

An Empirical Study on Investment Preference of Working Women in Mumbai City

***Dr. Poonam Kakkad**

**** Ms. Dimple Joshi**

Abstract

Women in India are now actively participating in all activities such as education, politics, media, science and technology and becoming financial independent. With a changing scenario, women has started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk taking capability, influence of family members and friends and the dare to get exposed to modern and innovative investment avenues. The research study is focused on the analysis of investment preference of working women . With that the research determines Women's awareness about different avenue and the factors affect their investment decision.

Keywords- Indian working women, investment avenues, investment awareness.

Introduction

In India, traditionally men have been the bread winners where as women typically ran the household and saved for the rainy days. This was the scenario, till women started working and took the command of financial matters. Today holds the key to happiness; hence women should plan their finances and investment well. Women have to save on a regular basis and smallest of the surplus income they like to invest prudently. The role of women has changed from "Savers to Investors". Most of the working rural women have regular income because they work on the basis of wages. Savings are seen as insurance against foreseeable future difficulties which are completely unpredictable. Therefore women investors insure themselves against future risks by saving in the form of various investments such as deposits, gold, lands, and herds or by hoarding money.

The status and role of women is vacillating all over the world. Women's stepping out of the confines of the households multiplied their roles and responsibilities. They have to shoulders their domestic responsibilities as well as say themselves in the professional arena. But the balance between the two fronts is guileful exercise.

It has been assumed that investment is an area of men. Historically due to the culture prevalent in India and most of the wage earners being the male members of the family, women were not involved in investment related discussions and were not participating in the investment decision making process. Every government coming to power in India is promoting girl child education. With the increase in the education level of women and job opportunities available, women are finding more job opportunities in different sectors. Women by nature are savers and with a continuous increase in the number of working women, the number of women investors is on a rise.

Thus the study on the investment behaviour and savings pattern of employed women will be of great interest to all those who are involved in research, financial intermediaries and product creators. Findings of the research could help product developers to create products meeting the needs of women especially the employed women.

T. M. HEMALATHA1 & PAVITHRA.S (2018), in their research study they mention that 'Women should start thinking and understanding the importance of money, savings and its investment aspect to avoid critical situations at any stage of their lives. They need to develop skills to plan for their financial needs. Generally women tend to keep cash idle rather than investing it. They tend to think that this "idle cash" can be easily used to meet expenses beauty parlours, jewellery etc. The respondents of research study consists only those people who earning fixed Income as salary so the study included only salaried group of women employees. The Investment pattern of the salaried women employees is different due to safety, regular flow of income, tax saving benefits, security, retirement benefits rather than professionals and businessman. The study is based on savings and investment pattern of salaried women in Coimbatore district. The study is based on primary data which are collected by distribution of a close ended questionnairc. The data has been analyzed using percentage analysis, Friedman rank test.

U. Dr. R. Sellappan , Ms. S. Jamuna& Ms. Tnr. Kavitha, (2013) find out that married women are more curious in making investment than the unmarried. As well as the younger are mostly like to invest in shares mutual funds, insurance and fixed deposits than the older women. The middle age persons prefer to invest in real estate source of investment. So the government, Bankers and

Financial institutions can introduce lot of schemes of investment based on segmentation of the age and marital status factors to acquire more funds.

Satveer Kaur (2018) in their research study it is mention about the investors behaviour towards the various investment alternatives with special reference to Ludhiana city. The sampling method used was stratified random sampling technique with sample size as 500. The tool used for data collection was questionnaire. The tools used for the purpose analysis were simple percentage analysis and ranking method. It was concluded from study that respondents had chosen bank saving accounts as their first preference. The second place was occupied by life insurance, followed by fixed deposits. The fourth, fifth, sixth and seventh places were occupied by mutual funds, public provident funds, commodity market and equity market share market respectively. The least preference was given to government securities, followed by bonds, debentures and forex market respectively. The sample investors were considering safety as the important factor before making their investments. The investors were facing the constraint of time consuming process of investments.

Sarita Bahl (2012) conducted survey on investment behavior of working women in Punjab and concluded that 78% women in Punjab invested their savings and 22% women did not make investments and out of 78% women, most of women invested their money in insurance plans as they were not willing to take risk to attain gain and want to had a safe future.

Sanjay Das (2013) had examined small investor's perception on mutual funds in Assam and concluded that the mostly small investors had positive approach towards investing in mutual funds. The study also revealed that the female segment was not fully tapped and even there was low target on higher income group people. It was also revealed that liquidity, flexibility, tax saving, service quality and transparency were the factors which had a higher impact on the perception of investors. Therefore it was imperative on the part of fund managers to enhance these features for attracting more investors and also to retain the trust of investor in them.

Dr. Balwinder Singh et.al (2011) had made study on the determinants of investment decisions of working women and had found that working women rank basic saving purposes to be foremost consideration while investing. While investing, the family related matters such as children education, children marriage, life protection and medical expenses had a much more impact on the minds of married working women than on unmarried ones. The facility to encash the investments whenever required was also an important objective while deciding to invest. The working women were significantly influenced by marketing skills of investment advisors and she decided for investments on her own or on the guidance of her husband or other family members.

P. Parmashivivaiah, Puttaswamy and Ramya (2013) conducted a study in the city of Mysore, to understand the factors influencing investment decisions. The sample size for the study was 120 respondents. They used judgment and snow ball sampling to collect the data. The study was conducted in the first half of 2013 in the city of Mysore. Statistical tools used for analysing the data were Percentage, mean, standard deviation, Chi square test, F test, ANOVA and regression. Data was classified based on the demographic profile of the respondents. It was found that liquidity was the most important factor while choosing an investment portfolio as far as government employees and entrepreneurs were concerned.

NEED FOR THE STUDY:

Many research studies have been conducted in the area of investments and savings habits of individuals and their preference for investment products based on the risk, return and demographic attributes. A large body of literature is available on investment pattern of individuals and comparisons have been made between the investment pattern and preferences of men and women. In most of the studies, the major respondents were male and the participation by women was low.

Most of the studies concentrated on men dominated world of investments. However, there is dearth of research studies on the investment pattern of women especially those who are employed and have their own source of income. An attempt is made to fill this research gap and an attempt is made to fulfil the need for a study on the investment pattern of employed women.

OBJECTIVES OF THE STUDY

1. To have an understanding of the respondents saving pattern
2. To study the factors influencing decision of women for their investment preference
3. To study the popular investment avenue by working women

SCOPE OF THE STUDY :

With the increase in the number of women investors and governments plan to push savings for girl children, there is going to be a substantial increase in investments by women. Government has opened all women banks to bring more women into the banking network, indicating the importance of savings by women. The study will be helpful to find out the ideal investment options for women. These findings could be useful to the financial product creators like banks, mutual fund houses, insurance companies, portfolio managers and other market intermediaries, to understand what an employed woman may be looking for, in a financial product while taking investment decisions.

RESEARCH METHODOLOGY

Research type: The research is basically Empirical in nature

Research design: A empirical research design study was used in this study.

Data collection source: The data for the study were collected from the both primary and secondary sources. Primary data were gathered using questionnaire as a tool for data collection. Secondary data were collected from books, financial journals and magazines, reports, newspapers, websites and expert opinion published in various print media. For this purpose the library and Internet were used.

Methods of data collection:

Respondents of various age groups with different educational background and employed in various sectors with varied experience level were approached to fill up the questionnaire. The respondents were primarily employed in private, public and government owned companies. Some business women and professionals were also approached for the survey. Questionnaire was electronically mailed to those who could not be personally reached and those who preferred the questionnaire in electronic form.

Sample size: Total 100 respondents were surveyed in Mumbai city

Sampling technique: In this case non probability method of convenience method of sampling is used.

Sampling area: The sampling area was only in Mumbai.

Analysis techniques: Diagrams and tables were used to describe the performance of different financial instruments. The tools used for the purpose of analysis were simple percentage analysis and chi square test to test the hypothesis

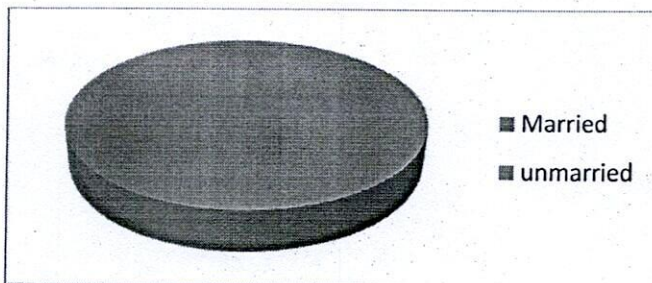
Limitation of the study:

1. This is an academic effort and it is limited to cost, time and geographical area. As the data is collected from 100 respondents only, generalization to other women investors is inevitable.
2. An interpretation of this study is based on the assumption that the respondents have given correct information.

DATA ANALYSIS AND INTERPRETATION

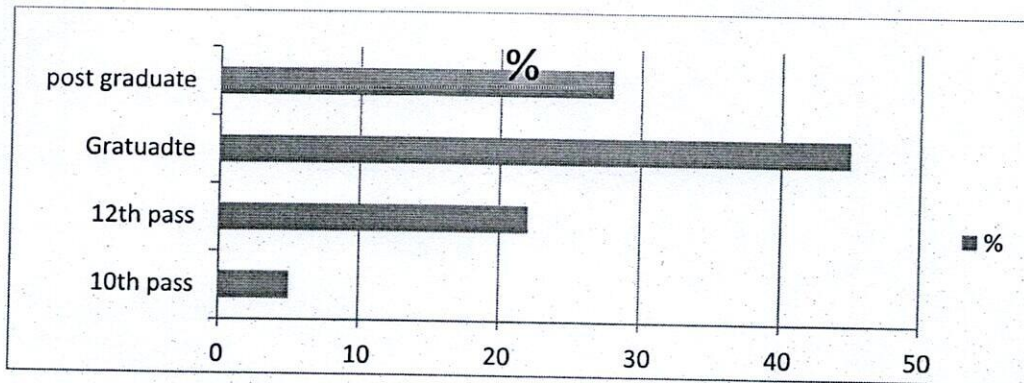
Respondents are categorized based on the demographic attributes and other variables which could help in understanding and identifying patterns and relationships as per the objectives of the study.

Chart 1. Marital status of respondents:



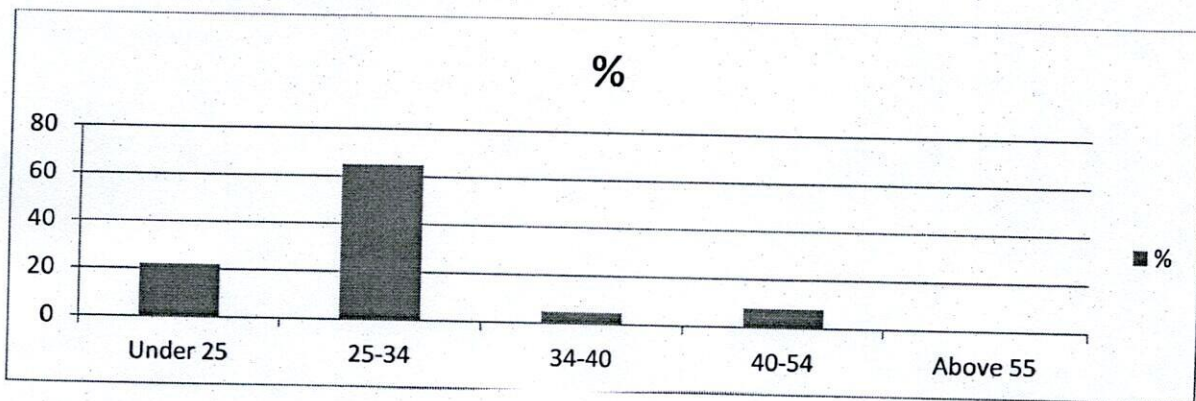
The pie chart consists of married and unmarried female population. The married population represents 26 percent and unmarried population represents 74 percent.

Chart 2. Level of education of respondents:



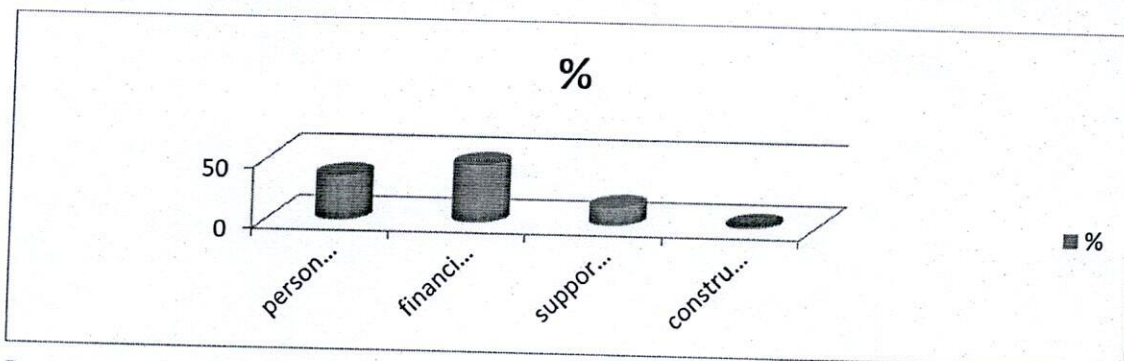
The above chart depicts that the level of education of the respondents. 5 percent of respondents are 10th pass, 22 percent of respondents are 12th pass, 45 percent of respondents are graduate and 28 percent are post graduate.

Chart 3. Respondents age group:



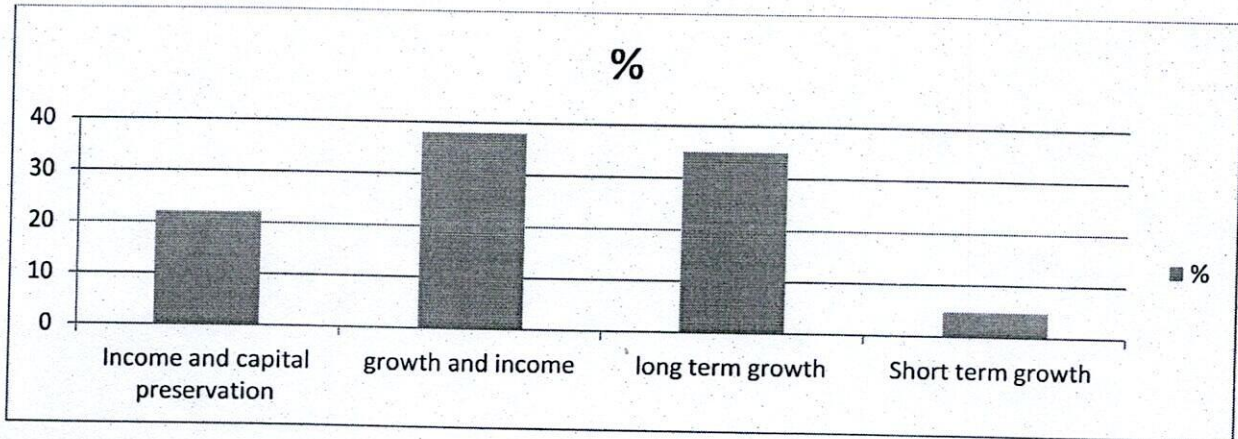
Out of the total respondents a majority of 65 percent of respondents are of age group between 25-34, 22 percent of respondents are under the age of 25 and 5 percent of respondents and in 40-54 age group.

Chart 4. Factor that motivate women to work:



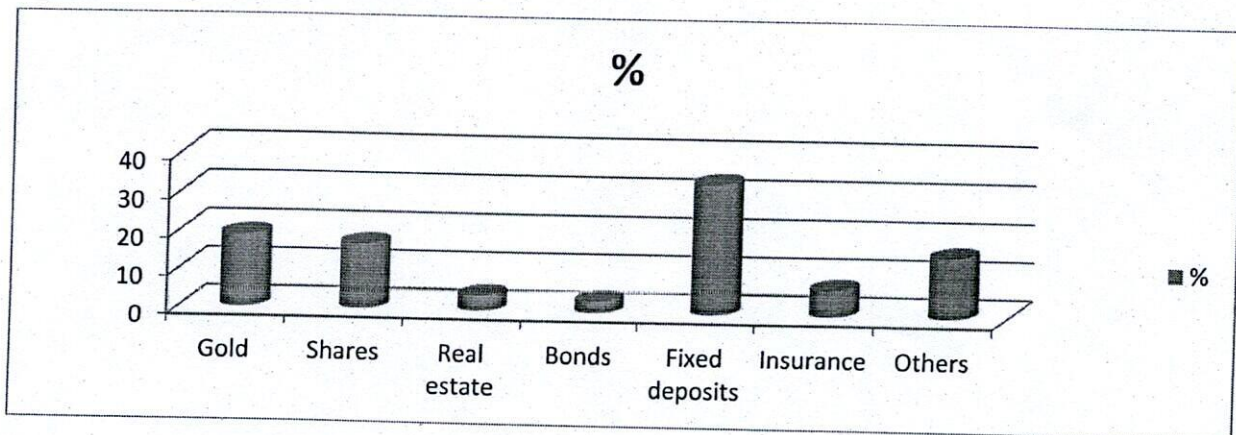
Analysis of data further projected that there are 36 percent of respondents who are motivated to work for their personal satisfaction and 47 percent for financial independence and 15 percent of respondents work so that they have support from family and rest 2 percent want to utilize their time. Thus it can be concluded that majority of respondents work as they want to have their financial independence.

Chart 5. Investment objective



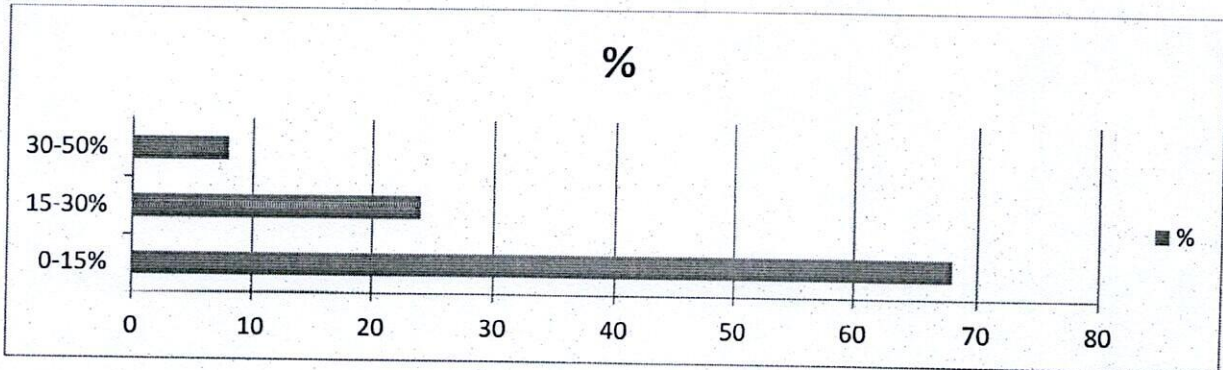
On survey with 100 respondents, it was observed that 22 percent of respondents invest for income and capital preservation, 38 percent invest for their growth and income and also rest 35 percent invest for long term growth and remaining 5 percent for short term investment.

Chart 6. Popular investment avenue:



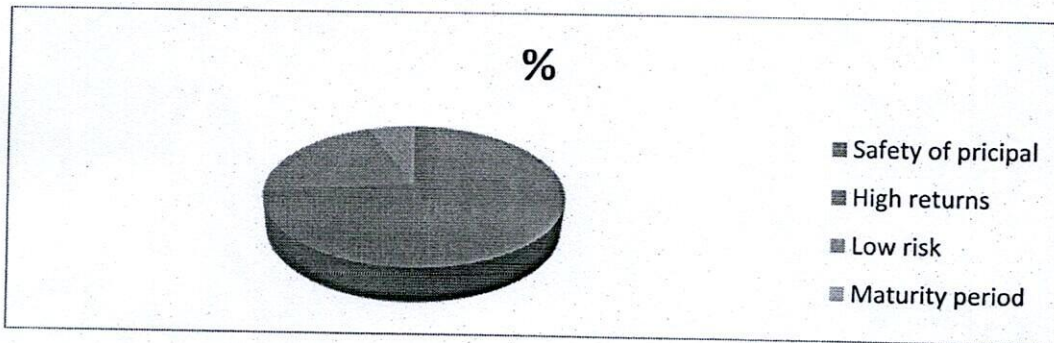
The above chart explains that majority of working women keep their savings in fixed deposit. This is statistically represented by 34 percent of respondents. Followed by is gold as next investment option which 19 percent says. This segment of market hardly invest in bonds and real estate.

Chart 7. Percentage of income opted for investment.



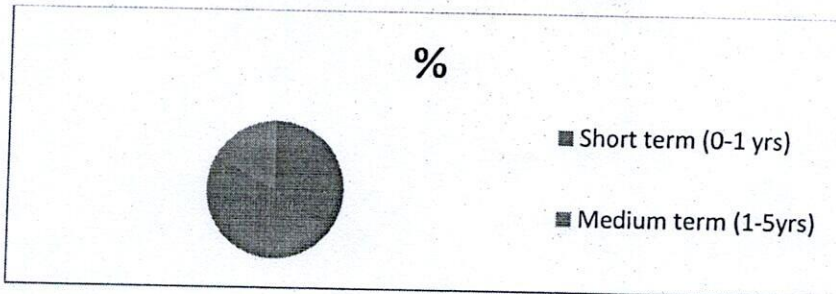
The study further investigated that percentage of income opted for investment by this segment. 68 percent of respondents invest their income between 0-15 percent, 24 percent of respondents invest between 15-30 percent of their income.

Chart 8. Factors influencing investment decision.



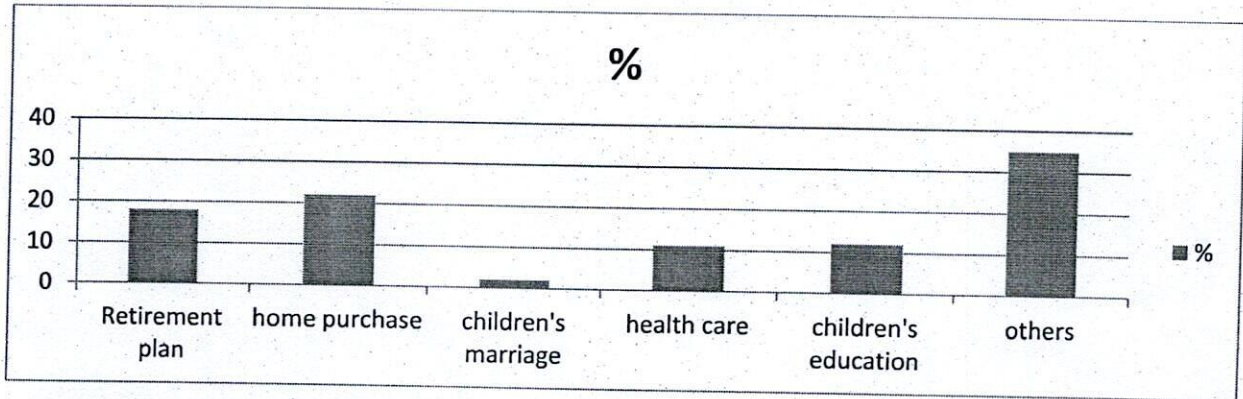
Further the respondents were asked the factor influencing their investment decision. 3.46 percent of respondents consider the factor of safety of their principal, 27 percent of respondents expects high returns and 6 percent of respondents are influenced by maturity period.

Chart 9. Time period preferred for investment.



The chart reflects that out of 100 respondents 35 of respondents prefer short term (0-1 yrs), 48 respondents invest in medium term (1-5 yrs) and long term (more than 5 yrs) investors are 17. Thus it can be summarized that working women more look in for short term investments.

Chart 10. Reasons for saving objectives



The survey depicts that there are 18 respondents want to save for their retirement, where 22 respondents are interested in buying home, 2 respondents are saving money for their children's marriage and 11 respondents are investing so that they could save for their health care, 12 respondents saving objectives is their children's education and rest 35 respondents are saving for miscellaneous expenses.

Testing of Hypotheses:

1. H1 - There is a significant relation between marital status and factors influencing the decision for investment .

H0 - There is no significant relation between marital status and factors influencing the decision for investment

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.220 ^a	3	.974
Likelihood Ratio	.213	3	.976
Linear-by-Linear Association	.127	1	.722
N of Valid Cases	100		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 1.56.

Since here, $p\text{-value (Asymp. Sig.)} = .974 > 0.05$, as we fail to reject the null hypothesis we accept H_0 . Hence, it is concluded that there is no relation between marital status and factors influencing the decision for investment.

In other words, we conclude that marital status does not impact factors influencing the decision for investment.

2. H_1 - There is a significant relationship between Education and factor motivating to work of women.

H_0 - There is no significant relationship between Education and factor motivating to work of women.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.532 ^a	9	.309
Likelihood Ratio	10.965	9	.278
Linear-by-Linear Association	.081	1	.775
N of Valid Cases	100		

a. 9 cells (56.2%) have expected count less than 5. The minimum expected count is .10.

Since here, $p\text{-value (Asymp. Sig.)} = .309 > 0.05$, H_0 is accepted. Hence, it is concluded that there is no relation between education and factor motivating to work of women. In other words, we conclude that education does not impact factor motivating to work of women.

3. H_1 - There is a significant relation between marital status and factors influencing the decision for investment .

H0 - There is no significant relation between marital status and factors influencing the decision for investment

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.220 ^a	3	.974
Likelihood Ratio	.213	3	.976
Linear-by-Linear Association	.127	1	.722
N of Valid Cases	100		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 1.56.

Since here, p-value (Asymp. Sig.) = .974 > 0.05, H₀ is accepted. Hence, it is concluded that there is no relation between marital status and factors influencing the decision for investment. In other words, we conclude that marital status does not impact factors influencing the decision for investment.

CONCLUSION AND SUGGESTIONS

It will be useful to know about the financial and physical assets held by employed women in order to assess their needs and preferences. The present study on investment pattern of women is carried out with an aim to find and study the investment pattern of employed women, based on the current investment held by them.

The study also makes an attempt to know the financial literacy level of employed women and its influence on their investment pattern. Further attempt is made to find the financial products preferred by women and the attributes which influence their investment decisions.

It was found that there was near equal proportion of women who were graduates, professionals and post graduates, indicating that the participants were well qualified. It was found that in spite of being highly qualified, women considered themselves to be having a low level of financial literacy. This could be due to the dominance of men in decisions related to finance. In younger age it is father and brothers who take investment decisions on their behalf and this leads to lack of participation by women in financial matters. Post marriage the spouse dominates or influences

the investment decisions. This domination of male members reduces the enthusiasm of women to get educated about investment related matters.

Once a woman is married there is change in the decision making process. It was found that majority of the respondents were married (66.8%). Majority of the respondents were from the age group of 26 to 35 years and Indian women in this age group are generally married. Historically investment decisions are taken by the male members in spite of women having independent income. Study found that married women consulted their spouse while taking investment decisions.

The study explains that women generally invest in funds which generates incomes in long term but invest in avenues which are medium and short term current income generation. Most of the women cannot take risk and so they cannot wait for improvement as they are not very high risk takers with decrease in portfolio value.

Suggestions:

1. Women should be encouraged to invest in more avenues and participate in the investment avenues which involves high risk and high returns.
2. Women should focus on making a formal financial plan to have focus on the financial goals.
3. Women should increase their awareness level of portfolio diversification to spread their risk.
4. Women should recognize their financial independence and plan for future to make it better.
5. Investment decisions of individuals are driven by multiple factors and it was found that the financial literacy level of employed Women was low.
6. It is suggested that the financial products creators, marketers and regulators should try to increase the financial literacy level of women by conducting training programs and workshops on regular basis either independently or through their employers.

***Dr. Poonam Kakkad, Assistant Professor at Nirmala Memorial Foundation College of Commerce and Science , University of Mumbai**

**** Ms. Dimple Joshi, Third year students of B.Com (A & F) at Nirmala Memorial Foundation College of Commerce and Science , University of Mumbai**

References :

Anuradha "Saving and investment behaviour – review and an agenda for future research",
Contemporary Commerce Reviews, Vol. 4 September 2015 Devi Mohan "A study on income and

investment pattern of workingwomen in Kollam city”, International Journal of Finance research review, Volume 4, Issue 9, September 2016.

Harshvardhan N. Bhavsar: “A Study of Saving and Investment Pattern of School Teachers with special reference to Ahmednagar City, Maharashtra” IBMRD’s journal of management and research, Volume-2, Issue-1, March 2013

Jisha, V. Gomathi: “A Study on the Perception of Investment Pattern among Urban Working Women with Reference to Coimbatore City”. International Journal of Engineering Science and Computing, Vol7 Issue No 2, February 2017

Neha S Shukla “A Study of Investment Preference of Working Woman of North Gujarat Region”, IJSART –Volume 2 Issue 2 February 2016

Priya Vasagadekar “A research paper on investment awareness among Indian working women with reference to Pune region”. International Journal of Scientific & Engineering Research, Volume 5, Issue 6, June-2014

Sreelatha Reddy K, Lalitha Narayanan: “A study Investment pattern of working women in the twin cities of Hyderabad and Secunderabad” –Asian journal of management research, Vol 6, Issue 1, 2015

Tamil selvi: “Investors Attitude towards Investment Avenues”. International Journal of Management and Commerce Innovations Vol. 3, Issue 1, pp: (717-722), Month: April 2015 - September 2015