

A STUDY ON SAVINGS AND INVESTMENT HABITS OF WORKING WOMEN

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Abstract

Savings and investment habits of women are changing in the present-day scenario. Women want to be financially independent and secure. They want to invest their money and save it to handle a critical situation at any stage of their life. Women plan to invest because they want to be independent and live their life happily, securely and peacefully even after the retirement. Also proper investment helps the family to handle the financial situation in future. Present research paper tries to explore the factors influence the savings and investment habits of working women and also tries to find out the best investment avenue from working women point of view.

Keywords: Savings, Types of Investment, working women, Investment habits of women.

1 INTRODUCTION

Every person has to work to earn money to meet their needs. Different persons choose different jobs. Some choose business and some choose employment as their livelihood. Out of their earnings people meet their needs and wants. Also they save and invest money to meet their future needs. Properly invested money gives security and better returns which gives a better future. The term Investment is that part of money which is invested in security or property with an aim to earn future returns. There are different types of investment such as fixed deposits, real estate, gold, post office saving schemes, bonds and shares etc. The present study focuses on the perception of female investors towards saving objectives, investment risk and preferred investment choice.

1.1 Meaning :

Investment is planned commitment of funds from a person's savings into different outlets with the expectation of safe, stable and fair return. Investment is an activity that is engaged in by people who have savings, i.e. investments are made from savings, or in other words, people invest their savings. But all savers are not investor's. The economist understands the term 'Investment' as net additions to the economy's capital stock which consists of goods and services that are used in the production of other goods and services. For them, the term investment implies the formation of new and productive capital in the form of new construction, new producers' durable equipment such as plant and equipment, including inventories and human capital.

1.2 Types of investments

The following are the various types of investments one can consider.

- **Stocks:** It is a place where shares of public listed companies are traded. The primary market is where companies float shares to the general public in an initial public offering (IPO) to raise capital.
- **Bonds:** A bond is a loan an investor makes to a corporation, government, federal agency or other organization in exchange for interest payments over a specified term plus repayment of principal at the bond's maturity date. There are a wide variety of bonds including Treasuries, agency bonds, corporate bonds, municipal bonds and more.
- **Real Estate:** Real estate is property consisting of land and the buildings on it, along with its natural resources such as crops, minerals or water; immovable property of this nature; an interest vested in this (also) an item of real property, (more generally) buildings or housing in general.
- **Gold:** Gold is placed in high regard as an investment. Due to some influencing factors such as high liquidity and inflation-beating capacity, gold is one of the most preferred investments in India. Gold investment can be done in many forms like buying jewellery, coins, bars, gold exchange traded funds, gold funds, sovereign gold bonds scheme etc.
- **Mutual Funds:** It is a trust that collects money from a number of investors who share a common investment objective. Then, it invests the money in equities, bonds, money market instruments and/or other securities.
- **Deposits:** Deposit's investments include everyday bank accounts, with a high interest in savings accounts and in terms of deposits. They offer no chance of capital growth; they can deliver regular income and can play an important role in protecting wealth and reducing risk in a investment portfolio.
- **Fixed interest:** The best-known type of fixed interest investments are bonds, which are essentially when governments or companies borrow money from investors and pay them a rate of interest in return.
- **Growth investments:** Growth investment is more suitable for long term investors as they can help growing the willing and able to withstand markets ups and downs.
- **Exchange-Traded Funds:** ETF (Exchange Traded Funds) are a type of index funds. They track a benchmark index and aim to mirror those performances. Like mutual funds, they tend to be cheaper than mutual funds because they are not actively managed.

1.3 Investment in India

Investment is to allocate money in the expectation of some benefit or return in the future. In other words, to invest means owning an asset or an item with the goal of generating income from the investment or the appreciation of your investment this is an increase in the value of the asset over a period of time. When you invest it always requires a sacrifice of some present asset that you own today such as time, money, or effort.

In today's changing scenario women want to actively participate in all activities which are related to education, politics, science and technology etc. Women are multi taskers as they can manage both household work and professional life unlike men. They want to be financially independent and enjoy their freedom so they can live a happy and secured life. Although women's income has been considered as a supplement income within the

family, now a days there are various investment options for working women such as gold, real-estate, government bonds, share markets, mutual funds post services etc. Younger women start investing in their 20's so they can live a luxury life after their retirement and save the money for situation in future or for their children and family. Hence the behaviour of each working women is different as they go for a non risky investment which is risk free and get a good return of investment.

1.4 WHY DO PEOPLE INVEST

Investing allows you to put your money in vehicles that have the potential to earn strong rates of return. It helps you in increasing your wealth and become rich. Most investment vehicles, such as stocks, certificates of deposit, or bonds, offer returns on your money over the long term. This return allows your money to build, creating wealth over time. As you are a working woman you must save your money for retirement your saved money in portfolio of investment such as bonds, stocks, mutual funds, real estates, growth investment, fixed interest etc. Investment for working women can also help in building up their career and creating wealth over time. If your money is earning a higher rate of return than a savings account, you will be earning more money both over the long term and within a faster period. This return on your investments can be used toward major financial goals, such as buying a home, buying a car, starting your own business, or for children' education.

1.5 LITERATURE REVIEW

- **According to prof. PriyaVasagadekar's (2014):** A study on saving habits among fixed income of women states that working women in India wants to increase their wealth as it has become a present day need for working women in India, they prefer to invest their money in fixed deposits, gold, real estate, government bonds etc.
- **According to Rajeshwari Jain research (2014)** "Women are more curious in making investment they prefer fixed deposits bank a safer way to invest their money without any risk to be taken they also prefer gold as a good way to invest their money.
- **According to Krishnamoorthy (2006):** In his studies he analyzes the profile and awareness of working women and their attitude and satisfaction towards investment. It has been concluded that all salaried people were aware of bank deposits schemes, insurance scheme, post office saving scheme and gold etc.
- **According to Bahl (2009)** "A study on Investment behaviour of working women concluded that 33 % of the women have a well-developed plan for investment. It also infers that 48 % of the working women think that one should start to invest whenever they find a new job or occupation. 18 % of the working women have invested in shares & stocks.
- **According to Dr. Y.V. Ramona Murthy Research (2018)** In his studies he states that women are becoming financially independent and not depending on their family or husbands for any sort of investment. They prefer to invest the money in gold, real estates and fixed deposits which are going to help. Saving and investing the money has become a vital part of our life so it can lead us to a happy and peaceful life with a full pocket of money.

1.6 NEED OF THE STUDY

The need of this study is to know the savings and investment habits of women and to analyze the behaviour that influence the female investors to invest their money without any risk involved in it.

1.7 OBJECTIVES

- To examine the savings and investment habits of women.
- To analyse the most preferred investment option available to the female investors.

2. RESEARCH METHODOLOGY

- Sources of data:
- Primary data is collected through administering the questionnaire.
- Secondary data is collected through various text books, articles, published sources and e-source.
- The target population of this study is working women of Hyderabad, Telangana State. 101 working women were selected from different sectors both from public and private sectors using simple random sampling.
- Responses were analysed using arithmetic mean.

2.1 SCOPE AND LIMITATIONS OF THE STUDY

- The study is limited to the city of Hyderabad
- The study is based on the responses 101 responses of working women.
- The responses received don't claim the completeness and total accuracy in its findings. Hence biased results are likely to creep.

3. FINDINGS

The following are the findings of the study conducted on 101 working women.

- It is found that 44.6% of women have an annual income below 100000, 20.8% have an annual income of Rs.100000-300000, 15.8% have an annual income of Rs.300000-500000 and 18.8% of women have an annual income above 500000.
- 86.1% of women save their money for future requirements and 13.9% of women do not save their money they may be like to spend it on themselves or maybe for their family.
- The best saving options for 46.5% of women is bank fixed deposits, 14.9% of women plan for an insurance, 24.8% of women like to invest their money in gold, 12.9% of women use the national pension scheme and the others like the Foreign Direct Investment (FDI) options.
- 72.3% of women like to invest their money for a current growth of incomes and 27.7% of women do not invest their money.
- The best investment options for 16.8% of women are mutual funds, 15.8% of women invest their money in real estate, 18.8% of women invest in stock market because they like to take risk 28.7% of women keep their money banks for saving it, 18.8% of women invest in gold and others like to invest it in FDI (Foreign Direct Investment).

- It is identified that the factors that influence women to invest their money 25.7% of are influence by attractive interested rates which gives a good return, 22.8% of women want a current growth of income, 31.7% of women wants to reach their finance goals and 19.8% of women save their money retirement purpose.
- 54.5% of women are risk lovers and 45.5% of women are risk averse.
- When asked what time period you prefer for investment of money, 45.5% of women like short term investment and 54.5% of women like long term investment of money.
- Also it is found that 67.3% of women like to invest their money in share markets through D- mat account and 32.7% of women do not invest their money.
- The objectives of investment 13.9% of women like income and capital preservation, 35.6% of women investing objectives is for long term growth, 28.7% of women investment for the growth and income and 21.3% of women invest for short term growth.
- It is found that 95% women think that there is a difference between savings and investment and 5% of women think there is no difference between savings and investment.

3.1 SUGGESTIONS

- In my opinion I believe that working women have changed their lifestyle by believing in investment of money and saving the money for investment for a good rate of return. A proper financial planning can help in achievements of various goals.
- Women can take care of their household work and even do a job they are good in time management. Secondly government should start awareness for working women in the idea for investment of money and encourage them to invest it.
- Women can take help of reliable Certified Financial Planners for making the right investment decisions & for having an ideal portfolio sound financial plan must include the planning of short, medium- & long-term goals and deciding the timeframe for achieving these goals by developing a formal written.
- It can be done by evaluation our current assets and current liabilities and try more in investment of our assets.
- This can help in better decision making have a good open mind about everything and can be really helpful if we take care of our money in a right way so we can increase our current income achieve our future goals and future needs. I think women are not dependent on their husbands or family for money because they know how to earn it.

3.2 CONCLUSION

This research was conducted to determine the savings and investment habits of women in India. Working women have changed their habits towards investment and started to invest their money for their achievements and future goals. Women are no less than men in investment of money they know things related to investments and savings of money like where to invest, how to invest, when to invest, what to invest and how much to invest when you are a beginner in investment of money by have in a proper knowledge about it. Women invest their

money for their family, children, for themselves, to fulfill their various goals and some for retirement and even because money is everything in today's changing scenario.

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