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A Study on Investment Pattern Among Employed Women

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ABSTRACT

In the ancient times, women were not allowed even to get education. Their role was purely to look after home. Their world was limited to their families. But then, the people gradually started identified the importance of education for women. And today, we find many women's are highly educated. They are progressing in actual sense because in almost all sectors we find women working successfully. They know how to manage work life balance. Now-a-days, we find more and more women who are financially independent. Women and men are the same in many ways – but there are good reasons that a woman might require a different approach to financial planning. There are all sorts of reasons that women seek financial advice. Every woman will face unique personal situations. Some of these situations are demographic; some societal; some family related. They decide to make more investment in short-term and long-term decisions about money. Financial investment is the acquisition of a monetary safety including stock, bond or mortgage. As a female & an investor, shaping of economic destiny is as the various different roles they play in lifestyles. Women have more earning capability & more influence over monetary decisions than ever earlier than. Girls constitute nearly half of the team of workers & many companies are owned or managed with the aid of women. Many women affect or manipulate the general public of all purchaser decision.

KEYWORDS : *Women Education, Investment Pattern*

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INTRODUCTION

Economy of any country is driven by investments leading to capital formation. Savings lead to investments. In India, the household sector occupies the prime place as far as savings is concerned in comparison to institutional sectors, whether it is private or public. Every government in the world would like households to save, as personal saving constitutes the largest segment of national saving in most of the countries. This is followed by savings of the corporate sector, with government savings being least or negligible in most of the countries.

Every individual earning money, spends it to meet his or her own personal needs or to fulfil the basic needs of his or her family. Individuals use money for various purposes including funding their daily house hold expenses and expenses incurred for buying luxuries for a better life. Money earned is generally used to fund some immediate expenses or saved to meet some future needs. Those who spend less than what they earn end up with savings. These savings can be accumulated and grown to fund various goals, such as, for education, marriage, vehicle purchase, house purchase or for acquiring any other asset, for medical emergencies and for meeting the post retirement financial needs. In general, the entire amount saved is not held in cash, but is invested in different asset classes or investment avenues in order to get are turn, which can be in the form of regular income or capital appreciation or sometimes both.

Women, in general are savers according to the Association of Bankers 2016 report. Even in India, under the recently launched Janadhan Scheme, a large number of new bank accounts were opened. In rural areas, major part of the new accounts was opened in the names of women according to the report released in 2017 by Punjab National Bank, resulting in a greater contribution by women. This scheme provided an opportunity for women to open bank accounts thereby increasing the percentage of the population under financial inclusion program of the government.

Successive governments in India have stressed on providing and improving the educational opportunities for children, especially girl children. The efforts of the government have led to an increase in the number of educated women, who are well qualified and have the necessary skills to gain employment. With the opening up of the economy and the progress and investment made in the banking, financial services, insurance, software and educational sector, job opportunities have increased for women in India. The increase in the number of employed women has led to rise in the number of savers as well as the quantum of savings by women.

The following Table helps to understand the avenues of investment according to the NCAER survey. This table gives the distribution of investment in percentage of the total investment made by households. Avenues of investment in this table are us as part of investment classification in the current study.

Table 1 Distribution of Investment (as% of Total Investment)

Avenue of Investment	Urban	Rural
Stock Market	7.5	6.3
Small savings	5.4	6.7
Life Insurance	26.6	16.7
Jewellery	12.8	16.6
Consumer goods	32.3	39.1
Others	15.4	14.6
Total	100.0	100.0

Majority of the studies carried out compare the investment pattern of men and women. Very few institutions and asset management companies have tried to understand the investment pattern and behavior of women towards financial products. As India is a patriarchal society, investment decisions are taken by the male members of the family. This reduces the interest of women to understand financial investments. Women are consulted regarding investments in real asset investment like property and precious metals such as gold and silver are concerned. There is dearth of studies related to investment by women.

Investment Concepts

Millions of investors buy bonds, mutual funds, equity, gold or similar investment products, for different purposes. The decision to invest in a specific assets class or classes of assets is primarily driven by the risk and the return associated with the product.

Any investment made carries certain amount of risk, which is the uncertainty of return on the investment made or even losing the capital invested. There is no uniformity of opinion about the risk associated with a particular investment product across investors. What may seem to be highly risky to one investor may be considered to be average risk product by another investor.

REVIEW OF LITERATURE

Giridhari Mohanta and S S Debasish (2011)[1], conducted a study on the investor preferences among the investors from the city Cuttack and Khurda in Orissa. Sample size used for the study was 210 respondents, consisting of men and women residing in the geographical area of the study. They used a structured questionnaire consisting of 35 question for collecting the data. The questionnaire had 12 questions regarding the demographic attributes and 23 questions related to the various factors influencing the investment avenue. A total of five investment avenues were considered for the study, namely, equity shares, mutual funds, insurance, bank recurring deposits and postal schemes. Data was analysed using mean and percentage. Equity investment was considered to be risky. The study found that respondents having an annual income of rupees 10 lakhs and above

were willing to invest in equity market, whereas lower income respondents preferred bank deposits and postal savings

Geetha. N and Ramesh M, (2012), studied the role of demographic factors in investment decisions. Response received from 475 respondents from Nagapattinam district of Tamil Nadu was used for analysis. The sampling method used was convenient sampling. A well-structured questionnaire was used to collect the data from the respondents. Statistical inference was drawn using ANOVA and Chi square tests. The demographic attributes included age, gender, education, occupation, income, savings size and family size. The investment avenue considered for the study were gold, provident fund, life insurance, real estate, bank deposits, postal savings, mutual funds and equities.

Ravi Vyas and Suresh C Moonat (2012) carried out a study on the perception and behaviour of mutual fund investors. The study was carried out to understand the preference of investors investment avenues, mode and form of investment preferred by investors at Indore with a sample size of 500 respondents out of which 363 respondents were investing in mutual funds, and these 363 respondent"s data was analysed to come out with conclusions. A structured questionnaire was used to collect the data during personal interviews. To understand the nature of holding by the respondents, chi square test was used along with the calculation of median and mode. After analysis of data, it was found that Gold was the most preferred investment option followed by bank deposits and fixed deposits.

Nupur Gupta and Vijay Agarwal (2013) looked at the constituents of domestic savings and investments by investors, from the cities of Mumbai and Delhi. A total of 251 respondents were administered a structured questionnaire in person and with the help of online survey portal. The type of sampling chosen for the study was convenience and snowball sampling. Respondents from different age groups and professions were contacted for the study. Data was collected from April to November 2011. The reliability of the questionnaire was ascertained by Cronbach"s alpha value. Important variables for the study were extracted using factor analysis. The three factors identified were stock market factor, savings factor and interest rate factor. For discrete data like, investment in stock market and city of dwelling, Chi square test was used to establish the presence or absence of association. For finding the relationship between discrete independent variables like income level and the investment pattern, one-way ANOVA test was used.

P. Parmashivivaiah, Puttaswamy and Ramya (2013) conducted a study in the city of Mysore, to understand he 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.

Buchaiah M. (2014) carried out a study to in order to understand the perception of individual investors from the city of Hyderabad, towards mutual fund investment. Sample size of the study was 300. Data was collected from the respondents using a questionnaire. Convenience sampling was used for picking up the respondents for the study. Questionnaire contained questions related to the demographic details and their perception about mutual funds. Weighted mean value and percentage calculation were used to analyse the data. The study found that investors below the age of 40 years were more conscious about savings and investments. Growth fund was the most preferred mutual fund scheme followed by balance fund and income fund.

STATEMENT OF THE PROBLEM

This study aims at understanding the current investment pattern of employed women based on the types of investment products held by them currently. Classification of the investment pattern is based on the portfolio risk associated with the current investments. Further the study will make an attempt to identify the association between demographic attributes and the investment pattern of employed women. Additionally, attempt will be made to understand the risk return perception of different investment products and the financial literacy level of employed women.

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. As an extension of research, attempt will be made to understand the nature of gold purchase and to ascertain if gold purchase is for consumption or is for investment purpose. It will be interesting to know what women do with their saving and where they invest the amount saved. Job opportunities for women are on rise in the knowledge driven sectors. Women find better opportunities in urban areas, especially in

the metropolitan cities. There is a gradual rise in the number of women who take investment seriously and if required engage professional money managers. It will be of interest to study the investment pattern of employed women based on the current investments held by them.

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. Further research can be carried out to compare the investment pattern of rural women, as well as a comparison could be made between the investment pattern of women from urban and rural areas.

OBJECTIVES OF THE STUDY

This research study tries to cover the following objectives

➢ To find out the saving habits of the sample respondents and their preference towards various investment choices of the employed women.

➢ To identify attributes that influence the investment pattern.

➢ To study the financial literacy level and risk profiling of financial products.

➢ To identify the type of financial products preferred by employed women.

RESEARCH METHODOLOGY

The study carried out is a descriptive research study. Descriptive research studies are concerned with describing the characteristics of a particular individual or of a group or phenomena. The source of data for the study is the primary data collected from the respondents using a structured questionnaire.

Sampling Plan

Considering the time factor and the cost involved for random sampling, convenience sampling was used for selecting the respondents for the study. The sample framework for the study included all employed women and practicing professional and self-employed women from the cities

chosen for drawing the samples. Convenience sampling was used for drawing samples from the three cities chosen for the study.

LIMITATION OF THE STUDY

➢ In personal survey, chances of respondent's bias are there Chances of researcher's bias might have crept in during collection of data and while handling incomplete questionnaires.

➢ The study was restricted to the employed women from the Erode District. The findings of the study may not be generalized to the entire population of employed women.

➢ The study is restricted to only employed women. Enough care has been taken while processing, cleaning, editing and analysing the data, to minimize the impact of these limitations on the findings of the study.

FINDINGS

As an individual grows older, his Investment portfolio could get altered due to change in his marital status, commitments, family size, work experience, product preference and decision making process.

➢ It was found that majority of the respondents (42.4%) were form the age group of 26 – 35 years, followed by those who were below 25 years. Lower age group respondents were more willing to participate in the survey in comparison to women aged above 45 years.

➢ 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.

➢ 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.

➢ It was found that majority of the respondents had an annual income between rupees five to ten lakhs followed by those earning less than five lakhs. On further analysis it was found that majority of those earning an income between 5 to 10 lakhs were belonging to the age group of 26 to 35 years. Respondents in this age group were having higher work experience leading to better salaries.

➢ It was found that majority of the respondents were employed in private firms followed by government owned companies or departments.

➢ The data reveals that majority of the respondents were holding moderately risky portfolio followed by low risk portfolio. Investment pattern was more towards moderately risky portfolio pattern and no risk portfolio pattern.

➢ Majority of the respondents held moderately risky portfolio consisted of investment in a mutual fund or equity along with bank deposits, insurance, provident fund and jewellery.

➢ The chi square value is (13.485) is less than the table value, which implies that there is not significant relationship between age and investment pattern. Hence, the hypothesis that investment pattern is dependent of the age of the respondent is accepted at 5% significance level.

➢ Chi square value calculated was found to be (6.726) less than the table value, which was not significant at 5% significance level, indicating that there is no significant association between the investment pattern and the educational background of the respondent.

➢ Chi square value calculated was found to be (17.244) greater than the table value, which was significant at 5% significance level. Hence hypothesis is accepted, i.e. there is an association between the sector of employment and investment pattern.

➢ The chi square value calculated was found to be (9.100) is less than the table value, which was not significant at 5% significance level. Hence H0 is accepted, i.e. there is no association between the nature of the job and the investment pattern.

SUGGESTIONS

➢ Investment decisions of individuals are driven by multiple factors And it was found that the financial literacy level of employed Women was low. It is suggested that the financial product 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.

➢ Government should make available more tax savings products in order to reduce concentration of savings in Life Insurance and Provident fund.

➢ PFRDA should create more awareness about NPS so that more people will be motivated to think about retirement planning among employed women.

➢ Mutual fund houses should create products keeping in mind the investment objectives of employed women through financial intermediaries who are willing to educate women about financial investment.

SCOPE FOR FURTHER RESEARCH

1. A study on the details related to the type of mutual funds held by the employed women could further improve the classification of the portfolio held.

2. Study could be conducted on the retirement planning among women.

3. A comparative study between semi urban and urban women Investment pattern could be carried out.

4. A study can be carried to compare the investment pattern of male and female mutual fund managers based out of India.

5. A study can be carried out to find out the type of mutual fund schemes held by employed women.

6. A study can be carried out on the life stage investment pattern among women.

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Tables 2 Simple Percentage Table

Age Group	Below 25	21	21
	26 – 35	42	42
	36 – 45	21	21
	46 – 55	11	11
	Above 55 years	5	5
Marital Status	Single	29	29
	Married	66	66
	Widow	5	5
Educational Qualification	Below Graduation	8	8
	Graduates	34	34
	Professionals	30	30
	Post-Graduation	28	28
Employment Sector	Education	19	19
	BFSI	34	34
	IT/KPO/BPO	35	35
	Medical	2	2
	Others	10	10
Occupation	Government	17	17
	Private	65	65
	Business	10	10
	Professionals	5	5
	Others	3	3
Family Members	1 Member	2	2
	2 Member	6	6
	3 Member	35	35
	4 Member	49	49
	5 Member	8	8
Experience	Less than 5 years	34	34
	5 to 10 years	39	39
	11 to 15 years	11	11
	16 – 20 years	9	9
	Above 20 years	7	7
Annual Income	Less than 5 lakhs	33	33
	5 – 10 Lakhs	51	51
	10 – 15 Lakhs	11	11
	Above 15 Lakhs	5	5

Table 3 Chi-Square Test

Factors	Calculated Chi-Square Value	Table Value	df	Remarks
Age group and Investment Pattern	13.485	15.507	8	Not Significant
Education and Investment Pattern	6.726	15.507	8	Not Significant
Employment and Investment Pattern	17.244	15.507	8	Significant
Nature of Job and Investment Pattern	9.100	15.507	8	Not Significant