



# Investor Behavior And Perception Towards Sustainable And Impact Investments: Evidence From Eastern Uttar Pradesh

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## Abstract

This research paper investigates to investor behavior toward sustainable and impactful investments in the context of eastern Uttar Pradesh. It focusses to analyze investment volumes across different demographic groups, mainly age and income levels, and the role of behavioral biases like hardening, gambling, over and loss aversion in investment decisions. This research paper uses primary data collected from 233 respondents and secondary data related to behavioral finance and financial markets relevant to the topic, including data from official websites and various research papers. The data revealed strong investor participation and the relevance of behavioral bias on investment decisions, as most investors acknowledged being environmentally influenced. Environmentally conscious areas are increasingly appealing to investors, and a significant portion of their investment are focused on these investments when designing their portfolios. Along with financial returns, the desire to create positive environmental and social impact is emerging as a key motivating factor for investors. While many investors recognize the importance of aligning investments with personal values, there are varying levels of awareness and uncertainty about the financial performance of long term investments among investors. Overall, this paper provides important insights into the shaping of investment practices in developing regions like eastern Uttar Pradesh and the growing important factors of value based investments.

**Keywords:** Behavioral Biases, Sustainable Investment, Investor Behavior, ESG, Eastern Uttar Pradesh

## Introduction

In recent decades, sustainable and impact investing has emerged as a significant approach in the financial markets. Investors increasingly seek environmental outcomes beyond simply pursuing profits. While the desire to maximize profits was dominant in earlier investments, sustainable investing also pays particular attention to ESG factors, as these factors evaluate and verify how companies and organizations manage their environmental resources and ensure transparent governance. Global awareness of climate change is raising awareness about how we can protect our environment from various pollutants. Investors are increasingly interested in organizations that acknowledge their responsibility to fulfill ESG criteria. Sustainable investments gained global recognition in the early 2000s, when international forums and policymakers encouraged financial decision-makers to engage in

social and environmental activities. Initiatives such as the Principles of Responsible Investment promoted the integration of ESG factors into investments and encouraged institutional investors to adopt responsible investment practices. Sustainable investing has been growing strongly since then. In recent years, ESG-based investment infrastructure has been gaining significant attention in the global market as well as in India. Regulatory initiatives and sustainability reporting standards have encouraged organizations to more transparently disclose their social and environmental impact.



**Source:** Adapted from the article *“The Rise of ESG Investing”* published on Value Research Online.

Regulatory frameworks introduced by SEBI through the Business Responsibility and Sustainability Reporting (BRSR) Guidelines have strengthened ESG disclosure requirements for listed companies. These regulations aim to improve corporate sustainability, transparency, standardization and accountability in sustainability reporting, thereby providing investors with reliable information about companies environmental and social performance. Sustainable investments include ventures engaged in green and infrastructure waste management, renewable energy, and social work. For example;- Shaurya invests in a firm engaged in wind energy development, reducing carbon emissions and supporting the transition to a low carbon economy. ESG information is a critical component for investors to assess corporate sustainability and long term risks and make more responsible investment choices. However, challenges such as differences in ESG ratings and the lack of a standardized evaluation framework sometimes make it difficult for investors to compare companies. Impact investing allows a large number of people to support, scale, and accelerate initiatives that generate social and environmental benefits. India is increasingly recognized as a promising emerging destination for such investors, as factors such as rapid population growth, a steadily developing economy, relatively stable financial markets, and a supportive regulatory environment for investment activity are expected to drive demand for impact oriented capital. Furthermore, significant social and developmental challenges in sectors such as healthcare, education, and financial inclusion offer investors opportunities to contribute to sustainable and inclusive development.

Whenever, investment decisions are not always rational because of the field of behavioural finance has proven that psychological factors often influence investors’ decision-making. Behavioral biases such as loss aversion, the gambler’s fallacy, and hedging behavior can significantly impact how investors interpret financial information and evaluate investment opportunities. These biases can lead investors to rely on emotional social influences or subjective judgments rather than rational behavior. The question of how such behavioral biases can impact sustainable investing becomes even more important in emerging semi-urban areas, where financial awareness and access to information can vary across different population groups. Age and income levels can significantly impact investors’ access to financial information, risk tolerance, and their perception of sustainable investment opportunities. In this context, the present chapter aims to examine investor behavior toward sustainable and impact investing, focusing on the role of behavioral biases. This study was conducted among investors of different age and income levels in eastern Uttar Pradesh. Analyzing the behavioral patterns of investors in this region, an attempt was made to understand how psychological factors influence the adoption of sustainable investing practices. The research findings are expected to providing valuable insights for policymakers, financial institutions, new investors, and investors interested in promoting responsible and sustainable investing behavior in developing markets.

## Review of Literature

The Literature on behavioral finance focused that investor decision making is often influenced by psychological biases rather than rational behavior. Various researchers/ authors have examined different cognitive and emotional factors such as overconfidence, availability bias, loss aversion, which significantly affect investment behavior. The following table summarizes key studies and their findings related to behavioral biases in financial decision making.

Author	Technique used	Findings
Kahneman & Tversky (1979)	Prospect Theory	Investors are loss averse, losses have a stronger psychological impact than equivalent gains, leading to irrational decision making under risk.
Tversky & Kahneman (1974)	Heuristics Approach	Introduced Heuristics approach (representativeness, availability, anchoring) as mental shortcuts used in decision making under uncertainty.
Waweru et al. (2008)	Behavioral Bias Framework	Expanded Heuristics by including biases like overconfidence and gambler's fallacy affecting investor behavior.
Jain et al. (2022)	Behavioral Finance Analysis	Supported the role of Heuristics driven biases in influencing financial decision-making.
Vandana Yadav et al. (2026)	Heuristics Biases Analysis	Found that investors rely on cognitive shortcuts like availability and representativeness, often leading to sub-optimal stock selection decisions.
Shefrin (2007)	Behavioral Bias Study	Explained representativeness bias and overconfidence, including illusion of control in investment decisions.
Ohlert & Weißenberger (2015)	Statistical Judgment Analysis	Identified base rate neglect where investors ignore general statistical data due to emotional or intuitive reasoning.
Luu (2014)	Sampling Bias Study	Explained sample size neglect where small samples are incorrectly assumed to represent larger populations.
Kishor (2022)	Familiarity Bias Study	Investors prefer familiar or well known investment options due to limited information and reliance on heuristics.
Banerji et al. (2023)	Behavioral Bias Analysis	Highlighted recency bias and reversal expectations influencing investor decisions based on recent information.
Plous (1993)	Cognitive Psychology Approach	Introduced vividness effect, where emotionally striking information strongly influences perception and recall.
Andersen (2010)	Anchoring Bias Study	Investors rely heavily on reference points like past prices or news when making decisions.
Hossain & Siddiqua (2024)	Overconfidence Bias Analysis	Investors overestimate their predictive abilities, leading to excessive risk-taking.
Barber & Odean (2000)	Trading Behavior Study	Overconfident investors trade excessively, resulting in lower performance.
Svenson (1981)	Behavioral Psychology Study	Explained the better than average effect, where individuals overrate their abilities.
Chen et al. (2007)	Probability Bias Study	Defined gambler's fallacy belief that past events influence independent future outcomes.
Burns & Corpus (2004)	Pattern Recognition Study	Investors tend to see patterns in random data, reinforcing gambler's fallacy.
Barberis et al. (2016)	Market Behavior Study	Explained hot-hand fallacy, where investors expect trends to continue based on recent performance.

Priyadarshi et al. (2024)	Investment Participation by Fintech	Fintech apps enhance investment participation in financial market by improving accessibility, ease of doing business and easy access real time market information availability.
Priyadarshi et al. (2025)	Theory of planned Behavior	Fintech user in SAARC Countries revealed how perceptual factors influence adoption.
Priyadarshi (2025)	Behavioral Dynamics of FinTech	Providing a foundation for understanding investor perception in sustainable finance.
Singh and Shukla (2024)	Liberalization policy in India	Indian liberalization policy influenced to foreign market to invest in Indian financial market
Singh and Dixit (2025)	Behavioral Biases Theory	Behavioral biases such as loss aversion, overconfidence, herding bias significantly influence retail investor in Indian capital market.

Overall, existing literature review clearly indicates that investor behavior is significantly influence by many psychological and cognitive biases rather than purely rational investment decision making. Studies have consistently highlighted the importance and role of Heuristics such as availability, herding bias, representativeness, and anchoring in shaping investment choices. Additionally, biases like overconfidence, gambler's fallacy, and recency bias further impact how investors interpret market news or information and make financial decisions. Overall, these literatures suggests behavioral factors often lead to systematic errors and sub-optimal investment outcomes. Moreover, there is a developing/growing need to examine how these biases vary across different demographic areas and in the context of emerging investment trends such as sustainable investing. Therefore, understanding these behavioral biases influences is essential for improving investment decision making and developing more effective financial strategies

## Research Gap

The growing body of literature on behavioral finance and sustainable investing, most existing studies have mainly focused on developed markets/nation or large urban centers. Limited research has been conducted in semi-urban and developing regions like Eastern Uttar Pradesh, where investors may differ significantly in terms of awareness, access to information related to market, and investment behavior.

Furthermore, while previous studies have examined individual behavioral biases, there is relatively less emphasis on understanding how multiple behavioral factors collectively influence investors' perception and adoption of sustainable and impact investments in regional/semi-urban contexts, as well as the role of demographic factors such as age and income in shaping such investment behavior remains underexplored in these areas.

Therefore, this study attempts to trying filling this gap by analyzing investor behavior, behavioral biases, and perception toward sustainable and impact investments in Eastern Uttar Pradesh using primary data and available secondary data.

## OBJECTIVES

1. To examine the level of awareness and investment behavior of investors regarding sustainable and impact investments in Eastern Uttar Pradesh.
2. To analyze investors preferences and motivations toward sustainable and impact investment options.
3. To examine patterns in investors perceptions toward sustainable and impact investments based on demographic characteristics such as age and income.
4. To identify behavioral tendency that influence investors investment decisions and to provide suggestions for local investors, financial advisors, and policymakers to promote sustainable investment practices.

## RESEARCH METHODOLOGY

**1. Research Design:** The present study siphon a descriptive and analytical research design to investigate investor behavior and perception towards sustainable and impact investments. The study aims to understand investors awareness, preferences and behavioral tendencies related to sustainable investment practices. A quantitative approach is laborious to analyze the collected data and to recognize patterns in investors' attitudes and decision making behavior. Primary data serves as the main source of information for the study, while secondary data from existing literature, research articles, and financial reports is used to provide theoretical background and contextual support.

**2. Study Area:** The study is conducted in Eastern Uttar Pradesh, which comprises mostly in developing urban and semi-urban regions. This region provides an appropriate context for examining investors awareness and perception of sustainable and impact investments. Analyzing investor behavior in this area helps in understanding how demographic characteristics and investment preferences influence sustainable investment decisions in emerging markets.

**3. Population of the Study:** The population of this study consists of individual retail investors who participate in financial investment activities such as investments in stocks, mutual funds, bonds, and other financial instruments. These investors belongs to different demographic groups and represent varying levels of income and investment experience within Eastern Uttar Pradesh.

**4. Sampling Technique:** The study adopts a non probability sampling approach for selecting respondents. Precisely, (judgmental) sampling is used to identify individuals who actively invest in financial instruments and own relevant knowledge and experience in investment decision making as well as the snowball sampling technique is employed to expand the sample size. Initial respondents were requested to refer other potential/ knowledgeable participants who meet the criteria of being active investors. This approach facilitated access to a broader access network of relevant respondents.

### 5. Sample Size and Response Rate

Data for the study was collected through a structured questionnaire administered using both online and offline modes to reach a heterogeneous group of retail investors in Eastern Uttar Pradesh.

A total of 265 questionnaires were spread, out of which 233 valid responses were received and considered suitable for analysis. The response rate of approximately 88% is considered satisfactory for survey based research.

#### Sample Profile

**Study Area:** Eastern Uttar Pradesh

**Age Group:** 18–75 years

**Respondents:** Individual retail investors in the Indian financial market

**Sample Size:** 233

**Sampling Technique:** Purposive and Snowball Sampling

### 6. Data Collection Methods

**Primary Data:** Primary data was collected through a structured questionnaire designed to capture information on demographic feature, investment behavior, and perceptions toward sustainable and impact investments.

The questionnaire included the following types of questions:

- Binary questions (Yes/ No)
- Multiple response checklist questions (respondents could select more than one option)
- Rating based questions to assess the importance of different investment factors.

For certain questions, respondents were asked to indicate their level of importance using categories like- very important, important, neutral, not important, not at all important.

The survey was conducted through online (Google Forms) and offline modes. Offline responses were later compiled and merge with online data to form the final dataset. A total of 233 responses were used for analysis.

**Secondary Data:** Secondary data was collected from reliable sources, including:

- Academic journals and research articles,
- Financial market and industry reports,
- Government and regulatory publications,
- Credible financial research platforms.

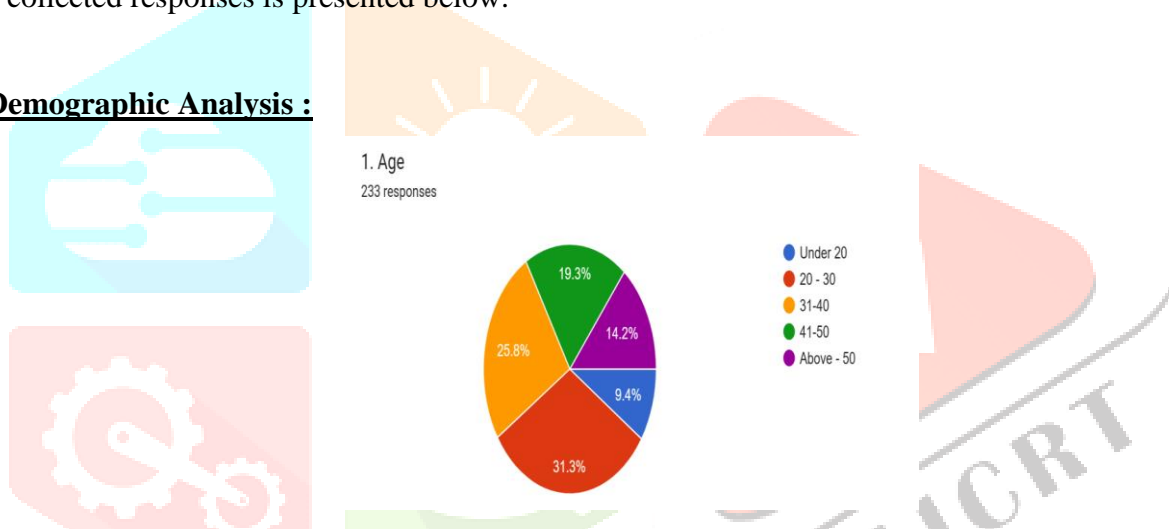
These sources supported the conceptual framework and provided context, background for the study.

**7. Data Analysis Techniques:** The collected data was systematically organized and analyzed using descriptive statistical tools. Techniques such as frequency distribution and percentage analysis were used to concluded respondents demographic profile, awareness levels, and investment preferences.

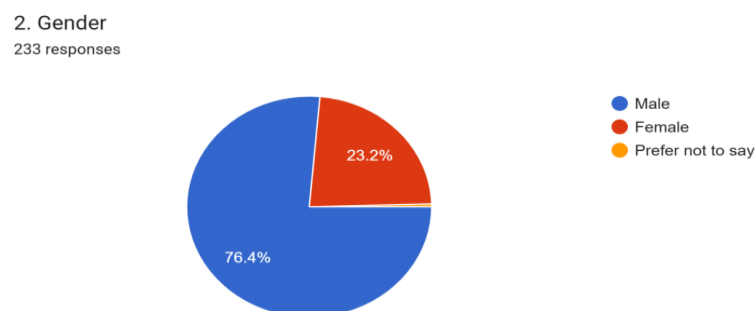
## DATA ANALYSIS AND INTERPRETATION

A primary survey was conducted and a total of 233 responses were collected. The detailed analysis of the collected responses is presented below.

### I. Demographic Analysis :

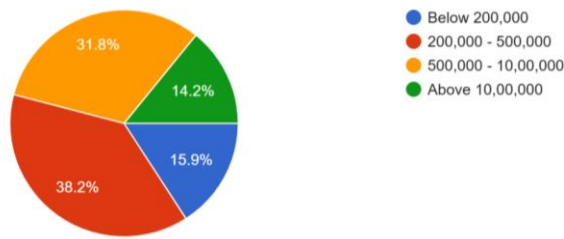


**Age Distribution:** From the above data describe, it is indicate the most respondents (31.3%) come under the age bracket of 20 to 30 years, followed by 31 to 40 years (25.8%) and 41 to 50 years (19.3%). Respondents above 50 years account for 14.2%, while those below 20 years represent the smallest proportion at 9.4%. It can be observed that the sample is largely composed by young and middle-aged individuals, with relatively lower participation from the youngest age group.



**Gender Distribution:** Shows that a largely majority of respondents, 76.4%, are male, while followed by 23.2% female respondents, and a very small fraction (0.4%) preferred not to disclose their gender. This reflects a clear predominance of male participation in the survey, with comparatively lower representation of females. The negligible percentage of respondents opting not to specify their gender suggests minimal non disclosure within the sample. Overall, the distribution point towards a noticeable gender imbalance, with males being significantly more represented.

3. Income Group (Annual)  
233 responses

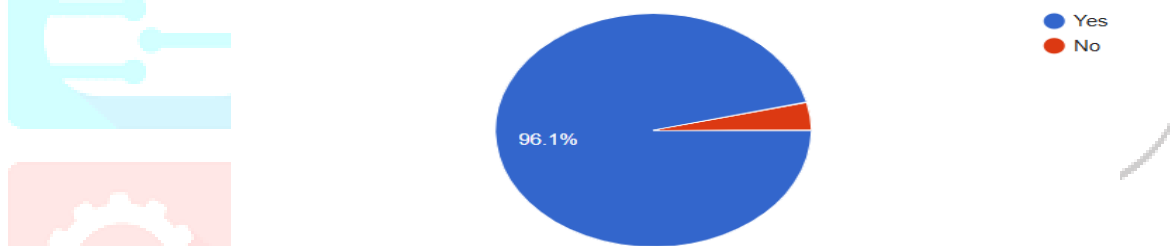


**Income Distribution:** This reveals that the highest share of respondents, 38.2%, lies in the income range of ₹200,000 to ₹500,000, suggesting that a considerable portion of the sample belongs to the lower middle income group. This is followed by 31.8% of respondents in the ₹ 500,000 to ₹ 1,000,000 income bracket, reflecting a strong presence of middle income individuals.

In addition, 15.9% of respondents earn below ₹200,000, forming a smaller but still meaningful group with relatively lower income levels. On the other hand, 14.2% of respondents fall in the above ₹1,000,000 category, showing that high-income participants are comparatively fewer. Overall, the distribution indicates that the sample is mainly concentrated in the middle-income groups, with limited representation at both the lower and higher ends of the income spectrum.

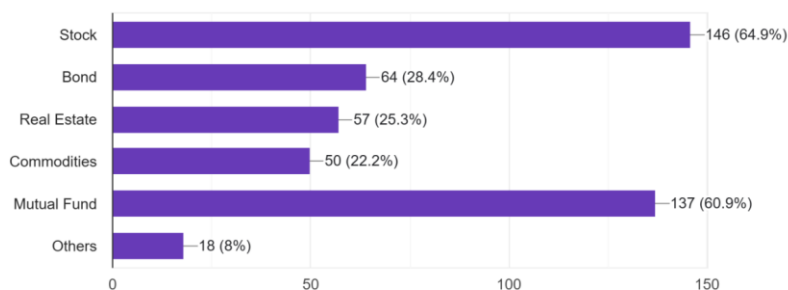
**II. Investment Preferences And Experience Analysis: -**

4. Do you currently invest in financial instrument?  
233 responses



**Investment in Financial Instruments:** Shows that an overwhelming majority of respondents ( 96.1%), invest in financial instruments, indicating a very high level of involvement in financial markets among the surveyed population. This implies that most individuals in the sample are actively involved in investment activities, reflecting strong awareness and engagement with various financial instruments.

4.1 If Yes, which type of investments do you prefer ?  
225 responses



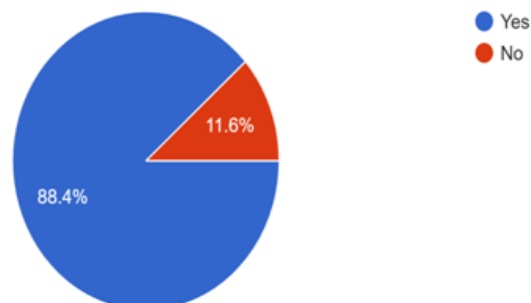
**Distribution of Investments:** This data indicates that stocks are the most favored investment option, with 64.9% of respondents choosing them, followed closely by mutual funds at 60.9%. This points to a strong preference for market-linked instruments among investors.

Bonds are selected by 28.4% of participants, while real estate accounts for 25.3%, indicating moderate inclination for relatively stable and tangible investment avenues. Commodities are preferred by 22.2% of respondents, indicating comparatively lower interest in this segment. Moreover, 8% of respondents

have chosen for other investment option, reflecting some level of diversification beyond the commonly listed alternatives. As this was a multiple response question, the total percentages exceed 100%, which indicates that respondents have spread their investments across various financial instruments.

## 5. Are you familiar with sustainable and impact investing?

233 responses

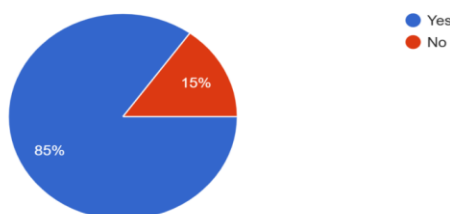


**Familiarity with Sustainable and Impact Investing:** The data indicates that a large majority of respondents, 88.4%, are aware with sustainable and impact investing, whereas 11.6% of respondents are not aware with this concept. This shows a high level of awareness among the surveyed population regarding this emerging investment approach.

The widespread familiarity suggests that the idea of sustainable and impact investing is gradually gaining recognition among investors. At the same time, the presence of a smaller group of respondents who lack awareness indicates that there is still scope for increasing knowledge and financial literacy in this area.

5.1 If yes, have you ever considered incorporating sustainable and impact investments in your portfolio?

206 responses

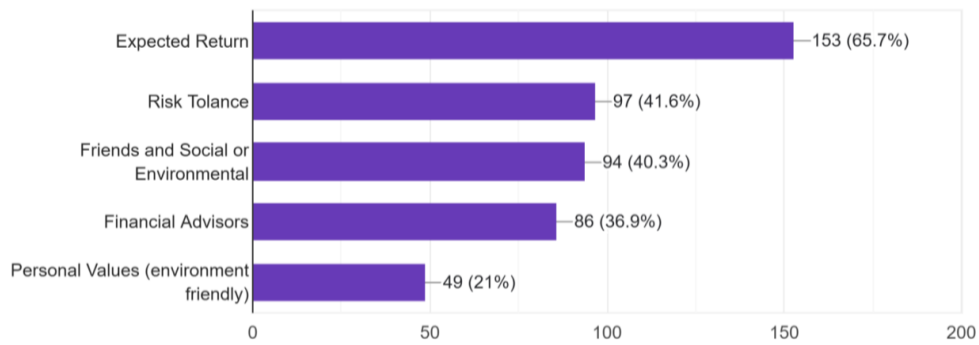


**Consideration of Sustainable and Impact Factors in Investment Choices:** The data reflect that a large majority of respondents ( 85%), have considered including sustainable and impact investments into their portfolios, while 15% have not. This reflects a strong inclination among investors towards integrating sustainability aspects into their investment decisions.

In absolute numbers, out of 233 respondents, 206 individuals reported that they take sustainable and impact factors into account while making investment choices. This highlights a growing preference for responsible investing and underlines the increasing importance of sustainability considerations in financial decision-making.

6 . What factors influence your investment decisions?

233 responses



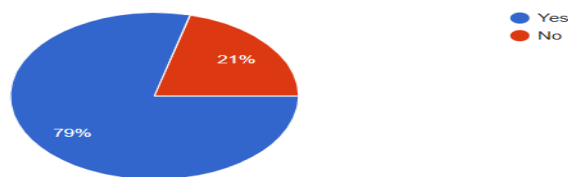
**Factors Influencing Investment Decisions:** The data indicates that expected return is the most influential factor, with 65.7% of respondents taking it into account while making investment decisions. This suggests that earning higher returns continues to be the primary concern for a majority of investors.

Risk tolerance rank as the second most important factor, with 41.6% of respondents considering it, indicating that individuals also pay attention to their capacity to handle risk. Social influence, including importance to their ability to bear risk while investing. Social influences, including friends and environmental considerations, account for 40.3%, reflecting that external opinions and social perspectives also have a noticeable impact. Financial advisors are referred to by 36.9% of respondents, which implies that a considerable number of investors depend on professional advice. Personal values, particularly environmental concerns, are taken into account by 21% of respondents, reflecting comparatively lower yet still significant role of ethical consideration. As this was a multiple-response question, the overall percentage exceeds 100%, since respondents’ selected more than one factor influencing their decisions.

**III. BEHAVIORAL BIASES IN INVESTMENT DECISIONS: -**

7. Have you ever taken an investment decision based on emotions rather than careful analysis of facts?

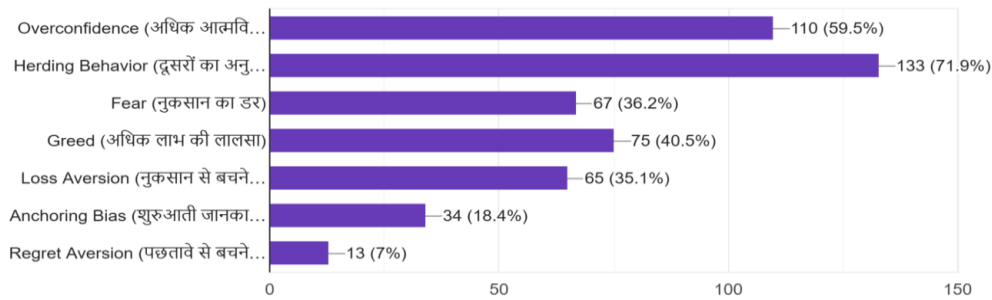
233 responses



**Overall Emotion-Driven Decision Making:** The data shows that a large majority of respondents (79%), have made investment decisions influenced by emotions rather than relying solely on detailed analysis of facts, while 21% stated that they do not depend on emotions for such decisions. This suggest that emotional factors play a considerable role in shaping the investment behavior of a large proportion of investors. The high proportion of emotion- driven decisions point towards the presence of behavioral biases in the decision-making process, which may affect the rationality and overall effectiveness of investment choices.

7.1 If yes, which emotions do you believe have influenced your investment decisions? ( select more than one if apply)

185 responses



The data reflects that **Herding behavior** is the most prominent emotional factor, with 71.9% of respondents acknowledging its influence on their investment decisions. This suggests that many investors tend to follow the actions of other investors rather than relying solely on their own analysis.

**Overconfidence** emerges as the second most reported factor (59.5%), indicating that they rely heavily on their own own judgment, which may sometimes results in overestimating their decision-making abilities.

**Greed** influences 40.5% of respondents, refers a tendency to pursue higher returns, often accompanied by greater risk-taking.

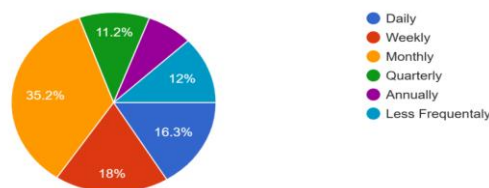
**Fear** is refers by 36.2% of participants, while **Loss aversion** affects 35.1%, suggesting that concerns about potential losses play a crucial role in shaping investment behavior.

**Anchoring bias** is observed among 18.4% of respondents, indicating that some investors depend strongly on initial information or reference points when making choices.

Last one, **regret aversion** is the least reported factor at 7%, indicating that relatively fewer respondents avoid decisions due to fear of making incorrect choices.

As this was a multiple response question, the total percentage exceeds 100%, since respondents selected more than one emotional factor influencing their decisions.

8. How often do you review or monitor your investment portfolio?  
233 responses

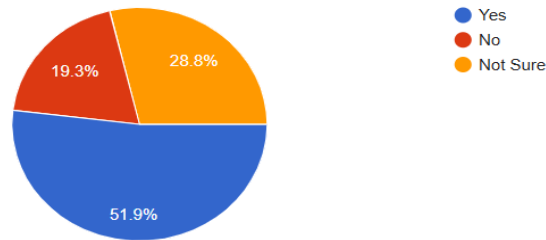


**Analysis of Investment Portfolio Review Frequency:** This data shows is the largest proportion of respondents (35.2%), review their investment portfolio on a monthly basis, in showing a balanced approach where investors stay informed without engaging in very frequent monitoring. Weekly monitoring is reported by 18% of respondents, followed by 16.3% who review their investments daily. This reflects that a considerable segment of investors remains highly active and closely involved in tracking market movements.

As well as 11.2% of respondents monitor their portfolio quarterly, while 7.3% do so annually, suggesting a relatively long term and less frequent review approach. Additionally, 12% of respondents review their investments less frequently, indicating lower levels of active involvement. Overall, the distribution suggests that while a significant number of investors actively track their portfolios (daily and weekly), the majority prefer a moderate level of involvement through periodic monitoring, particularly on a monthly basis.

9. Do you tend to hold onto losing Investments longer than winning investments?

233 responses



**Holding onto Losing Investments vs. Winning Investments:** This data refers responses that 51.9% of respondents tend to hold onto losing investments longer than winning ones, while 19.3% reported that they do not follow this behavior. In addition, 28.8% of respondents were uncertain about how they behave in such situations.

The that more than half of the participants continue to retain loss making investments point towards the presence of behavioral biases in investment decision-making. This tendency may be associated with the reluctance to accept losses, leading investors to wait in the hope of recovery rather than making timely decisions. On the other hand, a smaller group of respondents (19.3%) demonstrates a more rational and disciplined approach by not holding onto losing investments for extended periods. Such investors are more likely to reassess their strategies and reallocate their resources based on performance and future prospects.

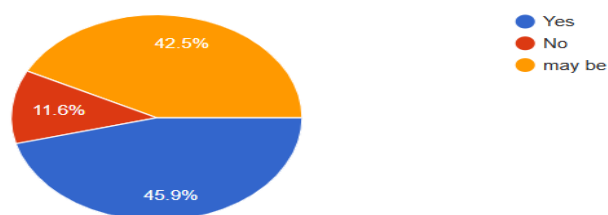
The relatively large share of respondents who are unsure (28.8%) indicates a certain level of confusion or lack of clarity in investment behavior. This may be due to limited experience, insufficient financial knowledge, or difficulty in assessing market conditions.

Overall, the findings underline the role of psychological factors in shaping investment behavior and highlight the importance of greater awareness and informed decision making practices. Encouraging investors to adopt on systematic analysis and clear strategies can help minimize biased decisions and improve overall investment outcomes.

#### **IV. PERCEPTION OF SUSTAINABLE AND IMPACT INVESTING: -**

10. Do you believe sustainable and impact investments can provide competitive financial returns?

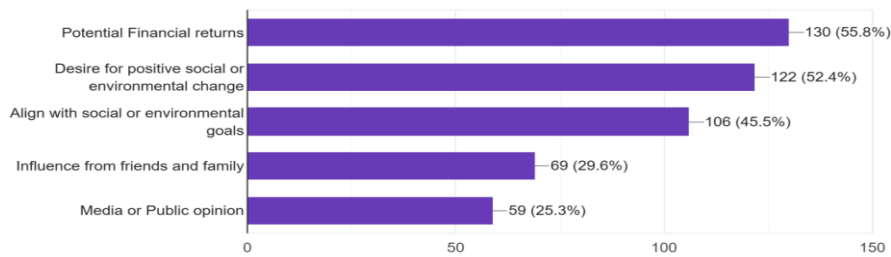
233 responses



**Belief in Competitive Financial Returns of Sustainable and Impact Investments:** The data shows that 45.9% of respondents feel that sustainable and impact investments are capable of delivering competitive financial returns, showing a moderate level of confidence in their financial performance. This implies that a notable share of investors recognize the potential of such investments to deliver returns comparable to conventional investment options. Meanwhile, 42.5% of respondents expressed uncertainty by selecting “maybe,” reflecting that a large segment remains unsure about the return potential of sustainable investments. This uncertainty points toward a lack of complete information or clarity regarding their financial outcomes. In contrast, 11.6% of respondents do not consider that sustainable and impact investments can provide competitive returns, highlighting the presence of skepticism among a smaller group of investors.

Overall, the outcomes suggest that while trust in sustainable investing is gradually increasing, a significant proportion of respondents still require greater awareness and understanding of its financial potential.

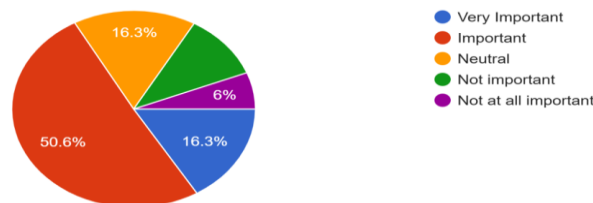
11. What motivates you to consider sustainable and impact investments? ( Select all if apply)  
233 responses



### **Motivations for Considering Sustainable and Impact Investments (Multiple Response):**

This is the highlight that respondents are influenced by a variety of factors when considering sustainable and impact investments. The most prominent motivator is potential financial returns, selected by 55.8% of respondents, indicating that economic benefits remain a key consideration in investment decisions. Following this, 52.4% of respondents are driven by the desire to contribute towards positive social or environmental change, reflecting a strong inclination towards impact oriented investing. Additionally, 45.5% of respondents consider alignment with their social or environmental values as an important factor, suggesting a value based approach to investment choices. Influence from friends and family is reported by 29.6% of respondents, while 25.3% are motivated by media or public opinion, indicating that external and informational sources also play a role, though to a lesser extent. Since this was a multiple response question, respondents were allowed to select more than one option; therefore, the total percentage exceeds 100%. Overall, the results suggest that both financial and non-financial factors collectively shape the motivation for sustainable and impact investing.

12. How important is it for you to invest in companies or projects that align with your values or beliefs?  
233 responses



**Importance of Investing in Alignment with Values or Beliefs:** This is indicating that a majority of respondents consider match with personal values as a significant factor in investment decisions. Specifically, 50.6% of respondents rated it as “important,” while 16.3% regarded it as “very important.” This indicates that a significant portion of investors place considerable emphasis on ethical and value based considerations while making investment choices. At the same time, 16.3% of respondents expressed a neutral stance, suggesting that for some individuals, aligning investments with personal beliefs is neither a priority nor a concern. On the other hand, 10.7% of respondents considered it “not important,” and 6% stated it is “not at all important,” reflecting that a smaller segment of investors does not give much weight to value alignment in their investment decisions.

This refers that while value based investing holds importance for a large proportion of respondents, there remains diversity in perspectives, with some investors prioritizing other factors over personal beliefs. Overall, the analysis of this section indicates a moderate but evolving confidence among respondents regarding the financial potential of sustainable and impact investments, with many still expressing uncertainty about their return generating ability. At the same time, both financial benefits and the desire to create positive social and environmental impact emerge as key motivating factors influencing investment decisions.

Furthermore, the findings highlight that a substantial proportion of respondents consider alignment with personal values and beliefs as an important aspect of investing, reflecting a growing inclination towards value oriented and responsible investment practices. However, the presence of neutral and less concerned respondents suggests that this shift is gradual and not yet uniformly adopted across all investors.

## FINDINGS:

1. **Demographic Composition:** The sample is mostly dominated by young and middle-aged individuals investors, particularly those in the 20 to 30 age group. There is a clear gender imbalance, with male respondents forming a significant majority as well as most respondents belong to middle income categories, showing concentration within a specific socioeconomic segment.
2. **Participation in Financial Markets:** A very large proportion of respondents are actively investing in financial instruments, reflecting strong awareness and involvement in investment activities among the surveyed population.
3. **Preference for Market-Linked Instruments:** Stocks and mutual funds emerge as the most preferred investment avenues, indicating a higher inclination towards return-oriented and market-based instruments. At the same time, the presence of bonds and real estate suggests a balanced approach among some investors.
4. **Diversification Behavior:** The selection of multiple investment options by respondents highlights a tendency towards diversification, suggesting that investors are not relying on a single asset class but spreading risk across different instruments.
5. **Awareness and Adoption of Sustainable Investing:** A significant majority of respondents are familiar with sustainable and impact investing, and a large proportion have also considered incorporating such investments into their portfolios. This reflects growing awareness and gradual adoption of responsible investing practices.
6. **Key Decision-Making Factors:** Expected returns remain the most influential factor in investment decisions, followed by risk tolerance and social/environmental influences. While personal values and ethical considerations play a role, they are relatively less dominant compared to financial factors.
7. **Prevalence of Behavioral Biases:** Emotional decision making is highly prevalent among respondents. Biases such as herding behavior, overconfidence, greed, and fear significantly influence investment decisions, indicating that rational decision-making is often affected by psychological factors.
8. **Portfolio Monitoring Behavior:** Investors exhibit varied levels of engagement, with most respondents preferring monthly monitoring of their portfolios. However, a notable proportion actively track investments on a daily or weekly basis, reflecting different levels of involvement.
9. **Loss-Holding Tendency:** More than half of the respondents tend to hold onto losing investments longer than winning ones, indicating the presence of behavioral biases related to loss aversion and reluctance to realize losses.
10. **Perception of Sustainable Investment Returns:** Respondents show moderate confidence in the financial performance of sustainable investments, with a large proportion remaining uncertain. This highlights a gap in clarity and understanding regarding their return potential.
11. **Motivational Drivers for Sustainable Investing:** Both financial returns and the desire to create positive social and environmental impact act as major motivators. This indicates that investors are influenced by a combination of economic and ethical considerations.
12. **Importance of Value Alignment:** A majority of respondents consider alignment with personal values as an important factor in investment decisions. However, varying responses suggest that value based investing is still evolving and not uniformly prioritized.

## LIMITATIONS OF THE STUDY

S. No.	Limitation	Description
1	Sample Bias	The study largely comprises male and younger respondents, which may limit the generalizability of the findings to a broader population.
2	Geographical Limitation	The data has been collected from a specific region, which may not accurately represent investor behavior in other parts of India.
3	Self-Reported Data	The responses rely on individual perceptions and self-reporting, which may be subject to biases and possible inaccuracies.
4	Limited Sample Size	Although 233 responses provide meaningful insights, a larger sample size could have provided more robust and generalizable results.
5	Awareness Gap	A portion of respondents showed uncertainty in key areas, which may affect the depth and reliability of certain findings.

## FUTURE SUGGESTIONS

S. No.	Suggestion	Description
1	Improving Financial Awareness	Greater efforts are needed to enhance awareness of sustainable and impact investing, particularly focusing on their financial viability and long-term benefits.
2	Behavioral Training for Investors	Investors should be educated about behavioral biases such as herding, overconfidence, anchoring, and loss aversion to promote rational decision-making.
3	Encouraging Diversification	Financial institutions should promote diversification and provide guidance on balanced portfolio construction.
4	Targeting Underrepresented Groups	Future initiatives should aim to increase participation from female investors and older age groups for inclusive financial engagement.
5	Enhancing Advisory Services	The role of financial advisors should be strengthened to align financial goals with ethical and sustainable considerations.
6	Further Research	Future studies should consider larger and more diverse samples along with comparative analysis across regions and demographics.

## CONCLUSION

The study reveals that investors are becoming more active in financial markets, with a strong preference for market linked instruments and diversified investment approaches. However, behavioral biases significantly influence decision making, often leading to emotionally driven choices. The findings further indicate a growing awareness and gradual acceptance of sustainable and impact investing, although uncertainty regarding their financial performance still persists. Investors are motivated not only by financial returns but also by the desire to contribute to social and environmental well being. Overall, the study reflects a transition towards more informed and value oriented investment behavior. Nevertheless, the existence of informational gaps and behavioral biases highlights the importance of enhancing financial education and providing structured guidance to help more rational and sustainable investment decisions.

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