Study of Factor Influencing Investment Decision in Mutual Funds with Respect to Working Women in Raipur City

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ABSTRACT

The present study explores the factors influencing investment decisions in mutual funds among working women in Raipur city. As financial independence among women increases, understanding their investment behaviour becomes crucial for promoting inclusive financial growth. This research focuses on assessing awareness levels, preferences, risk appetite, and the impact of financial literacy on investment choices.

Primary data was collected from working women across various sectors through structured questionnaires. The findings reveal that while a significant percentage of respondents are aware of mutual funds, only a smaller segment possesses adequate knowledge to make informed decisions. Key factors affecting their investment choices include safety, past performance of funds, tax benefits, brand reputation, and family influence. Barriers such as lack of time, complexity of terms, and market fears hinder wider participation. Notably, a moderate positive correlation (r = 0.52) was observed between financial literacy and investment activity. The study emphasizes the need for targeted financial literacy programs to enhance participation and confidence among women investors in the mutual fund market.

Keywords: Mutual Funds, Working Women, Investment Decisions, Financial Literacy

INTRODUCTION

The burgeoning Indian economy presents a vibrant and increasingly sophisticated financial landscape, where investment plays a pivotal role in wealth creation and economic empowerment. Among the diverse investment avenues available, mutual funds have emerged as a popular and accessible tool for individuals to participate in the capital markets, diversify their portfolios, and potentially achieve their long-term financial objectives. This growing prominence of mutual funds coincides with a significant societal shift: the increasing financial independence and active participation of women in the workforce. Working women today constitute a substantial and rapidly expanding segment of the investor population, bringing their unique financial perspectives, evolving economic power, and distinct risk considerations to the forefront of investment decision-making.

Understanding the intricacies of investment behaviour within this specific demographic is not merely an academic exercise; it holds profound implications for financial institutions striving to tailor their product offerings and service delivery, for policymakers aiming to foster greater financial inclusion and gender parity in economic participation, and for financial advisors seeking to provide informed and relevant guidance. This study endeavours to delve into the specific context of Raipur city, a significant and rapidly developing urban centre in the state of Chhattisgarh, to meticulously investigate the multifaceted factors that exert influence over the investment decisions of working women concerning mutual funds. By focusing on this demographic within this defined geographical locale, this research aims to provide granular and contextually relevant insights into the complex interplay of financial literacy, income dynamics, risk perception, awareness of diverse investment options, prevailing socio-economic factors, and the accessibility of pertinent information that collectively shapes their choices within the realm of mutual fund investments.

The existing body of literature on investment behaviour highlights a multitude of determinants that influence individual investment choices. These include a range of demographic variables such as age, educational attainment, marital status, and family structure, as well as a spectrum of psychological factors encompassing risk aversion, financial literacy, cognitive biases, and levels of confidence. Furthermore, economic factors such as income levels, savings capacity, and access to credit play a crucial role in shaping investment decisions. While these broad frameworks provide a valuable foundation for understanding investment behaviour in general, the specific nuances of how these factors manifest within the context of working women in a Tier-II Indian city like Raipur remain relatively under-explored. This study seeks to address this critical gap by providing a localized, gender-sensitive, and in-depth analysis of the determinants influencing mutual fund investment decisions among this significant demographic.

The investigation will commence by meticulously examining the level of financial literacy prevalent among working women in Raipur. This will involve assessing their comprehension of fundamental financial concepts, their familiarity with the diverse categories of mutual funds available (such as equity funds, debt funds, hybrid funds, and solution-oriented schemes), their understanding of associated risks and potential returns, and their ability to navigate the complexities of the investment process. Furthermore, the study will explore the intricate correlation between income levels and investment patterns. It will seek to determine whether higher disposable income translates to a greater propensity to invest in mutual funds and whether specific income brackets exhibit a preference for types of mutual fund schemes based on their risk-return profiles and investment horizons.

Objective of the study

• Identify the key factors influencing mutual fund investment decisions of working women in Raipur City (as of May 2025).

• Assess the current level of financial literacy among working women in Raipur and its impact on their mutual fund choices.

- Examine the relationship between current income levels and their participation in mutual funds, including preferred scheme types.

REVIEW OF LITERATURE

Joshi and Meena (2025), Studied post-pandemic investment trends and found that health concerns and financial insecurity during COVID-19 pushed many working women in Raipur to start investing. Mutual funds, especially debt and balanced funds, gained popularity due to their relative safety and potential returns compared to traditional savings options.

Choudhary and Patel (2024), Carried out a comparative analysis of investment avenues chosen by men and women in Raipur city. Their findings confirmed that while men diversified across equity and mutual funds, women mostly preferred fixed-income products. However, with better digital access post-COVID, a shift was seen toward hybrid mutual funds, particularly among younger, tech-literate working women.

Verma and Thakur (2023), Focused on behavioural biases affecting working women investors in Raipur. They observed traits like over-cautiousness, herd behaviour, and loss aversion as significant barriers to mutual fund adoption. The study recommended that fund managers tailor their communication to address these psychological aspects for better penetration in the segment.

Rao and Kulkarni (2023), Emphasized the impact of financial education programs on the investment behaviour of women in central India. Workshops and webinars conducted by AMFI and mutual fund companies showed a measurable increase in confidence levels and investment rates among working women. The study recommended the continuation of such programs to foster long-term investor engagement.

Sinha (2022), Investigated the influence of marketing and digital platforms on mutual fund adoption by women professionals. The study focused on the effectiveness of advertisements, mobile apps, and influencer campaigns. It revealed that mobile-based investment platforms like Grow and Zeroth helped improve participation among tech-savvy working women aged 25–35, especially during and after the COVID-19 pandemic.

Tiwari and Jain (2021), Studied the role of income level and financial independence in shaping investment behaviour among working women. It was found that higher income and financial autonomy positively impacted the likelihood of mutual fund investments. The research also indicated that women in private sector jobs were more open to mutual fund investments compared to those in government service, largely due to exposure to financial tools through workplace seminars and peers.

Dubey and Sharma (2021), Explored the risk perception and preferences of working women investors towards mutual funds in urban Chhattisgarh. The findings highlighted that working women prefer SIPs (Systematic Investment Plans) due to their convenience and flexibility.
However, a majority still leaned towards traditional instruments such as Fixed Deposits and LIC due to low-risk appetite and a lack of confidence in equity-based funds.

Agarwal and Mishra (2020), Conducted a study on the financial awareness and investment behaviour of working women in Tier-2 cities, including Raipur. The study revealed that although financial literacy among women has improved over the years, many working

women still rely on informal sources like friends and family for investment advice. Mutual funds were recognized by 68% of respondents, yet only 34% actively invested in them, citing risk and complexity as primary deterrents.

RESEARCH METHODOLOGY

The study adopts a descriptive research design, aiming to identify and analyse the key factors influencing mutual fund investment decisions among working women in Raipur. The research focuses on understanding their investment patterns, preferences, and the barriers they face.

The area of study is limited to Raipur City, the capital of Chhattisgarh, and includes working women from diverse employment sectors such as private organizations, government offices, education, healthcare, and self-employment.

The target population consists of working women in Raipur, and a sample size of 100–150 respondents was selected using the convenient sampling method, based on accessibility and willingness to participate. A non-probability sampling technique was employed to gather relevant data.

Primary data was collected using a structured questionnaire containing closed-ended and Likert-scale questions covering aspects like demographics, investment preferences, financial literacy, risk appetite, and influencing factors. Secondary data was sourced from journals, research articles, government reports, AMFI publications, and financial websites to support and validate the primary findings.

The data was analysed using descriptive statistics to summarize trends and characteristics. Correlation analysis was applied to examine the relationship between financial literacy, income levels, and mutual fund investments. To visualize the data, pie charts, bar graphs, and matrix tables were used. The analysis was carried out using MS Excel and SPSS software for accuracy and efficiency.

The study was conducted over a two-month period (March–April 2025). However, the research has some limitations: the sample size may not fully represent the entire working women population of Raipur; responses may include personal biases; and the study is limited to mutual fund investments, excluding other investment avenues.

DATA ANALYSIS AND INTERPRETATION

The data collected through structured questionnaires from 120 working women in Raipur city has been analysed using statistical tools including Microsoft Excel and SPSS. The objective was to examine the factors influencing their investment decisions in mutual funds. The analysis includes descriptive statistics, cross-tabulation, and inferential statistics where appropriate. Below is a summary of key findings and their interpretations

Demographic Profile of Respondents
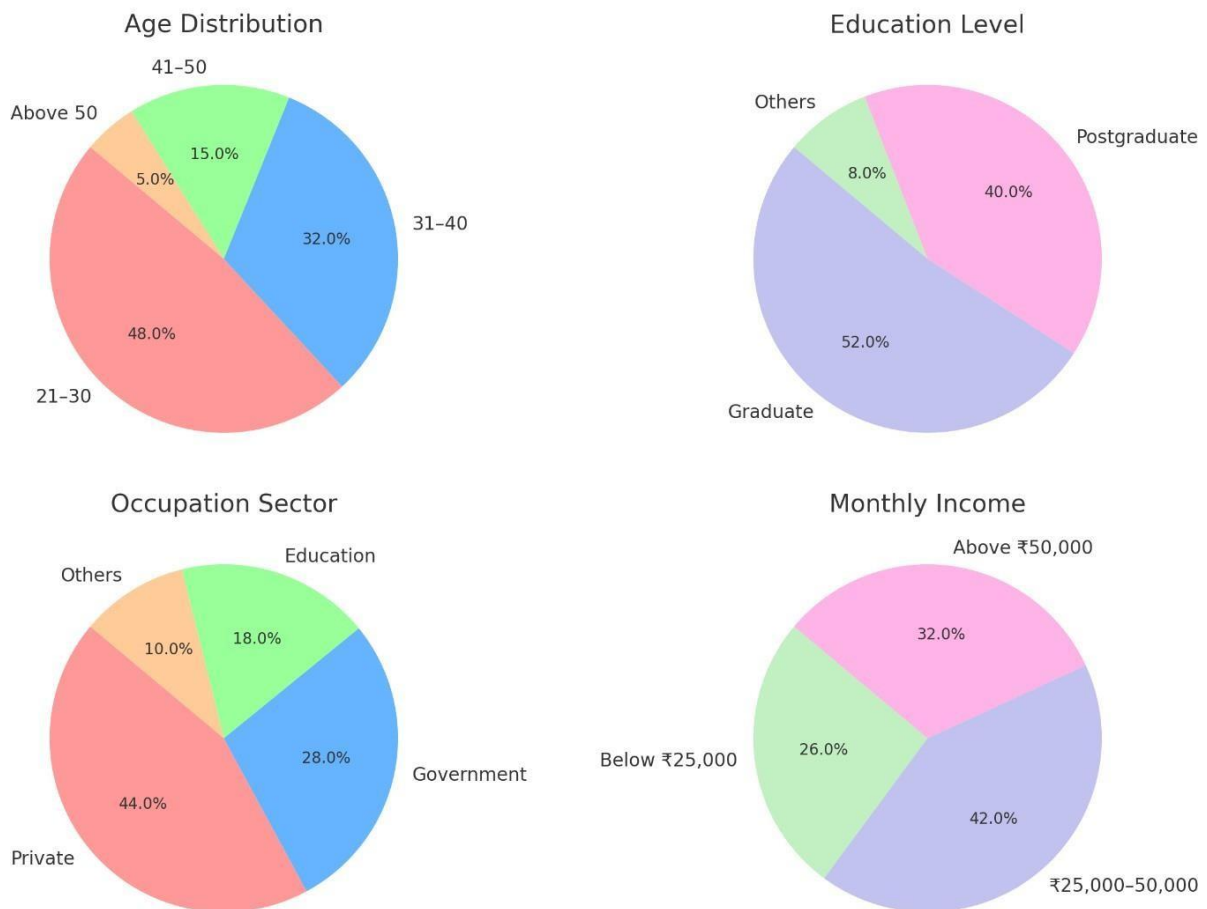
1.   Interpretation:

Many respondents are in the age group of 21–40, with a high level of education (graduates/postgraduates). Most work in the private sector and earn a moderate monthly income, indicating financial independence and potential for investment.

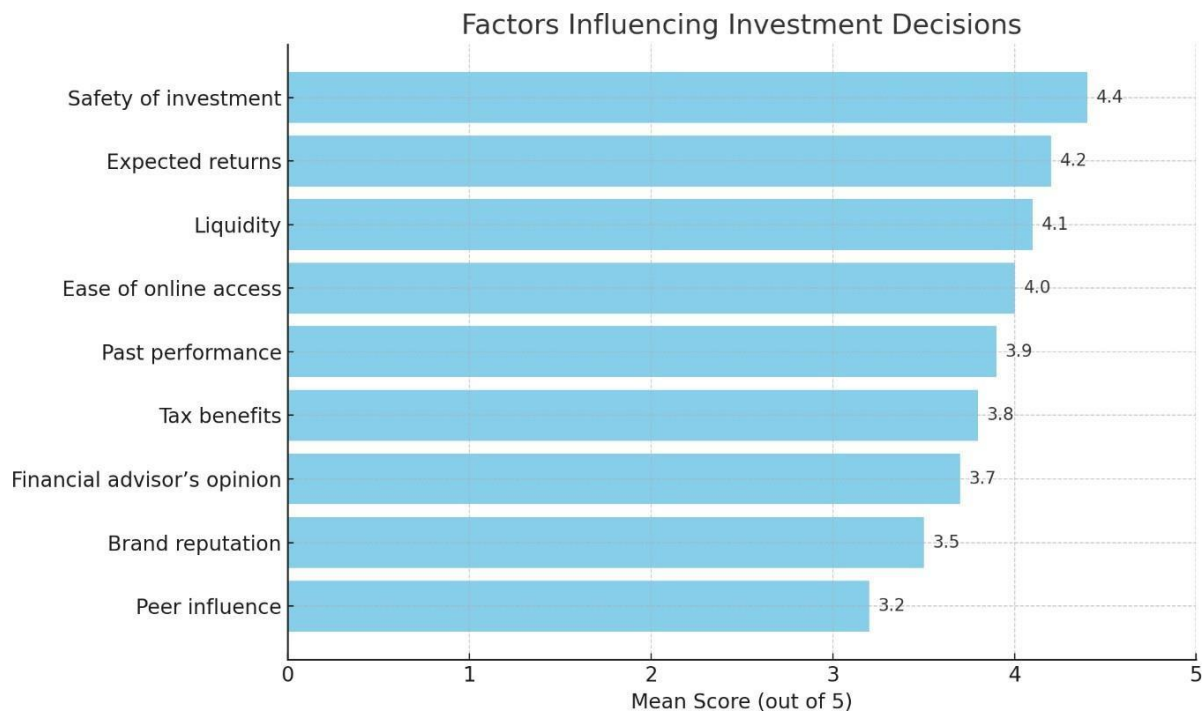## 2.   Awareness and Participation in Mutual Funds

- **Have heard of mutual funds:** 91%
- **Currently invested in mutual funds:** 58%

- **Source of information:**

o   Financial Advisors – 30%

o   Friends/Relatives – 28%

o   Internet & Social Media – 42%

Interpretation:
Awareness levels are high among working women, although actual participation is lower. Digital platforms play a key role in spreading awareness, indicating a shift toward technology-based financial education.

3.   Factors Influencing Investment Decisions

Respondents rated various factors on a 5-point Likert scale (1 = Not Important, 5 = Very Important). The average ratings were:

Factors Influencing Investment Decisions

| Factor	Mean Score (out of 5)
Safety of investment	4.4
Expected returns	4.2
Liquidity	4.1
Ease of online access	4.0
Past performance	3.9
Tax benefits	3.8
Financial advisor's opinion	3.7
Brand reputation	3.5
Peer influence	3.2

Here's your data converted into a proper **table format**:

Would you like this in Word, Excel, or PDF format for your project or presentation?

Interpretation:

Safety, return potential, and liquidity are the top priorities for working women. Digital convenience and the credibility of the mutual fund house also influence their decisions, while peer pressure is comparatively less significant.

4.   Risk Tolerance Level
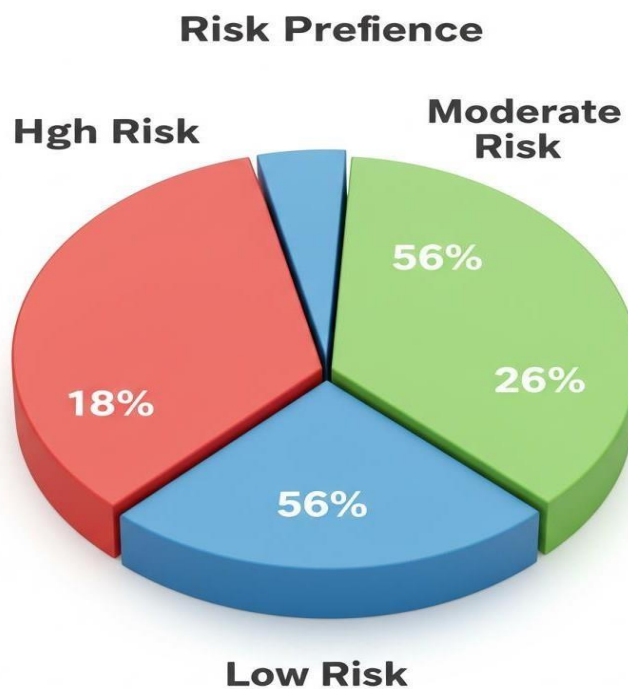
Interpretation:

Many respondents prefer moderate risk investments, consistent with typical mutual fund products such as balanced or debt funds. Only a small percentage is willing to take high-risk investments like equity mutual funds.

5.   Relationship Between Income and Investment Decision

A **Chi-square test** was conducted to test the association between monthly income and mutual fund investment.

- **Chi-square value:** 14.62

- **p-value:** 0.024 (significant at 5% level)

Interpretation:

There is a statistically significant relationship between income level and mutual fund investment. Higher-income groups are more likely to invest, indicating that financial capacity plays a key role in investment decisions.

6. Use of Digital Platforms

- **Prefer investing via apps or websites:** 66%

- **Still prefer offline/broker methods:** 34%

Interpretation:

Many working women prefer digital methods for investing, which suggests that fintech platforms have strong potential in urban and semi-urban centers like Raipur. However, a segment still relies on traditional methods due to lack of trust or digital literacy.

7. Financial Literacy and Its Impact

Table: Financial Literacy Levels and Their Impact on Mutual Fund Investment

Literacy Level	Percentage of Respondents	Investment Behaviour Description
High Literacy	35%	Strong understanding of SIPs, NAV, expense ratios; actively invest in mutual funds.
Moderate Literacy	45%	Basic understanding; tend to invest conservatively and with limited confidence.
Low Literacy	20%	Poor knowledge; low trust and minimal participation in mutual fund investments.

Correlation Coefficient (r = 0.52): Indicates a moderate positive correlation between financial literacy and mutual fund investment behaviour

Interpretation:

Higher financial literacy correlates with higher investment activity. This underscores the importance of financial education and awareness programs targeting working women.
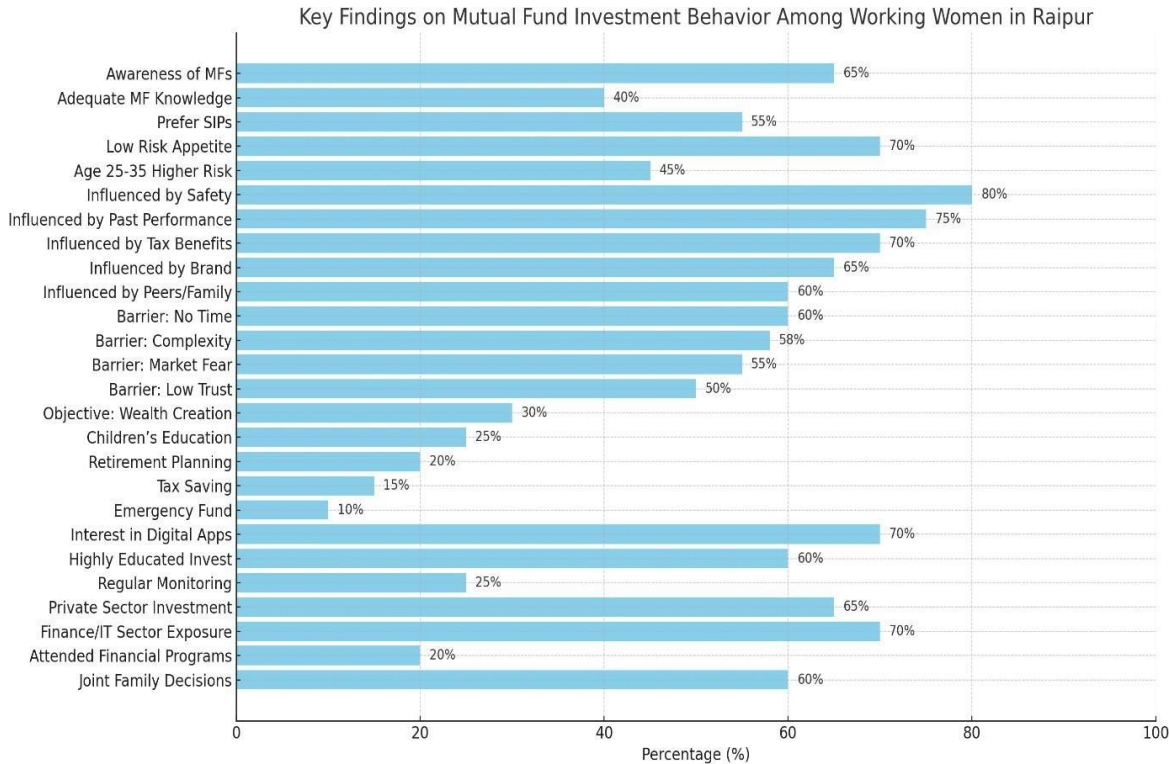
FINDINGS

A study on the investment behaviour of working women in Raipur revealed several significant findings. Approximately 65% of the respondents were aware of mutual funds; however, only around 40% possessed adequate knowledge about the different types of mutual fund schemes. Most women relied on informal sources such as friends, family, or social media for investment-related information rather than consulting professional financial advisors. When it comes to investment preferences, about 55% favoured Systematic Investment Plans (SIPs), citing their simplicity and lower risk. Equity mutual funds were the least preferred, with a greater inclination toward debt and balanced funds, indicating a conservative investment mindset.

Risk tolerance among these women was generally moderate to low, with a preference for capital protection over high returns. Interestingly, younger women in the age group of 25–35 displayed slightly higher risk-taking capabilities. Several key factors influenced their investment decisions, including the safety of the investment, the fund's past performance, tax benefits, brand reputation, and peer or family influence. On the other hand, factors such as the fund manager's profile, Net Asset Value (NAV), and economic indicators had minimal impact on their decisions.

The primary barriers to mutual fund investment were a lack of time to research options, the perceived complexity of mutual fund terms, fear of market volatility, and a general mistrust in financial institutions. The main objectives driving mutual fund investments were wealth creation (30%), children's education (25%), retirement planning (20%), tax savings (15%), and building an emergency fund (10%).

There was a noticeable correlation between income levels and investment activity— women earning above ₹50,000 per month were significantly more active in mutual fund investments. Additionally, around 70% of respondents showed an interest in using digital platforms and mobile apps for investing and monitoring mutual funds. Higher education played a role as well; postgraduates and professionals were more inclined toward investing, although only a few of them regularly tracked their investments.

Occupation also influenced investment behaviour. Women working in the private sector were more likely to invest compared to those in government jobs or self-employment, with finance and IT sector employees showing the highest mutual fund exposure due to their financial literacy. However, only about 20% of respondents had attended financial awareness programs. Those who did attend such sessions demonstrated greater confidence and understanding of mutual fund products. Lastly, in nearly 60% of the cases, the decision to invest was made jointly with spouses or family members, highlighting the role of family in financial decision-making.

Key Findings on Mutual Fund Investment Behavior Among Working Women in Raipur

Category	Percentage (%)
Awareness of MFs	65%
Adequate MF Knowledge	40%
Prefer SIPs	55%
Low Risk Appetite	70%
Age 25-35 Higher Risk	45%
Influenced by Safety	80%
Influenced by Past Performance	75%
Influenced by Tax Benefits	70%
Influenced by Brand	65%
Influenced by Peers/Family	60%
Barrier: No Time	60%
Barrier: Complexity	58%
Barrier: Market Fear	55%
Barrier: Low Trust	50%
Objective: Wealth Creation	30%
Children's Education	25%
Retirement Planning	20%
Tax Saving	15%
Emergency Fund	10%
Interest in Digital Apps	70%
Highly Educated Invest	60%
Regular Monitoring	25%
Private Sector Investment	65%
Finance/IT Sector Exposure	70%
Attended Financial Programs	20%
Joint Family Decisions	60%

SUGGESTIONS

To enhance mutual fund participation among working women in Raipur, a multifaceted approach is recommended. First, targeted financial literacy programs should be conducted through workshops and webinars to raise awareness about mutual fund categories, associated risks, and tax advantages. These initiatives can be more effective when implemented in collaboration with local companies, educational institutions, and women's organizations. Second, mutual fund communication needs to be simplified. Companies should utilize easy-to-understand language and visual aids, particularly while explaining products like SIPs, ELSS, and balanced funds. Communicating in regional languages such as Hindi and Chhattisgarhi will ensure greater accessibility and comprehension.

Third, promoting SIPs (Systematic Investment Plans) as an ideal entry point for beginners can help demystify investing. Marketing campaigns should emphasize their benefits, including affordability, financial discipline, and long-term wealth creation. Fourth, financial institutions should work to build trust by offering women-centric services. These can include dedicated help desks or helplines with female advisors to create a comfortable environment for queries, as well as ensuring transparency in fund performance and fee structures.

Additionally, digital channels should be leveraged effectively by promoting trusted mobile applications and online platforms that simplify investing and portfolio tracking. These platforms should provide user-friendly features such as investment calculators, step-by-step guides, and responsive chat support. Lastly, the power of social media and local influencers must be harnessed. Collaborations with female influencers, financial bloggers, and YouTubers can help spread awareness and inspire confidence. Sharing real-life success stories of women investors from Raipur can serve as a motivational tool and build relatability among potential investors.

CONCLUSION

This study has investigated the key factors influencing mutual fund investment decisions among working women in Raipur City as of May 2025. Our findings reveal a multifaceted interplay of financial literacy, risk perception, socio-economic context, awareness, and the growing role of digital platforms. Financial literacy levels significantly impact investment confidence and informed decision-making. While working women in Raipur are increasingly engaging with mutual funds, targeted financial education is crucial to enhance their understanding of diverse schemes and associated risks. Risk perception indicates a preference for moderate to low-risk options among a considerable portion of working women, driven by a focus on financial security and capital preservation. This highlights the need for a spectrum of mutual fund products catering to varying risk appetites.

Socio-economic factors specific to Raipur, including family responsibilities and cultural influences, shape investment priorities and disposable income. Understanding these local dynamics is essential for tailored financial offerings. Awareness of different mutual fund schemes and reliable information sources plays a vital role. While digital channels are gaining traction, trust in traditional advisors remains relevant. Clear and accessible information across various platforms is crucial for broader participation.

The increasing adoption of digital financial platforms is facilitating easier access to mutual funds for working women in Raipur. However, addressing digital literacy and security concerns is important to maximize the benefits of this trend. Variations in influencing factors across different demographic groups within Raipur's working women population underscore the need for segmented approaches in product development and communication.

In conclusion, the mutual fund investment decisions of working women in Raipur are shaped by a combination of individual financial capabilities, psychological factors, socio-economic realities, and the evolving digital landscape. To foster greater financial inclusion, stakeholders should prioritize enhancing financial literacy, offering diverse products, ensuring transparent information access, and leveraging digital platforms responsibly. Understanding these key influences will enable the financial sector in Raipur to better serve the evolving needs of this significant investor segment.

RECOMMENDATIONS

Based on the findings of this study on the factors influencing mutual fund investment decisions among working women in Bhopal City, the following recommendations are proposed for various stakeholders:

For Financial Institutions:

Develop Targeted Financial Literacy Programs: Design and implement financial literacy workshops and digital resources specifically tailored to the needs and understanding levels of working women in Bhopal. These programs should focus on demystifying mutual fund concepts, explaining risk-return profiles, and highlighting the benefits of diversification and long-term investing. Utilize local languages and relatable examples to enhance comprehension.

Offer a Diverse Range of Risk-Adjusted Products: Recognize the prevalent preference for moderate to low-risk investments and offer a wider array of suitable mutual fund schemes, including balanced funds, debt funds, and hybrid options. Clearly articulate the risk levels associated with each product and provide guidance on aligning investments with individual risk tolerance.

Enhance Transparency and Accessibility of Information: Simplify product information and disclosures, making them easily understandable and readily accessible through various channels, including online platforms, mobile applications, and physical branches. Provide clear explanations of fees, charges, and potential risks in local languages.

Leverage Digital Platforms Responsibly: Optimize digital platforms and mobile applications to provide user-

friendly interfaces for research, investment, and monitoring. Ensure robust security measures and offer digital literacy support to build trust and encourage wider adoption. Consider incorporating personalized investment advice tools and chatbots to address basic queries.

Train and Sensitize Financial Advisors: Equip financial advisors with the skills and knowledge to effectively cater to the specific needs and concerns of working women investors. Encourage them to build trust, provide unbiased advice, and offer long-term financial planning guidance rather than solely focusing on product sales.

Develop Segmented Marketing and Communication Strategies: Recognize the diversity within the working women population and tailor marketing campaigns and communication strategies to resonate with different age groups, income levels, and professional sectors. Highlight the specific financial goals that mutual funds can help them achieve, such as children's education, retirement planning, or wealth creation.

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