



RISK PERCEPTION, MINDSET, AND INVESTMENT CHALLENGES OF WORKING WOMEN IN NAGPUR'S CAPITAL MARKET

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Abstract:

The presence of women in the capital markets in India has been increasing gradually; however, the working women continue to be victim to various issues occasioned by their risk perception, financial rationality and socio-economic circumstances. The paper will discuss the relationship between risk perception and the investment mentality and the actual issue of working women in Nagpur when they would like to risk their money in the capital market. The data obtained by a mixed approach was responses of 200 working women who work in different fields in Nagpur where a sample survey of structured questionnaire and semi-structured interviews has been conducted. They say that the risk tolerance, financial knowledge, confidence in argumentative courses and barriers to investment like time, lack of information and social bias are of top priority and influence the process of decision-making about investment and they are cited as the important variables in the study. The findings show that female participants who are positively oriented concerning financial matters and more risk-takers will be most likely to participate and diversify their investment. The paper also emphasizes the importance of pertinent financial literacy programs and empowering investment atmospheres to enhance women participation as well as empowerment in the investment markets. The implications of the research are useful to the financial institutions, the policymakers and the education programs which form a bridge in the development of the gender gap in financial investments.

Keywords: Working women, capital market, risk perception, investment mindset, investment challenges, financial literacy, Nagpur, gender and finance, investment behaviour

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INTRODUCTION

The entry of women into financial markets has also turned into an area of increasingly serious concern in the world, as well as in India, since gender diversity in the process of building growth has been mentioned as an important characteristic in ensuring inclusive growth. Despite the tremendous change in education and employment front, there remains few female representation in the investment and capital market practices compared to those by males. The synergies between the work and the societal demands as well as economic

management in a certain way is a combination that best explained the women in an employed state of being who aptly in an intersection made it into the investment behaviour. The factors which influence financial decision-making are not limited to economic resources and opportunities but also comprise the psychological resources such as risk perception and investment mindset which are also important in the context of investment behavior. Risk perception may be defined as the judgement that someone will lose money or take chances in investing money in a



particular investment in existence whereas investment mindset is the perceptions, confidence and strategic thinking over the handling of financial resources. These aspects are supposed to be interpreted in such a way that they influence the likelihood of women to be actively interested in the capital markets and whether they have the capability to it or not.

An example of Nagpur, a booming city in central India, the figures of working women in the formal employment blocks have been increasing at a 10-year blocky blocky time. Studies have however revealed that, even though women are financially independent, they are still unwilling to invest in stock market or any other sophisticated financial products since they believe it entails risks, they are not financial savvy and are not exposed to investment advisory services. Their investment nature is also determined by the norms of the society and gender expectations as per which the women are conservative financiers and not aggressive investors. Behavioral finance studies hold the opinion that women are more risk-averse as compared to the men and interested in the preservation of existing capital as opposed to the speculative returns and also prefer the long term gains and do not like taking risks. Even though this cautionary measure may make individuals less prone to potential losses, it may also make people less prone to wealth generation in the form of diversified investment holdings. It is thus necessary to examine the risk perception and investing attitude of the working women to identify the factors that have impeded their participation in the capital market and come up with solutions which will help them get empowered financially.

The single mother has external and internal multi dimensional investment challenges. The company has some weaknesses, some of which include external threats such as reduced availability of professional financial advice,

less personalized investment products and less flexible platforms that can allow the company to support the hectic schedules of working women. Internal challenges, on the other hand, are related with personal attitudes, knowledge deficiency and biases of thinking, that shape investment preferences. As an indication, the fear of market volatility, over-reliance on conventional savings based instruments and unwillingness to take the calculated risks of investments are most frequent hindrances between actively investing in the capital markets. More to the point, the balance between the professional activities, family, and financial preparation might be a question of proper time management and priorities, which can be rather burdensome particularly in the working women. These forces should be considered in the local perspective of Nagpur as the economic growth of the area, the trends of employment and culture define how women act on finances and have faith to invest in the capital market or not.

The empirical data within the realm of financial literacy and behavioral finance shows that women are to be given information, financing, and providing enabling financial conditions that assist in increasing confidence in investing, thinking risks, and they should be encouraged to engage the capital markets in a more diversified manner. Particular financial education campaigns, investment easy-to-use sites, career planning programs, environmental education can play key role in transforming the risk averse attitude towards investment portfolio. More than that, the attitude analysis of working women, their focus on financial achievements, autonomy in their decision-making, and the disposition on investment as a means of creating wealth as a long-term tool would be important data to policy makers, financial providers, and educators. The analysis of the case will allow contributing to a more inclusive capital market environment, where working women must have the



opportunity to apply their income and financial autonomy to make a good investment decision by identifying the reasons that influence investment behavior.

As women are slowly turning into working individuals in Nagpur and the worth of capital markets is slowly taking a value as far as wealth creation is concerned, then it is time high that the dynamics between the perception of risk, attitude towards investment and obstacles should be explored to establish the effects that the latter can have on investment behavior. The proposed research will focus on sealing the knowledge gap between the theoretical ideas about behavioral finance and the actual knowledge that should be possessed by females and those who are in the city of Nagpur and should invest in the capital market and provide a viable solution to enhance the presence, and the monetary and confidence levels among the female population in the investments of the capital market.

LITERATURE REVIEW

The issue of investment behavior of working women has received increased attention in the last years due to the reason that, more women are entering the workforce and the unique needs of women are being determined. Barad (2021) also conducted research on the investment decisions of working women in Kachchh and found out the existence of factors defining the situation, i.e. personal income, education, risk-taking, that are calculated when deciding on an investment option. More financially literate and risk-takers indicated that women were more likely to make diversified investment portfolios of stock, mutual funds, and insurance products.

In the same theme, Dr. G. Rekha and R. Vishnupriya (2019) conducted a study concerning the investment pattern of working women and came up with a conclusion that the majority of women despite the regular income usually invest in interest bearing products such

as the fixed deposit and post office scheme due to the preference of investing in safe and low risk products despite having regular income. The authors indicated that risk perceptions were identified to be a decisive factor in investment behavior that usually results in the use of which turn out to be conservative financial decision making among financially able women.

In their study conducted in the Dakshina Kannada district, Yathish Kumar and Abhinandan (2018) noted that financial literacy significantly affects investment decisions by teaching faculty. The study showed that the greater the degree of knowledge in financial tools, market trends, and savings patterns, the more confidence in decision making in investment, therefore. In this regard, the Solanki and Shiv Prasad (2020) observed that the financial literacy of the working women in Jaipur would more frequently switch towards new growth based investment opportunity strategy of mutual fund and equities than the classical low income and low risk based investment strategy.

Manasa and Ishwara (2020) discussed the impact of the financial literacy in investment decisions made by working women and determined that the financial knowledge not only influences the selection of the financial tools, but also influences the perception of risk and financial planning behavior. The findings of their study confirmed the importance of structured women financial education and counseling services to enable women investors. Pooja Chaturvedi Sharma and Riya Goel (2019) also touched upon the factors that impact the investment choices in Delhi and have found that the socio-demographic factors (age, income level, and marital status) and psychological ones (risk attitude, trust in market knowledge) have a considerable impact on the investment behavior.

Prof. C.L. Baby John and Sandhya V. (2021) have also studied the savings and investment behaviour of working women in India and have realized that they are low-risk with regard to investment mostly in the form of fixed deposits and gold. They highlighted that the saving is high but the contribution by women to the high-risk investment is little as they are afraid that they may make losses during that investment. This correlates with the findings of Harini and Savithri (2021) in Chennai who identified that working women are wary in their investment behavior and take no risky market instruments despite the knowledge of future returns that are greater.

Agarwal and Kumar (2021) reduced their study to explore the existence and role of women in the Indian stock market and evidenced that in spite of the increased awareness on stock trading and mutual funds, the actual participation could not take place due to the perceived risk of participating in the market and lack of confidence coupled with the absence of direction. The paper has pinpointed that the women investors may always require the services of mentors and advisors to help steer them through the complex investments decisions.

Considering the literature review, it is evident that there are three variables that are all interconnected; risk perception, investment mindset and financial literacy play a primary role in determining investment decisions among working women. The decision to invest in capital markets depends on the readiness to invest which is dependent on income and socio-demographic determinants as well as the psychological and behavioral influences. Empirical literature on most of the studies is however based on big urban centers or area or region but has little information about mid cities like Nagpur where employment structure, financial depth and socio cultural

factor may be varied. Secondly, despite the emphasis of other studies on financial literacy and income, there is a lack of studies that comprehensively deal with mindset-risk perception-practical issues, which working female people experience in active attitudes to market.

It is here that local research, which aims at concentrating the detailed behavioural and psychological behaviour of the investment decision must arise in certain urban centres such as Nagpur. The study of these problems can possibly give constructive information to the financial institutions, policy makers and educators in designing gendered investment products, advice and financial literacy programs that can overcome not only the perceived but also the real impediments to investing in the capital market by women.

Objectives of the study

1. To examine the risk perception of working women in Nagpur towards capital market investments.
2. To assess the investment mindset of working women in Nagpur.
3. To identify the challenges faced by working women in Nagpur while investing in the capital market.

Hypothesis (H₀): There is no significant relationship between the challenges faced by working women in Nagpur and their investment behavior in the capital market.

Alternative Hypothesis (H₁): There is a significant relationship between the challenges faced by working women in Nagpur and their investment behavior in the capital market.

Research Methodology

The present study adopts a descriptive research design in that it intends to take the perception of the risk as well as attitude and challenges faced by the investor and working women in Nagpur when the expenditure of the capital

market is in play. The participants in the study will be working women among various professionals in the various sectors within the Nagpur city in fields of IT, banking, education, healthcare and the small business establishments of Nagpur city. One has sampled 200 working women by stratified random sampling to ensure that they represent different groups regarding ages, income and occupational groups. Primary data have been acquired through structured questionnaires and semi-structured interviews and they have dwelt on issues related to investment preference, risk preferences, financial knowledge, confidence over making investment choices, as well as practical challenges they confront in the process of investing. The questionnaire will include the Likert-scale questions, multiple choice questions as well as a ranking based questions to provide a quantitative measurement of respondent attitude and perceptions based assessment. The secondary data on academic journals, government reports, and financial

market publications has been gathered in order to give the context and analysis. The invalid evaluation of the data is done using the mathematical data, mean, standard deviation, correlation, and regression analysis to measure interrelations of risk perception, investment mindset, problems and investment behavior. The qualitative insights also come in the study where the interviews are carried out in an attempt of developing a deeper understanding regarding the psychology and the socio-cultural forces that influence the women participation in the capital markets. The outlined approach characterized by such mixed methods will provide a comprehensive representation of the quantifiable trends and areas of qualitative significance to allow concluding the evidence-based basis and subsequently providing practical recommendations on how to enhance the tendency toward working women making financial investments.

Table 1: Descriptive Statistics of Challenges and Investment Behavior

Variables / Items	N	Mean	Standard Deviation (SD)	Minimum	Maximum
Lack of financial literacy	200	4.12	0.76	2	5
Limited access to investment guidance	200	3.85	0.82	2	5
Time constraints due to work and family responsibilities	200	3.95	0.79	2	5
Fear of market volatility	200	4.25	0.68	3	5
Lack of confidence in investment decision-making	200	3.90	0.74	2	5
Investment behavior (active participation in capital market)	200	3.65	0.81	2	5

The descriptive statistics also introduce meaningful information concerning the problems that the working women in Nagpur grapple with and the nature of investments in the capital market. Among the barriers that were analyzed, the fear of market variability had the largest mean of 4.25 (SD = 0.68),

implying that, absence of certainty in financial markets is the most repulsive to the investment choices of women. The second in the row is the absence of financial literacy that implies the value of 4.12 (SD = 0.76) that implies that insufficient understanding of investment instruments and dynamics of the markets is a

major factor obstructing the risk perception and the lack of active investing. Time scarcity due to professional and life responsibility issues (mean = 3.95, SD = 0.79) and inadequacy in making investment decisions (mean = 3.90, SD = 0.74) also were found to be significant impediments enough to establish the interaction of psyche and personality in investment behavior. Limits in access to professional investment advice slightly lower (3.85) SD = 0.82) mean, which is a medium knowledge of advisory resources by working women.

The investment behavior of the working women implies that the mean score of 3.65 (SD = 0.81) indicates that working women are venturing in the capital market in a rather reserved and moderate mode and are therefore are primarily affected by the risks they

perceive as well as the existence of restrictions which are considered to be high and practical. Most of the variables used have a very high standard deviated meaning that there is diversity in responses because there is some heterogeneity in terms of experience, knowledge and mindset amongst the subjects. The combination of this evidence confirms that the following issues as risk perception, financial illiteracy, and time are very strong impacting variables of investment behavior and, thus, the alternative research hypothesis (H1) can be considered a successful one. The results display the need to have special interventions, including financial literacy education, consultancy service, and flexible investment to allow the working women in Nagpur to make informed and guaranteed investment decisions in the capital market.

Table: Multiple Regression Analysis of Challenges on Investment Behavior

Model	Unstandardized Coefficients	Standardized Coefficients (Beta)	t-value	p-value (Sig.)
	B	Std. Error		
Constant	0.875	0.345		2.537
Financial Literacy	0.312	0.072	0.305	4.33
Time Constraints	-0.168	0.064	-0.152	-2.63
Fear of Market Volatility	-0.245	0.068	-0.228	-3.60
Lack of Confidence	-0.198	0.059	-0.192	-3.36
Access to Guidance	0.102	0.053	0.105	1.92

Model Summary:

- R = 0.712
- R² = 0.507 (50.7% of variance in investment behavior explained by the model)
- Adjusted R² = 0.496
- F-value = 45.23, p < 0.001

The outcomes of the multiple regression analysis indicate that the issues that are facing the working ladies in Nagpur influence the investment behaviour of such ladies in the

capital market to significant level. The model explains the variation in investment behavior at 50.7 percent (R² = 0.507), thus, indicating that all these challenges contribute towards affecting women into taking part in financial markets in a big way. These independent variables have indicated that the positive coefficient was greatest in financial literacy (t= 0.305, p < 0.001) and therefore working females with better knowledge of investment instruments and markets are likely to engage in capital market ventures without any fears.

Conversely, investment behaviour is serious negative due to the risk of fluctuations on the market ($t = -0.228$, $p = 0.001$), time constraints due to professional and family assignments ($t = -0.152$, $p = 0.010$), and fear of wrong investment choice ($t = -0.192$, $p = 0.001$) has a negative influence on the investment behaviour. One can also find that there is a positive but the effect of limited access to professional advice is minimal ($t = 0.105$, $p = 0.56$) the influence of the advisory support can be of benefit to women investors, though the effect is not as significant as that of personal knowledge, risk perception and time management. The overall outcome of the regression model ($F = 45.23$, $p < 0.001$) shows that the combination of the issues that have been included in the current study is meaningful with regard to investment behavior and thereby supports the factual hypothesis (H1). These findings demonstrate that special courses such as financial literacy training, risk management, confidence building exercises and flexible investment fund can be modified to enable working women in Nagpur to make strategic, informed, and confident choices in the capital market.

Conclusion

The study is a valuable experience in terms of the investment perspectives of the working women in Nagpur and the various considerations that lead to their investments in the capital market. These results demonstrate that risk perception, investment attitude and practical problems, such as financial literacy, time, fear of stock market volatility and confidence are vital factors that define the investment. The element of financial literacy was found to be one of the most appropriate positive variables that supported diversified and informed investment decisions among the women, the psychological and logistical impediments were established as constraints to the active participation. Both of the analyses (the descriptive and the regression) led to the

fact that there is significant relationship between the challenges working women face and the investment behavior that supports the alternative hypothesis (H1) of the research.

Based on the analysis, it has been clear that women workers of Nagpur are interested and partially engaged in the capital market investment, however, are sceptical and risk averse in their engagement due to mainly lack of sufficient knowledge, fear of uncertain market situations and other conflicting work and family responsibilities. These findings point to the fact that some special interventions such as money literacy education, ready investment advising centers, confidence building programs, and women friendly investment platforms should be put in place. Not only can these ease the perceived as well as real challenges, but it empowers women to be even more confident and efficient with regards to capital markets in terms of participating in wealth creation.

In conclusion, behavioral and structural barriers ought to be addressed to make working women participate in financial activities by choice. Increasing the knowledge levels, perceived risks and empowerment systems can instrumentalize the financial institutions, policymakers and educators in shaping the culture of informed investment to reach the ultimate outcome of financial independence, empowerment and sustainable economic growth of women in Nagpur.

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