



Analysis of Women's Approach to Investment: A Theoretical Perspective

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Abstract:

Investment has traditionally been a male-dominated market. Women are under-represented in the financial markets. Although female participation in the workforce is on the rise and women's economic empowerment is increasing, there is still a significant gender gap in investment behaviour. This research paper provides in-depth analysis of the social, cultural, psychological and economic factors that influence women's investment behaviour through a thorough review of existing research and theoretical frameworks. By exploring the theme of this research, the study aims to gain a better understanding of unique issues and opportunities that women realise in the investment world. This paper also emphasizes the need for personalized strategies and interventions to help women become more active and confident in their investment roles. In conclusion, the findings from this analysis contribute to a broader debate on gender equality in finance and offer valuable lessons for policymakers, financial institutions and teachers who are trying to promote inclusive and sustainable economic growth.

Keywords: Women, Investment Attitudes, Socio-cultural Factors, Psychological Factors, Financial Literacy, Risk Perception, Institutional Barriers.

I. Introduction:

Background of the Study:

Investment has traditionally been the domain of men, and women are often left behind or left out of financial decision-making. Although progress has been made towards gender equality in many areas, women's involvement in investment activities is still significantly lower than men's. This gender gap in investment is due to variety of factors, such as cultural norms, psychological bias, education, and institutional obstacles. Understanding these factors and how they affect women's financial inclusion is essential for bridging the gap in wealth accumulation between men and women.

Women's involvement in the financial markets and investing activities has been on the rise for many years. Despite this, women's participation in investment decisions remains low. Understanding the drivers behind women's investment behaviour is essential for financial inclusion and women's empowerment.

Rational behind the Study:

This paper takes a multidisciplinary approach, combining financial, behavioural, and sociological research, as well as gender studies, to create a comprehensive understanding of women's attitudes towards investing. The reasons for exploring this topic are many and varied.

- First, as women become more financially empowered and enter the workforce, it becomes increasingly important to understand their views on investing in order to achieve financial inclusion and gender parity.
- Second, despite efforts to close the gender gap in finance, the gap persists, indicating the need for more in-depth insights into the drivers of women's investment behaviour.
- Last but not the least, much of the current literature is focused on quantitative analysis and neglects the intricate relationships between social, psychological, cultural and institutional factors that shape women's investment behaviour.

A conceptual analysis, on the other hand, provides a comprehensive approach to this complex phenomenon.

Significance of the Study:

Women's economic empowerment is not only about social justice, but it's also about sustainable growth and development. Studies show that improving women's access to money and power can have far-reaching positive impacts on households, societies, and economies.

Combining research, theory, and empirical findings, this study examines the many variables that influence women's investment decisions. It also identifies gaps in current knowledge and suggests ways forward for future research and policies to support financial inclusion and gender parity in investment.

Scope of the Study:

The Scope of this research covers the following aspects:

- 1. *Reviewing existing literature:*** This section of the research paper will include an in-depth analysis of existing research, including academic papers, books and reports, in order to gain insight into the various views, theories and empirical studies relevant to women's attitudes towards investment.
- 2. *Conceptual analysis:*** The purpose of this paper is to explore the concept of women's attitudes towards investment. This paper will explore the psychology, sociology, culture, and economics that influence women's investment behaviour. The goal is to provide an in-depth analysis of the constructs and theoretical bases.
- 3. *Identifying influencing factors:*** This study will focus on identifying and analyzing the key influencing factors that influence women's investment behaviour, including risk orientation, financial intelligence, social and economic background, cultural biases, and gender biases. It will examine how these variables interact and impact women's decision-making on investment.
- 4. *Policy and practice implications:*** This paper will provide policy and practice implications for policy makers, financial institutions and investment advisors, as well as recommendations for targeted interventions, training programs and policy actions to support women in investment decisions and close the financial inclusion gap between women and men.

II. Literature Review:

The comprehension of women's attitudes towards investment is crucial for financial advisors, policymakers and researchers. Traditionally, women have been marginalized in the investment landscape, but recent trends indicate a shift in this paradigm. This literature review seeks to provide insights into the various factors influencing women's attitudes towards investment and to offer a conceptual analysis of the subject.

Brand and reputation are one of the most important factors affecting female investor behaviour. In fact, Veena (2013) found that the main factors influencing the investing behaviour of working women are marketability of stocks, corporate social responsibility (CSR), past price movements and daily price events, the use of charts, trends and patterns, as well as current market trends and the reputation of the company.

Sellappan R. et al. (2013) examined the attitudes of women to various sources of finance. The study highlights the impact of age and marital status on investment behaviour among women investors. Compared to fixed deposits, insurance, investment funds, stocks, property and commodities, women's age factor is higher. Analysis of the study revealed that hypothesis is not supported by data gathered, concluding that housewives are more interested compared to working women in investments.

Ramamurthy and Reddy (2015) in their research on analysis of recent trends in Mutual Funds Industry, concluded that most of the benefits for the small investors are driven by professionally managed funds, diversified investments, returns potential, liquidity of investment, transparency, flexibility of investment, affordability, choice of investors and regulatory framework. They also studied some of the most recent developments in mutual fund trade like, Mutual fund company entry and exit, mandatory certification of Mutual fund distribution agent, Mutual fund schemes for real estate, commodities, bullion & precious metals etc., shift of Mutual fund from income fund to money market fund and buying and selling of mutual fund through online mode.

In their study, 'Attention, Perception and Preference of Working Women Towards Investment', Vivek Mittal (2017) and his co-author (Nidhi Aggarwal) examined working women's attention, perception and preference towards investment.

In their study, they rejected the null hypothesis that 'Age and Opinion of Working Women towards Investment Pattern' was rejected. Therefore, they strongly associated age with opinion of working women regarding investment pattern. They also rejected the null hypothesis of 'Marital Status, Family Size of Working Women and Investment Pattern of Working Women'. This study strongly suggests that the government and the SEBI should take the necessary steps to create awareness among women about investment. The common grievance cell is essential for women to prevent cheating and misguidance. The study strongly believes that women will make good investment decision. They may get help from a reliable certified financial planner.

According to Vanishree Sah. P. (2017) study, the main goal that impacts women investors the most is regular income and bank deposits are the preferred investment option for women investors. The study found that the safety of the investment is the variable that has the greatest impact on investment decisions among women. Additionally, the study revealed that family, friends and relatives are key sources of information for women when making investment decisions. The research examined which objectives influence women investors the most, which types of investments women prefer, and which factors have the strongest effect on women's investment choices.

Sharma et al. (2017) found in their article that attractive interest rates draw attention of women investors. Women's future investments depend on the reputation of the bank. Of the total sample, most women favoured OCBC bank for its accessibility. The study shows that age, gender, income and birth order are key factors influencing Singaporean women's investment decisions.

Jaggaiah and Mubeen (2018) investigated investment patterns and the level of awareness among Indian women towards mutual funds. The study analyzes which factors influence most while taking investment decisions of investing in mutual funds. The study found that women investors have high awareness of various mutual fund schemes. The most important factors influencing mutual fund investment are diversification of the portfolio and tax benefits. In this respect, tax benefits are the primary driver attracting women investors to invest in mutual funds. The study strongly suggests that women have regular savings to earn extra income given changing market conditions. Liquid securities like mutual funds are a reasonable part of investment because they help meet emergencies.

Mansi Jain et al., (2019) noticed from their article that women like investing in the stock market with the goal of high returns, but they prefer mutual funds for the tax benefits. Women favoured fixed deposits for safety and gold/silver for liquidity or the ability to convert into cash. They also preferred national savings schemes, public provident funds, and provident funds for tax savings. Real estate was appealing for its high returns, and insurance was seen as the safest investment option.

Sharma and Kota (2019) found in their article that the majority of the women investors in the total sample invested jointly with their husbands. This shows that married women have a responsibility in the family for building the future. Future security, children's education, tax benefits, retirement safety and family emergencies are important reasons why women in the study area prefer to invest. The main problems faced by women investors are a lack of knowledge and confidence, which limits women's ability to invest in the future.

Modi (2019) points out that women tended to invest in gold, silver, platinum, and diamonds, but they were not interested in futures and options. Women invested as a precaution for unpredictable emergencies. Lower income women preferred precious metals as investment instruments since they could easily be converted into cash.

According to Poonam Sharma and Navdeep Kaur's 2019 article, women tend to be more risk-averse investors who prioritize protecting their principal investment amount. The study found that women investors often prefer investments with steady and predictable returns. Women prefer risk-free securities, as they are generally unwilling to take risks with their investments. The research indicates that women's investment attitudes are influenced by their level of financial knowledge.

According to a study by Sanjeevi Gangwani and Haya Ali Al Mazyad in 2020, the main reasons working women choose certain investments are the safety and security of the investment capital. The study found that working women tend to invest in bank deposits most often. Investing in metals was the least preferred option. Investment decisions of working women are majorly influenced by their self-judgement, with few inputs from their husbands, while parents have the least influence on their decision. The study indicates that working women feel very confident when selecting investment options that will generate returns.

According to the study by Vipin Benny (2021), the key factors influencing women's stock market investment decisions are financial leverage, capital appreciation, liquidity and dividend rate. The research found that women investors below 30 years old are the most active in the stock market. Married women are more willing to take high risks when investing in stocks. Salaried women investors also have a significant influence on stock market investment.

III. Objectives of the Study:

The main goal of this research paper is to thoroughly analyse women's perspectives on investing. More specifically, the objectives of the study are to:

1. Review existing research on women's investment behaviour and identify areas for improvement.
2. Examine the social, economic, cultural and psychological factors that influence women's investment decisions.
3. Design a strategic framework that integrates multiple drivers that influence women's investment views and behaviour.
4. Recommend strategies for financial institutions and policy makers to improve gender equity in investment and to empower women as investors.

IV. Methodology:

In order to examine the views of women on investment, this concept analysis uses a qualitative research approach based upon current literature, theoretical frameworks and expert advice. In order to develop a comprehensive understanding of the factors that influence women's investment behaviour, this study draws on diverse sources of information.

The research combined data from multiple studies and sources to create an in-depth analysis of women's investment beliefs. In order to compile data for this research paper, we conducted a systematic review of journals, books, papers, and other relevant literature on the subject of women's attitudes towards investment using keyword searches in academic databases like PubMed, Google Scholar and JSTOR.

The analysis of the data in this study included a synthesis of key themes and concept maps, as well as analyses based on literature review findings. In order to build an integrated understanding of women's attitudes towards investment, the research has identified recurring patterns, theoretical frameworks and empirical evidence.

V. Conceptual Analysis:

Based on the literature review, this paper proposes a holistic model of women's investment attitudes focusing on factors influencing women's attitude towards investment and economic environment that have impact on investment decision of women investors.

A. Influencing Factors of Women's Attitude towards Investment:

The way women approach investment is influenced by several factors, including socio-cultural influences, psychological determinants, financial literacy levels, risk perception, and institutional contexts. These factors interact with each other and have a combined impact on women's attitudes towards investment. The factors influencing women's attitude towards Investment are summarised below:

- (I) *Socio-cultural factors:*** Socio-cultural factors, including cultural norms, societal expectations, and gender roles, have a significant impact on women's beliefs, values and attitudes towards investment. When cultural narratives portray finance and investing as male domains, it can discourage women from actively engaging in financial markets. Additionally, societal pressures to prioritize familial responsibilities over financial independence may discourage women from seeking investment opportunities. To empower women and enable them to shape their financial futures, it is crucial to address these socio-cultural barriers.
- (II) *Gender Disparities in Investment:*** In the past, women have been underrepresented in investment markets, which is indicative of the broader gender disparities in economic participation. Numerous studies have drawn attention to the gender investment gap, highlighting that women are less inclined to invest in stocks, bonds, or other financial assets in comparison to men. Gaining an understanding of the root causes behind these disparities is crucial for overcoming the obstacles that hinder involvement of women in investment activities.

(III) *Psychological Determinants:* The investment choices made by women are subject to the influence of psychological biases and cognitive processes, which in turn affect their risk preferences, decision-making styles, and perceptions of financial opportunities. Women's investment choices and asset allocation decisions can be affected by factors such as risk aversion, loss aversion and susceptibility to emotional biases. Moreover, their willingness to participate in investment activities can be influenced by their self-efficacy beliefs and confidence in their financial abilities.

(IV) *Financial Literacy:* The level of financial literacy plays a significant role in shaping women's investment decision-making processes. When women have limited knowledge about finance and lack familiarity with investment concepts, it can undermine their confidence and competence in managing investments. To address this issue, it is essential to enhance financial education and offer accessible resources that are tailored to meet the unique needs of women. By doing so, we can improve their financial literacy and empower them to make well-informed investment decisions.

(V) *Risk Perception:* Understanding women's perception of risk is vital in shaping their investment preferences and asset allocation strategies. Although women may have a greater inclination towards risk aversion compared to men, their approach to risk management can differ based on their individual preferences and financial goals. To meet the specific needs and preferences of women, it is crucial to have a comprehensive understanding of their risk perception and preferences when developing investment products and services.

(VI) *Institutional Barriers to Women's investment participation:* The presence of legal frameworks, financial regulations, and industry practices in institutions affects women's ability to access financial resources and opportunities. Gender biases in financial institutions, a lack of gender diversity in leadership roles, and a scarcity of gender-sensitive financial products can impede women's engagement in financial markets. Tackling these institutional barriers is crucial for promoting gender equality and building inclusive financial systems.

B. Economic Environment affecting Women's Investment attitude:

The investment attitudes of women are greatly influenced by the economic environment, which is shaped by various factors such as income, employment opportunities, and societal norms. It is evident that women's investment decisions can be influenced by economic stability, availability of financial resources, the gender wage gap, and cultural perceptions. These factors emphasize the importance of implementing inclusive policies and empowerment initiatives to promote financial independence among women. Some of the economic environmental factors that have impact on women's investment attitude are summarised below:

- (I) Economic empowerment of women is vital for the advancement of rights of women and gender equality. This includes ensuring women have equal access to decent work, social protection, resources, and decision-making power in economic matters.
- (II) The active participation of women in the workforce is vital for the growth of economies. Through women's economic empowerment, we can achieve greater income equality and foster economic diversification, resulting in shared prosperity. Experts suggest that closing the gender gap could potentially generate an impressive USD 7 trillion boost for the global economy.
- (III) The enhancement of girls' and women's educational attainment significantly contributes to economic empowerment of women and fosters a more inclusive, environmentally sustainable economic growth. Education together with up-skilling, and re-skilling are crucial, especially in keeping up with the rapid technological transformations affecting job prospects. These factors play a pivotal role in promoting the health, well-being, income-generation opportunities, and active involvement of women and girls in the formal labour market.
- (IV) Promoting women's economic equality yields positive outcomes for businesses. Companies witness significant advancements in organizational effectiveness and growth by expanding employment and leadership opportunities for women.

(V) To successfully accomplish the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, it is crucial to prioritize the promotion of women's economic justice and rights in the economy, along with bridging gender gaps in industry.

VI. Results and Discussion:

Our research shows that women's investment attitudes are shaped by a number of factors. First, women's financial decisions are influenced by social norms and gender stereotypes. Gender stereotypes often portray women as risk averse and less financially confident than men. This can impede women's ability to participate in investment activities.

Psychological factors such as risk orientation, self-motivation and financial intelligence also play a role in women's investment behaviour. For example, research suggests that women may have different risk appetites than men, with women tending to have more conservative investment approaches. Furthermore, women's lack of financial literacy can lead to feelings of uncertainty and reluctance to participate in investment opportunities.

Challenges and Barriers:

In our analysis, there are number of challenges and obstacles that hamper women's participation in investment activities. The gender gap in investment, which is characterised by the different size of portfolio and wealth accumulation for men and women, has been a major barrier. Lower income levels, career interruptions due to caring duties and reduced access to finance education and resources are among the factors that contribute to this gap. In addition, these differences can be exacerbated by institutional factors such as discrimination at work and an uneven access to investment opportunities. In addition, women may be subject to gender specific biases and structural obstacles in the finance sector which can limit their ability to access and administer investment portfolios on an efficient basis.

Opportunities for Empowerment and Change:

In spite of the difficulties, our analysis has identified several opportunities for empowering women in investment. In order to improve women's financial literacy and confidence in the management of investments, education and awareness building initiatives are essential. Women can acquire the skills and knowledge needed to manage complex financial markets by providing targeted financial education programmes and resources.

In addition, addressing systemic biases and creating a more equitable environment for women investors can be helped by promoting gender diversity and inclusion in the financial sector. By promoting greater representation and establishing strong support networks for women in the finance industry, we can cultivate an environment that encourages empowerment and fosters collaboration.

VII. Implications and Recommendations:

Implications:

The main focus of this study revolves around the exploration of women's attitudes towards investment, employing a conceptual analysis approach. The implications arising from this research paper can be summarized as follows:

- 1. Exploring Gender Dynamics in Investment:** This study emphasizes the significance of taking into account gender dynamics in investment behaviour. It points out the subtle variations in how women approach and interact with investment prospects in contrast to men. This insight is essential for financial institutions and investment advisors to customize their services and communication tactics successfully.
- 2. Empowering Women in Finance:** This research on women's perspectives on investment makes a valuable contribution to the ongoing conversation about gender equality and financial empowerment. It highlights the importance of programs designed to educate and empower women in the field of finance, leading to increased economic autonomy and strength.
- 3. Closing the Gender Investment Gap:** Policymakers and stakeholders from industry can utilize the insights from this study to shape policies and interventions that aim to bridge the gender investment gap. By addressing the various factors that influence women's investment attitudes, efforts can be made to foster a financial landscape that is more inclusive and equitable.
- 4. Enhancing Financial Literacy Programs:** The study provides valuable insights that can be utilized to improve the effectiveness of financial literacy programs aimed at empowering women. By identifying and addressing any misconceptions or barriers that hinder women's investment attitudes, these programs have the potential to significantly enhance financial literacy and boost the confidence of female investors.

5. **Promoting Diversity in Investment Management:** Diversity plays a crucial role in the investment management sector. By promoting more women in finance, we can enhance the decision-making process and ultimately achieve improved results for investors.

Recommendations:

Within this study, an examination of gender dynamics in finance, economic empowerment, and societal perceptions is conducted. A structured outline and recommendations are detailed below:

1. **Customized Investment Education:** Financial institutions ought to create educational materials and workshops that are designed specifically to cater unique requirements and preferences of female investors. These resources should primarily aim to dispel prevalent misconceptions, tackle risk perceptions, and emphasize the advantageous outcomes of long-term investments.
2. **Accessible Investment Platforms:** To ensure inclusivity, investment platforms and tools should have user-friendly interfaces and provide transparent information to all investors, including women. Simplifying the investment process can help overcome intimidation and foster increased participation of women in investment.
3. **Female Representation in Finance:** To better understand and serve their diverse client base, companies in the finance sector need to prioritize diversity and inclusion of women by recruiting and retaining more women in investment roles.
4. **Mentorship and Networking Opportunities:** Building mentorship programs and networking opportunities specifically for women in finance can offer valuable support and guidance. Pairing female investors with successful mentors and peers can help strengthen their confidence and broaden their professional networks.
5. **Long-Term Investment Strategies:** Women can benefit from embracing long-term investment strategies to address concerns about short-term market fluctuations. By emphasizing patience and staying focused on long-term financial goals, they can achieve more successful investment outcomes.

Implementing these recommendations and carefully considering the research implications can help stakeholders in their efforts to create a financial landscape that is more inclusive and empowering for women investors.

VIII. Conclusion:

This study has examined the intricate dynamics of women's attitudes towards investment, providing a thorough conceptual analysis based on theoretical frameworks and empirical data. By combining various perspectives, we have identified the complex factors that influence women's investment behaviour, including socio-cultural norms, psychological biases, financial literacy, and empowerment initiatives. It is essential for policymakers, financial institutions, and societal stakeholders to acknowledge and address the unique challenges and opportunities that women face in the investment field. By promoting greater inclusivity, education and support mechanisms, we can enhance women's financial well-being and contribute to broader economic empowerment and societal development of women investors. Continued research and collaborative efforts are crucial to cultivate a more equitable and inclusive investment landscape that leverages women's potential as investors and drivers of economic change.

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