

Financial Awareness and Investment Behaviour of Women: A Study with Special Reference to Madurai District

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Abstract: Financial awareness plays an important role in enabling women to make informed investment decisions and achieve financial security. The present study examines the financial awareness and investment behaviour of women with special reference to Madurai District. The study is based on both primary and secondary data. Primary data were collected from 100 women respondents using a structured questionnaire, while secondary information was obtained from websites, magazines, and journals. The collected data were analysed using the Statistical Package for the Social Sciences (SPSS). The study focuses on assessing the level of financial awareness among women and identifying their preferred investment avenues. The findings reveal that the respondents possess a moderate level of financial awareness, with an overall mean score of 3.43. Awareness is comparatively higher regarding insurance products and savings and investment, while knowledge of shares, mutual funds, diversification, inflation, and retirement planning requires further improvement. The investment preference analysis indicates that women show greater preference for bank deposits/fixed deposits, gold, and insurance, reflecting their inclination towards familiar and relatively safer investment avenues. The study concludes that strengthening financial awareness through systematic financial education, investment counselling, and guidance on diversified investment products can help women make informed and independent investment decisions. Enhanced financial awareness can contribute to better investment planning, financial independence, wealth creation, and long-term financial security among women in Madurai District.

Keywords: Financial Awareness, Investment Behaviour, Women Investors, Investment Avenues, Investment Decisions, Financial Planning

Introduction

Financial awareness is an important factor in enabling individuals to manage their income, savings, and investments effectively. It helps individuals understand different financial products, investment opportunities, risks, returns, and financial planning. Women are increasingly participating in income-generating activities and contributing to household financial decisions. As their economic participation increases, informed investment decisions have become essential for achieving financial security. Investment behaviour refers to the manner in which individuals select, evaluate, and manage different investment alternatives. Women may choose investment avenues based on factors such as safety, return, liquidity, risk, and future financial needs. Traditional investment options such as bank deposits, gold, insurance, and postal savings continue to attract many women investors.

At the same time, modern avenues such as mutual funds, shares, and pension schemes provide opportunities for wealth creation and diversification. However, limited financial awareness may restrict women's ability to understand and compare these investment alternatives. Financial awareness can improve confidence and encourage women to make planned and independent investment decisions. Socio-economic factors such as age, education, occupation, income, and marital status may also influence women's investment preferences. Madurai District comprises women with diverse socio-economic backgrounds and varying levels of financial awareness

and investment experience. Understanding their financial awareness and investment behaviour is therefore important for promoting effective financial planning. The present study focuses on assessing financial awareness and examining the investment behaviour of women in Madurai District. The study is expected to provide useful insights for improving financial awareness and encouraging informed investment decisions among women.

Statement Of The Problem

Financial awareness is essential for women to make informed and effective investment decisions. Women are increasingly participating in savings and investment activities, but their level of financial awareness may differ based on age, education, occupation, income, and other socio-economic factors. Limited awareness of investment products, risk, return, liquidity, and financial planning may affect their investment choices. Women may continue to prefer traditional avenues such as bank deposits, gold, and insurance due to familiarity and perceived safety. At the same time, limited knowledge of modern investment avenues such as mutual funds and shares may restrict opportunities for wealth creation and diversification. Madurai District comprises women from diverse socio-economic backgrounds, leading to differences in their financial awareness and investment preferences. Therefore, it is important to understand the level of financial awareness among women and its association with their investment behaviour. The present study focuses on financial awareness and investment behaviour of women with special reference to Madurai District, with the aim of providing insights that can support informed investment decisions and greater financial security.

Review Of Literature

Lakshmi (2015) examined the factors affecting the investment behaviour of women and focused on financial knowledge, investment avenues, investment risks, and demographic and socio-economic factors. The study found that women's investment decisions are influenced by their knowledge of financial products, perceived risks, and social influences. The study suggested that improving financial awareness can support better investment decision-making among women.

Gupta (2019) studied the investment behaviour of working women in Delhi-NCR and examined their investment patterns, risk appetite, and awareness of investment avenues. The study found that women generally preferred safe and secure investment avenues and showed relatively lower preference for high-risk investments. The findings indicate that risk perception and financial awareness are important considerations in women's investment decisions.

Financial Literacy as a Tool for Stimulating the Investment Behaviour of Rural Women (2020) examined the influence of financial awareness on the saving and investment behaviour of 335 rural women in Jalandhar District. The study found that women were aware of several investment avenues but continued to prefer investments based on familiarity, safety, and assured returns. The study emphasized that financial awareness is important for improving women's saving and investment behaviour.

Prasad, Kiran, and Sharma (2021) examined behavioural factors, socio-economic factors, and financial literacy in relation to investment decisions among Indian retail investors, with specific attention to gender differences. The study used partial least squares structural equation modelling and found that behavioural, socio-economic, and financial literacy factors significantly influenced investment decisions. The study also reported that the model was particularly effective for women investors, highlighting the importance of understanding women's financial decision-making separately. Tanwar (2025) N et al. (2025)

Ganapathi and Madhavan (2021) examined investment behaviour and attitudes among women investors in Bangalore. The study considered socio-economic characteristics, awareness, investment preferences, and

financial literacy across different investment avenues. The study highlighted the importance of financial awareness and literacy in understanding women's investment preferences and decisions.

Panwar and Telang (2023) reviewed selected literature concerning financial literacy and financial investment decisions among women. The review found that women tend to prefer relatively safer investment avenues such as fixed deposits and post-office investments, while participation in equity-oriented investments remains comparatively limited. The authors emphasized the importance of improving financial literacy and awareness of investment opportunities among women.

Shetty et al. (2026) examined the influence of financial attitude and financial socialization on investment behaviour among Indian women. Based on a survey of 403 working women, the study found that financial attitudes and aspects of parental financial socialization influenced women's participation in non-traditional investments. The findings emphasize the importance of targeted financial education and early financial socialization in encouraging women to consider a wider range of investment avenues. N et al. (2025)

Kumar (2026) examined whether financial literacy leads to better financial decisions among India's female workforce. Using data from 657 urban and semi-urban working women, the study found that financial literacy significantly influenced financial management behaviour. The findings suggest that improving financial literacy can strengthen women's financial decision-making and financial capability.

Tabassum and Tulasi Devi (2025) examined financial knowledge and investment behaviour among women in India using data from 515 respondents. The study reported moderate levels of economic knowledge among women, with stronger awareness of basic savings but comparatively limited knowledge of mutual funds and digital financial tools. The study also found a significant positive relationship between financial knowledge and investment behaviour, highlighting the importance of financial education for improving women's investment outcomes.

Research Gap

Existing studies have established that financial awareness and financial literacy influence individuals' saving and investment decisions. However, comparatively limited research has focused specifically on women's investment behaviour. Further, there is limited empirical evidence at the district level, particularly concerning women in Madurai District. Previous studies have also given less attention to the relationship between women's socio-economic characteristics, financial awareness, and their investment preferences. Therefore, the present study attempts to fill this gap by examining the financial awareness and investment behaviour of women with special reference to Madurai District.

Objectives

- To assess the level of financial awareness among women in Madurai District.
- To identify the investment avenues preferred by women in Madurai District.

Research Methodology

Data Collection And Sample

The study is based on both primary and secondary data. To carry out the Primary data collection, a structured questionnaire was prepared based on research objectives. Secondary data required for the study undertaken were collected through Websites, Magazines, Journals, and the like. The primary data were collected from 100 respondents for the study.

Data Analysis

Collected data were analyzed with the help of the software package Statistical Package for Social Sciences was used for data analysis

Scope Of The Study

The present study focuses on financial awareness and investment behaviour of women in Madurai District. The study covers women's awareness and understanding of various financial and investment products, including bank deposits, insurance, gold, postal savings, mutual funds, shares, and pension schemes. It examines women's investment behaviour in terms of their investment preferences, risk perception, return expectations, investment objectives, and choice of investment avenues. The study also considers selected socio-economic characteristics such as age, education, occupation, monthly income, and marital status and their association with investment behaviour. The study aims to provide insights into the level of financial awareness among women and its role in making informed investment decisions. The findings may be useful to women investors, financial institutions, policymakers, and financial educators in developing suitable awareness and investment guidance programmes. Geographically, the study is confined to Madurai District and is based on the responses of the selected women respondents.

Data Analysis And Interpretation

Table No 1 Level Of Financial Awareness Among Women

Financial Awareness Statements	Mean	Std. Deviation	Level
Knowledge of savings and investment	3.68	0.88	High
Understanding of interest rates	3.54	0.94	Moderate
Knowledge of inflation	3.31	1.01	Moderate
Understanding of risk and return	3.62	0.89	Moderate
Knowledge of mutual funds	3.08	1.06	Moderate
Knowledge of insurance products	3.76	0.82	High
Knowledge of shares and securities	2.94	1.12	Moderate
Understanding of investment diversification	3.27	0.97	Moderate
Knowledge of retirement planning	3.46	0.93	Moderate
Ability to compare investment alternatives	3.59	0.87	Moderate
Overall Financial Awareness	3.43	0.95	Moderate

The table no 1 indicates that the overall mean score of financial awareness is 3.43, showing that women respondents possess a moderate level of financial awareness. Among the different dimensions, knowledge of insurance products records the highest mean score of 3.76, followed by knowledge of savings and investment (3.68). This indicates that women are relatively more familiar with traditional financial products and basic savings and investment concepts. The mean score for understanding of risk and return is 3.62, while the ability to compare investment alternatives records 3.59. These findings indicate that respondents have a reasonable understanding of basic investment decision-making concepts. Understanding of interest rates also records a moderate mean score of 3.54.

On the other hand, knowledge of shares and securities records the lowest mean score of 2.94, followed by knowledge of mutual funds at 3.08. This suggests that respondents have comparatively less awareness of market-linked investment avenues. Knowledge of inflation, diversification, and retirement planning also remains at a moderate level.

The standard deviation values range from 0.82 to 1.12, indicating a reasonable degree of variation in the financial-awareness responses among the 100 women respondents. It can be concluded that the women respondents have a moderate level of financial awareness (Mean = 3.43). Their awareness is relatively stronger in insurance, savings and investment, while greater attention is required towards shares, mutual funds, diversification, inflation, and retirement planning. This indicates the need for targeted financial-awareness programmes to improve women's understanding of modern investment avenues and support informed investment decisions.

Table No 1 Financial Awareness Areas – Weighted Average Score And Rank

Financial Awareness Area	Weighted Average Score	Rank
Knowledge of insurance products	4.02	I
Knowledge of savings and investment	3.91	II
Understanding of risk and return	3.84	III
Ability to compare investment alternatives	3.76	IV
Understanding of interest rates	3.61	V
Knowledge of retirement planning	3.54	VI
Knowledge of inflation	3.43	VII
Understanding of investment diversification	3.35	VIII
Knowledge of mutual funds	3.18	IX
Knowledge of shares and securities	3.06	X

It is observed that knowledge of insurance products ranks first, with a weighted average score of 4.02, indicating that insurance is the area in which women possess the highest level of awareness. Knowledge of savings and investment ranks second with a score of 3.91, followed by understanding of risk and return with a score of 3.84.

The respondents also demonstrate comparatively good awareness of their ability to compare investment alternatives, which ranks fourth with a score of 3.76. Awareness of interest rates (3.61) and retirement planning (3.54) occupies the middle ranks, indicating a reasonable understanding of these financial concepts.

In contrast, knowledge of shares and securities ranks last, with a weighted average score of 3.06, followed by knowledge of mutual funds (3.18). This suggests that women respondents have comparatively lower awareness of market-linked investment avenues. Similarly, awareness of investment diversification and inflation requires further improvement.

Suggestions

- Financial institutions should conduct regular financial awareness programmes for women, focusing on savings, insurance, mutual funds, shares, risk, return, and investment diversification.

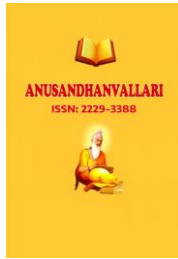
- Women should be encouraged to explore diversified investment avenues such as mutual funds, shares, pension schemes, and other market-linked instruments instead of relying mainly on traditional investment options.
- Banks and financial institutions should provide simple and accessible investment counselling to help women understand financial products, evaluate risk and return, and make independent investment decisions.

Conclusion

The study concludes that financial awareness plays an important role in shaping the investment behaviour of women in Madurai District. The findings indicate that women possess a moderate level of financial awareness, with comparatively better knowledge of savings, insurance, risk, and return. However, awareness of shares, mutual funds, investment diversification, and other market-linked investment avenues requires further improvement. The study also reveals that women tend to prefer traditional and relatively safer investment avenues such as bank deposits, gold, and insurance. Enhancing financial awareness through suitable education programmes and investment guidance can help women evaluate different investment opportunities, understand risk and return, and make more informed and independent investment decisions.

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