



Saving and investment pattern of women investors in Himachal Pradesh

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Abstract

Woman is the mother of human being. The thought of the world is not possible without the woman. The society is now gender equality centric. Which are associated to give equal chances of earning opportunities to the women. Women are involved in financial decisions making in every where as to the men. The weaker ancient picture of a woman is not now. Investment is an unsolved puzzle for everyone which is not possible without saving. Saving is the residual part of disposable income. We cannot reject the financial need are one of the vital factor for a woman to be empowered. Women are contributing to their families and the nation. The present paper is women investor centric. Women are working and non-working but they have influence in the investment policy of a family in kind of suggestion and as a financial contribution. The main tests have been undertaken for testing demographic differences of women investors and to know the contribution of women investors in the investment policy of their family head that is considered a male head. The awareness level has also been tested. Some conclusions have been drawn on the basis of data analysis and there are some suggestions given by the researcher at the completion of the study. The sample of 200 respondents have been collected through of the Himachal Pradesh as per convenience of the researcher. Key words: chi square, ratio, awareness and financial contribution of women investors.

Keywords: saving, investment pattern, women investors

Introduction

The study of saving and investment pattern is the part of behavioural economics. Investment is a centric topic in economic research still in an economy. Because this tells us how a household behave while earning, spending, saving and then investing their savings in to a profitable investment avenues. Saving is a universal habit of people. Everyone wants to grow their financial status in the society. Saving is the only way to enhance financial growth. Saving in pocket cannot perform as well as it can perform after investing the saved money. Saving is an assurance for futuristic buying and spending needs. Whether it is kept aside into the bank or investing anywhere else. This paper is created in context of the influence of women in saving and investment behaviour. Women are engaged in home affairs of every Indian. Women are an integral body of a man. As per Indian philosophy a man is completed if accompanied by a woman. Therefore woman cannot be ignored in making financial or non-financial investment decisions of households.

Meaning

Saving

Saving is the excess of spendable income over one's spending. In other words savings are the money value of postponed consumptions. In fact spendable income shows the purchasing power it means one can spend their whole income at a time and nothing can be saved. Saving depend upon the habit of an individual to save some thing for their future use. For a while in studying the saving and investment behaviour both are considered as a same meaning.

Investment

Investment is the process of putting money into bank or

elsewhere to earn more money on that in terms of interest, dividend and profits. In broader sense saving is included in investment.

Review of Literature

Dr. Aparna Samudra, Dr. M.A. Burghate ^[1], A study on Investment Behavior of Middle class households in Nagpur ^[5], the study stated that the income are not only factor of influencing the choice of investment preferences but the age of the head of the households are also an influencing factor. The study concluded that there are different choice of investment avenues in different age groups of middle income class in Nagpur.

Morgan Stanley 2011 ^[2] conducted a survey on savings likely to bear brunt of inflation. According to the result of the survey, that Indian households are likely to cut back on consumption of grocery items to manage rising inflation and investors are likely to cut savings to manage inflation.

Das Sanjay Kanti ^[3], Asian Journal of Management Investment Behavior of Middle class Households-An Empirical Analysis (2012). The author had a study of investment behavior of middle class households of Nagaon district of Assam. The study reported that investment is one of the major issue of middle class families. The study revealed the saving and investment pattern of middle class households in Nagaon district of Assam that, considerable factor of investment is Bank deposits.

Sawhney (2007) ^[4] conducted a study on the changing saving pattern of youth. The study revealed that fixed deposits and post office schemes are not popular among youth. Security and safety are not a major criteria that determine the choice of investment. Tax saving is a reason behind investment by youth

Attri R (2012) ^[5] made an attempt to find out the spending and saving habits of youth. The study depicts the change in saving and spending habits of youth. There is a huge influence of peer group in the youth below 19 yrs while making purchase decisions. With the maturity of the respondents, this influence of family and friends decreases and makes an independent decision.

Subahsree Nayak ^[6], Determinants and Pattern of Saving Behavior in Rural Households of Western Odisha, May 2013 ^[7], the author stated that the consumption of the rural households are influenced by current fixed income and by income in future. The Study stated the problems relating to saving in rural poor communities, which are less income, more expenditure on consumption, large family, no saving opportunities, lack of availability of the banks.

Nelson, Steven and Chadwick C. Curtis ^[7], Demographic Patterns and Household Saving in China ^[8], the study concluded that the changing rate of saving and demographic features are inter-related. The paper explained, how the changes in China’s demographic profile affected its household saving rates. The study found that the working age of respondents was 20 yrs to 63 yrs. From the age of 50 to 63 people are still working but they don’t have any children living at home.

Aart Kraay ^[8] the World Bank, May 2000, Household Saving in China. The author found that for rural households, higher future income growth is associated with lower current saving rates, as households raise their consumption in anticipation of higher expected future income. The author has studied the impact of financial reforms in China (1978) and the increasing saving rates of households.

Allen C. Kelley ^[9] Population Pressures, Saving and Investment in Third World: Some Puzzles. The study has been published by the university of Chicago press in 2009. The author stated that the rapid population growth has an adverse effect on saving and investment, because the dependent population increases the expenditure on consumption which reduced saving and capital formation. As a result the capital to labour ratio fall due to less investment. Shukla R 2008 ^[10] conducted a study on savings of household. The study revealed that 83 per cent of households saved for emergency, while 81 per cent saved for children’s education, 69 per cent saved for old-age financial security, 63 per cent kept aside money to meet social ceremonies like marriage, birth etc. The study also found that 47 per cent of the households saved to buy or build a house and 22 per cent of the households saved to buy consumer durables.

Objectives of the study

1. To study the investment pattern of women investors.
2. To study the contribution of women in investment behaviour of a family.
3. To study the socio-demographic features of women investor.

Need of the study

Investment plays an important role in capital formation and in developmental activities. Women are now working in various sector e.g. fashion, art, teaching, physician, banks, insurance and business sector. Therefore this aspect of investment behaviour cannot be ignored. In Himachal

Pradesh the data relating to women are not so much studied as it should have been, the present study is focussed on women investors.

Scope of the study

Study area is Himachal Pradesh. The present study covers the income, consumption, saving and investment behaviour of women investors and the financial contribution of women investors. The study has also covered the socio-demographic factors of women investors in Himachal Pradesh.

Hypothesis testing

1. There is no relationships between demographic factors and awareness among investors.
2. There is no relationship between demographic features and contribution of women investors in their family’s investment plans.

Research Methodology

Sampling procedure

In the present study, data has been collected through schedule by using convenience method of sampling. 200 respondents has been taken randomly but keeping the view of women empowerment.

Data collection

The present study is based on primary data collected by researcher directly from the respondents through schedule, interview and personal observation as per the situation.

Schedule

A pre-programmed schedule has been designed to fulfil the objectives of the study and hypothesis testing.

Tools and techniques

- Mathematical percentages and Ratios.
- Chi square test.

Hypothesis Testing

There is no relationships between demographic features of woman investors and awareness among investors for various investment avenues.

a. Income wise awareness of women investors.

Observed frequencies

Table 1

Income Rs in Lacs	Aware	Unaware	Total
2,00,000-3,00,000	116(59.49%)	79(40.51%)	195
3,00,000-4,00,000	4(80%)	1(20%)	5
Above 4,00,000	0	0	0
Total	120(60%)	80(40%)	200

Source: Primary data collected through schedule.

Applying Chi square test: Chi square value = 0.854, table value for d.f V2 chi square0.05= 5.99. Since the table value is more than the calculated value. Hence the null hypothesis accepted. There is no significant relation between awareness and income of investors.

b. Age wise awareness of investors

Observed frequencies

Table 2

Age	Aware	Unaware	Total
25-35	20(40%)	30(60%)	50
35-45	38(63.33%)	22(36.67%)	60
45-55	41(79.92%)	16(28.08%)	57
Above 55	21(63.64%)	12(36.36%)	33
Total	120(60%)	80(40%)	200

Source: Primary data through schedule

Chi square = 12.31, V=3 at 0.05 table value =7.81. Chi square>P value, the null hypothesis rejected. There is significant relation between age and awareness.

c. Category wise awareness

Table 3

Awareness	Gen	SC	ST	OBC	Total
Aware	98(81.67%)	15(12.5%)	5(4.17%)	2(1.66%)	120
Unaware	42(52.5%)	20(25%)	10(12.5%)	8(10%)	80
Total	140(70%)	35(17.5%)	15(7.5%)	10(5%)	200

Source: Primary data through schedule

Chi square=21.23, for V₃ at 0.05 =7.81. Calculated value is greater than table value, hence null hypothesis rejected. There is relationship between Category of investors and awareness.

d. Occupation wise awareness of investors

Observed frequencies

Table 4

Occupation	Aware	Unaware	Total
Working	102(83.60%)	20(16.4%)	122
Non-working	18(23.08%)	60(76.92%)	78
Total	120(60%)	80(40%)	200

Calculated chi square=73.7, For V₁ at 0.05 chi square=3.84. Table value is less than the calculated value and hence hypothesis rejected. There is significant relationship between occupation and awareness of investors.

There is no relationship between demographic features and contribution of women investors in their family’s investment plans.

a. Age wise contribution of investor in their family’s investment policy

Observed frequencies

Table 5

Contribution	Age 25-35	35-45	45-55	Above 55	Total
Contributing	20(14.81%)	42(31.11%)	45(33.33%)	28(20.75%)	135
Not contributing	30(46.15%)	18(27.69%)	12(18.46%)	5(7.7%)	65
Total	50(25%)	60(30%)	57(28.5%)	33(16.5%)	200

Source: Primary data through schedule

Chi square =25.77, for V₃ at 0.05=7.81. Since calculated value of chi square is more than the table value, hence null hypothesis rejected. There is a significant relationship between age and investor’s contribution in family Investment policy.

b. Category wise contribution of women in family’s investment policy

Observed frequencies

Table 6

Contribution	Gen	SC	ST	OBC	Total
Contributing	90(66.67%)	23(17.03%)	12(8.89%)	10(7.41%)	135
Not contributing	50(79.92%)	12(18.46%)	3(1.62%)	0(0%)	65
Total	140(70%)	35(17.5%)	15(7.5%)	10(5%)	200

Source: Primary data through schedule

Chi square=6.14, for V₃ at 0.05 =7.81, Calculated value of chi square is less than the table value. And hence null hypothesis is accepted. There is no significant relationship between category of respondent and their contribution in family’s investment policy.

c. Occupation wise contribution of women in family’s investment policy

Observed frequencies

Table 7

Contribution	Working	Non-working	Total
Contributing	79(58.52%)	56(41.48%)	135
Not contributing	43(66.15%)	22(33.85%)	65
Total	122(61%)	78(39%)	200

Chi square =29.663, for V₁ at 0.05 =3.84. Since the calculated value is more than the table value. The null hypothesis rejected. There is a significant relationship between occupation and contribution of women in family’s investment programme.

d. Income wise contribution of women in family’s investment policy

Observed frequencies

Table 8

Contribution	2Lcs-3Lcs	3Lcs-4Lcs	Above4Lcs	Total
Contributing	132(97.78%)	3(2.22%)	0	135
Not contributing	63(96.92%)	2(3.08%)	0	65
Total	195(97.5%)	5(2.5%)	0	200

Chi square =0.7732 for V₂ at 0.05=5.99. Since the calculated value of chi square is less than table value, the null hypothesis accepted. There is a no significant relationship between income and contribution of women in their family investment programme.

Perception of investors while investing money

Table 9

Considerable factor	No. Of respondents	Percentage
Rate of return	52	26%
Safety	40	20%
Liquidity	80	40%
Tax benefits	18	9%
Capital appreciation	10	5%
Total	200	100%

Source: Primary data through schedule.

In the above table it is found that the large numbers of respondents are taking liquidity as a major considerable factor while making investment decision. Second largest numbers of respondents are taking rate of return as a considerable factor for making investment. Safety is considered by 20% of the respondents.

Annual saving of women investor

Table 10

Saving to the income in %	No. Of respondents	%(Percentage)
10-20	30	15%
20-30	37	18.5%
30-40	40	20%
40-50	60	30%
50-60	23	11.5%
Above 60	10	5%
Total	200	100%

From the above table this is found that ten women investors out of two hundred are saving more than 60% of their total income which is the highest. They are least in numbers that is 5% of the total respondents.

Large numbers of investors are saving 40-50 per cent of their total income. They are 60 in numbers and 30% in percentages. In above table least saving rate are 10-20%.15% of the total respondents are saving under 10-20% of their total income.

Most preferable investment avenues

Table 11

Investment Avenues	No. Of respondents	%
Bank saving account	62	31%
Bank fixed deposit	41	20.5%
Bank current Account	15	7.5%
Post office saving schemes	20	10%
LIC	18	9%
Live stock	17	8.5%
Real estate	2	1%
Stock market	0	0
Gold and silver	15	7.5%
Mutual funds	10	5%
Commodity market	0	0
Total	200	100%

Source: Primary data through schedule

From the above table this is found that 59% of respondents are connected to bank savings scheme collectively whether associated to Bank saving account, fixed deposits or bank current account. 10% respondents are connected to post office saving schemes. It is found that commodity trading and stock trading are not preferred by woman investors. Least preferred investment avenue is the real estate, that is preferred by 1% respondents in the study.

Findings, Conclusion and Suggestions

1. This is found in the study that there is a significant relationship of awareness about investment avenues and demographic features such as age, category, and occupation of women investors. But it is found that there is no relationship between income of women investors and awareness among women investors for various investment avenues.

- As per age of investors the most aware women investors fall under the age group of 45-55 that is 79.92% in counts. Similarly the least aware investors fall under the age group of 25-35 that is 40% of the total respondents fall under this age group.
- Most unaware investors fall under the age group of 25-35 that is 60% of the total of respondents fall under this age group.
- This is found in the study that the women’s financial contribution to their family’s investment plan has a relationship with age and occupation of the investors. But there is no relationship of women’s financial contribution to their family investment plans and category of investors and income of investors. Most contributing category is the general category that is 66.67% of the total contributors.
- It is found that 40% of investors like the liquidity of the investment which is at number one. Capital appreciation is preferred by 5% investors.
- Bank saving account is the first choice of the investors. The 31% investors, preferred bank saving account. No investors preferred stock and commodity trading. The 1% investors are found interested in real estate. Second most preferred investment avenue are bank fixed deposits.
- The saving point of view 30% women investors save the 40-50% of their total income. The 5% women investors save more than 60% of their income.

The study shows the positive results that are beneficial for the policy makers. There is need of spreading awareness among women through electronic media and by conducting seminars and conferences for women investors that they can be more powerful and more contributors to the society. There is need of giving attention to the women education that can build a confidence in woman, to work as parallel to men.

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