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## A study on factors influencing investment decisions of rural women with special reference to Kodagu district

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### Abstract

This study looked at the several things that affect rural women's investment choices in the Kodagu area of Karnataka. It focused on things like financial literacy, understanding of investments, family, socioeconomic status, and societal norms. Financial literacy and education are very important because they give women the tools they need to look into a variety of safe and risky investment possibilities. Researchers are starting to write down these things about how women make financial decisions since there are so many things that affect how people invest, such as peer pressure and how they see risk and confidence. But there isn't enough scholarly study on the social and psychological factors that affect rural women's financial decisions. To best represent the work in the home-based network model, this study used exploratory and descriptive social research and collected primary data from 200 rural women who were chosen by convenience sampling in the five taluks of Kodagu district: Madikeri, Somwarpet, Virajpet, Kushalanagar, and Ponnampet. The interdisciplinary study approach uses a mixed sampling strategy to look at how social factors affect people's abilities from multiple points of view and experiences. However, the results only highlight a few elements that affect investment decisions. Overall, the results show that socioeconomic status and financial literacy have a big effect on how people invest. However, psychological and family normative social factors, as well as community normative social factors, also have a big effect on women's economic empowerment by either helping or hindering their full growth. The research's results suggest that communities should help each other, that there should be established financial support networks, that there should be training programs, and that people should learn about money.

**Keywords:** Family impact, community norms, socio-economic status, financial literacy, investment awareness

### Introduction

The financial path of rural women in Kodagu District is a mix of hopes, reality, and lessons learned. Their financial choices are not made in a vacuum; they are heavily influenced by family expectations, community beliefs, and the realities of living in the country. Every choice is the result of carefully weighing the desire to make sure their families have a better future, the cautious curiosity about new chances, and the comfort of tried-and-true solutions. Many women still choose bank deposits, gold, and livestock because they feel safe and because of a sense of tradition. This is often supported by the advice of family and friends. This is true even though more and more people are learning about modern financial tools like mutual funds and insurance.

Education and financial literacy are two strong aspects that can help people feel more confident and willing to try new things. Women who have learned more about how to handle money are more inclined to spread out their investments in order to have both growth and stability. But many people can't feel financially confident because of things like not having enough information, always being skeptical, and needing other people to tell them what to do. By teaching these women about money and giving them more investing choices that are easy to find, we can help them take charge of their financial destinies.

### Review of the Literature

**Sajiya Shahin, Sanjana Das, Shreeyansh Mishra, Shrishti Sinh, Shruti Gupta, and Dr. Suresh Kumar Pattanayak (2025)** <sup>[4]</sup>: "A Study of Factors Influencing Investment Decisions of Working Women in Raipur City". It is based on a structured survey of a group of educated

and working women investors in Raipur. The results reveal that a person's emotional attachment, where they get their financial information, how they see risk, their quality of life, and their ability to make decisions all have a big impact on the investments they make.

**Shailashree K. and P. S. Aithal (2024)** <sup>[2]</sup>: "The Influence of Socio-Economic Factors on Savings and Investment Decisions of School Teachers - A Study with Reference to Women Teachers in Kodagu District of Karnataka." helps women instructors figure out what things have a bigger impact on their choices to save and invest. It also helps people who set investment policies focus on areas that will get women instructors to invest in them.

**S. Sreelakshmi, Nayana Rajeevan, and K. G. Rajani (2022)** <sup>[3]</sup>: "A study on investment behavior among rural working women with special reference to Ernakulam District", looks at the things that affect investment decisions, the way people are currently investing, and how much people know about investing. The survey found that many women are solely using traditional investment alternatives because they want to keep their risk low, even though they know about other good investment opportunities.

**Goutam Sadhu, Arindam Das, and Hemanta Kumar Mishra (2020)** <sup>[4]</sup>: "Factors Influencing Women's Decision-Making Authority and Autonomy in Rural Rajasthan," shows that women who didn't take part in the decision-making process had less autonomy than women who made their own decisions. Schedule Caste and Schedule Tribes were also significant for low autonomy, but Schedule Caste had more autonomy than medium autonomy.

**Batool Muhammad Hussain, Umair Baig, Syed Babar Ali, and Saba Zehra (2020)** <sup>[5]</sup>: "An Empirical Investigation on Factors Influencing upon Investment Decision of Women Entrepreneurs" found that social and behavioral factors, as well as women's unique investment attitudes toward available options, especially during times of uncertainty, affect their investment decisions. It's interesting to notice that they are risk-averse, sometimes don't have government incentives, and deal with political upheaval, all of which restrict them from making smart investments.

### Research gap

There isn't much attention paid to the behavioral and psychological factors that affect rural women's investing decisions in Kodagu, even though they have a big impact. These include peer pressure, risk perception, and confidence.

**Problem of the Statement:** In India, especially in the

Kodagu area of Karnataka, rural women are vital to their families and communities, but their investment choices are often ignored. Even though there are more initiatives to give women more authority and help them have access to financial services, many still face problems such not being able to get official financial services, cultural barriers, and not knowing enough about money. They still don't have much freedom and have to rely on male family members to make financial decisions. There are several things that affect how they invest, such as how much they know about risk, how much money they make, how much education they have, and how confident they are. However, not much is known about these things.

### Scope of the study

These problems and come up with solutions that will help women in rural areas become financially independent and economically empowered for the long run. The study's limits This study is based on information from 200 rural women from the five main taluks in Kodagu district: Madikeri, Somwarpet, Virajpet, Kushalanagar, and Ponnampet. The study wants to look at a representative and varied sample to find out what factors affect rural women's investment decisions in the area.

### Research Question

How do rural women's levels of confidence and risk perception affect their willingness to invest in official financial products?

### Objective of the study

The main purpose of the study is to find the socioeconomic elements that affect rural women's investment choices in the Kodagu district.

### Hypothesis of the study

- **H<sub>0</sub>:** Financial literacy does not have a big effect on the investment choices of rural women in Kodagu area.
- **H<sub>1</sub>:** The financial literacy of rural women in the Kodagu district has a big effect on their investment choices.

**Research Methodology:** The goal of this study is to test the idea that women in rural areas of Kodagu district make important investment choices based on how well they understand money. The null hypothesis (H<sub>0</sub>) says that financial literacy doesn't have a big effect, while the alternative hypothesis (H<sub>1</sub>) says that it does. We will collect information from 200 rural women in five taluks using convenience sampling and a structured questionnaire. Descriptive statistics will be used to sum up the participants' investment habits and level of financial literacy.

### Data Analysis and Interpretation

**Table 1:** Demographic Profile of the Respondents

Sl. No.	Variables	Categories	Frequency	%	Cumulative%
1	Age	18-25	39	18.9	18.9
		26-35	38	19.4	38.3
		36-45	48	24.5	62.8
		46-55	32	15.3	78.1
		Above 56	43	21.9	100.0
2	Marital status	Single	36	17.3	17.3
		Married	140	71.4	88.8

		Widowed	24	11.2	100.0
3	Type of family	Nuclear	164	83.7	83.7
		Joint family	36	16.3	100.0
		Primary	41	20.9	20.9
4	Educational status	Secondary	30	15.3	36.2
		PUC	34	17.3	53.6
		Diploma	5	0.5	54.1
		Graduation	52	26.5	80.6
		PG	38	19.4	100.0
5	Mother tongue	Kannada	116	57.1	57.1
		Kodava	54	27.6	84.7
		Tamil	3	1.5	86.2
		Malayalam	12	6.1	92.3
		Tulu	2	1.0	93.4
		Urdu	8	4.1	97.4
6	Religion	Other.....	5	2.6	100.0
		Hindu	183	93.4	93.4
		Muslim	12	5.1	98.5
		Christian	5	1.5	100.0
7	Category	Others	0	0	0
		SC	39	19.9	19.9
		ST	10	5.1	25.0
		OBC	146	72.4	97.4
8	Monthly income	Others	5	2.6	100.0
		Below 20,000	89	44.9	46.0
		20,001 - 40,000	74	37.4	83.3
		40,001 - 60,000	17	8.6	91.9
		60,001- 80,000	2	1.0	92.9
		Above 80,001	1	0.5	93.4
9	Family Annual Income	Non	13	6.6	100.0
		Below 2,00,000	91	45.4	45.4
		2,00,001 - 4,00,000	59	29.1	74.5
		4,00,001 - 6,00,000	34	17.3	91.8
		6,00,001- 8,00,000	11	5.6	97.4
10	Occupation	Above 8,00,001	5	2.6	100.0
		Salaried	108	54.1	55.1
		Business	89	44.4	87.5
		Home Maker	2	1	98.7
		Wages	1	.5	100.0

## Interpretation

### Demographic Profile of Respondents

The respondents are primarily middle-aged and older, with the largest groups aged 36-45 (24.5%) and above 56 (21.9%), and most are married (71.4%) and live in nuclear families (83.7%). Educationally, graduates (26.5%) and those with primary education (20.9%) are most common, alongside postgraduates (19.4%) and PUC holders (17.3%), indicating a relatively educated sample. Linguistically, Kannada (57.1%) and Kodava (27.6%) are the main mother tongues, with other languages present in smaller shares. This demographic profile reflects a stable, family-oriented, and linguistically diverse group with a strong educational background.

### Socio-Economic Characteristics

The respondents were predominantly Hindu (93.4%), with few Muslims (5.1%) and Christians (1.5%). Socially, OBCs (72.4%) were most common, followed by SC (19.9%) and ST (5.1%). Monthly, 44.9% earned below ₹20,000, 37.4% between ₹20,001-₹40,000, and 8.6% above ₹40,000; 6.6% reported no income. Annually, 45.4% earned below ₹2,00,000, 29.1% between ₹2,00,001-₹4,00,000, and 17.3% between ₹4,00,001-₹6,00,000; higher incomes were rare. This profile reflects a sample of mainly OBC Hindus with

modest to middle incomes and a stable, family-oriented background.

### Hypothesis Testing

H<sub>0</sub>: Financial literacy has no significant impact on the investment decisions of rural women in Kodagu district.

H<sub>1</sub>: Financial literacy has a significant impact on the investment decisions of rural women in Kodagu district.

**Table 2:** One Way ANOVA Result

Factors	F	Sig.
Bank fixed deposit	2.342	.056
Public provident fund	2.200	.070
Corporate bond	1.473	.212
Government bond	1.033	.392
Mutual funds	.779	.540
Post office	3.277	.013
Real estate	.237	.917
Gold	3.442	.010
Equity shares	3.244	.013
Insurance	5.824	<.001
Pigmy	2.613	.037
Invest in instalment	.713	.584
Friends	2.081	.002
Social media	1.984	.099

The F-values indicate the variance explained by each factor, while the p-values (Sig.) determine the statistical significance.

Analysis via one-way ANOVA revealed that the overall F-value was not statistically significant at the 5% level, leading to acceptance of the null hypothesis that rural women in Kodagu district are not economically empowered. While certain indicators such as insurance, gold, equity shares, post office, and pigmy investments showed significant differences ( $p < 0.05$ ), and a few others (bank fixed deposits, public provident funds) were marginally significant ( $p < 0.1$ ), most factors showed no significant difference ( $p > 0.05$ ). This indicates limited economic empowerment among rural women in Kodagu, emphasizing the need for focused interventions to improve their economic status.

### Findings of the study

1. The respondents are broadly distributed across adult age groups, with the largest proportion aged 36-45 years (24.5%), married (71.4%), nuclear families are predominant (83.7%), graduates (26.5%) and those with primary education (20.9%) are most common, alongside postgraduates (19.4%), OBCs are the largest group (72.4%), nearly half (44.9%) earn below ₹20,000 per month, while 37.4% earn between ₹20,001 and ₹40,000, with 45.4% earning below ₹2,00,000, 29.1% between ₹2,00,001 and ₹4,00,000 and the majority are salaried (54.1%) or in business (44.4%), with very few homemakers (1%) and wage earners (0.5%).
2. The findings indicate that, for the majority of investment options, financial literacy does not have a statistically significant impact on the investment decisions of rural women in Kodagu district. Although a few specific investment behaviours show significant differences, the overall evidence supports the acceptance of the null hypothesis. Therefore, it can be concluded that financial literacy, as measured in this study, does not significantly influence the investment decisions of rural women in Kodagu district, except in a limited number of specific cases.
3. The results of the hypothesis testing indicate that the null hypothesis ( $H_0$ ) cannot be rejected, suggesting that financial literacy has no significant impact on the investment decisions of rural women in Kodagu district. The lack of financial knowledge is evident in various aspects including mutual funds, investment in instalments, insurance and real estates. These findings are consistent with previous studies that highlighted the financial literacy faced by the rural women in Kodagu District.
4. The findings are concerning, given the low level of annual and monthly income of the family. This suggests that financial literacy is not sufficient to guarantee the investment decisions. Other factors like individual standard of living, marital status, occupation and the individual income, will also play a vital role.
5. The absence of the investment decisions among the rural women in Kodagu District can be developed by suggesting the vocational training programs that enhance their skills and decision-making ability that promotes them to invest and increase their savings by their proper investment decisions.

### Suggestions

Given the insights from the study, it's clear that rural women in Kodagu district could greatly benefit from hands-on vocational training and financial empowerment programs. These initiatives should go beyond theory, helping women build real-life skills in budgeting, saving, and smart investing especially in areas like mutual funds, real estate, and insurance where many feel uncertain. By linking financial literacy with income-generating opportunities, these programs can boost not only their knowledge but also their confidence to make informed decisions. Most importantly, these efforts should be tailored to each woman's unique situation taking into account her income, family role, and occupation to truly support her journey toward financial independence and security.

### Conclusion

The study on the factors influencing investment decisions of rural women in Kodagu district paints a revealing and thought-provoking picture. While these women display strength, courage, and a natural instinct to save often choosing safe options like gold, bank deposits, and post office schemes their investment choices are largely shaped by limited financial awareness and socio-economic constraints. Surprisingly, financial literacy alone does not significantly influence their decisions, highlighting the role of other vital factors like income levels, occupation, marital status, and overall standard of living. This underscores the need for more relatable, community-based financial education and hands-on training that speaks to their everyday realities. Empowering rural women to invest wisely isn't just about teaching finance it's about building trust, confidence, and giving them a voice in their financial future. With the right guidance and support, these women have the potential to become not just savers, but smart investors and change-makers in their communities.

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