Gender Disparities in Financial Allocation: Evidence from West Java,

Abstract:

This study investigates gender differences in household expenditure to provide evidence on the allocation of financial resources within households. Understanding these expenditure patterns contributes to discussions on household financial management, economic equity, and evidence-based public policy.The study employs paired-sample t-test analysis using 162 panel observations from 27 cities and regencies in West Java spanning the 2019–2024 period. Household expenditures attributable to male and female members are compared to determine whether significant differences exist in intra-household financial allocation.The results reveal a statistically significant difference between male and female expenditures. The findings indicate that household financial resources are distributed unevenly between male and female members, suggesting persistent gender disparities in household economic participation and spending capacity. this research examines expenditure differences within households using paired observations, providing evidence on gender-based financial allocation. The findings contribute to accounting literature by highlighting household resource allocation as an important dimension of financial decision-making and offer implications for policies promoting financial inclusion and gender-responsive budgeting.

Key words:-

Gender Disparities
Financial Behaviour
Financial Resource Allocation
Household Accounting

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Introduction

Household consumption expenditure serves as a key indicator of economic activity because it captures households' spending patterns and their capacity to purchase goods and services. As a result, it provides essential information for evaluating economic growth, inflationary trends, and overall macroeconomic performance(Madudova&Corejova, 2023).Financial decision-making within households involves multiple interconnected choices that vary, making it a fundamental component of the broader financial system(Gomes et al., 2021). Understanding how financial resources are allocated within households provides valuable insights into financial behavior and contributes to broader discussions regarding financial inclusion, gender equality, and sustainable economic development.

The Collective Household Model provides an appropriate theoretical framework for explaining differences in household expenditure. Intra-household resource allocation can be analyzed using individual utilities(Chiappori, 1988).Unequal expenditure between male and female household members may indicate differences in financial influence rather than differences in household welfare alone.Compared with males, single women demonstrated significantly lower participation across all measured financial behaviors. A similar pattern was observed among women in joint households, who consistently showed lower engagement in these financial practices than men(Wagner & Walstad, 2023).

Household financial structure offers an effective basis for understanding the ways households organize their financial portfolios, make economic choices, and are influenced by various financial and socioeconomic determinants(Zehra & Singh, 2023). Unequal expenditure patterns may therefore reflect differences in financial priorities, access to resources, or decision-making authority within households. Women often encounter challenging conditions while carrying out economic activities, such as discrimination and freedom of expression in decision-making (Ariani & Novita Sari, 2022).

Indonesia presents an important context for investigating household financial allocation because of its socioeconomic diversity.Indonesia's level of gender inequality occupies a middle position within the regional and global context. Women's limited involvement in the economy is influenced not only by structural factors but also by prevailing social norms that identify mothers as the principal caregivers(Cameron, 2023).West Java, the country's most populous province, exhibits substantial variation in economic development across cities and regencies, creating diverse household financial conditions. Understanding expenditure allocation within households in this setting contributes to ongoing discussions concerning inclusive economic development and equitable financial management.

This study examines whether significant differences exist between male and female household expenditures using paired expenditure data from 162 observations collected across 27 cities and regencies in West Java during the 2019–2024 period. A paired-samples t-test is employed because expenditures attributed to male and female household members originate from the same household, allowing direct comparison of intra-household financial allocation while controlling for household-level characteristics. The findings indicate that male household expenditure is significantly higher than female household expenditure, suggesting that household financial resources are not allocated equally between male and female household members.

This study contributes to the accounting and financial management literature in three ways. First, it extends household accounting research by examining financial resource allocation within households rather than focusing solely on aggregate household expenditure. Second, it applies the Collective Household Model to explain gender-based differences in expenditure using paired household observations, offering a more direct assessment of intra-household financial allocation. Third, the findings provide practical implications for policymakers by highlighting the importance of gender-responsive financial policies and household financial inclusion initiatives aimed at promoting equitable resource allocation and improving household economic resilience in emerging economies.

Method

This study employs a quantitative research design to examine gender differences in household financial resource allocation. The study compares expenditures attributed to male and female household members to determine whether significant differences exist in intra-household financial allocation. A comparative statistical approach is adopted because the objective is to evaluate mean differences between two related observations within the same household.

The study utilizes secondary data obtained from the Central Bureau of Statistics (BPS-Statistics Indonesia). The dataset comprises expenditure information from 27 cities and regencies in West Java Province covering the 2019–2024 period. The final balanced dataset consists of 162 paired observations, where each observation contains both male and female household expenditure values, allowing direct comparison within the same household. West Java provides appropriate research setting because it is Indonesia's most populous province and exhibits substantial socioeconomic diversity across urban and rural areas. This diversity offers a representative context for examining household financial resource allocation and gender-based expenditure differences.

To examine whether significant expenditure differences exist between male and female household members, this study employs a paired-samples t-test using IBM SPSS Statistics. The paired t-test is appropriate because the two expenditure variables are measured from the same observational unit (household), making the observations statistically dependent. Compared with an independent samples t-test, the paired approach controls for household-specific characteristics and isolates expenditure differences within households.

The paired-sample t-test is used to determine whether there is a statistically significant difference between male and female household expenditure. The null hypothesis (H_0) states that the mean difference between male and female household expenditure is equal to zero, indicating no statistically significant difference between the two groups. In contrast, the alternative hypothesis (H_1) states that the mean difference is not equal to zero, indicating a statistically significant difference between male and female household expenditure.The paired-sample t-test statistic is calculated by dividing the mean of the paired differences by the standard error of those differences. In this calculation, $\bar{d}$represents the mean of the paired differences between male and female household expenditure, $s_d$represents the standard deviation of the paired differences, and $n$represents the number of paired observations. This test is appropriate because male and female household expenditure values are observed within the same geographical units and time periods, creating naturally matched observations.A two-tailed significance level of 5% ($\alpha = 0.05$) is used to determine statistical significance. If the resulting p-value is less than 0.05, the null hypothesis is rejected, providing evidence of a statistically significant difference between male and female household expenditure. If the p-value is greater than or equal to 0.05, the null hypothesis cannot be rejected, indicating insufficient statistical evidence to conclude that male and female household expenditure differs significantly.

Results

Paired Samples Statistics

Table 1 presents the descriptive statistics for male and female household expenditures included in the paired analysis. The sample consists of 162 paired observations. The average expenditure attributed to male household members is 15,882.51, whereas the corresponding average for female household members is 8,698.31. These preliminary statistics indicate that male household expenditure exceeds female household expenditure by approximately 7,184.20 on average. The standard deviations of 3,066.24 and 3,050.38 for male and female expenditures, respectively, suggest comparable variability in expenditure levels between the two groups.

Table 1. Paired Samples Statistics

Variable	Mean	N	Standard Deviation	Standard Error
Male Household Expenditure	15,882.51	162	3,066.24	240.91
Female Household Expenditure	8,698.31	162	3,050.38	239.66

Source: Author's calculations based on data from BPS-Statistics Indonesia (2026)

Paired Samples Correlation

Before conducting the paired-samples t-test, the relationship between male and female household expenditures was examined. As shown in Table 2, the paired observations exhibit a strong positive correlation (r = 0.855, p < 0.001). This result indicates that households with relatively higher male expenditures also tend to report higher female expenditures. Nevertheless, the existence of a strong positive association does not imply equality in expenditure allocation, making the paired comparison appropriate for determining whether systematic differences exist between the two expenditure measures.

Table 2. Paired Samples Correlation

Variables	Correlation	Sig.
Male Household Expenditure – Female Household Expenditure	0.855	<0.001

Source: Author's calculations based on data from BPS-Statistics Indonesia (2026)

Paired Samples t-Test

The primary objective of this study is to determine whether household expenditures differ significantly between male and female household members. Table 3 reports the results of the paired-samples t-test.The analysis reveals a mean paired difference of 7,184.20, indicating that average male household expenditure is substantially higher than average female household expenditure. The 95% confidence interval ranges from 6,928.95 to 7,439.45, suggesting that the true population difference is consistently positive. Furthermore, the calculated t-statistic of 55.582 with 161 degrees of freedom is highly significant ($p < 0.001$), leading to rejection of the null hypothesis that no expenditure difference exists between male and female household members. These findings demonstrate that household financial resources are allocated unequally between male and female household members.

Table 3. Paired Samples t-Test

Statistic	**Value**
Mean Difference	7,184.20
Standard Deviation	1,645.13
Standard Error	129.25
95% Confidence Interval	6,928.95 – 7,439.45
t-statistic	55.582
Degrees of Freedom	161
p-value	<0.001

Source: Author's calculations based on data from BPS-Statistics Indonesia (2026)

Discussion

The findings demonstrate a statistically significant difference between male and female household expenditures, indicating that financial resources are not distributed equally within households. Male household expenditure is substantially higher than female household expenditure, suggesting that intra-household financial allocation remains gendered. These findings support the argument that household financial decisions do not necessarily reflect equal access to or control over economic resources among household members (Zehra & Singh, 2023)

The results are consistent with the Collective Household Model, which assumes that households comprise multiple decision-makers with heterogeneous preferences rather than functioning as a single economic unit (Chiappori, 1988, 1992). Under this framework, household expenditures are determined through bargaining processes among household members, with financial allocation influenced by each member's relative economic position and negotiating power. Unequal expenditure between male and female household members should not be interpreted merely as differences in consumption but as evidence of asymmetric financial resource allocation within households. The significantly higher expenditure attributed to male household members suggests that financial decision-making remains influenced by unequal access to household resources, despite both individuals belonging to the same household.

The findings support the gender disparities in financial behavior and household economic participation. Women are generally characterized by greater conscientiousness and emotional sensitivity, which may contribute to more careful and thorough decision-making, whereas men tend to exhibit higher levels of openness and extraversion, potentially increasing their willingness to engage in riskier choices(Diksha & Gupta, 2025). Women channel household budgets heavily toward education, health care, and nutrient-dense foods, while systematically reducing expenditures on "vices" like alcohol and tobacco(Eissler & Bryan, 2025).

Gender disparitesmay stem from women's comparatively limited educational opportunities, lower earnings, and greater economic reliance on male household members(Mndolwa& Alhassan, 2020).Men generally demonstrate a stronger capacity to withstand and respond to financial challenges than women. However, women's financial resilience tends to improve with employment and higher educational attainment(Zeka & Alhassan, 2024).The development of autonomy among Indonesian women can be attributed to several interconnected influences arising from their socialization and experiences of independence. These include exposure to socio-economic hardship, cultural traditions and social structures that support women's self-reliance and active participation in society, and the knowledge and capabilities acquired through education and life experience(Ayesha et al., 2021).These conditions affect household expenditure patterns because individuals with greater economic resources or stronger bargaining positions generally exercise greater influence over financial decisions. The development of autonomy among Indonesian women can be attributed to several interconnected influences arising from their socialization and experiences of independence.

The findings contribute to the growing literature on household accounting. Accounting and accountability practices are closely intertwined with gender dynamics and prevailing conceptions of domestic life, while also contributing to the continued distinction between private household activities and the public sphere(Llewellyn & Walker, 2000). While accounting research has traditionally concentrated on corporate organizations, households similarly engage in accounting-related activities through the planning, monitoring, and allocation of limited financial resources. Household expenditure therefore represents an observable outcome of financial decision-making and provides insight into how economic resources are distributed among household members. The significant expenditure gap identified in this study suggests that household financial management remains characterized by unequal resource allocation, potentially affecting financial well-being, savings capacity, and long-term economic security for different household members.

The strong positive correlation between male and female expenditures indicates that households with relatively higher male expenditure also tend to report higher female expenditure. However, the paired-samples t-test demonstrates that these expenditures increase proportionally rather than equally. In other words, households with larger overall budgets do not necessarily distribute additional financial resources equally between male and female members. This finding implies that improvements in household economic capacity alone may not eliminate gender disparities in financial allocation. Instead, existing financial allocation mechanisms appear to persist across households regardless of expenditure level.

The findings also have important implications for public policy. Indonesia has introduced various initiatives promoting gender equality, financial inclusion, and women's economic empowerment. Nevertheless, the observed expenditure differences suggest that financial disparities continue to exist at the household level, where many financial decisions are ultimately made. Policies designed to improve women's access to education, employment opportunities, financial services, and financial literacy may strengthen their bargaining position within households and contribute to more balanced financial allocation. Likewise, integrating gender-responsive budgeting principles into household financial education programs may encourage more equitable resource distribution while improving household financial resilience.

This study contributes to the accounting and financial management literature in several respects. First, it extends household accounting research by examining financial resource allocation within households rather than focusing solely on aggregate household expenditure. Second, unlike many previous studies that analyze expenditure differences across regions or socioeconomic groups, this study evaluates intra-household expenditure using paired observations, providing a more direct assessment of household financial allocation. Third, by applying the Collective Household Model to household expenditure data, the study demonstrates how accounting-related concepts such as budgeting, financial planning, and resource allocation can be examined within households as fundamental economic units.

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