

Understanding Women's Views On Effective Investment Planning Strategies

Dr. K. Sushmitha¹, Dr. T.V.Ambuli², Ms. S.V. Mohana Sujana³

¹Assistant Professor, Department of Commerce, Faculty of Science and Humanities, SRM Institute of Science & Technology, Chennai Ramapuram.

²Associate Professor, Department of Commerce, Faculty of Science and Humanities, SRM Institute of Science & Technology, Chennai Ramapuram.

³Assistant Professor, Department of Commerce, Faculty of Science and Humanities, SRM Institute of Science & Technology, Chennai Ramapuram.

Abstract

Investment planning is often perceived as a male-dominated field, with financial decisions traditionally being associated with men. However, women are increasingly becoming active participants in the world of finance, making informed decisions about their financial futures. The present research will employ a descriptive and exploratory design. The descriptive research aspect will focus on understanding how women engage with financial literacy programs, identifying the types of content they find most valuable, and assessing whether these programs enhance their knowledge of investment options and improve decision-making abilities. On the other hand, the exploratory research will delve into the psychological and cognitive factors that influence investment choices, such as cognitive biases and risk tolerance. While risk aversion and confidence deficits may lead to more conservative investment behavior, cognitive biases and emotional reactions can also affect decision-making in both positive and negative ways. To encourage better investment outcomes for women, it is crucial to address these psychological factors through financial education, empowerment, and promoting a more inclusive financial environment where women feel more confident in their ability to navigate the complexities of investing.

Keywords: Women investors, Investment planning, Financial planning, Investment strategies

INTRODUCTION:

Financial planning and goal-setting are crucial for people since they will help them weather tough financial times and thrive during prosperous ones. Investment planning is one of the many forms of preparation that must take place in order to accomplish these financial objectives. Regardless of gender, a sound investment plan will assist people in reaching their own financial objectives, such as making contributions to a school fund or accumulating a respectable retirement fund. Investing in a variety of investment options, including common stock, corporate or government bonds, collective investment plans, and real estate, is known as investment planning. Each of these forms of investment has a different level of risk, therefore it is advisable to plan your investments to make sure that your goals, risk tolerance, and the investment vehicle you choose are all balanced.

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traditionally being associated with men. However, women are increasingly becoming active participants in the world of finance, making informed decisions about their financial futures. As their role in wealth accumulation and management grows, it becomes crucial to understand how women approach investment planning, the challenges they face, and the strategies they find most effective.

The best tool for reducing human inequalities and promoting equality of opportunity is thought to be education. Equalizing, expanding, and improving the quality of education at educational institutions is the main goal in a democratic society like ours. This way, everybody, regardless of caste, creed, sex, religion, or economic status, has the opportunity to reach his full potential. Education has served as a foundation and a continuity for the evolution of human society, as history indicates. Women's status was different before independence; girls were viewed as the curse, the burden, and the property of men. They were kept inside the house and treated like factories for producing children and other

things, not to mention their education. The history also shows that Indian women were subjected to inhumane treatment; among the prevalent systems that Indian women were forced to adhere to were the Sati system, the Dowry system, child marriage, the Purdah system, and widowhood. Women's life have been transformed by education, which is also responsible for the current status that they enjoy. Gandhi Ji, a leading figure in women's education, argued that men and women should have equal standing and that ladies in the community. He was strongly against widowhood and the purdah regime. He placed a strong focus on women's education and sought to liberate women from social serfdom. Afterwards, upon India's independence, women's education gained momentum and began to develop.

This article aims to explore and analyse women's perspectives on investment planning, focusing on the factors that influence their decision-making processes, the strategies they prefer, and the barriers they encounter in the investment landscape. Understanding these aspects is essential for creating more inclusive financial tools, strategies, and advisory services that cater to women's specific needs and preferences.

Women often approach financial planning with a unique mindset, emphasizing long-term stability, risk management, and financial security. However, they may also face distinct challenges such as wage gaps, longer life expectancies, and social expectations that shape their investment behavior. This article will delve into how these factors influence women's investment strategies and highlight key differences from traditional, more widely studied male-centric financial planning models.

This articles aims to bridge the gap in financial research by presenting a more nuanced view of women's investment behavior and fostering a greater understanding of what makes for effective investment strategies tailored to this growing demographic. Ultimately, the insights gained will contribute to empowering women to take control of their financial futures with confidence and clarity, while also encouraging financial institutions and advisors to adapt their services to better meet the needs of female investors.

REVIEW OF LITERATURE

P G Geethu Krishna (2022) The study investigated the opinions of women on equity share investments. According to the study, women favor moderate risk and are driven by dividend and capital appreciation. The study emphasizes how gender-specific preferences influence investing choices.

Kuldeep Bhalerao and Deepa Nair (2022) The purpose of the study was to investigate how gender affects investment behavior in Navi Mumbai. According to the study, women have less understanding of financial instruments than males, indicating that gender affects investing awareness. This study emphasizes the value of gender-specific investment strategies and the necessity of raising investment awareness in order to advance gender equality.

Harini and Savithri (2021) investigated working women's knowledge level, present investing patterns, and key determinants while making investment choices. Data was gathered from 120 female respondents in Chennai using structured questionnaires and basic random sampling techniques. Additionally, it is discovered that the majority of respondents favor bank deposits, which are followed by gold, insurance, and the post office. It is also evident that the respondents' investing plans are influenced by their yearly income. The study comes to the conclusion that the main reason why women invest in riskier ventures is a lack of knowledge.

Linnet Christilda Gnana Lilly R (2020) carried out a study to learn more about working women's investment behavior. It was discovered that income from investments is not greatly impacted by demographic characteristics. The report emphasizes the need for more research and the evolving role of women in financial management.

Nadia Asandimitra et.al. (2019) carried out study to describe asset allocation, time, and investment profit, as well as to ascertain the degree of financial knowledge among working women. According to the qualitative descriptive study, because investments are linked to risk factors, the respondents' attributes have an impact on their choice of investment. As demonstrated by their

investing discipline, working women have good financial knowledge, according to the study's concluding findings. With the hope of making a profit, they plan and invest their extra cash.

RESEARCH GAP

Key research gaps in women's investment behavior include the effectiveness of financial literacy programs in improving investment decisions, the influence of psychological factors like emotions and biases, and the impact of regional and cultural differences on investment patterns. There is also a need to explore how fintech platforms affect women's financial decisions, track changes in investment behavior over time through longitudinal studies, and examine the role of social networks in shaping investment choices. Further research is needed on the development and effectiveness of gender-specific financial products, women's influence in family financial planning, and the variation in investment preferences across socio-economic groups and employment statuses.

OBJECTIVES OF THE STUDY

1. To assess the effectiveness of financial literacy programs in enhancing women's understanding of investment options and improving their investment decisions.
2. To explore the psychological factors (such as risk aversion, confidence, and cognitive biases) influencing women's investment choices.

RESEARCH METHODOLOGY

The present study will adopt a descriptive and exploratory research design to examine how women engage with financial literacy programs and how psychological factors influence their investment decisions. The descriptive research will focus on understanding the effectiveness of financial literacy programs women participate in, the aspects of the content they find most beneficial, and whether these programs enhance their knowledge of investment options and decision-making abilities. The exploratory research will investigate the psychological factors, such as risk tolerance, confidence, and cognitive biases, that affect women's investment behavior. This part of the study will explore how these psychological factors

influence confidence levels and investment choices. A structured questionnaire was distributed to participants with prior investment experience to gather data on their engagement with financial literacy programs and the psychological factors impacting their investment decisions. The study will use a convenience sampling method, and the sample size will consist of 267 respondents, which is sufficient to derive meaningful insights within the study's scope.

ANALYSIS AND INTERPRETATION

To assess the effectiveness of financial literacy programs in enhancing women's understanding of investment options and improving their investment decisions:

This refers to the ability to understand and effectively use various financial skills, including budgeting, investing, borrowing, taxation, and personal finance management. Women tend to approach investments differently from men, often showing more risk aversion and preferring safer, lower-return options. This difference can be attributed to various factors like financial socialization, risk perceptions, and cultural influences.

Effectiveness of Financial Literacy Programs

Financial literacy programs aimed at women typically focus on providing foundational knowledge about different investment options, including stocks, bonds, mutual funds, real estate, and retirement accounts. The programs may also cover basic financial principles such as risk-return trade-off, diversification, and the time value of money.

Pre- and Post-program Assessments

Comparing women's financial knowledge and investment decisions before and after attending the program can offer insights into how effective the training is.

Knowledge Retention

Assessing whether women retain the information over time and how well they are able to apply the concepts learned.

Behavioral Change

Analyzing whether women start making more informed investment decisions or shift from

conservative to more balanced or aggressive investment strategies after gaining financial literacy.

EFFECTIVENESS OF FINANCIAL LITERACY PROGRAMS AND INVESTORS' DECISION MAKING

Model Summary					
Model	R	R Square	Adjusted R Square	R	Std. Error of the Estimate
1	.201 ^a	.040	.028		.59273

Source: Computed Data

From the above table it is found that R^2 value=0.040, Adjusted R^2 value =0.028 and Std. Error of the

Estimate is found to be 0.59273. This implies the independent variables create 4% influence over the dependent factor of investors' decision towards various investment avenues.

The consolidated relationship between Financial Literacy programs and investors' decisions is estimated in the following Anova table:

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.003	8	1.125	4.304	.001 ^b
	Residual	214.308	610	.351		
	Total	223.311	618			

Source: Computed Data

From the Anova table it is found that $F=4.304$, $b=0.000$ are statistically significant at 5% level. This

shows that there is a significant association between Financial Literacy program and investment decision of the working women.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.539	.144		28.397	.000
	Effectiveness of FLP	.047	.034	0.136	2.881	.004
	Pre- and Post-program Assessments	.003	.006	.022	.651	.552
	Knowledge Retention	.099	.054	.102	2.464	.014
	Behavioral Change	.108	.051	.085	2.105	.036

Source: Computed Data

The table indicates that Behavioral Change ($t=2.105$, $\beta=0.085$ and $P=0.36$), Knowledge Retention ($t=-2.464$, $\beta=-0.102$ and $P=0.014$) and Effectiveness of FLP ($t=2.881$, $\beta=0.136$ and $P=0.004$). It has been found that the pre and post program assessment of the working women belong to has a significant impact on their decision-making about investments. Further, the knowledge retention plays a critical relationship on their investment decision making. Also, it is observed that that effectiveness of

financial literacy programs plays a notable connection on their decision making while investing. These results are consistently found in the study conducted by Arup Kumar Sarkar and Tarak Nath Sahu (2018) in which the authors discovered the association between pre and post programs assessments, knowledge retention and behavioural change of investors. Therefore, it can be concluded that independent variables like Effectiveness of FLP, Pre- and Post-program Assessments, Knowledge Retention, Behavioral Change of working women

have crucial connection over the dependent variable investment decision.

Exploring the psychological factors such as risk aversion, confidence, and cognitive biases influencing women's investment choices:

In the exploration of the study, psychological factors consists of 10 variables in Likert's 5 point scale. The researcher is intended to find the main psychological

factors that influence investors' investment choices. Hence the researcher applied exploratory factor analysis on these 10 variables of psychological factors and obtained the following results:-

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.920
Bartlett's Test of Sphericity	Approx. Chi-Square	2278.013
	df	55
	Sig.	.000

From the above table it is found that KMO measures of sampling adequacy is 0.920, approximate chi-square value is 2278.013 barlett's test of sphericity is found to be statistically significant at 5 percent level. This shows that the sample collected from

investors to identify their psychological factors is adequate and the 10 variables of psychological factors are normally distributed. This leads to the factor extraction from the 10 variables as shown in the table below:

Total variance

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.912	54.745	45.845	3.507	41.887	31.787
2	2.024	9.486	55.752	2.353	17.583	42.270
3	.765	8.950	62.702	1.150	7.632	71.702
4	.873	7.134	65.825			
5	.588	6.786	75.712			
6	.351	5.129	78.720			
7	.627	4.856	83.507			
8	.569	4.784	87.771			
9	.321	3.918	91.788			
10	.513	2.853	94.441			

From the about able it is found that 10 variables are reduced into 3 predominant factors with total variance of 71.702 percent. This leads to the segmentation of factors based on the underlying variables.

The first factor consist of 3 variables

- I have experienced frauds when investing.(0.957)
- I expect high return on my investment portfolio.(0.763)
- I am not ready to take high risk for earning high return while investing.(0.638)

Hence the factors can be called "risk aversion"

Risk is circumstance in which the investor is exposed to danger, and return is the amount received from investment. Risk aversion refers to the tendency to prefer less risky options over those that have the potential for higher rewards but also come with greater risk. Research has shown that, on average, women tend to be more risk-averse than men when it comes to financial decision-making. This can be done through Investment Portfolio Composition and Long term security

The second factor consist of 5 variables

- I am very confident and follow the investment pattern of my parents. (0.805)
- I have a consistent investment pattern as per my savings.(0.672)
- I am ready to invest in investment portfolios that offer safety and security. (0.528)
- I believe that married women must involve more in investments than unmarried women.(0.565)

Hence the factors can be called “confidence”

Confidence or the lack thereof greatly impacts investment decisions. Research suggests that women often tend to be less confident in their financial knowledge and abilities compared to men. Due to a lack of confidence, women may avoid investing or delay investing for fear of making poor decisions. This can lead to lower returns over the long term compared to those who invest early. Even when women do invest, they may choose to stick with more familiar, less volatile investments like mutual funds or exchange-traded funds (ETFs) rather than exploring higher-risk, potentially higher-return options like individual stocks or real estate.

The third factor consist of 3 variables

- I will invest in those investment products after doing in depth research on the investing portfolios. (0.404)
- My investment behaviour and decisions are dependent on my investing objectives. (0.589)
- I choose investment terms based on the needs to face my expenses. (0.540)

Hence the factors can be called “Cognitive biases”

Cognitive biases are systematic errors in thinking that can affect investment decisions. Loss Aversion, Confirmation Bias, Overconfidence Bias and herd mentality are some of the cognitive biases that influence investors’ investment choices.

SUGGESTIONS

- Conducting surveys or focus groups with women to identify gaps in knowledge and specific areas of interest (e.g., retirement planning, stock market basics, risk management).
- Addressing topics that are particularly relevant to women, such as career breaks for child-

rearing, investing for long-term financial security, or managing personal finances during life transitions (e.g., divorce, widowhood).

- Collaborating with financial institutions to track whether women are taking action on their investment knowledge, such as opening brokerage accounts, diversifying portfolios, or making investment decisions based on learned principles.
- Encourage an environment where women feel comfortable making mistakes and learning from them. This can help reduce the fear of failure, a common psychological barrier, especially in high-risk investment scenarios.
- For women who are particularly risk-averse, encourage starting with safer investment options such as index funds, bonds, or ETFs, and gradually introducing them to higher-risk opportunities once they become more comfortable.
- Establishing women-focused investment clubs or online communities where women can discuss investment strategies, share knowledge, and support each other. Social support networks can reduce feelings of isolation and increase collective confidence.

CONCLUSION

The effectiveness of financial literacy programs in improving women’s understanding of investment options and their decision-making abilities can be assessed by analyzing changes in their financial knowledge through Effectiveness of Financial Literacy Program, Pre- and Post-program Assessments, Knowledge Retention and behavioral change. Success would depend on factors like program design, societal influences, and the availability of ongoing support. Psychological factors such as risk aversion, confidence and cognitive biases all play a significant role in shaping women’s investment choices. While risk aversion and confidence deficits may lead to more conservative investment behavior, cognitive biases and emotional reactions can also affect decision-making in both positive and negative ways. To encourage better investment outcomes for investors, it is crucial to address these psychological factors through financial education, empowerment, and

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