

A STUDY ON INVESTMENT STRATEGIES AND FINANCIAL DECISION-MAKING AMONG WORKING WOMEN

Komal Kashodhan¹

¹ Student, B.Com(Hons), Parul Institute of Commerce, Parul University

Abstract

In today's evolving economic landscape, there is growing recognition of the role women play in financial decision-making and investment strategies. This paper focuses on exploring these dynamics specifically among working women, with a special emphasis on those in salaried positions. The primary aim of this study is to understand the attitudes of salaried women towards investment decisions. We aim to uncover their mindset, preferences, and the factors that influence their investment choices. This will involve examining variables such as risk tolerance, financial literacy, and long-term financial goals, providing a comprehensive understanding of their decision-making process. Additionally, we seek to investigate the level of autonomy salaried women have in making investment decisions within their families. Traditional gender roles and societal norms often shape the financial agency women possess. By analyzing familial dynamics and cultural influences, we hope to identify any barriers or limitations they face in exerting financial independence. Furthermore, this paper will study the reasons behind the autonomy granted to salaried women in investment decision-making. Factors such as education level, income disparity, and cultural norms will be explored to understand the underlying determinants of financial empowerment among women.

Keywords: Investment Strategies, financial decision making, financial inclusion

1. INTRODUCTION

In India, women constitute nearly half of the total population. However, despite their significant presence, the majority of economic decisions have traditionally been made by men. In the past, women were primarily confined to household roles and had limited involvement in financial decision-making. Nevertheless, this landscape is evolving, thanks to increased awareness, and education among women, as well as their participation in the workforce.

In India today, a large number of women are actively attempting to become more knowledgeable about finance and take control of their financial decisions. A variety of investment options, including equities, bank deposits, debentures, mutual funds, and the commodities market, are being investigated by them. Given the past trend of women frequently deferring investment decisions to their husbands, the financial literacy data for India shows that 61.4% of women are financially aware. This is a remarkable development.

This transformation is not unique to India; globally, women have often played secondary roles in financial decision-making. However, as women gain financial independence and confidence, they are increasingly making their own choices and investments. This newfound autonomy not only enhances their financial well-being but also boosts their self-esteem.

Today, employed women, whether in urban or rural areas of India, have greater opportunities to save and invest their earnings independently. Additionally, they are motivated by their peers and colleagues to make investments. Women's financial goals often revolve around securing their own, future and providing for their children's education. While rural women may prioritize these aspects, their urban counterparts may also aspire to achieve a higher standard of living.

The financial situation of families can become more stable when women are included in decision-making processes. Since women are typically good communicators, they can persuade friends and family members to make wise financial decisions. The general state of one's finances may benefit from this inclusion.

It is clear from examining how women's financial responsibilities are evolving in India that giving them more influence over financial decisions will help them achieve economic security as well as provide stability and prosperity for their families and communities.

It is well known that women are less risk-takers than males when it comes to financial investing. This discrepancy might result from the pervasive effect of a society controlled by men, where women are frequently urged to take, less financial risks. As a result, some women could even be reluctant to make any financial investments at all. Women tend to be more careful, thoughtful, and curious when it comes to financial investments, which might be attributed to these societal factors. Furthermore, a range of social and demographic characteristics, including family history, work position, education, and financial situation, can influence women's financial viewpoints. One important factor influencing women's investment attitudes is their degree of financial literacy.

Women are actively engaged in a number of fields in India, including science, technology, journalism, politics, and education. As directors, general managers, chief executive officers, and managers, many women occupy key roles. It is important to remember, meanwhile, that a significant portion of working women—many of whom come from middle-class backgrounds—are the ones who carefully save money and oversee household finances. These working women demonstrate excellent money management abilities and are gradually changing their perspectives on investing. Their viewpoints are changing as a result of their increasing interest in learning about and getting involved in the financial investing industry.

Studying the views of Indian working women toward financial investments is vital in light of these shifting dynamics. There is hope that this investigation will help the country's economy as a whole. The rising involvement of women in financial management and investment opportunities not only improves their financial well-being but also contributes to the resilience and success of the Indian economy at large.

2. REVIEW OF LITERATURE

Kaur J & Arora (2022) examined the opinions of 150 investors to see how they felt about mutual funds as a kind of investment in Punjab. Due to growth fund schemes' higher returns, it was discovered that investors favored investing in mutual funds. Additionally, each investor's objective for investing in mutual funds was discovered.

Rekha G. & Vishnupriya R. (2021) used primary and secondary data to study 148 respondents' awareness of investment avenues, working women's investment patterns, and factors influencing their decision to invest. They found that investing in "children's education" was the most influential factor. Additionally, a substantial variation in the characteristic's impacting investment was discovered across workers from different professions.

Rao & Patel (2020): Investigated factors influencing investment decisions among working women in Vadodara, focusing on financial literacy, risk perception, and socio-economic background.

Venkatesh G C & Surya Prakash Rao B K (2019) To analyze the choices made by 120 investors on their investment portfolios, Venkatesh G. C. and Surya Prakash Rao B. K. (2019) conducted a study in Vijayawada city to ascertain how investors perceived their portfolios. The results of an analysis employing a variety of statistical tools showed that both men and women make the same investing judgments.

Shah & Desai (2019): Explored the impact of financial education on investment strategies among Vadodara's working women, highlighting education's role in improving financial decision-making.

3. RESEARCH METHODOLOGY

This study investigates how working women in Namakkal District, India, approach investment decisions. It aims to understand the factors influencing their choices and preferences for various investment options. The research involves 150 participants and utilizes a quantitative approach through surveys.

Significance: India offers a wide range of investment avenues, but understanding customer attitudes is crucial for financial institutions to improve their offerings and performance. With growing women's empowerment, studying their investment behavior is important. The study's findings can help design better financial products and services specifically catering to working women. This can enhance their financial independence and contribute to the overall economic growth.

Scope: The research focuses on salaried women in Namakkal District, a major educational hub with a large working female population. It explores both internal (personal) and external (family) factors influencing their investment decisions. The findings can benefit policymakers, financial institutions, and the women themselves.

Objectives:

- Analyze the attitudes of working women towards investment decisions.
- Identify their preferences for various investment options.
- Understand the level of autonomy they have in making investment choices within their families.

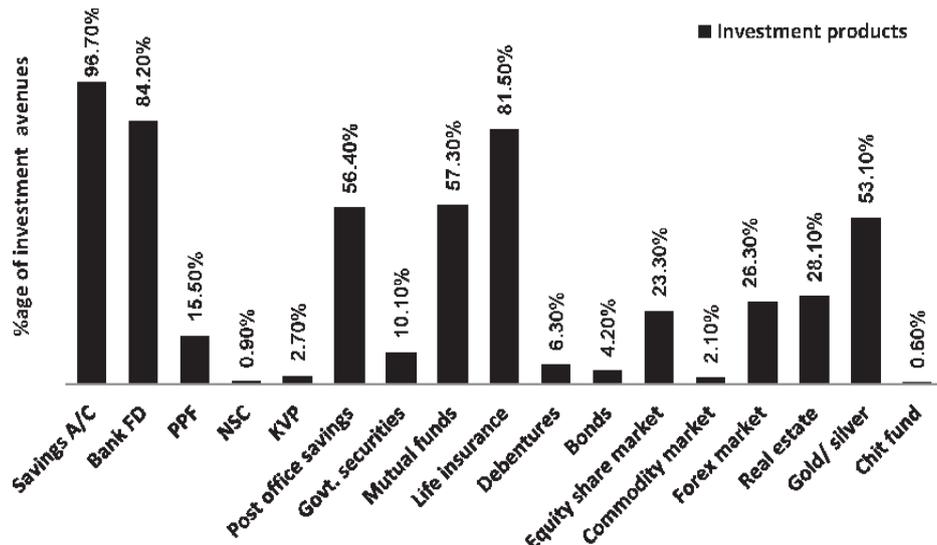
Research Gap: The study addresses the gap in understanding the investment knowledge and skills of working women.

Data Sources:

- Primary data is collected through a specially designed survey to gather both qualitative and quantitative information from the participants.
- Secondary data is obtained from existing literature like books, journals, and articles to understand demographic factors affecting investment decisions.

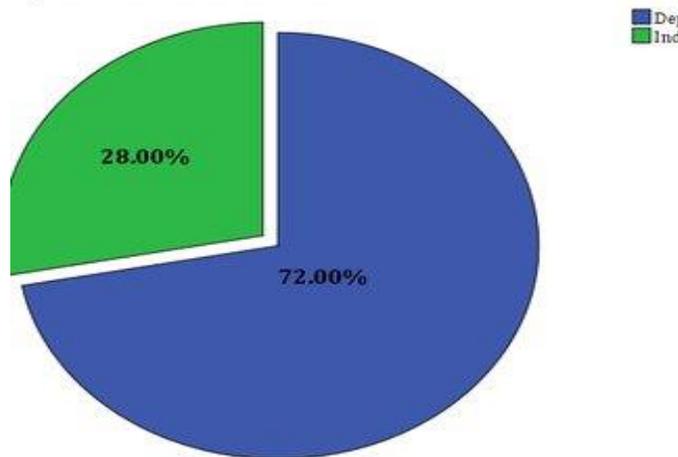
4. RESULTS & DISCUSSION

The Following chart shows the percentage of investment in various asset classes among Women.

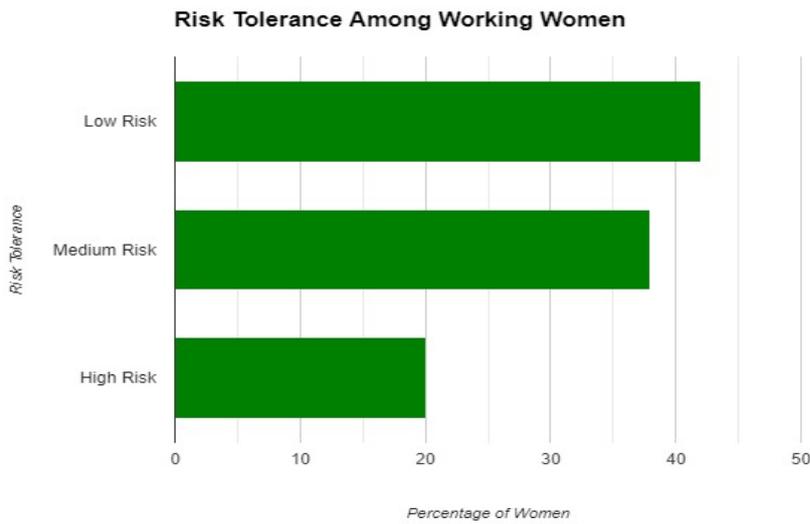


- **Savings accounts:** The most popular investment choice is savings accounts, with 96.70% of women surveyed investing in them. This suggests a preference for low-risk, low-return options.
- **Bank fixed deposits:** Bank fixed deposits (FDs) are another popular choice, with 84.20% of women investing in them. FDs offer slightly higher returns than savings accounts but still come with low risk.
- **Post office savings:** 56.40% of women invest in post office savings schemes, which are similar to bank FDs but may offer some additional benefits or tax advantages.
- **Gold/silver:** 53.10% of women invest in gold or silver, which are seen as safe havens and hedges against inflation.
- **Real estate:** 28.10% of women invest in real estate, which is a relatively illiquid but potentially high-return asset class.
- **Mutual funds:** Only 23.30% of women invest in mutual funds, which offer diversification and professional management but also come with higher risk.
- **Equity share market:** An even smaller percentage, 10.10% of women, invest in the equity share market, which offers the potential for high returns but also carries the highest risk.

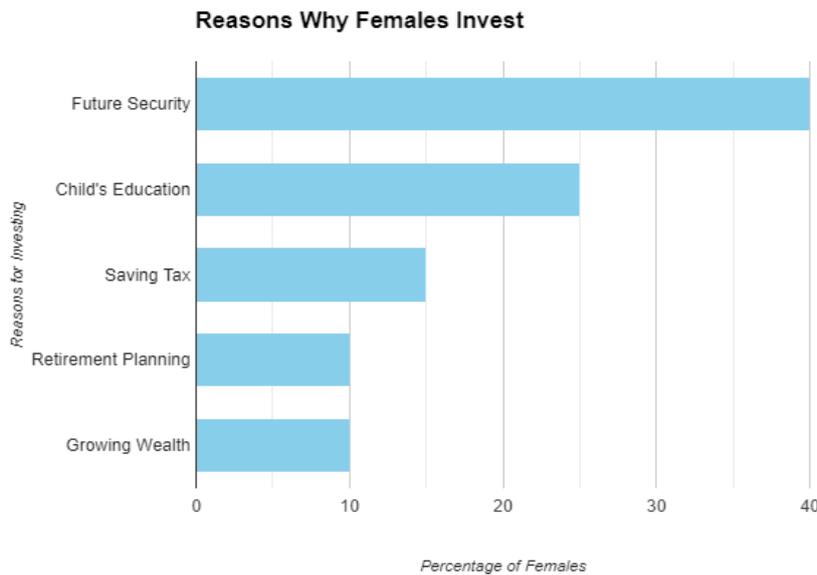
Dependence on their husband to make investment decision



The Above chart shows the percentage of Women's who depend on their husband to make investment decisions. The majority of people (72%) reported that they do not depend on their husbands to make investment decisions. This suggests that a significant proportion of women in the study are taking an active role in their financial lives. A smaller, but notable, percentage of people (28%) reported that they do depend on their husbands to make investment decisions. This could be due to a variety of factors, such as lack of financial knowledge or experience, cultural norms, or personal preference.



The y-axis of the graph shows the percentage of women, while the x-axis shows the risk tolerance level, which is divided into three categories: low, medium, and high. According to the graph, a little bit more than 40% of working women have a medium risk tolerance. A smaller percentage, close to 30%, of working women have a low-risk tolerance, while only a small percentage, around 20%, have a high-risk tolerance.



The graph titled “Reasons Why Females Invest” shows the percentage of females who invest for different reasons. The reasons listed on the graph are:

- **Future Security:** This is the most popular reason for females to invest, with 40% of females investing for this reason.
- **Child’s Education:** 32% of females invest to save money for their child’s education.
- **Saving Tax:** 26% of females invest to save on taxes.
- **Retirement Planning:** 22% of females invest for retirement.
- **Growing Wealth:** 10% of females invest to grow their wealth.

5. FINDINGS & CONCLUSION

In conclusion, this research paper has studied the intricate dynamics surrounding investment strategies and financial decision-making among working women in salaried positions. Through an exploration of attitudes towards investments, factors influencing decision-making processes like risk tolerance or financial literacy levels, familial dynamics shaping autonomy in investments within families, and reasons behind granted autonomy in investments among salaried women; this study has aimed at providing valuable insights into this underexplored area.

The findings from both quantitative surveys and qualitative interviews have highlighted the nuanced challenges faced by working women when it comes to navigating the financial landscape. From higher risk aversion tendencies due to lower confidence levels or societal expectations limiting autonomy in investments; these insights underscore the need for tailored strategies that empower working women towards making informed investment choices aligned with their long-term goals.

By bridging gaps in financial literacy through targeted educational programs or addressing cultural barriers restricting autonomy; policymakers and financial institutions can play a pivotal role in fostering greater inclusivity within the financial realm for individuals of all genders. This research contributes towards building a more equitable landscape where working women can exercise greater agency over their investments while paving the way for a more inclusive future where diverse perspectives are valued in shaping our economic realities.

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