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A STUDY ON WORKING WOMEN'S FINANCIAL DECISIONS IN BANGALORE NORTH

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ABSTRACT

This study investigates the financial decision-making patterns of working women in Bangalore North, focusing on the factors that influence their personal finance management and investment choices. Through a combination of surveys and interviews, the research explores the impact of demographic variables such as age, education, income level, and marital status on financial decisions. It also examines the role of societal expectations, family responsibilities, and financial literacy in shaping their ability to make informed financial choices.

The findings highlight both the progress and the challenges that working women face in achieving financial independence. Despite an increasing number of women participating in the workforce, many still encounter barriers to effective financial planning, including limited access to tailored financial products and a lack of comprehensive financial education. The study concludes by recommending policies and initiatives that aim to empower working women, enhance their financial literacy, and support their pursuit of financial autonomy.

KEY-WORDS: *Societal Expectations, Family Responsibilities, Financial Independence, Financial Planning, Demographic Factors, Empowerment, Gender and Finance, Workforce Participation*

INTRODUCTION

A financial asset—such as Equity investments, bond securities, precious resources, real estate holding and deposits—is acquired with the expectation of generating favorable returns in the future. Almost everyone engages in investing at some stage in their lives, and the choices they make are vital as they greatly influence their potential future well-being. Today, investors have a diverse array of investment opportunities accessible. The risk level associated with an investment, along with its expected return, shapes the choices and behaviors of investors. Those who are risk- averse typically engage in long-term investments without anticipating high returns, whereas investors seeking high returns are often more willing to take risks and tend to opt for short-term investments. In most households, women typically handle domestic decisions, although men are more inclined to make the financial choices. -Women's ability to own and operate businesses, as well as to influence significant financial and economic decisions, has never been stronger. Achieving financial independence hinges on effective management of investments, which is as essential as income generation. Women investors play a vital role in shaping investment patterns, which, in turn, influences their overall financial future.

REVIEW OF LITERATURE

Kuldeep Bhalerao and Deepa Nair (2022), in their research paper titled "A Gender-Specific Study on Awareness and Investment Patterns in Navi Mumbai," examine the role of gender in shaping investment behaviors. The study aims to evaluate the awareness levels of investment tools among male and female participants and analyze their investment practices. It seeks to determine the extent to which gender influences investment patterns, particularly in Navi Mumbai, a region closely associated with Mumbai, India's financial center. The findings, derived from a chi-square test involving 300 respondents, reveal a notable gender gap in awareness levels. Specifically, the results indicate that gender significantly affects investment behavior, with women exhibiting less knowledge than men regarding various financial instruments and processes. This research is crucial for businesses, as it highlights the need for tailored approaches when engaging with male and female customers. -Additionally, increasing investment awareness is vital for fostering gender equality and empowering women.

S. Sri Lakshmi, Nayana Rajeevan, and K.G. Rajani (2022), in their paper titled "A Study on Investment Behavior among Rural Working Women with Special Reference to Ernakulum District," emphasize how

advancements in employment and literacy have empowered women. For many, saving is a key motivator that helps them fulfill basic needs and financial obligations. This study aims to provide insights into the saving behaviors of rural working women. Utilizing a descriptive research approach, -the authors collected primary data through a standardized questionnaire. Both primary and secondary data were analyzed using SPSS tools. The study investigates levels of investment awareness, current investment patterns, and the factors influencing investment decisions. Survey results indicate that while many women are aware of various profitable investment options, they tend to prefer traditional investment avenues to minimize risk.

P.G. Geethu Krishna (2022), in the research paper titled "A Study on Women's Attitude and Perception towards Investment in Equity Shares," discusses the inevitable growth of capital markets in emerging economies and the significant potential for future equity market expansion. -Women are increasingly playing vital roles across various sectors of the economy, including substantial participation in business. -This study aims to understand the needs and concerns of women investors regarding equity share investments. A sample of 210 respondents, comprising both men and women from the targeted geographical area, was surveyed using a structured questionnaire with 35 questions—12 focused on demographic characteristics and 23 on factors influencing investment choices. The study assesses women's attitudes and perceptions towards investment decisions and their satisfaction with current investment patterns, revealing that women are primarily motivated by the potential for dividends and capital appreciation when purchasing equity shares. They show a willingness to accept moderate risk, especially when investing in securities from Group A or a combination of Groups A and B, with a preference for the banking sector and often using their own funds for these investments.

Research Gap

The existing literature highlights the investment patterns of both employed and unemployed women across urban and rural areas in various regions. -This research will focus on women working in the northern region of Bengaluru. While prior studies span different time frames, this research is being conducted between April and August 2023, reflecting a more recent perspective. Investment patterns have traditionally been a central focus, but there has been less emphasis on has been given to women's perceptions of investments as a subject. Similarly, it is essential to compare savings and investment patterns, as saving typically precede investing, which forms the core objective of this study. -The study also aims to identify the challenges and biases that women in Bengaluru face when making investment decisions. It may further explore the financial resources women rely on, their comfort levels with investment decisions, and their familiarity with various investment options.

Statement of Problem

The research identifies that women primarily encounter challenges regarding autonomy in their investment choices, often influenced by their husbands, fathers, or sons. Many women also experience a lack of financial literacy or understanding of available investment options. In comparison to men, women usually have a smaller pool of resources and knowledge regarding investment channels. This study aims to analyze the current investment behaviors of women based on the financial products they utilize. It categorizes their investment patterns by examining risks related to their portfolio existing investments. Additionally, the study will assess women's perceptions of risk and return concerning various investment products, as well as their financial literacy proficiency. To formulate effective theories and policies that enhance the nation's overall saving and investment, -it is crucial to understand how members of society save and invest. Given the increasing economic power of women, it is essential to specifically examine their saving and investment behaviors and creates supportive frameworks that encourage their contributions to capital formation within the economy.

Objectives of the Study

- To assess the level of investment knowledge among working women.
- To explore the characteristics that influences the investment behavior of working women.
- To analyze the factors that impacts the investment decisions made by working women.
- To evaluate the risk-taking capacity of working women

Research Methodology

The quantitative data was collected through structured surveys administered to a sample of working women in Bangalore North, targeting various demographic groups. These surveys included questions on personal finance management, investment behaviors, and the factors influencing financial decisions. The data was then analyzed using statistical techniques to identify patterns and correlations, while thematic analysis was employed for the qualitative data to extract key themes and insights.

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Sampling

Hypothesis.

H0: There is no statistically significant relationship between the investment knowledge held by working women and the investment channels they select.

H1: There is a -statistically significant relationship between the investment knowledge held by working women and the investment channels they select.

H0: There is no -significant difference between the annual income of working women and their average savings.

H1: There is a -significant difference between the annual income of working women and their average savings.

H0: There is no -statistically significant relationship between the investment time horizon preferred by working women and the returns they anticipate from their investments.

H1: There is a statistically-significant relationship between the investment time horizon preferred by working women and the returns they anticipate from their investments.

Data Analysis and Hypothesis Testing.

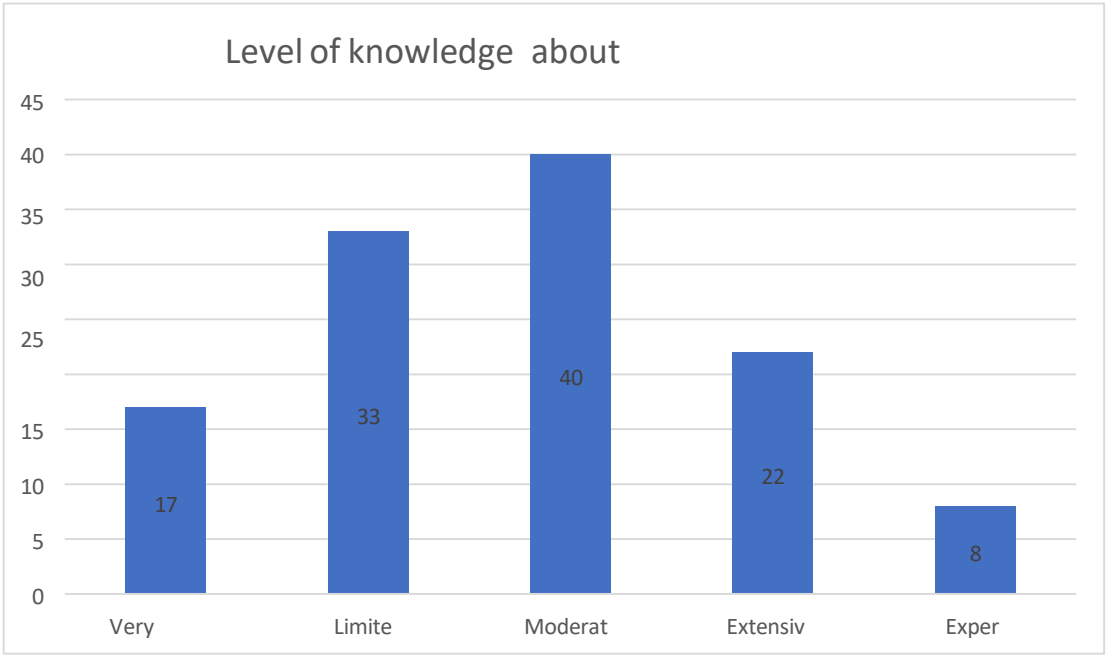
Table showing respondents knowledge about investment options

	No. of respondents	**Percentage (%)**
Very limited	17	14.2
Limited	33	27.5
Moderate	40	33.3
Extensive	22	18.3
Expert	8	6.7
Total	**120**	**100**

Analysis

Analysis reveals that 14. 2% of respondents possess very limited knowledge about investment options, 27. 5% have limited knowledge, 33. 3% have moderate knowledge, 18. 3% have extensive knowledge, and 6. 7% have expert knowledge regarding investment options.

Graph showing respondents knowledge about investment options



Interpretation

The data suggests a diverse range of knowledge levels among the respondents regarding investment options. The majority of respondents are the "Limited" and "Moderate" knowledge categories, accounting for of the participants. This indicates that a considerable segment of the survey participants possesses a certain level of understanding regarding investment opportunities, though their knowledge may differ in depth and breadth. The presence of respondents with "very limited" knowledge suggests that there is a smaller group of individuals who may be less informed about investment options and financial markets.

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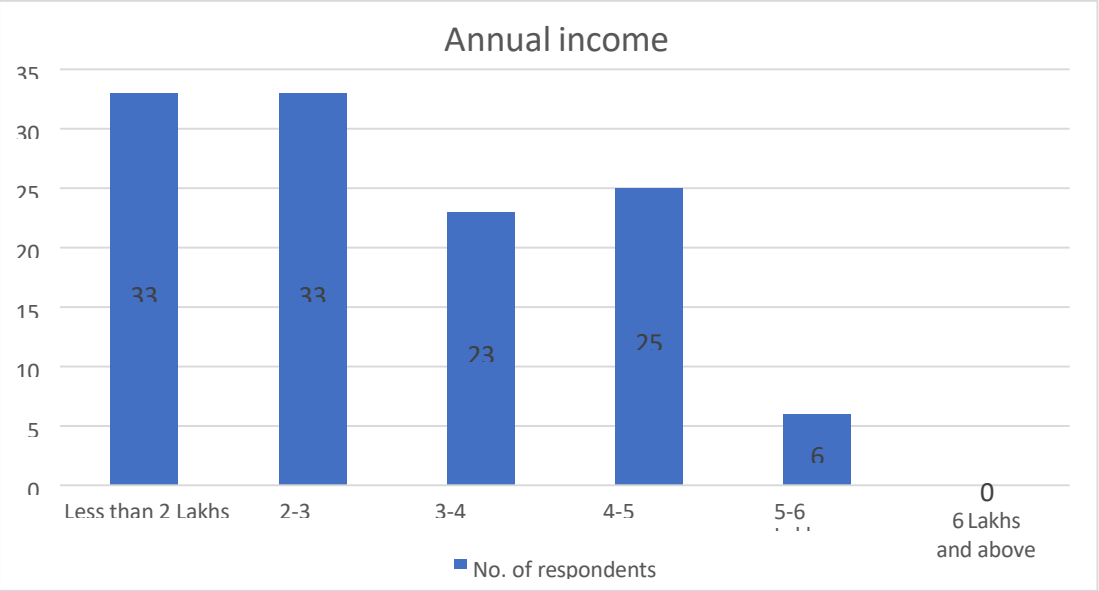
Table showing the Annual income wise Classification of the respondent

Annual income	No. of respondents	Percentage (%)
Less than 2 Lakhs	33	27.5
2-3 Lakhs	33	27.5
3-4 Lakhs	**23**	**19.2**
4-5 Lakhs	25	20.8
5-6 Lakhs	6	5.0
6 Lakhs and above	0	0
Total	**120**	**100**

Analysis

It is analyzed that 27.5% of respondent's income is below less than 2 lakhs and 3- 4 lakhs respectively, 19.2% of respondent's income is between 3-4 lakhs, 20.8% of respondent's income is between 4-5 lakhs, 5% of respondent's income is between 5-6 lakhs. The average income of the respondents is 3-4 lakhs.

Graph showing the Annual income wise classification of the respondents



Interpretation

The data reveals that the majority of respondents fall into the lower and moderate-income categories, with over half of them earning less than 3 Lakhs annually. This indicates that a significant portion of the participants might be from middle-income families or lower-income groups. The percentage of respondents in higher income brackets is relatively smaller, with only 5.0% earning between 5 to 6 Lakhs.

Table showing the Annual savings of the respondents

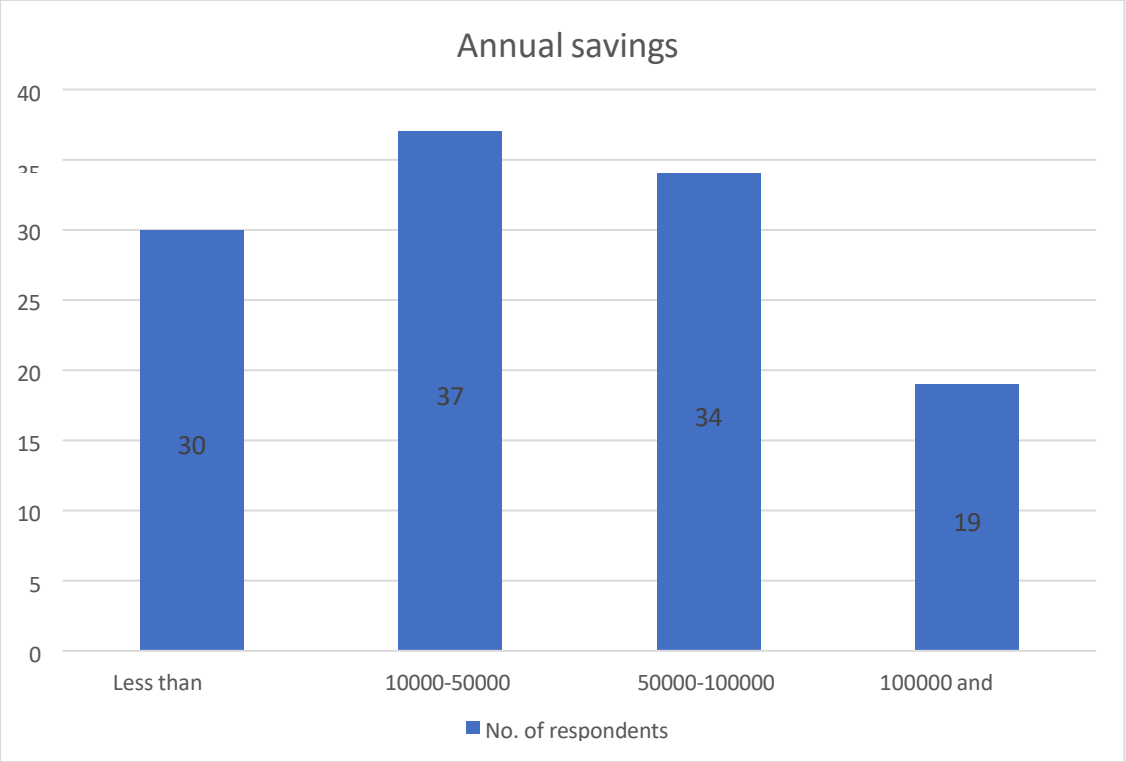
Annual Savings	No. of respondents	Percentage (%)
Less than 10000	30	25
10000-50000	37	30.8
50000-100000	**34**	**28.3**
100000 and above	19	15.8
Total	**120**	**100**

Analysis

It is analyzed that 25% of respondent's savings are less than 10000, 30.8 % of respondent's savings are between 10000-50000, 28.3% of respondents are savings between 50000-100000 and 15.8% of respondent's savings are between 100000 and above.

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Graph showing the annual savings of the respondents



Interpretation

The data indicates a diverse distribution of annual savings among the respondents. The average income saved by the respondents is 50000-100000 lakh. The majority of respondents fall into the 10,000 to 50,000 savings range, indicating that a significant portion of the participants have moderate savings capacity. The distribution also shows that a considerable percentage of respondents are saving 50,000 or more annually. This suggests that a significant number of participants prioritize savings and have the ability to save a substantial portion of their income.

Table showing the respondent's time horizon for investment.

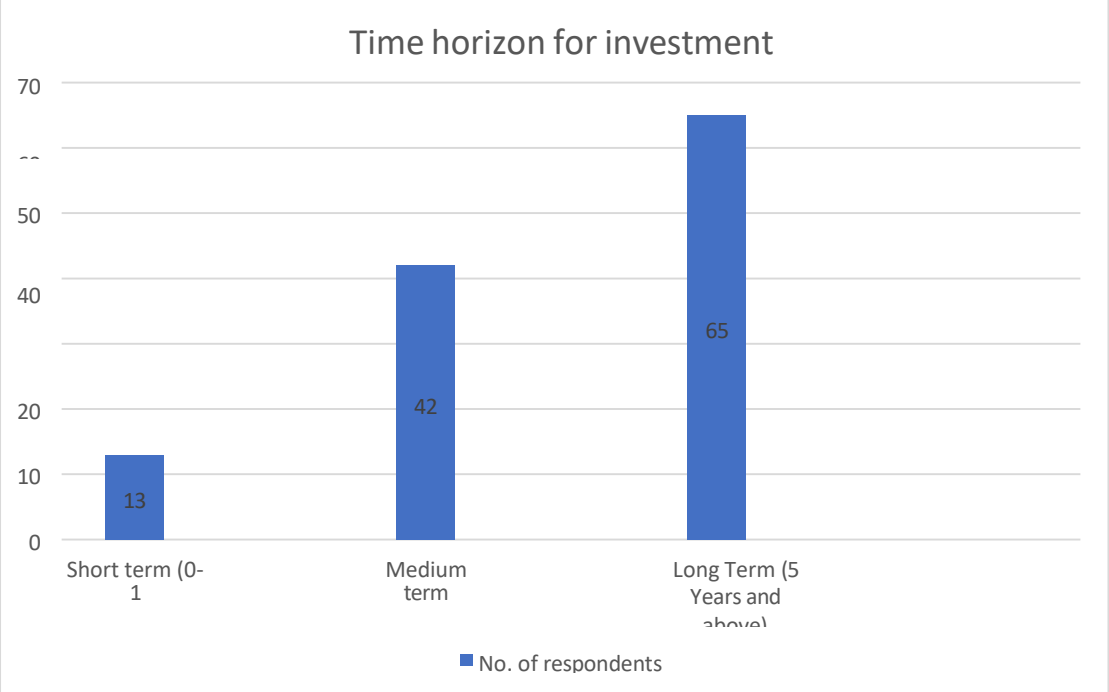
	No. of respondents	**Percentage (%)**
Short term (0-1 years)	13	10.8
Medium term (1-5 years)	42	35.8
n (5 years and above)	65	54.2
Total	**120**	**100**

Analysis

It is analyzed that 10.8% of respondents are invested in short term periods, 35.8% of respondents are invested in medium term period and 54.2% of respondents are invested in long term period.

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Graph showing the respondent's time horizon for investment



Interpretation

Respondents prefer long-term investments, focusing on sustained growth and wealth accumulation for goals like retirement or children's education. A significant portion also favors medium-term investments, aiming to meet financial goals such as buying a house or higher education within a few years. A smaller group prefers short-term investments, likely seeking immediate gains or addressing short-term financial needs.

Table showing the returns on investment of the respondents.

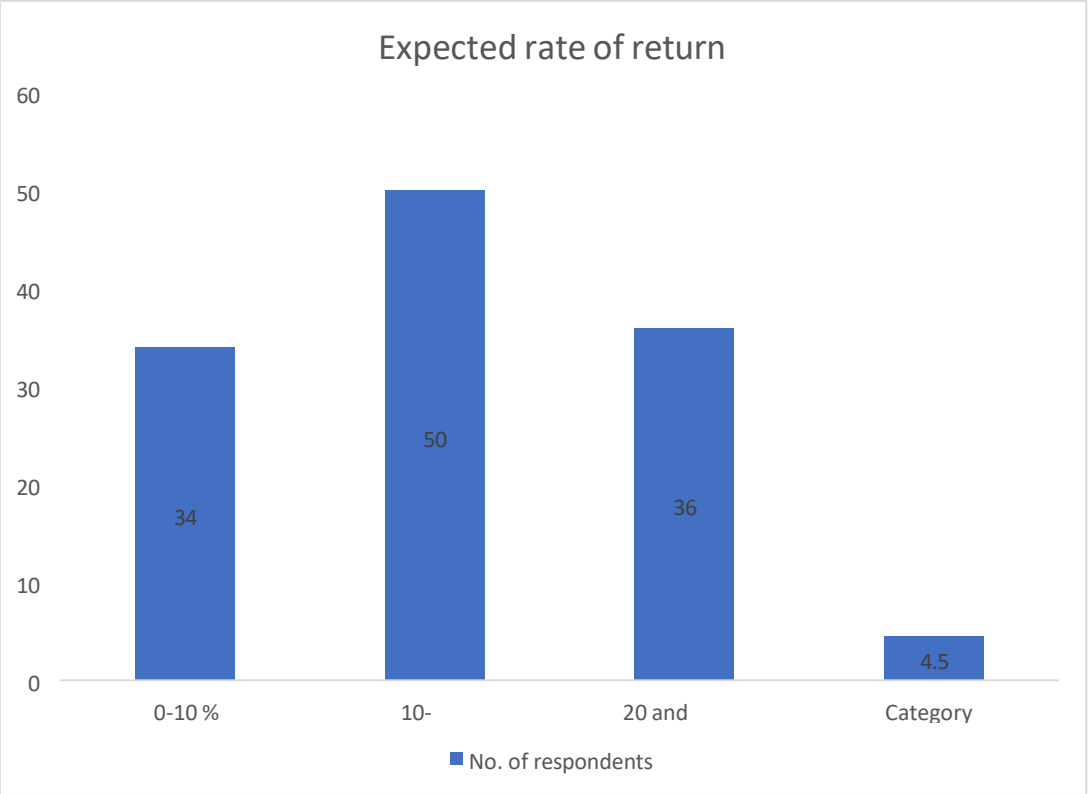
	No. of respondents	Percentage (%)
0-10 %	34	28.3
10-20%	50	41.7
20 and above	36	30.0
Total	**120**	**100**

Analysis

It is analyzed that 28.3% of respondents are expecting the 0-10% of returns in their investments, 41.7% of respondents are expecting the 10-20% of returns in their investments and 30% of respondents are expecting the 20% and above of returns in their investments.

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Graph showing the returns on investment of the respondents.



Interpretation

The data indicates a variety of expectations among the respondents concerning their investment returns. The majority of respondents anticipate returns between 10% and 20%, indicating that a significant portion of participants holds moderate return expectations. Additionally, the presence of respondents expecting returns above 20% demonstrates that there is also a substantial group of individuals with more optimistic views on their investment performance. These individuals may be pursuing higher returns by exploring potentially riskier investment opportunities.

Hypothesis test

Chi-Square test

Hypothesis:

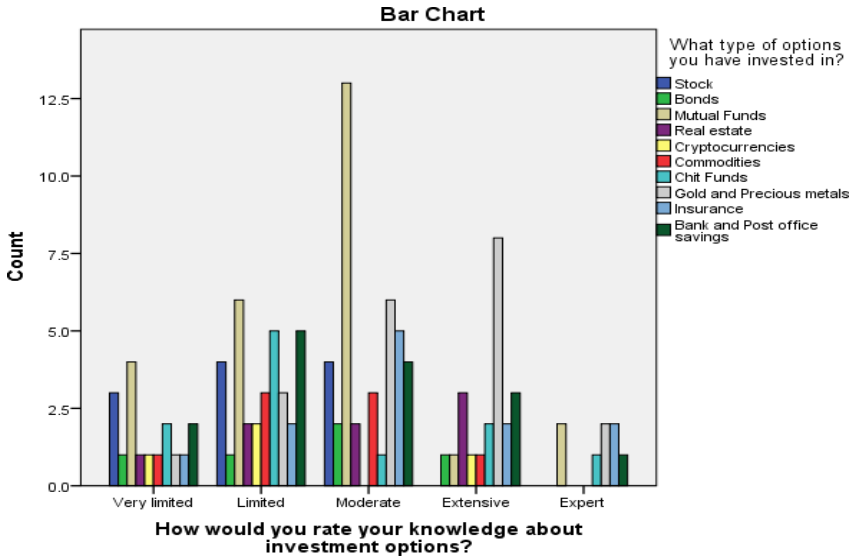
H0: There is no significant relationship between the investment knowledge possessed by working women and the channels of investment chosen by them.

H1: There is significant relationship between the investment knowledge possessed by working women and the channels of investment chosen by them.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	31.165[a]	36	.698
Likelihood Ratio	36.576	36	.442
Linear-by-Linear association	5.198	1	.023
N of valid cases	120		

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Interpretation

The above table shows the chi-square results of the hypothesis where the table value .698 is more than the expected value .005; hence the alternative hypothesis is accepted so there is a significant relationship between the investment knowledge by the working women and the channel of investment chosen by the working women.

Correlation

Hypothesis:

H0: There is no significant relationship between annual income of working women and average savings of the working women. (r = 0)

H1: There is significant relationship between annual income of working women and average savings of the working women. (r ≠ 0)

What is your annual income? * How much does your income do you save annually? Cross tabulation

Count

		How much does your income do you save annually?				
		less than 10000	10000-50000	50000-100000	100000 and above	Total
What is your annual income?	Less than 2 lakhs	10	13	6	4	33
	2-3 lakhs	9	11	11	2	33
	3-4 lakhs	6	4	6	7	23
	4-5 lakhs	3	8	10	4	25
	5 lakhs and above	2	1	1	2	6
Total		30	37	34	19	120

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Symmetric Measures

		Value	Asymptotic Standardized Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	.190	.091	2.103	.038[c]
Ordinal by Ordinal	Spearman Correlation	.195	.089	2.156	.033[c]
N of Valid Cases		120			

Interpretation

In this correlation is 0.38, which means it is positively correlated, hence the alternative hypothesis is accepted and the null hypothesis is rejected and it can be stated that there is a significant relationship between annual income of working women and average savings of the working women.

Annova

Hypothesis

H0: There is no significant difference between the time horizon preferred to investment by the working women and the returns the expect from the working women on their investment.

H1: There is significant difference between the time horizon preferred to investment by the working women and the returns the expect from the working women on their investment.

ANOVA

What time horizon do you prefer for your investment?

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.299	2	.149	.317	.729
Within Groups	55.168	117	.472		
Total	55.467	119			

Interpretation

From the output of SPSS, it can be inferred that, P value = 0.729 Level of significance (LOS): 0.05
Therefore, P value > LOS i.e., 0.729 > 0.05

Hence null hypothesis is accepted and the alternative hypothesis is rejected and it can be interpreted that there is significant no relationship between the time horizon preferred to investment by the working women and the returns the expect from the working women on their investment.

Findings

- A significant portion (35.8%) of respondents has been investing for 1-5 years, while 25% have invested for 6-10 years.
- Most respondents (41.7%) expect returns between 10-20%, with 30% anticipating returns of 20% or more.
- The majority invest primarily for tax benefits, with company reputation influencing 25.8% of their decisions.

Recommendations

- Businesses can target their products and services to the 33-41 and 25-33 age groups, as these two segments represent the largest proportion of respondents.
- Financial advisors can offer personalized investment plans based on respondents' preferred income allocations, ensuring balanced, diversified portfolios that align with their risk profiles and financial objectives. Furthermore, educational resources on investment strategies can assist respondents in making informed decisions.

Conclusion

The investment patterns of working women in Bengaluru North are influenced by some key factors such as financial goals, risk tolerance, income, family duties, and socio-economic background. These women actively manage their finances and alter their investments across different asset classes, focusing on long-term growth. The study highlights a trend of increasing financial literacy, with many women eager to have knowledge about different investment options and risk management. Risk preferences vary, with some women opting for safer, steady

investments, while others are open to higher risks for greater potential rewards, emphasizing the need for personalized financial advice.

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