

Big Five Personality Traits and Financial Risk Tolerance among Nepalese Retail Investors

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Abstract

Purpose: Personality traits are the core predictors of individual's financial risk tolerance, but they are less examined in prior research pertaining to Nepal. Thus, this research examines the effect of Openness to Experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism on the financial risk tolerance of Nepalese retail investors.

Research Design: This study followed positivist philosophy, deductive approach and employed descriptive and causal research designs. Two hundred and seventy-two stock market investors participated in this study where responses were gathered using self-administered questionnaire utilizing a five-point Likert Scale. Statistical techniques such as descriptive analysis, correlation analysis, multicollinearity testing, and regression analysis were applied using SPSS.

Findings: The findings indicated that Openness to Experience, Conscientiousness, and Extraversion positively and significantly influence Financial Risk Tolerance. Agreeableness demonstrated a negative but statistically insignificant relationship with Financial Risk

Tolerance, whereas Neuroticism showed a significant negative relationship. The regression model explained about 39% of the variation in financial risk tolerance and was statistically significant. The Cronbach's alpha showed acceptable internal consistency and there were no multicollinearity issues among predictors.

Implications: Understanding how personality traits affect Financial Risk Tolerance can contribute to behavioral economics by challenging canonical finance models. This study is imperative for individuals because it can largely shape how they participate in stock investment, avoid impulsive financial practices, and eventually know their risk-bearing capacity. Furthermore, the findings can assist financial institutions in providing personalized investment to their stakeholders.

Keywords: Big Five personality, financial risk tolerance, behavioral finance, OCEAN model, Nepal, retail investors

Introduction

The degree of investment unpredictability someone is willing to tolerate while making portfolio decisions is defined as financial risk tolerance (Grable & Joo, 2004). Personal characteristics can be defined as “dimensions of individual differences in the tendency to exhibit patterns of consistent thoughts, feelings, and behavior” (McCrae & Costa, 1990). Contemporary studies have underscored the significant relationship between personality traits and financial risk tolerance, particularly the Big Five personality traits Openness, Conscientiousness, Extraversion, Agreeableness, and Neuroticism (Khaitan & Singh, 2025; Grable & Kwak, 2026). The changing economic landscape has made the study of individuals' risk-taking ability significantly vital in today's world. As individuals, investment advisers, researchers and policymakers navigate complex changes in financial markets, understanding the role of financial risk tolerance in shaping these changes is indispensable (Grable, 2016).

Nepal is a growing economy, and people are aware of several investment avenues; consequently, they are open to undertaking higher risk for higher returns. At this point in time, gaining knowledge of one's personality traits helps individuals make more informed financial decisions, including trying new investment options and initiating risks. According to Rai et al. (2021), personality factors, being fundamental attributes of behavioral finance, help decide how people make decisions, both solely and collectively. Despite considerable research, financial risk tolerance continues to be a complex and difficult concept to assess precisely. Grable and Lytton (1999) argued that risk tolerance is an abstract and unclear idea making it difficult to ascertain the willingness of individuals to take risks in social settings.

Pak and Mahmood (2015), while examining the relationship between the Big Five personality traits and risk attitude, found that Extraversion and Openness to Experience are positively correlated with risk tolerance behavior, whereas Agreeableness, Conscientiousness, and Neuroticism are negatively correlated with such behavior.

Financial markets have been highly volatile and unpredictable in recent years, exposing investors and financial intermediaries to unprecedented investment risks (Merton, 1987). Numerous studies have analyzed the impact of personality traits on financial risk tolerance

(Sadiq & Amna, 2019). However, there is still limited evidence regarding how personality traits influence financial risk tolerance in the Nepalese context. Moreover, earlier studies conducted in Nepal have often relied on small sample sizes, reducing the reliability and generalizability of the findings. Therefore, studying Nepalese retail investors is important because their investment behavior is shaped by an emerging financial market, evolving financial literacy and increasing exposure to modern investment platforms.

Financial markets have been highly volatile and unpredictable in recent years. This development exposes investors and financial intermediaries to a substantial number of unprecedented investment risks. Navigating these obstacles is crucial to safeguard the interests of people and the financial system as a whole (Merton, 1987). Psychological research on investors has become a relatively new area of interest among psychologists and investment professionals. Numerous studies have delved into the domain of analyzing the impact of personality traits on risk tolerance (Sadiq & Amna, 2019). However, understanding what shapes our risk-taking ability is imperative in today's uncertain landscape. For that, rigorous study on the relationship between specific personality traits and financial risk tolerance in unpredictable and highly unmanaged markets, particularly in the Nepalese stock market, has not been studied thoroughly with an ample sample size to generalize the findings.

Therefore, the study specifically aims to (a) Examine the descriptive profile of Big Five personality traits and financial risk tolerance among Nepalese retail investors (b) Analyze the relationship between personality traits and financial risk tolerance (c) Determine the extent to which personality traits predict financial risk tolerance. This study is indispensable for Nepali context because the findings can help investors make informed and well-thought-out financial decisions and assist financial advisors in suggesting personalized investment options based on clients' personality traits. Overall, the research provides both theoretical and practical implications for more effective risk assessment among financial intermediaries and investment platforms.

Literature Review

Theoretical Review

Two theoretical frameworks substantiate this study. First, Trait Theory of Personality (Allport, 1937) which says personality traits are individualistic characteristics that differentiate from one another. They not only just describe what people do but also tend to explain reason behind the activity. According to Costa & McCrae (1992), people with high Openness to Experience and Extraversion significantly predict individuals' risk-tolerance ability. Next, Prospect Theory, introduced by Kahneman and Tversky (1979), explains that people tend to be thoughtful when they articulate gains but become risk-tolerant when they face potential loss. According to Lönnqvist et al. (2015), emotionally unstable individuals tend to overthink their investment decisions, making them less tolerant toward financial risk.

Conceptual Review

Financial Risk Tolerance

Financial risk tolerance is a phenomenon that shows the competence of investors to choose varied investment options for a long period of time. It basically is the capacity to withstand risky investment decisions and remain calm during market fluctuations (Mathur & Nathani, 2019). Various research studies tend to understand the reasons behind the varied risk tolerance ability of people, including demographics, income status, and personality traits. Mayfield et al. (2008) argued that people's approach to risk is greatly shaped by their characteristics, and the way they perceive risk eventually reflects their investment decisions. Pak and Mahmood (2015) tried to study the dimensions are associated with financial risk tolerance, particularly the Big Five Model. Their findings revealed that individuals with higher levels of Extraversion and Openness to Experience were more likely to tolerate financial risk, whereas Neuroticism, Agreeableness, and Conscientiousness were linked with lower risk tolerance.

Openness to Experience

Openness to experience is the capacity people to try novel ideas and embrace unconventional experiences. Individuals scoring high on this trait are generally imaginative, flexible, and more willing to experiment with new opportunities (Sadiq & Amna, 2019). Nicholson et al. (2005) found positive relationship between openness to experience and risk tolerance. Accordingly, the following first hypothesis is developed:

H1: Openness to Experience positively influences Financial Risk Tolerance.

Conscientiousness

The ability of people to perform every task diligently and strive to achieve more by defying challenges is defined as Conscientiousness (McCrae & Costa, 1987). People who fall within the dimension of Conscientiousness are disciplined and calculated, and as a result, they are likely to perceive risk positively (Sadiq & Amna, 2019). Mathur and Nathani (2019) found an insignificant relationship between financial risk tolerance and Conscientiousness. However, it is crucial to study their relationship in the Nepali context. Therefore, the second hypothesis is as follows:

H2: Conscientiousness positively influences Financial Risk Tolerance.

Extraversion

Extraversion reflects the willingness of people to be social and deal with others positively (Zhang et al., 2014). Extroverted individuals tend to take risks more impulsively than introverted individuals, as they are more influenced by external factors and can cope with pressure easily by discussing matters with friends and family (Sadiq & Amna, 2019). According to Dhiman and Raheja (2018), among the various dimensions of personality traits, Extraversion is related to the risk tolerance ability of stock investors. Therefore, the third hypothesis is proposed:

H3: Extraversion positively influences Financial Risk Tolerance

Agreeableness

Agreeableness defines people's relationships with others at different levels from very warm and supportive to very aggressive or disagreeable. It is a key dimension that influences self-image and forms social attitudes (Costa & McCrae, 1985). Some researchers argue that agreeable individuals tend to avoid uncertainty and therefore exhibit lower financial risk

tolerance (Sadiq & Amna, 2019; Pak & Mahmood, 2015). In contrast, Rai et al. (2021) found that agreeableness was significantly associated with financial risk tolerance among investors. Therefore, the following hypothesis is proposed:

H4: Agreeableness negatively influences Financial Risk Tolerance

Neuroticism

Highly neurotic individuals usually struggle to remain emotionally stable when facing challenging situations. They often encounter negative emotions and perceive normal circumstances as life-threatening and find insignificant burdens hopelessly inconvenient (Dhiman & Raheja, 2018). The work of Pak and Mahmood (2015) has depicted a negative association between Neuroticism and risk attitude. In support of this, the fifth hypothesis is as follows:

H5: Neuroticism negatively influences Financial Risk Tolerance

Empirical Review

Parameswori and Krishnan (2015) examined whether personality dimensions influence investors' attitudes toward financial decisions. The study found that personality traits have limited influence on investors' risk profiles because investors invest in a diversified portfolio and mainly invest to save tax.

Dhiman and Raheja (2018) focused on understanding how emotional intelligence together with personality characteristics shapes investors' willingness to tolerate financial risk. The study revealed the relationship of risk tolerance with personality traits, particularly agreeableness, extraversion, and openness to experience and with emotional intelligence

According to Mathur and Nathani (2019), agreeableness, neuroticism and openness to experience are strongly correlated, but extraversion and conscientiousness did not demonstrate any meaningful relationship with risk-bearing capability. In addition, no difference was found in risk tolerance of male and female.

Sadiq and Amna (2019) explored the connection between personality traits, financial risk tolerance, and investors' decision-making behavior. Their study emphasized that individual personality characteristics strongly affect investors' attitudes toward financial risk and their investment behavior. Their findings revealed that people who try unconventional ideas and enjoy the outside world are high risk-takers as compared to people high on neuroticism, agreeableness, and conscientiousness.

Rai et al. (2021) explored how the five major personality dimensions influence individuals' willingness to undertake financial risk using a structural equation modeling approach. The study concluded that personality of individuals strongly influences risk tolerance; agreeableness, conscientiousness, and openness were significantly associated with financial risk tolerance

Brooks and Williams (2021) argued that personality characteristics greatly shape financial risk tolerance. Using ordered logit models, they found that resilience, financial self-efficacy, and trait anger also play important roles in influencing financial behavior.

Beyond the traditional Big Five framework, Mukhtar et al. (2023) investigated whether dynamic behavioral characteristics could explain variations in individuals' financial risk

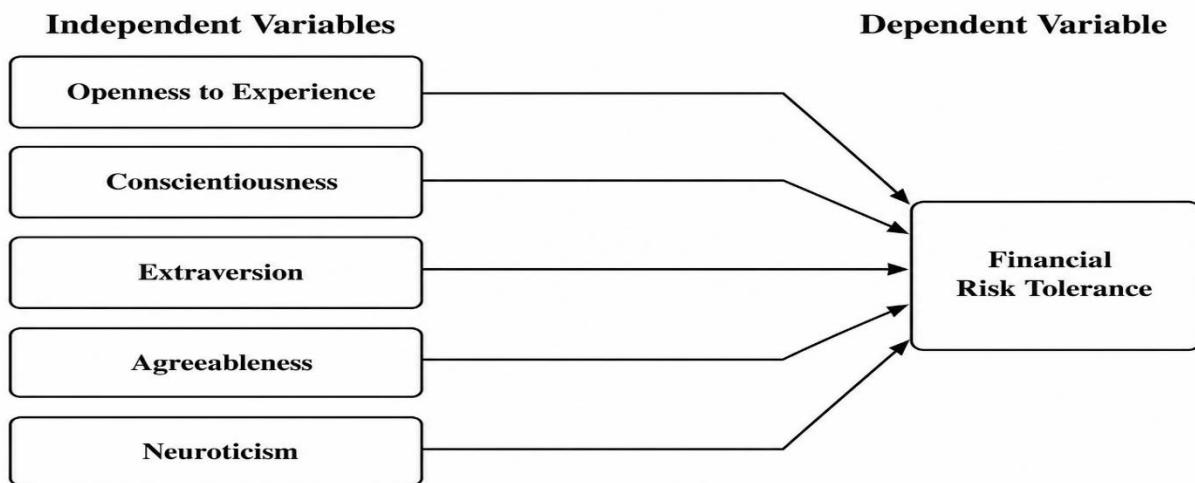
tolerance. They concluded that financial self-efficacy, resilience, and positive emotions increased financial risk tolerance, whereas uncertainty, negative emotions, and trait anger reduced investors’ willingness to take financial risks.

The study by Lin (2018) focused on understanding how personality traits shape the financial risk tolerance of Chinese investors. The findings stated that traits such as curiosity, dominance, aggression, anxiety, and arrogance were significantly related to financial risk tolerance. Investors often tend to overestimate their actual risk-tolerance ability.

Siedor (2017) reported that neuroticism and reward responsiveness significantly influenced financial risk tolerance and risk-taking behavior while exploring personality, motivation, and financial risk tolerance.

Research Framework

The research framework of this study considers five Big Five personality traits (Openness to Experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism) as independent variables and Financial Risk Tolerance as the dependent variable, consistent with Dhiman and Raheja (2018) and Mathur and Nathani (2019).



Source: Dhiman and Raheja (2018); Mathur and Nathani (2019).

Research Methodology

This research was conducted using a descriptive-causal approach. The descriptive research design was used to describe the characteristics of data. Causal research design was used to understand how each Big Five trait influenced financial risk tolerance. This dual design was consistent with prior studies in this domain (Dhiman & Raheja, 2018; Brooks & Williams, 2021).

The target population comprised retail stock investors actively trading on NEPSE in Kathmandu Valley. A sample of 272 respondents was collected where convenience sampling and snowball sampling techniques were used to facilitate data collection. Initially, investors

were chosen through convenience sampling according to ease of availability. Then, samples were asked to refer to other investors from their networks. While these techniques limited generalizability, the sample size of $N = 272$ exceeded minimum thresholds for stable multiple regression estimates with five predictors (Green, 1991).

Data was collected through a structured self-administered questionnaire online and through self-presence. Questionnaire sections were divided into two sections. First section focused on demographic information. Second section had total 38 questions across six variables on a five-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree).

Care was given to gather data from only those people who invested actively in stock market (NEPSE). To better understand the personality traits of investors, questions of each construct were clarified and explained repeatedly, and respondents were asked to fill only after fully fathoming the concept. A total of final 272 valid responses were analyzed using the Statistical Package for the Social Sciences (SPSS). The analysis of the data involved the application of various statistical procedures, such as descriptive statistics, collinearity assessment, Pearson correlation testing, and regression analysis.

Results

Table 1

Respondent Demographic Profile (N = 272)

Variable	Category	Count	Percentage (%)
Age	18–28	57	21.0
	28–38 (majority)	111	40.8
	38–48	65	23.9
	48 above	39	14.3
Gender	Female	86	31.6
	Male (majority)	182	66.9
	Other	4	1.5
Marital Status	Married (majority)	158	58.1
	Unmarried	102	37.5
	Divorced	10	3.7
	Widowed / Other	2	0.8
Educational Background	Bachelor's Degree (majority)	131	48.2
	Master's Degree	100	36.8
	High School Degree	26	9.6
	Ph.D.	8	2.9
	Other / Less than HS	7	2.6
Occupation	Private Sector Employee (majority)	91	33.5

	Businessperson	70	25.7
	Government Employee	44	16.2
	Self-Employed Professional	31	11.4
	Student	19	7.0
	Academician	9	3.3
	Unemployed / Other	8	2.9
Monthly Income	NPR 50,001–100,000 (majority)	105	38.6
	Above NPR 100,000	70	25.7
	NPR 25,000–50,000	70	25.7
	Below NPR 25,000	27	9.9
Investment Experience	4–6 years (majority)	83	30.5
	1–3 years	78	28.7
	More than 6 years	75	27.6
	Less than 1 year	36	13.2
Average Investment Amount	NPR 200,001–500,000 (majority)	108	39.7
	Above NPR 500,000	73	26.8
	NPR 50,000–200,000	61	22.4
	Below NPR 50,000	30	11.0

Note. Primary survey data (N = 272)

Table 1 presents the complete demographic profile of all 272 respondents. Most respondents were male, aged 28–38 and employed in the private sector.

Table 2

Reliability Test – Cronbach's Alpha

Variables	No. of Items	Cronbach's Alpha
Openness to Experience (OPE)	5	0.867
Conscientiousness (CON)	5	0.855
Extraversion (EXT)	5	0.843
Agreeableness (AGR)	5	0.734
Neuroticism (NEU)	5	0.836
Financial Risk Tolerance (FRT)	8	0.886

Note. SPSS output (N = 272).

The reliability of data in Table 2 was assessed using Cronbach's Alpha and all attributes surpassed the acceptable criterion of 0.70 (Nunnally, 1978). Among the variables, FRT showed the highest reliability score (0.886), followed by OPE (0.867), CON (0.855), EXT (0.843), NEU (0.836), and AGR (0.734).

Table 3

Validity Test - KMO and Bartlett's Test

Test	Values
KMO Measure of Sampling Accuracy	0.876
Bartlett's Test – Approx. Chi-Square	4056.938
df	528
sig	<0.01

Note. Extraction Method: Principal Axis Factoring. SPSS output (N = 272).

The KMO value of 0.876 in Table 3 indicates that the samples meet the requirements for analysis. Similarly, Bartlett's Test was significant ($p < 0.01$), which means the variables are sufficiently correlated. Therefore, the dataset is appropriate for further statistical analysis.

Table 4

Common Method Bias Test – Harman's Single Test

	Value
Number of Factors Extracted	1
Single Factor Variance	19.665%

Note. Extraction Method: Principal Axis Factoring

In Table 4, Harman's Single Factor Test was conducted to examine the presence of common bias in the study. Only one factor was extracted, and this factor explained 19.665% of the total variance, which is well below the recommended threshold of 50%. Hence, common method bias is unlikely to affect the study results significantly.

Table 5

Summary of Variables Descriptive Statistics (N = 272)

Construct	Mean	SD	Interpretation
Financial Risk Tolerance (FRT)	2.9559	0.72998	Near midpoint — moderate risk tolerance
Openness to Experience (OPE)	3.6640	0.73068	Above midpoint — open to unconventional financial opportunities
Conscientiousness (CON)	3.5493	0.74433	Above midpoint — disciplined and planned
Extraversion (EXT)	3.4801	0.73794	Above midpoint — sociable and confident
Agreeableness (AGR)	3.3132	0.64936	Moderate — cooperative, stable in behavior
Neuroticism (NEU)	2.9647	0.75281	Near midpoint — moderate emotional sensitivity

Note. SD = Standard Deviation. SPSS output (N = 272).

Table 5 illustrates that Openness to Experience showed the highest average score (M = 3.6640, SD = 0.73068), while Conscientiousness (M = 3.5493, SD = 0.74433) and Extraversion (M = 3.4801, SD = 0.73794) followed respectively, indicating that respondents are generally open to novelty, disciplined, and sociable. In contrast, Financial Risk Tolerance (M = 2.9559, SD = 0.72998) and Neuroticism (M = 2.9647, SD = 0.75281) are close to the mid value, suggesting a moderate level of risk tolerance and emotional sensitivity among investors.

Table 6

Collinearity Statistics

Model	Tolerance	VIF
OPE	.929	1.077
CON	.936	1.069
EXT	.952	1.050
AGR	.922	1.084
NEU	.954	1.048

Note. Dependent Variable: FRT. N = 272.

From Table 6, the tolerance values vary from 0.922 and 0.954, whereas the VIF ranges from 1.048 to 1.084, indicating that there is no multicollinearity problem among the predictors used in this study.

Table 7

Pearson Correlation Matrix (N = 272)

Variable	FRT	OPE	CON	EXT	AGR	NEU
FRT	1.000					
OPE	.398***	1.000				
CON	.373***	.169**	1.000			
EXT	.394***	.188**	.117	1.000		
AGR	.045	.155*	.185**	.067	1.000	
NEU	-.154*	.064	.103	.090	.190**	1.000

Note. *** $p < .001$; ** $p < .01$; * $p < .05$ (two-tailed). N = 272 for all cells.

According to Schober et al. (2018), a correlation coefficient is measured from -1 to 1. The magnitude 0.10 to 0.39 and 0.40 to 0.69 of observed coefficient denotes weak and moderate positive relationships respectively. As shown in Table 7, OPE, CON, and EXT have weak-to-moderate positive relationships with FRT, with correlation coefficients of .398, .373, and .394 respectively, all significant at the 1% level. This is to say, people who are open-minded, reliable, and confident tend to perceive financial risks more positively. In contrast, NEU denotes weak relationship with FRT ($r = -.154, p < .05$). AGR shows a weak and insignificant relationship with financial risk tolerance ($r = .045$).

Table 8

Summary of Hypothesis Testing Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	F	Sig.	R2
	B	Std. Error	Beta					
	(Constant)	.433	.298					
OPE	.304	.049	.305	6.180	<.001			
CON	.309	.048	.315	6.408	<.001			
EXT	.320	.048	.323	6.635	<.001			
AGR	-.044	.056	-.039	-.788	.431			
NEU	-.221	.047	-.228	-4.682	<.001			

Note. Dependent Variable: FRT. N = 272.

Table 8 illustrates that the model has a correlation coefficient (R) of .632, indicating a moderate positive relationship between personality traits and financial risk tolerance. The coefficient of determination ($R^2 = .399$) indicates that about 39.9% of the variability in financial risk tolerance is accounted for by the predictors. The regression model is statistically significant and fit ($F = 35.380, p < .001$).

As shown in Table 8, Openness to Experience (Standardized $\beta = 0.305, p < .001$), Conscientiousness (Standardized $\beta = 0.315, p < .001$), and Extraversion (Standardized $\beta = 0.323, p < .001$) positively and significantly influence Financial Risk Tolerance, indicating that individuals high on these traits are more likely to undertake financial risk. Therefore, hypotheses 1, 2, and 3 are accepted.

Agreeableness showed a negative but statistically insignificant relationship with Financial Risk Tolerance (Standardized $\beta = -0.039, p = .431$). Therefore, hypothesis 4 is not supported. Neuroticism negatively and significantly influences Financial Risk Tolerance (Standardized $\beta = -0.228, p < .001$), indicating that emotionally unstable individuals are less willing to undertake financial risks. Therefore, hypothesis 5 is accepted.

Discussion

The findings of this study indicate that Openness to Experience has a positive and statistically significant influence on investors' financial risk tolerance. This finding is consistent with other researchers' findings (Nicholson et al., 2005; Dhiman & Raheja, 2018; Rai et al., 2021). Dhiman and Raheja (2018) mention that investors who were exploratory in nature tend to approach financial risks positively. This research found that disciplined and organized individuals are more likely to tolerate financial risk which is aligned with Rai et al. (2021), who reported the same deduction. According to numerous studies (Dhiman and Raheja, 2018; and Sadiq and Amna, 2019), socially active and expressive people highly undertake financial

risks; this study also revealed a positive and significant association between Extraversion and Financial Risk Tolerance.

The significant negative relationship between Neuroticism and Financial Risk Tolerance in this study supports the findings of Siedor (2017), who argued that individuals with high emotional sensitivity cannot handle financial distress properly. Furthermore, Mukhtar et al. (2023) stated that when investors encounter negative emotions and feelings of uncertainty, they become more cautious and less willing to engage in financial decisions that involve higher levels of risk. Previous studies have reported mixed findings regarding Agreeableness and Financial Risk Tolerance. While Rai et al. (2021) found meaningful association between personality traits and financial risk tolerance, Sadiq and Amna (2019) suggested that considerate individuals tend to avoid uncertain financial situations. Consistent with the latter perspective, this suggested that individuals high in agreeableness tend to exhibit lower financial risk tolerance, though the relationship was not significant.

The empirical results of this study are inconsistent with Sadiq and Amna (2019), who stated a substantial association between personality factors and financial risk tolerance among investors in Islamabad. As per Mathur and Nathani (2019), Agreeableness, Neuroticism, and Openness are significantly related to risk tolerance, but Extraversion and Conscientiousness were not. Compared to this, this paper is inconsistent because it shows contradictory results.

Overall, according to this paper, Financial Risk Tolerance revealed positive significant relationships with Openness to Experience, Conscientiousness and Extraversion, a negative significant relationship with Neuroticism and an insignificant relationship with Agreeableness. Individual personality characteristics significantly influence how individuals perceive financial risk and make investment decisions. Individuals who are receptive diligent and self-assured in social situations are more likely to undertake financial risks whereas neurotic individuals often avoid financially risky opportunities. Therefore, an investor's personality greatly affects how much financial risk they are comfortable taking.

Conclusion

This study examines the nuances of Big Five personality traits and the degree of financial risk tolerance among retail investors, which can have a subsequent impact on shaping investors' financial behavior. The result of this observation supports the initial assumptions that personality traits and financial risk tolerance ability are related. The positive correlation between Openness to Experience, Conscientiousness and Extraversion with financial risk tolerance and regression coefficients shows that people who are curious, organized and sociable view financial risk positively Neuroticism showed a significant negative relationship, whereas Agreeableness demonstrated a negative but statistically insignificant relationship with Financial Risk Tolerance.

Higher Financial Risk Tolerance is directly related to positive personality characteristics among investors, and comprehending these traits can substantially help them make informed and better investment decisions. People who are skeptical about possible losses tend to feel anxious when making risky decisions, thus refraining from huge and risky investments is often fruitful (Mukhtar et al., 2023; Siedor, 2017). It is imperative for portfolio managers as they can

suggest investment options knowing the risk-taking ability, clients' nature should be thoroughly assessed before managing their investments for maximum satisfaction for both managers and clients. Thus, this work aids in supporting well informed decisions for investors and creates a balanced approach towards risk taking in the Nepali context.

As mentioned by Dorn et al. (2018) there are factors other than personality traits that affect the financial risk tolerance capabilities of investors. Personality is a diverse topic and understanding it accurately can be overwhelming, isolating different personality traits to study their impact on financial risk tolerance can be difficult as well. Individuals show varied responses to financial risk and to unravel the complete reason for that demographics, financial knowledge and investment experience should be studied together with personal characteristics. Moreover, the data were collected in a way that represented only retail stock investors in Nepal hence the conclusions of this study are yet to be drawn for other financial sectors. The data was collected by administering questionnaires and using convenience and snowball sampling which may result in response bias. Thus, further studies should use other data collection tools and validate the findings. Also, this research work followed a cross-sectional research design, future research work can focus on longitudinal studies and compare the findings. Future researchers can conduct similar research in different sectors and with larger sample sizes to increase the generalizability of the findings.

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Competing Interests: The authors declare that they have no competing interests.

Authors' Contributions: Both the authors contributed equally to the conception and design of the study. Both the authors have read and agreed to the published version of the manuscript.

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