Role of Microfinance in Women Empowerment: Awareness Study Among College Students

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Abstract: Microfinance has become an important approach for improving women's access to financial resources, especially for those who are unable to benefit from formal banking systems. By providing small loans, savings opportunities, and support through self-help groups, microfinance initiatives aim to strengthen women's economic independence and social participation. The present study examines the level of awareness among college students regarding microfinance and its role in promoting women's empowerment. The research is based on primary data collected through a structured questionnaire administered to students pursuing higher education across different academic streams.

The study explores students' understanding of microfinance services, their familiarity with the concept of financial inclusion, and their views on how access to financial support can enhance women's decision-making power, income-generating capacity, and overall social status. Students represent an important segment of society as future professionals, consumers, and decision-makers. Therefore, assessing their awareness provides insight into how financial empowerment initiatives are understood among educated youth.

A descriptive research design is adopted to analyze the collected responses and identify general patterns of awareness. The study does not focus on direct participation in microfinance programmes but rather on knowledge and understanding of their purpose and impact. The findings are expected to indicate whether students recognize microfinance as a meaningful tool for promoting gender equity and economic participation among women.

By examining awareness levels among college students, the study highlights the role of education in shaping attitudes toward financial inclusion and social development. The research contributes to academic discussions on microfinance and women's empowerment by presenting evidence from the perspective of young learners and emphasizing the importance of spreading financial awareness for inclusive growth.

Keywords: *Microfinance, Women Empowerment, Financial Inclusion, Student Awareness.*

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I. INTRODUCTION

Microfinance has emerged as an important instrument for promoting financial inclusion and empowering marginalized sections of society, particularly women. In many developing countries, women often face difficulties in accessing formal financial services due to lack of collateral, limited financial literacy, and social barriers. Microfinance institutions and self-help groups (SHGs) help overcome these challenges by providing small loans, savings facilities, and financial support to individuals who are otherwise excluded from traditional banking systems.

Women's empowerment through microfinance is widely recognized as a pathway for improving household welfare, enhancing economic independence, and strengthening decision-making power within families and communities. Access to financial resources allows women to start small businesses, contribute to family income, and gain greater control over economic activities.

College students represent the future workforce and leadership of society. Their awareness and understanding of financial inclusion initiatives such as microfinance can influence attitudes toward social development and gender equality. As educated youth, students are expected to possess knowledge about financial systems and development programmes aimed at improving socio-economic conditions.

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This study focuses on examining the awareness level among college students regarding microfinance and its role in women's empowerment. By assessing students' knowledge and perceptions, the research aims to understand how well microfinance initiatives are recognized as tools for promoting economic independence and social progress.

The concept of microfinance has attracted significant attention from researchers due to its role in promoting financial inclusion and women's empowerment. Various studies have examined how microfinance initiatives contribute to economic development and social progress, particularly among marginalized groups.

II. REVIEW OF LITERATURE

Muhammad Yunus (1999) emphasized that microfinance plays a crucial role in providing financial services to people who are excluded from traditional banking systems. Through the establishment of Grameen Bank, he demonstrated that small loans provided to poor individuals, especially women, can help them start small businesses, increase income, and improve their living standards.

Hashemi S. M., Schuler S. R., and Riley A. P. (1996) studied the impact of microcredit programs on women's empowerment in rural areas. Their research found that access to microfinance increases women's mobility, decision-making ability, and participation in household economic activities.

Naila Kabeer (2005) examined the relationship between microfinance and gender empowerment. The study concluded that access to financial resources enhances women's capacity to make independent choices and improves their role in both economic and social spheres.

According to Jonathan Morduch (1999), microfinance institutions play an important role in poverty reduction by providing financial services such as credit, savings, and insurance to low-income individuals. The study highlighted that microfinance helps individuals manage financial risks and develop sustainable livelihoods.

In the Indian context, C. Rangarajan (2008) highlighted the importance of financial inclusion in promoting economic growth and reducing inequality. The study emphasized that expanding access to banking and microfinance services is essential for empowering disadvantaged sections of society, particularly women.

Several studies have also focused on the role of self-help groups in promoting women's empowerment. Self-help groups encourage collective savings and provide access to credit for women, enabling them to engage in small-scale entrepreneurial activities and improve their socio-economic conditions.

Although many studies have explored the impact of microfinance on women's empowerment, limited research has focused on the awareness level among college students regarding microfinance and its role in empowering women. Therefore, the present study attempts to fill this gap by examining how students perceive microfinance and whether they recognize its importance in promoting financial inclusion and gender equality.

III. RESEARCH METHODOLOGY

➢ *Research Design*

The present study adopts a descriptive research design to examine the level of awareness among college students regarding microfinance and its role in women's empowerment. Descriptive research is suitable for identifying patterns, opinions, and awareness levels within a specific group.

➢ *Objectives of the Study*

- To examine the level of awareness about microfinance among college students.
- To understand students' perception of microfinance as a tool for women's empowerment.
- To analyze students' knowledge regarding financial inclusion and self-help groups.
- To study the role of education in shaping attitudes toward financial empowerment of women.

➢ *Hypotheses of the Study*

- *H_{01} (Null Hypothesis):*

There is no significant level of awareness among college students regarding microfinance and its role in women's empowerment.

- *H_{11} (Alternative Hypothesis):*

There is a significant level of awareness among college students regarding microfinance and its role in women's empowerment.

➢ *Study Area*

The study was conducted at Motiram Baburam Government Post Graduate College (MBGPG College), located in Haldwani, Uttarakhand, which is affiliated with Kumaun University.

The college is one of the largest higher education institutions in the Kumaun region and offers a wide range of academic programmes.

Students from multiple academic streams were considered for the study, including:

- Commerce
- Arts
- Science
- Computer Science
- B.Ed. (Education)
- Music
- Sports
- Psychology

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Including students from diverse academic backgrounds helps in understanding differences in awareness levels across disciplines.

➢ *Sample and Sampling Technique*

The study focuses on students currently enrolled in undergraduate and postgraduate programmes at MBGPG College. A convenience sampling method was used to collect responses from students who were available and willing to participate in the survey.

The present study includes a sample of 100 students selected from different academic streams such as Commerce, Arts, Science, Computer Science, B.Ed., Music, Sports, and Psychology from Motiram Baburam Government Post Graduate College located in Haldwani, Uttarakhand and affiliated with Kumaun University.

According to Roscoe (1975), a sample size greater than 30 and less than 500 is considered appropriate for most behavioral and social science studies, making 100 respondents a suitable sample for survey research.

A structured questionnaire was distributed among students from different academic streams to gather primary data regarding their awareness of microfinance and its role in women's empowerment.

➢ *Data Collection*

The research is primarily based on primary data collected through a structured questionnaire. To measure respondents' perceptions and attitudes, the questionnaire employed a five-point Likert scale. The women empowerment items in the questionnaire were adapted from the studies of Naila Kabeer (2005) and S. M. Hashemi, S. R. Schuler, and Ann P. Riley (1996).

The questionnaire included questions related to:

- Awareness of microfinance
- Understanding of financial inclusion
- Knowledge about self-help groups (SHGs)
- Perception of microfinance as a tool for women's empowerment
- Opinions on how microfinance influences women's economic and social status

Secondary information was also obtained from books, research articles, journals, and reports related to microfinance and women's empowerment.

➢ *Data Analysis*

The collected data were analyzed using descriptive statistical methods such as percentages, tables, and simple charts to identify general trends in awareness among students. The analysis focuses on understanding the overall level of knowledge and perception regarding microfinance.

➢ *Limitations of the Study*

- The study is limited to students of Motiram Baburam Government Post Graduate College, Haldwani.
- The research focuses only on awareness and perception rather than actual participation in microfinance programmes.
- Responses are based on students' personal opinions, which may vary.

➢ *Scope of the Study*

The study is limited to students of Motiram Baburam Government Post Graduate College, Haldwani, affiliated with Kumaun University. It focuses on awareness levels among students from different academic streams and does not examine the actual participation of respondents in microfinance programmes.

IV. DATA ANALYSIS AND FINDINGS

Table 1 Demographic Profile

S. No.	Demographic Variable	Category	Number of Respondents	Percentage (%)
1	Gender	Male	42	42%
		Female	58	58%
		Total	100	100%
2	Age Group	18–20 years	60	60%
		21–23 years	30	30%
		24 years and above	10	10%
		Total	100	100%
3	Academic Stream	Commerce	28	28%
		Arts	22	22%
		Science	18	18%
		Computer Science	12	12%
		B.Ed.	8	8%
		Music	5	5%
		Sports	4	4%
		Psychology	3	3%
		Total	100	100%
4	Level of Study	Undergraduate	76	76%
		Postgraduate	24	24%

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		Total	100	100%
5	Year of Study	1st Year	40	40%
		2nd Year	24	24%
		3rd Year	12	12%
		Postgraduate	24	24%
		Total	100	100%

The demographic profile shows that the majority of respondents are female students (58%), while 42% are male. Most students belong to the 18–20 years age group (60%), indicating that the sample mainly consists of younger college students.

In terms of academic stream, the highest proportion of respondents is from Commerce (28%), followed by Arts (22%) and Science (18%). The majority of participants are undergraduate students (76%), with first-year students forming the largest group (40%).

Overall, the respondents represent students from different academic streams and study levels, providing a diverse sample for examining awareness about microfinance and women's empowerment.

Since most respondents are young undergraduate students, particularly from the 18–20 age group, their awareness of microfinance is likely to be basic or developing rather than advanced. The presence of a higher number of commerce students may contribute to some level of familiarity with financial concepts, but overall the results mainly reflect the awareness level of early-stage college students regarding microfinance and women's empowerment.

➢ *Awareness of Microfinance*

- *Awareness of the Concept of Microfinance*

To assess the basic level of awareness about microfinance among students, three statements were included in the questionnaire: awareness of the concept of microfinance, understanding that microfinance provides financial services to individuals who cannot access traditional banking systems, and knowledge that microfinance institutions provide small loans to low-income individuals.

The responses indicate that students are not very well informed about the concept of microfinance. When asked whether they were aware of the concept of microfinance, only 38% of the respondents agreed that they were familiar with it, while 27% remained neutral and 35% disagreed, indicating that a significant proportion of students lack basic knowledge about the concept.

Similarly, when asked whether microfinance provides financial services to people who cannot access traditional banks, 42% of students agreed, whereas 33% were neutral and 25% disagreed. This suggests that although some students have a general idea about financial services for disadvantaged groups, many are uncertain about the role of microfinance institutions.

In the case of the statement that microfinance institutions provide small loans to low-income individuals, 46% of respondents agreed, 30% were neutral, and 24% disagreed. The relatively high number of neutral responses indicates that many students are unsure about the specific services offered by microfinance institutions.

Overall, the results suggest that awareness of microfinance among students is moderate to low, with many respondents showing limited or unclear understanding of its purpose and functions. These findings highlight the need for greater awareness and educational initiatives to help students better understand financial inclusion mechanisms and the role of microfinance in supporting marginalized communities and women's empowerment.

➢ *Understanding of Financial Inclusion*

For the statement that financial inclusion is important for the development of society. The responses indicate that students' understanding of financial inclusion is somewhat limited and uncertain. For the statement that financial inclusion is important for the development of society, 48% of respondents agreed, 32% remained neutral, and 20% disagreed. The relatively high neutral responses suggest that many students are not completely familiar with the concept but tend to agree with the general idea that access to financial services benefits society.

When asked whether microfinance helps reduce poverty in rural and urban areas, only 39% of students agreed, while 37% remained neutral and 24% disagreed. The high percentage of neutral responses indicates that many students were uncertain about the specific role of microfinance in poverty reduction, which may reflect limited exposure to the topic in their academic studies.

In response to the statement that students should learn about financial inclusion and microfinance in their courses, 63% of respondents agreed, 23% remained neutral, and 14% disagreed. This suggests that even though students may not have strong knowledge of the subject, many feel that greater academic discussion could improve their understanding.

Finally, regarding whether awareness about microfinance among youth is important for social development, 55% of students agreed, 29% were neutral, and 16% disagreed. The responses again show that while some students recognize the importance of awareness, a considerable proportion of respondents remain unsure about the broader implications of financial inclusion.

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Overall, the analysis indicates that students' knowledge of financial inclusion and its link with economic participation appears to be moderate to low. A significant number of respondents chose neutral responses, which suggests uncertainty or limited familiarity with the subject. This finding highlights the need for greater awareness and educational initiatives to help students better understand financial inclusion and its relevance to social and economic development.

➤ *Knowledge About Self-Help Groups (SHGs)*

For the statement that self-help groups (SHGs) play an important role in microfinance activities, 41% of respondents agreed, 36% remained neutral, and 23% disagreed. The responses suggest that while some students are aware of the role of SHGs, a considerable number are uncertain about their functioning.

Regarding the statement that microfinance programmes encourage savings habits among women, 44% of students agreed, 34% remained neutral, and 22% disagreed. The relatively high neutral responses indicate that many respondents are not fully aware of how microfinance programmes promote savings behaviour among women.

For the statement that self-help groups help women support each other financially and socially, 47% of respondents agreed, 31% remained neutral, and 22% disagreed. This indicates that although some students recognize the supportive role of SHGs, a large proportion still lack clear understanding about their broader social and financial impact.

Overall, the responses show limited awareness and considerable uncertainty regarding the functioning and role of self-help groups in microfinance activities.

➤ *Perception of Microfinance as a Tool for Women's Empowerment*

For the statement that microfinance programmes help women start small businesses, the responses show that 45% of respondents agreed, 33% remained neutral, and 22% disagreed. The distribution of responses indicates a moderate level of recognition among students regarding the entrepreneurial opportunities created through microfinance initiatives, although a sizeable segment of respondents remained uncertain.

In response to the statement that access to microfinance improves women's economic independence, 49% of students expressed agreement, 30% selected the neutral option, and 21% disagreed. The results suggest that nearly half of the respondents perceive a positive association between microfinance access and women's financial autonomy.

For the statement that microfinance programmes encourage women's participation in economic activities, 43% of respondents agreed, 35% remained neutral, and 22% disagreed. The comparatively higher proportion of neutral responses indicates that students may not have a clearly formed perception regarding the broader economic participation outcomes of microfinance programmes.

Regarding the statement that educational institutions should promote awareness about microfinance, a clear majority of 62% respondents agreed, while 24% remained neutral and 14% disagreed. This reflects a stronger consensus among students on the role of educational institutions in disseminating knowledge about financial inclusion initiatives.

Similarly, for the statement that government policies supporting microfinance can promote women's empowerment, 54% of students agreed, 28% selected the neutral category, and 18% disagreed. The response pattern indicates a moderate level of confidence among respondents regarding the effectiveness of policy support in strengthening microfinance initiatives.

Overall, the response distribution across these statements suggests that students demonstrate a moderate perceptual acknowledgement of microfinance as a potential instrument for women's empowerment, though the presence of neutral responses reflects varying degrees of familiarity with the subject.

➤ *Opinions on Microfinance's Impact on Women's Economic and Social Status*

For the statement that microfinance helps women contribute to household income, 52% of respondents strongly agreed, 28% agreed, 12% remained neutral, 5% disagreed, and 3% strongly disagreed. The high proportion of strong agreement indicates that most students believe that microfinance can play an important role in supporting women's contribution to household income.

Regarding the statement that women who receive financial support through microfinance gain more confidence in decision-making, 46% of respondents agreed, 22% strongly agreed, 18% remained neutral, 9% disagreed, and 5% strongly disagreed. This distribution suggests that a majority of students perceive a positive relationship between financial access and women's confidence in decision-making.

For the statement that women involved in microfinance programmes have better social status in society, 34% of respondents selected the neutral option, 31% agreed, 12% strongly agreed, 15% disagreed, and 8% strongly disagreed. The higher proportion of neutral responses indicates that many students are uncertain about the social status implications of microfinance participation.

In response to the statement that microfinance initiatives can improve the standard of living of women and their families, 48% of respondents agreed, 24% strongly agreed, 16% remained neutral, 8% disagreed, and 4% strongly disagreed. The responses indicate that a considerable number of students associate microfinance with potential improvements in household living standards.

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Finally, for the statement that increasing awareness of microfinance can promote gender equality and women's empowerment, 29% of respondents indicated "don't know", 33% agreed, 14% strongly agreed, 15% remained neutral, and 9% disagreed. The relatively higher "don't know" responses suggest that many students are unsure about the broader societal impact of microfinance awareness.

Overall, the findings indicate that students generally associate microfinance with economic improvements for women, while perceptions regarding social empowerment and gender equality remain less clearly defined.

➢ *Hypothesis Testing*

To examine the level of awareness among students regarding microfinance and women's empowerment, the following hypothesis was formulated:

- H_0: There is no significant awareness among college students regarding microfinance and women's empowerment.
- H_1: There is significant awareness among college students regarding microfinance and women's empowerment.

A Chi-square test was applied to test the hypothesis using the responses obtained from 100 students. The calculated Chi-square value was 12.5, while the table value at 5% level of significance with 4 degrees of freedom is 9.488. Since the calculated value is greater than the table value, the null hypothesis is rejected and the alternative hypothesis is accepted.

This result indicates that college students show a significant level of awareness regarding microfinance and its role in women's empowerment, although the degree of understanding varies among respondents.

V. CONCLUSION

The present study examined the level of awareness among college students regarding microfinance and its role in women's empowerment. The analysis was based on responses collected from 100 students of Motiram Baburam Government Post Graduate College located in Haldwani, Uttarakhand and affiliated with Kumaun University.

The findings indicate that students possess partial awareness of microfinance, particularly in relation to its economic benefits such as helping women contribute to household income, encouraging savings, and supporting small business activities. A considerable proportion of respondents agreed that microfinance programmes can improve women's economic participation and living standards. This suggests that students generally associate microfinance with financial support and income-generating opportunities for women.

However, the analysis also revealed that many students showed neutral or uncertain responses regarding the broader concepts of financial inclusion, the functioning of self-help groups, and the social empowerment outcomes associated with microfinance. This pattern indicates that while students may have a basic understanding of the economic aspects, their knowledge of the institutional mechanisms and wider developmental implications of microfinance remains limited.

The results further highlight the importance of educational institutions in promoting awareness of financial inclusion and microfinance initiatives. A majority of respondents expressed the view that such topics should be discussed in academic courses and awareness programmes so that students can develop a clearer understanding of their relevance for social and economic development.

Overall, the study suggests that microfinance is recognized by students as a useful mechanism for improving women's economic conditions, but greater awareness and educational engagement are needed to deepen their understanding of its broader role in promoting financial inclusion, gender equality, and sustainable social development.

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