



# Study On The Investment Perceptions And Preferences For Various Investment Options Of Working Women

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| ARTICLE INFO | ABSTRACT   |
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|              | <p>The recent trends in investmetn pattern of retail investors is undergoing drastic change. They are moving from bank FD and RD, Insurance, PPF and Post office into the Mutual Funds and Equity market. The present paper is an attempt to know the recent trends in investment pattern of working women in Mumbai suburban area. It explores how demographics like age and education level influence their investment decisions. It also explores how factors like risk tolerance and financial knowledge influence their decisions The data is collected from 58 working women through structured questionnaire. The study concludes that working women prefer to invest in Bank FD/RD, Life Insurance and Precious metal (Gold, Silver and other). They have mixed reaction about market linked investment avenues. Return from income and safety of principal amount are the factors influencing to their investment decision. Tax Saving, high returns, emergency need of funds, children education/marriage, retirement plan, increase standard of living and second income are the motives/purpose of their investment.</p> <p><b>Keywords:</b> Recent Trends, Investment Pattern, Investment Behavior, Working Women</p> |

## 1. INTRODUCTION

Investment is a need of the hour for the financial well-being of every individual. In the recent times, due to increase in literacy level and internet, people are well aware and informed about various investment avenues. Due to privatization, employees are concerned about their post-retirement era and want to live better lifestyle. Therefore, people have started making provision for investment from their monthly income. Women are not exception to this. They have understood the fact of being financial independent. The number of working women is increasing and they feel the need of investments.

Traditionally women were considered as dormant segment and homemakers. Their role was considered to be only home management and not money management. But now the picture is changing. Review of literature shows that women are working, earning money, taking financial decisions of the family, they are investing into traditional as well as non-traditional investment avenues and they are becoming risk takers when it comes to investment.

There is as still need on the part of banks, financial institutions and investment agents to put more efforts to create investment awareness among working women. They should be targeted by effective promotions for investment.

Traditionally, women have been stereotyped as more risk-averse investors than men. Studies suggest they might prefer safer options like fixed deposits or gold over riskier stocks or mutual funds. However, this perception is changing. As women gain financial independence and access to financial education, they're becoming more comfortable with a wider range of investment options. Few studies done in the past, have revealed that there still exists a gap in financial literacy between genders. Many women might lack the confidence to invest due to a perceived lack of knowledge. Women may often prioritize specific goals like children's education or retirement security while making investment decisions. Research suggests women might be more long-term focused investors, potentially leading to better returns over time. Overall, women's

investment perceptions are becoming more diverse and sophisticated. Increased financial literacy and awareness are crucial to empower them to make informed investment decisions.

## 2. REVIEW OF LITERATURE

A paper titled "Perception of working women in financial investment decisions – A study with reference to Chennai" aims to analyse awareness and involvement of working women in investment decisions. Findings of the study reveals that most of the women taken part in financial investment of their home. Their financial literacy is found to be high. Most of the women found to be saving and investing their money and their preferred investment is Fixed deposit and gold and precious metal. Young working women are willing to make risky investment. (Rajan & et.l, 2022)

A paper titled "A Study on Urban Working Women's Attitude towards Mutual Fund Investment: With Special Reference to Jaipur District, Rajasthan" aims to analyse perception and awareness regarding investment in Mutual Funds among urban working women. Data of the study states that most of the working women prefer investment in Fixed Deposit, Bank Deposit and Gold/Silver. Most of the women are partially aware about Mutual Funds and they expect safety while investing into Mutual Funds. They prefer to for 1-3 years in the Mutual Funds and expect 20% & above return. (Purohit & Chutani, 2021)

A paper titled "A study on investment behaviour among women employees with special reference to Ernakulam district" aims to study investment behaviour of working women in Ernakulam District. Study reveals that most of the women prefer to invest in Bank followed by Gold then Mutual Funds. Their investment objective is children education followed by healthcare and then asset purchase. They expect safety of investment followed by surety of returns. Hypothesis testing reveals that age of working women does not affect type of investment avenue they select. (Sariga S.& et.l, 2023)

A paper titled "Factors Affecting Investment Decision of Working Women of Emerging Nations: Special Reference to Indian Metro Cities" aims to analyse women investor's awareness and perception regarding various investment avenues. It is found that women are aware and well informed about their preferences while selecting an investment avenue. They are risk taker and have positive attitude towards investment in mutual funds. (Sharma, 2021)

A paper titled "Factors affecting investment decision of working women in Delhi-NCR" aims awareness and perception regarding various investment avenues and factors influencing their investment decisions. Findings of the study state that most of the working women invest for secured future. They invest value between Rs.2,00,000/- to Rs.2,50,000/- per annum. Modern women investors are risk takers and they have positive investment attitude towards non-conventional investment avenues. (Sharma & Goel, 2019)

A thesis titled "Investment pattern and behavior of working women on financial investment avenues a study with special reference to Chennai city" aims to study investment pattern of working women. Findings reveal that working women prefer to invest in equity, mutual funds, insurance, debt instruments, PPF, Government Bonds and Fixed Deposit. They prefer to invest based on their annual income, less risky investment and more return and investment with tax benefit. (Remigius, 2016)

## 3. RESEARCH GAP

The past studies show that research is done on investment behaviour and pattern of working women in many other parts of India. Also the past study deals with factors influencing to the investment decision of women investors. But no research is done to study the recent trends in investment pattern of working women. So this research is an attempt to fill up this gap.

## 4. OBJECTIVES OF THE STUDY

- 1) To find out recent trends in preferred investment avenue by working women.
- 2) To study factors influencing the investment decisions of working women in recent times.
- 3) To know the motive / purpose of investment by working women in recent times.

## 5. NULL HYPOTHESIS STATEMENTS

$H_{0,1}$  = There is no significant relation between having informal education related to finance and preferred investment avenue by working women.

$H_{0,2}$  = There is no significant relation between annual income and factor influencing to investment decision of working women.

$H_{0,3}$  = There is no significant relation between age and investment purpose/motive of working women.

## 6. RESEARCH METHODOLOGY

**6.1 Type of Research:** Present study is descriptive research which aims to systematically obtain information to describe the recent trends in investment pattern of working women.

**6.2 Area of study:**

The study is conducted in Mumbai suburban area i.e. Borivali to Bandra area.

**6.3 Sampling method**

The sampling technique followed is convenient sampling method.

**6.4 Target Population and Sample size:**

The target population is working women. Sample size is 58 working women.

**6.5 Type and Source of Data:**

The present study is based on primary data which is collected through structured questionnaire. Close ended questions were asked in the questionnaire to get the answers for the questions related to the objectives of the study.

**6.6 Statistical Tools Use:**

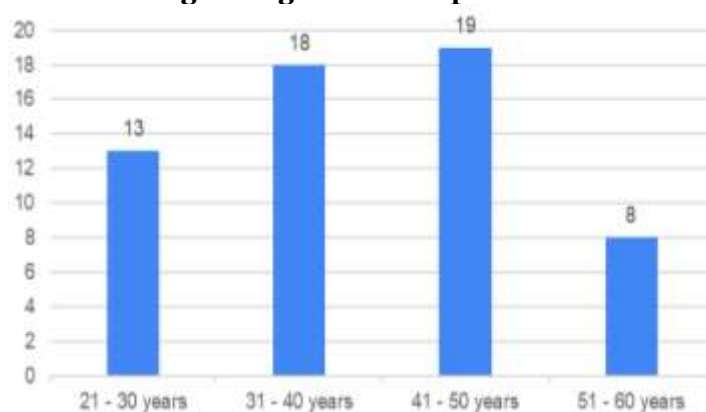
Graphs are used to organize the data and intended to display the data in a way that is easy to understand and remember. Mann Whitney U Test, Chi-Square Test and Kruskal Wallis Test is used for hypothesis testing.

## 7. LIMITATIONS

- 1) Sample size of 58 is a limitation; the findings may differ with higher sample size.
- 2) The study is limited to Mumbai suburban area i.e. Brandra to Borivali. Other area is not considered.

## 8. DATA ANALYSIS AND FINDINGS OF THE STUDY

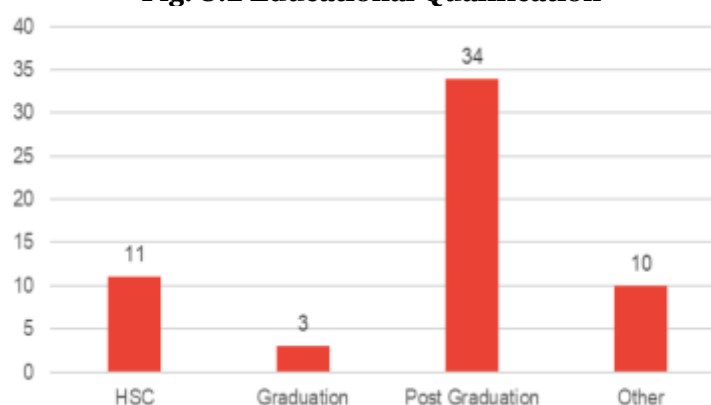
**Fig. 8.1 Age of the Respondents**



**Source: Primary Data**

The graph shows that there are 13 respondents in the age group of 21-30 years, 18 respondents in the age group of 31-40 years, 19 respondents in the age group of 41-50 years and 8 respondents in the age group of 51-60 years.

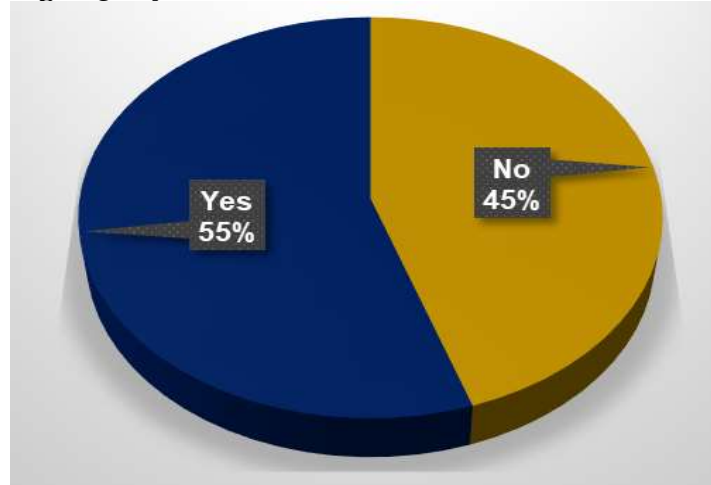
**Fig. 8.2 Educational Qualification**



**Source: Primary Data**

The graph shows that there 11 respondents are studied upto HSC, 3 are studied upto Graduation, 34 are studied upto Post Graduation and 10 are studied another courses.

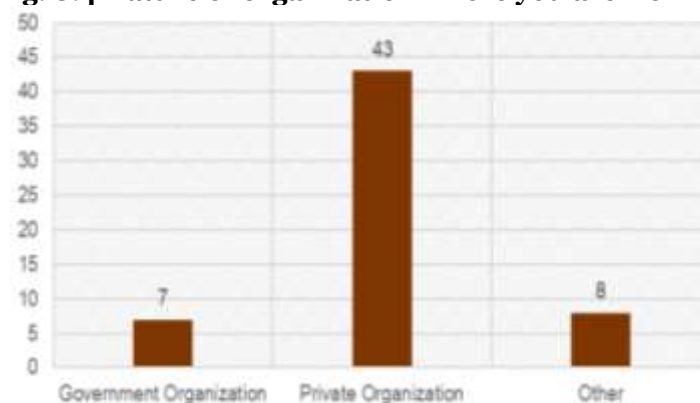
**Fig. 8.3 Is your formal education related to finance?**



**Source: Primary Data**

The graph shows that 55% respondents said Yes they have formal education related to finance and 45% respondents said No their formal education is not related to finance

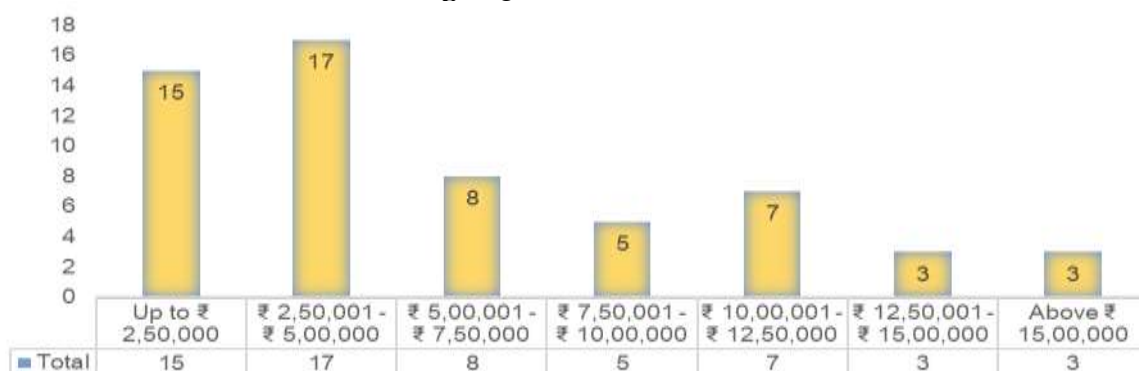
**Fig. 8.4 Nature of organization where you are working**



**Source: Primary Data**

The graph shows that 7 respondents said they are working in Government organization, 43 respondent said Private organization and 8 respondent said other organization.

**Fig. 8.5 Annual Income**



**Source: Primary Data**

The above graph shows that there were 15 respondents having annual income Up to ₹ 2,50,000/-, 17 respondents were between ₹ 2,50,001/- to ₹ 5,00,000/- 8 respondents were between ₹ 5,00,001/- to ₹ 7,50,000/-, 5 respondents were between ₹ 7,50,001/- to ₹ 10,00,000/-, 7 respondents were

between ₹ 10,00,001/- to ₹ 12,50,000/-, 3 respondents were between ₹ 12,50,001/- to ₹ 15,00,000/- and 3 respondents were having annual income Above ₹ 15,00,000/-.

**Fig. 8.6 Preferred investment avenue**

| Investment Avenue                       | Highly Preferred | Preferred | Not Preferred | Result         |
|---|------------------|-----------|---------------|----------------|
| Bank FD / RD                            | 17               | 29        | 12            | Preferred      |
| Post office schemes                     | 12               | 20        | 26            | Not Preferred  |
| Life Insurance                          | 13               | 30        | 15            | Preferred      |
| Medical Insurance                       | 17               | 23        | 18            | Mixed Reaction |
| Public Provident Fund (PPF)             | 16               | 19        | 23            | Mixed Reaction |
| Pension Fund / Scheme                   | 8                | 25        | 25            | Mixed Reaction |
| Mutual Fund                             | 19               | 19        | 20            | Mixed Reaction |
| Share Market                            | 9                | 21        | 28            | Mixed Reaction |
| Precious Metal (Gold, Silver and Other) | 16               | 28        | 14            | Preferred      |
| Real Estate / Property                  | 15               | 21        | 22            | Mixed Reaction |

**Source: Primary Data**

The above table shows that most of the respondents prefer to invest in Bank FD / RD, Life Insurance and Precious Metal (Gold, Silver and other). Post office schemes are not preferred for investment by most of the respondents. For medical insurance, PPF, Pension Funds, Mutual Funds and Real Estate / Property they have mixed reaction. Some respondents also said they invest into Systematic Investment Plan (SIP)

**Fig. 8.7 Factors influencing investment decision**

| Factors influencing investment decision                        | Highly affect | Somewhat affect | Does not affect |
|--|---------------|-----------------|-----------------|
| Liquidity (Selling the security and immediately getting money) | 16            | 30              | 12              |
| Return / Income from investment                                | 33            | 12              | 13              |
| Exemption in Tax   | 20            | 25              | 13              |
| Safety of Principal amount                                     | 33            | 14              | 11              |
| Inflation rate   | 17            | 28              | 13              |

**Source: Primary Data**

The above table shows that return / income from investment and safety of principal amount are the factors which affect highly to the investment decision. On the other hand liquidity, exemption from tax and inflation rate are somewhat affect to the investment decision of the working women.

**Fig. 8.8 Motive / Purpose of investment**

| Motive / Purpose of Investment         | Very Important | Somewhat Important | Not Important |
|--|----------------|--------------------|---------------|
| Tax Saving                             | 24             | 23                 | 11            |
| High Return                            | 36             | 15                 | 7             |
| Emergency Need of Funds                | 33             | 19                 | 6             |
| Children Education / Children Marriage | 31             | 14                 | 13            |
| Retirement Plan                        | 29             | 20                 | 9             |
| Increase Standard of living            | 27             | 23                 | 8             |
| International Tour                     | 12             | 21                 | 25            |
| Second Income                          | 26             | 23                 | 9             |

**Source: Primary Data**

The above table shows that tax saving, high returns, emergency need of funds, children education / marriage, retirement plan, increase standard of living and second income are the very important motive / purpose of investment of working women. International tour is not their purpose of their investment.

## 9. HYPOTHESIS TESTING

**$H_0$  = There is no significant relation between having informal education related to finance and preferred investment avenue by working women**

### 9.1 Mann-Whitney U Test Statistics

|                               | Bank<br>FD /<br>RD | Post<br>office<br>schemes | Life<br>Insurance | Medical<br>Insurance | Public<br>Provident<br>Fund<br>(PPF) | Pension<br>Fund /<br>Scheme | Mutual<br>Fund | Share<br>Market | Precious<br>Metal<br>(Gold,<br>Silver<br>and<br>Other) | Real<br>Estate /<br>Property |
|-------------------------------|--------------------|---------------------------|-------------------|----------------------|--------------------------------------|-----------------------------|----------------|-----------------|--|------------------------------|
| Mann-Whitney U                | 397.000            | 333.000                   | 346.000           | 343.000              | 300.500                              | 286.500                     | 232.000        | 291.500         | 311.000  | 414.000                      |
| Wilcoxon W                    | 748.000            | 861.000                   | 874.000           | 871.000              | 828.500                              | 814.500                     | 760.000        | 819.500         | 839.000  | 765.000                      |
| Z                             | -.324              | -1.399                    | -1.199            | -1.215               | -1.923                               | -2.213                      | -3.051         | -2.128          | -1.778   | -.033                        |
| Asymp.<br>Sig. (2-<br>tailed) | .746               | .162                      | .231              | .224                 | .054                                 | .027                        | .002           | .033            | .075   | .973                         |

a. Grouping Variable: Formal Education

The Mann-Whitney U test is applied and the results shows that the p value is higher than 0.05 for Bank FD/RD, Post office schemes, Life Insurance, Medical Insurance, PPF, Precious Metal and Real Estate/Property. Therefore,  $H_0$  is accepted which states that there is no significant relation between having formal education related to finance and preferred investment avenue (above mentioned) of working women.

**Formal education does not affect to the above-mentioned investment avenues.**

On the other hand, p value is less than 0.05 for Pension fund/scheme, Mutual fund and share market. Therefore,  $H_0$  is rejected which states that there is significant relation between having formal education related to finance and preferred investment avenue (above mentioned) of working women. Those who have formal education related to finance prefer more to invest into pension fund/scheme, mutual fund and share market.

**$H_0$  = There is no significant relation between annual income and factor influencing to investment decision of working women**

### 9.2 Kruskal Wallis Test Statistics<sup>a,b</sup>

|                | Risk<br>Involved | Liquidity (Selling<br>the security and<br>immediately getting<br>money) | Return<br>Income from<br>investment / | Exemption<br>in Tax | Safety of<br>Principal<br>amount | Inflation<br>rate |
|----------------|------------------|---|---------------------------------------|---------------------|----------------------------------|-------------------|
| Chi-Square     | 10.851           | 5.218   | 13.909                                | 13.313              | 14.621                           | 9.008             |
| df             | 6                | 6   | 6                                     | 6                   | 6                                | 6                 |
| Asymp.<br>Sig. | .093             | .516  | .031                                  | .038                | .023                             | .173              |

a. Kruskal Wallis Test

b. Grouping Variable: Annual Income

The Kruskal Wallis test is applied and the results shows that the p value is higher than 0.05 for risk involved, liquidity and inflation rate. Therefore,  $H_0$  is accepted which states that there is no significant relation between annual income and factors influencing investment decision (above mentioned factors) of working women.

**Annual income does not affect to factors above mentioned factors for investment decision of working women.**

On the other hand, p value is less than 0.05 for return/income from investment, exemption of tax and safety of principal amount. Therefore,  $H_0$  is rejected which states that there is significant relation between having annual income and factors influencing investment decision (above mentioned factors) of working women. Those who have higher income are affected by return/income from investment, exemption in tax and safety of investment as compared to those who have less income.



**H<sub>0</sub> = There is no significant relation between age and investment purpose/motive of working women**

### 9.3 Kruska Wallis Test Statistics<sup>a,b</sup>

|             | Tax Saving | High Returns | Emergency Need of Funds | Children Education /Children Marriage | Retirement Plan | Increase Standard of living | International Tour | Second Income |
|-------------|------------|--------------|-------------------------|---------------------------------------|-----------------|-----------------------------|--------------------|---------------|
| Chi-Square  | 3.219      | 2.600        | 11.301                  | 9.050                                 | 13.265          | 8.413                       | 1.784              | 7.155         |
| df          | 3          | 3            | 3                       | 3                                     | 3               | 3                           | 3                  | 3             |
| Asymp. Sig. | .359       | .457         | .010                    | .029                                  | .004            | .038                        | .618               | .067          |

a. Kruskal Wallis Test

b. Grouping Variable: Age

The Kruskal Wallis test is applied and the results shows that the p value is higher than 0.05 for tax saving, high returns, international tour and second income. Therefore, H<sub>0</sub> is accepted which states that there is no significant relation between age and investment purpose (above mentioned factors) of working women.

### Age does not affect to above mentioned investment purpose.

On the other hand, p value is less than 0.05 for emergency need of fund, children education/ marriage, retirement plan and increase standard of living. Therefore, H<sub>0</sub> is rejected which states that there is significant relation between age and purpose of investment (above mentioned factors) of working women. As the age increases, they feel above mentioned purpose of investment as important as compared to younger age.

## 10. CONCLUSION

The study concludes that working women prefer to invest in Bank FD/RD, Life Insurance and Precious metal (Gold, Silver and other). They have mixed reaction about market linked investment avenues. Return from income and safety of principal amount are the factors influencing to the investment decision of the working women. Tax Saving, high returns, emergency need of funds, children education/marriage, retirement plan, increase standard of living and second income are the motives/purpose of their investment.

Hypotheses testing show that those who have formal education related to finance prefer more to invest into pension funds/schemes, mutual funds and share market. Those who have higher income are more affected by return on income, exemption on tax and safety of principal amount. As the age increases, they feel emergency need of funds, children education/marriage, retirement plan and increased standard of living are important motives as compared to younger age.

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