



Factors Influencing Investment Behavior of Working Women - A Study

¹Manasa.B , ²Prof.Ishwara.P

¹ Research Scholar, ² Research Guide

Department of Commerce

Mangalore University, Mangalagangotri, 574199, D.K, Karnataka, India

Abstract: In this modern era, women are equal to men in working desire. Women play a vital role in contributing to the overall development of the family including the economic growth of the family. They work, earn, save income, and support their family. Indian working women invest on their own or with other family members or their partners. The main goal of their investments is safety and financial independence. The present study focuses on the investment behavior of working women; Investment awareness of working women, the factors which influence on their investment behavior and about their level of satisfaction. For this purpose, Dakshina Kannada district is the target population and using Gpower software, sample size is fixed to 395. The primary data collected through structural questionnaire method and statistical tools like correlation, chisquare, Fishers exact test are employed using SPSS software. The findings of the study states that the awareness on investment avenue influences the investment behavior, in turn, both investment awareness and investment awareness contributes to investment satisfaction.

KEYWORDS: Investment, investment awareness, Investment behavior

I. INTRODUCTION

India has a promising outlook for long-term growth because of the country's strong saving and investment rates, high proportion of young people, and growing economic integration with the global economy.(Anila, 2021). Investment is purchase of financial product or other item of value with an expectation of favourable returns.(Dr. Deepak Gupta 2017).Investment is the distribution of money to earn some benefit in the mere future. It offers different kinds of avenues in the form of financial assets like savings account, share market, insurance, mutual fund, company fixed deposit, chit fund, Government security, GPF, PPT and on other hand physical assets like gold, silver, jewelry, diamond, real estate. Everyone wants to invest money in order to earn a return and use the money productively. (Parihar B.B.S and K.K Sharma, 2012)

II. CONCEPTUAL FRAMEWORK

Demographic and socio-economic factors influence the investment behavior(Dahiya, M., &Chaudhary.B, 2016). According to Keynesian, Investors are merely capitalists who choose their investments depending on the return they offer. Investing behavior involves an array of aspects, including goals, strengths, needs, satisfaction, availability, and historical behavior. It's frequently viewed of as goal-oriented behavior (Sukhija.S.2021). According to Samuel Ezra Chakkaravarthy (2021) current investment scenario is related to risk taking ability and socio-demographic factors like age, income, occupation. The research's conclusions showed that investor biases have a significant effect on how they decide to make investments.

India is first among the countries to give women equal franchises and has an excellent record related to the enactment of laws to protect and promote the interests of women. Women have equal employment opportunity in various fields and she proves equal to men. There are few working women who invest on their own; when they do, they typically choose short-term investments (Lakhalani, 2023).

Research has shown that socio-demographic characteristics have a substantial impact on risk tolerance while making financial decisions. Even though women earn, she fails to make a proper decision on investment once she is left alone. In the majority of cases, women invest better only if they invest after discussing with family/friends. Lack of knowledge, lack of confidence, and less exposure to risk factors make women to stick the traditional avenues that safeguard their savings and give stable returns.

III. REVIEW OF LITERATURE

There are number of studies made relating to investment behavior. Past literature related are reviewed in order to build conceptual framework and find the research gap. The objective related review are stated as below-

Jasin Y Al-Ajmi (2018) undertook a study at Bahrain to analyze the risk tolerance of individual investors. The result revealed that men have capability to tolerate risk and invest where women are conservative and invest in safe avenues only. The investors with better level of financial literacy and wealth trade in high risk high return avenues. Every investor has right to choose the avenues based on his need, requirement, available fund and knowledge about the avenues.

Avni Tejas Patil (2017) in her major research work studied the awareness, attitude and factor influencing personal financial planning. The study is based on 600 salaried employees of Gujarath and result was generalized. The findings states that awareness on traditional avenues like savings bank, FD, post office scheme, PPF is high and investor prefer these as it is easy and safe mode of investment. The investors wish to get awareness programs and advices on modern avenues like stock market, mutual fund so that they can make use of portfolio technique. Financial planning and investment is influenced by demographic, available fund and available financial literacy rate.

Bashir et al. (2013) studied the investment behavior and found that women are reluctant to take any kind of risk while the young ones as well as the educated people desire to take risk and make investment with high risk but the resources held the investors are very less.

Samudra and Burghate (2012) observed that bank credits are first preference after then insurance as well as the small savings schemes like PPF, deposits in the post offices. Return is found most influencing factors for investors while investing in particular instruments.

Bhagaban das,et.al., (2008) in their article discussed on demographic factors of investors such as age, gender, education, profession and their behavior towards different savings avenues. The outcome of the study identified that source of information, financial literacy of the investor, available fund along with the demographic factors influence the decision of the investors at the time of selection of investment scheme/avenues.

Janice Burns and Maire Dwyer (2007) studied the attitudes on savings, investments and wealth in New Zealand. The study stated that investments are linked with risk; they are inseparable. One can minimize the risk but cannot avoid it completely.

The importance is given on investment behaviour, investment awareness, investment preference as well as discussion made on investment attitude, risk taking capability. It is noticed that least importance given by considering investment awareness, investment behaviour and satisfaction, hence this study.

IV. OBJECTIVES OF THE STUDY

- To measure the perceived level of investment awareness of working women.
- To investigate the factors that influences the investment behavior of working women
- To analyze the level of satisfaction of working women towards the investment avenues

V. HYPOTHESES OF THE STUDY

H1: Demographic factors of working women tend to determine investment awareness

H2: Selected demographic factors and level of awareness of the working women have an impact on the level of satisfaction on investment

H3: Investment awareness and investment behavior are associated with investment satisfaction of working women

VI. RESEARCH METHODOLOGY

The study is based on working women of D.K district. According to the census report 2011, there is total of 2089649 population in D.K district out of which 1054935 are female. The **female literacy rate is 76.05%**. There are 331978 female main workers in the district. Using G-Power software, sample size fixed to 395 and the data collected from 395 respondents. Responses collected are simplified using percentage analysis; charts are drawn for easy analysis of some of the variables. Cronbach's alpha test conducted to check the reliability and data analyzed with statistical tool like Fisher's Exact Test Value (FETV), Chi Square Test Value (CSTV), correlation, Path analysis. SPSS software used for data analysis.

Table No: 1
Cronbach's alpha reliability coefficient value

Question assessed:	Respondents(n=395)
Awareness level towards investment avenues	0.911
Investment behaviour	0.771
Level of satisfaction	0.875

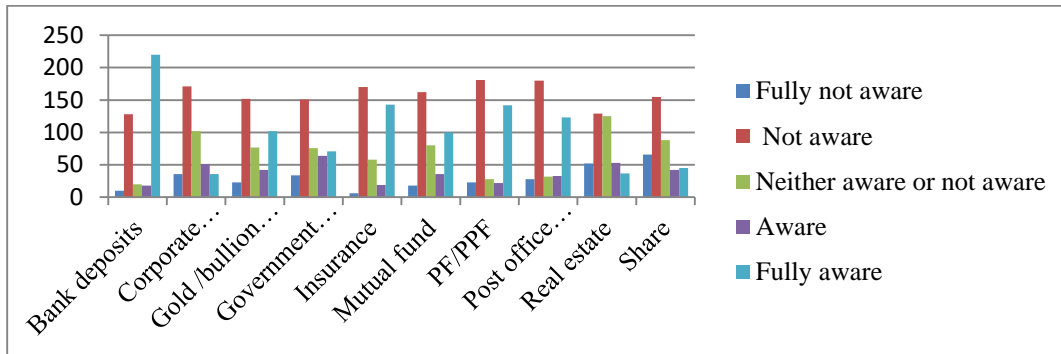
Source: Data Analysis

As the alpha reliability coefficient in the above table is at least 0.7, the data gathered by the researcher is used for various statistical analyses in accordance with the analysis's stated objectives.

VII. FINDINGS OF THE STUDY

- **Demographic Factors:** It is observed that, Majority of the respondents fall under the age group of 30 to 40 years (46.5%). A large number of working women are post graduates (55.2%) and work under Private sector. (74.2%). While considering the department of their work, majority of the women work under Education department (27%). The annual income of below 250000 per annum is earned by a large number (44.8%) of respondent's family (78.2%)
- **Investment Awareness:** While considering the investment awareness, most of the respondents have opinioned that they have average awareness (47.8%) and only a few of the Government schemes are known by the working women (54.4%). A large portion of them (79.7%) of them have not utilized the schemes that are introduced exclusively to benefit the women.

Chart No: 1
Investment Awareness

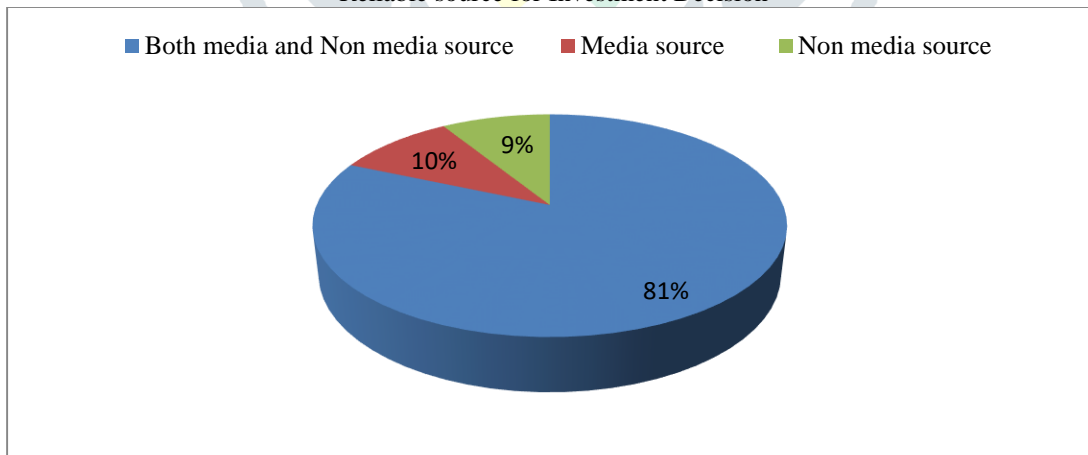


Source: Primary Data

The Chart no.1 clearly states about the awareness level of working women towards individual avenues. There is highest opinion of fully aware towards bank deposit.

- **Investment Behavior:** In order to understand the investment behavior, it is observed that most of the working women take investment decision only after discussion (75.2%) and have regularity in their (75.2%) investment habit. A large number of respondents opinioned that they invest soon they receive the income. (51.7%). More than half of the working women (53.5%) prefer public sector to invest with.
- **respondents.** 77.2% of working women are married and 60.8% of them have children. There are dual earners in vast number of

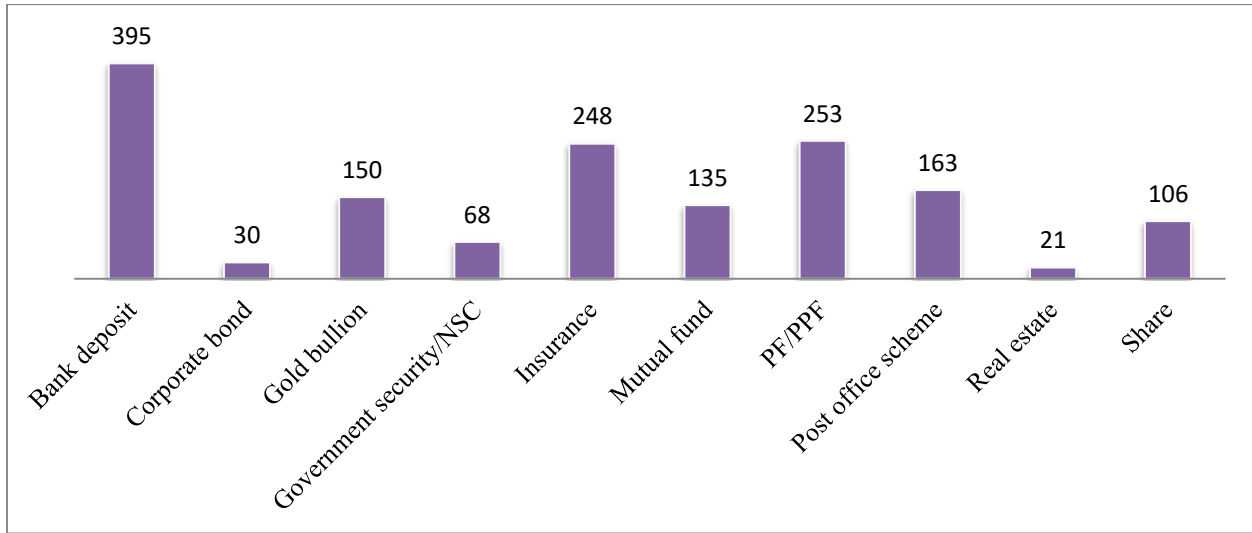
Chart No: 2
Reliable source for Investment Decision



Source: Primary Data

From the Chart No. 2, it is clear that Both media and non media source (81%) are considered while taking investment decision, followed by 10% them opinioned that only the media source and 9% of them opinioned that non media source are helpful in investment decision.

Chart No: 3
Investment Preference

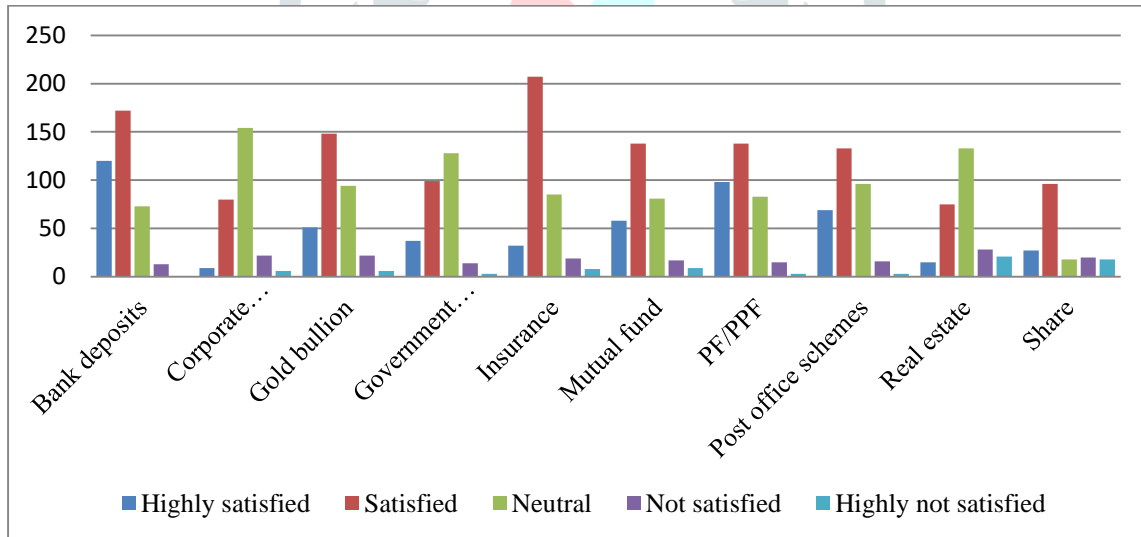


Source: Primary Data

It is clear from the Chart No.3 that bank deposit is highly preferred avenue by majority of working women followed by PF/PPF, Insurance, Post office schemes, Gold bullion, Mutual fund, Share, Government bond/NSC. Least number of women prefers corporate bonds and real estate.

- Investment Satisfaction: From the opinion of working women, it is observed that Riskless investment leads to satisfaction 26.4%.

Chart No: 4
Investment Satisfaction



Source: Primary Data

The Chart No.4 states that there is high level of satisfaction towards bank deposits, PF/PPF followed by post office schemes, satisfaction towards insurance, gold bullion, mutual fund.

VIII. HYPOTHETICAL TEST RESULT:

H1: Demographic factors of working women tend to determine investment awareness

Investment awareness is tested using two variables; Awareness on various avenues, Awareness on Government schemes with demographic factors of working women.

Table No: 2
Statistical analysis on Hypothesis 1

	Fisher’s Exact Test Value (FETV),Chi Square Test Value (CSTV) and significant value (p value)			
	Awareness level towards investment avenues		Awareness on various Government schemes for women	
Age	FETV=130.402	P=0.202>.05 (NS)	FETV=52.316	P=0.202>.05 (NS)
Education	FETV=31.522**	P=0.001<0.01 (S)	FETV=17.389**	P=0.001<0.01 (S)
Employment status	FETV=38.372**	P=0.000<0.01 (S)	FETV=12.728**	P=0.000<0.01 (S)
Department	FETV=39.728**	P=0.001<0.01 (S)	FETV=20.659**	P=0.001<0.01 (S)
Annual Income	FETV=30.598**	P=0.000<0.01 (S)	FETV=4.113	P=0.000<0.01 (S)
Marital status	CSTV=6.077	P=0.877>0.05 (NS)	CSTV=3.058	P=0.877>0.05 (NS)
Presence of children	CSTV=1.140	P=0.801>0.05 (NS)	CSTV=0.032	P=0.801>0.05 (NS)
Household earners	FETV=15.306**	P=0.109>0.05 (NS)	FETV=7.488	P=0.109>0.05 (NS)
No. of dependents	FETV=34.138**	P=0.000<0.01 (S)	FETV=28.210**	P=0.000<0.01 (S)

Source: Data Analysis

Interpretation:

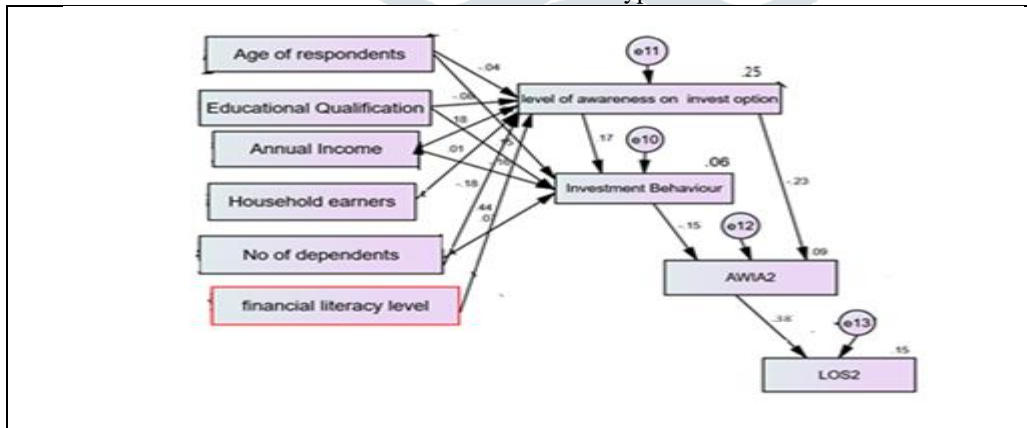
It is observed from the table above that the among the demographic factors of the working women education, employment status, annual income , presence of children, department, household earners and number of dependents are significantly associated with the awareness level towards investment avenues at 1% level of significance as the p values are less than 0.01. Null hypothesis is rejected. Hence Awareness level towards investment avenues is completely dependent on the demographic factors such as education, employment status, annual income , presence of children , department ,household earners and number of dependents of working women

It is also observed from the table above that the among the demographic factors of the working women education, employment status, department and number of dependents are significantly associated with the awareness on various Government schemes for women at 1% level of significance as the p values are less than 0.01 .Null hypothesis is rejected. Hence the awareness on various Government schemes for women is completely dependent on the demographic factors such as education, employment status, department and number of dependents of working women

H2: Selected demographic factors and level of awareness of the working women have an impact on the level of satisfaction on investment

In order to study an impact of age, educational qualification, annual income, household earners, number of dependents, financial literacy level, level of awareness and investment behavior on the level of satisfaction on investment using Path Analysis (SEM).

Chart No: 5
Path Model on Hypothesis 2



Source: Data Analysis

Age, educational qualification, annual income, household earners, number of dependents, financial literacy level impacts on Level of Investment awareness and hence demographical factors positively impacts on investment awareness.

Investment behavior is directly influenced by the demographic factors age, educational qualification, annual income, and number of dependents. Investment awareness also influences the investment behavior.

Level of satisfaction on investment and investment behavior is dependent on the level of awareness on different avenues indirectly

H3: Investment awareness and investment behavior are associated with investment satisfaction of working women

Table No: 3
Statistical Analysis on H3

		Level of satisfaction
Investment Behaviour	Pearson Correlation	.103*
	Sig. (2-tailed)	.041
	N	395
Investment Awareness	Pearson Correlation	.418**
	Sig. (2-tailed)	.000
	N	395

*- Significant at 5% level of significance

**- Significant at 1% level of significance

There exists significant positive correlation level of awareness on investment avenues and level of satisfaction ($r=0.418$ and $p<0.01$) at 1% level of significance which leads to the conclusion that as the level of awareness on investment avenues of the working women increases the level of satisfaction also increases significantly.

There exists significant positive investment behaviour and level of satisfaction ($r=0.103$ and $p<0.05$) at 5% level of significance which leads to the conclusion that as investment behaviour of the working women improves the level of satisfaction increases significantly.

IX. CONCLUSION:

When a person has left out money after making expenses out of his/her income, the concept of savings and investment arises. These savings and investments are done by people irrespective of the occupation/sector they work. Women expand their personal wealth by using sound investment techniques and financial planning. The differed benefits that each woman expects from owning a particular investment have a significant effect on the decision to invest. Women investors appear to be just risk cautious and prefer investing in safe assets that provide security for their principal. Although the government and various organizations have taken plenty of steps to improve financial literacy, much more has to be done to raise awareness among women.

X. REFEEENCES

- Al-Ajmi, J. Y. (2008). Risk Tolerance of Individual Investors in an Emerging Market. *International Research Journal of Finance and Economics*, 17
- Anila, C. (2021). An Analysis of Saving and Investment Behaviour of Urban Households in Kerala (Doctoral dissertation, University of Calicut)
- Bashir, T., Ahmed, H. R., Jahangir, S. Z., & Shafi. (2013). Investment Preference and Risk Level Behaviour of Salaried Individual. *IOSR-Journal of Business and Management*, 10 (1), 68-78.
- Burns, J., & Dwyer, M. (2007). New Zealand Household towards Savings, Investment and Wealth: A Report on Phase One. Treasury Working Paper.
- Dahiya, M., & Chaudhary, B. (2016). Salaried strata investment behavior towards financial products-review and prospects for future research. *International Research Journal of Management, IT and Social Sciences*, 3(7), 15-26.
- Das, B., Mohanty, S., & Shil, N. C. (2008). Mutual Fund V/s Life Insurance: Behavior Analysis of Retail Investor. *International Journal of Business Management*, 3(10), pp89-103.
- Falguni Rajendrakumar Lakhalani (2023) A study on investment awareness and preference among Indian working women with special reference to Saurashtra region.
- Gupta, D. D. (2017). Investment Behaviour of Public Sector Bank Employees. *CASIRJ*, 306-319.
- Jain, D and Mandot, N. (2012) " Impact of Demographic Factors on Investment. Decision of Investors in Rajasthan", Issue-2 (3)
- Parihar, B. B., & Sharma, K. K. (2012). An Empirical Study of the Investment Preferences of Salaried Employees.
- Patel, A. T. (2017). *A Study of Awareness, Attitudes and Factors influencing Personal Financial Planning for Residents of Gujarat*. Gujarat Technological University, Ahmedabad.
- Samudra, & Burgate, M. A. (2012). A Study of Investment Behaviour of Middle Class Households in Nagpur. *International Journal of Social Sciences and Interdisciplinary Research*, 1 (5), 43-45.
- Samuel E Chakkaravarthy, Goutam Tanty et.al, —A study on the financial risk profile of investors in Chennai Elementary Education Online, Vol.20, Issue 5, ISSN:1305-3515, February 2021
- Sukhija, S. (2021). An Analytical Study of Investment Patterns of Working Women in India. *International Journal of Financial Management*, 11(2).