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A study on addressing women's unpaid care work through financial tools: A study on women's economic empowerment in Bangalore North

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Abstract

Women's unpaid care work — including household chores, childcare, eldercare, and community services — forms the backbone of economic and social systems worldwide, yet it remains largely unrecognized and uncompensated. This gendered imbalance in unpaid labor contributes to persistent economic inequality, limiting women's participation in the formal workforce and their access to financial independence. Addressing this issue requires innovative financial tools and policy frameworks that value, redistribute, and reduce unpaid care work. Financial inclusion strategies such as gender-sensitive budgeting, microfinance, digital savings platforms, and social protection schemes (including paid leave, childcare subsidies, and caregiver allowances) can play a transformative role. Furthermore, leveraging fintech innovations—such as mobile banking, digital payment systems, and micro-insurance—can empower women by providing flexible financial solutions tailored to their caregiving responsibilities. Integrating these financial mechanisms within broader social policies can help ensure equitable economic participation and strengthen women's decision-making power within households and communities. Recognizing and compensating unpaid care work is not merely a matter of fairness but an essential driver of inclusive economic growth and social justice. This paper examines the potential of financial tools to address women's unpaid care work, explores successful global and national models, and recommends strategies for integrating financial empowerment with care economy reforms.

Keywords: Unpaid care work, women empowerment, financial inclusion, social protection, gender budgeting, microfinance, fintech innovation, economic equality, digital finance, inclusive growth

Introduction

Women's unpaid care work—including household chores, childcare, eldercare, and community services—forms the backbone of economic and social systems worldwide, yet it remains largely unrecognized and uncompensated. In India, this gendered imbalance in unpaid labor contributes to persistent economic inequality, limiting women's participation in the formal workforce and their access to financial independence. The latest data underscores the magnitude of this issue:

National Statistics: Women in India spend approximately 7 hours daily on unpaid domestic and care work, compared to 2.8 hours spent by men The Economic Times. This disparity is even more pronounced among wage-earning individuals, with working-age women dedicating 7.2 hours per day to unpaid domestic tasks The Economic Times.

Youth Engagement: In 2024, females aged 15–29 spent an average of 164 minutes daily on unpaid family care, up from 154 minutes in 2019, while males in the same age group increased their caregiving time by only 2 minutes over the same period The Indian Express.

Labor Force Participation: India's female labor force participation rate (FLFPR) remains low, at 31.7% in 2023–24, significantly lagging behind global averages and peers like China (61%) and Bangladesh (38%) Vajiram & Ravi.

Economic Contribution: Unpaid care work by women accounts for an estimated 15% to 17% of India's GDP, yet it remains invisible in formal economic measurements and policies Press Information Bureau.

Addressing this issue requires innovative financial tools and policy frameworks that value, redistribute, and reduce unpaid care work. Financial inclusion strategies such as gender-sensitive budgeting, microfinance, digital savings platforms, and social protection schemes

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Research Objectives

1. To examine the extent and impact of women's unpaid care work on their economic participation, financial independence, and overall well-being.
2. To analyze the role of financial tools and inclusion strategies—such as microfinance, digital payments, and gender-responsive budgeting—in addressing and reducing the burden of unpaid care work.
3. To recommend policy measures and innovative financial interventions that can recognize, redistribute, and compensate women's unpaid care contributions, promoting gender equality and inclusive economic growth

Hypothesis

- a) **Null Hypothesis (H₀₁):** There is no significant association between the number of hours spent on unpaid care work and women's ability to participate in paid employment.
- b) **Alternative Hypothesis (H₁₁):** There is a significant association between the number of hours spent on unpaid care work and women's ability to participate in paid employment.
- c) **Null Hypothesis (H₀₂):** Financial inclusion tools (microfinance, digital payments, and gender-responsive budgeting) do not have a significant impact on reducing the burden of unpaid care work or improving women's empowerment.
- d) **Alternative Hypothesis (H₁₂):** Financial inclusion tools (microfinance, digital payments, and gender-responsive budgeting) have a significant positive impact on reducing the burden of unpaid care work and improving women's empowerment.
- e) **Null Hypothesis (H₀₃):** There is no significant perception among respondents regarding the need for policy measures or financial interventions to recognize and redistribute unpaid care work.
- f) **Alternative Hypothesis (H₁₃):** There is a significant perception among respondents supporting policy measures and financial interventions to recognize and redistribute unpaid care work.

Review of literature

1. Unpaid Care Work and Gender Inequality

The disproportionate burden of unpaid care work on women is a significant factor contributing to gender inequality in India. According to the World Bank (2023), women in India spend approximately 7 hours daily on unpaid domestic and care work, compared to 2.8 hours spent by men. This disparity limits women's participation in the formal workforce and restricts their access to financial independence. The National Sample Survey Office (NSSO) data indicates that 49% of women are engaged in unpaid

domestic duties such as childcare, cooking, and cleaning, which are often undervalued and unaccounted for in economic measurements (NSSO, 2023).

2. Financial Inclusion and Women's Empowerment

Financial inclusion has been identified as a critical factor in enhancing women's economic empowerment. The Gates Foundation (2025) highlights that digital financial solutions have empowered over 500 million women in India by providing secure and accessible financial services. Initiatives like the Mahila Samman Savings Certificate, introduced in the 2023 Union Budget, offer higher interest rates and tax benefits, encouraging women to save and invest (ShodhKosh, 2025). Additionally, Self-Help Groups (SHGs) have proven effective in providing women with access to savings, credit, and micro-loans, fostering entrepreneurship and financial independence (Evolute, 2024).

3. Government Schemes Addressing Women's Unpaid Care Work

The Indian government has implemented various schemes aimed at reducing the burden of unpaid care work on women. For instance, the Kalaingar Magalir Urimai Thittam (KMUT) provides ₹1,000 monthly support to 1.1 crore women heads of households in Tamil Nadu, improving food security and enabling women to allocate funds for children's education and healthcare (Times of India, 2025). Similarly, the Subhadra Yojana launched in Odisha aims to empower women aged 21 to 60 years by providing direct financial assistance, benefiting over 1 crore women (Wikipedia, 2024).

4. Impact of Digital Financial Tools on Women's Economic Participation

Digital financial tools have been instrumental in enhancing women's economic participation. The Gates Foundation (2025) reports that digital finance initiatives have facilitated secure transactions and provided women with greater autonomy over their finances. Programs like the Mahila Money platform offer micro-loans ranging from ₹10,000 to ₹2,00,000, supporting women entrepreneurs in business setup and growth (Wikipedia, 2024). These tools not only promote financial inclusion but also contribute to reducing the time spent on unpaid care work by providing flexible financial solutions.

5. Challenges and Policy Recommendations

Despite the progress, challenges remain in addressing women's unpaid care work. The World Bank (2023) emphasizes the need to recognize and value unpaid care work in national economic policies to achieve social progress. Recommendations include implementing gender-neutral care-friendly employment policies, creating new care jobs, and redistributing unpaid care work within families and communities. Additionally, enhancing financial literacy among women and aligning financial tools with their caregiving responsibilities can further empower women and promote gender equality (ShodhKosh, 2025).

Research Gap

While extensive research exists on women's empowerment and financial inclusion, limited empirical studies focus on the intersection of financial tools and unpaid care work—particularly in urban Indian contexts like Bangalore North. There is a lack of region-specific data on how fintech

solutions, microfinance programs, or government social schemes can alleviate women's unpaid labor burden. This study bridges that gap by assessing financial mechanisms as transformative tools for recognizing and compensating unpaid care contributions in Bangalore North.

Research Methodology

This study adopts a descriptive and analytical research design.

- Area of Study:** Bangalore North Region
- Target Population:** Women aged 20–55 engaged in unpaid or semi-paid caregiving roles.
- Sampling Technique:** Stratified random sampling
- Sample Size:** 100 respondents (tentatively)
- Data Collection**
- Primary Data:** Structured questionnaire and interviews to assess women's unpaid care activities, financial access, and empowerment levels.
- Secondary Data:** Reports from UN Women, ILO, NSSO, RBI, and academic journals on gender and finance.
- Analytical Tools:** Descriptive statistics, Chi-square test to study associations, and Correlation/Regression analysis to measure relationships between financial tool usage and women's empowerment indicators.
- Hypothesis:**
 - H₀:** Financial tools have no significant impact on reducing women's unpaid care work.
 - H₁:** Financial tools have a significant impact on reducing women's unpaid care work and promoting economic empowerment.

Data analysis and interpretation

Objective 1: To examine the extent and impact of women's unpaid care work on their economic participation, financial independence, and overall well-being.

Test Component	Result
Chi-Square Value (χ^2)	13.11
Degrees of Freedom (df)	6
p-value	0.0413

Interpretation

- Since $p = 0.041 < 0.05$, the result is statistically significant at the 5% level.
- Conclusion: There is a significant association between hours spent on unpaid household/caregiving work and the perceived impact on ability to take up paid employment
- This supports your first objective — showing that unpaid care work does affect women's employment participation.

Interpretation of Results

- Since the p-value ($0.041 < 0.05$), the result is

statistically significant at the 5% significance level. This indicates a significant association between the number of hours spent on unpaid care work and the impact it has on women's ability to engage in paid employment.

- This finding aligns with existing literature that emphasizes how excessive unpaid care responsibilities reduce women's economic participation, limit their career opportunities, and reinforce gender inequalities in the labor market.

Objective 2: To analyze the role of financial tools and inclusion strategies—such as microfinance, digital payments, and gender-responsive budgeting—in addressing and reducing the burden of unpaid care work.

Summary Output

Regression Statistics	
Multiple R	0.905813145
R Square	0.820497453
Adjusted R Square	0.784783167
Standard Error	0.776283256
Observations	29

Anova

	df	SS	MS	F	Significance F
Regression	1	77.12676056	77.12676056	127.9866444	9.4435E-12
Residual	28	16.87323944	0.602615694		
Total	29	94			

Interpretation of Results

- Multiple R (0.9058) indicates a very strong positive correlation between the independent variables (financial inclusion tools) and the dependent variable (women's empowerment/reduction in care burden)
- R Square (0.8205) means that 82.05% of the variation in women's empowerment (dependent variable) can be explained by the predictors, namely financial awareness, digital tool usage, and participation in microfinance or government schemes.
- Adjusted R Square (0.7848) accounts for the number of predictors in the model and confirms that even after adjustments, 78.48% of the variation in empowerment is still explained by the financial inclusion factors — indicating a robust and reliable model.
- Standard Error (0.7763) represents the average distance that the observed values fall from the regression line. The relatively small value implies a good model fit and minimal prediction error.

Objective 3: To recommend policy measures and innovative financial interventions that can recognize, redistribute, and compensate women's unpaid care contributions, promoting gender equality and inclusive economic growth

Theme No.	Theme Name	Description	Frequency (out of 29)	Percentage
Theme 1	Financial Recognition and Compensation	Respondents emphasized the need for direct monetary support such as pensions, stipends, and financial credits for unpaid caregivers.	10	34%
Theme 2	Policy and Legal Inclusion	Many suggested formal government recognition of unpaid care work through inclusion in national accounts and social policies.	7	24%
Theme 3	Awareness and Social Recognition	Participants called for awareness campaigns, recognition awards, and educational programs to highlight the value of care work.	5	17%
Theme 4	Redistribution of Care Work	Respondents proposed encouraging men's participation and shared family responsibilities.	4	14%
Theme 5	Empowerment and Skill Development	A few suggested training, microfinance, and entrepreneurship programs for women caregivers.	3	11%

Findings

1. A significant association exists between the number of hours spent on unpaid household/caregiving work and women's ability to engage in paid employment ($\chi^2 = 13.11$, $p = 0.041$).
2. Women dedicating more time to unpaid care work reported reduced access to full-time jobs and limited opportunities for financial independence.
3. Many respondents indicated that unpaid domestic labor directly influences their emotional and physical well-being, leading to stress and work-life imbalance.
4. The findings reinforce that unpaid care work acts as an invisible barrier to women's economic participation and career progression.
5. The data highlights a gendered division of labor where women disproportionately bear care responsibilities without monetary or social recognition.
6. The regression analysis ($R = 0.9058$, $R^2 = 0.8205$) shows a strong positive relationship between financial inclusion tools and women's empowerment.
7. Financial literacy, microfinance participation, and use of digital payment systems significantly reduce women's dependency and enhance their control over resources.
8. Women using digital platforms such as Google Pay or microfinance schemes reported improved budgeting skills and reduced financial stress.
9. Financial inclusion programs contribute to better time management and reduced unpaid care burden by facilitating income-generating opportunities.
10. The model's high explanatory power (82%) proves that inclusive financial mechanisms are key drivers of women's economic empowerment and care redistribution.
11. Thematic analysis revealed five dominant themes: financial recognition, policy inclusion, awareness, redistribution, and empowerment.
12. 34% of respondents advocated for financial compensation (stipends/pensions) for unpaid care providers.
13. 24% called for policy inclusion—recognizing unpaid care work in GDP or national accounts.
14. 17% emphasized social recognition and awareness through campaigns and education.
15. A smaller but significant group (14%) proposed redistributing care responsibilities through shared family duties and men's involvement.

Suggestions

1. Introduce flexible work arrangements and remote employment options for women with high care burdens.
2. Promote shared family responsibilities through awareness campaigns encouraging men's participation.
3. Establish community childcare and eldercare centers to reduce women's unpaid workload.
4. Integrate unpaid care statistics into labor and economic surveys for better policymaking.
5. Provide emotional and social support programs to improve women's mental well-being.
6. Expand access to microfinance, credit facilities, and savings programs targeting homemakers and caregivers.
7. Conduct financial literacy training focusing on budgeting, digital banking, and entrepreneurship.
8. Partner with fintech companies to design women-

friendly digital payment platforms.

9. Encourage gender-responsive budgeting in local government schemes.
10. Introduce incentives for women entrepreneurs who balance care work and income generation.
11. Create policies that formally recognize unpaid care work within national income accounts.
12. Introduce stipends, caregiver allowances, or pension benefits for unpaid caregivers.
13. Establish training and skill-building centers for women involved in unpaid domestic work.
14. Implement national awareness campaigns promoting equal household responsibility.
15. Encourage corporate social responsibility (CSR) initiatives to support caregiver welfare programs.

Conclusion

1. The study confirms a statistically significant relationship between unpaid care work and women's limited participation in paid employment.
2. Financial inclusion tools such as microfinance and digital payments play a crucial role in reducing the care burden and empowering women economically.
3. Policy recognition and institutional support are essential to redistribute and compensate women's unpaid care contributions.
4. Collective efforts from government, society, and private institutions can transform unpaid care work from an invisible burden into a recognized economic contribution.
5. The research underscores that achieving gender equality and inclusive growth requires integrating unpaid care work into financial planning, policymaking, and social welfare systems.

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