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SOCIAL FACTORS AFFECTING WOMEN GROUPS' INVESTMENT BEHAVIOUR IN NAIROBI'S MATHARE INFORMAL SETTLEMENTS.

NGUGI REGINA WANJIKU

(066314)

A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE IN DEVELOPMENT FINANCE DEGREE AT STRATHMORE UNIVERSITY BUSINESS SCHOOL.

STRATHMORE UNIVERSITY

NAIROBI, KENYA.

MAY 2026

DECLARATION

I affirm that this work has not been submitted or approved for the award of a degree by this or any other university. To the best of my knowledge and belief, this dissertation does not contain any material previously published or written by another individual, except where proper reference is made within the dissertation itself.

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Signature:  **Date:** 4th November 2025

Approval

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Signature: **Date:**4th November 2025

ABSTRACT

From a world population of slightly above eight billion people as estimated by the United Nations as at November 2022, Informal settlements or slums dominate the urban landscape and were the home to almost One point one two billion people as of the same year. The world population of women in the same year was estimated at 3.95billion. More than 50 per cent of the urban female population this year was estimated to be staying in the informal settlements. Research has shown that the majority population in informal settlements is economically marginalized and experiencing high poverty levels. As such, they depend on informal sources of finance (self-help groups) to meet their financial requirements. The bulk of the studies have focused on savings and lending within women's groups, with minimal consideration of converting these savings into investments, whether individually or as a group. This study aimed to examine the nature of investment exhibited by women in informal settlements and the factors that inform this investment. The research was done in the Mathare informal settlement. It was an explanatory research design study guided by Prospect theory and the Modern Portfolio, using questionnaires and Focus group discussions as means of data collection. Data from the questionnaire was analyzed using a regression model to determine the extent to which each independent variable influenced the dependent variable. In the correlation analysis, all the research variables, such as Education, Spousal Support) and Age, all influenced the investment behaviour of women in informal settlements in Nairobi, Kenya, positively. The results of the regression analyses also indicated that the social factors investigated accounted for the variation among the women in the informal settlements of Mathare in Nairobi. The chi-square test statistics, show that all social factors significantly positively impacted investment behaviour. This research therefore finds that social factors can influence women's behaviour in the informal settlements of Mathare in Nairobi regarding investment. The research further concluded that these factors must be aligned with the particular investment behaviours to enhance investment behaviour. Non-governmental Organisations (NGOs) are encouraged to participate in training and the acquisition of skills needed to handle finances. The research suggests that the government of Kenya's existing funds should be increased to support the improvement of these skills. The research also suggests that women investors should be advised to invest more in their awareness and knowledge of investment trends and opportunities through means such as attending business seminars and engaging investment advisors.

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Key words

Social factors, Investment behavior, Education level, age, marital status, saving, women groups

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LISTOFABBREVIATIONSANDACRONYMS

SHG	Self Help Group
SACCOs	Savings and Credit Cooperatives
IMF	International Monetary Fund
COVID-19	Coronavirus Disease
MPT	Modern Portfolio Theory
AfDB	Africa Development Bank
OECD	Organisation for Economic Cooperation and Development
UNDP	United Nation Development Programme

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DEFINITIONSOFOPERATIONALTERMS

Investment Behavior: Investment behavior refers to the decisions and tendencies of individuals or groups regarding allocation of their funds or resources into financial or material assets. It encompasses patterns, preferences, and factors that influence how and why people choose to invest.

Informal Settlements: Informal settlements are residential areas where residents live without legal security of tenure. They are often characterized by poor housing and infrastructure. These settlements typically arise due to rapid urbanization and lack of affordable housing, as seen in areas like Mathare in Nairobi.

Family Dynamics: Family dynamics refer to the patterns, roles, and relations within a family unit that govern the everyday functioning of a family. These roles and relations influence individuals' attitudes, behaviors, and decisions. These dynamics, such as family size, responsibilities, and support structures, can shape the investment behavior of women in informal settlements by impacting their financial priorities and obligations.

Level of Education: The level of education denotes the highest degree or level of formal schooling an individual has achieved, which can significantly influence investment decision-making. In the context of women in informal settlements, education levels may determine access to information, financial opportunities, and confidence in making investment decisions.

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CHAPTERONE
INTRODUCTION

1.1 Background to the study

The capacity of savings groups to attract savings from financially constrained, low-income individuals has generated academic attention and interest in understanding how their positive attributes could be replicated in formal saving systems (Landman & Mthombeni, 2021). This interest is particularly relevant where the participation of women in national economies, which, though still modest, plays a significant role in transforming economies towards a growth trajectory (Baig et al., 2021). Studies like that of Brunie et al. (2017) in Mozambique highlight the importance of savings and loan groups, revealing that these groups help households address seasonal shortfalls in food availability and urgent cash needs during emergencies. Similarly, Mohapatra and Sahoo (2016) found that women's involvement in self-help groups (SHGs) positively and significantly influences their advancement, demonstrating the socioeconomic benefits of group-based financial activities.

SHGs, which typically consist of 10 to 20 women who meet regularly to deposit money into a jointly owned account, offer a platform for accessing loans during times of need. These groups are created and composed of women who live within the same vicinity and share similar economic and ethnic backgrounds (Kumar et al., 2021). Initially conceived to boost financial inclusion and support entrepreneurship, savings groups now serve multiple purposes. They offer access to emergency funds, encourage saving throughout the year, and provide financial means for households (Panman et al., 2022). Scholars like Flynn and Sumberg (2017) argue that savings groups act as a springboard toward formal financial inclusion, fostering responsible saving habits and promoting asset accumulation, a claim further supported by Karlan et al. (2017) and Tura et al. (2020), who emphasise the improvements in self-esteem and economic agency observed among women in these groups.

SHGs often comply with regulations, undertake regular savings activities, and open bank accounts to access credit, which is crucial for women who are often excluded from formal credit systems. Increased access to loans enables women to improve household income and accumulate assets, allowing them to smooth consumption over time (Raghunathan et al., 2019). In times of disaster, savings groups strengthen social bonds and promote collective action, reinforcing values such as trust, loyalty, and mutual aid (Panman et al., 2022). These groups enhance social capital by demonstrating a willingness to cooperate and share, thereby

providing both social and economic advantages within communities. Savings groups are particularly effective in precarious environments, where members' close relationships allow for flexible lending practices not seen in formal financial institutions (Panman et al., 2022). The in-depth knowledge that group members have of each other's financial situations enables tailored lending decisions, creating a sense of accountability and reducing default risks. Globally, the number of SHGs has surged, with countries like Canada and regions like South-East Asia seeing a dramatic increase in women's groups (World Bank, 2015). InChin and Harun(2015), the study revealed that the prosperity of these groups largely depends on their cohesiveness, a finding echoed in Indian studies by Mehta, Mishra et al., (2011), and Padma and Rathakrishnans (2012). Thangamani and Muthuselvi (2013) further revealed that a shared understanding among members was critical for group success, while Sundaram (2012) emphasized the impact of training in the socio-economic advancement of SHGs.

In Africa, SHGs are increasingly prevalent, especially in the East Africa block that comprises of countries such as Kenya, Tanzania and Uganda. These groups have empowered women to contribute significantly to society despite cultural barriers (Were &Kimaru-Muchai, 2021). In Kenya, for instance, SHGs are described as a voluntary group that comprise of above ten members that generally have a shared objective (Were &Kimaru-Muchai, 2021). The women's self-help movement, a dominant force in Kenyan civil society, is often welfare-oriented and operates on the principle of self-help (Stephen, 2016). The primary aim of these groups is to provide a cheaper source of financing for their members, with capital typically raised through member share subscriptions. However, challenges such as high interest rates on loans and the risk of theft from cash savings have prompted regulators to advocate for safer mechanisms like bank accounts (Landman &Mthombeni, 2021).

Engagement in informal savings group can result in gradual increase in quantity of assets, building of wealth, and a reduced vulnerability to financial shocks, such as those caused by the Corona Virus pandemic (Landman &Mthombeni, 2021). Additionally, savings groups help individuals overcome resistance to saving, promoting financial stability even in challenging times. Investment decisions, however, have historically been male- dominated, with cultural norms marginalizing women's participation. Recently, however, there has been growing attention to the involvement of women in making investment decisions, highlighting the evolving dynamics in this area (Ayaa&Peprah, 2021).

According to existing research, education level, income level and marital status have emerged as key sociological features that crucially shape the behaviors of investors and govern their investment decisions (Mak & Ip, 2017). Studies like those of Rekik and Boujelbene (2013)

show that demographic factors, such as gender and experience, significantly affect investment decisions. For example, Obamuyi (2013) found that in Nigeria, socio-economic factors like age, marital status, and education also shape investment choices (Ansari, 2019). Ansari (2019) further discovered a link between age and investment avenues, noting that younger individuals tend to avoid risky investments. This finding aligns with the assertion that conservative choices often reflect broader societal expectations surrounding the responsibility of women in financial decision making (Daniel &Saxena, 2024).

Further, parental influence also plays a key role in shaping young adults' saving and investment behaviors. Owusu et al. (2022) found that parents' financial habits significantly impact the financial literacy, saving, and investment practices of their children. Financial literacy, in turn, is a strong predictor of young adults' financial decisions, reinforcing the intergenerational transmission of financial behavior. Kansal and Zaidi (2016) similarly found that women in their study area preferred safer investment avenues, such as bank deposits, and were less influenced by demographic factors. This trend reflects a broader tendency among women to seek security in their investment choices, a behavior shaped by both societal expectations and personal financial goals.

SHGs located in informal settlements form part of informal economies of a country. A report by AfDB, OECD and UNDP of 2017 recognized the critical role of the informal economy and called for supportive policies such as vocational training, small and micro enterprise development and improved access to credit (Koroma et al., 2018). The study of the investment behavior of the women in informal settlements therefore is of importance in order to make predictions about the financial progress of a country.

A key policy objective for countries all over the world is financial inclusion, which implies that the impoverished, including those residing in informal settlements, have inexpensive access to official financial services. It is thought to play a key role in fostering sustainable growth and lowering poverty. These days, women's financial inclusion is especially important due to the potential growth and empowerment it may bring to society and the economy as a whole. The importance of women's financial inclusion also aligns with the UN's 17 sustainable development goals, which emphasise gender equality 'ending all discrimination against women and girls as a basic human right'. Evidence suggests the presence of gender gap in use of financial services in poorer countries, and this gender gap has been one major factor obstructing growth in women-operated businesses (Roy & Patro, 2022).

Studying the investment habits of women living in informal can help identify gaps and challenges, paving the way for development of policies that promote financial inclusion. Insights from this research can lead to tailored financial products such as digital banking solutions and savings programs that meet the needs of women living in informal settlements.

Informal settlements are prone to economic and environmental shocks such as the recent floods experienced in Mathare Informal settlements in April 2024, understanding investment patterns of women can help design interventions that promote the resilience of these communities.

Personality, gender, socioeconomic background, attitudes, beliefs, and other demographic factors influence an individual's investment behaviour. This has generated significant interest in the psychology of investors and the forces that drive their decision-making, which may help financial service providers offer appropriate investment choices. Thus, studies conducted in the field of behavioural finance have gained interest from researchers and industry alike(Kappal & Rastogi, 2020).

Behavioural finance seeks to understand and analyse the decision-making processes and behaviour of people in their investments, which determine price movements and place various investment products in the market. Therefore, behavioural finance can be studied under the following two subtopics (Pompian, 2006): Behavioural finance micro (BFMI) which studies the behaviour of individual investors by answering questions related to rationality and identifying cognitive factors that affect investors' decision-making, and Behavioural finance macro which detects and explains anomalies in an efficient market hypothesis that behavioural models may be able to explain(Kappal & Rastogi, 2020). This study focuses on BFMI to identify the factors that would impact the process of making investment decisions among individual investors, particularly women in informal settlements.

1.1.1 Investment of behavior of women.

An individual's investment decisions are impacted by society, various attitudes, beliefs, and behavioural biases that result in a substantial understanding of the investor's psychology and other motivating elements while making financial decisions. When advising a prospective entrepreneur on any investment activity, these influencing elements also give financial institutions and service providers recommendations to suggest suitable investment options. Investors make biased decisions based on their characteristics, financial mindset, gender, and a variety of prejudices.

Moreover, when the investor makes financial decisions for their investments, they are provoked by the prevailing market reactions and their distinct personal

characteristics.(Hussain et al., 2020). Even though the intergender disparities in wealth, income, and education have reduced over the years, the measures of women's financial stability in the long term are still lower. Women tend to spend less money on less risky businesses than their male counterparts. This behaviour is attributed to various reasons, which include a decreased income, decreased financial literacy, decreased comfort with figures, or reduced pension benefits. Moreover, women's access to information and their inclination to use it might differ from men's. .Although women have become more interested in, and better informed about, investments, women still miss basic market knowledge, have lower levels of math comfort, prefer traditional print media to software or the Internet to gather financial information, and favor stable, easy-to-manage investments(Hira & Loibl , 2008).

Kappal and Rastogi (2020) also argued that individual investment behavior is affected by personality, gender difference, socio-economic environment, attitudes, myths, and other demographic info. According to the literature, influences from society, individual factors, acting biases towards behaviour, the degree of financial knowledge, investment experience, the level of optimistic behaviour, and the capacity to resist indeterminacy during decision-making affect investment choices of individual investors. Moreover, Dwyer et al. (2002); Charness and Gneezy (2012) reported that women invest less than men and they possess a risk-averse attitude in general. Psychologically, Barber and Odean (2001); Mishra and Metilda (2015) discovered that men are more overconfident as compared to women. Therefore, in contrast to women, men are prone to more financial transactions as compared to women since they represent the risk-averse behavior and also exhibit long-term investments. This eventually results in limited financial knowledge on the part of women (Lusardi and Mitchell 2008). According to Farrell et al. (2016) adequate timely financial knowledge to women will motivate them to invest diversely. Kumar et al. (2018) asserted that males take more interest in financial matters and gender affects rational decision making, which does not affect the anxiety of money and concern for sufficient saving for a later period. On the contrary, Trevelyan (2008) identified that gender is not the point of focus because according to him optimistic entrepreneurs can let go of uncertainty and focus on upcoming good circumstances. They tend to evaluate situations to magnify their strengths, focus on opportunities, and demote weaknesses and threats in their work. (Baig et al., 2021). People’s attitudes toward risk significantly influence their saving and investment decisions, making it critical to understand these attitudes when analyzing financial decision-making under uncertainty. Economic and finance literature extensively examines how to measure and evaluate risk aversion. Risk aversion can be understood in terms of either absolute risk aversion, which focuses on

individuals' dollar holdings of risky assets at given wealth levels, or relative risk aversion, which considers their proportional holdings of risky assets (Bernasek&Bajtelsmit, 2002). These measures highlight the varying degrees to which individuals are willing to expose themselves to financial risks based on their wealth and investment choices.

Research by Baig et al. (2021) on female entrepreneurs revealed that women exhibit risk-averse behavior towards investments, which can be attributed to limited knowledge and a lack of time to explore different investment opportunities. The study also indicated that societal influences shape women's investment attitudes, often leading to a lack of confidence in making independent investment decisions. Despite seeking advice from financial consultants, women tend to verify recommendations through other sources before making final decisions. Such behaviors point to a lower level of financial education or less experience in risky investments as contributing factors to reduced risk tolerance among women (Dwyer et al., 2002).

Several studies support the link between financial knowledge and risk tolerance, particularly among women. For instance, Slovic et al. (2000) found that increased awareness of risks leads to a reduced perception of their intensity. Lusardi and Mitchell (2008) conducted a survey as part of a health and retirement study in the US, finding that women exhibited low levels of financial literacy, with many failing to plan for retirement. Similarly, Almenberg and Dreber (2015) demonstrated in a Swedish survey that women's lower levels of basic financial literacy, represented by numeracy, partly explain their lower participation in stock markets (Brooks, Sangiorgi, Hillenbrand, & Money, 2019). These findings suggest that financial education plays a crucial role in shaping women's risk tolerance and investment behaviors.

Dwyer et al. (2002) argue that women's lower levels of financial knowledge contribute significantly to the gender disparity in risk-taking within mutual fund investments. Additional research supports this, linking gender differences in risk attitudes to women's lower financial literacy (Agnew et al., 2008; Lusardi & Mitchell, 2008; Van Rooij et al., 2011). However, Bannier and Neubert (2016), using data from German surveys, found that highly financially literate women investing in sophisticated financial instruments are just as risk tolerant as men in the same category. Despite this, a large Finnish survey by Halko et al. (2012) found that the gender gap in risk tolerance persists, even after accounting for investment knowledge and education. While financial literacy reduces the gender gap, stock market participation remains largely unaffected when financial literacy is included (Brooks, Sangiorgi, Hillenbrand, & Money, 2019).

Further, Yilmazer and Lyons (2010) found that a husband's characteristics, such as age and employment, influence his wife's financial risk tolerance, but the reverse does not hold. Their study also showed that women are less likely to invest in risky assets when they are the primary earners in their households. This finding contradicts traditional assumptions about household financial dynamics, revealing that couples' preferences are not merely an average of both individuals' risk profiles. For instance, married men tend to be less risk tolerant than their single counterparts, but women's risk tolerance does not necessarily increase with marriage, even as their preferences converge with their partner's (Brooks, Sangiorgi, Hillenbrand, & Money, 2019).

This study investigated the investment behavior of women investors in Mathare, an informal settlement in Nairobi and how this behavior was influenced by their age, family status and the level of formal education received. The influencing factors were selected based on the studies of Kappal and Rastogi (2020) among other studies in the field of factors influencing the investment behavior of women.

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1.1.2 Women Investment Groups in Kenya

In Kenya, self-help groups (SHGs) have become vital in providing services that the government may have failed to deliver. Within SHGs, members come together with the shared goal of achieving specific objectives, especially in addressing socio-economic challenges. Women who form SHGs typically aim to empower themselves economically, although other motivations, such as cultural, religious, or social needs (such as burials), may also drive their formation. According to Waithaka (2014), financial management is a key determinant of SHG performance, as the active involvement of members in budgeting, expenditure, and fund accountability significantly boosts group success (Were & Kimaru-Muchai, 2021). This participatory approach strengthens the cohesion and functionality of SHGs, helping them thrive in various sectors of society.

The popularity of women's SHGs in Kenya can be attributed to the lack of access to formal financial services for many women, particularly in rural areas. SHGs have been instrumental in alleviating poverty and improving women's participation in social and economic activities, enhancing their livelihoods. By providing capacity-building training and increasing access to business credit, SHGs play a critical role in empowering women to actively contribute to nation-building. The knowledge-sharing within these groups fosters better performance, particularly for women entrepreneurs, as they gain technical and managerial skills necessary for business success (Kioko, 2022). SHGs thus connect women to financial institutions and markets, providing crucial resources that facilitate economic growth and empowerment.

Globally, the United Nations notes that over half of the world's population now resides in urban areas, with more than seven out of every ten urban residents living in developing countries. This rapid urbanisation has led to increased poverty, inequality, and the growth of informal settlements, which are marked by insecure tenure, lack of basic services, and overcrowding (Simiyu, Cairncross, & Swilling, 2019). The residents of these informal settlements face a variety of vulnerabilities, including low and unstable incomes, inadequate legal protection, and poor infrastructure. Furthermore, they often have little or no access to credit due to lack of collateral, few savings, and suffer from health challenges related to poor-quality food, water, and sanitation (Simiyu et al., 2019). SHGs in these areas are therefore critical in helping vulnerable populations cope with these challenges by offering financial support and collective solutions.

SHGs have positively impacted the economy by empowering women to become self-reliant, allowing them to generate income and improve their socio-economic status. These groups have boosted women's income, enhanced self-confidence, and provided training on income-generating activities, making them economically stronger. Additionally, SHGs offer women a platform to discuss and address common challenges, thus fostering solidarity and collective problem-solving. Some SHGs have grown into more formal financial structures, such as Savings and Credit Cooperatives(SACCOs), offering affordable loans to members on flexible terms (Were &Kimaru-Muchai, 2021).Other SHGs (Were &Kimaru-Muchai, 2021). Other SHGs have developed into more institutionalized financial organizations certain Savings and Credit Cooperatives (SACCOs), whereby low interest loans are easily taken by members under special conditions (Were &Kimaru-Muchai, 2021). Through these initiatives, SHGs not only enhance individual financial stability but also promote broader economic growth.

Ferrara (2001) studied SHGs in Nairobi's informal settlements and found that women and youth were more dependent on these groups for their livelihoods than adult males, who often had alternative income sources. The study also revealed that individuals with lower income before joining the SHG tended to depend more on group activities for survival. This suggests that SHGs play a critical role in income generation, particularly for low-income individuals, by providing an essential safety net and fostering self-reliance. This dependency highlights the importance of SHGs in addressing the economic disparities within urban informal settlements, where formal job opportunities are scarce.

Overall, SHGs have proven to be an important sector of Kenya's economy, especially for women in low-income households. They provide significant financial support through partnerships with the government, non-governmental organisations, and financial institutions. The impact of SHGs is evident in their ability to reduce unemployment by facilitating women-led projects that create job opportunities for others. As women contribute more to household incomes, domestic violence rates have reportedly decreased due to improved financial stability and healthier discussions between spouses about household financial matters (Were & Kimaru-Muchai, 2021). Thus, SHGs not only enhance economic development but also contribute to social cohesion and family well-being.

1.2 Statement of the problem

In recent years, the objectives of women's groups in Kenya have shifted from mutual assistance and solidarity to a stronger focus on income-generating activities (Isaboke, 2016). This evolution is partly driven by the increasing demand for financial inclusion among poor

households, particularly women. According to the 2019 FinAccess Household Survey, 79% of Kenyan women rely on informal financial systems such as chamas (rotating savings and credit associations) due to limited access to formal financial institutions. However, while these informal mechanisms provide critical access to funds, they often lack the capacity for sustainable economic growth. For instance, the Grameen microcredit model, pioneered by Mohammed Yunus, has been adapted across various parts of the world, including Kenya, as an alternative to informal moneylenders. Despite its success in promoting financial inclusion, the model faces challenges in maintaining a long-term economic impact for women's groups (Karlan et al., 2017).

Also, conventional finance-based rationality and utility have always served to explain an investor's financial decisions. Conventional finance, however, does not focus on psychological biases. The behaviour of investing is founded on cognitive mistakes, psychology, and social aspects as unlike computers, human beings are emotional, meaning that we handle information in a way which is influenced by our feelings. This therefore challenges traditional finance that assumes that investors in these models are being directed by maximizing utility, make decisions that are rational and do not consider non-economic factors(Hira & Loibl , 2008). This study will fill that gap by highlighting how social factors influence the investment behavior portrayed by women living in the informal settlements of Nairobi.

This study seeks to analyze the investment behavior of women in ten groups drawn from Nairobi's informal settlements. It aims to identify the social factors influencing their participation in financial investments and how their behavior compares to individual investors. By examining the assets these groups choose to invest in, the study will provide insights into their preferences and constraints. Previous research, including studies by Sellapan et al. (2013) and Baig et al. (2021), has explored factors shaping individual women's investment decisions, but gaps remain in understanding how these dynamics play out within the context of women's groups. This study will fill that gap by focusing specifically on collective investment behaviors and their broader implications for financial inclusion and economic empowerment of women in Nairobi's low-income communities. Additionally, extensive research is also available on comparison of investment behaviour between genders (Dwyer et al., 2002; Endres, 2008; Bannier and Neubert, 2016),(Kappal & Rastogi, 2020). To the best of the researcher's knowledge, however, little research is carried out on the personal investment behaviour of women living in informal settlements.

1.3 Research Objectives

1.3.1 General objective

This study sought to analyse the investment behavior of women living in informal settlements, how their social environment affects their investment behavior with specific reference to Nairobi's Mathare area.

1.3.2 Specific objectives

1. To determine the effect level of education on the investment behavior of women living in informal settlements in Nairobi, Kenya.
2. To determine the influence of family dynamics on the investment behavior of women living in informal settlements in Nairobi, Kenya.
3. To determine the influence of age on investment behavior of women living in informal settlements in Nairobi, Kenya.

1.3.3 Research questions

1. How does the level of education influence the types of investments chosen by women in informal settlements in Nairobi?
2. What is the effect of spousal support or lack of it on the investment behavior of women in informal settlements?
3. How do investment goals and priorities change with age among women in informal settlements?

1.4 Scope of the study

This study focused on women groups located in informal settlements of Mathare in Nairobi. The groups comprise of low- and middle-income earning women. This study focused on these savings groups as Savings groups (SGs) are currently bringing financial inclusion to over 10 million poor households worldwide (Burlando, Canidio, & Selby, The Economics of Savings Groups, 2021). Additionally, globally, women have been recognized as key contributors toward livelihood and poverty eradication, especially in developing countries in sub-Saharan Africa (Bongomin, Woldie, &Wakibi, 2020). The groups were selected through purposive sampling. Cross sectional data was collected to determine the factors that the women groups consider when deciding whether to invest in financial assets. Data was collected through questionnaires and focus group discussions.

1.5 Significance of the study

The study is expected to be beneficial to the following:

1.5.1 Policy makers

This study is expected to be of importance to both governmental and non-governmental institutions that are involved in policy formulation especially policy regarding financial inclusion of women. The study will help policy makers understand the determinants of personal investment decision-making amongst women entrepreneurs.

1.5.3 Investment firms

Investment firms that hope to appeal to women clients will also find the research useful, as it will guide investment advisors in understanding the traits and preferences of women investors. The companies can also develop and provide investment awareness-specific workshops to women consumers as per the findings of this research. The study will put them in a position to make customized, relevant recommendations in their portfolios.

1.5.4 Microfinance institutions

Microfinance institutions are actively involved with providing both financial and nonfinancial services to low to middle income men and women. This study will provide important insights needed to provide financial advice to their clientele. Second, the results will assist these institutions to form training courses for their investment advisors by making them sensitive to the needs and wants of women as possible investors.

1.5.5 Women groups

Women groups will gain more knowledge on the benefits and risks associated with different examples of financial assets. This will help them make informed choices when making investment decisions. It will assist female investors in recognising and reducing their prejudices while making financial choices. They will make better investment choices as a result, lowering risk and increasing return potential.

1.5.6 Academia

This study intersects various academic disciplines, including economics, sociology, gender studies, and urban planning. It therefore offers opportunities for interdisciplinary collaboration and contributes to the academic space with diverse perspectives and methodologies.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provided a review of the literature on the factors that influence women's groups' investment choices, as analysed by other authors. The chapter sought to provide a review of the literature on what women groups consider when making investment decisions, with specific reference to the level of risk associated with the investment, education, financial literacy, years of investment experience, and the experience of friends and family. The chapter provided a theoretical review, an empirical review, an identification of research gaps, and a conceptual framework of the factors influencing women's groups' participation in financial investment.

2.1 Theoretical review

Scholars have advanced theories that describe the different factors that investors consider before making an investment. This study was based on two main theories, the prospect theory, and the modern portfolio theory.

2.1.1 The prospect theory

The Prospect Theory was invented in 1979 by Daniel Kahneman and Amos Tversky to test the Expected Utility Theory, thereby supplanting it to date as a description of decision-making under risk. Among the most important insights that Prospect Theory offers is that an individual is risk-averse to gains but risk-seeking to potential losses. The greatest contribution of this theory is its reference point, which helps people make their decisions. Rather than evaluating outcomes based on final asset levels, individuals assess them relative to this reference point, a process that is crucial in determining how they perceive gains and losses. Since its inception, Prospect Theory has emerged as a prominent challenge to the Expected Utility Theory for explaining decisions made under conditions of risk, highlighting that people place more psychological weight on losses than equivalent gains, and that this weight is influenced by the reference point they identify (Levy, 1992).

A fundamental feature of Prospect Theory is its descriptive and empirical nature, making it well-suited to explaining common decision-making patterns. The theory is structured around two phases: the editing or framing phase, and the evaluation phase. The framing phase involves shaping the decision problem by simplifying and contextualizing the options, a process known as framing effects. These effects play a critical role in determining how decisions are presented and perceived. Once the decision has been framed, individuals move

to the evaluation phase, where subjective value and perceived likelihood influence their choices. In this phase, choices are influenced not just by the objective probabilities but by how the decision-maker perceives and weighs these probabilities, further emphasizing the psychological nuances of decision-making under risk (McDermott, 2001).

During the evaluation phase, two key elements come into play: the value function and the weighting function. The value function has several notable characteristics, with the first being that it evaluates gains and losses relative to a reference point, as opposed to focusing on final outcomes. This distinction sets Prospect Theory apart from Expected Utility Theory, which assumes that final wealth levels are the basis for determining subjective utility. Furthermore, the value function is typically S-shaped: concave for gains and convex for losses, indicating that individuals are more sensitive to changes in wealth closer to their reference point. This sensitivity diminishes as they move further from this point. Additionally, the value function is asymmetrical, with losses having a steeper curve than gains, illustrating loss aversion. In practical terms, this means that the psychological pain of loss tends to outweigh the pleasure of a comparable gain, an idea that diverges from the assumptions of Expected Utility Theory (McDermott, 2001).

The second aspect of the evaluation phase is the weighting function, which assigns decision weights to potential outcomes. Unlike traditional probability in Expected Utility Theory, decision weights in Prospect Theory reflect how people actually perceive the likelihood of outcomes rather than how they should logically assess probability. This departure from rational choice probability reflects an empirically based understanding of human decision-making. Individuals often overestimate the likelihood of unlikely events and underestimate the likelihood of more probable ones. Decision weights, therefore, do not conform to the rational choice rules of probability but instead reflect a more subjective assessment of likelihood. This deviation highlights the impact of psychological factors, such as ambiguity, on probability judgments, which Prospect Theory incorporates into its explanation of decision-making under risk (McDermott, 2001).

The prospect theory was useful in demonstrating and understanding the decision-making processes of women investors in informal settlements. The Prospect Theory offered valuable insights on how the women move through the framing and evaluation phases during decision making. It helped to demonstrate how the women contextualize the different investment options available to them and how they assign the weights to each of the options which eventually assists them to choose the best option according to their understanding. The theory was therefore key in providing an in-depth explanation on how an individual woman investor

navigates investment opportunities, starting from the awareness of the opportunity to the eventual decision and the satisfaction experienced afterward. It also shed light on how women in informal groups make collective investment decisions, reflecting the diverse risk attitudes within the group. By analyzing how individual opinions are incorporated into group consensus, Prospect Theory provided a framework for understanding collective decision-making in these contexts, especially regarding how gains and losses are perceived and evaluated considering the group's wealth reference points. The theory's emphasis on the framing of decisions and loss aversion was particularly relevant in explaining how these women assess risk in uncertain financial environments.

This study applied the prospect theory to examine how education, age and spousal support influence women's investment decisions. Precisely, the theory stipulated that higher education may reduce cognitive biases and loss aversion, advancement in age may shift risk preferences and reference points for decision making. The study also showed that spousal support may act as a buffer that mitigates emotional biases, thereby promoting more rational and confidential investment behavior.

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2.1.2 Modern Portfolio theory

The Modern Portfolio Theory (MPT) was introduced by Harry Markowitz in 1952, revolutionizing the field of investment by emphasising diversification as a means of managing risk. Markowitz's idea was simple yet profound: rather than focusing on individual assets, investors should consider how different investments interact to reduce the overall risk of their portfolios. His concept of the "efficient frontier" illustrates the optimal portfolios that provide the highest return for a given level of risk. MPT assumes that investors are rational and will always prefer less risk if they can achieve the same return, pushing them towards diversified portfolios to maximise their risk-adjusted returns (Barroso & Santa-Clara, 2015). One of the key assumptions of MPT is that investors are risk-averse and seek to optimise returns while minimising risk. Additionally, the theory assumes that asset returns follow a normal distribution, meaning that extreme price fluctuations are rare, and that markets are efficient, with all relevant information reflected in asset prices. However, this assumption of market efficiency has been challenged by more recent behavioural finance theories, which suggest that emotional and cognitive biases often affect investor decisions (Baker & Ricciardi, 2014). MPT also assumes no taxes or transaction costs, simplifying the investment process and allowing decisions to be based purely on return and risk.

Despite its importance, MPT has several limitations. One major critique is that it relies on historical data to predict future returns, which can be unreliable, particularly during periods of market volatility (Ang, Goetzmann, & Schaefer, 2021). This limitation became apparent during financial crises, when assets that were expected to diversify risk, such as real estate or bonds, ended up moving in the same direction as stocks, exacerbating losses. Furthermore, the assumption that investors have complete and perfect information is unrealistic, especially for women in informal economies, where financial literacy and access to information are limited (Miller & Page,2019). The significance of MPT lies in its broad application across both institutional and individual investors. Financial institutions use MPT to design products and portfolios that suit various risk profiles, while individual investors are advised to diversify their investments to reduce risk. However, the theory's utility in informal economies, like the women investors in Mathare, is constrained by limited access to financial services and a lack of investment options. These women typically have low-risk tolerance due to their unstable income sources and face challenges in applying the diversification principles of MPT (Ouma&Riechi, 2020).

Women living in Nairobi's informal settlements encounter unique socio-economic barriers that shape their investment behavior. Many women in Mathare earn irregular incomes through small-scale businesses, domestic work, or informal employment, making them risk-averse and more focused on short-term financial needs. The precarious nature of their income streams means that they prefer low-risk investments, such as savings groups or chamas, which offer immediate liquidity but limit their long-term growth potential (Maina&Muriithi, 2021). This focus on short-term security contrasts sharply with the long-term risk-return balance emphasized by MPT. The lack of access to formal financial institutions further complicates the investment behavior of women in these settlements. Studies indicate that only a small percentage of women in Nairobi's informal settlements have bank accounts or access to formal credit, severely limiting their investment options (Mwangi&Ouma,2020). Without formal financial products such as bonds, stocks, or mutual funds, women in these areas are unable to diversify their investments in line with MPT's principles. Instead, they rely on informal savings mechanisms, which, while accessible, do not offer the same risk mitigation benefits as formal investment portfolios.

Financial literacy also plays a crucial role in determining how women in Mathare invest. Research suggests that financial literacy rates in informal settlements are low, particularly among women, which affects their ability to make informed decisions about savings and investment (Klapper, Lusardi, & van Oudheusden, 2019). Without the knowledge required to understand more complex financial products or strategies such as portfolio diversification, these women tend to invest in assets that they are familiar with, such as small businesses or household goods. This lack of diversification increases their exposure to financial risk, as they do not benefit from the risk- reducing strategies advocated by MPT. Cultural and social factors also influence the investment behavior of women in informal settlements. In many cases, women are responsible for managing household expenses and caring for dependents, which limits their ability to take risks with their investments. Their financial decisions are often driven by the immediate needs of their families, such as food, healthcare, and education, leaving little room for long-term investment planning (Mutuku & Mwaniki, 2022). This focus on short-term security over long-term growth stands in contrast to MPT's emphasis on creating a balanced, diversified portfolio to maximise future returns.

Access to credit is another critical factor affecting the investment behavior of women in these areas. Most women in Mathare do not have access to formal credit, such as bank loans or microfinance, which are essential for investing in higher-return assets. Instead, they rely on informal lending systems, which often come with high interest rates and short repayment

periods, further limiting their ability to take risks and diversify their investments (Kamau & Mukulu, 2021). Without access to affordable credit, these women are constrained to invest in low-risk, low-return ventures that provide immediate but minimal financial benefits. Despite these challenges, women in Nairobi's in formal settlements have developed creative financial strategies through savings groups, which allow them to pool resources and make collective investments. These chamas or savings cooperatives are a popular way for women to access capital and invest in small-scale businesses or community projects (Ngunyi&Oyugi,2021). While these groups provide a level of financial security, they lack the formal structure and diversified asset portfolios advocated for by MPT, leaving participants vulnerable to economic shocks.

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2.2 Empirical Literature Review

The empirical literature review section entails an overview of published empirical studies done on women's investment habits and investments. In this section, the study's research objectives were structured, and the findings on women's investment patterns and the lack of findings on these patterns were identified and discussed.

2.2.1 Effect of level of education on the investment behavior of women

Education has a significant influence on individuals' financial behavior and their attitude toward financial matters. Several studies have established that individuals with higher educational attainment tend to demonstrate a more cautious approach towards spending and saving. For instance, Kappal and Rastogi (2020) argue that more educated individuals are generally more concerned about their future savings, making them more cautious with their expenditures compared to their less-educated counterparts. However, while their study provides valuable insights, it narrowly focuses on the direct relationship between education and cautious spending, without fully exploring other important variables, such as financial goals, cultural influences, or personal economic circumstances. This omission presents a gap, as the study does not delve into how socio-cultural backgrounds and life experiences may further mediate the relationship between education and financial behavior.

Moreover, education has been widely accepted as a major determinant of risk tolerance in financial and business decisions. Rahmawati, Kumar, Kambuaya, Jamil, and Muneer (2015) emphasize that individuals with higher levels of education tend to have a greater tolerance for financial risk, largely because education enhances their financial knowledge and decision-making capacity. While this finding is consistent across many studies, it does not account for the full complexity of risk tolerance. There is insufficient exploration of how personal traits, such as personality, previous financial experiences, or even socio-economic status, might interact with education to shape an individual's risk profile. Thus, the study’s failure to acknowledge other contributing factors to risk tolerance presents a gap in understanding how education and financial behavior are influenced by an interplay of variables.

In further examining the relationship between education and financial decision-making, Kappal et al. conclude that well-informed and educated individuals are more capable of coping with financial challenges and, as a result, make better investment decisions. This conclusion, while logical, tends to oversimplify the complex nature of financial decision-making.

Not all educated individuals necessarily make better financial decisions, as this behavior can also be influenced by factors such as psychological biases, social pressures, and unpredictable market conditions. For instance, the emotional state of an individual and market volatility are critical factors that were not thoroughly explored by Kappal et al. (2020), thus leaving a gap in how these external factors might mitigate the impact of education on financial decision-making. By overlooking these aspects, the study does not fully capture the intricate nature of financial decision-making, particularly in uncertain or high-pressure economic environments.

The importance of gender-specific research in financial decision-making is highlighted in a study conducted by Warwick Business School in 2018. The study examined the investment habits of 2,800 investors over three years, revealing that women outperformed men by an average of 1.8 percentage points annually (Shue& Watkins, 2023). The study attributes this outperformance to men's tendency to engage in speculative investments and hold onto losing positions longer than women. While this research provides important insights, it simplifies gendered investment behaviors by associating men’s underperformance solely with riskier investment strategies. There is insufficient analysis of the socio-cultural factors that could also influence men’s risk-taking tendencies. For example, societal expectations of men as primary breadwinners or high-pressure work environments may push them towards more speculative financial decisions. This oversight introduces a gap in the research by failing to account for the external pressures and social norms that could shape male and female investment behaviors differently.

The assertion that women tend to exhibit behavioral traits that make them better investors is further explored by Shue and Watkins (2023), who argue that women tend to be less swayed by emotional biases like greed or fear, allowing them to make more rational investment decisions. While these findings appear to reinforce the notion that women may have inherent advantages in investing, they also risk oversimplifying women's investment behavior by attributing their success to stereotypical gender traits, such as being more risk-averse or emotionally balanced. This perspective fails to acknowledge the diversity of women’s investment strategies or the broader socio-economic conditions that might constrain their decision-making. For instance, factors such as unequal access to financial education, network

or resources may also play a significant role in shaping women's financial decisions but are often overlooked in gender-based investment studies.

Financial literacy, particularly among women entrepreneurs, is essential for both individual success and broader economic growth. Baig, Hussain, Davidaviciene, and Meidute-Kavaliauskiene (2021) argue that financial literacy is a crucial life skill that enhances economic well-being and promotes sustainable decision-making. Educated individuals, they argue, are more cautious with capital expenditures and are more focused on long-term sustainability. While the study highlights the positive effects of financial education, it fails to examine the quality and relevance of the education women entrepreneurs receive. There is a significant gap in exploring how specific types of financial education, whether formal or informally, impact entrepreneurial success. Moreover, the study does not adequately address how barriers, such as limited access to education, particularly in informal settlements, may limit women's ability to benefit from financial literacy initiatives. For example, in informal settlements such as Mukuru Kwa Ruben and Mathare in Nairobi, women often face socio-economic barriers, including time constraints and a lack of resources, which inhibit their access to educational opportunities that could improve their financial behaviours.

Research by Endalew (2020) on women entrepreneurs in Gondar City, Ethiopia, reveals that education level and access to business information are significant factors influencing entrepreneurial success. This study emphasizes the importance of formal education in improving the financial performance of women-owned businesses. However, the study's focus on formal education alone presents a gap, as it overlooks the role that informal education, mentorship, and experiential learning can play in enhancing women's entrepreneurial success. Additionally, the study does not explore how societal norms and gender expectations may limit women's access to formal education and business opportunities. In informal settlements like Mukuru Kwa Ruben and Mathare, access to formal education and business networks is often limited, suggesting that research on the financial behaviour of women in these areas should incorporate a more nuanced understanding of how informal learning and community support systems contribute to entrepreneurial success. The role of socio-economic background in shaping women's financial behavior is also explored by Veluchamy and Thangaraj (2020), who found that variables such as age, education, marital status, family size, and income levels significantly affect women's investment decisions. While n their research provides a comprehensive overview of the factors influencing women's financial

choices, it primarily focuses on individual characteristics without adequately addressing the external systemic factors that may shape these decisions. For instance, in informal settlements where women often face economic instability, limited access to financial markets, and systemic gender discrimination, these external pressures could play a more critical role in shaping financial behavior than individual characteristics alone. The gap here lies in the study's failure to consider the broader socio-economic environment in which these women operate, which could offer a more comprehensive understanding of their financial decision-making processes.

Sharma (2019) explores how women investors perceive investment, highlighting factors such as fund characteristics, convenience, and credibility as key influencers of their decision-making. While the study provides insights into the factors that shape women's investment perceptions, it fails to explore how external constraints, such as limited access to financial resources or discriminatory practices within the financial sector, might limit their investment opportunities. Furthermore, the study does not investigate how women in economically disadvantaged areas, such as Nairobi's informal settlements, navigate financial markets with limited knowledge and resources. This represents a gap in understanding how socio-economic inequalities shape women's access to investment opportunities and their ability to make informed financial decisions.

Kappal and Rastogi (2020) also found that women entrepreneurs in India tend to view investments as long-term instruments but are generally risk-averse due to limited knowledge about investment products. While their study highlights the importance of financial knowledge, it does not examine the structural barriers that prevent women from acquiring it, particularly in socio-economically disadvantaged areas. Women living in informal settlements, for instance, may lack the time or resources to learn about financial products, which further limits their ability to make informed investment decisions. This suggests that more research is needed on how socio-economic barriers, such as poverty and limited access to education, constrain women's financial decision-making.

Baig et al. (2021) also investigated the investment behaviour of female entrepreneurs in Pakistan, finding that while women entrepreneurs are optimistic about their investments, limited knowledge due to time constraints prevents them from taking riskier investment decisions. While this study provides valuable insights into how time and knowledge constraints affect women's financial behaviour, it does not fully explore how systemic issues, such as gender inequality and financial exclusion, affect women's ability to access financial markets. Women In informal settlements, like those in Mukuru Kwa Ruben and Mathare,

people often face multiple layers of disadvantage, including financial exclusion and limited access to formal financial institutions, which exacerbate their investment challenges. Thus, future research should focus on how these systemic barriers can be addressed to empower women in such communities to make more informed financial decisions.

2.2.2 Influence of family dynamics on the investment behaviour of women

The research conducted by Kappal and Rastogi (2020) reveals that women entrepreneurs frequently emulate their parents' investment behaviors. This phenomenon aligns with a broader trend observed in demographic shifts, where women's roles in familial financial decisions are becoming increasingly prominent as more women engage in economic activities. As educational and employment opportunities expand, women's contributions to household income grow, leading to greater involvement in decision-making processes (Sharma & Kota, 2019). Notably, women typically exhibit a risk-averse stance toward investments, reflecting a conservative mindset, limited financial knowledge, and a reliance on external guidance. Sharma and Kota (2019) emphasize the crucial influence of husbands in guiding women's investment choices, highlighting a dynamic where women often depend on their spouses for making informed financial decisions.

Kappal and Rastogi (2020) aimed to investigate the factors that shape personal financial decisions among women entrepreneurs in Mumbai and Pune, two cities recognized for their thriving startup ecosystems. Their findings suggest that this demographic tends to adopt a long- term, conservative investment strategy, frequently seeking the counsel of financial advisors. A notable aspect of their investment behavior is that preferences are heavily influenced by parental investment practices and the experiences shared by family and friends. Women entrepreneurs often gravitate towards familiar financial instruments that their parents utilized, suggesting that parental influence extends beyond childhood and into their adult financial choices.

Expanding on this familial influence, Grohmann et al. (2015) highlights that parents significantly shape the financial literacy of their children, particularly during adulthood. The research corroborates that women entrepreneurs are likely to reflect the investment patterns established by their parents. For instance, many women report that their financial behaviors mirror those of their parents, whether through traditional bank deposits or by venturing into equities—an area where they often hesitate if it contradicts their parents' choices. Such findings underscore the importance of financial socialization, as many women actively engage in discussions about finances with their children, potentially perpetuating the cycle of financial habits across generations.

Additionally, Lakshmi (2015) investigated the investment paradigms of working women, revealing that familial and social influences play a critical role in shaping their financial decisions. The study found that women prioritize family-related financial needs over other investment objectives, a trend that underscores the complex interplay between personal aspirations and familial responsibilities. This prioritization may impede women's financial independence and limit their engagement with diverse investment opportunities, indicating a significant area for further exploration.

The influence of positive family and educational environments on financial literacy is notable, as Kappal and Rastogi (2020) found that financial prudence exhibited by parents directly affects their children's financial wisdom. Families that manage their finances responsibly instill similar values in their children, reducing the likelihood of debt and fostering a culture of savings. Their research indicates that parental financial socialization can enhance savings rates by up to 30% in adulthood, suggesting a compelling avenue for interventions aimed at improving financial literacy among women.

Sellappan et al. (2013) note that married women are more inclined to engage in investment activities than their unmarried counterparts. Furthermore, younger women tend to invest more actively in stocks, mutual funds, insurance, and fixed deposits than older women, who show a greater interest in real estate investments (Ganapathi & Madhavan, 2021). This generational shift in investment behaviour suggests evolving attitudes towards financial independence and risk tolerance among younger women, yet the ongoing reliance on familial advice remains a barrier.

Despite these positive trends, a significant portion of women still struggles to make independent financial decisions. Many lack comprehensive financial planning, often investing reactively as opportunities arise. Ganapathi and Madhavan (2021) highlight that most women prioritize liquidity in their investment choices, indicating a cautious approach that may stem from limited financial confidence. Moreover, while a foundational understanding of investing exists among many women, the predominant reliance on family members for guidance emphasizes the need for educational initiatives that empower women to make autonomous financial decisions.

Tannu et al. (2023) explored the investment behavior of women employees in Delhi, revealing a strong dependency on husbands for financial decision-making. This research reinforces the notion that women often prioritize future security, family well-being, and children's education in their investment considerations, a pattern that aligns with the findings of previous studies.

Such dependency raises questions about women's financial autonomy and their ability to participate fully in investment markets.

Research conducted by Nielsen across 56 countries indicates that women are 25% more likely than men to seek financial advice from friends and family (Ghosh et al., 2018). In the United States, a study by Market Strategies International found that 38% of millennial women rely on their social networks for investment education. Furthermore, a focused study in threes mall cities in Mumbai found that 75% of married working women possess personal investments but still depend heavily on their husbands or in-laws for guidance. Among these, 49% consult family before making investment decisions, while the remaining 51% seek advice from siblings and colleagues. This trend suggests a pervasive reliance on familial and social networks that may hinder women's financial independence and confidence.

Additionally, research in Punjab reinforces the notion that personal opinions and family recommendations play a central role in shaping investment decisions among women investors (Sharma & Kota, 2019). This reliance on familial counsel emphasizes the need for tailored financial education programs aimed at empowering women to make informed investment choices independently. There remains a clear gap in understanding the effectiveness of such interventionsinfosteringfinancialindependenceamongwomenandthelong-termimplications of parental influence on their investment behaviors. Future research should focus on developing strategies to mitigate dependency on familial advice and promote a culture of financial literacy among women, enabling them to navigate investment landscapes with confidence.

2.2.3 Influence of age on investment behavior of women living in informal settlements

Various studies have explored how demographic factors impact investment decisions, particularly focusing on age and experience. Horn and colleagues (1968) discovered that memory declines with age, and this cognitive aging negatively affects both physical and cognitive abilities. Specifically, memory decline is shown to influence investment decisions as individuals grow older. Karthikeyan (2001) also found that as people age, their ability to take risks diminishes, driving them toward safer investments. These findings suggest that older individuals may tend to adopt more conservative financial strategies as a result of their cognitive and physical limitations. Contrary to these conclusions, other studies highlight the potential for older investors to possess greater investment knowledge due to accumulated experience. Feng and Seasholes (2005), Dhar and Zhu (2006), and Goetzmann and Kumar (2008) suggest that older investors may be more knowledgeable about the fundamental principles of investing, possibly compensating for cognitive decline.

This indicates that while older individuals may exhibit decreased risk tolerance, they may also become more informed and savvier in their financial decisions over time. However, the relationship between age and investment awareness is not uniformly supported. Desigan, Kalaiselvi, and Anusuya (2006) found no significant correlation between the age of women investors and their level of investment awareness, suggesting that age might not always be a determining factor, particularly among female investors. Ansari (2019) similarly challenges the assumption that age directly correlates with investment behavior, arguing that external variables such as socio-economic status can also influence decisions.

The experience of younger investors has also been explored, with researchers like Talpsepp (2013) and Kumar and Goyal (2016) finding that younger investors tend to be less experienced and, as a result, more prone to behavioral biases like the disposition effect. This cognitive bias causes individuals to sell winning investments too early and hold onto losing investments for too long. However, Banarjee et al. (2018) challenge this perspective, arguing that age does not necessarily influence behavioral biases, thereby calling into question the assumption that younger investors are inherently more prone to poor decision-making.

A critical review of these studies reveals some methodological weaknesses. Many of the conclusions are drawn from limited samples, particularly from Western contexts, which may not be entirely generalizable to other regions like Africa, where demographic variables interact differently with cultural and economic factors. Additionally, the studies often treat age as an isolated variable without considering how intersecting factors such as education, gender, and socio-economic background might also shape investment behavior. This oversimplification creates gaps in understanding the complex dynamics that influence investment decisions across different age groups.

The discussion then shifts abruptly to the topic of informal settlements, particularly their evolution in African cities. These settlements, according to Opoko, Oluwatayo, Amole, and Adeyemi (2020), arise outside formal urban planning processes, resulting in disorganized layouts and inadequate infrastructure. The origins of informal settlements in Africa can be traced back to the colonial period when cities were divided into formal European spaces and marginalized indigenous zones. This legacy has persisted into the present, as many African citiescontinuetostrugglewiththerapidexpansionofinformalsettlementsduetourbanization pressures. In Nairobi, for example, colonial authorities originally restricted African populations from living in the city, fearing that their presence would lead to increased crime and disease. Despite these restrictions, many Africans moved to Nairobi seeking employment

and built temporary housing, which later became informal settlements. After independence in 1963, Nairobi experienced a surge in population growth, but the newly independent government's public housing efforts were insufficient to meet the needs of the growing urban population. This failure resulted in the expansion of informal settlements, particularly in areas vulnerable to flooding and other environmental hazards. Ono and Kidokoro (2020) note that government attempts to address informal settlements have been inconsistent, often resulting in forced evictions rather than meaningful policy interventions. The lack of a legal framework for upgrading these settlements reflects a broader reluctance by authorities to address the issue, possiblyduetofearsthatformalizinginformalsettlementscouldencouragefurther expansion.

Health and economic challenges are also prevalent in these informal settlements. According to a study by Shah (2014), residents of informal settlements in Nairobi often face high unemployment rates, especially among women and youth. Those who do find work are usually employed in the informal sector, earning inadequate and inconsistent incomes. This precarious financial situation significantly impacts saving and investment behaviours. Families living in informal settlements often struggle to save money or accumulate assets, and even minor changes in their financial circumstances, such as illness or increases in food prices, can trigger acute emergencies that negatively affect their overall well-being. While the narrative surrounding informal settlements effectively highlights the historical and socio-economic challenges, it lacks depth in exploring potential solutions. Successful examples of upgrading informal settlements, such as Brazil's favela improvement projects or similar initiatives in South Africa, could provide useful insights into how African cities like Nairobi might address these issues. Moreover, the connection between the economic realities of informal settlement residents and their investment behaviours remains underexplored. Understanding how residents navigate financial challenges and engage in saving or investing could offer valuable perspectives for policy interventions aimed at improving their financial security.

2.3 Research Gap

Empirical studies of available on women's investment behaviour focus on individual women's investment behaviour and attitudes under different circumstances. Kappal & Rastogi (2020) sought to understand women entrepreneurs and identify the factors that drive their investment behaviour and investment decisions. The women entrepreneurs were drawn from two cities in India. Similarly, Baig et al. (2021) sought to explore investment behaviour among female entrepreneurs in Pakistan. The novelty of this study lies in demonstrating how the socio-cultural environment influences women's decision-making behaviour and, in turn, affects their

participation in investment. The study will also highlight a unique aspect of comparing the woman investor in a group context and in an individual capacity. The study will also seek to establish whether women's group investment affects subsequent individual women's investment. The study was based on a women's population sample collected from the informal settlement of Mathare, located in Nairobi and often overlooked by researchers in terms of investment behaviour.

Table2.1: Summary of Research gaps

Author (Year)	Study Focus	Findings	Research Gaps
KappalR & astogi (2020)	Education and cautious spending	Educated individuals tend to be more cautious with expenditures and focused on future savings.	The study does not consider other variables like financial goals, cultural influences, or economic circumstances, which might mediate the link between education and financial behaviour.
Rahmawati, Kumar, et al. (2015)	Education and risk tolerance in financial decisions	Higher educational attainment is associated with increased risk tolerance due to enhanced financial knowledge.	The study lacks an exploration of other factors, such as personality traits, financial experiences, or socio-economic status, that might interact with education to influence risk tolerance.
Kappalet al. (2020)	Education and financial decision- making	Educated individuals better cope with financial challenges and make informed investment decisions.	Simplifies the process of financial decision-making because it does not consider the influence of factors such as psychological bias, social pressures on the individual, and market volatility, which can influence financial behaviour.
ShueWat & kins (2023)	Gender differences in investment behavior	Women investors outperform men, attributed to lower engagement in speculative investments.	Insufficient exploration of socio-cultural factors, such as societal expectations or work environment pressures that may influence men's risk-taking tendencies and their impact on investment performance.
ShueWat & kins (2023)	Women's investment behavior and emotional biases	Women are less affected by biases like greed or fear, leading to more rational investment decisions.	The study risks oversimplifying by attributing women's success to stereotypical gender traits, overlooking diversity in women's strategies and socio-economic constraints affecting decision-making.
Baig, Hussain, et al. (2021)	Financial literacy among women entrepreneurs	Financial literacypromotes cautious spending and sustainable decision-making.	Fails to assess the quality and relevance of financial education, particularly for women in informal settlements, and the barriers to access that limit their ability to improve financial literacy.
Endalew (2020)	Education and business success among women entrepreneurs	Formal education improves financial performance of women-owned businesses.	Focuses solely on formal education, missing the role of informal education, mentorship, and experiential learning in fostering entrepreneurial success, especially under restrictive socio-economic conditions.
Veluchamy& Thangaraj (2020)	Socio-economic background and investment decisions	Characteristics like age, education, and income influence women's investment choices.	Lacks consideration of external systemic factors, particularly in economically unstable environments, which may have a more significant impact on financial characteristics alone.

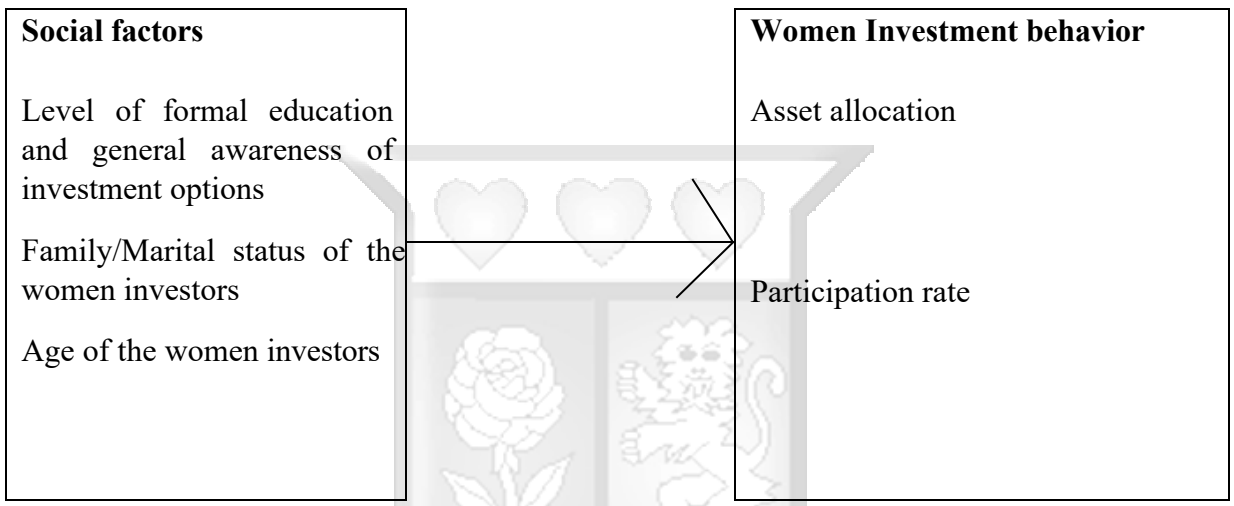
Sharma (2019)	Women's investment perceptions	Women value fund characteristics, convenience, and credibility in investment choices.	The study does not examine external constraints, like limited financial resources or discriminatory practices that restrict investment opportunities for women, particularly in disadvantaged areas.
Sharma (2019)	Women's investment perceptions	Women value fund characteristics, convenience, and credibility in investment choices.	The study does not examine external constraints, like limited financialresourcesordiscriminatorypractic esthatrestrictinvestment opportunities for women, particularly in disadvantaged areas.
KappalRa & stogi (2020)	Women entrepreneurs' views on investments	Women entrepreneurs see investments as long-term instruments but remain risk-averse due to limited product knowledge.	Does not address structural challenges, such as a lack of time or resources in disadvantaged areas that prevent women from accessing financial knowledge, thereby impacting informed investment decisions.
Baigetal. (2021)	Women entrepreneurs' investment behavior	Optimistic about investments, but limited knowledge restricts riskier investments.	Overlooks systemic issues like financial exclusion and gender inequality, especially among women in informal settlements, which limit their access to financial markets and knowledge.
KappalRa & stogi (2020)	Influence of family on women's financial decisions	Women entrepreneurs often emulate parental investment behaviours, which can impact their current financial strategies.	Does not consider the role of personal aspirations and the need for independent financial planning, especially as women assume more financial responsibilities in their families and businesses.
Grohmannet al. (2015)	Parental Influence on Financial Literacy	Financial literacy is shaped significantly by parental practices, particularly into adulthood.	The study does not address the potential for generational change, where younger women might adopt more independent financial behaviors despite family influences.
Lakshmi (2015)	Familial and social influence on investment decisions	Family needs are prioritized in investment, affecting financial independence and limiting diverse opportunities.	Further research needed on empowering women to balance family commitments with independent financial goals, particularly in conservative social settings.
Sellappanet al. (2013)	Marital status and investment behavior	Married women invest more actively, while younger women show greater interest in stocks and mutual funds.	The study does not fully address the reasons why married women are more financially active or explore potential barriers unmarried women face in participating in investments.
Ganapathi& Madhavan (2021)	Generational shifts in women's investment behavior	Younger women display increased independence in financial choices, yet many still rely on family advice.	Does not investigate how educational initiatives or exposure to diverse financial experiences could reduce dependence on family advice, promoting financial autonomy among women.
Tannu et al. (2023)	Women employees' dependency on family For financial decisions	Women often rely on husbands for financial guidance, prioritizing family security.	Fails to address strategies to increase women's financial autonomy, especially in traditional households where family influence on financial decisions is strong.

Ghosh et al. (2018)	Social networks as a source of financial advice	Women are more likely to seek financial guidance from friends and family, particularly younger generations.	Lacks insight into how reliance on social networks affects women's long-term financial planning and investment behaviour, particularly in cases where professional advice may be limited.
KappalRa & stogi (2020)	Women entrepreneurs' views on investments	Women entrepreneurs see investments as long-term instruments but remain risk-averse due to limited product knowledge.	Does not address structural challenges, like lack of time or resources in disadvantaged areas that prevent women from accessing financial knowledge, impacting informed investment decisions.
Baig et al. (2021)	Women entrepreneurs' investment behavior	Optimistic about investments, but limited knowledge restricts riskier investments.	Overlooks systemic issues like financial exclusion and gender inequality, especially among women in informal settlements, which limit their access to financial markets and knowledge.
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2.4 Conceptual Framework

Based on a literature review, the researcher conceptualised that women's investment behaviour is influenced by financial literacy, demographic factors, family and friend influences, and past investment experiences, among other factors. This conceptualisation is depicted in the framework shown in Figure 2.1.

Figure2.1: Conceptual Framework



Source, Researcher (2024)

2.4 Operationalisation of variables

From the empirical literature review, the study adopted the following definitions and measures:

Table2.2 Operationalisation of variables

Variable	Construct	Adopted Definition	Measurement	Author
Education	Level of formal education attained.	The highest degree attained, or the Total number of Years spent in educational institutions.	Level of Education Was measured through the following categories: · Highest level attained · through a high school · certificate, bachelor's	Lakshmi (2015) Sukhija (2021)

			· degree, master's degree and · PhD. Vocational training after high school, was also considered as part of formal education.	
Family Influence	Spousal support Married, Divorced, Widowed, never married	The emotional, instrumental, informational, and companionship support provided by the spouse of the woman investor.	Family influence was measured through surveys and questionnaires by assessing if the women had joint investments with their spouses or they invest independently. Whether the husbands invest the family income on behalf of the family. If each one was responsible for investing their share of income Family influence was measured by conducting detailed interviews to explore the nature and extent of support. The level of influence was recorded using A five-point likert scale where 1-never, 2- from time to time, 3- quite often, 4- on most occasions, 5-	Lakshmi (2015)

			always.	
Age	The years of the respondents since birth	Age Categories: Grouping individuals into age brackets specifically; young adults (19-35 years), middle-aged adults (36-55 years), and older adults (56+ years).	Age was measured through two ways: · Self-Reporting. Directly asking respondents their age, through a questionnaire. · Requesting official records like driver's licenses, or National Identity card storage. The respondents were at liberty of deciding to present any of these official documents.	

2.5 Chapter Summary

This chapter discusses the theories that guided this study. It also outlined the empirical studies conducted by previous scholars on women's investment habits. This chapter also discussed the research gap arising from previous empirical studies. At the end of the chapter, the conceptual framework showing the interrelationships between variables was defined, and the operationalisation table was presented. The operationalisation table summarised the variables of the study and their measures.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter described the methods used to address the research challenge. This was the chapter that covered the research philosophy, research design, study context, target population, sample, and methods of carrying out the sampling, data collection tools to be used in carrying out data collection, validity and reliability of those data collection tools, as well as data collection and analysis processes that would be used in conducting the present study.

3.2 Research Philosophy

Research philosophy can be elucidated as the formation of research assumptions, knowledge and underlying nature. These assumptions are viewed as initial logical assertions rooted in the researcher's expertise and insights, which emerge from intellectual processes. The philosophy of scientific research constitutes a structured framework of the investigator's thinking, enabling the generation of new, dependable knowledge about the subject under study.(Žukauskas et al., 2018). That is to say, it is the foundation of the research, which connotes the selection of the research strategy, the development of the problem, data collection, processing, and analysis. There are various philosophical methods that can be applied in the research field, but as the authors affirm, more extreme methods can be constraining. Only intermediary philosophical approach allows the researcher to reconcile philosophy, methodology, and the problem of research(Žukauskas et al., 2018). This study employed a positivism philosophy. A positivist philosophy was ideal as it allowed for the collection of quantifiable data through quantitative research methods. It also facilitated the description of the variables, namely the self-help group practices and the investment habits of women. A positivist research philosophy claims that the social world can be understood in an objective way. In this research philosophy, the scientist was an objective analyst and, on the basis of it, dissociated himself from personal values and works independently (Žukauskas, Vveinhardt, &Andriukaitienė, 2018).

3.3 Research Design

This study adopted an explanatory research design. Explanatory research focuses on understanding the causal relationships between variables, providing insights into why and how particular phenomena occur. Unlike descriptive research, which only observes and describes characteristics or patterns, explanatory research delves into the underlying causes or influences within a phenomenon. This approach enables researchers to manipulate certain conditions or variables indirectly, examine their effects on other variables, and thus offer a

deeper understanding of both direct and indirect relationships (Siedlecki, 2020). Using an explanatory design, this study sought to investigate how informal living arrangements influence women's investment decisions. Rather than simply observing these arrangements or identifying general patterns, the research analysed the extent to which these living situations shaped financial behaviours, attitudes, and, ultimately, investment choices. This approach allowed for a more nuanced exploration of the relationships among independent variables, such as socioeconomic status, living arrangement stability, and cultural factors, and the dependent variable: women's investment decisions.

3.4 Population of the Study

The research focused on informal settlements in Mathare, Nairobi, where the women's groups in those areas were targeted. Low- and middle-income-earning women formed the groups that were given emphasis, as they are already providing financial inclusion to over 10 million poor households around the globe. Moreover, women have been identified as key players in livelihoods and poverty mitigation, especially in Sub-Saharan Africa. Mathare is the second-largest informal settlement in Kenya, after Kibera. It is in Mathare Sub-County, which is found in Mathare Constituency, Nairobi City County. It has an area of about 3 square kilometers and has 74,967 households. It has existed for a long time and has 206,564 inhabitants today, according to the National Housing and Population Census of 2019. Of this population, 139,885 people are between 15 and 64 years and out of these, the highest percentage, that is, 55,112 people are between 22and 29 years. According to the census women make almost 50% of the total population to stand at 100,028 (Kenya National Bureau of Statistics, 2019). The settlement is largely classified into 13 villages. The villages are Kiamutisya, Village 1/MlangoKubwa, Kosovo, Village 2, Mathare 3A, Mathare 3B, Mathare 3C, Mathare 4A, Mathare 4B, Mashimoni (including Mashimoni Village 10), Kwa Kariuki, Gitathuru and Mabatini (UN HABITAT, 2020). This study will be carried out in Mathare 4B, the largest of the informal villages in Mathare Valley, Mathare sub-county, Nairobi County. Covering an area of 19.904 acres, this village is home to approximately 6231 people residing in 1288 structures. It is located approximately 6 km to the east of Nairobi CBD. The village is bordered by Mathare 4A to the north, Gitathuru to the west, Mashimoni to the east, and Mathare 3C and 3A to the south(Kori et al., 2024).

According to the last population Census, 6268 females in Mathare reported to have never been to school or any learning institution, 18,293 left schools or learning institutions before completion and 35,234 have successfully completed schooling. Of these, 7317 women have reached pre-primary level as their highest level of education while 39,320 have gone up to

primary level. 28,654 reached secondary level as their highest level of formal education, 7303 Technical and vocational education and training (TVET) level and 1657 have been to university. 30adult women reported to have had basic level adult education while 17 females reported to have attended Madrasa only as their only form of education(Kenya National Bureau of Statistics, 2019).

There is a total of 127 registered women groups in Mathare Sub- county with 88 of them located in Mathare informal settlements. These groups consist of female members only with 17 of them consisting of male members that were given the chance to join the groups upon the demise of a primary female member that belonged to their family. In such a case, the male member that is allowed into the group assumes the same rights and responsibility as the departed female member.

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3.4 Sampling Technique

This study utilized non-probability purposive sampling to select 7 participant women groups from a population of 127 women's groups located in Mathare. All the members of these groups were requested to participate resulting in the distribution of 100 questionnaires. This sampling method was ideal because it enabled the targeted selection of women who met specific inclusion criteria, such as membership in women's groups that have existed for over 5 years and experience investing in at least one financial asset. The sample size was considered adequate as it exceeded the minimum requirements of 10-20 observations per independent variable according to Long and Freese (2014). Participants were also over 18, the legal adult age in Kenya, to ensure they were qualified to make independent investment decisions. Purposive sampling allowed the study to focus on individuals with relevant experience, maximising the quality and applicability of insights into investment motivations and decision-making within these groups. This approach was expected to yield rich, targeted data that reflected the unique perspectives and considerations of experienced investors within women's groups.

3.5 Data Collection Technique

This study relied on primary data collected from women members of women's groups. The study used a structured questionnaire as the primary data collection tool, followed by a Focus Group discussion. The questionnaire was designed to align with the study's objectives. The questionnaires were distributed by the researcher. The women's groups involved in the study were consulted on their availability before data collection. The researcher interviewed the respondents and assisted them in filling in the questionnaire. The focus group discussions were held after in-person interviews.

The questionnaires included an introduction that encompassed the purpose of the study, a guarantee for the respondents' confidentiality, sources, and a description of the way the responses generated would be used. A semantic order of the questions was adopted where related subjects were grouped together according to the research questions with each section addressing each of the research questions. A semantic order of questions possesses the advantage of facilitating the cognitive processing of the respondents since it specifies the meaning of question and makes it easier to recall from memory (Taherdoost, 2022). The first part of the questionnaire sought to identify the demographic characteristics of the respondents, that is, their gender, age and marital status. The second part composed of close ended questions addressing the relationship between the education level of the respondent and their

investment behavior. The third section included questions on age and its relation to investment behavior while the fourth part questions on spousal support and its relation to investment behavior. The last section had questions that could corroborate the responses provided in the other four sections and provided the respondent with a chance to add any information that they would deem necessary to the study.

A focus group discussion guide was developed in line with the research questions. The guide sought to obtain responses on how individual women investors have been impacted by group investment. The guide sought to understand the individual woman's investment behavior before and after belonging to women investment group.

Focus group discussions were used to enhance the findings of the results from questionnaires by providing deeper insights into the views held by respondents. They were also used to capture the complex social dynamics of women investors in the context of a group that could not be fully captured by questionnaires only.

3.6 Validity and Reliability

To boost reliability, the researcher ensured that the study technique was used correctly. Respondents were also contacted in their natural context to prevent influencing their responses by other social influences that may present outside of their natural setting. To improve validity, the research design and data collection methodology were constructed to reflect slum dynamics. Thus, the information generated was only valid for organisations in informal settlements.

3.7 Data Analysis

Robson (1993) describes data analysis as a process of data reduction to reveal key insights, while Soren (2023) posits that data analysis provides social science researchers with the tools to unlock insights and understand complex social phenomena. The information can help researchers establish correlations and trends in human behaviour and social life. Data analysis involves summarising the data received. Interpreting data obtained through analytical and logical reasoning and by spotting patterns, correlations, or tendencies is called interpretation. Scholars of the social sciences seek to expand their vision into the domain of social dynamics. Data analysis in social science research is an empirical approach used to dig deeper and discover human experience, attitudes, interactions, and social systems. In this study, data collection through surveys yielded both quantitative and qualitative insights into how informal living arrangements influence women's investment decisions. To ensure systematic data handling, SPSS software was used for descriptive and inferential analyses, beginning with descriptive statistics (frequencies, means, and standard deviations) to summarize key

variables, such as socioeconomic status, financial literacy, and stability of living arrangements. This preliminary analysis also sought to highlight any data cleaning requirements.

To assess relationships and test hypotheses, Likert-scale items capturing attitudes and perceptions were analyzed using ordinal regression models. This was appropriate given the ordinal nature of Likert responses, which reflect ranked but not interval-scaled data. Ordinal regression allowed for precise analysis of predictors like age, education level, and family influence on women's investment decisions, providing insight into how each factor impacts investment patterns. Additionally, Cronbach's alpha was employed to confirm the reliability of Likert-scale survey items, while multi-collinearity tests checked for high correlations among independent variables, preventing potential bias in the regression model. The data collected will be presented the form of a multiple linear regression model with age, the education level of women and family influence being the independent variables while the investment patterns of women were the dependent variable as indicated below;

$Y=\beta0+\beta1X1+\beta2X2+\beta3X3+e$

Where;

Y represented the investment pattern. Change in Investment behavior was indicated through increase or decrease in the frequency of investment and increase or decrease in the level of amounts invested.

X1, X2, X3 represented the independent variables, that is, age, education, and family influence). β0 was the intercept (investment when all independent variables are zero).

β1, β2, β3 was the coefficients (effect size of each independent variable on the investment pattern).

e - represented the error term, representing other factors affecting the investment pattern that were not captured by the model

3.8 Ethical consideration

Ethics are the moral values that govern the behaviour of an individual. Research ethics is what is right in research, both morally and legally. The norms are behavioural patterns that distinguish acceptable from undesirable behaviour. The scientific process has ethics. One will have to consider various ethical issues at different stages of research. The thing is that moral questions can be encountered at every phase of the study, including the behavioural norms, which differ between right and wrong, acceptable and undesirable behaviour. Although research ethics are regulated to some extent by law, research is, in most cases, governed by

moral ideals. The moral aspects have gained significant importance in the research sector. As the scale of the investigation and regulatory developments in the spheres of human rights and data protection become a matter of increasing concern for the population, the ethical questions have moved to the forefront of social research. With the advent of technology, more and more ethical issues have been arising in the field of communication research (Parveen&Showkat, 2017).

This research study was undertaken after obtaining the approval of Strathmore University Ethics Review Committee. The researcher also sought licensing, and data was collected once NACOSTI issued the researcher with a license authorizing the study. The researcher employed an ethical manner in reaching the women and women's groups who participated in the research. The study included the participation of research members who were made aware of the research's purpose. The respondents were also allowed to ask questions and seek clarification on any issues that seemed vague or unclear in the study. Further, the respondent participated in the study on free will and was not coerced into taking part. The respondents were given the right to reverse their responses and their involvement in the research in the event of necessity. This study has not been conducted for any other purpose than the collection of data. The researcher was doing that so as to uphold the privacy and confidentiality requirements of respondents.

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CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The authors provide an overview of findings of data collection, analysis, and interpretation in this chapter. The broad research questions were to analyse the investment behaviour of women in informal settlements and the effects of their socio-economic surroundings on their investment behaviour, with reference to the Mathare neighbourhood in Nairobi. The response rate, descriptive analysis, and inferential analysis, including correlation and regression, are presented in the chapter.

4.2 Response Rate

The population of the study constituted women groups located in informal settlements of Mathare in Nairobi. As such, 100 questionnaires were issued out of which 93 of them were dully filled and returned which translated to a response rate of 93% which was considered to be essential in providing feedback on the objectives of the study(Wilson et al., 2024). The researcher was able to generate a high response rate by leveraging on existing relationships with, the women living in the informal settlements of Mathare, the community leaders and organizations working in the settlement such as the Ghetto foundation. The high response rate was also made possible by conducting the interviews and Focus group discussions at the places and times that were convenient for the respondents such as during their weekly group meetings. The response rate of the study is shown by Table 4.1.

Table 4.1: Response Rate

Response Rate	**Frequency**	**Percentage**
Responded	93	**93%**
Not Responded	7	**7%**
Total	**100**	**100%**

4.3 Background Information

This section represents the background information in relation to the study namely; gender, age, education, duration of investment and category of the respondents.

4.3.1 Gender of Respondents

The study aimed at determining the gender of the respondents. All the respondents were female (100%) which implies that they were fit to undertake in this study.

4.3.2 Age of Respondents

This section aimed to determine the age of the respondents. Table 4.2 reveals that the majority of respondents were below 35 years (62%) showing their relatively young age and that they fell under the youth category.

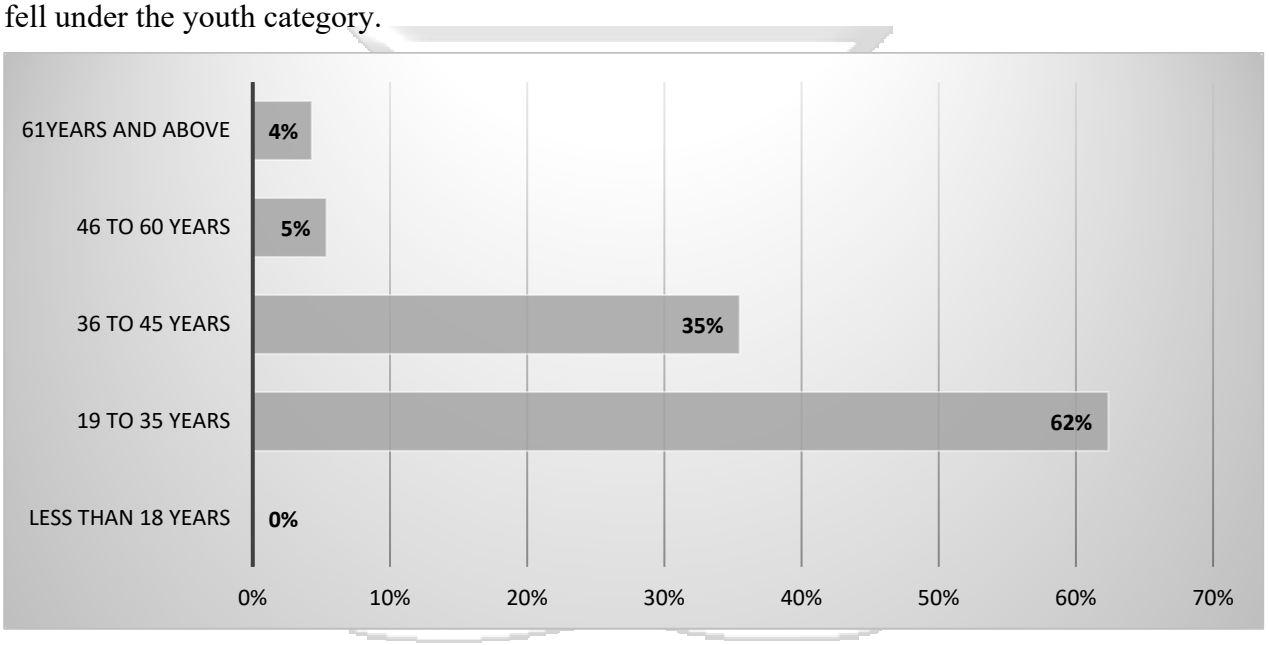


Figure 4. 1Age of Respondents

4.3.3 Marital Status

This section aimed to determine the marital status of the respondents. The findings as shown by figure 4.3 indicate that 75% were married, 5% had never been married, 2% were separated, 8% divorced and 10% widowed. This implies that most respondents were married.

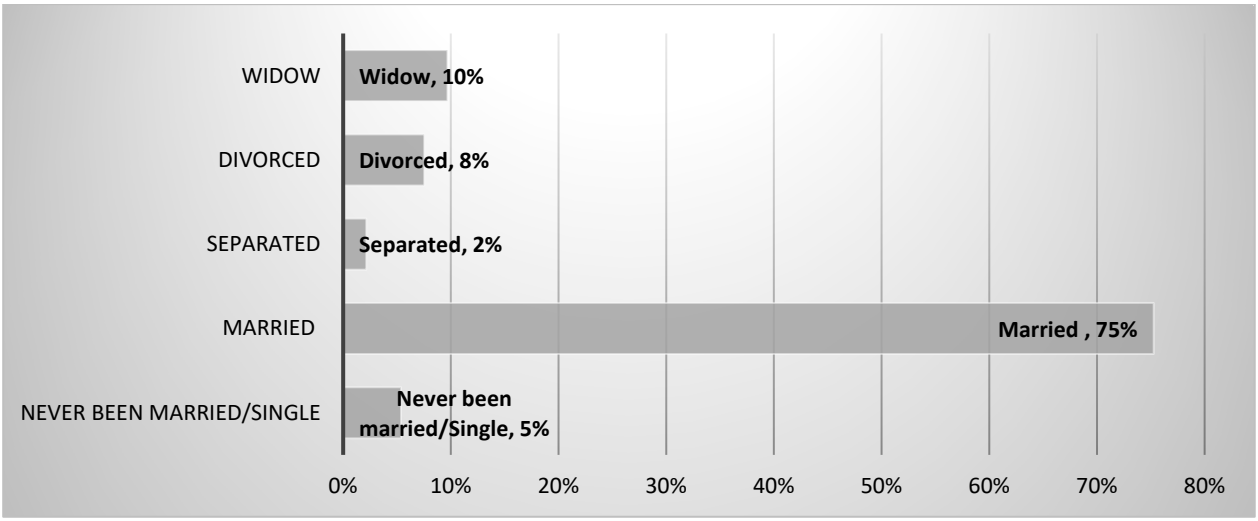


Figure 4. 2Marital Status

4.3.4Education of Respondents

The purpose of this section was to ascertain the highest level of education which the respondents have had. As illustrated below, most respondents had at least a primary level of education (60%), and 35% had secondary education.

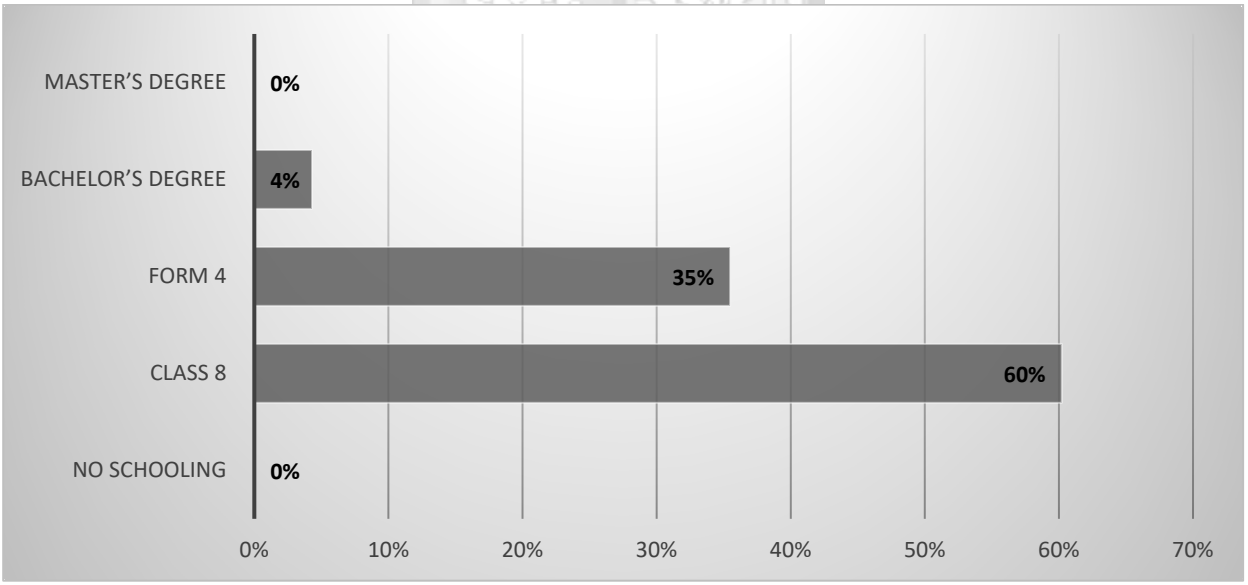


Figure 4. 3 Education of Respondents

4.3.5 Investor Position

This study aimed to determine whether the respondents considered themselves to be investors. The results showed that all of the respondents considered themselves to be investors. Out of those being investors, all of them had been investors for at least a year, investing in areas such as SACCOs, SMEs, Chamas and husbandry. Most of the respondents were active investors

meaning that they added to their investment portfolio at least once a year. They also had a diversified asset allocation.

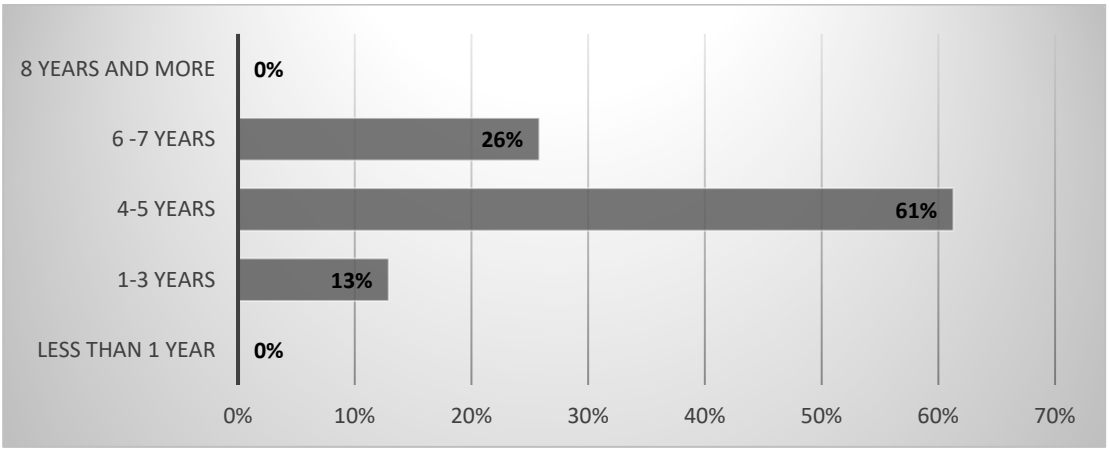


Figure 4. 4 Category of Respondents

4.4 Education

The study aimed to determine the effect level of education on the investment behavior of women living in informal settlements in Nairobi, Kenya. To achieve this, a 5-point Likert Scale was used (1 is Strongly Disagree and 5 is Strongly Agree). Table 4.6 represents the findings obtained.

Table 4. 2Education

Statement	Mean	Std Dev
My level of education has given me skills for making investment decisions.	4.3763	.81978
I feel confident investing because of my educational background.	4.3548	.82942
Formal education has enhanced my understanding of financial risks.	4.1613	.91236
I find it easier to access investment information due to my education.	4.2581	.77884
My education level affects my willingness to take investment risks.	4.3441	.69930
Higher education increases my chances of investing successfully.	4.4731	.63574
I can make more informed investment choices because of my schooling.	4.6237	.64123
I feel restricted in my investment options due to my education level.	2.6774	1.06487
As I advance my education I have been making more financial investments.	4.3978	.78213
I believe more education would improve my investment decisions.	4.3656	.83125

Source: Author Computation (2025)

As per Table 4.2, the respondents indicated that their level of education had given them skills for making investment decisions by a mean of 4.7. The results also indicated that the respondents felt confident when investing because of their educational background with a mean of 4.35. The findings indicated agreement that formal education enhanced the understanding of financial risk by the respondents with a mean of 4.16 and that their education level affected their willingness to take investment risks with a mean of 4.34. The findings also indicated that higher education increased their chances of investing successfully by a mean of 4.47 and that schooling made respondents make more informed investment choices by a mean of 4.62. With a mean of 2.67, findings indicated that a small percentage of the respondents did feel restricted in their investment options by their education level and by a mean of 4.36 respondents indicated that they believed that more education would improve their investment decisions. There was strong agreement among the respondents that formal education did not necessarily influence their investment largely because they believed that one did not need to be formally educated in order to understand money and how to manage it. Contrary to this, respondents indicated believing that formal education would help them feel more confident while venturing in investment areas that they were not familiar with and that formal education too would help them quickly understand financial information.

4.5 Spousal Support

This research was set to establish how family dynamics affected the investment behavior of women residing in informal settlements in Nairobi, Kenya. This was done using a 5-point Likert Scale (1 = Strongly Disagree, 5 = Strongly Agree). The results are indicated in Table 4.3.

Table 4. 3Spousal Support

Statement	Mean	Std Dev
My family's financial needs influence my investment decisions.	4.1935	.91197
Family responsibilities limit the amount I can invest.	4.4731	.68511
As a separated/divorced/ widowed (tick appropriate) I invest less now than I did when I was married.	4.4731	.68511
As a married woman, I invest in more areas now than I did before I was married.	4.2581	.91963

I feel encouraged by my husband to explore new investment opportunities and to make riskier investments.	4.3871	.78064
Financial support from my husband enables me to make investments.	4.3871	.87268
I invest family income on behalf of my husband and I.	4.6237	.64123
As someone who has never been married, I believe my investment decisions would be influenced by my spouse.	4.5161	.71647
As a separated/divorced/ widowed (tick appropriate) I feel confident in making investment decisions without the support of a spouse.	4.3978	.78213
As someone who has never been married, I believe my level of investment decisions would be higher if I was married.	4.3656	.83125

Source: Author Computation (2025)

The respondents strongly agreed that family financial needs influenced their investment decisions indicated by a mean of 4.1935 and a relatively high standard deviation of 0.91197 indicating a variation in experiences. The respondents indicated also that family responsibilities limited the amount that they invest, reflected by a higher mean of 4.4731 and a standard deviation of 0.68511 showing less variation in this experience. Married women strongly agreed to investing in more areas after they were married compared to before they were married. This had a high standard deviation, however, indicating diverse experiences among the married women. The married women also indicated strong agreement that encouragement from their husbands enabled them to undertake riskier investment, the standard deviation for this statement was relatively high (0.78064) indicating that a majority of the women did not receive encouragement from their spouses. The findings also indicated that financial support enhanced their investments and again the standard deviation of 0.87268 indicated that a majority of them did not receive financial support from their spouses while making investment. It was interesting to note, however, that the married respondents indicated preferring to keep the details of their investment activities away from their husbands. Instead, they preferred discussing this with their adult children, siblings or parents. Respondents that had not been married before indicated that future spouses would influence their investment choices and that marriage would enhance their investment capacity.They indicated having a larger enthusiasm for sharing their investment goals and activities with their future spouses. Separated, divorced and widowed respondents indicated that investment activities and capacity reduced post marriage. On average, the mean score of the influence of family dynamics on the investment behavior of women living in informal settlements in Nairobi,

Kenya was 4.41 with a standard deviation of 0.78 showing overall strong agreement that spousal support and family dynamics influence investment decisions.

4.6 Age

The study aimed to establish the impact of age on women's investment in informal settlements in Nairobi, Kenya. To achieve that, a 5-point Likert scale was used (1 = Strongly Disagree, 5 = Strongly Agree). Table 4.4 has the results.

Table 4. 4Age

Statement	Mean	Std Dev
When I was younger than I am now, I was afraid of investing in areas that had high levels of risk	4.1935	.91197
When I was younger than I am now, I invested in areas that had high levels of risk	4.4731	.68511
I feel more secure investing as I get older.	4.4731	.68511
I feel less secure investing as I get older.	4.2581	.91963
When I was younger than I am now, I invested less than I do now.	4.3871	.78064
When I was younger than I am now, I invested more than I do now	4.3871	.87268
I am more interested in long-term investments at my age now than when I was younger	4.6237	.64123
I am more interested in short-term investments at my age now than when I was younger	4.5161	.71647
As I grow older, I feel that I have gained more knowledge about investing.	4.3978	.78213
When I was younger than I am now, I invested in only one area of investment.	4.3656	.83125

As shown by Table 4.4, the respondents strongly agreed on being afraid of investing in areas that had high levels of risk when younger, they agreed to feeling more secure investing when older, investing less when younger, investing more when younger than when older and more interested in short-term investments when older. Few respondents also agreed that when they

were younger than now, they invested in areas that had high levels of risk. Most respondents agreed they were more interested in long-term investments at their age now than when younger, and that as they grew older, they felt that they had gained more knowledge about investing. Few respondents agreed that they invested in only one area of investment when they were younger. There was general agreement among the respondents that they did not feel influenced by age when making investment decisions on a day-to-day basis but that age was a factor when choosing long term or short-term investments. For example, respondents above the age of 50 reported to have a more urgent need for investing in more permanent assets such as land with a view of constructing their retirement homes. Respondents in the range of 19 to 35 years were more interested in acquiring income-generating assets such as starting business that would enhance their financial stability.

4.7 Correlation Analysis

Karl Pearson's coefficient of correlation has been used to assess the relationship between the study's research variables. This approach implies the quantification of the strength of a linear relationship between two variables, which is denoted by r. Results of the Correlation Analysis are summarized in Table 4.5.

Table 4. 5Correlation Analysis

		Investment Behavior	Education	Spousal Support	Age
Investment Behavior	Pearson Correlation	1			
	Sig. (2-tailed)				
Education	Pearson Correlation	.658**	1		
	Sig. (2-tailed)	.000			
Spousal Support	Pearson Correlation	.751**	.548**	1	
	Sig. (2-tailed)	.000	.000		
Age	Pearson Correlation	.664**	.528**	.457**	1
	Sig. (2-tailed)	.000	0	.000	
	N	93	93	93	93

Based on the Pearson Coefficient, the research variables all Education (r=0.658), Spousal Support (r=0.751), and Age (r=0.66) have a positive influence on investment behavior of women living in the informal settlements in Nairobi, Kenya. That is why a one-unit change in

these variables will correspond to a unit change in women's investment behavior in informal settlements in Nairobi, Kenya. Besides this, spousal support affected the investment behavior of informal settlement women most and least by age. In addition, the impacts of all the variables were considered serious because the p-values were not below 0.05. This implies they could accurately forecast the change in the investment behaviour of women residing in informal settlements in Nairobi, Kenya.

4.8 Regression Analysis

A regression analysis was conducted to examine the relationship between the dependent variable and the independent variables. With the use of multiple Likert scale items to explain the investment an ordinal regression analysis was chosen as it is designed to handle provide more accurate and reliable estimates where the dependent variable is ordinal in nature.

Table 4.6 indicates that the variation among women in the informal settlements of Mathare, Nairobi, can be explained by the social factors under investigation, with an R2 of 0.724 (72.4). This means that only 27.6 percent of the change in investment behaviour is not explained by factors outside those researched by the study.

Table 4. 6Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.851[a]	.724	.715	.13930

a. Predictors: (Constant), Spousal Support, Age, Education

ANOVA was also conducted in the study to assess the model's validity and effectiveness in explaining the relationship between the research variables. Table 4.7 indicated that the p-value of 0.01 was less than 0.01, indicating that the Table 4.6 model was valid at the 99% level of significance. This implies that the independent variables are good predictors of fluctuations in women's investment behaviour in the informal settlements of Mathare in Nairobi.

Table 4. 7 Model Validity

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.539	3	1.513	77.963	<.001[b]
	Residual	1.727	89	.019		
	Total	6.266	92			

a. Dependent Variable: Investment behaviour

b. Predictors: (Constant), Spousal Support, Age, Education

The value of the constant in Table 4.8 shows that the investment behaviour of women living in informal settlements in Nairobi, Kenya will always exist at a certain minimum (β_0 =3.15, $P <$ 0.05).

Table 4. 8Model Coefficients

		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.315	.295		1.069	.288	-.271	.901
	Education	.240	.077	.223	3.103	.003	.086	.394
	Age	.332	.068	.328	4.862	.000	.196	.468
	Spousal Support	.355	.051	.479	7.001	.000	.254	.456

a. **Dependent Variable: Investment behaviour**

From the model coefficients, Education (β1 = 0.240), Age (β2 = 0.332), and Spousal Support (β3 = 0.355) were found to positively affect the investment behaviour of women living in the informal settlements of Mathare in Nairobi. This implies that an increase in these factors will improve investment behaviour. Further, all variables have p-values less than 5% ($P < 0.05$), indicating that they are significant in explaining variations in investment behaviour among women living in informal settlements in Nairobi, Kenya. Spousal support had the largest beta, meaning that of the three variables studied, it had the strongest predictive value for investment behaviour. Education has the lowest beta, indicating the least influence on the investment behaviour of the women under study.

The following regression equation is derived from the study

$Y=0.315+0.240X_1+0.332X_2+0.355X_3$

4.9Chi Square Test Statistics

The research aimed to determine the importance of the association between the study variables; to do so, a chi-square test was conducted. Table 4.9 presents the chi-square statistics used, with independent variables age, education, and spousal support, and dependent variable investment behavior.

Table 4. 8Chi Square Test Statistics

	Investment Behavior	Education	Spousal Support	Age
Chi-Square	46.000[a]	179.633[a]	218.002[b]	192.361[c]
df	4	81	117	99
Asymp. Sig.	**.000**	**.000**	**0**	**.000**

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 28.0.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 23.3.

c. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 35.0.

As shown, education had a p-value of 0.000<0.05, spousal support had a p-value of 0.000<0.05, and age had a p-value of 0.000<0.05. Therefore, all the social factors had a significant positive effect on investment behavior. Therefore, proper alignment of these factors will lead to increase in investment behavior efficacy.

4.10 Focus Group Discussion

The study also undertook focus group discussions in order to analyze the investment behavior of women living in informal settlements, how their social environment affects their investment behavior with specific reference to Nairobi's Mathare area. The researcher approached 12 women groups that had been earlier identified as meeting the threshold for the study, specifically, the groups had been in existence for more than 5 years. The groups comprised of women only, with three having male members that had been admitted to the group after the death of their spouses that had been members of the group. Most groups were composed of 10 members, and a few had more than 10 members, with the highest having 25 members. The more than 5 years' existence showed longevity in the groups which is essential in fostering accountability amongst the women members. The group discussion participants reported that being in a group forces them to develop financial discipline and better long-term planning. Members who had been within the group for over three years seemed more satisfied with

exploring investment ideas. The discussion revealed that continuity and endurance were the keys in shaping a positive investment culture among women residing in informal settlements.

The group's composition tended to be predominantly female, with few groups accommodating male members. Participants noted that women-only groups offered the opportunity for candid discussions and mutual support. They suggested that male members would assume decision-making authority or alter the group's social fabric. Hence many of the groups remained female-oriented and emboldened women solidarity. Some members stated that the shared life experiences among women made finance easier to trust. This gender dynamic considerably nurtured the sense of emotional and financial trust, which is critical for group sustainability.

4.10.1 Influence of education on group investment

The education level of the women was said to be a significant factor when it comes to their investment decisions and strategies. Women who attained secondary or post-secondary levels of education were regarded as understanding financial concepts and risks better than others. They assumed important duties such as record-keeping, budgeting, and proposal writing. Respondents indicated that "*Some of us do not know how to read and write so we rely on those that can to take up some positions such as secretary and treasurer"* .The women who had no formal education were, however, not left behind; they participated actively as they learned by observing and receiving help from others in the group. Fellow educated members guided them, thus building cohesion and growth in the group. It was clear therefore that it was education, whether formal or informal, that acted as a catalyst for prudent investment behavior.

Some of the respondents also indicated having gone through financial literacy classes sponsored by non-governmental organizations operating within Mathare area. The classes, they reported made them feel better equipped to handle their finances including helping them budget for their personal expenses, practice delayed gratification and be open to learning more about investments. The financial literacy classes were offered to all willing participants and the women who had attended the classes tend to be appointed to leadership positions within their groups. The classes also assisted the women in evaluating the projects that they were looking to invest in at the group level. Overall, the respondents tended to agree that even though formal education- that is primary and high school- did not greatly influence their investment behavior, the financial literacy classes were of great help. One respondent indicated that "*I have not gone to school but attending the financial literacy classes has helped me know what my needs are from my wants*"

4.10.2 Influence of spousal support on group investment

Family dynamics were also found to greatly affect the decisions and commitment levels of women towards investment. Majority of married respondents always said that they withheld from consulting their husbands before making big group decisions, while a few indicated they always had to consult their husbands which sometimes delayed the procedures or inhibited them from taking risks. In contrast, single women or widowed members had much freedom in making investment decisions and were quite aggressive in their contributions towards group investments. Women who had been married before and subsequently got separated divorced or widowed indicated to having greater freedom to explore investment avenues of their liking but having lesser amounts that they could invest in due to catering for all the financial needs of their family in the absence of their spouses.

Notably, members would appreciate it when there was family backing to long-term investments such as land or housing. From the participants' point of view, approval from spouses could either motivate or deter their full engagement in group investments. However, a respondent argued that *"No my investments are private therefore am not obligated to share with my partner."* This implies contrasting views. Members with adult children reported involving these children in making group investment decisions as opposed to their spouse. They reported having greater trust in their adult children about their financial matters, as compared to the trust they had in their spouses. A respondent indicated "*if I die today, my husband may choose to remarry and leave my children suffering but if I leave my property to my children, they will find a way of making a living and accumulating even more property*"

4.10.3 Influence of age on group investment

Age was a major factor affecting investment behaviors, as older women were more inclined to safe and low-risk investments, such as table banking or food-vending businesses. They also exercised more caution when trying new projects, preferring steadiness to high returns. A 71 year old respondent indicated having "*tried many ways of making money in their younger years , I do not have the energy to explore other avenues apart from the ones I already know*" Younger women in their twenties and early thirties, however, have been more inclined towards high digital ventures, such as mobile money kiosks or online resale of goods, and are also more willing to reinvest their returns from such small ventures into bigger collective projects. The generational divide was acknowledged in the group, but it was generally felt that it did not divide them.

The younger group members were also assumed to have a quicker and easier understanding of new investment information and were relied upon to relay the same to the older group members which sometimes involved translating information from English to Kiswahili or top local languages that would be easily understood. They also relied upon to carry out the demanding physical tasks of the group such as travelling to inspect group projects, sourcing investment firms and representing the group in investment and government forums.

The older members were relied upon to provide wisdom and advice during the investment selection process. For example, in cases where the group would be approached by investment firms that a senior member may have interacted with before, the senior member was able to give reliable feedback based on her prior experience with the investment firm. The older members also relied on already established connections to drive the investment ventures of the group such as when applying for loans or grants from organizations working in the informal settlements.

4.10.4 Influence of Group Investment on subsequent Individual Investment behavior

Most respondents felt that the investments they made together directly affected their individual subsequent investment decisions. A participant added that, *"In terms of collective decision, there are normally deliberations made which is thereafter followed by voting."* In particular, after being involved in group activities such as poultry farming or table banking, many members started personal business activities looking to these ventures for inspiration. By pooling resources, they were able to share knowledge and test ideas with very little individual risk. Besides, shining examples from the group activities encouraged members to copy those strategies into their personal lives. Others noted that holding an ownership stake in a joint investment somehow instilled them with confidence, which they then took into their private endeavors.

4.10.5 Challenges faced during group investment

Inconsistent contribution, family interference, and occasional conflicts over decision-making form part of the challenges facing the group. Some would sometimes delay contributing because of financial demands in their households, thus exerting pressure on the rest of the group. A participant stated that, *"Lack of progress in terms of projects, focusing on end year savings and lack of a more formal saving avenue are some of the main challenges."*Family disagreements, more especially with spouses who were opposed to the group's engagement, also made sisters pull out. Tensions also existed in some areas over profit-sharing and project

ownership, especially in groups that operated with little transparency. Another respondent added, *"There are also challenges in terms of getting project supervisors and also some members being very constraint hence cannot be able to contribute financially."*But even with the drawbacks that the group faced, the benefits surpassed them most of the time. Members reported increased financial literacy, expanded networks, and emotional support as some of the main benefits gained while being members of the investment groups. Further, another participant added that, *"The main investments from my perspective are that it is a source of income, there is enhanced self-care for the women as well as fun activities held."*

All the investment groups had long-term project plans, some already in the process of implementation, of buying land and relocating their members out of the informal settlements. This, they said was necessitated by constant threat of demolitions and actual demolition of their residences by past Kenyan governments and the current government. The last demolitions had taken place in May 2024.

The focus group discussions thus revealed how education, age, and family dynamics interact to affect the investment behavior of women in informal settlements like Mathare. It became apparent that investment groups indeed present an avenue toward economic empowerment, while the women affirmed that collective investments exist as an entry point for personal financial advancement and community development. The social relationship bonding within the groups helped somewhat suppress any individual weakness, and peer accountability reinforced good decision-making. External support in training and financial linkages were considered necessary for enhancing their efforts, participants highlighted. This supports the view that strengthening women's investment groups could be a strategy for improving financial inclusion and resilience in urban informal setups.

4.11 Chapter Summary

Chapter 4 presented the findings from the survey of 93 women living in the informal settlements of Mathare, examining the influence of spousal support, age and education on investment behavior. The findings collectively show that all three factors being studied have significant influence on investment behavior with spousal support having the greatest influence while formal education was found to be the least influencing factor. These empirical findings provide a foundation for interpreting the theoretical and practical significance of the effect of social factors on investment behavior which will be discussed in Chapter 5 below.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The discussion of the study and an overview of the key findings will be presented in the chapter. This is then concluded with a policy, practice, and findings section.

5.2 Summary of the Key Findings

The research examined the investment behaviour of women in informal settlements and the impact of their social setting on it, in particular in the Mathare region of Nairobi. All the factors under study were found to have a positive correlation with the investment behaviour of the women under study. This means that as these aspects are enhanced, the investment behaviour of women in informal settlements in Nairobi, Kenya, is most influenced by those with spousal support.

Comparably, Kappal and Rastogi (2020) argue that more educated individuals are generally more concerned about their future savings. Sharma and Kota (2019) emphasize the crucial influence of husbands in guiding women's investment choices, highlighting a dynamic where women often depend on their spouses for making informed financial decisions.

The findings from this study indicate that family financial needs shape the investment behaviour of women and that family financial needs influence the amount they can invest. These findings are consistent to the findings of the 2024 report by the European Institute for Gender Equality on financial independence and gender equality(European Institute for Gender Equality, 2024). The findings also suggest that the financial needs of the family limit how much is available for the women to invest and push them towards short term and easy to liquidate investments, therefore preventing the women investors from achieving the benefits of a balanced diversified portfolio as emphasized by the modern portfolio theory.

On the contrary, Priya, (2015) argued that different demographic factors such as age, marital status and number of dependents do not have significant impact on investment behaviour of women. She argued that the most important consideration for investment that the women made was long term growth.

This study also contradicted the findings of Kappal and Rastogi (2020), where the respondents were found not to make secret investments, rather they made investments on behalf of their families. The respondents of this study indicated to make investments alone most of the times

without the knowledge of their spouses or other family members. Older women however, indicated sharing the details of their investment portfolio with their children for information's sake in case of their demise.

The findings of this study also agreed with those of Ansari (2019), whose study showed a significant relationship between age and investment knowledge and investment avenues. Additionally, both studies found no significant relationship between age and reasons for investment.

The regression results also indicated that the social variables analysed accounted for variations among women in the informal settlements of Mathare in Nairobi. Further, from the model coefficients, Education, Spousal Support and Age were found to affect the investment behavior of women living in informal settlements of Mathare in Nairobi positively. Similarly, Kappal and Rastogi (2020) also argued that individual investment behaviour is affected by social environment. This is supported by the chi square test statistics where all the social factors had a significant positive effect on investment behavior. Therefore, proper alignment of these factors will lead to increase in investment behavior efficacy. However, Graham (2020) found that women have less confidence regarding their decision related to financial issues.

The findings of this study aligned with both the Prospect and Modern Portfolio Theory. From the Prospect theory, spousal support appeared to be a buffer that reduces loss aversion and emotional biases, while higher education helped women overcome cognitive biases and make more rational investment choices. Age influenced risk perception and investment experience and contributed to shifting refence points over time.

5.3 Conclusion

Evidence from literature indicates that the investment behavior of women is not always rational and is influenced by their personality, gender and social economic background among other factors. The three social factors investigated including education, spousal support and age were found to positively affect investment behavior of women living in informal settlements of Mathare in Nairobi. Education is concluded to have the most impact on investment behaviour of women living in informal settlements while spousal support had the least. Formal education played an important role in understanding financial information leading to easier decision making. It also boosted the confidence of the women investors while

making investment decisions again due to the ability to easily understand financial information.

The study argues that the women are making a conscious decision of rarely involving their spouse or other family members in making their investment decisions a position supported by other studies such as Kappal and Rastogi (2021) who found that the women entrepreneurs under study preferred to make the final investment decisions themselves and did not appreciate someone else making the decisions on their behalf. In this study, the women ensured their independent decision making through measures such as the non-admission of male members into the investment groups or through agreeing that each party in the marriage manages their income individually.

On the other hand, the women feel an inadequacy to fully own their investments and investment process hence rely on their adult children, their siblings or their parents in analysing their investment options and making the final decision. They also rely on the experience of their friends.

The study thus concludes that these social factors can severely enhance, hamper or interfere with investment behavior of women living in informal settlements of Mathare in Nairobi. The study further concludes for investment behavior to be improved; these factors should be matched with the specific investment behaviors.

5.4 Recommendations

5.4.1 Recommendations for the Women Investment groups

Findings from this study indicate that little effort is made by investment groups to invest in the formal education of their members. This has been demonstrated by the findings of this study that showed that 60 per cent of the respondents had not only primary school education. The groups should therefore arrange for access to formal education for their members for example through adult education classes which will increase the level of knowledge of their group members and also boost their ability to understand financial information leading to better decision making.

The groups should also seek to partner with experts in other fields apart from finance such as sociologists and psychologists who will assist them in developing a more positive attitude towards investment, risk taking and income handling at an individual level and family level. This will help the women have more fruitful discussions about investments with their spouses

and other family members that may be relevant to the investment process as opposed to investing in secret and risking the loss of investment in case of sudden death or incapacitation.

This is study also recommends that women groups invest in programs that promote the psychological well-being of their members such cognitive behavioural therapy and group counselling that will help the members address the emotional challenges that women face in their investment process and hence lead to better investments practices. These programs will also assist the women in enhancing their agency in the investment process therefore increasing their propensity to save and invest as well as enhance their willingness to face risks in the investment process.

5.4.2 Recommendations for Government, Non-governmental organizations and Policy makers

The findings demonstrate that the more educated the heads of households are, the higher the risk of falling behind the higher saving rate barrier. Consequently, the government ought to take steps that should see capitation of the primary, secondary and tertiary institutions and also the adult education program as well as the value of formal education in enhancing the culture of savings and investment would not take the policies of the National Policy on Women Economic Empowerment in the light of Vision 20230 policy document, as well as the Bottom-up Economic Transformation Agenda that is endorsed by the Cabinet of the Republic of Kenya in March 2025.

Non-Governmental Organizations (NGOs) are recommended to participate in the provision of education especially in training and acquisition of necessary skills for management of finances. This study also recommends that funds should be availed by the relevant Government authorities to help boost these skills. These organizations also work with communities in promoting social values such gender sensitivity, they should double down on helping to eradicate gender-based violence as research shows that spousal support plays a significant role in enhancing the investment behaviour of women.

The study recommends the government to partner with the non-governmental organizations already providing financial literacy education within the informal settlements in providing this education to more people living in these areas.

The report also suggests that Kenya's government examine the legislation and regulations that govern street vending companies in order to create a more conducive environment. This

would significantly improve the performance of these businesses therefore providing the women with the necessary financing needed for their investments.

The study further recommends that the government follow the guidelines provided by the constitution of Kenya, environmental law and court precedents on evictions/ demolitions or removal of people from riparian land. This will ensure that there is the fear and anxiety experienced by inhabitants of informal settlements due to unlawful demolitions is eliminated and residents can be able to focus on matters such as securing their futures through financial investment.

In line with the sustainable development goals whose implementation time frame is quickly drawing to an end, specifically SDG1- Ending poverty, this study recommends that the government through the National Social Protection Secretariat, strengthen the payment timelines and grievances redress efficiency for the people living in informal settlements that are constantly affected by flooding and evictions to enable them some income that would incentivise them to invest and therefore enhance their future's financial stability.

5.5 Suggestions for Further Research

The study has provided a starting point for further research on the social factors affecting investment behavior. However, certain areas of the study have developed that are still demanding, indicating the need for additional investigation. To start with, the investigation was limited to three social factors including education, spousal support and age which may not be an actual representation of all the factors affecting investment behavior of women living in informal settlements in Nairobi, Kenya. The study recommends further research encompassing other social factors for further generalization of the findings. Another limitation was that the study only focused on Nairobi's Mathare area leaving out other informal settlements in Kenya. The study thus suggests further research on other informal settlements in Kenya and adequate comparisons to be made. A replication of this study should be carried out using a larger sample and a combination of more than the two data collecting instruments used in this study, including secondary data as these will help to counter check the information provided.

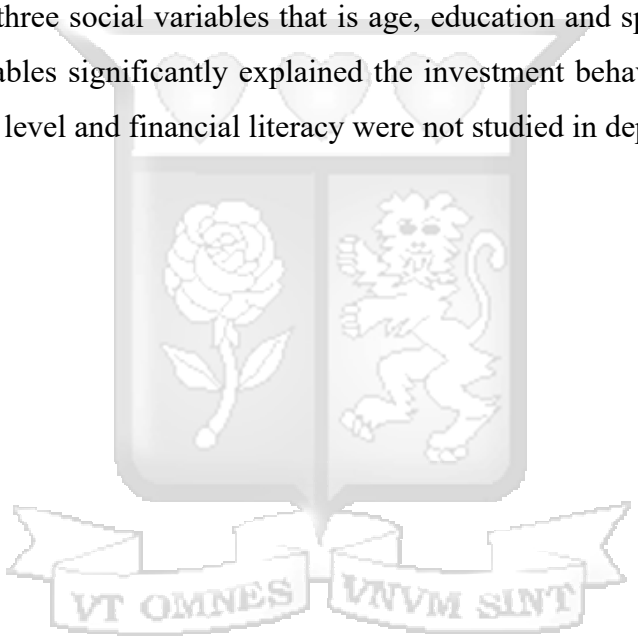
Environmental factors and effects such as fires and floods that are known to frequently affect the lives of people living in formal settlements have not been studied in great detail in this study. A study of these and their effect on the investment behavior would help build knowledge of the investment behavior of women in the informal settlements.

As evidenced by the findings of this study, the factors that affect the investment behavior of women living in informal settlements are not just social in nature and are a combination of many complexities. There is therefore need for multi and trans disciplinary further studies on the investment behavior of women living in informal settlements. For example, studies that combine the fields of finance, psychology and sociology in analyzing the investment behavior of women living in informal settlements.

5.6 Limitations to the study

The study was limited to Mawtharfe settlemnents and although it is the second loarged informal settlement in Kenya, the findings may not be generalizable to other areas in Kenya where the social dynamics and cultural contexts differ significantly.

The study focused on three social variables that is age, education and spousal support. While these three social variables significantly explained the investment behaviour of women,other factors such as income level and financial literacy were not studied in depth.



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APPENDICES

Appendix I: Introduction Letter

Strathmore University,
Strathmore Business School,
P.O. Box 59857 – 00200,
Nairobi.

Dear Respondent,

RE: RESEARCH DATA COLLECTION REQUEST

I am a master's student at Strathmore University currently undertaking a research project titled "SOCIAL FACTORS AFFECTING WOMEN GROUPS' INVESTMENT BEHAVIOUR IN NAIROBI'S MATHARE INFORMAL SETTLEMENTS."

I kindly invite your feedback on this. Your participation is completely voluntary and greatly appreciated. There is no obligation to participate, and all responses will be kept strictly confidential. Additionally, no personal information will be collected without your consent.

The questionnaire will take approximately 10 minutes to complete. Thank you in advance for your time and valuable input.

Kind Regards,

Ngugi Regina Wanjiku

VT OMNES VNVM SINT

Appendix II:

Questionnaire

Part A: Background Information

1. Respondent Gender: Male []

   Female []

2. How old are you? Lessthan18Years []

   18 to 35 Years [ ]

   36to 45Years [ ]

   46 to 60 Years [ ]

   61Years and above []

3. What is your marital status? Never been married []

   Married [ ]

   Divorced/Separated[]

   Widowed [ ]

4. Do you consider yourself an investor? Yes[]

   No [ ]

   Not sure[ ]

4.1 If yes, please list your areas of investment:

4.2 If No, state why:

4.3 How long have you been investing? Lessthan1year[] 1-

3 years [ ]

4-5years []

6 Years and more years []

Part B: Influence of Education on Investment Behavior

5. Please indicate your level of agreement on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree) for the following statements.

Statement	**1**	**2**	**3**	**4**	**5**
1.Mylevelofeducationhasgivenmeskillsformakinginvestmentdecisions.					
2.Ifeelconfidentinvestingbecauseofmyeducational background.					
3.Formaleducationhasenhancedmyunderstandingoffinancialrisks.					
4.Ifindit easier to access investment information due to my education.					
5.Myeducationlevelaffects my willingness to take investment risks.					
6.Highereducationincreasesmychancesofinvesting successfully.					
7.Icanmakemoreinformedinvestment choices because of my schooling.					
8.Ifeel restricted in my investment options due to my education level.					
9.As I advance my education I have been making more financial investments.					
10. I believe more education would improve my investment decisions.					

Part C: Influence of Spousal Support on Investment Behavior

6. Please indicate your level of agreement on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree) for the following statements.

Statement	**1**	**2**	**3**	**4**	**5**
1.Myfamily'sfinancialneedsinfluencemyinvestmentdecisions.					
2.Family responsibilities limit the amount I can invest.					
3.As a separated/divorced/ widowed (tick appropriate) I invest less now than I did when I was married.					
4.As a married woman, I invest in more areas now than I did before I was married.					
5.Ifeelencouraged by my husband to explore new investment opportunities and to make riskier investments.					
6.Financialsupportfrommyhusbandenables me to make investments.					
7.I invest family income on behalf of my husband and I.					
8.As someone who has never been married, I believe my investment decisions would be influenced by my spouse.					
9. As a separated/divorced/ widowed (tick appropriate) I feel confident in making investment decisions without the support of a spouse.					
10. As someone who has never been married, I believe my level of investment decisions would be higher if I was married.					

Part D: Influence of age on Investment Behavior

7. Please indicate your level of agreement on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree) for the following statements.

Statement	**1**	**2**	**3**	**4**	**5**
1.When I was younger than I am now, I was afraid of investing in areas that had high levels of risk					
2.When I was younger than I am now, I invested in areas that had high levels of risk					
3.Ifeel more secure investing as I get older.					
4.I feel less secure investing as I get older.					
5.When I was younger than I am now, I invested less than I do now.					
6.When I was younger than I am now, I invested more than I do now					
7.Iam more interested in long-term investments at my age now than when I was younger					
8.I am more interested in short-term investments at my age now than when I was younger					
9.As I grow older, I feel that I have gained more knowledge about investing.					
10.When I was younger than I am now, I invested in only one area of investment.					

Part E: Additional Comments

8. What challenges do you face when making investment decisions?

……

……

……

9. How often do you seek professional financial advice for investments?

Always [ ]

Sometimes []

Rarely [ ]

Never [ ]

9.1 If you do not seek professional advice, what are your reasons? (Select all that apply)

Cost [ ]

Lack of trust in advisors [ ]

Prefer to handle it myself []

Lack of awareness on where to find advice[]

10. How satisfied are you with your current investment knowledge?

Very satisfied [ ]

Satisfied [ ]

Neutral [ ]

Unsatisfied [ ]

End

Thank You for your Participation.

Appendix III: FOCUS GROUP DISCUSSION GUIDE

1. Introduction (1-10 minutes)

The researcher will welcome participants and introduce herself and explain the purpose of the discussion. She will assure the participants of the confidentiality of their responses.

She will also request the participants to introduce themselves, state how long they have been in the investment group and their motivation for joining the investment group.

3. Key Discussion Questions (40-50 minutes)

A. Let us discuss how education or high level training may have an effect on Investment Behavior

- In your view does your level of education influence your investment choices? If yes, how? If no, why?
- Has any of you had any financial literacy training? If yes, has it impacted your investment decisions and how?
- In your opinion, would more financial education would help you make better investment choices? If yes, in what way? If no, why is that so

B. For those that would like to share their experience, does Spousal Support impact Investment Behavior?

- For those that have not been married before, do you think if you had a spouse you would be investing differently from how you do it now?
- Do you make investment decisions independently, or do you consult your spouse/family first?
- Do the opinions of your husband, children or parents about your investment choices influence your thinking about your investment choices?

C. Based on our different age groups, let us discuss the Influence of age on Investment Behavior

- For the women above 45years, have your investment priorities changed from when you were
- younger, say at 20 or 30 years?
- Do the investment preferences of the younger members of the group differ from those of the older women in your group?
- Are there constraints or challenges associated to age that affect how you invest?

D. How have the current Economic Conditions influenced your Investment Choices

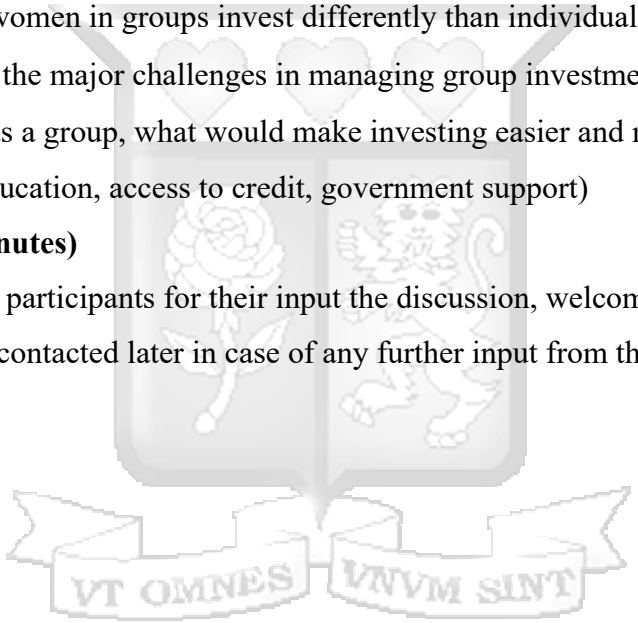
- What are the biggest economic challenges you have been facing when making investment decisions?
- Do external factors like economic downtimes, financial crises, fires within the settlement or floods impact your investment behaviour?
- Are there financial support systems such trainings by microfinance or government programs available? If yes, how effective are they?

E. Finally, let us discuss the influence that Group membership has had on your individual Investment Behaviour and future plans

- From your experience thus far, do group discussions influence your individual investment
- decisions? If yes, how?
- Do you find that women in groups invest differently than individual women investors? If yes, how?
- What are some of the major challenges in managing group investments?
- Individually and as a group, what would make investing easier and more beneficial for you? (E.g., better financial education, access to credit, government support)

4. Conclusion (10-15 minutes)

The researcher will thank participants for their input the discussion, welcome any additional thoughts or questions and offer to be contacted later in case of any further input from the participation



Appendix IV: Ethics Approval

Strathmore UNIVERSITY

15th April 2025

Ms Ngugi Regina,
regina.ngugi@strathmore.edu

Dear Ms Ngugi,

RE: Social Factors Affecting Women Groups' Investment Behaviour in Nairobi's Mathare Informal Settlements

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2787/25.** The approval period is from **15th April 2025 to 14th April 2026.**

This approval is subject to compliance with the following requirements:

i. Only approved documents including (informed consents, study instruments, MTA) will be used.

ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.

iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.

iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU- ISERC within 72 hours.

v. Clearance for the export of biological specimens must be obtained from relevant institutions.

vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.

vii. Submission of an executive summary report within 90 days of completion of the study to SU- ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) https://research- portal.nacosti.go.ke/ and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier, Chairperson; SU-ISERC

Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email admissions@strathmore.edu www.strathmore.edu

Appendix v: NACOSTI Research permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **202094**

Date of Issue: **17/April/2025**

RESEARCH LICENSE



This is to Certify that Ms.. Regina Ngugi of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: SOCIO ECONOMIC FACTORS AFFECTING WOMEN GROUPS' INVESTMENT BEHAVIOUR IN NAIROBI'S MATHARE INFORMAL SETTLEMENTS. for the period ending : 17/April/2026.

License No: **NACOSTI/P/25/4173008**

202094

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

See overleaf for conditions

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was the established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to.
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
    i. Endanger national security
    ii. Adversely affect the lives of Kenyans
    iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
    iv. Result in exploitation of intellectual property rights of communities in Kenya
    v. Adversely affect the environment
    vi. Adversely affect the rights of communities
    vii. Endanger public safety and national cohesion
    viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. Neither the license nor any rights thereunder are transferable.
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

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