



Study of Investment Pattern and Behaviour of Working Women

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Abstract :

Planning is crucial for the management of personal finances. No individual can meet all his financial goals without some amount of financial planning. Financial planning also involves keeping your financial goals in sight – the education of a child, buying a house, meeting an unforeseen medical expenditure etc., - so one is always able to manage one's expenses.

Indian women are known in world for their ability of managing home and now they are managing business and offices also at a same time. Savings being an important factor for economy, it attracts the researchers to study its role in economic development of developed or developing country. Women are generally less interested in investing; while working women had started investing. This paper focuses investment pattern and behavior of working women.

Keywords : working women, investment pattern, financial planning.

Introduction :

Savings and Investment both are important to the growth of any robust economy. Further, the growth of an economy also depends on the intrinsic strength of its financial system. Capital is an important factor of production, and once the goods are out in the market, their exchange also happens through the financial markets.

The investment behavioral aspects like investment awareness, investment decision and risk tolerance of working women belonging to Nagpur city. The research study covered topics such as personal investment

details, influencing factors of investments, managing their investments, loss in investment, level of risk, financial security and investing style. Also, the various parameters of self-efficacy and personality traits possessed by the working women are studied in detail. Demographic factors of the respondents and their relationship with investment behaviour, self-efficacy and personality traits are also discussed.

A Descriptive Research Design is adopted in this study. Survey method is used and Structured Questionnaire is adopted in the collection of primary data. The universe for the present study included the working women of Nagpur city. The population is taken as working women from all areas of Nagpur city including east, west, north and south Nagpur. The sampling frame is drawn from combined list of working women obtained from selected organizations of Nagpur.

Investment :

Investment is regarded as engine of economic growth and development of any country. The word "Investment" can be defined in many ways according to different theories and principles. It is a term that can be used in a number of contexts. However, the different meanings and definitions of "Investment" is summarized as following: General Investment to a common man means buying anything that benefits him/her. According to Economists, Investment refers to any physical or tangible asset, for example, a Building or Machinery and Equipment etc.

Indian Financial System and Investment Decisions:

Savings and Investment both are important to the growth of any robust economy. Further, the growth of an economy also depends on the intrinsic strength of its financial system. Capital is an important factor of production, and once the goods are out in the market, their exchange also happens through the financial markets.

The main activity of a financial market is to facilitate the trade of the perceived value of one financial asset for another, either in the form of interest, dividend or capital appreciation. Capital markets are the platform that brings savers and borrowers together. Savers lend money to borrowers in lieu of securities and with these funds borrowers meet the capital requirements of their businesses (Avadhani, 1998¹).

Financial Awareness:

This is the crying need of the hour. Financial literacy implies a basic awareness or knowledge of the investment options available to an average India. This awareness is presently very low among Indians, who are unaware of the risk and return features of the financial market and are therefore unable to choose

¹ Avadhani.(1998). Investment for Beginners, Himalaya Publishing House, New Delhi

the right instruments for meeting their financial goals. This puts hurdles in the path of the financial planning process and the lofty goal to maximize wealth for all, and reduce the yawning gap between the rich and the poor.

Financial Planning:

Planning is crucial for the management of personal finances. No individual can meet all his financial goals without some amount of financial planning. The process begins with the drawing up of a monthly budget, keeping tabs on the daily outflows; regulating your expenses; reconciling the inflows with the outflows and checking and re-checking your personal balance sheet to be able to live within your financial means and not be drawn into debt.

The idea is to, over time, build your assets through regular savings and now have a mountain load of loans and unpaid liabilities. Financial planning also involves keeping your financial goals in sight – the education of a child, buying a house, meeting an unforeseen medical expenditure etc., - so one is always able to manage one's expenses.

Last but not the least, financial planning also calls for wise investments in a carefully picked portfolio of various financial products based on parameters like you age, risk appetite, income, and the period for which you want to remain invested in a particular instrument to meet a certain financial need – say, a daughter's marriage. All these are important factors in determining the risk-return factors of the stock market. Financial planning is not possible without financial literacy.

Women in India :

World has changed and so as women in India. Women are now started taking active interest in their career prospects along with their family life. They are now not only managing their family but at the same time working in organisation and taking their own decisions. Apart from taking decision for grocery and routine household work, they are taking decisions regarding investments also. Dependent status of women has now changed to independent status in every household of India.

Indian women are known in world for their ability of managing home and now they are managing business and offices also at a same time. Once considered as Home Minister of household are now running economy, home as well as organisation very well. Boundaries have been crossed and now in every filed woman have shown their power.

Women in India are taking active part in investment decision for their household. There are many investments options available in today's Women constitute nearly 50% of the population. In the past,

Indian Women used to perform only household activities. Over a period of time, there has been a change in the traditional way of thinking. The percentage of working Women has been growing. The changing role of Women in society has created demand for a number of products and service. Earning Women prefer to hire services to reduce the load of the many roles that they are required to perform. They are well informed and are able to select the right service and also influence the family members in purchase decisions.

In India the socio-economic profile of the Women has change dramatically. Today Indian Women are not only spending on products and services, earlier considered a luxury but are also looking at smarter ways of investing their money. Rising literacy level among female and effective financial understanding among them has boost the economic strength of our country. Earlier Women used to be dependent member of family but now they are among working force and contributing their best towards family livelihood. The study of dynamic relation between savings and investment has received considerable attention in recent years especially in emerging economies like India. The role of savings and investment by Women in promoting economic growth of India has been given paramount importance since independence.

Traditionally in India, woman goes through four status role sequences; she starts her journey as a daughter, then wife, housewife (homemaker) and Mother. This roles are traditionally was well defined but now they are changing at a larger scale. Now a day's modern woman's are looking for new fields that were unknown to them in past. They are now taking interest by participating in Social, Economical & Political activities.

Since today they are receiving higher education in comparison to past, it has far reaching impact in the economic status of their families.

Literature Review

A Report was Prepared by the Federal Research Division, USA on behavioural patterns and pitfalls of US investors (2010)² to identify common errors made by the US investors in making their portfolio choices and investment decisions and to provide scholarly comments from finance, psychology, business, sociology professors and investment professionals about how investor makes investment decisions and why some of the investors are reluctant? The study found that the investment mistakes are the results of social, cognitive, psychological and emotional factors of investors.

² Federal Research Division, "Customised Research and Analytical Services of US Government"

According to the study conducted by Priyanka Pandey (2015)³ on gender bias on investment behaviour, female are more conservative than their male counterparts in terms of risk aversion. The study also attempted to establish relationship between gender and level of confidence among male and female. The study has shown mixed results with respect to the level of overconfidence among different gender. However only negligible portion of female investors were overconfident and the rest were not confident about their knowledge and investment decisions when compared to male counterparts.

Ramanujam, V., & Ramkumar, G. (2013)⁴ have conducted survey among young and experienced women who were involved in stock market for making investment to study the influence of investment experience. The analyses regarding investment decision is carried out in comparison with their investment experience. Both Sources of investment and factors to be considered before investment having association with the investment experience. They have concluded that women investors are preferred to have a long term appreciation rather than having short or medium term appreciations. A significant portion of the respondents who are all young shows keen preference in their safety towards the selection of the investment avenues in risk adverse manner.

Conclusion

In India many of the working women who are employed and economically independent contribute towards economic and house hold needs of the family. Even if women are employed and earn, they have no control over the income they earn. They often make discussions and take opinions of their family members, friends and peers and give due weightage to their opinions before making any financial decisions.

However, when it comes to investments, they often leave the decisions to their husbands and other family members. The employment opportunities provided to women indeed raised the hopes of women for a better and elevated economic and social status. But at the same time it has put them in a contradictory situation where they have the label of economic independence but in fact they are not given chance to enjoy their economic liberty in making any economic and financial decisions.

³ Priyanka Pandey (May-2014), “ A Study of Gender Biasness in Investment Behaviour of Investor”, Golden Research Thoughts, Vol.-3 Issue-11

⁴ Ramanujam, V., & Ramkumar, G. (2012), “An Empirical Analysis On Preferred Investment Avenues Among Young and Experienced Women Investors with reference to Coimbatore”. International Journal of Business and General Management , PP 3-11

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