# Determinants of Investment Decisions of Employed Women in India

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## ABSTRACT

Investment is a critical financial activity that involves the allocation of funds into various financial assets to generate returns. For employed women, investment decisions are shaped by multiple socio-economic and psychological determinants. The ability to engage in financial decision-making fosters economic empowerment and enhances financial literacy. Investors can be broadly classified into conservative, moderate, and aggressive categories based on their risk tolerance and investment preferences. Available investment avenues include corporate securities, equities, bonds, blue-chip stocks, and mutual funds. Access to financial information through institutions, markets, and media significantly influences investment behaviour. This study explores the factors influencing investment decisions among employed women, focusing on socio-economic, psychological, and economic aspects affecting their financial behavior. It analyzes the investment choices of working women in Bangalore, Karnataka, using primary survey data. The study focuses on employed women in Bangalore, surveyed in 2024 as the component of analysis. Working women are chosen for the study because, in the contemporary age, working women play a significant role in family decision-making, and contribute to the family's income. Research indicates that women in the workforce are generally cautious and conservative when making investment choices. The research employs exploratory and confirmatory factor analysis to identify key determinants of investment decisions of employed women. The results indicate that there are 20 key determinants of investment decisions of employed women. The key determinants include “Holistic Financial Planning and Investment Strategy", "Multifaceted Investment Decision Framework", "Independent Investment Confidence and External Influences", "Independent Analysis with Market and Economic Sensitivity", and "Socially Responsible and Impact-Driven Investing". These insights aim to enhance financial security and promote inclusive economic growth in India.

**Keywords:** Determinants, Investment Decisions, Employed, Women, Karnataka, India.

## INTRODUCTION

Investment decision-making involves the strategic allocation of financial resources to maximize returns while considering risk and liquidity preferences. People can improve their decision-making skills by practicing and evaluating their choices to assess their decision-making abilities (Gill et al., 2018). Conventional financial theories presuppose that investment markets and their participants are rational and practical, aiming to maximize their wealth (P.H & Uchil, 2020). There are three categories of investors: conservative investors, moderate investors, and aggressive investors. Various investment options include corporate securities, stocks, blue chips, bonds, and mutual funds. Information on investments can be gathered from financial institutions, markets, and media (Vijay, 2021). Nowadays, there are a variety of investment choices available, such as bitcoin, bonds, debentures, equity funds, mutual funds, gold, land, antiques, and other forms of real estate. Every type of investment comes with its own set of pros and cons, including the potential return on investment, level of risk, and timeframe for making back money (Rattanaprichavej & Teeramungcalanon, 2020). Investment behavior

involves the beliefs, attitudes, and readiness of people and organizations to invest their money in different forms of financial assets. An investor is someone who gives up resources now to gain rewards later. The advantages could include increased capital value, earnings from dividends, bonuses, retirement benefits, and various other benefits (Vijay, 2021). Many investors aim to attain desirable passive income returns as their ultimate investment goal, which occurs when the expected and earned yields are equal (Rattanaprichavej & Teeramungcalanon, 2020). An investment decision involves strategically allocating savings or extra income to meet certain financial goals, considering returns, risks, and liquidity requirements (Amravati, 2022).

Historically, women have exhibited a more cautious approach toward financial investments, often prioritizing financial security over risk-taking. In traditional settings, where women primarily depended on their partner's income, savings were typically allocated for emergencies and future contingencies rather than strategic investments. Limited access to financial education and investment opportunities further constrained their participation in wealth accumulation. However, with evolving socio-economic dynamics, increased workforce participation, and improved financial literacy, women's investment behaviour has undergone a significant transformation, enabling them to make more informed and diverse investment decisions. Currently, women who are in the workforce are knowledgeable about different investment options due to their education, and they invest in assets like shares, debentures, mutual funds, commodities, and bank deposits (Manju & Krishnamoorthy, 2019). Indian women are now receiving recognition for their contributions to family, businesses, and society. More women are becoming more involved in family decisions due to changing demographics and increased participation in economic activities. As education, employment, and financial contributions evolve, her influence on the family's decision-making is growing (Sharma & Kota, 2019). In the 21st century, the involvement of women in making investment decisions is becoming more crucial for their financial well-being and empowerment in the economy. Despite improvements in the education and employment of women, research indicates that women still fall behind men in terms of making investment decisions and understanding financial matters (Amravati, 2022). Most individuals feel anxious when faced with the prospect of taking financial risks. Some individuals find pleasure in taking risks, while others prefer stability and avoid taking any form of risk. Risk tolerance is a crucial factor in investing as it refers to the level of fluctuation in investment profits that an investor can tolerate. Risk appetite denotes investors' capacity for taking risks, indicating how much risk they can financially and emotionally handle. The risk tolerance of female investors is mostly influenced by their demographics and behavior since behavior guides how they make decisions (Kumar & Kumar, 2021). Most working women prioritize liquidity as the key factor to consider when making investment decisions. Most women possess a fundamental knowledge of investing, a promising development that will motivate more women to engage in investing. The investment habits of individuals evolve. In their youth, individuals are more likely to be inclined to invest larger amounts of money than they would in old age. Salaried women workers tend to err on the side of caution despite claiming they are willing to be adventurous when making investment choices (Tannu & Kumar Meet, 2024). Emotions and mental aspects like anxiety, desire for more, and excessive self-assurance are also important in making decisions about investments. An individual's investment decisions are mainly influenced by their level of financial literacy and mathematical abilities. Studies have uncovered multiple additional variables that can influence financial decision-making. Humans can be influenced by factors such as personality, gender, money attitudes, and prejudices, leading them to make decisions that are not always rational (Kappal & Rastogi, 2020). Most women entrepreneurs agreed that personal and job experience lifestyle, income level, investment time horizon, dual responsibilities of business and family, and social-cultural factors like religion influenced investment decisions in Kenya. Most survey participants agreed that an individual's educational background did not have a significant impact on the investment choices of female entrepreneurs in Kenya (Ummah, 2019). This study aims at identifying and analyzing the determinants of investment decisions of employed women.

## REVIEW OF THE EXTANT LITERATURE WORKS

A review of the existing research works on investment decisions, women in investment, and determinants of investment decisions is carried out. The study of investment decision-making has been examined from different viewpoints, such as individual or corporate, government or private sector, and developing models to aid decision-making on a specific topic (Rattanaprichavej & Teeramungcalanon, 2020). Decision-making is the act of selecting the most optimal choice following a methodical evaluation of all possibilities. Investment decision-

making involves allocating money in the current time with the anticipation of maximizing future returns on investments. Investors expect that the extra profit on their investment will make up for the effects of time, inflation, and risk (Khan, 2023). The level of knowledge an individual investor has about various investment instruments impacts the effectiveness of their investment strategy. Understanding the correlation between risk and return, as well as knowledge of sectors, economic indicators, company performance analysis, and portfolio management techniques, impact individuals' investment choices. The origin of information on investment options also influences investment choices (Chaturvedi Sharma & Goel, 2019). Except for household size, all other demographic factors impact the investment decisions made by individual investors. In the context of India, research shows that individuals who are married, older (40-70 age range), and have dependents tend to be more prone to taking risks compared to others (Shetty, 2013).

The role of women has shifted in the contemporary age as well. Currently, women who work are actively involved in making decisions for the family. Additionally, women who work also help contribute to the family's income. It was noted in this research that women in the workforce tend to be cautious when making investment choices and have a conservative mindset. It has also been discovered that working women require guidance when it comes to investing. Women's investment choices are affected by various factors such as level of education, earnings, marital status, and more (Tannu & Kumar Meet, 2024). Currently, women are crucial in financially supporting their families. They also play a role in the economic development of a nation (Khan, 2023). Females exhibit higher levels of risk aversion than males, possess a more cautious approach to finances, lack financial expertise, lack self-assurance, and rely heavily on advice from others for investment choices (Sharma & Kota, 2019). Although more women are becoming financial decision-makers, their influence in investment decisions is still restricted. Women encounter various obstacles when it comes to being involved in investment choices, such as insufficient financial knowledge, discrimination based on gender, and societal expectations that restrict their independence (Amravati, 2022). Empirical data indicates that gender impacts investment strategy, with women investing less in quantum and exhibiting more caution compared to men (Kappal & Rastogi, 2020). Prior studies have shown that certain demographic factors such as gender, age, occupation, income, education level, and marital status can impact the way investment decisions are made. Differences in investment type, investment period, and investment information awareness were observed between men and women. Men tend to make decisions relying on financial statistics. They tend to display confidence, exhibit more caution when taking risks than women, and typically favor short-term investment options. Women usually take into account the feedback and viewpoints of people around them, like friends or individuals with successful investment backgrounds, when making decisions on long-term investments (Kumar & Kumar, 2021; Rattanaprichavej & Teeramungcalanon, 2020; Sharma & Kota, 2019; Ummah, 2019). High interest rates, tight lending policies, limited technology access, new competitors, inflationary pressures on purchasing power, and investment risks shape women entrepreneurs' decisions in Kenya. Most of the survey participants agreed that the biggest factor in making investment choices was the level of risk involved (Ummah, 2019). The days when women lacked the confidence to discuss money, avoided financial terms, and let men make major investment choices are no longer here (Manju & Krishnamoorthy, 2019). Multiple influences impact the investment choices of women, such as return, long-term growth, risk, liquidity, and retirement income. For the most part, women predominantly choose to invest in bank deposits, post office deposits, gold, silver, and government securities as they are considered safer investment options (Chaturvedi Sharma & Goel, 2019). The key factors impacting the risk tolerance of female investors include attitudes toward investing, investment goals, and potential benefits. These factors greatly affect women's willingness to take on risks. Furthermore, factors such as preferences and investment selection criteria do not play a significant role in impacting women's risk tolerance when making investment decisions (Kumar & Kumar, 2021). Various factors including financial knowledge, earnings, family obligations, job progression, societal expectations, peers' impact, financial objectives, resource availability, and market awareness seem to influence women's investment decisions (Daniel et al., 2024). Research on decision-making in investments and biases would aid policymakers in comprehending how emotions impact individual investors' financial decisions in uncertainty (P.H. & Uchil, 2020). Although the financial resilience of investors dropped on average post-COVID-19, those who remained resilient continued investing (Niculaescu et al., 2023). Women increasingly participate in the investment decision-making process at the household level and business levels. Women are comparatively more conservative investment decision-makers than their male counterparts. Many factors such as personal characteristics, income level, financial goals, awareness of investment information, risk appetite, liquidity, and cultural and social norms determine the investment decision-making of women. However, certain

factors such as investment knowledge and experience, time constraints, peer influence, family responsibilities, and economic and financial events are adequately researched. This study focuses on bridging the research gap identified. The proposed determinants of investment decisions of employed women are financial goals, risk tolerance, investment knowledge and experience, income and financial resources, time constraints, social and environmental constructs, confidence and self-efficacy, peer influence, family responsibilities, work-life balance, economic conditions and market sentiments, financial advice and support, cultural and societal norms, investment constraints, and economical and financial events. The aim of the study is to identify the factors that determine of Investment Decisions of Employed Women in India.

### Research Methods

### Research Framework

This research is founded on primary data obtained from working women in Karnataka, India. Interviews are used to gather primary data. This research employs a cross-sectional design.

### Sampling Framework

This study focuses on working women in Karnataka, India. The population in Bangalore, Karnataka includes women who are employed. Judgment sampling was used to gather the primary information. There are 25 lakhs of women who are working in Bangalore, Karnataka. If the population exceeds 1,000,000, the sample size needed for a 95% confidence level with a 5% margin of error is 384 (Krejcie & Morgon, 1970).

### Data Collection

Primary data were gathered from working women in Bangalore, Karnataka using a judgment sampling approach and structured questionnaire method. The Judgment sampling technique is employed because working women numbers are not finite. Out of 628 employed women contacted 424 provided responses for the data collection. Data was gathered between January 2024 and July 2024. 40 responses out of 424 were excluded due to incomplete information provided by respondents. Therefore, out of 424 total responses, 384 were deemed valid while 40 were excluded.

### Measurements

Various factors such as financial goals, risk tolerance, investment knowledge and experience, income and financial resources, time constraints, social and environmental constructs, confidence and self-efficacy, peer influence, family responsibilities, work-life balance, economic conditions, and market sentiments, financial advice and support, cultural and societal norms, investment constraints, and economical and financial events are taken into account to determine the factors influencing investment decisions of working women. These variables are presented in statements on a five-point scale.

### Pilot study

The Cronbach α scores for variables including financial goals, risk tolerance, investment knowledge and experience, income and financial resources, time constraints, social and environmental constructs, confidence and self-efficacy, peer influence, family responsibilities, work-life balance, economic conditions and market sentiments, financial advice and support, cultural and societal norms, investment constraints, and economical and financial events are 0.897, 0.858, 0.884, 0.860, 0.918, 0.782, 0.842, 0.870, 0.775, 0.821, 0.794, 0.752, 0.791, 0.856, and 0.804 respectively.

## RESULTS

Due to acceptable α scores, the main investigation was conducted. The majority (58.9%) of employed women fall within the 28-43 age range, with 29.2% falling within the 44-59 age range. 43% of employed women are currently pursuing undergraduate degrees, while 24.7% have completed HSC/Diplomas. 66.1% hold full-time jobs, while 23.2% are part-time workers. 58.9% have between 4 to 10 years of experience, while 29.2% have

been working for 11 to 15 years. 74.2% make up between 5-10L per year, while only a small percentage (6.3%) earn over ₹15L. 63% of individuals are in a marriage. 68.8% of individuals have between 4 and 10 years of experience in investing. The majority of 61.2% choose to invest in the medium term. Investors with a risk tolerance of 66.1% favor investments with low risk. The information shows a demographic of employed women of working age with some experience and income, who favor investments with moderate risk and mid-term returns.

Exploratory factor analysis (EFA) is employed to examine the primary study data. Findings from EFA are displayed.

Table - 1: KMO and Bartlett's Test

| | | |
|---|---|---|
| Kaiser-Meyer-Olkin measure of sampling adequacy | | 0.849 |
| Bartlett's Test of Sphericity | Approximate $\chi^2$ | 18366 |
| | Significance | 0.000 |

Source: Primary data

The value of KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) is 0.849, indicating excellent adequacy in sampling. This indicates that the sample is very appropriate for factor analysis, showing strong correlations within the data. Bartlett's Test of Sphericity shows a chi-square value of 18366 and a p-value of 0.000. The finding that $p < 0.05$ suggests that the correlation matrix is not an identity matrix, demonstrating sufficient relationships among variables for factor analysis. Both assessments validate the suitability of factor analysis for this specific dataset.

Table 2: Total Variance Explained by Extracted Factors

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 11.688 | 14.082 | 14.082 | 11.688 | 14.082 | 14.082 |
| 2 | 10.380 | 12.506 | 26.588 | 10.380 | 12.506 | 26.588 |
| 3 | 5.468 | 6.589 | 33.177 | 5.468 | 6.589 | 33.177 |
| 4 | 3.889 | 4.686 | 37.863 | 3.889 | 4.686 | 37.863 |
| 5 | 3.114 | 3.752 | 41.615 | 3.114 | 3.752 | 41.615 |
| 6 | 2.539 | 3.059 | 44.673 | 2.539 | 3.059 | 44.673 |
| 7 | 2.266 | 2.730 | 47.403 | 2.266 | 2.730 | 47.403 |
| 8 | 1.813 | 2.185 | 49.588 | 1.813 | 2.185 | 49.588 |
| 9 | 1.783 | 2.148 | 51.736 | 1.783 | 2.148 | 51.736 |
| 10 | 1.673 | 2.016 | 53.752 | 1.673 | 2.016 | 53.752 |
| 11 | 1.564 | 1.884 | 55.636 | 1.564 | 1.884 | 55.636 |
| 12 | 1.470 | 1.771 | 57.407 | 1.470 | 1.771 | 57.407 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 13 | 1.317 | 1.586 | 58.994 | 1.317 | 1.586 | 58.994 |
| 14 | 1.263 | 1.522 | 60.516 | 1.263 | 1.522 | 60.516 |
| 15 | 1.253 | 1.510 | 62.026 | 1.253 | 1.510 | 62.026 |
| 16 | 1.216 | 1.466 | 63.491 | 1.216 | 1.466 | 63.491 |
| 17 | 1.119 | 1.348 | 64.839 | 1.119 | 1.348 | 64.839 |
| 18 | 1.059 | 1.276 | 66.115 | 1.059 | 1.276 | 66.115 |
| 19 | 1.019 | 1.228 | 67.343 | 1.019 | 1.228 | 67.343 |
| 20 | 1.015 | 1.223 | 68.566 | 1.015 | 1.223 | 68.566 |

Extraction Method: Principal Component Analysis.

Table 2 gives a synopsis of the findings of a Principal Component Analysis (PCA). PCA is a statistical method that is utilized to decrease the complexity of data by finding the primary components that account for the variation in the data. The main components are ranked based on the amount of variance they explain. PCA aims to identify a reduced set of components that account for the majority of variability present in the data. The total number of eigenvalues signifies the variance explained by each principal component, while the percentage of variance represents the portion of total variance explained by each component. The accumulated variation increases with the addition of more components. Sums of Squared Loading values are comparable to the initial eigenvalues except for the components that are retained post-extraction (i.e., the significant components). Component 1 possesses an eigenvalue of 11.688 and accounts for 14.082% of the overall variability in the data. Component 2 accounts for an extra 10.380%, increasing the total explained variance to 26.588%. Component 3 accounts for 5.468%, contributing to a total variance of 33.177%. Component 4 increases by 3.889%, bringing the total to 37.863%. Component 5 accounts for 3.114%, making the total variance up to 41.615%. In general, the variance is largely explained by the first 20 components. For instance, the initial 20 factors collectively account for 68.566% of the variability in the dataset. 20 factors are derived from the 83 dimensions analyzed to investigate the factors influencing investment choices among working women. All the remaining factors are irrelevant as their eigenvalues are less than 1. Factor one has the loading of the following dimensions. I agree that retirement planning is a priority in my financial goals, I agree that buying a home is a major financial goal for me, building wealth and achieving financial security are key goals for me, having an emergency fund is crucial for me, and I prioritize saving for unexpected expenses, I agree that I have a high appetite for investment risks, I perceive investment risks as opportunities for potential growth rather than threats to my investments, I am willing to take on higher financial risks in pursuit of higher potential returns, I strongly agree that I can tolerate market volatility, I have a long-term investment horizon and can withstand short-term market fluctuations, I prefer diversifying my investments across different asset classes to manage risks, I am familiar with various investment instruments such as stocks, bonds, and mutual funds, I am well-informed about the tax implications associated with different investment decisions, I am confident in my ability to conduct thorough research for investment analysis, I have practical experience in making investment decisions in the past, I have a significant amount of disposable income after meeting my essential expenses, I consistently save a substantial portion of my income for future financial goals, I strongly agree that my current employment offers valuable benefits for long-term financial planning, I have additional sources of income, such as rental income, investments, or side businesses, I strongly agree that I have convenient access to credit or loans for financial ventures, I have a stable financial situation with a significant net worth, I make it a priority to dedicate enough time for investment research and analysis, I believe it is important to stay informed about the performance of my investments, I prefer actively managing my investments through frequent buying and selling of assets and I believe that passive investment strategies are more suitable given my time constraints.

One appropriate single title for encompassing all these aspects is "Holistic Financial Planning and Investment Strategy". This factor captures the combination of financial objectives, risk comfort, investment expertise,

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income control, and strategic investment approach embodied by these aspects. It emphasizes the thoroughness of financial planning and direct involvement in investment choices in various areas of personal finance.

Factor 2 has the loading of the following dimensions. I have confidence in my ability to conduct thorough research and analysis of potential investments, I prefer making investment decisions on my own, based on my own analysis and research, I consider recommendations from friends or colleagues when making the investment decisions, social media platforms influence my investment decisions, I provide financial support to my family members, which affects my investment decisions, Education expenses for children or siblings influence my investment decisions, I consider the affordability of mortgage or rent payments when making investment decisions, The financial goals of my family members influence my investment decisions, I can adjust my work schedule to accommodate my investment needs, Work-related stress significantly influences my investment decisions, I prioritize balancing work, personal life, and investment activities, Interest rates significantly influence my investment decisions, I consider consumer confidence as an indicator for my investment decisions, I consider investor sentiment in shaping my investment strategies, I rely on professional financial advisors to help me make informed investment decisions, I have access to investment education programs that enhance my knowledge and skills for making investment decisions, Online investment resources and tools play a crucial role in my investment decision-making process, I receive valuable support from family or friends who possess investment knowledge and expertise, I strongly agree that gender norms and expectations have no impact on my investment choices, Social biases or stereotypes about women investors strongly impact my investment decisions, I feel the need to challenge or overcome social biases or stereotypes as a woman investor, I consider legal or regulatory restrictions when making investment decisions, Employer-imposed investment limitations strongly influence my investment decisions, Liquidity requirements strongly impact my investment decisions, I consider the tax implications of investment choices when making investment decisions, I strongly agree that restrictions on investing in certain industries or assets have no impact on my investment choices, Market crashes or recessions strongly impact my investment decisions, I agree that political and policy changes affect my investment choices, I consider global economic trends and events when making investment decisions and I strongly agree that changes in interest rates or inflation affect my investment choices.

A name that encompasses the diverse range of these dimensions is "Multifaceted Investment Decision Framework". This captures the diverse and intricate factors impacting investment decisions, such as personal preferences, social influences, family responsibilities, economic indicators, regulatory considerations, and external environments. It highlights the broad, multidimensional approach investors take when making informed choices.

Factor 3 has the loading of the following dimensions such as I have confidence in my ability to make sound investment decisions, I trust my judgment and instincts when it comes to making investment decisions, I believe I can assess and manage investment risks effectively, I do not value the knowledge and perspectives shared within investment clubs or networks, I do not engage in discussions and share investment experiences with peers, I am not open to participating in group investment decisions, Inflation rates have a significant impact on my investment decisions, I consider the prevailing attitudes towards women in finance when making investment decisions and I strongly agree that minimum investment thresholds have no impact on my investment choices.

A suitable name for this set of dimensions is "Independent Investment Confidence and External Influences". This construct shows the person's great belief in their own choices in investing and evaluating risks, while also carefully considering outside influences like inflation, gender roles, and views on minimum investments. It highlights the importance of being independent while also being aware of specific external factors.

Factor 4 loads with the following dimensions such as stock market performance strongly influences my investment decisions, and I consider the economic growth outlook when making investment decisions. A suitable name for this set of dimensions could be "Independent Analysis with Market and Economic Sensitivity". This variable emphasizes the person's dependence on personal evaluation for investing choices, while also recognizing the impact of stock market trends and larger economic variables. It shows a fair combination of independent decision-making and understanding of external market and economic factors.

Factor 5 has the dimension namely I have a strong focus on impact investing to generate positive social or environmental outcomes. A suitable name for this dimension is "Socially Responsible and Impact-Driven Investing". This construct highlights the investor's dedication to making investments that produce both financial gains and positive social and environmental effects.

Factor 6 consists of statements such as I strive to maintain a healthy balance between my investment activities and other commitments, it is important for my investments to align with my values and beliefs, and I believe I have a solid foundation of financial knowledge to make informed investment decisions. A suitable name for this set of dimensions is "Values-Aligned, Balanced, and Informed Investment Approach". This variable highlights the person's need for expert advice, the significance of matching investments with personal beliefs, a well-rounded method for handling responsibilities, and trust in their understanding of finances.

Factor 7 deals with “I strive to strike a harmonious balance between investment activities and my work-life commitments". The construct can be called “Investment Prioritization” as the statement is negatively loaded.

I believe that learning from others' investment experiences is beneficial and constitutes factor 8 which can be called as “Shared Investment Knowledge”.

Factor 9 deals with statements such as I consider natural disasters and their impact on markets when making investment decisions, I consider technological advancements shaping investment opportunities when making investment decisions, and I actively review and monitor my investment portfolio to ensure it meets my objectives. The construct can be called as “Dynamic Risk Awareness and Strategic Portfolio Management”.

“Having an emergency fund is crucial for me, and I prioritize saving for unexpected expenses” constitute Factor 10 which can be termed as “Emergency Preparedness and Financial Security”.

I agree that I have a high appetite for investment risks constitutes Factor 11 which can be known as a “High Risk Appetite”. Factor 12 can be named "Financial Goal on Basic Necessities". Factor 13 is “Minimal focus on wealth creation and financial security”. Factor 14 is “Committed Investment Research”. Factor 15 is “Sensitivity to economic indicators”. Factor 16 is “Professional Financial Guidance”. Factor 17 denotes “Financial market knowledge”. Factor 18 denotes “Social media on investment”. Factor 19 is “Cultural Influences on Risk-Taking” and finally factor 20 denotes “Unbiased gender approach”.

EFA results show that 20 factors are extracted from 83 dimensions considered. EFA reveals that determinants of investment decisions of employed women are given in Table 3.

Table 3: Determinants of Investment Decisions of Employed Women

| Determinants |
|---|
| 1. “Holistic Financial Planning and Investment Strategy" |
| 2. "Multifaceted Investment Decision Framework", |
| 3. "Independent Investment Confidence and External Influences", |
| 4. "Independent Analysis with Market and Economic Sensitivity" |
| 5. "Socially Responsible and Impact-Driven Investing" |
| 6. "Values-Aligned, Balanced, and Informed Investment Approach" |
| 7. “Investment Prioritization” |
| 8. “Shared Investment Knowledge” |

| |
|---|
| 9. “Dynamic Risk Awareness and Strategic Portfolio Management” |
| 10. “Emergency Preparedness and Financial Security” |
| 11. "High-Risk Appetite" |
| 12. "Financial Goal on Basic Necessities" |
| 13. “Minimal focus on wealth creation and financial security” |
| 14. “Committed Investment Research” |
| 15. “Sensitivity to economic indicators” |
| 16. “Professional Financial Guidance” |
| 17. “Financial market knowledge” |
| 18. “Social media on investment” |
| 19. “Cultural Influences on Risk-Taking”, and |
| 20. “Unbiased gender approach”. |

To confirm the factor loadings, a Confirmatory Factor Analysis is done. CFA results are presented in Table 4.

Table 4: Fit Measures

| **RMSEA 90% CI** | | | | |
|---|---|---|---|---|
| **CFI** | **TLI** | **RMSEA** | **Lower** | **Upper** |
| 0.902 | 0.912 | 0.056 | 0.074 | 0.088 |

Source: Primary Data

The CFI value suggests a strong match. In general, a CFI value higher than 0.90 is deemed satisfactory, with values exceeding 0.95 suggesting an excellent fit. A CFI of 0.902 indicates that the model is a good fit for the data. Just like the CFI, the TLI value indicates a good match as well. A TLI value higher than 0.90 indicates that the model fits better compared to a baseline model. Having a TLI of 0.912 solidifies the idea of a satisfactory model fit. The RMSEA value shows how accurately the model represents the population covariance matrix. A RMSEA value lower than 0.05 is deemed a good fit, whereas values falling between 0.05 and 0.08 indicate a satisfactory fit. In this instance, the RMSEA value of 0.056 indicates that the model fits the data reasonably well. The RMSEA's confidence interval gives a span for the approximation error. Because the lower bound (0.074) exceeds 0.05, it implies that the fit might lean towards the higher end, indicating potential issues with the model fit. Yet, if the maximum limit remains under 0.10, the fit can be deemed satisfactory. In general, the fit indices suggest that the model fits the data well. Despite the CFI and TLI values being above 0.90, indicating a good fit, the RMSEA falls within the upper range of the acceptable range. On the whole, these findings indicate that although the model is valuable.

## DISCUSSIONS

The exploratory factor analysis (EFA) reveals 20 distinct factors affecting investment decisions among employed women, highlighting a complex interplay of individual and external elements across 83 dimensions. Factor 1 Holistic Financial Planning and Investment Strategy emphasizes a comprehensive financial approach,

prioritizing retirement, wealth-building, and risk management. Women scoring highly here actively pursue financial security and manage risk tolerance, exhibiting a proactive investment mindset rooted in financial literacy. Factor 2 Multifaceted Investment Decision Framework captures various influences on investment choices, such as personal autonomy and social relationships. Women reflecting high loadings balance individual decision-making with family and societal responsibilities, illustrating the multi-layered nature of their financial decisions affected by social contexts and economic conditions. Factor 3 Independent Investment Confidence and External Influences highlights individual confidence in making investment choices while being aware of external impacts like inflation. Women scoring highly here demonstrate personal control and decision-making independence, relying less on social networks.

Factor 4 Independent Analysis with Market and Economic Sensitivity suggests a reliance on self-assessment in investment decisions, incorporating market performance and economic forecasts, indicative of strategic investment behavior. Factor 5 Socially Responsible and Impact-Driven Investing showcases a commitment to aligning investments with ethical values and social outcomes, reflecting the trend towards socially responsible investing (SRI). Factor 6 Values-Aligned, Balanced, and Informed Investment Approach reveals a structured and knowledgeable strategy that integrates personal values with financial activities. For many women, investing transcends financial gain, serving as a means to uphold personal principles. Factor 7 Investment Prioritization further elucidates the decision-making landscape but remains unspecified. This study examines various factors affecting investment decisions among employed women in India. Initially, it highlights the necessity for a balance between work-life and investment priorities, revealing the challenges women face in managing professional and personal financial roles. A significant factor is shared investment knowledge, indicating that women often rely on peer networks for financial insights, fostering a collaborative learning environment to mitigate risks and enhance decision-making.

Moreover, dynamic risk awareness and strategic portfolio management emphasize proactive investment management and recognition of risks, such as natural disasters and technological changes, showcasing a sophisticated approach to risk management. Emergency preparedness and financial security reflect a conservative investment style, prioritizing safety and stability over aggressive investment tactics. On the other hand, women with a high-risk appetite are more inclined to embrace aggressive investments, driven by potential high returns and a capacity for volatility, embodying a growth-focused philosophy. Additional influences on investment decisions include basic financial goals, limited focus on wealth generation, rigorous investment research, sensitivity to economic indicators, professional financial guidance, comprehensive market knowledge, social media impact, cultural attitudes towards risk, and an unbiased approach to investment irrespective of gender stereotypes. Confirmatory Factor Analysis (CFA) validates the model with strong indices, affirming the complexity of determinants impacting these women's decisions. The findings highlight that their investment choices are shaped not only by financial objectives but also by social, economic, and individual factors. This multifaceted understanding aids policymakers and financial advisors in developing tailored financial services catered to the diverse needs of employed women.

## CONCLUSION

This study examines the factors that determine the investment decisions of employed women in Bangalore, Karnataka. The study is based on primary data, and they are collected using survey methods from employed women. The collected data are explored and confirmed the following factors as determinants of investment decisions of employed women. The factors are “Holistic Financial Planning and Investment Strategy", "Multifaceted Investment Decision Framework", "Independent Investment Confidence and External Influences", "Independent Analysis with Market and Economic Sensitivity", "Socially Responsible and Impact-Driven Investing", "Values-Aligned, Balanced, and Informed Investment Approach", “Investment Prioritization”, “Shared Investment Knowledge”, “Dynamic Risk Awareness and Strategic Portfolio Management”, “Emergency Preparedness and Financial Security", "High-Risk Appetite", “Financial goal on Basic Necessities”, “Minimal focus on wealth creation and financial security”, “Committed Investment Research”, “Sensitivity to economic indicators”, “Professional Financial Guidance”, “Financial market knowledge”, “Social media on investment”, “Cultural Influences on Risk-Taking”, and “Unbiased gender approach”. This study provides empirical insights into the investment behaviour of employed women, highlighting key determinants shaping

their financial decisions. The results contribute to the literature on gender-based financial decision-making and offer practical implications for policymakers and financial advisors aiming to enhance financial inclusion and investment literacy among women.

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