



# A STUDY ON INVESTMENT PATTERN OF WORKING WOMEN IN BENGALURU NORTH

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## ABSTRACT

*Investors are not all the same, they differ in terms of things like expectations of returns, risk appetite, stability of income and so on. Working women significantly contribute to a nation's savings by expanding household incomes, stimulating economic growth, and reducing reliance on social welfare. Their financial literacy and investment contribute to long-term stability, bolstering a nation's economic resilience. Depending on their risk tolerance, investors invest their savings in all of those avenues. When making an investment decision, behavioural aspects, investor awareness level, risk attitude, investment habits, and common market understanding all play an important role in making a rational investment decision.*

**KEYWORD:** financial planning, investment pattern, investment behaviour

## INTRODUCTION

Financial assets like stocks, bonds, real estate, and more are acquired as investments, hoping for favourable returns. Investment choices greatly impact future well-being. Today's investors have diverse options, driven by risk and return preferences. Risk-averse investors opt for stable, long-term investments, while risk-takers seek high returns in short-term endeavors. The influence of women in household decisions as well as finances is growing and aiding financial independence. Effective money management is crucial, paralleling earning efforts. Women investors impact investment patterns, shaping their financial future by way of converting savings to investments which drives economic growth, job creation, and reduced foreign reliance. A high-savings rate boosts investments and expands economies. Corporate investment channels are aligning savings and investments that are vital for profitable outcomes. Recognizing main household investment decision-makers, particularly working women, contributes to a nation's investment landscape.

## NEED FOR THE STUDY

Research highlights that women often face barriers in making independent investment choices due to lack of financial literacy and limited investment knowledge compared to men. Understanding and addressing these challenges is crucial for promoting women's economic empowerment and encouraging their contribution to a nation's capital formation and overall savings and investment. This ongoing research is vital for shaping effective policies and instruments that cater to gender-specific preferences and ultimately drive capital accumulation and economic growth.

## OBJECTIVES OF THE STUDY

1. To measure the level of knowledge among working women regarding various investment channels.
2. To know the various channels of investment preferred by working women.
3. To analysis the factors influencing investment decision among the working women.

## HYPOTHESES FOR THE STUDY

### Hypothesis 1:

**H<sub>0</sub>:** There is no significant relationship between the investment knowledge possessed by working women and the channels of investment chosen by them. ( $r = 0$ )

**H<sub>1</sub>:** There is significant relationship between the investment knowledge possessed by working women and the channels of investment chosen by them. ( $r \neq 0$ )



### Hypothesis 2:

**H<sub>0</sub>:** There is no significant association between annual income of working women and average savings of the working women.

**H<sub>1</sub>:** There is significant association between annual income of working women and average savings of the working women.

### Hypothesis 3:

**H<sub>0</sub>:** There is no significant difference between the time horizon preferred to investment by the working women and the returns they expect from the working women on their investment.

**H<sub>1</sub>:** There is significant difference between the time horizon preferred to investment by the working women and the returns they expect from the working women on their investment.

## REVIEW OF LITERATURE

**Kuldeep Bhalerao and Deepa Nair (2022)** the study aimed to explore the impact of gender on investment behavior in Navi Mumbai. The study indicated that gender influences investment awareness, with women displaying lower knowledge about financial instruments. This research highlights the significance of tailored investment approaches based on gender and the importance of promoting investment awareness for gender equality.

**S Sri Lakshmi, Nayana Rajeevan, and K G Rajani (2022)** This research focused on investment patterns among rural working women. The study revealed that while these women are aware of various investment opportunities, they tend to favor conventional options due to risk aversion. The study emphasizes the impact of socio-economic factors on investment choices.

**P G Geethu Krishna (2022)** The study explored women's attitudes towards investing in equity shares. The research indicated that women are motivated by dividend and capital appreciation, and they prefer moderate risk. The study underscores the role of gender-specific preferences in shaping investment decisions.

**Ramanujam V and Aishwarya Elangovan (2020)** focused on study delved into the personalities of female investors and their investment habits. It highlighted factors such as media exposure, sociability, and risk orientation affecting investment behavior. The research sheds light on the role of individual traits in investment decisions.

**Linnet Christilda Gnana Lilly R (2020)** conducted research on study aimed to understand investment Behavior among working women. It found that demographic factors don't significantly impact income derived from investments. The study underscores the changing role of women in managing investments and the need for further exploration.

**Dr. Meenakshi Anand (2018)** investigated the study explored the relationship between demographic variables and investment Behavior among working women. The research revealed that women tend to prefer low-risk, low-return investment strategies, with wealth accumulation as their primary goal. The study emphasizes the role of demographics in shaping investment decisions.

## RESEARCH GAP

This research analyses investment patterns of working women in Bengaluru north region, focusing on the period between April 2023 and August 2023. It aims to address the gap in literature by exploring perception of women regarding investments and comparing savings and investment patterns. The main objective of the study is to identify their familiarity about investment choices and biases hindering women's decision making with reference to their investments. This research is also used to know the investment behaviour of the working women which directly benefits the regulators, financial institutions, lenders and sellers of financial products to monitor or sell their financial products.

## SCOPE OF THE STUDY

This research is done to know about the working women awareness about financial literacy, their spending, earnings of individuals, the knowledge on the financial avenues where they can invest their money to optimize their objectives. The research is focuses on the working women in Bengaluru North region.

## LIMITATIONS

- There might be a possibility that respondents will be biased in a personal survey.
- The study is solely open to Bengaluru north region women.
- This research is purely based on the working women hence it may be gender biased.

## TYPE OF THE RESEARCH

The research study is descriptive in nature. It aims to describe and document the characteristics, behaviors, and patterns within a specific group or population. The study would focus on understanding the investment patterns of working women in Bengaluru North.



**Population and Sampling Unit**

**Population**

Population for this study is around 40000 working women in Bengaluru north region.

**Sampling Unit**

In the Bengaluru north region there are around 40000 working women. In this population, responses have been drawn from 120 working women for this research.

**Sampling Area**

This study is conducted in the urban region from Bengaluru North.

**Sampling Method**

Convenience sampling random method is used to know the sub groups within the population and region gender are taken for the survey and it's used to know the Savings and Investment pattern of working women Bengaluru North region.

**Sampling Size**

A total number of respondents for this research is 120 who are working in Bengaluru North.

**Source of Data Collection**

The questionnaire has related to the demographic profile of respondents, while the content section contained information on product awareness and current investments of the respondent of various financial products and all related to the study. Secondary source of data collection is been used for the purpose of review of literature which is been gathered through the websites, research papers etc.

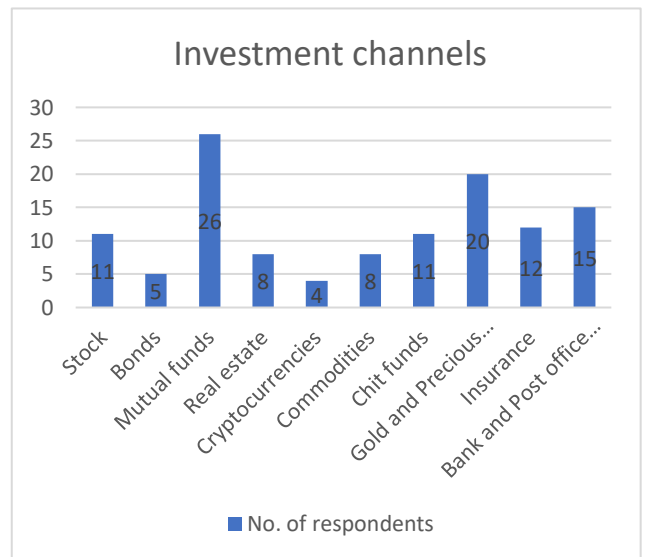
**Statistical Tools and Techniques**

For the purpose of presentation of data tables, graphs have been used. For validating the hypotheses, statistical tools like Chi-square, Correlation and Anova is been used.

**DATA ANALYSIS AND INFERENCES**

**1. The various channels of investments chosen by respondents.**

	No. of respondents	(%)
Stock	11	9.2
Bonds	5	4.2
Mutual funds	26	21.7
Real estate	8	6.7
Cryptocurrencies	4	3.3
Commodities	8	6.7
Chit funds	11	9.2
Gold and Precious metals	20	16.7
Insurance	12	10.0
Bank and Post office savings	15	12.5
<b>Total</b>	<b>120</b>	<b>100</b>



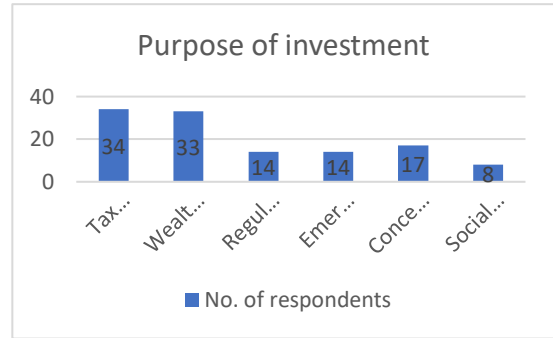
**Inference**

Mutual funds (21.7%) and gold and precious metals (16.7%) are the most invested options, with 26 and 20 respondents, respectively. Bonds (4.2%) and Cryptocurrencies (3.3%) are the least invested options, with 5 and 4 respondents, respectively. This indicates that mutual funds and gold/precious metals are favored choices for investment, while bonds and cryptocurrencies are less commonly chosen. Mutual funds are popular due to their diversification benefits and professional management, while investment in gold and precious metals is driven by their historical store of value and hedging against economic uncertainty



**2. Purpose of investment by the respondents**

	No. of respondents	Percentage (%)
Tax Shelter	34	28.3
Wealth creation	33	27.5
Regular Returns	14	11.7
Emergency Purposes	14	11.7
Concealability	17	14.2
Social Security	8	6.7
<b>Total</b>	<b>120</b>	<b>100</b>



**Interference**

The two most common investment purposes are tax sheltering and wealth creation, with almost similar percentages of respondents falling into each category. This indicates that a significant portion of participants prioritize tax efficiency and long-term asset growth. As working women crossing the nontaxable limit of the income can avail relate u/s 80c by investing on tax sheltered schemes. The most of respondents' prefer investments for tax shelter, while few others are conservative about future and eye upon capital appreciation.

**Hypothesis Tests**

- Chi-Square test to find out the significant relationship between the investment knowledge possessed by working women and the channels of investment chosen by them.**

		How much do your income do you save annually?				Total
		less than 10000	10000-50000	50000-100000	100000 and above	
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
<b>Total</b>		<b>30</b>	<b>37</b>	<b>34</b>	<b>19</b>	<b>120</b>

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	31.165 <sup>a</sup>	36	.698
Likelihood Ratio	36.576	36	.442
Linear-by-Linear Association	5.198	1	.023
N of Valid Cases	120		

Table showing the chi-square of the between the investment knowledge possessed by working women and the channels of investment they preferred

<b>P Value</b>	<b>0.698</b>
<b>Pearson Chi-Square Value</b>	<b>31.165</b>
<b>Level of Significance</b>	<b>0.005</b>

**Interpretation**

From the above table it can be inferred that the table value of 0.698 is more than the level of significance of 0.005, hence the null hypothesis is rejected and it can be concluded that there is a significant relationship between the investment knowledge by the working women and the channel of investment chosen by the working women.



**2. Correlation to find there is a significant relationship between annual income of working women and average savings of the working women.**

**Symmetric Measures**

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

<b>P Value</b>	<b>0.038</b>
<b>Pearson correlation</b>	<b>0.190</b>
<b>Level of Significance</b>	<b>0.005</b>

**Interpretation**

The correlation value of 0.38, indicates the variables are it is positively directly correlated; hence 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.

**3. ANOVA to analyze weather there is a 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**

	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**

Since the p value .729 is greater then 0.05 (level of significance), the null hypothesis is accepted and it can be concluded 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**

- Mutual funds and gold/precious metals are the most preferred investment options among respondents, with 21.7% and 16.7% of them investing in them, respectively.
- Most of respondents' have a tax shelter weather creation as primary objective of investment . This indicates that respondents consider various factors before making investments, with company reputation 25.8%.
- Majority 41.7% of respondents expect returns between 10-20%, while 30% anticipate returns of 20% and above on their portfolios.
- There is significant relationship between the investment knowledge possessed by working women and the channels of investment chosen by them.
- There is significant relationship between annual income of working women and average savings of the working women. (r ≠ 0)
- 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.

**SUGGESTIONS**

- Financial advisors can recommend investment strategies tailored to respondents' objectives, such as tax-efficient investment options for tax shelter seekers, diversified portfolios for wealth creation, and liquid assets for emergency funds, ensuring alignment with their unique goals and risk profiles.
- To address the knowledge gap, financial literacy programs and accessible educational resources can be introduced to empower respondents with better understanding and confidence in making informed investment decisions.



- Respondents appreciate informative campaigns by financial institutions and insurers detailing diverse insurance offerings, enabling them to grasp the role of insurance within a holistic financial strategy, fostering better preparedness for unexpected events.

## CONCLUSION

Working women at Bengaluru North region display a financial discipline through diversified investments, focusing on long-term growth. Their financial literacy and awareness drive a departure from traditional norms, seeking education on investment options and risk management. Risk tolerance varies, with some favouring safe returns and others embracing volatility for higher gains, highlighting the need for personalized financial advice.

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