Jurnal Minds: Manajemen Ide dan Inspirasi
Vol. 12, No.2 (December) 2025: 475-488

Empowering Household Finances: Housewives' Financial Literacy, Confidence, Risk Appetite, and Dependence in Indonesia

Putriyuki Dewanti, Viverita
Universitas Indonesia, Indonesia

Citation (APA 7th): Dewanti, P., & Viverita, V. (2025). Empowering Household Finances: Housewives' Financial Literacy, Confidence, Risk Appetite, and Dependence in Indonesia. *Jurnal Minds: Manajemen Ide Dan Inspirasi*, *12*(2), 475–488. https://doi.org/10.24252/minds.v12i2.57368

Submitted: 31 May 2025
Revised: 24 August 2025
Accepted: 05 September 2025
Published: 23 September 2025

ABSTRACT: This study analyzes the influence of financial literacy, investment confidence, risk appetite, and dependence status on the financial decision-making of housewives in Indonesia. The academic contribution lies in integrating psychological and sociocultural factors into the financial literacy–behavior nexus, offering a nuanced perspective on household financial agency. A survey of 230 housewives was analyzed using structural equation modeling (SmartPLS) to test the proposed relationships. Results show that financial literacy interacts with investment confidence, risk appetite, and dependence status, yet its impact is contingent on the ability to apply knowledge in everyday contexts. Investment confidence enhances proactive financial behavior, while risk appetite encourages more diverse decisions. Conversely, high dependence on others restricts autonomy in financial choices. The findings emphasize the need for tailored financial education programs that strengthen housewives' independence and improve overall household financial well-being.

Keywords: Housewives Financial Literacy; Investment Confidence; Risk Appetite; Dependence Status; Household Decision-Making

*Corresponding Author: putriyukidewanti@gmail.com
DOI: https://doi.org/10.24252/minds.v12i2.57368
ISSN-E: 2597-6990
ISSN-P: 2442-4951
http://journal.uin-alauddin.ac.id/index.php/minds
Publisher: Management Department, Universitas Islam Negeri Alauddin Makassar, Indonesia

INTRODUCTION

Financial literacy has emerged as a crucial element in economic and financial management, particularly following the 2008 global financial crisis, which highlighted the risks associated with financial mismanagement (Lusardi & Mitchell, 2023; Sundarasen et al., 2023). Financial literacy refers to the ability to understand and effectively use various financial skills, such as budgeting, investing, and managing risks, which are essential for making informed financial decisions (Kamakia et al., 2017). Conceptually, financial literacy is not only about acquiring financial knowledge but also about developing the confidence, skills, and attitude to apply that knowledge in real-life decision-making. It encompasses an individual's capacity to interpret financial information, evaluate financial choices, and make rational decisions that contribute to financial well-being (OECD, 2016).

Financial literacy plays a central role in decision-making by equipping individuals with the ability to assess the risks and benefits of different financial options. It supports better choices in areas such as saving, debt management, insurance, and investments. Individuals with higher financial literacy are more likely to plan for the future, save regularly, and invest wisely, whereas those with lower literacy levels are more prone to over-indebtedness, poor budgeting, and financial insecurity (Lusardi & Tufano, 2015). In the context of household financial management, financial literacy helps individuals navigate day-to-day expenses and long-term financial planning, particularly in times of uncertainty or economic shocks.

However, despite the growing awareness of its importance, financial literacy levels remain low globally, with only one-third of adults able to understand basic financial concepts (S&P Global FinLit Survey, 2015). Women, in particular, consistently exhibit lower financial literacy compared to men, limiting their financial independence and decision-making capabilities (Preston et al., 2024). Indonesia faces similar challenges, where the gap between financial literacy and financial inclusion remains significant.

According to the 2024 National Survey on Financial Literacy and Inclusion (SNLIK) by the Financial Services Authority (OJK), financial literacy in Indonesia has increased from 49.68% in 2022 to 65.43% in 2024, yet financial inclusion has slightly declined from 76.19% to 75.02% during the same period. This discrepancy suggests that while financial knowledge has improved, its practical application remains limited (Widyastuti et al., 2024). This issue is particularly pertinent for housewives, who play a critical role in managing household finances but often lack formal financial education and access to financial services. Although women in Indonesia report higher financial literacy rates (66.75%) compared to men (64.14%), socio-cultural barriers, limited investment confidence, and risk aversion continue to hinder their financial decision-making capabilities (Preston et al., 2024; Sundarasen et al., 2023).

Housewives are responsible for budgeting, saving, and managing household expenses, making their financial literacy and decision-making skills vital for household economic stability (Wahyuni, 2017). However, existing research has predominantly focused on working women, leaving a substantial gap in understanding how housewives manage household finances, especially in households where they do not earn their own income (Sharma, 2024). In addition, most studies have not sufficiently explored the combined influence of financial literacy, investment confidence, risk appetite, and dependence status on financial decision-making among housewives. These factors are critical, considering the socio-cultural context of Indonesia, where traditional gender norms and patriarchal structures often limit women's roles in making major financial decisions (Pandey et al., 2021).

This study aims to address these research gaps by analyzing the influence of financial literacy, investment confidence, risk appetite, and dependence status on the financial decision-making of housewives in Indonesia. By focusing on housewives, this research offers a novel perspective on financial decision-making in a socio-cultural context characterized by collectivist values and traditional gender roles. The findings are expected to contribute to the academic literature by enriching the theoretical understanding of how these factors interact to shape financial decision-making among housewives. Additionally, the results aim to provide practical recommendations for policymakers and financial educators to develop targeted financial literacy programs that empower housewives to manage household finances more effectively and independently.

While patriarchal norms often limit women's roles in household finance (Pandey et al., 2021), emerging evidence shows contrasting patterns in urban and matrifocal households, where women increasingly exercise financial autonomy. Studies in metropolitan areas highlight that working women or those in nuclear family settings tend to have greater involvement in investment and household budget allocation (Kumar et al., 2023; Pokhrel, 2023). This contrast underscores that dependence status is not uniform but varies across socio-cultural contexts in Indonesia.

In addition, digital finance and fintech innovations are reshaping household financial practices. The rapid adoption of mobile banking, e-wallets, and online investment platforms in Indonesia provides new opportunities for women to access financial services independently (Widyastuti et al., 2024; Jamil et al., 2023). These technologies can potentially reduce informational asymmetries and reliance on male counterparts, thereby challenging traditional household financial roles.

THEORETICAL REVIEW

Financial Literacy

Financial literacy refers to the ability to understand and effectively use various financial skills, including budgeting, investing, and managing risks. It plays a vital role in enhancing financial well-being, risk management capabilities, and making more effective financial decisions (Kamakia et al., 2017; Sundarasen et al., 2023). According to the Organization for Economic Cooperation and Development (OECD, 2020), financial literacy is defined as the awareness, knowledge, skills, attitude, and behavior required to make sound financial decisions. In the context of housewives, financial literacy is particularly important as they are often responsible for managing household budgets, savings, and daily expenses despite limited access to formal financial education and services (Wahyuni, 2017). Previous studies have confirmed a positive relationship between financial literacy and financial decision-making, suggesting that higher levels of financial literacy enable housewives to make more informed financial choices (Ali et al., 2020; Pangestu & Karnadi, 2020).
H1: Financial literacy among housewives influences household financial decision-making.

Investment Confidence

Investment confidence refers to an individual's belief in their ability to make effective investment decisions. It is significantly influenced by financial literacy and determines the willingness to engage in investments that carry higher risks and potential returns (Lusardi & Mitchell, 2011; Sharma et al., 2024). In the context of housewives, investment confidence is often limited due to socio-cultural norms that reinforce dependence on male family members for major financial decisions (Sharma et al., 2024). Low investment confidence among housewives leads to conservative financial behaviors, reducing their ability to diversify investments and achieve higher returns (Bannier & Schwarz, 2018). Empowering housewives with financial knowledge can significantly enhance their investment confidence, enabling them to make bolder and more independent financial decisions.
H2: Investment confidence among housewives influences household financial decision-making.

Risk Appetite

Risk appetite is defined as the level of risk an individual is willing to accept in pursuit of financial goals. It is a critical factor in financial decision-making as it influences investment choices and portfolio diversification strategies (Sharma et al., 2024). Research indicates that women, especially housewives, generally exhibit a lower risk appetite compared to men, preferring safer and more conservative financial instruments due to a focus on financial security for their families (Olsen & Cox, 2001; EY & ASSOCHAM, 2018). This conservative approach often limits the potential for higher financial returns. However, studies suggest that improving financial literacy can help housewives better assess risks and adopt more balanced investment strategies (Grable & Rabbani, 2023).
H3: Risk appetite among housewives influences household financial decision-making.

Dependence Status

Dependence status refers to the extent to which individuals rely on others for financial decision-making, particularly concerning investment decisions (Sharma et al., 2024). Housewives, in particular, tend to exhibit a higher dependence status due to socio-cultural norms and traditional gender roles that position men as the primary decision-makers for significant financial matters (Sharma & Kota, 2019). This dependence limits their financial independence and ability to make informed decisions independently. Studies suggest that a higher level of financial literacy can reduce dependence status by providing housewives with the confidence and knowledge needed to make independent financial decisions (Juyal & Singh, 2009; Aftab & Kashmir, 2022). Reducing dependence status is critical for enhancing financial autonomy among housewives and improving their ability to contribute effectively to household financial management.

H4: Dependence status among housewives influences household financial decision-making.

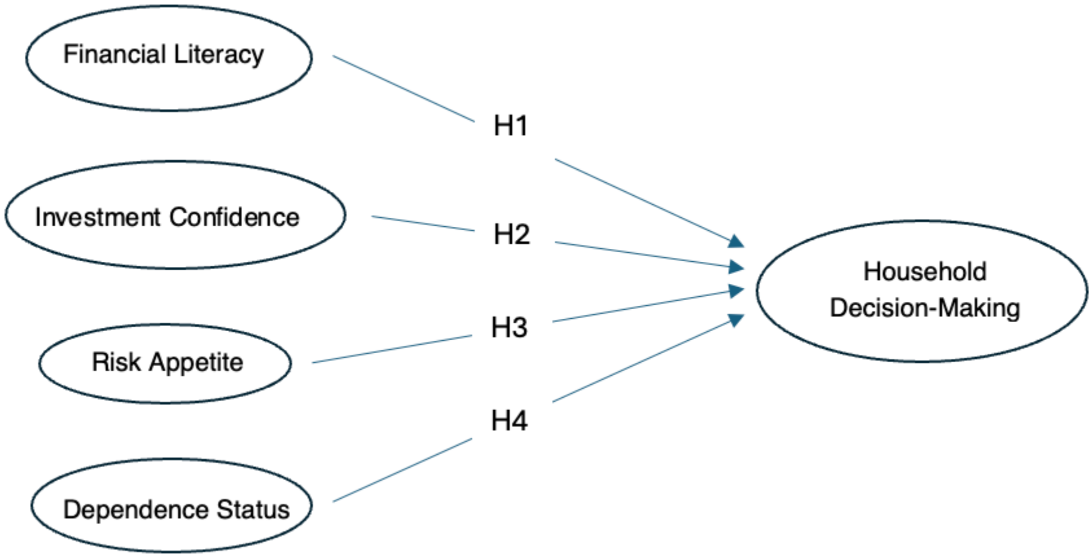

Figure 1. Conceptual Framework

RESEARCH METHOD

This study employed a quantitative approach to examine the impact of financial literacy, investment confidence, risk appetite, and dependence status on the financial decision-making of housewives in Indonesia. Data were collected through a questionnaire-based survey of 230 housewives aged 23 to 58 years, selected using convenience sampling. The questionnaire included sections on demographic characteristics, financial literacy, investment confidence, risk appetite, dependence status, and household decision-making, with all variables measured using a 4-point Likert scale. The 4-point Likert was chosen to minimize central tendency bias and facilitate comprehension for respondents with varying literacy levels. The analysis used the Structural Equation Modeling (SEM) approach with Partial Least Squares (PLS) estimation, operated through SmartPLS software, which is appropriate for predictive orientation, non-normal data distribution, and relatively small sample sizes compared to CB-SEM alternatives like AMOS. Prior to hypothesis testing, model evaluation was conducted through convergent validity, internal consistency reliability, and discriminant validity. Two indicators (LK2 and LK3) were removed due to low loading values; however, the theoretical coverage of the financial literacy construct remains intact as the retained items still represent the conceptual domain effectively.

The analysis conducted in this study consists of descriptive analysis and statistical analysis. The descriptive analysis was performed based on the respondents' answers to the distributed questionnaires, aiming to provide an overview of the respondents' demographic characteristics, such as age, education level, marital status, number of children, income per month, home-based business and investment behavior.

The statistical analysis was employed to test the structural model and the research hypotheses. This analysis used the Structural Equation Modeling (SEM) approach with Partial Least Squares (PLS) estimation, operated through SmartPLS software. Prior to hypothesis testing, model evaluation was conducted through measurement model testing, including assessments of convergent validity, internal consistency reliability, and discriminant validity.

Convergent validity was confirmed through outer loading, Cronbach's alpha, Composite Reliability, and Average Variance Extracted (AVE). Discriminant validity was verified using the Fornell-Larcker criterion. Once validity and reliability were established, hypothesis testing was carried out using the bootstrapping procedure to obtain path coefficients, T-statistics, and p-values to assess the significance of each proposed relationship.

RESULTS

The information in Table 1 shows that most of the respondents (79.6%) were between 23–35 years old, and the majority held secondary education (58.7%). Nearly all participants were married (99.1%) and had 1–2 children (75.2%). Most respondents resided in the Java–Bali region (90%), and a majority had a monthly household income between IDR 2 to 10 million (73%). Moreover, 45.2% of respondents reported having home-based business activities. Regarding investment behavior, 79.1% of respondents indicated ownership of low-risk investment instruments. These demographic characteristics also shape financial behaviors: younger women tended to show lower risk appetite, higher education correlated with stronger investment confidence, and those engaged in home-based businesses demonstrated more proactive decision-making patterns.

Table 1. Demographic Profiling

Profile	N	Percentage (%)
Age		
23-35	183	79.6
36-58	47	20.4
Primary education	18	7.8
Secondary education	135	58.7
Higher education	77	33.5
Marital status		
Married	228	99.1
Divorced	2	0.9
Number of children		
None	4	1.7
1-2	173	75.2
>3	53	23.0
Sumatra	18	7.8
Java - Bali	207	90.0
Nusa Tenggara	2	0.9
Kalimantan	3	1.3
Income per month		
Lower economy	29	12.6
Middle economy	168	73.0
Higher economy	33	14.4
Home-based Business		
No	126	54.8
Yes	104	45.2
Type of investment		
None	39	17.0
Low risk	182	79.1
Medium risk	37	16.1
High risk	24	10.4

The assessment of financial literacy in Table 2 included five key concepts interest, inflation, risk, bonds, and mortgages. Results showed that most respondents correctly understood interest (73%) and mortgages (88.7%). However, only 25.2% answered risk-related items correctly, indicating a significant knowledge gap. Similarly, only 30% understood bonds, and 50.4% answered inflation items correctly.

Table 2. Financial Literacy Knowledge

Financial literacy	N	Percentage (%)
Interest		
True	168	73.0
False	55	24.0
Don't know	7	3.0
Inflation		
True	116	50.4
False	104	45.2
Don't know	10	4.4
Risk		
True	58	25.2
False	138	60.0
Don't know	34	14.8
Bonds		
True	69	30.0
False	141	61.3
Don't know	20	8.7
Mortgage		
True	204	88.7
False	16	7.0
Don't know	10	4.3

Before proceeding to model testing, the initial step involves evaluating the outer model to determine the validity of the measurement indicators. This evaluation is conducted by examining the outer loadings, which reflect how strongly each observed variable represents its corresponding latent construct. According to Ghozali and Latan (2015), a loading factor between 0.5 and 0.6 is considered acceptable for exploratory or early-stage research. Indicators with loading values above 0.7 are considered highly valid and are suitable for more advanced analysis and generalization.

After evaluating the outer loadings, the analysis proceeded to assess the validity and reliability of the measurement model (Table 3). Convergent validity was evaluated through the loading factors of each indicator. Two items, LK2 and LK3, were removed due to loading values below the recommended threshold of 0.6. After their exclusion, all remaining indicators showed loading values above 0.6, indicating acceptable convergent validity. Internal consistency was assessed using Cronbach's Alpha and Composite Reliability, with all constructs exceeding the minimum acceptable threshold of 0.6, confirming adequate reliability. Furthermore, the Average Variance Extracted (AVE) values for each construct were above 0.5, which further supports the convergent validity of the measurement model.

Discriminant validity in this study was assessed using the Fornell–Larcker Criterion, which remains one of the most widely applied approaches in structural equation modeling to evaluate construct distinctiveness. This method involves comparing the square root of the Average Variance Extracted (AVE) for each latent variable, represented on the diagonal of the correlation matrix, with the correlations between that construct and all other constructs in the model. As presented in Table 4, the diagonal values—indicating the square root of AVE—are consistently higher than the off-diagonal correlation coefficients. This pattern provides evidence that each latent construct shares more variance with its own indicators than with other constructs, thereby establishing discriminant validity. The outcome suggests that the constructs under investigation—financial literacy, investment confidence, risk appetite, and dependence status—are empirically distinct and not excessively overlapping. Hence, the model satisfies the requirement for discriminant validity, confirming that multicollinearity or construct redundancy is not a concern in this study.

Table 3. Outer Loading, Construct Reliability and Validity

Variable/Item	Loading	Alpha	CR	AVE
Financial Literacy		0.628	0.648	0.566
If you have savings in a bank with a significant interest rate each year and you do not withdraw any money for several years, what will happen to your total savings?	0.741			
If interest rates rise, what usually happens to bond prices?	0.702			
If you take a home loan (mortgage) with a shorter term, the monthly installment will be higher, but the total interest paid will be lower.	0.810			
Investment Confidence		0.821	0.822	0.651
I am good at managing my daily finances, such as using a bank account, credit and debit cards, and tracking expenses.	0.808			
I consider myself good at math or calculations.	0.811			
I feel that I have good financial knowledge.	0.850			
I feel confident when making my own investment decisions.	0.755			
Risk Appetite		0.845	0.850	0.687
I am willing to take risks in investments, including the possibility of losing part of my savings, for the opportunity to earn higher returns.	0.881			
I believe that higher returns often require taking risks.	0.721			
I am willing to invest in riskier options to gain higher returns.	0.899			
I have more risky assets (such as stocks, equity mutual funds) compared to safer assets (such as savings, deposits, government bonds, gold) in my investment portfolio.	0.803			
Dependence Status		0.717	0.765	0.645
I make decisions regarding savings and investments in my family.	0.896			
I have influence over my family's investment decisions.	0.850			
I seek help from my husband or other family members when making investment decisions.	0.640			
Household Decision-Making		0.663	0.672	0.500
I try to manage my monthly expenses well.	0.618			
I have enough savings to cover living expenses for 3 months in case of emergencies such as illness, job loss, or economic crisis.	0.774			
If I have debts/loans/credit cards, I pay them on time.	0.660			
I have planned my savings for retirement.	0.765			

Table 4. Discriminant Validity

Constructs	Financial Literacy	Investment Confidence	Risk Appetite	Dependence Status	Household Decision-Making
Financial Literacy	0.752				
Investment Confidence	-0.288	0.807			
Risk Appetite	-0.073	0.476	0.829		
Dependence Status	-0.247	0.625	0.425	0.803	
Household Decision-Making	-0.306	0.651	0.449	0.573	0.707

The structural model was further evaluated through the R-square (R^2) value, which represents the coefficient of determination. R-square indicates the extent to which the endogenous construct is explained by the exogenous constructs in the model. The R-square value ranges from 0 to 1, with values closer to 1 indicating better explanatory power. In this study (table 5), R^2 for household financial decision-making was 0.497, indicating that 49.7% of the variance in the dependent variable is explained by financial literacy, investment confidence, risk appetite, and dependence status.

Table 5. Goodness Fit Model

Path	R Square	R Square Adjusted
Household Decision-Making	0.497	0.488

F-square values were also examined to evaluate the contribution of each exogenous variable to the R-square value of the endogenous construct. F-square assesses whether removing a specific construct from the model results in a significant change in the R-square value. An F-square of 0.02 indicates a small effect size, 0.15 a medium effect size, and 0.35 a large effect size.

A relationship is considered statistically significant if the p-value is less than 0.05, indicating that the effect is not due to chance. Furthermore, based on Hair et al. (2021), the relationship is also deemed significant if the t-value exceeds 1.96 at a 5% level of confidence. These criteria were applied in this study, as presented in Table 6 and visually presented in Figure 2 as a conclusive observation of the model's structural relationships.

Table 6. The Hypothesis Findings

Hypothesis	Effect	Coefficient	t-value	p-value	Decision
H1: Financial Literacy -> Household Decision-Making	0.027	0.123	2.344	0.019	Accepted
H2: Investment Confidence -> Household Decision-Making	0.171	0.401	5.153	0.000	Accepted
H3: Risk Appetite -> Household Decision-Making	0.034	0.153	2.816	0.005	Accepted
H4: Dependence Status -> Household Decision-Making	0.060	0.227	3.104	0.002	Accepted

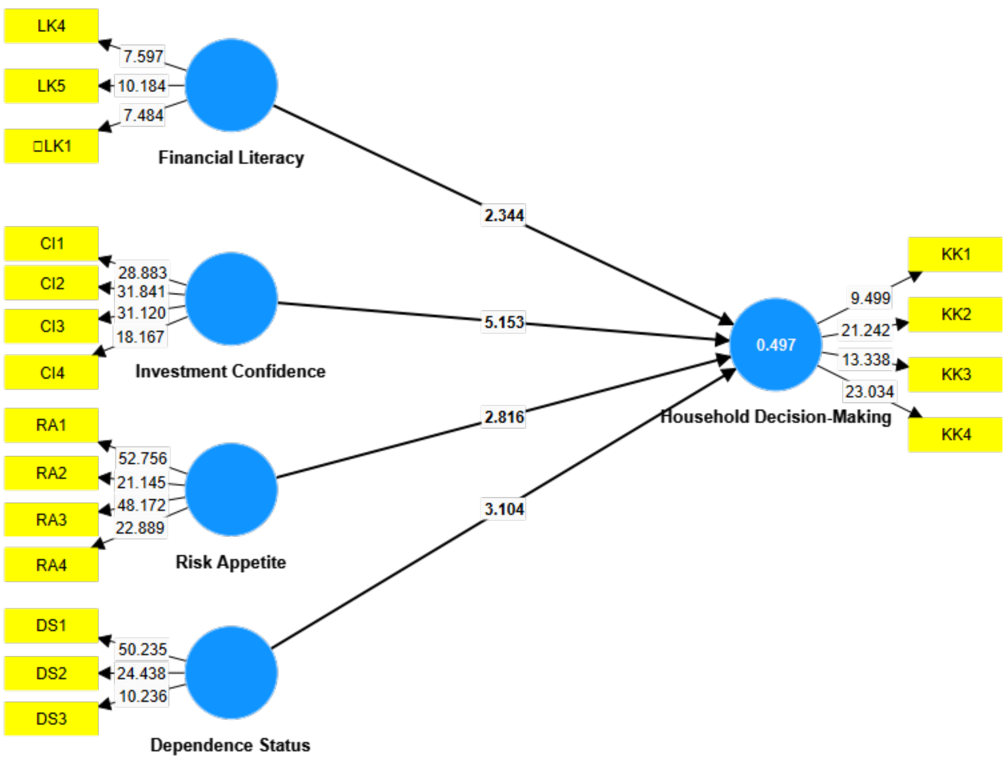

Figure 2. The PLS Analysis

Although the path coefficients for financial literacy (0.027) and risk appetite (0.034) are statistically significant, their practical effect sizes remain very small. This indicates that, while relevant, these variables alone do not substantially drive household financial decision-making. Their influence becomes more meaningful when combined with psychological readiness and sociocultural contexts, suggesting that literacy and risk-taking tendencies must be reinforced by confidence and supportive environments to translate into impactful financial behaviors.

An important nuance is that financial literacy alone does not guarantee effective financial decision-making if not accompanied by confidence. Housewives who are knowledgeable but lack self-efficacy may hesitate to act, leaving decisions to others. Conversely, confidence without sufficient literacy may lead to overestimation and risky choices. This interaction suggests that the optimal outcome arises when literacy and confidence reinforce each other, a point emphasized by Sajid et al. (2024) and Bannier & Schwarz (2018).

DISCUSSION

This study explores how financial literacy, confidence in making investment decisions, willingness to take financial risks, and reliance on others influence how housewives in Indonesia make decisions about household finances. The results help us understand how knowledge, personal beliefs, and social situations come together to shape financial behavior, especially in a country with strong family and cultural values like Indonesia.

The demographic background of the respondents helps explain their behavior in managing money. Most of the housewives in this study were at a productive age, had completed secondary education, and belonged to households with a moderate level of income. These characteristics suggest that they have the motivation and need to manage their family finances actively. Many of them were married, had one or two children, and some were involved in small home-based businesses. This shows that housewives not only handle daily spending but also contribute to the financial well-being of the household. Previous research, such as by Wahyuni (2017) and Wulandari (2015), has also highlighted that housewives often take on the role of financial manager in the family.

The first hypothesis investigated whether financial literacy has a significant effect on household financial decision-making. The findings indicate a positive and statistically significant relationship, suggesting that housewives with higher levels of financial literacy tend to make better financial decisions. This result supports the assertion that financial knowledge plays a foundational role in shaping rational financial behavior within households. It also reinforces the argument made by Lusardi and Mitchell (2023), who assert that financial knowledge serves as the basis for effective decision-making. However, they emphasize that knowledge alone is not sufficient—confidence and empowerment are equally essential. In the context of this study, many housewives are responsible for managing daily expenses, but they may lack the necessary support or confidence to engage in more complex financial tasks such as investment planning or long-term financial strategies.

As Hastings et al. (2013) emphasize, financial education must be tailored to the individual's environment to be truly effective. Without practical opportunities to apply their knowledge, even well-informed individuals may struggle to translate literacy into meaningful action. The findings also align with Parvathy and Kumar (2022), who note that women's participation in household financial matters improves not only with higher financial literacy but also with the confidence to act on that knowledge. Similarly, Sharma (2024) argues that financial decision-making is influenced not just by what individuals know, but by how they interpret and apply that knowledge within their specific social and cultural settings. Taken together, these insights highlight the importance of combining knowledge with contextual understanding, self-efficacy, and an enabling environment to fully realize the benefits of financial literacy in the household setting.

The second hypothesis examined whether investment confidence significantly influences household financial decision-making. The findings revealed a strong and statistically significant positive relationship, indicating that housewives with higher investment confidence are more likely to make informed and proactive financial decisions. Confidence in making investments emerged as the most influential factor, underscoring the role of psychological readiness—particularly one's belief in their own ability to evaluate and act on financial options—in shaping behavior. This supports the notion proposed by Sharma et al. (2024), who emphasize that confidence can sometimes play a greater role than knowledge in motivating individuals to take financial action. In this study, housewives who felt more capable of understanding financial products were more likely to engage in active behaviors such as selecting savings instruments or initiating small-scale investments. The relationship between confidence and financial engagement suggests that beyond cognitive competence, a strong internal belief in one's abilities serves as a crucial driver of financial decision-making.

Further reinforcing these findings, Preston et al. (2024) argue that investment confidence can be nurtured through targeted educational experiences, practical exercises, and supportive peer environments. Programs that offer guided, real-world simulations of financial decision-making can significantly increase women's willingness to act and reduce the psychological barriers to financial engagement. Bannier and Schwarz (2018) similarly found that financial confidence is often a stronger predictor of financial behavior than knowledge alone, particularly among women, while the OECD (2020) stresses the importance of building women's confidence as a strategy to reduce gender disparities in financial inclusion. In Indonesia's collectivist society, where financial decisions are often made through family consensus, women who are confident in their financial understanding are more likely to participate actively and influence outcomes. Therefore, strengthening investment confidence not only benefits women as individuals but also promotes better household-level financial management, contributing to long-term stability and economic well-being.

The third hypothesis investigated whether risk appetite influences household financial decision making, and the results demonstrate a significant positive relationship. This suggests that housewives who are more willing to take financial risks tend to make more independent and strategic financial decisions. The finding reflects a shifting mindset among women in managing household finances, particularly in a sociocultural environment where risk aversion has traditionally been associated with feminine financial behavior. This is in line with Sundarasen et al. (2023), who noted that prevailing social norms often discourage women from engaging in risk taking, thus limiting their financial involvement. However, the study findings indicate that this norm is gradually changing. Women who demonstrate a higher risk appetite are more inclined to consider diverse financial instruments beyond conventional low risk savings. As Grable and Rabbani (2023) emphasized, combining financial knowledge with a balanced approach to risk allows individuals to engage in smarter, more proactive financial planning. In this context, risk appetite does not imply careless decision making but rather the confidence and willingness to consider long term options with varying outcomes.

This positive association also aligns with Grable's (2000) risk tolerance model, which views risk preference as a fundamental personal trait influencing financial decision making. Risk tolerant individuals are more likely to engage in diversified financial behavior and often report higher levels of satisfaction and long term financial security when such decisions are informed and deliberate. Within the Indonesian context, where many housewives are responsible for managing the household budget, a greater openness to financial risk such as investing in mutual funds or participating in community based financial schemes signals a transition from traditional passive roles to more active and empowered financial participation. This shift illustrates the growing capacity of women to take charge of their family's financial well-being. Moreover, as risk literacy improves and housewives are exposed to accessible and practical financial education, they become more confident in managing uncertainty and achieving long term financial goals. These findings underscore the importance of designing inclusive financial programs that not only build knowledge but also foster a healthy and supported environment for informed risk taking.

The fourth hypothesis tested whether dependence status influences household financial decision-making. The analysis revealed a significant and positive relationship, indicating that housewives' reliance on others such as spouses or family members plays a meaningful role. To reconcile differing perspectives, this study introduces a functional dependence, where shared decision-making enhances trust, collective responsibility, and better outcomes and dysfunctional dependence, where exclusion from financial discussions reduces autonomy and limits agency. This clarifies that dependence in the Indonesian cultural context can either strengthen or weaken women's financial participation, depending on how it is practiced within households.

However, problems arise when dependence becomes excessive or when housewives are excluded from financial discussions, resulting in passive roles and limited financial agency. Arredondo Trapero et al. (2023) warn that such exclusion can hinder women's opportunities to learn, grow, and contribute meaningfully to financial matters. Preston et al. (2024) further argue that high dependence often stems from entrenched gender expectations and societal norms that position men as the primary financial decision-makers. This resonates with Pandey et al. (2021), who found that in traditional societies, household financial decisions often reflect power imbalances and cultural conventions rather than objective capability. Therefore, it is essential to promote inclusive financial literacy programs that not only target women individually but also engage household units, particularly spouses. Encouraging joint financial planning and open dialogue can shift dependence from a limiting factor to a constructive partnership. Furthermore, building women's financial confidence and providing greater access to decision-making opportunities will gradually reduce unnecessary reliance on others and foster a more equitable and empowered financial role for housewives.

This study shows that making good financial decisions is about more than just knowing financial terms. Housewives also need confidence, willingness to explore financial options, and a chance to be involved in decisions. These factors are all connected and influenced by the culture and family situation. Financial education programs should not only teach facts, but also help women build confidence and encourage them to take a more active role. These insights are important for those who want to support women's financial independence and strengthen household finances.

In conclusion, financial decision-making among housewives is shaped not only by knowledge (literacy) but also by psychological factors (confidence and risk appetite) and sociocultural dynamics (dependence status). These findings highlight the importance of multidimensional financial literacy programs that simultaneously strengthen knowledge, build confidence, foster balanced risk-taking, and promote inclusive household decision-making. While the study is limited by its cross-sectional design and self-reported data, future research should adopt longitudinal approaches and explore the role of fintech in transforming women's financial participation in Indonesia.

CONCLUSION AND FURTHER STUDY

Based on the results, financial decision-making among housewives is influenced not only by knowledge (literacy) but also by internal psychological factors (confidence and risk appetite) and external social dynamics (dependence status). These variables interact within a broader sociocultural environment. This conclusion emphasizes the need for multidimensional financial literacy programs. Beyond education, such programs should also enhance women's confidence, risk management ability, and support inclusive household decision-making. Limitations of this study include its cross-sectional design, which prevents causal inference, and reliance on self-reported measures. Future studies are encouraged to use longitudinal designs and explore digital financial tools and fintech adoption, which are increasingly reshaping women's roles in household financial management in Indonesia.

The findings emphasize the need for multidimensional financial literacy programs. Programs should not only educate women about financial concepts but also work to build their confidence, enhance their ability to manage risk, and promote inclusive decision-making within the household. These findings also have implications for policymakers and financial institutions. Financial inclusion initiatives should focus on women as a key demographic and provide them with access to products and services that are designed to meet their specific needs.

However, this study is not without limitations. First, the study focused solely on housewives in Indonesia, which may limit the generalizability of the findings to other cultural or economic contexts. Second, the cross-sectional nature of the data restricts the ability to draw conclusions about causality or changes in behavior over time. Additionally, this study relied on self-reported measures, which may be influenced by social desirability bias.

Future research could benefit from expanding the sample to include women from different socioeconomic backgrounds, regions, and cultural contexts. Longitudinal studies are also encouraged to observe how financial literacy and decision-making evolve over time. Furthermore, future studies could explore the role of digital financial tools, mobile banking, and fintech applications in enhancing women's financial participation and independence. By addressing these areas, future research can build upon the foundation established in this study and contribute further to the field of household financial behavior and gender-inclusive financial inclusion.

ETHICAL DISCLOSURE

All participants provided written informed consent prior to participation. They were informed about the study's purpose, their voluntary participation, the right to withdraw at any time, and the confidentiality of their responses.

CONFLICT OF INTERESTS

The authors declare no conflict of interest.

REFERENCES

Aftab, S., & Kashmir, A. (2022). Comparison between working and non-working women in household activities in decision-making patterns. *Journal of Business and Social Review in Emerging Economies, 8*(2), 427–440. https://www.publishing.globalcsrc.org/jbsee

Aristei, D., & Gallo, M. (2024a). Gender-related effects of financial knowledge and confidence on preferences for ethical intermediaries and sustainable investments. *International Journal of Bank Marketing, 42*(3), 486–512. https://doi.org/10.1108/IJBM-06-2023-0355

Aristei, D., & Gallo, M. (2024b). Gender-related effects of financial knowledge and confidence on preferences for ethical intermediaries and sustainable investments. *International Journal of Bank Marketing, 42*(3), 486–512. https://doi.org/10.1108/IJBM-06-2023-0355

Arredondo-Trapero, F. G., Guerra-Leal, E. M., & Vázquez-Parra, J. C. (2023). Differences in the destination of savings according to gender, and its economic rights implications. *Journal of Risk and Financial Management, 16*(7), 342. https://doi.org/10.3390/jrfm16070342

Badan Kepegawaian Negara. (2024). *Batas usia pensiun* [Retirement age limit].

Badan Kependudukan dan Keluarga Berencana Nasional. (2023). *Penyuluhan PUP (Pendewasaan Usia Perkawinan)*[Counseling on marriage-age maturity].

Bannier, C. E., & Schwarz, M. (2018). Gender- and education-related effects of financial literacy and confidence on financial wealth. *Journal of Economic Psychology, 67*, 66–86. https://doi.org/10.1016/j.joep.2018.05.005

Bayakhmetova, A., Leyla, B., & Bayakhmetova, L. (2023). Impact of financial literacy on investment decisions in developing countries: The example of Kazakhstan. *Asian Development Policy Review, 11*(3), 167–181. https://doi.org/10.55493/5008.v11i3.4917

Çoşkun, A., & Dalziel, N. (2020). Mediation effect of financial attitude on financial knowledge and financial behavior. *International Journal of Research in Business and Social Science, 9*(2), 1–8. https://doi.org/10.20525/ijrbs.v9i2.647

Demirgüç-Kunt, A., Klapper, L., Singer, D., & Ansar, S. (2022). *The Global Findex Database 2021*. The World Bank. https://doi.org/10.1596/978-1-4648-1897-4

Faff, R., Hallahan, T., & McKenzie, M. (2011). Women and risk tolerance in an aging world. *International Journal of Accounting & Information Management, 19*(2), 100–117. https://doi.org/10.1108/18347641111136427

Fang, M., Li, H., & Wang, Q. (2021). Risk tolerance and household wealth: Evidence from Chinese households. *Economic Modelling, 94*, 885–895. https://doi.org/10.1016/j.econmod.2020.02.029

Grable, J. E., & Rabbani, A. (2023). The moderating effect of financial knowledge on financial risk tolerance. *Journal of Risk and Financial Management, 16*(2), 137. https://doi.org/10.3390/jrfm16020137

Gunawan, V., Dewi, V. I., Iskandarsyah, T., & Hasyim, I. (2021). Women's financial literacy: Perceived financial knowledge and its impact on money management. *Economics and Finance in Indonesia, 67*(1), 63–79. https://doi.org/10.47291/efi.v67i1.720

Hanivan, H., & Nasrudin, N. (2019). A financial inclusion index for Indonesia. *Bulletin of Monetary Economics and Banking, 22*(3), 351–366. https://doi.org/10.21098/bemp

Hermansson, C., & Jonsson, S. (2021). The impact of financial literacy and financial interest on risk tolerance. *Journal of Behavioral and Experimental Finance, 29*, 100450. https://doi.org/10.1016/j.jbef.2020.100450

Jamil, A. R. M., Law, S. H., Sabri, M. F., & Afham, M. K. (2023). Does financial literacy improve financial inclusion in developing countries? A nonlinearity and quantile regression analysis. *Malaysian Journal of Economic Studies, 60*(2), 189–214. https://doi.org/10.22452/MJES.vol60no2.3

Kumar, R., Chaubey, S., Kumar, P., & Singh, P. (2023). A study of financial behaviour among professional women in Northern India. *European Journal of Theoretical and Applied Sciences, 1*(2), 136–148. https://doi.org/10.59324/ejtas.2023.1(2).14

Lavanya, R., & Mamilla, R. (2024). Mapping the landscape: A bibliometric analysis of determinants influencing financial literacy among women. *Multidisciplinary Reviews, 7*(7), 138. https://doi.org/10.31893/multirev.2024138

Liu, T., Fan, M., Li, Y., & Yue, P. (2024). Financial literacy and household financial resilience. *Finance Research Letters, 63*, 105378. https://doi.org/10.1016/j.frl.2024.105378

Loung-Poorunder, N. (2021). Risky decision-making styles of working and non-working females in Mauritius. *International Journal of Scientific and Research Publications, 11*(3), 533–538. https://doi.org/10.29322/ijsrp.11.03.2021.p11176

Lusardi, A., & Mitchell, O. S. (2023). The importance of financial literacy: Opening a new field. *Journal of Economic Perspectives, 37*(4), 137–154. https://doi.org/10.1257/jep.37.4.137

Ooi, E. (2023). Culture and confidence in financial knowledge testing. *Pacific-Basin Finance Journal, 77*, 101926. https://doi.org/10.1016/j.pacfin.2022.101926

Organization for Economic Cooperation and Development. (2020). *Financial literacy and inclusion*. OECD Publishing.

Otoritas Jasa Keuangan. (2022). *Infografis hasil Survei Nasional Literasi dan Inklusi Keuangan (SNLIK) tahun 2022*[Infographic of the 2022 National Survey on Financial Literacy and Inclusion].

Pandey, P., Choubey, A. K., & Rai, G. (2021). The involvement of women as the domestic decision maker: A study of Patna metropolitan city, Bihar, India. *Sociedade & Natureza, 33*, e62053. https://doi.org/10.14393/sn-v33-2021-62053

Parvathy, V. K., & Kumar, J. (2022). Financial capability and financial wellbeing of women in community-based organizations: Mediating role of decision-making ability. *Managerial Finance, 48*(9–10), 1513–1529. https://doi.org/10.1108/MF-05-2021-0234

Pokhrel, S. B. (2023). Role of working and non-working women in household decision making (A case of Kohalpur Municipality-10, Banke). *Academia Research Journal.*

Preston, A., Qiu, L., & Wright, R. E. (2024). Understanding the gender gap in financial literacy: The role of culture. *Journal of Consumer Affairs, 58*(1), 146–176. https://doi.org/10.1111/joca.12517

Sajid, M., Mushtaq, R., Murtaza, G., Yahiaoui, D., & Pereira, V. (2024). Financial literacy, confidence and well-being: The mediating role of financial behavior. *Journal of Business Research, 182*, 114791. https://doi.org/10.1016/j.jbusres.2024.114791

Sekararum, P. C., Wulandari, D., & Narmaditya, B. S. (2020). Financial literacy and lifestyle among housewives. In *Proceedings of the 3rd International Conference on Economics, Business and Economic Education Science* (pp. 262–266). https://doi.org/10.5220/0008786302620266

Sharma, M., & Kota, H. (2019). The role of working women in investment decision making in the family in India. *Australasian Accounting, Business and Finance Journal, 13*(3), 91–110. https://doi.org/10.14453/aabfj.v13i3.7

Sharma, M., Nanda, S., & Gupta, S. (2023). Investment decision making by women: Dependence vs. sharing of financial responsibilities. In *Proceedings of the 2023 3rd International Conference on Innovative Practices in Technology and Management (ICIPTM 2023)*. https://doi.org/10.1109/ICIPTM57143.2023.10118177

Sharma, M., Nanda, S., & Gupta, S. (2024). A systematic review of investment confidence, risk appetite and dependence status of women. *International Journal of System Assurance Engineering and Management.*https://doi.org/10.1007/s13198-024-02295-x

Sundarasen, S., Rajagopalan, U., Kanapathy, M., & Kamaludin, K. (2023). Women's financial literacy: A bibliometric study on current research and future directions. *Heliyon, 9*(12), e21379. https://doi.org/10.1016/j.heliyon.2023.e21379

Survei Nasional Literasi dan Inklusi Keuangan. (2024). *Survei Nasional Literasi dan Inklusi Keuangan (SNLIK) 2024*[National survey on financial literacy and inclusion 2024].

Widyastuti, U., Respati, D. K., Dewi, V. I., & Soma, A. M. (2024). The nexus of digital financial inclusion, digital financial literacy and demographic factors: Lessons from Indonesia. *Cogent Business and Management, 11*(1), 2322778. https://doi.org/10.1080/23311975.2024.2322778

Yadav, S., Sridhari, C., & Balkur, P. (2023). A study on financial literacy among working and non-working women in Bangalore. *Shanlax International Journal of Management, 10*(3), 101–105. https://doi.org/10.34293/management.v10i3.5835