

Women and Investment: An Empirical Study of Anand District

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Abstract

India has been a patriarchal society where men were the main earners while women took the responsibility of the home. Most of the important financial decisions were taken by the male members. This was no different when it came to money. Men dealt with all the money-related matters while women were hardly involved in any discussion related to where the money was going and where it was getting invested. This survey is with a diverse set of women -single, married, working women and homemakers -to ascertain if the changing attitude and trends that gets reflected in today's empowered women had a rub-off on saving and investments. The overall purpose of this research is to gain knowledge about key factors that influence investment behavior and ways these key factors impact on investment decision-making processes among women. The study gives an insight about the investing pattern of women. Women are perceived as risk averters. So, this project aims at understanding the investment behavior of women investors by taking their responses on various factors like risk, return etc.

Keywords: *Women Investors, Perception, Risk and Return, Investment, Personal Finance*

INTRODUCTION

There are many studies say that women are less aggressive than men when it comes to matter of investing. There are various arguments about why this is so. One theory is that that lower earnings from smaller paychecks result in a more conservative approach, as women try not losing what little they have. Another suggests that biology and the maternal instinct play a role, arguing that the protective instinct often credited to mothers makes them more reluctant to take risks. Potential reasons aside, the more conservative approach to investing is generally associated with a variety of traits, including greater risk aversion, more concern about losses and less frequent trading. According to popular logic, these are all negative attributes to have when your objective is to make money in the financial markets.

Men and women are born equal but they play an important role in the creation and development of family in particular and society in general. In the traditional family husband earns for the family and wife maintains it. Her role was mainly confined to domestic works. She creates life, nurtures, and guards and strengthens it. She plays various type of the role like wife, mother, sister, sister-in-law, daughter, daughter-in-law, grand-daughter etc. She is the transmitter of tradition and the instrument by which the family culture is preserved.

Women need to 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 their own 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 parlors, jewelry etc.

But as the time passing, modernization comes in India, the independence of women are increasing in India, employability in women are increasing, the awareness of Investment are increasing the perception of women investors are also be in positive manner, women are also ready to take risk by investing in various securities and getting higher return from that. However, as an exception few women invest in less risk avenues such as bank deposits and post office schemes. They generally

avoid risky options such as equities, as they think that it is difficult to understand equity market trends, patterns and as they volatile in nature.

LITERATURE REVIEW

Most of the women investors prefer to invest in low to moderate risk options as they are majorly moderate level risk takers. Most of them prefer to invest in bank deposits, post office deposits, gold & Silver and Govt. Securities that are considered to be safer investment avenues. Different demographic factors such as age, marital status and no. of dependents do not have significant impact on investment behavior of women. The most important criteria that is considered while investing is long term growth. For modern women investors risk is not a very important consideration while making investment decisions. However, a very less percentage of women have enough investment experience (1).

At present women are equally employed with men, through their education and they have knowledge about various aspects of investment. As a result of this they invest in various investment avenues such as shares, debentures, mutual funds, commodities and bank deposits. They are the people better to inform you the investment choices and preference functions one should have. Newspapers and Magazines are their first source of information through which they get to know about the stock market and other sources where they should invest.

The study conducted shows that most of the women investors are aware of various schemes of mutual funds. The Mutual Fund investors mainly belong to the age group from 30 years to 50 years and fall in the income group of Rs 30,000 to Rs 70,000 and above. Diversification of portfolio and tax benefit is the main factors of mutual fund that allure the women investors. Most of the women investors are aware of different mutual Funds scheme and the preferred reason for investing in MIP fund is consistent returns given by these funds. Mutual fund companies should come forward with full support for the investors in terms of advisory services, participation of investor in portfolio design (2). RBI Survey talks about the individual investor's investment and saving behavior. In the same line, Hira and Mugenda (2000) state that an advisor needs to understand the factors that underlie a client's financial behaviors before they can effectively advise them, and numerous studies have shown that men and women think and behave differently when it comes to managing money.

Most of the women investors feel that savings is an important activity but the amount they save every month is not uniform. Though some of the women investors are uneducated, they come to know about various savings and investment avenues with the help of agents, family members and friends. Regular savings and investment is valuable in developing an informal rural financial system which can be a great benefit of women. Systematic savings among women also helps to ensure good loan repayment rates. Women love to save on a regular basis and smallest of the surplus income they like to invest prudently. Systematic Investment Plans (SIPs) in mutual funds is a big hit amidst working women. This has enabled them build up a disciplined approach towards investing. Here women are benefited from the power of compounding and rupee cost averaging.

Women have made a lot of progress in all spheres of life, their participation in the stock market is limited because they have little knowledge of stocks and the working of the stock market. Women need to be provided with specific information, services and products as their information needs are different from that of men in order to ensure their active market participation. An investment educational programme for women is also needed to provide investment strategies that are responsive to their concerns and appreciative of the high demands they experience in their everyday lives. The

educational programmes must make women aware of the available financial investment instruments and should help them in shaping their confidence about money matters and investments decisions (3) .

OBJECTIVE FOR THE STUDY:

- To Study the recent trends of women perception towards Investments.
- To study the women preferences for Investment.

RESEARCH METHODOLOGY:

This research paper is based on Empirical study of women behavior for preferences of Investment and perceptions towards the investment pattern. The Primary data were collected on the bases of Structured Questionnaire. There were 150 respondents, the data was collected through personal interviews or google forms and convenience sampling is used.

FINDINGS AND ANALYSIS:

Following are the analysis of objectives:

1. Factors Affecting Women Investor While Taking Investment Decision

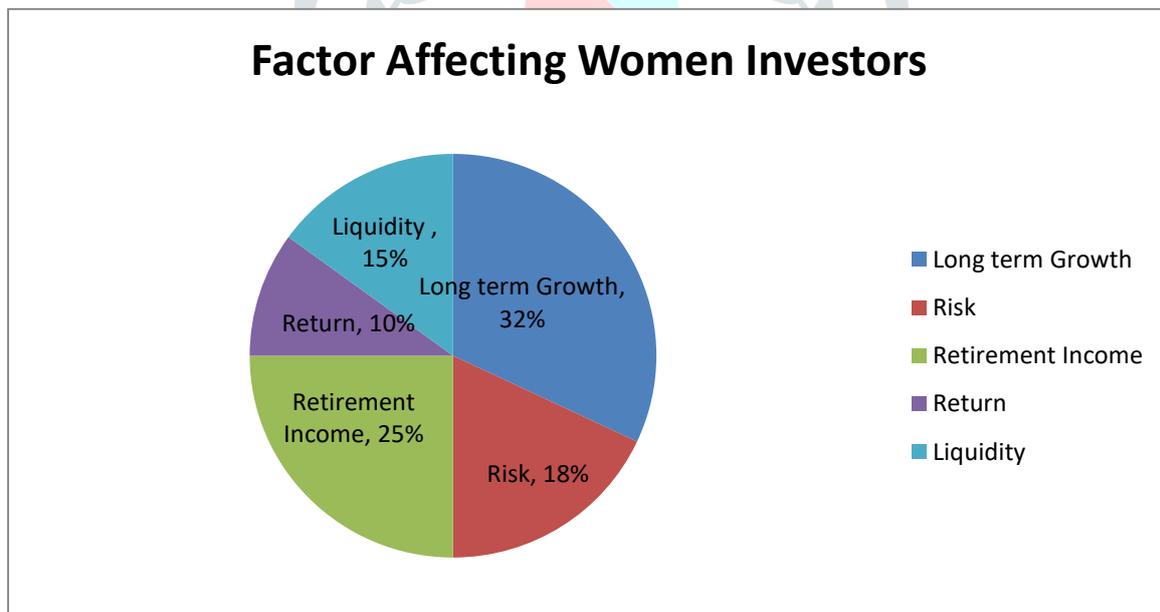


Fig. 1: Factors Affecting Woman Investors

Interpretation:

Majority of the women are of the opinion that long term growth is the most important factor to be considered while taking investment decision. Retirement income is another important factor to be considered as with the jobs in privatization and increasing private sector employees and also in government jobs gives the less retirement benefits to the new recruiters that’s why retirement income has also become important factor considered by women investors. Risks ranks 3rd as women investors are happy with moderate return & prioritizing long term growth more, as against the set perception.

For modern women investors risk is not a very important consideration while making investment decisions.

2. Knowledge Base Female Investors about Investment and Various options available

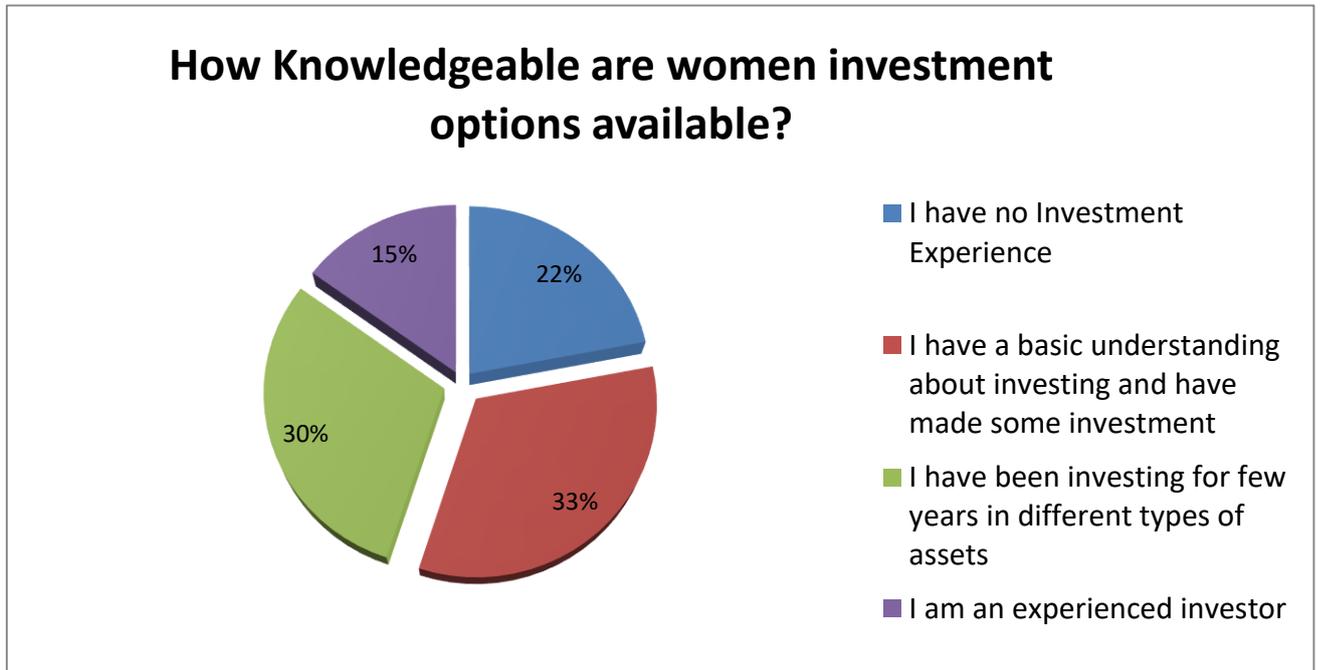


Fig. 2: How Knowledgeable are women investment options available

Interpretation:

There is not more significantly difference between the women have been investing in different types of assets for some years and percentage have some basic understanding about investment. But lesser the percentage that don't have any investment Experience. Here the demographic factors be effected, A very small percentage of women have enough investment experience, Still women are not taking independent decision about their investment.

3. Women Investors Perception towards Risk - Are they Risk Averter or Risk Takers?

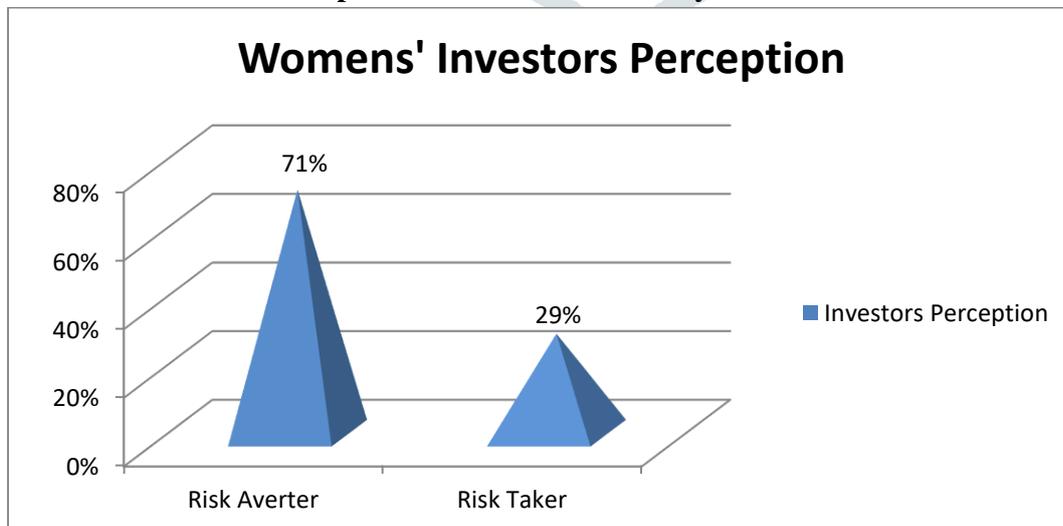


Fig. 3: Women Investor’s perception

Interpretation:

A very big proportion shows that women are highly believe in Risk Averter. They don’t want to take risks in their investment. A few portions of women are behaving to bear the risk towards Investment.

4. Preferred Investment Avenue by Women

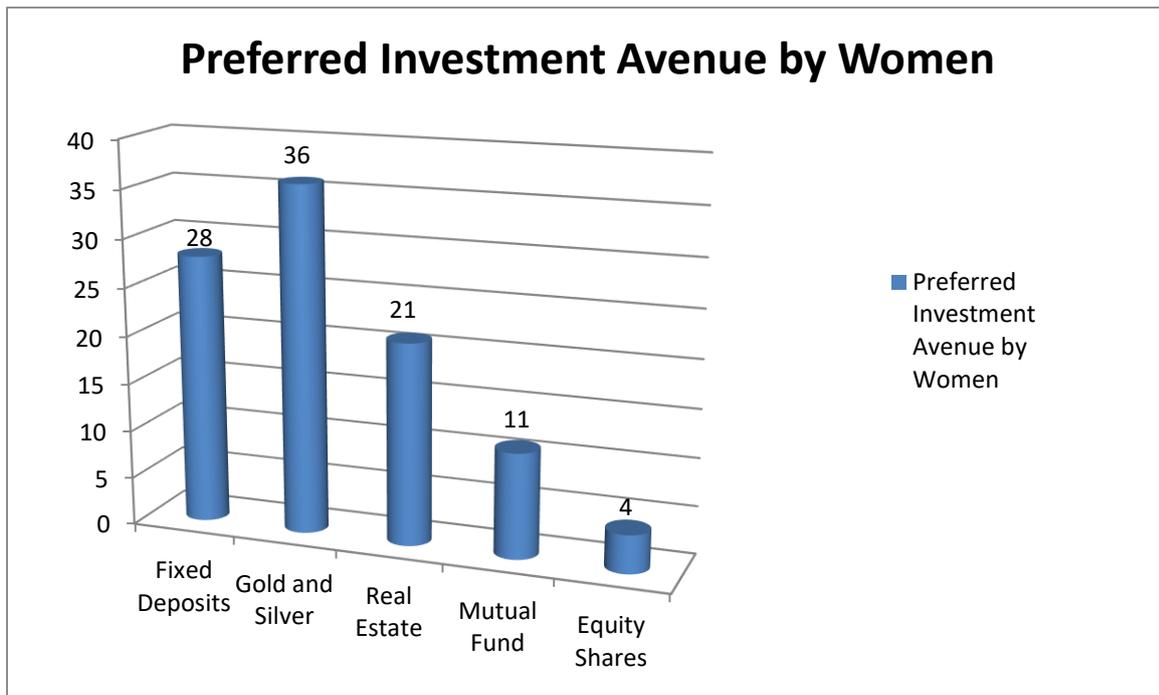


Fig. 4: Preferred Investment Avenue by Women

Interpretation:

Most of the women investors prefer to invest in low to moderate risk options as they are majorly moderate level risk takers. Most of them prefer to invest in Fixed deposits like bank deposits and post office deposits, gold & Silver is also one the preferable choice to invest their money. Recently women have started their investment in mutual funds as its awareness is increasing but still they are not risk takers so that proportion is very less. And very few women investors are trading in equity shares.

CONCLUSION

According to the study, different demographic factors such as age, marital status and no. of dependents do not have significant impact on investment behavior of women. The most important criteria that is considered while investing is long term growth. For modern women investors risk is not a very important consideration while making investment decisions. However, a very less percentage of women have enough investment experience. Women investors are also optimistic for their current and future investments and usually Invest in bank deposits, post office deposits, gold & Silver and Govt. Securities that are considered to be safer investment avenues. Still they are not ready to invest their money into highly risky but highly rewardable. They want to invest in safe zone.

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