



Investment Behavior of Women Academicians – Evidence from Rajasthan

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Abstract—Financial literacy, socio-demographic factors and behavioral factors were added and investigated the investment behavior of the women academician in Rajasthan, India. The primary cross-sectional study was conducted on 400 respondents from Higher Educational Institutions (HEIs) of Rajasthan by using structured questionnaire. Analysis was done by descriptive statistics and correlation analysis, cross tabulation, and Ordinary Least Squares (OLS) regression. Results indicated moderate financial literacy, with roughly 32.5% of respondents getting the financial literacy questions right, there was clearly some room for improvement in terms of financial literacy regarding understandings of inflation and compounding. The analysis further reveals that preference was given to more traditional financial instruments such as gold (52%) and fixed deposits (68.5%) with low risk. Results of the OLS regression models indicate that financial literacy ($\beta = 0.284$) is Along with income level and risk attitude, the factors of statistically significant in determining the investment behavior. Based on the micro level, this study belongs to the body of literature based on the micro level data on the not so much studied group of women academicians with regional Indian scenario and not only that but also gives the financial education its importance so as to empower women and help them in making educated investment decisions. The findings will try to document the current scenario of women academicians in terms of their financial literacy and their investment habits with an aim for highlighting the financial literacy issue among women academics. This paper has been prepared to find out financial literacy level of the women academicians and Investment behavior of women academicians and to solve the problem of low financial literacy of women academicians.

Keywords—Financial Literacy, Investment Behavior, Women Academicians, Rajasthan, Behavioral Finance, Risk Attitude, OLS Regression, India

I. INTRODUCTION

In increasingly complex economic global environments, financial education is increasingly becoming a prerequisite for making wise financial choices. To achieve financial wellbeing and success, it is essential to have an understanding of the fundamentals of finance. With the expansion of finance markets and investments, including compound interest, inflation and risk diversification. The Financial literacy and Evidence always showed correlation that there is always possibility of high financial knowledge related with engaging in financial markets, systematic retirement planning and diversified investment strategies (Lusardi & Mitchell, 2011, 2014).

Behavioral finance goes a step further, and

considers the psychological factors that contribute to investing. Financial knowledge is also related to psychological traits that can be detrimental to investment behaviors: cognitive biases - Mental accounting, risk avoiding and excessive optimism. Financial knowledge and psychological factors affect investors' investment practices, and cognitive bias factors such as overconfidence, loss aversion, and mental accounting have the potential to interfere with rational investment decisions. Gender has also been cited as an extra moderating factor; women are generally less financially literate and more risk averse than men, which can affect their ability to make money in more profitable investment opportunities (Barber & Odean, 2001; van Rooij et al., 2011; Lusardi & Mitchell, 2014).

Socio-cultural norms, family responsibilities, and

institutionalized risk aversion are other factors that further limit women's investment behavior in the Indian context, and promote reliance on conventional financial instruments. Though policy attention has been paid to financial inclusion, micro level empirical studies on specific professional groups like women academicians in peri-urban areas such as Rajasthan is limited. Most research to date has examined financial literacy and investment behavior separately, without accounting for the combined effects of socio-demographic factors and attitudes.

The study attempts to resolve two critical research questions:

RQ1: How much aware are the female academicians of Rajasthan with regard to Financial Literacy and what is its difference with various socio-demographic groups?

RQ2: What are the factors that affect the behavior of investment among the women academicians of Rajasthan and how all the socio-demographic factors namely financial literacy, income, risk attitude collectively affects the investment behavior of women academics of Rajasthan?

In theory, the study is grounded in the financial knowledge framework by Lusardi and Mitchell (2014) and the behavioral finance framework of Shefrin (2007) as they offer a complete framework for the interaction between knowledge and psychological and contextual factors that affect investment practices. The study is empirical and uses original data and comes with OLS regression analysis results that have immediate policy implications as far as higher education institutions and financial service providers are concerned.

The research paper is structured as follows: literature review and conceptualization are in the second section; methodology used in the research is in the third section; the empirical analysis and results are in the fourth section; the discussion of results in the fifth section; and the conclusion, limitations, and directions for further research with policy implications are in the sixth section.

II. LITERATURE REVIEW

2.1 Financial Literacy

Knowledge of Finance is the power to interpret and use financial concepts, including the use of risk diversification, monetary policy, inflation and other financial concepts, to make wise financial decisions (Lusardi & Mitchell, 2011). The literature on financial illiteracy is large and growing, and it reveals that financial illiteracy is associated with less investment, less retirement planning and less diversified investment portfolio (Van Rooij et al., 2011; Kaiser et al., 2022). In developing country settings, financial illiteracy has been linked to poor investment choices, and It has been proven that financial education programs increase financial literacy and have positive

results on related financial behavior (Kaiser et al., 2022; Jerrim et al., 2022).

As far as financial literacy in India is concerned Agarwalla et al (2015) found the financial literacy of urban, working population to be very low and there is a huge gap between the income and educational group. Knowledge of Finance has been consistently in the regulatory agenda of different institutions, including Securities and Exchange Board of India (SEBI, 2019, 2022) and the Reserve Bank of India (RBI, 2020, 2021) due to its significance as a tool for making informed investment decisions and for other financial inclusion goals.

2.2 Investment Behavior

The standard investment behavior is the manner in which an individual invests his/her money in various investment options, influenced by his knowledge, objective, risk appetite and socio-economic issues. Financially literate people have greater access to invest in the market instruments and to systematic investment planning (Van Rooij et al., 2011; Adil et al., 2022). In recent years, a few studies also shed light on the significance of subjective financial literacy, income level and socio-economic factors in influencing investment decisions (Linge et al., 2025). Furthermore, it has been discovered that financial education is successful in diminishing some cognitive biases including money illusion, which helps to enhance investment decisions (Celiktas & Yilmaz, 2021).

Knowing what Gender gap in financial literacy exists and how to invest. Having an understanding of the disparity between men and women on financial literacy and investments in financial products. The commonality across literature is that financial literacy and investment behavior is gender differentiated. However, women systematically perform below men in financial literacy indicators and are more risk averse, which can limit their access to higher return investment markets (Bannier & Schwarz, 2018; Bucher-Koenen et al., 2017). Overconfidence may be a reason for this, as males invest more often than females and perform less well when trading in their investments, according to Barber and Odean (2001). However, more recent studies indicate that financial self-efficacy interventions can have long-term beneficial effects on women's involvement in the financial market and their empowerment to decide monetary matters (Furrebøe & Nyhus, 2022; Park et al., 2025).

2.3 Financial Learning and Policy Interventions

Financial education programs that are structured have been shown to increase financial knowledge which has a positive impact on financial outcomes of financial decision making in the long term (Jerrim et al., 2022; Kaiser et al., 2022). Goyal and Kumar (2021) undertook a systematic review which has concentrated on the importance of financial education in promoting good financial behavior, particularly in the international arena. The implementation of the National Strategy for Financial Education (RBI, 2020)

for improving financial inclusion and awareness is still slow and especially for women in the rural areas.

2.4 Research Gap

Although the number of works on financial literacy and investment behavior has increased significantly, the majority of the works are based on general population or on data-rich urban markets with little attention paid to specific professional groups in regional settings. The empirical study of the investment behavior of women academicians is very limited as they are an economically active and educationally privileged group. Furthermore, most research focuses on money management and knowledge of money, without considering the interaction between socio-demographic, psychological and behavioral factors and the outcomes of investment decisions. This study attempts to rectify these gaps and combines the three factors—financial literacy, behavioral factors and socio-demographic factors—in a single empirical platform, using primary data from Rajasthan, India.

2.5 Research Objectives

RO1. To assess the level of financial literacy among women academicians in Rajasthan by evaluating their knowledge of fundamental financial concepts such as interest rates, inflation, and risk diversification.

RO2. To examine the investment behavior of women academicians by analyzing their investment participation, preferred investment avenues, investment objectives, risk attitude, and decision-making authority.

RO3. To investigate the relationship between financial literacy and investment behavior, and determine how financial knowledge influences investment planning among women academicians.

RO4. To analyze the influence of socio-demographic factors (age, income, education, and work experience) on the financial literacy levels of women academicians.

RO5. To identify the major determinants of investment behavior, including financial literacy, income, age, education, work experience, and risk attitude, using regression analysis.

2.6 Conceptual Framework

The study's theoretical model can be derived from the research of Lusardi and Mitchell (2014) and Shefrin (2007) stating that the key independent variable of this research is the knowledge of finance & the subjects that influences the investment behavior and ultimately the financial planning outcome. Socio-demographic factors (age, financial income, education, working experience) affect financial literacy and socio-cultural and psychological (risk attitude) factors affect financial investment behavior. The approach focuses on the multidimensionality of an investment decision-making process, and that the results of an investment process are an outcome of the process is not only dependent on the knowledge and behavioral

dispositions but also other factors, contextual factors.

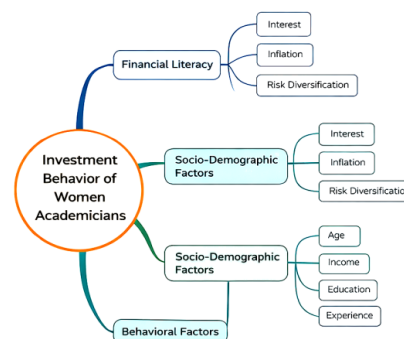


Fig. 1. Mind Map of Investment Behavior of Women Academicians

Source: Developed by the learner

As illustrated in figure 1, financial literacy among the female academic investors is one of the variables influencing their investment choices.

Theory for the study is developed through the process of using existing research. It explains the connections among the important variables that were included in this study.

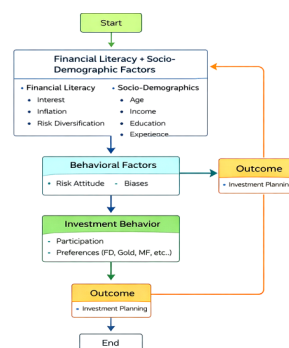


Fig. 2. Conceptual Framework

Source: Developed by the learner based on Lusardi & Mitchell (2014) and Shefrin (2007)

The study is designed to help in the formulation of the model, as outlined in Figure 2. It demonstrates the connection between financial knowledge, investment attitudes and investment planning of female academics. Financial Literacy is assumed to be the most significant independent variable that contribute to the Investor's behavior also and in turn can influence the results of the investors' investment planning. Furthermore, socio-demographic variables have an impact on financial literacy and the psychological variable directly affects the investment behavior. The framework consequently focuses on the connections between knowledge, behavioral and personal factors and investments.

2.7 Economic Context: Rajasthan

Rajasthan is one of the biggest states in terms of

geographical size of India and this is a special economic scenario for the study. Although the state is known for its agriculture, in recent decades, the economy of the state has diversified extensively and the mining industry, textile industry, tourism and education and service industry are significant contributors to the Gross State Domestic Product.

However, income inequalities and disparities in regional development still remain, as urban areas like Jaipur, Udaipur and Jodhpur have seen significantly higher economic growth than rural areas (Lusardi & Mitchell, 2011). These structural gaps impact access to financial means and investment opportunities, especially for women.

In the state of Rajasthan, women have come a long way in education and are now represented in higher education in relatively larger numbers, resulting in a class of relatively educationally qualified and well-off professionals. Yet, socio-cultural challenges and risk aversion behavioral norms could still constrain their investment involvement. For this group, macroeconomic variables like growing digitalization of financial services, inflation and interest rates influence the investment decisionmaking process (Lusardi, 2023).

III. RESEARCH METHODOLOGY

3.1 A study requires a research design and a data source.

The technique of research used in this study is descriptive and analytical research, primary data which is obtained from cross sectional. The data is cross sectional and thus does not allow for causal inferences being made as the financial literacy and investment practices at one time are only a snapshot of the current picture of financial literacy. The participants were all recruited voluntarily and anonymity and confidentiality were promised during the data collection process. The administration of the survey instrument was in line with the ethical guidelines followed in normal research in the social sciences.

3.2 Sample and Sampling Strategy

Study population is comprised of women academicians working in various higher education institutions (HEIs) of Rajasthan. The respondents were purposefully and conveniently sampled to include approximately 200 respondents from a variety of academic disciplines and institutional settings. This is comparable to that found in other empirical research on knowledge of finance (e.g., Lusardi & Mitchell, 2014; Agarwalla et al., 2015) and was large enough to conduct the regression analyses conducted.

3.3 Data Collection Instrument

A structured survey with close ended and Likert items was used to collect primary data. To measure financial literacy, the instrument was designed to

capture information in four main areas: (1) This financial literacy measure uses three standard questions on interest, inflation and diversification of risk, the 'Big Three' financial literacy measurement method of Lusardi and Mitchell (2011); (2) Financial investment behavior is measured by whether the individual invests in financial or nonfinancial assets or is a part of a pension plan, as well as asset allocation choices and financial independence in decision-making; (3) Socio-demographic characteristics are measured by age, income, educational qualification and work experience; (4) Psychological and behavioral characteristics are measured by risk attitude and family influence. Secondary data from the RBI, SEBI and government reports were checked to provide the contextual support for analysis.

3.4 Variables of the Study

The dependent variable, or explained variable, in the regression model is the Investment Behavior Index (IBI), an aggregate of investment participation, portfolio diversification and risk orientation. Financial Literacy Score, Age, Income Level, Educational qualification (Ph.D. vs. Postgraduate), and Work Experience are the independent variables. Risk Attitude is a psychological variable and an independent predictor of investment behavior, which can be measured as low, moderate and high-risk tolerance on a Likert scale. Socio-cultural control variables such as Family Influence and Social Norms are treated. The outcome variable of Investment Planning reflects the quality of the investment decisions made and their orientation to goals.

3.5 Analytical Methods

It uses descriptive statistics (frequency and percentage), Pearson correlation analysis, cross tabulation and OLS regression methods in the empirical analysis. The OLS regression model is set up as follows:

$$\text{Investment Behavior}_i = \beta_0 + \beta_1(\text{Financial Literacy}_i) + \beta_2(\text{Income}_i) + \beta_3(\text{Age}_i) + \beta_4(\text{Education}_i) + \beta_5(\text{Work Experience}_i) + \beta_6(\text{Risk Attitude}_i) + \varepsilon_i$$

where ε_i represents the stochastic error term. The independent variables were checked for multicollinearity using Variance Inflation Factor (VIF). All the variables were found to be below the threshold value of 5 on the VIF. Note that since the dependent variable is a cross-section and an index, the assumption of heteroskedasticity was not explicitly tested, but stability of the standard errors was observed when running the model in various specifications.

3.6 Reliability and Validity of the Instrument

For the internal consistency of the questionnaire, Cronbach alpha coefficient test was used. The results showed that all alpha values were greater than 0.70 (Nunnally, 1978) indicating acceptable reliability for all the financial literacy, investment behavior and risk attitude constructs. Three types of instrument validity

were established: (1) content validity, which was obtained by based items of the questionnaire on the instruments used for measuring financial literacy in financial education, especially the ‘Big Three’ questions suggested by Lusardi & Mitchell (2011) about interest rates, inflation and diversification of risk; (2) construct validity, which was obtained by aligning the definitions of the variables in the questionnaire with the theoretical and empirical literature; and (3) face validity, which was obtained through the pilot administration and iterative refinement of the questionnaire so as to make the contents of the questionnaire understandable, so that the financial literacy that was measured was suitable for the academic respondent group.

3.7 Multicollinearity Diagnostics

TABLE XI – VARIANCE INFLATION FACTOR (VIF) DIAGNOSTICS

Variable	VIF	Tolerance	Assessment
Financial Literacy Score	1.43	0.699	No Multicollinearity
Income Level	1.61	0.621	No Multicollinearity
Age	1.38	0.725	No Multicollinearity
Education (Ph.D.)	1.22	0.820	No Multicollinearity
Work Experience	1.55	0.645	No Multicollinearity
Risk Attitude	1.29	0.775	No Multicollinearity

Note: VIF values below 5 indicate acceptable levels of multicollinearity.

Data source: Authors’ calculations from survey data.

IV. EMPIRICAL EVALUATION AND FINDINGS

The empirical results are organized into the two research questions. Financial literacy levels and distribution is an aspect of RQ1, which is answered in sections 4.1 – 4.4. The determinants of investment behavior and their interrelationships are discussed in Sections 4.5 through 4.7, which address RQ2. The results are all consistent with the conceptual framework outlined in section 2.6.

4.1 Financial Literacy Assessment (RQ1)

Table 2 depicts the overall financial literacy of the respondents both in the three commonly used measurement questions. On average, the respondents answered to the questionnaire 32.5% of all financial literacy questions correctly, reflecting a moderate, but inadequate level of financial literacy among the sample.

TABLE XII – KNOWLEDGE OF FINANCE HAVING PERFORMANCE ACROSS KEY DIMENSIONS

Financial Literacy Question	Correct (%)	Incorrect (%)	Unsure (%)

Interest Rate Comprehension	62.4	24.6	13.0
Inflation Understanding	54.8	30.2	15.0
Risk Diversification	71.3	18.7	10.0
All Three Correct (Overall Financial Literacy)	32.5	—	—

Note: N = 400. Source: Authors’ calculations based on survey data. — indicates not applicable.

Most accurate responses were for the risk diversification question (71.3%) and the least accurate was for inflation comprehension (54.8%). The findings indicate that although respondents generally have the intuitive understanding of diversification, they do also demonstrate significant lack of numerical and macroeconomic understanding (especially on the concepts of inflation and compounding) which is required in their investment planning in the long term.

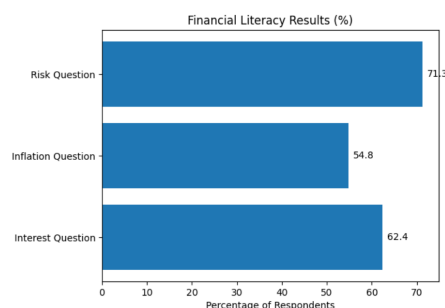


Fig. 3. Financial Literacy Performance Across Key Dimensions

Source: Developed by the learner

As Figure 3 shows, the respondents are moderately financially literate, and yet, the picture also indicates that there are serious knowledge gaps regarding inflation and interest compounding.

4.2 Investment Behavior Analysis

Table 3 summarizes the investment behavior patterns of women academicians in Rajasthan across five key dimensions: participation, preferred avenues, investment objectives, risk attitude, and decisionmaking authority.

TABLE XIII

Dimension	Category / Option	Percentage (%)
Investment Participation	Yes	71.0
	No	29.0

Dimension	Category / Option	Percentage (%)
Preferred Investment Avenues	Fixed Deposits	68.5
	Gold	52.0
	Mutual Funds	46.5
	Insurance	41.0
	Stock Market	28.5
	Real Estate	22.0
Investment Objectives	Safety of Capital	34.0
	Wealth Creation	27.5
	Tax Saving	21.0
	Retirement Planning	17.5
Risk Attitude	Low Risk	44.5
	Moderate Risk	38.0
	High Risk	17.5
Decision-Making Authority	Self	48.0
	Joint (with Family)	36.5
	Spouse	15.5

Note: N = 400. Note: respondents could select more than one investment avenue, so a percentage greater than 100% is possible. (Source: Authors' calculations using survey data.)

Majority of respondents (71%) are actively involved in investment activities. A conservative investment attitude that is capital preservation oriented is evident in the high share of fixed deposits (68.5%) and gold (52%) investments, in line with the literature in behavioral finance on loss aversion and risk aversion of women investors (Barber & Odean, 2001). Interestingly, around 48% of respondents are empowered to make investment decisions on their own, indicating a certain financial independence among this profession.

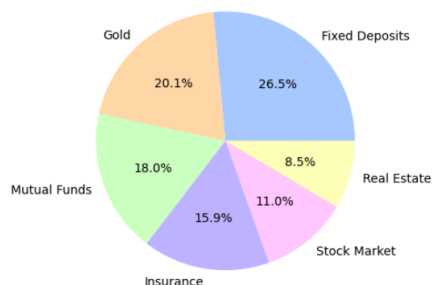


Fig. 4. Investment Preferences of Women Academicians

The risk attitude of respondents is illustrated in Figure 5.

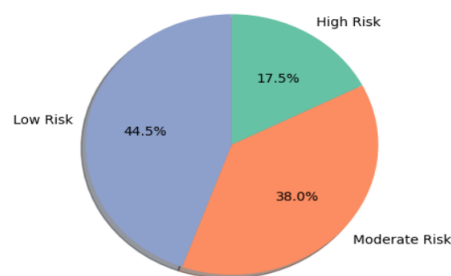


Fig. 10. Risk Attitude Distribution

"Figures 4 and 5 support the observation of a preference for low-risk investment instruments and a predominantly risk-averse profile."

On the issue of decision-making, almost half of the respondents (48%), make investment decisions solo, and 36.5% like to take joint decisions with family members. A low percentage (15.5) only depend on their spouse implying that women academicians are becoming more financially independent.

4.3 Financial Literacy by Demographic Groups

Table 4 shows the distribution of financial literacy by key socio-demographic groups. There is a considerable spread between age groups, income groups and experience groups.

TABLE XIV – FINANCIAL LITERACY BY DEMOGRAPHIC CHARACTERISTICS (%)

Category	Interest Correct	Inflation Correct	Risk Correct	All Three Correct
Age: Below 30	55.2	48.6	66.3	24.5
Age: 30-40	63.8	55.9	72.4	31.8
Age: Above 40	70.5	61.2	78.6	40.2
Income: Low	52.6	46.1	64.3	22.8
Income: Middle	63.4	55.2	71.5	32.6
Income: High	72.8	62.4	79.1	41.7
Education: Postgraduate	60.2	52.3	69.5	29.4
Education: Ph.D.	68.9	59.8	75.6	36.8
Experience: <5 years	54.7	47.5	65.8	23.6
Experience: 5-10 years	62.9	54.3	72.1	31.2
Experience: >10 years	71.6	60.9	78.4	39.5

Note: N = 400. Values represent percentage of respondents answering correctly within each subgroup. (Note: Authors' calculations from the survey)

data.)

4.4 Regression Analysis: The factors contributing to financial knowledge.

TABLE XV — THE RESULTS OF REGRESSION ANALYSIS ARE REPORTED IN THE REGRESSION RESULTS: FINANCIAL LITERACY SCORE IS THE DEPENDENT VARIABLE.

Variable	Coefficient (β)	Std. Error	t-Statistic	Significance
Age	0.028	0.009	3.11	***
Income Level	0.041	0.012	3.42	***
Education (Ph.D. = 1)	0.036	0.015	2.40	**
Work Experience	0.033	0.010	3.30	***
Constant	0.842	0.211	3.99	***
R ² = 0.31	Adjusted R ² = 0.30	N = 400	F-statistic = 43.82*	

Note: ** $p < 0.01$; * $p < 0.05$; * $p < 0.10$. Source: Authors' calculations based on survey data.

Regression analysis results confirm that all three variables, "Age", "Income" and "Ph.D. education" are significant and positive factors that predict financial literacy. The largest marginal effect ($\beta = 0.041$) is for income, which provides support for the hypothesis that more exposure to financial decision-making contexts leads to greater acquisition of financial knowledge, given that these contexts are related to increased income. The education effect is rather small (e.g. Ph.D. = 0.036), suggesting that there is not a lot of Standard monetary literacy at the higher levels of education; experience and income may be important factors.

4.5 Regression Analysis: Determinants of Investment Behavior (RQ2)

The results of OLS regression of the Investment Behavior Index are presented in Table 6. The model provides 0.38 of an R², meaning that the findings show that the variables in the model account for around 38% of the variation in investment behavior not a bad explanatory ability for a behavioral investment index of this type.

TABLE XVI — OLS REGRESSION RESULTS - DETERMINANTS OF INVESTMENT BEHAVIOR - DEPENDENT VARIABLE: INVESTMENT BEHAVIOR INDEX

Variable	Coefficient (β)	Std. Error
Financial Literacy Score	0.284	0.061
Income Level	0.197	0.054
Risk Attitude (Moderate/High)	0.256	0.057
Work Experience	0.143	0.048

Age	0.112	0.039	
Education (Ph.D. = 1)	0.085	0.042	
Constant	0.721	0.218	
R ² = 0.38	Adjusted R ² = 0.37	N = 400	F-statistic = 39.47***

Note: ** $p < 0.01$; * $p < 0.05$; * $p < 0.10$. Risk Attitude coded as 1 = moderate or high risk, 0 = low risk. Source: Authors' calculations based on survey data.

Financial literacy ($\beta = 0.284$, $p < 0.01$) is the only factor that proves to be the most significant in determining investment behavior, as higher knowledge levels lead to higher rates of investment participation, greater portfolio diversification and stronger investment preferences for market-linked investments. The second most influential predictor is risk attitude ($\beta = 0.256$, $p < 0.01$), and it is once again a behavioral finance variable that plays a role in the investment decision (Shefrin, 2007; Statman, 2014). What is also significant is that income ($\beta = 0.197$, $p < 0.01$) has a strong positive impact as would be expected theoretically since financial resources are a precondition to participating in investment markets. Work experience ($\beta = 0.143$), age ($\beta = 0.112$) and formal educational qualification (Ph.D.) have positive and less pronounced effect and the effect of formal educational qualification (Ph.D.) is very small but significant ($\beta = 0.085$, $p < 0.05$).

4.6 Correlation Analysis

The most significant Pearson correlation matrix among the most important variables was obtained important study variables is shown in Table 7. All correlations are significant at 1% level.

TABLE XVII — PEARSON CORRELATION MATRIX

Variables	Financial Literacy	Investment Behavior	Income	Risk Attitude
Financial Literacy	1.000			
Investment Behavior	0.52***	1.000		
Income	0.41***	0.48***	1.000	
Risk Attitude	0.46***	0.55***	0.39***	1.000

Note: *** $p < 0.01$ (two-tailed). Note: The data is from the authors' calculations of the survey data.

The research results showed that there was a positive significant correlation between knowledge of finance and investment behavior with correlation coefficient r is equal to 0.52 ($p < 0.01$); as well as the research result showed that financial literacy with an increase in the diversity of investing behavior, that is,

hypothesis H0 that stated that there is a positive relationship between financial literacy and investing behavior, was accepted. The psychological attitudes such as risk attitude, is found to be the most correlated to the investment behavior ($r = 0.55$, $p < 0.01$), therefore the psychological attitude is very influential in decision making investments. There is a positive relationship between knowledge of finance and financial behavior ($r = 0.41$) and income ($r = 0.48$) as expected

TABLE XVIII — FINANCIAL LITERACY LEVEL AND INVESTMENT PARTICIPATION

Financial Literacy Level	Invest (%)	Do Not Invest (%)
Low Literacy	52.4	47.6
High Literacy	84.7	15.3

Note: The data is from the authors' calculations of the survey data.

TABLE XIX — FINANCIAL LITERACY LEVEL AND RISK ATTITUDE

Financial Literacy Level	Low Risk (%)	Moderate Risk (%)	High Risk (%)
Low Literacy	58.6	30.4	11.0
High Literacy	29.8	45.6	24.6

Note: The data is from the authors' calculations of the survey data.

The cross-tabulation results show a strong association between literacy and investment: 84.7% of high literacy respondents invest, while 52.4% of low-literacy respondents do so. Likewise, the high-literacy respondents are much more likely to follow a moderate or high-risk investment approach (70.2% combined), while most of the low-literacy respondents are more likely to take a low-risk approach (58.6%). The regression results are further confirmed by these patterns and are also consistent with the hypothesis that financial education not just boosts participation but additionally helps the investor adopt a more diversified financial approach with a focus on returns.

4.8 Robustness Analysis

The results of the empirical analysis were further checked for robustness and validity. The primary results of the regression were first confirmed by alternative specifications such as sub-group analyses based on income level and work experience. The substantial and favourable correlation between investment behavior and financial literacy of the respondents was always confirmed across all subgroups and the effect was stronger in the higher income group and more experienced group of respondents. Second, the uniformity of the results across the three types of analysis (correlation, crosstabulation and regression) helps reduce the concern over the model specification.

One possible drawback of the current empirical design is the endogeneity problem: financial literacy could be a dependent variable of the investment behaviors, since people who invest more often might become more financially knowledgeable due to hands-on experience. Despite not having used instrumental variables in this study, the fact that multiple analytical methods were used, and that the results were in line with the results of earlier study, decreases the risk of very large errors in the estimates. Financial education exposure or financial behavior of parents should be used as instrumental variables in future study to properly address the endogeneity concern.

V. DISCUSSION

The present study gives a comprehensive study of financial attitude and practices of women academicians of Rajasthan and gives a glimpse of the theory of behavioral finance and inclusion policy for women finance. The first research question was the level of knowledge of finance of the sample, the findings showed that the overall financial literacy is moderate, however there are gaps in understanding of inflation and compound interest. This is consistent with Agarwalla et al. (2015) who have reported similar financial knowledge gaps among urban educated Indians; and with Lusardi and Mitchell (2014) who have found a significant lack in the financial knowledge of the population, among the educated population.

However, as for the RQ2, the results of the regression indicate that financial literacy is the most relevant variable to explain the investment behavior ($\beta = 0.284$), corroborating the seminal studies of Lusardi and Mitchell (2011 and 2014), and the statement of the potential of finance education as a policy. The outcomes of risk attitude ($\beta = 0.256$) identified that it has a significant role as a psychological characteristic in the literature (Shefrin 2007, Thaler 2016) which highlights the necessity of adding psychological aspects to the financial education besides the cognitive aspects.

Among the respondents the most important investment instruments are conservative, capital preserving instruments like fixed deposits (68.5%) and gold (52%), as is typical in the behavioral finance literature (Barber & Odean, 2001; Bucher-Koenen et al., 2017). Even well-educated and financially stable women professionals, it suggests that there is a possibility of risk constraints and socio-cultural norms influencing their financial behaviors. The fact that these behavioral trends can still be observed among very highly educated people is further confirmation that the hypothesis of Bannier and Schwarz (2018), that "financial confidence" is a key mediating variable between literacy and behavior, is valid.

The positive correlation between knowledge of finance and more diversified risk-taking behavior (as shown in Tables 8 & 9) is in line with the findings of

Van Rooij et al. (2011) and confirms theoretical claims that the financial literacy lowers the psychological obstacles to market participation. What is noteworthy is that 48% of respondents have independent authority over investment decisions, while another 36.5% make decisions jointly, a significant deviation from stereotypical images of Indian women as passive financial consumers. This implies that some degree of professional autonomy could be an important factor in empowering women in their financial role.

The demographic differences in financial literacy (Table 4) further supports Bucher-Koenen et al.'s (2017) view of the gender literacy gap as a heterogeneous phenomenon, influenced by economic and experiential factors. In practice, the fact that income and work experience have more significant effects on literacy than the level of education attained indicates that learning-by-doing and financial decisionmaking environments could be more effective in boosting financial capability than formal education. It is however suggested that policy interventions should be constructed to integrate formal financial education with exposure mechanisms.

VI. CONCLUSIONS

This motive of the research was to investigate knowledge of finance, the sociodemographic characteristics and behavior variables and their combined effect on the investment practices of female academicians in Rajasthan, India. Primary cross-sectional data from 400 respondents were used in the study, and several conclusions were drawn with the aid of cross tabulation, correlation analysis and OLS regression.

First, women academicians in Rajasthan's financial literacy levels are moderate, while their levels of comprehension on risk diversification are relatively high and their level of knowledge about inflation is relatively low, with interest rates showing acceptable level of deficiency. Second, most people are conservative investors, preferring to invest in fixed deposits and gold, which is an aversion to risk and capital preservation. Third, OLS regression shows that financial literacy, risk attitude and income are the three most important factors that explain the investment behavior, accounting for 38% of the variations in the Investment Behavior Index. Fourth, there is some significant demographic variation in terms of meaningful differences in financial literacy and investment patterns, with older, higher income and more experienced respondents showing much greater financial literacy and more varied investment activities.

The results extend the literature by offering micro-level empirical evidence from an under-researched group of professionals in a regional Indian context and show that financial literacy and behavioral factors are both interacting to act as determinants of investment outcomes. The inclusion of sociodemographic,

psychological and knowledge-based variables in a single analytical model is a methodological advance over previous studies which used the three variables separately.

6.1 Policy Implications

The findings have policy relevance, for academics and financial services. Regulatory authorities like SEBI and the RBI should develop focused gender responsive financial literacy initiatives specifically catering to weak areas in financial literacy within the study group like problem of understanding inflation and compounding. Second, there is a need to include structured financial planning courses in the professional development plans of higher education institutions in Rajasthan, where academic faculty can learn and be exposed to investments. Third, financial service providers should create simplified, easily accessible, and conservative investment products and financial advice for women professionals, aiming to progressively ease portfolios towards diversification. Fourth, financial literacy policy interventions should consider the cognitive (knowledge) and affective (confidence) dimensions, as boosting financial self-efficacy is important to active market participation as is financial literacy knowledge (Furrebøe & Nyhus, 2022).

6.2 Limitations

The findings must be interpreted with some cautions due to certain limitations. First, the research design of the cross-sectional study does not allow causal inferences; although the regression analysis shows that there are significant relationships with the variables, some of them may not be unidirectional, especially the one from financial literacy towards investment experience. Second, the study is confined to women at the academic level in Rajasthan and therefore the results might not be applicable to other populations, areas or cultures. Third, the answers to questions in the questionnaire may be socially desirable, a problem especially likely with the answers to questions regarding financial knowledge and financial autonomy. Fourth, the Investment Behavior Index is a composite variable that is consistent with previous studies, but does not necessarily reflect the multilevel aspects of investment behavior.

6.3 Future Research Directions

A longitudinal design is recommended for future studies to better measure financial literacy and investment over time and to make causal inferences. More generalizability would be achieved by making comparisons across professional groups (e.g., male and non-academic professionals) and regions. The sectors of digital financial services are becoming more and more a part of Indian financial services sector, digital financial literacy and use of fintech in investment decisions is an area of significant potential future research and is definitely a region to be explored in Indian investment behavior. Last, future research should become more formal on the topic of endogeneity in the financial literacy construct, and

incorporate additional behavioral measures such as mechanisms of social influence, financial self-efficacy, cognitive biases, etc.

Abbreviations

This manuscript uses the following abbreviations:

TABLE XX

Abbreviation	Full Form
HEI	Higher Education Institution
OLS	Ordinary Least Squares
RBI	Reserve Bank of India
RQ	Research Question
SEBI	Securities and Exchange Board of India
VIF	Variance Inflation Factor

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