



Factors Influencing Investment Decisions Among Women: An Empirical Study

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Abstract: Investment plays a vital role in financial planning and helps individuals achieve long-term financial security and wealth creation. In the modern economic environment, women are becoming more financially independent and actively participating in financial decision-making. With better education, employment opportunities, and awareness about financial management, women are showing greater interest in saving and investing their income wisely.

Earlier, investment decisions were mostly handled by male members of the family, but today women are taking independent financial decisions for their personal growth and family welfare. They invest in various financial instruments such as bank deposits, gold, insurance, mutual funds, real estate, and stock markets based on their income, risk tolerance, and future goals.

Keywords: Investment, Investment Decisions, Financial Literacy, Wealth Creation, Savings, Mutual Funds

I. INTRODUCTION

Investment plays a vital role in financial planning and helps individuals achieve long-term financial security and wealth creation. In the modern economic environment, women are becoming more financially independent and actively participating in financial decision-making. With better education, employment opportunities, and awareness about financial management, women are showing greater interest in saving and investing their income wisely.

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Financial literacy, income level, family influence, and awareness of investment opportunities play an important role in shaping women's investment behaviour. Women are now focusing on financial planning for education, marriage, retirement, and emergency needs. Their growing participation in investment activities contributes not only to personal financial stability but also to the overall economic development of society.

II. STATEMENT OF PROBLEM

Although women are increasingly participating in financial activities, many still face challenges in making effective investment decisions. Lack of financial literacy remains one of the major problems, as many women are not fully aware of different investment options, their risks, and returns. This limits their ability to choose suitable investment plans for long-term financial security. Social and cultural barriers also affect women's investment behaviour. In many families, financial decisions are still influenced or controlled by male members, reducing women's financial independence. Fear of financial loss, low risk-taking ability, and limited access to professional financial guidance further discourage women from making independent investment decisions. Income instability and family responsibilities also create difficulties in saving and investing regularly.

III. OBJECTIVES

1. To study investment behavior of women
2. To identify influencing factors
3. To analyze financial literacy



IV. SCOPE OF STUDY

This study focuses on identifying and analyzing the factors influencing investment decisions among women. It examines how financial literacy, income level, risk tolerance, family influence, and personal financial goals affect women's investment behaviour. The study covers women from different age groups, occupations, and income levels to understand their investment preferences and decision-making patterns. The research includes various investment options such as bank deposits, gold, insurance, mutual funds, real estate, and stock market investments. It aims to understand the level of awareness women have about these investment avenues and the challenges they face while making investment decisions. The study is limited to a specific geographical area and selected respondents, which helps in collecting detailed and relevant data. It also provides useful suggestions to improve financial awareness and encourage better investment planning among women for long-term financial security.

V. RESEARCH METHODOLOGY

This study adopts a descriptive/analytical research design to ensure systematic investigation. Both primary and secondary data sources are utilized. Primary data is collected through structured questionnaires or interviews, while secondary data is obtained from books, journals, and reliable online sources. A sample of [number] respondents is selected using [sampling technique] to ensure representativeness. Data analysis is conducted using statistical tools such as percentage analysis and graphical representation. The methodology ensures accuracy, reliability, and validity, enabling meaningful interpretation of results and supporting the study's objectives effectively.

VI. LIMITATIONS

1. The sample size is limited, which may affect generalizability.
2. Time constraints restricted the depth of data collection and analysis.

VII. REVIEW OF LITERATURE

Patel (2022) analyzed the role of risk perception in investment decisions among women. The study found that most women investors are risk-averse and prefer low-risk investment avenues. It also suggested that increasing awareness about financial markets can help women take calculated risks and improve returns.

Rani (2023) focused on the influence of family and social factors on women's investment behavior. The findings indicated that family members play a major role in financial decision-making, especially in traditional households. The study recommended encouraging independent decision-making among women.

Gupta and Verma (2024) studied the impact of financial literacy on women's economic empowerment. The research concluded that improving financial knowledge enhances confidence, decision-making ability, and participation in investment activities. It also highlighted the importance of digital financial platforms in increasing accessibility.

VIII. OVERVIEW OF THE STUDY

Investment is an important aspect of financial planning that helps individuals achieve long-term financial stability and security. In recent years, women have shown increasing interest in managing their finances and participating in investment activities. This shift is mainly due to higher education levels, better employment opportunities, and improved awareness of financial management. Women's investment decisions are influenced by various factors such as financial literacy, income level, risk tolerance, family influence, and societal norms. Financial knowledge enables women to make informed decisions, while income determines their ability to invest. At the same time, family members and cultural expectations continue to play a significant role in shaping their financial choices.

IX. ANALYSIS AND INTERPRETATION

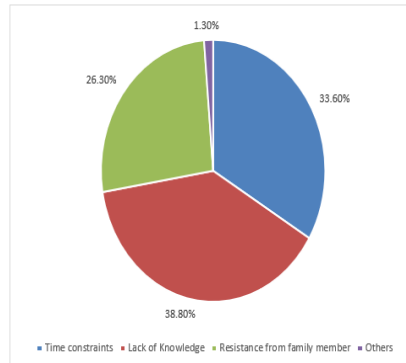


Fig. 1 Chart showing the challenges faced in participating in family investment decisions of respondents

TABLE I challenges faced in participating in family investment decisions of respondents

Particulars	No. of Respondents	Percentage
Very confident	49	32.2%
Somewhat confident	82	54%
Not very confident	21	13.8%
TOTAL	152	100%

INTERPRETATION:

The above table 4.17 shows that 32.2% of respondents were very confident; 54% of respondents were somewhat confident and 13.8% of respondents were not very confident.

Most of the respondents were somewhat confident in financial knowledge (54%).

X. CHI SQUARE ANALYSIS

Observed Value	Expected value	(O-E)	(O-E) ²	(O-E) ² /E
45	36.91	8.09	65.44	1.77
55	63.68	-8.68	75.34	1.18
10	11.58	-1.58	2.49	0.21
5	11.41	-6.41	4.09	3.60
25	19.68	5.32	28.30	1.43
4	3.58	0.42	0.18	0.05
1	3.69	-2.69	7.23	1.86
8	6.37	1.63	2.65	0.42
2	1.16	0.48	0.71	0.61
		X² = Σ(O-E)² / E	Total Calculated Value	11.23

Degree of Freedom

$$df = (r-1)(c-1)$$

$$= (3-1)(3-1)$$

$$= (2)(2)$$

$$df = 4$$

Significance Level = 0.05

Table Value = 9.488

**Chi-Square Test Result**

The calculated Chi-square value (χ^2) is 11.23, and the table value at 5% level of significance with 4 degrees of freedom is 9.488.

Decision

Since the calculated value (11.23) is greater than the table value (9.488), the null hypothesis (H_0) is rejected.

Conclusion

The chi-square analysis further reveals that there is a significant relationship between confidence level and financial knowledge, as the calculated value is greater than the table value. This implies that confidence plays an important role in influencing financial understanding and decision-making.

XI. FINDINGS

1. Majority of the respondents belong to the young and middle-age group, indicating active participation in investment activities.
2. Most of the respondents have higher educational qualifications, which contributes to better financial awareness.
3. A significant number of women fall under the middle-income group, influencing their investment capacity.
4. The majority of respondents prefer safe and low-risk investment options such as bank deposits, gold, and insurance.
5. Financial literacy is identified as the most important factor influencing investment decisions among women.
6. Family members play a crucial role in influencing women's investment decisions.
7. Women show moderate awareness of modern investment options like mutual funds and stock markets.

XII. SUGGESTIONS

- Financial literacy programs should be conducted to improve women's knowledge about various investment options.
- Women should be encouraged to participate actively in financial decision-making within their families.
- Awareness about modern investment avenues such as mutual funds and stock markets should be increased.
- Financial institutions should provide simple and accessible investment guidance specifically for women.
- Government initiatives should focus on promoting financial inclusion and supporting women investors.
- Digital platforms and mobile applications should be utilized to enhance accessibility and ease of investment.
- Women should be motivated to diversify their investments instead of depending only on low-risk options.

XIII. CONCLUSION

The study concludes that women's investment decisions are influenced by a combination of financial, personal, and social factors. Financial literacy and income level play a significant role in shaping investment behavior, while family influence and societal norms continue to affect decision-making. Although women are increasingly participating in financial activities, they tend to prefer low-risk investment options due to limited awareness and risk perception. The findings highlight the importance of improving financial knowledge and encouraging independent decision-making among women. Enhancing financial literacy, promoting awareness of diversified investment options, and supporting women through appropriate initiatives can significantly improve their participation in investment activities. Empowering women financially will not only strengthen their economic independence but also contribute to overall economic growth and development.



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