

SAVINGS AND THRIFT AMONG WORKING WOMEN IN KERALA: A STUDY WITH REFERENCE TO KOLLAM DISTRICT

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ABSTRACT

Women are getting empowerment through literacy and employment. The biggest motivation of the working women is needing the sheer economic necessary with growing rate of inflation. To help the family by adding some meager resources women are working, which facilitate to meet the financial needs and reduces the financial stress. But it is the best aid only to solve the temporary problems. Women are aware of financial services offered by both governments and private financial institutions to save their hard-earned income. This paper is attempted to study the constraints faced toward saving by people especially working women.

KEYWORDS: Working Women, Empowerment, Literacy, Employment, Inflation.

Introduction

The number of working women has been rapidly increasing since last two decades, due to increasing rate of literacy among them, awareness of self-identity and family needs. Now women are employed in various fields like education, insurance companies, medical, IT service industries, manufacturing industries, finance, politics, government and semi government organizations etc. The attitude of the society towards women has been significantly changed. There is social acceptance of the women at work place. Organizations are now prepared for providing them flexible work plans so as to enable them to manage their domestic and official activities efficiently. "In India, Banking and Insurance sectors are Organizations where large number of women forces exists. The points which Bank management generally present in women's favor include "

- Woman employees are sincere and diligent and meticulously complete their work.
- They are time conscious.
- They do not shirk responsibilities.
- They perform all types of jobs well.
- They are less involved in union activities.
- They are less often involved in frauds and corruption.

Because of these outstanding characteristics of women workers, modern organizations tend to employ them and also treat them as equal to men working at the same level.

Savings

Savings is the simple process of putting aside the earnings, usually in the form of cash in hand or savings account or in the form of some highly liquid and safe instruments such as government issued treasury bills. The quality and practice of being careful with money and not wasting things is called thrift.

Saving is rather a passive activity. It needs nothing more than putting aside a certain amount from what we earn regularly as an income. Savings is mostly done with banks or even at home in the form of cash.

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The level of savings in the economy depends on a number of factors;

- A higher interest rate will give a greater return on savings as banks offer more favorable rates.
- Poor return on investment in stocks and shares and other forms of investment make savings comparably better.
- Poor expectation for future economic growth, wages and job opportunities will increase savings in preparation for better future.

Income minus expenditure is equal to Savings. In today's rapidly changing financial environment, it is critical that individuals not only protect and enhance their current financial resources, but also prepare for future security and against loss of income. This requires careful planning and prudent management of ones financial assets.

Saving schemes are very important for countries which are experiencing deficiencies in economic growth. There is a need for saving mobilization which means advocating the need for more and more savings to improve the economic policies. It is human need to save. Savings are to keep something for the future, by foregoing its consumption in the present day. A person earns with the objective of being able to spend and fulfill various basic needs.

Savings Habit and Thrift among Women

Keynes paradox of thrift advocates that individual savings are good for an economy. However, overall savings for an economy are bad as they pull down the consumption, reducing down the national income of the economy. Savings is a habit specially embodied to woman. Even in the past when women mainly depended on their income. They used to save to meet emergencies as well as for future requirements. Many forces have contributed to the growth of the newly emerging middle class working women in India. The socio-economic liberation of Indian women has itself being a product of, and an instrument in the change in their lives due to employment. A deep of vital change has taken place in the economic condition and personal status of women in the recent past. It is accepted fact now that women have to play a prominent role in the overall economic development of our nation, as they constitute 50 per cent of the total population, "when women move forward, the family moves, the village moves," claimed Jawaharlal Nehru. It is recognized throughout the world that only when women are in the mainstream of progress can economic and social development be possible and meaningful. Freedom depends on economic conditions more than other reasons. Now, the present women, who is equally employed, through their education have knowledge about various aspects of investment and as result they invest in various investment avenues such as shares, debentures, mutual funds and bank deposits. Indian savings market has been expanding over the period and there is a steady increase of household savings.

Statement of the Problem

Right now saving more and spending more simultaneously has become the basic and conflicting factor of the economy. In Kerala the number of working women is in large. Therefore it is important to study their saving pattern, which helps to setup the saving in the economy. This study will help in understanding the reasons that motivate savings among working women and the challenges they face while saving.

Objectives of the Study

The study has the following objectives:

- To study the socio-economic condition of working women.
- To study the level of awareness among the respondents about savings.
- To identify the problems or difficulties faced by the respondent towards savings.
- To find out the purpose of savings by the respondent.

Research Methodology

The data needed for the study is collected from both primary and secondary sources. The study is designed as a descriptive one based on survey method. The survey approach is adopted for collection of data from selected respondents.

Data Collection

The study uses primary source for data collection.

Primary data are collected by structured questionnaire among the working women and by means of unstructured personal interview with the women investors.

Sampling Size

The present study adopted convenient sampling technique. The study has selected 60 women respondents from Kollam and Trivandrum district based on the convenience for easy data collection. The sampling area is limited to working women.

Sampling Design

Random sampling method is used for sampling design in which respondents are randomly selected.

Data Analysis

The data collected were coded, edited and presented in a tabular form in order to make a meaningful analysis, and also statistical tool like percentage analysis, charts like pie diagram, bar diagram, column diagram.

Limitations of the Study

- Time is one of the limiting factors so the study is confined to kollam district.
- Due to inadequate time, it is not possible to analyze all aspects relevant to the study.
- Most of the investors are reluctant in answering the questionnaire as they think that the data will be misused.
- The survey was limited only to small geographical area, which may not be the representative of the whole state. Therefore, it is difficult to generalize the findings to the total.
- As the data are collected from the individual investors, there is a chance of biased response in the study.
- It was difficult to convince the respondents about the purpose of the study.

Data Analysis and Interpretation

Every decision poses unique need for information, and relevant strategies can be developed based on the decisions gathered through research. Research is the systematic objective and exhaustive search for and study of facts relevant to the problem.

Research design means the framework of study that leads to the collection and analysis of data. It is a conceptual structure with in which research is conducted. It facilitates smooth sailing of various analyses to make the research as effective as possible. Data analysis is a process of planning the data in an ordered form, combining them with the existing information and extracting from them. Interpretation is the process of drawing conclusions from the gathered data in the study. In this research data are analysis using percentage and graphs.

Sampling Techniques

A sample is a representative part of the population. In sampling technique, information is collected only from a representative part of the universe and the conclusions are drawn on that basis for the entire universe. A random sampling technique was used to collect data from the respondents. A random sample is a sample selected from a population in such a way that every member of the population has an equal chance of being selected and the selection of any individual does not influence the selection of any other. The selection purely depends on chance. So while conducting the survey, 60 respondents were selected at random.

Profile of the Respondents

The profile of the respondents shows the age group of the respondents, marital status, monthly income, educational qualification, occupation status and the sector in which they work.

• Age of the Respondents

The table 1 shows that out of 60 respondents, majority (50 per cent) of them belong the age group below 30, 20 per cent belong to the age group 31-40, 18.3 per cent belong to age group 41-50, 6.7 per cent belong to 51-60 and only 5 per cent of the respondents are above 60 years respectively.

Age	No. of Respondents	%of Respondents
Below 30 years	30	50
31 – 40 years	12	20
41 – 50 years	11	18.3
51 – 60 years	4	6.7
Above 60 years	3	5
Total	60	100

Source: Primary Data

- **Marital Status of the Respondents**

Table 2 depicts that according to the analysis, about 58.3 per cent of the respondents were married, 38.3 per cent of the respondents are unmarried, 1.7 per cent is widowed and 1.7 per cent is divorced.

Categories	No. of Respondents	%of Respondents
Married	35	58.3
Unmarried	23	38.3
Widowed	1	1.7
Divorced	1	1.7
Total	60	100

Source: Primary Data

- **Monthly Incomes of the Respondents**

Table 3 shows that out of 60 respondents, the analysis shows that about 38.3 per cent of the respondents have a monthly income between Rs.20000-40000, 30 per cent of the respondents are having a monthly income below Rs.20000, 20 per cent of the respondents have income between Rs.40000-60000 and 11.7 per cent have income above Rs.60000.

Income	No. of Respondents	% of Respondents
Below Rs.20000	18	30
Rs.20000-Rs.40000	23	38.3
Rs.40000-Rs.60000	12	20
Rs.60000 and above	7	11.7
Total	60	100

Source: Primary Data

- **Educational Background of the Respondents**

Table 4 shows that out of total respondents of 60, about 5% of the respondents have High School/Diploma/Equivalent educational qualification, 48.3% are graduates, 45% have post-graduation and 1.7% has a doctorate degree.

Education	No. of Respondents	% of Respondents
High school, Diploma or Equivalent	3	5
Graduate	29	48.3
Post graduate	27	45
Doctorate degree	1	1.7
Total	60	100

Source: Primary Data

- **Occupational Status**

Table 5 shows that out of 60 respondents 31.7 per cent are teachers/professors, about 28.3 per cent are employed for wages, 21.7 per cent are officers/clerks and, 18.3 per cent of the respondents are doctors/engineers.

Occupation	No. of Respondents	% of Response
Doctor / Engineer	11	18.3
Teacher / Professor	19	31.7
Officer / Clerk	13	21.7
Other employed for wages	17	28.3
Total	60	100

Source: Primary Data

- **The Sector in which Respondents Work**

Table 6 depicts that according to the analysis, out of 60 respondents 16.7 per cent of the respondents work with government sector, 13.3 per cent are working with public sector and 70 per cent of the respondents work in private sector respectively.

Sector	No. of Respondents	% of Response
Public sector	8	13.3
Private sector	42	70
Government	10	16.7
Total	60	100

Source: Primary Data

Survey Results

• Habit of Having Budget for Family Expenditure

Table 7 shows that out of 60 respondents, 56.67 per cent of the respondents have a formal budget for their family expenditure and 43.33 per cent do not have a budget for family expenditure.

	No. of Respondents	%
Yes	34	56.67
No	26	43.33
Total	60	100

Source: Primary Data

• Saving Pattern of Respondents

Saving pattern of the respondents are classified as once in a week, once in a month, half yearly and yearly. Table 8 shows that Out of the total respondents of 60, 75 per cent of the respondents save monthly, 10 per cent of them have habit of saving once in a week, 8.33 per cent save half yearly and 6.67 per cent save yearly.

	No. of Respondents	% of Response
Once in a week	6	10
Once in a month	45	75
Half yearly	5	8.33
Yearly	4	6.67
Total	60	100

Source: Primary Data

• Availability of Information for Taking Saving Decision

The availability of information for taking saving decision were determined based on the following such as; too much information, incomplete information, very little information and no information at all. Table shows that majority (45 per cent) of the respondents have very little information for taking saving decision, 26.7 per cent have incomplete information, 21.7 per cent have too much information and 6.6 per cent of the respondents have no information at all.

	No. of Respondents	%
Too much information	13	21.7
Incomplete information	16	26.7
Very little information	27	45
No information at all	4	6.6
Total	60	100

Source: Primary Data

• Sources of Information for Saving

Table 10 shows that out of 60 respondents, majority (81.67 per cent) of the respondents depends on family and friends as source of information for saving, 31.67 per cent depends newspapers and magazines, 25 per cent depends on advertisements, 16.67 per cent depends on financial advisors and 8.33 per cent depends on workshops and seminars respectively.

	No. of Respondents	Total	%
Newspaper & magazine	19	60	31.67
Advertisements	15	60	25
Financial advisors	10	60	16.67
Workshops & seminars	5	60	8.33
Family & friends	49	60	81.67

Source: Primary Data

• Awareness of Saving Avenues

The awareness of the respondents about various saving avenues were determined based on various avenues such as; bank deposits, post office savings, securities, pension fund, insurance schemes, mutual fund. The table 11 shows that majority of the respondents (73.33 per cent) are aware about bank deposits, 46.67 per cent knows post office savings, 41.67 per cent are aware of insurance schemes, 21.67 per cent are aware about all of the avenues, 16.67 per cent knows pension funds, 10 per cent are aware about mutual fund and only 5 per cent of the respondents are aware about securities (bond, shares..etc.).

Avenues	No. of Respondents	Total	%
Bank deposit	44	60	73.33
Post office savings	28	60	46.67
Securities (bond, shares. etc)	3	60	5
Pension fund	10	60	16.67
Insurance scheme	25	60	41.67
Mutual fund	6	60	10
All of the above	13	60	21.67

Source: Primary Data

- **Amount of Savings in Each of the Saving Schemes**

Table 12 shows that the savings of the respondents are more in pension fund as it has the highest weighted mean of 30909.10 and the least savings is done in securities with the least weighted mean of 17500.

Saving Schemes	below Rs.10000	Rs.10000-30000	Rs.30000-50000	Rs.50000-70000	Rs.70000 and above	Weighted Mean
Bank deposit	18	20	11	3	2	23518.50
Post office savings	11	8	6	-	-	18200.00
Securities (bond,shares... etc)	2	1	1	-	-	17500.00
Pension fund	4	1	3	3	-	30909.10
Insurance schemes	13	9	5	-	-	16481.50
Mutual fund	2	5	1	-	-	18750.00

- **Objectives of Savings**

Objectives of savings were determined based on the following factors such as; retirement corpus, health care, children's future, dream house, tax benefits, future purchase of assets. Table 13 shows that 53.33 per cent of the respondents have objective to purchase assets in future, 45 per cent of the respondent's objective of saving is for children's future, 33.33 per cent save for health care, 25 per cent of them save for availing tax benefits, 23.33 per cent save for their dream house and 21.67 per cent of the respondents save for retirement benefits.

Objectives	No. of Response	Total	%
Retirement corpus	13	60	21.67
Health care	20	60	33.33
Children's future	27	60	45
Dream house	14	60	23.33
Tax benefit	15	60	25
Future purchase of assets	32	60	53.33

Source: Primary Data

- **Problems Faced By the Respondents While Saving**

The problems faced by the respondents while saving are analysed based on the factors like over spending, over whelming debt, insufficient salary, high inflation on future purchase, lack of options to save and other factors. The table 14 shows that majority (43.33 per cent) of the respondents over spending as the key problem, 33.33 per cent found inadequate interest as a problem, 30 per cent find that insufficient salary as a problem, 26.67 per cent of them find high inflation on future purchase being a problem to savings, 18.33 per cent of the respondents find that there are some other factors, 10 and 3.33 percent finds lack of saving options and over whelming debt as the problem of savings respectively.

Problems	No of Response	Total	%
Over spending	26	60	43.33
Over whelming debt	2	60	3.33
Insufficient salary	18	60	30
Inadequate interest	20	60	33.33
High inflation on future purchase	16	60	26.67
Lack of options to save	6	60	10
Others	11	60	18.33

Source: Primary Data

- **Factors Promoting Savings and Thrift**

Factors that promote savings and thrift are income level, investment opportunity, inflation rates, return available, consumption needs and habit to consider future needs. The table 15 shows that income level has the rank I with highest point 230, followed by habit to consider future needs at rank II with 199 points, return available in rank III with 180 points, investment opportunity in the rank IV with 179 points, consumption needs at the rank V with 178 points and inflation rank at the rank VI with 135 points.

Factors	Points	Rank
Income level	230	I
Investment opportunity	179	IV
Inflation rate	135	VI
Return available	180	III
Consumption needs	178	V
Habit to consider future needs	199	II

Source: Primary Data

Summary of Findings, Suggestions and Conclusion

Findings

The findings of the study are as follows:

- The study revealed that out of 60 respondents majority (50 per cent) of the respondents belonged to the age group below 30.
- The study concluded that majority of the respondents were married and married respondents were likely to make more savings.
- Majority (38.3 per cent) of the respondents were having a monthly income between Rs.20000-Rs.40000.
- Respondents had better academic qualification. Most of the respondents were having graduation.
- Most of the respondents were teachers or professors. Women are mostly employed in teaching profession.
- About 70 percent of the respondents were working with private sector. Women were mostly working in private institutions.
- The study revealed that majority of the women maintains a formal budget for their family expenditure. They had a control on their expenditure and savings.
- Around 75 per cent of the respondents had the habit of making monthly saving of their income.
- Respondents were having very little information available for making saving decisions. About 45 per cent of the response revealed that only very little information is available for making saving decision.
- Considering the saving awareness family and friends formed the major sources of information for savings to the respondents.
- The study revealed that majority (73.33 percent) of the respondents were aware of only bank deposits. And only a very few around 5 per cent were aware about various securities for investment.
- The annual savings made by the respondents were found the highest in pension fund and the least in securities.
- Most of the respondent's objective or motivation of savings is to purchase assets in future (53.33 per cent) and for their children's future (45 per cent).
- Most of the respondents found that over spending (43.33 per cent) and inadequate interest (33.33 per cent) as the main problems they face while saving.
- The most important factor that promote savings and thrift were the income levels of the respondents.

Suggestions

- There is a close association between availability of information, financial literacy and wise financial decisions. Investor's generally anchor their investment and savings scheme considering return on investment alone. Investments need to be based on the four pillars of investment namely; return, risk, safety and liquidity. How much of calculated risk can be taken for a given return must be judged and this must be viewed in the backdrop of liquidity and safety. Such balanced decisions can be taken only through quality financial information. The promotion of information driven by agencies like SEBI, RBI, IRDA, and AMFY should be more focused and simplified.
- Training venues and awareness programs for women can be planned in consultation with women groups. Government should come with a special policy to create a separate cell focusing only on women investors and their problems.
- In order to attract women investors new modified investment plans with high quality features and attractive benefits has to be developed.
- Women believed to be more calculative in the use of funds. They generally access family needs better and are willing to save for the future. This willingness should be further strengthen through motivational drivers in the form of special programs for women, special accounts for women, special support services for women and women community investing clubs.
- It was observed that women had very little awareness on securities market and capital market operations including demat accounts. There must be specific literacy programs for women focusing on capital market operations.
- It was observed that overspending in the family was a major problem sited by the respondents. Proper family budgeting could be a means for solving it.

Conclusion

The study conducted on "Saving Habit and Thrift among Working Women in Kerala" was undertaken to know the awareness and motives for savings and the problems in saving faced by working women. The finding of this study has proved that women have the potential to save, and even increase their savings when their incomes and educational level among other factors improve. Women also have a responsibility to turn their fortunes around. But it was also found that they are only having a very little exposure to the information and various investing opportunities that are available.

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