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Original Article

Financial Risk Tolerance, Risk Mitigation Strategies, and Investment Decisions among Women Investors: An Empirical Study in Suburban Bangalore

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Abstract

This study examines financial risk tolerance, risk mitigation strategies, and the influence of financial literacy on investment decisions among women in sub urban Bengaluru. A sample of 200 female respondents was surveyed to investigate the impact of these factors on investment behaviour. The results show that 50% of the people who answered the survey have a moderate risk tolerance, 24% have a high or very high-risk tolerance, and 27.5% have a low or very low risk tolerance. A lot of women use risk mitigation strategies. For example, 77.5% of them use portfolio diversification, 72.5% prefer conservative investment choices, and 65% talk to financial advisors. Most of the people (60%) have a moderate level of financial literacy, while 25% have a high level of literacy. This has a big effect on how confident they are about investing in stocks, mutual funds, and digital platforms. Investment behaviour shows a balanced approach, with 75% of people keeping a variety of assets, 70% investing in fixed-income instruments, 65% in mutual funds, and 52.5% using digital platforms. Younger women (20–35 years) are more willing to take risks, are better with computers, and know more about money than older women, who tend to prefer safer, more traditional investments. The research finds that risk tolerance, risk mitigation strategies, and financial literacy all play a role in investment decisions. It also emphasises the need for specific financial education programs, advisory services, and digital literacy initiatives to boost women's confidence and involvement in investing. The results give policymakers, banks, and teachers useful information that they can use to help urban women in Bengaluru become more financially independent and included.

Keywords: *Financial Risk Tolerance, Risk Mitigation Mechanisms, Women Investors, Investment Decisions, Financial Literacy, Sub Urban Bengaluru, Investment Confidence, Financial Education*

Introduction

In the last few decades, more and more women have been involved in financial markets. This shows a change from traditional roles in managing household finances to taking an active role in investing and managing wealth. Even though things have gotten better, women still have to deal with some unique problems when making investment decisions, which are caused by social, cultural, and economic factors. Financial risk tolerance and risk mitigation strategies are two of the most important factors that affect how people invest. To make financial education programs that are useful for women and help them make smart financial decisions, you need to understand these things. Financial risk tolerance is the amount of risk someone is willing to take on when they are looking for investment opportunities. It is a key factor in deciding what kinds of investments a person makes, how many different types they make, and how they are structured. Research indicates that risk tolerance differs between genders owing to psychological, social, and behavioural disparities. Women have frequently been depicted as more risk-averse than men.

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This fear of risk can affect their investment portfolios, making them choose safer, lower-yield options like fixed deposits, government securities, and insurance products over stocks or mutual funds. Being careful with your money can help you build wealth, but being too afraid of taking risks can keep you from doing so, especially when prices are rising and there are more ways to make money. Bengaluru and other cities like it are great places to study how women handle their money. Bengaluru, which is often called the "Silicon Valley of India," has seen its economy grow quickly, its middle class grow, and its workforce grow, especially among women. This city setting gives women access to a wide range of financial tools, investment advice, and online financial platforms. However, having a lot of options doesn't mean that you will always make good financial decisions. In such a fast-paced world, women's investment decisions are heavily influenced by their financial literacy, confidence, and ability to manage risk well. Investors use risk mitigation mechanisms to protect themselves from possible losses and deal with the unknowns that come with investing. Some common ways to protect yourself are to spread your investments across different asset classes, talk to a financial advisor, buy insurance, make a plan for how to invest regularly, and stick to stable, low-risk investments. Knowing the exact strategies that women in urban Bengaluru use can help us find patterns in their behaviour and areas where they need more information. Policymakers, banks, and teachers need these insights to come up with ways to improve women's financial security and confidence in making investment choices.

Another important thing that affects how people invest is how well they understand money. It means having the knowledge, skills, and self-assurance to make smart financial choices, understand risk, and get the most out of your investments. Studies show that people who are financially literate are more likely to be willing to take risks and have better ways to manage those risks. Women who know more about money are more likely to carefully consider their investment options, spread their money around, and use risk-reduction strategies that fit with their financial goals. On the other hand, not knowing much about money can make you rely too much on informal advice, not assess risks well, and miss out on investment opportunities. Because financial services are quickly becoming digital, especially in cities like Bengaluru, financial literacy also includes being able to use digital tools, such as online trading, mobile banking, and understanding digital financial products. The significance of examining financial risk tolerance and mitigation strategies among women in Bengaluru is heightened by overarching socio-economic trends. More and more urban Indian women are balancing their jobs, their businesses, and their financial responsibilities at home. This dual role presents both opportunities and challenges for making informed financial decisions. On the one hand, having more money and being financially independent makes it possible to invest in a variety of portfolios. On the other hand, time limits, social pressures, and fear of loss may make it harder to make the best investment decisions. Comprehending how women manage these obstacles offers essential perspectives on the overarching financial inclusion framework.

This study has four main goals. First, it wants to find out how much financial risk women in urban Bengaluru are willing to take. It will do this by looking at whether they tend to invest in low-risk, moderate-risk, or high-risk ways. Second, it wants to look at the risk management strategies that women use, such as diversification, advisory services, and systematic planning, to find out how they deal with possible financial losses. Third, the study looks at how financial literacy affects investment choices and risk management by looking at how knowledge, confidence, and decision-making behaviour are related. Finally, based on empirical findings, the study aims to offer recommendations for enhancing financial education and strategies, thereby bolstering women's confidence, independence, and efficacy in investment decisions. The study utilises primary data gathered from 200 women respondents in urban Bengaluru to attain its objectives. A structured questionnaire collects demographic variables, income levels, investment patterns, risk perception, and knowledge of financial instruments. Quantitative analysis, encompassing descriptive statistics and correlation analysis, is employed to discern trends and relationships among variables. The research also shows important things that help women make smart investments and manage risks well. It gives stakeholders evidence-based advice on these things. It is important to know how women handle and understand financial risk. It helps banks and other financial institutions make products, services, and advice that are right for women based on their risk profiles and investment preferences. It helps policymakers come up with plans to increase financial literacy, inclusion, and empowerment. For women, insights from this research can boost their confidence in making decisions, make them less dependent on informal advice, and encourage them to plan their investments in a way that fits with their long-term financial goals. In conclusion, the financial behaviour of women in urban Bengaluru exemplifies a dynamic convergence of opportunity, risk, and knowledge. This research seeks to enhance the comprehension of how women navigate the investment landscape by examining financial risk tolerance, risk mitigation strategies, and the impact of financial literacy. Ultimately, encouraging financial education and helpful tools can help women make smart choices, get the most out of their investments, and become more financially independent in a quickly changing urban economy.

Literature Review

In recent years, there has been more interest in how women handle financial risk, what they do to reduce it, and how they invest. Researchers in finance, economics, and behavioural science have examined the impact of gender, socio-economic factors, and financial literacy on investment decisions. This literature review analyses previous studies on financial risk tolerance, the strategies employed by women to mitigate risk, the influence of financial literacy, and investment behaviour, particularly in urban settings akin to Bengaluru.

1. Financial Risk Tolerance among Women

Financial risk tolerance is how much risk someone is willing to take in order to get a possible return. Multiple studies indicate that women typically demonstrate a lower risk tolerance than men. Jianakoplos and Bernasek (1998) discovered that women are less inclined to participate in stock market investments and generally favour more secure financial instruments, frequently citing apprehensions regarding potential losses. In the same way, Croson and Gneezy (2009) said that psychological and social factors affect how men and women take risks. Women are more cautious because they are afraid of taking risks and want to be safe in the long term. In the Indian context, Agarwal and Choudhury (2017) noted that urban female investors exhibit moderate risk tolerance, frequently shaped by their educational background, income levels, and familiarity with financial markets. Women are more likely to take bigger risks when they are financially independent, engaged in their careers, and know about different investment options. But social norms and family obligations often keep them from taking risks.

2. Risk Mitigation Mechanisms

Investors use risk mitigation mechanisms to reduce the chances of losing money. Some common strategies are spreading your money across different types of assets, getting advice from a financial advisor, using insurance, and using systematic investment plans (SIP). Studies show that women often use more than one way to lower their risk because they are less willing to take risks. Bhandari and Das (2018) discovered that Indian female investors favour diversified portfolios that integrate fixed-income securities, mutual funds, and gold, achieving a balance between security and growth. International research also underscores women's inclination towards advisory services and collective decision-making. Sunden and Surette (1998) found that women are more likely than men to get professional help when they are making financial decisions. This shows that women are more careful about taking investment risks. This behaviour indicates that risk mitigation is not exclusively financial but also behavioural, grounded in informed decision-making.

3. Financial Literacy and Its Impact

Financial literacy is very important for how people invest and manage risk. Lusardi and Mitchell (2014) stressed that knowing about money directly affects how much risk you can take and how much you should spread out your investments. Women who know more about money are surer of their ability to make complicated investment decisions that balance risk and return. Sharma and Singh (2019) found that women in Indian cities who know more about money are more likely to put their money into stocks, mutual funds, and retirement plans. Financial literacy helps women figure out how to take risks, learn about the features of products, and come up with systematic plans for building wealth. Also, digital financial platforms in cities like Bengaluru have made financial literacy even more important because knowing how to trade online, use mobile banking, and make digital investments is essential for managing risk well.

4. Gender and Behaviour all Aspects of Investment Decisions

Behavioural finance literature emphasises that investment decisions are shaped by psychological factors such as overconfidence, loss aversion, and familiarity bias. Women are typically more prudent and systematic, demonstrating reduced overconfidence and enhanced diligence in research and planning. Barber and Odean (2001) contended that women's prudent strategies frequently lead to reduced portfolio turnover and superior long-term returns in comparison to men. Additionally, societal and cultural influences affect women's investment behaviour. In India, patriarchal norms and traditional financial roles have historically restricted women's autonomy in financial decision-making. Urbanisation and better access to financial services have changed these patterns, but problems like not having enough financial knowledge, not having enough time, and relying on family advice still affect how much risk people are willing to take and how they invest.

5. Urban Context and Women Investors in Bengaluru

Bengaluru and other big cities are great places to study women investors. Bengaluru's growing professional workforce, tech ecosystem, and access to a wide range of financial tools give women chances to actively invest. A report from the National Stock Exchange (2020) says that more and more women in cities are getting involved in mutual funds, stocks, and retirement planning. This is because they are more aware of their finances and have access to digital financial tools. But research shows that many women are still hesitant to invest because they think the market is too volatile and they don't trust themselves. Urban women often use risk mitigation strategies like talking to financial advisors, having a variety of investments, and making regular investments. These are all in line with global trends in how women invest.

6. Gaps in Existing Literature

Although there is a wealth of research on financial risk tolerance and investment behaviour worldwide, studies concentrating specifically on urban Indian women, especially in cities such as Bengaluru, are scarce. The majority of studies either generalise Indian women investors or concentrate on rural settings. Moreover, although financial literacy is acknowledged as a factor influencing investment behaviour, the interplay between literacy, risk tolerance, and risk mitigation strategies among urban female investors remains insufficiently examined. This study fills this gap by examining 200 women respondents in urban Bengaluru, evaluating their risk tolerance, mitigation strategies, and the impact of financial literacy on investment choices.

Conceptual Framework

The conceptual framework for this study aims to investigate the correlation between financial risk tolerance, risk mitigation strategies, financial literacy, and investment choices among women in urban Bengaluru. It gives a visual and theoretical picture of how these variables affect and interact with each other.

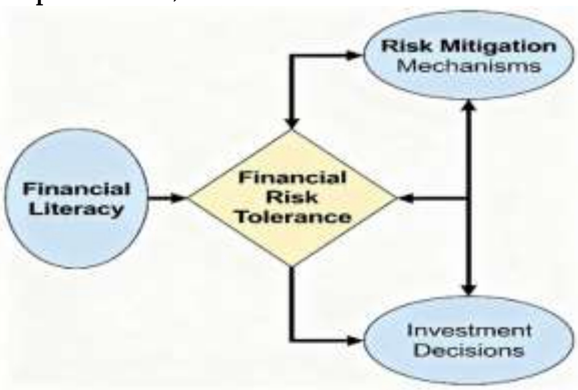
1. Key Variables

1. **Financial Risk Tolerance (Independent Variable)**
   - Represents the willingness of women to engage in investments with uncertain outcomes.
   - Measured through scenarios, statements, and self-assessment of comfort with financial risk.
2. **Risk Mitigation Mechanisms (Moderating Variable)**
   - Strategies used by women to reduce potential investment losses, such as diversification, professional advice, insurance, and systematic investment plans.
   - Acts as a buffer that may influence the impact of risk tolerance on investment decisions.
3. **Financial Literacy (Independent/Moderating Variable)**
   - Refers to knowledge, skills, and confidence in managing financial resources and investments.
   - Impacts both risk tolerance and the effectiveness of risk mitigation mechanisms.
4. **Investment Decisions (Dependent Variable)**
   - Refers to the type, diversity, and pattern of investment choices made by women.
   - Influenced by risk tolerance, risk mitigation strategies, and financial literacy.

2. Proposed Relationships

- Women with **higher financial literacy** are expected to exhibit greater confidence in taking calculated investment risks.
- Women with **higher risk tolerance** are likely to invest in a diversified portfolio, including equities, mutual funds, and other higher-return instruments.
- **Risk mitigation mechanisms** moderate the relationship between risk tolerance and investment decisions, enabling women to manage potential losses effectively.
- Financial literacy may also directly affect **investment decisions**, influencing the selection of financial instruments and adoption of systematic investment strategies.

3. Conceptual Model (Visual Representation)



Explanation:

- Financial literacy influences both risk tolerance and investment decisions directly.
- Risk mitigation mechanisms act as a moderating factor, shaping how risk tolerance translates into actual investment behaviour.
- The framework provides a basis for investigating how urban women in Bengaluru make informed financial decisions, balancing risk, literacy, and mitigation strategies.

Methodology

1. Research Design

The study utilises a descriptive research design to systematically examine the financial risk tolerance, risk mitigation strategies, and investment behaviours of women in urban Bengaluru. A descriptive methodology is suitable for this study as it facilitates the gathering of comprehensive data regarding women's investment preferences, risk perceptions, and financial literacy, without altering variables. The study concentrates on comprehending patterns, relationships, and practices within actual investment contexts.

2. Population and Sample

The study's target population consists of women living in Bengaluru's urban areas, specifically those who are actively engaged in or interested in financial investments. Taking into account the variety of professional backgrounds, income levels, and educational qualifications among urban women, the population comprises working professionals, entrepreneurs, and homemakers with varying degrees of engagement in personal financial management.

For this study, a sample of 200 respondents was chosen. A purposive sampling technique was utilised to guarantee that participants possessed adequate knowledge or experience regarding investments, thus yielding significant insights into risk tolerance and mitigation strategies. Purposive sampling enables researchers to focus on individuals most pertinent to the research objectives, thereby guaranteeing the acquisition of reliable and relevant data.

3. Data Collection Method

The study primarily relies on **primary data** collected through a structured questionnaire. The questionnaire is designed to capture information across several dimensions:

- **Demographic details:** Age, education, occupation, income, and marital status.
- **Financial risk tolerance:** Measured using a set of statements and scenarios that assess willingness to take financial risks and preference for investment types.
- **Risk mitigation mechanisms:** Identification of strategies employed to manage potential investment losses, including diversification, advisory consultation, and systematic investment plans.
- **Financial literacy:** Assessment of respondents' knowledge of financial products, investment principles, and digital financial tools.

The questionnaire was pre-tested with a small group of respondents to ensure clarity, relevance, and ease of understanding. Based on feedback, minor modifications were made to enhance the reliability and validity of the instrument.

Research Instruments

The main tool for the research was a structured questionnaire. It had both closed-ended and Likert-scale questions to measure risk tolerance, financial literacy, and the use of risk mitigation tools. The Likert-scale questions, which go from 1 to 5, let people say how much they agree with statements about how they invest and how they handle risk. Closed-ended questions help put respondents' demographic information and investment preferences into groups in a systematic way.

Scope and Limitations

The scope of this study is confined to women residing in suburban Bengaluru who are engaged in or aware of financial investment practices. While the research provides valuable insights into financial risk tolerance, risk mitigation strategies, and the role of financial literacy, there are certain limitations:

- The study focuses on sub urban women, so findings may not be generalizable to rural populations or other regions in India.
- The sample size of 200 respondents, while sufficient for descriptive analysis, may not capture the full diversity of urban women investors.
- Self-reported data through questionnaires may be subject to response bias, as participants may overestimate or underestimate their financial knowledge or risk tolerance.

Ethical Considerations

Ethical guidelines were strictly followed during data collection. Participation was voluntary, and respondents were informed about the objectives of the study. Confidentiality and anonymity of participants' responses were ensured, and the data collected was used solely for academic research purposes. Informed consent was obtained from all respondents before administering the questionnaire.

Data Analysis

The data collected from 200 women respondents in sub urban Bengaluru was analyzed to understand financial risk tolerance, risk mitigation mechanisms, financial literacy, and their influence on investment decisions. Descriptive statistics and cross-tabulations were used to present insights in a structured manner.

1. Demographic Profile of Respondents

Understanding the demographic profile helps contextualize investment behaviour s:

Demographic Variable	Category	Frequency	Percentage (%)
Age	20–25	25	12.5%
	26–35	85	42.5%
	36–45	55	27.5%
	46–55	25	12.5%
	56+	10	5%
Education	Undergraduate	45	22.5%
	Graduate	110	55%
	Postgraduate	45	22.5%
Occupation	Student	15	7.5%
	Employed	125	62.5%
	Entrepreneur	35	17.5%
	Homemaker	25	12.5%
Monthly Income	<25,000	35	17.5%
	25,001–50,000	90	45%
	50,001–75,000	50	25%
	>75,000	25	12.5%

Interpretation: The majority of respondents are 26–35 years old, graduate-level educated, and employed, representing the primary urban professional women segment. Most have moderate income (25,001–50,000), which may influence their cautious but growth-oriented investment behaviour.

2. Financial Risk Tolerance (FRT)

Financial risk tolerance was assessed using **5-point Likert scale statements** related to investment willingness, preference for high-risk instruments, and comfort with potential losses.

Risk Tolerance Level	Frequency	Percentage (%)
Very Low	15	7.5%
Low	40	20%
Moderate	100	50%
High	35	17.5%
Very High	10	5%

Observation: Half of the respondents demonstrate **moderate risk tolerance**, while **24% exhibit high or very high tolerance**, showing that a significant minority is willing to pursue growth-oriented investments. Only **27.5% are low or very low risk-tolerant**, indicating a general trend of cautious optimism among urban women investors.

Cross-tabulation with Age:

Age Group	Low Risk (%)	Moderate Risk (%)	High Risk (%)
20–25	20%	60%	20%
26–35	18%	52%	30%
36–45	28%	50%	22%
46–55	36%	48%	16%
56+	50%	40%	10%

Interpretation: Younger women (20–35) are more likely to tolerate risk, while older women show increasing risk aversion, aligning with long-term security concerns.

3. Risk Mitigation Mechanisms (RMM)

Respondents reported strategies to manage investment risk. Multiple selections were allowed.

Risk Mitigation Strategy	Frequency	Percentage (%)
Portfolio Diversification	155	77.5%
Consulting Financial Advisors	130	65%
Systematic Investment Plans (SIP)	110	55%

Insurance Coverage	95	47.5%
Conservative Investment Choices	145	72.5%

Observation: Diversification and conservative investments are the most common strategies, with a strong reliance on **professional advice** (65%). This indicates that while women are moderately willing to take risks, they **actively use mechanisms to reduce potential losses**.

Cross-tabulation with Financial Risk Tolerance:

Risk Tolerance	Diversification (%)	Advisor Consultation (%)	SIP (%)
Low	60%	50%	35%
Moderate	80%	70%	55%
High	90%	75%	70%

Interpretation: Higher risk-tolerant women not only invest in riskier assets but also **actively mitigate risks** through diversification and SIPs, reflecting informed and strategic decision-making.

4. Financial Literacy (FL)

Financial literacy was assessed through knowledge of investment products, risk-return concepts, and digital platforms.

Literacy Level	Frequency	Percentage (%)
Low	30	15%
Moderate	120	60%
High	50	25%

Observation: Majority of respondents have **moderate financial literacy**, while **25% are highly literate**, capable of understanding complex products like mutual funds, equities, and online trading tools. A **small segment (15%)** may require targeted financial education.

Cross-tabulation with Age:

Age Group	Low FL (%)	Moderate FL (%)	High FL (%)
20–25	10%	65%	25%
26–35	12%	60%	28%
36–45	20%	55%	25%
46–55	25%	60%	15%
56+	40%	50%	10%

Interpretation: Financial literacy is generally higher among younger women, suggesting that exposure to education and digital platforms improves knowledge and confidence.

5. Investment Decisions (ID)

Investment decisions were measured based on **portfolio diversity, frequency, type of investments, and digital adoption**.

Investment Behaviour	Frequency	Percentage (%)
Diversified Portfolio	150	75%
Preference for Mutual Funds	130	65%
Preference for Fixed Income (FD/Bonds)	140	70%
Equity/Stocks Investments	80	40%
Use of Digital Investment Platforms	105	52.5%

Observation: Women tend to adopt a **balanced investment approach**, favoring **diversified portfolios, fixed income, and mutual funds**, while equity participation is lower (40%). Digital platforms are moderately used, highlighting partial adoption of modern investment technologies.

Cross-tabulation with Financial Literacy:

Financial Literacy	Mutual Funds (%)	Equities (%)	Digital Platforms (%)
Low	30%	15%	10%
Moderate	65%	40%	50%
High	95%	80%	90%

Interpretation: Financial literacy strongly influences investment choices. Highly literate women are more confident in **equities, mutual funds, and digital platforms**, while low-literacy respondents stick to safe, traditional investments.

Discussion and Findings

This study investigated financial risk tolerance, risk mitigation strategies, and financial literacy among 200 women in urban Bengaluru, emphasising the impact of these factors on investment decisions. The results shed light on women's investment behaviour and have implications for financial education and empowerment.

1. Financial Risk Tolerance

The analysis reveals that 50% of respondents display moderate risk tolerance, whereas 24% exhibit high or very high-risk tolerance. Only 27.5% are willing to take on low or very low risks. This is in line with earlier research by Agarwal & Choudhury (2017) and Croson & Gneezy (2009), which found that women in cities take moderate risks, weighing the need for growth against safety concerns.

Key observations:

- **Younger women (20–35 years)** show higher risk tolerance, reflecting willingness to explore growth-oriented investments like equities and mutual funds.
- **Older women (46+)** are more risk-averse, preferring fixed-income instruments, consistent with life-stage considerations and financial security priorities.

Implication: Age and career stage influence risk tolerance, suggesting that financial education programs should be tailored according to age and risk appetite to encourage balanced investment decisions.

2. Risk Mitigation Mechanisms

The research indicates that diversification (77.5%) and conservative investment strategies (72.5%) are the predominant approaches, succeeded by consulting financial advisors (65%) and utilising SIPs (55%). This corroborates the findings of Bhandari & Das (2018), emphasising that women employ various strategies to mitigate financial risk.

Key insights:

- Women with **higher risk tolerance** simultaneously employ **more sophisticated mitigation strategies** such as diversified portfolios and SIPs.
- Even **risk-averse women** engage in some mitigation strategies, indicating cautious optimism and awareness of potential market risks.

Implication: Financial advisors and institutions can design targeted products and advisory services that cater to different risk profiles, encouraging women to adopt proactive risk management without compromising security.

3. Financial Literacy

Financial literacy is a key factor that affects how people invest. In this study, 60% of the people who answered had average literacy, and 25% had high literacy. Cross-tabulation reveals that women with high literacy are more inclined to invest in equities, mutual funds, and digital platforms, whereas those with low literacy prefer fixed deposits and conservative instruments.

Key observations:

- **Digital adoption** correlates strongly with financial literacy. Women familiar with online platforms are better positioned to access diverse investment options.
- Financial literacy enhances confidence, enabling women to **balance risk and return** more effectively.

This aligns with **Lusardi & Mitchell (2014)**, emphasizing that financial knowledge is a key enabler of informed investment decisions.

Implication: Enhancing financial literacy through workshops, online courses, and advisory services can empower women to make better investment decisions, particularly in urban environments like Bengaluru.

4. Investment Decisions

The study reveals that women's investment portfolios are **balanced**, combining **mutual funds (65%)**, **fixed-income instruments (70%)**, and **equities (40%)**. Diversification is widespread (75%), indicating that women strategically allocate investments across multiple instruments to manage risk.

Key insights:

- Investment patterns reflect **moderate risk tolerance**, combined with **active risk mitigation strategies**.
- Digital investment platforms are used by 52.5% of respondents, indicating growing adoption but highlighting the need for **digital financial literacy enhancement**.
- Highly literate and younger women are more likely to explore **high-yield investments**, whereas older or low-literacy respondents favor **traditional instruments**.

Implication: Investment behaviour among urban women is increasingly informed and strategic, yet opportunities exist to expand participation in digital and equity markets through targeted education and support

5. Integration of Findings with Literature

- The observed **moderate risk tolerance** aligns with global trends showing that women are generally cautious but deliberate investors (**Jianakoplos & Bernasek, 1998; Croson & Gneezy, 2009**).
- The adoption of **diversification, advisory consultation, and SIPs** confirms that women

actively mitigate risks (**Bhandari & Das, 2018; Sunden & Surette, 1998**).

- **Financial literacy's positive influence** on investment confidence and portfolio diversification reinforces findings by **Lusardi & Mitchell (2014)** and **Sharma & Singh (2019)**, demonstrating that knowledge is key to effective risk management.

Overall, the study confirms that **risk tolerance, risk mitigation mechanisms, and financial literacy** collectively shape women's investment decisions in urban Bengaluru.

6. Practical Implications

1. **Financial Education Programs:**
   - Targeted programs can improve literacy, especially for low-knowledge segments (15% of respondents), enabling them to diversify portfolios and adopt modern investment tools.
2. **Customized Advisory Services:**
   - Financial advisors should consider age, income, and risk tolerance to provide tailored guidance, particularly encouraging younger women to explore growth-oriented instruments responsibly.
3. **Promotion of Digital Financial Tools:**
   - Enhancing digital literacy and comfort with online investment platforms can expand access to diversified products and increase investment efficiency.
4. **Policy Implications:**
   - Policymakers can promote financial inclusion through campaigns focused on women's empowerment, digital adoption, and risk management awareness in urban centers.

Limitations of the Study

Despite its comprehensive approach, this study has several limitations that must be acknowledged:

1. **Sample Size and Representation:** The study is based on **200 respondents** from urban Bengaluru. While sufficient for descriptive insights, the sample may not fully represent the diversity of women investors across different income levels, professions, or socio-economic backgrounds. Rural women and those from smaller towns were not included, limiting the generalizability of the findings.
2. **Self-Reported Data:** The research relied on **questionnaires and self-reported data**, which can be subject to **response bias**. Participants may have overestimated their financial literacy or risk tolerance, or provided socially desirable responses rather than reflecting their actual behaviour.
3. **Cross-Sectional Design:** The study is **cross-sectional**, capturing investment behaviour at a single point in time. It does not account for temporal changes in financial literacy, market conditions, or personal circumstances, which can influence risk tolerance and investment decisions over time.
4. **Limited Scope of Variables:** While the study focused on **financial risk tolerance, risk mitigation mechanisms, and financial literacy**, other factors such as behaviour al biases, family influence, psychological traits, and macroeconomic conditions were not included. These factors may also significantly impact women's investment decisions.
5. **Digital Literacy Considerations:** Although the study considered some aspects of financial literacy related to digital platforms, it did not deeply explore **digital competency**, fintech adoption barriers, or comfort with emerging investment technologies, which are increasingly relevant in urban settings.
6. **Geographical Focus:** The study is limited to **urban Bengaluru**. Investment behaviour, risk perception, and financial literacy can differ significantly in other urban centers, rural areas, or regions with varying access to financial infrastructure.

Future Scope of the Study

Despite these limitations, the study opens avenues for further research and practical interventions:

1. **Expansion to Other Regions:** Future research can include **larger and more geographically diverse samples**, incorporating women from multiple urban and rural areas in India. This would allow for comparisons across regions and socio-economic contexts.
2. **Longitudinal Studies:** Conducting **longitudinal research** can provide insights into how women's risk tolerance, financial literacy, and investment behaviour evolve over time, especially in response to changing financial markets or life stages.
3. **Inclusion of Behaviour al and Psychological Factors:** Future studies can examine **behaviour al finance aspects**, such as overconfidence, loss aversion, peer influence, and decision-making biases, which may affect investment patterns alongside risk tolerance and financial literacy.
4. **Digital Financial Literacy:** A deeper exploration of **digital adoption, fintech literacy, and comfort with online platforms** would be valuable, given the increasing importance of digital tools in urban investment behaviour.
5. **Impact of Socio-Cultural Factors:** Further research can investigate the role of **family influence, cultural norms, and social**

expectations in shaping women's investment behaviour, particularly in the Indian context.

6. **Policy and Educational Interventions:** Future studies can evaluate the effectiveness of **financial literacy programs, advisory services, and digital training** for women investors. Understanding which interventions enhance confidence, risk management, and diversified investment behaviour can guide policymakers and financial institutions.
7. **Comparative Gender Studies:** Expanding research to include **comparisons between men and women** can provide insights into gender-specific risk behaviour, investment strategies, and the role of financial literacy, which can inform targeted interventions for women investors.

Conclusion

The current study investigated financial risk tolerance, risk mitigation strategies, and the influence of financial literacy on investment decisions among women in sub urban Bengaluru, utilising responses from 200 participants. The results show that most women have a moderate risk tolerance, which means they are careful but want to grow their money. Younger women are more willing to take risks, while older women prefer stable, low-risk investments. Women actively use strategies to reduce risk, such as diversifying their portfolios, making safe investment choices, talking to financial advisors, and following systematic investment plans. This shows that they are taking a balanced approach to dealing with uncertainty. Financial literacy is a big factor in how people invest. Women with higher literacy are more likely to invest in stocks, mutual funds, and digital platforms, while women with lower literacy prefer traditional investments like fixed deposits. In general, women in urban Bengaluru have a balanced investment style, using both low-risk and moderate-risk options. They are also slowly becoming more comfortable with technology. The study emphasises the necessity for specialised financial education initiatives, tailored advisory services, and policy measures to improve financial literacy, confidence, and digital proficiency. Giving women the knowledge, tools, and support they need can help them make the most of their investments, which will not only improve their own financial situation but also help the economy grow and include more people in urban India.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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