

Financial Literacy and Stock Market Participation: Does Gender Matter?

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Abstract : Financial literacy is fundamental to every decision-making process and has received attention from researchers, regulatory bodies and policy makers in the recent past. This study is an attempt to evaluate financial literacy in an emerging economy, particularly Pakistan, and its influence on people's stock market participation. Data of this study was collected through a structured questionnaire from a sample of 300 respondents. EFA is used to check the convergent and discriminant validity. Data is analyzed using Hayes (2013) approach. A set of demographic control variables that have passed the mean difference test is used. We demonstrate that participants with financial literacy tend to invest more in the stock market. We also find that association among financial literacy and participation in stock market gets moderated by gender.

Keywords : Financial literacy, Stock market participation, Gender, PSX

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