

Investment Behaviour: A Comparative Study on Investment Choices of Women Investors

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Abstract - Investment in simple words means sacrificing some money value at present with a motive to gain higher returns in the future. Financial investment tends to choose the best alternative/s from the plethora of Investment avenues available. Today, the number of alternatives has increased and so has the risk of investment. Various researches have been made to understand the choices of different classes of investors. Many comparative studies have been also conducted in this regard. However, most of the studies that compared investors in terms of gender have concluded that women investors are risk-averse. Women empowerment being an important Sustainable Development Goal has gained much importance in our country too. India is a country where women are regarded as mothers, Maa, a protector, a caregiver, loving, patient and also worshipped as Goddess. So, Investment decisions made by women fulfill all the criteria mentioned above. Women are gaining equality compared to their men counterparts in every field. The women who are gainfully employed are thought to be more independent in their choices. This study is aimed to understand their choices about investments. Further, it has tried to probe if there is any difference in the choices of salaried women in comparison to women entrepreneurs.

Key words: *Investment, Women empowerment, Investment alternatives, Factors considered for investment, Salaried women, Women entrepreneurs .*

I. INTRODUCTION

Women empowerment is often confused with financial independence. This study tries to probe if women are truly financially independent, do they really take their personal financial decisions? How far do women influence household financial decisions? Are women free to spend their earnings i.e. their knowledge about spending their earnings etc.? This study aims at finding the actual capability of women in terms of gaining true financial independence. According to Hilary Clinton, "Women are the largest untapped reservoir of talent in the world". At present women are playing a vital role in supporting their families financially. They are also contributors to the economic growth of a country. Saving and investment are the two major components of any financial system. Investments are made by households, corporate and government agencies. Conventionally, the right to take a decision regarding investment and financial aspects belongs to men. Today women are making better decisions with regard to investment decisions. The sense of cautiousness is seen more in females in comparison to males when it comes to making investment decisions in different avenues. To know their financial ability and proficiency much research has been done. The study mainly focuses on knowing financial literacy and making investment decisions with working women. With the immense increase in uncertainties in the financial system major risk associated with different investment avenues has also risen. The paper critically

examines financial literacy among working women along with the factors affecting investment decisions. The papers aim to develop the numerous variables that affect working women's investment decisions on different avenues available. On the other hand, this paper will help to know women's investment behavior rationally.

II. LITERATURE REVIEW

Arti et al., (2011) have investigated in detail the differences in gender attitudes in making an investment decision. The study also highlights the women's investment decision pattern. The major finding of the study shows that males are more aware and confident than females about different investment avenues. Females get less attention, advice, terms, and deals than men gets from their wealth managers and advisers.

Santhiyavalli and Usharani (2014) have highlighted the investment behavior of women in Coimbatore city. The major finding shows that women investors are risk averse and mostly prefer to invest in a safe and secured asset. They are more concerned to safeguard their principal amount while investing their savings. In conclusion, it was observed that women are confident and more likely to take independent financial decisions.

Baluja (2016) examines the level of financial literacy among working women in India. The impact of financial literacy on

the economic well-being of women has been highlighted in this study. The study found that there is a significant gap in financial knowledge between men and women in India. Women are less likely to have access to financial services and are more likely to be financially dependent on others. The main reason behind this was analyze may be due to lack of education and awareness about financial matters.

Bhargava, N. R. (2017) has highlighted factors that affect the investment-making decisions of individual investors. The research investigates the influence of various factors that affects the investment decision of individual investors. The influencing factors which were observed by the researcher were knowledge, the attitude of investors, saving habits, Liquidity, self- analytical skills, and future objectives.

Zala and Jethwa (2018) have emphasized on investment pattern of working women of Gujarat state. The study aimed to analyze the different investment avenues utilized by working women and factors affecting their investment decision. The study also highlights the impact of various demographic factors like age, income, marital, mode of employment, and opinion of others on choosing different investment avenues. The significant finding from this study was real estate; debenture and antiques are the least preferred avenues among working women. Around 30% to 43% of women prefer to invest in low-risk investment options such as jewelry, PPF, fixed deposits, Insurance, share, and in the mutual fund.

Bhargava and Hasijia (2018) have observed investment behavior based on gender and age. Applying the t-test it has been found that gender and age significantly impact investment behavior. Women, on average, tend to be more risk-averse and have lower level of financial knowledge than men. The study also shows that women and older investors are more likely to seek advice from financial advisors than men.

Asandimitra et al., (2019) have analyzed the levels of financial literacy of working women. Most of the respondents are married working women. Researchers have divided the total respondents into three forms. One form of a working woman who thinks about investment plans and savings can be a profitable investment. On the other hand, the second form of working women's behavior is to invest in property, and the third form of behavior by working women is investing by themselves. Furthermore, the study found that working women are financially literate and have control over their finance.

Jain and Tripathi(2019) conducted an analysis to determine the impact of various variables on an investor's decision to invest. The study focused on the behavior of individual investors and examined published research in this area. Specifically, the study investigated the saving and investment behavior of professional women in Indore City and noted their significant contribution to the city's growth and

development. The main objective of the study was to review the relationship between saving and investment patterns of professional women in Indore city.

Barad's (2021) study sheds light on the investment behavior of working women in the Kachchh District. The research findings reveal that the investment habits of government-employed women differ from those of women working in the private sector. The study covers the important aspects of investment patterns, such as information-seeking behavior, saving decision-making and investment diversification. In conclusion, the study shows that working women tend to shy away from investing in capital market. Rather they prefer to invest in bank deposit and post office deposits as these options are government-controlled, provide security for the principal value and guarantee a return on investment.

Bhalerao et al., (2022) have identifies a critical observation in Navi Mumbai that highlights the significant impact of gender on investment patterns. Based on a sample of 300 respondents, a chi- square test was conducted and the results showed a significant difference in the level of awareness based on gender. The study shows that women were less informed than men about various financial instruments and techniques. The researchers have emphasized that this research is valuable for businesses when dealing with customers or clients because different approaches may be required for men and women.

Statement of The Problem and Research Gap:

Numerous studies conducted in the past reveal that working women are concerned about their money and also, they try to invest in different investment avenues. It is also been highlighted the inefficiency of women pertaining to financial management as compared to men. Women are more risk-averse than men (Bernasek & Shwiff, 2001). Share, Stock, and bonds are common investment products for men. All have higher risks and potentially higher returns than savings plans. Whereas women prefer FD, investment in Jewellery, and Children's education plans as their investment choices (Zala and Jethwa 2018). Several studies have been conducted in the recent past considering the behavior of working women investors involved in investment across India. Though, very few studies have been carried out referring to the investment behavior of women based on their occupation. Few factors have been identified in reference to past studies to determine the behavior pattern of investment of women and choices of investment avenues. The study will also investigate the perceived investment behavior of individual working women and the differences in their preferences based on their occupations.

III. OBJECTIVES OF THE STUDY

The research aims to analyze the difference in the investment behavior of women based on their occupations. The main objectives of the study are:

- To acquire insight into the Investment behavior of women individual investors with a special focus on a regular and stable income.
- To find out the significant difference between the investment preferences based on demographic such as age, occupation, financial literacy, income, and types of investment instruments.
- To analyze the approach of working women investors toward the risk associated with the investment.

IV. RESEARCH METHODOLOGY

Both primary and secondary data are used in this study. The primary data was collected from working women residing in the Darjeeling district region. The secondary data is collected from published articles, published records, Journals, newspapers, investment-related websites, reports of researchers, investment-related journals, and so on.

Sampling Method:

The sampling method used for this study is Non-probability Sampling Method. Snowball technique and Convenience Sampling methods were used for data collection from the population. As the investors' population is unknown, the convenience sampling and snowball sampling method is suitable for the study. The individual working women both salaried and self-employed, were the sample unit.

Data collection:

A Questionnaire was administered to collect the relevant data suitable for the study. 128 responses were received. Out of that some respondents submitted incomplete questionnaires so could not be accepted for the study. Therefore, 118 responses were considered with equal weightage based on two major categories of occupation i.e. salaried-class women employees and self-employed women entrepreneurs.

Data Analysis:

Chi-Square analysis and charts were used to analyze the collected data. This tool is a basic and fundamental tool that is used to identify the percentage of various factors to that of the total sample size. The chi-square tool is used to know the association between the independent factor and dependent factors. The chi-square is used in this paper to know the

A. Table 1: - Chi-square analysis of choice of Investment avenues made by women investors on the basis of AGE.

H0= There is no significant difference in the choice of investment avenues on the basis of age

H1= There is significant difference in the choice of investment avenues on the basis of age

association between socio-economic profile and level of preference for various methods to invest. The relationship between the socio-economic factors, psychological factors, and investment preferences of working women is analyzed with the chi-square. Finally, the association between a socio-economic factor and the awareness level of women on various investment avenues is also identified by applying this tool.

Research Questions:

1. Is there a significant difference in the choice of investment avenues on the basis of age?
2. Is there a significant difference in the choice of investment avenues on the basis of risk?
3. Is there a significant difference in the factors influencing choice of investment avenues on the basis of occupation?
4. Is there a significant difference between annual income and factors influencing choice of investment alternatives?

Hypothesis of the Study:

Hypothesis 1: There is no significant difference in the choice of investment avenues on the basis of age.

Hypothesis 2: There is no significant difference in the choice of investment avenues on the basis of risk.

Hypothesis 3: There is no significant difference in the factors influencing choice of investment avenues on the basis of occupation.

Hypothesis 4: There is no significant difference between factors influencing choice of investment alternatives on the basis of annual income

V. FINDINGS AND ANALYSIS

In a country like India where women are very sensitive and less confident when it comes to managing wealth and money matters. This study analyzed whether female takes their own financial decision or are dependent on some external investing factor. Factors like age, annual income, occupation, and risk associated with different financial avenues are taken into consideration to know the investment behavior and investment decision of working women.

AGE * INVESTMENT DECISION									
Cross tabulation									
		INVESTMENT DECISION							Total
		Insurance	Banks	Equities	Real Estate	Mutual Funds	Stock market	Others(Bitcoin)	
AGE	Below 30	10	26	0	4	6	2	2	50
	31-40	17	14	2	0	0	0	0	33
	41-50	13	4	2	0	4	0	0	23
	51-60	4	8	0	0	0	0	0	12
Total		44	52	4	4	10	2	2	118

The value of Pearson Chi-Square is 32.894 and P value 0.017. It infers that there is a significant influence of age on choosing different investment avenues by working women investors. It reflects that age is a vital demographic factor regarding choice of investment alternatives. This confirms to the findings of previous studies on related issues.

B. Table 2: - Chi-square analysis of choice of Investment avenues made by women investor on the basis of Occupation * RISK

H0= There is no significant difference in the choice of investment avenues on the basis of risk.

H1= There is a significant difference in the choice of investment avenues on the basis of risk.

Occupation	Low Risk	Moderate Risk	High Risk	Total
Service Holder	54	3	2	59
Self Employed	42	11	6	59
Total	96	14	8	118

The value of Pearson Chi-Square is 0.0058 and P value .99 which is more than 0.05. It infers that there is a no significant difference in the choice of investment avenues on the basis of risk . It signifies that occupation does not affect the risk perception of women investors.

C. Table 3: - Chi-square analysis of choice of Investment avenues made by women investor on the basis of OCCUPATION* FACTORS INFLUENCING INVESTMENT

H0=There is no significant difference in the factors influencing choice of investment avenues on the basis of occupation.

H1= There is significant difference in the factors influencing choice of investment avenues on the basis of occupation.

OCCUPATION * FACTORS INFLUENCING INVESTMENT						
Cross Tabulation						
Count		factors influencing investment decision				Total
		Safety of Principal	Low Risk	High Return	Maturity Period	
Occupation	Government Employee	9	10	7	2	28
	Private employee	8	8	9	6	33
	Salaried Total	17	18	16	8	59
	Own Business	7	5	15	5	32
	Family Business	10	8	5	4	27
	Self Employed Total	17	13	20	9	59
Total						118

The value of Pearson Chi-Square is 9.2088 and P value is 0.4182 which is more than 0.05. It infers that there is a significant difference in the factors influencing the choice of investment avenues on the basis of occupation. Therefore, the factors influencing investment decision varies on the basis of the occupation of women investors.

D. Table: 4 Chi-square analysis of choice of Investment avenues made by women investor on the basis of ANNUAL INCOME * FACTORS INFLUENCING INVESTMENT

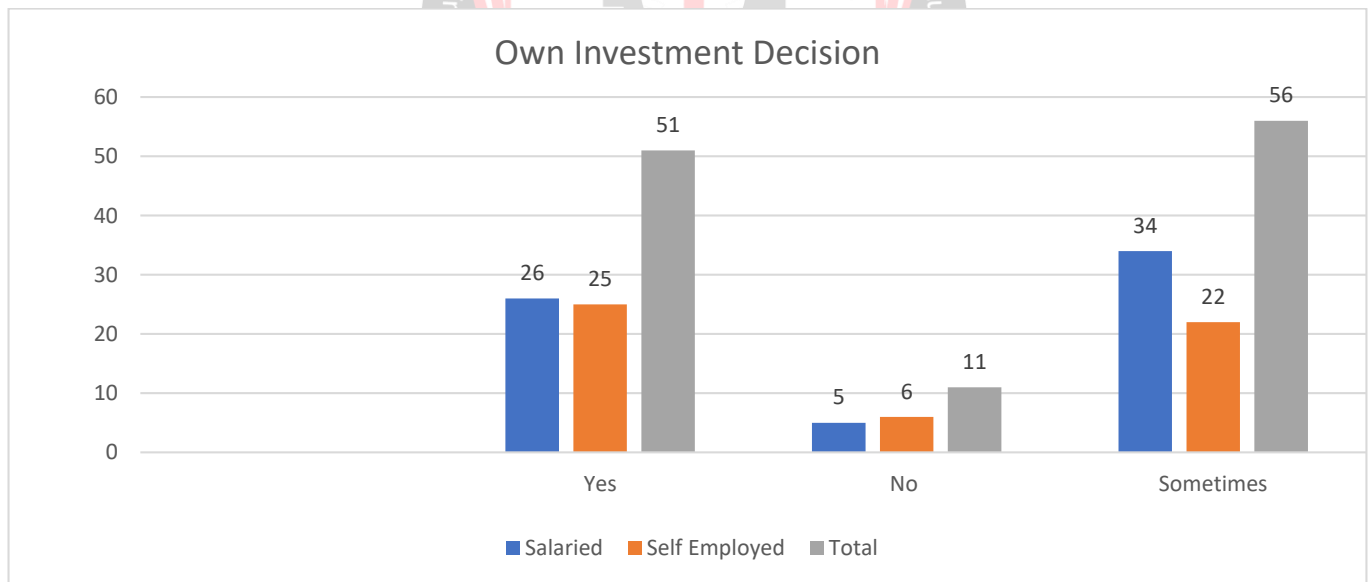
H0=There is no significant difference between factors influencing choice of investment alternatives on the basis of annual income.

H1= There is significant difference between factors influencing choice of investment alternatives on the basis of annual income.

ANNUALINCOME * INVESTING FACTOR						
Count		Cross-tabulation				
		Investing factor				Total
		Safety of Principal	Low Risk	High Return	Maturity Period	
ANNUALINCOME	Below Rs.2,60,000	3	5	7	2	17
	Rs.2,60,000-5,00,000	4	9	8	3	24
	Rs.5,00,000-7,50,000	6	12	9	4	31
	Rs.7,50,000-10,00,000	4	15	11	5	35
	10,00,000 above	3	2	4	2	11
Total		20	43	39	16	118

The value of Pearson Chi-Square is 1.2875 and P value 0.99 which is more than 0.05. It infers that there is a significant difference between factors influencing the choice of investment alternatives on the basis of annual income. Thus, it can be inferred that annual income has a significant influence on the factors influencing the choice of investment alternatives.

E. Financial Decision Making with respect to Investment



The above diagram depicts that majority of women investors (47%) responded that they do not always take their own decision, which indicates that they may rely on advice or input from others while making investment decisions. However, a significant portion of respondents (43%) reported that they take decision regarding investment on their own. The remaining (9%) have accepted that they do not take their own Investment decision. So, we can conclude that though Women are at the leading roles in today’s era still the majority of women (56%) depend on others to take investment decision for them. It clearly indicating a potential lack of confidence level or lack of financial literacy in making investment decisions by the women who are regarded as “financially independent”.

VI. CONCLUSION

The research findings supports earlier studies and indicates that women investors tend to be more risk-averse and prefer to invest in safe and secure assets. Working women, in particular, show a preference for investing in banks and mutual funds, as revealed in the study conducted by (Santhiyavalli and Usharani 2014). Respondents are more concerned to safeguard their principal amount while investing their savings. Generally, working women plan and choose differently at different stages of life. Thus, the research depicted the significant differences between investment behavior and choices of different investment avenues at different age groups. However, the research focuses on age, occupation, and annual income of working women, and could give an insight about the factors influencing investment decision of women investors. There are certainly other important categorical segments that can be taken into consideration in the near future for further studies. Hence, further comparative research can be conducted in the future by including broader geographical areas. This study specifically focuses on working women. A comparative analysis can be done on the basis of investment perception and awareness of different investment avenues between homemakers and working women. Therefore, research work can also be extended in the future by analyzing the financial literacy of home makers and professionals.

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