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THE STUDY OF INVESTMENT PREFERENCES AND GENDER BIASES

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ABSTRACT

Investment behaviour among individuals has become an important area of study due to the growing availability of diverse financial products and increasing awareness of personal financial planning. This study examines the investment behaviour, preferences, objectives, risk tolerance, and sources of investment information among 50 respondents. A descriptive research design was adopted, and primary data were collected through a structured questionnaire. The data were analyzed using percentage analysis and descriptive statistics.The findings reveal that the majority of respondents are young adults, with females slightly outnumbering males. Most respondents are students with monthly incomes below ₹10,000. About 62% of the respondents currently invest their money, with Fixed Deposits/Recurring Deposits and Mutual Funds emerging as the most preferred investment options, followed by Gold. The primary investment objectives are capital safety and wealth creation, while most respondents prefer low- to moderate-risk investments with short- to medium-term investment horizons. Friends, family, and social media serve as the major sources of investment information, whereas professional financial advisors are consulted by only a few respondents.The study concludes that respondents demonstrate a cautious investment approach, emphasizing financial security and moderate returns. Although investment participation is relatively high, there is a need to strengthen financial literacy and promote the use of credible financial information sources. The findings provide useful insights for financial institutions, educators, and policymakers in designing initiatives that encourage informed investment decisions and long-term financial well-being.

KEYWORDS: Investment Behaviour, Investment Preferences, Financial Literacy, Risk Tolerance, Mutual Funds, Fixed Deposits, Young Investors.

1. INTRODUCTION

Investment plays a vital role in wealth creation, financial security, and economic development. It involves allocating money into various financial instruments such as savings accounts, fixed deposits, mutual funds, shares, bonds, insurance policies, and pension schemes with the objective of earning returns over time. Investment preferences refer to the choices individuals make regarding these investment avenues based on factors like risk tolerance, income level, financial knowledge, age, and personal goals.

Gender bias in investment refers to the differences in investment behaviour, decisionmaking power, access to financial resources, and confidence levels between men and women. In many societies, including India, financial decisions—especially long-term investments—are traditionally dominated by men. Women, despite actively managing household feasances, often have limited involvement in investment planning due to social norms, lack of financial literacy, lower income levels, and restricted access to financial information.

Studies have shown that men and women exhibit different investment preferences. Men generally tend to take higher financial risks and prefer investment options like stocks and equity mutual funds, while women are often more risk-averse and prefer safer instruments such as bank deposits, gold, and insurance schemes. These differences are not only influenced by personal attitudes but are also shaped by societal expectations, cultural norms, and systemic gender bias in financial systems.

With increasing female education, employment, and financial inclusion initiatives, women's participation in investment activities is gradually improving. However, gender bias in financial decision-making still persists. Understanding investment preferences and gender biases is essential to promote inclusive financial growth, empower women economically, and ensure balanced participation in wealth creation.

This study aims to analyse investment preferences among individuals with a specific focus on gender differences. It also seeks to examine the presence of gender bias in investment awareness, decision-making authority, risk perception, and access to financial opportunities. By identifying these differences and challenges, the study highlights the need for gender-sensitive financial education and policy interventions.

2. Objectives of the Study

1. To Study the Invest preference and preferred by individual.
2. To Analyse the Gender difference in Investment choices, risk appetite and financial goals among men and women

3. RESEARCH METHODOLOGY

The study adopts a descriptive research design to analyse investment preferences and gender biases. A cross-sectional approach is used to collect data at a single point in time. The target population includes working professionals, students, and homemakers aged between 20 and 55 years.

A sample size of 50 respondents is selected using random sampling to ensure fair representation of both genders. Data is collected using a structured questionnaire containing questions related to demographic details, investment awareness, preferred investment options, risk perception, and decision-making authority.

The collected data is analysed using descriptive statistical tools such as percentages, charts, and tables. Ethical considerations such as informed consent and confidentiality are strictly maintained throughout the study.

4. Literature Review

4.1 Vikram, Aditya; Verma, Sneha; Monu [2025] Gender Differences in Behavioural Biases Affecting Investment Preferences in Delhi.

This study examines how behavioural biases differ between male and female investors and how these biases shape investment preferences in Delhi. The main aim is to find out what factors influence investment choices, how gender impacts risk-taking and diversification habits, and what can be suggested to financial advisors to handle these differences better. The research followed a descriptive design using both primary and secondary data. A total of 400 respondents were surveyed using a structured questionnaire that covered demographic details, multiple choice, and Likert-scale questions. Statistical tools like Frequency Analysis, Descriptive Statistics, Normality Test, Reliability Test, Regression Analysis, Chi-Square Test, Paired Samples t-Test, Pearson Correlation, and ANOVA were used to analyse the data. The findings reveal that investors mostly prefer safe options, and their decisions are guided by biases like herding and fear of loss. Gender plays a big role in the choice of information sources and risk comfort. The normality and reliability tests ensured that the data and tool were sound and dependable. Regression and ANOVA results showed strong links between behavioural factors and investment behaviour. The study concludes that to improve financial inclusion, there should be more gender-based awareness programmes to guide investors towards better risk management and portfolio choices. The insights can help advisors and policymakers design more focused investor education in India.

4.2 Harsh Pratap Singh, Nisha Goyal, Satish Kumar

[2025] Behavioural Biases in Investment Decisions: An Exploration of the Role of Gender

Classical finance theories are based on the assumption of rational decision making. However, it has been concluded by various researchers that in practical situations, humans are not fully rational. They are influenced by various behavioural factors and errors in judgment while making decisions. These behavioural factors, also termed as cognitive illusions, cannot be adequately explained by traditional finance theories. This research work sought to assess the impact of gender on certain identified behavioural factors (or biases) such as overconfidence bias, reference point bias, selfattribution bias, framing effect bias, overreaction bias, and regret avoidance bias in investment decision making of individual investors. A sample survey of 521 individual investors was conducted through a structured questionnaire in the National Capital Region of India. The results of detailed investigation of collected data revealed clearly that individuals' investment decisions are not fully rational. Investors were found to be prone towards behavioural biases tested in this study. However, mix evidence was found in the study about variation in the propensity to exhibit these behavioural biases between male and female investors. Gender effect was found to be statistically significant in case of overconfidence bias, self-attribution bias, and regret avoidance bias.

4.3 Nizamettin Bayyurt,1VildanKarışık2, AliCoşkun3 [2025] Gender Differences in Investment Preferences

The paper attempts to explore how women and men differ in their individual investment preferences. Although there are some studies for the investors in developed countries, the subject has been overlooked in emerging and underdeveloped countries. Therefore, this study is the first empirical study exploring the investment behaviours of women and men by focusing on an emerging country, Turkey. For the purpose to find out how investment preferences of men and women differ towards six investment tools, namely, gold, foreign currency, funds, common stocks, real estates, and time deposits, a discriminant analysis and a logistic regression were exercised. The results revealed that while men investors prefer common stocks and real estate to invest women investors are more risk averse and invest fund, time deposit and gold. There is no significant difference between men and women in foreign currency investment.

4.4 Galit Klein, Zeev Shtudiner, Moti Zwilling [2021] Uncovering gender bias in attitudes towards financial advisors

This study examines the effect of gender of financial advisors on the perception of the quality of investment advice. Based on expectation states theory (EST) as well as Social Role Theory (SRT), we aim to understand whether the perception of the quality of financial advice is affected by gender bias; that is, do people trust the ability of male financial advisors to earn profits more than female financial advisors' ability to do so? To analyse our assessments, we interviewed female financial advisors and conducted two quantitative studies. The first quantitative study, in which 1,600 respondents participated, examined whether the financial advisor's gender impacts how subjects appraise the probability of success versus the level of loss. This was followed by a second study designed to examine the presence of hidden gender bias by applying a conjoint analysis model. The results, as reflected from the interviews, indicated that female financial advisors do not feel discriminated against by clients on the basis of gender. This finding is consistent with the results of the first quantitative study, which showed gender bias was latent and revealed only in particular cases, such as in the case of a high investment amount. However, the conjoint analysis results, which explored more hidden preferences, indicated that the advisor's gender is one of the most important factors influencing a consumer's decision when choosing an investment advisor. Hence, female advisors' gender was found to have a negative effect on the desire to invest, and this negative attitude was found to be significantly higher among male respondents. Thus, the first study's result showed that when asked directly, participants are indifferent as to the financial advisor's gender, however, ideally people prefer male advisor over female, as shown in the second study. A summary of the findings shows that a perceptual change is still needed in order to reduce negative perceptions towards female advisors.

5. Data Analysis

Table 1 Demographic Profile.

		Frequency	Percentage
Gender	Male	22	44%
	Female	28	56%
Age	Below 20	8	16%
	20-25	34	68%
	26-30	2	4%
	31-40	1	2%
	Above 40	5	10%
Occupation	Student	31	62%
	Salaried(Private /Government)	17	34%

	Business/Self Employed	0	0%
	Home Maker	1	2%
	Others	1	2%
Income	Below 10,000	27	54%
	10,001-30,000	8	16%
	30,001-60,000	8	16%
	60,001-1,00,000	3	6%
	Above 1,00,000	4	8%

Interpretation

Out of the 50 respondents, females (56%) slightly outnumber males (44%), indicating a balanced gender distribution. The majority of respondents (68%) belong to the 20–25 years age group, showing that the sample is predominantly composed of young adults. In terms of occupation, most respondents are students (62%), followed by salaried employees (34%), while homemakers and others each account for only 2%, with no respondents from the business/self-employed category. Regarding monthly personal income, more than half of the respondents (54%) earn below ₹10,000 per month, while 16% each fall in the ₹10,001–30,000 and ₹30,001–60,000 income groups, and only a small proportion earns above ₹60,000. Overall, the demographic profile indicates that the survey mainly represents young, female students with relatively low monthly income.

Table 2 Investment Preferences and Risk Tolerance.

		Frequency	Percentage
Current Status of Investment	Yes	31	62%
	No	19	38%
Highly Preferred Investment Options	Fixed Deposits/Recurring Deposits	12	24%
	Public Provident Funds	3	6%
	Mutual Funds (Sip/Lumpsum)	12	24%
	Stocks or Shares	4	8%
	Gold /Jewellery /Sovereign Gold Bonds	10	20%
	Real Estate/Property	3	6%
	Insurance	4	8%
	Crypto Currency	0	0%
	Others	1	2%
Main Objective of Investing	Safety of Money (Low Risk)	19	38%
	Regular Income	5	10%
	Capital Growth (Wealth Creation)	19	38%
	Tax Savings	0	0%
	Retirement Planning	1	2%
	Children's Education /Marriage	4	8%

	Other	1	2%
Risk Preference	High Risk-High Return	6	12%
	Moderate Risk -Moderate Return	21	42%
	Low Risk- Safe Return	21	42%
	Other	1	2%
Time Period of Investment	Less Than 1 Year (Short Term)	21	42%
	1-5 Years (Medium Term)	22	44%
	More Than 5 Years (Long Term)	6	12%
	Others	1	2%
Investment Information Platform	Friends or Family	32	64%
	Financial Advisor / Bank Agent	2	4%
	Financial News Website and Apps	2	4%
	SocialMedia / Youtube	9	18%
	News Papers or Magazines	1	2%
	College or Training Sessions	1	2%
	Others	1	2%

Interpretation

Out of the 50 respondents, 62% currently invest their money, indicating that most participants are actively involved in investment activities, while 38% do not invest. Among investment options, Fixed Deposits/Recurring Deposits and Mutual Funds are the most preferred (24% each), followed by Gold (20%), reflecting a preference for relatively safe and reliable investments. The primary investment objectives are Safety of Money and Capital Growth, each chosen by 38% of respondents, showing an equal focus on wealth protection and wealth creation. In terms of risk appetite, 42% each prefer low-risk and moderate-risk investments, while only 12% are willing to take high risks. Most respondents (44%) prefer a medium-term investment horizon (1–5 years), closely followed by short-term investments (42%), with very few opting for long-term investments. Regarding investment information, Friends and Family are the main source (64%), followed by Social Media/YouTube (18%), whereas professional advisors and formal financial education are used by only a small proportion of respondents. Overall, the findings indicate that respondents are generally cautious investors who prefer safe investment options, moderate investment periods, and rely primarily on informal sources for investment guidance.

6. DISCUSSION

The study reveals that the majority of respondents (62%) are actively involved in investing, indicating a satisfactory level of investment awareness, while 38% do not invest, highlighting the need for greater financial literacy. Most respondents prefer safe and stable investment options such as Fixed Deposits, Mutual Funds, and Gold, reflecting a conservative investment approach. Their primary investment objectives are capital safety and wealth creation, with a preference for low- to moderate-risk investments and short- to medium-term investment horizons. Friends, family, and social media are the major sources of investment information, whereas professional financial advisors are consulted by only a few respondents. Overall, the findings suggest that young investors are cautious in their investment decisions and emphasize financial security over high returns. The study also highlights the importance of strengthening financial literacy and promoting credible sources of investment guidance to encourage informed and diversified investment decisions.

7. CONCLUSION

The study concludes that the respondents, who are predominantly young adults and students, exhibit a positive attitude towards investing, with a majority already participating in investment activities. They show a clear preference for safe and reliable investment options such as Fixed Deposits, Mutual Funds, and Gold, reflecting a cautious approach toward financial decision-making. The primary objectives of investing are capital safety and wealth creation, while most respondents prefer low- to moderate-risk investments with short- to medium-term investment horizons. Furthermore, investment decisions are largely influenced by friends, family, and social media rather than professional financial advisors. Overall, the findings indicate that although investment awareness among respondents is reasonably high, there is considerable scope to improve financial literacy and encourage the use of credible financial information sources. Strengthening financial education can help young investors make informed decisions, diversify their investment portfolios, and develop long-term wealth creation strategies.

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