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Literature Review on Women Investment Behaviour



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ARTICLE INFO	ABSTRACT
<p>Received: 05-01-2023 Received in revised form: 09-02-2023 Accepted: 11-02-2023 Available online: 30-03-2023</p> <hr/> <p>Keywords: Financial Knowledge; Financial Courses; Financial Awareness; Financial Market; Investment Behaviour; Saving Behaviour; Saving & Investment Behaviour.</p>	<p>The level of financial education is lower among Indian women is one of the greatest concerns for India since independence. Although Indian economy has made extensive progress in financial growth over the years. Savings and investments by individuals are as vital for financial well-being and for growth of a robust economy. People with good savings effectively handle economic crisis viz. loss of income and rely less on credit to make up for unpredicted expenses. Financial education is related to financial awareness and understanding of various financial instruments, concepts, and procedures. Appropriate procedure of this understanding to solve financial problems and issues is also considered as financial awareness. Many countries have executed financial literacy surveys among women investors, those survey provide a point of view into saving and investment-related education as well as financial behaviour. This paper is intended to review the past research related to assess the level of financial knowledge and awareness among women investors as well as to know the kind of relationship in between financial knowledge and other demographic and social factors which affect saving and investment behaviour. Herewith, do financial education courses or programs positively impact saving and investment behaviour or not.</p>

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1.0 INTRODUCTION

The study of saving and investment behaviour among women is both tough and demanding. Its complication derives from the figures and fact that the act of saving, and investment are planted in a larger behavioural layer of individual financial management (Wang, 2009). According to gender male investors have much financial knowledge and awareness than female investors that's why the often invest in risky securities because of the mediation effect of the rational behaviour. A study done by Arora and Marwaha viewed that many demographic and social variables employ significant impact

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to towards the financial knowledge of different financial avenues stock market traits. Investigated that Significant difference in the financial education level of the individual stock investors across the income groups because of technical activities and market efficiency, Transportation costs, rate of returns, Settlement period, Common Stock yield returns (Arora and Marwaha, 2013). Financial literacy means open out and advanced the financial education among the investors over the economy. The regulatory bodies are doing much efforts for create the financial inclusion in overall economy. It indispensable for ensuring the growth and development of an economy (Baluja, 2016). While conducting a study on financial education among Women's play very important role in their contribution to economy of a nation. Women's financial education also plays a fundamental role in a family, if women is comfortable in financial issues and have much knowledge about financial market, she can teach the same for the young ones and other. Koti (2019) assessed the role of financial education and literacy rate in an economy has through light on that awareness of financial avenues and as well rational financial decision making, so women's financial education and level of financial literacy rate has massive importance (Iram, Bilal and Latif, 2021).

1.1 Financial Awareness

This is obvious need of the hour. Financial literacy and financial education insinuate a basic awareness or knowledge of the investment avenues available in financial market in an economy. Developing the visibility and clarity of an investor related financial knowledge issues; improving awareness related to the need for financial avenues education; scheming a better survey tool to analyse the financial literacy rate among women; providing a standard to identifying and analysing the current and past scenario and measuring the potential gaps in the current status of investor financial education; Developing guidelines for assessing investor education and financial knowledge. (OECD, 2015)

1.2 Approaches to Financial Knowledge

With object to evaluate the level of financial education among women, basically researchers used some perspective – first is objective perspective and second is subjective perspective. Objective perspective covered, a test that evaluate and measure various financial issues that are – time factor, portfolio diversification, risk and return relationship, inflation, growth and yield is conducted (Becker-Blease and Sohl, 2011) women investors are less interested than men investors in the matter of savings and investment. Women investors would score higher than men if crating awareness regarding financial education among women investors would increase their scores on financial literacy to that of men (Goldsmith and Goldsmith, 1997). Women investors who are professional are respond differently than men investors to savings and investment issues and risk-taking aspects as well (Olsen and Cox, 2001). While the second perspective which is subjective perspective covered, self-analysis of financial opinion and knowledge, used in research of behavioural finance, individual's perception of life satisfaction regarding financial issues and well-being (Kahneman and Krueger, 2006) women investors are comfortable to invest their money in less risky financial instruments and men investors choose risky stock for investment. Rutterford and Maltby (2007) women investors who concerned with their financial advisor have more attention to financial activities and have much financial knowledge regarding financial market (Vohra and Kaur, 2017). Savings and investment behaviour study introduce the investor behaviour to saving and investment that centre on the application of psychological and economic principles for the upgrading individual financial decision making process (Selvam and Premnath, 2020).

1.3 Financial Knowledge and Women

Even though financial literacy opens out around the world, it is important among women section. Women have greater interest in financial issues and act rationally. Women would score higher than men investors with financial education development program conducted among women section (Goldsmith and Goldsmith, 1997), while the demographic factors, correlation between education and financial knowledge was positive, with those level of education the financial literacy score higher. In this study men score higher than women. Keown (2011) women should simply understand that in this world where their opinion and decision may be influenced and manipulated by some social factors so now they should make extra efforts to act independently in important issues, as well financial issues and to learn from experience. Kudryavtsev and Cohen (2011) study reveal that greater household income and individual who obtained masters in professional have higher financial knowledge to financial market. Mahdavi and Horton (2014) concluded that gender factor affect significantly financial literacy and formal education improving it positively. Shao and Wang, (2015) NFCS 2021 report reveals differences in financial decision-making ability among different demographic groups. Differences in level of income, level of education, occupation and gender create distinct financial capability among investors. Lin *et al.*, (2022) financial planning is effect significantly the financial literacy and financial knowledge provide positive mechanism for financial planning (Abreu and Mendes, 2010)

2.0 LITERATURE REVIEW

It is evident that to make logical decisions in the present and future, one needs to look rearward into the past. Assessing the past related issues lays down a secure foundation to estimate what the future would likely be. In other words, past studies have mostly found that a significant difference in financial literacy level of women and men, however what factors are responsible for such differences have not been comprehensive explored.

2.1 Factors Influencing Financial Knowledge

Table 1 – Financial Knowledge and Demographic Factors

Factor	Findings	Studies
Age	<ul style="list-style-type: none"> Age factor effect significantly in financial literacy and old aged investors score higher than middle and younger aged investors. Results reveal that age factor has appositive and significant relation with financial satisfaction and financial awareness. The age factor significantly strengthened the relationship between the financial decision-making process of an investor. 	Sahi and Arora (2012); Gunathilaka (2021); Dewi (2022)
Gender	<ul style="list-style-type: none"> Study concludes that no significant relationship between the gender and financial knowledge and financial awareness. Female students have great financial knowledge than male students, female students have much knowledge and interest about investment, credit, and insurance. 	Sahi and Arora (2012); Sarwar and Afaf (2016); Harrison, Botelho and Mason (2020);

	<ul style="list-style-type: none"> • Women investors are not act likely than men to invest the money in financial instruments, showing other mitigating behaviour like risk and return diversification. • Extraversion, neuroticism, openness to experience, and gender significantly influence investment behaviour toward financial risk. • Gender significantly affects the financial skills and financial knowledge, men score higher financial knowledge than women, but female investors were more rational and skilful than men investor. 	Pavlíček, Hintošová and Sudzina (2021); De et al., (2021); Dewi (2022)
Educational Level	<ul style="list-style-type: none"> • Study reveals that level of education does not influence saving and investment behaviour. • Level of financial literacy among group of investors significantly influences financial behaviour of investor. • Education factor does not play important role in financial decision-making process of an investor. 	Iriani, Rahayu and Rahmawati (2021); Gunathilaka (2021)
Employment Status	<ul style="list-style-type: none"> • Occupation status and experience of financial issues of an individual negatively related to financial knowledge. • Employment status of an investors does not influence the financial behaviour. • Employment status and age factor have been identified as factors which significant relationship between financial behaviour of an individual and decision making of investor. 	Kadoya and Khan (2017); Iriani et al., (2021); Gunathilaka (2021)
Income	<ul style="list-style-type: none"> • Individual income and financial behaviour of an investor associated with positive relationship. • Study reveals level of income, related financial knowledge, experience in financial issues, and specialised may also make efficient and poor investment decisions. • Level of financial literacy and income factor has no significant relationship. • There is no positive relation between the investors level of income with financial knowledge and awareness. 	Robb and Woodyard (2011); Homan (2015); Kadoya and Khan (2017); Iriani et al., (2021)
Family Background	<ul style="list-style-type: none"> • Study found that financial behaviour of an individual is influenced by various social factors, such as peer pressure, societal norms, and culture. The study also found that financial advisors play a crucial role in shaping an individual's financial behaviour, as they provide guidance on financial matters. 	Salim and Khan (2020)

3.0 CONCLUSION

Financial knowledge is related to having knowledge about different financial avenues, knowledge about financial issues, concepts, procedures of financial market as well as financial awareness and better understanding of risk and return relationship. Worldwide women investors generally score lower on financial literacy rates than men and may lack financial knowledge relevant to day-to-day financial decisions, despite having higher levels of financial self-sufficiency.

Countless studies ascertain a positive and significant relationship between financial education and investment behaviour of individuals (Lusardi, 2008; Shenbagavalli *et al.*, 2015; Santini *et al.*, 2019; Bhutoria and Vignoles, 2018). Be that as it may, the outcome is not concordant, as other authors (Homan, 2015; Marinelli, Mazzoli and Palmucci, 2017; Pavlíček *et al.*, 2021), while a positive relationship is of outline between the financial literacy level and financial decisions such as risk taking attitude, financial self-efficacy, portfolio management, mortgage performance, and equity. The research provided the facts that financial knowledge is contrarily related to certain factors such as gender, age, level of education, employment status (Singh and Bhattacharjee, 2010; Sahi, 2013; Saivasan and Lokhande, 2022; Prakash, Alagarsamy and Hawaldar, 2022; Pavlíček *et al.*, 2021; Dewi, 2022).

Financial Education programs and seminars are used as a technique to raise capital formation level by statutory bodies and government but past and present studies presenting them as a short-term increment in savings and investment levels while financial awareness programs and seminars, financial experience and financial perception also govern saving and investment behaviour of women investors.

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