>
- Beck, T., Behr, P. & Guettler, A. (2012). Gender and Banking: Are Women Better Loan Officers? *European Banking Center Discussion Paper No. 2009-19*.
- Bezbaruah, S. (2012). "Gender Inequalities in India's new Service economy: A case study of the Banking Sector" Retrieved from <https://qmro.qmul.ac.uk/jspui/handle/123456789/2479>



- Chavan, P. (2008) .Gender inequality in banking services in India: A note. New Delhi, India: *Economic Research Foundation*. Retrieved from [http://www.agrarianstudies.org/UserFiles/File/Chavan\\_Gender\\_Inquality\\_in\\_Banking\\_Services.pdf](http://www.agrarianstudies.org/UserFiles/File/Chavan_Gender_Inquality_in_Banking_Services.pdf)
- Demirguc-Kunt A., Klapper L. & Singer D. (2013), Financial Inclusion and Legal Discrimination against Women: Evidence from Developing Countries, *Policy Research Working Paper Series 6416*, The World Bank.
- Duflo, E. (2011). Women's Empowerment and Economic Development, *National Bureau of Economic Research Working Paper Series 17702*, Cambridge.
- Dupas, Pascaline and Robinson, J. (2009). Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya, *American Economic Journal: Applied Economics*, 5(1), pp. 163-92, January
- Even, W.E & Macpherson, D.A. (2004). When will the gender Gap in retirement Income narrow? *Sourthen Economic Journal*, 71, 182-200.
- Eyben, R. and others (2008), Conceptualising empowerment and the implications for pro-poor growth, Institute of Development Studies at the University of Sussex, Brighton.
- Francine D., Blau & Kahn, L. M. (2007). The Gender Pay Gap: Have Women gone as far as they can? *Academy of Management Perspectives*, 21, 7-23
- Folbre N, Shaw L.B & Stark A. (2005). Introduction: gender and ageing, *Feminist Economics*, 11,3-5
- Klapper and Demirguc-Kunt, 'Measuring Financial Inclusion: *The Global Findex Database*', World Bank Policy Research Paper 6025, 2012.
- Oostendorp, R. H. (2009). Globalization and the Gender Wage Gap, *World Bank Economic Review*, 23(1), 141-161.
- Phil Borges, 'Women Empowered: Inspiring Change in the Emerging World', Rizzoli Publishers, New York, 2007.
- Saha, S. (2002). Gender Gaps in Research on Health services in India, *Journal of Health Management*, 4(2), 185-214.
- Sweden, Ministry for Foreign Affairs (2010), On equal footing: policy for gender equality and the rights and role of women in Sweden's international development cooperation 2010–2015, MfA, Stockholm.