

Gender Differences in Investment Decision Making Among the Working Class of Mauritius

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Abstract: *This research attempts to find differences in working women and men in their decision to make an investment in Mauritius, with an objective to find whether gender differences exist in investment decision making. The literature review elaborates on the three variables which contribute to investment decision making have been chosen, namely, risk tolerance, financial literacy and types of investment. The methodology consisted of the planning process in which this research is going to collect data through questionnaires among the working class of Mauritians in the capital city Port Louis, to analyze those data and finally to test the data. The independent samples t-test was chosen as the test of difference to prove the hypotheses of this research. The results obtained revealed that there is a significant difference between gender and risk tolerance while there is no significant difference between gender and financial literacy and also types of investment. The findings of this research were helpful in finding out possible causes which generated such results. Finally, the limitations were discussed and recommendations were given on the research topic.*

Keywords: *Investment, investment decision making, gender differences, financial literacy, risk tolerance, types of investment*

1. Introduction

Decisions that we make today will shape the form of tomorrow. Individuals engaging in investment decision making every day is indeed a fascinating topic; the investment decision that they make today will be tomorrow's profits or losses. Indeed, not all investments are going to generate profits as the investor is not considered rational at all times. Many factors influence the investor such as overconfidence, framing effects, a bad judgment, or simply a lack of knowledge. Investing can really have a significant impact on an investor's future, if he knows how, where and when to invest. Financial literacy is important for the success of an investor

in order to make the most appropriate choice of investment which responds to his needs. Basically, everyone makes investments at some point in their life; whether it is depositing money in the bank, pension plans, any savings schemes, purchasing types of insurance. All investments represent returns accompanied together with risk. The amount of returns and risk undertaken has to be decided by the investor, and for that, he needs substantial knowledge. Usually, higher returns are associated with higher risks. Investors usually have different level of risk tolerance; some are risk-takers while other are risk averse. The amount of risk they are willing to take will result in the amount of returns they will get.

Furthermore, Jonas Berggren (2010) has developed an interesting theory that "conventional portfolio theory tries to explain how financial markets perform and it assumes that investors are rational; the field of behavioral finance questions this assumption. Behavioral finance attempts to show how the investor behaves and shows that people base their behavior on several physiological factors such as; fear and greed." Thus, behavioral finance helps to understand patterns which lead to a difference in gender in the investment decision making. Recently, gender has really influenced the concern of financial advisors and companies' interests.

The study of gender difference is viewed as an endeavor of many types of researches. Gender differences have evolved since men and women are almost equally involved in financial decision making in most developed and developing countries. Compared to some years back, when gender gap was higher in many countries and when men used to dominate the financial sector and were the primary decision makers. Whilst the new generation has almost a gender equality in many parts of the world as both men and women work, thus it can be a fair way to analyze their inner instincts to come up with reasons whether they act differently when it comes to investment decision making.

Over the years, women have gained an active role in the Mauritian society. They are mostly financially independent and they participate in investment decision making as much as the men do. Mauritius, which is a developing country, consisting of 1.3m population, will be analyzed through a sample from the working class to find out whether there are gender differences affecting the investment decision making. This research will be carried out in a positivistic view, based on detailed past research.

2. Literature review

2.1. Risk tolerance

The level of risk tolerance in men versus women is surely different since studies have shown that men are more aggressive and assertive in nature while women are found to be generally more emotive. Bandura (1986) studies were among the first ones to point out that risk tolerance was influenced by self-assertiveness and self-efficacy. Self-efficacy can be determined when a person is involved in an encounter with a competitor, or whether they are optimistic or pessimistic about their future and if they think of self-enhancing. Generally, no concrete evidence exists to prove that the risk tolerance is a biological trait although many studies suggest that men's risk tolerance differs from that of women. However, enough evidence from studies can help to categorize the level of risk tolerance. Over the history, women have been more risk averse even when factors such as individual characteristics were controlled (Schmidt & Serak, 2006). Brown University's sociologist, Brooke Harrington, suggested that females have the "demographic risk" which means that since women are mothers, they tend to retire sooner and content themselves on pension benefits. Moreover, Fellner & Maciejovsky (2007) found that women are more likely to choose the less volatile investments, less risky and they show low market activity compared to men. UBS Investor Watch (2014) carried out a survey and found out that more women (32%) were more likely to be happy with a "small guaranteed rate of return than men did (28%). UBS Investor Watch also examined carefully the risk tolerance of women in two types of couples – one where women were in "woman-led couples" and one where women were in other couples.

Similarly, Olsen & Coz (2001) conducted a survey among professionals in investment decision making and came to a conclusion that when it comes to risk tolerance, "women weigh risk attributes, such as the

possibility of loss and uncertainty, more heavily than men." Consonant with these findings, Dohmen et al. (2006) carried out a survey in Germany and Perrin (2008) who carried out a survey in Switzerland both concluded that the males were positively correlated with risky financial assets while women were not.

Furthermore, Dwyer et al. (2002) and Niessen & Ruenzi (2007) both carried out a survey among managers of US mutual funds and came to the conclusion that a gender gap exists and it is very significant, even when the level of education and work experience were the same. Consonant with these findings, Hartog et al. (2002) who carried out a survey among Dutch and also came to the same conclusion that "being a woman immediately increases the degree of risk aversion."

However, no matter how many studies proved that women are more risk averse than men, some studies have also proved the contrary. As a matter of fact, Badunenko (2009) conducted surveys in Germany and the Netherlands and concluded that the gender seems to have no significant effect on the risk tolerance level. He further argues that even though there is a significant amount of evidence in literature that men are more risk taker than women, it is still insufficient to conclude that a gender gap exists in investment decision making. He pointed out that most of the studies were carried out in the U.S and only a few are from different countries, therefore gender gap cannot be generalized since there exist cross-country differences present in the institution, in social policies and in the economy. Badunenko (2009) has further pointed out another interesting opinion that gender differences could exist because of several factors other than the "innate differences in risk attitudes". To illustrate this point, the survey done by Sunden (2004) stated that "women are not generally risk averse when they are married, compared to unmarried ones." Similarly, Keller & Siegrist (2006) carried out a survey in Switzerland and concluded that females are as much willing as males to invest in the same types of investment options carrying the same amount of risk.

To explain this contradictory analysis of risk tolerance, it can be said that risk perception is a vital concept. Barber & Odean (2001) suggested that men have a tendency to simplify financial data while women take into consideration every little detail, thus completely understand the investments' aspects, and which explains why they take less risk. Similarly, Graham et al. (2002) believe as well that women are more thoughtful and they can be more informed since they ask more questions and interact more before making an investment decision. Age can also be a factor in risk tolerance since young

men and women tend to make riskier decisions than older ones. Benzion & Yagil (2003) suggested that women are more conservative than men since they have lower salaries. To counter this, Atkinson et al. (2003) stated that “even if a woman is a fund manager, she is still a risk-averse investor.”

Therefore, an individual analysis or risk attitude is vital before coming to a conclusion. As Lemaster & Strough (2013) suggests “social roles and personality traits are important for understanding financial tolerance in men and women.”

2.2. Financial literacy

Fonseca (2010) describes financial literacy as “special knowledge, the ability or skills to apply that knowledge, perceived knowledge, good financial behavior, or even certain financial experience.” Empirical evidence has proven that financial literacy has a positive influence on financial performance and financial status of an investor. Financially-literate investors are much efficient in doing their budgets, to save money and to control their expenses (Moore, 2003; Perry and Morris, 2005) also to handle mortgages and loans (Lusardi and Tufano, 2009) and finally to participate in the market (Van Rooij, Lusardi et al., 2011). Each individual should be able to make an appropriate financial decision to be sure that he will obtain a positive result. However, it has been seen that investors are objectively and subjectively limited on their understanding of financial matters since they proved to be unable to achieve a good level of financial knowledge and they proved to be unmotivated in that matter (Yoong, 2010).

Many studies have been conducted on the gender gap in financial literacy in the past. Empirical studies have shown that, in many cases, women are less financially literate than men. Hung et al. (2009) have conducted a study based on questions about financial concepts, investing, life insurance, annuities, originally based on Lusardi & Mitchell (2006) research. The study was aimed to measure financial knowledge in investment decision making, which will be helpful in this study to measure the gender gap and concluded if financial literacy is really a factor which accounts for gender gap differences. Similarly, Worthington (2004) is among those who concluded that women tend to have a relatively lower level of financial knowledge. Delavande et al. (2008) also proved that women scored much lower than men did on a financial knowledge survey which included complex financial concepts like diversification of portfolio, annuities, and institutional knowledge.

Similarly, Markow and Bagnaschi (2005) conducted a survey based on economical, money, interest rates and inflation knowledge and the findings proved that men scored higher than women. Finally, Chen & Volpe (2005) concluded that people must be “financially knowledgeable in order to make informed investment decisions and take advantages of investment opportunities.”

Academic literature has generally accepted that both genders make different investment decisions and that their difference in financial literacy could be one factor. This is mainly due to the fact that many countries have been lacking financial education since the Asian Development Bank (2013), Australian Securities and Investment Commission (2013), Financial Literacy and Education Commission (2011) have all come up with one strategy: to improve financial literacy via financial education programs. These programs had been designed mainly because it was found that women were vulnerable since they had less financial knowledge compared to men.

The importance of being financially literate in order to provide one with cognitive skills to make investment decisions was pointed out. Atkinson & Messy (2011) discussed that “an individual need to have the motivation to seek out financial information, the ability to control emotions that can affect their decision-making, and assurance in their own decision making and financial management capabilities. Similarly, Charness & Gneezy (2012), Dwyer, Gilkeson & List (2002), Hackett & Betz (1981), Hira (2010), Hira & Loibl (2008), Mottola (2013), Webster, Ellis & Bryan (2004), have all concluded that lower level of financial literacy and this had them experience financial disadvantage.

Lusardi & Mitchell (2008) found out that elderly women have a significant lower knowledge about finances and retirement plans than men did. Similarly, (ANZ Banking Group, 2008) conducted a research in Australia, proving the same result, and explaining that women want to be financially independent, but they do not have the ability to retain their earnings until they are old since they do not make the right financial decisions. Clark & Strauss (2008) in the US also pointed out that “participants made inconsistent decisions because they lack financial knowledge and understanding.”

To explain more about why there is actually a gender difference in financial literacy, Barclays led a research together with Ledbury and concluded that women tend to make a different decision since they are uncertain, and the reason why they are uncertain is because they lack knowledge. Women have declared that they need “greater financial education and information across a diversity of

financial matters.” According to Barclays, “unless women understand a financial product, they will not engage with it.” Lynch (2012) designed an Investment Personality Assessment (IPA) among 11 500 people and came to a conclusion that “the gender difference that seems to have most significant impact on investor behavior is men and women’s reported level of financial knowledge.” Also, a lot of women agreed to “knowing less than the average investor about financial markets and investing in general.” Finally, the IPA concluded that there are two main issues when it comes to financial literacy. First, women have a lower level of financial knowledge and secondly, women may have same level of financial knowledge as men but they are less confident.

Moreover, some studies explain how women tend to be less financially literate and they have come up with the cause being the differences in demographic characteristics (Fonseca, 2012). However, she also stated that not enough support was found to prove her theory. As a matter of fact, a correlation between decision making and financial literacy existed only for men, and which was perhaps because their level of education was not the same.

Furthermore, different researchers have different point of view, such as Bucher-Koenen (2012) pointed out that financial illiteracy is widespread since women generally live longer than men and have different saving needs. He also stated that financial illiteracy is present in the old women as well as the young ones and also mostly among single women and widows. Similarly, Chen and Volpe (2002), Lusardi and Tufano, (2009) and (Financial Consumer Agency of Canada, 2008) all pointed out that the a significantly low level of financial literacy is found in women compared to men; younger women have relatively more debt, have more problems maintaining their budget, know little about student loans, savings options, insurances and they were less financially responsible.

Last but not least, Financial Finesse Inc. (2012) carried out a survey in order to determine the gender gap in financial literacy, his results were as follows; there was a great gender gap in money management and investing and a small gender gap in estate planning and retirement planning. He concluded by pointing out that there is a growing gender gap in knowledge of stocks, bonds, mutual funds and in the appropriate allocation of investments.

2.3. Types of investment

In the current economic situation, people invest their money to get an additional source of income and thus to secure their future. Various options for

investing are available to people such as bank deposits, real estate, mutual funds. As Mishra (2010) stated, “investment is the commitment of an investor’s money to derive income in the form of interest, dividend, premiums, pensions, benefits or appreciation in the value of their capital, purchasing of shares, debentures, certificates, insurance policies.” There are many options in which a person can invest his funds into. The choice made by investors depends on their objectives such as profit, security, income stability and also on their level of financial literacy (Jain & Mandot, 2012). Literature such as Gomes (2004) & Kesavan (2012) has studied how people makes their choices of investment and what factors actually influence their decisions. Demographic factors such as age, sex, level of income and level of education have shown to be affecting investors’ choices of investment.

An example of investment options which are accompanied by a level of risk can be explained as in the diagram below.



Figure 1: Types of investment

Source: (www.assetmanagement.hsbc.com)

The figure above describes the different investment avenues which vary according to investors’ level of risk tolerance that they accept (ranging from low to high), which also vary according to investors’ reason for investing (capital growth, current income, marginal capital or capital conservations). Finally, it provides investment options for each categories mentioned previously such as equity, funds, debentures, short-term funds, and short term deposits.

Past literature has generally concluded that there are significant gender differences when it comes to investing options. Gill & Biger (2009) conducted a survey in Canada and obtained a gender gap in the choice of investment. They explained that gender plays a major role in the nature and intensity of investment. Charness & Gneezy (2003) also supports this statement by concluding that men invest in more types of investment than women. Bushan & Meduny (2013) have conducted their research among Indian employees and came to a conclusion that women mostly go for investment

options like health and life insurance, fixed deposits while men go for equity share investments.

Similarly, Kathuria & Singhania (2012) did a study among banking employees and stated that women were investing more into risk-free investment options, like employee provident fund. Harikanth & Pragathi (2012) found that both genders were affected by their level of income which is why they tend to have different choices of investment options. Gupta et al. (2001) stated that the investments options were differentiated by the age, for example, older people, whether men or women, preferred bonds while younger ones were not appealed by bonds.

Moreover, Bhushan (2013) conducted a very detailed research in gender differences on different types of investments. His results concluded that both genders tend to choose differently in types of investments. For example, men preferred mutual bonds more than women did. He also found that almost twice men than women chose health insurance. More men also chose life insurance, stocks, shares and recurring deposits. However, the only type of investments chosen by more women was fixed deposits.

Furthermore, Patil (2014) concluded a research about different types of investments and concluded that women preferred to invest in bank deposit, real estate, and gold since they lack awareness about investments (83.33% of men have more awareness compared to 16.66% women). Thus, this huge gap between the two counterparts made them choose a different type of investment.

However, there are studies which found no gender differences such as Badunenko (2009) whose research was carried in five European countries whereby he concluded that the investment choices and patterns of men and women are equal and no gender differences were detected. Females were viewed to be making the same choice of investment when compared to men, even though women were found to be naturally more risk-averse than their counterparts.

Similarly, Gupta & Jain (2008) study found that Indian employees preferred investment in shares, mutual funds, gold, bank deposits and government saving schemes. However, their choice of investment depends on income and age, and not gender, while Verma (2008) found that no gender gap was found but people having a higher level of education preferred equity shares and mutual funds.

Furthermore, anecdotal literature consists mainly of researches which have been conducted in the US, where 30% of American households are single-

person ones. Gender differences are affected by a person's marital status. Many studies have also been conducted in India, a developing country where women are mostly a victim of the gender gap in their society and have relatively lower income. Thus, their investment choice is affected by the level of income. Moreover, a person's investment choice many also be affected by his financial advisor and dependent on his level of financial literacy. As such, there has been inconclusive results from many studies when it comes to whether financial choices are an issue of gender.

3. Research methodology

This research is said to be a basic research because of its characteristics; namely to "make a contribution to a general knowledge and theoretical understanding", according to Collis & Hussey (2014) and conducted during a short term period of around six months. The purpose of this research was to bring light upon many aspects of the Mauritian investment behaviors, therefore this quantitative study was conducted using questionnaires as the primary data collection method.

Questionnaires were carefully designed and contained only closed-ended questions which were answered through the Likert scale. The adaptation method was used for setting up the questionnaire, and the Cronbach's alpha was used as a test of reliability, conducted using IBM SPSS. The alpha coefficient obtained was more than 0.7, which is considered to be reliable enough by Nunnally (1978). Moreover, the validity test of the questionnaire used was the Pilot test which consisted of gathering a small set of people (five has been used in this research) and they have been assisted in answering the questionnaires. The questionnaires were found to be crystal clear to the participants and no misunderstandings were detected. Therefore, it can be said that the Pilot test has improved the validity of the questionnaire

The population of salaried people in the capital of Mauritius in the year 2016 was approximately 140,000. Since this figure is quite a large sample group, the Raosoft Sample Size Calculator suggested that a sample of 100 is considered enough to obtain a reliable result. (Margin of error = 5%; confidence level = 95%). A total of 100 respondents consisting of 50 male and 50 female, were of working age which means around 23 years old – 60 years old who are considered to make investment decisions. The questionnaires were distributed to them by physical and online distribution by the use of email and Google Forms during the month of January 2016 and the results were collected in that same period for data analysis.

The statistical software used to analyse gathered data is the Statistical Package for Social Science (IBM SPSS) v21 as it is considered to be the most appropriate for a quantitative research. SPSS will eventually be useful in testing the hypotheses as in Table 1.

Table 1: Table of hypotheses

Variable 1: Risk tolerance	
H ₀ 1: There are no gender differences in risk tolerance	
H ₁ 1: There are gender differences in risk tolerance	
Variable 2: Financial literacy	
H ₀ 2: There are no gender differences in financial literacy	
H ₁ 2: There are gender differences in financial literacy	
Variable 3: Types of investment	
H ₀ 3: There are no gender differences in types of investment	
H ₁ 3: There are gender differences in types of investment	

4. Results

In the first section of the questionnaire, respondents were required to answer questions about the demographic factors such as gender, marital status, age group, level of education, nature of employment and monthly income level. Data obtained from the 100% responded questionnaires categorized the respondents by gender, marital status, age group, level of education, nature of employment and monthly income level as Table 2.

Table 2: Respondents categorized by demographic factors

Variable	Frequency	Percentage
Gender	50	50
Male	50	50
Female		
Marital Status		
Single	36	36
Married	64	64
Age Group		
25 and below	16	16
26 – 35	36	36
36 – 50	31	31
51 – 65	17	17
Highest level of		

schooling	4	4
Less than high school diploma	7	7
High school diploma	22	22
College	43	43
Bachelor's degree	20	20
Master's degree	4	4
PhD/MD/DDS		
Nature of employment	77	77
Government	23	23
Private		
Monthly income level	3	3
Below Rs 10,000	13	13
Rs 11,000 – Rs 20,000	30	30
Rs 21,000 – Rs 30,000	54	54
Above Rs 30,000		

In the second section, respondents were required to answer questions about investment decision making which were measured by Likert scale. Inferential statistics have been carried out by IBM SPSS for this section for each variable of this study. Since this study is about finding the gender differences in investment decision making, therefore the most appropriate statistical technique would be to explore the differences between two groups, which is in this case gender (male/female), the independent sample t-test is being employed. The independent sample t-test is used to compare the mean score, on some continuous variable, for a categorical variable (two different groups of participants) (Pallant, 2013). It is a hypothesis test which aims for testing the null hypothesis, H₀ whereby the mean score of two different groups are equal, in contrast with the alternative hypothesis, H₁ whereby the mean scores of the two different groups are not equal. This is referred to as a 2-tailed t-test.

In IBM SPSS, the p-value which is stated as “Sig. (2-tailed)” in the results generated from the t-test, and is a measure of the difference in the mean scores of the two groups (male and female). The p-value will eventually determine whether to accept or reject the null hypotheses.

T-test results

Table 3: T-test results

Variable	t	df	Sig. (2-tailed)	Mean difference	Eta squared
Risk tolerance	-2.169	98	.033	-1.04000	0.05
Financial literacy	-.060	98	.952	-.04000	0.00004
Types of investment	-.593	98	.554	-.30000	0.004

For risk tolerance, there was a significant difference for males (M = 15.14, SD = 2.35) and females (M = 16.18, SD = 2.45; $t(98) = -2.17$, $p = 0.03$, two-tailed). The magnitude of the differences in the means (mean difference = -1.04, 95% CI: -1.99 to -0.01) was very small (eta squared = 0.05)

For financial literacy, there was no significant difference for males (M = 16.78, SD = 3.54) and females (M = 16.82, SD = 3.12; $t(98) = -0.06$, $p = 0.95$, two-tailed). The magnitude of the differences in the means (mean difference = -0.04, 95% CI: -1.36 to 1.28) was very small (eta squared = 0.00004)

For types of investment, there was no significant difference for males (M = 8.32, SD = 3.05) and females (M = 8.62, SD = 1.86; $t(98) = -0.59$, $p = 0.55$, two-tailed). The magnitude of the differences in the means (mean difference = -0.30, 95% CI: -1.30 to 0.70) was very small (eta squared = 0.004)

5. Discussion

After having carried out the independent-samples t-test on the three variables namely risk tolerance, financial literacy and types of investment to find out the difference between males and females, the findings are as in Table 4.

Table 4: List of alternative hypothesis in this research

	Hypotheses	Sig. value (p)	Result
H ₁ 1	There are significant gender differences in risk tolerance	$p \leq 0.05$	Accept H ₁ 1
H ₁ 2	There are significant gender differences in financial literacy	$p > 0.05$	Reject H ₁ 2
H ₁ 3	There are significant gender differences in types of investment	$p > 0.05$	Reject H ₁ 3

5.1. Risk tolerance

The results obtained from this are in line with the popular belief that women are less willing to bear investment risks; men tend to be less risk averse than women and this is why the heightened risk aversion of women influences the way they make investment decisions. The data collected found that Mauritian women generally choose lower risk investment plans than their male counterparts.

The findings of this study are consistent with that of Watson & Robinson (2003) who argued that there is a heightened risk aversion of females compared to males, and this is why ventures run by women are less profitable. The psychological reason behind this trait has been well explained by Felton, Gibson & Sanbonmatsu (2003) from a very scientific point of view. Firstly, they have studied why women generally take less risk than men and stated that it is because women have more of the enzyme "monoamine oxidase" which prevents them from seeking high sensations, which suggests that they would prefer less risk since it is less stressful. This also explains the findings of my research that 48% of women agreed that they "experience stress while making an investment decision" while only 28% of men agreed to that. Therefore, this could be a reason why a gap in the level of risk tolerance exists. Secondly, Sanbonmatsu et al. (2003) have put forward a theory that evolution is what caused women to not tolerate risk since they are responsible for reproducing and raising children.

Other than the scientific evidence, most researchers have conducted studies to find out whether there is a risk preference gap among males and females found in the psychological literature and which has been translated into different investment decisions. Olsen & Wilson (2001) suggest that married people take less risk while making an investment decision

since they have more financial commitments. The findings of this research are consistent with that statement since it has been found that 64% of respondents prefer less risky investments are married, out of which female (M=16.58) were found to be more risk averse than male (M=15.10).

Moreover, this research's results are consistent with more studies which found robust gender differences in the level of risk tolerance such as Säve-Söderbergh (2003), Yu (2006), Charness & Gneezy (2007). As such, Benzion & Yagil (2003) found that one of the reasons that women are more risk-averse than their counterparts is because the former usually have lower salaries than men, therefore this may contribute as a factor for lower risk tolerance. The findings of this research are consistent with this evidence since Mauritian women have relatively lower earnings (M=3.26) than men do (M=3.44). Similarly, Al-Ajmi (2008) is in line with the fact that wealthier investors tend to take more risks than less wealthy ones. His research was conducted in Bahrain and came to a conclusion that men did have a "higher propensity towards risk tolerance than women" since men were richer than women.

All in all, in Mauritius, it can be concluded that the gender gap which exists in risk tolerance can be considered as a contributing factor to investment decision making.

5.2. Financial literacy

The findings are somewhat surprising and contradict most previous studies which found that women are generally less literate. Yet, there are many reasons which can be attributed to this result and have been discussed by some researchers. Consistent with a previous research conducted in Mauritius by Ramen (2013) who assessed the financial literacy level among a group of undergraduate males and females and came to the same conclusion that there is no significant difference between them. Ramen (2013) pointed out in Mauritius, there is no gender gap in financial literacy because both men and women have a low level of financial knowledge. His research proved that people in general lack interest to learn about finance and investment. Moreover, there is a lack of resources about investment and personal finance and initiative from financial institutions to make Mauritians aware and be interested about investment. Finally, the government does not promote enough financial awareness among the citizens.

These constraints are what cause both men and women in Mauritius to lack financial knowledge. My findings are consonant with that of Ramen

(2013) since most males and females have reacted "neutral" when answering the question "I am financially confident about my future" even though they both "agree" to the fact that they are knowledgeable about their ability to invest. The issue here might be that Mauritians are not aware that they are not enough financially literate. Moreover, the findings of this study are also consistent with Fowdar et al. (2007) who stated that "Mauritians have relatively low levels of knowledge in savings and borrowings and found to be financially illiterate in investment and insurance issues."

Moreover, Klapper & Panos (2011) and Beckmann (2013) have reported that financial knowledge level in countries like Russia and Romania is very low; men and women "know equally little." It was also discussed that countries having a financially poor knowledgeable citizens or having financial systems which have only been recently developed, gender differences will not be detected since both men and women are equally illiterate. (Hung, Yoong & Brown, 2012). Similarly, Mel et al. (2009) further explain that developing countries which found no evidence of gender gap in financial literacy still men tend to make different investment choices than women do.

All in all, literature contains evidence about gender gap existing in financial literacy and even associated financial literacy to risk tolerance while many also suggested that gender gap does not exist, but rather other factors affect the level of financial knowledge such as age, income, status. It can be concluded that gender in financial literacy is not a contributing factor in investment decision making.

5.3. Types of investment

The results of this study showed that Mauritians tend to choose the same type of investment and this result is consistent with the research done by Badunenko (2009) in five European countries whereby he concluded that the investment choices and patterns of men and women are same and no gender differences were detected. Therefore, women were not said to be making conservative investments when compared to men, even though women were found to be naturally more risk averse than their counterparts.

Moreover, Bailey, Kumar & Ng (2010) pointed out that the types of investment might be the same for both genders if they both do not have investment experience, therefore, they tend to invest in the least risky assets while those who have greater investment experience tend to invest more in mutual funds, which is a riskier asset. The findings of this research are consistent with Bailey, Kumar

& Ng (2010) since both Mauritian men ($M=2.78$) and women ($M=2.68$) found to have disagreed "to have invested in mutual funds". This could imply that Mauritians, in general, do not have investment experience, and this is why no gender gap has been detected.

Furthermore, Jain & Mandot (2012) explains that the choice of investment is different for each investor because it is dependent on the financial knowledge level of that person. The findings of my research support this statement since previously, it has been found that there are no gender differences in financial literacy among Mauritians and consequently, it could be the reason why there is also no gender differences in the types of investment of Mauritians. If the type of investment is dependent on the financial knowledge, then it would explain why no gender gap was detected. Verma (2008) also supports that the choice of

All in all, it can be said that the types of investment chosen were similar for both men and women; thus, no gender gap was found. It could be related to the fact that both men and women do not have enough financial knowledge, and therefore very little investment experience. Thus, it can be concluded there are no gender differences in types of investment which would affect an investment decision.

5.4. Conclusion

This research has brought a light on Mauritians' financial behavior to the researcher. No gender differences are believed to be affecting the investment decision making process. Mauritian women were found to view investment decision making as a stressful process, while the men were more at ease with it. It is agreed that men tend to be of a "sensation-seeker" as scientific research has shown in the past. The lower risk tolerance of women is thought to be associated with the fact that they have lower salaries, therefore, they might be less enthusiastic to invest in high-risk investment options. Moreover, the fact that both men and women do not have a strong knowledge in the financial field might be the reason why no gender gap was detected. It can therefore be suggested that not enough initiative is taken from financial institutions and the government to make people aware of the investment world. Lastly, it is argued that Mauritians do not prefer to invest in mutual funds, which represent the highest level of risk in this study. Therefore, even though a gender gap was found in risk tolerance, it does not necessarily mean that Mauritians actually invest in risky assets. In contrast, they are found to lack experience in the investment field, and this is why no gender gap was

investment is dependent on the level of financial knowledge of an investor. Keller & Siegrist (2006) research is also consistent with the findings of this study showing that men and women had the same investment choices while conducting a survey in Switzerland.

Consonant with the findings of this research, Patil (2014) has conducted a survey among salaried people in India and found that no gender gap was found among the choice of investment avenues made by men and women. He also pointed out that both men and women tend to choose the same investment avenue which is bank deposit, because the level of risk is relatively lower. My research has also concluded that exactly the same number of men and women have chosen bank deposit (male=20, female =20) as an investment avenue, rather than mutual funds (male=15, female=10) and insurance (men= 9, women=31).

detected. This lack of knowledge could also be associated with the fact that both men and women do not have enough financial knowledge. Moreover, it was quite interesting to find that the most of the participants (and an equal number of men and women) invested mostly in bank deposits; again confirming the fact that they both prefer less risky options, and their lack of investing experience. Although it is suggested that more research should be done in order to cover all aspects of investment decision making which are affected by the gender, this study has come to a conclusive result that Mauritians behave almost in the same way in the investment decision making.

6. Recommendation

The findings of this study have agreed to the common belief that women are more risk averse than men, classifying them as more conservative investors. As it has been discussed previously, the fact that women have a relatively lower salary than men might be a factor. This point is interesting for the female Mauritian to be more aware of the restrictions preventing them in investing in riskier securities. Financial institutions in Mauritius could use this perspective in order to make women more aware about how to invest in high returns avenues while still be safe financially. It could also be helpful to investment advisors so that they do not provide aggressive investment advices to conservative investors, which would be an unethical issue.

Moreover, the most significant outcome of this research has shown that gender differences do not exist in financial literacy because of the fact that

Mauritians are financially illiterate. This is of great concern since financial education is very important for a successful living. Therefore, an initiative should be taken by the government to embark on campaigns making people aware about investment avenues, and also by financial institutions to create financial awareness programs which could be implemented in the secondary and tertiary level for everyone as well as for the whole population in general. More policy efforts need to be enforced in order to build the financial confidence of Mauritians. The most vulnerable people must be targeted such as women and old people who have an even lower financial knowledge. The Financial Services Commission (FSC) of Mauritius should take more actions into sensitizing the citizens about investment.

Furthermore, the fact that the findings of this research have shown that men and women tend to choose the same investment options because they lack investment experience as well as financial knowledge brings the researcher to suggest that Mauritians should be more exposed to advice on investment avenues. This means that investment firms could do a better job. They could recruit the best advisors to advise their clients about the possibility and to make campaigns in different job

7. References

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sectors to invite people to know more about investment options that they could invest into.

Finally, there is a lot of scope of further research in this field of finance. Further researchers could focus more on gathering more information about the background of the respondents and perform a comparative analysis of the background of men and women. Other demographic factors such as age, income, status, education level could be studied to find any relationship to the gender differences in investment decision making. This would provide a stronger result on the existence of gender gap. Moreover, further research could be conducted on the behavioral patterns of respondents, whereby a lot of emphases could be laid upon behavioral finance such as the framing effect and overconfidence of men and women. Research on this matter could take a more developmental approach to studying how the variables is affected by the life span of the respondents. The research could be strengthened by using the qualitative method of gathering information as well. More statistical tests could also be conducted to get a stronger statistical difference. Finally, a larger sample could be examined as well as a wider coverage of urban and rural areas of Mauritius.

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