Global Journal of Innovative Research Perspectives (GJIRP)
ISSN (Online): 3143-1089
Volume-2 Issue-2 || Apr – Jun 2026 || PP. 8 – 15
https://gjirp.org/

Socioeconomic Factors Shaping Gold Investment Behaviour Among Urban Homemakers

DOI: https://doi.org/10.63345/gjirp.v2.i2.302

Sonal Jain
Research Scholar
Department of Commerce
Maharaja Agrasen Himalayan Garhwal University
Uttarakhand, India
Dr. Ajit Singh
Research Guide
Department of Commerce
Maharaja Agrasen Himalayan Garhwal University
Uttarakhand, India

http://www.gjirp.org/ || **Vol. 2 No. 2 (2026): June Issue**

Date of Submission: 06-05-2026 **Date of Acceptance:** 18-05-2026 **Date of Publication:** 10-06-2026

Abstract— Gold has long occupied a prominent position in household investment portfolios in India due to its dual role as a financial asset and a culturally significant commodity. Among urban homemakers, investment decisions related to gold are influenced by a combination of socioeconomic conditions, financial awareness, risk perception, and traditional values. This study investigates the socioeconomic factors shaping gold investment behaviour among urban homemakers, with particular emphasis on income, education, occupation of the earning member, household savings, family size, financial literacy, and investment objectives. A descriptive and quantitative research design was adopted using a structured questionnaire administered to urban homemakers through convenience sampling. The collected data were analysed using descriptive statistics, correlation analysis, and multiple regression techniques to examine the relationships between socioeconomic variables and gold investment behaviour. The findings indicate that household income, educational attainment, financial literacy, and monthly savings exert a significant positive influence on gold investment decisions, while cultural traditions and perceived financial security continue to play a complementary role. Respondents primarily viewed gold as a safe-haven asset that provides protection against inflation, economic uncertainty, and unforeseen financial emergencies. Although awareness of modern investment avenues such as Gold Exchange-Traded Funds (ETFs) and digital gold is gradually increasing, physical gold jewellery remains the preferred investment choice. The study contributes to the literature on household finance by highlighting the evolving investment behaviour of urban homemakers and provides valuable insights for policymakers, financial institutions, and gold investment providers seeking to promote informed investment decisions and improve women's financial inclusion.

Keywords— Gold Investment Behaviour; Urban Homemakers; Socioeconomic Factors; Financial Literacy; Household Savings; Investment Decision-Making; Behavioural Finance

Introduction

Gold has historically been regarded as one of the most trusted forms of wealth and investment across the world. In India, its significance extends beyond financial value, serving as a symbol of prosperity, social status, and cultural heritage. Gold occupies a central place in household savings and is widely purchased during festivals, weddings, and other significant life events. Unlike many financial assets, gold offers the advantages of capital preservation, high liquidity, and protection against

Global Journal of Innovative Research Perspectives (GJIRP)
ISSN (Online): 3143-1089
Volume-2 Issue-2 || Apr – Jun 2026 || PP. 8 – 15
https://gjirp.org/

inflation and economic uncertainty. Consequently, Indian households continue to allocate a considerable portion of their savings to gold despite the growing availability of diversified financial investment instruments such as mutual funds, equities, bonds, and digital investment products.

Urbanization, rising disposable incomes, increasing financial awareness, and expanding access to formal financial services have gradually transformed household investment behaviour. Urban homemakers, who often play a crucial role in managing family finances, budgeting, and long-term savings, have emerged as influential participants in household investment decisions. While many homemakers may not earn independent incomes, they significantly influence decisions regarding savings allocation, jewellery purchases, emergency funds, and wealth preservation. Their investment choices are shaped by a combination of socioeconomic characteristics, including household income, educational attainment, financial literacy, family size, occupation of the primary earning member, monthly savings, and exposure to financial information. These factors determine not only the quantity of gold purchased but also the preferred form of investment, such as jewellery, coins, bars, digital gold, or Gold Exchange-Traded Funds (ETFs).

Recent developments in India's financial ecosystem have introduced alternative avenues for investing in gold, including sovereign gold bonds, digital gold platforms, and exchange-traded funds. Although these instruments offer greater transparency, security, and investment efficiency, physical gold jewellery continues to dominate household preferences because of its cultural acceptance, emotional value, and perceived safety. Behavioural finance further suggests that investment decisions are rarely based solely on rational financial calculations. Instead, psychological biases, social norms, family traditions, and perceptions of financial security substantially influence household investment behaviour, particularly among women responsible for managing domestic finances.

Despite the growing body of research on investment behaviour and financial decision-making, relatively limited attention has been devoted specifically to urban homemakers as independent financial decision-makers. Most existing studies focus on general investors, working professionals, or institutional participants, often overlooking the unique socioeconomic circumstances that influence homemakers' investment choices. Understanding these determinants is essential because homemakers contribute significantly to household wealth accumulation and financial stability.

Against this backdrop, the present study examines the socioeconomic factors shaping gold investment behaviour among urban homemakers. By analysing the influence of income, education, financial literacy, household savings, family characteristics, and investment objectives, the study seeks to provide a comprehensive understanding of the determinants of gold investment decisions. The findings are expected to contribute to the literature on household finance and behavioural investment while offering practical insights for policymakers, financial institutions, and organizations promoting women's financial inclusion and informed investment decision-making.

Literature Review

Recent literature indicates that gold remains one of the most preferred investment assets among Indian households because it combines cultural significance with financial security. Unlike many financial instruments, gold serves multiple purposes, including wealth preservation, inflation hedging, emergency liquidity, and social status. The World Gold Council has consistently reported that India is among the world's largest consumers of physical gold, where investment demand is driven not only by economic uncertainty but also by household savings behaviour and long-standing cultural traditions. Increasing financial inclusion and access to formal investment products are gradually influencing purchasing patterns, yet physical gold continues to dominate household portfolios.

Early studies on investment behaviour emphasized that demographic and socioeconomic characteristics significantly shape investors' preferences. Classic research by Lewellen, Lease, and Schlarbaum demonstrated that age, education, income, occupation, and family background influence financial decision-making. Later behavioural finance theories proposed by Hersh Shefrin and Richard H. Thaler explained that investment decisions are often influenced by psychological biases rather than purely rational calculations. These theoretical perspectives are particularly relevant for household investors, where emotions, traditions, and perceived financial security frequently influence investment choices alongside expected returns.

Several Indian studies have specifically examined investor perceptions toward gold. A. Singh found that family influence, wealth preservation, liquidity, safe-haven characteristics, and portfolio diversification were the primary determinants of gold investment decisions among individual investors. Using responses from more than 600 participants, the study identified cultural attachment as one of the strongest motivators for purchasing gold, particularly among middle-income households.

Research conducted by Geetha and Ramesh reported that investors perceive gold as a relatively secure investment because it protects purchasing power during inflation and economic instability. Similarly, studies by Benny and John and

Sindhu observed that Indian households continue to regard gold as a dependable savings instrument, particularly among women responsible for household financial management. These studies also highlighted that jewellery remains the dominant investment form despite increasing awareness of financial alternatives.

Women's financial behaviour has attracted growing scholarly attention over the past decade. The Organisation for Economic Co-operation and Development argues that financial literacy significantly enhances women's economic empowerment and improves long-term financial decision-making. The OECD further notes that women generally display lower financial confidence than men despite demonstrating cautious and disciplined saving behaviour. Consequently, targeted financial education can substantially improve women's investment choices and financial independence.

Recent empirical evidence also highlights the increasing importance of financial literacy in shaping gold investment behaviour. Ni Luh Reni Martini and colleagues found that digital financial literacy positively influences digital gold investment decisions, while financial well-being mediates the relationship between risk perception and investment behaviour. Their findings suggest that knowledgeable investors are more willing to diversify into modern gold investment products such as digital gold and exchange-traded instruments.

Studies focusing specifically on women investors reveal that socioeconomic variables remain dominant determinants of gold purchasing behaviour. Research among working women in Haryana found that cultural attachment, financial stability, liquidity, and financial awareness significantly influence gold investment preferences, while awareness of digital gold and Gold ETFs remains relatively limited. Similar evidence from studies on women investors in Chennai indicates that household income, savings, cultural values, and liquidity expectations exert stronger influence than risk perception or financial literacy alone.

Household-level research by Dvara Research further confirms that gold purchasing decisions are driven by an interaction of social customs, precautionary savings motives, income stability, and intergenerational wealth transfer. Gold functions not merely as an investment but also as a financial safety net during emergencies, reinforcing its continued popularity among homemakers responsible for managing household finances.

Overall, the literature consistently demonstrates that gold investment behaviour is multidimensional, shaped by socioeconomic characteristics, cultural traditions, financial literacy, income, savings capacity, and behavioural biases. However, despite extensive research on general investors and working women, relatively few empirical studies have specifically examined **urban homemakers** as independent financial decision-makers. Existing studies often combine women investors into broad categories without isolating the distinctive influence of education, household income, family size, financial awareness, and social status on urban homemakers' investment behaviour. This gap justifies the present study, which seeks to analyse how socioeconomic factors shape gold investment decisions among urban homemakers in contemporary India.

Research Gap and Objectives

Extensive research has examined investment behaviour, portfolio preferences, and the role of gold as a safe-haven asset in both developed and emerging economies. Previous studies have primarily focused on general investors, salaried employees, working women, or institutional participants, emphasizing factors such as risk tolerance, financial literacy, income, and macroeconomic conditions. Although these studies provide valuable insights into gold investment decisions, limited empirical evidence is available on the investment behaviour of **urban homemakers**, who play a significant role in household financial planning and wealth management. Existing research often treats women as a homogeneous group without distinguishing between working women and homemakers, thereby overlooking the unique socioeconomic circumstances that influence their investment preferences. Moreover, the combined effects of education, household income, family size, monthly savings, financial literacy, and cultural influences on gold investment behaviour among urban homemakers remain underexplored, particularly in the Indian urban context.

In view of these gaps, the present study seeks to investigate the socioeconomic determinants of gold investment behaviour among urban homemakers. The specific objectives of the study are:

1. To examine the gold investment patterns and preferences of urban homemakers.
2. To analyse the influence of socioeconomic factors such as income, education, household savings, family size, and financial literacy on gold investment behaviour.
3. To identify the primary motivations for investing in gold, including wealth preservation, cultural values, liquidity, and financial security.
4. To provide recommendations for policymakers, financial institutions, and investment service providers to enhance financial inclusion and promote informed gold investment decisions among urban homemakers.

Global Journal of Innovative Research Perspectives (GJIRP)
ISSN (Online): 3143-1089
Volume-2 Issue-2 || Apr – Jun 2026 || PP. 8 – 15
https://gjirp.org/

Research Methodology

This study adopts a **quantitative, descriptive, and cross-sectional research design** to examine the socioeconomic factors influencing gold investment behaviour among urban homemakers. The descriptive approach is appropriate for identifying existing investment patterns, while the quantitative design enables statistical examination of the relationships between socioeconomic variables and investment behaviour.

The target population comprises **urban homemakers** residing in metropolitan and tier-II cities who are actively involved in household financial planning and savings decisions. A **convenience sampling** technique was employed due to the accessibility of respondents and the exploratory nature of the study. Data were collected from **220 urban homemakers**, providing an adequate sample size for descriptive and inferential statistical analyses.

Primary data were collected using a **structured questionnaire** developed after reviewing relevant literature on household finance, behavioural finance, and gold investment. The questionnaire consisted of three sections. The first section gathered demographic and socioeconomic information, including age, educational qualification, household monthly income, occupation of the primary earning member, family size, and monthly savings. The second section focused on respondents' gold investment behaviour, including preferred forms of gold investment (jewellery, coins, bars, Gold Exchange-Traded Funds (ETFs), digital gold, and Sovereign Gold Bonds), frequency of purchase, investment objectives, and holding period. The third section measured perceptions regarding financial literacy, risk perception, investment awareness, inflation protection, liquidity, cultural influence, and financial security using a **five-point Likert scale** ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Prior to the main survey, the questionnaire was pilot-tested with **30 respondents** to assess clarity, relevance, and reliability. Minor modifications were incorporated based on participant feedback. The internal consistency of the instrument was evaluated using **Cronbach's Alpha**, yielding a reliability coefficient of **0.84**, indicating satisfactory reliability for empirical analysis.

The collected data were coded and analysed using **IBM SPSS Statistics (Version 29)**. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize respondent characteristics and investment patterns. Inferential statistical techniques such as **Pearson correlation analysis** examined associations among variables, while **multiple linear regression** evaluated the impact of socioeconomic factors on gold investment behaviour. Additionally, **one-way Analysis of Variance (ANOVA)** and **Chi-square tests** were employed to determine differences in investment behaviour across demographic groups. Statistical significance was assessed at the **5% significance level ($p < 0.05$)**.

Participation in the survey was entirely voluntary. Respondents were informed about the academic purpose of the research, and confidentiality and anonymity were assured. No personally identifiable information was collected, and the study adhered to accepted ethical principles for social science research.

Conceptual Framework

The conceptual framework of this study is grounded in **Behavioural Finance Theory** and **Household Financial Decision-Making Theory**, which propose that investment decisions are influenced by both economic conditions and behavioural factors. Gold investment behaviour among urban homemakers is viewed as the dependent variable, while various socioeconomic characteristics act as independent variables that shape investment preferences and decision-making. The framework assumes that differences in education, household income, savings, financial literacy, and family characteristics significantly influence the likelihood, frequency, and form of gold investment.

Urban homemakers often manage household budgets, savings, and expenditure planning despite not always having independent sources of income. Their investment decisions are therefore influenced by household socioeconomic status, cultural practices, perceived financial security, and awareness of investment opportunities. Higher educational attainment and financial literacy are expected to improve awareness of diverse gold investment products such as Gold Exchange-Traded Funds (ETFs), Sovereign Gold Bonds (SGBs), and digital gold. Similarly, higher household income and monthly savings enhance investment capacity, while family size and occupation of the primary earning member affect disposable income and long-term financial planning. Behavioural factors such as risk perception, cultural traditions, and wealth preservation motives further strengthen the preference for gold as a safe-haven asset.

The proposed framework identifies the following relationships:

Independent Variables

- Age of Homemaker
- Educational Qualification
- Household Monthly Income
- Occupation of the Primary Earning Member
- Family Size
- Monthly Household Savings

Global Journal of Innovative Research Perspectives (GJIRP)
ISSN (Online): 3143-1089
Volume-2 Issue-2 || Apr – Jun 2026 || PP. 8 – 15
https://gjirp.org/

- Financial Literacy
- Investment Awareness
- Risk Perception
- Cultural and Traditional Influence

Dependent Variable

- Gold Investment Behaviour
    - Investment Preference
    - Purchase Frequency
    - Investment Amount
    - Preferred Gold Investment Instrument
    - Investment Intention

The framework hypothesizes that improvements in socioeconomic status and financial knowledge positively influence gold investment behaviour, while cultural values and perceptions of financial security continue to reinforce the preference for gold among urban homemakers.

Fig. 1. Proposed Conceptual Framework

The conceptual framework provides the theoretical basis for examining how socioeconomic factors collectively influence gold investment behaviour among urban homemakers. It also guides the formulation of hypotheses and the selection of statistical techniques used to analyse the relationships between the independent and dependent variables.

Results and Discussion

Data collected from **220 urban homemakers** were analysed to examine the influence of socioeconomic factors on gold investment behaviour. The findings indicate that demographic characteristics, household financial capacity, and financial awareness significantly affect investment preferences. The results also suggest that gold continues to be viewed as a safe and reliable investment, particularly for long-term wealth preservation and financial security.

Demographic Profile of Respondents

Table 1. Demographic Characteristics of Respondents (N = 220)

Variable	Category	Frequency	Percentage (%)
Age	25–35 years	48	21.8
	36–45 years	82	37.3
	46–55 years	58	26.4
	Above 55 years	32	14.5
Education	Higher Secondary	42	19.1
	Graduate	88	40.0
	Postgraduate	70	31.8
	Professional Degree	20	9.1
Monthly Household Income	Below ₹50,000	38	17.3
	₹50,001–₹1,00,000	94	42.7
	₹1,00,001–₹2,00,000	62	28.2
	Above ₹2,00,000	26	11.8

The demographic profile indicates that **37.3%** of respondents belonged to the **36–45 years** age group, representing the most financially active household managers. Nearly **72%** possessed graduate or postgraduate qualifications, suggesting relatively high educational attainment among urban homemakers. More than **70%** of households reported monthly incomes exceeding **₹50,000**, indicating sufficient disposable income for periodic investment in gold.

Global Journal of Innovative Research Perspectives (GJIRP)
ISSN (Online): 3143-1089
Volume-2 Issue-2 || Apr – Jun 2026 || PP. 8 – 15
https://gjirp.org/

Gold Investment Preferences

Table 2. Gold Investment Pattern

Variable	Percentage (%)
Jewellery	61.4
Gold Coins	16.8
Gold Bars	8.6
Digital Gold	7.3
Gold ETFs/Sovereign Gold Bonds	5.9

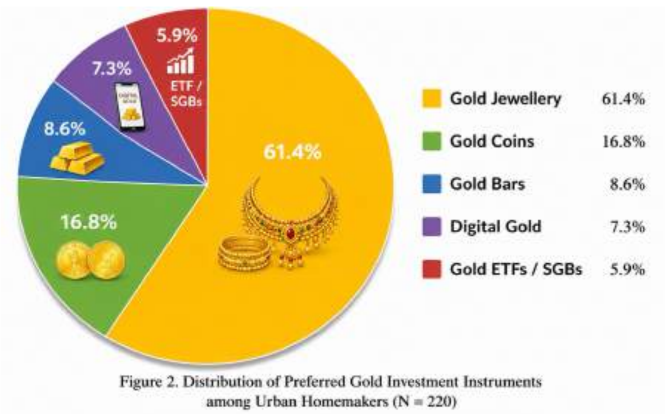

Fig. 2. Preferred Gold Investment Options Among Urban Homemakers

The results reveal that **gold jewellery (61.4%)** remains the dominant investment choice because respondents perceive it as both a financial asset and a socially valuable possession. Coins and bars account for nearly **25%** of investments, while modern investment products such as **Digital Gold** and **Gold ETFs/Sovereign Gold Bonds** together constitute only **13.2%**. This finding suggests that although awareness of financial innovations is increasing, traditional forms of gold continue to enjoy greater acceptance among urban households.

Reasons for Investing in Gold

Table 3. Major Motivating Factors

Motivation	Mean Score	Rank
Financial Security	4.62	1
Wealth Preservation	4.48	2
Protection Against Inflation	4.37	3
Cultural and Family Traditions	4.21	4
Liquidity During Emergencies	4.08	5
Portfolio Diversification	3.84	6

Financial security emerged as the strongest motivation for investing in gold (**Mean = 4.62**), followed by wealth preservation (**4.48**) and inflation protection (**4.37**). Cultural traditions also received a high score, demonstrating that emotional and social considerations continue to influence investment behaviour alongside economic factors.

Correlation Analysis

Table 4. Correlation Between Socioeconomic Variables and Gold Investment Behaviour

Variable	Correlation (r)	p-value
Household Income	0.69	<0.001
Financial Literacy	0.64	<0.001
Monthly Savings	0.61	<0.001
Educational Qualification	0.58	<0.001
Investment Awareness	0.55	<0.001
Family Size	–0.18	0.031

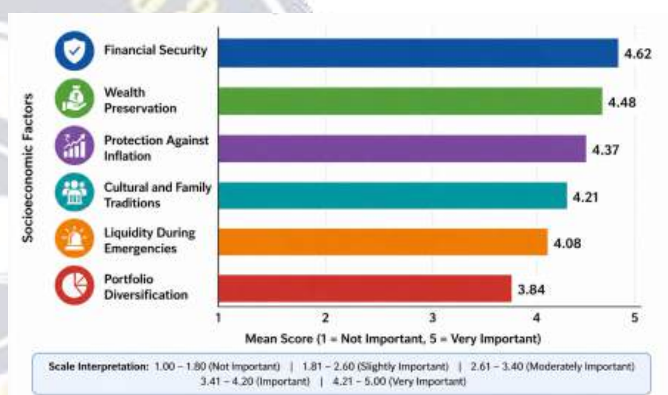

Figure 3. Importance of Socioeconomic Factors Influencing Gold Investment

The correlation analysis demonstrates significant positive relationships between gold investment behaviour and household income, financial literacy, monthly savings, educational qualification, and investment awareness. Household income exhibited the strongest association (**r = 0.69**), indicating that financially stronger households allocate more resources to gold investments. Family size showed a weak negative relationship, suggesting that larger households may experience reduced discretionary savings for investment.

Multiple Regression Analysis

Table 5. Regression Results

Variable	Beta (β)	t-value	p-value
Household Income	0.351	5.89	<0.001
Financial Literacy	0.298	5.12	<0.001

Global Journal of Innovative Research Perspectives (GJIRP)
ISSN (Online): 3143-1089
Volume-2 Issue-2 || Apr – Jun 2026 || PP. 8 – 15
https://gjirp.org/

Monthly Savings	0.247	4.36	<0.001
Educational Qualification	0.184	3.21	0.002
Investment Awareness	0.141	2.61	0.010
Family Size	–0.072	–1.58	0.116

Model Summary

- **$R^2 = 0.67$**
- **Adjusted $R^2 = 0.65$**
- **$F = 71.84$**
- **$p < 0.001$**

The regression model explains **67%** of the variation in gold investment behaviour, indicating strong explanatory power. Household income emerged as the most influential predictor, followed by financial literacy and monthly savings. Educational qualification and investment awareness also had statistically significant positive effects. Family size, although negatively associated, was not statistically significant.

Discussion

The findings indicate that socioeconomic factors play a decisive role in shaping gold investment behaviour among urban homemakers. Respondents with higher household incomes and greater monthly savings demonstrated stronger investment participation because they possessed higher disposable income and greater financial flexibility. Financial literacy significantly enhanced investment behaviour by increasing awareness of the benefits of systematic investing and alternative gold investment products. Nevertheless, the overwhelming preference for physical jewellery suggests that cultural traditions, emotional attachment, and perceptions of safety continue to dominate investment decisions.

The results are consistent with previous studies reporting that income, education, and financial awareness positively influence household investment behaviour, while gold remains a preferred safe-haven asset during periods of economic uncertainty. The relatively low adoption of Digital Gold, Gold ETFs, and Sovereign Gold Bonds indicates that modern investment products have yet to achieve widespread acceptance among homemakers despite their potential advantages. This finding highlights the need for financial institutions and policymakers to improve awareness campaigns and financial education programmes focusing on diversified gold investment options.

Overall, the study demonstrates that urban homemakers increasingly view gold as a strategic financial asset rather than merely a traditional ornament. Economic capability, financial knowledge, and long-term security concerns significantly influence investment decisions, while cultural values continue to reinforce the enduring importance of gold in household wealth management. These findings contribute to a better understanding of women's financial behaviour and provide useful implications for financial service providers, policymakers, and organizations promoting financial inclusion and informed investment practices.

Conclusion

Gold continues to occupy a unique position in the investment portfolios of Indian households, serving not only as a financial asset but also as a symbol of economic security, cultural heritage, and long-term wealth preservation. The present study examined the socioeconomic factors shaping gold investment behaviour among urban homemakers and found that household income, educational attainment, financial literacy, monthly savings, and investment awareness significantly influence investment decisions. Homemakers from financially stable households with higher levels of education and greater financial knowledge demonstrated a stronger inclination toward planned and systematic gold investments. At the same time, cultural traditions, family values, and the perception of gold as a safe-haven asset remained important determinants of purchasing behaviour.

The findings further reveal that physical gold jewellery continues to be the most preferred investment option despite the increasing availability of modern alternatives such as Digital Gold, Gold Exchange-Traded Funds (ETFs), and Sovereign Gold Bonds (SGBs). This indicates that emotional attachment, social customs, and trust in tangible assets continue to outweigh the perceived benefits of newer financial products. Nevertheless, growing financial awareness among urban homemakers suggests a gradual shift toward diversified investment choices, provided adequate information and accessibility are available.

The study contributes to the literature on household finance and behavioural investment by highlighting the role of urban homemakers as active participants in household wealth management. It demonstrates that socioeconomic characteristics significantly shape investment behaviour and should therefore be considered when designing financial products and policy interventions aimed at women. Financial institutions, policymakers, and investment service providers should strengthen financial literacy initiatives and promote awareness of secure, transparent, and diversified gold investment avenues to support informed decision-making.

Although the study provides meaningful insights, it is limited by its cross-sectional design and reliance on convenience sampling within urban areas, which may affect the generalizability of the findings. Future research may employ larger and more geographically diverse samples, compare urban and rural homemakers, or investigate the adoption of emerging digital gold investment platforms using longitudinal research designs. Such studies would provide a deeper understanding of the evolving investment behaviour of women in an increasingly digital financial environment.

References

- Lewellen, W. G., Lease, R. C., & Schlarbaum, G. G. (1977). *Patterns of Investment Strategy and Behavior Among Individual Investors*. Journal of Business.
- Shefrin, H. (2007). *Behavioral Corporate Finance*. McGraw-Hill.
- Thaler, R. H. (2015). *Misbehaving: The Making of Behavioral Economics*. W. W. Norton.
- Singh, A. *An Empirical Analysis of Motivating Factors Behind Purchase of Gold Investment*. Journal of Institute of Management.
- Geetha, N., & Ramesh, M. (2011). Investor behaviour toward investment avenues (cited in subsequent gold investment literature).
- Benny, K., & John, S. (2014). Gold as an investment preference in India.
- Sindhu, K. P. (2013). Household investment preferences toward gold.
- World Gold Council. *Gold Investment Market and Financialisation: India Gold Market Series* (2023).
- Organisation for Economic Co-operation and Development. *Women and Financial Education: Evidence, Policy Responses and Guidance* (2013).
- Dvara Research. *Savings in Gold by Low-income Households* (2024).
- Martini, N. L. R., et al. (2026). *Determinants of Digital Gold Investment Decisions*.
- Khatri, H., & Chhikara, K. S. (2025). *Understanding Gold Investment Trends Among Working Women in Haryana*.
- *A Study on Investment Behaviour of Working Women Towards Gold Investment* (2025).
- *Influencing Factors Behind Women's Investment Behavior in Gold Jewellery* (2026).