

# **Factors Influencing the Investment Behaviour of Women Investors: An Empirical Study Based on Kolkata**

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## **Abstract**

Nowadays, Indian women are self-sufficient as they are increasingly actively involved in all spheres of society, including politics, media, science, technology, and education. In the process, they are also achieving financial independence and actively saving and investing their money by considering a range of factors, including the level of risk involved, the impact of friends and family, and the ability to invest in cutting-edge and contemporary investment opportunities. Understanding the variables that compel female investors to choose different investing paths is so essential. It has a significant impact on how women investors behave and how their temperament affects things. Women typically steer clear of real estate and stock market investments because of the high level of volatility in the financial sector, as well as a host of other issues like inadequate understanding and direction. Because women's investing behaviour is a global topic, it is beneficial to examine women's investment behaviour to determine their ability to bear the risk and the factors influencing their

behaviour. This research paper aims to identify the different factors that influence the investment decisions of educated women and to analyze the investment patterns of women in the Kolkata region while making investment decisions. This study is exploratory and descriptive and used primary data collected through a modified questionnaire from 100 women investors based in the Kolkata region. One hundred educated women investors in Kolkata participated in the study, and the findings show that several factors—including attachment, informational sources, risk, quality of life, and the ability to make independent decisions have a big influence on investing options. Potential investors, distributors, financial advisors, and academics will all find the study to be of great use.

**Keywords:** Indian Educated Women, Investment Behaviour, Investment decision, Perception, Emerging Economies..

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## **Introduction**

Both men and women have equal rights from birth and are crucial to the formation and

growth of the family and society at large. When families were conventional, men used to generate income for the family, with women's roles being primarily limited to household duties. The role of women, which was once limited to the home, has changed to include competition with men in other fields. This is the outcome of the education she is receiving, government programs and policies that prioritize women, and the employment opportunities that have arisen as a result of urbanization, industrialization, liberalization, globalization, and other factors. Women now have more possibilities to become economically independent, and their participation in the financial, political, and social spheres has significantly expanded. A country's status and development as a whole are a measure of its prosperity and progress because women make up half of the population and have an impact on the growth of the other half (Sharma & Goel, 2019).

Plans for saving and investing are crucial for nations that are not seeing enough economic growth. Saving mobilization is necessary, which entails supporting the increasing amount of savings required in order to strengthen economic policies. Women in particular have a propensity of saving money, which is now extended to investing. Even back then, when women were primarily dependent on the earnings of males. Women have become increasingly involved in business and finance during the past few decades. The woman is currently equally employed and well-versed in a variety of financial and investment choices.

Every domestic matter is actively participated in by women. Currently, women are self-sufficient, well-educated, and well-paid. In addition to household concerns, women now make their own financial decisions. In India today, women are actively engaged in many spheres of life, including politics, journalism, science, technology, education, and achieving financial independence. In order to optimize their returns, today's financially independent women are prepared to combine their savings into a lucrative venture (Dhoot 2022).

Nowadays, Indian women are self-sufficient as they are increasingly actively involved in all spheres of society, including politics, media, science, technology, and education. In the process, they are also achieving financial independence and are actively engaged in saving and investing their money by considering a range of factors, including the level of risk involved, the impact of friends and family, and the ability to invest in cutting-edge and contemporary investment opportunities. Studying the variables that compel female investors to choose different investing paths is so essential. It has a significant impact on how women investors behave and how their temperament affects things. However, it appears that many find it challenging to sort through the numerous options and find wise investment opportunities because of ignorance and lack of information. Moreover, they are clueless about where and how much to invest.

This research paper aims to identify the different factors that influence the investment

decisions of educated women and to analyse the investment patterns of women in the Kolkata region while making investment decisions. This study is exploratory and descriptive and used primary data collected through a modified questionnaire from 100 women investors based in the Kolkata region. One hundred educated women investors in Kolkata participated in the study, and the findings show that several factors—including attachment, informational sources, risk, quality of life, and the ability to make independent decisions—greatly influence investing options. Potential investors, distributors, financial advisors, and academics will all find the study to be of great use.

### **Literature Review**

**Dhoot, et. al. (2022)** presented a paper with the aim to determine the barriers that prevent women from making stock market investments. When selecting the sample, a convenience sampling method was applied. After removing the incomplete responses, the survey comprised a total of 250 questionnaires. The survey was split into two sections: the first included demographic information, and the second included 23 characteristics based on a 5-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." In addition, secondary materials such as books, working and discussion papers, and internet research journals were also consulted. Factor analysis is used with SPSS to examine the data. Since investing in the stock market with consideration is beneficial for economic development, the study's findings will assist

financial advisors and planners in developing appropriate investment strategies for investors.

### **Mokkarala & Viswanadham (2022)**

conducted a study on working women in the education sector's short- and long-term investment decision-making. The purpose of this study was to comprehend the investment sectors that Indian women of various social and economic backgrounds have categorized, as well as the reasons behind their investments. The study's methodology was empirical and descriptive. A systematic, closed-ended questionnaire was employed. Easy accessibility a random sample was applied. Faculty members employed by Hyderabad PG or degree colleges served as the sample unit. It included 203 samples in all. There were questions about socioeconomic and demographic aspects of the questionnaire. Every question had multiple choice answers. The Likert scale included five points. Data analysis techniques include weighted mean modelling and cross tabulation. Faculty members from Hyderabad's PG and degree colleges made up the responders. The results showed that the respondents take little risks and that their savings are between 11 and 20 percent. The most popular short-term investment choice was a bank direct investment (FD), whereas the most popular long-term investment option is either mutual funds or bank FD.

**Sharma (2021)** examined a study on factors influencing working women's investment decisions in emerging economies: with a focus on Indian metropolises. The goal of this study was to identify the different criteria that working women in six Indian metropolises—

Delhi/NCR, Mumbai, Kolkata, Chennai, Bangalore, and Hyderabad—consider while making investment decisions. The study, which is conducted on a sample of 2680 educated women investors from the chosen locations, reveals that a number of characteristics, including attachment, information sources, risk, quality of life, and the ability to make independent judgments, have a big influence on the investment paths that are chosen. A standardized questionnaire was used to conduct in-person interviews with working women for the study. This study emphasizes how knowledgeable and conscious modern women investors are of their preferences when choosing an investment strategy. According to data, 68% of respondents suggested making a variety of investment choices for their safe future. The primary conclusion of this study was that contemporary female investors are risk-takers, and their opinion of unconventional investing options, such as mutual funds, has gradually and favourably altered.

**Sukhija (2021)** conducted an empirical examination of working women's investing behaviour in India with the objective of examining the investment habits of Indian working women. In order to better understand the need for and importance of investment outlets among working women in Punjab's public and private sectors, this article employs a descriptive and analytical research design. A total of 480 female respondents were included in the study, 95 of them came from highly populous cities, as identified by the Punjab census of 2011—Amritsar, Ludhiana, Gurdaspur, Jalandhar, and Patiala. Working

women from banks, colleges, and other professional firms make up the sampling unit. Factor analysis was employed in this study to analyze data while taking sociodemographic variables into account. It is found that working women in India favor National Savings Certificates as a low-risk, safe investment option. While working women in India favor gold and silver as traditional investment avenues, the commodity market is viewed as a high-risk investment avenue.

**Modi (2019)** conducted a study with the purpose to comprehend the investment sectors that Indian women of various economic and social backgrounds have categorized, as well as the reasons behind their investments. Primary data was gathered from a sample of females with varying saving goals and social roles played. Owing to temporal limitations, the sample size was limited to 206, and statistical instruments such as crosstabs and the statistical package SPSS were utilized for data analysis. It can be inferred from the data that women belonging to the higher income category invest a majority of their money in fixed deposits, followed by shares, debentures, and bonds, and to a lesser extent, futures and options contracts. Given that the majority of high-income women's investments are made in both risk-free and riskier financial products, such as bonds, debentures, and fixed deposits, it is evident that these women are less risk-averse than those in lower-income groups.

**Koti (2019)** presented a paper on the influence of financial literacy on working women's investment decisions. The primary goal of the study was to determine the level of financial

literacy among women in the Dharwad District. In order to determine their financial proficiency and aptitude, a total of 100 women were interviewed for the research project. Factor analysis, the T-test, and the one-way Anova were the statistical methods employed. In order to determine their financial proficiency and aptitude, a total of 100 women were interviewed for the research project. Factor analysis, the T-test, and the one-way Anova were the statistical methods employed.

**Sharma & et.al. (2017)** investigated a study about factors influencing investing decisions: A Comprehensive Analysis. The study aimed to determine the elements influencing retail investors' investing choices. and to determine which of them is the most dominant. The Mathura region, a city with a religious character, was the subject of the current investigation. A methodical survey was created and distributed to 200 participants using convenience sampling. The replies were gathered between January and March of 2017. After removing the incomplete surveys, the study contained 195 total questionnaires. Retail investors provided the information. Standard factor analysis methods were employed to analyze the data. Of the five demographic categories, investing literacy is negatively impacted by age and annual income. The nature of the family influences investment decision-making behaviour positively, whereas the status of the family has a negative effect. When it comes to the relationship between investment literacy and decision-making behaviour, women investors have benefited from increased investment literacy.

**Ramanujam (2016)** investigated a study with the aim to determine whether working women's investment knowledge and decision-making behaviour are positively impacted by demographic characteristics and to find out whether working women's decision-making regarding investments was positively impacted by investing literacy. For the purpose of gathering primary data, 55 randomly selected respondents from the Coimbatore city population were interviewed in-person and asked to complete questionnaires. Together with the study questions, the questionnaire addresses the demographic aspects. The multiple regression analysis statistical technique is performed using statistical software (SPSS) to test the hypothesis at the 5% significance level. Of the five demographic categories, investing literacy is negatively impacted by age and annual income. The nature of the family influences investment decision-making behaviour positively, whereas the status of the family influences it negatively. When it comes to the relationship between investment literacy and decision-making behaviour, women investors have benefited from increased investment literacy.

**Gaur & et.al. (2011)** worked on a paper disparity in gender attitudes in India when making Investment Decisions. The objective of the study was to investigate how male and female investors differ in their approaches to the Investment Decision Making (IDM) process. Based on a combination of judgment and random sampling that encompasses a range of income, education, age, and occupation categories, the 200 investors/respondents that

make up the subjectively determined sample size were selected from the "targeted relevant population segment". The chi-square test has been used as a statistical tool in this investigation. According to the study's findings, men are more aware of various financial opportunities than women are, and women tend to be less confident in their investing choices, which lowers their levels of happiness.

### **Research Gap**

From the review of the literature, it is clear that most of the studies have been conducted about the investment behaviour of working women in India. To the best of our knowledge, no other study has been carried out to determine the factors influencing the Investment Behaviour of educated women in Kolkata.

### **Objectives of the Study**

1. To identify the factors that influence the investment decision of educated women in the Kolkata region.
2. To analyse the investment patterns of educated women in the Kolkata region.
3. To find the demographic factors that positively impact the investment decision of women investors in the Kolkata region.

### **Research Methodology**

This research was conducted in the Kolkata region to obtain responses from women on their preferences when making their future investments. A purposive sampling strategy was used for sample selection, considering the study's aims and limiting the selection of women respondents to those who meet the predetermined qualities of education and investment experience. The surveys will

provide information about the tastes and reactions of educated women. The design used helped in exploring the working women as investors. Data for the study was gathered from primary and secondary sources. We will be able to accurately determine the factors influencing the decision-making process with the use of both data. Self-structured interviews with educated women at various organizational hierarchy levels are used to get the primary data. Several national periodicals on investments serve as the research's secondary sources. One hundred people participated in the research study. The majority of the survey's questions centred on the different aspects that mattered when choosing an investment. This practical technique assisted in locating a trustworthy and legitimate data source.

For analysis purposes, this study used descriptive statistics and statistical software SPSS to test the hypothesis at a 5% level of significance by applying multiple regression analysis as a statistical technique.

### **Research Hypothesis**

H<sub>0</sub>1: There is no significant difference in the demographic factors and savings objectives of the educated women in Kolkata

H<sub>0</sub>2: There is no significant difference in the demographic factors and preference of investment of the educated women in Kolkata

H<sub>0</sub>3: There is no significant difference in the demographic factors and duration of investment of the educated women in Kolkata

H<sub>0</sub>4: There is no significant difference in the demographic factors and Risk of the educated women in Kolkata

H<sub>0</sub>5: There is no significant difference in the demographic factors and Return of the educated women in Kolkata

## Data Analysis and Interpretation

**Table 1: Showing Summary of Demographic Sample Characteristics**

Sl.No.	Demographics	Category	Respondents (100)	Percent (100%)
1.	Age	Below 25	20	20%
		26- 40	70	70%
		41- 55	7	7%
		Above 55	3	3%
		Total	100	100%
2.	Occupation	Service	43	43%
		Business	8	8%
		Profession	18	18%
		Students	20	20%
		Others	11	11%
		Total	100	100%
3.	Qualifications	Undergraduate	25	25%
		Post- Graduate	54	54%
		Others	21	21%
		Total	100	100%
4.	Annual Income	Below Rs. 2,00,000	38	38%
		Rs. 2,00,001- 5,00,000	33	33%
		Rs. 5,00,001- 10,00,000	24	24%
		Above 10,00,000	5	5%
		Total	100	100%



Above table represents the percentage analysis on demographic details. This was to identify the sample characteristics. In respect of age factor, there are 20 (20%) respondents from the category below 25, 70 (70%) respondents from the category of 26- 40 age group, 7 (7%) respondents from the category of 41-55 age group and 3 (3%) respondents from the category above 55. Regarding educational qualification, 43 (43%) respondents were from the service category, 8 (8%) respondents were from the Business category, 18 (18%) respondents were from the Profession category, 20 (20%) respondents were from the student category and 10 (10%) respondents were from the other category. In case of qualifications, 25 (25%) respondents only belonged Undergraduate, 54 (54%) respondents only belonged Postgraduate and 21 (21%) belonged to other categories. Considering annual income, 38 (38%) belonged to below 2 Lakhs of annual income category and 33 (33%) respondents were from 2-5 lakhs of annual income category, 24 (24%) respondents were from 5-10 lakhs of annual income category and 5 (5%) respondents were having above 10 lakhs of annual income category.

**Table 2: Descriptive statistics**

<b>Factors influencing investment behaviour of Women Investors</b>	<b>Mean</b>	<b>Std. Deviation</b>
Age	1.94	.649
Occupation	2.50	1.501
Qualification	1.96	.680
Annual Income	1.97	.926
Awareness	1.00	0.000
Objective	3.88	1.335
Preference	2.49	1.115
Consultancy	1.72	.866
Investment	1.59	.767
Duration of Investment	2.16	.647
Factors	2.10	1.049
Option prefers	3.06	1.802
Source	2.37	1.098
Investment monitor	2.36	.959
Risk	1.85	.359
Return	2.18	.821

Source- Authors' calculation

A descriptive statistical technique was employed for each variable in the study. In addition, we have considered the mean values, and standard deviation for a better understanding of different parameters



and their fluctuations over the study period. The mean value lies between 1.00 and 3.88. S.D. lies between 0.000 and 1.802. The mean value is higher in savings objective which indicates women are highly dependent on their investment behavior than other factors.

**Table 3: Showing Impact of Demographic Factors Towards Savings Objective**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.476	.682		5.096	.000
	Age	-.498	.203	-.242	-2.456	.016
	Occupation	.068	.105	.076	.641	.523
	Qualification	.610	.207	.311	2.946	.004
	Annual Income	.002	.186	.001	.010	.992
R <sup>2</sup> = 0.136, Adj. R-Square: 0.100, F-Value: 3.748, F(Sig): .007						
a. Dependent Variable: Savings Objective						

Source- Authors' calculation

The above table represents the influence of demographic factors on the savings objective of women in Kolkata. The findings of the analysis demonstrate that three out of four demographic factors i.e. occupation, qualification, and annual income have a significant relationship with saving objectives. Whereas age among the four variables is having insignificant relationship with saving objectives.

**Table 4: Showing Impact of Demographic Factors Towards Preference of Investment**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.572	.598		4.303	.000
	Age	.231	.178	.134	1.299	.197
	Occupation	.017	.092	.023	.181	.856
	Qualification	-.090	.182	-.055	-0.495	.622
	Annual Income	-.201	.163	-.167	-1.232	.221
R <sup>2</sup> = 0.048, Adj. R-Square: 0.008, F-Value: 1.198, F(Sig): .317						
a. Dependent Variable: Preference of Investment						

Source- Authors' calculation

The above table represents the impact of demographic factors on the preference for investment of women investors. According to the results, the analysis demonstrates that age (t=1.299, sig= 0.197) and occupation (t=.181, sig= .856) have a significant relationship with a preference for investment. On the other hand, investor's qualification (t=-0.495, sig= .622) and annual income (t=-1.232, sig= .221) have an insignificant relationship with a preference for investment.

**Table 5: Showing Impact of Demographic Factors Towards Duration of Investment**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.867	.346		5.396	.000
	Age	-.080	.103	-.080	-0.777	.439
	Occupation	.015	.053	.034	.273	.786
	Qualification	.051	.105	.053	0.484	.630
	Annual Income	.158	.094	.227	1.678	.097
R <sup>2</sup> = 0.053, Adj. R-Square: 0.014, F-Value: 1.341, F(Sig): .261						
a. Dependent Variable: Duration of Investment						

Source- Authors' calculation

The above table shows the impact of demographic factors on the duration of investment of investors. According to the analysis, results indicate that the age of investors has an insignificant relationship with the duration of investment. Other demographic variables i.e. occupation, qualification, and annual income are significant in the duration of investment of investors.

**Table 6: Showing Impact of Demographic Factors Towards Risk**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.646	.394		6.716	.000
	Age	-.053	.117	-.046	-.453	.652
	Occupation	-.102	.061	-.204	-1.679	.097
	Qualification	-.193	.120	-.174	-1.612	.110
	Annual Income	.117	.107	.144	1.088	.279
R <sup>2</sup> = 0.092, Adj. R-Square: 0.054, F-Value: 2.417, F(Sig): .054						
a. Dependent Variable: Risk						

Source- Authors' calculation

Here the above table represents the influence of demographic factors on the risk of women investors. The analysis states that only one demographic factor i.e. annual income has a significant relationship with risk. Other factors like age, occupation, and qualification have insignificant relationship with risk. Therefore, it can be said that demographic factors overall have an insignificant impact on the risk of investors.

**Table 7: Showing Impact of Demographic Factors Towards Return**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.805	.464		6.045	.000
	Age	-.396	.138	-.291	-2.875	.005
	Occupation	-.015	.072	-.025	-.203	.839
	Qualification	.002	.141	.002	.017	.986
	Annual Income	.130	.126	.136	1.026	.307
R <sup>2</sup> = 0.087, Adj. R-Square: 0.048, F-Value: 2.258, F(Sig): .069						
a. Dependent Variable: Return						

Source- Authors' calculation

The above table represents the influence of demographic factors on return from investments. The findings of the analysis demonstrate that two demographic factors that are qualification and annual income have a significant impact on return from investments. Whereas, women's age and occupation have insignificant impact. which indicates the model is not significant. Therefore, the model supports the hypothesis.

### Conclusion

The current study made a significant effort to test hypotheses, address five research issues, and accomplish its goals. Among the demographic factors, age has a negative influence on savings objectives, duration of investments and return from investments. Occupation has only a negative impact on risk and return on investments and has a positive significance on the objective, preference, and duration of investments. The length of investments has a beneficial impact on women investors' decision-making behaviour when it comes to demographic characteristics that influence investing behaviour. Therefore, it is

concluded that their demographic characteristics, such as age, occupation, qualification, and annual income, emerged as drivers of investment literacy and decision-making behaviour in a more or less identical manner. It should be mentioned that women of various occupations participated in this research study, which was conducted in the Kolkata area. Because of the wide range of demographic and literacy criteria, it is not possible to extrapolate the findings of this study to the whole population of working women across all Indian states.

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