Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 4 | April 2025 -Peer-Reviewed Journal

STUDY ON BEHAVIOURAL FINANCE ON INVESTMENT DECISIONS OF WOMEN PROFESSIONALS

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Article DOI: https://doi.org/10.36713/epra20942
DOI No: 10.36713/epra20942

ABSTRACT
In the 21s21stcentury, women are educated and financially independent. Women contribute to a major portion of the nation's GDP. Financial literacy influences everyday financial decisions among people in a macro aspect. It is the rational and effective decision-making ability which will boost economic growth. The right amount of savings through rational decisions will boost economic growth and strengthen the economy. Behavioural finance is the study of the effect of psychological factors on financial decision-making. The field of study combines psychological theories with conventional economic and financial theories. The current era witnesses women increasingly participating in the family financial decisions, growing aptitudes of women, and urge for freedom, self-respect and Independent individuality of women. So now, the role of women cannot be undermined in household and workplace and it is important to focus on the financial behaviour of professional women more than ever.

KEY WORDS: *Behavioural Finance, Investment Decision, Mode of Investment, working women*

INTRODUCTION

Women are now playing a vital role in the country's economic growth. They are integral contributors in day- to -day consumer goods. In India, there are 39 million professional women according to the 2023 census. Since educated and financially sound, women investors are now grabbing the eyeballs of investment firms, credit firms and financial service providers. Even though women can do best in the market, they are less confident about it. Only 19% of women are optimistic about their investment. In this paper, the Researcher examines the factors of financial behaviour among women professionals in Kerala. The paper also lays down the suggestions to promote positive financial behaviour. The field of study combines psychological theories with conventional economic and financial theories. The current era witnesses women increasingly participating in the family financial decisions, growing aptitudes of women, and urge for freedom, self-respect and Independent individuality of women.

LITERATURE REVIEW

There are many researches done worldwide based on the investment pattern of working women, where women are more risk averse when you compare it with men in terms of risk-taking investments. Many of the working women depends on husband's opinion rather than self-opinion in terms investment options. Majority of the women lack confidence is investing in equity as they have known it's a risky game all together. The lack of awareness in terms of mutual fund investment is also less.

1. Working women take less risk than men in terms of financial planning. study reveals that women are more risk–averse than men. (Yusof,2015),(venter and Kruger,2017),(Agnew,2005), (Kansal and Zaidi,2015),),(Al-Ajmi,2008) (Brue and Johnson,1994),(Jianakoplos and Bernasek,1998),(Sundel and Surette, 1998),(Al-Ajmi,2008)
2. Study reveals that Individual characteristics of teachers such as age, gender, marital status, and lifestyle are the factors that determine the saving and investment behavior of the teaching community. (Dr Ananthapadhmanabha Achar) 2012.
3. study shows that working women are safety-oriented in terms of investments in financial avenues and reluctant to take risks. (Padiyath, 2013)
4. Many studies have found that the women Invest their pensions more conservative than men.(Bajtelsmit and VanDerhei,1997) and (Hinz, McCarthy, and Turner,1997).

5. Women are more conservative long-term investors as compared to men, and most of the investments they make to keep the money safe than investing in equities. Jianakoplos and Bernasek,1998)
6. financial behavior is one of the component elements for determining financial knowledge and financial attitude. Positive financial behavior leads to proper planning, expenditure, and stability of finances, OECD (2013)
7. identifies that financial attitude has a significant effect on financial behavior. Dwiastanti (2017)
8. Many women contribute financial assistance to their families, still showing less interest in financial behavior and investment decisions due to risk and return. (OCED 2021)

OBJECTIVES OF THE STUDY

The major objectives of the study are:

1. To identify factors affecting investment decisions of working women
2. To analyse the investment behaviour among working women while making an investment decision

Many Factors Affect the Investment Decisions of Working Women

Research Methodology

The study is based on the primary data. The primary was collected through a survey method using a structured questionnaire method. A survey Questionnaire was used to collect the responses of the working women. The population for these studies consisted of working women between the age group of 20 -60 years of age. The sample size was 200which were collected from Thrissur District, Kerala, India using the purposive sampling method. The review of literature is also conducted based on the above study

Factors Influencing Financial Decision making of women

1.**Financial Literacy:** Financial knowledge or literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. When you are financially literate, you have the essential foundation for a smart relationship with money. This can help start a lifelong journey of learning about the financial aspects of your life. The earlier you start to become financially literate, the better off you'll be because education is the key to a successful financial future. Women with higher levels of education and financial literacy tend to make more informed investment decisions

2.**Social Networks and Support Systems:** Women often rely on advice and discussions with family and friends before making investment decisions. This social support network can significantly impact their choices and confidence in investing. The influence of family, friends, and professional networks can significantly impact women's investment choices. Supportive networks often encourage women to explore diverse investment opportunities

3.**Cultural Norms and Gender Roles**: Societal expectations and traditional gender roles can affect women's confidence and willingness to invest. In some cultures, women may face more barriers to entering the investment market

4.**Risk Perception and Aversion:** Women are often perceived as more risk-averse compared to men, which can influence their investment strategies. However, this perception is evolving as more women become active investors. Financial attitude, the way you think or feel about finances, which ultimately affects your behavior towards them It is the Individual characteristics that take the form of tendencies toward a financial practice

5.**Economic Independence**: Women who have greater economic independence and control over their finances are more likely to invest. Employment status and income levels play a crucial role here

6.**Access to Information**: The availability and quality of information about investment options can greatly affect women's investment decisions. Women who have better access to reliable financial information are more likely to invest wisely

7.**Quality of Life**: Factors like the quality of life and personal well-being play a role in investment decisions. Women who prioritize a higher quality of life may be more cautious and selective in their investment choices

8.**Social influence**: Social influence comprises the ways in which individuals adjust their behaviour to meet the demands of a social environment. Social and demographic characteristics, such as marital status and family responsibilities, can affect women's risk tolerance. Social influences play a significant role in shaping the experiences of women professionals.

These factors collectively shape the investment behaviour of women and highlight the importance of addressing social and economic barriers to empower more women to participate in investment activities.

ANALYSIS AND FINDINGS OF THE STUDY

The population of working women was considered between the age of 20 – 60. A total of 200 responded to the survey conducted.

- Out of 200, 136 working women have undergraduate qualifications,52 working women are postgraduate, 10 of them have completed some diploma degree and 2 of them are at the matriculation level.
- 125 women are married,71 are unmarried and 4 working women are widows.
- 198 women depend on income earned through employment.2 are professionals
- 95% of women don't want to start a business and 5 % of the working women want to start their own enterprise.
- 70% of working women save money for the future of their children.
- The majority of them prefer to invest in bank deposits than investing in the stock market.
- Half of the respondents don't consider gold as the best investment option.
- 109 respondents take the opinion of their husbands when they want to invest their money in various investment options available like gold, Mutual funds, stocks, etc.
- Saving deposits is the most preferred option or investment when they are approaching a bank for Investment.
- 40 % of workingwomen consider Insurance as an Investment option and they prefer to invest in traditional plans than opt for Unit-linked Insurance Plans
- When a question was prompted regarding the awareness of mutual fund investment, 71 percent of the working women are not aware of the various mutual fund schemes.
- 75% of respondents are hesitated to invest money in the self-opted opportunities

CONCLUSION

Working women are independent and likely to invest their money in various financial avenues. Still majority of women hesitate to take self decisions regarding their saving and investments. There are many factors which affect the investment decisions of working women. The majority of them are likely to invest in risk-free investment options like bank deposits, savings deposits, etc. Majority of them invest in banks than in risk-oriented investments like mutual fund schemes and shares. More than seventy percent of them hardly know about various mutual fund schemes.

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