

# Exploring the Female Lens: Insights into Sustainable Investment Behaviour

Sanhati Sengupta\*, Ittequa Turkan\*\*, Sarbani Mitra\*\*\*

## Abstract

The growing emphasis on sustainability in financial markets has led to a significant shift toward investments that align with environmental, social and governance (ESG) principles. However, the role of gender in sustainable investment behaviour remains underexplored. This study examines the key determinants influencing sustainable investment decisions among women, with a particular focus on risk perception, financial literacy and motivational factors. Using empirical data from working women in India, the research highlights how gender-specific barriers, including limited financial education and societal norms, impact investment choices. The findings indicate that women's engagement in sustainable finance is significantly shaped by risk aversion, ethical considerations and access to financial knowledge. Addressing these challenges through tailored financial literacy programmes and inclusive investment frameworks can enhance women's participation in sustainable finance. The study contributes to the broader discourse on financial inclusion and gender equity in investment, offering insights for policymakers and financial institutions seeking to promote sustainability-driven economic growth.

**Keywords:** Sustainable Investment, ESG Principles, Gender Differences, Financial Literacy, Risk Perception, Women Investors

## Introduction

Sustainable investment, which integrates environmental, social and governance (ESG) criteria into investment decisions, has evolved from a niche market to a nearly mainstream investment strategy in recent years (Eurosif, 2018; US SIF, 2018). This shift is driven by the growing recognition that capital flows must be redirected to

achieve global sustainability goals, particularly in addressing unmet climate change investment needs for mitigation and the transition to a low-carbon economy (OECD, 2017). As the urgency to meet the United Nations' Sustainable Development Goals (SDGs) intensifies, the role of private capital becomes increasingly pivotal. Sustainable investment, therefore, entails more than simply generating competitive financial returns; it also aims to foster positive contributions to environmental protection, social equity and good governance.

Despite the growing body of literature on sustainable investment behaviour, there remains a significant gap in gender-specific analysis, especially concerning women's engagement with sustainable finance. Assuming that gender has no discernible impact on investment attitudes or decisions, a large portion of the current research aggregates data from both male and female investors (Lyon & Montgomery, 2015). This approach fails to account for the distinct barriers women may face in the investment process, including cultural and societal expectations, gendered financial socialisation and access to investment opportunities. These factors can shape women's perceptions of sustainable finance, potentially leading to different investment priorities, risk tolerance and decision-making processes compared to their male counterparts. Thus, understanding the unique challenges and opportunities faced by women investors is critical to enhancing their participation in sustainable investing.

The degree of financial literacy among women is a related area of concern, particularly in emerging economies like India, where access to financial education is often limited. Investment behaviour has long been shown to

\* PhD Scholar (SRF), Department of Business Management, University of Calcutta, West Bengal, India.  
Email: sanghatisngpt1@gmail.com

\*\* PhD Scholar (SRF), Department of Commerce, University of Calcutta, West Bengal, India.  
Email: ittequa.141@gmail.com

\*\*\* Professor and Head, Department of MBA-HRM, Indian Institute of Social Welfare and Business Management, West Bengal, India. Email: sarbani\_IISWBM@yahoo.co.in

be influenced by financial literacy, with studies showing that people with higher levels of financial knowledge are more likely to engage in investment activities and make informed decisions (Mandell & Klein, 2009). However, research indicates that women, especially in developing economies, tend to have lower levels of financial literacy than men, which may prevent them from engaging with complex investment opportunities like sustainable finance (Lusardi & Mitchell, 2014; Banerjee & Duflo, 2007). Women are under-represented in sustainable investment markets, and this gender disparity in financial literacy may be a major contributing cause. Customised financial literacy initiatives that cater to the unique requirements and worries of female investors—especially those residing in underprivileged or rural regions—may be able to close this disparity. Women could be better able to engage in the expanding sustainable finance industry if these programmes give them the information and abilities they need to make wise, sustainable investment choices. Knowing the elements that influence sustainable investment choices is crucial in this changing financial environment.

Women are under-represented in sustainable investment markets, and this gender disparity in financial literacy may be a major contributing cause. Customised financial literacy initiatives that cater to the unique requirements and worries of female investors—especially those residing in underprivileged or rural regions—may be able to close this disparity. Women could be better able to engage in the expanding sustainable finance industry if these programmes give them the information and abilities, they need to make wise, sustainable investment choices. Knowing the elements that influence sustainable investment choices is crucial in this changing financial environment. This is particularly true for individual investors, whose decisions are crucial in directing the necessary capital to achieve a sustainable and equitable global economy. In light of this, this research seeks to explore the key determinants of sustainable investment behaviour, focusing specifically on risk perception, motivational factors, financial literacy and gender dynamics, with an emphasis on the experiences of women investors in India.

In summary, although a lot has been discovered about basic investing practices, more focused studies that concentrate on the relationship between gender and

sustainable finance are desperately needed. Through an analysis of the unique obstacles and prospects encountered by female investors, especially in developing nations such as India, scholars can pinpoint tactics to promote increased financial inclusion and enable women to actively participate in sustainable investment practices. Understanding the unique barriers women encounter, including those related to financial literacy, cultural norms and access to information, will be crucial in promoting more equitable and sustainable investment behaviours and outcomes. This research has the potential to contribute to the broader goal of advancing gender equality in finance while supporting the global transition to a more sustainable economy.

## Literature Review

In the context of sustainable finance, a literature review is especially significant because it demonstrates how different factors influence investment decisions that align with ESG principles. Sustainable finance is essential in addressing global challenges like social inequality and climate change because it directs capital towards projects that have positive long-term outcomes for investors and society. A literature review is a critical synthesis of existing research that offers insights into established knowledge and identifies gaps that warrant further exploration.

In our study, we have meticulously categorised the surveyed literature into four key factors: risk perception, motivational factors, financial literacy and sustainable investment behaviour. This structured approach enables us to delve deeply into each aspect, facilitating a comprehensive understanding of their interrelationships and individual contributions to sustainable investing. By examining these dimensions, we aim to illuminate the complexities of women investor decision-making in the context of sustainability.

Understanding the interplay between risk perception, motivational factors, financial literacy and sustainable investment behaviour is essential for fostering sustainable finance. Risk perception affects how investors evaluate potential returns against the uncertainties of sustainable investments, often influencing their willingness to engage with such options. Motivational factors, including ethical considerations and social influences, drive investor commitment to sustainability, while financial literacy

empowers individuals to make informed decisions that align with their values and financial goals. Together, these factors shape overall investment behaviour, ultimately impacting the success and growth of sustainable finance initiatives. By exploring these dynamics, stakeholders can devise strategies to enhance participation in sustainable investments, fostering a more resilient and equitable financial ecosystem.

## Risk Perception

Risk perception plays a critical role in shaping investors' decisions regarding sustainable investments. Mohammed Nabeel and Sumathy (2023) conducted a survey of 216 Indian investors using snowball sampling to assess the influence of demographic factors on risk attitudes. Their findings indicate that sustainable investments are often perceived as safer than conventional options, influenced by factors such as age, education level and investment experience. This suggests a growing recognition of sustainability as a secure investment avenue. Similarly, Elahi et al. (2023) utilised a Likert-scale questionnaire to gather data from 146 Pakistani stock market investors, employing partial least squares structural equation modelling (PLS-SEM) to analyse the impact of behavioural risk biases—specifically, risk perception, risk-taking propensity and loss aversion—on sustainable investment decisions. Their results reveal that high-risk perceptions can deter investors from pursuing sustainable options. Grumann et al. (2024) conducted a multiple case study analysing publicly available data from the EU renewable energy sector to identify risks faced by retail investors. They identified three primary risk categories: financial instrument risk, investee company risk and operational risk, highlighting the need for better risk communication and regulatory improvements to enhance investor confidence in sustainable finance.

## Motivational Factors

Motivational factors significantly influence sustainable investment behaviours. Gutsche et al. (2020) conducted a framed field experiment with 749 financial decision-makers in Germany, examining the determinants of sustainable investment behaviour. Their analysis revealed that non-financial motivations, such as environmental values and social norms, strongly influence individuals'

preferences for sustainable funds, suggesting that emotional and ethical considerations often take precedence over traditional economic factors. Bernow et al. (2017) conducted over 100 interviews with investment sector leaders to analyse the shift towards sustainable practices, finding that alignment with stakeholder values drives millennials' investment choices, enhancing risk-adjusted returns through ESG integration. Singh and Biswas (2024) explored the effects of economic changes and gender discrimination on women's investment frequency in key metropolitan areas of India. They applied structural equation modelling to data from 690 investors, revealing that social influences and perceptions of gender discrimination significantly enhance investor engagement, underscoring the importance of social context as a motivator for sustainable investing.

## Financial Literacy

Financial literacy emerges as a critical determinant of investment behaviour in the context of sustainability. Wisnu Putra and Eurelia Wayan (2023) examined financial literacy, risk perception and investment preferences among 148 millennials from Jakarta's five municipalities, finding high levels of financial literacy across knowledge, attitude and behaviour dimensions. This literacy positively correlated with their willingness to invest and take calculated risks. Sedliačiková et al. (2020) utilised data from 412 shareholders in Slovakia to analyse cognitive and emotional factors affecting sustainable financial decisions. Their statistical analysis highlighted that cognitive expertise significantly enhances decision-making related to sustainability. Furthermore, Massazza and Jespersen (2022) adopted a behavioural finance perspective in her thesis, using a choice survey with retail and professional investors across Europe to assess the importance of financial and non-financial factors in investment decisions. The findings indicated that sustainability-related objectives carry a substantial weight in decision-making, further underscoring the role of financial literacy in promoting sustainable investment.

## Sustainable Investment Behaviour

Investment behaviour is shaped by a combination of risk perception, motivational factors and financial literacy. Fulton et al. (2012) analysed over 100 academic studies to

investigate how ESG factors influence companies' cost of capital and financial performance. Their findings suggest that firms with strong ESG ratings tend to experience lower financial risk and superior market performance, highlighting the benefits of informed investment choices. Tang (2021) utilised a dataset of over 40,000 firms in 136 countries to explore the impact of green and social finance on firm resilience during the COVID-19 pandemic. His research found that firms with access to green finance exhibited stronger resilience, reflected in higher stock returns and lower financial drawdowns. Väre (2021) examined sustainable investment behaviours among 122 Finnish female investors, finding that social factors were the most valued ESG components. Her analysis revealed that knowledge of investing and familiarity with sustainability reports positively correlate with sustainable investment decisions, illustrating how personal motivations and societal influences shape investment behaviour.

The above literature reveals the intricate relationships between risk perception, motivational factors, financial literacy and investment behaviour within sustainable finance. Understanding these dynamics is essential for stakeholders aiming to promote sustainable investment practices. The insights gained from this review can inform strategies to enhance investor confidence, tailor educational initiatives and align investment frameworks with sustainability objectives, ultimately contributing to a more resilient financial ecosystem.

## Research Gaps

Despite the growing interest in sustainable investing, research often overlooks the specific experiences and challenges faced by women investors. This gap is particularly significant in understanding how gender influences perceptions, motivations and barriers in the sustainable finance space. Examining these aspects is crucial for creating more inclusive investment frameworks that empower women. The following points highlight key areas where further investigation is needed to enhance our understanding of women's perspectives on sustainable investments in India.

Most existing research focuses broadly on investor behaviour without sufficiently disaggregating data by gender. There is a need for studies that specifically target

women investors to understand their unique perceptions, motivations and barriers in the context of sustainable investing.

The influence of cultural norms and societal expectations on women's investment behaviours is under-explored. Understanding how these factors shape women's perceptions of risk and sustainability could provide insights into their investment choices and preferences.

There is a lack of research examining the levels of awareness and understanding of sustainable finance concepts among women in India. Studies could investigate how financial literacy programmes can be tailored to address the specific needs and concerns of women investors.

The availability and accessibility of information regarding sustainable investments for women remain unclear. Research could explore how information asymmetry impacts women's investment decisions and their engagement with sustainable financial products.

In conclusion, addressing these gaps is essential for fostering an inclusive approach to sustainable finance that acknowledges and supports women's unique investment experiences. By exploring these areas, we can enhance financial literacy, accessibility and engagement among women investors in India.

## Research Objectives

Our study aims to explore key factors influencing sustainable investment behaviours, focusing on risk perceptions, motivational drivers and financial literacy. By understanding how these elements interact, we can gain insights into investors' willingness to engage with sustainable finance. Ultimately, this research seeks to contribute to a more comprehensive understanding of the dynamics shaping investment decisions in this critical area.

The prime objectives of the study are as follows:

- To examine how risk perceptions of sustainable investments influence individuals' willingness to invest.
- To investigate the motivational factors that encourages individuals to pursue sustainable

investment behaviours.

- To evaluate the level of financial literacy among investors and its impact on their decision-making processes regarding sustainable investments.
- To develop a conceptual model integrating risk perception, motivation and financial literacy to explain their interrelationships and impact on sustainable investment behaviour.

The findings from this study will provide valuable insights into how risk perceptions and motivational factors shape sustainable investment choices while also highlighting the crucial role of financial literacy. By developing a conceptual model that illustrates these interrelationships, we can better inform strategies for encouraging sustainable investing. This holistic approach may empower investors to make informed decisions that align with their values and contribute to a more sustainable future.

## Research Methodology

This study aims to explore the factors influencing sustainable investment behaviours among working women in India, focusing on risk perceptions, motivational factors and financial literacy. By employing a combination of primary and secondary data collection methods, the research seeks to test key hypotheses and provide insights into the determinants of sustainable investment decisions.

## Research Hypothesis

H<sub>01</sub>: Risk perceptions associated with sustainable investments do not significantly influence individuals' willingness to invest.

H<sub>1</sub>: Risk perceptions associated with sustainable investments significantly influence individuals' willingness to invest.

H<sub>02</sub>: Motivational factors do not have a significant effect on individuals' sustainable investment behaviours.

H<sub>2</sub>: Motivational factors have a significant effect on individuals' sustainable investment behaviours.

H<sub>03</sub>: Financial literacy does not significantly impact investors' decision-making processes with regard to sustainable investments.

H<sub>3</sub>: Financial literacy significantly impacts investors' decision-making processes with regard to sustainable investments.

## Data Collection

### Primary Data

For this study, a purposive sampling method was employed to select participants, specifically targeting working women in India who earn more than ₹25,000 per month. A structured questionnaire was designed to gather relevant data and was distributed electronically via Google Forms to working women investors. A total of 175 questionnaires were distributed, with 120 completed responses returned for analysis.

### Secondary Data

The secondary data for this study was obtained through an extensive review of the existing literature. This included the examination of published papers, various reports, peer-reviewed journals and conference proceedings. Additionally, other reliable and relevant sources were consulted to ensure a comprehensive understanding of the research context.

## Data Analysis and Findings

For conducting research and achieving the objectives of the study, it is crucial to use validated scales, as they ensure the reliability and accuracy of the data collected. The use of such scales is essential to maintain the integrity of the research findings and to support meaningful analysis. Table 1 presents the statements and their respective sources used in this study. Employing validated scales is a fundamental component of the analytical process, as it enhances the credibility of the results and ensures that the measurements are both precise and consistent with the research objectives.

**Table 1: Scales for Research**

<i>Variable</i>	<i>Statements</i>	<i>Source</i>
Risk Perception	I think it is more important to have safe investments and guaranteed returns, than to take a risk to have a chance to get the highest possible returns.	5 point likert scale question based on Kapteyn and Teppa (2011).
	If I think an investment will be profitable, I am prepared to borrow money to make this investment.	
	Do you agree that the rate of return of sustainable equity funds are higher compared to conventional equity funds?	5 Point Likert Scale based on Gutsche et al (2023).
	Please indicate to what extent you agree with the statement “Sustainable equity funds are riskier than conventional equity fund.”	
Motivation	Do you participate in activities that benefit the environment (for example: using sustainable transportation like e-bus and bikes, recycling, saving energy, planting trees, etc.)?	5 Point Likert Scale Based on Rushton et al. (1981) and Dayeh (2024).
	Do you find environmental concerns like climate change and pollution important?	
	You are likely to invest in funds of the company that are more environmentally concerned? (For example, green bonds, sustainable stocks or community development funds)	
	You will donate money for environmental protection causes like waste management for example?	
Financial Literacy	When somebody buys a share of a company, he owns a part of the company	5 point likert scale based on Rooij et al. (2007).
	When somebody buys a share of a company, he has lent money to that company.	
	The equity shares displays fluctuations (often increase and decrease in price) over time	
	If I invest my money in different investment avenues (like shares, bonds, deposits) the risk of losing my money decreases.	
Sustainable Investment Behaviour	Will you invest in sustainable assets like renewable energy companies even if it might generate lower returns?	5 Point likert scale question developed from Barreda-Tarrazona et al. (2011)
	Do you think it is important to make environmentally friendly investments like investment in renewable energy sources or energy efficient companies?	
	You will buy sustainable assets (for example stock in renewable energy company) due to non-financial satisfaction, for example, satisfaction due to environmental wellbeing?	
	To what extent do you agree with the following statement: Investors need to consider and assess the environmental and societal impact of the firm they invest in?	

To test the hypotheses of our research, we conducted a correlation analysis, and the results for all three tested hypotheses are discussed below.

For the first objective of the study, we are testing the following hypothesis:

$H_{01}$ : Risk perceptions associated with sustainable investments do not significantly influence individuals' willingness to invest.

$H_1$ : Risk perceptions associated with sustainable investments significantly influence individuals' willingness to invest.

To test the above hypothesis, we performed a correlation analysis, and the results are discussed below.

The correlation analysis reveals a number of noteworthy associations between risk perceptions and people's willingness to invest in sustainable assets. For example, the correlation between risk perceptions (e.g., “Sustainable equity funds are riskier than conventional equity funds”) and willingness to invest in sustainable assets (“Will you invest in renewable energy even if it generates lower returns?”) was significant and negative ( $r = -0.501$ ,  $p < 0.001$ ,  $r = -0.501$ ,  $p < 0.001$ ). This indicates that people who think sustainable equity funds

are riskier are less likely to invest in sustainable assets, which supports the alternative hypothesis ( $H_1$ ).

Strong negative correlations were observed between risk perception and measures of willingness to invest for non-financial satisfaction ( $r = -0.694$ ,  $p < 0.001$ ) and environmental/societal impact considerations ( $r = -0.509$ ,  $p < 0.001$ ), indicating that higher risk perceptions significantly deter individuals' willingness to invest in sustainable options. Conversely, positive correlations between the perceived higher returns of sustainable funds and willingness to invest were also found, particularly in relation to satisfaction from environmental well-being ( $r = 0.158$ ,  $p = 0.097$ ) and the assessment of societal impacts ( $r = 0.312$ ,  $p = 0.001$ ). These results suggest that favourable perceptions of returns or positive non-financial outcomes, such as environmental or societal impact, can enhance individuals' willingness to invest in sustainable options.

Given the statistical significance of several correlations between risk perception and willingness to invest, we reject the null hypothesis ( $H_{01}$ ) and accept the alternative hypothesis ( $H_1$ ). These findings suggest that individuals' risk perceptions regarding sustainable investments significantly influence their willingness to invest in such assets. Specifically, those perceiving sustainable investments as riskier are less likely to invest in them, while those perceiving them as potentially more profitable are more inclined to invest.

For the second objective of the study, we are testing the following hypothesis:

$H_{02}$ : Motivational factors do not have a significant effect on individuals' sustainable investment behaviours.

$H_2$ : Motivational factors have a significant effect on individuals' sustainable investment behaviours

The analysis examines the relationship between motivational factors and sustainable investment behaviour. Based on the data collected, the findings reveal significant correlations between various motivational factors and individuals' willingness to engage in sustainable investments. Specifically, individuals motivated by environmental activities, such as recycling, saving energy and planting trees, demonstrate a strong positive correlation with the importance of sustainable investments ( $r = 0.442$ ,  $p < 0.001$ ) and non-financial satisfaction derived from sustainable assets ( $r = 0.495$ ,  $p < 0.001$ ). Additionally, these individuals are more likely to

consider environmental and societal impacts when making investment decisions ( $r = 0.438$ ,  $p < 0.001$ ). Similarly, motivation driven by environmental concerns, such as climate change awareness, shows moderate correlations with investment in environmentally responsible companies ( $r = 0.490$ ,  $p < 0.001$ ) and donations to environmental protection causes ( $r = 0.266$ ,  $p = 0.005$ ), indicating that environmental awareness moderately influences sustainable investment behaviour.

Individuals motivated by investment in green bonds or sustainable funds exhibit a strong correlation with the importance they place on sustainable investments ( $r = 0.757$ ,  $p < 0.001$ ) and their tendency to assess societal impacts before investing ( $r = 0.546$ ,  $p < 0.001$ ). Furthermore, individuals willing to donate for environmental protection causes show a strong correlation with non-financial satisfaction from sustainable investments ( $r = 0.576$ ,  $p < 0.001$ ) and the importance of assessing societal impacts ( $r = 0.655$ ,  $p < 0.001$ ), indicating that charitable motivations are strongly linked to sustainable investment behaviours. Lastly, the overall importance of sustainable investment choices is correlated with engagement in environmental activities ( $r = 0.442$ ,  $p < 0.001$ ), environmental concern and awareness ( $r = 0.378$ ,  $p < 0.001$ ) and non-financial satisfaction ( $r = 0.716$ ,  $p < 0.001$ ), suggesting that individuals who value sustainable investments are consistently influenced by motivational factors.

Statistical significance for all correlations ( $p < 0.05$ ) confirms that motivational factors, such as engagement in environmental activities, environmental concerns and willingness to donate or invest in green funds, are strongly associated with sustainable investment behaviours. The hypothesis testing rejects the null hypothesis ( $H_{02}$ ) and supports the alternative hypothesis ( $H_2$ ), confirming that motivational factors significantly influence sustainable investment behaviours. In conclusion, the findings highlight that non-financial motivations, particularly related to environmental activities and concerns, play a critical role in shaping individuals' sustainable investment behaviours. The strongest associations were observed with investment in green funds and the non-financial satisfaction derived from sustainable investments, while moderate influences were noted from environmental concerns and donation behaviours. Based on these results, we reject  $H_{02}$  and accept  $H_2$ , indicating that motivational factors do indeed significantly influence individuals' willingness to engage in sustainable investments.

For the third objective of the study, we are testing the following hypothesis:

H<sub>03</sub>: Financial literacy does not significantly impact investors' decision-making processes with regard to sustainable investments.

H<sub>3</sub>: Financial literacy significantly impacts investors' decision-making processes with regard to sustainable investments.

We examined the key variables of financial literacy and sustainable investment indicators. The primary financial literacy variables assessed include an understanding of shares (e.g., owning a part of a company and lending money to a company), awareness of equity fluctuations and the concept of risk diversification. Sustainable investment indicators include the willingness to invest in sustainable assets, even with lower returns, the importance of environmentally friendly investments, non-financial satisfaction from sustainable investments and the consideration of environmental and societal impacts in investment decisions.

The correlation analysis reveals several significant relationships between financial literacy and sustainable investment choices. First, a positive correlation was observed between the understanding of owning shares and the importance of environmentally friendly investments ( $r = 0.365$ ,  $p < 0.001$ ) and assessing environmental and societal impacts ( $r = 0.255$ ,  $p = 0.006$ ). However, there is a negative correlation between this understanding and the willingness to buy sustainable assets ( $r = -0.211$ ,  $p = 0.025$ ). Similarly, awareness of equity fluctuations was positively correlated with the importance of environmentally friendly investments ( $r = 0.367$ ,  $p < 0.001$ ) and the assessment of environmental and societal impacts ( $r = 0.250$ ,  $p = 0.007$ ). On the other hand, understanding that diversification reduces risk exhibited weak positive correlations with the importance of environmentally friendly investments ( $r = 0.186$ ,  $p = 0.047$ ) and a negative correlation with the willingness to buy sustainable assets ( $r = -0.384$ ,  $p < 0.001$ ).

Further, high inter-correlations were observed among sustainable investment indicators. Notably, the willingness to invest in sustainable assets, even if returns are lower, showed strong positive correlations with the importance of environmentally friendly investments ( $r = 0.389$ ,  $p < 0.001$ ), non-financial satisfaction from sustainable assets ( $r = 0.718$ ,  $p < 0.001$ ), and the

assessment of environmental and societal impacts ( $r = 0.580$ ,  $p < 0.001$ ).

The analysis indicates that financial literacy plays a role in influencing sustainable investment decisions, as demonstrated by the positive correlations between financial literacy variables (e.g., understanding equity and ownership) and sustainable investment behaviours such as assessing environmental impacts. However, the relationships are generally moderate, suggesting that while financial literacy is associated with sustainable investment behaviours and it is not the sole determinant. Negative correlations, such as the inverse relationship between risk diversification and willingness to buy sustainable assets, suggest that investors may perceive a trade-off between financial returns and sustainability goals.

Based on these findings, the null hypothesis (H<sub>03</sub>) is rejected, and the alternative hypothesis (H<sub>3</sub>) is accepted. Financial literacy does significantly impact investors' decision-making processes regarding sustainable investments, although the influence varies across different aspects of financial literacy and sustainable behaviours.

In conclusion, the results of the correlation analysis provide robust evidence for the hypotheses tested in this study. The findings reveal that risk perceptions, motivational factors and financial literacy all play significant roles in shaping individuals' willingness to engage in sustainable investments. Specifically, risk perceptions were found to negatively impact investment willingness, while positive perceptions of returns and non-financial benefits enhanced investment intentions. Motivational factors, particularly those related to environmental concerns and activities, strongly influenced sustainable investment behaviours. Additionally, financial literacy was found to significantly affect decision-making, though the strength of its influence varied across different financial literacy components. These results highlight the complex interplay of psychological, financial and social factors in sustainable investment decisions, supporting the need for further research into how these elements can be leveraged to promote sustainable financial practices.

## Key Findings of the Study

Risk perceptions significantly influence sustainable investment decisions, with higher perceived risks reducing willingness to invest, while positive perceptions of returns enhance investment intentions.

Motivational factors, particularly environmental concerns and non-financial satisfaction, strongly drive individuals toward sustainable investment behaviours.

Financial literacy impacts sustainable investment decisions, with positive effects from understanding equity but mixed effects from knowledge of risk diversification.

The study finds that risk perceptions, motivational factors and financial literacy are critical determinants of sustainable investment behaviours. Addressing risk concerns, enhancing environmental motivations and improving targeted financial literacy can encourage greater participation in sustainable investments.

## Conclusion and Recommendations

The study demonstrates that risk perceptions, motivational factors and financial literacy significantly shape sustainable investment behaviours among working women in India. Higher perceived risks discourage investment, whereas favourable perceptions of returns and environmental benefits increase willingness. Motivational factors, particularly environmental concerns and non-financial satisfaction, emerge as critical drivers of investment decisions. Furthermore, financial literacy positively influences decision-making, though its impact varies across different aspects. These findings highlight the necessity of addressing psychological, motivational and educational barriers to encourage greater participation in sustainable investments.

To address these challenges, financial institutions should focus on effective risk perception management by developing communication strategies that emphasise the stability and potential returns of sustainable investments. Motivational support can be enhanced by introducing investment products that align with environmental and societal benefits, appealing to values-driven investors. Additionally, financial literacy programmes should be tailored to bridge knowledge gaps among women, particularly in sustainable finance concepts and practical investment strategies. Finally, fostering policy initiatives through collaboration between government and private sectors can promote broader awareness and improve accessibility to sustainable investment options, empowering women to actively participate in sustainable financial markets.

## Limitations of the Study

- The study's focus on working women in India earning over ₹25,000 per month limits generalisability to other demographic groups or income brackets.
- The sample size of 120 respondents may restrict broader applicability of the findings.
- Reliance on self-reported data introduces the possibility of response biases, which could affect the results.
- The study's cross-sectional design does not account for temporal changes in investment behaviour or external economic influences.

## Future Scope of the Study

- Expanding the research to include a larger, more diverse sample that encompasses varying income levels, geographic regions and educational backgrounds.
- Investigating longitudinal patterns to capture changes in sustainable investment behaviours over time.
- Examining the role of emerging technologies, such as fintech platforms, in shaping sustainable investment decisions among women.
- Exploring cross-cultural comparisons to understand how regional and cultural contexts influence sustainable investment behaviours.

## Managerial Implications

- *Product Development:* Financial institutions can design and market sustainable investment products tailored to women, emphasising safety, returns and societal benefits.
- *Marketing Strategies:* Highlight the alignment of sustainable investments with personal and environmental values to attract women investors.
- *Training and Awareness:* Provide targeted training programmes for employees to effectively communicate the benefits of sustainable finance to women investors.
- *Policy Advocacy:* Collaborate with policymakers to create incentives that encourage sustainable investment practices, such as tax benefits or

subsidies for green investments.

These insights and strategies can help stakeholders foster an inclusive and dynamic sustainable finance ecosystem, encouraging greater participation from women investors.

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