

# A Gender-Based Classification of Investment Behavior and Financial Decision-Making among Salaried Employees in Chennai City

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**Abstract**— This research explores how men and women differ in their approach to investing and making financial decisions, focusing on salaried personnel in Chennai urban area. Today, people have many choices when it comes to investing their money, such as bank deposit, gold, insurance, mutual funds, and shares. However, the way individuals select these options is not the same for everyone, as it is influenced by factors like income, financial knowledge, willingness to take risks, and gender.

The study is based on information collected directly from 112 respondents through a questionnaire, with an equal number of men and women participants. A descriptive method was used to study the data, and tools like percentage analysis and the chi-square test helped in understanding patterns and relationship between gender and funding choices.

The results clearly show a difference in preferences. Men individuals are more likely to choose investment options that involve higher risk but offer better returns, together with stocks and mutual funds. On the other hand, women participants tend to select safer options like bank deposit and insurance, showing a more cautious approach. Differences were also noticed in how both groups view risk and make financial decisions.

In conclusion, the study highlights that gender has a noticeable impact on investment behavior. Recognizing the ones versions can be useful in improving financial awareness and in designing better investment strategies for salaried individuals.

**key words**- Gender differences, investment behavior, financial decision-making, salaried employees, risk tolerance, financial awareness, investment avenues.

## I. INTRODUCTION

Financial planning is a crucial aspect of life for salaried individuals, as it ensures stability, security, and destiny growth. With the growth of financial markets, people now have access to various investment options such as bank deposit, mutual funds, shares, and insurance, allowing them to choose based on their needs.

Investment behavior refers to how individuals allocate their earnings across different financial instruments. Decision-making on this vicinity is stimulated by multiple elements, among which gender plays an important role. Differences can be observed in attitudes towards risk, selection of investment avenues, and overall financial planning strategies.

In many cases, one group of investors tends to prefer higher returns with associated risks, while another focuses more on safety and stability. These variations highlight the importance of understanding behavioral patterns in financial activities.

Although numerous investment opportunities exist, there is limited clarity on how gender influences financial choices among salaried employees in Chennai city.

Therefore, this research is carried out to understand the variation in investment behavior and financial decision-making based on gender among salaried personnel withinside the Chennai metropolitan area.

## II. LITERATURE REVIEW

Bucher-Koenen et al. (2022) studied the difference in financial knowledge between men and women and observed that women tend to have comparatively much less monetary know-how than men. This difference influences their confidence levels and involvement in financial activities, often resulting in safer investment choices.

Kumar and Goyal (2023) analyzed behavioral biases in investment decisions and found that factors such as overconfidence, herding, and loss aversion significantly influence investors. It also highlighted that men investors are more prone to overconfidence, while women investors tend to be more cautious.

Bhat and Lone (2023) this study analyzed gender-based investment patterns and found that financial literacy and income level significantly influence investment decisions. Found that women generally prefer investment options that are more stable and suitable for long-term purposes.

Nayak (2022) This look at tested the effect of economic literacy on investment behavior. It concluded that people who have a higher level of financial understanding are more likely to make better investment decisions.

Sharma and Sharma (2022) The research focused on gender versions in investment behavior and revealed that men prefer high-risk, high-return options like equities, whereas women opt for safer alternatives such as bank deposits and insurance. This study emphasized the importance of risk perception in decision making.

Singh (2024) this study examined the role of social and psychological factors in economic decision-making. It found that family influence, peer pressure, and emotional factors affect investment choices differently across genders.

### III. RESEARCH METHODOLOGY

#### Research Design

The study adopts a descriptive approach to study and compare how salaried employees make investment and financial decisions based on gender.

#### Data Sources

The have a look at users each number one and secondary data. Primary data modified into accumulated from respondents via a based questionnaire, while secondary data was collected from journals, articles, and reliable online sources.

#### Tools used

The collected data was examined using percentage analysis to understand response patterns, along with the chi-square test to identify the connection between gender and investment behaviour.

#### Sampling Method

A convenience sampling technique was followed, where participants have been decided on based mostly on their availability and willingness to take part in.

#### Research Gap

Most existing studies focus on general investment behaviour and gender variations at a broader level. However, there is limited research on salaried employees in Chennai city with equal gender representation. Only a restricted number of studies have examined both investment behaviour and financial decision-making by applying methods such as percentage analysis and the chi-square test. This Studie tries to fill that gap.

#### Research hypothesis

To understand how gender is related to investment behaviour, the following hypotheses are proposed.

H0 (Null Hypothesis): There is no meaningful connection between gender and funding desire amongst salaried employees.

H1 (Alternative Hypothesis): There is a significant connection among gender and funding desire amongst salaried employees.

### IV. MAIN BODY CONTENT

#### A) Concepts Explanation

People invest their earnings in different ways depending on their choices and priorities, such as saving in bank, buying gold, or investing in mutual funds, insurance, and shares. The process of making these choices is known as financial decision-making, which is influenced by factors like risk-taking ability, expected profit, personal goals, and individual preferences.

Gender is considered an important factor influencing these decisions, as differences in financial awareness, risk perception, and social influences can lead to variations in funding patterns. Understanding those behavioural differences helps in analysing how investment choices vary among salaried employees.

#### B) Analysis of the study

##### 1. Investment preference (percentage analysis)

Table 1

<i>Investment option</i>	<i>Men (No.)</i>	<i>Men (%)</i>	<i>Women (No.)</i>	<i>Women (%)</i>
<i>Bank deposits</i>	23	42.6	16	27.6
<i>Gold</i>	3	5.6	36	62.1
<i>Mutual funds</i>	10	18.5	3	5.2
<i>Shares</i>	13	24.1	3	5.2
<i>Insurance</i>	5	9.3	0	0
<i>Total</i>	54	100	58	100

Interpretation: Men respondents prefer bank deposits and shares, while women respondents strongly prefer gold.

## 2. Investment Objective (Gender-wise)

Table 2

Objective	Men (No.)	Men (%)	Women (No.)	Women (%)
Safety	17	31.5	41	70.7
High returns	32	59.3	13	22.4
Retirement planning	4	7.4	3	5.2
Tax savings	1	1.9	1	1.7
Total	54	100	58	100

Interpretation: Men respondents focus on high returns, whereas women respondents prioritize safety.

## 3. Risk Preference (Gender-wise)

Table 3

Risk Type	Men (No.)	Men (%)	Women (No.)	Women (%)
Low risk	17	31.5	42	72.4
Moderate risk	27	50.0	15	25.9
High risk	9	16.7	1	1.7
Very high risk	1	1.9	0	0
Total	54	100	58	100

Interpretation: Men respondents show higher risk-taking ability, while women respondents prefer low-risk funding.

## 4. Investment Duration (Gender-wise)

Table 4

Duration	Men (No.)	Men (%)	Women (No.)	Women (%)
Medium term	20	37.0	34	58.6
Long term	21	38.9	13	22.4
Short term	10	18.5	11	19.0
Very long term	3	5.6	0	0
Total	54	100	58	100

Interpretation: Men respondents prefer long-term investments, while women respondents opt for medium-time period investments.

## 5. Satisfaction level (Gender-wise)

Table 5

Level	Men (No.)	Men (%)	Women (No.)	Women (%)
Satisfied	33	61.1	39	67.2
Very satisfied	13	24.1	15	25.9
Neutral	8	14.8	4	6.9
Dissatisfied	0	0	0	0
Total	54	100	58	100

Interpretation: the result indicates that both men and women participants are commonly glad with their investments. However, the extent of satisfaction appears to be slightly higher among women respondents.

**Chi-Square Test - (Funding preference)**

**Step 1:** The main objective of this test is to find out whether gender has any connection with the investment preferences of salaried individuals.

**Step 2: The hypotheses for the study are stated as follows:**

**H<sub>0</sub> (Null Hypothesis):** There isn't any no significant affiliation among gender and the type of investment preferred by salaried employees.

**H<sub>1</sub> (Alternative Hypothesis):** There is a significant affiliation association between gender and the type of investment preferred by salaried employees.

**Step 3: Observed values of the study**

Table 6

Investment Option	Men	Women	Row Total
Bank Deposits	23	16	39
Gold	3	36	39
Insurance	5	0	5
Mutual Funds	10	3	13
Shares	13	3	16
Column Total	54	58	112

**Step 4: Working out the Expected Value**

To find the expected values, the row total is multiplied by the column total, and the end result is split with the aid of using the grand total.

$$E = \frac{\text{Row Total} \times \text{Column Total}}{\text{Grand Total}}$$

Men:  $E = \frac{39 \times 54}{112} = 18.80$   $E = \frac{39 \times 54}{112} = 18.80$   $E = \frac{5 \times 54}{112} = 2.41$   $E = \frac{13 \times 54}{112} = 6.27$   $E = \frac{16 \times 54}{112} = 7.71$   
 Women:  $E = \frac{39 \times 58}{112} = 20.20$   $E = \frac{39 \times 58}{112} = 20.20$   $E = \frac{5 \times 58}{112} = 2.59$   $E = \frac{13 \times 58}{112} = 6.73$   $E = \frac{16 \times 58}{112} = 8.29$

**Step 5: Calculation of (O – E)<sup>2</sup> / E**

Full working table

Table 7

Investment	Gender	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Bank	Men	23	18.80	4.20	17.64	0.93
Bank	Women	16	20.20	-4.20	17.64	0.87
Gold	Men	3	18.80	-15.80	249.64	13.29
Gold	Women	36	20.20	15.80	249.64	12.36
Insurance	Men	5	2.41	2.59	6.71	2.78
Insurance	Women	0	2.59	-2.59	6.71	2.59
Mutual fund	Men	10	6.27	3.73	13.91	2.22
Mutual fund	Women	3	6.73	-3.73	13.91	2.07
Shares	Men	13	7.71	5.29	27.98	3.63
Shares	Women	3	8.29	-5.29	27.98	3.37
Total		112	112	0	631.76	44.11

**Step 6: Final result of the study**

Calculated  $X^2=44.11$

Table value (5%) = **9.488**

Degree of freedom = **4**

Decision: **44.11 > 9.488** Reject  $H_0$  and Accept  $H_1$

The computed chi-square value of 44.11 shows a clear difference between the located information and the predicted results. The means the variables are likely related to each other, indicating a significant association rather than independence.

**Chi-Square Test – (risk preference)**

**Step 1:** The purpose of this test is to find out whether gender is related to risk preference.

**Step 2: The hypotheses for the study are stated as follows:**

**H<sub>0</sub> (Null Hypothesis):** There is no meaningful connection between gender and risk preference.

**H<sub>1</sub> (Alternative Hypothesis):** There is a significant connection among gender and risk preference.

**Step 3: Observed values of the study**

Table 8

Risk Types	Men	Women	Row Total
Low risk	17	42	59
Moderate risk	27	15	42
High risk	9	1	10
Very high risk	1	0	1
Column Total	54	58	112

**Step 4: Working out the Expected Value**

Expected values are found using a standard formula. Each anticipated fee is calculated by multiplying the total of its row by column, and then dividing the result through the general grand total.

$$E = \frac{\text{Row Total} \times \text{Column Total}}{\text{Grand Total}}$$

Men:  $E = \frac{59 \times 54}{112} = 28.45$   $E = \frac{42 \times 54}{112} = 20.25$   $E = \frac{10 \times 54}{112} = 4.82$   $E = \frac{1 \times 54}{112} = 0.48$   
 Women:  $E = \frac{59 \times 58}{112} = 30.55$   $E = \frac{42 \times 58}{112} = 21.75$   $E = \frac{10 \times 58}{112} = 5.18$   $E = \frac{1 \times 58}{112} = 0.52$

**Step 5: Working of (O-E)<sup>2</sup> / E**

Full working table

Table 9

<i>Risk type</i>	<i>Gender</i>	<i>O</i>	<i>E</i>	<i>(O-E)</i>	<i>(O-E)<sup>2</sup></i>	<i>(O-E)<sup>2</sup> / E</i>
<i>Low risk</i>	<i>Men</i>	17	28.45	-11.45	131.10	4.61
<i>Low risk</i>	<i>Women</i>	42	30.55	11.45	131.10	4.29
<i>Moderate risk</i>	<i>Men</i>	27	20.25	6.75	45.56	2.25
<i>Moderate risk</i>	<i>Women</i>	15	21.75	-6.75	45.56	2.09
<i>High risk</i>	<i>Men</i>	9	4.82	4.18	17.47	3.63
<i>High risk</i>	<i>Women</i>	1	5.18	-4.18	17.47	3.37
<i>Very high risk</i>	<i>Men</i>	1	0.48	0.52	0.27	0.56
<i>Very high risk</i>	<i>Women</i>	0	0.52	-0.52	0.27	0.52
<i>Total</i>		112	112	0	388.8	21.32

**Step 6: Final Result**Calculated  $X^2 = 21.32$ Table value (5%) = **7.815**Degree of freedom = **3**Decision: **21.32 > 7.815**

The chi-square analysis shows that the obtained value (21.32) is higher than the critical table value (7.815) at the 5% significant level. Therefore, the null hypothesis is rejected and the opportunity speculation is accepted. The means there is a meaningful relationship between gender and risk preference. In other words, gender appears to have a notable impact on how much risk investors are willing to take.

**C) Finding & Results of the study**

Based on the primary data gathered from 112 respondents, the following findings was made:

1. The result of the chi-square test indicate that gender plays an important role in influencing investment behaviour.
2. Men respondents show higher preference towards bank deposits, shares, and mutual funds, indicating moderate to high risk-taking ability.
3. Women respondents strongly prefer gold as an investment option, reflecting a safety-oriented approach.
4. The majority of respondents prioritize safety (51.8%) as the main objective of investments, followed by high returns (40.2%)
5. Most respondents prefer low-risk investments (52.7%) indicating a conservative financial attitude.
6. Medium-term investment (1-5 years) is the most preferred duration among respondents.
7. A majority of the participants expressed satisfaction with their investment choices, reflecting a positive approach towards managing their finances.

**V. CONCLUSION**

The study concludes that gender has an important influence on investment behaviour and financial decisions among salaried individuals in Chennai. The statistical result shows a clear link between gender and investment preferences. It was observed that men respondents generally prefer a mix of investment options with moderate risk, whereas women respondents tend to favor safer and more secure investment choices. Overall, the findings emphasize the want to understand these behavioural differences in order to enhance financial planning and improve awareness about investments.

**VI. RECOMMENDATION & SUGGESTIONS OF THE STUDY**

1. Financial institutions should design gender-specific investment plans to meet diverse needs.
2. Awareness programs should be conducted to improve financial literacy among investors.
3. Investors should be motivated to spread their investments across different options to reduce risk and improve overall returns.
4. More emphasis should be given to promoting mutual funds and stock market awareness.
5. Organizations can conduct financial education workshops for salaried employees.

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