

Impact Of Financial Literacy On Investment Decisions Of Women Teachers And Professors In Tenkasi City

Dr. E.Palani¹, Rahumath Nisha. M², Dr. N.Sankara Gomathi³

¹Assistant Professor, Department of Commerce, Sri K.G.S. Arts College, Srivaikundam 628619, Affiliated to Manonmaniam Sundaranar University, Tirunelveli - 627012.

²Part time Research Scholar, Reg. No. 22221071012005, Department of Commerce, The M.D.T. Hindu College, Pettai, Tirunelveli. Affiliated to Manonmaniam Sundaranar University, Tirunelveli - 627012.

³Assistant professor, Department of Commerce, The M.D.T. Hindu College, Pettai, Tirunelveli. Affiliated to Manonmaniam Sundaranar University, Tirunelveli - 627012.

Financial literacy plays a vital role in shaping the investment decisions of women educators, enabling them to make informed financial choices that ensure long-term security and wealth accumulation. This study examines the impact of financial literacy on the investment decisions of women teachers and professors in Tenkasi City, analyzing their financial knowledge, investment preferences, and challenges. Using a descriptive research design, data was collected from 100 respondents through a structured questionnaire and analyzed using SPSS. The findings reveal that while women educators have a basic understanding of financial concepts, many struggle with digital investment awareness, risk assessment, and fear of financial loss, leading them to rely on traditional savings methods. An independent t-test showed no significant difference between teachers and professors in investment behavior, indicating a uniform impact of financial literacy across both groups. Key recommendations include financial literacy workshops, personalized financial counseling, digital investment training, and simplified advisory services to enhance their financial confidence. Strengthening financial education among women educators will empower them to make better investment decisions, secure their financial future, and promote financial awareness within their communities.

Key words: Financial Literacy, Women investors, Financial awareness, Saving behavior.

Introduction

Women have become an essential part of the workforce, contributing to various sectors and playing a crucial role in the economic development of a nation. Among them, teachers and professors hold a special place as they shape the future of society by educating and mentoring students. Despite their stable income and job security, their approach to financial management and investment decisions varies significantly. Many women educators tend to focus on savings rather than exploring diverse investment options, often due to a lack of financial awareness or confidence in market-based instruments. While some opt for traditional investments like fixed

deposits and gold, others, especially those with higher financial literacy, consider mutual funds, stocks, and digital investments.

Financial literacy refers to the ability to understand and apply financial concepts such as budgeting, investing, and risk management. It is a critical skill that helps individuals make informed financial decisions, ensuring long-term financial stability. For women teachers and professors, financial literacy is particularly important as it enables them to manage their earnings efficiently, plan for retirement, and build wealth. With rising inflation and evolving investment opportunities, having adequate financial knowledge can help them identify safe and profitable investment avenues. Unfortunately, studies have shown that many working women, including educators, have limited financial awareness, which restricts their ability to maximize their income potential.

The level of financial literacy directly impacts investment decisions, influencing whether an individual chooses traditional savings methods or modern financial instruments. Women educators with higher financial knowledge are more likely to invest in diversified portfolios, balancing risk and return effectively. In contrast, those with low financial literacy may avoid market-linked investments due to fear of loss or lack of understanding. This gap in financial awareness often results in missed opportunities for wealth creation. Therefore, improving financial literacy among women teachers and professors can empower them to make better investment choices, ensuring financial security and long-term stability.

Statement of the problem

For working women, investment is not just about saving money it is a crucial step helping them achieves financial security, meet future expenses, and maintain independence. Teachers and professors, despite having stable jobs and fixed incomes, need proper investment planning to ensure long-term financial stability. With increasing living costs, unexpected emergencies, and retirement planning, having a well-structured investment portfolio is crucial. Since their salaries may not grow significantly over time, investing in profitable financial instruments can help them build wealth and safeguard their financial well-being. By making informed investment choices, they can protect their earnings from inflation and unexpected financial challenges, ensuring a stable and secure future.

Without adequate financial literacy, women teachers and professors face multiple challenges in making investment decisions. Many of them rely on traditional savings methods like fixed deposits and gold, avoiding stock markets and mutual funds due to fear and lack of awareness. They may struggle to evaluate risks, diversify their investments, or choose suitable financial products. Additionally, the lack of financial knowledge exposes them to fraudulent schemes and poor financial choices that can impact their economic stability. As a result, they often miss out on opportunities for wealth accumulation and financial growth, limiting their financial security in the long run.

For these reasons, the researcher aims to study the impact of financial literacy on the investment decisions of women teachers and professors in Tenkasi City. This study seeks to answer the following key research questions:

- ★ What is the level of financial literacy among women teachers and professors in Tenkasi City?
- ★ How does financial literacy influence their investment decisions?
- ★ What challenges do they face while making investment choices?
- ★ What steps can be taken to improve financial awareness among women educators?

Scope of the study

This study explores how financial literacy influences the investment decisions of women teachers and professors in Tenkasi City. The city was selected due to its increasing number of educational institutions, where many women are employed as educators. Although they have stable incomes, not all of them may possess the financial knowledge needed to make well-informed investment choices. By focusing on this group, the study aims to understand their financial habits, the challenges they face, and the importance of improving financial education programs in the region.

Some of the most notable areas within the research focus are the investing choices made, the level of literacy, and the challenges that women teachers experience regarding their financial decisions. Because the scope concentrates on female educators and professors, other men and women in different professions are left out. In addition, the study does not cover any form of analysis whether it be fundamental or technical of the financial markets or some specific investment products. Instead, it focuses on the impact of financial literacy on investment decision making and suggests methods to enhance the level of financial literacy among female educators.

Objectives of the Study

- ❖ To assess the financial literacy of women teachers and professors in Tenkasi City.
- ❖ To examine the impact of financial literacy on their investment choices.
- ❖ To identify the challenges faced by women educators in making investment decisions.
- ❖ To suggest ways to improve financial literacy and support better investment decisions.

Research methodology

This study follows a descriptive research design to analyze the impact of financial literacy on the investment decisions of women teachers and professors in Tenkasi City. The study is based on a sample size of 100 respondents, selected using a convenient sampling technique to ensure easy access to participants. Primary data was collected through a structured questionnaire, which included questions on financial literacy levels, investment preferences, and challenges faced while making investment decisions. Additionally, secondary data was gathered from research papers, financial reports, and official publications. The study was conducted over a period of three months (From February 2024 to April 2024) to ensure accurate and up-to-date findings. The collected data was analyzed using SPSS..

Financial literacy of women teachers and professors

Table No.1 Financial literacy of women teachers and professors

Financial literacy	Total	Average	Rank
Basic Financial Knowledge			
Understanding of savings, inflation, and interest rates.	393	3.9	II
Knowledge of different investment options	414	4.1	I
Awareness of inflation's impact on savings	284	2.8	V
Ability to calculate interest on savings/loans.	351	3.5	III
Ability to interpret bank statements	309	3.1	IV
Investment Awareness & Confidence			
Confidence in making investment decisions.	319	3.2	IV
Awareness of risks and returns of investments	407	4.1	II
Following financial news for informed decisions	315	3.6	III
Seeking expert advice before investing.	447	4.5	I
Understanding of investment diversification.	289	2.9	V
Budgeting & Financial Planning			
Maintaining a monthly budget	486	4.9	I
Having a clear financial/retirement plan	375	3.8	IV
Regularly saving a portion of income	469	4.7	II
Awareness of tax-saving investments	424	4.2	III
Having an emergency fund	361	3.6	V
Digital & Modern Financial Literacy			
Comfort with online banking and financial apps	443	4.4	II
Knowledge of digital investment platforms	347	3.5	IV
Awareness of financial frauds and precautions	369	3.7	III
Wise use of credit/debit cards and digital payments	463	4.6	I

Familiarity with government financial schemes	332	3.3	V
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Source: Computed Data

From the above table, shows the result of Financial literacy of women teachers and professors the ranks are calculated with the help of mean score. In Basic Financial Knowledge, the first rank goes to Knowledge of different investment options (4.1) followed by Understanding of savings, inflation, and interest rates (3.9), Ability to calculate interest on savings/loans (3.5), Ability to interpret bank statements (3.1) and Awareness of inflation's impact on savings (2.8).

In Investment Awareness & Confidence the first rank occupied by Seeking expert advice before investing (4.5), followed by Awareness of risks and returns of investments (4.1), Following financial news for informed decisions (3.6), Confidence in making investment decisions (3.2) and Understanding of investment diversification (2.9).

In Budgeting & Financial Planning, the first rank goes to Maintaining a monthly budget (4.9) followed by Regularly saving a portion of income (4.7), Awareness of tax-saving investments (4.2), Having a clear financial/retirement plan (3.8) and Having an emergency fund (3.6)

In Digital & Modern Financial Literacy, the first rank goes to Wise use of credit/debit cards and digital payments (4.6) followed by Comfort with online banking and financial apps (4.4), Awareness of financial frauds and precautions (3.7), Knowledge of digital investment platforms (3.5), and Familiarity with government financial schemes (3.3).

Impact of financial literacy on their investment choices**Table No. 2 Impact of financial literacy on their investment choices**

Impact	Occupation		T Statistics	Sig. Value
	Teachers	Professors		
Positive Impact				
I make better investment decisions because of financial knowledge	2.11	2.37	3.164	.158
I feel confident while choosing investment options.	2.48	2.18	7.214	.234
I understand risks and returns before investing.	2.39	2.02	3.785	.656
I invest in different options to avoid big losses.	2.05	2.80	4.340	.376
I plan my investments for future needs like retirement	3.14	2.64	1.029	.159
Negative Impact				
I depend on others to decide where to invest.	3.34	2.70	2.005	.156

I avoid stocks and mutual funds because of fear.	3.14	2.28	1.472	.754
I prefer only fixed deposits and gold for safety.	2.86	2.63	3.825	.432
I find it hard to understand investment details.	2.89	1.63	1.686	.521
I missed good investment chances due to lack of knowledge.	2.11	2.56	2.519	.341

Source: Computed Data

The above table reveals the result of Impact of financial literacy on their investment choices with the help of independent sample T test. The p value of all the variables is more than the 0.05. Hence, the null hypothesis is accepted. That means it concludes that occupation of the respondents does not significantly differ from Impact of financial literacy on their investment choices.

Challenges faced by women educators in making investment decisions

TABLE NO. 3.1

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.935
Bartlett's Test of Sphericity	Approx. Chi-Square	831.76
	Df	435
	Sig.	.000

Source: Computed Data

Table 3.1 shows that the KMO is 0.935 which is more than 0.05 can be considered acceptable and valid to conduct data reduction technique. In simple words the value of KMO (0.935) indicates that the degrees of common variance among the variables are fairly high and therefore factor analysis can be conducted.

TABLE NO. 3.2 ROTATED FACTOR MATRIX

S. No	Challenges	F1	F2	F3	F4	F5
1	Lack of financial knowledge	.684	.193	.123	.183	.051
2	Difficulty in understanding investment options	.736	.191	.100	.208	.022
3	Limited knowledge of tax-saving options	.664	.237	.098	.124	.031
4	Fear of losing money	.167	.940	.099	.120	.075
5	Hesitation in financial risk	.021	.649	.056	.036	.092
6	Fear of fraud or scams in investments	.001	.693	.054	.034	.091
7	Dependence on others for investment decisions	.143	.011	.683	.081	.140
8	Preference for traditional investments only	.119	.004	.773	.114	.132
9	Low awareness of digital investment platforms	.133	.032	.774	.059	.047
10	Struggle in tracking and managing investments	.149	.132	.107	.820	.001
11	Lack of time for financial planning	.126	.158	.087	.815	.037

12	Influence of misleading financial advice	.164	.175	.126	.788	.018
13	Difficulty in assessing investment risks	.122	.184	.118	.008	.808
14	Limited access to financial education programs	.109	.184	.081	0.104	.791
15	Lack of confidence in financial planning	.268	.128	.075	.082	.759

Source: Computed Data

The principal component analysis is used for initial interaction with the help of SPSS Package. The above table presents the factor loading of each variables. Here the researcher extracted five challenges out of 15 challenges with the help of rotated factor matrix. These five factors with suitable names are given below:

F1- Knowledge Gap.

F2- Risk Aversion

F3- Investment behaviour

F4- Financial planning challenges

F5 – Accessibility issue

The factors and variables within those challenges are presented in the below.

F1- Knowledge Gap.:

Lack of financial knowledge, Difficulty in understanding investment options and Limited knowledge of tax-saving options. The equivalent factor loadings are 0.684, 0.736, and 0.664 respectively.

F3- Investment behaviour:

Dependence on others for investment decisions, Preference for traditional investments only and Low awareness of digital investment platforms. The equivalent factor loadings are 0.683, 0.773, and 0.774 respectively.

F4- Financial planning challenges:

Struggle in tracking and managing investments, Lack of time for financial planning and Influence of misleading financial advice. The equivalent factor loadings are 0.820, 0.815, and 0.788 respectively.

F5 – Accessibility issue:

Difficulty in assessing investment risks, Limited access to financial education programs and Lack of confidence in financial planning. The equivalent factor loadings are 0.808, 0.791 and 0.759 respectively.

Leading Challenges faced by women educators in making investment decisions

TABLE NO. 3.4 Leading Challenges faced by women educators in making investment decisions

Factor	Variable	Factor loading
F1	Difficulty in understanding investment options	0.736
F2	Fear of losing money	0.940
F3	Low awareness of digital investment platforms	0.774
F4	Struggle in tracking and managing investments	0.820
F5	Difficulty in assessing investment risks	0.808

Source: Computed Data

It is evident from the above table that the statement Difficulty in understanding investment options. with factor loading of 0.736, Fear of losing money with factor loading of 0.820, Low awareness of digital investment platforms with factor loading of 0.774, Struggle in tracking and managing investments with factor loading of 0.820, Difficulty in assessing investment risks with factor loading of 0.808, are the statements with the higher loading factors of F1,F2,F3, F4 and F5 respectively. Therefore, these are the identified five challenges, which are mainly faced by women educators in making investment decisions.

Strategies to Improve Financial Literacy and Investment Decisions

Table No. 4 Strategies to Improve Financial Literacy and Investment Decisions

Strategies	Total	Average	Rank
Conduct investment awareness workshops.	209	2.1	VII
Provide digital financial literacy training	287	2.9	V
Offer simplified financial advisory services	465	4.7	I
Include financial planning in teacher training.	258	2.6	VI
Introduce tax-saving investment guidance	320	3.2	IV
Ensure access to personalized financial counseling.	426	4.3	II
Promote government-supported financial programs.	347	3.5	III

Source: Computed Data

From the above table, the ranks are calculated by the help of mean score. Offer simplified financial advisory services (4.7) got the 1st rank, 2nd rank goes to Ensure access to personalized financial counseling (4.3), 3rd rank occupied by Promote government-supported financial programs (3.5), 4th rank goes to Introduce tax-saving investment guidance (3.2), Provide digital financial literacy training (2.9) got 5th rank, 6th rank occupied by Include financial planning in teacher training (2.6), and 7th rank goes to Conduct investment awareness workshops (2.1).

Findings

1. Financial Literacy Levels Among Women Educators

- ❖ Basic Financial Knowledge: Knowledge of different investment options ranked highest (4.1).
- ❖ Investment Awareness & Confidence: Seeking expert advice before investing ranked highest (4.5).
- ❖ Budgeting & Financial Planning: Maintaining a monthly budget ranked highest (4.9).
- ❖ Digital & Modern Financial Literacy: Wise use of digital payments ranked highest (4.6).

2. Impact of Financial Literacy on Investment Choices

- ✓ Independent T-Test results show no significant difference between teachers and professors ($p > 0.05$).
- ✓ Financial literacy impacts investment choices similarly for both groups.

3. Key Challenges in Investment Decisions

Difficulty in understanding investment options (0.736). Fear of losing money (0.820). Low awareness of digital investment platforms (0.774). Struggle in tracking and managing investments (0.820). Difficulty in assessing investment risks (0.808). These are the main challenges faced by women educators in making investment decisions.

4. Suggested Strategies to Improve Financial Literacy

Offer simplified financial advisory services (4.7) was the top recommendation. Respondents suggested that this strategy needs improvement to better support financial literacy enhancement

Suggestions

- Conduct regular financial literacy workshops for women educators to improve their understanding of investment options and risk management.
- Introduce interactive financial education programs tailored for teachers and professors.
- Provide personalized financial counseling to help women educators make informed investment choices.
- Develop investment guides specifically designed for teachers and professors to reduce their dependence on others.
- Promote digital financial literacy training to increase awareness of online investment platforms.
- Ensure user-friendly financial applications are introduced and explained through hands-on sessions.
- Offer simplified investment advisory services that address common concerns about losing money.

- Organize awareness campaigns to educate women about fraud prevention and safe investment practices.
- Integrate basic financial management courses into teacher training programs.
- Encourage schools and colleges to facilitate financial planning sessions to help educators track and manage their investments effectively.

Conclusion

Financial literacy plays a crucial role in shaping the investment decisions of women educators. The findings reveal that while teachers and professors have a basic understanding of financial concepts, challenges such as a lack of digital investment awareness, fear of financial loss, and difficulty in assessing risks hinder their confidence in making investment choices. The study also indicates that financial literacy impacts investment decisions similarly for both groups, with no significant difference based on occupation. These challenges highlight the need for targeted financial education and personalized advisory support to empower women educators in making informed financial decisions.

To address these gaps, the study suggests implementing structured financial literacy programs, enhancing access to digital investment platforms, and providing simplified advisory services. Encouraging financial planning sessions, fraud prevention awareness, and personalized counseling can significantly improve their financial confidence. By strengthening financial literacy among teachers and professors, they can make well-informed investment decisions, secure their financial future, and serve as role models in promoting financial awareness within their communities.

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