

An Analysis of Savings Behaviour and Investment Patterns Among Homemakers in Chennai During 2025-26

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Abstract

The objective of this research is to investigate the patterns of saving and investment by homemakers in Chennai for the financial year 2025-2026. This research focuses on the areas of financial literacy, behavioural factors and investment preferences among homemakers. Although homemakers are involved in influencing household finances, very little has been written about how they behave toward investing. A substantial body of existing research has focused on employed men and women. An attempt is made to fill the gap in the literature by examining the financial behaviours of homemakers within a growing digital environment. The investigation uses a descriptive and analytical research methodology and collects data through a structured close-ended questionnaire containing Likert scale. An estimated sample of 116 homemakers from Chennai is selected using a convenience sampling method. Data are collected on areas such as financial literacy, levels of risk aversion, confidence, trust in financial institutions and preferences for traditional versus market-related investments (including gold, fixed deposits, insurance products, mutual funds, etc.) Descriptive statistical techniques will allow the summarisation of characteristics of respondents. In addition, Inferential statistical analyses including regression analysis, t-tests, ANOVA, correlation analysis, and chi-square tests will examine the relationships between variables. The relationship between financial literacy, behavioural factors, and investment decision-making will be examined. The findings revealed that a higher level of financial literacy will lead to increased diversification of investments while behavioural factors may lead homemakers to prefer traditional investment instrument.

Keywords: Financial Literacy, Savings Behaviour, Investment Patterns, Homemakers, Behavioural Factors, Chennai

1. Background and Rationale

Household saving and household investment are central to macroeconomic growth and stability in India. The homemaker is the lead economic agent in household economy. She bears the primary responsibility for household finance and household saving and investment

decisions. However, they are infrequently studied. The customary saving schemes of gold, fixed deposit and insurance policy available to the homemaker are safe, but do not necessarily generate wealth, especially in the case of inflation.

1.1. Need for the Study

Emerging literatures on financial inclusion, digital banking, and market-linked investments inform the research. It can be observed that the financial literacy of homemakers is under-studied. Homemakers have low financial literacy, face digital barriers, and have behavioural biases. The financial behaviour of target groups is important for the effectiveness of financial interventions.

1.2. Statement of Problem

Despite substantial research on working women investors with regards to their investment behaviour and investment psychology, the investment behaviour, level of financial literacy and risk profile of homemakers in the city of Chennai are yet to be rigorously studied. A systematic review and comparison of the customary versus market linked investment options to identify the needs of homemaker investors is still overdue.

1.3. Influence (Key Factors)

Financial literacy and different types of biases such as loss dislike and herd behaviour, as well as a lack of confidence, can influence a homemaker's decision making and cause dislike.

1.4. Theoretical Framework

Behavioural Finance Theory predicts that behavioural biases such as loss dislike and overconfidence influence the financial decisions that one makes. The Theory of Planned Behaviour (TPB) is also discussed in this paper, which predicts that attitudes, social norms and perceived behavioural control influence the financial behaviours that one engages in. Together, these contain the homemakers' expectations in their investment decisions.

1.5. Objectives

- To assess the level of financial literacy among homemakers and analyse its influence on their investment preferences and decision-making behaviour.
- To study the behavioural factors (risk aversion, lack of confidence, trust issues) that affect homemakers' choice between traditional and market-linked investment avenues.

- To identify the preferred savings and investment instruments (such as gold, fixed deposits, mutual funds, insurance, and others) among homemakers in Chennai.

1.6. Scope and Limitations

Hence, the study examined the Chennai based homemakers (2025-2026) investment and savings behaviour in the light of their financial literacy, behaviour, attitude and preferences towards customary and market-linked investment tools. A non-probability sampling research design was used for the study and the reliability of self-reported data limits the data quality. The study was confined to the city of Chennai, and being cross-sectional in nature, it provides only a snapshot of the behaviour.

1.7. Importance

This study has theoretical and practical contributions to policymakers and specialists of financial household products and financial literacy training in improving the homemakers' capacity for making the right financial decisions and creating sustainable wealth through the implementation of financial education and household finance programs.

2. Review of Literature

Financial literacy also impacts the savings and investment behaviour of women and housewives. Studies show that there is a positive association between financial literacy and evaluation of financial products, investment diversification and decision making among women (**Lavanya & Mamilla, 2024; Mishra & Sidana, 2022**). In contrast, low financial literacy means individuals only invest in saving and customary investment options. In addition, even those who are financially literate may avoid investing in capital markets due to risk dislike and lack of confidence in their financial expertise (**Chandresh & Thakur, 2024**).

Explaining the decision process by different behavioural traits does not follow a logical economic approach. Because homemakers are averse to risk, they tend to invest their funds in bank deposits, gold and post office saving schemes which are low risk investments (**Mishra, 2023; Modi, 2016**). Investors are subject to biases such as loss dislike, overconfidence and herd behaviour (**Sharma et al., 2025**). A lack of confidence and a lack of trust in financial institutions remain important barriers to investment in domestic or foreign platforms (**Sharma, Nanda, & Gupta, 2024**). Other factors which impact the financial decisions of homemakers are social influence and family influence, since homemakers rely on non-official sources of information to make financial decisions (**Mahalakshmi & Selvan, 2025**).

Investment choice studies (for instance, focusing on India) indicate that customary assets of safety and liquidity and knowledge of the respective options still dominate choices, along with gold and fixed deposits, but market-linked assets such as mutual funds and equities are much lower (Jain, 2021; Mishra, 2023). Financial literacy, behavioural biases and socio-economic status have a combined effect on the savings and investment decisions of homemakers, as widely indicated in the literature (though the area is not well studied).

3. Research methodology

It has a positivist philosophy, a quantitative research strategy and a descriptive cross sectional design. The population consists of all homemakers in Chennai in the year 2025-26 who take part in the decision-making of the family's finances. A non-probability (convenience and judgmental) sampling method was used in order to obtain the required respondents. The data was obtained from primary and secondary sources. Primary data was collected by using a structured questionnaire prepared in google forms, and shared through G-form and by referrals. Secondary data was collected from journal articles, reports of SEBI, RBI, articles and other websites.

The questionnaire was divided into six parts: demographic details, financial knowledge, behavioural factors, savings behaviour, investment option, and willingness to invest. The five-point Likert scale was used to measure the factors. Thus, the independent variables were demographic, financial literacy and behavioural characteristics. The dependent variables were investment behaviour, investment preferences, and willingness to invest. The data were analysed using the Analysis ToolPak with Microsoft Excel for descriptive and inferential statistics.

Table 3.1 Key Quantitative Elements of the Study

| Element | Details |
|------------------------|--|
| Sample Size | 116 respondents |
| Sampling Period | 27 Dec 2025 – 3 Feb 2026 |
| Measurement Scale | 5-point Likert Scale |
| Significance Level | 5% |
| Descriptive Statistics | Frequency, Mean, Median, Standard Deviation |
| Inferential Statistics | Regression, Correlation, Chi-square, t-test, ANOVA |

Source: Author's Creation

Hypothesis testing used regression and correlation for H_{01} and H_{02} , and chi-square, t-test, and ANOVA for H_{03} .

4. Analysis and Interpretation

Objective 1: To assess the level of financial literacy among homemakers and analyse its influence on their investment preferences and decision-making behaviour

Table 4.1. Regression Analysis

(Comfort with Market-Linked Investments)

| Particulars | Value |
|-------------------|-------|
| Multiple R | 0.600 |
| R Square | 0.359 |
| Adjusted R Square | 0.336 |
| Standard Error | 0.882 |
| Observations | 116 |

Source: Results from Microsoft Excel

Table 4.2. ANOVA

| Source of Variation | SS | df | MS | F | Significance F |
|---------------------|---------|-----|--------|--------|----------------|
| Regression | 47.998 | 4 | 11.999 | 15.432 | 4.76E-10 |
| Residual | 85.533 | 110 | 0.778 | | |
| Total | 133.530 | 114 | | | |

Source: Results from Microsoft Excel

Table 4.3. Coefficients

| Variables | Coefficient | Std. Error | t Stat | P-value |
|-----------------------------------|-------------|------------|--------|---------|
| Intercept | 0.838 | 0.342 | 2.451 | 0.016 |
| Understanding Basic Concepts (B1) | -0.067 | 0.125 | -0.539 | 0.591 |
| Understanding Risk–Return (B2) | 0.361 | 0.126 | 2.878 | 0.005 |
| Fear of Losing Capital (C2) | 0.118 | 0.081 | 1.462 | 0.147 |
| Confidence in Decisions (F1) | 0.316 | 0.104 | 3.035 | 0.003 |

Source: Results from Microsoft Excel

Objective 2: To study the behavioural factors that affect homemakers' investment choices

Table 4.4. Correlation Analysis

(Fear of Loss and Market-Linked Investment Comfort)

| Variables | Fear of Loss | E2 (Market-Linked Investments) |
|-------------------|--------------|--------------------------------|
| C2 (Fear of Loss) | 1 | 0.307 |
| E2 (Comfort) | 0.307 | 1 |

Source: Results derived from Microsoft Excel

Objective 3: To identify the preferred savings behaviour and investment priorities among homemakers

**Table 4.5. Independent t-Test
(Income and Safety Preference)**

| Income Group | N | Mean | Variance | Standard Deviation |
|-----------------|----|------|----------|--------------------|
| Below ₹30,000 | 41 | 3.78 | 0.826 | 0.909 |
| ₹30,001 & Above | 74 | 3.74 | 0.988 | 0.994 |

Source: Results from MS Excel

Table 4.6. t-Test Results

| Particulars | Value |
|------------------|-------|
| t Stat | 0.189 |
| df | 113 |
| P(T<=t) two-tail | 0.850 |
| Mean Difference | 0.04 |

Source: Results from MS Excel

Table 4.7: Combined Interpretation – Objective 1, 2, and 3

| Objective | Result | Interpretation | Overall Inference |
|--|---|--|--|
| Objective 1: Influence of financial literacy and behavioural factors on investment preferences | Regression model significant ($R^2 = 0.359$); Risk-return understanding and confidence are significant predictors | The results indicate that homemakers who understand the risk–return relationship and possess confidence in financial decision- | Investment behaviour is primarily driven by applied financial literacy and psychological confidence , indicating a shift from traditional |

| | | | |
|--|--|---|---|
| | | making are more likely to invest in market-linked instruments. | saving habits to more informed and structured investment decisions. |
| Objective 2: Relationship between behavioural factors and investment behaviour | Moderate positive correlation ($r = 0.307$, $p < 0.01$) between fear of loss and investment comfort | The positive relationship suggests that even though homemakers experience fear of financial loss, they are still willing to participate in market-linked investments. | Homemakers exhibit a cautious but adaptive investment behaviour , where risk awareness exists alongside a growing inclination toward higher-return investment options. |
| Objective 3: Influence of demographic factors (income) on investment attitudes | No significant difference ($p = 0.850$) in safety preference across income groups | The similarity in mean scores across income groups indicates that preference for safe investments is consistent regardless of income level. | Risk aversion is a common behavioural trait among homemakers, reinforcing a strong preference for capital protection and stable investment options across all income categories. |

Source: Author's creation

5. Conclusion

5.1 Major Findings

This research measures the savings behaviour and investment pattern of homemakers in Chennai for the year 2025-2026, and analyses how financial literacy and behavioural factors influence the involvement of homemakers in market-linked products. According to the regression results, the risk-return profile and confidence play a major role in determining the homemaker's investment behaviour and comfort level with market-linked investments. This study supports that financial literacy increases investment participation (Lavanya & Mamilla, 2024; Mishra & Sidana, 2022) and that awareness is not sufficient (Chandresh & Thakur, 2024). As for the correlation results, findings demonstrated the presence of a

moderate positive relationship between fear of loss and comfort with investment ($r = 0.307$, $p < .01$). Thus, behavioural factors act as an easing factor and not as an obstructing factor for participating in investments (Mishra, 2023; Sharma et al., 2025). Income had no important effect on the preference of safety, $p > .05$. This trend also confirmed the preference of homemakers for low-risk investment vehicles (Jain, 2021; Modi, 2016). Ultimately, it may be inferred that the financial behaviour of the homemakers is slowly shifting towards the market-linked investment vehicles and a preference for safety.

5.2 Suggestions

5.2.1. For Government:

The government should implement financial literacy programs for homemakers that include a module on basic risk-return analysis and diversification of portfolio. It should also undertake grassroot digital financial inclusion and awareness programs to improve homemakers' participation.

5.2.2. For Financial Institutions:

Financial institutions can offer uncomplicated, low-risk products, organize financial literacy sessions, spread awareness, and encourage homemakers to diversify their portfolios while being transparent on the risks and returns involved in the products.

5.2.3. For Homemakers:

Homemakers should increase their awareness of financial and investment avenues, diversify their financial portfolio by including customary and market linked instruments, and increase their confidence in making financial and investment decisions independently.

5.3 Study Limitations

The present study is limited to a sample of 116 homemakers in the city of Chennai. Since convenience sampling was used, the study can be generalized only to the extent of the sample population of the present study. Furthermore, since the study was based on self-reporting of individual participants, response bias may have affected the results of the study. The researchers did not consider the effect of external economic factors in their study as well because the survey was cross-sectional, capturing participants' opinions at a single point of time.

5.4 Overall Conclusion

The study concludes that financial literacy and behavioural factors play an important role in influencing the homemakers' savings and investment patterns, from moving in the direction of investing in market linked instruments even with lack of access to resources. Their increased awareness and confidence to invest is clear. Their tendency to be cautious continues since they are still inclined to use conservative savings and investment schemes. This characteristically defines a transitional investment behaviour. What is visible is that this particular community's investment attitude is progressing i.e., they are trying to strike the right balance between modern means of investment and the conventional ones like investing in gold. One way of imparting confidence is to improve financial literacy and reduce behavioural biases which ultimately leads them to participate in the financial mainstream.

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