

A GENDER SPECIFIC STUDY ON AWARENESS AND INVESTMENT PATTERNS IN NAVI MUMBAI

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ABSTRACT

A gender-based investment pattern by an investor is one of the significant factors in investment. The study is undertaken to find out the awareness level of investment tools among male and female respondents and to study the investment pattern of investors. Despite the conflicting ideas and viewpoints, this study attempts to determine whether gender plays a significant effect on investment patterns, particularly in the city of Navi Mumbai, which is connected to India's financial hub, Mumbai. The chi-square test was conducted on a sample of 300 respondents and it was found that there is a difference in the awareness level based on gender. The study's findings show that gender is one of the most important elements influencing investment behaviours. It has an impact on awareness levels, with women being less informed of various financial instruments and techniques than males. This research is significant for businesses when dealing with clients because men and women require distinct approaches. When it comes to gender equality and women's empowerment, investment awareness is also critical.

Keywords: *Awareness of investment, Gender, Investment instruments, Investor's preference*

1. Introduction

Today, an individual must effectively save and invest their personal income in order to assure their financial stability, not only during their working lives but also beyond retirement. The

ageing population, together with higher life expectancies, emphasises the need for and necessity of well-planned financial investment. Today, there are a plethora of financial options available. Individuals must select appropriate investment avenues based on their personal needs, risk tolerance, and expected return. Investment is a deliberate act by an individual or an entity that involves putting money into securities or properties issued by financial institutions with the goal of earning a high return over a set period of time.

According to previous research, people do not make rational investing decisions; rather, they are impacted by a variety of factors such as psychological biases, social affiliation, demographic characteristics, and so on (Kumar & Lee, 2006). According to the study, gender has an impact on investment patterns, with males preferring equity capital market instruments and bank deposits over females. Males invest in stocks at a higher rate than females. The main source of concern in terms of investment is the market's depressing phase, as well as the risk of a decrease in the Sensex and rising inflation. Market Sentiments, as well as the industry, nature, and type of product, are the most crucial factors to consider when operating in the equity market. Mutual Funds Schemes are the most popular capital market instrument among investors, followed by shares and debentures. The majority of investors have more than three years of capital market expertise investment (Mitra & Manjrekar, 2014).

Investors can choose from a wide range of goods offered by investment firms. These investors follow their investment advisor's advice or make their own investing selections, with or without a greater understanding of the product. The question is how much effort the advisor puts in to understand the investors' investing needs, i.e. Apart from psychological and behavioural variables, there is a need to investigate the gender factors that motivate investors to invest in the available options. There is always a disconnect between what a true investor desires and what he is offered. A study on the impact of gender characteristics on factors influencing investment decisions is more important than ever in bridging this gap, developing investment products, formulating market-regulatory policies in general, and promoting and protecting retail investors in particular.

2. Literature Review

A number of studies have been done in the context of gender impacts on the investment pattern, especially so, because it becomes an important parameter in understanding and evaluating the empowerment of women in the Indian context. Judie F Graham et al (2002), Oslon and Cox (2001), prove through their studies that women take lesser risks than men in general when it comes to investment decisions. The confidence level of women about investment decisions has been considered by some researchers ((Barber and Odean., 2001, Blau & Kahn 2000) to be the main reason why women earn less than men. The empirical analysis by Kavita Chavali and M Prasanna Mohanraj explains the Impact of Demographic Variables and Risk Tolerance on Investment Decisions. Their study concluded that gender had an influence on investment patterns and decision making. The data for this study was collected from Bangalore. Hira and Mugenda (2000) have emphasized on the importance of understanding behavioral differences based on demography so that clients' needs can be addressed differently to add more value and satisfaction from investments.

There are studies that opine the exact reverse. For example, Masters and Meier (1988) found no difference in the risk-taking propensity of male and female entrepreneurs. James Thomas Kunnanatt and Mithu Emiline (2009) in their empirical Study 'Investment strategies and Gender: A study on emerging Patterns in India' have opined that there is no difference based on gender in the investment pattern of rural or urban investors in India. Studies were done in

other countries like The Gender Gap on Wall Street: An Empirical Analysis of Confidence in Investment in Decision Making by Ralph and Janoos Hosseini tried to identify personal characteristics that affect decision making. According to this study Age, value of a portfolio, number of years of education, and years of experience in business were not important characteristics. Other studies (Arvind K Jain and Annamma Joy (1997) have stressed the socio-cultural context of consumption, saving and investment patterns done in Canada. Rajarajen (2010) explains that there is an overall increase in the number of people who are interested in investing in India.

In the existence of contrary views and opinions, this study tries to explore whether gender plays an important role in investment patterns, especially in the city of Navi Mumbai which is attached to India's financial capital- Mumbai.

3. Research Objectives

1. To understand the gender based awareness about investment instruments.
2. To study gender based investor's investment patterns.

4. Methodology

This is an exploratory study and the sample of 300 has been primarily drawn from Navi Mumbai. Navi Mumbai has been selected as it is an important developing satellite city of the financial capital of India –Mumbai. Navi Mumbai mainly comprises educated working professionals from both genders and hence the study endeavours to find their investment nature and awareness. A detailed questionnaire and Interviews have been used to collect the data.

5. The hypothesis of the study:

H_{1a} : Women are not as aware of investment instruments as men.

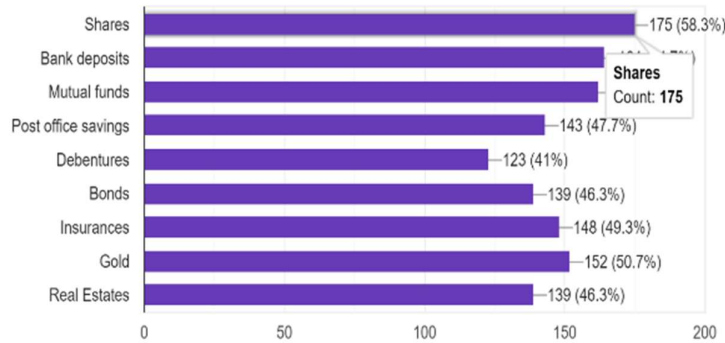
H_{2a} : Women show a more consistent investment pattern as compared to men.

6. Data Analysis and Discussion:

In this article researcher tries to find out whether gender can affect investment awareness and pattern of investment.

Gender based results are shown below

To identify and discuss, which type of investment instruments are you aware of
300 responses



Gender * Investment Cross tabulation

Count

		Investment		Total
		No	Yes	
Gender	Female	23	112	135
	Male	3	162	165
Total		26	274	300

The above table shows that a total of 300 sample responses were collected to study the gender-based awareness about investment tools and to find out the effect of gender in deciding on an investment.

112 females were aware of investment and investment avenues. To know the inference chi-square test is used as below:

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	21.726 ^a	1	.000		
Continuity Correction ^b	19.846	1	.000		
Likelihood Ratio	23.617	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	21.654	1	.000		
N of Valid Cases	300				

a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 11.70.

b. Computed only for a 2x2 table

To validate chi-square the minimum expected count should be more than 5, in the above analysis is 11.70 so this is valid for this test. Based on the significant value at 5 % degree of freedom test has run in SPSS and the result is showing a significant value which is less than the 0.05. The alternative hypothesis may be accepted Women are not as aware of investment instruments as men.

To validate the second hypothesis, which was to understand investment patterns, a Chi-square test was conducted.

Gender * Frequency of Investment Cross tabulation Count

		Frequency of Investment				Total
		Daily	Weekly	Monthly	Yearly	
Gender	Female	24	21	43	24	112
	Male	42	45	51	24	162
Total		66	66	94	48	274

274 respondents have been selected to understand the investment pattern out of 300. 26 respondents are not aware of the investment avenue. The above table shows that 66 respondents prefer daily investment. 24 female respondents and 42 male respondents whereas 66 respondents prefer weekly investment and males are more in this category. 94 respondents prefer monthly investment and 51 male and 43 female are there. 48 respondents prefer yearly investment female and male are same in this category.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.372 ^a	3	.146
Likelihood Ratio	5.409	3	.144
Linear-by-Linear Association	3.708	1	.054
N of Valid Cases	274		

a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 19.62.

To understand the inference Chi-Square at 5 % degree of freedom test is run in SPSS and the result shows that the minimum expected count is more than the 5 and significance of this test is more than the 0.05 so the result is not the significant and null hypothesis is accepted. It is concluded that males and females do not have a significant difference in investment patterns.

7. Conclusion

The finding of the study proves that gender is one of the major factors affecting investment patterns. It affects the awareness levels, with women being less aware than men when it comes to various instruments and tools of investment. This is in line with many previous studies that claim that there is a notable difference in the way in which men and women approach investment. This study becomes important for companies when they are handling clients as both men and women have to be approached with different strategies. Also, investment awareness is extremely important when we talk of gender equality and women empowerment.

8. References

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