

# Does Financial Literacy Empower Women? Empirical Evidence from Chitwan, Nepal

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## ABSTRACT

Financial literacy is generally recognized as a primary factor of women empowerment, especially in the developing economies where economic differences between the genders are still acute. This paper discusses the connection between financial literacy and women empowerment in Chitwan, Nepal focusing on the multidimensional concept of financial literacy. The research design adopted a quantitative research design, and the primary data was gathered by conducting a structured questionnaire to 385 women aged 18-45 years. Financial literacy was assessed on five dimensions namely financial knowledge, financial skills, financial behavior, financial attitude, and financial awareness, with women empowerment as the dependent variable. The SPSS was used to compute descriptive statistics, correlation analysis, and multiple regression with age and education being used as moderate variables. The results show that financial behavior, financial attitude, and financial awareness were positively and statistically significantly related to women empowerment, emphasizing the significance of the practice and the informed financial decision-making process. Financial knowledge and financial skills on the other hand positively but negatively correlate, indicating a lack of correlation between their theoretical and practical aspects. Besides, age and education have positive moderating effects between financial literacy and empowerment of women. The research not only provides the empirical evidence of circumstances in a semi-urban South Asian setting but also highlights the necessity of creating financial education programs, which should focus more on behavioral and attitudinal change as well as on knowledge improvement to enable women to become empowered in the long-term.

**Keywords:** *Financial awareness, financial behavior, financial literacy, Nepal, women's empowerment*

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## **1. INTRODUCTION**

Women empowerment has become a priority development agenda, which is closely related to the global agendas like gender equality, inclusive growth and sustainable development (Leal Filho et al., 2022; Sharma, 2023). The empowerment of women does not only benefit the welfare of the household but also the economy at large, social stability as well as the formation of human capital between and among the generations (Zheng, 2025; Elbushra et al., 2025). In most of the developing economies, women still grapple with structural constraints that restrict their economic agency, decision-making abilities as well as their control over financial resources despite the advancement in education and participation in the labor force (Dufflo, 2012; Kabeer, 2005). Financial literacy is one of the aspects that have been increasingly identified to be very important towards the overcoming of these barriers (Pokharel et al., 2025; Abdallah et al., 2025; Lefutso et al., 2025).

Financial literacy means the personal capacity to perceive and grasp financial concepts and financial products, as well as is the application of such understanding by means of suitable and corresponding financial behaviors, attitudes, and skills in daily choices (Lusardi & Mitchell, 2014; Sukmana & Trianto, 2025; Fajri et al., 2025). It involves cognitive knowledge and behavioral competence, financial awareness, and confidence in handling financial aspects (Núñez-Letamendia et al., 2025; Shi et al., 2025). Previous studies have always shown that an increased level of financial literacy is linked to better saving behaviour, responsible borrowing, risk management, and good financial well-being (OECD/INFE, 2016; Xiao & O'Neill, 2016; Pokharel, 2025). Financial literacy has a particularly transformational effect on women, improving economic autonomy, bargaining power in families, and the level of involvement in income-generating and entrepreneurial activities (Klapper et al., 2013; Kyeyune & Ntayi, 2025; Martins et al.,

2025).

The connection between financial literacy and women empowerment has a theoretical basis in the human capital theory and framework of empowerment that assumes that having knowledge and skills allows people to increase their options and have control over their lives (Sen, 1999). Empirical research in a variety of settings has demonstrated that financially literate women are more apt to make savings and investment choices, use formal financial services, and take an active part in economic decisions in the house and at the community level (Datta & Singh, 2019; Islam et al., 2020). Additionally, financial literacy was observed to participate in various aspects of empowerment such as economic autonomy and decision-making power as well as social participation (Ali et al., 2021).

Nonetheless, the links between financial literacy and women empowerment are not similar in all situations and all aspects of financial literacy. Whereas certain studies show that the relationship is highly positive, other studies indicate that the relationship is mixed or even non-significant especially in the absence of covering institutional surroundings and practical use opportunities (Rachmadini & Damayanti, 2023). Such inconsistency emphasizes the need to study financial literacy as a multidimensional construct, but not the aggregate measure. Such elements as financial behavior, attitudes, and awareness can have a more direct and practical impact on the results of empowerment in comparison with the abstract financial knowledge (OECD/INFE, 2016).

In Nepal, the issue of women empowerment is an acute policy agenda even though there is observed changes in terms of education and legislative advancement. Women still have reduced access to financial services, fewer people work in formal sectors, and have less control over economic resources (Nepal Rastra Bank [NRB], 2022). Despite national campaigns that have favored financial inclusion and literacy, there exist gender differences in financial abilities especially in urban-



peri-urban areas where financial product exposure is not necessarily associated with effective financial decision-making. The economic and administrative center of the country, Chitwan, offers an appropriate setting to consider the adherence of financial literacy into the empowerment of women with different educational, occupational, and income levels.

The empirical studies of financial literacy have been comparatively limited, as most of the studies carried out in Nepal have concentrated on financial inclusion, participation in microfinance, or entrepreneurial performance (Chaulgain & Devkota, 2018). Moreover, limited literature has conducted a systematic study of the different roles of financial knowledge, skills, behavior, attitudes, and awareness, and it has considered demographic moderators of age and education. This gap needs to be addressed in order to make effective policy intervention that surpasses the knowledge dissemination into the behaviorally informed financial education programs.

Financial literacy has been popularly described as one of the most important facilitators of women empowerment especially in the developing economies where economic inequalities by gender are still a menace. It also provides women with the necessary knowledge, skills, and confidence in relation to financial resource management, informed decision making, accessing financial services and effective engagement in income-generating and entrepreneurial activities. Experiments done in the past have shown that women who are financially literate tend to be wise in their saving and investing habits, have greater financial independence and use strategic planning to secure themselves in the long run thus not only serving their own interests but also those of their families and communities. Financial literacy and women empowerment are dynamic and reinforcing in that the higher the level of financial literacy, the higher the confidence and agency of women that allow them to break the traditional gender norms and seek improved economic

opportunities, which consequently encourages further participation in financial literacy. Although increasing global evidence exists, empirical research in Nepal is a sparse phenomenon and findings on the existing research are not detailed enough to explain how various aspects of financial literacy can result in palpable empowerment results among women, thus a clear research gap between context and empirical research is evident.

It is on this background that the aim of this study is to analyze the significance of financial literacy towards encouraging the empowerment of women in Nepal. In particular, the research aims to evaluate the situation in financial literacy and women empowerment as well as to examine how the main financial literacy aspects such as financial knowledge, financial awareness, financial behavior, financial skills, and financial attitude impact female empowerment. Through empirical research on these relationships, it is hoped by the study that evidence-based findings can be made, which can be used by policy makers, financial institutions and development practitioners in developing specific interventions aimed at empowering women socio-economically in regard to their financial literacy levels.

## **2. LITERATURE REVIEW**

Financial literacy has become a decisive factor of individual financial health and social economic empowerment especially in developing economies among women (Kyeyune & Ntayi, 2025). Financial literacy, in a broad definition, is a set of financial knowledge, attitudes, behavior, skills and awareness, which enable individuals to make sound financial decisions (Lusardi & Mitchell, 2014). In women, financial literacy is not only about individual financial security but also about better agency, independence as well as involvement in household and economic decision making and thus, has a direct impact in women empowerment (Kabeer, 2005). The literature on the topic always



reports the existence of a gender gap in financial literacy both in developed and developing nations, with women scoring lower in financial knowledge and confidence than men (OECD/INFE, 2016; Tinghög et al., 2021). Structural inequalities, inaccessibility of education, and culture as well as reduced exposure to formal financial systems have been cited as the causes of this gap (Demirguc-Kunt et al., 2018). Literature based on the empowerment theory claims that women become more empowered in terms of bargaining power in their households, greater control over income and assets, and greater involvement in entrepreneurial and income generating activities with financial literacy (Sen, 1999; Duflo, 2012).

The positive relationship between financial literacy and women empowerment is to a large extent supported empirically (Showkat et al., 2025). South-Asian and Sub-Saharan studies indicate that economically literate women tend to participate more in savings, investments and businesses resulting in better economic stability and decision-making independence (Dat et al., 2020; Koomson et al., 2021). On the same note, Lusardi & Tufano (2015) also show that better financial capability leads to less vulnerability to debt traps and financial shocks which are higher in women than in men. Nonetheless, the results do not always correlate. Other studies have found low or non-significant correlates of financial knowledge in isolation and results of empowerment, indicating that financial literacy in theory may not be directly applied to accomplish empowerment (Rachmadini & Damayanti, 2023).

The recent research highlights the multidimensional aspect of financial literacy stating that behavioral and attitudinal factors might be more influential in terms of empowerment in comparison to knowledge-based interventions only (Ali et al., 2021). According to behavioral finance views, optimism towards finance, prudent financial practices and sensitivity to financial products are key factors that convert the outcome of financial literacy into

empowerment results (Thaler & Sunstein, 2008). Further, other contextual influences like age, education and financial institution accessibility were also found to be significant moderators in the literacy-empowerment relationship (Klapper et al., 2015; Mattu & Saha, 2025).

In Nepal, there is a scarcity of evidence (yet is increasing) that women are socio-economically empowered through financial literacy, especially in urban and semi-urban areas. Existing research is mostly centered on Kathmandu Valley, and does not concentrate on causal mechanisms and multidimensional paradigms but concentrates on descriptive studies of literacy levels. Although national campaigns by Nepal Rastra Bank are directed to enhance financial inclusion, there is limited empirical research that can be conducted concerning the interaction of various aspects of financial literacy in empowerment of women.

Regardless of the growing body of literature, there are still a number of gaps. To start with, Nepal has very little empirical evidence studies that measure financial literacy as a multidimensional construct as opposed to a unidimensional measure of knowledge. Second, not many studies explicitly examine the mediating role of behavioral and attitudinal elements into the outcome of empowerment, especially on regional level as it has been studied in Chitwan. Third, discrepancy of previous results underlines the necessity of context-dependent research taking into consideration such socio-demographic moderators as age and education. To close these gaps, this paper examines the various dimensions of financial literacy on the empowerment of women in Chitwan, Nepal, and thus developing context-based evidence to the global literature.

## **2.1 Hypotheses Development**

Financial knowledge is the awareness of the individuals on the basic financial concepts they require to make informed economic decisions. Previous evidence indicates financial knowledge

determines agency and autonomy in the economy, but the influence may not be uniform in the contexts. This paper therefore hypothesizes that there is a significant relationship between financial knowledge and the empowerment of women.

H<sub>1</sub>: There is a significant relationship between women empowerment and financial knowledge

Financial behavior represents the degree to which individuals convert financial knowledge to action by saving, budgeting, borrowing and investing behaviors. Economic participation and control which are key aspects of empowerment are dependent on the behavioral involvement of the financial resources.

H<sub>2</sub>: Financial behavior changes women empowerment positively

Attitude of finance is a psychological orientation of people toward money, risk and planning of future. The positive financial attitudes are likely to enhance the confidence, advocacy, and economic self-efficacy of women.

H<sub>3</sub>: Financial attitude has a positive effect on women empowerment

Financial awareness is known as the knowledge of financial products, financial services, and financial institutional processes. Increased awareness eliminates informational restriction and improves access to formal financial systems, which facilitates the empowerment result.

H<sub>4</sub>: Financial awareness has a positive effect on women empowerment

Financial skills refer to practical skills in the management of financial resources and implementation of financial plans. The ability to make decisions and that of being economically independent will depend on skill-based capability.

H<sub>5</sub>: Women empowerment is significantly related to financial skills

### 3. METHODS

#### 3.1 Study design, Sample and population

The research study uses quantitative, cross-sectional research design to investigate the impact of financial literacy on empowerment of women in Chitwan, Nepal. A survey of primary data was conducted by the use of a structured questionnaire to gather the data on women between the ages of 18 and 45 years. The valid responses that were received were a total of 385, which is in line with previous empirical research in developing country scenarios.

#### 3.2 Method of data collection and analysis

Financial literacy is operationalized as a multidimensional construct, which includes financial knowledge, financial behavior, financial attitude, financial awareness and financial skills whereas women empowerment is assessed on the economic and decision-making aspects. Descriptive statistics, Pearson correlation, and multiple

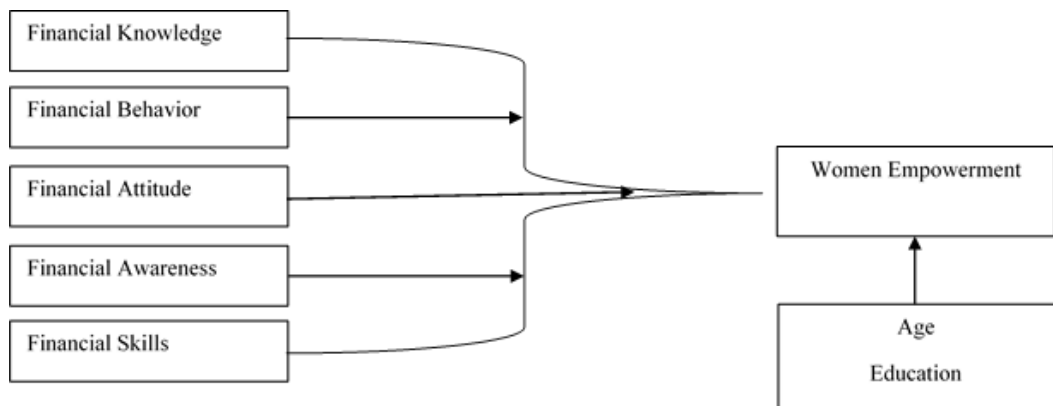


Figure 1: Theoretical Framework [Source: (NRB, 2022; Rachmadini & Damayanti, 2023)]

regression analysis of the gathered data were done with SPSS to test the hypothesis relationships. The measurement scales were measured with alpha of Cronbach, and the level of internal consistency was satisfied ( $\alpha \geq .70$ ). Regression diagnostics was applied to verify that there was a normality, linearity, and no multicollinearity.

### 3.3 Theoretical background

The study theoretical framework is based on the empirical theory of empowerment of the study by Kabeer, (2005) as a conceptualization of the expansion of resources, agency, and achievements. The financial literacy is discussed as an important resource that increases the level of agency among women increasing the financial decision-making abilities and the economic activity. The Human Capital Theory (that investments in knowledge and skills can enhance individual productivity and socio-economic gains) and Behavioral Finance Theory (that financial attitudes and behaviors influence economic behavior) are additional frameworks, as they underpin the notion (Becker, 1993) and explain the mechanisms of economic behavior (Lusardi & Mitchell, 2014). All of this suggests that these theories support the hypothesized direction of financial literacy dimensions on women empowerment.

Figure 1 presents the theoretical framework of the study, female empowerment being the dependent variable that is affected by five dimensions of financial literacy, i.e., financial knowledge, financial behavior, financial attitude, financial awareness, and financial skills. The framework presupposes that each of the financial literacy components is directly related to women empowerment. The age and education are also considered as moderating variables, which means that these relationships may be stronger or weaker among the members of different demographic groups. This model forms the foundation of the development of a hypothesis and empirical analysis.

## 4. RESULTS

**Table 1:** Demographic Characteristics of Respondents

Respondent's Profile	Frequency	Percentage
Age Group		
Below 25	92	23.89
25 – 34	164	42.60
35 - 44	88	22.86
45 & Above	41	10.65
Education Level		
Under Graduate	99	25.71
Graduate	185	48.06
Post Graduate	101	26.23
Marital Status		
Unmarried	217	56.36
Married	151	39.22
Divorced	17	4.42
Occupation		
Professional	64	16.62
Government	76	19.74
Self employed	37	9.61
Student	114	29.61
Others	94	24.42
Income Level		
Less than Rs. 15,000	123	31.95
Rs. 15,000 – Rs. 30,000	162	42.08
Rs. 30,001 – Rs. 45,000	68	17.66
Above Rs. 45,000	32	8.31

Demographics of 385 respondents selected for this study is presented in Table 2, the authors tried to make inclusive sample as far as possible for representative sample.

**Table 2:** Summary of Descriptive Statistics

Variables	Mean	SD
Financial Knowledge (FK)	4.34	0.71
Financial Behaviour (FB)	3.91	0.48
Financial Attitude (FA)	4.28	0.55
Financial Awareness (FW)	4.08	0.94
Financial Skill (FS)	4.17	0.88
Women Empowerment (WE)	4.04	0.55

Findings reveal that the mean scores of all constructs are quite high, which implies that the level of financial literacy and women empowerment

among the respondents are rather high. The mean of financial knowledge (M = 4.34, SD = 0.71) is highest, then financial attitude (M = 4.28, SD = 0.55), and financial skills (M = 4.17, SD = 0.88), which shows that the respondents have positive financial understanding and orientations. The mean values are also positive in financial awareness (M = 4.08, SD = 0.94) and financial behavior (M = 3.91, SD = 0.48), but financial behavior has the lowest mean, which suggests the relative lack of translation of knowledge into practice. A high level of empowerment is observed based on the mean score of women empowerments (M = 4.04, SD = 0.55) (see Table 2). The fact that the standard deviations between variables are rather moderate implies that there is a reasonable consistency in answering, which indicates the applicability of the data to other inferential analysis.

**Table 3:** Pearson's Correlation Coefficients of the Study Variables

Variables	WE	FK	FB	FA	FW	FS
WE	1					
FK	0.17**	1				
FB	0.27**	0.23**	1			
FA	0.40**	0.39**	0.15**	1		
FW	0.53**	0.49**	0.16**	0.51**	1	

FS	0.16**	0.39**	0.03	0.27**	0.52**	1
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Note: \*\* Correlation is significant at the 0.01 level (2-tailed)

The findings reveal that the correlation between WE and financial knowledge (r = .17), financial behavior (r = .27), financial attitude (r = .40), financial awareness (r = .53) and financial skills (r = .16) at the 1 percent level of significance are positive (see Table 3). Financial awareness portrays the best correlation with women empowerment, followed by the financial attitude, which implies that they are more relevant in the analysis of the outcome of empowerment.

The same can also be said about the correlations between the independent variables which are positive and statistically significant in most of the cases indicating conceptual relatedness and no overlapping. Notably, all the values of the correlation coefficients are less than the generally accepted level at which multicollinearity is a problem, so all variables are distinct enough. In general, the results suggest the initial evidence of the existing positive correlations between financial literacy dimensions and the empowerment of women and the appropriateness of multiple regression analysis as the method to be used to investigate the relationship

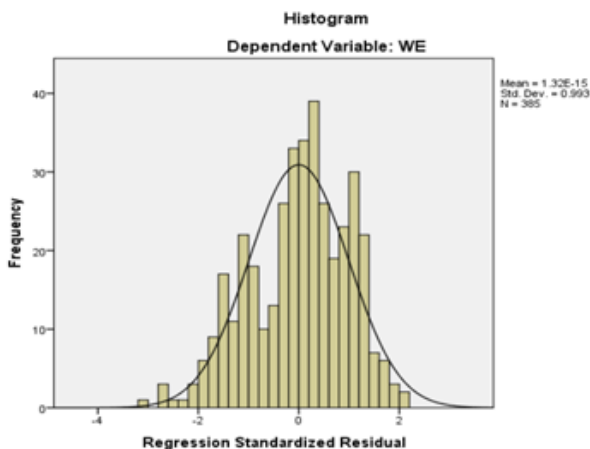


Figure 2 : Histogram with Normal Curve

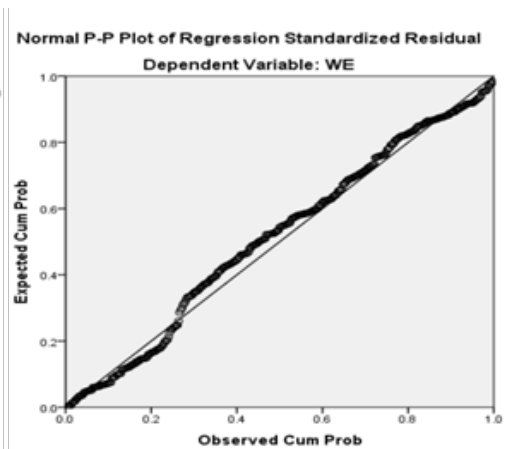


Figure 3: PP Plot



further.

The multiple regression expects the residual to follow a normal distribution because failure to meet the normality may compromise the validity of the significance tests. Visual tools like histograms, P-P plots and skewness and kurtosis measures can be used to determine normality. Figure 2 shows that the values are normally distributed with the data assuming the normality assumption in regression analysis.

Linear regression presupposes a linear correlation between the independent and dependent variables. According to figure 3, it can be concluded that the data points are roughly linear and close to the mean, that is, the linearity assumption is met, and the regression findings can be trusted.

**Table 4:** Multi Collinearity Test

Independent Variables	Tolerance	VIF
Financial Knowledge	0.68	1.46
Financial Behaviour	0.93	1.07
Financial Attitude	0.71	1.41
Financial Awareness	0.54	1.85
Financial Skill	0.69	1.44

Table 4 points that all the tolerance values are more than 0.10 with the respective VIF values less than the acceptable value of 10 (Belsley et al., 1980). This assures that there is no multicollinearity present between the independent variables and thus the regression model can be used in the further analysis.

**Table 5:** Regression Model Summary of Study Variables

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	SE of Estimate
0.61	0.38	0.37	0.44

Table 5 demonstrates that the model accounts a middle amount of variance in the investment decision. The value of R<sup>2</sup> equals 0.377; this value

implies that the independent variables (FK, FB, FA, FW, and FS) can explain a regression of 37.7 percent, the rest of the variance will be explained by other factors not entered in the model. Similar explanatory power (after taking into consideration degrees of freedom) is confirmed by the adjusted R<sup>2</sup> = 0.369. Also, the standard error of estimate (0.44) indicates the presence of moderacy of dispersion of the observed values around the regression line.

**Table 6:** ANOVA for regression model

	SS	df	MS	F	P-value
Regression	44.84	5	8.97	45.83	<0.01
Residual	74.16	379	0.19		
Total	118.99	384			

Based on Table 6, the regression model is significant (F = 45.83, p =.001), which means that the variables of financial literacy altogether have a significant impact on the empowerment of women. The greater value of the regression sum of squares as compared to the sum of squares of the residual value indicates that these variables account a large percentage of the change in female empowerment.

The results in in table 7 show that financial behavior ( $\beta = 0.20$ , p =0.01), financial attitude ( $\beta = 0.19$ , p =0.01), and financial awareness ( $\beta = 0.55$ , p =0.01) have the positive and significant impacts on the empowerment of women with financial awareness being the strongest predictor. Conversely, financial knowledge ( $\beta = -0.17$ , p =0.01) and financial skills ( $\beta = 0 = -0.11$ , p =0.05) exhibit their strong negative impact on empowerment of women. These findings indicate that behavior and attitudinal and awareness-based factors of financial literacy are more effective in empowering women as opposed to knowledge and technical abilities.

Table 8 indicates that there are statistically significant differences in empowerment of women in age groups. The results of ANOVA (F = 4.19,

**Table 7: Multiple Regression Coefficient**

	Unstandardized Coefficients		Standardized Coefficients	t	P-value
	B	SE	Beta		
(Constant)	1.86	0.25		7.36	<0.01
FK	-0.13	0.04	-0.17	-3.55	<0.01
FB	0.23	0.045	0.20	4.77	<0.01
FA	0.19	0.05	0.19	4.05	<0.01
FW	0.32	0.03	0.55	9.89	<0.01
FS	-0.07	0.03	-0.11	-2.34	0.02

p = 0.01) imply that the level of empowerment of women differs significantly depending on their age, which means that the age-related factors play a role in the disparity of the results obtained through ANOVA.

Table 9 presents statistically significant differences in the dependent variable between groups. The between-group variation is rather high than the within-group variation, a fact that shows that group differences are a significant source of the variability. The F-value of 9.04, having a p-value of 0.00 proves that these differences are statistically significant, which implies that there are significant differences between the groups in the terms of the dependent variable.

**Hypothesis Testing**

The correlation and the multiple regression analyses

were used to test the hypothesis to ascertain how the financial literacy dimensions influence the empowerment of women at the 5% level of significance. The findings also suggest that financial knowledge influences the empowerment of women negatively and statistically ( $\beta = -0.135, p = 0.01$ ), which contributes to the rejection of H1. H2 is supported by financial behavior where women are significantly and positively related to financial behavior ( $\beta = 0.200, p < 0.01$ ). On the same note, H3 is confirmed by financial attitude having a moderate positive and significant effect ( $\beta = 0.195, p = 0.01$ ). Financial awareness is the most significantly positive predictor of women empowerment ( $\beta = 0.546, p = 0.01$ ) which makes H4 quite valid. Financial skills in contrast have a significant relationship with the empowerment of women with a negative value ( $\beta =$

**Table 8: One-way ANOVA to Test Differences in Women Empowerment by Respondents' Age**

	SS	df	MS	F	P-value
Between Groups	3.80	3	1.27	4.19	0.01
Within Groups	115.19	381	0.30		
Total	118.99	384			

**Table 9: One-way ANOVA to Test Differences in Women Empowerment by Respondents' of Education Level**

	SS	df	MS	F	P-value
Between Groups	5.38	2	2.69	9.04	<0.01
Within Groups	113.61	382	0.29		
Total	118.99	384			



-0.114,  $p < 0.05$ ), which causes the acceptance of H5. Comprehensively, the results affirm that financial literacy dimensions have significant effects on the empowerment of women with awareness, attitude, and behavior having greater positive impacts than knowledge and skills.

## **5. DISCUSSION**

The regression outcome corroborates the fact that financial literacy is a powerful instrument of women empowerment albeit with varying degrees of effects along the dimensions subject to moderating variables especially age and education. Financial literacy has been considered using five dimensions of financial knowledge, financial behavior, financial attitude, financial awareness, and financial skills as the independent variables, with women empowerment as the dependent variable. Remarkably, the results indicate that there is a negative and significant correlation between financial knowledge and empowerment of women ( $\beta = -0.135$ ,  $p < .05$ ). This opposite finding is contrary to most of the available literature that yields a positive correlation between financial knowledge and empowerment (Abinfin et al., 2023; Ali et al., 2021; Raman, 2022). A possible answer is the contextual realities of women in semi-urban Nepal whereby having more knowledge about finances may increase their awareness to the risks of financial risks, institutional barriers, and gender-specific constraints without the autonomy or opportunity to act on it. In this kind of environment, women might have theoretical knowledge of financial values, however, do not have the power to make decisions, resources, or formal financial systems and experience a lack of connection between knowledge and empowerment results. This means that cognitive awareness which was a result of financial knowledge may not translate into agency and perceived power may be undermined. Conversely, there is a positive and significant effect

of financial behavior on the empowerment of women ( $\beta = 0.232$ ,  $p = 0.05$ ), and in this case, the results correspond with the previous studies that reveal the significance of knowledge translation into practical financial behavior like saving, budgeting and investment (Abinfin et al., 2023; Raman, 2022; Ali et al., 2021), which is not the same as the insignificant findings shown by Rachmadini and Damayanti (2023). In the same way, the financial attitude is associated with positive and significant level of empowerment ( $\beta = 0.198$ ,  $p < .05$ ), supporting the perception that positive financial orientations boost confidence, agency in the economy, and engagement into income generation (Ali et al., 2021; Patel et al., 2022; Struckell et al., 2022). Financial awareness appears as the most significant positive predictor of women empowerment ( $\beta = 0.324$ ,  $p < .05$ ), which means that an understanding of financial products, services, and other institutional mechanisms is a key to allowing women to gain and experience the benefits of financial opportunities in an effective way, which is consistent with Raman (2022) and Struckell et al. (2022). Financial skills, on the other hand, have a negative but statistically significant relationship with empowerment ( $\beta = -0.072$ ,  $p = .05$ ) and support the results of Rachmadini and Damayanti (2023) but refute the studies, which indicate positive outcomes (Abinfin et al., 2023; Ali et al., 2021; Mishra et al., 2022; Strucked et al., 2022). This implies that technical financial skills just like knowledge could be underutilized in the absence of facilitating socio-economic and institutional factors. Lastly, the moderating analysis also shows that age and education play a great role in improving the relation between financial literacy and empowerment of women, meaning that the higher the educational level and the life experience, the greater the ability of women to translate the financial literacy into actual empowerment results.



## 6. CONCLUSION

This paper evaluated the covariance between financial literacy and women empowerment in Chitwan, Nepal through a multidimensional financial literacy perspective. The results show that financial literacy is an important factor towards improving the empowerment of women, but the impacts vary by dimension. Financial behavior, financial attitude and financial awareness also exhibit strong and positive effects on the empowerment of women with financial awareness being the most significant factor. Financial knowledge and financial skills on the other hand show negative yet significant correlations, indicating that the theoretical knowledge and technical skills do not seem to be enough to empower the individual without incisive implementation and circumstantial support. Also, the values of age and education are important moderators of this relationship that means that life experience and educational levels increase the capacity of women to transform financial literacy into empowerment results. On the whole, the research indicates that the empowerment-based financial literacy programs must go beyond the knowledge transfer and emphasize the behavioral change, positive financial attitude, and awareness-building. The results offer context-specific evidence of a semi-urban Nepali environment and also present useful information to policy makers, financial institutions, and development practitioners willing to implement efficient women-based financial literacy programs.

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