

## **From Awareness to Action: An Empirical Analysis to Understand Investment Choices of Punjab's Working Women**

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### **ABSTRACT**

The present study explores working women's investing preferences and awareness in the Punjab region of India. The study looks into how different demographic parameters relate to different investment options and their features. The research centers on the educational history of working women in India, the majority of whom possess graduate or postgraduate degrees, indicating a thorough comprehension of investment possibilities, benefits, and drawbacks.

The majority of women actively engage in investing activities, according to data research, underscoring their important contribution to the country's economic development. According to the research, women tend to favor short-term investment periods. Moreover, it has been noted that Indian working women participate in investment activities both on their own and in partnership with spouses or family members.

However, the research indicates that women are reluctant to diversify their financial portfolios, despite their active involvement in investing initiatives. Their hesitation is due to a wish to preserve the security of their current investments rather than look into other options for diversification.

The study's overall conclusions highlight the significance of comprehending the investing preferences and behavior of working women in the Punjab region. The results highlight their important role in the nation's economic expansion and highlight the necessity for specialized approaches to promote diversification and raise this demographic group's level of investing awareness.

**Keywords:** Working women, Investment awareness, Financial literacy, Investment Avenues, Garrett's Ranking Technique.

### **1. INTRODUCTION**

Allocating resources with the goal of raising capital values or yielding higher incomes is known as investing. Investing is an interesting activity that draws people from all walks of life, regardless of their occupation, educational background, or social status. A financial investment is the sum of money needed to buy assets with the intention of selling them for a profit eventually. If someone is in excess of their needs, they can invest their money, buy gold, buy stocks, or put it in a bank account to earn interest. regardless of the instrument. Compared to other contexts, the word "investment" carries a different financial meaning. Products and services that are used to create income make up an economy's capital stock. produce additional products and services. When it comes to money, investing is the allocation of resources, capital, and funds to assets with the potential to increase in value over a predetermined period of time. These assets might be high-risk or low-risk investments. Historically, risk, financial gain, and time horizon have been the three factors that separate investing from speculation. In the context of finance, "risk" has a particular meaning. It speaks about the probability of a financial transaction going bad. Investing is limited to routes where the primary line is secure and is generally thought to have a moderate risk profile. "Speculation" is the term used to describe high-risk financial investments.

While public enterprise faces competitive pressures to ensure government control, freedom, efficiency, and progress, investors in India benefit from free enterprise. Government regulation imposes discipline and limits certain freedoms because it is a mixed economy. All the advantages of both socialist and capitalist forms of administration can be realised by combining the governmental, under government supervision, and the private, free-standing, sector. Because government control encourages capital market stability, India's political climate is favourable for investment.

In recent years, the success of every investment decision has grown increasingly important. Making informed investment decisions requires both experience and knowledge. It requires skill to weigh the potential risks and rewards of an investment. Understanding the various investing options available in today's economic environment requires knowledge. A stable return and capital appreciation may be the main objectives of an investor.

When an investment is sold for more money than it was originally purchased, this is known as capital growth. One can receive a monthly return on their investment in the form of dividends or interest. Investors consider a variety of factors before making a decision. It consists of components such as minimal risk, inflation rate, liquidity, investment safety and security, and so forth.

Presently, women are employed in a multitude of fields, such as business, engineering, technology, medicine, education, and the military. Many women have started their own businesses or pursued alternative careers for a variety of reasons. As a result, they are now able to financially support the family. They work to provide for their families. In addition to earning income, women put money aside for a variety of goals, including building a home, funding retirement, or their children's education or marriage. You can only go so far with savings. However, there are several advantages to careful investment planning. Investment options available to women include jewels, real estate, and buildings; additionally, they can invest in children's plans, recurrent or fixed-term deposits, company shares or debentures, mutual fund units, life insurance company or Units Trust of India schemes, and company shares or debentures. Their goals and targets for investments could be varied. It is possible for an individual's investing portfolio to differ from another's. With variable expected returns, they might have several investment combinations.

Stocks, bonds, mutual funds, units, tax-favored savings plans, gold, real estate, insurance policies, and shares of equity are just a few of the many investment options available to investors today.

## 2. LITERATURE REVIEW

**Agarwal (2020)** studied women's knowledge and investing preferences, taking into account both working and nonworking women. Women are now playing key roles in all spheres of life, becoming financially independent, and making contributions to the national economy. The analysis makes use of descriptive research. 39 women's data were gathered using a convenience sample technique. Even though the majority of women want a ROI of over 20%, they still rely on life insurance. Alternative tax saving strategies are preferable to schemes and provident funds, which are then followed by investments and post office savings. They need to know about a number of additional initiatives in addition to insurance policies and provident funds. On the other side, **Chitra and Mahalakshmi (2020)** tried to assess the amount of information held by working women towards retirement planning and to identify the factors influencing their investment behaviour. For this reason, 196 persons in total were surveyed. The majority of the respondents, however, stated that they invest to improve the value of their money and obtain liquidity. On average, women invest 5 to 10% of their income, primarily for retirement planning.

**Kappal and Rastogi (2020)** performed a qualitative survey in Pune and Mumbai for their essay, "Investment Behaviours of Women Entrepreneurs." In depth interviews with 18 female business owners were conducted to understand more about the factors affecting their spending choices and investment strategies. The study showed that female entrepreneurs are risk averse. In a study conducted by **Sisili, et al. (2018)**, efforts were made to understand the trends and tactics employed while choosing an investment route. Also want to know what the investment's expectations are 250 survey respondents were taken into account for the analysis. The study found that women favor steady growth over abrupt expansion. The findings also discovered that men are interested in building wealth, so they also take expert advice into consideration when making investments. Women, on the other hand, do not have systematic planning for their investments; instead, they only think about making investments to cover future expenses, such as children's education.

**Rakesh H M & Nalina K B (2017)** study learn about investor behaviour, specifically how individuals choose and are affected by the rewards of investing. There are many behavioural factors to consider, such as portfolio formulation, stock preferences, risk perception, awareness and pattern for investment, to know the problems encountered while making an investment, and other demographic factors such as investor attitude, risk taking capacity, and expectations for return, all of which combine to play an important role in understanding investor behaviour in the stock market. However, **Tantia & Thammaiah, (2017)** highlighted that the Women choose to invest in gold jewellery rather than gold bonds for a variety of reasons, and the majority of women are ignorant of gold bonds. For the study's analysis, 150 IT workers from Bengaluru were chosen. The data is collected using a convenient sampling procedure. In conclusion, it is stated that women prefer gold jewellery over gold bonds, and this is due to a lack of understanding of gold bonds, which prevents them from selecting gold bonds. One of the reasons to pick gold ornaments over gold bonds is that gold ornaments are both artistic and functional.

**Sarfaraz Ansari, Yogeshwari Phatak (2017)** major goal is to learn about financial risk tolerance and critical elements that impact investors when choosing investment avenues, as well as to learn about the preferred investment avenues. According to the study, investors have an average risk tolerance capacity, which implies they are neither risk takers nor risk averse by nature. Following the investigation, it was discovered that insurance is the most desired investment outlet among the other possible investment opportunities. Taking another perspective given by **Manikandan and Muthumeenakshi (2017)**, the goal of the investment is to generate a profit, receive tax benefits, have security, liquidity, transferability, and income stability, among other things. Where there are several investment options accessible, such as fixed deposits, post offices, gold, real estate, mutual funds, and the stock market, investors choose their investment alternatives based on their desired rate of return and risk tolerance capacity. This study is primarily based on previous investment analysis conducted through earlier research. The researcher has arrived at a conclusion about the investing pattern. And the conclusion is that most investors choose to invest in gold, silver, and banks since they are unfamiliar with mutual funds and hence do not decide to invest in them.

### 3. RESEARCH METHODOLOGY

#### 3.1 Objectives of the study

- To assess the level of awareness among working women about various investment avenues.
- To identify the problems faced by working women while making investment decisions.
- To examine the reasons behind diversification and non-diversification of the investment portfolio.

#### 3.2 Scope of the Study

The study used the primary approach, with data obtained by structured questionnaire among Indian working women in the Punjab region. The study aims to determine the degree of awareness and preferences among Indian working women, as well as the demographic aspects that influence investing decisions, such as age, education, marital status, employment, and so on. Following that, it is necessary to determine the level of pleasure from the money invested by working women since, after making a choice, it should be satisfying, which can be determined by the return or reward obtained from the invested money. Then, in general, it is discovered that women are dependent on others for investment decisions, but this may be due to the fact that they may be experiencing challenges aside from the actual investment decisions, such as technical concerns, communication issues, and so on. Then, considering diversification is crucial since change is required at every step, but knowing when to diversify is also important.

#### 3.3 Data Collection

Primary data is information acquired directly from individuals for research purposes. A formal list of questionnaires is compiled. In the majority of situations, an unmasked approach is used. The interviewees are asked about their demographic

preferences. So, for my research, I've opted to conduct the survey online, by e-mail, because the sample unit of my study might be any working woman in the Saurashtra region. Because my data is massive and spread, an online poll will be easier, quicker, and more convenient.

#### **4. DATA ANALYSIS AND INTERPRETATION**

##### **4.1 Analysis of Respondents Demographics Information**

###### **4.1.1 Age wise Classification of Respondents**

From the total percentage majority group age belongs to 26 – 35 years and it is 43% and 34% belongs to 18 – 25 age group, 14% belongs to year 36 – 45 age group and 1% from the age group 46 – 60 years.

###### **4.1.2 Place Wise Classification of Respondents**

43% of respondents are urban, 32% are semi-urban, and the remaining 25% are rural. As place is a key demographic factor because this study is for investment, it is necessary to know where the investors belong because investors may make investment decisions based on the convenience of their location. For example, in urban areas, more technological amenities are accessible, however in rural and semi-urban areas, they are not available at the same level as in urban areas. As a result, when investors invest their money, they choose the easiest possible alternatives.

###### **4.1.3 Marital Status Wise Classification of Respondents**

50% of respondents are married, 48% are single, and the remaining 1% are separated and widowed. Working women who are married, single, separated, or widows have various needs, preferences, and obligations depending on their marital status, and they choose investment channels accordingly.

###### **4.1.4 Education Qualification Wise Classification of Respondents**

According to the entire data 52% respondent are post-Graduate and 34% respondents are Graduate, 8% respondents are phd or higher and 6% are high school or less, because they are highly aware about investment avenues.

###### **4.1.5 Employment Type Wise Classification of Respondents**

Employment is important in investment decision making since it allows people to create income and pick investment options based on their income level. 39% work in non-government jobs, 17% in government jobs, 13% in work-from-home jobs, 11% in self-employment, 14% in professional services, 2% in daily wage jobs, and 4% are business women. According to the chart, the majority of respondents work in the non-government sector, which indicates they work in the private sector.

###### **4.1.6 Type of the family Wise Classification of Respondents**

66% of respondents are from nuclear families, while 34% are from blended families. The type of family is significant since women constantly make decisions based on their families. Because there are more individuals in a combined family, the responsibilities are distributed among them. In addition, nuclear families have greater duties than mixed families.

###### **4.1.7 Number of earning members in the family Wise Classification of Respondents**

37% of respondents have two earning individuals in their household, 44% have three or more earning members, and 19% have one earning person.

###### **4.1.8 Present Employment Status wise classification**

70% respondent belong to Full-time employment status, 12% belong to part-time employment, 8% belong to contract-based employment, 3% belong to self-employment and others types. Which shows that the full-time job employment is more a compare to other type of employment status.

## 4.2 Analysis of Financial Awareness

### 4.2.1 Responsibility for your personal finances

The researcher investigates the role of working women in making personal decisions. 91 working women take their own personal decisions while 9% are not able take their own decisions.

### 4.2.2 Type of Investor wise classification of Respondent

The researchers have classified themselves into four groups. Conservative investors are those who are not willing to accept change easily, whereas long term investors are those who are willing to lock their money away for more than 5 years. Speculators are those investors who accept change quickly if they find a benefit or a good return and do not hesitate to change their investment portfolio, and traders are those investors who invest for the purpose of trading and earning a profit. According to the above graphic, 48% of respondents, or the majority of investors, had their money blocked for a longer length of time.5% of responders are speculators, whereas 16% are investors.

### 4.2.3 Investing options

The researcher gathered data from 100 respondents via questionnaire for the various investing options ever invested. The majority of respondents choose to invest in bank fixed or recurring deposits. 50% prefer Fixed deposits, 4% prefer stock market, 4% prefer bonds, 26% prefer mutual funds, 25% prefer gold/gold ETF, 4% prefer real estate, and 5% prefer other investment options.

### 4.2.4 Preferred mode of the investment

Investment Avenue	R1	R2	R3	R4	R5	R6	R7	R8	R9	OVER ALL RANK
Garrett Scale	81	69	62	56	50	44	38	31	19	
Bank Fixed or Recurring Deposit	65	29	4	2	0	0	0	0	0	1
Post – Office	0	12	5	27	21	11	8	16	0	4
Insurance	4	9	39	11	16	9	8	2	2	3
Government Securities	0	0	6	14	8	32	18	14	8	6
Stock Market	0	4	12	26	17	21	10	0	10	5
PPF	0	6	7	13	10	14	0	9	41	7

<b>Mutual Fund</b>	0	0	6	5	5	2	42	26	14	<b>9</b>
<b>Real Estate</b>	2	0	2	5	21	6	14	28	22	<b>8</b>
<b>Gold / Gold ETF</b>	30	38	11	2	6	6	0	5	2	<b>2</b>

**Garrett Ranking Method** has been used to rank the factors. According to the available statistics, working women as investors may obtain more information about various paths as well so that they can make brave decisions about investing and have a bright future. They frequently choose to invest through a bank's fixed or recurring deposit. Rank 1 was given to Bank Deposits followed by gold. The least ranks were given to Mutual funds and Real estate. This may be because of the the high prices of real estate and high risk associated to mutual funds.

#### 4.2.5 Frequency of the investment

The frequency of investment is determined by the income level. Those who are salaried may prefer monthly saving because they receive money every month, whereas those who have a business where there is no fixed time for income and amount of income may not follow any particular frequency for investment. In the chart above, 36% of respondents invest monthly, 29% do not follow any time period, 9% invest quarterly, 21% invest yearly, and the remaining 5% invest semi-annually.

#### 4.3 Problems Faced While Making an Investment

According to the study, the problems faced by women when investing are confusing terms and conditions, lower return than expected, higher risk of losing money, lack of transparency, awareness, and knowledge, and facing neutral problems in grievances handling, lack of proper communication, improper portfolio management, and while disagreeing with problems such as heavy indirect expenses, poor after sales service, and high fraudulent activities. Generally, it is assumed that women are dependent on others when it comes to investing, but this is steadily changing, as are many other issues that are depicted in the chart. Working women may seek assistance from family members to resolve such issues, but they can be resolved by creating income.

#### 4.4 Reason behind Diversification and non-Diversification

Diversification in investment is vital since, as time passes, investment preferences may change. According to the survey, 57% of respondents are not diversifying their investment portfolio for a variety of reasons, including satisfaction. Do not want to disturb the present portfolio in order to prevent transaction costs. These are some of the reasons why 43% of respondents diversify their investing portfolio. It might be because they made poor judgements or expected a huge return from the investment. Investment, influence from others, and so on.

The majority of respondents prefer non-diversification of the portfolio because they are satisfied with their current investment, so satisfaction is a major factor in non-diversification of the investment. Other reasons include fear of risk in investment, do not want to disturb the current portfolio, inconvenience, and to avoid transaction costs.

### 5. FINDINGS

- The study found that the urban area working women are more doing their investment functions as compare to the Semi-urban and Rural area working women.
- According to the data analysis, both married and unmarried respondents are present, as opposed to separated (divorced) or widowed respondents. Researchers discovered that even after marriage, women continue to work, which is a good indicator since it implies that married women can work and establish their own identities without relying on others, which is crucial in investment.

- c. Education has an indirect relationship with investment because if education exists, more work options exist, and with employment, individuals may earn revenue, which leads to investment.
- d. According to the findings of the study, the number of earning people in the family therefore plays an essential part in financial planning and decision making, according to the study researcher, where two or more earning members in the family.
- e. A large number of respondents who belong to the work from home employment type. The reason for this is because owing to the pandemic, many employers provide work from home type jobs.
- f. After knowing about number of earning member in the respondent's family we know that the number of earning member in the family also plays an important role while taking an investment decision.
- g. In the study researcher have found that maximum respondents follow monthly saving so it shows the habit of the investors. There are various types of investors like long term investor, conservative, speculator, and trader in the study found that maximum respondents are long term investors that mean they are ready to invest money for than year.
- h. The majority of respondents choose to invest in bank fixed or recurring deposits as compare to other investment options.
- i. According to the study, the problems faced by women when investing are confusing terms and conditions, lower return than expected, higher risk of losing money, lack of transparency, awareness, and knowledge, and facing neutral problems in grievances handling, lack of proper communication, improper portfolio management, and while disagreeing with problems such as heavy indirect expenses, poor after sales service, and high fraudulent activities.
- j. Investing includes diversification. There are several elements that influence investing diversification. According to the report, the majority of investors do not modify their investment portfolio because they are pleased with their present portfolio.
- k. Financial independence involves not just being a working woman, but also being able to make financial decisions after marriage; many women assume that financial decisions are made by their father before marriage. After marriage, it is taken by a family member and the spouse.

## 6. CONCLUSION

Investment avenues and their characteristics are related to many demographic parameters. Indian working women are either graduates or postgraduates, indicating a thorough understanding of investing, all of its routes, pros and downsides, and so on.

According to the data, the majority of women invest, hence women contribute to the country's economic progress by being aware of the importance of investing. They want to invest for a brief period of time.

Indian working women invest alone or jointly with their family members or spouse. They do not, however, diversify their financial portfolio since they do not want to upset their present portfolio.

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