

# INVESTMENT BEHAVIOUR OF WORKING WOMEN IN INDIA

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## ABSTRACT

*Working women want to be financially independent & secure. They want to invest their money & savings to handle critical situations at any stage of their lives. This research study is based on the analysis of income and investment behavior of the working women in India. The study was conducted on working women in both government and private sectors in India. The data was collected by distributing a structured questionnaire to 200 respondents. The data has been analyzed using frequency analysis, descriptive statistics, percentage and person correlation coefficient analysis with the help of statistical software.*

**Keywords:** Working Women, Investment Awareness, Annual Income, Annual Savings, Government and Private Sector, Investment Behavior, Investment Avenues.

## INTRODUCTION

With the changing scenario, Women want to actively participate in all activities such as education, politics, media, science and technology & become financially independent. Today's women are a hard taskmaster, managing between a homely & professional life. They are financially independent now. They have more earning potential & more influence over their financial decisions than ever before. Although women's income is always considered as a supplementary income within the family. It is universally considered as, women and children in the family are consumers, not producers (Kalpagam, 1995). General profile of women investment preferences has diversified with time. There are various investment options available for working women such as mutual funds, shares, insurance, children education plan, bank, gold, real estate, post services, with the different objectives such as profit, security, appreciation, income stability. Though their investment decisions depend upon the various parameters such as degree of their risk-taking capability, influence of family members and friends, their income, expenditure, savings, awareness and knowledge about various investment instruments. Hence, the Investment behavior of each working women is different due to many factors as safety associated with investment, regular flow of income, tax saving benefits, security of job, retirement benefits etc. But to make a correct investment decision they should be aware about various investment plans & their financial needs. If they educate themselves well about investment avenues & the returns which can be availed from them, they can take important and bold decisions for making investment and secure their future. The present research study is focused on the study of investment behavior of working women in India towards various investment options. The findings of the study can be beneficial to government, bankers and financial institutions in order to introduce new schemes of investment and develop strategies for making women more aware about various investment options.

## **RATIONALE OF THE STUDY**

A survey on investment behavior of women in India was conducted by the DSP women investor Pulse in association with Nielsen in 2019, published in economic times, among 4,013 women and men. The findings of the survey highlighted that despite growing awareness for financial independence among women, only 33% take their own investment decisions, compared with 64% men. Of these, only 30% did so of their own volition, while most were prodded by their spouses or parents. Surprisingly, husbands played a bigger role (40%) than parents (27%) in encouraging women to take decisions related to their investments. A survey was also conducted by times of India in 2017 which highlighted that 80% of working women have no investment. The survey involving nearly 4,800 women investors found that just 18% of single working women take their own decisions. The proportion of married working women taking investment decisions is even lower at 13%. In other words, an overwhelming majority of around seven in every eight married women, although working, don't take their own investment decisions. Despite the financial soundness that working women have got, they are still not having the complete knowledge of portfolio management or in simple words, taking proper investment decisions. Due to insufficient knowledge of financial instruments, women are finding it difficult to invest in the projects where high amount of risk is involved. And those who are investing in such avenues like stocks or equities, they do it many a times following their friends' advice. Hence, there is high risk involved of facing heavy losses. Therefore, the purpose of present study is to study various factors associated with the investment behavior of working women in India as it is important that along with earning money, women should also be made aware about various investment options to secure their future.

## **RESEARCH OBJECTIVES**

1. To study the social and financial characteristics of working women affecting their investment behavior such as their age, education, marital status, number of children, type of organization, type of family, ownership of house, employment of spouse, monthly income, monthly expenditure, monthly saving.
2. To study the investment behavior of working women such as their risk-taking ability, type of investment preferred, expected return on investment, preferred source of investment and portion of income invested.
3. To find out the reasons of investment in working women, preferred tools of investment, factors affecting their investment decisions and the problems faced by working women in making investment decisions.
4. To study the association between social and financial characteristics of respondents and awareness level of working women towards various investment options.

## **LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

An extensive review of literature on investment behavior of working women in India was undertaken to identify the research gap and need for present research. The findings of previous study are being presented into following two categories:

### **Factors Affecting Investment Behavior in Working Women in India**

Research Findings of Gaur (2011) concluded that Female investors seems to be less confident in their investment decisions and this is the reason they have lower satisfaction levels and they are more cautious than males with regards to future investment in equity stocks especially if availability of funds are less. Bahl (2012) founded that younger women can develop the plan for

investment. Women who worked private sector have more belief in investing their money. Mostly working women invest their money in insurance plans as they are not interested to take risk to attain gain and want safe future. Bhushan & Medury (2013) founded that women takes less risk and majorly gender differences occur in investment preferences for health insurance, fixed deposits and market investments among employees. Palanivelu & Chandrakumar (2013) highlighted that some factors of salaried employees like education level, awareness about the current financial system, age of investors etc. have significant impact while deciding the investment options. Sellappan et al. (2013) estimated that married women are more interested in making investment than the unmarried. As well as the younger women invest in shares, mutual funds, insurance and fixed deposits than the older women. The middle age women are interested to invest in real estate. Vasagadekar's (2014) research on working women concluded that due to high level of education, today's women are getting the best job offers with high pay packages. It has become the today's need for working women in India to increase their wealth. As mostly women are low in financial literacy, it becomes more possible for them to manage their portfolios on their own. Also, the risk-taking capacity of working women in India is low. This is due to lack of financial knowledge. Jain (2014) estimated that women preferred fixed deposit in bank as a safe investment avenue & for tax saving purpose. Women also select gold as an investment. Mahalakshmi & Rajesh (2017) they conducted a study on level of awareness regarding investment avenues among educated working women with special reference to Mumbai city. They found that working women of Mumbai have a high level of awareness regarding various investment avenues due to education and knowledge. A similar finding was reported by Mutha & Dargad, (2016) on their study related to the investment awareness among Indian working women with reference to Jalna District in 2016. Their findings were published in international journal of advanced research.

### **Problems Faced by Working Women in Taking Investment Decisions in India**

Uma & Sasikala, (2014) published their findings in International Journal of Management and Social Science Research Review. They conducted a study on awareness about the investment pattern among the working women in Virudhunagar district. They studied the demographic factors like income, gender, age, occupation, education and the risk covering nature of working women. They found that the percentage of the women investors investing in the Indian equity market is very less as compared to the bank deposits. They revealed the following problems faced by women investors in Virudhunagar district: the difficult commission and brokerage, cumbersome procedures; Lack of awareness, High risk, low liquidity, price fluctuation, cheating by chit fund company. It indicated that the payment of commission and brokerage while making investment is the major problem faced by the working women. Bansal, (2017) conducted a survey on Inclination of Working Women Towards Investment- Study of Preference Over Various Investment Avenues in Ludhiana in 2017. This study revealed that majority of working women who make financial investments lie in the age group of 20-40, they are conservative investors, they prefer to spend their 10%-25% income, working women of banking sector invest more as compared to women of education or insurance sector. Age and income were found to be directly correlated with their investment pattern. Most preferred Reasons for investment were found to be Capital Appreciation, Future needs, Tax saving and hedging were found as the least preferred reasons for investment. Women of Ludhiana relied mostly on either their husbands or fathers for investment decisions. Working women of ludhiana preferred to invest their income in bank deposits, followed by mutual funds and insurance and Gold. Equity, Bonds/Debentures, Real Estate were the least preferred

tools found among women respondents of Ludhiana. Naranbhai (2018) published their findings in IJRSML, they conducted a Study on Investment Awareness among Working Women in Kachchh district, Gujarat, India. The findings of the study revealed that 47% took investment decision independently whereas 39% took investment decision with their husband help. They selected growth oriented as the major objective of investing activities and short-term profit seeking as the least preferred objective for their investment purpose. Working women of Kachchh district selected saving in post office as safest investment instruments and Commodity as lesser safe investment option. Working women of Gujarat use newspaper and magazine as the main source of information for the investment purpose.

From the review of literature from 2010-2020, it can be said that various studies on investment behavior of working women have been carried out in different regions or districts in India, but the findings are specific to the working women of that region only. The present study is undertaken in order to understand the awareness level of working women and their investment behavior towards various financial instruments in whole India in order to generalize the findings which can help the government, bankers and financial institutions in order to introduce schemes of investment that can create awareness about all the investment alternatives among working women. From all previous researches it was revealed that even though the awareness of investment patterns was present among working women but it appeared that an in-depth knowledge was lacking relating to the different investment avenues. The working women required ample guidance in this area as many of them were not found to be well versed in selecting the investment avenues for framing their own investment pattern. Therefore, the present study is undertaken to highlight the pressing need for women to be educated very early about investing, to enhance their standing from just being good savers to great investors.

## HYPOTHESIS

*H0: There is no positive association between social and financial characteristics of respondents such as age, income, marital status, qualification, occupation and awareness level of working women towards various investment options.*

*H1: There exists a positive association between social and financial characteristics such as age, income, marital status, qualification, occupation and awareness level of working women towards various investment options.*

## METHODOLOGY

The data was collected through primary data as well as secondary data. Primary data was collected through a non-disguised structured questionnaire. Secondary data included information collected from various internet websites, books, publication and various journals. Descriptive research design was used. The sample drew represented working women of India with different economic, social and geographical characteristics. Working professionals were from non-banking sector. Sample Size was 200 working women working in different states and cities across India. Out of 200 questionnaires 197 were received back, the response rate was 98.5%. The sampling method adopted in this study was probability sampling. Simple random techniques were used to select the respondent from the available database. The survey was carried out by circulating the questionnaire to respondents in which they were required to fill in their demographic details and questions pertaining to their investments made in life insurance policies, fixed deposits, mutual funds, recurring deposits and market investments (shares). Their level of preference, satisfaction, awareness and intensity of problem were the various parameters considered in the study. The

analysis was carried out using statistical packages for social sciences (SPSS) 16.0. The data was analyzed by using Simple Frequency, descriptive statistics, person correlation coefficient analysis.

## **RESULTS AND DISCUSSION**

### **Findings of Social and Financial Characteristics of Sample**

It was found that out of 197 respondents, 95 (48.2%) respondents belonged to age group between 20-35years, 69(35%) respondents belonged to age group between 35-45years, 33(16.8%) belonged to age above 45 years. It was found that out of 197 respondents, 117(59.4%) respondents were married, 62(31.5%) respondents were single, 11(5.6%) respondents were divorcee, 7(3.6%) respondents were widow. Out of 197 respondents, 118(59.9%) respondent had children while 76(38.6%) respondents had no children. 103(52.3%) respondents worked in a private job while 58(29.4%) worked as a government employee and 35(17.8%) respondents have their own business. 94(47.7%) respondents were postgraduate while 80(40.6%) respondents were graduate, whereas 15(7.6%) respondents were doctorate and 8(4.1%) respondents were undergraduate only.99(50.3%) respondents lived in nuclear family whereas 98(49.7%) lived in joint family. 121(61.4%) respondents had their own house76(38.6%) respondents lived in rented house. 118(59.9%) respondents' spouse were employed whereas 76(38.6) respondents' spouse were not employed. 69 (43.1%) respondents monthly family income was above 70000 and 62(31.5%) respondents monthly family income fall in range of 50000-70000 while 42(21.3%) respondents monthly family income fall in range between 30000-50000 and 24(12.2%) respondents monthly family income fall in range of below 30000. 95(48.2%) respondents monthly income was in range between 20000-40000 and 54(27.4%) respondents monthly income fall in range of 10000-20000 while 24(12.2%) respondents monthly income fall in range between 40000-60000 and above 30000 85 (43.1%) respondents monthly expenditure was in the range between 20000-40000 , 58(29.4%) respondents monthly expenditure was in the range between 40000-60000 while 31(15.7%) respondents monthly expenditure was in the range between below 20000 and 23(11.7%) respondents monthly expenditure was in the range above 40000.110(55.8%) respondents monthly saving were below 20000,66(33.5%) respondents monthly saving were in the range between 20000-40000 while 16(8.1%)respondents monthly saving were in range between 40000-60000 and only 5(2.5%)respondents monthly saving were above 60000.

### **Findings of Investment Behavior of Respondents**

It was found that out of 197 respondents, 127(64.5%) respondents believed in high risk-high return while 69(35%) respondents didn't believed in high risk- high return. 75(38.15) respondents believed in long term investment,74(37.6%) believed in medium term investment and 44(22.3%) believed in short-run investment. 82(41.6%) respondents preferred annually investment while62(31.5%) respondents preferred monthly investment option, 42(21.3%) preferred half yearly investment option and only 11(5.6%) preferred quarterly option. it was found that out of 197 respondents, 115(58.4%) respondents got returns below 10%, 55(27.9%) respondents got return in range between 10-20% while only 25(12.7%) respondents got returns above 20%. it was found that out of 197 respondents, 101(51.3%) respondents preferred television as a source of investment, 42(21.3%) respondents preferred internet as a source of investment, 24(12.2%) respondents preferred newspaper as a source of investment,12(6.1%) respondents preferred

bankers as a source of investment while only 8(4.1%) preferred friends and neighbors as a source of investment. It was found that out of 197 respondents, 69(35%) respondents preferred 5-10% investment of their income. 69(35%) respondents invested 5-10% portion of income as investment. 41(20.8%) respondents invested 10-15% portion of income as investment while 41(20.8%) respondents invested above 15% portion of income as investment and only 34(17.3%) respondents invested 0-5% portion of income as investment.

### **Findings of Reason of Investment, Main Preferred Tool of Investment, Factors Affecting Investment Decision, Problems Associated with Investment Decisions**

The main reason for investment by working women based upon the mean score was found to be safety & security for family followed by high return & the least reason preferred for investment was spend later in life. The main preferred tool for investment by working women based upon the mean score was found to be bank deposit followed by insurance & the least reason preferred for investment was metals. Working women investment decisions influenced based upon the mean score was found to be influenced by their own instinct followed by husband followed by parents & the least influenced by organization in which they work. The factor influencing investment avenue selection based upon the mean score was found to be safety followed by good return & the least reason stock market movement. Working women awareness based on mean score was found to be more for bank deposit followed by insurance & the least awareness was about debenture. Problem associated with investment based upon the mean score was found to be variability in return followed by safety principal & the least problem associated was low liquidity. Ability of investment decisions based upon the mean score was found to be more for working women who are confident of their ability to select financial instruments for investment followed by women who can take full responsibility for the result of their investment decisions & the majority of working women were found to have low complete knowledge of available financial instruments.

### **Findings of Correlation Analysis for Hypothesis Testing**

From the correlation matrix it was found that the value of  $r$  for age & marital status was found to be .469 significant at 0.01 levels (2 tailed). Age was found to be negatively correlated with total awareness for investment revenue  $r=-1.175$  significant at 0.05 level (2 tailed) since  $p<0.05$  hence null hypothesis was rejected and it was concluded that there is a significant association between age & total awareness for investment avenue in working women. The value for  $r$  for marital status was found to be 0.034 since  $p>0.05$  hence we failed to reject the null hypothesis therefore in this case null hypothesis holds true that there is no significant association between marital status and awareness level of working women. The value of  $r$  for occupation was found to be -0.022; since  $p>0.05$  hence, null hypothesis holds true that there is no significant association between occupation and total awareness of working women. The value of  $r$  for qualification was found to be 0.037, since  $p>0.05$  hence null hypothesis proves to be true that there is no association between occupation and awareness level of working women. The value for  $r$  for monthly income was found to be -0.235 since  $p<0.01$  since null hypothesis was rejected, so it can be concluded that there exists a negative association between monthly income and total awareness for investment avenue among working women.

## CONCLUSION

Based on analysis it was found that working women were mostly aware about bank deposit Investment Avenue & also preferred bank deposit option for investment. Majority of working women invested due to reason of safety & security for the family. Most of them were influenced by their own instinct & mostly selected safety option as their investment avenue. Age & monthly income was found to be negatively correlated with total awareness for Investment Avenue and it can be concluded that there is a significant association between age, monthly income & total awareness for Investment Avenue in working women. There was no significant association found between marital status, occupation and awareness level of working women. Most of the working women believed in the concept of high-risk high return and they mostly preferred annual investment option. They mostly faced the problem of variability in returns. Therefore, this research can be helpful to different investment firms to target the right population to offer their investment instruments and decide their policies accordingly.

### Suggestions

The working women investors have different expectations from the investment as they have different investment objective such as savings, safety, and the interest and value appreciation. Secondly, the government should organize investment awareness campaigns often especially designed for women A proper financial planning can help to achieve various goals in life. Women can take help of reliable Certified Financial Planners for making the right investment decisions & for having an ideal portfolio. A sound financial plan must include the planning of short, medium- & long-term goals and deciding the timeframe for achieving these goals by developing a formal written plan. It can be done by evaluation of our current financial position by working on the assets & liabilities we have. All the investors should analyze the available financial investments instruments as well. Various workshops and seminars must be organized to create awareness for financial decision- making. Awareness programs should be conducted by the bankers, government and financial institutes on regular interval in order to increase the awareness about investment avenues so that investors don't face loss and generate good returns from various investor protected policies. More efforts should be taken of course, by working women themselves to increase their financial literacy.

### Scope for Further Research

The comparative study of investment behavior of Indian working women & of working women in foreign countries can be undertaken in future. There is also much scope for the comparative study of the mentality, perceptions & attitudes of the working women as investors here in India & abroad. A comparative analysis can be done on the various schemes introduced by government, Bankers and Financial institutions based on segmentation of the age, occupation and marital status factors to acquire more funds. Further research can be done in designing exclusive instruments for women for utilizing women's savings for the betterment of the economy.

### Research Limitations

This research was limited to the working women in India for a specific time frame.

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