



An Empirical Analysis on Investment Behavior among working Women: Are Women Taking the right Investment Decisions for their Future?

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Abstract

The investment behavior of men is far different from that of women. Men usually take risky decisions for investments whereas women are cautious in choosing different modes of investments. Education and employment have led to changes in the financial position of women and enhances their decision-making capacity. Women traditionally were considered as home makers and their primary role has been home making rather than financial decision making. With the growth in nuclear families and a greater number of women joining the workforce, this scenario has changed significantly. Majority of women have joined the workforce and have become independent. They have entered into the market to invest their surplus money.

Key words: Financial Inclusion, Investment Decision, Mode of Investment, working women

Introduction:

In India, there are many investment options available for working women, but the decisions to choose depends on the level of knowledge and the commitment to stay invested for a longer term. Working women have greater propensity to save and invest but even today they are influenced by their colleagues, friends, relatives and various demographic and economic factors. Still majority of women hesitate to take self-decisions regarding their saving and investments. There is the need to study whether the working women take right investment decisions for her future. Investment may be for adding up of wealth, save a corpus amount for retirement, reach financial goals, get income tax exceptions, saving for children, for building beautiful houses, buying luxurious vehicle and so on. In the present study an analysis was made to understand how working woman population choose various modes of investment when they are looking for long term return. Keeping the women working population as the base, the study explored different segments of women based on income, occupation, age, and geographical locations.

Review of Literature

There are many researches done worldwide based on investment pattern of working women, where women are more risk averse when you compare it with men in terms of risk-taking investments. Many of the working women depends on husband's opinion rather than self-opinion in terms investment options. Majority of the women lack confidence is investing in equity as they have known it's a risky game all together. The lack of awareness in terms of mutual fund investment is also less.

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(Manish sharma and Hima Bindu kota) 2019 lower levels of financial knowledge, lack of confidence and are more dependent on guidance from others when it comes to Investment decisions. (Sunil Gupta)2008 the investment pattern different groups in Shimla, India, have different investment avenues and are less aware about the various investment avenues available in the capital market.(Kalavathi.S)2009 Study shows that working women in Coimbatore, India have greater awareness toward bank savings, investment in share and bonds and they prefer to make investment for their children's education. The author has founded from her study that financial literacy of households is very high. (Bhardwaj Rajesh, Raheja and Priyanka)2011 found that, analysis of income and savings pattern of government and private senior secondary school teachers. The study concluded that the major source of income of government teachers is salary and tuition for the private teachers. The study also reveals that emergency and security is the main objective of savings among government teachers and children's education is the main priority for privately employed teachers. (Dr Navneet Joshi)2020 study conducted reveals insight to the process of understanding the investment trends and pattern based on behavior of the individuals. Understanding the trends and patterns of investment decisions and their relations to behavioral tactics will enable the individual to develop improvised investment programs. (Dr Ananthapadmanabha Achar) 2012 Study reveals that Individual characteristics of teachers such as age, gender, marital status and lifestyle are the factors which determine the saving and investment behavior of the teaching community such as stage of family life cycle, upbringing and monthly family income. (Dr Dhiraj jain and Parul Jain) 2012 has done their study in Udaipur District, Rajsathan, India. It has revealed that many of the working teachers save their money for their children's education, marriage and for the retirement life. (M Krishna Moorthy) 2012 study reveal that the retirement planning behavior of working individuals in Malaysia. The research shows the relationship between demographic and psychological factors with retirement planning behavior. (Shailesh singh Thakur)2017 study shows the perception of individual towards retirement planning. He examined the impact of financial advice on investment towards retirement. (Shendkar Dinesh Bansilal)2011 studied the financial planning for retirement planning among working women. It shows the impact of demographic factors, occupational factors and investor profiling on retirement planning. (Shukla Gargi Pant)2017, studied the female faculty investment pattern towards saving for retirement shows holistics Decisions making model. Her study shows the majority of the faculty members who are teachers have positive views about investment and saving for retirement. (Dr Lokmath Mishra)2015, studied about the financial planning for educated young women in India. His study concluded that the government should empower women and support them continuously in improve their financial stability in investing in right type of instruments in the financial markets. The working women take less risk than men in terms of financial planning. (Yusof,2015),(venter and Kruger,2017),(Agnew,2005), (Kansal and Zaidi,2015),(Brue and Johnson,1994),(Jianakoplos and Bernasek,1998),(Lewellen,lease and schlarbaum, 1977),(Sundel and surette, 1998),(Al-Ajmi,2008) and(Yusof,2015) the following study shows that women take less financial risk than men.(Barsky et al, 1997) study reveals that women are more risk – averse than men. (Padiyath, 2013) study shows that working women are safety oriented in terms of investments in financial avenues and reluctant to take risks.(Mc Donald,1997) men invest in risky assets then women. (Jianakoplos and Bernasek,1998) women hold less risky than men. Many studies have found that the women Invest their pensions more conservative than men.(Bajtelmsmit and VanDerhei,1997) and (Hinz, McCarthy and Turner,1997). Women are more conservative long-term investors as compared to men, and most of the investments they make to keep the money safe than investing in equities.

According to another study conducted by Nielsen on investors from various countries across the globe, women are 25 % more likely than men to rely on friends and family for advice on investment. A study conducted in major three cites of India, concluded that married working women, 75% of the women do have their own personal investment and at the same time they depend on their husband's and in laws. Many studies are also reveals that women are less confident when it comes to making investments decisions when it is compared with male counterparts (Gaur and Sukhija,2011),(Baber and Odean,1998),(Kansal and Zaidi,2015).Men are confidence than women in terms of investment decisions abilities(Mittal and Vyas,2011).Working women are less confident in their ability to make the right financial decisions(suhumull,1996).

Research Methodology

The study is based on the primary data. The primary was collected through survey method using structured questionnaire method. A survey Questionnaire was used to collect the response of the working women. The population for these studies consisted of working women between the age group of 20 -70 years of age. The sample size was 307 which were collected from Ernakulum District, Kerala, India using purposive sampling method. The review of literature is also conducted based on the above study.

Objectives of the study

The main purpose of the research is to analyze the role of working women in the investment decision making in the family in India.

The objectives of the study were as follows.

1. To analyze on the investment behavior among working women while taking investment decisions.
2. To identify the investment decisions of the working women are influenced by husband's opinion or self-opinion.

Study participants

The population of working women was considered between the age of 20 – 60. Total of 307 responded to the survey conducted. Out of 307, 138 working women are undergraduate qualification, 133 working women are post graduate and 11 of them has completed some diploma degree and 5 of them are below matriculation. 225 women are married, 78 are unmarried and three working women are widows. 294 women depends on income earned through employment. 95% of women don't want to start a business and 5 % of the working women want to start their own enterprise. 70% of the working women save money for the future of their children. Majority of them prefer to invest as bank deposit than investing in stock market. Half of the working women from the survey conducted (307 respondents) doesn't consider gold as the best investment options. 109 respondent takes the opinion of their husband when they want invest their money in various investment options available like gold, Mutual funds, stocks etc. Saving deposits is the most preferred option for investment when they are approaching a bank for Investment. 40 % of the respondent save money for their children's education. 80 % of the respondent does not have savings in Post office. 40 % of the working women consider Insurance as Investment option and they prefer to invest in traditional plans than opting for Unit linked Insurance plan (ULIP). The knowledge in ULIP plans are very less by working women and they don't consider as a safe investment as ULIPs plans are invested in stock markets. Stocks and Mutual funds are the least preferred mode of Investments by the working women as they are highly risk and volatile in nature. 90 percent of the working women want to prefer bank investment than various mutual fund schemes.

When a question was prompted regarding the awareness of mutual fund investment? 71 percent of the working women are not aware about the various mutual fund schemes.

Independent variables

Four independent variables are used in this study namely age, education level, Martial status, Your present Income/Occupation, Religion.

Dependent Variables

Investment pattern of working women are the dependent variables of the study.

Conclusion

Working women are independent in taking decision regarding the Investment decisions. Majority of them are likely to invest in risk free investment options like bank deposits, savings deposits etc. Ninety percent of them invest in bank than investing in risk-oriented investments like mutual fund schemes and shares. More than seventy percent of them hardly knows about various mutual fund schemes. The study

reveals that the working women are less likely to invest in mutual schemes and shares. They follow a traditional way of investment in banks as saving deposits and fixed deposits. Few percentages of them, invest based on the opinions of the husband. They are less risk takers than men in terms of choosing various mode of investment

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