

A RESEARCH PAPER ON INVESTMENT AWARENESS AMONG INDIAN WORKING WOMEN WITH REFERENCE TO PUNE REGION

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Abstract:

From ancient times, women have been managing homes. Hence they are called 'Home makers.' But since the last 10 to 15 years, this situation has been changing. These days, in all sorts of fields, women are working efficiently and enthusiastically along with men or if it is said that women work more efficiently than their male colleagues, it wouldn't be an exaggeration. In the metro cities, the percentage of working women is more and Pune is getting transformed into metros. Previously Pune was known only for the best education; but with the rapid paced development in the industry sector in the recent past, it is now known as 'Employment Hub' too. As the name suggests, the present research has been done to know the investment awareness among Indian working women with reference to Pune region. Now- a- days, women want to be financially independent & secure their future with enough funds.

This research is based on the study of investment behavior & patterns followed by working women in various sectors in Pune region.

Key words:

Indian working women, investment avenues, Investment awareness

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Introduction:

In the ancient times, women were not allowed to even get education. Their role was purely to look after home. Their world was limited to their families. But then, the people slowly started recognizing the importance of education for women. And today, we find many highly educated women. They are progressing in real sense because in almost all sectors we find women working successfully. And of course, while doing so, they haven't forgotten their job of homemaker. On both the fronts i. e. home & job, they are doing just fine. They know how to manage work life balance. Now-a-days, we find more and more women who are financially independent. No doubt, today's women are more successful. They are getting paid handsome salaries. But what about their investment behavior? Are they financially aware enough to make their own investments? If yes, then what are their investment patterns? What are their perceptions towards savings and investment, what is their risk bearing capacity? The answers to these questions are necessary for getting the picture of the role of Indian working women while taking the investment decisions.

Financial investment is the purchase of a financial security such as stock, bond or mortgage. As a woman & an investor, shaping of financial future is as the many other roles they play in life. Women today, have more earning potential & more influence over financial decisions than ever before. Women represent almost half of the workforce & many businesses are owned or managed by women. Many women influence or control the majority of all consumer decisions. As a result, it becomes important for women to focus on finances now more than ever.

Throughout their lives, as a woman, they face different financial challenges than their male counterparts. If women are going to take control of their financial future, it's important that they recognize those differences & empower themselves.

Earning money is only half the equation for achieving financial independence. Effectively putting your money to work for you is equally important. In addition, circumstances are frequently different for women, and whatever choices you make will be better as a result of greater knowledge of the underlying issues & your options.

Importance of investment for women:

As a woman, the life expectancy is high as compared to males; hence it is very much essential to have enough investment to maintain the lifestyle throughout their lives.

- If we observe the current scenario of metro cities of India, we will get to know that the percentage of career oriented women is on the rise. Hence many women are such that they don't get married but many a times they prefer adopting children & prefer to become single mothers. Now in such situations, they would need higher amounts of funds to meet the increasing needs arising out of the entry of the children to their families.
- Secondly, the number of divorcees is also increasing day by day. Now, in such case, again women should not only be financially independent, but they should have sound investment to secure their future.

- Thirdly, it is always observed that women are no risk takers while doing investment decisions. If they educate themselves well about investment avenues & the returns which can be availed from them, they can take important and bold decisions for making investment.

Financial Planning Process:

Financial planning is an ongoing process to help you make sensible decisions about money that can help you achieve your goals in life. A sound financial plan must include the following steps:

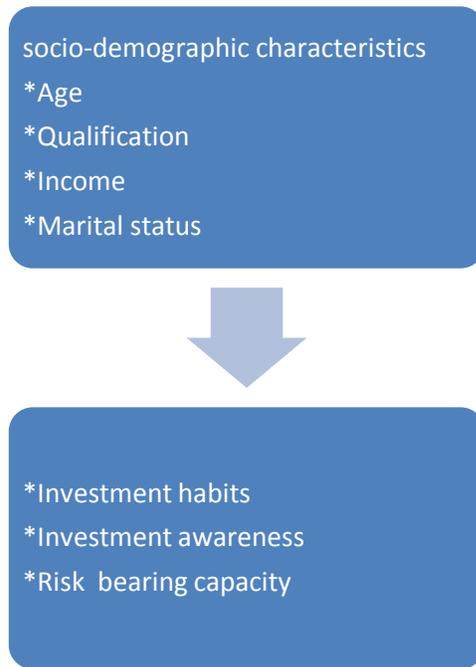
1. Establishing the goals in life: short, medium & long term
2. Working out what assets & liabilities we have
3. Evaluating our current financial position
4. Developing our plan
5. Implementing the plan
6. Monitoring & reviewing the plan at least yearly & making adjustments when needed.

Research Objectives:

1. To find out the investment habits of the Indian working women.
2. To know the role of Indian working women in making investment decisions.
3. To know the investment avenues that the Indian working women usually prefer.
4. To find out the risk bearing capacity of the Indian working women while making investment decisions.

Conceptual framework:

This study focuses on the relationship between socio-demographic characteristics like age, income, qualification, marital status and investment habits, investment avenues, risk bearing capacity. The socio-demographic characteristics will be Independent Variables and investment habits, investment awareness & risk bearing capacity will be Dependent Variables.



Research Methodology:

The research work was carried out in Pune & its outskirts. Working women in different industry sectors were interviewed for this purpose. Working professionals were from banks, corporate, LICs and other small firms. Structured questionnaire was provided to them & their responses were noted.

S.N.	Research Function	Approach
1.	Sources of Data & tools for data collection	1. Primary Source: Structured questionnaire via in-depth personal interviews. 2. Secondary Source: As per references
2.	Sampling Plan	Population Definition- working professionals (females only) in banks, corporate, LICs etc. in Pune & its outskirts. Sampling Design- random sampling for working professionals Sample Size- 80 working women working in different sectors

Hypothesis:

1. Indian working women lack the risk bearing capacity while making investment decisions.
2. Indian working women rely mainly on their husbands while taking investment decisions.
3. Even the working women coming under 'High Income' bracket, don't have thorough knowledge of all the financial instruments.
4. Indian working women don't take professional's help while making investment decisions.

5. Female working professionals in India monitor their investments regularly.
6. Indian working women always prefer the safest investment options.

Findings:

1. It has been found out that 85% of the respondents are aware of investment.
2. It has been found out that 15% of the respondents are not aware of all the financial instruments & they are not much bothered about savings & investment.
3. It has been found out that out of these 85% respondents who are well aware of investment; 65% are not ready to take risks while making investments. They prefer safe modes of investment like FDs, SIPs, bonds, Post office schemes. Only 20% respondents want to invest in equities/stock where high risk is involved.
4. It has also been found out that 85% of the respondents are 'Long term Investors'. Out of remaining 15%, 8% are 'Conservative Investors' & 7% are a combination of 'Trader' & 'Speculator' type of investors.
5. It has been observed strongly that 90% of the respondents rely on their husbands for taking investment decisions. And remaining 10% respondents take their investment decisions by themselves.
6. It has been found out that 85% of the respondents don't possess detailed knowledge about all the financial instruments. Only 15% respondents have the sufficient knowledge about the financial instruments.
7. It has also been noticed that 80% of the respondents don't read any financial newspaper. Only 20% respondents regularly read 'Economic Times' & 'Financial Express'.
8. Only 55% of the respondents watch TV channels like 'Z Business', 'CNBC', 'NDTV profit' etc. to get some help while making investment decisions. Remaining 45% respondents rely on their friends' advice & own knowledge for making investment decisions.
9. It has been observed that 75% female working professionals monitor their investments regularly. Among these, 25% monitor monthly, 35% quarterly & 15% bi-annually.

Discussion:

'Investment Awareness' is not an altogether new concept. In fact, it is very much discussed topic. Life of a human being is full of uncertainties. Hence, it becomes very much essential or is rather a necessity to save money for the future. Now, just saving money & keeping it idle is not sensible. Because, the value of money will get decreased. Hence the money saved should be invested; so that its value will get increased. Out of this need, various investment avenues have come into force. The risk bearing capacity of each & every individual is different; depending upon their age, income, perceptions & beliefs.

Today's women are definitely financially independent. They are heading the important senior posts in various sectors. They are doctors, engineers, IPS officers, artists, professors. The list is unending. Hence, in the society, women are getting great respect. They have got financial soundness. But only earning high income is not enough. It is just half the battle won. The remaining & very much important thing is investment. If the amount earned is invested in the right manner, one can increase one's wealth. As it is one of the objectives of financial management, wealth maximization is really very important.

As far as the Indian scenario is concerned, working women here have started doing investments slowly. The percentage of working women who take their own financial decisions for making investments is low. Many a times, they rely on their husbands or parents to make investment decisions. There is still a class of working women who just don't bother much about making investments out of their income. This is because their husbands are financially very strong & these female working professionals join somewhere with the sole intension of killing the time or they don't want to sit at home idle. The reason for not making investments on their own might be male dominance in some cases.

No doubt, there is a class of working women who are handling their own portfolios & getting good returns on their investments too. But the percentage of such class of women is a bit low. Such class includes mainly single mothers, divorcees, widows, unmarried women etc. This needs to be changed. That means more & more working women should be financially aware & they should take their own financial or investment decisions. Then only the term 'Women Empowerment' will be justified in real sense.

Limitations:

1. It is assumed that all the information provided by the respondents is true & factual.
2. Time was the main constraint. As far as the depth of the research paper is concerned, it would be unfair to assume that the sufficient amount of data has been collected within such a limited time frame.
3. The data collection has been done from a limited geographical area. Hence the findings & conclusion have got their own limitations.
4. The information given by the respondents might be biased because some of them might not be interested to give correct information.

Conclusion:

Pune is on the path of growth in real sense. Not only it is known for the best education, it has now become the 'Employment Hub' as well. Because of high level education, today's women are getting the best job offers with high take home pay packages. It has become the present day need for working women in India to increase their wealth. As most of the women are low in financial literacy, it becomes hardly possible for them to manage their portfolios on their own. Also the risk bearing capacity of working women in India is low. This is due to lack of sound financial knowledge.

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Further Research:

There is much scope for further research as far as the topic for the research is concerned. As this research has been done taking into consideration a very limited data from the female working professionals from Pune & its outskirts only, it has got its own limitations. On the basis of this paper, one can do the comparative study of investment behavior of Indian working women & of working women in foreign countries. There is also much scope for the comparative study of the mentality, perceptions & attitudes of the working women as investors here in India & abroad.

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Managerial Implications:

Despite the financial soundness that working women have got, they are still not having the complete knowledge of portfolio management or in simple words, taking proper investment decisions. Due to insufficient knowledge of financial instruments, women are finding it difficult to invest in the projects where high amount of risk is involved. And those who are investing in such avenues like stocks or equities, they do it many a times following their friends' advice. Hence, there is high risk involved of facing heavy losses.

More efforts should be taken of course, by working women themselves to increase their financial literacy. Secondly, the government should organize investment awareness campaigns often especially designed for women.

This research paper is beneficial for MBA students who are planning to take financial management as their area of specialization & it throws light on the present scenario regarding investment awareness among Indian working women.

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Suggestions:

1. It is recommended that the Government should take some efforts to increase the financial awareness & investment awareness among the working women through organizing campaigns for the same.
2. The employers i.e. companies should be encouraged to organize 'Investment & financial awareness programmes' by experts in their office premises specially for their women employees.
3. Small debates can be organized weekly wherein the review of financial newspapers like 'Economic Times' & 'Financial Express' can be taken at the workplace to increase financial awareness.
4. Working women themselves should take efforts to become expert managers of their own portfolios. They can do so by getting more & more knowledge related to financial matters from every source possible like financial newspapers, TV channels like CNBC, NDTV profit, Z Business etc. some magazines like 'Dalal Street'. They can take help of expert persons in the finance field.
5. Government should come up with more innovative projects as they have done by starting banks for women only-'Mahila Bank' wherein everything is done by women. These banks can be the reliable source of investment for women.
6. Women can take help of reliable Certified Financial Planners for making the right investment decisions & for having an ideal portfolio.

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Appendix

Questionnaire:

BASIC INFORMATION:

1. Name:
2. Age (in years): 20-35 35-45 45+
3. Marital status: Single Married Divorcee widow
4. Do you have children? Yes No
If yes, please specify No. of children
5. Occupation: Self employed salaried Govt. Employee Other
6. Qualification:

A) SET OF MULTIPLE CHOICE QUESTIONS:

1. What are the areas in which you would like to invest from the following?

Equity Fixed Deposit Account Insurance policies Gold

Post office Account Bonds/Debentures

2. What are the purposes of your investment?

Future needs financial security Tax deduction capital growth

Regular source of income

3. What are the factors from the following which you think affect your investment decisions?

Stock market movements fluctuations in the prices of gold government

policies level of income

4. If you have earned profits out of your investments, whom do you want to give credit for that?

Professional help friend's advice own knowledge Good luck

5. Which financial newspaper do you read?

Economic Times Financial Express Business Standard

6. Which TV channels from the following do you watch for improving your knowledge regarding financial matters?

CNBC NDTV profit Z business Bloomberg TV

B) SET OF OPTION BUTTON/SINGLE CHOICE QUESTIONS:

1. What kind of investor you are?

- Speculator
- Long term investor
- Trader
- Conservative

2. What proportion of your income do you make use for investment?

- 0-5%
- 5-10%
- 10-15%
- Above 15%

3. How frequently do you monitor your investment?

- Daily
- Monthly
- Quarterly
- Bi-annually
- Annually

4. In your family who takes the prime investment decisions?

- Yourself
- Your spouse
- Your spouse & you collectively

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C) SET OF GRADATION TYPE QUESTIONS:

1. Consider the following investment options & state what percentage of your savings you would like to invest?

Financial instruments	5-10%	10-20%	20-30%	More than 30%
Equity/stock				
Property				
Provident fund schemes				
Bonds				
Insurance policies				
FDs				
Gold				
SIPs				
Post office schemes				

2. Rate the following statements

Ability of investment decisions	Strongly agree	agree	disagree	Strongly disagree	Can't say
I am confident of my ability to select financial instruments for investment.					
I take full responsibility for the result of my investment decisions.					
I have complete knowledge of available financial instruments.					

D) SET OF YES/NO TYPE QUESTIONS:

1. Do you make regular investments out of your income? Y N
2. Do you believe in the concept 'High Risk-High Returns'? Y N