

Study To Explore The Investment Behavior Of Working Women In Pune City

1. *Vaishali Nikalje, Research Scholar, Tilak Maharashtra Vidyapeeth, Pune*
2. *Dr. C. Sunanda Yadav, Head of PhD Department, Tilak Maharashtra Vidyapeeth, Pune*
3. *Dr. Pranati Tilak, Head of Department Management, Tilak Maharashtra Vidyapeeth, Pune*

Abstract:

This study intends to gain knowledge about the awareness of working women about the various investment avenues and their current investment behavior in Pune city. It also makes an attempt to investigate their perception of risk related to the investment avenues and explore the problems faced (if any) while making investments. A sample size of 110 working women is analysed for this study. According to this study the respondents seem to be comfortable with traditional investment avenues like PPF, bank deposits, post office schemes etc. even though they are aware of other available options for investment. The study concludes that efforts need to be taken to improve the financial knowledge of women

Introduction

Investment is the use of money with the intention of generating increased income or capital value. Investing is a fascinating hobby that appeals to all people, regardless of their profession, level of education, or social standing. Financial investment is the commitment of funds to purchase assets that are anticipated to provide a profit over time. If a person has more money than they currently need, they can buy gold, stock up on shares, or invest in other assets by depositing the excess funds in a bank account to earn a predetermined rate of interest. Women would put the money in both financial and non-financial assets, such as recurring or fixed deposits, children's plans, shares or debt obligations of corporations, mutual fund units, plans offered by the Life Insurance Company or the Units Trust of India, jewels, real estate, and the like. They could have various goals and objectives for their investments. The investing portfolio can vary from person to person as well. They can be making various investment combinations and anticipating various returns.

Given the circumstances and way of life of today, investments are both significant and useful. Longer life expectancy, retirement planning, rising tax rates, high inflation, high income, and the availability of many investment options are factors that affect investing decisions. The goal of the study is to examine the behavior of investment of working women in Pune city. The study's primary objectives are to examine the investment behavior of working women, their perception of risk related to the various investment avenues and the problems faced by them while making investments.

Literature Review

An individual's portfolio's allocation of asset classes is referred to as their investment pattern. It's possible that different portfolios will display different asset distributions. This is extremely reliant on the investor's viewpoint and level of awareness. There exist several investment opportunities, and the majority of these assets might be categorised as: Financial investments, non-financial investment and both (financial and non-financial).

Investment in financial instruments is referred to as financial investment. These resources aid in the generation or production of additional funds. This involves making deposits into securities such those offered by banks, the post office, companies that trade stocks and bonds, mutual funds, debentures, Life insurance companies (government and private), government securities and private financing etc. On the other hand, non-financial Investment, or investment in tangible things for present or future use, is the second type of investment. This investment does not generate more revenue. This covers depositing cash into assets, such as real estate, buildings, jewellery, and durable goods excluding securities.

According to Kannan N and Thangavel N (2008), life insurance has grown to be an essential component of any market economy because it provides many opportunities for making huge sums of money over an extended period of time. Therefore, if we intend to advance towards a future free of anxiety and stress, a well-regulated life insurance business that keeps up with the times by providing its customers with products that are specifically designed to meet their financial needs is crucial. Individual investors still favoured financial products that offered risk-free returns (Syed Tabassum Sultana, 2010). Therefore, the designers of investment products can create items that appeal to investors with low risk tolerance and utilise Television as a communication medium to create awareness because investors appear to spend a lot of time watching television. Mohanta G and Debasish S. S (2011), in their research study state that, investors use a variety of investment vehicles to meet their social, psychological, and financial needs. When choosing a financial vehicle, investors also look for additional benefits like security and safety, receiving continuous returns or dividends, high capital gains, a secure future, liquidity, easy acquisitions, tax benefits, and the ability to cover unforeseen expenses.

Objectives of the Study:

1. To investigate the investment options, working women investors choose for investments.
2. To examine how investors view potential investment avenues.
3. To investigate the problems faced by them while making investments

Research Design

In this descriptive study, a survey was used to gather both primary data and secondary data for the analysis.

Primary data - A structured questionnaire was created, and using the survey method, the primary data was gathered. Secondary data includes customer databases on the internet, books, and company websites.

Sample size: A total of 110 respondents were chosen to represent the population under study.

Analysis of data

The data for this research study has been analysed and presented below:

The respondents of this research study belong to the following age-groups

Age Group	No. Of Respondents	Percentage %
25 years to 30 years	37	33.64
30 years to 35 years	43	39.09
35 years to 40 years	18	16.36
40 years to 45 years	12	10.90

Table1: Age-group of Respondents

The occupation of the respondents is exhibited in the below chart:

Occupation	No. Of Respondents	Percentage %
Employed in Private sector	38	34.55
Employed in Government sector	57	51.82
Own Small Business	15	13.64
TOTAL	110	100

Table 2: Occupation of the respondents

The respondents for this research study are employed women. The above table shows that 38 respondents (34.55%) are employed in the private sector, 57 respondents (51.82%) are working in the government sector and 15 respondents (13.64%) own a small business.

The current investment avenues of the respondents were a multiple-choice question. The responses of the respondents have been tabulated below:

Sr. No	Investment Avenues	No. of Respondents	Percentage (%)
1	Bank Deposit	80	72.73%
2	Post office Schemes	71	64.55
3	Life Insurance Company	50	45.46
4	Private Insurance companies	36	31.82
5	Equity Shares and Commodities	30	27.27
6	Bonds and debentures	7	6.36
7	Mutual Funds	37	33.64
8	Gold Jewelry	53	48.18
9	Chit Funds	30	27.27
10	Real Estate	27	24.55
11	Employee Provident Fund	89	80.91

Table3: Current Investments of Respondents (Primary data)

From the above table it is obvious that majority of the respondents have considered Employee provident fund (89, 80.91%), Bank deposits(80, 72.73%), followed by LIC (72, 65.45%), and post office schemes (71, 64.55%). The others are gold jewelry (53, 48.18%), Private insurance (46, 41.82%), mutual funds (37, 33.64%), Chit funds (30, 27.27%), Shares (30, 27.27%) and bonds and debentures (7, 6.36%).

Sr. No	Awareness of Investment Avenues	No. of Respondents	Percentage (%)
1	Bank Deposit	110	100
2	Post office Schemes	100	90.91
3	Life Insurance Company	110	100
4	Private Insurance companies	60	54.55
5	Equity Shares and Commodities	50	45.45
6	Bonds and debentures	20	18.18
7	Mutual Funds	63	57.27
8	Gold Jewelry	110	100
9	Chit Funds	70	63.64
10	Real Estate	68	61.82
11	Employee Provident Fund	110	100

Table 4: Awareness of Investment Avenues of Respondents (Primary data)

Table 2 summarizes the awareness about the various investment avenues. All respondents seem to be aware of Bank deposits, LIC, Gold jewelry and EPF, while 90% are aware of post office schemes. The awareness of other investment avenues are as follows; real estate is 61.82%, Chit funds 63.64%, mutual funds 57.27%, Bonds and dentures 18.18%, Shares 22.73% and Private insurance companies 54.55%.

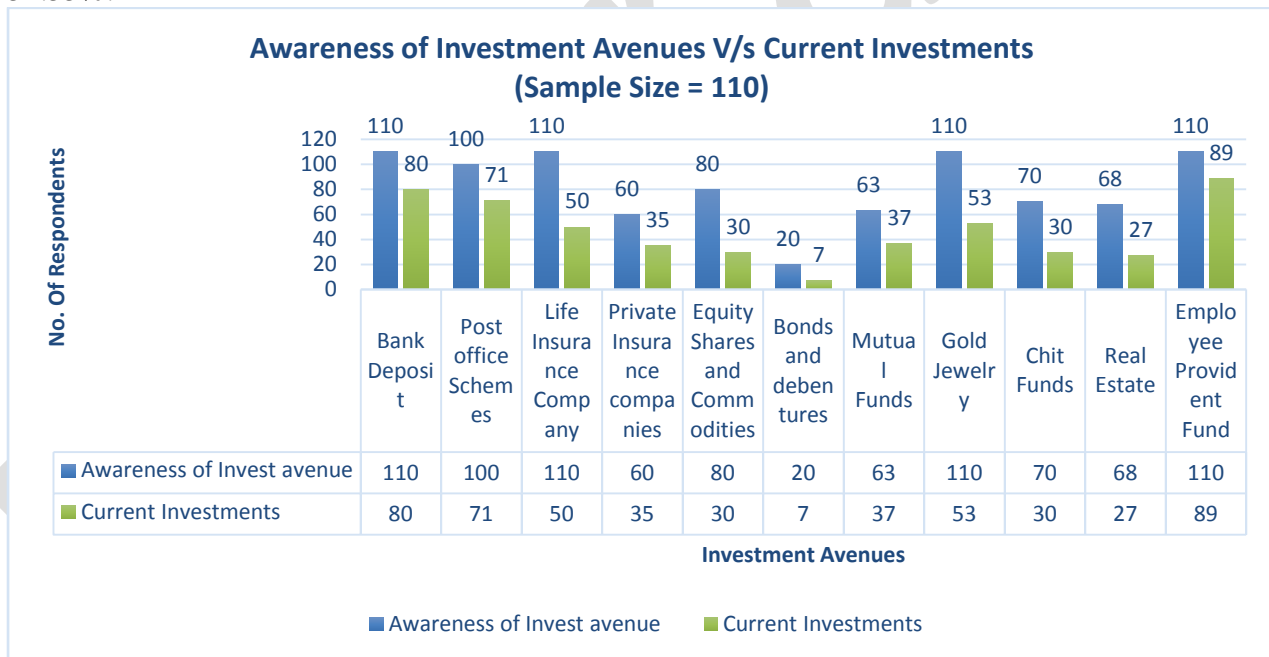


Chart 1: Awareness of Investment Avenues V/s Current Investments of respondents

The perception of risk with respect to the various investment avenues according to the respondents is presented below:

Sr. No	Investment Avenues	Low Risk	Moderate Risk	High risk
1	Bank Deposit	95	15	-
2	Post office Schemes	100	10	-
3	Life Insurance Company	82	28	-
4	Private Insurance companies	50	46	14
5	Equity Shares and Commodities	-	32	78
6	Bonds and debentures	-	23	87
7	Mutual Funds	26	52	32
8	Gold Jewelry	42	47	21
9	Chit Funds	26	54	30
10	Real Estate	21	59	30
11	Employee Provident Fund	98	12	-

Table 5: Perception of risk of respondents

It is observed in the above table that the maximum respondents view traditional investments like Provident fund, Bank Deposits, post office schemes and insurance from LIC as low risk investments, while equity shares and Bonds & debentures are perceived as high-risk investments while others are viewed as moderate risk.

The respondents were also asked to mark the top 3 problems they faced while making investments. Their responses have been tabled below:

Sr. No	Problems Faced	No. Of Respondents	Percentage %
1	Don't know whom to trust	80	72.73
2	Not aware of financial instruments	73	66.36
3	Fear of losing money	75	68.18
4	Financial decisions are made by my father / brother / husband	68	61.82
5	Do not understand financial concepts	85	77.27
6	Lack of surplus money	25	22.73
7	Rise in scams	40	36.36

Table 6: Problems faced while making Financial Decisions

According to the above table, the top three reasons for the respondents to not make financial decisions is they do not understand financial concepts, followed by do not know whom to trust and they fear making financial decisions.

Conclusion: The goal of the current study is to determine how well-informed the working women in Pune city are about investing patterns. Even while they were aware of common investment trends, it seemed that they lacked a thorough understanding of the various investment options. It is observed that majority of them were found to be ill-versed in choosing the investment products for creating their own investment pattern and they required extensive guidance in this area. Hence efforts need to be taken to improve the finance related literacy among women,

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