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Saving, Investment and Behaviour of Working Women towards them: A Study

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Abstract: Capital creation is a cycle that starts with saving and grows with investing. Indian families consider financial security the most when compared to others. Earlier, the income of women was considered a supplementary source of funds but in modern times, it has become much more significant and therefore the investment from their side also has become significant. Their returns can prove useful at the times of crises. But there is a difference between the way of investing that women chose, they think in a different way when compared to men, therefore their returns also differ then that of men. The present paper presents an analysis of the investment behaviours of sophisticated women of Indore city. The analysis focuses on the investment preferences in terms of products like gold, mutual funds, loans, preferred stocks, trusts, policies etc. as well as it attempts to determine the factors that affects the choices the most. The methodology includes the percentage analysis done on the primary data. The paper concludes that women under study prefer the low risk investment avenues the most and therefore their return percentage differs then that of men.
Keywords: Investment Behavior, Working women, Types of investments.

Introduction - Investment, for a country, is an important factor that contributes to the growth of its citizens through various perspectives. From the point of view of an individual, the investment is important for the factors like financial gain, financial protection at the time of adversities, facing inflation, retirement planning and many more. Investment always offers more than savings if done wisely in the suitable avenues. Many investment options are available in the market from which an investor has to choose one or the combination that can give the maximum return on the investment done. The investment options may be categorised into fixed income bearing investments and assets that offer variable income. As the name suggests the fixed income giving avenues always provide a fixed percentage of return whereas the returns from variable return avenues may fluctuate widely. The choice of these avenues depends upon the psychological characteristics of investors which are significant predictors of the variations in information-trading link. ((Tauni, M. Z., et al., 2017)

The term 'saving'refers to the practice of putting earned money aside for future use after all immediate financial obligations have been met and when the savings are put in avenues which promise their use resulting in returns. Returns play a critical role in economy by encouraging the creation of new capital. The returns may be bigger if saving and investment are done with a proper decision making. Investment decision making is both an art and a science, with the potential to be either a rewarding adventure or a stressful predicament. Since the financial independency of women is increasing, they are constantly improving in terms of savings and investment. Women are now aware about the fact that they have the same rights as males when it comes to deciding on matters of social, political, and economic importance, as well as to earning a job and establishing a family. Understanding this fact, they have started participating increasingly in the financial decisions by saving and investing money that ultimately contribute in the capital creation and national progress. (Jisha, 2017)

Thus, to understand the investment behaviour of working women this study was done by the researches which ultimately will prove to be useful for policy makers and others who are working towards attracting more and more women towards various investment avenues.

Objectives:

1. Examining the investment strategies by professional women.
2. To find the better investment avenues for working women.

Literature Review

While reviewing the literature, the researcher found that many others have done the research on the gender-based differences that impact one's investment behaviour. May studies indicate that both men and women participate in financial market in one or the other way, but women generally show a tendency of low risk tolerance and prefer relatively safer investment avenues.

Feng (2025), highlighted that psychological biases such as risk aversion, overconfidence, and emotional decision-making differ across genders. Also, they directly impact the investment choices of investors.

Gupta & Mehta (2023) found that women investors are more cautious than men. They often rely heavily on advice from family members or financial advisors. Many times these advises further shape their investment patterns.

Bacher (2024) stated that the gap between the risk bearing capacity of men and women is narrowing over the time as women are getting more financially independent and aware.

Kumar et al. (2023), said that, women investors in India prioritize capital protection and long-term security over high returns. Therefore, they often choose traditional financial instruments such as fixed deposits, gold, and provident funds rather than investing in stock market or mutual funds. They found by analysing the data that this behaviour of women is largely influenced by cultural norms, financial responsibilities, and limited access to financial education.

Silvester M. et al. (2020), in their study, found that investment decisions of investors are influenced by multiple factors like tax planning, risk protection, and retirement benefits. Therefore they said that the preferences of the investors should align with these key financial factors.

Kumar S. et al. (2019), in their study said that both men and women prefer investing in stocks but women tend to be more inclined towards low-risk avenues and give greater importance to insurance. When they compared the other investment avenues, they found bonds and debentures to be less preferred by both men and women. They also pointed out that when both men and women are provided with similar investment choices, their final decision differed significantly.

The study by Lourrine et al. (2017) showed that there are some specific challenges faced by women while taking investment decisions. They found that the women who actively use social media and internet tend to be more inclined towards relatively risky avenues which include stocks and mutual funds while those women who are more risk-averse prefer more secure options like fixed deposits and provident funds.

Tauni M. Z. et al. (2017) studied that with increasing financial independence, women are now playing an important and more active role in investment decision-making. Through this they are enjoying the independence that allows them to explore diverse investment options. With the passage of time women have become more aware and they have also started viewing saving and spending as aspects linked to self-worth, confidence, and overall improvement in quality of life.

Jisha(2017) noted that working women expect that their investment must fulfil multiple financial needs that include safety, savings, reasonable returns, and asset growth. She also found that working women priorities the security of their funds above all while taking the investment decisions. Last but not the least, Venkateshraj (2015) concluded that many working women, specially in the private sector, prioritize gold over other investment options. Their goals of investment often present a long-term perspective such as children's education, marriage and the well-being of the family. Their study indicated that higher-income women are more likely to allocate a portion of their earnings toward investments. It helps strengthening their financial position.

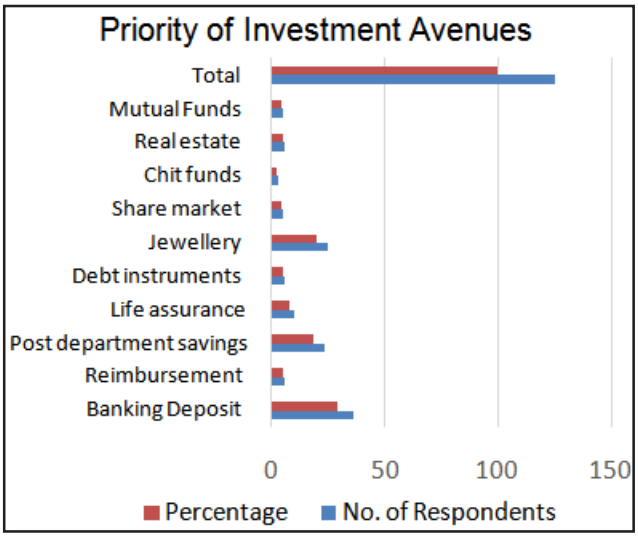
Research Methodology: This research is aimed at examining the ways of saving adopted by working women of Indore city. The researcher formed the data set by combining the primary and secondary data. The core data is taken from a survey in which a questionnaire was sent to working women. The secondary data is collected in the form of literature survey, in which, along with other sources, scholarly articles, textbooks, websites, newspapers, and reports were included. The final sample includes 125 working women who participated in the survey. The analysis adopted a straightforward method of convenience sampling.

Analysis Of Data

Table 1: Priority of Investment Avenues

Investment Portfolios	No. of Respondents	Percentage
Banking Deposit	36	28.8
Reimbursement	6	4.8
Post department savings	23	18.4
Life assurance	10	8
Debt instruments	6	4.8
Jewellery	25	20
Share market	5	4
Chit funds	3	2.4
Real estate	6	4.8
Mutual Funds	5	4
Total	125	100

Source: Primary data



Picture 1: Priority of Investment Avenues

Table 1 reveals that 28.8% of the participants prioritize bank

accounts, whereas 20% have put their trust in metal, and 18.4% have chosen postal department savings. This shows that working women still prioritize low – risk investment avenues in Indore city. Also, the second most preferred investment avenue is jewellery of Gold which again shows that women think of low risk and security of their savings the most.

Table: 2 (see in last page)

Picture 2 (see in last page)

According to the above table, the respondents have shown that they consider Mutual funds as the most risky avenue and after that they think chit funds are the riskiest. They have given the third risky place to life insurance and in this way, bank deposits and postal savings are the best secured avenues.

Results: The results of the above analysis show that women prefer to invest in low-risk options. The reason behind this is less financial awareness and a tendency to bear low risk. To address these issues government and financial institutions must take measure like awareness programs, market trainings etc so that women can become more confident about the riskier options of financial market.

Conclusion: Women are a significant part of society and they have a right to increase their capital and earn profit through investment. In recent times, women not only participate in earning but also in saving and investing thus, increasing the overall family income.

Working women of Indore city are actively participating in financial market but still there is a need to spread awareness about investment, methods of investments, investment options and the risk as well as returns associated with them.

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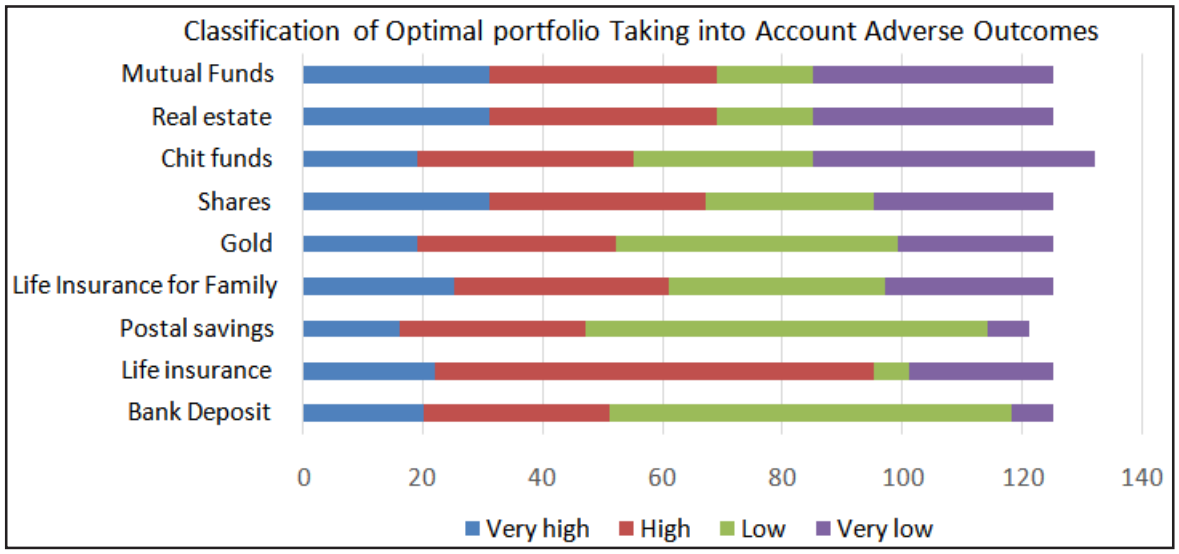
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Table: 2 Classification of Optimal portfolio Taking into Account Adverse Outcomes

Investment Portfolios	Very high	High	Low	Very low	Total	Σ(xiwi)/Σ(wi)	Rank
Bank Deposit	20	31	67	7	125	22.97	VIII
Life insurance	22	73	6	24	125	31.25	III
Postal savings	16	31	67	7	125	22.03	IX
Life Insurance for Family	25	36	36	28	125	29.53	VI
Gold	19	33	47	26	125	30.78	V
Shares	31	36	28	30	125	29.06	VII
Chit funds	19	36	30	47	125	32.03	II
Real estate	31	38	16	40	125	31.09	IV
Mutual Funds	31	38	16	40	125	34.69	I

Source: Primary data

Picture 2: Ranking of the Portfolios considering risk factors



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