

# A STUDY ON SAVINGS AND INVESTMENT PATTERN OF SALARIED WOMEN IN COIMBATORE DISTRICT

T.M. HEMALATHA<sup>1</sup> & PAVITHRA.S<sup>2</sup>

<sup>1</sup>Head of The Department, Department of Commerce, Rathinam College of Arts and Science, Coimbatore- 641021

<sup>2</sup>Assistant Professor, Department of Commerce, Rathinam College of Arts and Science, Coimbatore- 641021

Received: May 17, 2018

Accepted: July 14, 2018

## ABSTRACT

*Women should start thinking and understanding the importance of money, savings and its investment aspect to avoid critical situations at any stage of their lives. They need to develop skills to plan for their financial needs. Generally women tend to keep cash idle rather than investing it. They tend to think that this "idle cash" can be easily used to meet expenses beauty parlours, jewellery etc. The respondents of research study consists only those people who earning fixed Income as salary so the study included only salaried group of women employees. The Investment pattern of the salaried women employees is different due to safety, regular flow of income, tax saving benefits, security, retirement benefits rather than professionals and businessman. The study is based on savings and investment pattern of salaried women in Coimbatore district. The study is based on primary data which are collected by distribution of a close ended questionnaire. The data has been analyzed using percentage analysis, Friedman rank test.*

**Keywords:** Women, Investment pattern, Savings, Coimbatore

## 1.1 INTRODUCTION

Women's role which was confined to domestic areas has now switched over to the other areas where she is competing with her male counterpart. This is due to the education she is getting, the women centered policies, programmes of the government and the job opportunities available to her in the wake of modernization, urbanization, industrialization, liberalization, globalization etc. The opportunities available to women paved the way for economic independence and their involvement in political and social sphere has increased to a great extent. Today's women is a hard taskmaster, managing between a homely wife, a shrewd boss, a genuine companion, with such ease and grace that is remarkably appreciable.

## ROLE OF WOMEN IN THE SOCIETY

- The modern women are inclined towards the social issues and trying hard to improve the social status of women at large.
- Increased awareness and education have inspired women to come out of the four walls of the home.
- Many women actively supported and participated in the nationalist movement and secured prominent positions and offices in administration and public life in free India.
- Traditionally Indian women exist because of the family and for the family.

- Just like their man counterpart, women are also fond of attending social functions and value her social life quite a lot.
- Previously, men-folk used to discourage women from leaving their households for attending social functions. Now the spread of education, especially that of women, and with that, the changing social attitudes of educated women have changed the order.
- The modern woman has started caring for her health, figure, cultural needs, and interests, academic pursuits, social intercourse, religious activities recreational needs, etc.

## 1.2 OBJECTIVES OF THE STUDY

- ❖ To identify the reason for preferring investment.
- ❖ To ascertain investors level of awareness on various investment avenues.
- ❖ To examine the problems encountered by investors on their investment.
- ❖ To determine the factors influencing investors satisfaction.

## 1.3 REVIEW OF LITERATURE

According to Prof. PriyaVasagadekar's research (2014) on working women she conclude that because of high level education, today's women are getting the best job offers with high take home pay packages. It has become the present day need for working women in India to

increase their wealth. As most of the women are low in financial literacy, it becomes hardly possible for them to manage their portfolios on their own. Also the risk bearing capacity of working women in India is low. This is due to lack of sound financial knowledge.

Dr. SaritaBahl(2012)concluded that there are younger women have already developed the plan for investment.Women working in private sector are more faith in investing their money. Women invest their money when they start earning andbecome independent. Majority of working women have invested their money. Working women invest their money in insurance plans as they are not willing to take risk to attain gain and want to have a safe future.

Dr. R. Sellappan , Ms. S. Jamuna& Ms. Tnr. Kavitha (2013) find out that married women are more curious in making investment than the unmarried. As well as the younger are mostly like to invest in shares mutual funds, insurance and fixed deposits than the older women. The middle age persons prefer to invest in real estate source of investment. So the government,Bankers and Financial institutions can introduce lot of schemes of investment based on segmentation of the age and marital status factors to acquire more funds.

Rajeshwari Jain (2014) finds that women prefer fixed deposit in bank a safe investment option & for tax saving purpose. Women also select gold as good investment

Richard B. Freeman (1979) in his analysis showed that from the late 1960s through the mid-1970s when the number of young workers increased .rapidly, the earnings of young male workers fell relative to the earnings of older male workers, altering male age-earnings profiles, particularly for college graduates. His study suggested that the increased number of young male workers was the major causal force underlying the increased earnings of older men relative to the earnings of younger men.

Bajtelsmit, V. L. &Bernasek, A. (1996) in their research study explained for gender differences in investment and risk-taking in an effort to help guide data collection and identification of relevant variables for empirical research. Hinz,R. P., McCarthy, D. D., &Turner, J. A. (1997) studied that financial wealth had a significant and positive impact on the average level of risk chosen in a portfolio. As it was an additional measure of financial sophistication, they again confirmed the conclusion that more sophisticated investors entertain a higher average level of portfolio risk. They showed that dummy variable

for having no financial wealth had no significant effect, statistically, on risk-taking.

Wang H. And S. Hanna, (1997) concluded that relative risk aversion decreased as people aged (i.e., the proportion of net wealth invested in risky assets increases as people age) when other variables are held constant. They concluded that risk tolerance increased with age and therefore rejected the constant life-cycle risk aversion hypothesis. Barber, B. M., &Odean, T. (1999) in their research article, identified that rational investors traded only if the expected gains exceeded transactions costs. Overconfident investors overestimate the precision of their information and thereby the expected gains of trading. They even traded when the true expected net gains were negative. Models of investor overconfidence predicted that, since men were more overconfident than women, men traded more and perform worse than women.

Grable, J. E., & Lytton, R. H. (1999) concluded that the classes of risk tolerance (i.e., above and below-average) differed most widely on a respondent's educational level and personal finance knowledge. These two variables contributed significantly to explaining differences between levels of risk tolerance.

Ronay., Richard & Kim Do-Yeong. (2006) suggested that measuring individual variations in risk-taking propensity within laboratory contexts alone could be misleading. At least in the case of males, it appeared that individuals' attitudes towards risky decisions could significantly deviate from their explicitly expressed attitudes when placed in a group context. This finding not only had a bearing on the issue of physical accidents resulting from risk-taking, but could also be taken as an argument for the benefits of gender balance within decision making bodies. Increasing gender diversity within predominantly male business and government decision making bodies could help disrupt drifts towards bad decisions arising out of high levels of group cohesion (Janis, 1982).

Herrmann, Andrew. F. (2007) provided the estimation results and discussed that supported the initial hypotheses regarding the roles of race/gender in investment preferences. Using multiple specifications and leveraging multiple risk/return measures, the evidence pointed to significant effects with respect to both race and gender.

#### **1.4 RESEARCH METHODOLOGY:**

The study is an analytical research based on the survey method. The method adopted for data collection and sample design are described in the following paragraphs.

➤ **DATA:**

- ❖ Using the survey method primary data was obtained from the respondents by administering the questionnaire and evaluating the feedback. Personal interviews were also conducted with few respondents who provided valuable information inputs.
- ❖ Secondary data included information collected from various internet download, books, publication and various journals.

➤ **SAMPLE DESIGN**

- ❖ By adopting convenient sampling method questionnaires are distributed to 120 customers, who frequently make use of investment pattern.

➤ **STATISTICAL TOOLS:**

There are various statistical tools which are used in analyzing data. The following tools are used for analyzing data.

The data analyzed by using mentioned techniques:

- ❖ Simple Frequency
- ❖ Friedman rank test

**1.5 SCOPE OF THE STUDY:**

The present study has been confined to Coimbatore city. The study is confined to the factors considered by the salaried women investors while their investment in different investment avenues. Their level of preference, satisfaction, awareness and intensity of problem were about the various aspects of investment avenues available in the study area is considered.

**1.6 LIMITATION OF THE STUDY:**

- ❖ The study is mainly based on the primary data collected from 120 respondents in Coimbatore district.
- ❖ This is an academic effort and it is limited to cost, time and geographical area.
- ❖ As the data is collected from 120 respondents only, generalization to other women investors is inevitable.
- ❖ An interpretation of this study is based on the assumption that the respondents have given correct information.
- ❖ Few respondents are not willing to express their opinion and views on their investment pattern.

**1.7 ANALYSIS AND INTERPRETATION**

<b>AGE(YEARS)</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
UPTO 25	60	50.0
26 TO 35	28	23.3
36 TO 45	20	16.7
ABOVE 45	12	10.0
TOTAL	120	100.0
<b>MARITAL STATUS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
MARRIED	67	55.8
UNMARRIED	53	44.2
TOTAL	120	100.0
<b>EDUCATIONAL QUALIFICATION</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
ILLITERATE	6	5.0
TO PRIMARY	24	20.0
SSLC	4	3.3
UG	19	15.8
PG	25	20.8
PROFESSIONAL	42	35.0
TOTAL	120	100.0
<b>OCCUPATION</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
AGRICULTURE	18	15.0
BUSINESS	7	5.8
EMPLOYEES	36	30.0
PROFESSIONAL	50	41.7
HOUSEWIFE	5	4.2
STUDENTS	4	3.3
TOTAL	120	100.0
<b>FAMILY TYPE</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
JOINT	62	51.7
NUCLEAR	58	48.3

TOTAL	120	100.0
<b>NATURE OF RESIDENCE</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
OWN	89	74.2
RENTED	31	25.8
TOTAL	120	100.0
<b>SPOUSE EMPLOYED</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
YES	67	86.6
NO	53	13.4
TOTAL	120	100.00
<b>MONTHLY INCOME</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
BELOW 15000	13	19.4
15001-30000	45	67.2
ABOVE 30001	28	41.8
<b>FAMILY INCOME</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
BELOW 30000	2	3.0
30001-50000	49	73.1
ABOVE 50001	49	73.1
<b>MONTHLY EXPENDITURE</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
BELOW 30000	37	55.2
30001-50000	38	56.7
ABOVE 50001	8	11.9
<b>MONTHLY SAVINGS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
BELOW 20000	36	55.4
20001-40000	41	63.1
ABOVE 40001	14	21.5
<b>FORM OF INVESTMENT</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
FINANCIAL ASSETS	85	70.8
NON-FINANCIAL ASSETS	35	29.2
TOTAL	120	100.0
<b>PREFERENCE OF INVESTMENTS</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
SHORT-TERM	23	19.2
MEDIUM-TERM	52	43.3
LONG-TERM	45	37.5
TOTAL	120	100.0
<b>PERIODICITY OF INVESTMENT(YEARS)</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
UPTO 3	66	55.0
3 TO 5	26	21.7
ABOVE 5	28	23.3
TOTAL	120	100.0
<b>EXPECTED RETURN</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
BELOW 10%	26	21.7
10% TO 20%	56	46.7
ABOVE 20%	38	31.7
TOTAL	120	100.0
<b>SOURCE OF INVESTMENT</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
1. TELEVISION	42	35.0
2. NEWSPAPER	29	24.2
3. FROM BANKERS	65	54.2
4. PAMPHLETS & JOURNALS	15	12.5
5. FRIENDS & NEIGHBORS	48	40.0
6. INTERNET	33	27.5
7. POST OFFICE	21	17.5
8. AGENTS / BROKERS	26	21.7

**INTERPRETATION:**

50 Per cent of the respondents are within the age of 25 years; 55.8 per cent of the respondents are married; 42 per cent of the respondents are professionals; 50 per cent of the respondents have professional occupation; 51.7 percent of the respondents are joint families; 74.2 per cent of the respondents have their own residence; 86.6 per cent of the respondent spouses are employed; 67.2 per cent of the respondents have monthly ranges between 15001 to 30000;73.1 per cent of the respondents have family income ranges

above 30000; 56.7 percent of the respondents have monthly expenditure ranges from 30001 to 50000; 63.1 per cent of the respondents have monthly savings ranges between 20001 to 40000; 70.8 percent of the respondents invest in financial assets; 43.3 percent of the respondents prefer medium term investment; 55percent of the respondents prefer investment period above 5 years; 46.7 percent of the respondents prefer expected rate of return ranges from 10% to 20%; 54.2 percent of the respondents prefer ideas from bankers as sources of investment.

**TABLE SHOWING REASON FOR INVESTMENT**

STATEMENTS	SA	A	NO	DA	SDA	TOTAL	MEAN	RANK
1. SAVE MONEY FOR THE FUTURE	109 (90.8)	8 (6.7)	2 (1.7)	1 (.8)	0	120 (100.0)	10.85	1
2. SAVINGS HELPS TO INCREASE THE STANDARD OF LIVING	45 (37.5)	65 (54.2)	5 (4.2)	5 (4.2)	0	120 (100.0)	8.00	2
3. SAVINGS HELPS TO MEET UNFORESEEN CONTINGENCIES	41 (34.2)	47 (39.2)	26 (21.7)	3 (2.5)	3 (2.5)	120 (100.0)	7.18	4
4. SAVINGS HELP TO TAKE BENEFIT OF ANTICIPATED CHANGES IN THE FUTURE PRICES	28 (23.3)	60 (50.0)	18 (15.0)	14 (11.7)	0	120 (100.0)	6.22	9
5. SAVINGS HELP TO CONSERVE THE SECURED LIFE	36 (30.0)	49 (40.8)	23 (19.2)	7 (5.8)	5 (4.2)	120 (100.0)	6.60	7
6. INVESTMENT PROVIDES TAX RELIEF	21 (17.5)	61 (50.8)	28 (23.3)	8 (6.7)	2 (1.7)	120 (100.0)	5.74	11
7. INVESTMENT GIVE HIGH RATE OF RETURN ON INVESTMENT	25 (20.8)	60 (50.0)	22 (18.3)	11 (9.2)	2 (1.7)	120 (100.0)	6.19	10
8. INVESTMENT GIVE REGULAR INCOME ON INVESTMENT	35 (29.2)	49 (40.8)	25 (20.8)	8 (6.7)	3 (2.5)	120 (100.0)	6.75	6
9. EXPECTATION OF VALUE OF MY APPRECIATION OF INVESTMENT	29 (24.2)	52 (43.3)	24 (20.0)	10 (8.3)	5 (4.2)	120 (100.0)	6.19	10
10. SAVE MONEY FOR HEALTH CARE	43 (35.8)	47 (39.2)	15 (12.5)	14 (11.7)	1 (.8)	120 (100.0)	7.26	3
11. SAVE MONEY FOR CHILDREN EDUCATION	44 (36.7)	41 (34.2)	14 (11.7)	15 (12.5)	6 (5.0)	120 (100.0)	6.77	5
12. SAVE MONEY FOR CHILDREN MARRIAGE	33 (27.5)	49 (40.8)	26 (21.7)	9 (7.5)	7 (5.8)	120 (100.0)	6.50	8
13. SAVE MONEY FOR PURCHASE OF HOUSE	44 (36.7)	39 (32.5)	21 (17.5)	9 (7.5)	7 (5.8)	120 (100.0)	6.75	6

**INTERPRETATION:**

From the Friedman Rank Test, it is inferred that majority of the respondents strongly agreed with the reasons for investment is to save money for the future, savings helps to increase the standard of living and save money for health care.

**TABLE SHOWING LEVEL OF AWARENESS**

INVESTMENT AVENUES	HIGH	MODERATE	LOW	TOTAL	MEAN	RANK
1. BANK DEPOSITS	97 (80.8)	22 (18.3)	1 (.8)	120 (100.0)	8.15	1
2. CHIT FUNDS	19 (15.8)	65 (54.2)	36 (30.0)	120 (100.0)	4.58	8
3. DEBENTURES	22 (18.3)	60 (50.0)	38 (31.7)	120 (100.0)	4.71	7
4. GOLD	57 (47.5)	53 (44.2)	10 (8.3)	120 (100.0)	6.67	2
5. INSURANCE	40 (33.3)	66 (55.0)	14 (11.7)	120 (100.0)	5.85	4
6. MUTUAL FUNDS	41 (34.2)	44 (36.7)	35 (29.2)	120 (100.0)	5.60	5
7. POSTOFFICE SAVINGS	40 (33.3)	65 (54.2)	15 (12.5)	120 (100.0)	5.89	3
8. BONDS	29 (24.2)	44 (36.7)	47 (39.2)	120 (100.0)	4.75	6

9. REAL ESTATE	22 (18.3)	51 (42.5)	47 (39.2)	120 (100.0)	4.48	9
10. SHARES	20 (16.7)	49 (40.8)	51 (42.5)	120 (100.0)	4.31	10

**INTERPRETATION:**

From the Friedman Rank Test, it is inferred that majority of the respondents have more awareness about investment options in Bank deposits, Gold and Post office savings.

**TABLE SHOWING PROBLEMS ASSOCIATED WITH INVESTMENTS**

INVESTMENT AVENUES	HIGH	MODERATE	LOW	TOTAL	MEAN	RANK
1. SAFETY OF THE PRINCIPAL	76 (63.3)	42 (35.0)	2 (1.7)	120 (100.0)	3.78	1
2. VARIABILITY IN RETURNS	38 (31.7)	75 (62.5)	7 (5.8)	120 (100.0)	2.98	2
3. CUMBERSOME PROCEDURE	33 (27.5)	77 (64.2)	10 (8.3)	120 (100.0)	2.88	3
4. LOW CAPITAL APPRECIATION	34 (28.3)	63 (52.5)	23 (19.2)	120 (100.0)	2.72	4
5. LOW LIQUIDITY	35 (29.2)	57 (47.5)	28 (23.3)	120 (100.0)	2.65	5

**INTERPRETATION:**

From the Friedman Rank Test, it is inferred that majority of the respondents associated with the problems on investment were safety of the principal, variability in returns and cumbersome procedure.

**1.8 CONCLUSION**

Since this research has been conducted on the salaried women investors and a study of their investment behavior, it becomes important to understand the different types of investors. Women Investors have their own investing styles: some are risk takers by nature, willing to gamble large amounts of money on highly speculative investments. Others prefer the safety and security of cash in the bank even if it means that the actual buying power of their money is slowly dwindling because of inflation. Most people fall somewhere in between these extremes, and are willing to assume some risk, with the expectation that they'll be rewarded with higher returns.

The success of every investment decision has become increasingly important in recent times, making sound investment decisions require both knowledge and skill. The salaried women investors have different expectations from the investment as their needs different such as savings, safety, and the interest and value appreciation. The research identified the level of preference, level of awareness, level of intensity of problem, and level of satisfaction towards investment. Investors describe safety of funds as their priority for choosing an investment. so, the government should provide more investor protection.

**1.9 REFERENCES:**

1. Achar, A., 2012. Saving and Investment Behaviour of Teachers. An empirical study. International Journal of Physical and Social Sciences. 263-286
2. Agarwal, Y.P.1990.Statistical Methods. New Delhi: Sterling Publishers Pvt. Ltd.,
3. Ashok Kumar P; Jagadeshwara M, 1985.Demographic Change and Household Savings Behaviour in India, Indian Journal of Economics, Vol. 65.
4. Bajtelsmit, V. L., &Bernasek, A. (1996). Why Do Women Invest Differently Than Men? Financial Counseling and Planning, 1-10
5. BAHU SARITA (2012), "Investment Behaviour Of Working Women Of Punjab" ArthPrabhand: A Journal of Economics and Management Vol.1 Issue 6, September 2012, ISSN 2278-0629
6. VasagadekarPriya (2014), "A Research Paper On Investment Awareness Among Indian Working Women With Reference To Pune Region" International Journal of Scientific & Engineering Research, Volume 5, Issue 6, June-2014, ISSN 2229-5518
7. Palanivelu, V.R. &Chandrakumar, K. (2013).A Study on Preferred Investment Avenues among Salaried Peoples with Reference to NamakkalTaluk, Tamil Nadu, India. IBEA, International Conference on Business, Economics, and Accounting.