

A Study on Factor Affecting Investment Decision Among Working Women with Special Reference to Kamrej City

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ABSTRACT

Indian women are now currently engaging in all spheres of society, including but not limited to the classroom, the political arena, the media, the scientific community, technological sphere. Women's participation in investing their surplus funds has increased in recent years however, their success in doing so still depends on factors like their risk tolerance, the sway they have with their social circle, and how difficult it is for them to learn about and gain access to cutting-edge financial tools. The purpose of investment is to gain a profitable returns by investing money .A variety of investment avenues are available to individuals fixed deposit, insurance policies, government securities, corporate bonds, Shares and mutual fund, real estates, commodities, chit funds, post office schemes, investment in gold and silver. Various factors influence the investment decision of the individual. Demographic profile also plays a vital role in investment decision of the individual. Thus, this study aims to find out perception of women investors on factors influencing investment decision on the basis demographical profile of the women investor. The survey was collected from 150 individuals in kamrej city. Descriptive statistics are used to find out the value of mean, standard deviation, standard error, mean of factors influencing individual investment decision. The results found that factors of selection of investment varies according to gender, age, occupation, usage of internet, level of computer knowledge, usage of online trading.

Keywords: Investment, Women Investor, investment decision.

INTRODUCTION

Men traditionally provided financially for their families while women were predictable to stay at home & care for their children. Formerly kept for the home, women are now just as likely to compete with males in the place of work. This is because of the increased access to education and employment prospects for women as a result of social and economic changes such as urbanization, industrialization, liberalization, globalization, etc. Women's access to education, employment, and other opportunity has helped them become financially independent, and they have become actively engaged in the financial system, government, & society at large. Many individuals find investing to be exciting since they can participate in the decision making process & witness the outcomes of their choices. Investors are always assumed to be rational creature, prior to invest that hard earned money, investors analyze the market condition by using approaches like technical, fundamental, Capital asset pricing model, Arbitrage Pricing theory. Individual invest their surplus money in any of the investment avenue depending on their

risk taking capacity. Thus, individual's financial decision making depends on their attitude and behaviour. An investor's portfolio won't always see a positive return due to poor investment choices over time, but a well-balanced portfolio should still generate a profit. Investment is not a hobby but rather a serious business that can have a profound effect on one's financial security in the long run. Virtually everyone makes investments. Individuals who don't choose stocks or other equities can nevertheless invest in the financial markets by joining a 401(k) or other workplace savings plan, saving for a down payment on a home, or putting money away in a savings account at a bank or post office. Presently the sector of investment is significantly more dynamic than it was only a decade ago. Rapid changes in the global economy can have a dramatic impact on the value of a variety of assets, and investors have never had access to so much data on which to base their decisions. Saving more money over a longer period of time and investing it wisely is the key to a secure financial future. The turnover rate in investments should exceed the inflation rate & pay taxes and also allow you to earn an amount that compensates the risks taken. No considerable future rate accumulation can be expected from savings accounts, money at low interest rates, or money market accounts. However, investments in tangible assets like real estate typically yield the largest returns. Although, these investments are not fully immune from hazards, therefore one should strive to understand what kind of risks are associated to them before taking action. The lack of understanding about how stocks work makes the myopic point of view of investing in the stock market (purchasing when the propensity to climb or selling when it tends to decline) perpetuate. To grasp the features of each one of the numerous types of investing you must have significant financial understanding.

FACTOR AFFECTS THE INVESTMENT DECISION OF INDIVIDUAL WOMEN INVESTOR:-

- 1. Financial Knowledge and Literacy-** Financial literacy is one of the most critical factors for making informed investment decisions. Women with a strong understanding of financial products, markets, and strategies are more confident in taking calculated risks. Most of Studies shows that women, on average, report lower levels of financial knowledge than men, leading to uncertainty in managing investments independently. Women with greater literacy tend to explore diverse instruments like mutual funds, equities, and alternative investments rather than relying solely on traditional savings tools like fixed deposits or gold.
- 2. Risk Factors-** Risk tolerance refers to an individual's ability to withstand fluctuations in investment value without panic. Women are often more risk-averse than men due to societal conditioning or a more cautious approach to preserving wealth. Age, income, life stage, dependents, and financial stability are different Factors Influencing Risk Tolerance. Women investors may prefer less volatile options, such as bonds, fixed deposits, or index funds, especially if they lack a fallback financial plan.
- 3. Return Expectations-** Return is the profit or gain expected from an investment. Women typically have realistic or moderate return expectations compared to overly aggressive ones. They may favor consistent, predictable returns rather than chasing high but volatile returns. A woman planning for retirement may invest in a balanced mutual fund that offers steady returns rather than investing in highly volatile individual stocks.
- 4. Financial Stability-** Women with a steady income or substantial savings are more likely to take calculated risks for better returns. Women with limited financial resources tend to avoid high-risk in-

vestments to safeguard their principal amount..

5. **Income Level-** The income level of a working woman significantly influences her investment decisions. Higher disposable income often translates into a greater capacity to invest. Women with substantial income may be more open to exploring a broader spectrum of investment avenues, including riskier options, in pursuit of higher returns. On the other hand, those with lower income may focus on safer investments to preserve their financial stability
6. **Market Conditions-** Women tend to be more cautious during market downturns or economic uncertainty. They might liquidate investments prematurely or avoid risky ventures altogether. Factors like inflation, interest rates, and GDP growth influence their preference for certain investments (e.g., opting for gold during inflationary times). Sensitivity to market conditions often leads to a preference for stable and predictable returns.

REVIEW OF LITERATURE

(LAKHALANI, 2023) Researcher have studied the problems faced by working women as an investor like lack of communication, confusing terms and conditions, lack of knowledge etc. It is found that majority of the women are making an investment, so women contribute her part for the economic development of the country and having awareness about the investment. They prefer medium term to long term investment tenure. In the study it is found that the main objective of the investment is safety and to be self-independent that means working women are still consider the safety as a priority and gradually moving towards the financial independence even they consider return and capital appreciation for the investment objective. Risk and return are most important trade-off that working women face while making an investment and working women plays a very important part in investment and wealth creation in an economy.

(Patil & Halde, 2023) The study attempted to understand what attracts people to keep their savings in post office schemes. For existing studies, various kinds of literature have been reviewed and found that investors invest in safe, secure, trustworthy, easy-to understand schemes and the Post office offered all the schemes which are easy to understand, safe, and secured. It is observed that investors want to invest their money in safe, easy-to-understand, risk-free, and tax benefits and easy accessibility. Women investors have great faith in Post Office Schemes. It can be also said that investors are highly satisfied with Post-office schemes. People invest in schemes that are easy to understand and want to keep money in safe investment options.

(Prajawati & Basir, 2023) This research contributed to the current condition, where the research concept followed the current state of conducting research related to investment decision on female workers during post pandemic. Data was collected using a questionnaire instrument. Analyze the data carefully so that accurate results are obtained. Standard preparation prepares articles for research articles. Researchers will make revisions and will follow the final decision before the item is published.

(Barad, 2021) This Paper Gave Clear Pictures Of Investment Of Working Women In Kachchh District. The Behavior Of Government And Private Sector Any Other Working Women They Invest In Different Revenues Of Investment. The Study Covers Various Import Aspects Like Information Searching Behavior Public And Private Sectors Working Women Keep In The Mind While Saving Decision, Diversification Of Investment And How They Come To Portfolio For The Same. It Is Also Throws A Light On Various Types Of Risk Which Affect On Saving And Overall Return From Investment Comes From Saving. It Gave Overall Scenario Of Working Women Of Kachchh District.

(**Thakor & Patel, 2022**) The result reflected that the knowledge of respondents is below the needed level. Demographic factors like age, educational qualification, marital status, income impact the investment decision. The income earned by the working women is sufficient to meet their personal expenses but not much satisfied as they have less amount of money left with them to invest. The study revealed that 50% of the respondents have regular investment habits and about 40% of the incomes they earn are utilized for investment purposes. The study outlined financial literacy as the individual's capacity to know, to possess fundamental information in an economic and financial area, along with the skill to use that knowledge to deal with financial resources effectively.

(**Sachan & Chugan, 2020**) This study focused on relationship between availability bias and urban-rural residence of individual investors. The study reports that place of residence significantly relates to availability bias. A person belonging to rural areas has higher probability to be susceptible to availability bias. Indian rural population has lower per capita incomes and has lower cushion to absorb financial losses, in such a scenario, cost of being biased is very high, for which this study implicates the requirement of credible and sufficient information sources to reduce the availability bias of investors. Wealth managers, hence, are required to develop different communication skills for rural clients in order to build consensus for optimum investment decisions.

Chandra and Kumar (2019) conducted a research on “Factors Affecting Investment Decision of Working Women Of Emerging Nations”. From this research, it can be concluded that the factors influencing Indian individual investor behaviour. Behaviour of an individual investor is encouraged by different factors like psychological, heuristics and biases.

Kaur J & Arora (2018) conducted a study on “A study on the investment behaviour of working women with reference to Chennai City”. It was concluded that investors’ responses to identify the investor’s perception towards mutual funds as an investment option in Punjab. It was found that investors preferred investment in mutual funds due to higher returns in growth fund schemes. It was also found that each investor had his own goal of mutual fund investment.

Satheendran and Banerji (2018) conducted a study on “ The Determinants Of Investment Decision Making Among Female Investors At Public Listed Companies”. Then, women investors that have a high risk averse are believed to invest in a less risky investment choice. Further, it is also seen that women belonging to higher age groups tend to have a conservative investment choice.

PROBLEMSTATEMENT

The present study is proposed to study and identify the factors which influence the investment decision of working women. Traditionally all future investment related decisions were taken men only but considering today’s scenario women are taking more decisions related to future investments than men. Financial behavior of men and women are different. Various studies have been conducted from time to time on analyse of investor’s behavior but very few studies have been conducted specially with reference to women. In view of this, there is an ample scope for a new study to analyze and study women’s latest behavior and perception.. A study from women’s’ perspective about the factors affecting their investment decision is necessary to update the knowledge. Scope The purpose of the study is to find out the factThe wide spread interest in financial market of women are increasing day by day. It is not the time left where women are just looking for house chores. The most empowered women in the developing economies like India are well educated with financial markets and allied investment tactics. So women in every house have taken over many financial matters over men.

OBJECTIVES OF THE STUDY

- To identify the various factors influencing investment decisions.
- To evaluate the safety opinion of individual investor regarding their investment avenue.

METHODOLOGY OF THE STUDY:

The study is based on a Descriptive research design and primary data has been collected through a well-structured questionnaire from 150 women investors. Also, the study is based on secondary data which is collected from trading websites, journals, articles, books, and annual reports.

SAMPLING

Sampling frame:	For this study sampling unit is working women and includes women investors.
Sample technique:	Non-probability convenient sampling technique and random sampling.
Research instrument:	Structured questionnaire
Sample size:	150 respondents

TOOLS FOR DATA ANALYSES

For analysis of data frequency tables & pie-chart has been used. The coding of the questionnaire is done by the Excel and SPSS software.

LIMITATION FOR THE STUDY:

- The respondents were also biased in giving their opinion.
- The availability of time at the disposal of the researcher has also acted as a limitation in making an in-depth and exhaustive study.
- The study is limited to kamrej city only.

SCOPE FOR FUTURE RESEARCH

The need for the present study and its significance is further reflected in the research problem and the objectives addressed by the present study. However the most important reasons for conducting this research are numerous. Thus, the study addresses the need that exists for research on examining the different factors influence the women investors. Further study is focusing on demographic profile of the women investors which helps financial advisors and brokers to study it and serve their needs accordingly. The purpose of the study is to find out the factors which influence the investment decision of working women. It is a perceptual study and data has been collected from 100 investors only from kamrej city.

HYPOTHESIS

H0: There is no significance relation between Age and risk & return of working women in kamrej city.

H1: There is a significance relation between Age and risk & return of working women in kamrej city

H0: There is no significance relation between Income and risk & return of working women in kamrej city

H1: There is a significance relation between Income and risk & return of working women in kamrej city

DATA ANALYSIS

A significance relation between Age and risk, return factors of women investor in kamrej city.

H0: There is no significance relation between Age and risk of working women in kamrej city.

H1: There is a significance relation between Age and risk of working women in kamrej city.

STATEMENT	CHI-SQUARE VALUE	P VALUE	ACCEPT /REJECT
I can absorb more risk than an average investor	16.760	0.401	A
I prefer to invest in risky avenues, if it shows positive performance.	12.519	0.708	A
I prefer credible banker or intermediary for financial Services.	16.529	0.417	A
My risk appetite increases if I get expected returns.	18.786	0.280	A

- The p-value (0.401) is much greater than 0.05, so there is no statistically significant evidence to reject the null hypothesis (H0). This suggests no strong relationship or pattern in the data regarding the willingness to absorb more risk than the average investor.
- With a p-value of 0.708 (also greater than 0.05), we fail to reject H0. This indicates no significant evidence to support a strong preference for investing in risky avenues based on positive performance.
- The p-value (0.417) is greater than 0.05, so we fail to reject H0. This implies there is no significant evidence that preference for credible financial intermediaries has a meaningful association in this context.
- With a p-value of 0.280, we again fail to reject H0. This suggests no significant evidence that expected returns have a measurable effect on increasing risk appetite.

H0: There is no significance relation between Age and return of working women in kamrej city.

H1: There is a significance relation between Age and return of working women in kamrej city

STATEMENTS.	CHI-SQUARE VALUE	P VALUE	ACCEPT/ REJECT
I am ready to take higher risks for the opportunity of higher returns.	18.442	.299	A
I believe that past performance is a good indicator of future returns.	8.986	.914	A
I like to invest in government securities to lower risk.	10.923	.814	A
I consider returns as a factor while taking investment decisions.	23.21	.108	A

- The p-value (0.299) is greater than the typical significance threshold (0.05). This implies that the association between the variables related to statement I am ready to take higher risks for the opportunity of higher returns is not statistically significant.

- The p-value (0.914) is much higher than 0.05, indicating no significant relationship or association for this belief I believe that past performance is a good indicator of future returns for this statement
- With a p-value of 0.814, there is no statistical significance in the relationship regarding preference for government securities with statement I like to invest in government securities to lower risk.
- The p-value (0.108) is slightly closer to the threshold but still not statistically significant. There is insufficient evidence to suggest a strong relationship I consider returns as a factor while taking investment decisions.

H0: There is no significance relation between income and risk of working women in kamrej city.

H1: There is a significance relation between Income and risk of working women in kamrej city

STATEMENT	CHI-SQUARE VALUE	P VALUE	ACCEPT /REJECT
I can absorb more risk than an average investor	7.130	.523	A
I prefer to invest in risky avenues, if it shows positive performance.	2.862	.943	A
I prefer credible banker or intermediary for financial Services.	5.769	.673	A
My risk appetite increases if I get expected returns.	4.236	0.835	A

- The p-value is 0.401, which is greater than the commonly used significance level (e.g., 0.05 or 0.01). Since the p-value is greater than 0.05, we fail to reject the null hypothesis. There is no significant association between age groups and their responses to the statement. This means that the likelihood of individuals agreeing, disagreeing, or remaining neutral on this statement does not vary significantly across different age groups.
- A p-value of 0.708 indicates no significant relationship, as it's much greater than 0.05.
- With a p-value of 0.417, there is no significant relationship between this statement and the categorical variable.
- A p-value of 0.280 indicates that the relationship is not statistically significant.

H0: There is no significance relation between income and return of working women in kamrej city.

H1: There is a significance relation between income and return of working women in kamrej city

STATEMENT	CHI-SQUARE VALUE	P VALUE	ACCEPT/ REJECT
I am ready to take higher risks for the opportunity of higher returns.	15.899	.044	R
I believe that past performance is a good indicator of future returns.	3.455	.903	A

I like to invest in government securities to lower risk.	10.541	.229	A
I consider returns as a factor while taking investment decisions.	5.775	.672	A

- The p-value (0.044) is less than 0.05, indicating statistical significance. This means there is sufficient evidence to reject the null hypothesis (H0) and conclude that a significant relationship exists regarding willingness to take higher risks for higher returns.
- The p-value (0.903) is much greater than 0.05, indicating no significant relationship. We fail to reject H0, suggesting there is no evidence that believing past performance is a good indicator is statistically meaningful.
- The p-value (0.229) is greater than 0.05, indicating no significant relationship. We fail to reject H0, suggesting no evidence of a strong preference for investing in government securities to lower risk.
- The p-value (0.672) is greater than 0.05, so there is no significant relationship. We fail to reject H0, indicating no evidence that returns are a major factor in investment decisions.

CONCLUSION

This suggests that some individuals are indeed more likely to take higher risks for potentially higher returns. Risk appetite is an important factor in this scenario. "I like to invest in government securities to lower risk" and "I prefer credible bankers or intermediaries for financial services" also showed no significant relationship, meaning risk aversion behaviors do not strongly correlate with these preferences. "I consider returns as a factor while taking investment decisions did not show significant evidence, meaning returns may not be the sole driving factor for investment decisions. The significant finding regarding willingness to take higher risks for higher returns highlights that risk appetite may be a critical differentiating factor among investors. Most other factors, such as preferences for safe investments (e.g., government securities) or the influence of past performance, do not appear to show statistically significant relationships. This suggests that investment behavior may be influenced by other unmeasured factors, such as personal financial goals, knowledge, or external advice. The data suggests that risk tolerance is the only statistically significant factor among the variables tested. Other factors like past performance, government securities, or reliance on intermediaries do not show strong relationships, indicating that investment decisions may depend on more complex or personalized factors not captured in this analysis.

RECOMMENDATION

The study observed that factors affecting the investment decision of working women and the women are not aware few about some investing. However, when the risk is taken the women become dependent. Then the study shows that the impact of factor affecting and risk on investment decision of working women were found statically significant. So, recommendation is awareness campaign should be organized by Banks, NBFC and Investment companies to educate the investors. Time to time seminars, right saving habit and stop spending money on heavy luxurious life style and preferring the normal living standard and it is evident that women are risk averse and not ready to take much risk.

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