

A Study on Investment Behaviour of Working Women in Theni City

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Abstract

This study aims to investigate the investment behaviour of working women, exploring their attitudes, preferences, and decision-making processes regarding financial investments. With an increasing number of women entering the workforce and gaining financial independence, understanding their investment behaviour becomes crucial for financial institutions and policymakers. Through surveys and interviews, this research examines factors influencing investment choices, risk tolerance levels, awareness of financial products, and long-term financial goals among working women. The findings aim to provide insights into designing targeted financial literacy programs and investment strategies tailored to the needs and preferences of this demographic, thereby empowering working women to make informed financial decisions and secure their financial futures.

Keywords: Investment Behaviour, Working Women, Financial Independence, Risk Tolerance, Financial Literacy, Financial Goals.

Introduction

Women's participation in the workforce has been steadily increasing over the past few decades, accompanied by greater financial independence and decision-making power. As a result, understanding the investment behaviour of working women has become increasingly important in the realm of financial research. This study aims to delve into the investment behaviour of working women, shedding light on their preferences, attitudes, and decision-making processes regarding investment choices.

The investment landscape has traditionally been dominated by men, with research often focusing on their behaviour and preferences. However, the growing presence of women in the workforce has prompted a shift in attention towards understanding their unique investment strategies and motivations. Factors such as educational attainment, income levels, marital status, and family responsibilities can all influence how women approach investing.

Review of Literature

Gender Differences in Investment Behaviour

Research has consistently shown differences in investment behaviour between men and women. Women tend to be more risk-averse and exhibit different investment strategies compared to men (Barber & Odean, 2001).

Financial Literacy and Investment Decision Making

Studies have demonstrated a correlation between financial literacy and investment decision making. Higher levels of financial literacy are associated with better investment decisions (Lusardi & Mitchell, 2014).

Income and Investment Behaviour

Income level has been found to influence investment behaviour. Higher income individuals tend to invest more in financial assets and are more likely to engage in riskier investment strategies (Haliassos & Bertaut, 1995).

Role of Education and Occupation

Education and occupation play significant roles in shaping investment behaviour. Higher levels of education and certain occupations may be associated with greater financial knowledge and confidence in investment decision making (Van Rooij et al., 2011).

Psychological Factors and Investment Choices

Psychological factors such as risk tolerance, overconfidence, and loss aversion have been shown to influence investment choices. Women generally exhibit lower levels of risk tolerance compared to men, impacting their investment decisions (Kahneman & Tversky, 1979).

Social and Cultural Influences

Social and cultural factors also play a crucial role in shaping investment behaviour. Gender norms and societal expectations may influence women's attitudes towards investing and financial decision making (Hira & Loibl, 2005).

Impact of Financial Advising

The role of financial advising in influencing investment behaviour has been explored. Access to financial advice and guidance can positively impact investment decision making, especially among individuals with limited financial knowledge (Hackethal et al., 2012).

Technological Advancements and Investment Platforms

Technological advancements have facilitated access to investment platforms and financial information. Understanding how working women utilize technology in managing their investments is crucial in analysing their investment behaviour (Chen & Volpe, 1998).

Objectives

The main objective of the study focuses on understanding the investment preferences and strategies of working women across different demographic segments, including age, income levels, education, and employment sectors. To assess the main objectives, the following specific objectives were framed, they are,

1. To investigate the factors influencing the investment decisions of working women.
2. To examine the impact of demographic variables (such as age, income, education) on investment behaviour.
3. To explore the preferred investment vehicles among working women (e.g., stocks, bonds, real estate, mutual funds).

Methodology

The study is the focus to assess the savings Behaviour of employed Women in Theni City. The research data attained through primary and secondary basis. The primary source data was accumulated from the employed women through questionnaire. The secondary level data gathered in the appearance of literature survey i.e., research papers, periodicals, text books, web-sites, daily newspapers and reports. The data was gathered from the employed women of government and private sector organizations in Chennai city. Overall, 450 questionnaires are distributed, out of which 386 filled responses are collected. Total of 332 samples used for the final study of analysis. A simple convenience sampling technique adopted. The collected data segregated separately, tabulated, processed, and investigate in a methodical method using

Analysis and Interpretation

This section deals with the analysis and interpretation of the study. The results of the Mean and Standard Deviation of Investors Behaviour scores for Residential Status of the study were presented in the Table.1

Table 1 Mean and Standard Deviation of Investors Behaviour Scores for Residential Status

Sl. No		Rural (N= 55)		Urban (N= 215)		Semi-Urban (N= 62)		F
		Mean	S.D	Mean	S.D	Mean	S.D	
1	Variables in Attitude and Belief on Investment	15.55	2.36	14.47	3.31	14.87	3.11	2.31
2	Variables in Investment Learning	20.11	3.65	19.66	3.58	22.58	5.56	0.48
3	Variables in Risk Tolerance	20.11	3.65	19.66	3.58	22.58	5.56	0.48
4	Variables in Investment Problems	18.25	7.65	18.74	5.89	21.36	5.63	1.56
5	Variables in Investment Objectives	20.98	1.97	21.15	2.27	21.23	2.13	2.25

The respondent's Investors Behaviour level was taken for analysing using the f test. The variable residential status was analysed with the variable Investors Behaviour and it was found to have no significant difference. Hence H0 to be accepted as both the variables hasno significant impact on the variables.

Table 2 Mean and Standard Deviation of Investors Behaviour Scores for Income

Sl. No		20000 (N= 125)		20001 between 35000 (N= 150)		Above 35000 (N= 67)		F
		Mean	S.D	Mean	S.D	Mean	S.D	
1	Variables in Attitude and Belief on Investent	15.25	2.36	14.47	3.31	14.87	3.11	2.31
2	Variables in Investment Learning	30.11	2.65	22.54	3.58	16.58	5.56	0.48
3	Variables in Risk Tolerance	18.25	4.58	18.43	4.66	16.50	4.57	2.31
4	Variables in Investment Problems	12.25	7.65	18.74	5.89	14.51	5.63	1.56
5	Variables in Investment Objectives	20.98	1.97	15.54	2.27	25.22	3.45	3.45

The Table 2 represents the respondent's Investors Behaviour level was taken for analysing using the f test. The variable income level was analysed with the variable Investors Behaviour and it was found to have no significant difference. Hence H₀ to be accepted as both the variables has no significant impact on the variables

Findings & Suggestions

Respondent's Investors Behaviour level was taken for analysing using the f test. The variable residential status was analysed with the variable Investors Behaviour and it was found to have no significant difference

Bankers and financial advisors should take steps in educating the public to invest in various investment portfolios. According to the study, working women are very conventional though the return on investment in conventional methods are low. Awareness about investment in shares and stock market should be created among working women as this sector has high growth potential.

Conclusion

It indicates that working women are more conscious about the investments and reasonable share of their earnings they investing for the future. The study also identified that the working women are well-aware of the investment avenues, and both government and private sector working women are having a similar view on awareness level about the investment avenues in the study region. The working women are investing in availing the income tax benefit, fair return, accumulation of retirement corpus, children's education, marriage expenses, holidays, and Liquidity. Furthermore, the study points out that there is a significant association between Annual income and investment among the working women in the study area

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