Power System Technology
ISSN:1000-3673

Received: 16-03-2025 Revised: 05-04-2025 Accepted: 11-05-2025

# Financial Literacy and Investment Behaviour of Working Women in Davangere District

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**Abstract:**

This study examines the relationship between financial literacy and investment behavior among 133 working women in Davangere District, Karnataka. Stratified Random Sampling is used. Using a structured questionnaire and SPSS for analysis, the findings reveal significant gaps in financial literacy, particularly regarding advanced products and risk management. However, a positive correlation between financial literacy and informed investment decisions underscores the need for targeted financial education to enhance women's economic independence and investment confidence.

**Keywords**: Financial Literacy, Financial Behaviour, Financial Attitude, Financial Skills, Investment Behaviour.

## Introduction

Women were a vital component of society and were typically treated with respect during the Rig Vedic era. There are hymns in the Rig Veda that honour the spiritual and intellectual accomplishments of women. Women that have contributed to Vedic knowledge and are renowned for their wisdom include Lopamudra, Ghosha, and Apala.

Organization for Economic Co-operation and Development (OECD) defines financial literacy as "the combination of awareness, knowledge, skill, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well - being".

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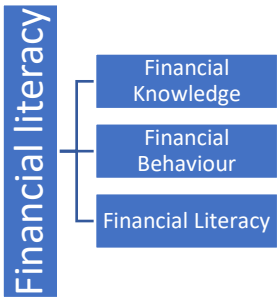
ISSN:1000-3673

Received: 16-03-2025 Revised: 05-04-2025 Accepted: 11-05-2025




According to the above definition by Organisation for Economic Co-operation and Development (OECD), financial Literacy depends on the comprehensives of financial knowledge, financial behaviour and financial attitude. Hence the paper shall use the base and evaluate the financial literacy of working women in Davangere district with its 6 taluks (Harihar, Jagalur, Honnali, Channagiri, Harapanahalli and Nyamati).

Also, financial literacy of working women has impact on the investment behaviour of the working women. Reserve Bank of India (RBI) and various financial institutions often emphasize the importance of promoting financial inclusion, awareness, and empowerment for women. These efforts aim to encourage women's participation in financial activities, including investments. Investment behaviour among women can vary widely, just as it does among men, and is influenced by factors like financial literacy, risk tolerance, income levels, cultural norms, and individual goals.

**Literature Review**

Pranati Tilak, Amol Murgai, Jyoti Suraj Harchekar (2024)[1]:
This study investigates the financial literacy of working women in India, focusing on areas like investments, savings, and insurance. The findings indicate that working women in India generally have low financial literacy, with a small percentage having sufficient knowledge of financial topics. Factors such as age, income, education, and work experience were found to impact financial literacy.

C. Samudra Rajkumar & M. Padmaja (2023)[2]:
The paper discusses the financial literacy and financial attitudes of women towards investments. It highlights that women often exhibit a conservative attitude towards investing, being risk-averse and lacking confidence. The study also reveals that women depend heavily on external guidance for financial decisions. The research concludes that financial knowledge significantly influences women's investment decision-making behaviour.

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Ritika Maurya (2022)[3]:
This research explores the differences in investment goals between working and non-working women, noting that the majority of women are risk-averse investors due to a lack of knowledge about investment options. The study found that women have distinct investment needs based on their employment status and highlighted the importance of government and policymaker-driven initiatives to educate and encourage women to become more independent in their investment decisions.

R. Meenambigai, K. Lath, Srinu M (2022)[4]:
This study focuses on the investment behaviour of working women, particularly in retail involvement in the stock market. It notes that the financial crisis and long-term volatility have deterred regular investors, including women, from participating in equity markets. The research emphasizes how retail investors, including women, can be misled into making poor investment decisions.

Esha Chetri (2022)[5]:
In her study on the financial literacy of salaried women in Kamrup district, Chetri examines how financial literacy affects investment behaviour. The findings show that women are predominantly risk-averse and tend to invest in safer avenues such as bank deposits, gold, and real estate, rather than higher-risk options like shares and debentures. The study also explores various investment products aimed at educating women and addressing their investment queries.

Dr. Anviti Rawat et al. (2021)[6]:
This literature review synthesizes studies from 2009 to 2021 on financial literacy among working women. The review concludes that despite various interventions, financial literacy among women remains low, especially when compared to their male counterparts. The study suggests that more focused and customized interventions, policies, and programs are needed to enhance the financial literacy of women and support their financial empowerment.

Mercy Silvester, G. Vijaya Kumar, Vijayakumar Gajenderan (2020)[7]:
This study examines the investment behaviour of working women in Chennai. It finds that working women are generally aware of savings avenues and are motivated to invest for reasons like income tax benefits, retirement savings, and children's education. The research also highlights the significant correlation between income and investment behaviour among women in Chennai.

Lusardi, A., & Mitchell, O. S. (2014)[8]:
The authors focus on the importance of financial literacy, particularly in developed countries where financial systems are more formalized. They point out that women in these countries often face challenges in managing finances, understanding investments, and planning for the

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ISSN:1000-3673

Received: 16-03-2025 Revised: 05-04-2025 Accepted: 11-05-2025

future. The study emphasizes the need for improved financial education to help women overcome these challenges and make more informed financial decisions.

**Research Gap**

- Most studies on financial literacy of working women have been conducted in developed countries, with very few focusing on developing nations like India. (Lusardi, A., & Mitchell, O. S. (2014))
- Also, few research has primarily targeted college students, while there is a notable lack of studies focusing on adult, salaried, and working women, particularly in India.
- Existing research has not thoroughly explored the link between financial literacy, financial product awareness, and investment behavior among salaried women.
- There is limited research on financial behavior, particularly in South India. Specifically, cities like Davangere, city of knowledge and business hubs known for their conservative spending habits, have not been extensively studied.
- While studies suggest that investment patterns vary based on cultural norms, there is little research examining how cultural aspects influence financial decision-making among working women in South India.
- There is some evidence of higher involvement of women in financial decision-making in South India compared to North India, but comprehensive research on this aspect is lacking, especially in regions like Davangere, which is growing at a faster pace. (Dr. Ragini Tiwari et. al., (2024))

**Research Problem**

- Despite increasing participation of women in the workforce, there is limited understanding of the financial literacy, awareness of financial products, and investment behavior of salaried women in India, particularly in South Indian regions.
- Existing research has not adequately addressed how cultural factors and conservative financial habits influence the financial decision-making of working women in these areas.
- This problem highlights the need for comprehensive research that explores the financial literacy and behaviour of working women, factoring in regional and cultural nuances in South India, especially in under-researched cities like Davangere.

**Objectives**

1. To Ascertain the level of Financial Behaviour and Socio-economic profile of Working Women in Davangere District.

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2. To Ascertain the significance of Financial Knowledge and Demographics of Working Women in Davangere District.

3. To Ascertain the level Financial Attitude and Demographics of Working Women in Davangere District.

4. To understand the level of significance of Financial Literacy and Investment Behaviour of working women in Davangere District

**Hypothesis:**

$H_o1$: There is no Significance Association between Financial Behaviour and Demographics of Working Women in Davangere District.

$H_o2$: There is no Significance Association between Financial Knowledge and Demographics of Working Women in Davangere District.

$H_0 3$: There is no Significance Association between Financial Attitude and Demographics of Working Women in Davangere District.

$H_o4$: There is no Significant Association between financial Literacy and Investment Behaviour of Working Women in Davangere District.

**Research Methodology**

Since the study aims to measure financial literacy, investment behaviour, and decision-making patterns, a quantitative approach using structured questionnaires and surveys will help gather measurable data. Primary survey was done with 133 working women in Davangere District using online mode (Microsoft forms).

**Sampling Method:** Stratified random sampling is used. Since the study aims to take sample from the six taluks of Davangere district, each taluk can be treated as a stratum. Within each taluk, the sample should be further stratified based on demographic factors like age, occupation, and income level to ensure a diverse and be a representative sample of working women. The responses shall be homogeneous within the sample and heterogeneous between the sample. (Anmol,2018)

**Data and Interpretation**

The study uses Statistical Package for Social Sciences (SPSS) as a software program for the quantitative analysis of data. The responses towards the Survey are 133 and all the items are taken into the software.

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**Data Validation**

Before moving further, reliability test needs to be done to check the reliability of the data know if the data is reliable, we need to check Cronbach's Alpha reliability test. If the test is below 0.7 the data is questionable and if the data is above 0.7 further research can be done. Below is the result of the reliability test.

**I. Reliability Test**

| Case Processing Summary | | | |
|---|---|---|---|
| | | N | % |
| Cases | Valid | 133 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 133 | 100.0 |
| a. Listwise deletion based on all variables in the procedure. | | | |

Reliability Statistics

| Cronbach's Alpha | N of Items |
|---|---|
| .974 | 35 |

Cronbach's Alpha: 0.974, which indicates excellent internal consistency (a value close to 1 is desirable, typically values above 0.7 are considered acceptable, and values over 0.9 are excellent). The Data was tested for reliability and from the Cronbach's Alpha reliability test it is proved that the data is highly reliable and we can go for further research.

**Hypothesis**

**$H_o$1: There is no Significance Association between Financial Behaviour and Demographics of Working Women in Davangere District.**

- $H_o$1A: There is no Significant Association between Financial Behaviour and Age of the Working Women in Davangere District.
- $H_o$1B: There is no Significant Association between Financial Behaviour and Qualification of the Working Women in Davangere District.
- $H_o$1C: There is no Significant Association between Financial Behaviour and Marital Status of the Working Women in Davangere District.

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- $H_o1D$: There is no Significant Association between Financial Behaviour and Type of the organisation of the Working Women in Davangere District.
- $H_o1E$: There is no Significant Association between Financial Behaviour and Experience of (Working/Running Business) of the Working Women in Davangere District.
- $H_o1F$: There is no Significant Association between Financial Behaviour and Monthly Income of the Working Women in Davangere District.
- $H_o1G$: There is no Significant Association between Financial Behaviour and Investment objective of the Working Women in Davangere District.
- $H_o1I$: There is no Significant Association between Financial Behaviour and Source of Investment Advice of the Working Women in Davangere District.

| ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| | | Sum of Squares | df | Mean Square | F | Sig. |
| Age of the Working Women | Between Groups | 22.255 | 35 | .636 | .790 | .783 |
| | Within Groups | 78.046 | 97 | .805 | | |
| | Total | 100.301 | 132 | | | |
| Qualification of the Working Women | Between Groups | 18.652 | 35 | .533 | 1.141 | .302 |
| | Within Groups | 45.317 | 97 | .467 | | |
| | Total | 63.970 | 132 | | | |
| Marital Status of the Working Women | Between Groups | 22.598 | 35 | .646 | 1.060 | .400 |
| | Within Groups | 59.071 | 97 | .609 | | |
| | Total | 81.669 | 132 | | | |
| Type of Organization Working Women is Working With | Between Groups | 7.795 | 35 | .223 | .796 | .775 |
| | Within Groups | 27.138 | 97 | .280 | | |
| | Total | 34.932 | 132 | | | |
| | Between Groups | 26.603 | 35 | .760 | .965 | .533 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| Experience (Working/Running Business) | Within Groups | 76.420 | 97 | .788 | | |
| | Total | 103.023 | 132 | | | |
| Monthly Income of the Working Women | Between Groups | 162.335 | 35 | 4.638 | 1.148 | .294 |
| | Within Groups | 392.026 | 97 | 4.042 | | |
| | Total | 554.361 | 132 | | | |
| Investment Objective of the Working Women | Between Groups | 24.412 | 35 | .697 | 1.143 | .300 |
| | Within Groups | 58.581 | 96 | .610 | | |
| | Total | 82.992 | 131 | | | |
| Who is the Source of Investment Advice for the Working Women | Between Groups | 52.157 | 35 | 1.490 | .729 | .854 |
| | Within Groups | 192.151 | 94 | 2.044 | | |
| | Total | 244.308 | 129 | | | |

In all the categories tested (Age, Qualification, Marital Status, Type of Organisation, Experience, Monthly Income, Investment Objective, and Source of Investment Advice), the significance levels (p-values) are all greater than 0.05. This means that, based on this data, there are no statistically significant differences across the groups for any of these variables.

From the above statistical tools by using one way ANOVA we can infer that the Ho1(Null Hypothesis) is Rejected with 0.05 significant level, and there is significant association between Financial Behaviour and the above Demographics.

**$H_o$2: There is no Significance Association between Financial Knowledge and Demographics of Working Women in Davangere District.**

- $H_o$2A: There is no Significant Association between Financial Behaviour and Experience (Working/Running Business) of the Working Women in Davangere District.
- $H_o$2B: There is no Significant Association between Financial Behaviour and Monthly Income of the Working Women in Davangere District.
- $H_o$2C: There is no Significant Association between Financial Behaviour and Number of Earning Members in the Family of the Working Women in Davangere District.

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- $H_o2D$: There is no Significant Association between Financial Behaviour and Percentage of the income women invests in Davangere District.
- $H_o2E$: There is no Significant Association between Financial Behaviour and Expected return on the women investments in Davangere District.
- $H_o2F$: There is no Significant Association between Financial Behaviour and Time Horizon of Investment of the Working Women in Davangere District.
- $H_o2G$: There is no Significant Association between Financial Behaviour and Investment objective of the Working Women in Davangere District.
- $H_o2I$: There is no Significant Association between Financial Behaviour and Source of Investment Advice of the Working Women in Davangere District.

| ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| | | Sum of Squares | DF | Mean Square | F | Sig. |
| Experience (Working/Running Business) | Between Groups | 26.603 | 35 | 0.76 | 0.965 | 0.533 |
| | Within Groups | 76.42 | 97 | 0.788 | | |
| | Total | 103.023 | 132 | | | |
| Monthly Income of the | Between Groups | 162.335 | 35 | 4.638 | 1.148 | 0.294 |
| | Within Groups | 392.026 | 97 | 4.042 | | |
| | Total | 554.361 | 132 | | | |
| Number of Earning Members in the Family | Between Groups | 32.828 | 35 | 0.938 | 1.082 | 0.372 |
| | Within Groups | 84.104 | 97 | 0.867 | | |
| | Total | 116.932 | 132 | | | |
| Percentage of Income Working Women Invests | Between Groups | 38.283 | 35 | 1.094 | 1.129 | 0.316 |
| | Within Groups | 94.003 | 97 | 0.969 | | |
| | Total | 132.286 | 132 | | | |

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| | | | | | | |
|---|---|---|---|---|---|---|
| What percentage your Income do you expect return from your investment? | Between Groups | 53.317 | 35 | 1.523 | 1.459 | 0.076 |
| | Within Groups | 101.255 | 97 | 1.044 | | |
| | Total | 154.571 | 132 | | | |
| Time Horizon of Investment of the Respondents | Between Groups | 58.383 | 35 | 1.668 | 1.066 | 0.394 |
| | Within Groups | 145.57 | 93 | 1.565 | | |
| | Total | 203.953 | 128 | | | |
| Investment Objective of the Respondent | Between Groups | 24.412 | 35 | 0.697 | 1.143 | 0.3 |
| | Within Groups | 58.581 | 96 | 0.61 | | |
| | Total | 82.992 | 131 | | | |
| Who is the Source of Investment Advice for the Respondent | Between Groups | 52.157 | 35 | 1.49 | 0.729 | 0.854 |
| | Within Groups | 192.151 | 94 | 2.044 | | |
| | Total | 244.308 | 129 | | | |

From the Above Analysis of Variance (Anova) it is evident that Null hypothesis $H_o2$ is rejected as the significant level is above 0.05 and also it proves that there is significant association between financial knowledge and Socio-economic profile of working women. This also infers that all the above variables from Ho2A – Ho2I are responsible for financial Knowledge of Working women in Davangere District.

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**$H_0$3: There is no Significance Association between Financial Attitude and Demographics of Working Women in Davangere District.**

- $H_o$3A: There is no Significant Association between Financial Attitude and Qualification of the Working Women in Davangere District.
- $H_o$3B: There is no Significant Association between Financial Attitude Behaviour and Marital Status of the Working Women in Davangere District.
- $H_o$3C: There is no Significant Association between Financial Attitude family of the Working Women in Davangere District.
- $H_o$3D: There is no Significant Association between Financial Attitude and Percentage of the income women invests in Davangere District.
- $H_o$3E: There is no Significant Association between Financial Attitude and Expected return on the women investments in Davangere District.
- $H_o$3F: There is no Significant Association between Financial Attitude and Time Horizon of Investment of the Working Women in Davangere District.
- $H_o$3G: There is no Significant Association between Financial Attitude and Investment objective of the Working Women in Davangere District.
- $H_o$3I: There is no Significant Association between Financial Attitude and Source of Investment Advice of the Working Women in Davangere District.

| ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| | | Sum of Squares | df | Mean Square | F | Sig. |
| Qualification of the Respondents | Between Groups | 11.337 | 35 | .324 | .597 | .957 |
| | Within Groups | 52.633 | 97 | .543 | | |
| | Total | 63.970 | 132 | | | |
| Marital Status of the Respondents | Between Groups | 26.303 | 35 | .752 | 1.317 | .148 |
| | Within Groups | 55.367 | 97 | .571 | | |
| | Total | 81.669 | 132 | | | |
| Who is the Source of Investment Advice for the Respondent | Between Groups | 62.641 | 35 | 1.790 | .926 | .590 |
| | Within Groups | 181.667 | 94 | 1.933 | | |

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| | | | | | | |
|---|---|---|---|---|---|---|
| | Total | 244.308 | 129 | | | |
| Time Horizon of Investment of the Respondents | Between Groups | 45.878 | 35 | 1.311 | .771 | .805 |
| | Within Groups | 158.075 | 93 | 1.700 | | |
| | Total | 203.953 | 128 | | | |
| Investment Objective of the Respondent | Between Groups | 20.259 | 35 | .579 | .886 | .650 |
| | Within Groups | 62.733 | 96 | .653 | | |
| | Total | 82.992 | 131 | | | |
| Experience (Working/Running Business) | Between Groups | 19.656 | 35 | .562 | .653 | .923 |
| | Within Groups | 83.367 | 97 | .859 | | |
| | Total | 103.023 | 132 | | | |
| Gender of Children the Respondent has | Between Groups | 57.053 | 35 | 1.630 | .949 | .557 |
| | Within Groups | 166.617 | 97 | 1.718 | | |
| | Total | 223.669 | 132 | | | |
| Monthly Income of the Respondent | Between Groups | 97.390 | 35 | 2.783 | .591 | .960 |
| | Within Groups | 456.971 | 97 | 4.711 | | |
| | Total | 554.361 | 132 | | | |

From the Above Analysis of Variance (Anova) it is evident that Null hypothesis $H_o3$ is rejected as the significant level is above 0.05 and also it proves that there is significant association between financial Attitude and Socio-economic profile of working women. This also infers that all the above variables from Ho3A – Ho3I are responsible for having the right financial Attitude of Working women in Davangere District.

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| ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| | | Sum of Squares | DF | Mean Square | F | Sig. |
| Mean Score of Financial Behaviour | Between Groups | 56.163 | 36 | 1.560 | 3.065 | .000 |
| | Within Groups | 48.863 | 96 | .509 | | |
| | Total | 105.026 | 132 | | | |
| Mean Score of Financial Knowledge | Between Groups | 71.869 | 36 | 1.996 | 3.768 | .000 |
| | Within Groups | 50.858 | 96 | .530 | | |
| | Total | 122.727 | 132 | | | |
| Mean Score of Financial Attitude | Between Groups | 61.945 | 36 | 1.721 | 2.916 | .000 |
| | Within Groups | 56.650 | 96 | .590 | | |
| | Total | 118.595 | 132 | | | |

The Above three Hypothesis claim of financial literacy (Financial Behaviour, Financial Knowledge and Financial Attitude) on the demographics of working women in Davangere District.

Now, we need to see how financial literacy influence investment behaviour of working women in Davangere district.

To establish whether there is a statistically significant relationship, also to associate Financial Literacy and Investment Behaviour, some association between the two variables should be checked and this can be checked with Regression Analysis

**Regression**

**Investment behaviour and Financial Behaviour**

| Descriptive Statistics | | | |
|---|---|---|---|
| | Mean | Std. Deviation | N |

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| | | | |
|---|---|---|---|
| Mean Score of Investment Behaviour | 2.9789 | .91121 | 133 |
| Mean Score of Financial Behaviour | 3.39 | .892 | 133 |

From the above we can say from the 133 respondents of working women in Davangere District, the mean score of Investment Behaviour of Working women is close to 3, which suggests that the working women exhibit moderate level of investment behaviour.

The mean score of financial behaviour 3.39 suggests that working women on average have slightly above-moderate financial literacy or behaviour, leaning towards a better understanding and application of financial knowledge.

We can conclude that the working women have adequate knowledge about the financial matters but do not necessarily translate that knowledge into investment-related actions.

In the below table, to check the strength of the linear relationship Karl Pearson's coefficient correlation(r) this also helps to verify if regression is appropriate.

| Correlations | | | |
|---|---|---|---|
| | | Mean Score of Investment Behaviour | Mean Score of Financial Behaviour |
| Pearson Correlation | Mean Score of Investment Behaviour | 1 | 0.582 |
| | Mean Score of Financial Behaviour | 0.582 | 1 |
| Sig. (1-tailed) | Mean Score of Investment Behaviour | 0 | 0 |
| | Mean Score of Financial Behaviour | 0 | 0 |
| N | Mean Score of Investment Behaviour | 133 | 133 |
| | Mean Score of Financial Behaviour | 133 | 133 |

The table above says that there is a moderate relationship between the two variables This means that, generally, as individuals' scores for investment behaviour increase, their financial behaviour scores also tend to increase. However, the relationship is not very strong, suggesting that there are other factors influencing financial behaviour beyond just investment behaviour.

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The p-value for the test of correlation is 0.000 (which is less than the typical significance level of 0.05). This indicates that the correlation is statistically significant. In other words, the relationship between Investment Behaviour and Financial Behaviour is unlikely to have occurred by chance, and we can reasonably conclude that a moderate positive relationship exists between these two behaviours.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .582[a] | .339 | .334 | .74349 |

a. Predictors: (Constant), Mean Score of Financial Behaviour

The aim is to predict Investment Behaviour (the dependent variable) based on Financial Behaviour (the independent variable). Here's a detailed breakdown of the key statistics

R (Correlation Coefficient) is R = 0.582, which represents the correlation between the predicted and observed values for Investment Behaviour based on Financial Behaviour. As we saw in the earlier correlation analysis, this value indicates a moderate positive relationship between the two variables.

· The fact that R is the same as the Pearson correlation suggests that Financial Behaviour is the only predictor in the model, and it has a moderate ability to predict Investment Behaviour.

R Square (Coefficient of Determination) · $R^2 = 0.339$, This value indicates that approximately 33.9% of the variance in Investment Behaviour is explained by Financial Behaviour. This is a moderate amount of explained variance, suggesting that while Financial Behaviour has a significant relationship with Investment Behaviour, there are other factors influencing Investment Behaviour that are not captured in this model.

Adjusted R Square - Adjusted $R^2 = 0.334$, the Adjusted $R^2$ accounts for the number of predictors in the model and adjusts for any potential overfitting. Since the model only includes one predictor (Financial Behaviour), the Adjusted $R^2$ is almost identical to the $R^2$.

The slight difference (0.339 vs. 0.334) is expected in simple linear regression, where only one independent variable is used. This indicates the model is relatively robust.

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 37.187 | 1 | 37.187 | 67.274 | .000[b] |

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| | | | | | | |
|---|---|---|---|---|---|---|
| | Residual | 72.414 | 131 | .553 | | |
| | Total | 109.601 | 132 | | | |
| a. Dependent Variable: Mean Score of Investment Behaviour | | | | | | |
| b. Predictors: (Constant), Mean Score of Financial Behaviour | | | | | | |

The above table shows that the statistically significant relationship between Financial Behaviour and Investment Behaviour. This suggests that the financial habits or attitudes of individuals (Financial Behaviour) influence their investment decisions (Investment Behaviour). To determine how much of the variability in Investment Behaviour is explained by Financial Behaviour, about 33.9% of the variability in Investment Behaviour is explained by Financial Behaviour. The remaining 66.1% is due to other factors not included in the model.

Residual Analysis:

The residual mean square (0.553) indicates the average variance of prediction errors. The relatively small value suggests that the predictions are fairly close to the observed data.

| Coefficients[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .959 | .255 | | 3.767 | .000 |
| | Mean Score of Financial Behaviour | .595 | .073 | .582 | 8.202 | .000 |
| a. Dependent Variable: Mean Score of Investment Behaviour | | | | | | |

The relationship between the independent variable (Mean Score of Financial Behaviour) and the dependent variable (Mean Score of Investment Behaviour).

Key Points

**Unstandardized Coefficients (B):**

Constant (B): 0.959

This is the intercept of the regression equation. It represents the predicted Mean Score of Investment Behaviour when the Mean Score of Financial Behaviour is 0.

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Slope for Financial Behaviour (B): 0.595

For every one-unit increase in the Mean Score of Financial Behaviour, the Mean Score of Investment Behaviour is expected to increase by 0.595 units.

**Standardized Coefficients (Beta):**

Beta (0.582):

This represents the strength and direction of the relationship in standardized units. A Beta of 0.582 indicates a strong, positive relationship between Financial Behaviour and Investment Behaviour.

t-Statistics (t):

Constant (t = 3.767):

This tests whether the intercept (Constant) is significantly different from zero. The p-value (Sig. = 0.000) confirms it is statistically significant.

Financial Behaviour (t = 8.202):

This tests whether the slope coefficient for Financial Behaviour is significantly different from zero. The high t-value (8.202) and very small p-value (Sig. = 0.000) indicate that Financial Behaviour is a significant predictor of Investment Behaviour.

Significance (Sig.)

Constant (0.000):

The intercept is significant at the 0.05 level.

Financial Behaviour (0.000):

The independent variable (Financial Behaviour) has a statistically significant effect on the dependent variable (Investment Behaviour).

**Investment Behaviour and Financial Knowledge**

| Descriptive Statistics | | | |
|---|---|---|---|
| | Mean | Std. Deviation | N |
| Mean Score of Investment Behaviour | 2.9789 | .91121 | 133 |
| Mean Score of Financial Knowledge | 3.37 | .964 | 133 |

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The Mean Score which is close to 3 reveals that there is a moderate level of investment behaviour of working women, it also says that working women are neither highly active nor completely disengaged in investment activities.

Standard deviation of .91121 reflects a moderate variation in responses, suggesting some working women exhibit higher or lower investment behaviour levels than the mean.

The mean score is slightly higher (3.37), indicating a tendency toward better-than-average financial knowledge among the working women. This suggests that most women in the sample have a reasonable understanding of financial concepts.

The standard deviation of 0.964 indicates slightly higher variability compared to investment behaviour. Some women might have a more robust financial knowledge base, while others could have limited understanding.

Comparison between Mean Scores:

Financial knowledge (3.37) appears to be marginally better than investment behaviour (2.9789). This could suggest that while women may possess adequate financial knowledge, it does not necessarily translate into active investment behaviour. This gap might be due to risk aversion, lack of trust in financial systems, or other psychological and situational barriers.

To get a deeper statistical insight on investment behaviour and financial knowledge correlation is used as follows

| Correlations | | | |
|---|---|---|---|
| | | Mean Score of Investment Behaviour | Mean Score of Financial Knowledge |
| Pearson Correlation | Mean Score of Investment Behaviour | 1.000 | .514 |
| | Mean Score of Financial Knowledge | .514 | 1.000 |
| Sig. (1-tailed) | Mean Score of Investment Behaviour | . | .000 |
| | Mean Score of Financial Knowledge | .000 | . |

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.

| | | | |
|---|---|---|---|
| N | Mean Score of Investment Behaviour | 133 | 133 |
| | Mean Score of Financial Knowledge | 133 | 133 |

The Pearson correlation coefficient between **investment behaviour** and **financial knowledge** is **0.514**

This value indicates a **moderate positive correlation**, suggesting that individuals with higher financial knowledge are more likely to exhibit higher investment behaviour. However,the relationship is not perfect, indicating other factors may also influence investment behaviour.

The p-value for the correlation is 0.000, which is highly significant ($p < 0.05$). This confirms that the observed correlation is statistically significant and unlikely to be due to chance.

| Variables Entered/Removed[a] | | | |
|---|---|---|---|
| Model | Variables Entered | Variables Removed | Method |
| 1 | Mean Score of Financial Knowledge[b] | . | Enter |
| a. Dependent Variable: Mean Score of Investment Behaviour | | | |
| b. All requested variables entered. | | | |

A 1-tailed test was used, indicating a directional hypothesis was tested (e.g., expecting financial knowledge to positively influence investment behaviour).

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .514[a] | .264 | .259 | .78447 |

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a. Predictors: (Constant), Mean Score of Financial Knowledge

The moderate correlation suggests that financial knowledge plays a significant role in shaping investment behaviour. Individuals who are more knowledgeable about financial matters tend to engage more actively in investment activities.

However, the correlation is not extremely high, implying that while financial knowledge is important, other factors such as risk tolerance, income levels, cultural influences, or psychological barriers may also impact investment behaviour.

This finding emphasizes the value of financial literacy programs in improving investment behaviour. Increasing knowledge can positively influence individuals' financial decisions, potentially enhancing their economic well-being.

Future research could explore additional factors contributing to investment behaviour, such as emotional intelligence, access to financial resources, or trust in financial markets.

ANOVAa

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 28.984 | 1 | 28.984 | 47.098 | .000b |
| | Residual | 80.617 | 131 | 0.615 | | |
| | Total | 109.601 | 132 | | | |

a. Dependent Variable: Mean Score of Investment Behaviour
b. Predictors: (Constant), Mean Score of Financial Knowledge

The F-statistic of **47.098** measures the overall significance of the regression model.

- A higher F-value indicates that the predictor variable (Financial Knowledge) explains a significant portion of the variability in the dependent variable (Investment Behaviour).
- Since the F-value is high, it strongly suggests a significant relationship.
- **b. Significance Level (Sig. = 0.000):**
- The p-value (Sig.) is **0.000**, which is less than the typical threshold of 0.05.
- This means the regression model is statistically significant, and there is **sufficient evidence** to conclude that Financial Knowledge significantly influences Investment Behaviour.

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**Sum of Squares:**

- **Regression SS (28.984):** Represents the variability in the dependent variable explained by the predictor (Financial Knowledge).
- **Residual SS (80.617):** Represents the unexplained variability in the dependent variable.
- **Total SS (109.601):** Total variability in the dependent variable.
- The fact that **Regression SS (28.984)** is a substantial portion of **Total SS (109.601)** suggests that Financial Knowledge explains a meaningful portion of the variability in Investment Behaviour.

**Squared (Coefficient of Determination):**

This means that 26.5% of the variation in Investment Behaviour is explained by Financial Knowledge, while the remaining 73.5% is due to other factors not included in the model.

Coefficientsa

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.342 | .248 | | 5.411 | .000 |
| | Mean Score of Financial Knowledge | .486 | .071 | .514 | 6.863 | .000 |

a. Dependent Variable: Mean Score of Investment Behaviour

The table above represents the regression equation and the statistical significance of the predictor variable (Mean Score of Financial Knowledge)

The regression equation can be written as Investment Behaviour=1.342+0.486×Financial Knowledge

- Beta value of 0.514 suggests that Financial Knowledge has a moderately strong positive influence on Investment Behaviour.
- It is significant since it contributes over 50% of the standardized variability in the dependent variable.
- t-statistic for Constant (5.411, Sig. = 0.000): The constant is significantly different from zero.
- t-statistic for Financial Knowledge (6.863, Sig. = 0.000):

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- The predictor variable, Mean Score of Financial Knowledge, is highly significant ($p < 0.05$).

A t-value of 6.863 indicates strong evidence that Financial Knowledge positively influences Investment Behaviour.

The regression model is statistically significant and provides evidence that Financial Knowledge is a key predictor of Investment Behaviour.

The regression model is statistically significant and provides evidence that Financial Knowledge is a key predictor of Investment Behaviour.

Descriptive Statistics

| | Mean | Std. Deviation | N |
|---|---|---|---|
| Mean Score of Investment Behaviour | 2.9789 | .91121 | 133 |
| Mean Score of Financial Attitude | 3.5940 | .94787 | 133 |

.The **Mean Score of Investment Behaviour** is **2.9789**. This suggests that the average participant rates their investment behaviour slightly below a neutral level (assuming a 5-point Likert scale where 3 indicates neutrality).

- The **Mean Score of Financial Attitude** is **3.5940**, which is higher than the Investment Behaviour score. This indicates a generally positive financial attitude among participants
- The **Standard Deviation for Investment Behaviour** is **0.91121**. This shows a moderate level of variation in participants' responses, meaning that most participants' investment behaviour ratings are clustered around the mean.
- The **Standard Deviation for Financial Attitude** is **0.94787**, which is slightly higher than that of Investment Behaviour. This indicates that responses for Financial Attitude are more varied.

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| Correlations | | | |
|---|---|---|---|
| | | Mean Score of Investment Behaviour | Mean Score of Financial Attitude |
| Pearson Correlation | Mean Score of Investment Behaviour | 1.000 | .605 |
| | Mean Score of Financial Attitude | .605 | 1.000 |
| Sig. (1-tailed) | Mean Score of Investment Behaviour | . | .000 |
| | Mean Score of Financial Attitude | .000 | . |
| N | Mean Score of Investment Behaviour | 133 | 133 |
| | Mean Score of Financial Attitude | 133 | 133 |

**Pearson**

**Correlation (r = 0.605)**:

Indicates a **moderate positive correlation** between **Financial Attitude** and **Investment Behaviour**.

A higher financial attitude score is associated with better investment behaviour.

**Significance (p = 0.000)**:

The correlation is highly statistically significant at the 1% level ($p < 0.01$).

This confirms that the relationship is not due to chance.

Variables Entered/Removed[a]

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | Mean Score of Financial Attitude[b] | . | Enter |

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a. Dependent Variable: Mean Score of Investment Behaviour

b. All requested variables entered.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .605[a] | .367 | .362 | .72801 |

a. Predictors: (Constant), Mean Score of Financial Attitude

ANOVA[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 40.172 | 1 | 40.172 | 75.797 | .000[b] |
| | Residual | 69.429 | 131 | .530 | | |
| | Total | 109.601 | 132 | | | |

a. Dependent Variable: Mean Score of Investment Behaviour

b. Predictors: (Constant), Mean Score of Financial Attitude

Coefficients[a]

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .887 | .248 | | 3.572 | .000 |
| | Mean Score of Financial Attitude | .582 | .067 | .605 | 8.706 | .000 |

a. Dependent Variable: Mean Score of Investment Behaviour

· R = **0.605**:

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- The strength of the relationship between the independent variable (**Financial Attitude**) and the dependent variable (**Investment Behaviour**) is moderate. Indicates a **moderate positive correlation** between **Financial Attitude** and **Investment Behaviour**.
- R **Square = 0.367**:
- About **36.7% of the variability** in Investment Behaviour can be explained by Financial Attitude.
- While this is substantial, other factors (63.3%) also influence Investment Behaviour, which can be explored in future studies.
- Adjusted **R Square = 0.362**:
- This value adjusts for the number of predictors in the model, providing a slightly more conservative estimate of the explained variance.
- Standard **Error of the Estimate = 0.72801**:
- This indicates the average distance that the observed values fall from the regression line. A lower value indicates a better model fit.

**Findings:**

- There is a significance association between financial knowledge, financial behaviour, financial attitude and demographic variables.
- The mean score of financial literacy and investment behaviour indicates that working women in Davangere District have slightly above-moderate financial literacy, suggesting they are somewhat capable of understanding and applying financial knowledge.
- The moderate correlation suggests that improvements in financial behaviour are associated with increases in investment behaviour. However, the relationship is not very strong, indicating other factors influencing investment decisions.
- The regression analysis proves that there is moderate correlation suggests that improvements in financial behaviour are associated with increases in investment behaviour. However, the relationship is not very strong, indicating other factors influencing investment decisions.
- While financial literacy levels are adequate, the knowledge does not consistently translate into proactive investment actions, highlighting a disconnect between understanding and application.
- The mean financial knowledge score (3.37) is slightly higher, indicating a better-than-average understanding of financial concepts among working women. The mean investment behaviour score (2.9789) indicates that working women in Davangere District are moderately active in investment activities. They are neither highly engaged nor completely disengaged.

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- The comparison between the means of financial knowledge (3.37) and investment behaviour (2.9789) highlights a disconnect: adequate financial knowledge does not always translate into active investment behaviour. Possible reasons for this gap may include risk aversion, lack of trust in financial systems, psychological barriers, or situational factors.

**Suggestions:**

- Conduct targeted financial literacy workshops for women, focusing on practical financial management, investment strategies, and economic decision-making.
- Develop financial products and advisory services catering to the needs and preferences of working women in various socio-economic categories.
- Promote awareness about reliable sources of investment advice and the benefits of diversified investment portfolios.
- Foster peer-to-peer financial education programs where experienced individuals share insights with less financially informed peers.
- Create policies addressing specific challenges faced by different demographic groups, such as age, marital status, or income level, to enhance financial inclusion and knowledge.
- Include behavioural finance aspects in financial literacy programs to address psychological barriers and biases preventing women from making investment decisions.
- Offer personalized financial counselling to address the unique needs of working women, helping them translate knowledge into actionable investment strategies.
- Establish forums where experienced investors among working women can share their insights and motivate others to take informed investment steps.
- Enhancing financial literacy and linking it effectively to investment behaviour can empower working women, fostering economic independence and long-term financial security.
- Introduce behavioural nudges, such as default savings or investment options, to encourage participation in financial markets.
- Use gamification and incentives to make investment more accessible and engaging.
- Conduct campaigns highlighting the importance of translating financial knowledge into action, emphasizing long-term benefits of investments.

**Conclusion:**

a. Socio-economic variables significantly influence financial knowledge and behaviour among working women in Davangere District.

b. The study highlights the need for focused interventions to improve financial literacy and tailor financial tools to meet the unique needs of working women.

c. While working women in Davangere District possess adequate financial knowledge, there is a noticeable gap in translating that knowledge into effective investment actions.

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d. Bridging the gap between financial literacy and investment behaviour requires targeted interventions that focus on action-oriented training and addressing psychological barriers.

e. There is a statistically significant, moderate positive relationship between financial knowledge and investment behaviour, confirming the influence of knowledge on behaviour. The gap between financial knowledge and active investment behaviour suggests barriers that need to be addressed through practical, confidence-building interventions.

**Future Scope of research:**

The moderate correlation suggests other variables also influence investment behaviour, warranting further exploration into these factors for a holistic understanding. Future research could delve deeper into the psychological and cultural factors influencing financial decisions, providing a more holistic understanding of the demographic under study.

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