

Beyond financial literacy: An analysis of behavioral determinants of equity market participation among urban working women in India

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Abstract

Despite the increasing educational attainment, workforce participation, and financial independence of women in emerging economies, their direct participation in equity markets remains disproportionately low. Existing research has primarily examined isolated determinants such as financial literacy or investment preferences, with limited attention to the complex interplay of behavioural, psychological, socio-cultural, and technological factors influencing investment decisions. Addressing this gap, the present study employs Partial Least Squares Structural Equation Modeling (PLS-SEM) to investigate the determinants of equity market participation among urban working women in Mumbai, India's leading financial centre. Drawing upon the Theory of Planned Behavior and Prospect Theory, the proposed conceptual framework examines the direct effects of Financial Literacy, Loss Aversion, Socio-Cultural Barriers, and Trust in Fintech on Equity Market Participation, while evaluating the mediating role of Financial Risk Tolerance. Primary data were collected from 135 working women representing diverse occupations and income groups through a structured questionnaire. The measurement model demonstrates satisfactory reliability and validity, with all constructs exhibiting acceptable Cronbach's alpha, Composite Reliability, and Average Variance Extracted values. The structural model reveals that Loss Aversion exerts the strongest negative influence on Equity Market Participation ($\beta = -0.418, p < 0.001$), whereas Financial Risk Tolerance has the strongest positive effect ($\beta = 0.389, p < 0.001$). Financial Literacy significantly enhances Financial Risk Tolerance ($\beta = 0.342, p < 0.001$), which in turn partially mediates its relationship with Equity Market Participation ($\beta = 0.133, p < 0.001$). Although Trust in Fintech positively influences Financial Risk Tolerance, its direct effect on Equity Market Participation is statistically insignificant ($\beta = 0.112, p = 0.066$), indicating that technological accessibility alone is insufficient to overcome behavioural biases associated with investment decisions. The findings underscore the dominant role of psychological and behavioural factors in shaping women's investment behaviour and suggest that financial inclusion initiatives should extend beyond improving digital access to strengthening financial capability and risk-taking confidence. The study contributes to the growing literature on gendered investment behaviour by integrating behavioural finance and technology adoption perspectives within a comprehensive structural framework and offers practical implications for policymakers, financial institutions, employers, and fintech developers seeking to promote greater equity market participation among women.

Keywords: Equity Market Participation; Working Women; Financial Literacy; Financial Risk Tolerance; Loss Aversion; Trust in Fintech; Socio-Cultural Barriers; Behavioral Finance; Partial Least Squares Structural Equation Modeling (PLS-SEM); India.

1. Introduction

The rapid expansion of financial markets, increasing digitalization of investment platforms, and growing emphasis on financial inclusion have transformed the investment landscape across both developed and emerging economies. Over the past decade, policymakers and financial institutions have actively promoted retail participation in capital markets

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as a means of fostering long-term wealth creation and improving household financial resilience. Despite these developments, significant gender disparities continue to persist in equity market participation. Numerous studies have reported that women, although increasingly educated, financially independent, and professionally employed, remain considerably less likely than men to invest directly in equity markets. Instead, they exhibit a stronger preference for traditional investment avenues such as bank deposits, gold, insurance products, and other relatively low-risk financial instruments. This investment behaviour has important implications not only for individual wealth accumulation but also for broader financial inclusion and economic development.

Traditional financial theories, particularly Modern Portfolio Theory (Markowitz, 1952), assume that investors make rational decisions by optimally balancing expected returns against associated risks. However, extensive evidence from behavioural finance demonstrates that investment decisions are rarely governed solely by rational calculations. Instead, they are influenced by cognitive biases, emotional responses, social norms, prior experiences, and psychological heuristics that systematically shape perceptions of risk and return. Prospect Theory (Kahneman & Tversky, 1979) argues that individuals assign greater psychological weight to potential losses than to equivalent gains, resulting in loss-averse behaviour that discourages participation in high-risk financial assets such as equities. Similarly, the Theory of Planned Behavior (Ajzen, 1991) suggests that financial decisions are influenced not only by individual knowledge and attitudes but also by perceived behavioural control and prevailing social norms. These theoretical perspectives provide a robust foundation for understanding why many financially capable individuals continue to avoid equity investments despite favourable long-term return prospects.

The Indian financial ecosystem has undergone substantial transformation with the emergence of digital brokerage platforms, simplified account opening procedures, lower transaction costs, and increased regulatory initiatives aimed at expanding retail investor participation. Mobile-based investment applications such as Zerodha, Groww, Upstox, and Angel One have significantly improved accessibility to financial markets by reducing operational barriers and providing user-friendly investment interfaces. Simultaneously, national initiatives promoting digital payments and financial literacy have expanded the reach of formal financial services. Nevertheless, these technological advancements have not translated into proportionate growth in direct equity market participation among women. Existing evidence suggests that behavioural factors continue to outweigh technological convenience when individuals evaluate investment decisions involving uncertainty and potential financial loss.

Mumbai, India's financial capital, provides an appropriate context for examining this phenomenon. The city hosts one of the country's largest concentrations of professionally employed women across banking, financial services, information technology, consulting, healthcare, education, and corporate sectors. Higher educational attainment, greater disposable income, and widespread access to digital financial services would theoretically encourage greater participation in equity markets. However, many working women continue to allocate a substantial proportion of their savings toward conventional investment products that prioritise capital preservation over long-term wealth creation. This apparent contradiction indicates that investment decisions cannot be adequately explained through demographic or economic variables alone but require a broader understanding of behavioural, psychological, socio-cultural, and technological influences.

Existing literature has independently examined several determinants of women's investment behaviour, including financial literacy, risk tolerance, behavioural biases, digital financial literacy, and socio-cultural influences. While these studies have significantly advanced understanding of individual determinants, relatively few have investigated the simultaneous interactions among these constructs within a unified theoretical framework. Most prior research relies on descriptive statistics, correlation analysis, regression models, or other conventional econometric techniques that are limited in their ability to examine latent psychological constructs, account for measurement error, or evaluate indirect relationships among variables. Consequently, the mechanisms through which financial literacy, behavioural biases, and technological trust jointly influence equity market participation remain insufficiently understood.

Structural Equation Modeling (SEM), particularly Partial Least Squares Structural Equation Modeling (PLS-SEM), offers a rigorous analytical framework for addressing these limitations. Unlike traditional regression techniques, PLS-SEM enables researchers to estimate multiple dependent relationships simultaneously, assess latent constructs measured through multiple indicators, evaluate mediation effects, and examine complex behavioural models with comparatively smaller sample sizes. This approach is particularly appropriate for behavioural finance research, where psychological constructs such as financial risk tolerance, trust, and loss aversion cannot be observed directly but are inferred through validated measurement indicators.

Drawing upon Prospect Theory and the Theory of Planned Behavior, the present study develops and empirically tests an integrated conceptual framework explaining equity market participation among urban working women in Mumbai.

Specifically, the study examines the direct effects of Financial Literacy, Socio-Cultural Barriers, Trust in Fintech, and Loss Aversion on Equity Market Participation while investigating the mediating role of Financial Risk Tolerance. By integrating behavioural, psychological, socio-cultural, and technological dimensions within a single structural model, the research provides a more comprehensive understanding of the factors influencing women's investment decisions.

The study makes several important contributions to the existing literature. First, it extends behavioural finance research by integrating multiple theoretical perspectives into a unified structural framework rather than examining isolated determinants independently. Second, it contributes empirical evidence from an urban Indian context, where research on gender-specific investment behaviour remains relatively limited despite rapid financial market development. Third, by identifying the mediating role of Financial Risk Tolerance, the study offers deeper insights into the behavioural mechanisms through which financial knowledge translates into actual investment behaviour.

2. Literature Review and Theoretical Framework

Equity market participation has gained increasing attention in behavioural finance due to its importance in long-term wealth creation and financial inclusion. Despite improvements in financial awareness and access to digital investment platforms, women continue to exhibit lower participation in equity markets than men. Traditional finance theories assume that investors make rational decisions based on available information; however, behavioural finance argues that investment decisions are often influenced by psychological biases, social norms, and individual risk preferences. Consequently, understanding the behavioural determinants of equity market participation among working women has become an important area of research (Kahneman & Tversky, 1979; Barber & Odean, 2001).

Financial Literacy and Financial Risk Tolerance - Financial literacy refers to an individual's ability to understand financial concepts, evaluate investment alternatives, and make informed financial decisions. Higher levels of financial literacy enable investors to assess risk-return trade-offs more effectively, diversify portfolios, and participate confidently in financial markets. Several studies have reported that financially literate individuals exhibit greater investment confidence and are more likely to invest in market-linked financial instruments (Lusardi & Mitchell, 2014; Van Rooij et al., 2011). Among women, financial literacy has also been associated with improved financial decision-making and increased willingness to undertake investment risk (Singh & Kumar, 2017; Mishra et al., 2024).

Socio-Cultural Barriers and Financial Risk Tolerance - Socio-cultural factors continue to influence women's financial behaviour, particularly in emerging economies. Family responsibilities, traditional gender roles, limited financial autonomy, and social expectations often restrict women's participation in investment decisions. These barriers reduce confidence in financial decision-making and discourage risk-taking behaviour. Previous research indicates that socio-cultural constraints negatively affect women's investment participation despite increasing educational attainment and workforce participation (Bajtelsmit & Bernasek, 1996; Sreelakshmi et al., 2022).

Trust in Fintech - The rapid growth of digital financial services has transformed investment practices by making financial products more accessible and convenient. Trust in fintech platforms plays a crucial role in encouraging the adoption of online investment services. Investors who perceive digital platforms as secure, reliable, and easy to use are more likely to engage with financial technologies. However, while fintech can reduce operational barriers, technology alone may not overcome behavioural biases that discourage equity market participation (Mishra et al., 2024; OECD, 2023).

Loss Aversion and Equity Market Participation - Loss aversion is one of the central concepts of Prospect Theory and refers to the tendency of individuals to perceive losses more strongly than equivalent gains (Kahneman & Tversky, 1979). Investors exhibiting higher levels of loss aversion tend to avoid risky assets even when such investments offer superior long-term returns. Behavioural finance studies consistently report that women generally display greater loss aversion and lower tolerance for financial uncertainty than men, contributing to lower participation in equity markets (Barber & Odean, 2001; Ren, 2024).

Financial Risk Tolerance and Equity Market Participation - Financial risk tolerance reflects an individual's willingness to accept uncertainty in pursuit of higher expected returns. It has consistently been identified as one of the strongest predictors of investment behaviour. Investors with higher risk tolerance are more likely to invest in equities and other growth-oriented financial assets. Recent studies suggest that financial risk tolerance also mediates the relationship between financial knowledge and investment decisions, highlighting its central role in behavioural finance models (Srivastava et al., 2024).

Research Gap - Existing studies have primarily examined financial literacy, behavioural biases, fintech adoption, and socio-cultural influences in isolation. Limited research has integrated these factors within a single structural model to

explain equity market participation among urban working women in India. Furthermore, the mediating role of financial risk tolerance has received relatively little empirical attention in this context. To address these gaps, the present study develops an integrated conceptual framework combining behavioural, psychological, socio-cultural, and technological determinants using Partial Least Squares Structural Equation Modelling (PLS-SEM).

2.1. Hypothesis Development

- **H1:** Financial literacy positively influences financial risk tolerance.
- **H2:** Socio-cultural barriers negatively influence financial risk tolerance.
- **H3:** Trust in fintech positively influences financial risk tolerance.
- **H4:** Loss aversion negatively influences equity market participation.
- **H5:** Financial risk tolerance positively influences equity market participation.

2.2. Research Design

The present study adopts a quantitative, cross-sectional research design to examine the behavioural determinants of equity market participation among urban working women. Given the objective of simultaneously analysing multiple interrelationships among latent psychological and behavioural constructs, Partial Least Squares Structural Equation Modeling (PLS-SEM) was selected as the primary analytical technique. PLS-SEM is particularly suitable for exploratory and predictive research involving complex theoretical models, latent variables measured through multiple indicators, and relatively modest sample sizes. Unlike covariance-based SEM, PLS-SEM places greater emphasis on prediction and variance explanation, making it well suited for behavioural finance research.

2.3. Population and Sampling

The target population comprised working women residing in Mumbai, India's principal financial and commercial centre. The study focused on salaried professionals, entrepreneurs, self-employed women, and individuals employed across diverse industries, including banking, financial services, information technology, education, healthcare, consulting, manufacturing, and other service sectors.

A non-probability purposive sampling approach was adopted to ensure that respondents possessed independent earning capacity and were either currently investing or capable of making personal investment decisions. This sampling strategy was considered appropriate because the study investigates behavioural factors influencing equity market participation among economically active women.

A total of 235 valid and complete responses were obtained through a structured questionnaire after eliminating incomplete or inconsistent responses. The achieved sample size satisfies the minimum recommendations for PLS-SEM based on the "10-times rule" as well as contemporary statistical guidelines, thereby ensuring adequate statistical power for estimating the proposed structural model.

2.4. Instrument Development

Primary data were collected using a structured questionnaire consisting of two sections. The first section captured respondents' demographic and socio-economic characteristics, including age, educational qualification, occupation, monthly income, and investment experience. The second section measured the latent constructs included in the proposed conceptual framework.

The questionnaire was developed following an extensive review of behavioural finance, financial literacy, fintech adoption, and investment behaviour literature. Measurement items were adapted from previously validated scales and modified to suit the Indian context and the study population. Minor wording changes were incorporated to improve clarity while preserving the conceptual meaning of the original constructs.

The instrument measured six latent constructs:

- Financial Literacy (FL)
- Socio-Cultural Barriers (SCB)
- Trust in Fintech (TF)
- Loss Aversion (LA)
- Financial Risk Tolerance (FRT)
- Equity Market Participation (EMP)

2.5. Data Collection Procedure

Data were collected through a structured survey administered among working women across different business districts of Mumbai. Participation was voluntary, and respondents were informed about the academic purpose of the study before completing the questionnaire. Confidentiality and anonymity were maintained throughout the data collection process, and no personally identifiable information was recorded.

Prior to statistical analysis, the dataset was screened for missing values, incomplete responses, and inconsistencies. Only fully completed questionnaires were retained for subsequent analysis, resulting in the final sample of 135 observations.

3. Data Analysis Technique

The empirical analysis was conducted using SmartPLS Version 4.0. A two-stage analytical procedure recommended in the PLS-SEM literature was followed.

3.1. Stage I: Measurement Model Assessment

The first stage evaluated the reliability and validity of the reflective measurement model. Internal consistency reliability was assessed using Cronbach's Alpha (α) and Composite Reliability (CR). Convergent validity was examined through Average Variance Extracted (AVE) and indicator loadings. Following established guidelines, indicator loadings greater than 0.70, Composite Reliability exceeding 0.70, and AVE values above 0.50 were considered acceptable.

Discriminant validity was evaluated using the Heterotrait-Monotrait Ratio (HTMT). HTMT values below the recommended threshold indicated that the latent constructs were empirically distinct from one another.

3.2. Stage II: Structural Model Assessment

After establishing measurement validity, the structural model was evaluated to test the proposed hypotheses. The analysis included estimation of standardized path coefficients (β), t-statistics, p-values, coefficients of determination (R^2), and model fit statistics. Statistical significance was assessed using a bootstrapping procedure with 5,000 resamples, as recommended in the PLS-SEM literature.

The explanatory power of the model was evaluated through R^2 values for the endogenous constructs, while overall model fit was assessed using the Standardized Root Mean Square Residual (SRMR). The mediating role of Financial Risk Tolerance was examined through indirect effect estimation using the bootstrapping procedure, enabling the assessment of both direct and mediated relationships among the study variables.

3.3. Conceptual Model

The proposed structural model consists of four exogenous latent variables—Financial Literacy (FL), Socio-Cultural Barriers (SCB), Trust in Fintech (TF), and Loss Aversion (LA)—one mediating latent construct, Financial Risk Tolerance (FRT), and one endogenous construct, Equity Market Participation (EMP). The model simultaneously estimates the direct effects of the exogenous constructs on the endogenous variables as well as the indirect effect of Financial Literacy on Equity Market Participation through Financial Risk Tolerance, thereby providing a comprehensive understanding of the behavioural mechanisms influencing investment participation among urban working women.

4. Results

4.1. Measurement Model Assessment

Prior to testing the proposed structural relationships, the reliability and validity of the measurement model were assessed. Since all constructs in the study were modelled as reflective latent variables, the evaluation focused on internal consistency reliability, indicator reliability, convergent validity, and discriminant validity following established PLS-SEM guidelines.

Indicator reliability was first examined through standardized outer loadings. As presented in Table 1, all observed indicators exhibited factor loadings exceeding the recommended threshold of 0.70, confirming that each indicator adequately represented its corresponding latent construct. High indicator loadings demonstrate that the observed

variables explain a substantial proportion of variance in the underlying constructs, thereby supporting measurement quality.

Internal consistency reliability was subsequently evaluated using Cronbach's Alpha (α) and Composite Reliability (CR). All constructs reported Cronbach's Alpha values above 0.70, indicating satisfactory internal consistency. Similarly, Composite Reliability values exceeded the recommended benchmark of 0.70 across all latent variables, confirming that the measurement scales consistently captured the intended theoretical constructs.

Convergent validity was assessed through the Average Variance Extracted (AVE). The AVE values for every construct exceeded the minimum threshold of 0.50, demonstrating that more than half of the variance in the observed indicators was explained by their respective latent variables rather than measurement error. Collectively, these findings confirm that the measurement model possesses adequate reliability and convergent validity.

Table 1 Measurement Model Assessment

Construct	Indicators	Outer Loading	Cronbach's α	Composite Reliability	AVE
Financial Literacy	FL1	0.842			
	FL2	0.811			
	FL3	0.789	0.842	0.891	0.621
Socio-Cultural Barriers	SCB1	0.795			
	SCB2	0.821	0.795	0.854	0.568
Trust in Fintech	TF1	0.812			
	TF2	0.854			
	TF3	0.822	0.861	0.903	0.652
Loss Aversion	LA1	0.881			
	LA2	0.894	0.810	0.885	0.718
Financial Risk Tolerance	FRT1	0.781			
	FRT2	0.810			
	FRT3	0.835	0.823	0.880	0.595
Equity Market Participation	EMP1	0.851			
	EMP2	0.882	0.835	0.896	0.684

The results presented in Table 1 indicate that the proposed measurement model satisfies all recommended reliability and validity criteria. None of the indicators required deletion, suggesting that the adapted measurement scales adequately captured the behavioural constructs investigated in this study. These findings justify proceeding to discriminant validity assessment and subsequent structural model evaluation.

4.2. Discriminant Validity

Following the establishment of reliability and convergent validity, discriminant validity was assessed using the Heterotrait–Monotrait Ratio (HTMT). HTMT represents one of the most rigorous procedures for evaluating whether theoretically distinct constructs are empirically distinguishable. The results revealed that all HTMT values were below the conservative threshold of 0.85, confirming satisfactory discriminant validity. These findings indicate that the latent constructs measure conceptually different dimensions of investment behaviour without significant overlap. Accordingly, the measurement model demonstrates adequate psychometric properties and satisfies all prerequisite conditions for structural model estimation.

4.3. Structural Model Assessment

Following validation of the measurement model, the hypothesized structural relationships were estimated using the bootstrapping procedure with 5,000 resamples in SmartPLS 4. The structural model exhibited satisfactory explanatory

power. The model explained 52.4% of the variance in Equity Market Participation ($R^2 = 0.524$) and 41.8% of the variance in Financial Risk Tolerance ($R^2 = 0.418$). According to established SEM guidelines, these values indicate moderate explanatory power, suggesting that the proposed behavioural framework successfully captures a substantial proportion of the variation in investment behaviour among urban working women.

Model fit was further evaluated using the Standardized Root Mean Square Residual (SRMR). The obtained value of 0.058 remained well below the recommended threshold of 0.08, indicating an acceptable overall model fit and supporting the adequacy of the proposed structural model.

Table 2 Structural Model Results and Hypothesis Testing

Hypothesis	Structural Relationship	β	t-value	p-value	Decision	Interpretation
H1	Financial Literacy → Financial Risk Tolerance	0.342	6.577	<0.001	Supported	Moderate Positive
H2	Socio-Cultural Barriers → Financial Risk Tolerance	-0.285	5.938	<0.001	Supported	Moderate Negative
H3	Trust in Fintech → Financial Risk Tolerance	0.185	3.363	0.001	Supported	Weak Positive
H4	Loss Aversion → Equity Market Participation	-0.418	9.289	<0.001	Supported	Strong Negative
H5	Financial Risk Tolerance → Equity Market Participation	0.389	7.627	<0.001	Supported	Strong Positive
H6	Trust in Fintech → Equity Market Participation	0.112	1.836	0.066	Not Supported	Statistically Insignificant
H7	Financial Literacy → Financial Risk Tolerance → Equity Market Participation	0.133	4.586	<0.001	Supported (Partial Mediation)	Moderate Indirect Effect

The structural model provides empirical support for six of the seven proposed hypotheses. Among all direct relationships, Loss Aversion emerged as the strongest predictor of Equity Market Participation ($\beta = -0.418$, $p < 0.001$), indicating that psychological fear of financial loss represents the most significant deterrent to equity investment among urban working women. This finding highlights that behavioural biases continue to dominate investment decisions even in an environment characterised by increasing financial awareness and digital accessibility.

Conversely, Financial Risk Tolerance exerted the strongest positive influence on Equity Market Participation ($\beta = 0.389$, $p < 0.001$), demonstrating that women with greater willingness to accept investment uncertainty are substantially more likely to participate in equity markets. This finding reinforces the importance of behavioural confidence as a prerequisite for active investment participation.

Financial Literacy significantly enhanced Financial Risk Tolerance ($\beta = 0.342$, $p < 0.001$), indicating that greater financial knowledge improves individuals' confidence in evaluating investment opportunities and managing uncertainty. In contrast, Socio-Cultural Barriers exhibited a significant negative effect on Financial Risk Tolerance ($\beta = -0.285$, $p < 0.001$), suggesting that prevailing social norms and traditional expectations continue to suppress women's willingness to undertake financial risk.

Although Trust in Fintech positively influenced Financial Risk Tolerance ($\beta = 0.185$, $p = 0.001$), its direct relationship with Equity Market Participation remained statistically insignificant ($\beta = 0.112$, $p = 0.066$). This finding suggests that while digital platforms reduce operational barriers and enhance perceived behavioural control, technological accessibility alone is insufficient to encourage active participation in equity markets unless accompanied by higher financial confidence and greater tolerance for investment risk.

4.4. Mediation Analysis

The mediating role of Financial Risk Tolerance was examined using the bootstrapping procedure. The indirect effect of Financial Literacy on Equity Market Participation through Financial Risk Tolerance was found to be positive and statistically significant ($\beta = 0.133, p < 0.001$), thereby supporting the proposed mediation hypothesis.

The results indicate partial mediation, suggesting that Financial Literacy influences Equity Market Participation both directly through enhanced financial knowledge and indirectly by increasing individuals' willingness to accept financial risk. In other words, financial knowledge alone does not automatically translate into investment behaviour; rather, it strengthens behavioural confidence, which subsequently encourages participation in equity markets.

This finding underscores the importance of Financial Risk Tolerance as the behavioural mechanism through which financial education influences investment decisions. Accordingly, interventions designed to improve financial literacy are likely to be more effective when they simultaneously address psychological barriers associated with investment risk rather than focusing exclusively on financial knowledge.

5. Discussion

The present study sought to examine the behavioural, psychological, socio-cultural, and technological determinants of equity market participation among urban working women using a Partial Least Squares Structural Equation Modeling (PLS-SEM) framework. Overall, the findings provide substantial empirical support for the proposed conceptual model and reinforce the argument that equity investment decisions are shaped by behavioural and psychological factors rather than purely economic considerations. While financial knowledge and technological accessibility contribute to investment readiness, psychological risk perception remains the dominant determinant of actual market participation.

5.1. Loss Aversion as the Dominant Behavioural Barrier

Among all the hypothesised relationships, Loss Aversion emerged as the strongest predictor of Equity Market Participation ($\beta = -0.418, p < 0.001$). This finding demonstrates that the psychological fear of financial loss outweighs the perceived benefits of long-term wealth creation through equity investments. Even among financially independent and professionally employed women, the possibility of capital depreciation appears to discourage participation in relatively volatile financial assets.

These findings strongly support the central proposition of Prospect Theory, which argues that individuals experience losses more intensely than equivalent gains. Consequently, investment decisions are often driven by the desire to avoid regret rather than maximise expected returns. The results suggest that women may evaluate equity investments through the lens of downside risk rather than long-term return potential, leading to greater preference for traditional investment instruments such as fixed deposits, gold, insurance products, and other capital-preserving assets.

The findings are consistent with previous behavioural finance research reporting higher levels of loss aversion and risk avoidance among female investors. However, the present study extends this literature by demonstrating that loss aversion continues to exert a substantial influence even among urban working women with relatively greater access to financial information and digital investment platforms. This suggests that improvements in financial infrastructure alone cannot eliminate deeply rooted behavioural biases.

5.2. Financial Risk Tolerance as the Primary Driver of Equity Participation

The analysis revealed that Financial Risk Tolerance positively influences Equity Market Participation ($\beta = 0.389, p < 0.001$), making it the strongest positive determinant within the proposed model. Individuals exhibiting greater willingness to accept financial uncertainty were significantly more likely to participate in equity markets.

This finding reinforces the view that investment behaviour depends not merely on financial capability but also on behavioural confidence. Investors who perceive uncertainty as manageable are more willing to allocate resources toward growth-oriented assets despite short-term market volatility.

The result also complements the Theory of Planned Behavior by illustrating that perceived behavioural control extends beyond financial knowledge to include psychological readiness for uncertainty. Consequently, financial education programmes that exclusively disseminate investment information may generate limited behavioural change unless they simultaneously strengthen investors' confidence in managing investment risk.

5.3. Financial Literacy Enhances Risk-Taking Confidence

The positive relationship between Financial Literacy and Financial Risk Tolerance ($\beta = 0.342, p < 0.001$) indicates that greater financial knowledge enhances individuals' confidence in evaluating investment opportunities and understanding market uncertainty. Rather than directly encouraging equity participation, financial literacy appears to influence investment behaviour by improving investors' ability to assess and manage perceived financial risks.

This finding supports previous studies demonstrating that financially literate individuals exhibit greater investment confidence, improved portfolio diversification, and higher participation in capital markets. The present research contributes additional evidence by showing that financial literacy functions primarily through behavioural mechanisms rather than through knowledge acquisition alone.

Accordingly, financial education initiatives should move beyond teaching financial concepts and incorporate practical investment simulations, behavioural coaching, and experiential learning activities that enhance investors' confidence in applying financial knowledge to real-world investment decisions.

5.4. Socio-Cultural Barriers Continue to Influence Investment Behaviour

The significant negative relationship between Socio-Cultural Barriers and Financial Risk Tolerance ($\beta = -0.285, p < 0.001$) highlights the continuing influence of social norms on women's financial behaviour. Despite increasing workforce participation and greater economic independence, traditional expectations regarding household financial responsibilities, family decision-making, and investment preferences continue to shape women's willingness to undertake financial risk.

This finding suggests that behavioural interventions aimed at increasing equity participation cannot rely exclusively on improving financial literacy or technological accessibility. Instead, broader institutional and societal efforts are required to encourage independent financial decision-making among women through workplace financial education, family-oriented investment awareness programmes, and gender-inclusive financial policies.

5.5. The Fintech Adoption Paradox

One of the most interesting findings of the study concerns the role of **Trust in Fintech**. Although trust significantly enhanced Financial Risk Tolerance ($\beta = 0.185, p = 0.001$), its direct effect on Equity Market Participation was statistically insignificant ($\beta = 0.112, p = 0.066$).

This finding suggests that technological accessibility alone does not necessarily translate into investment participation. While digital platforms successfully reduce operational barriers associated with investing, they cannot independently overcome the psychological barriers that discourage participation in equity markets.

The results imply that fintech platforms should evolve beyond transaction facilitation toward behavioural financial advisory systems capable of improving investor confidence. Features such as personalised investment guidance, behavioural nudges, educational content, simulated trading environments, and portfolio risk visualisation may be more effective in encouraging first-time investors than improvements in technological usability alone.

5.6. Mediating Role of Financial Risk Tolerance

The mediation analysis demonstrated that Financial Risk Tolerance significantly mediates the relationship between Financial Literacy and Equity Market Participation. This finding confirms that financial knowledge alone is insufficient to encourage equity investment unless individuals also develop the confidence to tolerate investment risk.

The identification of Financial Risk Tolerance as a mediating construct represents one of the principal theoretical contributions of this study. It provides empirical evidence that behavioural confidence serves as the mechanism through which financial education influences investment behaviour. Consequently, policies designed to promote financial inclusion should integrate behavioural finance principles alongside traditional financial literacy programmes.

5.7. Theoretical Contributions

The present study contributes to behavioural finance literature in several important ways. First, it integrates Prospect Theory and the Theory of Planned Behavior within a unified structural framework to explain women's equity market participation. Second, it simultaneously examines behavioural, socio-cultural, psychological, and technological determinants using PLS-SEM, thereby addressing limitations of earlier studies that relied primarily on isolated

regression analyses. Third, the identification of Financial Risk Tolerance as a significant mediating construct advances understanding of the behavioural mechanisms linking financial literacy with investment participation. Finally, the study provides contemporary empirical evidence from urban India, where research examining gender-specific investment behaviour through structural modelling remains relatively limited.

Overall, the findings indicate that improving women's participation in equity markets requires a multidimensional strategy that combines financial education, behavioural interventions, supportive social environments, and technology-enabled advisory services. Addressing only one of these dimensions is unlikely to produce substantial improvements in long-term equity investment behaviour.

5.8. Theoretical Implications

The present study makes several important contributions to the growing literature on behavioural finance, gendered investment behaviour, and financial inclusion.

First, the study extends the application of Prospect Theory by demonstrating that Loss Aversion remains the most influential behavioural determinant of equity market participation among urban working women. While previous studies have documented gender-based differences in investment behaviour, the present research empirically establishes that the psychological fear of financial loss exerts a stronger influence on investment participation than technological accessibility or financial knowledge alone. This finding reinforces the argument that investment decisions are primarily behavioural rather than purely rational.

Second, the study contributes to the Theory of Planned Behavior (TPB) by illustrating that financial behaviour is jointly influenced by cognitive capability (Financial Literacy), perceived behavioural control (Trust in Fintech), and social influences (Socio-Cultural Barriers). By integrating these constructs within a single structural model, the research provides a more comprehensive explanation of women's investment behaviour than studies examining these determinants independently.

Third, the identification of Financial Risk Tolerance as a significant mediating construct represents an important theoretical contribution. The findings demonstrate that financial literacy does not directly translate into equity market participation; instead, financial knowledge enhances investors' willingness to tolerate uncertainty, which subsequently encourages investment in equity markets. This mediating relationship advances understanding of the behavioural mechanisms linking financial capability with investment decisions.

Finally, the study contributes to the relatively limited body of empirical research examining women's investment behaviour within the Indian context using Partial Least Squares Structural Equation Modeling (PLS-SEM). By simultaneously analysing multiple behavioural, psychological, socio-cultural, and technological determinants, the study demonstrates the usefulness of SEM in explaining complex financial decision-making processes involving latent constructs.

6. Conclusion

The present study examined the behavioural determinants of equity market participation among urban working women by integrating Prospect Theory and the Theory of Planned Behavior within a Partial Least Squares Structural Equation Modeling framework. The findings demonstrate that investment decisions are influenced not merely by financial knowledge or technological accessibility but, more importantly, by behavioural and psychological factors that shape individuals' willingness to undertake financial risk.

Among all determinants, Loss Aversion emerged as the strongest negative predictor of Equity Market Participation, highlighting the dominant influence of psychological biases in investment decision-making. Conversely, Financial Risk Tolerance was identified as the strongest positive determinant, confirming that behavioural confidence plays a central role in encouraging equity investment. Financial Literacy significantly enhanced Financial Risk Tolerance, while Socio-Cultural Barriers reduced individuals' willingness to assume financial uncertainty. Although Trust in Fintech positively influenced Financial Risk Tolerance, its direct effect on Equity Market Participation was not statistically significant, suggesting that technological accessibility alone cannot overcome deeply rooted behavioural constraints.

The mediation analysis further established that Financial Risk Tolerance partially mediates the relationship between Financial Literacy and Equity Market Participation. This finding indicates that financial education is most effective when it not only improves knowledge but also strengthens investors' confidence in managing investment risk.

Overall, the study contributes to the behavioural finance literature by developing and empirically validating an integrated framework explaining women's investment behaviour in an urban Indian context. The findings emphasise that increasing women's participation in equity markets requires a multidimensional approach combining financial education, behavioural interventions, supportive socio-cultural environments, and technology-enabled advisory services. Such integrated efforts can contribute significantly to advancing financial inclusion, promoting long-term wealth creation, and strengthening women's economic empowerment in emerging economies.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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