

# **ANALYSING THE CRITERIA SHAPING WOMEN'S FINANCIAL OPTIONS**

**Project Report**

**Submitted By**

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**Under the guidance of**

**Dr. SUNITHA TR**

In partial fulfillment of the requirements for the award of the degree of  
**Bachelor of Management Studies (International Business)**



**ST. TERESA'S COLLEGE (AUTONOMOUS), ERNAKULAM**

**COLLEGE WITH POTENTIAL FOR EXCELLENCE**

**Nationally Re-Accredited at 'A++' Level (Fourth Cycle)**

**March 2024**

ST. TERESA'S COLLEGE (AUTONOMOUS), ERNAKULAM, KOCHI - 682011



### CERTIFICATE

*This is to certify that the project report entitled, "Analysing The Criteria Shaping Women's Financial Option", is a bonafide record submitted by Ms. Jewelna Sherlin P.J, Reg. No. SB21BMS019, in partial fulfillment of the requirements for the award of Degree of Bachelor Of Management Studies in International Business during the academic year 2021-2024.*

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Date: 22/4/24

Dr. SUNITHA TR

INTERNAL FACULTY GUIDE

## DECLARATION

*I, JEWELNA SHERLIN P.J, Reg. No. SB21BMS019, hereby declare that this project work entitled “Analysing The Criteria Shaping Women’s Financial Option” Is my original work.*

*I further declare that this report is based on the information collected by me and has not previously been submitted to any other university or academic body.*

**Date:**

**JEWELNA SHERLIN P.J**

**Reg No. SB21BMS019**

## ACKNOWLEDGMENT

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**JEWELNA SHERLIN P.J**

## **EXECUTIVE SUMMARY**

Certain critical elements that can affect women's perspectives regarding money management, saving, investing, and spending have been found to influence women's financial decision-making. When risk, education, financial literacy, and self-worth are concerned.

This study used a multidisciplinary approach to accomplish its objectives, drawing on data from the fields of economics, sociology, psychology, and sociology. The study primarily aims to identify the internal and external elements that influence women's financial decisions, including personal views, opinions, objectives, and social expectations. Second, it examines how sociocultural factors—such as historical context, cultural norms, and societal expectations—have an impact on women's financial behaviors. By understanding these effects, the research can demonstrate how cultural factors shape women's attitudes toward financial risk, their level of confidence in financial matters, and their capacity to acquire financial resources.

Furthermore, The study looks into how women's decision-making is impacted by cognitive biases like present bias, overconfidence, and loss aversion, and how these biases contribute to gender differences in wealth-building and investment habits. The study additionally contributes to the examination of all the obstacles and problems women encounter in ensuring their financial aspects due to their restricted access to financial resources and knowledge.

The primary objective of this study is to understand the factors that majorly affect a woman while making important financial decisions in their daily life and also the critical factors affecting it. The study is conducted through various tests and analyses and concluded.

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# **CHAPTER-1**

## **INTRODUCTION**

## **1.1 Introduction To Study:**

In contemporary society, women have assumed an increasingly active role in financial decision-making, surpassing traditional norms and stereotypes. Women are breaking through gender preconceptions and taking on a more active role in financial decision-making in today's society. Understanding the numerous factors influencing women's financial decision-making is essential as they assume increasingly complex obligations in both their personal and professional lives. Women's financial perception, assessment, and decision-making are significantly influenced by various subjective variables. Our goal in doing this study is to fully investigate how subjective elements affect women's financial decision-making. We aim to provide insights into the multifaceted dimensions that shape their financial behaviors.

While many research investigations have centered on the relationship between gender and finance, this one delves deeper into the complicated mechanisms of the female mind when it comes to making decisions regarding finances. Because subjective processes likewise impact financial decisions made by women, this study sets out to recognize the underlying psychological, emotional, and social characteristics that impact these choices.

This research holds practical implications for stakeholders beyond the theoretical realm. Policymakers, financial institutions, educators, and individuals can benefit from a greater comprehension of the subjective factors at play. By leveraging this knowledge, stakeholders can develop more targeted strategies and interventions, working towards empowering women concerning their finances. The study also contributes to the current conversation on gender equality by highlighting the subtleties of women's financial decision-making, which are frequently overlooked. It promotes a more all-encompassing strategy for financial literacy and assistance that takes into account the viewpoints of women. With the ultimate goal of enabling women to make knowledgeable, self-assured, and resilient financial decisions, this research seeks to highlight the voices and experiences of women in the financial environment in an age in which multiple points of view are becoming more commonly recognized.

## **1.2 Research Problem Statement:**

Despite the increase in recognition of women's role in various domains, there exists a significant gap in comprehending the complex relationship between subjective factors and women's financial decision-making. While economic theories and models frequently form the basis of research on financial choices, a thorough examination of the subjective aspects that influence women's decisions is lacking. The purpose of this study is to investigate how women's financial decision-making is influenced subjectively. It encompasses the effects of society and cultural influences, financial literacy, and cognitive, emotional, and social aspects. The goal of the project is to identify tactics and interventions that can be used to enable women to make confident and well-informed financial decisions. The findings may be utilized to inform the creation of focused regulations, educational programs, and governmental actions aimed at resolving the particular requirements and difficulties encountered by women in the financial sector.

## **1.3 Literature Review:**

### **Impact of Women's Behaviour on Financial Decision Making.**

Huston (2010) believes that financial literacy happens when an individual has skills and talents that make the person capable of utilizing existing resources to attain goals. According to the study, financial literacy plays a major role in determining a woman's level of financial inclusion. Furthermore, the study also revealed that cognitive ability was significantly and positively associated with the financial inclusion of women, thus supporting hypothesis H2. The study found positive and significant relationships between financial literacy and cognitive ability with financial inclusion. There was no significant effect of demographic profile on financial inclusion in this sample, indicating that financial inclusion is strongly influenced by cognitive ability and financial literacy. The cognitive ability and financial literacy structure and actions of women affect their financial decisions and choices positively, enhancing a better quality of life.

## **Impact of Financial Literacy, Cognitive Abilities, and Demographics Characteristics on Financial Inclusion**

This research showed that only confidence level is the factor disturbing women in financial decision-making as the proposed hypothesis was not satisfied with the resulting outcome. The managers and policymakers must take into account this factor while making the strategies. The other two factors Personality Traits and Financial Risk are quite suitable and showed helpful positive relationships in this particular geographic and demographic environment.

### **An Assessment of Women's Financial Literacy**

This study was to support or reject the assumptions that there are barriers women face preventing the knowledge and understanding of financial matters from being translated into actual behavior. In today's society, women are becoming more knowledgeable in money and investment matters. However, there is still the trend of women not participating fully in retirement planning and not being as comfortable as men in seeking financial advice. He says that education plays an important role in the financial literacy of women. Education needs to start at home and continue through business courses at the university level. The information that he gathered from his survey indicated that women mostly tend to invest differently from men and this should be taken into consideration when setting up a training opportunity.

### **Basic of education**

Education is an essential process in human development. It is different from schooling. education deals with the total process of human learning by which knowledge is imparted, faculties are trained and different skills are developed. Education is also defined as the act or process of educating or applying discipline to the mind or a process of character training. Education is expected to affect or condition the social behavior of the person being educated. Education is a life-long process that is always used to imply a positive state of mind.

## **Explaining risk perception. An evaluation of the psychometric paradigm in risk perception research**

Risk has been defined in many ways, but is often seen as the likelihood that an individual will experience the effect of danger (Short Jr, 1984). Wherever it is discussed, there seems to be a consensus about the essence of risk as consisting of the probability of an adverse event and its consequences (Rayner and Cantor, 1987). A discussion around the uncertainty of a situation has prevailed and Rosa (2003: 56) defined risk as “a situation or an event where something of human value (including humans themselves) is at stake and where the outcome is uncertain”. Hence, uncertainty is closely related to risk and in many theories of behavior, subjective uncertainty is assumed to be an important mediator of human responses in situations with unknown outcomes. Risk perception is the subjective assessment of the probability of a specified type of accident happening and how concerned we are with the consequences.

### **1.4 Significance of study:**

to investigate and assess the subjective elements affecting women's financial judgments, and also to comprehend the major determinants of women's lives, and impart a basic understanding of the demographics that constrain their capacity for making decisions. To better understand how women of all ages make financial decisions, this study also focuses on their participation. This essay outlines the fundamentals to consider as well as the level of information that a woman should possess while making financial decisions.

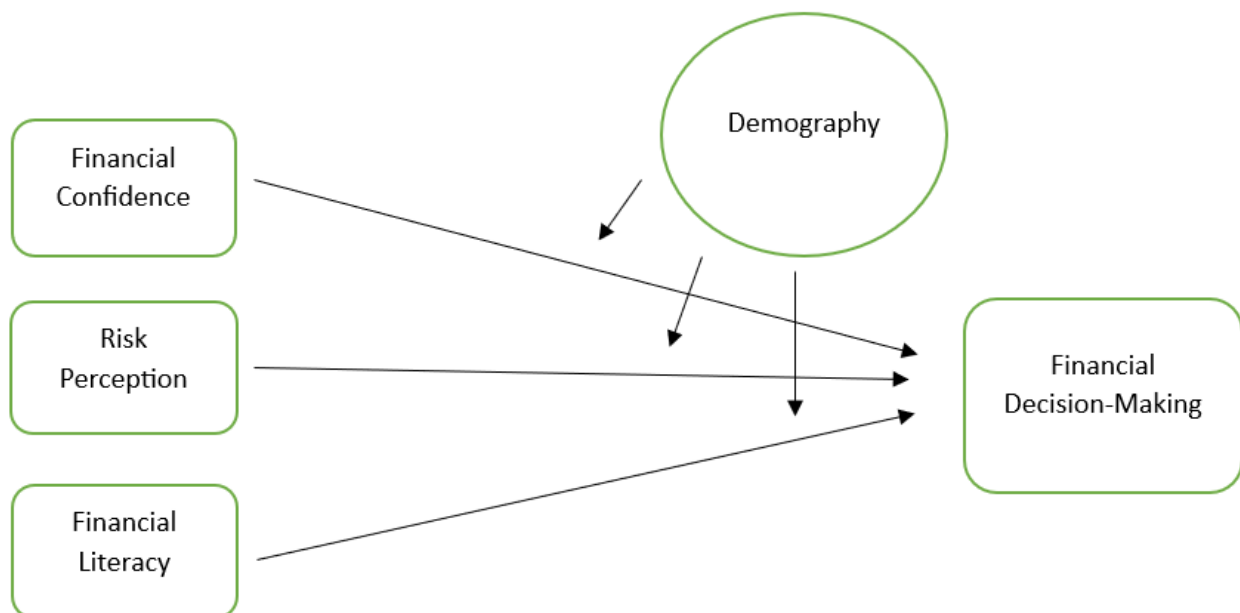
### **1.5 Scope of Study:**

The research was conducted utilizing a questionnaire to gather information about women's perspectives on financial decision-making and to provide a definitive solution to the research topic. The outcomes of my research will be advantageous to individuals seeking to enhance their ability to make judgments, as well as those who lack clarity about the components influencing their ability to make sound financial decisions.

## 1.6 Objectives of study:

1. figuring out the particular reasons, principles, and convictions that influence women's financial choices.
2. Examining how women's views towards investing, money management, saving, and spending are influenced by cultural norms, personal experiences, and societal expectations.
3. Contemplating potential obstacles or difficulties that women might have in obtaining security and financial independence.
4. Evaluating how women's financial actions are modulated by subjective biases, emotions, and cognitive processes.
5. Demonstrating strategies or measures to enable women to make financially responsible decisions with confidence and knowledge.

## 1.7 Conceptual Model:



## **1.8 Research Hypothesis:**

**Hypothesis 1 (H1):** Women's self-confidence has some assertive impact on their financial decision-making process.

**Hypothesis 2 (H2):** The perceived risk has seen impacting the decisions women make regarding fund allocation and storage in their daily life scenarios.

**Hypothesis 3 (H3):** Higher financial literacy can have a slight influence on women's financial decision-making.

## **1.9 Research Methodology:**

### **1.9.1 Data Collection**

When it comes to data collection, researchers usually use two methods. These methods comprise gathering primary and secondary data. This survey's foundational data were acquired through a quantitative method. The information is gathered employing self-administered questionnaires that include questions on nominal, interval, ratio, and ordinal scales.

### **1.9.2 Sampling Method**

The study only included women, hence the sample size was limited to 58 respondents due to limitations on time and resources. The respondents received questionnaires via a variety of social media sites, including Facebook, Instagram, WhatsApp, and LinkedIn.

### **1.9.3 Sample Technique**

There are two kinds of sampling techniques: nonprobability sampling technique and probability sampling technique. Using the probability sampling technique, every element in the sample has an established probability of being selected, and sampling units are selected at random. Techniques for probability sampling include cluster, stratified, plain random, and targeted sampling. However, sample items in the non-probability sampling technique are chosen using the individual's judgment. Techniques for non-probability sampling include judgment, quota, convenience, and snowball



sampling. Convenience sampling is a type of non-probability sampling strategy that was employed in this study to ensure timely data collection and prevent poor response rates.

#### **1.9.4 Tools used for data collection**

The questionnaire has been thoughtfully created to satisfy the study's needs. The majority of the questions are written in nominal, ordinal, interval, and scales. The first section concentrates on the respondent's demographics. The second, third, and fourth sections include questions about the financial decision-making of women and the variables influencing in their decision-making routine.

#### **1.9.5 Data Analysis Technique:**

The entire data has been analyzed using the SPSS software package. The tools used in the analysis in SPSS are as follows:

- Regression

#### **1.10 Limitation of study:**

- One of the main constraints had been time because the research was conducted in addition to academic work.
- Only a limited number of respondents were included in the data gathering because the survey was primarily restricted to working women.
- Adding more questions will get more difficult as the answer rate drops.
- A fair number of respondents were reluctant to fill out the survey.
- Exploring and covering a broad population can appear challenging.

# **CHAPTER-2**

## **INDUSTRY PROFILE AND MARKET PROFILE**

## **2.1 Financial industry profile:**

The financial sector is a complex environment influenced by social, cultural, and economic variables, especially when it comes to women's views of debt management, investing diversity, savings, and spending. To advance financial literacy, empowerment, and gender equality, financial institutions, legislators, and educators must have a thorough understanding of women's views and behaviors in these domains.

### **Savings and Spending:**

Women frequently prioritize long-term financial objectives, security, and the welfare of their families when making decisions about savings and spending. Studies show that women prioritize saving for retirement, education, and emergencies, which is indicative of a responsible attitude to money management. Women may also tend to budget and be more frugal, looking to get the most out of their earnings and assets. However, gender norms and cultural expectations may also have an impact on women's purchasing habits, which could result in differences in discretionary spending and investments in personal growth or self-care.

### **Monetary Management:**

Several variables, including life stage, confidence levels, and financial knowledge, influence how women see monetary management. Financial decision-making may seem intimidating or overwhelming to many women, while other women may feel comfortable handling their finances on their own. Women must have access to specialized financial tools and knowledge to be able to handle challenging financial issues like retirement planning, banking services, and budgeting.

### **Investment diversification:**

The desire for stability, growth, and risk management is frequently reflected in women's attitudes towards investment diversification. Studies indicate that women could show a predilection for diversified investing portfolios that correspond with their personal ideas, values, and risk tolerance. Nonetheless, due to obstacles including restricted access to financial advice, lowered views of risk tolerance, and gender biases in investment management, women have historically been underrepresented in the investing markets. Encouraging diversity and inclusivity in advising services

and investment education is crucial for enabling women to accumulate wealth and attain financial autonomy.

### **Managing Debts:**

Several variables, including financial knowledge, income levels, and life situations, have an impact on women's opinions of managing debt. While debt can be a tool for reaching financial objectives like owning a home or going to school, it also has risks if it is not handled carefully. When it comes to handling debt, particularly credit card debt, college loans, and caregiving obligations, women may have particular difficulties. Women can manage debt more skillfully and experience less financial stress if they have access to services and support for debt management, such as budgeting software, debt reduction programs, and financial counseling.

In summary, a complex interaction of societal, economic, and individual factors shapes women's beliefs about debt management, diversity in investments, savings, spending, and money management. Promoting financial well-being, resilience, and equality requires providing women with financial education, tools, and support that are specific to their needs and preferences. Stakeholders can promote more inclusivity, empowerment, and prosperity for all by recognizing and addressing the particular opportunities and problems experienced by women in the financial sector.

## **2.2 Women's financial decision-making in Global perspective:**

The topic of women's financial decision-making in homes is an intricate and international issue that represents the changing nature of gender roles and economic empowerment. Women provide a substantial monetary contribution to households all over the world through a variety of means, such as informal caring, entrepreneurship, and official employment. Despite these contributions, cultural norms, regulatory restrictions, and unequal access to resources frequently present obstacles for women trying to manage household finances.

Women handle day-to-day spending, and budgets, and make decisions about what to buy for necessities like food, clothing, and medical care in many households. They play a critical role in budgeting for preserving family well-being and effectively allocating household resources. In addition,

women are more involved in long-term financial planning as households make plans for the future. This includes saving for emergencies, healthcare, retirement, and education, all of which contribute to overall financial stability.

Men used to make the majority of the decisions about investments, but there has been an apparent change in the role of women in portfolio management and financial asset selection. Encouraging women to make autonomous financial decisions is essential to improving household well-being generally and promoting gender equality. Initiatives like financial education, resource access, and chances for revenue-generating activities can all help attain this empowerment. However societal and cultural norms frequently serve as roadblocks, upholding patriarchal beliefs and restricting women's ability to make decisions and manage finances in their homes.

### **2.3 Evolution of Financial Decision-Making:**

The role that women have played in financial decision-making has changed dramatically over time. Originally restricted to conventional domestic responsibilities, their economic agency grew as labor force participation increased in the 20th century, driven by World Wars and educational breakthroughs. The advent of initiatives such as microfinance programs has enabled women to gain greater economic autonomy by offering them access to financial services and credit. Meanwhile, initiatives to educate women about money gave them the knowledge and abilities to make wise decisions in adverse financial environments.

Women's economic empowerment and gender equality have been the focus of policy measures in recent years. Gender-responsive budgeting, corporate diversity programs, and property rights changes have all aimed to increase the participation of women in the economy and leadership positions. However, issues like differences in cultural values and financial access still exist. Notwithstanding these obstacles, the trend of women's financial decision-making indicates a global shift towards economic equality and empowerment.

## **2.4 Financial Decision-Making in India:**

Women's access to financial decision-making (FDM) in India has historically been limited by cultural norms and societal expectations that prioritize men's dominance in financial matters. Even with efforts to promote financial inclusion, including the Pradhan Mantri Jan Dhan Yojana (PMJDY), many women still encounter obstacles to fully engaging in FDM because of their restricted access to financial literacy, work opportunities, and education. To overcome these obstacles and provide women with the information and abilities necessary to claim their financial independence and make a significant contribution to household financial decisions, financial education programs are being implemented to empower women. In the end, encouraging women's economic empowerment in FDM contributes to socioeconomic development and a more inclusive financial environment in India, in addition to benefiting individual women.

## **2.5 Women's Involvement in the Indian Financial Sector:**

Despite ongoing obstacles, women are becoming more involved in India's financial sector. Even though more women are going into finance, asset management, banking, and insurance, they are still underrepresented in positions of senior leadership. Yet, a few women have shattered stereotypes, serving as role models for others and indicating a shift in the direction of greater gender diversity. In sectors like microfinance and fintech companies, women entrepreneurs are advancing inclusive growth and empowerment. Also, programs like banking access and financial education, are essential in advancing financial inclusion, particularly in underprivileged areas. Gender-responsive credit schemes and gender-responsive budgeting are only two examples of the policies and reforms that advocacy groups work to advance. Women's development in finance, however, might be impeded by cultural conventions and familial obligations. To overcome obstacles and empower women in India's financial industry, however, initiatives to raise financial knowledge and offer networking opportunities are essential.

## **2.6 Trends In Financial Industry (Women's Perspective):**

Leadership positions are motivated by initiatives to reduce gender gaps and advance diversity in companies. To get access to financial services and possibilities and have the independence to handle their finances, women are also utilizing digital platforms and technological breakthroughs. In addition, women are becoming more interested in sustainable investing, emphasizing the importance of environmental, social, and governance (ESG) considerations while making financial decisions.

In response to this trend, financial institutions are providing women investors with ESG-focused products and services. Initiatives to promote financial literacy among women are also gaining steam and providing them with the information and abilities necessary to develop financial resilience and make wise financial decisions. In the financial industry, government policies and regulatory reforms are also essential for advancing women's economic empowerment. All things considered, these patterns point to a change in the direction of increased female empowerment and participation in the financial sector, which will enhance the diversity and equity of the financial environment.

## **2.7 Challenges faced by women in the Financial Industry:**

Several barriers prevent women in the financial sector from advancing professionally and being financially empowered. The ongoing gender gap in leadership roles, where women are underrepresented in senior jobs and boardrooms, is one major obstacle. Systemic prejudices, discriminatory practices, and cultural norms that impede women's advancement in the workforce and leadership chances are frequently the root causes of this disparity. The gender disparity in the sector may also be exacerbated by barriers that women face when trying to access professional development initiatives, mentorship programs, and networking opportunities.

Likewise, women in finance are particularly impacted by work-life balance concerns, such as caregiving responsibilities and cultural expectations, which make it hard for them to develop in their job fields and manage demanding work settings. Women are frequently paid less for identical responsibilities and duties than their male colleagues due to persistent gender pay discrepancies and

discriminatory compensation practices. Moreover, workplace discrimination and unconscious prejudice can foster unfriendly or unwelcoming settings for women, impeding their ability to advance both professionally and feel satisfied in their jobs.

Implementing gender-sensitive policies, supporting diversity and inclusion programs, and cultivating encouraging work environments are some of the ways that financial organizations and legislators may address these issues and help women succeed in the financial sector. The sector can unleash the full potential of women's talent, spurring innovation and long-term success, by removing structural impediments and creating an inclusive atmosphere favorably according to women's decision-making nature.



# **CHAPTER-3**

## **DATA ANALYSIS AND INTERPRETATION**

## Descriptive Statistics

When examining the relationship between demographics and women's financial decision-making, descriptive statistics can provide valuable insights.

Age groups enable us to compute statistical parameters like mean, median, and standard deviation, which enable us to investigate possible variations in financial decision-making across various life stages. conversely Education level might affect financial literacy and decision-making abilities. Income categories can also be examined to determine how financial decision-making differs between various income levels. The dynamics of decision-making in homes and financial obligations can be influenced by marital status. A person's work might affect their income, financial security, and independence in making decisions.

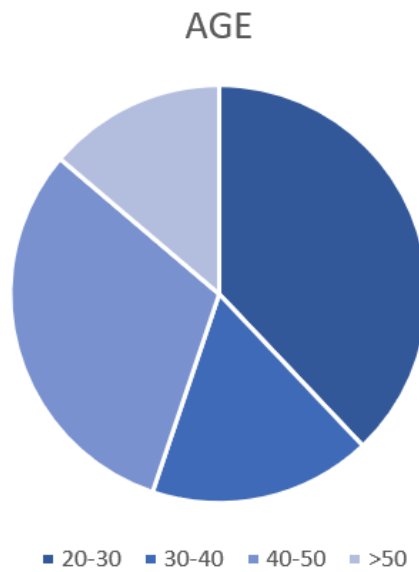
Descriptive statistics analysis for every demographic characteristic may be used to find trends, patterns, and possible relationships with women's financial decision-making practices.

### 3.1 DEMOGRAPHIC REPRESENTATION OF RESPONDENTS

Demographic characteristics		Frequency	Percent	Cumulative Percent
AGE	20-30	22	37.9	37.9
	30-40	10	17.2	55.1
	40-50	18	31.1	86.2
	>50	8	13.8	100.0
	Total	58	100.0	
SALARY	< 1 LAKH	13	22.4	22.4
	1L-3L	20	34.5	56.9
	3L-5L	8	13.8	70.7
	5L-8L	8	13.8	84.5
	>8 LAKH	9	15.5	100.0
	Total	58	100.0	

*Table 3.1.1 Demographic details of respondents*

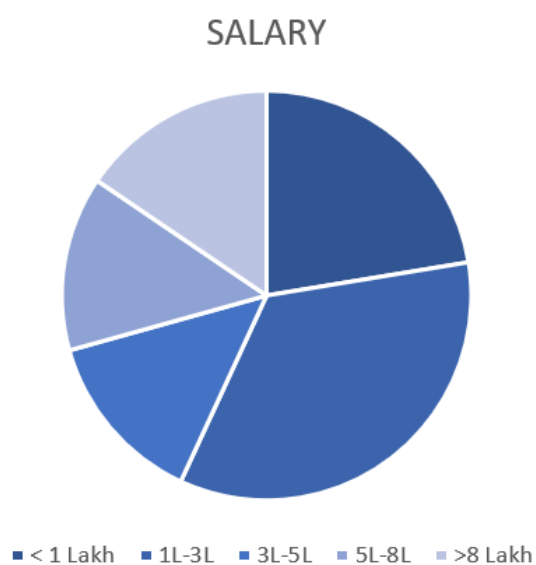
## AGE



*Figure 3.1.1 Age category of respondents*

**Interpretation:** About 37.9% of people fell under the 20 -30 age group. The age 40-50 group had 31% coming next in line. The 30-40 age group had 17.2% falling under it. The people in more than 50 age group had 13.8% of respondents.

## SALARY



*Figure 3.1.2 Salary category of respondents*

**Interpretation:** About 34.5% of people fell under the group earning 1L to 3L per annum. The people earning <1L were 22.4%, coming next in line. The group that earns >8L has 15.5% falling under it. The group that earns 3L-5L, 5L-8L, has the same 13.8% of respondents.

## **Inferential Statistics**

Researchers can obtain a deeper understanding of the connections between financial self-confidence, risk perception, financial literacy, and women's financial decision-making by utilising regression analysis as their inferential statistical method. This knowledge can then be used to inform interventions and policies that aim to improve women's financial empowerment and well-being.

The purpose of regression analysis is to determine how well one or more independent variables—such as risk perception, financial literacy, or financial self-confidence—predict or explain changes in a dependent variable—such as women's financial decision-making. The most influential factors can be found and their relative contributions to financial decision-making can be estimated by multiple regression.

### **3.2 HYPOTHESIS TESTING:**

#### **3.2.1 The Effect of Financial Confidence in Financial Decision-Making**

Women's financial decision-making is greatly influenced by Financial Self-Confidence. The researcher notes that there may be a connection between Confidence and FDM and looks for factors that are likely to have an impact on decision-making. It is therefore investigated if financial factors can affect FDM. The following hypothesis is generated to better understand the link between Financial Confidence and FDM using regression analysis.

H1: There is a significant relationship between Financial Confidence and FDM.

Regression testing involves rerunning existing test cases against the updated codebase to make sure that recent code changes have not negatively impacted the functionality or performance of the project. Here, it is used to verify if a relationship exists between Financial Confidence in oneself and Financial Decision-Making. The cross-tabulation is shown in the table.

### Descriptive Statistics

	Mean	Std. Deviation	N
FDM	3.0000	.92679	58
Self-confidence	3.6523	.81308	58

Table 3.2.1.(a)

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.244 <sup>a</sup>	.059	.043	.90685

a. Predictors: (Constant), Self-confidence

Table 3.2.1(b)

### ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.907	1	2.907	3.535	.005 <sup>b</sup>
Residual	46.053	56	.822		
Total	48.960	57			

a. Dependent Variable: FDM

a. Predictors: (Constant), Self-confidence

Table 3.2.1(c)

### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.986	.553		3.594	.001
1 Self-confidence	.278	.148	.244	1.880	.005

a. Dependent Variable: FDM

*Table 3.2.1(d)*

*Table 3.2.1.(a,b,c,d) Shows the relationship between Financial Confidence in women and FDM in Regression Analysis*

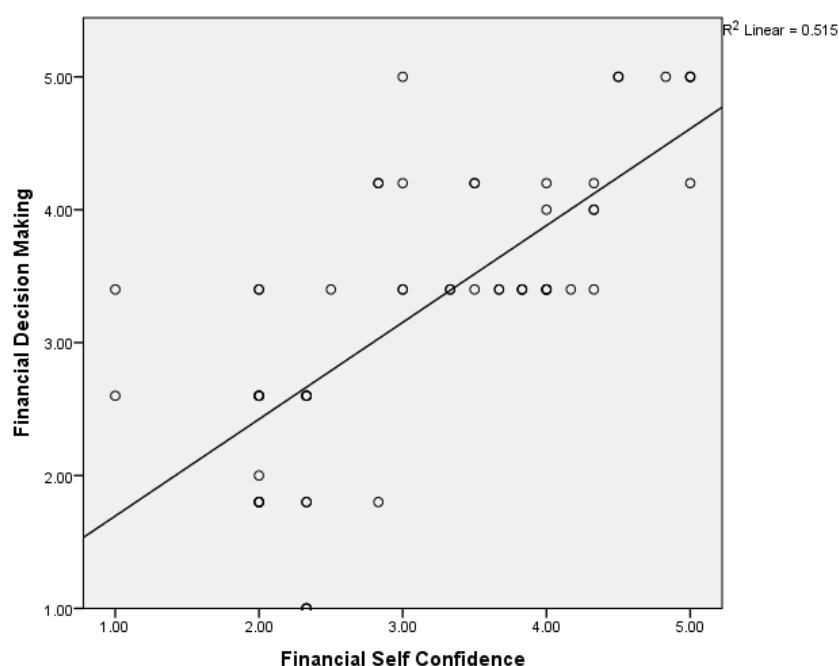
To find the relationship between Financial Confidence and Financial decision-making, a regression analysis was performed and the relationship was found to be statistically significant ( $p < .05$ ) in The Model summary table indicates the strength of the relationship which is  $.06 r^2 - 6$ ) as shown in Table as, 6% variation in FDM is influenced by variation in Financial Self-Confidence ( $M=3.6$ ,  $SD=.81$ ) shown in table.

The regression equation that shows the relationship;

### REGRESSION EQUATION:

$$\text{Financial Decision Making} = 1.2 + .28(\text{Financial Self-Confidence})$$

That is, for each one-unit increase in Financial Self-Confidence the Financial Decision Making [increased by approximately (28%)]



*Graph 3.2.1. Shows the relationship between Self-Confidence in women and FDM in a dot graph*

### 3.2.2 The Effect of Risk Perception on Financial Decision-Making

Risk perception has a big impact on how women make financial decisions. The researcher looks for variables that are likely to affect decision-making after noting that there could be a link between risk and FDM. Thus, the possibility that financial concerns may influence FDM is looked into. Regression analysis is used to produce the following hypothesis to better understand the relationship between Risk Perception and FDM.

#### H2- Relationship Between Financial Risk Perception and Financial Decision-Making

By running a regression on Risk perception and FDM it was done to verify if a relationship exists between risk interpretation by oneself and Financial Decision-Making. We were able to find a small impact of risk in women's financial decision-making is displayed in Table 3.2.2(a)

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.634	1	.634	.735	.395 <sup>b</sup>
Residual	48.326	56	.863		
Total	48.960	57			

a. Dependent Variable: FDM

b. Predictors: (Constant), Risk\_Perception

*Table 3.2.2(a) Shows the relationship between Risk perception in women and FDM in Regression.*

The table 3.2.2.(a) the findings of an ANOVA study looking at the connection between women's financial decision-making (FDM) and risk perception.

The results of this research show that Risk Perception has no significant effect on FDM, with a pvalue of 0.395 and a non-significant F-statistic of  $F = 0.735$ . since it is greater than the accepted value of  $p=0.05$ . Risk perception appears to have less of an influence on how women make financial decisions than prior research on self-confidence, which has demonstrated a more significant impact on FDM.

Hence H2 is rejected.

### 3.2.3 The Effect of Financial Literacy on Financial Decision-Making

Women's decision-making around money is greatly influenced by their level of financial literacy. Taking into account the possible relationship between financial literacy and FDM, the researcher investigates variables that might influence decision-making. The study thus looks at the possibility that FDM may be impacted by financial worries. To improve understanding of the connection between financial literacy and FDM, regression analysis is utilized to develop the following hypothesis.

#### H3- Relationship Between Financial Literacy and Financial Decision-Making

To find out if there is a connection between financial decision-making and one's financial education, a regression analysis was conducted on financial literacy and FDM. Table 3.2.3(a) shows the slight influence that financial education has on women's financial decision-making.



**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.150	1	1.150	1.347	.251 <sup>b</sup>
	Residual	47.810	56	.854		
	Total	48.960	57			

a. Dependent Variable: FDM

b. Predictors: (Constant), Financial\_Literacy

*Table 3.2.3(a) Shows the relationship between Financial Literacy in women and FDM in Regression.*

From the table 3.2.3.(a) presents the findings of a regression study that looked at how financial literacy affected women respondents ability to make financial decisions (FDM) in their given powers.

FDM is not substantially impacted by financial literacy in this investigation, as shown by a non-significant F-statistic ( $F = 1.347$ ) with a p-value of 0.251. since it is greater than the accepted value of  $p=0.05$ . In contrast to earlier research on self-confidence, which has shown a more significant influence on financial decision-making, financial literacy seems to have less of an impact on FDM.

Hence H3 is rejected.

### **3.2.4 The Combined Effect of Self-Confidence, Risk Perception, and Financial Literacy in Financial Decision-Making**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 <sup>a</sup>	.556	.531	.73722

a. Predictors: (Constant), Financial\_Literacy, Risk\_Perception, Self\_confidence

c. Dependent Variable: Financial Decision Making

*Table 3.2.4.(a) Shows the relationship between Multiple Financial variables in women and FDM as a model summary.*

### ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	36.695	3	12.232	22.506	.000 <sup>b</sup>
Residual	29.349	54	.543		
Total	66.044	57			

a. Dependent Variable: Financial Decision Making

b. Predictors: (Constant), Financial Literacy, Risk Perception, Financial Self Confidence

*Table 3.2.4.(b) Shows the relationship between Multiple Financial variables in women and FDM as a ANOVA<sup>a</sup>*

### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.373	.607		2.263	.028
Financial Self Confidence	.593	.146	.585	4.055	.000
Risk Perception	.261	.162	.227	1.604	.115
Financial Literacy	-.248	.166	-.141	-1.491	.142

a. Dependent Variable: Financial Decision Making

*Table 3.2.4.(c) Shows the relationship between Multiple Financial variables in women and FDM as Coefficients<sup>a</sup>*

The financial variables of financial literacy, risk perception, and financial self-confidence taken together account for 55.6% of the variance in women's financial decision-making, according to Table 3.2.4(a) of the regression analysis. Additionally, Table 3.2.4(b)'s ANOVA findings support the significance of the regression model ( $p < .001$ ), which indicates that the predictors as a whole have a large impact on financial decision-making. Financial self-confidence is the most important element that is substantially positively connected with financial decision-making, according to the coefficients in Table 3.2.4(c). Despite an upward trend, risk perception is not statistically significant. Even if it is adversely correlated, financial literacy is not statistically significant.

**CHAPTER-4**

**SUMMARY OF FINDINGS,  
SUGGESTIONS, AND CONCLUSION**

#### 4.1LIST OF FINDINGS:

1. Figure 3.1.1 shows the Age category of respondents & Figure 3.1.2 shows the Salary category of respondents, These graphs show the demographic details of the respondents.
2. The table 3.2.1.1 mentioned above shows how a woman's confidence and her ability to make important financial decisions are related. Given that the majority of the women are conscious of their earnings and expenses and have a rudimentary grasp of economics, they are empowered to establish a budget that works for them.
3. Table 3.2.2 Tabular representation of Regression on Risk perception of a woman in Financial Decision-Making The accompanying table shows how a woman assesses the risk variables that affect her ability to make important financial decisions. When it comes to financial problems, it is noted that most women are risk-averse. However, they're also ready to take a risk and make an initial move that will ultimately be beneficial.
4. Table 3.2.3 above shows how a woman evaluates her comprehension of how her capacity to make critical financial decisions is impacted by her expectations regarding her finances. Once more, the study shows that a woman is more affected by her likelihood of having certain financial expertise than by other factors like dispute neutrality, etc. And it seems that the number of people who do not have a systematic grasp of how things are done is about the same as the number of people who do.
5. Regression analysis was used to determine the association between financial confidence and financial decision-making; the results are displayed in Tables, where the relationship was found to be statistically significant ( $p < 0.05$ ). As shown above, the Model Summary Table shows the strength of the association, which is  $r^2 = 0.06$  - 6. 6% variation in FDM is impacted by variation in Financial Self-Confidence ( $M=3.6$ ,  $SD=.81$ ), as demonstrated in Table.

6. The study's conclusions about the relationship between women's financial decision-making (FDM) and risk perception are shown in table 3.2.2.(a). The study's findings, which include a non-significant F-statistic of  $F = 0.735$  and a p-value of 0.395, demonstrate that Risk Perception has no discernible impact on FDM. Women's financial decision-making appears to be less influenced by their sense of risk.
7. The results of a regression analysis examining the relationship between financial literacy and people's capacity for making financial decisions (FDM) are shown in table 3.2.3.(a). In this experiment, financial literacy did not significantly affect FDM, as indicated by a non-significant F-statistic ( $F = 1.347$ ) with a p-value of 0.251. There appears to be less of an effect of financial knowledge on FDM.

## 4.2 SUGGESTIONS

1. From the study it is evident that to empower women via financial education, specific programs on investing, saving, budgeting, and risk management must be developed. To guarantee that women from a variety of backgrounds acquire the information and abilities necessary for well-informed decision-making, these programs must include easily available and culturally appropriate materials. By giving women access to this kind of knowledge, they can effectively navigate financial environments, leading more autonomy and empowerment.
2. Workshops and seminars concentrating on practical skills like goal planning, budgeting, and investing techniques should be taught to boost women's confidence in managing their finances. Women's confidence in handling their money may also be increased by encouraging them to look for possibilities for financial empowerment, such as joining financial literacy organizations or getting help from financial specialists. Women may acquire the knowledge and networks of support needed to make financial decisions with competence and confidence by participating in these activities.
3. To tackle women's risk perception, it is imperative to provide them with tools and assistance that are designed to augment their comprehension and handling of financial danger. This entails providing tools for assessing risk tolerance, risk mitigation techniques, and education on the many forms of risk. It's also critical to create an atmosphere that empowers women to make prudent financial decisions by offering protection against potential losses and encouraging them to take cautious risks. Women may make educated decisions with confidence and contribute to financial resilience if they are given the information and resources to manage financial risks.
4. To support women's financial inclusion, policies and programs that improve their access to banking services, reasonably priced loans, and investment possibilities must be supported. Supporting initiatives to reduce the gender gap in earnings and wealth accumulation is also essential since women's financial autonomy and economic empowerment are strongly correlated. We can enable women to fully engage in the economy and make wise financial decisions for their futures by removing obstacles to financial access and advancing gender equality in economic possibilities.

5. Working with financial institutions to provide gender-responsive banking products, investment alternatives, and insurance policies that meet their unique requirements is one way to tailor financial goods and services for women. It is vital to guarantee that these financial solutions are clear, inexpensive, and simple to comprehend, especially for women lacking sufficient financial knowledge or expertise. Financial institutions may enable women to make educated decisions and attain financial security and independence by providing goods and services specifically designed to meet the requirements of women and are easily accessible and user-friendly.
6. Encouraging women to assist and mentor one another entails setting up networking events and mentorship programs that link them to other women and role models. These programs are meant to help people deal with financial difficulties by offering advice and assistance. To promote a feeling of community and financial empowerment, women should also be encouraged to share their experiences and learn from one another. Women may obtain important insights and assist one another in reaching financial objectives and independence by establishing places for cooperation and knowledge-sharing.
7. To find successful solutions and to get a deeper understanding of the elements impacting women's financial decision-making, more study and assessment are needed. Encouraging further research that examines these elements and evaluates their effects on women's financial literacy, confidence, and decision-making outcomes is critical. To help women obtain financial empowerment and autonomy, it is also essential to regularly assess the efficacy of financial education programs, policy modifications, and other activities. We can make sure that initiatives to address women's financial needs are supported by data and have significant results by committing to continuous study and assessment.

### 4.3 CONCLUSION

The financial decision-making process among women is advancing favorably due to the greater availability of customized services and financial education. Nonetheless, problems like disparities in pay and restricted access to resources still exist. To enable women to make educated decisions and get over structural obstacles to financial independence, initiatives to advance gender equality and financial inclusion are being launched. These efforts are essential to guaranteeing women's equal rights and assistance in navigating the financial system.

This study has illuminated several aspects that affect women's financial decision-making and offered insightful information on possible tactics to support women's financial empowerment. The study examined the connections between risk perception, financial decision-making, financial literacy, and financial confidence using regression analysis and hypothesis testing. The results showed a strong correlation between decision-making and financial confidence, underscoring the need to build women's confidence through focused assistance and education initiatives. Furthermore, even though it was discovered that risk perception and financial literacy had less significant effects on decision-making, these aspects still require continuous study and customized treatments to be properly addressed.

The recommendations that emerged from the research underscore the significance of empowering women via workshops aimed at developing practical skills, financial education, and customized financial services and products. In addition, creating peer support networks and supporting laws that advance gender equality and financial inclusion are crucial steps in empowering women to take charge of their finances and attain more autonomy. Policymakers, financial institutions, and community organizations may help close the gender gap in financial literacy and decision-making and improve women's financial well-being by putting these recommendations into practice. To ensure that programs are effective in empowering women financially and economically, further study and evaluation is necessary.

Thus, by addressing the findings and implementing the suggested actions, we can work towards a future where women have equal opportunities and agency in managing their finances and securing their financial futures.



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## ANNEXURE

This survey is given to women as a part of the data-gathering process to assess their financial literacy and learn more about how they make financial decisions. To obtain precise answers, a total of 20 questions were added to the survey. Using this questionnaire, 58 responses were gathered.

### Questionnaire:

1. what is your name?

2. Your age?

- <20
- 20 -30
- 30-40
- 40-50
- >50

3. Your annual salary?

- <1L
- 1L-3L
- 3L-5L
- 5L-8L
- >8L

4. Your highest level of education you have completed?

- Highschool
- Degree
- Masters
- Doctorate

5. Your Marital Status

- Single
- Married
- Do not want to disclose

6. Your Occupation

- Academician
- Doctor
- Engineer
- Entrepreneur
- Lawyer
- Other

7. To understand how women perceive risk in their day-to-day activities, please mark the level of agreement/disagreement with the following statements

**(Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree)**

- I take great care while making a plan and executing them
- Even if I am unsure of my ability to complete a task, I will try to do it if it appears challenging
- I voice my opinion, even when most people have opposing viewpoints
- Even if there is a chance of making a mistake, I am willing to work to demonstrate my competence
- Success encourages me to take higher risks
- I sometimes imagine the negative outcomes of my actions

8. To assess the level of self-confidence while making financial decisions, kindly mark the level of agreement/disagreement with the following statements.

**(Strongly Agree Agree Neutral Disagree Strongly Disagree)**

- I am generally satisfied with the way I make financial decisions.
- I am confident that I know about different financial services
- I understand how financial services and products work
- I always know how much money I get in and how much I need to pay the bills each month
- I am good at budgeting and managing my money
- I am confident that I can sort out any money problems myself

9. kindly mark the level of **agreement/disagreement** with the following statements

**(Strongly Agree Agree Neutral Disagree Strongly Disagree)**

- I am well-informed when it comes to my knowledge about managing financial matters
- I have investments in my name.
- My spouse/partner handles all financial matters.
- I have concrete financial goals toward which I am working.
- Money decisions create tension or arguments in my household.
- I stay informed on financial planning developments by reading newspapers and magazines.

(Martha Klatt, December, 2009)

10. To assess how much you are involved in financial decision-making, kindly answer the following questions

**(Strongly Agree Agree Neutral Disagree Strongly Disagree)**

- Are you currently involved in saving activities
- Do you have budgeting responsibilities
- Do you contribute financially to a retirement plan
- Do you contribute to an Education Account (for yourself or children or anyone else)
- Have you ever consulted a Financial Advisor for any decision?

(of The Rosenberg Self-Esteem Scale)

