

Impact of Financial Literacy on Investment Decision-Making of Individual Investors: Evidence from Bathinda District, Punjab

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Abstract: Financial literacy has emerged as a critical determinant of individual investment behavior, especially in developing economies where participation in formal financial markets is increasing. This study examines the impact of financial literacy on investment decision-making among individual investors in Bathinda district of Punjab. Primary data were collected from 30 respondents using a structured questionnaire measuring financial literacy, risk perception, income level, and investment decision quality. Multiple regression analysis was employed to assess the influence of financial literacy on investment decisions. The results reveal that financial literacy has a significant positive impact on rational investment decision-making, while income and risk perception also play supportive roles. The study provides valuable insights for policymakers, financial institutions, and educators to enhance financial awareness at the regional level.

Keywords: Financial literacy, investment decisions, regression analysis, individual investors, Bathinda, Punjab

