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The Study on Investment Behavior of Working Women in Chennai

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ABSTRACT- The research project titled "A Study on Investment Behaviour of Working Women in Chennai" investigates the financial habits and preferences of working women in Chennai in the education sector, with a focus on their investment patterns. Primary data required for the descriptive research was collected through physical questionnaires. The study aims to analyze the impact of factors such as age, income levels, education, and employment sectors on investment behavior, as well as the influence of digitalization skills, financial knowledge, and risk tolerance levels. With a purposeful sample size of 350 working women and a purposive sampling technique. The percentage analysis, Weighted Average, Regression analysis, and ANOVA were performed for the research using SPSS (v16) software. The research provides valuable insights into the investment behavior of this demographic. The findings highlight the prevalence of short-term investment preferences, the need for enhanced financial literacy programs, and the influence of external factors on investment patterns.

KEYWORDS- Investment Behavior, Financial Literacy, Digitalization Skills, Financial Knowledge, Risk Tolerance, Working Women.

I. INTRODUCTION

As working women become more financially independent and participate in the workforce, the question of their investment behavior becomes more and more important. According to a recent study, there is a growing trend of people who choose to invest conservatively and in low-risk, short-term choices such as gold and bank savings. Financial literacy, investing behavior, and risk tolerance are strongly influenced by demographic parameters including age, education, income, and industry of work. Specialized financial education programs are required since a significant number of working women still lack investing knowledge and financial literacy. Although access to investment options has been made easier by the emergence of digital financial services, adoption rates vary. Thus, financial literacy initiatives, investment choice diversification, and the promotion of inclusive financial services might enable working women to make more informed decisions by addressing knowledge gaps, risk perceptions, and demographic imbalances.

II. LITERATURE REVIEW

Sabri, M et al.[1] highlighted women's progress in professional and financial fields thereby discussing the need for improvement in comparison to men's financial stability. Overall women have better financial practices and consider their salary enough. Jyothi Acharya et al.[2] assessed the financial literacy levels, identified training needs, investigated investment habits, examined literacy-investment relationships, determined demographic influences, evaluated program effectiveness, and provided recommendations for enhancement. Bhatt, P et al.[3] studied conservative investment behavior, limited financial planning awareness, and dependence on others for decisions, highlighting the need for financial independence among working women in a location-specific study. Ali, S. E. [4] analyzes saving, investment behavior, investment knowledge, impacts of financial literacy, and institutional access for rural working and non-working women. Hernik, J., & Sagan, A.[5] undertook retirement survey that focused solely on men and societal shifts that enabled women's financial independence and rights in Poland. Sivasankaran, R. & Selvakrishnan, [6] found that saving as a precautionary act for future uncertainties. The notable trend among urban migrant women contributing to families through careers, and aspiring luxurious lifestyles with high investment expectations. Arredondo Trapero, F. G. et al.[7] explored the economic vulnerability, gender differences in savings destination, and economic rights implications and found that women allocate savings for home, health, and education while men prioritize economic future. Sadavarte, B., et al.[8] examined examines the savings and investment patterns of 80 Mumbai residents, finding married individuals save less than unmarried. Sajad Ahamd Bhat, [9] also studied the investment preferences of nearly 200 working women. Hussain, B. M., et al.[10] found that women entrepreneurs have risk-averse investment behavior but require more training in this field.

III. OBJECTIVES OF THE STUDY

The study aims to understand the Current Financial Savings and Investment Patterns alongside analyzing the impact of risk tolerance levels on investment behavior among working women. In addition, the influence of digitalization skills on investment behavior is also explored. The effect of financial knowledge affects the investment behavior.

IV. METHODOLOGY OF THE STUDY

The population of the research is based on Chennai working women in the education sector (private and public). Primary data was gathered effectively through physical questionnaires. The study used a purposive sampling method. The research model consists of four variables- risk tolerance, financial knowledge, digitalization skills, and behavior toward investment. A sample of 350 responses was collected (175 from the private sector and 175 from the public sector).

The collected data was analyzed using SPSS (v16) software. Percentage analysis was conducted to analyze the demographic profile of the respondents followed by correlation analysis, weighted average analysis, and ANOVA for hypotheses testing.

V. DATA ANALYSIS & FINDINGS

A. Percentage Analysis

Over half (57.71%) claimed to be regular investors, as opposed to 42.9% being irregular investors.The primary source of investment for the respondents was their salary, with 58% citing this as the main source of funds for investing. Income from property, shares, etc. was the second biggest source at 17.71%, followed closely by their household financial budget at 12.86%. Bonuses contributed the smallest portion at 11.43% as a source for investments. The largest portion at 40.29% invested every month, indicating regular, disciplined investing habits. 24.29% invested quarterly, while 14.57% had a half-yearly investment frequency. 13.71% invested once yearly, while the smallest group of 7.14% invested weekly. The largest segment at 28% invested a modest 15-20% while spending 80-85% on expenses. Around 20.86% had a very low investment appetite, putting away 10% or less and spending 90% or more of their income. 18.86% maintained a higher investment ratio of 20-30%, while 17.71% allocated 30-40% towards investments. 10% were more aggressive investors, investing 40-50% and restricting expenditure to 50-60%. The smallest group at 4.57% demonstrated the highest investment propensity, putting over 50% of their income into investments while spending less than 50% on expenses. This diverse range highlights how investment behavior and financial prioritization differ across income and demographic segments.

B. Weighted Average

Table 1 mentions weighted average scores which indicate the respondents' attitudes and behaviors across different factors related to investment decisions. Behavior towards investment variable, respondents strongly agreed that their level of income affects savings and investment (92.0) and was satisfied with their current portfolios (93.47). Risk tolerance level, respondents avoided risky investments to preserve capital (93.53) but were comfortable with high-risk investments for potentially higher returns (82.8). Digitalization skills in investment decisions, respondents preferred using fintech apps over traditional banking (97.8) and felt fintech improved their investing ability (100.13), though navigating platforms was less straightforward (75.0). Financial knowledge, scores were relatively lower, suggesting room for improvement in regularly updating knowledge (60.33), educating themselves before decisions (60.6), and assessing financial risks (62.26).

Table 1: Weighted average

S. No	Variables	Weighted Average Score (WAS)
Behavior towards investment		
1.	I feel confident in taking financial risks.	71.26
2.	My confidence level of ability to stick to a financial plan.	77.46
3.	I often seek advice from friends or family while making financial decisions.	84.33333
4.	I can save money at the end of the month.	82.73333
5.	My level of income will affect my savings and investment	92
6.	I am satisfied with my current portfolio	93.46667
7.	My unexpected income affect my investment	83.6
Risk tolerance level on investment decision		
1.	I am comfortable taking on high-risk investments if it means potentially earning much higher returns.	82.8
2.	Low initial investments influence my financial decisions	89.53333
3.	I avoid risky investments because I prefer to preserve my capital rather than risk losing it.	93.53333
4.	I invest heavily in equities because I have the risk appetite to handle potential losses.	100.6
5.	I have a balanced asset allocation between risky and safe investments based on my risk preferences.	89.4
Digitalization skills in investment decision		
1.	I am comfortable using digital platforms for	96.33

	managing my finances.	
2.	I prefer using fintech applications over traditional banking for investments.	97.8
3.	I can easily navigate through various fintech platforms to find the best investment options.	75
4.	I trust digital platforms with my financial data.	73.6
5.	Fintech services have improved my ability to invest.	100.13
Financial knowledge of investment decisions		
1.	I regularly update my knowledge on financial planning and investment strategies.	60.33
2.	I stay up-to-date on financial news and trends that may impact my investment and saving strategies.	65.73
3.	Before making major financial decisions, I educate myself on the pros and cons of different choices.	60.6
4.	I am unsure how to properly assess financial risks when making spending, saving, and investing decisions.	62.26
Source: primary data processed by SPSS (v16)		

C. Regression Analysis

The below table 2 shows the behavior toward investment and financial knowledge, digitalization skills in investment, and risk tolerance level.

H0: There is no significant relationship between behavior toward investment and financial knowledge, digitalization skills in investment, and risk tolerance level

H1: There is a significant relationship between behavior toward investment and financial knowledge, digitalization skills in investment, and risk tolerance level.

The null hypothesis was rejected for financial knowledge, digitalization skills in investment, and risk tolerance level, indicating a significant relationship between these independent variables and the dependent variable.

Table 2: Regression analysis

S.No	Predictors	Unstandardized Coefficients			Decision regarding
		B	Std. Error	Sig.	
	(Constant)	3.443	0.158	0	
1	FK	0.256	0.024	0	Null hypothesis rejected
2	DSI	0.41	0.033	0	Null hypothesis rejected
3	RTL	0.173	0.041	0	Null hypothesis rejected

D. ANOVA

The below table 3 shows One-way ANOVA for independent variables and the employment sector

H0: There is no significant difference between the employment sector and independent variables.

H1: There is a significant difference between the employment sector and independent variables.

The null hypothesis was rejected for financial knowledge and risk tolerance level, indicating a significant difference between the employment sector and these variables. However, it was accepted for digitalization skills in investment, suggesting no significant difference.

Table 3: ANOVA

		Mean Square	F	Sig.	Decision regarding
FK	Between Groups	0.061	0.066	0.039	Null hypothesis rejected
	Within Groups	0.919			
DSI	Between Groups	0.331	0.604	0.438	Null hypothesis accepted
	Within Groups	0.548			
RTL	Between Groups	1.683	5.11	0.024	Null hypothesis rejected
	Within Groups	0.329			

VI. DISCUSSION

- Demographic Factors: The study reveals that demographic factors such as age, education, income level, and employment sector significantly influence investment behavior, financial knowledge, digitalization skills, and risk tolerance. Younger age groups, lower education levels, and lower-income segments tend to lag in investment participation and financial literacy.
- Investment Preferences: Short-term investments, such as bank deposits and gold, emerge as the most preferred options among respondents. This preference could be attributed to factors like risk aversion, liquidity needs, and limited financial knowledge. However, diversifying investment options to cater to varying risk appetites and

preferences is crucial.

- Financial Literacy and Knowledge Gaps: The study highlights a notable lack of financial literacy and investment experience among many respondents.
- External Influences: Economic conditions and job stability significantly impact investment patterns, emphasizing the importance of a stable economic environment and employment opportunities for fostering a culture of disciplined investing.
- Professional Advice and Guidance: During market volatility, a significant portion of respondents seek professional advice, highlighting the crucial role of financial advisors and consultants in guiding investment decisions and mitigating risk.
- Digital Financial Services: Respondents demonstrated comfort in using digital platforms for financial management, presenting an opportunity to leverage user-friendly fintech platforms to simplify investment processes, provide real-time portfolio tracking, and offer personalized investment advice.
- Financial Inclusion: The study reveals gaps in investment participation among women and low-income groups, necessitating targeted outreach initiatives to promote financial inclusion and empower these segments to build wealth through strategic investments.

VII. CONCLUSION

The study provides a comprehensive understanding of the investment behavior and preferences of individuals across various demographics. The findings highlight the prevalence of short-term investment preferences, lack of financial literacy, and the influence of external factors on investment patterns. To foster a culture of disciplined and strategic investing, the study recommends implementing comprehensive financial education initiatives, encouraging early investment habits, leveraging digital platforms, promoting workplace investment programs, diversifying investment options, and targeting outreach efforts for women and low-income groups. The study underscores the importance of a stable economic environment, employment opportunities, regulatory oversight, and investor protection measures to bolster public confidence in financial markets and investment products.

CONFLICTS OF INTEREST

The authors declare that they have no conflicts of interest.

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