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EMPOWERING WORKING WOMEN THROUGH FINANCIAL LITERACY: UNVEILING THE IMPACT ON INVESTMENT DECISIONS IN HIGHER EDUCATION

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Abstract:
This study investigates the role of financial literacy—including financial knowledge, experience, and management skills—in shaping the investment decisions of working women in higher educational institutions. Using a sample of 600 respondents, this research applies statistical analysis (SPSS V.26) to examine the relationship between financial literacy and investment decisions. Findings indicate that financial management skills are the strongest predictor of investment decisions, followed by financial knowledge and experience. This paper contributes to the literature by addressing the gendered financial behavior gap, offering actionable insights for policymakers and educators to improve financial education for women, thereby empowering them to make informed investment choices. The findings have practical implications for promoting gender equity in financial decision-making.

Keywords: Financial Literacy, Investment Decisions, Working Women, Gendered Financial Behavior, Financial Education, Financial Empowerment

1. Introduction:

Financial literacy has become increasingly important in empowering individuals, particularly working women, to make informed financial decisions that directly affect their economic security. Lusardi and Mitchell (2008) emphasize the importance of financial literacy for women in making sound financial and investment decisions. Despite the growing participation of women in the workforce and higher education, many still face barriers, such as societal norms, lack of financial education, and biases in financial services, which hinder their ability to manage their finances effectively. As Devi (2016) points out, financial literacy plays a pivotal role in improving women's financial wellbeing, but limited research exists on how it specifically influences investment decisions for working women, particularly in educational settings. This study aims to fill this gap by evaluating how financial knowledge, experience, and management skills influence investment decisions among working women in higher educational institutions. Financial literacy is vital for women to make decisions that contribute to long-term financial stability and empowerment, as highlighted by Lusardi and Mitchell (2011), who argue that financial planning is key to ensuring economic independence and gender equality. The objectives of the study are to assess the influence of financial knowledge, experience, and management skills on investment decisions, and to explore how financial literacy contributes to the empowerment of working women in their financial decision-making.

The research will test three hypotheses: first, that financial knowledge significantly impacts investment decisions (Chen & Volpe, 1998); second, that financial experience influences investment decisions (Lusardi & Mitchell, 2006); and third, that financial management skills are crucial for investment decisions (Lusardi & Mitchell, 2008). Through this investigation, the study aims to better understand the role of financial literacy in shaping women's investment behaviors and financial empowerment.

2. Literature Review:

The relationship between financial literacy and investment decisions has been widely discussed in the literature, with a particular focus on how gendered financial behaviors affect women's decision-making processes. Lusardi and Mitchell (2011) emphasize that financial literacy is crucial for improving retirement planning, with a direct impact on women's ability to make informed financial decisions. However, studies have also highlighted significant gendered financial behavior gaps, where women tend to be more risk-averse than men, often due to a combination of societal expectations, lack of access to financial resources, and insufficient exposure to financial education. Grable and Lytton (1998) discuss how this risk aversion in women impacts their investment decisions, leading to more conservative approaches. Behavioral Finance Theory explores how biases, emotions, and social norms influence financial decisions, with Hira and Mugenda (1999b) noting that self-worth and financial beliefs significantly shape financial behavior, including investment choices. Additionally, the Financial Capability Framework suggests that a woman's financial knowledge, experience, and skills interact to influence her decision-making ability, which Sen (1999) argues is fundamental to women's economic freedom and empowerment. The gendered nature of financial behavior further complicates investment decisions for women, as studies have shown that financial literacy programs often have a differential impact on men and women, with women facing more barriers in engaging with investment opportunities. Lusardi and Tufano (2009) explore how debt literacy plays a crucial role in women's financial wellbeing, while Duflo and Udry (2004) examine how intrahousehold resource allocation and social norms shape women's financial decisions. Despite these insights, there remains a significant gap in the literature regarding the role of financial management skills in influencing investment decisions for women, particularly in higher education settings. As Lusardi and Mitchell (2006) highlight, a lack of financial management skills can severely hinder women's ability to make sound financial decisions, thereby limiting their potential to engage with investment opportunities. This review thus underscores the need for further research on how financial management skills specifically impact the investment decisions of women in higher educational institutions.

3. Methodology

The research adopts a quantitative research design, utilizing structured surveys to collect primary data from working women in higher educational institutions. This design is chosen to capture the current financial literacy levels and decision-making behaviors of the respondents, providing an overview of how financial knowledge, experience, and management skills influence their investment choices. The study is cross-sectional, meaning it focuses on a specific point in time, offering a snapshot of the financial literacy landscape among this demographic. The population for this study includes 600 working women from various higher educational institutions, ensuring a diverse sample in terms of age, education level, income, and employment status. As Devi (2016) points out, demographic factors such as age and education significantly affect women's financial literacy, which is why the chosen demographic is particularly pertinent for studying the intersection of financial literacy and investment behavior. The sample represents working women who may have diverse financial backgrounds and varying levels of financial engagement, making it an ideal group to examine the nuances of financial decision-making.

Data collection will be carried out through the use of a validated questionnaire designed to assess the key variables: financial knowledge, financial experience, financial management skills, and investment decisions. This tool will ensure that each participant's financial understanding and behavior are effectively captured. Moore (2003) emphasizes the importance of self-reported data in understanding financial literacy levels and behaviors, and this approach will allow the study to gather personal insights from the participants regarding their financial decision-making processes. To ensure the reliability and validity of the survey instrument, the questionnaire will undergo pilot testing and expert validation, ensuring that the questions are clear, relevant, and effective in measuring the intended constructs. The reliability of the measures is confirmed with Cronbach's Alpha values: Financial Knowledge (0.825), Financial Experience (0.835), Financial Management Skills (0.824), and Investment Decisions (0.755), indicating good internal consistency across the constructs.

For the data analysis, SPSS V.26 will be used to perform regression analysis, allowing the researcher to test the hypotheses and examine the relationship between the financial literacy constructs and investment decisions. Regression analysis will provide insight into how financial knowledge, experience, and management skills predict women's investment decisions, thus addressing the research questions. Furthermore, multivariate analysis or Structural Equation Modeling (SEM) may be employed in future studies to model the complex relationships between these variables. Shim et al. (2009) discuss how such models can offer deeper insights into financial wellbeing, and their application could further refine the understanding of the factors that drive investment behaviors among working women. This methodological approach ensures a comprehensive and rigorous examination of the research problem, enabling a thorough exploration of the connections between financial literacy and investment decisions in the context of working women in higher educational institutions.

4. Data Analysis and Results

This study provides valuable insights into the relationship between financial literacy constructs and investment decisions among working women in higher educational institutions. The sample consisted of 600 women from diverse backgrounds, as shown in Table 1. This diversity in terms of age, marital status, education, income, and work experience ensures the findings can be generalized across different segments of the population.

Table 1: Demographic Distribution of Respondents

Age Group	Frequency	Percent	Valid Percent	Cumulative Percent
18 – 25	62	10.3%	10.3%	10.3%
25 – 30	235	39.2%	39.2%	49.5%
30 – 35	112	18.7%	18.7%	68.2%
40 – 45	123	20.5%	20.5%	88.7%
Above 50 years	68	11.3%	11.3%	100.0%
Total	600	100.0%	100.0%	

Reliability Analysis:

The Cronbach's Alpha values in Table 2 indicate strong internal consistency for all the constructs assessed in the survey. These values confirm that the key measures—financial knowledge, financial experience, financial management skills, and investment decisions—are reliable, supporting the validity of the constructs.

Table 2: Cronbach's Alpha for Constructs

Construct	Cronbach's Alpha
Financial Knowledge	0.825
Financial Experience	0.835
Financial Management Skills	0.824
Investment Decisions	0.755

Regression Analysis Results:

The regression analysis for financial knowledge and its impact on investment decisions (see Table 3) shows a strong positive relationship ($R^2 = 0.676$), meaning that 67.6% of the variance in investment decisions is explained by financial knowledge. The Adjusted R^2 value of 0.675 confirms the robustness of the model. The standard error of 0.35027 indicates the reliability of the estimates.

Table 3: Regression Analysis for Financial Knowledge and Investment Decisions

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
Financial Knowledge	0.822	0.676	0.675	0.35027

Table 4: Coefficients for Financial Knowledge Impact

Variable	B	Std. Error	Beta	T	Sig.
Financial Knowledge	0.997	0.028	0.822	35.311	0.000

The unstandardized coefficient of 0.997 indicates that for every one-unit increase in financial knowledge, there is a corresponding increase in investment decisions. The t-value of 35.311 and p-value less than 0.001 reinforce the statistical significance of this relationship.

ANOVA Results:

The ANOVA table in Table 5 further supports the statistical significance of the regression model, with an F-value of 1246.895 and a p-value of less than 0.001, confirming that financial knowledge significantly contributes to explaining the variance in investment decisions.

Table 5: ANOVA for Financial Knowledge Impact

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	152.983	1	152.983	1246.895	0.000
Residual	73.369	598	0.123		
Total	226.353	599			

Discussion of Results:

The regression results highlight that financial knowledge plays a crucial role in shaping investment decisions. $R^2 = 0.676$ confirms that financial knowledge explains a significant portion of the variance in investment behavior. This suggests that enhancing financial knowledge could have a profound impact on women's ability to make informed financial decisions, especially in investment contexts.

Further analysis shows that financial management skills are the strongest predictor of investment behavior, followed by financial knowledge and financial experience. This aligns with findings by Lusardi and Mitchell (2008), who argue that financial management skills are key to financial independence and making sound financial decisions. Women who are better equipped to manage their finances are more likely to engage in investments and other financial activities, demonstrating the importance of practical financial skills.

6. Conclusion:

This study highlights the significant role of financial knowledge, experience, and management skills in shaping investment decisions among working women in higher educational institutions. It finds that financial management skills have the most substantial influence on investment behavior, while financial experience and knowledge also play important roles.

The research contributes to the understanding of gendered financial behavior, emphasizing the need for financial literacy programs that not only provide knowledge but also teach the practical skills necessary for financial empowerment and economic security.

Policy recommendations include integrating financial management education into university curricula and workplace training programs for women, and designing financial literacy interventions that address the unique challenges faced by women in the workforce. These actions would empower women to make informed financial decisions and promote gender equality in financial opportunities.

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