

Indian Economy in Global Scenario Research Paper: Savings and Investment Pattern of working Women

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ABSTRACT

This research is based on the behavioural analysis of working women in the country, with an in depth understanding of how women tend to shift the risk-taking factor regarding saving and investment with the increase in overall income and opportunities. Through a detailed questionnaire, we tried to extract data from the respondents about their preferences and mindset about saving and investing. In our analysis, we observed that even after the majority of women having a moderate to higher income range are saving and investing in assets with guaranteed returns, they do prefer to invest about 30% of their earnings but in less risky and relatively less expensive investments such as bank deposits and gold. Thus, women tend to invest in their preferred saving option, and they choose it by keeping in mind how simple to operate it is; we infer this is the case because of low confidence in terms of knowledge of the subject matter.

INTRODUCTION

Investments aim to grow money at different rates depending on the investment period. Investing usually follows saving. Higher savings usually help fund higher investments. Most of the research focuses on investment behaviour. As we know, most working women earn a good amount of money, and if they have savings, they can invest in both long-term and short-term investments. The socioeconomic status of women is changing. As the number of working women increases, so does the number of female investors—their financial clout increases as they feel responsible for their household spending and savings. Therefore, women plan their spending and savings.

Saving leads to investment, and investment leads to the capitalization of the country's economy. According to a study, protection in the household sector ranks first in India. Women's income was nothing more than some additional income, but now, a woman's income is vital to her family today. Women need investment to face uncertain future family emergencies. Several studies have shown that women have different investment behaviour than men. Women have lower risk tolerance and receive lower returns on investments. This study was conducted to examine the investment behaviour of working women. The survey examines attitudes and current investment patterns regarding investment opportunities such as bank deposits, insurance, postal savings, bonds, corporate bonds, equities, chit funds, real estate, mutual funds, and gold. Additionally, the study seeks to identify the most important factors influencing investment decisions. Efforts have also been made to examine the investment portfolios preferred by working women.

LITERATURE REVIEW

A Study On Savings Nd Investment Patterns Of Women In Banglore

Investing refers to providing funds to start or expand a project or purchase assets or profits and use these funds to generate income or increase value over time. An investment includes any analytical or deliberative decision of a person or organization to invest in or finance an asset such as real estate, commodities, stocks, bonds, or financial derivative instruments that presents a particular level of risk and offers. Generates return opportunities over time. Investment returns in the form of income or price increases and their statistical significance are the investment goals.

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Efforts have also been made to examine the investment portfolios preferred by working women.
(Sriniasan, 2012)

A Study On Investment Pattern Among Working Women

The survey is based on an analysis of the investment behaviour of working women, including public and private sector employees and business people, and found that many of the respondents work in the private sector. They mostly prefer to invest in gold. The study shows that most women save money for their children's education, marriage, and other life goals. There is an opportunity to improve the saving and investment habits of employed women, and the investment depends on the annual income of the respondents. The study found that high-income groups invest more in assets.
(G.Rekha, 2018)

A Study Of Investment Pattern Of Indian Women

Uncertainty about future conditions and unpredictable future emergencies is a significant drivers of women's savings. Analysis shows that women (upper-income groups) invest most of their assets in term deposits, followed by stocks, corporate bonds, and bonds, and very little in futures and options contracts. This indicates that high-income women are less risk-averse than low-income women. This is because we invest most of our money in riskless financial instruments such as fixed deposits and stocks, bonds, and bonds.

The fact that women's (low-income) preferred investment vehicles are precious metals indicates that women prefer to invest in products that can be easily converted into cash, thereby increasing their liquidity preferences and risk. It shows evasive behaviour. The factor that influences women's economic decision-making is family, followed by women's self-determination. Also, references to business channels keep female influencers the same.
(Modi, 2019)

A Study On Investment Behavioural Patterns Of Women Investors

This study shows that women are interested in covering immediate costs such as medical bills. As a result, female investors prefer short-term investments to those seeking long-term returns. Although the number of educated and professional women is increasing, they still rely primarily on family, friends, and relatives for information and investment decisions. Instead of investing in stocks and bonds, women choose safer investments such as bank deposits and gold because they do not want to take high risks when investing. Women investors want to be able to raise money quickly when they need it because they want to build wealth to match their short-term spending. Governments must promote financial literacy through public policies and ensure that women have better financial planning skills.
(Sah, 2017)

Investment Behaviour Of Working Women In India

Our analysis shows that working women are the most familiar with bank deposit investment vehicles and prefer bank deposit options for their investments. Most working women invest in the security of their families. Most of them were influenced by their instincts and often chose security as an investment route. We found that age and monthly income are negatively correlated with the awareness of the investment district as a whole, and we can conclude that there is a significant relationship between the age of working women, their monthly income, and the awareness of the investment district as a whole. Increase. No significant association was found between working women's marital status, occupation, and friendliness. Most working women believed in high risk and high return and most preferred the annual investment option. Therefore, this study will help various investment firms to target the right audience to offer their investment vehicles and make policy decisions accordingly.
(Gangwani, 2020)

Investment Pattern Among Working Women With Special Reference To Eranad Taluk In Malappuram District, Kerala

The survey is being conducted to deepen working women's income, savings, and investment habits. Particular attention was paid to the investment patterns of working women in Ernad Thaluk, Malappuram District, Kerala. She emphasized that most working women are aware of various investment opportunities and save their income in the most appropriate ways. Income, investments, and savings Respondents are highly relevant and can only save effectively if they have sufficient income. Many factors influence your savings and investments, such as your education and occupation. The reason is; Saving and investing can only improve if you have knowledge and awareness of different investment

opportunities. The main reasons for choosing other systems are safety, tax benefits, and returns. Despite the variety of investment options, respondents are very satisfied with their bank deposits and gold. Today, bank deposits have lost their luster as interest rates fluctuate yearly. Therefore, people must find other alternatives that provide a safe, regular, and stable income.
(Saravanan, 2018)

An Empirical Analysis On Investment Behavior Among Working Women: Are Women Taking The Right Investment Decisions For Their Future?

Working women are independent in their investment decisions. Most of them are likely to invest in risk-free investments such as bank deposits and savings. 90% support banks rather than risk-oriented investments such as mutual funds and stocks. Over 70% of them need to learn more about mutual funds. the study 3. It shows that working women are less likely to invest in mutual and stocks. As savings and term deposits, they follow the traditional investment path with banks. A few percent of people support them based on their husband's opinions. They are less willing to take risks than men when choosing different investments.
(Mathew, 2020)

A Study Of Investment Objectives Of Women Investors

This research is specific to investors in the Bhopal district and cannot be generalized to other parts of the country. Therefore, similar surveys can be conducted in different cities in the country. The study recognizes that there is/isn't a relationship between investment objectives and preferences. Further research may be directed toward other investment objectives, such as capital appreciation, asset acquisition, and other factors influencing investor decisions.

This study helped find the relationship between investment objectives and investors' investment preferences. It is concluded that this high return is the main goal behind stocks and real estate as investment options. Investment funds are preferred for tax-saving purposes. Security objectives are achieved by investing in term deposits and her NSS/PPF/PF and insurance. Gold Silver is the most liquid investment opportunity.
(Jain, 2019)

An Analysis Of Investment Pattern Of Women Investors In Haryana

Our analysis found that female investors in Haryana mostly prefer traditional investment opportunities. The reasons for this behavior are lack of knowledge, limited access to funds, etc. Insurance policies are the second investment, followed by the postal system, PPF, and other government systems. The survey also found that most respondents were interested in maintaining their 3- to 5-year investment path and continuing for the next five years or more. Future needs were the main reason for the investment, followed by urgent needs and family safety. We can also conclude from this result that friends and relatives influence investment decisions most, followed by the Internet and husband. However, (Jain 2014) concluded that her husband has the most significant influence in helping her wife make investment decisions. In addition, the research will help financial institutions and governments develop investment vehicles to harness women's savings for economic improvement.
(DEVI, 2019)

RESEARCH OBJECTIVE

The research aims to comprehend the present savings and investment habits of working women based on the products they now own. As we know, most working women earn a considerable amount of money, and with more savings, they can invest funds in long-term and short-term investments. So many contemporary financial goods offer significant growth currently available for investing. Saving money provides a safety net in case of emergencies and aids in achieving financial stability. The goal of this experimental study on the spending and saving habits of Indian working women is to determine the advantages of saving and investing based on personal priorities. Some key pointers are:

1. To understand and analyse saving and investing pattern of working women in India.
2. To analyse that approach towards savings and investing positive or not.
3. To analyse that are women independent decisionmakers.

RESEARCH METHODOLOGIES

It is a fact that research has to be validated based on the systematic collection and analysis of the data. For this, a study survey method was adopted to collect primary information from the respondents using a well-structured questionnaire with the use of google forms. Preliminary data preliminary selected from 34 working women in India.

Nature of study: Analytical research

Nature of data: Primary data **Limitations of the study:**

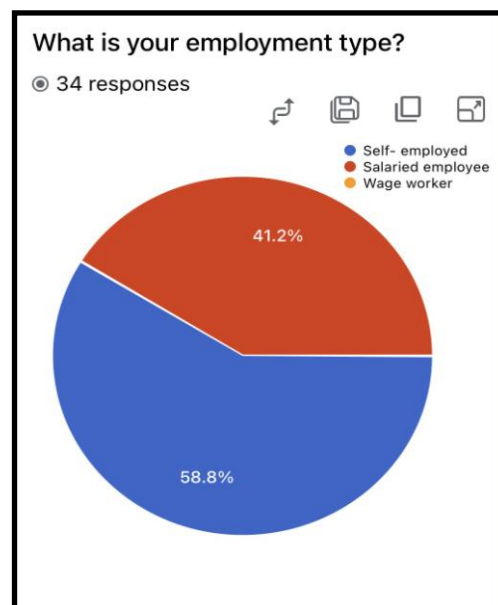
- In personal surveys, the chances of respondents' bias are the chances of researchers' bias might have crept up during data collection and while handling questionnaires.
- Sample collection of 34 working women is relatively very data compared to the density of working women in the country.

DATA AND ANALYSIS

Employment Type:

TYPE	NUMBER	PERCENTAGE
SELF-EMPLOYMENT	20	58.8
SALARIED	14	41.2
WAGE WORKER	0	0

- According to the data collected, 58.8% of women are self-employed, and 20 out of 34 respondents are.
- By collecting information about this, we can get a clear picture of trends in the occupational patterns of women.
- There is a 17.6% difference between salaried and self-employed women.

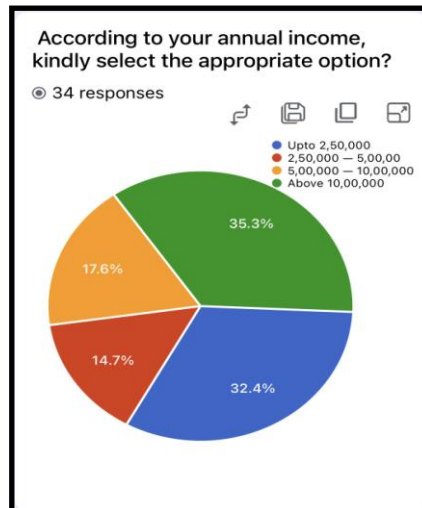


ANNUAL INCOME

RANGES	NUMBER	PERCENTAGE
UP-TO 2,50,000	11	32.4
2,50,000-5,00,000	5	14.7
5,00,000-10,00,000	6	17.6
ABOVE 10,00,000	12	35.3

- According to annual income earned per annum, most women earn more than 10 lakh, indicating their independent decision-making towards saving and investment patterns.

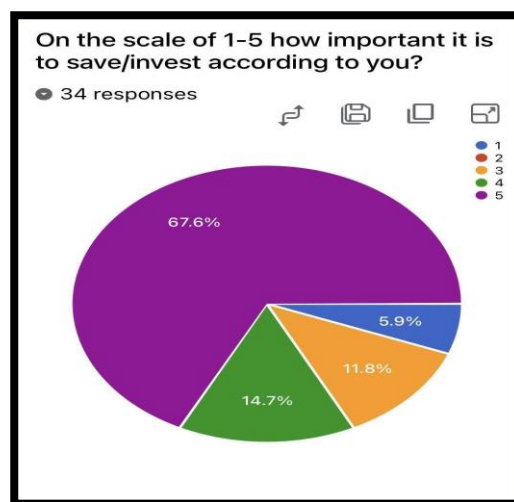
- Through this data, 12 out of 34 respondents, earn more than 10 lakh, and 11 earn up to 2.5 lakhs, indicating dependency on decision-making.
- Women with a high-income range of more than five lakhs to more than ten lakhs are about 52.9% (combined) who will save and invest more.



PERCEPTION OF IMPORTANCE:

RANGES	NUMBER	PERCENTAGE
1	2	5.9
2	0	0
3	4	11.8
4	5	14.7
5	23	67.6

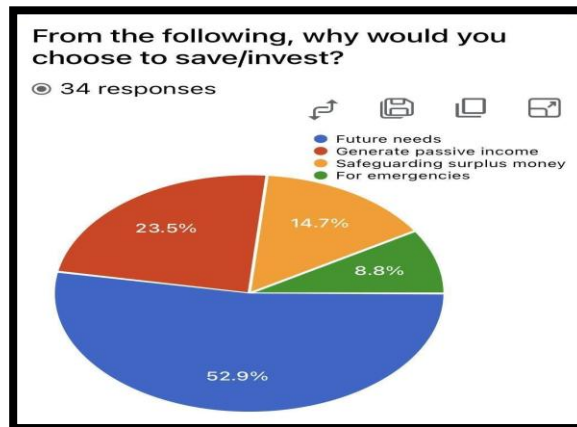
- Majority of women perceive the notion of saving and investing most important
- This indicates that higher-income rangers give more importance to saving and investment.
- Only 5.9% of respondents thought it was not necessary.



REASON TO SAVE AND INVEST

RANGES	NUMBER	PERCENTAGE
Future needs	18	52.9
Generate passive income	8	23.5
Safeguarding surplus money	5	14.7
For emergencies	3	8.8

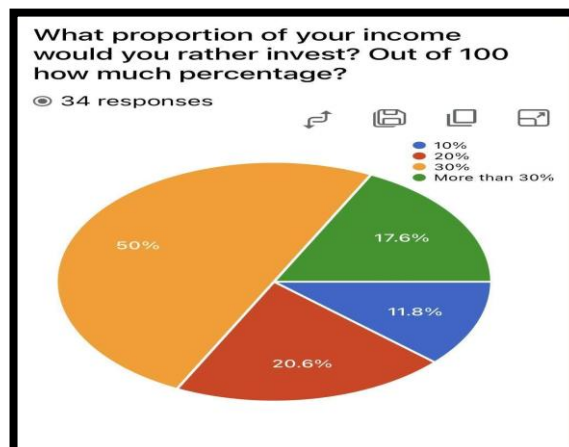
- Majority of women in the country, which is 52.9%, save and invest for future requirements; those requirements can be: marriage, education, health, security, etc.
- Where is 23.5% of women choose to save and invest as a source of passive income.



PERCENTAGE OF SAVING AND INVESTING:

RANGES	NUMBER	PERCENTAGE
10%	4	11.8
20%	7	20.6
30%	17	50
More than 30%	6	17.6

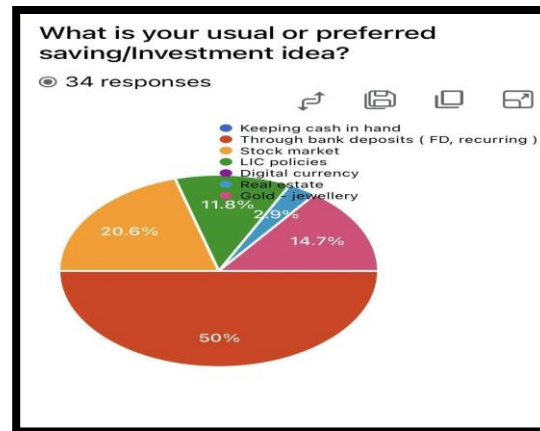
- Accurate 50% of women save or invest 30% of their income, which is an incredibly significant proportion to utilize surplus income for productive purposes There is a good volume of women investing more than 30% of their net income.
- This shows how women are active in the force of effective measures for their income.



PREFERRED IDEA OF SAVING AND INVESTMENT:

RANGES	NUMBER	PERCENTAGE
Keeping cash in hand	0	0
Through bank deposits (FD, recurring)	17	50
Stock Market	7	20.6
LIC policies	4	11.8
Digital currency	0	0
Real estate	1	2.9%
Gold – jewellery	5	14.7%

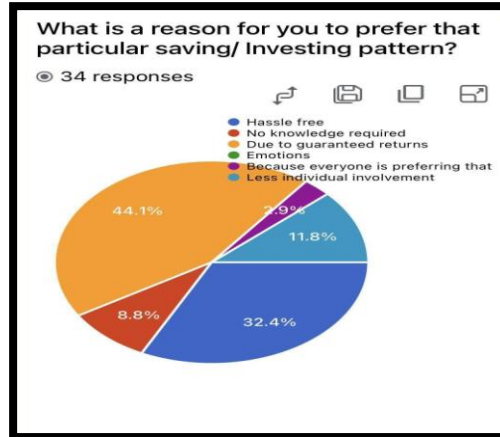
- Through this data, 50% of women prefer saving in bank deposits such as FDs and recurring accounts, indicating saving and investment with minimal involvement.
- Around 20.6% of women invest in stock markets.
- 14.7% of women opt for traditional but non-productive saving assets such as gold.



REASON TO CHOOSE A PARTICULAR IDEA:

RANGES	NUMBER	PERCENTAGE
Hassle-free	11	32.4
No knowledge required	3	8.8
Due to guaranteed returns	15	44.1
Emotions	0	0
Because everyone prefers that	1	2.9
Less individual involvement	4	11.8

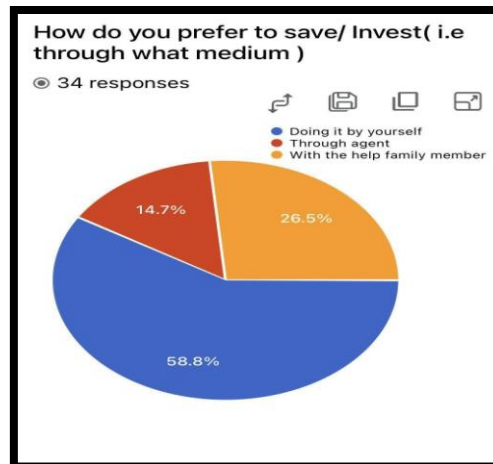
- Majorly, women opt for guaranteed returns for savings and investment, with less risk involved.
- Around 32.4% of women choose their preferred saving and investment idea because it's hassle-free.



MEDIUM, OF COURSE:

RANGES	NUMBER	PERCENTAGE
Doing it by yourself	20	58.8
Through agent	5	14.7
With the help of family member	9	26.5

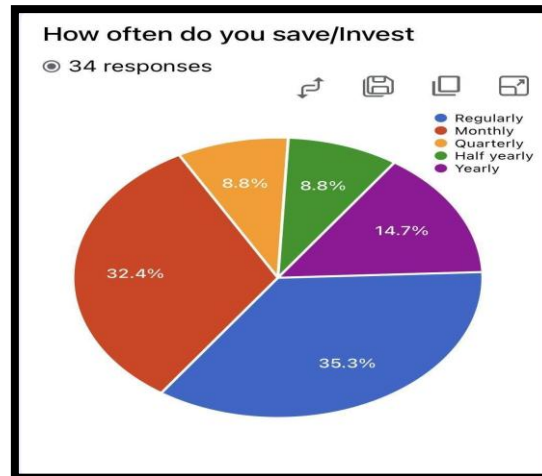
- According to data, most women choose to save or invest alone, without anybody else’s involvement.
- About 26,5% of women seek help or guidance from family members or friends.



Periodicity to save and Invest:

RANGES	NUMBER	PERCENTAGE
Regularly	12	35.3
Monthly	11	32.4
Quarterly	3	8.8
Half Yearly	3	8.8
Yearly	5	14.7

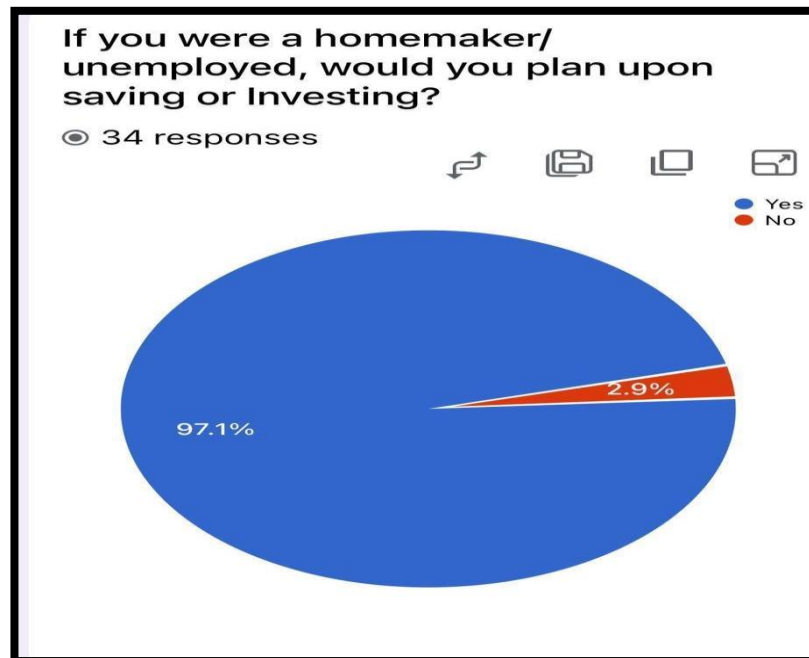
- From the data collected showed that most women save regularly or every month.
- Intensity of utilizing extra income more often indicates a healthy and consistent behaviour.



Perception of the alternative situation:

RANGES	NUMBER	PERCENTAGE
Yes	33	97.1
No	1	2.9

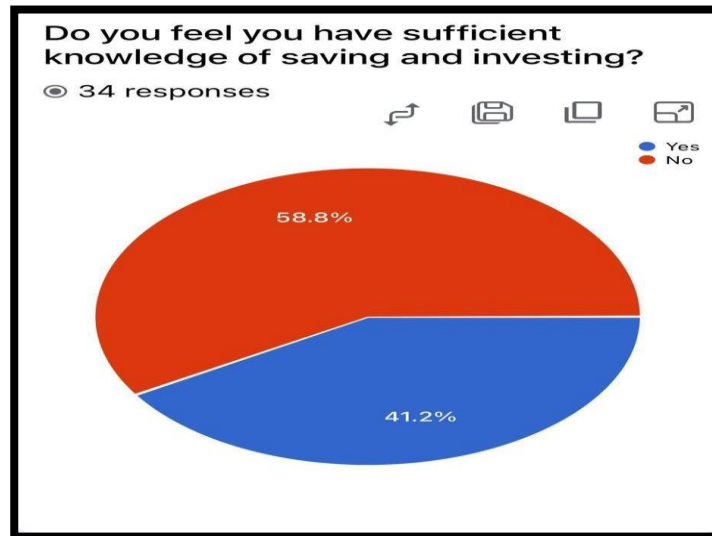
- 97.1% would still be interested and eager to save and invest if they were not earning.
- Extensively fewer women would choose not to involve in the current pattern.
- Thus, fairly positive behaviour is observed.



Knowledge regarding saving and investment:

RANGES	NUMBER	PERCENTAGE
Yes	14	41.2
No	20	58.8

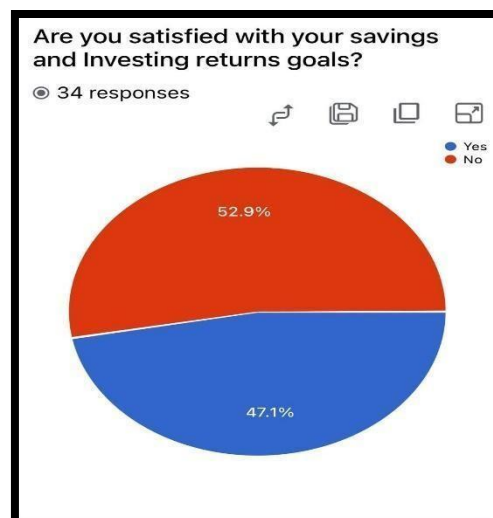
- Although the margin is shallow at about 17.6%, women invest and save with limited or insufficient knowledge.
- This could lead to less risk-taking behaviour with higher chances of getting involved in unproductive options.



Satisfaction level:

RANGES	NUMBER	PERCENTAGE
Yes	16	47.1
No	18	52.9

- Although with very stark differences, most women are not confident enough about their current understanding of saving and investing.
- 47.1% who feel they have enough knowledge regarding trends are inclined towards less risk-taking behaviour.



REPORT OF ANALYSIS

Through our survey and data collection, we have received many responses on women's saving and investment patterns. The majority percentage of women are self-employed (59%). This indicates an increasing trend in the independence of

women compared to salaried women. At the same time, computing the annual income earned per annum, we had taken ranges of 2,50,000 up until above 10 lakh. According to this data, most women rated more than 10 lakh or below 2,50,000. There was a stark difference between the investment patterns of these income groups. Women earning less than 250,000 avoided investing in speculative investments like the stock market, Mutual funds, etc. and opted for much safer options like gold and bank deposits. Investment in bank deposits mounted for 50% of women investing their money. On the other hand, women earning more than 10,00,000 were willing to invest a relatively more significant percentage of their income in speculative investments and take risks. Even though they were ready to invest in speculative investments, they also invested most of their income in safer options, like bank deposits and gold. The reason for choosing these types of saving and investment patterns over the others is because they believe it generates guaranteed returns and is hassle-free. It also does not require a lot of knowledge or research to invest in such safer options. Most of them are self-employed, so they might not have the time to go through the tedious process of researching before investing. The average percentage of income which they invested was 30% or more. Over 50% stated that they did so for their future needs on being asked the reason for saving and investing. These could be for marriage, education, health, security, etc., About 24% of women wanted to generate passive income through their investments. A lower percentage of women saved money for emergencies and held it for predictable outcomes; from the data collected, it was also observed that most women kept it regularly or every month. This indicates a healthy and consistent utilization of extra income. The only downside of saving-keeping options is that many invest in jewellery and gold. These are unproductive investments for the economy.

We also observed that when working women were questioned whether they would invest or save money, even if they were unemployed, over 97% would still be interested in doing so. Extensively fewer women would choose not to be involved in the current pattern. Thus, reasonably positive behaviour is observed.

CONCLUSION

We may infer from this study on the investing and saving habits of working women in India that most of them (the sample collection) prefer to save their earnings and place a high value on savings. We also discovered that most women preserve their profits to use them in the future. Working women choose to invest their money in areas that promise them a set return and no risk, including fixed and recurring deposits with banks. The average saving percentage of women is 30% of their entire income. From the research, we can also conclude that women tend to save regularly or every month and are so inclined towards saving and investing that when the current income source ceases to exist.

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