INVESTMENT PREFERENCES OF SALARIED WOMEN EMPLOYEES

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ABSTRACT

The investors have a lot of investment avenues to park their savings. The risk and returns available from each of these investment avenues differ from one avenue to another. The investors expect more returns with relatively lesser risks. In this regard, the financial advisors and consultants offer various suggestions to the investors. Investment is an activity that is engaged in by people who have savings i.e. investments are made from savings, or in other words people invest their savings. A variety of investment options are available such as bank, Gold, Real estate, post services, mutual funds and so on. Investors are investing their money with the different objectives such as profit, security, appreciation and Income stability. Researcher has studied the different avenues of investments as well as the factors while selecting the investment with the sample size of 60 respondents by conducting the survey through questionnaire in Namakkal district, Tamilnadu. The study is based on personal interviews with salaried women employees using a structured questionnaire. The study is based on primary data which are collected by distribution of a close ended questionnaire. The data has been analyzed using percentage analysis and chi-square test. The researcher has analyzed that salaried women employees consider the safety as well as high return on investment on regular basis.

Key Words: *Investments, profit, salaried employees, savings.*

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INTRODUCTION

The major features of an investment are safety of principal amount, liquidity, income stability, appreciation and easy transferability. A variety of investment avenues are available such as stock market, bank, companies, gold and silver, real estate, life insurance, postal savings and so on. All the investors invest their surplus money in the above mentioned avenues based on their risk taking attitude. Financial investment is the purchase of a financial security, such as a stock, bond, or mortgage. Women today have more earning potential and more influence over the financial decisions than ever before. Women represent almost half of the workforce and many businesses are owned or managed by women. Many women influence or control the majority of all consumer purchase decisions and many of the investment decisions. As a result, it is important for women to focus on finances now more than ever. Throughout their lives as a woman, they will be faced with different financial challenges than their male counterparts. If women are going to take control of their financial future, it's important that they recognize those differences and empower themselves. Earning money is only half the equation for achieving financial independence. To help ensure that women will be able to maintain their lifestyle. They should stay involved in investment decisions and consider planning for the unexpected early on. Women are more likely to have dependents to care for with a growing divorce rate and the number of single mothers is on the rise. Providing for and raising a family while also saving for retirement can be a daunting task. Women are less likely to take the investment risks for whatever reason many women are less willing than men to take risks. Yet a certain degree of risk is necessary to build a well-diversified portfolio. By learning all about investing women can become more comfortable making investment decisions that involve different levels of risk. Financial planning process for this purpose a thorough understanding

of financial planning is important for all investors. Financial planning is the process of meeting one's life goals through the proper management of her finances. Life goals can include buying a home, saving for your child's education or planning for retirement.

Salaried women Investors

The respondents of research study consists only those people who earning fixed Income as salary so the study included only salaried group of women employees. The Investment pattern of the salaried women employees is different due to safety, regular flow of income, tax saving benefits, security, retirement benefits rather than professionals and businessman.

REVIEW OF LITERATURE

V.K. Somasundaram(1999) in his research work titled **"A Study on the Savings and Investment Pattern of Salaried Class in Coimbatore District"** made an attempt to analyze the savings and investment pattern of salaried class investors. An in-depth analysis is done to identify the level of awareness, attitude, factors which influence the investors to save and invest, average savings of investors, pattern of savings, conversion of savings into investments, investment preference etc.

V.R.Palanivelu and K.Chandrakumar(2013)examined "the Investment choices of salaried class in Namakkal Taluk, Tamilnadu, India" with the help of 100 respondents as a sample size and it reveals that as per Income level the of employees and investment in different avenues. Age factor is also important while doing investments.

Significance of the Study

This study attempts to focus on Investment preferences on salaried women employees. The Salaried women employees have fixed flow of income and their investments patterns are also different. In connection with this Researcher will try to find out investment preferences of salaried women employees in Namakkal district. It will helpful to understand the investment preferences of salaried women investors. The study will also throw a light on the awareness of the investments avenues available in India. The research paper will become the helping hand to the research scholars as well as students for their further studies in respective area.

STATEMENT OF THE PROBLEM

Savings or Investments are acknowledged as powerful tools in the alleviation of poverty. Investing even a small amount can produce considerable rewards over the long-term period. But we need to make the decision of how much to invest and where to invest. To choose wisely we need to know the investment options thoroughly. But there will be confusion among the people for the selection of best investment avenues and this is the major problem of the investors. While investing money the investors are having a lack of awareness about the investment alternatives. When they take investment decisions they have to pay more attention to safety, liquidity, returns, risks, tax benefits and so on in addition to the investments option. The above factors will confuse the investors while investing the money. The investor should be careful in selecting the investment avenue. She should exercise her skill, knowledge and experience in choosing the investment opportunity.

SCOPE OF THE STUDY

The study is confined to the factors considered by the women investors while making their investment in different investment avenues. Their level of awareness about the various aspects of investment avenues available in the study area is considered.

OBJECTIVES OF THE STUDY

The present study is an attempt to throw a light on Investment preferences of salaried women employees in Namakkal District. The objectives are as follows:

1. To examine the demographic details of the respondents.
2. To study the investment pattern and preferences of salaried women employees in the study area.
3. To know the sources of motivation of salaried women employees.

RESEARCH METHODOLOGY

The validity of any research is based on the systematic method of data collection and analysis of the data collected. The data is collected through primary data as well as secondary data. The study is based on the data collected from individual women investors in Namakkal District. The sampling technique followed in this study is non- probability sampling. Convenient sampling techniques are used to select the respondent from the available database. Accordingly the researcher has selected 60 respondents in the study area.

LIMITATIONS OF THE STUDY

- The study is mainly based on the primary data collected from 60 respondents in Namakkal district.

- The data has been collected from the respondents of Namakkal District and therefore the conclusions drawn may not be applicable to other Districts of Tamilnadu.

- Few respondents are not willing to express their opinion and views on their investment and have expressed common view on investment practices.

HYPOTHESES OF THE STUDY

- There is no significant relationship between educational qualification and awareness of the investors.

- There is no significant relationship between the income level and awareness of the investors.

STATISTICAL TOOLS

There are various statistical tools which are used in analyzing data. The following tools are used for representing and analyzing data.

Data Representation:
- ❖ Table
- ❖ Percentage

The data analyzed by using under mentioned Techniques:
- ❖ Chi- square test

Table:1 Analysis Of Demographic Factors Of Investors

S.No	Investor's particulars		No of respondents	Percentage(%)
1	Marital status	Married	40	66.67
		Unmarried	20	33.33
2	Age	Up to 30 years	18	30.00
		31 – 40	20	33.33
		41 – 50	10	16.67
		Above 50 years	12	20.00
3	Occupation	Public sector	38	63.33
		Private sector	22	36.67
4	Educational Qualification	SSLC	10	16.67
		HSC	14	23.33
		Graduate	18	30.00
		Post Graduate	12	20.00
		Others	6	10.00

Source: Primary data

The above table shows that 66.67% of the respondents are married and the rest of them 33.33% of the respondents are unmarried. When it comes to age, it is found that 18 investors 30% belong to the age group of up to 30 years. Hence it can be inferred that the younger generation think of savings and investments in their early phase of employment. Investors in the age group of 31-40 years are 20 in numbers constituting 33.33%. Investors in the age group of 41 to 50 years are 10 in numbers constituting 16.67%. Investors in the age group of above 50 years are 12 in numbers constituting 20%. Among the respondents 10 respondents 16.67% are with a High School or Matriculation level, 14 respondents 23.33% with Higher Secondary, 18 respondents 30% are graduates, whereas the majority of the investors are graduates. Post graduates constituting 20% and 6 respondents 10% belongs to others. As regards to occupations, 63.33% of the investors are working in public sectors and 36.67% of the investors are working in private sectors.

Table:2 Awareness About The Investment Avenues

S.no	Awareness about the investment avenues	No. of Respondents	Percentage(%)
1	Yes	37	61.67
2	No	23	38.33
	Total	60	100

Source: Primary Data

From the above table, we can know that out of 60 respondents 61.67% had the knowledge on various investment avenues and the remaining 38.33% of them had no knowledge about various investment alternatives. Above table indicates that most of the respondents know about the various investment avenues of the investments.

Testing Hypothesis

Ho : "There is no significant relationship between educational qualification and awareness of the investors".

To test the above hypothesis the researcher has used the 'chi- square test'.

Table:3 OBSERVED FREQUENCY

Education	Awareness	Not awareness	Total
SSLC	6	4	10
HSC	9	5	14
Graduate	11	7	18
Post Graduate	9	3	12
Others	2	4	6
Total	37	23	60

Source: Primary data

CHI-SQUARE TEST

O	E	(O-E)	$(O-E)^2$	$(O-E)^2/E$
6	6.16	-0.16	0.0256	0.0042
4	3.83	0.17	0.0289	0.0075
9	8.63	0.37	0.1369	0.0158
5	5.36	-0.36	0.1296	0.0241
11	11.10	-0.10	0.0100	0.0009
7	6.90	0.10	0.0100	0.0014
9	7.40	1.60	2.5600	0.3459
3	4.60	-1.60	2.5600	0.5565
2	3.70	-1.70	2.8900	0.7810
4	2.30	1.70	2.8900	1.2565
Total				2.9938

Degrees of Freedom

$V = (r - 1) (c - 1)$

$V = (5 - 1) (2 - 1)$

$V = 4$

4 degrees of freedom 5% level of significance is 9.488

The calculated value (2.99) is less than the table value. So hypothesis is accepted.

Hence it is concluded that, "There is no significant relationship between educational qualification and awareness of the investors"

Testing Hypothesis

Ho : "There is a significant relationship between income level and awareness of the investors".

To test the above hypothesis the researcher has used the 'chi- square test'.

Table:4 OBSERVED FREQUENCY

S.No	Income level	Awareness	Not awareness	Total
1	Up to Rs.10,000	6	7	13
2	Rs,10,001 – Rs. 20,000	10	5	15
3	Rs.20,001 – Rs.30,000	12	8	20
4	Above Rs.30,000	9	3	12
	Total	37	23	60

Source: Primary data

CHI- SQUARE TEST

O	E	(O-E)	$(O-E)^2$	$(O-E)^2/E$
6	8.01	-2.01	4.04	0.50
7	4.98	2.02	4.08	0.82
10	9.25	0.75	0.56	0.06
5	5.75	-0.75	0.56	0.09
12	12.33	-0.33	0.10	0.01
8	7.66	0.34	0.11	0.01
9	7.40	1.60	2.56	0.34
3	4.60	-1.60	2.56	0.55
Total				2.38

Degrees of Freedom

$V = (r - 1) (c - 1)$

$V = (4 - 1) (2 - 1)$

$V = 3$

3 degrees of freedom 5% level of significance is 7.815

The calculated value (2.38) is less than the table value. So hypothesis is accepted.

Hence it is concluded that, "There is no significant relationship between income level and awareness of the investors"

Table :5 Objectives Of The Investments

S.no	Objectives	No. of Respondents	Percentage(%)
1	High return	13	21.67
2	Future security	11	18.33
3	Tax benefit	6	10.00
4	Children's education	7	11.67
5	Children's marriage	10	16.66
6	Personal safety	13	21.67
	Total	60	100

Source: Primary Data

The objectives of the investment vary from one to another. Most of the investors invest their savings for the objective of high return and personal safety, followed by 11 respondents preferred future security and 10 respondents selected children's marriage as their investment objectives. Children's education and tax benefit has the lowest priority among the investment objectives. Hence high return and personal safety are the prime motive of investment.

Table:6 Sources Of Information About Various Investments

S.no	Sources	No.of Respondents	Percentage(%)
1	Family members/relatives	15	25.00
2	Friends	13	21.67
3	TV/Newspaper	10	16.67
4	Financial broker	9	15.00
5	Internet	6	10.00
6	Books/ Magazines	7	11.66
	Total	60	100

Source: Primary Data

Among the different sources of investment information 25% of the respondents get information through family members and relatives. Friends (21.67%) are getting second place. T/V and newspaper (16.67%) are getting

third place followed by others. From the above it is clear that most of the investors dependent on the family members and relatives.

PREFERENCES OF THE INVESTORS

There are so many investment avenues available in the market, so the investors have to take investment decision very carefully. A study is made to identify their investment preference. The following table displays the investment options.

Table:7   Preference Of Alternative Investments

S. No	Options	No. of Respondents	Percentage (%)
1	Bank deposits	15	25.00
2	Post office	10	16.67
3	Gold	18	30.00
4	Insurance	9	15.00
5	Real estates	3	5.00
6	Stock market	3	5.00
7	Others	2	3.33
	Total	60	100

Source: Primary Data

The above table shows that out of 60 respondents 30% of the investors prefer to invest their money in Gold, 25% of the investors invest their money in bank deposits, 16.67% of investors invest their Money in postal deposits, 15% of the investors invest their money in insurance, 5% of the respondents invest their money in real estate and stock market and the remaining 3.3% of the investors invest their money in others . Most of the investors invest their money in gold and bank deposits, because they want only safety to their investment amount.

FINDINGS
- In the study the researcher has investigated 60 respondents out of them 61.67 % of respondents are aware about the investment avenues whereas 38.33% are unaware.
- Most of the respondents are in the age group between 31 to 40 years
- Among the sample investors, majority 30% of the respondents are educated up to graduation level.
- The study reveals that most of the investors belong to married women.
- It is understood that most of the investors have a monthly income of Rs.20,001 to Rs.30,000.
- Most of the investors have made their investment in Gold and followed by bank deposits in the study area.

CONCLUSIONS

This report is a reflection of the behaviour of various categories women investors. Selection of a perfect investment avenue is a difficult task to any investor. An effort is made to identify the preferences of a sample of investors selected from large population. Despite of many limitations to the study I was successful in identifying some investment patterns, there is some commonness in these investors and many of them responded positively to the study. This report concentrated in identifying the needs of present and future investors, investor's preference towards various investment avenues are identified based on their income. Investors risk in selecting a particular avenue is dependent on the age of that investor. This study confirms the earlier findings with regard to the relationship between Age and risk tolerance level of individual investors. Women are less likely to take investment risks for whatever reason many women are less willing than men to take risks. The Present study has important implications for investment managers as it has come out with certain interesting facets of an individual investor. The

women investor still prefers to invest in financial products which give risk free returns. This confirms that Indian investors even if they are of high income, well educated, salaried, independent are conservative investors prefer to play safe.

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