

Impact of Savings and Investment Behaviour of Working Women in Chennai City

Dr.V. Krishna Kumari

Received 05 November 2018 ▪ Revised: 23 November 2018 ▪ Accepted: 02 December 2018

Abstract: The present study tries to explore the factors influence the savings and investment behavior of a sample of 100 working women investors in Chennai city. The study uses percentage analysis, factor analysis and analysis for variance to test the hypothesis. The paper concludes Women investors should look in all avenues while investing their valuable income.

Keywords: Explore, Investment behaviour, women investors.

INTRODUCTION

Today the financial services sector has become highly diversified offering the women investors with a wide range of investment avenues with proper investment strategies and financial planning can increase personal wealth which will contribute to higher economic growth. Economic growth is among the most vital factors affecting the quality of life that people lead in a nation. This study constructs a robust conceptual framework for the researchers by meticulously analyzing the experimental studies on investor behavior in different countries. The paper exhibits that there are numerous variable that direct an investor's decision to invest. Further, we propose a descriptive study to determine the relationship between the income, saving and investment behavior among the working women in Chennai city. The results from the proposed study could be of great relevance to the investors for the wealth management and to the policy makers, the investment agencies, the researchers as well as top officials of the institution.

Women play a pivotal role in the overall progress of a country. They have the potential to change their own economic status, as well as that of the communities and countries in which they live. Traditionally, the right to make investment decisions normally belongs to men. The status of women in India has been growing over the past few decades. Savings is a habit specially embodied to women. Savings refers to the surplus of an individual from his/her earnings after meeting his/her necessities. The surplus of the individual is kept in the form of various investments. Even in the past, when women were mainly dependent on their spouse's income they used to save to meet emergencies as well as for meeting future contingencies. In those days, women did not have any awareness about various investment outlets. But at present women are equally educated, employed and have knowledge about various aspects of investments. As a result women are also investing in various avenues.

REVIEW OF LITERATURE

Volpe, Chen and Pavlicko (1996) the researcher found that generally higher education students lack knowledge about personal investment like stock market valuation, impact change of interest rate as well as tax calculation and planning, the study established that female students drastically possess less knowledge about personal investment behavior.

Rajarajan (2009) explored a study on investor life styles and their investment pattern. In his study he named the investors as active, individualists and passive investors. He concluded that the expenses level of people earnings and investment were associated with the household size.

Ajmi J .Y (2008) the researcher identified that the risk tolerance of individual investors are less with women than men, due to lack of knowledge about the economic status of family and less equipped with management quality.

Salaried employees in general have fix flow of income & their investments patterns are found also different. In connection with this Researcher has tried to find out investment behavior of salaried investors in Pune region. It will be helpful to understand the investment preferences of investors. The

research paper will become the helping hand to the research scholars as well as students for their further studies in their respective area. V.R.Palanivelu & K.Chandrakumar (2013) examined the Investment choices of salaried class in Namakkal Taluk, Tamilnadu, India with the help of 100 respondents as a sample size & it reveals that as per Income level of employees, invest in different avenues. Age factor is also important while doing investments. Avinash Kumar Singh (2006) the study analyzed the investment pattern of people in Bangalore city and Bhubaneswar & analysis of the study was undertaken with the help of survey method. After analysis and interpretation of data it is concluded that in Bangalore investors are more aware about various investment avenues & the risk associated with that.

Karthikeyan (2001) has conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for kisan vikas patra (KVP), National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE), and Salaried employees in general have fix flow of income & their investments patterns are found also different. In connection with this Researcher has tried to find out investment behavior of salaried investors in Pune region. It will be helpful to understand the investment preferences of investors. The research paper will become the helping hand to the research scholars as well as students for their further studies in their respective area. V.R.Palanivelu & K.Chandrakumar (2013) examined the Investment choices of salaried class in Namakkal Taluk, Tamilnadu, India with the help of 100 respondents as a sample size & it reveals that as per Income level of employees, invest in different avenues. Age factor is also important while doing investments. Avinash Kumar Singh (2006) the study analyzed the investment pattern of people in Bangalore city and Bhubaneswar & analysis of the study was undertaken with the help of survey method. After analysis and interpretation of data it is concluded that in Bangalore investors are more aware about various investment avenues & the risk associated with that.

Karthikeyan (2001) has conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for kisan vikas patra (KVP), National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE).

Importance of Study

The motivation of investors to invest is complex and depends upon a number of factors. Researchers across different countries have analysed the behavior of investors and have attempted to enhance our understanding of why people manage investments in different ways. An easy way to understand the economist's view of savings and investment describe different things to different people. To some it means putting money in the bank. To other it means buying stocks or contributing to a pension plan, but to economists, it means only one thing consuming less in the present in order to consume more in the future.

Major Key Differences of Savings and Investment

Every one wishes to have financially secured future. Financial security can have various purposes from buying a house, child's higher education, marriage or post retirement life. So now we can learn the five key differences of savings and investment and find what suits us the best.

SAVINGS	INVESTMENT
PERIOD: Savings are typically for small financial objectives to be met in short period of time, about 1 to 3 years like buying of mobile phone	Investment is a long term plan for bigger financial goals (eg) planning for child education or for your comfortable retirement life.
ACCESS OF MONEY : At critical time savings serve as handy cash. You have all the access to your money in savings.	In case of investment, access to your money depends on the kind of investments you make.
RISK: Savings in reputed banks is safer than at home. Risk of losing money in savings is very low compared to any investments.	Risk in investing varies according to the channels of investment. If your money is invested in reputed companies with long term view, then short term ups and downs should not affect outlook towards such investments.
RETURNS: Interest on savings accounts is often much lower.	Investment in bank fixed deposits, equity based mutual fund schemes carry much higher potential for long term value growth
CHOICE : The right thing is to first identify your purpose. It is always wise to save money for small term goals, emergencies and casual expenses as it provides quick access. This makes it easier to meet small goals.	Investments are made typically for bigger financial goals which may seem impossible now but would be possible in the time to come if they are wisely planned today. Investment smartly is the key to meet long goals.

Scope of the Study

This study is focusing on the preference of investment by women salaried class people in Chennai city and it will be helpful to identify the different and better investment options that are available in the market.

Objectives of the Study

1. To study the socio-economic and investment profile of women investors in north Chennai
2. To know the factors that are influencing working women investors' behavior.
3. To find solutions for the problems that is faced by working women for investment.

RESEARCH METHODOLOGY

The type of research to be used for this study is descriptive. Primary data collected by administering a detailed questionnaire and also by conducting depth personal interviews. For this study secondary data collected through various sources such as magazines, internet, and various financial service institute and business journals. 100 Respondent were selected using simple Random Sampling Method. The basis of this study was to explore the factors which influence the savings and investment behavior of working women. The primary data is obtained from the collection of data through questionnaire from working women in north Chennai city were analyzed using statistical tools like percentage analysis, factor analysis and Analysis of variance.

FINDINGS AND CONCLUSION

- The application of percentage analysis revealed that the maximum percentage of 63% of employees are interested to save their income for meeting the future benefits and the remaining 37% of women employees are interested in savings and investment.
- 45% of women employees are interested to save their income to met their comfort retirement life, 30% of working women employees are showing keen interest to save their income for giving quality education for their children and 25% of the working women employees save their income for meeting expenditure like children marriage and buying fixed assets to lead a better life and get recognition in the society

CHART 1- Factors that are influencing working women investors



Long Term Growth
Risk
Return
Retirement Income
Liquidity

- For planning the regular income even after the retirement they go for taking a policy from financial sector like pension plan, investing in mutual funds etc.
- Liquid position of financial asset is investment in financial security. Investment in financial instruments like Government securities is possible due to the existence of a strong secondary market. The financial instruments are tradable and get cash at any point of time.
- For long term benefit they are opting to take fixed deposit which helps to meet their financial needs for their children higher education and for marriage.

- Short term need arises at the time of purchasing garments, jewels and fancy item for their kids as well as to meet their small medical expenses.

Table 1: Problems that is faced by working women for investment

Parameters	Risk Profile		
	traditional	balanced	Contentious
Age	55 above	40-55	25-40
Dependents	Elders & Kids	Kids	Spouse
Responsibility	High	Moderate	Low
Liquidity needs	High	Moderate	Low

- An investor has low risk tolerance as at the older age, the investors' family position plays a major role in the risk tolerance level.

CONCLUSION

The assessment of Investment behavior among working women in Chennai city ensure the quality of knowledgeable work. There are lots of consideration required while investing, such as tax planning, investment safety, retirement income etc., therefore the requirements of individual investor, should consider the variables which is mentioned.

REFERENCES

- [1] Bajtelsmit, V.L., & Bernasek, A. (1996). Why do woen invest differently than men? *Financila Counselling and planning*, 7, 1-10.
- [2] Bajtelsmit, V. L., & VanDerhei, J. L. (1997). Risk aversion and pension investment choices. *Positioning pensions for the twenty-first century*, 45.
- [3] Singh, J., & Yadav, P. (2016). A Study on the Factors Influencing Investors Decision in Investing in Equity Shares in Jaipur and Moradabad with Special Reference to Gender. *Amity Journal of Finance*, 1(1), 117-130.
- [4] Kim, K. A., & Nofsinger, J. R. (2007). The behavior of Japanese individual investors during bull and bear markets. *The Journal of Behavioral Finance*, 8(3), 138-153.
- [5] Parthiban, U. (2011). *A Study on Investment Behaviour of Women Investors*.