

A Study on Short and Long-term Investment Decision-making among Working Women in Education Sector

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Abstract

India is one of the fast-growing economies and an encouraging market for businesses worldwide. We have majority of our funds still locked in unorganized sector and are still being ruled by non-banking habits, informal lending and borrowing. Women have been taking roles and forging ahead in many industries. Women have become financially independent and play a great role in the economy of investments and savings. It is imperative to understand their short term and long-term Investment Decision Making. The present study would help understand the investment decision making behaviour of working women in education sector. The present study attempts to understand the factors which influence short term and long-term investment decision making and the preference of financial instruments. The study also attempts to study relationship between demographic and socio-economic factors and investment decision making. The study would try to focus on understanding the preference for new instruments by working women. The study would be conducted for a sample of 203 working women from education sector at Hyderabad. The paper uses primary sources of data. The statistical tools used are chi square, Cross Tabulation and Cramer's V. The study would add to the existing body of knowledge. Informed Investment decision making for short and long term would help grow our economy and get good returns also.

Keywords: Working Women, Investment Decision Making, Economic Independence

Introduction

An investment is essentially an asset that is created with the intention of allowing money to grow. Investments are all about putting one's savings into assets or objects that become worth more than their initial worth or those that produce an income with time. Investment is concerned with purchase of either financial assets such as stocks, bonds, etc. or tangible assets such as real estate, gold, investment in precious metals. Every investor intends to make wise and optimal investment decisions based on their knowledge. Traditional Finance preaches that investors are rational and risk averse. They accept higher levels of risk than their appetite only when offered extra return.

Women have forayed into various areas and making their presence felt in many businesses. They make almost half of the workforce. Many factors have contributed to the growth in middle class working women. A profound and holistic change had been observed in the economic condition of women in recent past. Women have more earning potential and gained financial independence. Earning money is only one aspect of financial independence. The other important aspect of it is to be able to invest effectively and wisely. A woman should be able to take informed decisions regarding investments and plan for long run. Today, working women give due emphasis to the need of investing. They are starting investing at an early age to reap the benefits of long-term investments in the form of higher returns. The uncertainty in the environment and emergence of new risks and economic conditions necessitate women to focus more on their finances. Good investment decision making requires knowledge and skill. The changing financial environment, introduction of new asset classes, forces an investor to understand the new conditions, adapt themselves to new instruments and take a wise decision.

Proper investment decision making not only protects the current financial resources but also helps to plan for unforeseen conditions in the future. With the increasing participation of women in investment decision making, it is imperative to understand the investment decision making of working women. The current study is conducted to understand the preference of various short and long term investment avenues of working women. The study also tries to understand the factors they look for while investing, and the sources of information used by them for both short and long term investment decision making.

Review of Literature

Rathod, Pralhad & K R, Jaya. (2021). A Review on Investment behavior and Decisions. Recent trends in Management and Commerce (pp.26-31).10.46632/2/1/6.

The study focussed on how investors judge, predict, analyse and review practices of Investment behaviour. The study concluded that Investment behaviour is based on uncertainty about the future and is thus risky. The speed and availability of news rumours and information play an important role in investment markets. Danger pursuit, risk aversion And attitude are key concepts and interpretations of venture conduct.

Sanjeevani G & Haya A M (2020). Investment Behaviour of working women in India. *Academy of academy and financial Studies journal*, Volume 24. issue 3.

The study focused on the social and financial characteristics of working women and the investment behaviour of working women such as their risk-taking ability, type of investment preferred, expected return on investment, preferred source of investment and portion of income invested. It was found that working women were mostly aware about bank deposit as Investment Avenue & also preferred bank deposit option for investment. Majority of working women invested due to reason of safety & security for the family. Most of them were influenced by their own instinct & mostly selected safety option as their investment avenue.

Rajalakshmi, R & Sushmitha ,K(2020). A Study on Investment Pattern of Working Women in Chennai. *International journal of innovative research in technology*. Volume 6 Issue 11.

The study focussed on the factors that influence working-women to invest and their awareness level of working women about various investment opportunities. Another objective was to understand the most preferred investment option among working women. Majority of the respondents are found to be well aware of bank fixed deposits, Provident fund, post office savings and bullion (gold/silver). But their awareness regarding real estate, mutual funds and share, bonds, debentures and money market instruments are found to be dull. 46.92% of the respondents prefer medium term investment which is for 2 to 4 years.

Batra, K., & Kumar, V. (2018). Indian Individual Investor Behaviour: a Model Based Study to Meet Sustainable and Inclusive Growth. *World Review of Entrepreneurship, Management and Sustainable Development*, 14(6), 705-716.

The study investigates the contextual and psychological factors influencing individual investor's decision making in the currently volatile and emerging Indian investment market. Primary information was collected through a multi-segment questionnaire. The questionnaire was employed to measure individual investor biases, contextual attributes influencing investment, and financial satisfaction. Responses were obtained from 384 individual investors of Chandigarh, Panchkula, Mohali region and a model was thus developed using exploratory factor analysis and structural equation modelling to show the impact of psychological factors and contextual factors on financial satisfaction. It was concluded that investors employ diverse criteria when choosing investments. There appear to be at least six relatively homogenous groups of variables that influence individual investor behaviour. The six contextual factors and 11 psychological biases tend to influence financial satisfaction to the extent of 13% only.

Bansal, Gautam. (2017). Inclination Of Working Women Towards Investment-Study Of Preference Over Various Investment Avenues In Ludhiana.

The study focussed on investment preferences, habits and knowledge of investment tools. The study was conducted on working women from Banking, Insurance and Education sector of Ludhiana. The sample size was 100. The study found that majority of working women prefer to spend their 10%-25% income in financial investment options. Majority of the women are of the opinion that returns and long term growth are the most important factors to be considered while taking investment decisions and capital appreciation is the major reason. There is a negative correlation between the age and knowledge level of working women and awareness is mostly contributed by newspapers and discussion among peers. Working women prefer to invest their income in bank deposits, followed by mutual funds and insurance. Gold is also the major preferred tool among working women. Equity, Bonds/Debentures, Real Estate are the least preferred tools among women respondents to find awareness and knowledge about investments tools.

Mathuraswamy.P.(2017). Investment decision making style in Indian equity Market. Ph.D. Thesis. Anna University.

The study aimed at exploring the relationship between determinants like intuition, economic analysis, emotion, frame of reference, financial analysis, risk aversion on Investment Decision Making Style. Convenience sampling was used. Chi square, One way Anova, Multiple Linear Regression and PLS-SEM were used. There is no variation in the factors influencing investment decision making styles across different demographic categories of investors. There is no significant relationship between each of the determinants of investment decision making styles and the demographic factors. The chi-square test for the relationship between the factors determining such as environmental analysis, economic analysis, financial analysis, emotion, intuition, frame of reference and risk aversion as the independent variables and the dependent variable such as investment decision making styles show that there is no significant relationship.

Sharma, A., & Douglas, J. (2017). Market research on factors influencing women's preferences in investment decision making. *International Journal of Management and Applied Science*, 3(8), 79-86.

The research was conducted in Singapore so as to obtain responses from the women on the preferences when making their future investments. The research is focused on extracting high quality quantitative and qualitative type of data. The surveys will offer insights about the responses and preferences of the women. It was found that recommendations from friends or family members is one of major sources where they rely before making a decision. Most of the women tend to open a savings account or invest in a specific insurance plan so as to ensure future safety. It was found that the pie-chart is able to depict that most of women look for cash back offers, travel discounts and coupons on shopping when they have to choose for debit/credit cards being offered by various banks.

V, Ramanujam & Thangaraj, Viswanathan. (2016). Determinants of investment behaviour among women executives. Third International Conference on Contemporary Issues on Management and International Technology (ICMIT), Kuala Lumpur, Malaysia.

The study focussed on women's investment pattern in the stock market and their mindsets. To analyse the investment decision making behaviour and its determinants among the investors. The present study has applied purposive sampling to select the samples. Hence the total sample size came to 360 women investors. The significantly influencing factors leading to investment decision making were safety and return. The highly viewed variable by the investors in LE are tax benefits and speculative value whereas by the investors in HE, these are transferability and liquidity.

Vasagadekar, P. (2014). A research paper on investment awareness among Indian working women with reference to Pune region. *International Journal of Scientific & Engineering Research*, 5(6), 59-73.

The study focussed on finding out the investment habits of the Indian working women and their role in making investment decisions. The investment avenues preferred and the risk bearing capacity was also studied. It has been observed strongly that 90% of the respondents rely on their husbands for taking investment decisions. And remaining 10% respondents take their investment decisions by themselves. It has been found out that 85% of the respondents don't possess detailed knowledge about all the financial instruments. Only 15% respondents have the sufficient knowledge about the financial instruments. It has also been noticed that 80% of the respondents don't read any financial newspaper. Only 20% respondents regularly read 'Economic Times' & 'Financial Express'.

Arti, G., Julee, J., & Sunita, S. (2012). Difference in Gender Attitude in Investment Decision Making in India. *Research Journal of Finance and Accounting*, 2, 1-6.

The objective of this study is to study the differences in the Investment Decision Making (IDM) process between female and male investors. In this study, chi-square test has been applied as statistical tool. The findings of this study are higher level of awareness for males than females for different investment avenues and Female investors tend to display less confidence in their investment decisions and hence have lower satisfaction levels.

Research Gap

The present study focusses on working women of education sector in Hyderabad. The study on select sector like education were not carried out. Majority of studies focussed on working women in general or working women from informal sectors. The study highlights both the short and long term investment decision making and investment avenue preferences and influencing factors. Majority of the other studies focussed on investment decision making attributes in general. The present study also attempts to understand the awareness on new asset classes which has not been a part of the earlier studies.

Objectives of the Study:

- To study select Investment parameters of respondents.
- To analyse the preference of Investment avenues for short and long term.
- To analyse the sources of information that influence the short and long term investment decision making.
- To study the preference of respondents of new asset class as an investment option.

Methodology:

The study is descriptive and empirical in nature. Close ended structured questionnaire was used. Convenience Random sampling was used. Sample unit was faculty member working in Degree or PG colleges in Hyderabad. The sample size was 203. The questionnaire had questions on demographic and socio economic factors. The questions were all multiple choice. 5 point Likert scale was used. Cross tabulation and weighted mean model is used for analysis of data.

Data Analysis

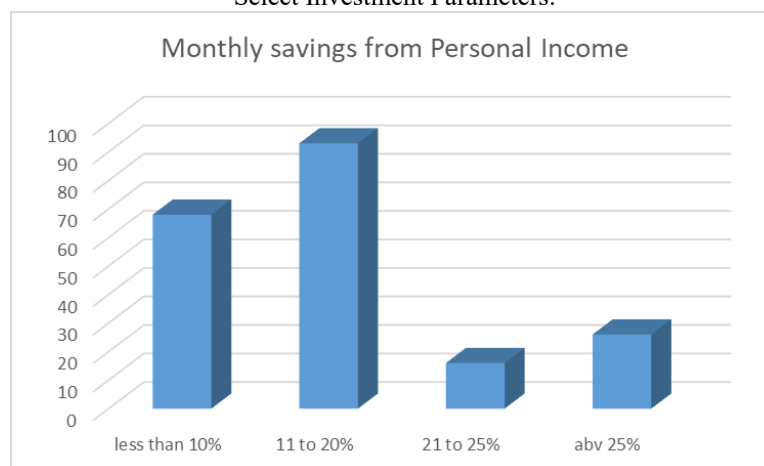
Table 1: Summary of Socio Demographic Variables

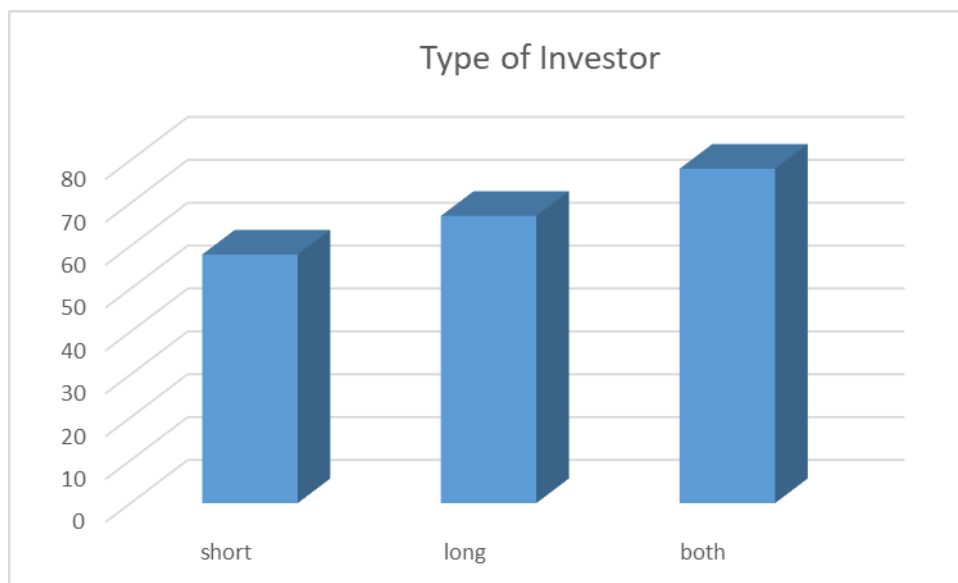
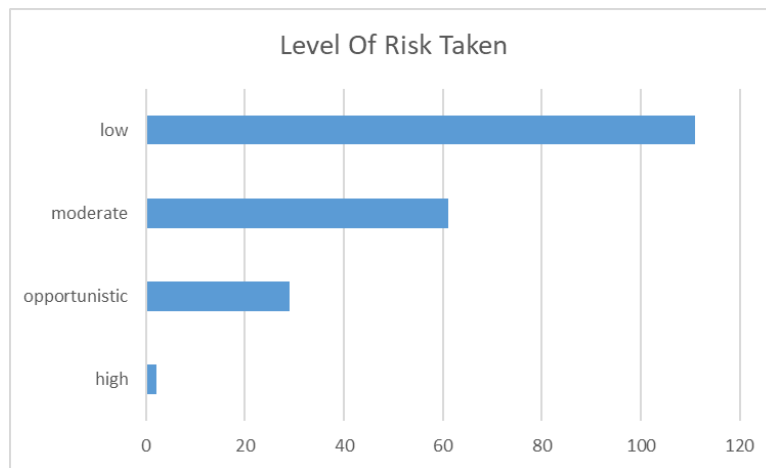
Variable	Group	No. of Respondents	% of Respondents
Age Group	21-30	31	15.27
	31-40	93	45.81
	41-50	56	27.59
	Above 50	231	11.7
Marital Status	Single	31	15.27
	Married	161	79.31
	Divorcee	9	4.4
	Prefer Not to Say	2	1.02
Educational Qualification	PG	151	74.38
	Doctorate	52	25.61
Stream of	Commerce & Management	100	49.26

Education	Science	63	31.03
	Law & Arts	40	19.7
Work Experience	Below 5 Years	55	27.09
	5 to 10 Years	58	28.57
	10 to 15 Years	39	19.21
	Above 15 Years	51	25.12
Annual Income	1.5 to 5 Lakh	172	84.72
	Above 5 Lakh	31	15.27
Work Position	Entry	55	27.09
	Middle	125	61.57
	Higher	23	11.33
Native Place	Rural	54	26.6
	Semi-urban	36	17.73
	Urban	113	55.66
Financial Literacy Skills	Self	97	47.78
	Parents / Spouse	93	45.81
	Family Lineage	13	6.4
Monthly Savings	Less than 10%	68	33.5
	11 to 20%	93	45.81
	21 to 25%	16	7.89
	Above 25%	26	12.8

Source: Primary data

Select Investment Parameters:





Source: Primary Data

Ranking of Preference of short-term Investment Options

Investment Avenues	Rank 1	In (%)	Rank 2	In (%)	Rank 3	In (%)	Rank 4	In (%)	Rank 5	In (%)	Rank 6	In (%)	Rank 7	In (%)	Rank 8	In (%)
Bank FD	134	66	12	6	25	12.1	18	9	0	0	0	0	8	4	6	2.9
MF/ESG	29	14.2	62	30.3	18	9	27	13.4	37	18	14	7	16	8	0	0
Stocks & Shares	10	5	31	15.2	49	24.2	24	11.6	30	15	18	9	6	3	34	17
Chits	8	4	32	16	24	12	49	24.2	25	12	31	15	31	15	3	1.48
Precious Metals	12	6	39	19	39	19	30	15	41	20	24	12	14	7	4	2
Real Estate	12	6	18	9	43	21.1	31	15.1	18	9	37	18	37	18	6	3
Derivatives	6	3	6	3	0	0	12	6	31	15	43	21	68	33	37	18.2
Crypto Currency	0	0	6	3	6	3	6	3	18	9	37	18	25	12	105	51.5

Source: Primary Data

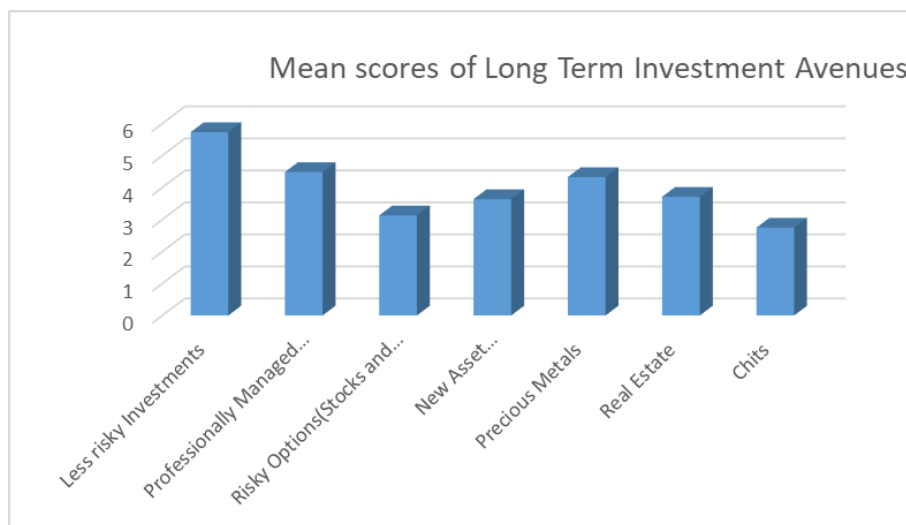
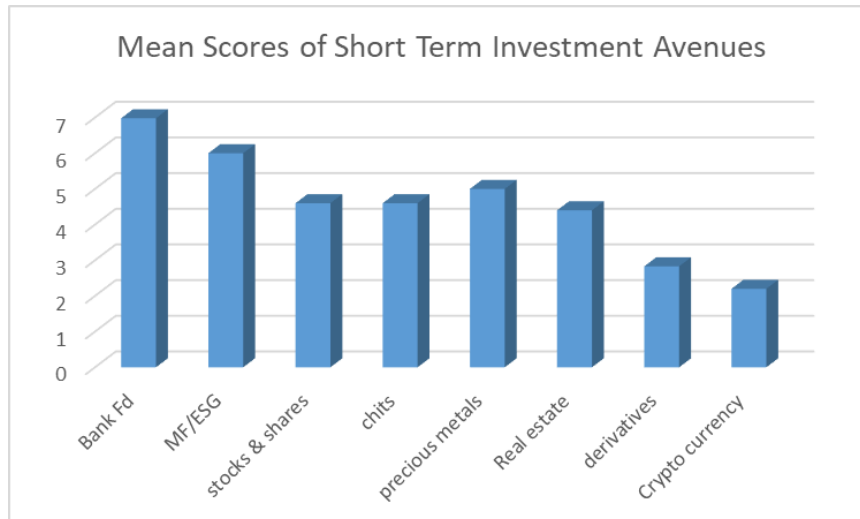
Ranking of Preference of Long-Term Investment Options

Investment Avenues	Rank 1	In (%)	Rank 2	In (%)	Rank 3	In (%)	Rank 4	In (%)	Rank 5	In (%)				
Less Risky Investments	92	45	49	24.2	24	12	6	3	25	12	0	0	6	3
Professionally Managed Instruments	37	18.2	67	33	18	9	6	3	12	6	37	18	25	12
Risky Options (Stocks and Shares, Derivatives)	0	0	18	9	49	24.2	18	9	31	15	31	15	55	27

New Asset Classes (Sovereign Gold Bonds, Green Bonds, ESG Funds)	6	3	6	3	49	24.2	62	30.3	25	12	37	18	18	9
Precious Metals	31	15.2	37	18	12	6	43	21.2	55	27	18	9	6	3
Real Estate	18	9	6	3	37	18	49	24	30	15	57	28	6	3
Chits	18	9	18	9	12	6	18	9	25	12	53	26	10	5

Source: Primary data

Preference of Investment Avenues-Mean Scores



Source: Primary Data

Influencing Sources: Short -Term

	Most Significantly Influence	In (%)	Significantly Influence	In (%)	Neutral	In (%)	Influence	In (%)	Least Influence	In (%)
Information from Company: (Company’s website, Study of Annual reports)	92	45.3	31	15.3	43	21.18	18	8.87	19	9.4
Technical Analysis/Market Trends	61	30	74	36.5	37	18.24	13	6.4	18	8.9
Media: (Company’s Tele-marketers, Publication in the news papers & Electronic media, Influencers via Social	62	30.6	55	27.1	49	24.14	31	15.3	6	3

Media)										
Professional Agents: (Conversation with Distributors/agents of financial product, Financial advisors/Broker and analyst’s recommendation)	31	15.3	55	27.1	98	48.28	12	5.91	7	3.5
Family & Friends: (Family Members, Friends and Relatives, Conversation/Exchanges of views with professional colleagues)	43	21.2	86	42.4	37	18.23	37	18.2	0	0

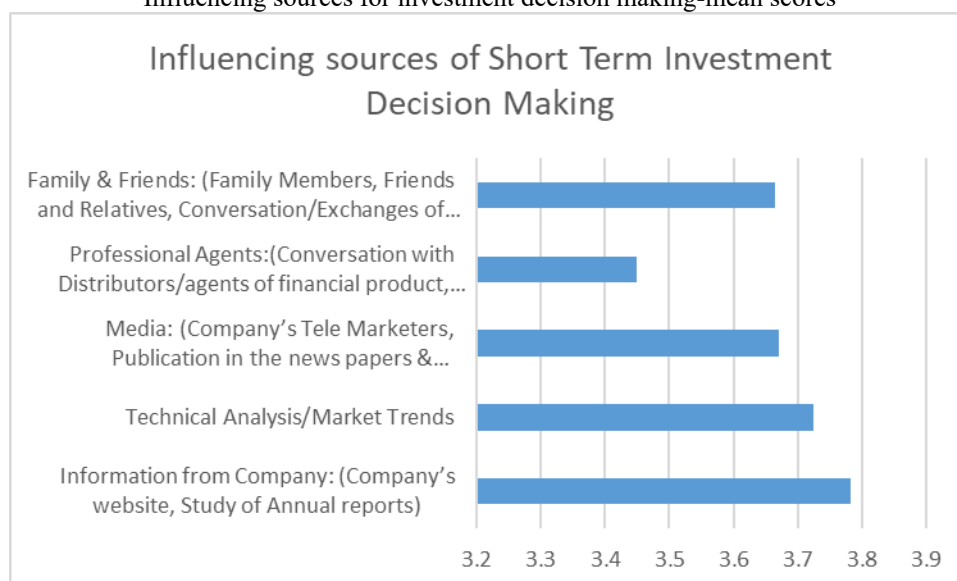
Source: Primary Data

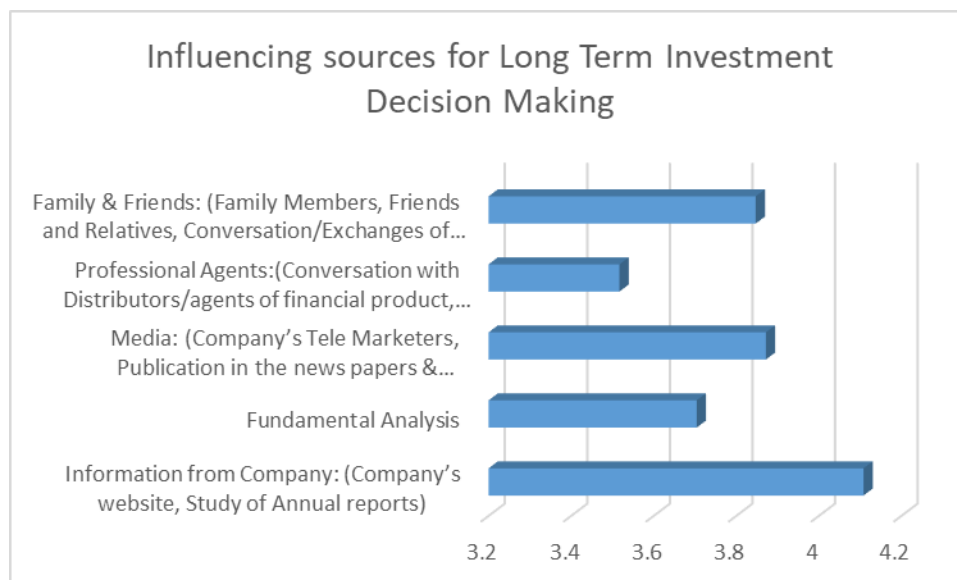
Influencing Sources: Long -Term

	Most Significantly Influence	In (%)	Significantly Influence	In (%)	Neutral	In (%)	Influence	In (%)	Least Influence	In (%)
Information from Company: (Company’s website, Study of Annual reports)	105	51.7	49	24.1	24	11.82	16	7.88	9	4.4
Fundamental Analysis	31	15.3	111	54.7	43	21.18	6	2.96	12	5.9
Media: (Company’s Tele-marketers, Publication in the news papers & Electronic media, Influencers via Social Media)	86	42.4	49	24.1	43	21.18	6	2.96	19	9.4
Professional Agents:(Conversation with Distributors/agents of financial product, Financial advisors/Broker and analyst’s recommendation)	43	21.2	80	39.4	37	18.23	25	12.3	18	8.9
Family & Friends: (Family Members, Friends and Relatives, Conversation/Exchanges of views with professional colleagues)	68	33.5	73	36	31	15.27	25	12.3	6	3

Source: Primary Data

Influencing sources for investment decision making-mean scores





Source: Primary Data

Preference of New Asset Class:

Preference	Rank 1	In (%)	Rank 2	In (%)	Rank 3	In (%)	Rank 4	In (%)	Rank 5	In (%)	Rank 6	In (%)	Rank 7	In (%)
New Asset Classes (Sovereign Gold Bonds, Green Bonds, ESG Funds)	6	3	6	3	49	24.2	62	30.3	25	12.1	37	18.2	18	9

Source: Primary data

Findings

- Majority of the respondents are in the age group of 31 -40 years. The educational qualification is PG and majority of respondents are married. Majority of respondents are from Urban background
- Majority of the respondents prefer long term investments compared to short term.
- 11 to 20 % of personal salary goes to savings
- Majority of the respondents are low risk takers i.e. around 57.14% of respondents are low risk takers.
- The three most preferred short-term instruments are Bank FD, Mutual Funds and Precious Metals
- The three most preferred long-term instruments are less risky instruments, professionally managed funds and precious metals
- Company Information, Market Trends and Family & Friends are the major sources of Information for short term investments
- Company Information, Family & Friends and Media are the major sources of information for long term investments.
- Fundamental analysis is not that widely known
- The new asset classes are not known. They are ranked in 3rd, 4th and 5th places in the order of ranking of investment options

Conclusion

Efficient investment decisions empower women and give them true financial independence. The study conducted tried to look at select investment parameters such as risk level, preference for short or long term and percentage of monthly savings. The study also tried to understand the investment preferences for short and long term. The source of information for taking investment decision was also focussed on for short and long term. The awareness on new asset class was also examined. The respondents were faculty members from Degree and PG Colleges in Hyderabad. It was concluded that respondents are low risk takers and the savings are in the range of 11 to 20%. The bank FD is the most preferred short term investment option and Bank FD or Mutual funds is the most preferred long term investment option. The sources of information which are considered to make investment decisions are Family & Friends, Media and Market Trends. The new asset classes are not well known. Informed decisions can be taken by understanding the financial instruments. Knowledge on market and basic parameters would strengthen the investment decision making.

Suggestions

- Awareness Sessions on New asset classes may be imparted for working women or media can be used to spread the concept of new asset classes.
- Training for working women may be conducted on financial markets and investment options present in the Economy.

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