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# **A study on investment behaviour among rural working women with special reference to Ernakulam District**

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**Abstract**--Literacy and employment have evolved and developed contributing to women empowerment. Savings has been the main motivation tool for many which facilitates them in meeting financial needs and basic necessities. This study is focused on investigating saving habits of rural working women. Primary and secondary data were employed in this study, and SPSS tools were used to analyse the data. This study includes examining the investment awareness levels, current investment pattern and factors affecting the investment decisions. The study shows that as most of the women want to avoid risk, large number of women are making use of only conventional investment opportunities, even though they are aware about other fruitful investment opportunities.

**Keywords**---Investment, savings, working women, finance, rural area, investment behaviour.

**Introduction**

World changed, mannerisms and customs changed, even the basic human attribute has changed over the past few years. One among the only things that has remained constant is the need for money and the frequent adventures and misadventures related to financial management and mismanagement. Financial literacy is defined as the collection of skills and knowledge that enables a person to make informed and effective financial decisions with all of their resources.

According to the Standard & Poor's Ratings Services Global Financial Literacy Survey 2015, 70 percent of women are illiterate compared to 65 percent of males when it comes to global financial literacy. In India, the gender divide is much larger, with 80 percent of women and 73 percent of males. Money has always had a dysfunctional relationship in women's lives. Women are said to spend more than they save because men have traditionally controlled money, leaving women dependent and vulnerable in the event of their demise.

Women constitute almost half of the human race. It goes without saying that women are better managers. Be it managing money or people, all their critical decisions are thoroughly thought and driven by empathy and compassion. Actually women have the power within and many a times women of the house are considered as the lender of the last resort which is quite fascinating. There are several examples which glorifies women's success in and around us. The classic one being " kudumbashree ", a kerala based cooperative neighbourhood groups where lakhs of women came together as a self help group and micro entrepreneurs and never turned back. This is a striking example that shows a country needs more of its GDP to pass through women hands because that's when the money ultimately reaches far more productive aspects. This happens when women take up finance.

This research is a humble effort to analyze investment behavior among rural working women.

### **Review of Literature**

Shwetha, Swathi U (2020): Saving and investment habits of women in rural area with reference to rural areas of Udipi district. They emphasized the importance of proper training, knowledge and awareness of the benefits of various investment opportunities.

Anang BT, Dawuda L, Imoro L (2015): Through their study titled " determinants of saving habit among clients of Bonzali Rural Bank in the Tolon Kumbungu district of Ghana " they were able to determine the saving habits of the above mentioned bank's clients.

Krishnamoorthy (2008): this study revealed the profile and awareness of salaried class investians and their satisfaction towards investment. While many are aware of bank facilities and provisions in general, very few were aware of UTI.

Verma (2007): This study used annual time series data from the year 1905-51 to 2003-04 and analysed savings, investment and economic growth for India.

Jayachanadran C (2004): While pursuing his PhD, he observed the following to be the major decision factors of savings - personal income, lifestyle of the households, size of the family and family income. He also concluded that financial assets awareness is relatively low among rural people.

Rajarajan V. (2000): Conclusions of the study titled "investors life style and investment characteristics" were made from 405 samples in New Delhi. Factors like expense level, earnings and investment were associated with household size.

Panikar(1992): This study was conducted focusing on the rural household savings and investment pattern in chosen villages in Kerala and Tamil Nadu. The main objective was to analyze the level of savings and disposition manner. It was further revealed that a major proportion of savings was absorbed by unproductive assets leading to low income as well as savings.

Fama (1972): The title of the study was “components of investment performance.” In this study the two factors selection and timing were considered more vital than risk and return

The National Council of Applied Economic Research (1964): The name of the survey conducted by NCAER was titled “attitude towards motivation for savings.” It revealed a clarity regarding an individual’s attitude towards savings. Another main conclusion was high income households preferred investing in securities.

Shantilal Sarupria (1963): “Individual savings in an underdeveloped economy-India” was the title of the study. The major suggestion of the study was to generate potential savings which could be further mobilized for investment

### **Objectives**

1. To study and understand the investment behavior among rural working women.
2. To study about awareness on investment opportunities among rural working women

### **Limitation of the study**

The study was restricted to Ernakulam district of Kerala.

The number of respondents were limited to seventy-five.

### **Statement of the problem**

Gone are those days when women were suppressed of their financial rights because women today have a say when it comes to decisions regarding their finances as the quality of education is better and earning potential is higher comparatively. Contrary to the popular belief, women dominate the workforce by majority and an umpteen number of businesses are launched, owned and managed by women. Unfortunately, in our country where many evils like gender discrimination, patriarchy and the like prevail, the task for policy makers and government for empowering women financially is extremely challenging. To overcome this the biggest step that needs to be taken is to empower women which may be achieved and accomplished only by making the women of our country more liberated and financially self-reliant.

However, things are changing slowly but steadily as the present world women are seen to have equally important role in raising finance for the family. Financial literacy and knowledge play a key role in investment decisions irrespective of gender. For creating a financially intelligent India, programs like “ financial literacy for all” should be introduced more. Having stated this, women have been put down for so long that upbringing them is essential. Investment decisions regarding their excess money vary from women to women depending on parameters like risk taking capacity, investment instrument used so on and so forth.

Off late many banks and other financial institutions have come up with attractive schemes and offers to provide ultimate satisfaction to the customers as the overall investment profile of women have been changing in tune with the time. However the different phases of investment spectrums such as awareness and preferences

are still unfamiliar to many. Hence the purpose behind this study is to analyze the influence of investment behavior among rural working women.

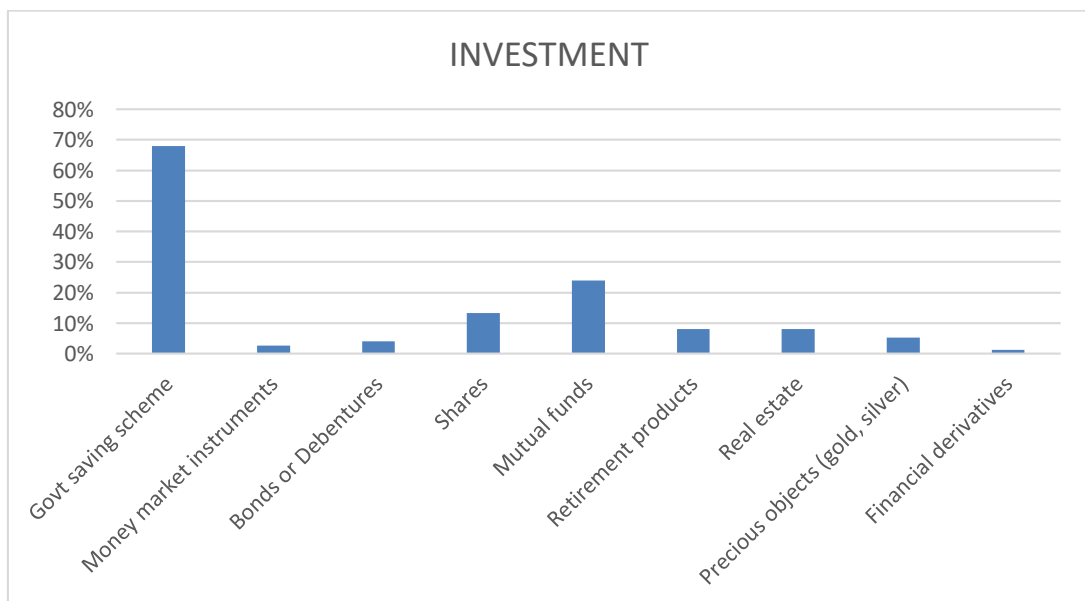
### Research Methodology

Research methodology can be understood as a systematic investigation into the study of materials and sources to establish facts and reach new conclusion. Research comprises “create and systematic work undertaken to increase the stock of knowledge, including knowledge of humans, culture and society, and the use of this stock of knowledge to devise new applications”.

The data was collected from primary as well as secondary sources. The secondary data was mainly collected from research papers, journals, internet sites, books and other publications. For the purpose of collecting primary data we have used questionnaire method. The data was collected from working women in rural areas central Kerala. Women’s job sector include both public and private. It includes professionals, Government Employee, Private Employee, Business Women, Self-employed etc. Most of the women belongs to middle class background in rural area. The data was collected in accordance with convenience sampling procedure. The number of respondents were limited to seventy five. And the collected data were analysed using statistical methods like percentage method and other measures using SPSS software.

### Analysis of Data

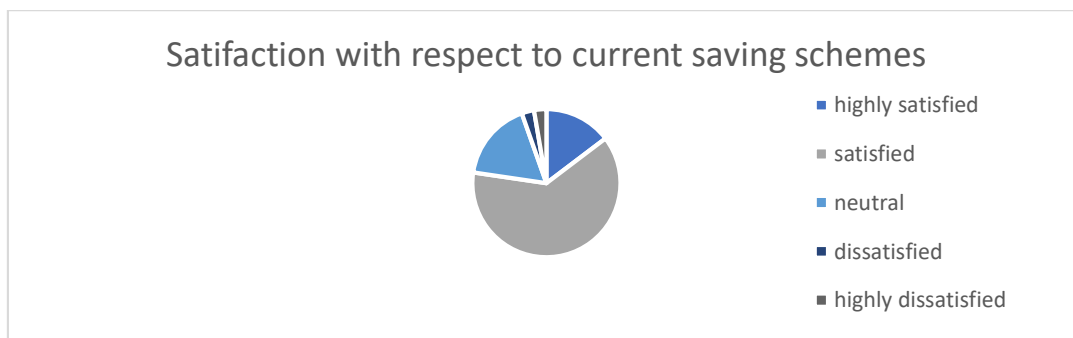
#### Investment of Respondents



Among the total respondents 68% has invested on various government saving schemes, 24% has invested in mutual funds, 13.3% has invested in shares, 8%

has invested in retirement products and real estates and 2.7% has invested in money market instruments

### Satisfaction With Respect To Current Saving Schemes



Among the respondents 14.6% are highly satisfied with their current investment pattern, 62.7% are satisfied, 17.3% have neutral attitude and 2.7% are dissatisfied and 2.7% are highly dissatisfied with their investment and savings patterns.

### Time Period Prefer To Invest

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-1 year	16	21.3	21.3	21.3
	1-5 years	39	52.0	52.0	73.3
	5-10 years	17	22.7	22.7	96.0
	above 10 years	3	4.0	4.0	100.0
	Total	75	100.0	100.0	

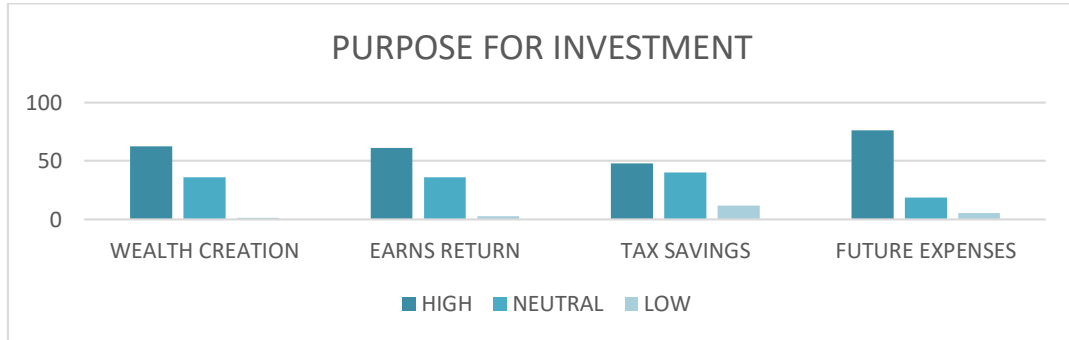
The respondents prefer to invest in medium term investment options more than investing in short and long period. 52% prefer to invest in medium term investments with the duration of 1-5 years, 21.3% in short term duration and 22.7% prefer to invest in the duration of 5-10 years and 4% for the duration of more than 10 years.

### Factors To Consider Before Investment

a) safety of principal	64%
b) low risk	46.7%
c) high returns	28%
d) maturity period	9.3%

64% of respondents confirms that the main factor which influence their investment is the safety of principal. 46.7% confirms low risk and the factors high returns and maturity period were confirmed by 28 and 9.3% respondents respectively.

### Purpose For Investment



When asked about the purpose for investment of the respondents, 61.3% respondents replied that they invest in order to earn return of their investment. 76% of the respondents agreed that allocation to meet future expense is their purpose for investment.

### Awareness On Various Investment Schemes

SCHEMES	AWARE	INVESTED
Bank fixed deposit	49.3%	45.3%
Post office time deposit scheme	58.7%	30.7%
Post Office Monthly Income Scheme	53.3%	32%
Kisan vikas patra	49.3%	6.7%
RBI Taxable Bonds	44%	8%
Pradhan Mantri Vaya Vandana Yojana	40.0%	14.7%
Senior Citizen's Saving Schemes (SCSS)	53.3%	8%
National Pension Scheme	52.0%	18.7%
Public Provident Fund Scheme	42.7%	25.3%
Mutual Funds	57.3%	20.0%
National Saving Certificate	48%	9.3%
Sukanya Samriddhi Yojana	44%	16%
Atal Pension Yojana ( APY )	44%	9.3%
Unit Linked Pension Plan	44%	8%

The respondents are aware about various investment schemes, the above table shows the respondent's awareness on various investment schemes and whether they have invested in them or not. 49.3% of the respondents are aware about bank fixed deposit and 45.3% have invested in them. 58.7% are aware about post office time deposit scheme and 30.7% have invested in them. 49.3% are aware about government scheme like kisan vikas patra and only 6.7% invested in them. 57.3% are aware about mutual funds and 20% of the respondents have invested in them.

### Savings Level and Income Level

#### Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.542 <sup>a</sup>	9	.041
Likelihood Ratio	19.467	9	.021
Linear-by-Linear Association	11.858	1	.001
N of Valid Cases	75		

#### NULL HYPOTHESIS

There is no association between income level and the level of savings.

#### INTERPRETATION

As, P value 0.041 is less than the significant value 0.05, we reject null hypothesis. The result is significant and the data suggests that the variables: income level and savings level are associated with each other.

### Age Group And Considering Risk As A Factor Of Investing

#### Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.777 <sup>a</sup>	3	.427
Likelihood Ratio	2.809	3	.422
Linear-by-Linear Association	1.586	1	.208
N of Valid Cases	75		

#### NULL HYPOTHESIS

There is no relationship between Age level and choosing low risk

#### INTERPRETATION

As, P value is larger than the standard alpha value, we fail to reject the null hypothesis.

The data suggests that the variables: age level and choosing low risk as a factor of investment are not associated with each other.

#### Findings

- Among the respondents 14.6% are highly satisfied with their current investment pattern, 62.7% are satisfied, 17.3% have neutral attitude and

2.7% are dissatisfied and 2.7% highly dissatisfied with their investment and savings patterns.

- Majority of the respondents prefer to invest in medium term securities.
- Safety of principal is chosen as one of the major factors which influences the investors investment decisions
- 76% of the respondents agreed that their main purpose behind the investment decision is to make an allotment to meet the future expenses.
- Majority of the respondents expect their returns to grow around 15-20% of their investment.
- 68% of the respondents have invested in government saving scheme and that is one of the major schemes where they have invested apart from the bank deposits.
- the study suggests that the variables: income level and savings level of respondents are associated with each other.
- Irrespective of level of savings most of the respondents expect high level of return.

### **Suggestions**

- Awareness about investment in shares and other capital market instruments should be encouraged and properly educated.
- Proper steps should be undertaken to educate rural women about various government schemes which are extremely secure and yields high return.
- Government and other agencies should establish new women oriented investment schemes which will encourage them to think high return investment opportunities other than the conventional investment opportunities.
- Proper financial investment awareness sessions should be conducted in rural areas.

### **Conclusion**

The intention of our research was to study about the saving and investment pattern of rural working women. We also had certain other objectives with respect to investable income, determinants of saving and investment, investment awareness etc.

This study paves the way to a unique opportunity to identify key topics in women's financial understanding which is to their increased financial literacy and their investment behavior. Through the study of women's financial understanding and financial behavior, it is found that most of the women are literate about various investment opportunities but not made use of those.

The result of the study shows that high rate of interest is required to boost up the investment of women investors. They expect the return of 15-20% on their investment. Government saving schemes and bank deposits are found to be the major investment plan for rural working women. from the study it can be concluded that the rural women collectively show an interest for investment and savings.



Investment plays a pivotal role in the current economic scenario especially among the women. The respondents as well as the investors in general should be made aware of the prospects of different schemes of investment. The study will be beneficial for providing further awareness to them and to initiate the women working community to opt investment plans according to the market scenario which will give them high returns and which suits their investment preferences.

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