

A STUDY ON INVESTMENT AWARENESS AND INVESTMENT PATTERN AMONG WORKING WOMEN

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ABSTRACT

Background: *The investment pattern among working women in Kerala has been changing in recent years. In the past, working women are more likely to save their money than invest it. However, with the increasing availability of investment options and the growing awareness of the importance of investing, more and more working women are now investing their money.*

A study by the Centre for Development Studies in Thiruvananthapuram found that the investment pattern among working women in Kerala is now more diversified than ever before. The study found that working women are now investing in a variety of asset classes, including mutual funds, stocks, bonds, and real estate.

The most preferred investment pattern among working women in Kerala is a mix of traditional and modern investment options. Traditional investment options, such as gold and real estate, are still popular among working women, as they are seen as safe and secure investments. However, modern investment options, such as mutual funds and stocks, are also becoming increasingly popular, as they offer the potential for higher returns.

Objectives

- *To study the awareness level regarding various investment opportunities among working women.*
- *To study the preferred investment options among working women.*

Methodology: *The study uses both primary and secondary data. Primary data is collected using a structured questionnaire from 120 working women respondents in the age group between 26-55 years engaged in different sectors in Kadackanad village through a structured questionnaire. The secondary data for the study is collected from various sources like journals, articles, newspaper, books etc. The main tools used for analysis and interpretation are simple Percentage method, Weighted Average method, Correlation supported with graphs and tables.*

Results: *It was found that most respondents are aware of the different avenues of investment, but prefer savings bank as their investment option, that too, in the public sector. The study revealed that there is a positive correlation (0.38) between the annual income of the respondents and the percentage of the income they are willing to invest. The main aim of the investment is to secure their financial status. A savings bank is the most preferred investment option. The motive for the above preference is primarily*

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financial protection for 46.7%, wealth creation for 20%, and cash liquidity for 13.3% of the respondents. 56.7% of the working women respondents are ready to undertake a moderate level of risk during investment. 36.7% of the respondents consider high returns as the priority factor before investing. 56.7% prefer the mid-term (1-5 years) as the period to invest.

Conclusion: *The changing investment pattern among working women in Kerala is a positive development. It shows that working women are becoming more financially savvy and are taking control of their financial future. It is important for working women to remember that there is no one-size-fits-all investment strategy. The best investment strategy for one woman may not be the best investment strategy for another woman. Working women should work with a financial advisor to develop an investment strategy that meets their individual needs and goals.*

Keywords: *Investment, Investment Awareness, Working Women, Kerala.*

Introduction

Investment awareness and investment patterns among working women is a topic that has been studied by many researchers. The results of these studies have shown that working women are generally aware of the importance of investing, but they often lack the knowledge and skills necessary to make sound investment decisions. This lack of knowledge and skills can lead to women making poor investment choices, which can harm their financial future. As women's participation in the workforce continues to grow, understanding their investment behavior is crucial for financial institutions and policymakers.

One key aspect of investment awareness is financial literacy. Studies have shown that working women with higher financial literacy tend to make more informed investment decisions. Financial education programs targeted specifically at women can help improve their investment awareness. Access to relevant and reliable investment information is essential for making informed decisions. Working women who have access to financial resources, such as investment seminars, workshops, or online platforms, are more likely to be aware of different investment options and strategies. It is also found that social networks and peer groups can significantly impact investment awareness among working women. Research suggests that women who have friends or family members who invest are more likely to be aware of investment opportunities and gain confidence in their own investment decisions.

Investment Patterns among Working Women

- **Risk Appetite:** Studies have found that working women generally have a lower risk appetite compared to men. They tend to prefer low-risk investment options, such as fixed deposits, bonds, or mutual funds. This conservative approach can be attributed to factors like financial security concerns and a desire to protect their savings.
- **Long-Term Planning:** Working women often prioritise long-term financial goals, such as retirement planning, education funds for children, or buying a house. Their investment patterns reflect these goals, with a focus on long-term investment vehicles like provident funds, individual retirement accounts, or real estate.
- **Socially Responsible Investing:** Women are often more inclined towards socially responsible investing, which involves considering environmental, social, and governance factors alongside financial returns. Working women may choose investment options that align with their values, such as sustainable mutual funds or companies with strong gender diversity policies.
- **Diversification:** Diversification is a key principle of investment, and research suggests that working women tend to adopt a more diversified investment approach. They understand the importance of spreading risk across different asset classes, such as stocks, bonds, and real estate, to achieve stable and sustainable returns.
- **Investment Advisors:** Working women may seek professional advice from financial planners or investment advisors to guide their investment decisions. They value expertise and may rely on professional recommendations to ensure their investments align with their financial goals and risk tolerance.

It is important to note that investment awareness and patterns can vary greatly among working women due to individual circumstances, educational background, income levels, and cultural factors. Ongoing research and studies contribute to a deeper understanding of these dynamics and help develop tailored investment strategies for this demographic.

One study, conducted by the Inspira Research Association, found that 61.9% of working women in the Mumbai region are aware of the importance of investing. However, only 38.1% of these women felt that they had the knowledge and skills necessary to make sound investment decisions. The study also found that women are more likely to invest in traditional investments, such as fixed deposits and insurance policies, than in more risky investments, such as stocks and mutual funds.

Another study, conducted by the Amity University Noida, found that working women are generally aware of the different types of investments available, but they often did not know how to choose the right investments for their needs. The study also found that women are more likely to invest for short-term goals, such as saving for a car or a vacation than for long-term goals, such as retirement.

Women's income in the past was merely an extra source of income. But in today's society, the household heavily depends on the income of women. To handle unforeseen emergencies in the household, women must invest. Numerous studies have shown that both women and men have different investment patterns. Women have a lower tolerance for danger and receive less compensation from purchases they made. This survey is done to study the investment behavior of working women at the local level. The study examines the awareness level and current investment pattern of working women towards various investment options like Savings bank, Gold/Silver, Postal savings, Shares/Debentures, Fixed deposits, Mutual funds, Chit funds, Real estate etc. In addition, the study has also made efforts to find out the most preferred investment option by working women.

Objectives

- To study the awareness level regarding various investment opportunities among working women.
- To rank the most preferred investment option.

Methodology

The study uses both primary and secondary data. Primary data is collected using a structured questionnaire from 120 working women respondents in the age group between 26-55 years engaged in different sectors in Kadackanad village through a structured questionnaire. The secondary data for the study is collected from various sources like journals, articles, newspapers, books etc. The main tools used for analysis and interpretation are the simple Percentage method, Weighted Average method, and Correlation supported with graphs and tables.

Results and Discussion

A general background inquiry reveals that 70% of the respondents are in the age group of 26-35 years, and 50% of them are married. 36.7% of the respondents are graduates and 33.3% are Post Graduates. None of the respondents has educational qualifications below the 12th standard. Regarding the type of employment, 36.7% are self-employed, 33.3% are employed in the private sector and 30% in the government sector. 33.3% earned below Rs.20,000 while 30% each earn between Rs.20,000 - Rs.40,000 and Rs.40,000 – Rs.60,000. Only 6.7% earn above Rs.60,000. Most of the respondents, that is, 86.7% have leftover money to save, of which 36.7% save 11%-20% of their monthly income, 26.7% save 0-10%, 23.3% of the respondents save 21%-30% and the remaining 13.3% save above 30% of their monthly income. 13.3% of the respondents retort that they have no leftover income.

Table 1: Correlation between Annual Income and Percentage of Income the Respondents are Willing to Invest

	Monthly income	Annual investment
Monthly income	1	
Annual investment	0.37602223	1

Source: primary data

The above table shows that there is a positive correlation (0.38) between the annual income of the respondents and the percentage of the income they are willing to invest. The higher the monthly income, the higher will be the annual investment.

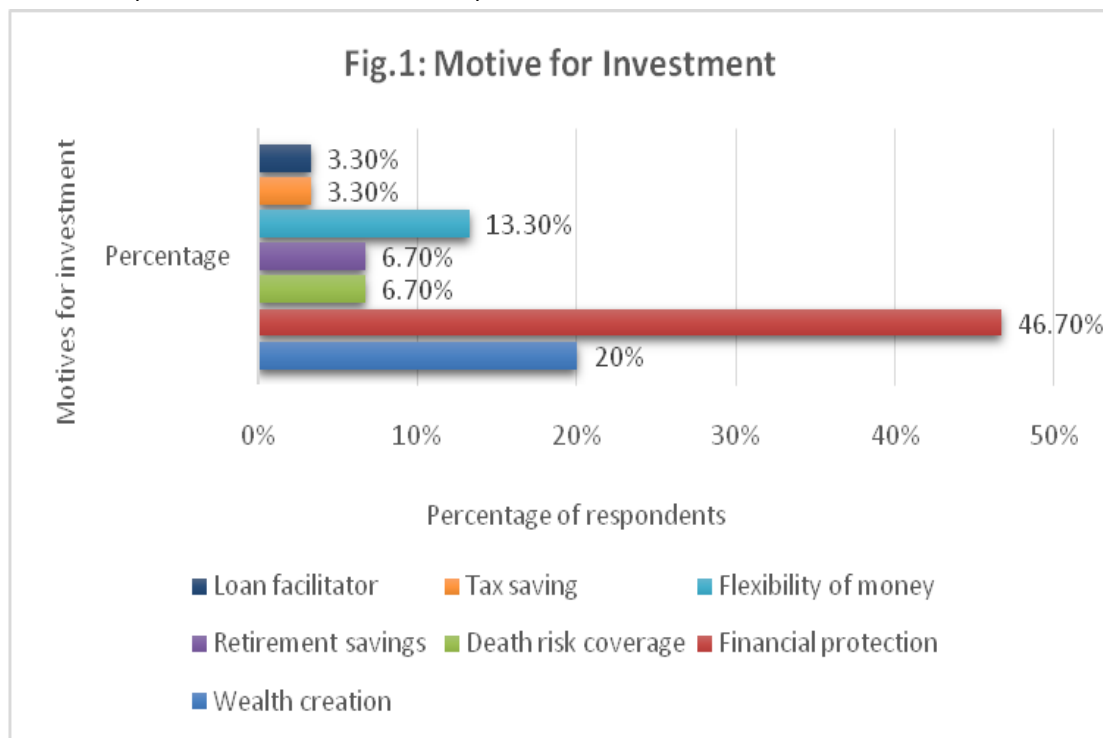
Table 2: Preferred Mode of Investment

Investment Mode	1	2	3	$\Sigma xiwi/\Sigma wi$	Rank
Savings bank	19	7	12	12	I
Gold/silver	3	12	6	8	II
Postal saving	1	5	5	4	III
Shares/debentures	1	3	3	3	IV
Fixed Deposit	4	0	2	2	V
Mutual funds	1	0	1	1	VI
Chit funds	0	1	0	0	VII
Systematic Investment Plan	1	0	1	1	VI
Real estate	0	2	0	1	VI

Source: primary data

Table 2 shows the ranking of the preferred mode of investment by the respondents using the weighted average method. It is evident from the table that a savings bank is the most preferred investment option as it is ranked 1, followed by gold/ silver and postal savings.

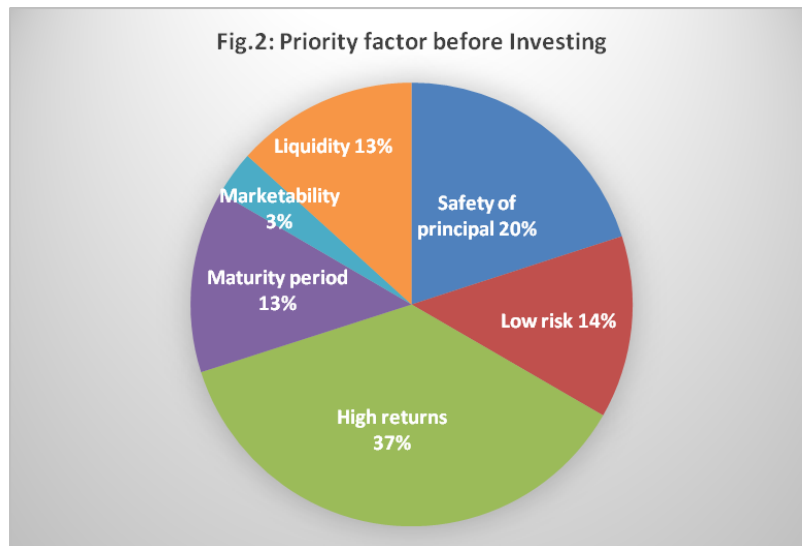
The motive for the above preference is primarily financial protection for 46.7%, wealth creation for 20%, and cash liquidity for 13.3% of the respondents (Fig.1). 53.3% of the respondents preferred to invest in the public sector and the rest in the private sector.



Source: primary data

An inquiry into the awareness of the respondents about various investment options revealed that the respondents are aware mostly of Fixed Deposits (Rank I), followed by investment in gold and silver (Rank II), and thirdly about post office saving (Rank III). Rank I is allotted by the respondents to the TV/newspapers as their source of information on various investment avenues, Rank II to the Internet and Rank III to financial advisors. It is revealed that 56.7% are ready to undertake moderate risk, 40% are ready to take only low risk and a minority of 3.3% are willing to take up high risk while investing.

The main factors the respondents consider important while investing are mainly the expectation of high returns (36.7%), and safety of the principal amount invested (20%). 13.3% each are concerned with low risk, maturity period and liquidity (Fig.2).



Source: primary data

36.7% of the respondents are in their early years of investment, 33.3% are in the middle years, 20% are in the high-income and savings years, 6.7% are towards their retirement, and 3.3% are in the early retirement years. Regarding the period preferred for investment, the majority of the respondents, i.e., 56.7% prefer a medium period (1-5 years). Long-term (>5 years) is preferred by 23.3% and 20% prefer short-term, i.e., below one year. The frequency of investment is monthly for 40%, quarterly and annually for 23.3% each, weekly for 10% and half yearly for 3.4% of the respondents.

73.3% of the respondents claim to have a moderate knowledge level about investment options while 20% acknowledge that they have only 20% knowledge about the same and 6.7% believe they have extensive knowledge of the investment avenues. 60% of the respondents have not invested in the share market, while 40% have. The main reason why respondents do not prefer to invest in the share market is mainly due to the high risk involved (40%), incomplete knowledge about the share market (24%), lack of adequate money (16%), lack of courage (8%) and lack of patience (4%).

Based on the above findings, the following suggestions have been arrived at:

- Working women investors are more likely to invest in savings bank, gold/silver, postal savings etc. It is suggested that they can concentrate on shares/debentures, mutual funds, chit funds etc. which yield more benefit than the traditional ones.
- Increase financial literacy among women by encouraging them to attend financial awareness programmes organised by financial institutions like BSE, NSE and mutual fund agents to increase their awareness about new investment avenues.
- The merits and demerits of each investment avenue should be understood properly which will help increase their confidence to trust these.
- More tax concessions must be introduced by the government for increasing investments in various avenues, especially for the salaried classes.
- The procedure for investment may be made easier by the authorities to encourage more investment making investment products more affordable and accessible, and providing women with more support and guidance.
- The majority of the respondents do not invest in the share market due to their fear of high risk. It is suggested that proper awareness about the share market should be provided to working women.

Conclusion

This study is conducted to understand the investment awareness and investment patterns of working women and to rank the most preferred investment option. It is observed that the majority of the respondents are aware of the traditional mode of investment such as fixed deposits, followed by gold or

silver and postal savings; they are not much aware of shares, debentures, mutual funds, SIPs, etc. They prefer the public sector to invest in and are likely to invest monthly. It is found that a major proportion of working women are ready to undertake moderate levels of risk and consider high returns as the priority factor before investing. This study discloses that savings bank remains the most preferred investment option of the respondents. It is also revealed that gold or silver is the second preference of working women, who are less likely to take on investments with a high level of risk. This research provides valuable information to companies about the preferences of women while making investments. It also gives them advice as to how to plan their policies and strategies according to the needs of the working females. The results also suggest that there is a need to improve investment awareness and investment education among women. This can be done through a variety of initiatives, such as providing women with access to financial education resources, offering financial planning workshops, and creating more opportunities for women to network with other investors. Increasing investment among working women requires a multifaceted approach that combines education, mentorship, networking, and policy changes.

By empowering women with the knowledge and resources they need, we can foster a culture of investment and financial independence. There is a need to break down the gender stereotypes around investing. There is a perception that investing is a man's world. This can discourage women from investing, even if they are interested in it. It is important to challenge these stereotypes and show women that investing can be a rewarding experience for everyone. Marketing campaigns should be more inclusive and should target women directly.

These steps can help to close the gender gap in investing and empower more women to take control of their financial future.

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