

A Study on Investment Pattern of Working Women in Chennai

Mrs R. Rajalakshmi¹, Ms K. Sushmitha²

¹ Associate Professor, Department of commerce, C.T.T.E. College for women, Chennai

² Assistant Professor, Department of Commerce, St. Anne's Arts and Science College, Chennai

INTRODUCTION

Investment refers to the employment of funds on assets with the main aim of achieving additional income, growth in value or capital appreciation. Time and risk are the two attributes related to investment. Present consumption is sacrificed to get some return in the future. The sacrifice that one has to tolerate is certain but the return in the future maybe uncertain. Such attribute of tolerating future uncertainty of investment indicates the risk factor. The risk is undertaken with a view to reap return from the investment.

Investment pattern indicates various set or collection of assets or investment avenues which an individual decides to choose for investing in. An investment pattern paves way for investment portfolio which means combination of assets and securities which an individual holds and maintains. The main advantage of investment portfolio is diversification of assets or securities, taxability, safety of funds, stability of price, liquidity, returns and capital growth.

In the olden days majority of the women were not allowed to get education and their role was to take care of their family and house, only a few women went out to face the real world. So it was the responsibility of men to earn. It was also the duty of the women to handle the hard earned of her husband as she knew the value of such money. Women naturally have the habit to save, instead of spending it unnecessarily. This habit is found in every house where a women will save money in containers in their kitchen (like mustard box, rice box etc.,).

The society slowly started to recognize the need and importance of women education. Today we find highly educated women are doing great achievement in different fields, without forgetting their family responsibilities. Majority of the women are able to

balance both carrier and family life. So we are able to find women who are financially independent. But what about their investment behaviour? What about their awareness level of investment? If yes then what are their investment pattern, what are factors that influence them to invest? Whose decision they follow while investing? And what are their preferred investment avenue or option? The answers for these questions are required for knowing the role of working women while making their investment decisions.

Thus, "A Study on investment pattern of working women in Chennai" is mainly focused on knowing the factors influencing investment decision, awareness level, investment options and their preferred choice of investment of working women while investing.

OBJECTIVES

1. To study the socio-economic status of working women.
2. To study the factors that influence working women to invest.
3. To study the awareness level of working women about various investment opportunities.
4. To understand the most preferred investment option among working women.

LIMITATION

1. The present study is related to the working women in Chennai.
2. The Population in Chennai is large but the sample size taken for the study is limited to only 152 respondents, out of which only 130 respondents invest their funds.
3. The responses collected from the respondents may subject to bias.

4. This study is purely based on the responses given by the respondents.
5. The findings of the study may not be generalized to the entire population of the working women in Chennai.

REVIEW OF LITERATURE

S.PackiaRaj (2018) presented “A study on investment pattern of working women in Arrupukottai”. From this study it is found that working women become aware of various investment avenues from their family members and friends. Further it is also observed that almost all the respondents are aware of investment avenues like bank fixed deposit ,post office savings ,LIC and provident fund. From the study it is noticed that safety of principal and regular return on investment are the main motive behind investment of funds by working women. The major problems faced by working women while investing are long term maturity, lack of awareness, misguidance, minimum transparency, Improper portfolio management, lack of product innovation and cheating by chit fund companies.

T.M.Hemalatha and pavithra.S (2018) executed “A study on savings and investment pattern of salaried women in Coimbatore district”. For the purpose of this study the author has collected data through questionnaire only from salaried group of women employees to identify the awareness level among respondents regarding various investment avenues like bank deposit, post office savings. The reasons which influence the respondents to invest are to save for future, to increase their standard of living and for health care. Finally it is concluded that women investors describe safety of funds as their priority for choosing an investment.

Dr.V.G.Jisha and V.Gomathi (2017) conducted “A study on perception of investment pattern of working women in the city of Coimbatore”. They have identified the relationship between the level of awareness of various investment options and factor which influence their investment pattern. It is found that investors describe safety of funds and high return of investment on regular basis as their priority for choosing on investment.

Dr.Vivek Mittal and Nidhi Aggarwal (2017) examined “Investment behavior of working women with special reference to Ludhiana district in

Punjab”. In this study the author has studied the relationship between marital status and investment pattern and found that there is significant relationship using chi-square test which means married women are more keen, cautious and interested in investing their income in investment for increasing their wealth to meet their future needs. Finally the author has concluded by suggesting that government and SEBI should take necessary steps for creating more awareness among women about various investment options since the awareness level about various investment avenues among women is found to be dull.

Priyanka Zanvar and Dr.Sarang S. Bhola (2016) conducted “An empirical study on an investment pattern of individual investors in Pune city”. The goal of this study was to understand the investment pattern among investors in Pune. It is found that individual investors prefer to invest in risk free investment options and prefer to play safe in the investment market. It is concluded that insurance and bank deposit are the preferred investment option of the investors in Pune. It is also found that high return, tax benefits and safety are the factors which influence the investors in investment decision.

RESEARCH METHODOLOGY

Research methodology is the systematic method consisting of enunciating the problem, formulating a hypothesis, collecting the facts or data, analysing the facts and reaching certain conclusions either in the form of solution(s) towards the concerned problem or in certain generalizations for some theoretical formulation. Thus, it is the continuous process that studies research problem and analyses the logic behind it.

TABLE SHOWING SOCIO-ECONOMIC STATUS OF WORKING WOMEN

S. N O	QUESTION AND OPTIONS	NO OF RESPONDENTS	PERCENTAGE
1	AGE(years)		
	20-30	62	40.79
	31-40	52	34.21
	41-50	28	18.42
	Above 51	10	6.58
	TOTAL	152	100

2	EDUCATIONAL QUALIFICATION		
	School education	3	1.97
	UG	37	24.34
	PG	62	40.79
	Professional	50	32.89
	TOTAL	152	100
3	MARITAL STATUS		
	Married	103	67.76
	Spinster	42	27.63
	Divorced	3	1.97
	Widow	4	2.63
	TOTAL	152	100
4	NUMBER OF MEMBERS IN THE FAMILY		
	Below 3	38	25
	3-5	103	67.76
	Above 5	11	7.24
	TOTAL	152	100
5	REGION		
	Urban	139	91.45
	Rural	13	8.55
	TOTAL	152	100
6	OCCUPATION		
	Employee	95	62.50
	Employer/Manager	6	3.95
	Professional	39	25.66
	Self-employed/Business	8	5.26
	Part timer	4	2.63
	TOTAL	152	100
7	KIND OF ORGANISATION		
	Private	135	88.82
	Government	17	11.18
	TOTAL	152	100
8	WORK EXPERIENCE (years)		
	Less than 5	62	40.79
	5-10	44	28.95
	10-15	19	12.50
	15-20	12	7.89
	20-25	5	3.29
	Above 25	10	6.58
	TOTAL	152	100
9	MONTHLY INCOME (Rs)		
	Less than 20000	52	34.21
	20001-30000	34	22.37
	30001-50000	28	18.42

	Above 50000	38	25
	TOTAL	152	100
10	AWARENESS ABOUT VARIOUS INVESTMENT AVENUES		
	Yes	147	96.71
	No	5	3.29
	TOTAL	152	100
11	SOURCES OF INFORMATION		
	TV and Radio	41	21.35
	Print medium (Magazine, Newspaper, Journal)	36	18.75
	Agent and Advisors	32	16.67
	Family members and	77	40.10
	Organisation report	6	3.13
	TOTAL	192	100
12	CHOICE OF ADVICE		
	Husband/Family members	100	59.17
	Friends and Colleagues	24	14.20
	Self- decision	25	14.79
	Professional	20	11.83
	TOTAL	169	100
13	TERM OF INVESTMENT		
	Long term(above 5 years)	52	40
	Medium term(2-4 years)	61	46.92
	Short term (less than 1 years)	17	13.08
	TOTAL	130	100
14	LEVEL OF RISK		
	Less risk	85	65.38
	Moderate risk	39	30
	High risk	6	4.62
	TOTAL	130	100
15	LEVEL OF SATISFACTION		
	Completely satisfied	44	33.85
	Somewhat satisfied	51	39.23
	Neutral	34	26.15
	Somewhat dissatisfied	1	0.77
	Completely dissatisfied	0	0
	TOTAL	130	100

Note: The above questions is about term of investment, level of risk and level of satisfaction respondents prefer. Only 130 respondents out of 152 have the habit of investing as given in limitation of the study. Thus the same count (130) is considered.

Source: Primary data
TABLE SHOWING THE FACTORS THAT INFLUENCE THE RESPONDENTS TO INVEST

	FACTORS THAT INFLUENCE TO INVEST	NO OF RESPONDENTS	PERCENTAGE
	To increase wealth	40	24.2
	To get tax benefits	43	26.1
	Retirement plan	22	13.3
	Children Education and	53	32.1
	Travelling and tour	7	4.2
	Total	165	100

Note: since some of the respondents have responded to more than one response, the responses have outnumbered the respondents.

Source: Primary data

INFERENCE

From the above table and chart it can be observed that 32.1% of respondents' main purpose to save is for the education and marriage of their children. The second major factor which influence the women respondents to save is to get tax benefits, by choosing the investment options such as Provident Fund, Public Provident Fund. Post office savings declared by the Central Board of Direct Taxes for tax exemptions up to a certain limit. Though the initial investment needed for real estate investment option is higher than any other investment options, the return it fetches over a long period of time is much higher. Investment in bank deposits, mutual funds, share, and bonds can be done with the surplus amount available with them. This is not so in the case of real estate investment option. It can be concluded that the respondents who are well aware of the benefits resulting from real estate investment would exercise this option and enjoy the benefits resulting or resulted from the same. Respondents falling in the age group above 50 is 7% (approx.). It is natural for the respondents of this age category to get attracted by good retirement plans opened out by both public and private sector. After retirement, a systematic investment in retirement plan will yield a good dividend, interest or capital gain depending on the choice or option availed by the respondents. Only 4.2% of the respondents have thought differently and planned for their entertainment which most of the investors fail to consider this as a factor influencing investment option.

TABLE SHOWING THE LEVEL OF AWARENESS ABOUT VARIOUS INVESTMENT AVENUES

Investment avenues	Well Aware	Slightly Aware	Not Aware	Average	Remarks
Bank fixed deposits	126	15	11	2.757	Well aware
Provident Fund (PPF/EPF)	120	23	9	2.730	Well aware
Post office savings	118	20	14	2.684	Well aware
Bullion (Gold/Silver)	101	31	20	2.533	Well aware
Real estate	53	48	51	2.013	Slightly aware
Mutual fund	50	55	47	2.020	Slightly aware
Share, bonds and debentures	42	51	59	1.888	Slightly aware
Money market instrument	21	33	98	1.493	Not aware

Source: Primary data

INFERENCE

The above table represents the respondent's awareness level about various investment avenues. These awareness level are based on the respondent's literacy rate, reference group, previous experience in investment etc., it can be seen that respondents are well aware of Bank fixed deposits, Provident Fund (PPF/EPF), Post office savings and Bullion (Gold/Silver) because these investment options are most commonly opted by all working women due to their factors like safety, appreciation, future rate of return, regular income and for convenient purposes. It can be noticed that based on the remarks, respondents' are slightly aware of investment options such as Real estate, Mutual fund, Share, bonds and debentures because they have heard about the existence of these investment options but are not familiar about working process and have not taken an attempt to invest in these options due to fear of loss, taxability, fall in market rate, interest rate and change in government policy and market policy. Lastly majority of respondents are not aware of Money market instrument. Money market instrument includes treasury bills, certificate of deposits, commercial papers, banker's acceptance. This is due to their lack of knowledge and interest to invest in these types of investment options.

TABLE SHOWING RANK OF VARIOUS INVESTMENT AVENUES PREFERRED BY THE RESPONDENTS

INVESTMENT AVENUES	PERCENTAGE	RANK
Bank FD and Post office savings	47	1
Provident fund	18	3
Mutual fund	8	4
Share/Bonds/ Debentures	7	5
Gold and silver	20	2
Total	100	

Source: Primary data

INFERENCE:

The above table shows that the respondents (working women) have ranked the bank fixed deposit and post office savings as number 1 because they feel that investing in bank fixed deposit and post office savings is convenient, gives regular income, guaranteed return and safety of principal. Gold and silver is ranked in 2nd place followed by bank fixed deposit and post office savings because of women’s attraction and affection towards gold and silver, Gold ornaments can be easily liquidated through pledge or selling when the need occurs but the value for gold may either rise or fall in the future based on the market conditions so it ranked as No.2. The next investment avenue in the list is Provident fund, it has long lock in period, it provides safety to the investors and future benefit but liquidity is not possible because of which it is been ranked in the 3rd place by the respondents. Mutual funds and share, bonds, debenture are ranked in 4th and 5th by the respondents respectively because of fear of facing loss, lack of knowledge and strategy to invest in it. Therefore the above mentioned investment avenues are ranked by the respondents as per their choice and convenience.

FINDINGS

- 40.79% of the respondents are aged between 20-30 years and are post graduates
- 67.76% of the respondents are married having three to five members in the family 91.45% of the respondents dwell at urban area and 8.55% of the respondents dwell at rural area.
- All the respondents are employed, in that 66.45% of the respondents are workers/staff, 24.66% of the respondents are professional,

- 5.26% of the respondents are Business women and 2.63% of the respondents are part timers.
- 88.82% of the respondents work in private organisation.
- 40.79% of the respondents have experience less than 5 years in their respective profession.
- 34.21% of the respondents earn less than Rs 20,000 and 25% of the respondents earn above Rs 50,000.
- 96.71% of the respondents are aware about various available investment avenues.
- 40.10% of the respondents receive investment related information from their family members and colleagues.
- 59.17% of the respondents’ investment decision is influenced by their husband in case of married women and parents or family members in case of spinsters.14.79% of the respondents rely on self-decision.
- 85.53% of the respondents are interested in making investment. 14.47% of the respondents are not interested in investing.
- 46.92% of the respondents prefer Medium term investment which is for 2 to 4 years.
- Children education and marriage are the major factor that motivate majority of the respondents to invest.
- Majority of the respondents are found to be well aware of bank fixed deposits, Provident fund, post office savings and bullion (gold/silver). But their awareness regarding real estate, mutual funds and share, bonds, debentures and money market instruments are found to be dull.
- Bank fixed deposit and post office savings are ranked as No 1 investment option by the respondents.

SUGGESTIONS

- The investors’ (working women) awareness about various available investment avenues to be improved, for which government should take necessary steps to impart knowledge and educate the working women relating to investment. Apart from creating awareness the importance of savings among young women is also required.
- Working women themselves have to make self-effort to attend the awareness programmes about investment avenues conducted by government,

financial institutions, BSE, NSE and other Mutual fund agents.

- Investment in real estate among women is found to be less due to the fear of getting cheated by the greedy real estate owners. When government brings in stringent rules and regulations and implements them properly, the forgery activities can be reduced which will make women having the affordability to come forward to invest in real estate.
- Working women who are independent in earning, should also learn to be independent while making investment for which they must equip themselves with information relating to investment by watching CNBC and other business news channel, reading various business, financial and investment magazines and browsing various investment websites.
- Working women who wants to deal with shares and debentures can open a Demat Account with any reputed banks or investment consulting agencies to deal with the transactions relating to share market. This will enable the investors to do transactions online without holding securities physically. Completion of transaction in a quicker way is also possible
- Working women prefer to take less risk and want their fund to be safe while investing. So the government should take action to provide more investors' protection tools. Though SEBI is playing a greater role in promoting protection to investors, awareness regarding the same is less which has to be enhanced by organising awareness programs with the help of experts.
- Most of the respondents want to invest only for medium term. This has to be changed, where they should develop the habit of investing for long term in order to enjoy good return in future, to get tax advantages etc.,
- It becomes necessary for women to learn to use the technology in order deal with their investment through online. The investment company, banks or the financial institution where the women have invested should guide their clients / customers accordingly.
- The government must ensure that they have a follow up over the projects and schemes they have launched for the women investors.

CONCLUSION

Savings are the funds safeguarded by any person to meet their urgent needs and to fulfil their desire either at present or in future. Savings cannot be kept idle and will not accumulate any return. For this purpose investment is the only solution which gives value to the savings. Investment is the commitment of funds by sacrificing the present needs with the anticipation of earning some reward in the future.

This study was mainly conducted to know and study about the investment pattern which women choose while investing their funds. As per the collected data it was found that the majority of working women in Chennai are graduates, married, salaried persons and their earning capacity is as per their educational qualification and their experience in work.

The factors that motivate majority of working women to invest is Children education and marriage. This shows that education is given top priority by educated people. As the cost of education is going high people prefer to save and invest in small amount as early as possible to meet the educational commitments in future. Marriage is also another big event in India where people spend a huge amount.

The awareness level among the working women in Chennai about the various available investment avenues is found to be good. They are aware of different types of investment options available, but their awareness about each investment option differs according to their investment habit. It is also found that majority of working women get the investment information from their family member and colleagues. A very important point to be noticed is that the investment decision of working women in Chennai is taken on behalf them by their husband among married working women and parents among the spinsters. So working women are financially independent, but are dependent when it comes to investment decision.

Bank fixed deposit, post office savings, bullion (gold/silver) and provident fund are preferred investment avenue among working women. Working women who have chosen these investment pattern feel that it is convenient, gives regular income, guaranteed return and safety over principal though these investment options give less return. The investment options like real estate, share, bonds, debentures and money market instruments which are

risky but gives high return in long run are less preferred among the working women in Chennai.

The women who are financially independent must also learn to take investment decision independently.

For which they must equip themselves to be financially literate when they do so, they become aware of how to invest in various investment options like share, bonds, debentures and money market instrument. When they are well aware they will invest in these options which will in turn pool more money in the economy thus increasing the productivity, demand and supply which in turn will pave way for economic growth.