

## Investment Pattern of Working Women in Dindigul District

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### Abstract:

*Women may invest either in financial or non financial investments; many women are willing to work. They have got independence in earnings, savings and investment. It is confined to factors influencing the investment behavior, their level of awareness their preference towards a particular mode of investment and difficulties faced by them. The main objective of this study, to analyze the level of awareness of the respondents, to analyze the factors influencing particular investment channel, to analyze the significant relationship between awareness about various investment avenues and level of benefit to the investors. The area of study is extended to Dindigul district only. Data have been collected from 300 working women in Dindigul district. In this study most of the respondents save and invest to avail tax relief. Investors describe safety of funds as their priority for choosing an investment.*

**Key words:** Women, Investment, Investment awareness, Investment benefit

## **Introduction**

Investment is an interesting activity that attracts all people irrespective of their occupation, education and social status. If a person has more money than his/her current needs can be deposited their surplus money in the bank account to earn a fixed rate of interest or buy gold or purchase shares. The term "Investment" means the net additions to the economy's capital stock which consists of goods and services that are used in the production of other goods and services. In the financial sense, investment is the allocation of monetary resources to assets that are expected to yield some gain or positive return over a given period of time.

Traditionally investment is distinguished from speculation in three ways namely risk, capital gain and time period. The main aim of an investor may be of capital appreciation and regular returns. The capital appreciation occurs when an investment is sold out at a higher price as compared to the original purchase price of an instrument. The regular return from investment is derived in the form of interest or dividend. An individual also makes indirect investment, for retirement benefits in the form of provident fund and pension, life insurance policy, investment company securities and securities of Unit Trust of India. Individuals have no control over these investments.

The investor analyses the past movements of share price, volume of transaction, ability of the company and the like. Investors include both men and women; both of them take active part in investments. While being as a housewife, even without education, women had invested in jewels or became a member of a chit or lent to neighbors and like. But now women have education, have their own lending and have their own investment.

In the present day situation women have entered every field such as Education, Medical, Engineering, Technical,

Military, Business and many field. Due to one or other reasons many women have started their own ventures or have gone to different jobs. Thus they have also become the breadwinner of the family. They earn and thus they shoulder their family. Women not only earn but they invest the same for the future for varied reasons, such as children's education or marriage, house construction, regular income after retirement and the like. Mere savings will serve only limited purpose. But perfect planning in investing the same will provide a number of benefits. Women may invest either in financial or non financial investments, such as recurring deposits, or Fixed deposits, or Children plans in banks, shares or Debentures in Companies, Units in Mutual funds, Schemes of Life Insurance Corporation or Unit Trust of India or Jewels, Land, Buildings, and the like. They may be having different aspirations and expectations from their investments.

As far as Dindigul District is concerned, there are a number of job opportunities for women. A number of aided schools, matriculation schools, Central Board of Secondary Education (CBSE) schools, Arts colleges, Engineering Colleges, Polytechnic colleges, Government organization like Bharath Sanchar Nigam Limited (BSNL) and like, are located in Dindigul district providing a large number of job opportunities to all especially women. Irrespective of the place and distance, many women are willing to work. They have got independence in earnings, savings and investment.

## **Review of Literature**

The National council of Applied Economic Research. New Delhi 1964 conducted a survey on 'Attitude of Investors towards savings.'<sup>1</sup> It was devoted to studying the attitudes of the population towards savings. It was found that the strongest

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<sup>1</sup> The National Council of Applied Economic Research, "Attitude of Investors towards saving"-New Delhi 1964.

motive for savings was the desire to make provisions for emergencies for old age and for children's education. The ability to save increased with income, occupation and education. The regularity of saving habits was directly correlated to education. The age groups of 35 to 44 years have saved regularly. Gomathy<sup>2</sup> in her study titled, "Consumption saving pattern of Teaching family in the women's college of Madurai city has found out that 60 per cent of the respondents had regular saving habits. It was also found in this study that the married people spent more and saved less than that of unmarried respondents. Rouschop (2001) in an article on "Behavioral Finances" provides an insight to the influence of investment decision<sup>3</sup> he noted that far from being rational, investing decision are fund amen tally flawed by irrational and emotional influences. It is a challenge to the old economic thought on the notion of rational markets. Y.V. Reddy in his article titled " The Future of India's Debt market" predicted that investment by non banking financial companies in government securities will increase the demand for government paper in the market. He has also stated that the investments in all debt instruments are exposed to interest rate risk.<sup>3</sup> Mary Olivia in "Tax planning by salaried Employees" A study with Reference to Madurai City" found that out of 90% of the assesses preferred provident fund as their first **choice** of investment. About 92.5% invested in life insurance policies due to the twin advantage of risk coverage and tax rebate.<sup>4</sup>

Surendar Pal Singh, in his article "Risk tolerance is a function of individual psychological make-up" described the impact of risk tolerance in Investment decision. The investment

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<sup>2</sup> Gomathy.T, "Consumption savings pattern of Teaching Faculty in the Women's College of Madurai City"- M.Phil Dissertation Submitted to Madurai Kamaraj University, Madurai.

<sup>3</sup> Y.V. Reddy The Future pf Indian Debt Market RBI Bulletin, RBI Bombay No 1997. Vol LI. No 22 pp 903-907.

<sup>4</sup> Mary Olivia .E "Tax planning by Salaried Employees A study with reference to Madurai city" M.Phil. Disseratation submitted to Madurai Kamaraj University.

strategy should be chosen according to the risk preference of the individual. Risk average investors would choose a combination of current income and capital preservation strategy. More risk tolerant investors would choose a combination of current and total return strategy.<sup>5</sup> T. Freeda, in her thesis “ A study on the Saving and Investment Habits of Working People in Coimbatore Town” brought out the fact that the most highly regarded form of investment among the people was investment in bank which ranked 90% other important saving outlets according to opinion expressed are investments in household assets, 89% investment in gold, and 87% investment for the purpose of payment to life insurance and provident life 86% and investment in post office and National plan certificate 83%. 75% considered investing their money in business as being more profitable and 71% considered savings in education.

### **Scope of the Study**

The present study is confined to the various aspects of investment and investment related matters such as factors influencing the investment behavior of the women investors, their level of awareness about various investment avenues, their preference towards a particular mode of investment and difficulties faced by them. The area of study is extended to Dindigul district only.

### **Objectives of Study**

Following are the objectives of the present study

- To analyze the level of awareness of the respondents.
- To analyze the factors influencing particular investment channel.

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<sup>5</sup> Surendar Pal Singh “Risk tolerance is a Function of Individual’s Psychological Make UP” chartered Financial Analysis Feb 2000.

- To analyze the significant relationship between awareness about various investment avenues and level of benefit to the investors.

## Sampling Design

It is not possible to define the population as working women community is ever increasing. So, the researcher has used convenient sampling. Data have been collected from 300 working women that are 30 from each sector such as schools, banks, colleges, hospitals, railways, private companies, Government sector offices, Coolies, Agriculturalists, and self employers.

## Analysis of Results

**Table 1**

FACTORS	CATEGORY	FREQUENCY	PERCENTAGE
<b>Age-wise Respondents</b>			
Age	Below 30 Years	134	44.67
	31 to 40 Years	70	23.33
	41 to 50 Years	56	18.67
	Above 50 Years	40	13.33
		<b>300</b>	<b>100.00</b>
<b>Marital Status-wise Respondents</b>			
Marital Status	Married	191	63.67
	Un Married	109	36.33
		<b>300</b>	<b>100.00</b>
<b>Education wise Respondents</b>			
Education	Illiterate	41	13.67
	Upto School Level	29	9.67
	Graduate	105	35.00
	Post Graduate	92	30.67
	Professional	33	11.00
		<b>300</b>	<b>100.00</b>

From the above Table 1 indicates that an analysis of socio economic profile of the respondents, Investment sources and Investment types. Majority of the respondents are under the age of 30 is that they are more involved in the investment and

Married women are interested to invest their money in various investments. Most of the women graduates are graduates may find it easier to understand and make investments.

**Table 2**

<b>Income wise Respondents</b>			
<b>FACTORS</b>	<b>CATEGORY</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
<b>Income</b>	Below 50000	69	23.00
	50001 to 100000	103	34.33
	10001 to 150000	77	25.67
	Above 150000	51	17.00
		<b>300</b>	<b>100.00</b>
<b>Type of Investment</b>			
<b>Investment Types</b>	Financial	38	12.67
	Non-Financial	6	02.00
	Both	256	85.33
		<b>300</b>	<b>100.00</b>

**Table 3: Financial Investment of Respondents**

<b>S.NO</b>	<b>FINANCIAL INVESTMENT</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
1	Shares	136	45.33
2	Debentures	41	13.67
3	Mutual Fund	174	58.00
4	Bank Deposit	264	88.00
5	Post office Deposit	190	63.33
6	Life Insurance Scheme	244	81.33
7	Government Securities	30	10.00
8	Chits	171	57.00
9	Private Insurance Policy	125	41.67
10	Private Finance	9	03.00

From the above table 2 describes that majority respondents family income between 50001 to 100000 and they invest their money both financial and non financial investment.

Table 3 indicates that invest money in financial investment items, most of investors invest their money in bank deposits, life insurance scheme, post office and mutual fund.

**Table 4: Non-Financial Investment**

S.NO	NON-FINANCIAL INVESTMENT	FREQUENCY	PERCENTAGE
1	Land	173	57.67
2	Buildings	152	50.67
3	Gold	190	63.33
4	Silver	73	24.33
5	Diamond	11	3.67
6	Live Stock	63	21.00
7	Antiques	4	1.33
8	Platinum	6	2.00

Table 4 indicates that invest money in non-financial investment items, most of investors invest their money in gold, land, building and silver.

**Table 5: Opinion and Level of Awareness**

LEVEL OF AWARENESS								
Factors	Particulars	Low Level	Medium Level	High Level	df	Table Value (0.05)	Chi-Square Value	Result
Age	Below 30 Years	13	79	42	2	5.99	40.38	Insignificant
	Above 30 Years	45	113	8				
Marital Status	Married	42	136	13	2	5.99	36.85	Insignificant
	Un Married	16	56	37				
Education	Below Post Graduate	48	112	15	2	5.99	21.82	Insignificant
	Above post Graduate	10	80	25				
Annual Income	Below 1,00,000	48	104	20	2	5.99	22.2	Insignificant
	Above 1,00,000	10	88	30				
Employment	Organised Sector	25	140	45	2	5.99	30.282	Insignificant
	Unorganised Sector	33	52	5				

From the above Table 5 defines level of awareness and socio economic factors of respondents. The analysis of respondents based on age, marital status, income, education and employment. From the above table there is significant

relationship between level of awareness and socio economic factors.

The Table 6 indicates that analysis of investment benefits based on age and marital status, education and annual income of respondents. It results some significant relationship between level of benefits and age and marital status of respondents. There is no significant relationship between level of benefits and education and annual income of respondents

**Table 6: Opinion and Level of Benefits**

LEVEL OF BENEFITS								
Factors	Particulars	Low Level	Medium Level	High Level	df	Table Value	Anova Value	Result
Age	Below 30 Years	38	73	23	3	2.60	1.443	Significant
	31- 40 Years	9	46	15				
	41-50 Years	11	36	9				
	Above 51	11	19	10				
Marital Status	Married	40	109	42	1	3.84	3.213	Significant
	UnMarried	29	65	15				
Education	Illiterate	12	29	0	4	2.38	2.37	Insignificant
	Upto School Level	7	15	7				
	Graduate	28	52	25				
	Post Graduate	20	54	18				
	Professional	2	24	7				
Annual Income	Below 50000	28	37	4	3	2.60	7.944	Insignificant
	50001 to 100000	20	64	19				
	100001 to 150000	10	47	20				
	Above 150000	11	26	14				

## Suggestions

- Most of the respondents save and invest to avail tax relief. They should be motivated to save for other purposes also.
- The investors should continuously watch the behavior of the market before making any investment.

- To motivate the people to save more, the Government should enhance the limit of investment for the purpose of deductions under Income Tax Act. 1961.
- The rules and regulations of the investment should be reduced.

## **Conclusion**

The success of every investment decision has become increasingly important in recent times. Making sound investment decisions require both knowledge and skill. The working women investors have different expectations from the investment as their needs differ such as savings, safety, interest and capital appreciation. The researcher identified the relationship between the factors influencing the level of awareness of various investment and factors influencing the benefits. Investors describe safety of funds as their priority for choosing an investment. So the government should provide more investor protection tools like better laws and regulations.