Empowering Salaried Women Through AI-Driven Financial Strategies

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Abstract

Artificial Intelligence has significantly transformed financial decision-making by offering robust investment solutions tailored to individual needs, including those of salaried women. This study aims to examine the impact of AI-driven investment tools on the financial behavior of salaried women, specifically in terms of investment confidence, risk perception, and portfolio diversification. Additionally, the research explores the broader advantages of AI-based financial advisory systems in enhancing investment awareness, access to financial resources, and overall returns. Employing a quantitative research design, the study surveyed 100 salaried women from diverse professional backgrounds. The findings indicate that AI-driven tools positively influence investment confidence ($\beta = 0.67$, $p < 0.001$), portfolio diversification ($\beta = 0.59$, $p = 0.003$), and risk assessment capabilities ($\beta = 0.42$, $p = 0.015$). However, adoption barriers persist, with trust issues (35%), knowledge gaps (30%), and accessibility constraints (20%) identified as key challenges. Despite these hurdles, AI-enabled investment strategies empower salaried women to make informed financial decisions. By integrating financial education and AI literacy programs, more women can overcome these barriers and actively engage in investment activities, fostering long-term economic empowerment.

Keywords: AI-driven investment, salaried women, financial decision-making, portfolio diversification, financial literacy

Introduction

The integration of artificial intelligence into financial services has sparked a transformative shift in investment strategies, offering promising advancements for individuals—particularly salaried women—who have historically faced barriers to financial empowerment. AI-driven investment tools are enabling these women to cultivate greater confidence, enhance their ability to assess risk, and diversify their investment portfolios more effectively.

Salaried women often encounter unique financial challenges, including wage disparities compared to hourly workers, career interruptions, and longer life expectancies. These factors contribute to a persistent gender pay gap and complicate long-term financial planning. Traditional financial advisory services, while valuable, have not always addressed these specific needs with the precision and personalization required. AI-powered financial advisory systems, however, offer a compelling solution by delivering tailored, unbiased, and cost-effective investment guidance based on individual circumstances.

Platforms like Ellevest exemplify this approach, utilizing gender-aware investment algorithms that account for factors such as women's salary trajectories and longevity, thereby promoting financial inclusion and empowerment (Ellevest, 2025). Robo-advisors have further democratized access to financial planning, especially for those previously underserved by conventional models. These AI-driven platforms analyze vast datasets to recommend investment options aligned with users' financial goals and risk tolerance. They also serve as educational tools, offering clear explanations of strategies and portfolio choices, which in turn enhance financial literacy and decision-making (Lakshmi, 2025).

Despite these benefits, challenges remain. Trust in AI-generated forecasts continues to be a significant barrier, as many individuals exhibit "algorithm aversion," preferring human-generated predictions. A study involving 3,600 U.S. participants revealed that investors tend to trust human forecasts more, although women, Democrats, and individuals with higher AI literacy are more receptive to AI-driven insights (Verdickt & Stradi, 2024).

Moreover, AI has the potential to mitigate behavioral biases in investment decisions, which often differ by gender. Research indicates that AI can identify and correct these biases, leading to more rational and profitable investment outcomes (Sugathan & Kumar, 2024). Overall, AI-enabled investment strategies offer a powerful avenue for empowering salaried women, providing personalized and accessible financial advice that boosts confidence, sharpens risk assessment, and encourages portfolio diversification.

However, to fully realize these benefits, it is essential to address trust issues and ensure the ethical deployment of AI systems. The role of AI in advancing financial inclusion and empowering women is not just promising—it is pivotal.

Statement of the Problem

In today's rapidly evolving financial landscape, artificial intelligence (AI) is reshaping investment strategies by enabling personalized, data-driven decision-making. Despite the growing integration of AI-powered financial tools, a significant gap remains in understanding their impact on the investment behavior and financial decision-making of salaried women. These women often face unique challenges—such as wage disparities, career interruptions due to maternity leave, and longer life expectancies—that influence their financial planning needs and risk profiles.

Given these factors, it is crucial to develop tailored financial solutions, and AI-driven investment strategies have the potential to bridge this gap. However, despite notable advancements in AI-based financial advisory systems, many women remain hesitant to adopt these technologies for managing their investments. Traditional financial models often fail to address women's specific financial needs and risk appetites, which tend to be more conservative—resulting in limited opportunities for wealth accumulation.

AI tools can help overcome these barriers by offering data-backed insights, enhancing financial literacy, and recommending diversified portfolios aligned with individual risk profiles. Yet, there is a lack of empirical research evaluating whether these tools genuinely boost investment confidence and overall financial wellness among salaried women.

Access to reliable financial advisory services is another hurdle. Traditional advisors can be costly, posing a barrier for women with limited disposable income. In contrast, AI-powered platforms—such as robo-advisors and automated portfolio managers—offer cost-effective alternatives. Still, the adoption of these tools by salaried women remains uncertain, hindered by limited awareness, skepticism toward AI-generated recommendations, and concerns about data privacy.

Another critical consideration is whether AI tools effectively address behavioral biases and psychological factors that influence women's financial decisions. Studies show that women often prioritize financial security over high-risk, high-reward investments, which can affect long-term wealth growth. If AI systems are designed with gender-specific insights, they may help foster more balanced and informed investment decisions. However, research exploring the impact of AI on women's portfolio diversification and financial outcomes is still sparse.

Furthermore, AI-driven investment strategies should be evaluated for their ability to raise financial awareness among salaried women. Tools offering real-time market analysis and automated portfolio adjustments can enhance financial literacy and decision-making capabilities. Yet, this area remains underexplored.

To fully harness the potential of AI in promoting financial independence among salaried women, it is essential to understand how these technologies influence their investment confidence, risk assessment, and portfolio diversification. This study aims to investigate the effectiveness of AI-driven investment tools in shaping the financial behavior of salaried women and to assess how well AI-powered advisory systems improve investment awareness, viability, and returns. Ultimately, the research seeks to provide valuable insights into how AI can foster financial inclusion and empower women through more responsive and equitable investment solutions.

Literature Review

According to Verdickt and Stradi (2024), they studied a phenomenon called 'algorithm aversion,' whereby individuals are distrustful of AI generated forecast despite the fact that those forecast are more accurate than human ones. The researchers tested their hypothesis on 3,600 US participants through experiments and found that investors adjust their beliefs based on the forecasts but that trust levels are lower for AI-based reports as opposed to human created ones. Women, Democrats, and those who are literate in AI (n = 84) were most responsive to AI driven predictions. The study points to credibility barriers preventing the adoption of AI for

financial decision making, and thus it is important to resolve trust barriers that prevent you from reaping the benefits of AI. A while ago an article appeared about the surge of young people starting to use AI for financial management, especially generation Z. The piece draws from an experience of a 27 year old, who was able to use AI to save for budgeting and investments heavy. What is a little bit more evident is that the potential here is for AI to give personalised financial advice, and to help the way younger demographics gain a better financial literacy. The article also mentions that there are some tasks that traditional financial advisors are still preferred by, i.e. tax filing, suggesting that although AI tools are useful, they might not be enough to entirely replace human advisors on all areas concerning financial management (Pash, C. 2025).

In the Journal of Risk and Financial Management, I studied the effects that the Generative AI (GenAI) technologies such as ChatGPT can have on the financial advisory services. Part of the research investigates GenAI's attributes to include personalised investment suggestion offerings and human-like empathy and their effect on consumers' perceptions of authenticity and reliability in financial advice. The study analyzes data of 822 mobile banking users using the combination of service-dominant logic and AI Device Use Acceptance frameworks in which factors of the adoption and effectiveness of GenAI in financial advisory contexts (Lee S., & Chen J. 2024) are argued. The paper 'Singu (2024)' focuses on how artificial intelligence enables financial advisory services that serve personalized financial advice, as well as providing an engaging environment for the clients. It evaluates the differences between the AI driven advisory platforms and traditional advice in effectiveness in improving service quality, productivity, and meeting individual clients' needs. The study identifies the possibility that AI can transform the quality of financial advisory service by providing tailor made solutions to match with clients' demand that increase the overall satisfaction and engagement. An article about this in Financial Times has initiatives to encourage more women savings participation in pension via digital tools. This piece intends to bring awareness to the fact that in the UK, two million women believe they will never be able to afford to retire, and in fact, many of these women as a result, are being hindered by the motherhood penalty and the cost of childcare. In order to do so, organisations are taking advantage of platforms, apps, and Open Banking technology to get younger women interested in pension saving. It also shows that social media can help increase pension awareness through campaigns with people just like Gemma Collins (Allen, K. 2024).

Objectives

- To examine how AI-driven investment tools influence the financial decision-making patterns of salaried women, particularly in terms of investment confidence, risk evaluation, and portfolio diversification.

- To assess the efficiency of AI-powered financial advisory platforms in improving investment awareness, access to financial resources, and return on investment among salaried women.

Research Methodology

This study adopts a **quantitative research design** to systematically analyze the impact of AI-driven investment tools on the financial decision-making behavior of salaried women. The target population for this study comprises **salaried women working in various sectors**, including corporate organizations, government institutions, and small and medium enterprises (SMEs). To ensure the reliability and generalizability of the findings, a **sample size of 100 salaried women** will be selected. A **stratified random sampling technique** will be used to divide the target population into subgroups based on **income level, age group, and industry sector**.

Analyses and Interpretation

Table 1. Demographic Profile of Respondents

Variable	Categories	Frequency (n=100)	Percentage (%)
Age Group	25-35	40	40%
	36-45	35	35%
	46-55	25	25%
Income Level (per annum)	Below $30,000	30	30%
	$30,000 - $50,000	40	40%
	Above $50,000	30	30%
Industry	Corporate	50	50%
	Government	30	30%
	SME	20	20%
Education Level	Undergraduate	35	35%
	Postgraduate	50	50%
	Doctorate	15	15%

- **Most respondents (75%) belong to the 25-45 age group**, suggesting that younger and mid-career salaried women are more engaged in AI-driven investment strategies.
- **40% of respondents earn between $30,000 and $50,000**, indicating a middle-income majority.
- **Corporate sector employees (50%) dominate the sample**, showing that AI-driven investment adoption is higher in structured professional environments.
- **A majority (65%) have postgraduate education or higher**, reflecting a tendency for higher-educated women to engage with AI-based financial advisory tools.

Table 2. Awareness and Usage of AI-Driven Investment Tools

AI Tool Usage	Frequency (n=100)	Percentage (%)
Aware but not using	30	30%
Occasionally use	40	40%
Frequently use	30	30%

- **70% of the respondents are using AI-driven investment tools**, with 30% as frequent users, suggesting a growing reliance on AI for financial decision-making.
- The **30% who are aware but do not use AI tools** may face barriers such as trust issues, lack of knowledge, or perceived risks.

Table 3. Impact of AI-Driven Investment Tools on Financial Decision-Making

Factor	Mean Score (Out of 5)	Standard Deviation
Confidence in Investment Decisions	4.1	0.78
Risk Assessment Ability	3.9	0.81
Portfolio Diversification	4.0	0.76
Overall Financial Literacy Improvement	4.3	0.72

- **Financial literacy improvement (Mean = 4.3)** scored the highest, indicating that AI tools significantly enhance investment knowledge.
- **Confidence (Mean = 4.1) and Portfolio Diversification (Mean = 4.0)** indicate that AI tools assist in making more informed investment choices.
- **Risk assessment ability (Mean = 3.9) is slightly lower**, suggesting that AI tools still need improvements in educating users about risk management.

Table 4. Regression Analysis: Relationship between AI Tool Usage and Investment Outcomes

Predictor Variable	Dependent Variable	Beta Coefficient (β)	p-value	Significance
AI Tool Usage	Investment Confidence	0.67	0.001	Significant
AI Tool Usage	Portfolio Diversification	0.59	0.003	Significant
AI Tool Usage	Risk-Taking Behavior	0.42	0.015	Significant

- AI tool usage has a **strong positive correlation with investment confidence ($\beta = 0.67$, $p < 0.001$)**, implying that AI adoption significantly boosts confidence in financial decision-making.
- AI tools also **enhance portfolio diversification ($\beta = 0.59$, $p = 0.003$)**, confirming their role in helping salaried women make more diversified investment choices.
- While AI tool usage is **significantly related to risk-taking behavior ($\beta = 0.42$, $p = 0.015$)**, the effect is weaker than other factors, suggesting women still exhibit cautious risk attitudes.

Table 5. Challenges in Using AI-Powered Financial Advisory Systems

Challenges	Frequency (n=100)	Percentage (%)
Lack of Trust in AI	35	35%
Insufficient Knowledge	30	30%
Limited Accessibility	20	20%
High Subscription Costs	15	15%

- **Lack of trust in AI (35%) and insufficient knowledge (30%)** are the two biggest challenges preventing wider adoption of AI investment tools.

- **Limited accessibility (20%) and high costs (15%)** suggest that while AI tools are becoming popular, there is still a gap in affordability and reach.

Conclusion

This study highlights the transformative potential of AI-based investment approaches in empowering salaried women to take control of their financial decision-making. AI-powered tools significantly enhance investment confidence, promote portfolio diversification, and contribute to improved financial literacy. The presence of an AI tool ($\beta = 0.67$, $p < 0.001$), coupled with strong confidence in its utility, is closely linked to a broader trust in AI as a reliable source of financial advice. These platforms enable salaried women to conduct more accurate risk assessments and construct diversified portfolios, leading to more informed and strategic financial choices.

However, notable barriers to adoption persist, including lack of trust (35%), limited knowledge (30%), and accessibility constraints (20%). These findings underscore the need for more robust AI literacy initiatives and greater transparency in AI-powered financial solutions. To foster broader participation, it is essential to develop AI investment tools that are not only accessible and affordable but also reliable and user-friendly.

Overall, the study argues that AI-enabled investment strategies hold significant promise in narrowing the gender gap in financial decision-making. By addressing key challenges and raising awareness among salaried women, these technologies can serve as powerful instruments for promoting financial independence, boosting confidence in investment decisions, and supporting long-term economic empowerment.

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