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Determinants of Financial Decision making among Working versus Household Women in Pakistan

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Abstract: *This study explores the factors that shape how women both in their households and professional roles make financial decisions. A mixed-method approach was used to answer the research questions. In the first phase, a survey was conducted to assess aspects such as financial support, personality traits, professional orientation, perceived risk, and financial knowledge. In the second phase, interviews were carried out with women from both household and professional backgrounds to understand their decision-making processes. Insights from these interviews were used to validate the chosen research questions and tools. Once validated, questionnaires were distributed to collect data. The findings reveal that personality traits and financial knowledge have a strong positive impact on women's financial decision-making, while perceived risk tends to reduce the likelihood of making such decisions. In contrast, financial support and professional orientation were found to have no significant effect. Overall, the results emphasize the crucial role of financial knowledge and personality traits in shaping women's financial behaviors*

Keywords: Personality trait, Perceived Risk, Professional orientation, Financial decisions, Financial support

Introduction

Women's financial decision-making has grown increasingly complex in recent years, partly due to irrational market behaviors (Salim & Khan, 2020). While investors generally exhibit concern over their financial choices, many remain confident that these decisions will yield higher returns (Dang et al., 2019). Salim (2015) emphasizes that sound financial decisions encompass a wide range of benefits. In this regard, Sharma (2018) highlights that women's financial engagement has contributed significantly to economic growth, poverty alleviation, and the creation of employment opportunities (Rashid & Ratten, 2020). Despite these potential benefits, approximately 1.7 billion individuals worldwide remain unbanked (Demirguc-Kunt et al., 2018), posing substantial challenges to sustainable development. Women represent 56% of this

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unbanked population and are disproportionately represented in certain countries, including India, Bangladesh, and China. According to Iriobe et al. (2017), financial literacy—comprising essential knowledge and skills—enables individuals to make informed and prudent financial decisions. Similarly, Kim et al. (2018) argue that expanding entrepreneurial access to critical financial resources can significantly enhance national sustainable economic development. In the context of Pakistan, research by Shakeel et al. (2020) and Rehman and Roomi (2012) indicates that women's participation in the workforce both influences and benefits the national economy. Furthermore, Acharya et al. (2010) note that women who exercise decision-making autonomy in household and financial matters tend to be better educated and possess improved well-being. Entrepreneurial women, therefore, play a pivotal role in promoting sustainable growth and reducing poverty (Bouzerkraoui & Ferhane, 2017).

Whenever women entrepreneurs succeed, society changes (Shah & Saurabh, 2015). According to Mohamad and Kasuma (2016), women feel more empowered when they comprehend a few psychological forces that aid them in making financial decisions. According to recent research, a number of women who participate in financial decision-making are not motivated merely because they are compared to men in this regard (Bhavani, 2020). Similar circumstances exist in Pakistan, where women must struggle against the male-dominated society in order to succeed as entrepreneurs (Parveen et al., 2020). Therefore, women have less stimulus, minimal family financial support, and an uncertain path, especially in developing nations. Nevertheless, the process by which women (household and job holders) make financial decisions is disregarded and ineffective (Bhavani, 2020). In particular, Pakistani women have severe families and social obligations that have likely impacted their ability to start their own businesses (Khan et al., 2019).

Factors influencing financial decision-making among women are not universally understood, and significant gaps remain in identifying how these determinants differ between professional women and household women. Professional women, who are often more engaged in the workforce, may have distinct financial motivations, greater access to financial resources, and higher levels of financial literacy compared to household women, who may prioritize family-related financial needs and face different constraints. Despite the increasing economic role of women, little research has explored how employment status, income levels, risk preferences, financial literacy, and social pressures distinctly affect their financial decisions. This lack of understanding hinders the development of targeted financial education programs, policies, and services that cater to the unique financial needs of these diverse groups of women. There is a need to investigate and compare the determinants of financial decision-making between professional and household women to bridge this knowledge gap and promote more inclusive financial strategies.

Furthermore, in a developing nation like Pakistan, women face a variety of challenges when deciding to pursue entrepreneurship completely. According to Bari (2005), Pakistani women's economic and social inadequacies reflect the country's depressing reputation. Even if the number of women working in Pakistan's stock market is rising (Omeihe et al., 2019), they face many obstacles when deciding to start their own business (Hasan, 2020). Additionally, women's financial decision-making context requires greater. Moreover, supporters of behavioral finance contend that a number of psychological factors make financial decision-making extravagant and encourage

investors to stray from rational financial decision-making by displaying perceptual biases in risky and uncertain circumstances. Furthermore, personality factors increase the likelihood that investors would develop psychological biases when making financial decisions. (Durand and others, 2019).

Smith et al., (2016) argued that financial literacy has increased researchers' extensive attention as a critical ability for all social groups. In the context of Pakistan, women entrepreneurs are perceived to work informally or formally, but only 15% of entrepreneur's women have suitable financial knowledge and literacy (Baporikar & Akino, 2020). It is questionable that it causes women entrepreneurs to act irrationally and makes it harder for them to make good financial decisions (Kappal & Rastogi, 2020). According to a recent study, irrationality in financial decision-making may be described by prospect theory (Wan, 2018). According to Iram et al. (2024), this paradoxical state of irrationality or reason in financial decision-making results in the need for financial support and financial literacy, which may influence prudent financial decision-making. It is crucial to learn within the framework of women for this reason.

In combination with the above-mentioned discussion, we saw that there are many other factors that can affect financial decision-making in the context of women (jobholders and housewives). So, in the dynamic culture of Pakistan, we want our instrument in a localized way to support the questionnaire validity. This research has contributed in the context of women (jobholders and housewives) and financial decision-making. It has assisted in increasing the understanding of the significance of determinants of financial decision-making for women (jobholders and household in developing countries like Pakistan, where women face unique challenges when it comes to financial decision-making. Lastly, this study has helped women in Pakistan make economically sound choices that would benefit the country's economy and society.

Problem Statement

Although women in Pakistan play a growing economic role, the specific factors influencing their financial decision-making are not well explored, specially the differences between professional (working) and household (non-working) women. These two groups likely differ in financial literacy, access to resources, decision-making autonomy, and perceived risks. Yet, current research often fails to distinguish between them, making it difficult to tailor financial education, policies, and support programs. This study aims to fill that gap by identifying and comparing the determinants of financial decision-making between these two categories of women in the Pakistani context.

Research Questions

This study is conducted to fill the gap in literature and leads to the development of the following research questions:

RQ1: How do determinants of financial decision-making impact housewives and professional women?

RQ2: Does financial knowledge influence how households and professionals make financial decisions?

RQ3: Do personality traits affect financial decision-making between professional and housewife women?

RQ4: Do housewives and professionals make different financial decisions based on their perceptions of risk?

RQ5: Does financial support influence how housewives and professionals make financial decisions?

RQ6: Do housewives and professionals' financial decisions depend on their professional orientation?

Research Objective

The primary objective of this study is to investigate the determinants of financial decision making among housewives and professional women. In particular, it aims to assess the impact of financial literacy, financial support, personality traits, perceived risk, and professional orientation on their financial decision making processes. The study further seeks to compare how these factors influence decision-making across the two groups, thereby providing a deeper understanding of the similarities and differences in their financial behaviors.

Literature Review

Financial Literacy

According to the theory of financial literacy, people with financial the theory of financial literacy suggests that individuals with adequate financial knowledge apply both intuitive and cognitive reasoning approaches to enhance their financial decision-making. While these skills are intended to improve outcomes, they can, in some cases, contribute to financial difficulties if applied ineffectively (Christopher, 2010). Financial literacy has been described as a set of actions and processes aimed at improving the knowledge, skills, and competencies of individuals and communities, enabling them to manage their financial resources effectively (Amidjono et al., 2016). In this regard, Bire et al. (2019) define financial literacy as the ability to acquire, comprehend, and critically evaluate financial information, considering the potential consequences of such decisions.

The concept of financial literacy is widely acknowledged, though its interpretation and application vary significantly across different populations and countries (Klapper et al., 2015). Studies have shown that knowledge gaps are more prevalent among women, individuals living in poverty, and those with lower educational attainment. Struckell et al. (2022) found that in the United States, women with higher levels of financial literacy are more likely to achieve economic independence compared to men. Similarly, Lladós-Masllorens and Ruiz-Dotras (2021) emphasize that women's business culture is strengthened by enhanced numerical and financial skills. According to Sconti et al. (2024), higher levels of financial literacy are directly associated with improved financial decision-making capabilities.

Professional Orientation

Professional orientation, also called vocational orientation (Quiroga-Garza et al., 2020) Professional orientation, also referred to as vocational orientation (Quiroga-Garza et al., 2020), is viewed as an ongoing developmental process rather than a single,

fixed decision (Kosine & Lewis, 2008). The process is closely tied to the evolution of an individual's professional self-concept, which continues to differentiate from their initial personal and educational context over time (Wrat & Stone, 2005; Darling-Hammond et al., 2019). Educational institutions, particularly at the tertiary level, play a pivotal role in creating supportive environments that encourage individuals to explore their motivations and achieve their full potential (Vladimirovna et al., 2016).

Professional orientation is often considered a dispositional, trait-like characteristic that tends to remain relatively stable throughout an individual's life (Low et al., 2005). In certain fields, such as health sciences, researchers have explored how professional orientation influences students' development and career trajectories. Loan and Van (2015) argue that career direction should involve evaluating the alignment between an individual's future vocational path and their skills, interests, and capabilities. This approach ensures that professional choices are not only aspirational but also grounded in a realistic assessment of personal competencies and long-term goals.

Financial Support

Financial support determined by members of family and friends has been initiated as an essential indicator of mental accounting (Sun et al., 2009; Stephens et al., 1999). Consistent results have been determined in research viewing a positive relation between mental health and family financial support. Silverstein et al., (2006) concluded the significant correlation between attaining financial support from older parents and children's mental well-being in China. Chen and Silverstein (2000) explored that living with kids modestly improved the prospect for mature individuals to accept financial support, refining their psychological happiness.

Similarly, rural Chinese inhabitants aged 60 years or older, Cong and Silverstein (2008) claimed a significant role of family financial aid in modifying the elderly cruelty of depressive indicators. Furthermore, Hu and Li (2020) expressed a significant relationship with financial support to aged parents but not support with household responsibilities.

Perceived Risk

Perceived risk is recognized as a multifaceted construct that has been widely examined in the literature. Risk, in its broad sense, refers to uncertainty and the potential for adverse consequences associated with consumption decisions (Bauer, 1967). It reflects the likelihood of harm to individuals (Breakwell, 2014) and the possibility of experiencing loss (Slovic, 1987). Specifically, perceived risk is defined as an individual's assessment of potential harm or loss arising from uncertainty in decision-making contexts (Dowling & Staelin, 1994). Breakwell (2014) identifies two primary dimensions of risk: the severity of a potential negative outcome and the probability of its occurrence. In the domain of financial decision-making, perceived risk is closely related to the value an individual attributes to the potential for loss in a specific situation (Kochling et al., 2022). Furthermore, risk can be understood from two perspectives: objective (actual) and subjective (perceived) (Hansson, 2010).

Kahneman and Tversky (1979) describe objective risk in scenarios such as gambling, where individuals make choices among clearly defined outcomes. In contrast, subjective risk emphasizes the individual's personal interpretation of uncertainty, shaped by perceptions and experiences (Reisinger & Mavondo, 2005). Certain characteristics—such as perishability, intangibility, and inseparability—can heighten vulnerability to subjective risk in financial decision-making (Karl & Schmude, 2017). Perceived risk is often influenced by internal cognitive biases and expectations of potentially adverse consequences (Liu et al., 2016; Adam, 2015). Empirical evidence further suggests that individuals' decision-making choices are significantly shaped by their perceptions of risk (Zobeidi et al., 2022).

Personality Traits

Personality traits reveal a person's acts, behaviors, and thoughts (Allport & Vernon, 1930). According to Manner (2017), researchers agree that personality reflects a person's whole system of traits and that people differ in their mental processes, feelings, and emotions. Therefore, personality is one of the most important indicators of an individual's emotional and physical health. The Big Five personality traits are included in this study. These characteristics include conscientiousness, emotional stability, agreeableness, extraversion, and openness to new experiences. According to Duckworth and Weir (2010), neurotic people may be more likely to make less-than-ideal decisions about retirement, savings, and financial planning. According to Harrison and Chudry (2011), people with neurotic personalities are unable to distinguish between attitudes that influence financial decision-making.

Researchers assert, however, that people who are neurotic are unable to effectively manage their resources (Rendall et al., 2021; Linehan, 2018). Additionally, recent research has found a negative correlation between neuroticism and financial self-efficacy (Asebedo et al., 2019; Rise et al., 2021). According to Harrison and Chudry (2011), extraverted people are more gregarious and spend more on social activities to maintain their social lives. They also talked about the type of people that are more likely to borrow since they don't want to reconcile their status owing to their higher costs. Evidence from earlier research supports the favorable correlation between extrovert traits and lending behavior (Ghaffar et al., 2022). Similarly, Hussain et al., (2021) argued that extrovert individuals are more persuaded towards long term financial goals. But, Wang et al., (2021) expressed that extroversion is not significantly associated with household intentions. Individuals with a high level of agreeableness seek relational understanding and are inclined toward characteristics such as trustworthiness, altruism and honesty (McCrae & Terracciano, 2005). In the study of finance, Nyhus and Webley (2001) examined the association of agreeableness with lending behavior, which was insignificant.

Goldsmith (1991) asserts that people who are receptive to new experiences are naturally curious and want to learn by doing. Additionally, the researchers found a substantial correlation between openness and financial saving behavior (Furnham & Cheng, 2019). Nonetheless, Nga and Yien (2013) found a strong positive correlation between openness to experience and future planning. In a similar vein, Mayfield et al. (2008) contended that long-term financial objectives are substantially correlated with openness to experience. People with the conscientiousness attribute are more self-

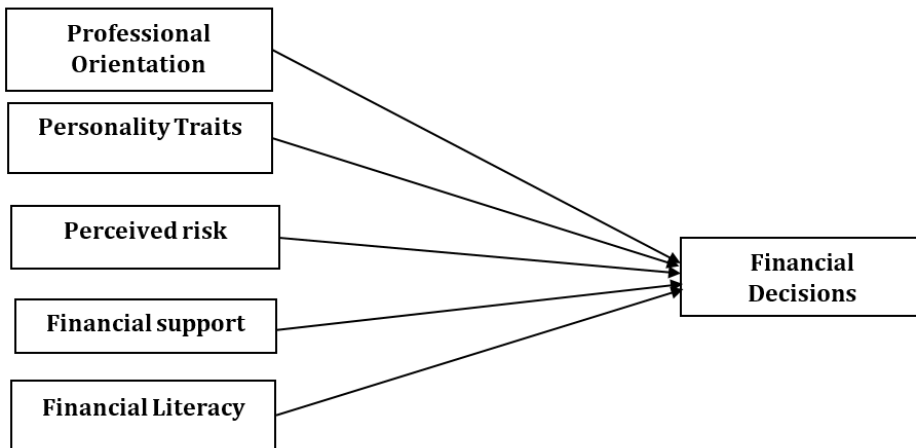
controlling, tenacious, goal-oriented, well-organized, and experienced (Ali, 2019; Weele, 2013). Individuals are presumed to preserve their financial investment history in order to prevent delays in their unfinished financial endeavors (Nyhus & Webley, 2001).

Research Hypotheses

- H1: Perceived risk has a significant impact on financial decision-making.
- H2: Financial literacy has a significant impact on financial decision-making.
- H3: Personality traits have a significant impact on financial decision-making.
- H4: Professional Orientation has a significant impact on financial decision-making.
- H5: Financial support has a significant impact on financial decision-making.

Conceptual Framework

Figure 1: Research model



Methodology

A quantitative technique was used, carried out through the use of an instrument. There is a dynamic change in the culture of Pakistan, so, the researcher wants to localize the questionnaire according to the environment of Pakistan. For the support of the original questionnaire, researchers conducted interviews from the housewife and job holder women. For example, the original statement was:

“I am motivated to meet targets in jobs assigned to me” and according to interviews we reported that “I am motivated to meet the goals I set for running my home and family”. Another example is that the original statement of the questionnaire was that “My parents can give me enough money for my projects and activities” and according to interviews we reported that “My parents or in-laws support me financially when needed”.

The data for this research were gathered from August 2024 to October 2024. Online

questionnaires and face-to-face were used to gather data for this study. Each method of data gathering has its disadvantages and advantages (Sun et al., 2021). The advantages of online surveys involve minimal expenses and no limitations on place or time. For this research, a purposive and snow ball random sampling technique was employed. The unit of analysis for this study were women who were doing jobs and also those who were housewives. However, this study's positivist methodology. Thus, 165 women made up the study's sample size. Based on the guidelines provided by Krejcie and Morgan (1970), which state that a sample of roughly 160–170 respondents is adequate for a population of several thousand with a 95% confidence level and a 5% margin of error, a sample size of 165 was considered suitable for this investigation.

Measures

This section outlines the instruments and scales used to assess the key variables in the study, including financial literacy, financial support, personality traits, perceived risk, and professional orientation.

Financial literacy

Financial literacy is defined as "the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being" (Bernheim, 1998). A total of five items were measured. "I am knowledgeable about investing," was one of the stated reasons.

Financial support

Financial support is measured by a 10 items scale. It was adopted from Moneva et al., (2020). The items included "My parents support me financially".

Personality traits

Five broad traits of personality are included in the Big Five framework: neuroticism, conscientiousness, extraversion, agreeableness, and openness to new experiences (McCrae & Costa, 1997). It used fifteen items for measurement. Among the items was "Change is exciting to me."

Perceived Risk

"The term 'perceived risk' refers to individuals' awareness and assessment of the uncertainty and negative outcomes that may result from their decision making," according to Dowling and Staelin (1994), which defines perceived risk. Five items are used to measure it. "I may not be able to access my account due to server unavailability" was one of the items.

Professional orientation

Professional orientation is defined by "Vocational orientation, also called professional orientation, has been considered as a step in the choice to pursue one career" (Garza et al., 2020). It is measured by using 5 items. The item included "Prior to the vocational program, were you convinced of your professional orientation?"

Financial decision-making

Financial decision-making is measured by a 6 items scale. The questionnaire was adopted from Lizarraga et al., (2009). Items included “Study the degree of difficulty of the decision”.

Data Measurement and Collection

This study gathered data through structured instruments using physics along with an

Variable	Sample= 165	Percentage	Variable	Sample= 165	Percentage
<u>Category of females</u>			<u>Level of Qualification</u>		
Housewives	76	46.0%	Inter	24	14.5%
Job Holder	89	53.9%	Bachelor	65	39.3%
<u>Age</u>			Master	55	33.3%
Less than 25	2	1.1%	MS or Phd	21	12.7%
25-29	15	7.9%			
30-34	69	36.3%			
35-39	87	45.8%			
40-44	16	8.4%			
45 and above	1	.5%			
<u>Marital status</u>					
Married	92	55.7%			
Unmarried	73	44.2%			

online survey technique. All items for different variables were taken from past studies and measured on a five-point Likert scale (1= strongly disagree to 5= strongly agree).

Table 1: Demographic Analyses

Data Analysis

Table 2: One-Sample Kolmogorov-Smirnov Test

		FL	PO	PR	FD	PT	FS
N		165	165	165	165	165	165
Normal Parameters ^{a,b}	Mean	4.1624	4.1539	4.2206	4.1939	3.5215	3.9176
	Std. Deviation	.63345	.63192	.55858	.62963	.35071	.68787
	Absolute	.114	.137	.159	.173	.049	.159
MostExtreme Differences	Positive	.093	.090	.084	.100	.037	.109
	Negative	-.114	-.137	-.159	-.173	-.049	-.159
Kolmogorov-Smirnov Z		1.464	1.761	2.037	2.222	.630	2.036
Asymp. Sig. (2-tailed)		.028	.004	.000	.000	.823	.001

Table 3: Descriptive Statistics

	Mean	Std. Deviation	Skewness	Kurtosis
Professional orientation	4.1539	.63192	-.548	-.398
Financial literacy	4.1624	.63345	-.649	.229
Perceived risk	4.2206	.55858	-.864	.990
financial decision	4.1939	.62963	-1.131	1.570
Personality traits	3.5215	.35071	-.113	-.535
financial support	3.9176	.68787	-1.488	2.190

Collinearity

The first step for data analysis is to measure correlation among constructs. Correlation evaluates the strengths and weaknesses of the relationships. If value is greater than 0.90, correlation may also give valued insight into likelihood of multicollinearity. It is significant to ponder that 0.90 does not find overwhelmingly that multicollinearity occurs, as it is basically a rule of thumb. However, VIF is a consistent measure. If VIF crosses the threshold values of 5, it shows that collinearity can be a problem. Table 5 explains the VIF and correlation among variables. Table 4 shows that all values in correlation matrix to be less than 0.90 and VIF values to be less than the threshold value of 5. Which shows that there is no issue of multicollinearity.

Table 4: Correlation

Variables	FL	PO	PR	PT	FS	FD
FL	1					
PO	.855**	1				
PR	.557**	.665**	1			
PT	.291**	.210**	.115	1		
FS	-.048	.040	-.042	.359**	1	
FD	.843**	.657**	.357**	.322**	-.60	1

Table 5: VIF

	VIF
PT -> FDM	1.407
FL -> FDM	4.555
FS -> FDM	1.597
PO -> FDM	4.317
PR -> FDM	1.703

Partial least square- Structural Equation Modeling (PLS-SEM)

In this matter, this research utilized PLS-SEM through SmartPLS 4.0 (Ringle et al., 2024) to evaluate the association between variables, which permitted first to analyze the psychometric characteristics of variables and then to examine the structural model. Partial least square does not need multivariate normal data, is specifically compatible for less sample size, and enforces less rigorous limitations on examination level (Henseler et al., 2014).

Measurement Model

Before examining hypotheses, researchers examined the study variables for their psychometric characteristics, as well as construct and reliability validity (discriminant and convergent). Table 3 explains the results of convergent validity and reliability. Firstly, the variable's reliability evaluations include composite reliability (CR) and Cronbach's alpha. The outcome values of Cronbach's alpha keep on in the range of 0.860 to 0.946, which were exceeded than the threshold values of 0.70 (Hair et al., 2019). Therefore, researchers examined convergent validity using standardized loading and AVE (average variance extracted). According to Hair et al., (2017) explained that the value of AVE should be greater than 5, respectively, in this study the value of AVE is ranging from 0.594 to 0.755 which is according to threshold value. So, this study gratified the prerequisite for vigorous convergent validity suggested by Hair et al., (2010) which explains that Cronbach alpha values should be more than average variance extracted. However, in this study these both met the criteria.

Figure 2: Structural Equation Model

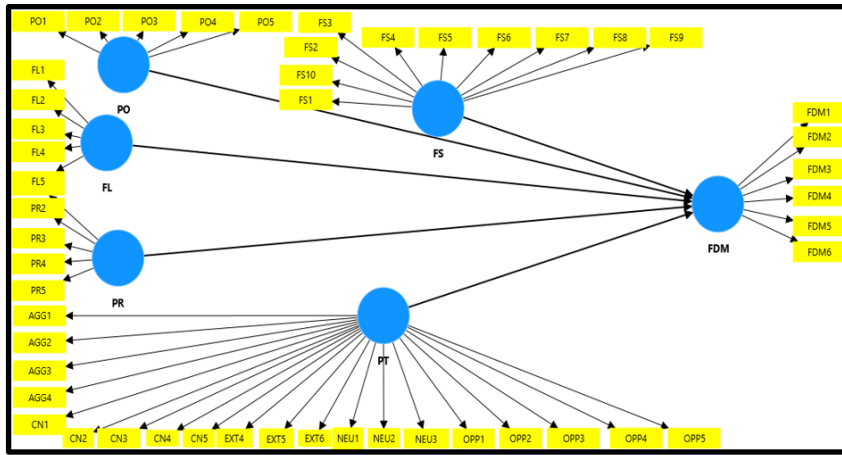


Table 6

Variables	Indicators	Loadings	CR	AVE
Personality Traits	AGG1	0.807	0.901	0.697
	AGG2	0.871		
	AGG3	0.943		
	AGG4	0.700		
	CN1	0.713		
	CN2	0.832		
	CN3	0.909		
	EXT4	0.938		
	EXT5	0.820		
	EXT6	0.844		
	NEU1	0.902		
	NEU2	0.906		
	NEU3	0.753		
	OPP1	0.776		
	OPP2	0.809		
	OPP3	0.911		
	OPP4	0.741		
	OPP5	0.872		
	NEU1	0.902		
	NEU2	0.906		
NEU3	0.753			
OPP1	0.776			
OPP2	0.809			
OPP3	0.911			
OPP4	0.741			
OPP5	0.872			

Financial decision-making	FDM1	0.850	0.936	0.711
	FDM2	0.878		
	FDM3	0.871		
	FDM4	0.820		
	FDM5	0.798		
	FDM6	0.838		
Financial literacy	FL1	0.863	0.919	0.696
	FL2	0.769		
	FL3	0.881		
	FL4	0.902		
	FL5	0.835		
Financial support	FS10	0.748	0.935	0.594
	FS2	0.804		
	FS3	0.725		
	FS4	0.702		
	FS5	0.746		
	FS6	0.773		
	FS7	0.884		
	FS8	0.864		
	FS9	0.791		
Professional orientation	PO1	0.622	0.912	0.681
	PO2	0.795		
	PO3	0.883		
	PO4	0.933		
	PO5	0.922		
Perceived risk	PR1	0.788	0.899	0.641
	PR2	0.769		
	PR3	0.815		
	PR4	0.820		
	PR5	0.810		

Hetertrait-Monotrait (HTMT)

Then, researchers evaluated the discriminant validity of each variable by three principles described below. Firstly, the Heterotrait-monotrait ratio (HTMT) recommends that the value which is calculated should not be greater than 0.90 (Henseler et al., 2015; Gold et al., 2001). The given table describes robust proof for discriminant validity.

Table 7: HTMT

	FDM	FL	FS	PO	PR
FDM					
FL	0.765				
FS	0.103	0.096			
PO	0.727	0.496	0.075		
PR	0.401	0.641	0.067	0.785	
PT	0.548	0.515	0.553	0.427	0.339

Hair et al. (2016) and Kock et al. (2015) recommend using the bootstrapping technique with 5,000 sub-samples for hypothesis testing. The results of our investigation, which are shown in Table 8, support the proposed research framework employing this approach. Perceived risk has a major impact on financial decision-making, according to H1. This notion is supported by the results, which indicate a negative but substantial relationship. The findings strongly support H2, which claims that financial decisions are positively impacted by financial literacy. The results validate H3's theory that personality traits significantly influence financial decision-making in a positive way. Since the findings contradict the hypothesis, H4's claim that professional orientation influences financial decisions is rejected. Likewise, the findings indicate a weak correlation, suggesting that H5, which anticipates a significant influence from financial support, is not supported.

Table 8: Results

Hypotheses	Results	Estimates	Decision
H1	Perceived Risk -----> Financial decisions	-.080*	Accepted
H2	Financial literacy -----> Financial decisions	0.657***	Accepted
H3	Personality traits-----> Financial decisions	0.376***	Accepted
H4	Professional orientation----->Financial decisions	-.034(NS)	Not accepted
H5	Financial support-----> Financial decisions	0.027(NS)	Not accepted

Discussion and Conclusion

Discussion

The study's findings provide empirical evidence in favor of the body of current literature. The results show that perceived risk has a detrimental effect on people's financial decision-making. In other words, fewer people will be willing to make a financial decision if the perceived risk of that decision is higher than that of other financial options. The findings indicate that even if high-risk investment choices provide significant returns, individual investors steer clear of them. People choose investments with smaller returns over those that carry greater risk. Prior research studies (Ahmad & Shah, 2020; Ahmed et al., 2021; Nguyen et al., 2019) are in agreement with our findings.

The study's findings suggest that people's financial decision-making is positively impacted by financial literacy. This implies that a person will make better financial decisions if he has a solid grasp of market procedures, financial dangers, and financial principles. Compared to someone who is not financially educated, someone who is financially literate would make better financial judgments, and these findings are also in line with (Ali et al., 2014; Balasubramnian & Sargent, 2020; Fong et al., 2021; Lusardi, 2012). A person who is financially knowledgeable may weigh the risks and advantages of the various financial possibilities before selecting one that makes sense.

This research study proposed that professional orientation can influence the financial decision-making of individuals. Results of the study indicate that there is no impact of professional orientation on financial decision-making. This explained that the career path and professional background of the individuals have no significant impact on their financial decisions. According to the results, professional orientation cannot decide their financial matters efficiently. We also proposed in this study that personality traits (Agreeableness, Extroversion, Neuroticism, Openness, and conscientiousness) have an impact on financial decision-making. According to the results, only the openness trait of personality positively influences the financial decision-making of individuals and other traits have no impact on the financial decision-making. According to the results, the agreeableness trait has no impact on financial decision-making it means that if a person is friendly and cooperative it does not significantly influence his ability to make wise financial decisions. The results are contradictory with (Nga & Ken Yien, 2013; Roa et al., 2018). Similarly, results indicate that extroversion, conscientiousness, and neuroticism do not have any impact on the financial decision-making ability of the individuals.

This explains that an individual tendency to be sociable, energetic, and negative emotions cannot significantly improve his financial choices. These personality traits (Neuroticism, conscientiousness, and Extroversion) cannot affect a person's ability to handle his decisions related to budgeting, saving, and investing. The possible reason for this can be people rely more on financial literacy and risk evaluation tools rather than their personality traits. According to Sachdeva and Lehal (2023), neuroticism and extroversion do not influence the financial decisions of investors because they make calculated decisions (Basana et al., 2024; Brooks & Williams, 2021).

According to the results of the study openness, personality traits positively influence the financial decision-making ability of individuals. People with openness traits are likely to consider more information, evaluate various financial options then make informed financial decisions. Openness stimulates the creative as well as innovative thinking of individuals and leads them to consider more unique authentic financial choices. People with openness traits are more willing to take risks as compared to others and they take calculated risks that lead to more returns. These findings are also consistent with previous research studies findings (Busic-Sontic et al., 2017; Gambetti & Giusberti, 2019; Jiang et al., 2024). Also the results indicate that financial support does not positively affect the financial decision-making ability of the individuals.

Conclusion

The main factors affecting people's financial decision-making have been investigated in this study. Even when the prospective rewards are great, people tend to steer clear of high-risk financial options, according to the research, which showed that perceived risk has a major negative impact. This is in line with earlier studies and represents a general risk-averse tendency. Financial decision-making and financial literacy were found to be strongly positively correlated. People who are more financially literate and knowledgeable are better able to make well-informed and sensible choices. This demonstrates how important financial education is in fostering wise financial practices. It was also discovered that personality traits, especially the openness component, had a favorable impact on financial decision-making. High openness people are more inclined to consider a variety of options, take measured risks, and use their

imagination, all of which help them make wise financial decisions.

However, there was not an obvious effect of professional orientation or financial support on financial decision-making, indicating that cognitive and psychological traits had a greater influence than outside variables like financial support or job background. All things considered, the study emphasizes the significance of personality, risk perception, and financial literacy in directing financial decisions, offering insightful information to educators and policymakers.

Limitation and future directions

This study has some limitations and future guidelines. Financial decisions may influence many other factors that may change over time. Due to cross sectional study, many other factors were missed, so, we need to explore more factors under longitudinal study. Moreover, data collected through questionnaires could be biased. So, future research can be done by conducting interviews. Future research could be deeper into how cultural and societal expectations shape financial decisions among working and household women. Comparative studies across different cultures or regions could highlight how norms and values affect financial behaviors and attitudes.

Implications

There are some managerial implications regarding this study. Firstly, results can help in forming policies to enhance the financial inclusion of women across both categories. Governments may support initiatives encouraging household women to engage with formal financial systems through savings accounts, pension schemes, or investment opportunities. By studying these determinants, policymakers, financial institutions, and employers can promote more inclusive financial decision-making practices, ultimately contributing to greater economic stability and empowerment for both working and household women.

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