



**A STUDY OF THE DIFFERENCES IN INVESTMENT BEHAVIOUR AMONG WORKING POPULATION IN NAVI MUMBAI REGION**

**Dr. Monali Ray**, Associate Professor, Department of Accountancy,  
[monaliray@mes.ac.in](mailto:monaliray@mes.ac.in)

**Dr. Rinkoo Shantnu**, Associate Professor, Department of Business Economics,  
[rshantnu@mes.ac.in](mailto:rshantnu@mes.ac.in)

Pillai College of Arts, Commerce and Science (Autonomous), New Panvel, Maharashtra, India

**Abstract**

The working women who are equally employed, through their education have knowledge about various aspects of investment and hence there is every reason that women should have an equal role in investment decisions. They invest in various investment avenues such as shares, debentures, mutual funds, commodities, and bank deposits. This paper is an attempt to identify the difference in men and women investor's behaviour and to evaluate the level of awareness and avenues of investment. Men and women in the age group of 18 to 65 years employed in private sector, public sector, business or professional in Navi Mumbai region were taken as the respondents of the study. Pearson Correlation and ANOVA statistical methods were used for testing of hypotheses.

**Keywords:** Working women, investment avenues, gender gap.

**Introduction**

Investment behavior differs from individual to individual based on the acceptance of return and risk. As well as the selection of investment sources also differ from one person to another.

Generally, women want more information and prefer to balance risk and return in their investments compared to men. In most of the cases the women want to earn a stable income. Though the percentage of savings by the household sector in financial assets is increasing year on year, what is worrying is that only around half of the household savings in India are invested in financial instruments. Knowledge about saving and investment preferences, gender-wise, will help to design effective investment instruments. Another area that requires further examination is the role that a woman plays in influencing aggregate savings and investment.

The studies show that gender differences exist when decision making is financial and the personal decision making (Johnson & Powell, 1994). These studies provide interesting facts such as women are more conscious, less able to take decisions on the spot, less aggressive and can be easily influenced and not having the good leadership and intellectual abilities as compared to men. But the other studies indicate that female and male are equal to accomplish the task under the same level of



Uncertainty. Other studies indicate that female and male are equal to accomplish the task under the same level of uncertainty (Hudgens & Fatkin, 1985, Johson & Powell, 1994) and equal capability to handle the complex information and same response to given situation, (Stinerock et al, 1991, Hyde, 1990). Quantitative and qualitative research carried out in the UK indicates that attitudes to investment risk depend on factors such as personality, circumstances, educational attainment, level of financial knowledge and experience, and extent of financial product portfolio (Conquest Research Limited, 2004; Distribution Technology, 2005). Quantitative research carried out in the US identifies a similar range of factors including income, wealth, age, marital status, gender and level of education (Finke and Huston, 2003).

It has been observed that women are more risk averse than men, the young are more risk seeking than the old, wealthier individuals manifest a greater willingness to invest in equities and the poor are risk averse securities (Clark and Strauss 2008). There is an explosion in the growth of middle class families due to double income and increase in the number of working women (Meenakshi Chaturvedi & Shruti Khare 2012). Another study mainly concentrated on differences in individual investing pattern on the basis of gender and have been carried out to determine the pattern of institutional investors investment but studies dealing with investment pattern of individual investors are very few (Veeramani G & M.Karthikeyan 2014). Earlier studies conclude that women invest more conservatively than their male counterparts.

### **Research Gap**

The literature reviewed above indicates that there are studies on gender differences in investment pattern in specific investments. The present study attempts to find out the gender differences between various forms of investment like life insurance plans, public provident funds, fixed deposits, post office savings, gold and silver, mutual funds, bonds and debentures, shares and real estate.

### **Objectives**

1. To study the relationship between socio economic profile and investment pattern in workingmen and women.
2. To study the investment pattern of working men and women in life insurance plans, public provident funds, fixed deposits, post office savings, gold and silver, mutual funds, bonds and debentures, shares and real estate.
3. To understand the overall investment pattern of working men and women.

### **Hypotheses**

1. There is no gender gap between socio economic profile and investment pattern in working men and women.
2. There is no gender gap in the preference for investment between working men and women.

### **Research Methodology**

1. **Class of respondents:** Men and women in the age group of 18 to 65 years employed in private sector, public sector, business or professional having minimum income of Rs 25,000 per month were the respondents for the study. The respondents having a systematic investment plan which is managed by self or professional



were selected for the study.

2. **Sampling method:** For collection of primary data non-probability convenience sampling method was used.
3. **Method of data collection:** Primary data was collected from the working men and women through structured questionnaire. The questionnaire had two sections: Section 1 had questions relating to socio-economic parameters of working men and women. Section 2 had questions relating to various avenues of investment available for working men and women. A pilot study was conducted on working men and women. The final study was done on 50 working men and 50 working women. Secondary data was used to support the study collected from books, journals, websites, newspapers etc.

### Limitations

1. The number of respondents was restricted to 100.
2. The study was limited to Navi Mumbai region only.

### Descriptive Analysis

1. 40% of the respondents are post graduates, 32% of the respondents are graduates followed by 26% professionals. The percentage of female post graduate respondents was more. The percentage of male professionals was more in the study.
2. 50% of the respondents are in the early career stage in the age group of 18-35 years, 46% are in the mid-career stage in the age group of 36-50 years followed by 4 % in the late stage in the age group of 51-65 years. The percentage of female respondents in the early career stage was

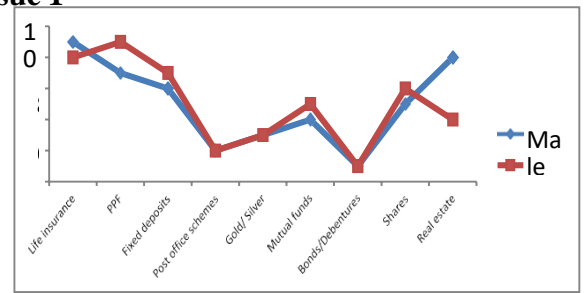
more as compared to the male respondents. The percentage of male respondents in the mid-career stage was more as compared to female respondents.

3. 74% of the respondents were in service followed by 24% who were professional and 2% had a business background. The study did not have women respondents in business.
4. 36 % of the respondents were in the annual income of Rs 2, 50,000 –Rs 5,00,000. 32% of the respondents were in the annual income of Rs 5, 00,000 to Rs 10,00,000. 20% of the respondents were having annual income of more than Rs 10,00,000 and 12% are having annual income less than Rs 2,50,000. The percentage of male respondents having annual income more than Rs 10,00,000 were more than female respondents. The percentage of male and female respondents were the same in the annual income slab of Rs 5,00,000 to Rs 10,00,000.
5. Public life insurance company LIC is the most preferred. People like to invest in both public and private life insurance policies. The percentage of female respondents having life insurance with LIC is more. Male respondents prefer to invest in both public and private life insurance. Majority of the respondents are paying annual premium upto Rs. 25000 on life insurance policies. Both male and female respondents have term/ whole life insurance plan as the most preferred option and money back life insurance plan as the second most preferred option.
6. 42% of the respondents contribute upto Rs. 50,000 in PPF annually and the percentage of female contribution is more. 10% of the respondents make the maximum eligible contribution.
7. Women respondents have a preference for



investment in fixed deposits. 64% of the females over 32% males prefer upto Rs 1,00,000 annual investment in fixed deposits. 24% females hold money in fixed deposits for 3 to 5 years as compared to 8% males.

8. 58% of the respondents do not prefer to invest in post office schemes. 38% of the respondents invest only upto Rs 1,00,000 in this form of investment.
9. 54% of the respondents prefer an annual investment in gold/ silver upto Rs 50,000 and 10% between Rs 50,001 to 1,00,000. There is a preference of 62% in the ETF over 38% as a physical form of metals. A notable result is that working females invest in an ETF more than males.
10. 46% of the respondents prefer to invest in SIP of mutual funds. 34% of the respondents prefer a monthly investment upto Rs 6,000 in mutual funds and 12% invest between Rs 6,001 to 15,000.
11. 20% of the respondents prefer to invest in government bonds, 4% in corporate bonds and 6% in government and corporate bonds.
12. 50% of the respondents prefer to invest in equity shares. Women respondents have a preference for annual investment in shares. 52% of the females over 32% males prefer upto Rs 50,000 annual investment in shares. 36% of female respondents have a preference for holding shares for a short term over 4% males. 44% of the males over 32% females prefer to hold shares for the long term.
13. The respondents prefer to invest in a house/ flat. 24% female respondents prefer upto Rs 5,00,000 and Rs 5,00,001 to 10,00,000 investment in real estate. 32% & 24% of the males prefer to invest between Rs 10,00,001 to 50,00,000 and above Rs 50,00,000 respectively over 12% & 4% females.



**Graph 1: Investment Ranking**

Source: Compiled from primary data

Graph 1 depicts that males have first preference for life insurance whereas females have for PPF. Males have a strong preference for investment in real estate but females have it sixth in the scale of preference. Post office schemes and bonds/debentures are the least preferred options.

**Inferential Analysis**

**Table 1: Correlation between Education & Investment Pattern**

Male	Female
0.426758	0.525638

Source: Compiled from primary data

There is moderate correlation between education and investment pattern of both working men and women. This shows that there is no gender gap between education and investment pattern in working men and women.

**Table 2: Correlation between Career Stage & Investment Pattern**

Male	Female
0.329513	-0.12082

Source: Compiled from primary data

There is moderate correlation between career stage and investment pattern of men but there is negative correlation for women. This explains



ANOVA: Single Factor						
Groups	Count	Sum	Average	Variance		
Male	9	30.16	3.35111	0.410711		
Female	9	33.28	3.69778	0.428044		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F critical
Between Groups	0.54018	1	0.54018	1.289529	0.272859	4.493998
Within Groups	6.710044	16	0.419378			

Source: Compiled from primary data

that there is a gender gap between career stage and investment pattern in working men and women.

**Table 3: Correlation between Profession & Investment Pattern**

Male	Female
-0.10417868	-0.45531

Source: Compiled from primary data

There is a negative correlation between profession and investment pattern of both men and women. This explains that there is no gender gap between profession and investment pattern in working men and women.

**Table 4: Correlation between Annual Income & Investment Pattern**

Male	Female
0.658441	0.184782721

Source: Compiled from primary data

There is significant correlation between annual income and investment pattern of men but insignificant correlation for women. This explains that there is gender gap between annual income and investment pattern in working men and women.

The calculated value of F test is less than the F critical value, which indicates that there is no gender gap in the preference for investment between male and female.

**Conclusion**

Working men and women in Navi Mumbai region with equal qualification and similar pay band do not have a gender gap in investment patterns. Women respondents have a preference for investment in fixed deposits. There is a preference for an ETF over the physical form of gold/ silver. A notable result is that working females invest in an ETF more than males. Working women have adequate knowledge about the various investment avenues. It shows that women have equal risk bearing capacity as that of men.

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