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A Study of Investment habits of Professional Women in Indore city

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Abstract

The research study is based on the micro economic approach of estimating the responses of the respondents i.e. professional women towards their investment pattern in Indore city. The motive of the study was to determine the relationship between the income and level of savings and socioeconomic features of respondents. The study was done on the different professional women from different sectors of industry. The data were collected by distributing a structured questionnaire to 480 professionals belonging to diversified fields in Indore city. In spite of low income the respondents have been saving for future needs. The major impact on savings is due to the level of income of the respondents. The research shows that the age, yearly savings and expected return on investments have significant relationship.

Keywords: Annual income, Annual savings, Investment, professional women , expected rate of return

Introduction

Investment means deployment of time, energy, or other resources to earn profitable returns in the form of interest, income, or appreciation of the instruments. From the view point of economics, investment is the accumulation of newly produced entities such as inventories, equipment, buildings etc. On the other hand, finance experts treat investment as purchase of asset with the expectation of profits and/or capital appreciations (Hassett, 2008). An investor is a person who distributes the capital with the expectation of financial return. Investment behavior depends on the mindset of investors. Every investor desires his/her hard earned savings to be invested in a highly secured, lucrative, and liquid sector. The study mainly focuses on the perception of female investors towards savings objectives, investment risk, and popular investment choices. Savings and investments are correlated. Savings creates new investments and benefit the economy in the long run by improving

the standard of living. As an investor, and a woman, ensuring financial stability is as important as other roles in life. Today's women have more earning capacity and potentialities over financial decisions than ever before. Women control majority of purchase and investment decisions in the family. To ensure a secured life for a woman, she needs to involve herself in investment decisions. Women work for financial liberty and to assist family financially. They save out of their earnings for investment purposes. It is true that men and women are not equal when it comes to investment. Women do not get sufficient time to work like men and earn less and therefore invest less than men, whereas they live longer than men. So, women compulsorily need to invest to offset the gap of earnings. Married women actively participate and play leading role in managing domestic finances.

Literature Review

Parimalakanthi and Kumar (2015), The study revealed that the average level of investment behaviour was found among the respondents and the investment behaviour was found better at the time of investment as compare to before investment and post investment. The pre-investment behaviour came out as a significant factor influencing the overall investment behaviour of the investors taken as sample for study.

Javed I.B.& Qamar A.Q.(2014),studied that the job-holder women are now becoming aware of making investment in shares mutual funds, insurance and fixed deposits, but , the aged women prefer investment in the real estate. Expectation from high rate and ratio of return on investment play a vital in investment decisions by working class of women in case Pakistan specifically. Because the domestic savings are major source of the investment, on the other hand foreign saving is not effective for investment in Pakistan.

Vasagadekar (2014), most of the women are low in financial literacy, it becomes hardly possible for them to manage their portfolios on their own. The risk bearing capacity of working women in India is low due to lack of financial knowledge. Most of the women are long term investors. Working women professionals monitor their investment regularly and they are less dependent on husbands for making investment decisions.

Dhadhal (2014), the analyses, majority of working women in Rajkot , purchase life insurance policies only to save money and not to save income tax.. working women buy life insurance with the objective to protect their families. Wealth Appreciation is by far the least preferred reason for investment in life insurance which suggests that financial literacy is less and capital appreciation of

their investments as an objective to invest is still not in their priority list. There is no significant relationship between the purpose of investment in life insurance by working women and their age

Objectives of the Study

1 To examine the savings and investment pattern of professional women.

2 To study the association between the personal socioeconomic variables and savings and investment behaviour of professional women.

Hypothesis of the Study

These are the examined hypothesis in the study.

H1 = There is no significant association between age and income of professional women.

H1a = There is significant association between age and income of professional women.

H2 = There is no significant association between income and savings of professional women.

H2a = There is significant association between income and savings of professional women.

H3 = There is no significant association work experience and expected rate of return from investments.

H3a= There is no significant association work experience and expected rate of return from investments.

Methodology

The research study is based on both primary and secondary data. Primary data has been collected by conducting a survey among 480 samples of professional women of Indore city through structured questionnaire.

Primary data has been used in the study collected through structured questionnaire. The questionnaire was divided into three sections. The first section contains questions relating to socioeconomic characteristics of the respondents and the second section consisted of questions related to investment habits and third section was related to the factors influencing investment decisions which were examined by the researcher personally.

The secondary data have been collected from books, journal, newspaper, periodicals, reports, internet and published and unpublished thesis.

Sampling Design

For the purpose of research 480 working professional women from Indore city were selected. Non probability Convenient sampling method was adopted.

Statistical Tools Used for the Analysis The following statistical techniques had been applied depending on the nature of data collected from the respondents, Percentage analysis, descriptive analysis and chi square test. The reliability of the data in this study was analysed using Statistical Package for Social Sciences (SPSS v 21.0). For analyzing the data collected during the investigation, the following statistical values were used according to the relevance of its application.

Data Analysis

H1 = There is no significant association between age and income of professional women.

H1a = There is significant association between age and income of professional women

Table No.1: Age and Annual income

Age of the respondent		Annual income				Total
		below 200000	200001-400000	400001-600000	600001 & above	
20-30 years	Count	79	65	31	12	187
	Expected Count	50.3	62.3	44.8	29.6	187.0
30-40 years	Count	41	61	40	17	159
	Expected Count	42.7	53.0	38.1	25.2	159.0
40-50 years	Count	6	26	22	25	79
	Expected Count	21.2	26.3	18.9	12.5	79.0
50-60 years	Count	3	8	11	16	38
	Expected Count	10.2	12.7	9.1	6.0	38.0
above 60 years	Count	0	0	11	6	17
	Expected Count	4.6	5.7	4.1	2.7	17.0
Total	Count	129	160	115	76	480
	Expected Count	129.0	160.0	115.0	76.0	480.0

Table No.2: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	109.066 ^a	12	.000
Likelihood Ratio	114.370	12	.000
Linear-by-Linear Association	90.125	1	.000
N of Valid Cases	480		

Inference: The **chi square test** result shows that the significance value is **0.000** which is less than the level of significance i.e. **0.05**. Hence Null Hypothesis is rejected. It proves that there is significant association between age and income by the respondents.

H2 = There is no significant association between income and savings of professional women.

H2a = There is significant association between income and savings of professional women.

Table No.3: savings per annum And Annual income

Savings Per Annum		Annual Income				Total
		Below 200000	200001-400000	400001-600000	600001 & Above	
Below 100000	Count	115	72	13	9	209
	Expected Count	56.2	69.7	50.1	33.1	209.0
100001-200000	Count	12	76	50	14	152
	Expected Count	40.9	50.7	36.4	24.1	152.0
200001-300000	Count	2	12	38	19	71
	Expected Count	19.1	23.7	17.0	11.2	71.0
300001 & Above	Count	0	0	14	34	48
	Expected Count	12.9	16.0	11.5	7.6	48.0
Total	Count	129	160	115	76	480
	Expected Count	129.0	160.0	115.0	76.0	480.0

Table No. 4: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	322.449 ^a	9	.000
Likelihood Ratio	322.910	9	.000
Linear-by-Linear Association	224.561	1	.000
N of Valid Cases	480		

The **chi square test** result shows that the significance value is **0.000** which is less than the level of significance i.e. **0.05**. Hence Null Hypothesis is rejected. It proves that there is significant between annual savings and annual income of the respondents.

H3 = There is no significant association work experience and expected rate of return from investments.

H3a= There is no significant association work experience and expected rate of return from investments.

Table No.5: Work experience and Expect rate of return from investments (Annual)

Years Of Work Experience		How much return Expect from your investments (Annual)				Total
		5 %	5-10%	10-15%	15 % & above	
0-5	Count	37	83	42	37	199
	Expected Count	28.2	76.7	61.4	32.8	199.0
6-10	Count	17	40	41	10	108
	Expected Count	15.3	41.6	33.3	17.8	108.0
11-15	Count	2	34	26	14	76
	Expected Count	10.8	29.3	23.4	12.5	76.0
16-20	Count	4	8	17	6	35
	Expected Count	5.0	13.5	10.8	5.8	35.0
	Count	8	20	22	12	62
	Expected Count	8.8	23.9	19.1	10.2	62.0
Total	Count	68	185	148	79	480
	Expected Count	68.0	185.0	148.0	79.0	480.0

Table No. 6: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.173 ^a	12	.002
Likelihood Ratio	35.644	12	.000
Linear-by-Linear Association	6.240	1	.012
N of Valid Cases	480		

Inference: The **chi square test** result shows that the significance value is **0.002** which is less than the level of significance i.e. **0.05**. Hence Null Hypothesis is rejected. It proves that There is no significant association work experience and expected rate of return from investments.

Conclusion

The economic progress of this county cannot be achieved without active participations of women. Working environment for women has improved over the last several decades with the development of a few number of industries like finance, healthcare, law, bank, education etc. Women in India demonstrate a remarkable excellence in most of the fields like business, education, science, politics, research, entrepreneurship etc. against various social barriers and religious decrees. Appropriate initiatives as recommended in the above section and positive attitudes toward women can free this country from poverty, superstitions, and social challenges. Professional women economize their

knowledge and experience through their professions. More dynamic, convenient, flexible, and financially attractive investment opportunities could fetch better response from the existing and potential working professional women. The insatiable quest for savings and growing interest for investment of women may properly be utilized to gear up the economic development.

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