

Study on Investment Pattern and Awareness among Working Women With Reference To Thane District of Mumbai

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Abstract

Women in India are contributing in all different areas of economy and becoming financial independent. Now they too have begun to participate in investment decisions. Investment decisions in different avenues depends upon risk taking capability, awareness on options available, influence of family and friends and more factors. The research study is on the investment preference behavior of working women of Thane District of Mumbai. The objective of the paper is to find awareness about different avenues like investment instruments such as bank deposits, post office savings, life insurance schemes, equity market, mutual funds etc. and factors influencing on their decision making. The study is in descriptive nature.

Keywords- Indian working women, investment avenues, Investment awareness

Introduction

Women's income is always reflected as a additional income within the family. Usually women's work/domestic work is included in the nonproductive category in the earlier censuses – showing that other categories are supposed to be reproductive. It is universally considered as, women and children in the family are consumers, not

producers. However, the growing importance of income earned by women raises many interesting issues worth serious consideration. First, it is related to the share in the total household income. Second it is related to their control over the expenditure of the total household income – that means who took decisions and what are the decisions etc. Third is, after spending a considerable amount of earnings, what are the investment tools opted by women to save their earnings. During this survey, it was found that respondents were highly educated, typically employed, and almost all have savings and assets.

The economic crisis has intensified women's appreciation of the need to develop a financial plan that will materialize long-term financial goals.

Need of the study

The goals of the study are to understand the level of urban & rural working women investment pattern in Thane district. Now days many women have come out their home they are earning person in current fast moving world so that earning are go to their family investment activity. Working women are changing the lifestyle of their entire family. The final accomplishment of the study is to be finding the extent of satisfaction level on usage of money.

Investment avenues

At present, wide varieties of investment avenues are open to the investors to suit their needs and nature. Knowledge about the different avenues enables to choose investment intelligently. The required level of return and the risk appetite of investor results in type of investment. The investment alternatives range from negotiable financial instruments to nonnegotiable financial instruments.

There are customized savings bank accounts for women, which offer various rewards and cash back offers. Also they can opt for Tax-free savings options like Life Insurance policies with a wide variety of life insurances such as endowment, term, and

money back schemes and Unit-Lined investment plans, Sukanya Samriddhi Yojana for securing a girl child's future, PPF, National Pension Scheme, Mutual funds with wide options depending upon the risk appetite, equity market, Bond market, Jewelry in form of metal, bonds and mutual funds etc.

Challenges faced by women

- In today's busy world women say they lack the time to fully research investment products and make informed decisions.
- They have difficulty trusting information on responsible investment products, and that they have trouble understanding how these products and investment strategies work. Hence, they lack knowledge and confidence.
- Women face practical difficulties when it comes to committing their money, could financial advisors, particularly those advisors who 'get' the value priorities
- 35% Women do not feel confident in terms of making decisions regarding their financial investments.

Objective and Scope of Study:

- To study the investment preference among the Women working in different sectors in Thane District of Mumbai City, Maharashtra, India.
- To know the factors those are influencing investment behavior of the peoples.
- To analyze the pattern of investment and saving among the Working women.
- To find the problems those are faced by the working women.
- To know the decision making capabilities of women
- To find out the awareness of investment avenues.

Tools used

Primary and secondary research has been used to obtain information to validate the hypotheses and provide recommendations for the research problem.

Hypothesis

1. H01: As age increases the annual income increases proportionately.
2. H11: As age increases the annual income does not increase proportionately.
3. H02: There is a positive impact of Qualification, age and experience on the annual income.
4. H12: All three factors do not have the same impact on the annual income.
5. H03: As income increases the awareness and choice of investment increases proportionately.
6. H13: As income increases the awareness and choice of investment does not increase proportionately.

Sampling

The survey was directed towards the “Working women of Thane region. The targeted population is between the ages of 18-50. This study is non-probability convenient sampling. Simple procedures were used to select the respondents from the available database. While selecting the respondents, factors, such as age, educational qualification, and professional background of the working women were considered to ensure that the respondents have sound knowledge about investment avenues. The sample size selected is 60 individuals.

Limitations of the study:

Researcher has taken adequate care to ensure that the limitations in the study do not distort the data for validating the hypothesis. Since Investment planning is a very planned and secret matter, people generally were hesitant to reveal information concerns to their savings, investments and tax planning measures adopted for the period under study.

Finding from Primary Data:

A) Level of Income

Analysis & Interpretation:-

- The survey also displayed the level of income women are earning in Thane region.
- From survey it was found that most of the women have salary/earning upto 2.5 Lacs p.a. and accordingly there investments priorities may change.
- This also leads to low risk appetite of the respondents due to low earnings.
- Then the range of 2.5 lacs to 8 lacs is followed as 17 of the surveyed respondents were part of this research.
- The higher the level of income the higher amount is tend to be invested in various investment avenues.
- Only 22 respondents have their income beyond 8 lacs p.a.

B) Saving your money

Analysis & Interpretation:-

- The investment patter depends on the ratio of the expense and savings of individual.
- 60 female respondents only 44 female respondents that they save their money.
- This affects their investment in the various avenues and also lowers there risk appetite.
- Further, it is observed that there is direct relationship between the income level and awareness of the different avenues of the investments.
- A person having high level of income will have more knowledge about different sources and avenues of investment.

C) Preference for investing your saved money

Analysis & Interpretation

- The ideal logic is more the income more will be the investment.

- Out of 60 respondents only 35 female respondents tend to invest their saved money the remaining respondents are either not interested or not aware about the investments.
- From the past two questions we got the understanding of the Women's income and their investment interests.

D) Preference of investing in tax saving schemes

Analysis & Interpretation:-

- The investment schemes mostly preferred by women are those which have low risk appetite.
- It is to be seen that most of the women are investing in Life insurance and bank deposits which have low risk capacity.
- Almost the 60 to 80 % of women are investing in Bank deposits and Life insurance for saving their tax from Taxable
- The second preference is give to sukanya samriddhi yojana which is basically used when a girl child is born.
- The preference to NPS National Pension scheme is very low which is basically done by the

E) Investment objective

Analysis & Interpretation:-

- Most of women's investment objective is continuous Growth and Income.
- The second preference is Income and capital preservation, which is preferred by the 33.33% of the population.
- The third preference is of Long-term growth, which was the objective of only 21% of the population.
- The fourth and the last preference is for short-term growth having 11.7% of the respondents.

F) Percentage of your income as investment per year

Analysis & Interpretation:-

- The percentage of working women investing in the investment avenues is given in three different ranges Range 1) 0 – 15%, 2) 15% - 30%, 3) 30% - 50%.
- It is observed that most of the people fall into Range 1 i.e. 0 – 15% and percentage of women investing in this range is more than 50% i.e. 53% of the women invest their 0 – 15% of their income p.a.
- The second range is 15% - 30% of their income working women tend to invest the percentage of women investing 15% - 30% is 30% of the population.
- The third range is 30% - 50% in which only 16.7% of the women invest in the said range.
- It is good to see that many of the women are also gaining their knowledge and investing their money accordingly.

G) Awareness of Investment avenues

Analysis & Interpretation:-

- Most of women have more awareness on Bank Fixed deposits, Post Office schemes.
- 25% of respondents have awareness on mutual funds and its different schemes.
- 2% of women were having knowledge on National Pension Scheme.

H) Making independent Investment decisions

Analysis & Interpretation:-

- Most of the women the independent decisions taken by the women regarding their savings, investments, etc.
- As it is seen that only 25% makes independent investment decisions.
- 38% of the women are not able to make independent decisions that could be because of less knowledge, risk bearing capacity, etc.

D) Monitor of Investments

Analysis & Interpretation:-

- Only 20% of the women monitor their investments on daily basis.
- Major percentage of the population monitor their investments occasionally say once in a month, when there is downfall in the market, etc.
- Majority of the population monitor their investments occasionally the percentage of the said respondents is 45%.

Conclusions

- This research paper shows that education of investors is immensely important for the present day investors in Thane. This research is a reflection of the behavior of various categories women investors.
- This research concentrated in identifying the needs of present and future investors, investors' preference towards various investment avenues are identified based on their income. Investors risk in selecting a particular avenue is dependent on the age of that investor.
- Women are less likely to take investment risks for whatever reason many women are less willing than men to take risks. The Present study has important implications for investment managers as it has come out with certain interesting facets of an individual investor.
- The data analysis of research reveals that the safety is concerned as important factor while doing investment, so remaining avenues are less found less considerable while doing investment by the investors.
- Most of the investors are not aware of investing their money in mutual funds. Therefore, mutual funds will give more compliment and awareness it will help to invest their money in the mutual funds and the capital market.

Recommendations

1. At national level there is a need to initiate steps to inculcate the right saving habit among the growing middle class working women.
2. It is observed that a negligible number of women invest in Debt, Equity instruments, Hedge funds, etc. Some “Financial Literacy Campaign” must be undertaken as many people are still unaware of the investment opportunities in the stock market.
3. There should be common grievance cell when they are cheated and misguided.
4. The employers should organize investment and financial awareness programmes.
5. Women should take help of reliable certified financial planner for making good investment decision and ideal portfolios.

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