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Impact Investments in India: An Analysis of Gender and Regional Differences

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Abstract

Impact investing is a form of investing that focuses not only on financial returns but also on creating positive social and environmental impact. This paper studies gender and regional differences in impact investing in India. The study specifically examines whether the impact of impact investments differs between male and female beneficiaries. In addition, it explores whether the outcomes of impact investments originating in India differ from those made by investors from the rest of the world. Using the secondary data of 180 investors, from India and the rest of the world, an independent t-test was conducted to analyze four key impact indicators: number of states impacted, number of lives impacted, days of livelihood generated, and credit histories created. The results show significant gender differences at the global level, with male investors having a higher average impact across all four indicators. In India, the gender gap is even stronger and statistically significant, depicting that investments by males have a higher social and environmental impact than those by females. However, in the countries apart from India, the differences between men and women are not statistically significant, demonstrating that males and females have an equal impact through their social investments. The findings suggest that structural, cultural, and financial factors influence these differences. Hence, this study highlights the importance of creating gender-inclusive policies to encourage greater female participation in impact investing.

Keywords: *Impact Investments; Social; Environment; Gender; RangDe*

1. Introduction

1.1. General Background

Today's world has become more conscious about creating a positive impact on the environment and society. People and firms nowadays think about how they can invest money in a way that can not only generate revenue but also create an impact. This has given rise to a social investing process popularly known as impact investing. Impact investing is about creating a positive impact on the environment or a social issue while also receiving a financial return. Impact investing emerged in the 1970s amid the socially responsible movement and gained significant popularity in the early 2000s (Gutterman, 2024). Impact investing has become an important tool in recent years, especially in emerging economies like India. Impact investing was previously regarded as a niche segment within the investment landscape; however, it has increasingly moved into the mainstream. This shift has been driven in part by the growing participation of private equity and venture capital firms. As sectors such as clean energy and financial inclusion have scaled up and demonstrated commercial viability alongside measurable social impact, impact investing has become an attractive investment avenue for a broader set of institutional investors. Impact investors usually make more deals than traditional investors but tend to invest less money than they do (Pandit & Tamhane, 2017). This form of investment has helped India's development in many ways. The capital invested from these investments has been helping India by contributing to reaching its net-zero emission goals, providing rural people with credit, cheap insurance, and savings options. Moreover, it enables rural people to get affordable diagnostics, telemedicine, and low-cost medical devices. Impact investments have also supported Indian agriculture by funding agritech solutions, improving farmers' access to markets, credit, and insurance, and encouraging sustainable farming practices (Venkatramani, 2024).

In the education sector, they have backed affordable schools, skill development programs, and ed-tech platforms, helping make quality education and employment opportunities more accessible. At this point, there is no standardized metric that helps us to measure the impact of an investment, unlike financial returns, which are easily quantifiable. While seeing financial return from an investment is easy, the same thing cannot be said about trying to measure social and environmental returns due to the primary purpose being to do good for society, which can have multiple definitions (Reeder & Colantonio, 2013). Let's now look at some positive outcomes that investment has brought to India. The sector of financial inclusion has seen the biggest success in India, as it has seen 5.5 billion dollars invested and has helped 100 million low-income citizens. In agriculture, 1.2 billion has flowed into helping 18 million farmers with their needs. In healthcare, 1.1 billion dollars flowed in, helping 34 million low-income Indians get cheap and adequate healthcare. In education, 1 billion dollars has been raised in the past decade (*The Indian Impact Investing Story*, 2020).

In a Swedish equity crowdfunding platform, they did a study of gender dynamics to see how males and females invest. In the sample, they had 20 percent female, and these were their results. Female investors are less likely to invest in new, younger firms and firms that want a high percentage of equity. This tells us that females are more risk-averse than men. It was also found that females invest in projects where a number of investors are male. Males also tend to invest in younger, high-tech, high-risk startups (Mohammadi et al., 2015). Women show more interest in socially responsible and impact investment, while men prefer financial returns and growth sectors. This is important because gender boards can create more careful, long-term investment decisions (Shah, 2023).

1.2. Literature Review

Impact investing is explored widely in the literature. Impact investing is a kind of investing done not only to make profits but also to help the world at the same time. The name was given to it by the Rockefeller Foundation in 2007. They claim that impact investing will give a financial return with a measurable social return. It will help tackle problems like poverty and inequality (Gutterman, 2024). Impact investing is still a new and growing field. Even though many investors have entered the field, research and studies have not kept pace. This separation can become risky because investors will not have a base to invest in. This field is going from a pre-paradigm state to a more scientific study with more empirical research. Impact investing has six unique characteristics: capital invested, degree of engagement with the investor, process of selection, social and commercial outcomes, reporting outcomes, and government role. The studies in this field, for now, have been mainly exploratory so far; it will now move to confirmatory studies. We also need to know how investors invest. How do they measure opportunities and see impact with financial return? (Agrawal & Hockerts, 2021)

In a study conducted by Islam (2022), it was found that impact investors evaluate both entrepreneurs (integrity, vision, networks) and organizations (sector, location, and value alignment), though their preferences differ. Impact evaluation plays a key role in strategy and accountability, but inconsistent methods and difficulty in measuring outcomes limit its effectiveness. Despite growing capital and new financing models, many regions face a shortage of investment-ready projects. Participation is higher among younger investors and for innovative products with small return trade-offs, while cognitive biases can reduce efficiency. As the sector expands, its similarity to traditional finance raises concerns about "impact washing."

Another paper aims to understand impact investing principles and trends (Rosyadi et. al., 2024). This study is based on a qualitative research method using scholarly articles and publications. Using thematic analysis, it was found that due to a lack of standard metrics and the subjective nature of the definition of social impact, it is very hard to measure impact, and in emerging markets, where impact is more intense, the definition of impact starts to face more risk. Its effectiveness depends on improved impact measurement, strategic investment approaches, and supportive policy frameworks. Impact investing generates both financial returns and measurable social and environmental outcomes. It has seen rising adoption among institutional and individual investors, expanding strategies like sustainable and thematic investing. Effective impact measurement improves accountability, though inconsistencies remain. Overall, it is reshaping finance by aligning profit with positive societal impact. However, greater standardization and transparency are needed to fully realize its potential.

A different study identifies key barriers to the development of social impact investing in Germany, based on qualitative evidence from multiple stakeholders (Glänzel & Scheuerle, 2016). It highlights nine major challenges across three dimensions: financial returns, social returns, and institutional relationships, reflecting tensions between investor expectations and social objectives. The findings show that structural factors, including the country's welfare system and underdeveloped market infrastructure, limit the growth of the sector. Overall, the paper emphasizes that social impact

investing operates within conflicting institutional logics, creating friction between market-driven and social welfare-oriented approaches.

Flynn et. al. (2015) review existing literature on the evaluation of impact investments using multiple search methods, including academic databases and relevant websites. Out of 101 identified documents, 55 were selected for detailed analysis based on relevance. The findings show that most studies focus on impact measurement and evaluation, particularly in the context of social impact bonds (SIBs). Overall, the review consolidates key insights from these sources to provide a structured understanding of how impact investments are assessed. In continuation, O'Flynn & Barnett (2017) highlight a key paradox in impact investing: strong emphasis on social impact but weak emphasis on rigorous impact evidence. It finds that existing tools like metrics and ratings are insufficient and proposes a more evaluative approach based on criteria such as causality, accountability, and aggregation. While several methods exist, each has limitations, requiring investors to balance trade-offs between standardization, specificity, and cost. The study concludes that combining multiple approaches and improving methodological guidance is essential, or impact investing risks becoming indistinguishable from traditional investing.

Similarly, a study by Dahbi et. al. (2024) examines Social Impact Bonds (SIBs) as an innovative mechanism for delivering public services, where investors are repaid by governments only if predefined social outcomes are successfully achieved. The paper aims to consolidate existing knowledge on SIBs through a systematic literature review of 116 articles published between 2010 and 2022. The review finds that most existing research is qualitative in nature and heavily concentrated in the UK context, indicating that SIBs remain under-explored in other countries. It also shows that academic interest in SIBs grew steadily during this period, peaking in 2020, while actual project implementation peaked earlier in 2017. The USA and UK dominate both research output and practical development, with key contributions coming from leading authors and high-impact journals, highlighting the field's geographic and academic concentration.

Finally, Yaşar (2021) shows that impact investing is an approach that aims to generate financial returns while also addressing social and environmental challenges, particularly those aligned with the UN Sustainable Development Goals. The paper explains its evolution, distinguishing it from socially responsible investing, and discusses the roles of various investors and institutions in shaping the field. It argues that stronger systems, supportive policies, and further research are essential for its continued growth. The conclusion emphasizes a shift in expectations, where businesses are increasingly required to balance profit with social and environmental responsibility. It further highlights that expanding the sector will require better technology, improved decision-making tools, and greater investment in research, education, and awareness to strengthen the impact investing ecosystem.

1.3. Literature Gap and Rationale for the Study

From the above literature, it is evident that several studies are of a qualitative nature and therefore don't focus on data metrics and instead adopt methods, such as interviews, which take into account people's experiences instead of statistical data in the field of impact investing. The next issue comes in the form that relatively little has been written on sector-wise analysis of investment preferences of men and women, using quantitative methods. Furthermore, many papers look at investors from one country or investors from developed countries. Many studies also provide very limited comparative information involving investors from India and other countries.

Examining gender roles in impact investing is important because it provides insights into how men and women engage with socially focused investments. Understanding their different approaches can help investment firms make strategies to encourage broader participation, ensuring that opportunities are inclusive. Gender differences may influence investment priorities, risk, and decision-making styles, which in turn can shape the overall impact of investments. By including data from both India and international investors, the study can highlight unique trends and patterns within the Indian impact investing ecosystem, as well as compare them with global practices. This analysis can reveal barriers to participation, inform policy recommendations, and support the development of initiatives that promote diverse and effective investment strategies.

2. Methodology

2.1. Research Aim and Objectives

This paper aims to investigate gender differences in impact investing, not only analyzing whether men or women are more active in the field, but also how their investment patterns, priorities, and how their decision making varies and how these decisions help in their social and financial outcomes.

- *"To quantify and compare the level of participation of men and women in impact investing."*

  The study measures how actively each gender engages in impact investment activities, including the number of investments, size, and frequency, in order to understand overall participation trends.
- *"To identify factors influencing gender-based differences in investment behaviour."*

  This seeks to explore why men and women may behave differently in impact investing, considering aspects such as risk, social priorities, and financial literacy.
- *"To evaluate the implications of gender differences for financial institutions and policymakers aiming to promote inclusive investment practices."*

  This objective focuses on how understanding these gender patterns can help firms design strategies, products, and policies that encourage participation and support a more diverse impact investing ecosystem.

2.2. Research Hypotheses

The null hypotheses assumed under this research are as follows.

- There is no difference between the overall Male and Female groups with respect to the dependent variable:
  - H1 (NS_{MO} - NS_{FO}): Number of States
  - H2 (NL_{MO} - NL_{FO}): Number of lives impacted
  - H3 (DL_{MO} - DL_{FO}): Days of livelihood
  - H4 (CH_{MO} - CH_{FO}): Credit Histories
- There is no difference between the Male and Female groups in India with respect to the dependent variable:
  - H5 (NS_{MI} - NS_{FI}): Number of States
  - H6 (NL_{MI} - NL_{FI}): Number of lives impacted
  - H7 (DL_{MI} - DL_{FI}): Days of livelihood
  - H8 (CH_{MI} - CH_{FI}): Credit Histories
- There is no difference between the Male and Female groups in the Rest of the World with respect to the dependent variable:
  - H9 (NS_{MR} - NS_{FR}): Number of States
  - H10 (NL_{MR} - NL_{FR}): Number of lives impacted
  - H11 (DL_{MR} - DL_{FR}): Days of livelihood
  - H12 (CH_{MR} - CH_{FR}): Credit Histories
- There is no difference between India and the rest of the World with respect to the dependent variable:
  - H13 (NS_{I} - NS_{R}): Number of States
  - H14 (NL_{I} - NL_{R}): Number of lives impacted
  - H15 (DL_{I} - DL_{R}): Days of livelihood
  - H16 (CH_{I} - CH_{R}): Credit Histories

Herein, F stands for Female, M stands for Male, I stands for India, R stands for Rest of the world, and O stands for Overall (irrespective of the region).

2.3. Data and Variables

The study adopts a quantitative research and analytical nature. The study aims to study sector-wise investment preferences in men and women within the field of impact investing in India. This study is based on secondary data collected from Rang De, an impact investing site in India. The data shows investors' participation across different sectors. The data contains investors from both India and foreign countries participating in the impact investing field in India. Data from 180 impact investors has been collected, which comprises 100 investors from India (50 men and 50 women) and 80

international investors (50 men and 30 women). Due to limited data for women around the globe, only 30 data points have been collected so far.

Description of variables

Data for the following variables were collected.

- Number of states: This variable represents the total number of states that a particular investor impacts through their investments in India.
- Number of lives impacted: The number of lives impacted positively due to the loans coming from the investors is known as the number of lives impacted.
- Days of livelihood: It is the number of days a borrower can continue working because of the loan given to him by the investor.
- Credit histories: This variable is measured by the number of first-time borrowers the investor has invested in, helping them kickstart their formal credit system.

2.4. Data Analysis Method

This research uses statistical tests such as Levene's test and the independent t-test to analyze the data. The Levene's test is a statistical test that helps us to identify whether two or more groups have equal variability or not. The null hypothesis of Levene's test assumes that there are equal variances of the groups. If the p-value is less than 0.05, the null hypothesis is rejected, and hence, the p-value of unequal variances is assessed for the t-test. The t-test is used to compare the averages between two groups to check if they are significantly different or not. The null hypothesis of the t-test assumes that there is no significant difference between the two groups. If the p-value is less than 0.05, the null hypothesis is rejected, and hence, there exists a significant difference between the groups for the particular variable.

3. Results

Table 1 depicts the results of the t-test comparing the variables between males and females, irrespective of region. The Levene's test p-values for H2, H3, and H4 are less than 0.05, rejecting the null hypotheses of equal variances. Hence, for these three hypotheses, the p-value of unequal variances was considered under the t-test.

Table 1: Gender-Based Comparison of Variables: Independent t-Test Results (All Regions Combined)

S.No.	Hypotheses	Group	n	Mean	SD	P-value (Levene's Test)	t-statistic	P-value (t-test)
H1	NS_{MO} - NS_{FO}	NS_{MO}	100	15.38	8.38	0.479	3.18	0.002
		NS_{FO}	80	11.94	5.42			
H2	NL_{MO} - NL_{FO}	NL_{MO}	100	343.28	692.35	<0.001	3.32	0.001
		NL_{FO}	80	109.48	120.01			
H3	DL_{MO} - DL_{FO}	DL_{MO}	100	8.34	22.53	<0.001	2.93	0.004
		DL_{FO}	80	1.65	3.08			
H4	CH_{MO} - CH_{FO}	CH_{MO}	100	167.32	351.51	<0.001	3.35	0.001
		CH_{FO}	80	47.73	54.18			

NS_{MO} - NS_{FO}: Since the p-value of the T-test for H1 is 0.002, which is less than 0.01, the null hypothesis is rejected at a 1 percent significance level. Therefore, there exists a significant difference in the impact of investments on the number of states impacted between males and females. From the mean values, it can be depicted that males impact 15.38 states on average, while females impact only 11.94 states on average, irrespective of the country they belong to.

NL_{MO} - NL_{FO}: Similarly, the p-value of the T-test for H2 is 0.001, which is less than 0.01, and hence, the null hypothesis is rejected at a 1 percent significance level. Therefore, there exists a significant difference in the impact of investments on the number of lives impacted between males and females. The average values show that males impact 343.38 lives on average, while females impact 109.48 lives on average, irrespective of the country they are from.

DL_{MO} - DL_{FO}: The p-value of the t-test (0.004) for H3 is below 0.01, leading to the rejection of the null hypothesis at the 1% significance level. Hence, there is a significant difference in the impact of investments on the days of livelihood impacted between males and females. From the descriptive statistics, it can be analyzed that males have an impact of 8.43 thousand on average, while females have an impact of 1.65 thousand on average, irrespective of the country they are from.

CH_{MO} - CH_{FO}: For H4, the p-value of the T-test is 0.001, which is again less than 0.01; the null hypothesis is rejected at a 1 percent significance level. Thus, the impact of investments on the credit histories of males and females differs significantly. From the mean values, it can be depicted that males have an impact of 167.32 credit histories on average, while females have an impact of 47.73 on average, irrespective of the country they are from

Table 2: Gender-Based Comparison of Variables: Independent t-Test Results (India)

S.No.	Hypotheses	Group	n	Mean	SD	P-value (Levene's Test)	t-statistic	P-value (t-test)
H5	NS_{MI} - NS_{FI}	NS_{MI}	50	17.68	10.09	.406	3.34	0.001***
		NS_{FI}	50	12.32	5.21			
H6	NL_{MI} - NL_{FI}	NL_{MI}	50	483.74	851.41	<0.001	3.05	0.004***
		NL_{FI}	50	113.68	109.59			
H7	DL_{MI} - DL_{FI}	DL_{MI}	50	10.71	22.84	<0.001	2.83	0.007***
		DL_{FI}	50	1.53	2.39			
H8	CH_{MI} - CH_{FI}	CH_{MI}	50	240.32	432.42	<0.001	3.09	0.003***
		CH_{FI}	50	49.90	47.72			

Table 2 presents the results of the t-test comparing variables between males and females in India. The Levene's test p-values for H6, H7, and H8 are below 0.05, indicating a rejection of the null hypothesis of equal variances. Accordingly, the t-test results assuming unequal variances have been used for these three hypotheses.

NS_{MI} - NS_{FI}: The p-value of the t-test of H5 is 0.001, which is less than 0.01; the null hypothesis can be rejected at the 1% level of significance. This shows a statistically significant difference in the effect of investments on the number of states in India reached by males and females. According to the mean values, males are impacting an average of 17.68 states, and females are impacting an average of 12.32 states.

NL_{MI} - NL_{FI}: The t-test of H6 has a p-value of 0.004, which is less than the significance level of 1%. This indicates that there is a statistically significant difference in the effect of investments on the number of lives that males and females in India reach. The mean values show that males influence an average of 483.74 lives, and females influence an average of 113.68 lives.

DL_{MI} - DL_{FI}: In the case of H7, the t-test results in a p-value of 0.007, which is less than the 0.01 level of significance; therefore, the null hypothesis is rejected at the 1% level of significance. This indicates that there is a significant difference between the male and female populations in the number of livelihood days influenced by investments in India. Males have an average of 10.71 thousand livelihood days, and females have an average of 1.53 thousand livelihood days.

CH_{MI} - CH_{FI}: Finally, the t-test gives a p-value that equals 0.003, and this is less than 0.01; therefore, rejecting the null hypothesis at the 1% significance level. This implies that there is a statistically significant difference between the number of credit histories developed by the investment in India between males and females. The mean values indicate that males produce an average of 240.32 credit histories, with females producing an average of 49.90.

Table 3: Gender-Based Comparison of Variables: Independent t-Test Results (Rest of the World)

S.No.	Hypotheses	Group	n	Mean	SD	P-value (Levene's Test)	t-statistic	P-value (t-test)
H9	NS_{MR} - NS_{FR}	NS_{MR}	50	13.08	5.41	0.57	1.39	0.169
		NS_{FR}	30	11.30	5.80			
H10	NL_{MR} - NL_{FR}	NL_{MR}	50	202.82	450.91	0.115	1.18	0.240
		NL_{FR}	30	137.34	137.34			
H11	DL_{MR} - DL_{FR}	DL_{MR}	50	5.97	22.19	0.149	1.00	0.320
		DL_{FR}	30	1.87	4.02			
H12	CH_{MR} - CH_{FR}	CH_{MR}	50	94.32	227.54	0.103	1.18	0.243
		CH_{FR}	30	44.20	64.07			

The outcomes of the t-test of variables between males and females across the rest of the world are reported in Table 3. The p-values in the Levene's test of all the mentioned hypotheses are greater than 0.05, which means that the null hypothesis of equal variances cannot be rejected. In this regard, all hypotheses have been used with the t-test results assuming equal variances.

NS_{MR} - NS_{FR}: The p-value of the t-test of H9 is 0.169, which is greater than 0.10; thus, the null hypothesis is not rejected. This suggests that there is no statistically significant difference between males and females in terms of the number of states impacted by investments. The mean values show that male has an impact on an average of 13.08 states, and females have an impact on an average of 11.30 states.

NL_{MR} - NL_{FR}: With a p-value of 0.24, and as this is larger than 0.10, the null hypothesis H10 is not rejected. This implies that the difference between males and females in the number of lives impacted by investments is not statistically significant. The average male is affecting 202.82 lives, as opposed to females, which is 102.47 lives.

DL_{MR} - DL_{FR}: The t-test results H11 have a p-value of 0.32, which is greater than the 0.10 critical value, hence failure to reject the null hypothesis. This implies that there is no significant difference between the number of livelihood days affected by investments in males and females. The average values indicate that males have an average impact of about 5.97 thousand livelihood days, and females have an average impact of about 1.87 thousand livelihood days on average.

CH_{MR} - CH_{FR}: The p-value of 0.243 is also greater than 0.10, which means that the null hypothesis cannot be rejected. As a result, the difference between the credit histories of males and females produced by investments does not differ significantly. The mean amounts of credit histories are 94.32 and 44.20 among males and females, respectively.

Therefore, the impact of investments does not differ between males and females residing in countries other than India.

Table 4: T-Test Results Comparing India and the Rest of the World for the Dependent Variable

S.No.	Hypotheses	Group	n	Mean	SD	P-value (Levene's Test)	t-statistic	P-value (t-test)
H13	NS_I - NS_R	NS_I	100	15	8.43	0.71	2.36	0.019***
		NS_R	80	12.41	5.59			
H14	NL_I - NL_R	NL_I	100	298.71	631.91	0.04	1.77	0.078***
		NL_R	80	165.19	368			
H15	DL_I - DL_R	DL_I	100	6.12	16.80	0.321	0.65	0.10
		DL_R	80	4.43	17.76			
H16	CH_I - CH_R	CH_I	100	146.07	322.12	0.025	1.84	0.068***
		CH_R	80	75.53	184.98			

Table 4 represents the results of the t-test of variables between India and the rest of the world. The p-values in the Levene test of hypotheses 13 and 15 are greater than 0.05, which means that the null hypothesis of equal variances cannot be rejected. Hence, H13 and H15 have been used with the t-test results assuming equal variances, while H14 and H16 assume unequal variances.

NS_I - NS_R: Since the p-value of the T-test for H13 is 0.019, which is less than 0.05, the null hypothesis is rejected at a 5 percent significance level. Therefore, there exists a significant difference in the impact of investments on the number of states impacted between India and the rest of the world. From the mean values, it can be depicted that India impacts 15 states on average, while the rest of the world impacts 12.41 states on average.

NL_I - NL_R: For H14, the p-value of the T-test is 0.078, which is less than 0.1; the null hypothesis is rejected at a 10 percent significance level. Therefore, there exists a significant difference in the impact of investments on the number of lives impacted between India and the rest of the world. From the mean values, it can be depicted that India impacts 298.71 lives on average, while the rest of the world impacts 165.19 lives on average.

DL_I - DL_R: On the contrary, the p-value of the T-test for H15 is 0.1; hence, the null hypothesis will be accepted. Therefore, there does not exist a significant difference in the impact of investments on the days of livelihood impacted between India and the rest of the world. From the mean values, it can be depicted that India impacts 6.12 (in thousands) on average, while the rest of the world impacts 4.43 (in thousands) on average.

CH_I - CH_R: Finally, since the p-value of the T-test is 0.068, which is less than 0.1, the null hypothesis will be rejected at a 10 percent significance level. Therefore, there exists a significant difference in the impact of investments on the credit histories between India and the rest of the world. From the mean values, it can be depicted that India provides 146.07 credit histories on average, while the rest of the world provides 75.53 credit histories on average.

4. Discussion

These results are attributed to several reasons. Through IIC reports, it was shown that Indian men and women contribute much more to Impact investing markets than foreigners, thanks to better handling of risk and local wealth (Jain, 2023). In 2022, Indian investors doubled the number of group deals since 2020 as foreign-linked venture capitalists pulled back due to high costs and global issues. Domestic funds now own more equities than foreigners. Foreign money goes down with policy changes, but Indian mutual funds keep flowing (TOI Business Desk, 2025). IC data shows $10.8 billion invested in impact ventures from 2010-2019, with Indian HNIs and family offices giving steady funds like $279.5 million directly, while big foreign deals dropped after 2022. Locals know the market very well, making it easier to check social businesses in areas like farming and small loans (*The Indian Impact Investing Story*, 2020).

Moreover, India's FDI policies favour local investors in impact projects by allowing automatic approvals up to 100% in sectors like insurance and agritech, skipping government checks that foreigners often need to tackle. Tax breaks and state perks, such as no stamp duty or SEZ incentives, make it quicker and cheaper for Indian HNIs to fund social startups, building their confidence to invest steadily even when global money pulls back amid risks (Jain, 2023). The data also shows us that men dominate the Indian impact investing market over women due to cultural barriers and different definitions of risk. Women face challenges like limited economic independence, fewer connections in the business sector, and a lower amount of money invested due to occupational gaps. Studies emphasize males' dominance in occupation and family offices, though rising fintech adoption and SIPs are gradually increasing women's participation (*The Indian Impact Investing Story*, 2020). Due to cultural norms, men are seen as the heads of financial decisions, while women are sidelined from these important decisions. Research tells us that 1 in 5 investors is female. Chi-squared tests demonstrate that significant disparities in occupation and higher male incomes enable them to take larger stakes in VCs (*The Gender Investment Gap in India: A Problem of Access, Not Ability*, n.d.). Subsequently, while investing, men tend to exhibit higher tolerance for risk and overconfidence and usually prefer equity-driven deals in sectors where prices and returns are very unpredictable, while women prefer safer instruments due to limited educational background (*India Is Prime Ground for Impact Investments. Here's Why*, 2025).

5. Conclusion

Impact investing is a shift from traditional investing,nt moving beyond just purely financial goals to also support meaningful social and environmental progress, while still maintaining long-term economic value. This paper examines gender differences in impact investing by analyzing whether men or women are more active in the field and how their investment behaviours differ. It aims to quantify and compare participation levels across genders in impact investing. The study also seeks to identify the key factors that drive gender-based differences in investment decisions and preferences. Finally, it evaluates the implications of these differences for financial institutions and policymakers in designing more inclusive and equitable investment frameworks. The study adopts a quantitative research method. It is based on secondary data collected from Rang De. The dataset contains 180 investors from both India and the rest of the world in the field of impact investing in India. The statistical analysis shows significant gender based differences in the field of impact investing across the four metrics we took in this study. At the global level, T-test results show us the significant difference between male and female investors in the number of states impacted, number of lives impacted, days of livelihood generated, ed and credit histories created. On comparing the means, the male investors, on average, demonstrate a higher impact across all four metrics as compared to female investors, no matter what country the investors are from. In India, the gender gap appears more pronounced; male investors showed a higher impact and mean across all four indicators we used, including states impacted, number of lives impacted, days of livelihood, and credit histories. In contrast, from the rest of the world, statistical analysis tells us that there are no significant gender based differences across the four metrics, although the mean value is still higher for male investors. Telling us that statistically, we cannot prove gender disparity outside India. Comparative analysis between India and the rest of the world shows that India demonstrates significantly higher impact in terms of states impacted, lives impacted, days of livelihood and credit histories created. At the same time, no statistically significant difference is observed in the days of livelihood generated. The discussion indicates that Indian investors, particularly domestic investors, play a stronger role in the Indian impact investing ecosystem due to local market

knowledge, consistent capital flows, and supportive government policies. The data also includes male dominance in India's impact investing field. This may be influenced by structural, cultural, and socio-economic factors, including lower financial independence among women, limited access to investment networks, occupational income gaps, ps and traditional gender roles in financial decision-making. Behavioural differences in Investing may also contribute to this, with men showing a higher preference for high-risk, high-reward shares, while women prefer low-return and low-risk shares.

6. Policy and Limitations

The paper provides insights for policymakers and financial institutions on impact funds. First, policymakers can design gender-inclusive policies to encourage women's participation in impact investing, addressing the structural and cultural barriers shown in the paper. Second f, financial institutions can develop targeted investment products and training programs that attract and empower female investors. Third, impact funds and NGOs can leverage the paper to prioritize sectors where women's participation could maximize social impact, or to create mentorship and awareness initiatives to bridge the gender gap. Overall, the study informs policies and strategies that promote inclusive investment practices, improve gender equity, ty and strengthen the effectiveness of impact investing markets.

The study has a few limitations that should be taken into consideration. First, the dataset is small, especially for women in the rest of the world category, where there are only 30 participants instead of the intended 50. This may affect the reliability of the results. Second, the study focuses only on quantitative metrics like states impacted, lives impacted, days of livelihood, od and credit histories, and not qualitative factors like investor motivation or decision-making process. Lastly, cultural and socio-economic factors that influence gender based differences are complex and not fully addressed in this paper.

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