

# Inclination Of Working Women Towards Investment- Study Of Preference Over Various Investment Avenues In Ludhiana

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*Abstract: For doing this project proper methodology and objectives were set to conduct the survey. The research design is descriptive and data was collected from both primary and secondary sources. Various tools were used to analyze the data. The survey was conducted through sampling in the selected city of Punjab. With this study it was analyzed that there is a huge scope of financial investments in a city like Ludhiana, where the culture for women is shifting from a housewife to a working women, an equal breadwinner of the house. And there could be still a huge percentage who are still not either aware about the financial investment avenues or do not know the benefits of making a financial investment.*

## I. INTRODUCTION

In the ancient times, women were not allowed to even get education. Their role was purely to look after home. Their world was limited to their families. But then, the people slowly started recognizing the importance of education for women. And today, we find many highly educated women. They are progressing in real sense because in almost all sectors we find women working successfully. And of course, while doing so, they haven't forgotten their job of homemaker. On both the fronts i.e. home & job, they are doing just fine. They know how to manage work life balance. Women's income is always considered as a supplementary income within the family. Usually women's work/domestic work is included in the non-productive 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. (U.Kalpagam, Labor and Gender, 1994). But the growing importance of income earned by women raises many interesting issues worth serious consideration.

## II. REVIEW OF RELATED LITERATURE

Patil & Nandanwar (2015) in their research paper "Review of Literature on Individual Investment Behavior" study confirmed that Indian investors even if they are of high income, well educated, salaried, and independent are conservative investors who prefer to play safe in the market. Financial regulators have to organize seminars, programs and sessions for creating awareness in individual investors as well as to boost confidence level among them. Based on the research conducted by times of India 80% of working women have no investment. The survey involving nearly 4,800 women investors found that just 18% of single working women take their own decisions. The proportion of married working women taking investment decisions is even lower at 13%. In other words, an overwhelming majority of around seven in every eight married women, although working, don't take their own investment decisions.

Bahl (2012) "A study on Investment behavior of working women of Punjab" concluded that 33 % of the women have a well-developed plan for investment. It also infer that 48 % of the working women think that one should start to invest whenever they find a new job or occupation. 18 % of the working women have invested in shares & stocks.

N.Geetha & Dr.M.Ramesh (2011) in their research "A Study on People's Preferences in Investment Behavior"

analyzed the factor that influence investment behavior of the people & to study the attitude of the respondents towards different investment choices. In this study they concluded that the respondents were medium aware of the available investment choices, but they were not aware of the stock market, equity & debentures. The study has been concluded that the income level of the respondents affects the portfolio of the respondents.

Above mentioned review highlighted that there is trend towards women investment towards various financial options so that they are independent and can build healthy and secure professional carrier for them. This study is conducted to understand to which extent working women are aware of the various financial investment avenues available and to understand their habit of making investment in different investment options. Also the research was needed to find whether a woman has financial independence or not in making choice of investment. This study will help us to understand the risk bearing capacity of working women in Ludhiana and also help us to know the pattern in which they make financial investment.

#### OBJECTIVES OF THE STUDY

- ✓ To find awareness and knowledge about investments tools among working women in Ludhiana.
- ✓ To find out the investment habits of the Ludhiana working women.
- ✓ To know the investment avenues that the Ludhiana working women prefer.

#### III. RESEARCH METHODOLOGY

The scope of this study extends to the working women, in Ludhiana city (Punjab), who are working in Banking, Insurance and Education Sector and are currently involved in direct or indirect financial investment. In this research, we followed “Descriptive Research” as we are describing some of the characteristics and behavior pattern of working women regarding investment options in Ludhiana. Data was collected by both primary and secondary sources. Primary data was collected through structured questionnaire. Secondary data was collected through journals, internet websites, and magazines etc. Population of the study was all the working women employees in banking, insurance and education organizations in Ludhiana. Stratified and simple random sampling was used to select sample from population. The sample size for this research project was 100 units, i.e. research was conducted on 100 individuals who are women and employee in banking, insurance and education organizations in Ludhiana region.

#### IV. DATA ANALYSIS AND INTERPRETATION

*Regarding awareness and knowledge about investments tools among working women in Ludhiana.*

Knowledge level Age Group	High	Moderate	Low	Total
Between 20 and 30	4	25	11	40
Between 30 and 40	2	23	7	32
Between 40 and 50	2	11	3	16
50 and above	1	4	5	10
<b>Total</b>	<b>9</b>	<b>63</b>	<b>26</b>	

Table 1: Knowledge about financial instruments

This shows that women in Ludhiana have basic knowledge of various investment options available to them because of which they are able to take their independent financial decisions.

There is a negative correlation between the age and knowledge level of working women. As the age is increasing, the knowledge level is decreasing.

As women are getting more educated their knowledge level is also increasing so we can say younger generation has more knowledge about the financial investment avenues. Today young generation of women have more education opportunities and more exposure to practical work which was not possible earlier.

The younger women generation is more tech savvy, and they have willing to learn, carry out researches and apply different online investment techniques and tools. Trading platforms founded online provide numerous opportunities for both technical and fundamental analysis, as well as educational and financial websites.

Technology, such as online opportunities, apps and social media platforms, can all boost the young investors’ experience, knowledge base, ultimately, confidence, and expertise.

Source Age	Newspapers	Television	Online	Discussion (peers, family, etc.)	Others	Total
Between 20 and 30	26	18	22	18	5	89
Between 30 and 40	22	16	17	18	4	77
Between 40 and 50	8	7	9	13	1	38
50 and above	6	4	5	7	0	22
<b>Total</b>	<b>62</b>	<b>45</b>	<b>53</b>	<b>56</b>	<b>10</b>	

Table 2: Source of Information

Thus from above we can say that, working women in Ludhiana keep on gathering information from various sources in order to keep them updated. And mostly they rely on newspapers and discussion for such information.

Today working women have big social group with whom they keep on discussing about financial investments. They prefer to get information through discussions because they believe to invest in those where people have already invested and they have earned profit from that as they feel they are more reliable and less risky.

And all women have smart-phones through which they keep on reading newspapers online and get themselves updated. Women lying in age group between 20-30 have more knowledge and they usually gather more information as compare to women lying in age group of above 50.

*Regarding the purpose of investing among working women in Ludhiana.*

	Tax saving	Capital Appreciation	Future needs	Hedging	Regular Source of income
Rank 1	14	39	33	3	11
Rank 2	20	19	16	2	39
Rank 3	22	24	24	6	21
Rank 4	35	13	21	7	20
Rank 5	7	3	4	80	7

Mean Ranks	3.01	2.2	2.46	4.62	2.72
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Table 3: Reasons for Financial Investment

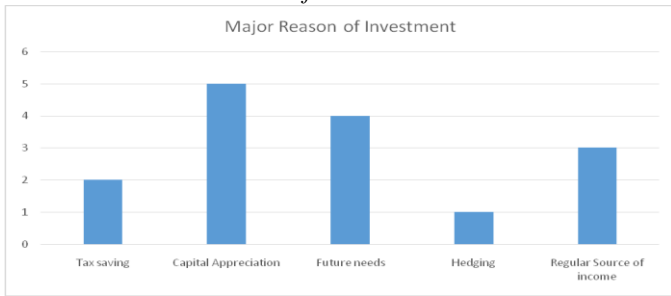


Figure 1: Major Reason for Investment

Apart from Hedging preferred by banking women, the profession of the working women does not impact their reason for financial investment. Overall investment reasons for all working women remain the same, i.e., Capital appreciation followed by future needs and Tax savings. Thus we can say that women prefer to invest more for their family, children education or marriage of children. So they invest more and more to get capital appreciated.

To find out the investment habits of the Ludhiana working women.

% of Income Invested	Less than 10%	10%-25%	25%-50%	More than 50%	Total
Below Rs 10000	6	2	0	0	8
Rs 10000-25000	21	22	6	0	49
Rs 25000-50000	6	16	9	3	34
Rs 50000 and Above	0	1	2	4	7
<b>Total</b>	<b>33</b>	<b>41</b>	<b>17</b>	<b>7</b>	

Table 4: Percentage of Income Invested

We can say that majority of working women prefer to spend their 10-25% income in financial investment options. Most of the women who have invested 10-25% of their income show that they are conservative investors. Many women invest less than 10% of their income which shows that they don't have thorough knowledge of various investment avenues.

Least percentage of women have invested more than 50% of their income as they don't want to take risks.

There is a positive correlation in the % of income invested and the income level of working women.

Thus, it shows that working women in Ludhiana are not focused on investing their majority income in financial investment.

Frequency of Investment	Daily	Weekly	Fortnightly	Monthly	Annually	Rarely	Total
Below Rs 10000	0	2	0	1	2	3	8
Rs 10000-25000	0	0	2	7	23	17	49
Rs 25000-50000	0	0	0	16	15	3	34
Rs 50000 and Above	2	0	0	2	3	0	7
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>26</b>	<b>41</b>	<b>23</b>	

Table 5: Frequency of Investment

This shows that women respondents prefer more bank deposits, insurance and mutual funds as these instruments require annual and monthly investments. Only few prefer to do investment in equity or any day trading.

The frequency of investment in among banking, education and insurance sector is not a distinctive feature and their profession hardly influence their frequency of investment.

However, there is a positive co relation between the income level and frequency of investment. As the income level rises, the frequency of investment also rises.

Women whose income is between Rs. 10000- 25000 invest rarely as their income get spend in household expenses so they are not able to invest. Moreover some working women don't have knowledge about financial investment so they do not prefer to invest and whenever they do they do rarely. They don't know which financial investment option is safe for them and where they should invest in order to get returns.

Some working women put their money in some kitty and they think they have invested but they don't know that with increase in inflation the value of money decreases. So less knowledge also leads to rare investment.

Thus we can say that working women in Ludhiana prefer to invest in long term investment options instead of short term options

Rank	Long term Growth	Risk	Returns	Retirement Planning	Liquidity
1	5	7	5	18	9
2	15	15	12	15	11
3	14	28	11	23	13
4	23	28	30	19	33
5	41	20	40	23	32
<b>Mean</b>	<b>3.8</b>	<b>3.4</b>	<b>3.9</b>	<b>3.7</b>	<b>3.1</b>

Table 6: Factors considered while investing in any instrument

As women take the decision regarding education and marriage of their children, Long term growth is the next most important factor for them. As most of the respondents belong to age group 20-30 years, it is evident that retirement planning is at the end of the priority list. Return is the major reason because they have responsibility of their family and they want to get returns on their income they invested in different sources.

Regarding investment avenues that the Ludhiana working women prefer

Ranks	Bank Deposit	Insurance	Mutual Funds	Gold	Equity	Bonds/debentures	Real estate	Govt. Securities
Rank 1	69	4	7	10	3	0	0	6
Rank 2	17	24	27	18	3	2	3	4
Rank 3	6	28	17	16	13	3	2	13
Rank 4	3	18	19	16	11	7	7	17
Rank 5	2	4	12	20	13	20	7	20
Rank 6	1	13	9	11	20	19	19	6
Rank 7	0	2	4	4	12	36	26	13
Rank 8	0	5	3	3	23	11	34	19

Table 7: Preference toward various investment avenues

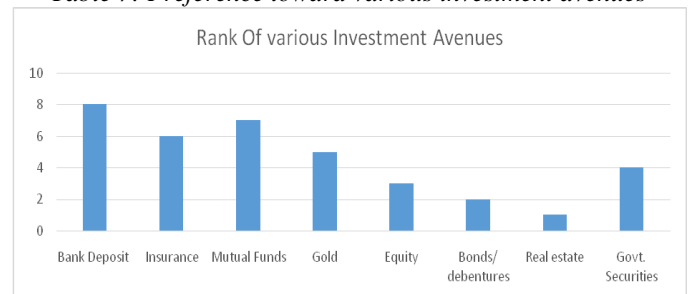


Figure 2: Preference toward various investment avenues

Women respondents prefer more bank deposit as bank deposit is the most reliable and safe way of making investment. After bank deposit, women prefer mutual funds because mutual funds has steady income and there is less risk. After mutual funds, women prefer insurance. According to them insurance will provide money after long term, for them it is a long term investment. For them insurance is a future investment. Through this we can say women are less concern with fast returns, they are more towards capital appreciation. Gold is also the major preferred tool among working women. According to them it is an asset as well as they can liquidate it fast whenever they want during any emergency. Government securities are also seen famous among women respondents as they are totally secured and returns are also sufficient. Equity, Bonds/Debentures, Real Estate are the least preferred tools among women respondents. The reason being these tools are risky and women generally don't take risks.

Thus we can say Women prefer safe and less risky investment tools. Their main purpose of investment is to make future secure.

#### V. FINDINGS OF THE STUDY

- ✓ This study reveals that majority of working women who make financial investments lie in the age group of 20-30 and 30-40. One of the factors responsible for this can be more awareness of investment options among the younger age groups and evolution of such financial investment options in later years of beginning of 21<sup>st</sup> century
- ✓ Majority of working women prefer to spend their 10%-25% income in financial investment options. The trend of financial investment is observed to be more in banking sector than in education or insurance sector. Most of the women who have invested 10-25% of their income show that they are conservative investors. Many women invest less than 10% of their income which shows that they don't have thorough knowledge of various investment avenues. Least percentage of women have invested more than 50% of their income as they don't want to take risks. There is a positive correlation in the % of income invested and the income level of working women
- ✓ Women prefer more bank deposits, insurance and mutual funds as these instruments require annual and monthly investments. Only few prefers to do investment in equity or any day trading. There is no difference of investment behavior among Banking, education and insurance sectors when it comes to frequency of investment made. Their profession does not affect their frequency of investment. However, there is a positive correlation between the income level and frequency of investment. As the income level rises, the frequency of investment also rises.
- ✓ A positive relationship between age and the time period of investment, i.e., as the age increases the time period of investment also increases. This shows that working women in Ludhiana are risk averse. Bankers although show a little more enthusiasm as the only people investing in Day trading instruments are bankers. However, working women in teaching and insurance sector mainly involve themselves in less risky periods and hence go for long term investments they prefer to get less returns but they are not ready to take risk. This also shows that women generally invest in funds which generate incomes in long term but don't invest in avenues which are medium and short term income generation
- ✓ Capital Appreciation is the major reason for investment among women. Future needs is the second reason for investment among women. Tax saving and hedging are the least preferred reasons for investment. There is no significant impact of profession on reasons for financial investment apart from hedging, which is only or mostly prefer by banking sector working women only.
- ✓ Majority of the women are of the opinion that returns and long term growth are the most important factors to be considered while taking investment decisions. retirement planning is least considered
- ✓ Women in Ludhiana have basic knowledge of various investment options available to them because of which they are able to take their independent financial decisions.
- ✓ There is a negative correlation between the age and knowledge level of working women. As the age is increasing, the knowledge level is decreasing. The younger generation have more knowledge about the financial investment avenues.
- ✓ Awareness among working women in Ludhiana is mostly contributed by Newspapers and discussions among the peers. Banking sector working women get information from newspapers and online portals, while education sector working women get information from Discussions
- ✓ Majority of women have Independence for making financial decision while there is still 38% of women who do not or cannot take the decision independently. Most of women in banking and insurance sector have independence for making financial decisions while women in education sector do not enjoy this freedom
- ✓ Women who do not have financial independence rely mostly on either their husbands (in case of married women) or fathers (in case of unmarried women). Either way women prefer to take advice before making any investment decision and in this their family and professional advisors like chartered accountant plays an important role.
- ✓ As the age increases, the investment in unsecure and risky investments like equity and bonds also decrease. This is because the risk appetite of the investors has a negative correlation with age. Thus we can say that, women investors are highly risk averse.
- ✓ Working women prefer to invest their income in bank deposits, followed by mutual funds and insurance. Gold is also the major preferred tool among working women. Equity, Bonds/Debentures, Real Estate are the least preferred tools among women respondents.

#### VI. CONCLUSION

There is a huge scope of financial investments in a city like Ludhiana, where the culture for women is shifting from a housewife to a working women, an equal breadwinner of the house. The concept of financial investment in Ludhiana has

been able to present itself, though there are still a percentage of women who have not been tapped fully. . And there could be still a huge percentage who are still not either aware about the financial investment avenues or do not know the benefits of making a financial investment. Ludhiana is growing in terms of business size and number, thus there is a huge scope of investment companies, AMC's , banks and other financial institutions to tap this market as this market shows a positive relation between the income level and the % of income invested in financial instruments.

The major purpose for financial investment among working women of Ludhiana was found to be Returns generated from the investments, long term growth of the sum invested and liquidity. As women take the decision regarding education and marriage of children, Long term growth is the next most important factor for them

The working women in Ludhiana have a basic and moderate knowledge and awareness of financial instruments available. Majority of them have a working knowledge of these financial instruments while there are still many who have very low knowledge level.

Investments by working women are usually made in an annual or monthly fashion which also indicate that they invest more in instruments like bank deposits and mutual funds. They like to keep their funds invested for more than 1 year which tells us that they usually prefer investing their funds for a long term appreciation and savings and do not prefer to take risk and go for soft and risk free investments.

Most of the working women do have their independence in making financial decisions but there are about one third women who still do not or cannot make the financial decisions on their own. Out of those women, decision for married women is taken by their husbands and for unmarried women, it is usually taken from their fathers. Many women still consult with professionals for taking the investment advice. Although full potential of working women in Ludhiana has not been tapped for financial investment, the awareness among them is rising and there is huge scope for future for such instruments in Ludhiana and have good future prospects.

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