



# Gender Differences in Tax-Saving Investment Preferences: A Study of Bengaluru Households

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## Abstract

Tax saving investments are an integral part of financial planning for individuals and households in India. Tax saving investments are an effective tool for reducing tax burdens for individuals and households, and at the same time, these investments promote the habit of saving for the long term. The Income Tax Act has introduced tax-deductible avenues investments such as Public Provident Fund (PPF), Equity Linked Savings Scheme (ELSS), National Pension Scheme (NPS), tax saving deposits (FD), life insurance schemes, and health insurance schemes.

Investment decisions are not solely dependent on financial factors; other factors such as behavioural and demographic factors are also responsible for influencing financial decision-making for individuals and households. Among these factors, the role of gender cannot be denied in influencing investment decisions for individuals and households.

This Paper aims at exploring the role of gender in tax saving investments for households in Bengaluru. Raw data was collected from the 100 individuals, of whom 50 are men and 50 are women. The collected information was subjected to statistical analysis using percentage analysis, mean score analysis, and One-Way ANOVA.

From the results, it is clear that the factor of gender impacts tax-saving investments. Male investors are seen to exhibit higher risk-taking capacity and awareness of investment instruments, whereas female investors exhibit higher preference for safe and secure investment options. The research emphasizes the need for enhancing financial education and familiarity for the purpose of improving financial decision-making for households.

**Keywords:** Gender Differences, Tax-Saving Investments, Investment Behaviour, Risk Perception



## Introduction

Tax-saving investments have now become an integral part of financial planning for individuals and households in India. With an increase in income levels and awareness about taxation, individuals are looking forward to investing in opportunities that help them save taxes and provide security for their future.

The Indian taxation system offers various opportunities to individuals to save their income and provide financial security with the help of different types of investments. The different types of tax-saving instruments available in India are the Public Provident Fund (PPF), Equity Linked Savings Scheme (ELSS), National Pension System (NPS), life insurance plans, tax-saving fixed deposit accounts, and health insurance plans.

Although financial instruments are available with tax benefits and opportunities to earn returns on investment, the choice is not always made based on financial aspects. Behavioural and demographic aspects are also significant while choosing financial instruments. Among the various aspects affecting financial behaviour, gender is an important aspect.

Behavioural finance research reveals that there are considerable variations in the attitude of men and women towards financial risk and investment decision-making. Male investors are found to take financial risks and invest in market-linked instruments. On the other hand, female investors are found to prefer safe investment options that provide stability and security.

As Bengaluru is one of the prominent metropolitan cities in India, the present research environment is suitable for examining the investment behaviour of households. The population of the city comprises salaried employees, entrepreneurs, and self-employed individuals from different income groups and financial awareness.

Thus, the present research aims to investigate whether there are considerable variations in the tax-saving investment options of the households in Bengaluru.

## Review of Literature

Altenberg and Dreber (2015) conducted research on gender differences in stock market participation and observed that women participate less in stock market investments compared to men due to lower financial literacy and higher risk aversion. Bala (2025) conducted research on the role of financial literacy in the formation of investment decisions among the youth and observed that financially literate individuals have better saving habits and confidence in financial decisions. Blaschke (2022) conducted research on financial literacy among teenagers and observed that confidence plays a significant role in the formation of financial decisions. Female respondents have less confidence compared to male respondents even if they have the same level of financial knowledge. Chandresh and Thakur (2024) conducted research on the relationship between financial literacy and investment decisions among women. They observed that women rely on the advice of family members and financial advisors while making investment decisions. Hastings, Madrian, and Skimmyhorn (2013) observed that financial literacy has a significant positive effect on economic decisions such as saving, retirement, and investment. Khor, Sariyev, and Loos (2020) studied gender differences in terms of risk behaviour. The study found that male investors have higher risk behaviour than female investors.

Although these studies have explored various aspects of financial behaviour, not much research has been conducted on gender differences in terms of tax-saving investment behaviour among urban Indian households. Hence, this study aims to fill this gap.



## Research Methodology

### Research Design

The descriptive research design will be used in this study to examine the gender differences in the tax-saving investment preferences of the households in Bengaluru.

### Data Acquisition

The study will employ both Raw and secondary data.

Raw data is collected through a structured questionnaire that will have questions related to the following aspects:

- Demographic Characteristics
- Tax Status and Income Level
- Tax Saving Investment Preferences
- Risk Perception
- Awareness of Tax Saving Investment Options
- Household Decision-Making

The secondary data will be collected from various research journals, academic publications, and financial websites.

### Sample Size

The study comprises 100 respondents from Bengaluru households. They are categorized as:

50 male respondents

50 female respondents

### Sampling Method

Convenience sampling method has been adopted for the study. This has been done because of the constraints of accessibility and time constraints.

### Statistical Tools

The statistical software used in the study are:

- Percentage Method
- Mean Score Method
- Cross-Tabulation
- One-Way ANOVA

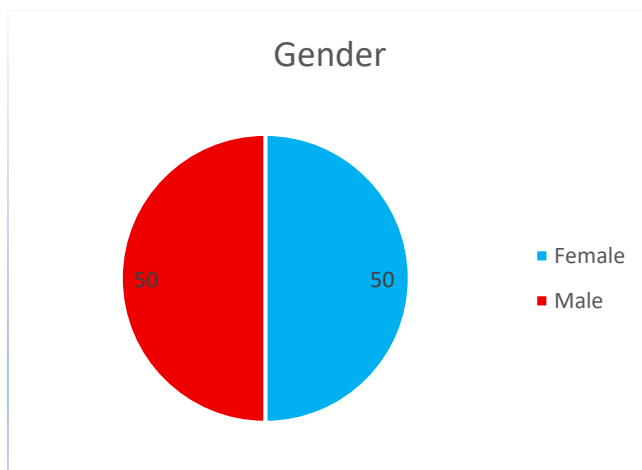
## Results

### 1. Gender Distribution

Gender Identity	No. of respondents	% of Participants
Men	50	50%
Women	50	50%
Sum	100	100%

Source: Raw Data

Grid 1



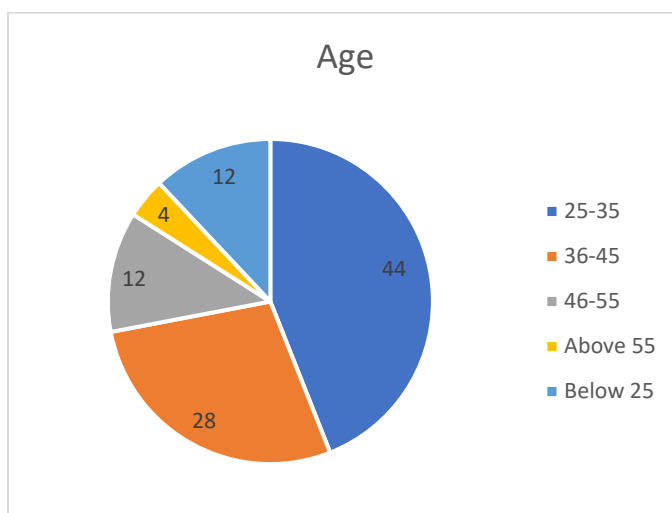
From the table, it is evident that there are an equal number of male and female participants, i.e., 50 each.

## 2. Age Distribution

Age group	No. of respondents	% of respondents
Below 25	12	12%
25-35	44	44%
36-45	28	28%
46-55	12	12%
Above 55	4	4%
Sum	100	100%

Source: Raw Data

Grid 2



Most of the participants are from the age group of 25-35 years, which indicates that working professionals are actively investing in tax-saving investments.

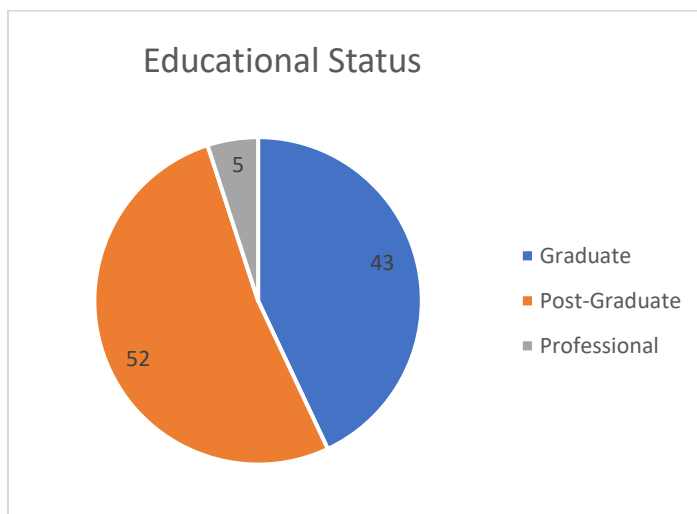


### 3. Educational Qualification

Education Qualification	No. of respondents	% of respondents
Graduate	43	43%
Post- Graduate	52	52%
Professional (CA/PhD/CS etc.)	5	5%
<b>Sum</b>	100	100%

Source: Raw Data

Grid 3



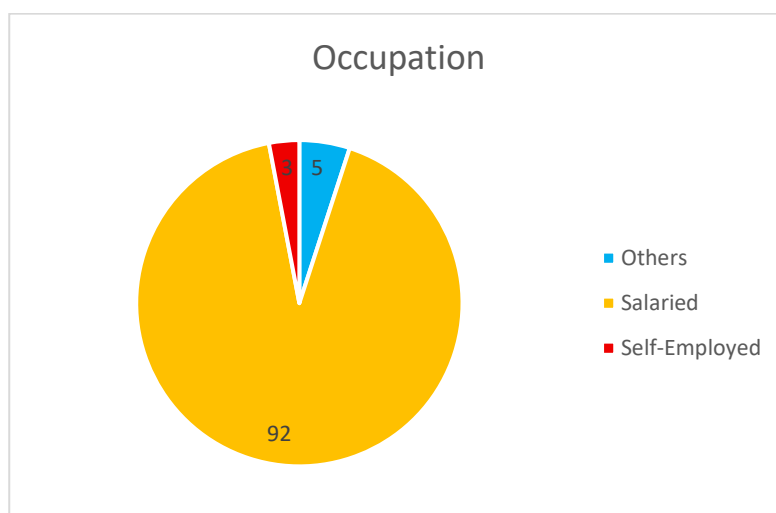
Most of the participants are post-graduates, which indicates that the level of education among the participants is quite high.

### 4. Occupation

Occupation	No. of respondents	% of respondents
Salaried	92	92%
Self-Employed	3	3%
Others (Homemaker, student)	5	5%
<b>Total</b>	100	100%

Source: Primary Data

Table 4





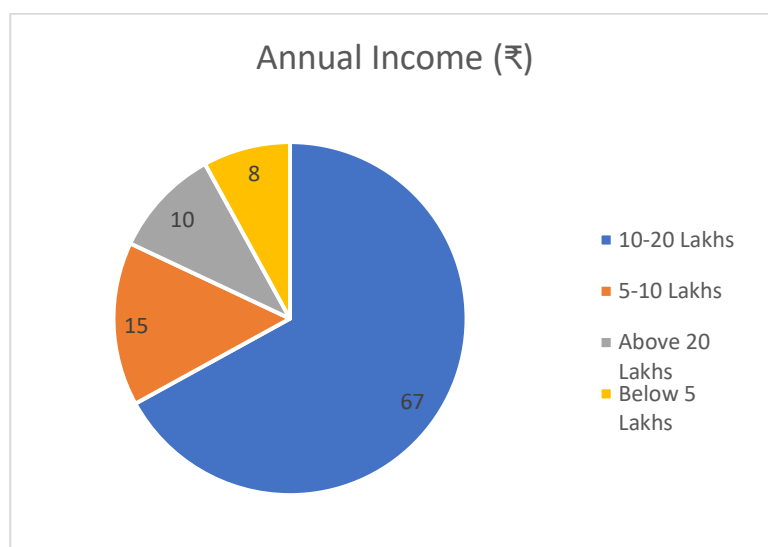
Most of the participants are salaried employees, which indicates that their interest in tax-saving investments lies in the context of their job.

## 5. Annual Income

Annual Revenue (₹)	No. of Participants	% of respondents
Below 5 Lakhs	8	8%
5-10 Lakhs	15	15%
10-20 Lakhs	67	67%
Above 20 Lakhs	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Primary Data

**Table 5**



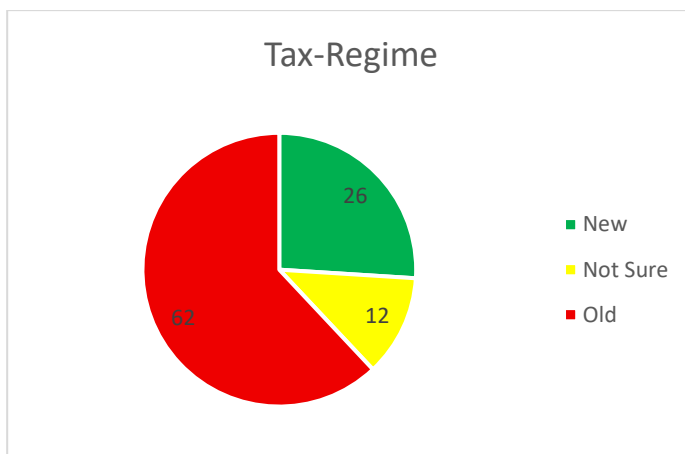
Most of the participants are from the income group of ₹10 lakhs to ₹20 lakh, which indicates that the participants belong to middle and upper-middle-class families.

## 6. Tax Regime Preference

Tax Regime	No. of respondents	% of respondents
Old	62	62%
New	26	26%
Not Sure	12	12%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Raw Data

**Grid 6**

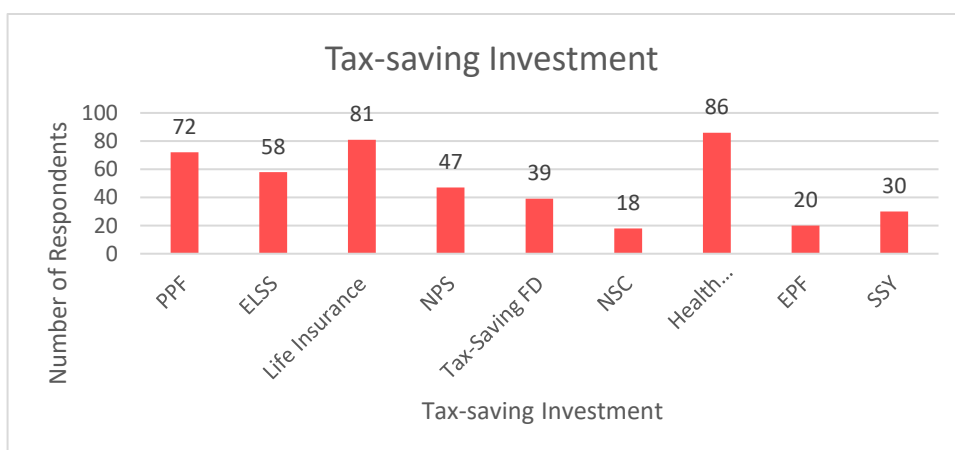


Most of the participants are interested in the old tax regime, as they are able to claim deductions through tax-saving investments.

### 7. Tax-Saving Investment Options

Instrument	No. of respondents
PPF	72/100
ELSS	58/100
Life Insurance	81/100
NPS	47/100
Tax-Saving FD	39/100
NSC	18/100
Health Insurance (80D)	86/100
EPF	20/100
SSY	30/100
<b>Total Respondents</b>	<b>100</b>

Source: Primary Data **Table 7**



The most preferred tax-saving instruments are Health Insurance, Life Insurance, PPF& ELSS

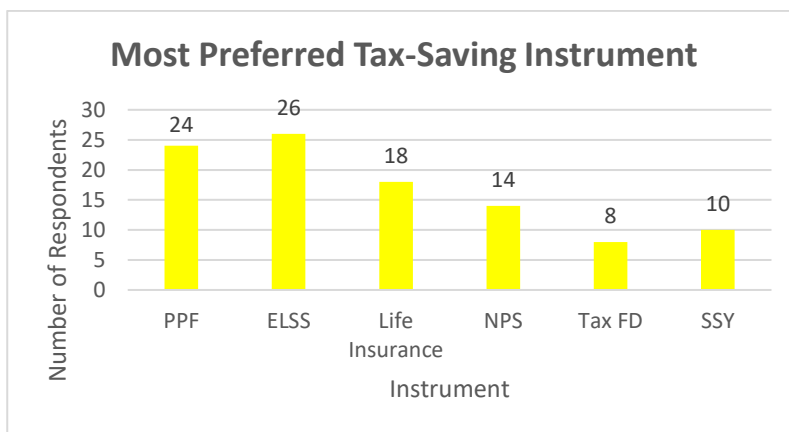


### 8. Most Preferred Investment Instrument

Instrument	No. of respondents
PPF	24/100
ELSS	26/100
Life Insurance	18/100
NPS	14/100
Tax FD	8/100
SSY	10/100
<b>Total Respondents</b>	<b>100</b>

Source: Primary Data

**Table 8**



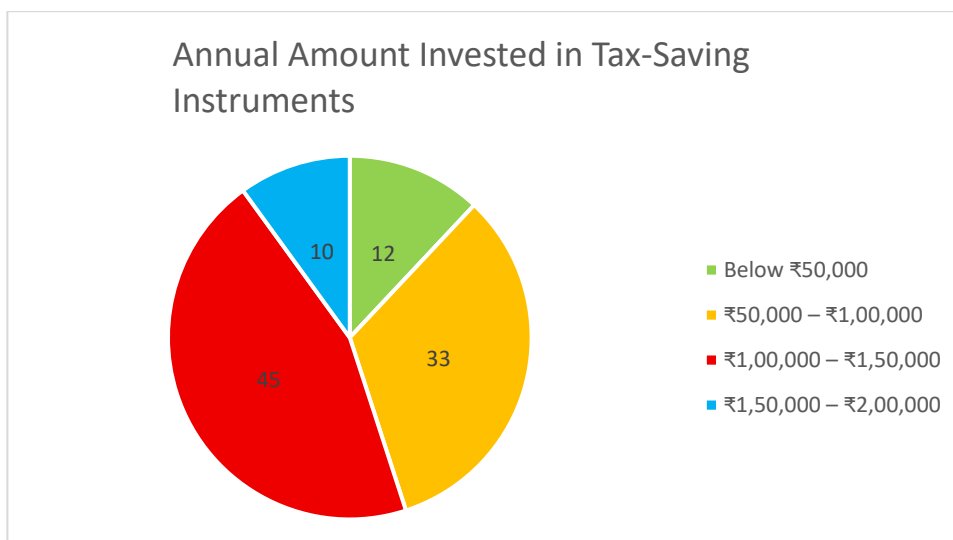
ELSS is the most preferred tax-saving instrument, followed by PPF.

### 9. Annual Investment Amount

Investment Amount	No. of respondents	% of respondents
Below ₹50,000	12	12%
₹50,000 – ₹1,00,000	33	33%
₹1,00,000 – ₹1,50,000	45	45%
₹1,50,000 – ₹2,00,000	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Raw Data

**Grid 9**





Most of the participants are investing ₹1,00,000 – ₹1,50,000 annually, which is within the limit of Section 80C.

## 10. Hypothesis Testing (ANOVA)

### Descriptives

Investment preferences

	N	Average	SD	SE	95% Confidence Interval for Average		Min
					Lower level	Upper Level	
Male	50	4.44	.501	.071	4.30	4.58	4
Female	50	2.62	.725	.103	2.41	2.83	1
Total	100	3.53	1.105	.111	3.31	3.75	1

### Descriptives

Risk perception

	N	Average	SD	SE	95% Confidence Interval for Average		Min
					Lower level	Upper level	
Male	50	5.00	.500	.070	5.00	5.00	5
Female	50	3.58	.731	.103	3.37	3.79	2
Total	100	4.29	.880	.088	4.12	4.46	2

### Descriptives

Awareness of tax-saving instruments

	N	Average	SD	SE	95% Confidence Interval for Average		Min
					Lower level	Upper level	
Male	50	4.72	.454	.064	4.59	4.85	4
Female	50	3.42	.702	.099	3.22	3.62	2
Total	100	4.07	.879	.088	3.90	4.24	2

The results of the One-Way ANOVA analysis show that statistically significant differences exist between the Participants of males and females with respect to the following:

- Tax-saving investment preferences
- Risk perception and return expectations
- Awareness and knowledge of tax-saving instruments

Male respondents have more risk tolerance and are more aware of tax-saving investment opportunities. Female respondents have stronger preferences for safe investment instruments and are more cautious in decision-making.



## Conclusion and Review

The results suggested that gender is one of the importance factors in influencing tax-saving investment behaviour among Bengaluru residents.

Male investors show better financial knowledge, as well as a willingness to take investment risks. Female investors prefer safe financial products that offer assured returns.

Tax benefits emerge as one of the prominent factors in influencing investment decisions. Investors prefer tax-saving products to avoid paying taxes.

The study findings reveal that there is a need to improve financial knowledge among individuals to take better investment decisions. Financial institutions must take into account gender differences in financial knowledge.

This study can be extended in future by including a larger sample size, different geographic locations, and other behavioural factors influencing investment decisions.

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