# VISION VIKSIT BHARAT 2047: CONTRIBUTION AND INITIATIVES OF DIGITAL INDIA FOR EMPOWERING RURAL WOMEN

## Vol – 2

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# IMPACT OF PERSONAL FACTORS OF WOMEN INVESTORS ON SELECTION OF INVESTMENT AVENUES

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## Abstract

*Women has started actively participating in investing their surplus money, though it all depends upon the various parameters such as degree of their risk taking capacity, influence of family members/friends, etc,. Hence the study focused to investigate the impact of personal or Demographic / Socio economic factors like, Age, Education, Occupation, income, Sources of awareness of women investors on selection of investment avenues. Frequency analysis, Cross Tabulation and Chi Square Test were used to found that all the personal factors were influenced the selection of Investment avenues. Friends/ Co workers and Broker / Financial Advisors are mostly affected the women investors towards selection of investment avenues. The study also found that, most of the women investors are preferred to invest in risk less investment avenues like, Post office, Bank, Insurance and Gold.*
*Keywords: Women Investors, Investment Avenues, Personal Factors and Sources of Awareness.*

## Introduction

Savings and Investment are considered as the major determinant of economic growth and development. Investment behaviours are differing from individual to individual based on the return and risk profile. Women Play a vital role in the overall progress of a country. They have the potential to change their own economic status, as well as which countries they live. In India there are 591.4 million women as against 628.8 million men as per the census 2011. The status of women India has been growing over the past few decades. Today they have potential and more influence over financial decision than ever before. They are now making a bigger share of decision over whether to invest in stocks, bonds or real estate. Women in India now participated on all activities such as education, politics, media, Science and Technology etc,. In olden days women were not given any rights to take any important decision.

## Investment Avenues

The general fact that men are usually think about return but the women want to balance with risk and return in their investment. In most of the cases the women

want to earn stable income. While framing investment portfolio women are considered about safety, liquidity and profitability but men are mostly think about profitability alone. In this manner the investment behaviour is varied from men and women.

## Review of Literature

The study collected the following national and international literature for analysing the preferred investment Avenues of women investors. M. Mahesh Kumar and Sajana.S (2017), answered the question whether the perception towards risk and risk taking capacity of individual is influencing on their investment decision. It showed that perception and risk taking capacity were influenced the investment decision of individual. Jasna P. (2017), investigated the factors influencing investment behaviour of women investors in Kannur District. The study used percentage analysis and ranking methods to found that safety of the principle amount was mostly affected the investment behaviour of women investors. V.G.Jisha and V. Gomathi (2017), investigated the relationship between the income and investment pattern of private and public women employees, by using chi squire Analysis. The article found that level of income was mostly influence the investment pattern of women employees.

## Objectives of the Study

The main objective of the study is to know the preferred investment avenues and personal factors of Women Investors which affects the Investment Avenues selection.

- To study the preferred investment Avenues of Women Investors.
- To investigate the impact of Demographic / Socio Economic Factors on Selection of Investment avenues by women Investors.
- To analyse the sources of awareness which influence the Selection of Investment avenues by women Investors.

## Hypothesis of the study

The following Null Hypothesis were formulated for analysing the impact of personal factors and Sources of Awareness of women investors on selection of investment Avenues.

$NH_{01}$: Age of the women investors does not influence the selection of investment avenues.

$NH_{02}$: Education Qualification of women investors does not influence the selection of investment avenues.

NH$_{03}$: Occupation of the women investors does not influence the selection of investment avenues.

NH$_{04}$: Monthly Income of women investors does not influence the selection of investment avenues.

NH$_{05}$: Sources of Awareness of the women investors does not influence the selection of investment avenues.

**Methodology**

The study is based on primary data. On the basis of Convenience Sampling Technique the required data were collected by the use of structured questionnaire from the women investors in Tiruchirappalli City, Tamil Nadu. 110 questionnaires were distributed to the sample women investors. 100 respondents were responds the questionnaire, However, 100 questionnaire were collected and multiple responses were noticed in 25 Questionnaire. The final sample taken for the study was reduced to 75 respondents. The study used Frequency Analysis, Cross Tabulation and Chi Square test to investigate the impact of personal factors on selection of Investment avenues. Before analysing the data, the study tests the reliability of the items of Questionnaire. Reliability is the degree to which a test consistently measures, whatever it intends to measure. A reliability coefficient of 0.70 or higher is considered "Acceptable". Cronbach's alpha is a measure of internal consistency, that is, how closely, a set of items, are related as a group. Table – 1 Shows the results of Reliability Test, which was conducted to assess the consistency of the questionnaire. Reliability of the instrument for each construct was analysed by using Cronbach's Alpha. The value of Cronbach's Alpha for consisting of all the items of questionnaire is 0.863. its indicate that 86.3% reliable the questionnaire for the study.

**Table 1 Results of Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| 0.863 | 20 |

**Source:** Primary data and Computed from SPSS.

**Results and Discussion**

Results of frequency analysis for demographic / socio economic factors of women investors are presented in the Table – 2. 57 percentage of respondents were belonging to age group of 21 – 35 years. 41 percentage of the respondents were completed their Under Graduate and 43 percentage of the respondents were

private employee. 40 percentage of the respondents were middle class, because their belonging to income group of Rs. 10,001 to 20,000. Friends or Co workers were mostly influence the respondent's awareness because 43% of the respondents gathered the information of their investment avenues from their friend or co workers.

**Table 2 Results of Frequency Analysis for the Personal Factors of the Women Investors**

| Age | Frequency of Respondents | Percentage |
|---|---|---|
| Less than 20 | 11 | 15.00 |
| 21 - 35 | 43 | 57.00 |
| 36 - 50 | 13 | 17.00 |
| Above 50 | 8 | 11.00 |
| **Total** | **75** | **100.00** |
| | | |
| **Education Level** | **Frequency of Respondents** | **Percentage** |
| School Level | 12 | 16.00 |
| Under Graduate | 31 | 41.00 |
| Post Graduate | 15 | 20.00 |
| Professional | 17 | 23.00 |
| **Total** | **75** | **100.00** |
| | | |
| **Occupation** | **Frequency of Respondents** | **Percentage** |
| Government Employee | 10 | 13.00 |
| Private Employee | 32 | 43.00 |
| Own Business | 21 | 28.00 |
| House Wife | 12 | 16.00 |
| Total | 75 | 100.00 |
| | | |
| **Monthly income** | **Frequency of Respondents** | **Percentage** |
| Up to 10,000 | 21 | 28.00 |
| 10,000 - 20, 000 | 30 | 40.00 |
| 20,001 - 30,000 | 19 | 25.00 |
| Above 30,000 | 5 | 7.00 |
| **Total** | **75** | **100.00** |
| | | |

| Sources of Awareness | Frequency of Respondents | Percentage |
|---|---|---|
| Family/Relatives | 10 | 13.00 |
| Friends/Co-workers | 32 | 43.00 |
| Brokers/Financial Advisors | 21 | 28.00 |
| Internet | 12 | 16.00 |
| **Total** | **75** | **100.00** |

**Source:** Primary data and Computed from SPSS.

Results of Frequency analysis for preferred investment avenues of women investors is presented in the Table -3. Most of the women investors prefer to invest in risk less investment, because the respondents invest in Gold with the percentage of 31%. 28% of the women invest in Bank Deposits and its followed by Insurance and post office with 13% and 12%. Only 3% of the women were investing in Shares. Hence the regulators may give the certain guidance to women investors for invest their money in stock markets.

**Table 3 Frequency Analysis for Preferred Investment Avenues of Women Investors**

| Investment Avenues | Frequency of Respondents | Percentage |
|---|---|---|
| Post office | 9 | 12% |
| Bank | 21 | 28% |
| Insurance | 10 | 13% |
| Mutual Fund | 7 | 9% |
| Shares | 2 | 3% |
| Real Estates | 3 | 4% |
| Gold | 23 | 31% |
| Total | 75 | 100% |

**Source:** Primary data and Computed from SPSS.

Results of Chi Square Test for analysing the association between Age of the respondents and preferred investment avenues are exhibited in the Table – 4. The value of Pearson Chi – Square test is 30.544 and the asymmetric significant value is 0.000 which is less than the significant value 0.05. it is shows that Age of the respondents associated with the selection of investment avenues. Hence the Null hypothesis $NH_{01}$ "Age of the women investors does not influence the selection of investment avenues" is rejected. This means that Age of the women investors influence the selection of investment avenues. Younger women that is age group of

21 – 35 were actively invest in various investment avenues. Older age of the respondents were not actively participate in investment avenues.

**Table 4 Results of Chi Square Test for Age of the Respondents and Preferred Investment Avenues**

| Age | Post office | Bank | Insurance | Mutual Fund | Shares | Real Estates | Gold |
|---|---|---|---|---|---|---|---|
| Less than 20 | 2 | 7 | 1 | 1 | 0 | 0 | 0 |
| 21 – 35 | 6 | 13 | 7 | 3 | 0 | 2 | 12 |
| 36 - 50 | 0 | 1 | 1 | 2 | 1 | 1 | 7 |
| Above 50 | 1 | 0 | 1 | 1 | 1 | 0 | 4 |
| Pearson Chi – Square | | | | 30.544 | | | |
| Asym. Sig. | | | | 0 | | | |

**Source:** Primary data and Computed from SPSS.

Table – 5 shows that results of Chi square test for Education qualification of women investors and preferred investment avenues. The results found that education qualification of the respondents were influenced the selection of investment avenues, because of the Pearson Chi square value is 46.879 and the asymmetric significant value(0.000) is less than the significant value 0.05. Its proved that Education of the women investors influence the selection of investment. Therefore, reject the Null hypothesis $NH_{02}$: "Education Qualification of women investors does not influence the selection of investment avenues" . Most of the Under graduate women respondents were select the Gold as a preferred investment avenues and post graduate women were prefer to invest in Bank Deposit.

**Table 5 Results of Association between Education Qualification of the Respondents and Preferred Investment Avenues**

| Education Level | Post office | Bank | Insurance | Mutual Fund | Shares | Real Estates | Gold |
|---|---|---|---|---|---|---|---|
| School Level | 3 | 4 | 3 | 0 | 1 | 0 | 1 |
| Under Graduate | 3 | 3 | 6 | 5 | 0 | 1 | 13 |
| Post Graduate | 2 | 10 | 0 | 0 | 0 | 2 | 1 |
| Professional | 1 | 4 | 1 | 2 | 1 | 0 | 8 |
| Person Chi - Square | | | | 46.879 | | | |
| Sig. | | | | 0 | | | |

**Source:** Primary data and Computed from SPSS.

Results of Chi Square Test for analysing the association between Occupation of the respondents and preferred investment avenues are exhibited in the Table – 6. The value of Pearson Chi – Square test is 53.477 and the asymmetric significant

value is 0.008 which is less than the significant value 0.05. it is shows that occupation of the respondents associated with the selection of investment avenues. Hence the Null hypothesis $NH_{03}$ "Occupation of the women investors does not influence the selection of investment avenues" is rejected. This means that occupation of the women investors influence the selection of investment avenues. Most of the women private employee were invest in bank, their not preferred to invest in Stock market and Mutual Fund.

**Table 6 Results of Association between Occupation of the Respondents and Preferred Investment Avenues**

| Occupation | Post office | Bank | Insurance | Mutual Fund | Shares | Real Estates | Gold |
|---|---|---|---|---|---|---|---|
| Government Employee | 1 | 0 | 0 | 2 | 1 | 0 | 6 |
| Private Employee | 4 | 12 | 7 | 3 | 0 | 0 | 6 |
| Own Business | 2 | 3 | 3 | 1 | 1 | 1 | 10 |
| House Wife | 2 | 6 | 0 | 1 | 0 | 2 | 1 |
| Person Chi - Square | | | | | | 53.477 | |
| Sig. | | | | | | 0.008 | |

**Source:** Primary data and Computed from SPSS.

Table – 7 shows that results of Chi square test for Monthly Income of women investors and preferred investment avenues. The results found that Monthly Income of the respondents were influenced the selection of investment avenues, because of the Pearson Chi square value is 40.417 and the asymmetric significant value(0.002) is less than the significant value 0.05. its proved that Monthly Income of the women investors has influence the selection of investment Avenues . Therefore, reject the Null hypothesis $NH_{04}$: "Monthly Income of women investors does not influence the selection of investment avenues" . Middle Class women, that is income group of Rs. 10,000 to 20, 000 were mostly invest in Bank and Gold.

**Table 7 Results of Association between Monthly Income of the Respondents and Preferred Investment Avenues**

| Monthly income | Post office | Bank | Insurance | Mutual Fund | Shares | Real Estates | Gold |
|---|---|---|---|---|---|---|---|
| Up to 10,000 | 7 | 2 | 0 | 3 | 1 | 0 | 8 |
| 10,000 - 20, 000 | 2 | 14 | 2 | 1 | 1 | 3 | 7 |
| 20,001 - 30,000 | 0 | 4 | 7 | 2 | 0 | 0 | 6 |
| Above 30,000 | 0 | 1 | 1 | 1 | 0 | 0 | 2 |
| Person Chi - Square | | | | | | 40.417 | |
| Sig. | | | | | | 0.002 | |

**Source:** Primary data and Computed from SPSS.

Results of Chi Square Test for analysing the association between Sources of Awareness of the respondents and preferred investment avenues are exhibited in the Table – 8. The value of Pearson Chi – Square test is 53.477 and the asymmetric significant value is 0.008 which is less than the significant value 0.05. it is shows that occupation of the respondents associated with the selection of investment avenues. Hence the Null hypothesis NH$_{05}$ "Sources of Awareness of the women investors does not influence the selection of investment avenues" is rejected. This means that occupation of the women investors influence the selection of investment avenues. Friends or Co workers of the women investors were mostly affect the investment selection and it is followed by Brokers/Financial advisors.

**Table 8 Results of Association between Sources of Awareness of the Respondents and Preferred Investment Avenues**

| Sources of Awareness | Post office | Bank | Insurance | Mutual Fund | Shares | Real Estates | Gold |
|---|---|---|---|---|---|---|---|
| Family/Relatives | 1 | 0 | 0 | 2 | 1 | 0 | 6 |
| Friends/Co-workers | 4 | 12 | 7 | 3 | 0 | 0 | 6 |
| Brokers/Financial Advisors | 2 | 3 | 3 | 1 | 1 | 1 | 10 |
| Internet | 2 | 6 | 0 | 1 | 0 | 2 | 1 |
| Person Chi - Square | | | | | | | 42.417 |
| Sig. | | | | | | | 0 |

**Source:** Primary data and Computed from SPSS.

**Conclusion and Implication**

The existing reviewers were found that most of the women were invest in riskless investment avenues. The study also found that most of the women investors were invest in risk less investment avenues, such as, Post Office, Bank, Insurance and Gold. Chi square Test were employed to found that all the personal factors like Age, Educational Qualification, Occupation and income were mostly affect the selection of investment avenues. Friends or Co Workers, Brokers or Financial Advisors has influenced the women investor's awareness towards selection of investment avenues. The study exhibits that few women were invest in Stock market and Mutual fund. So the SEBI and AMFI may give more awareness programme to the women for investing their money in stock market and Mutual fund and it will helps to the economic development. Most of the women investors were invest in riskless investment avenues, so the government may introduce that kind of investment product to the women investors.

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