

**“A STUDY ON INVESTOR BEHAVIOUR OF WORKING WOMEN TOWARDS  
RETIREMENT PLANNING”**

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**Abstract**

Women are engaged in various economic activities like banks, ports, free trade zone, art workers etc and so much activity is there This study aims to focus on Investment behaviour of working women towards retirement planning. The study is based on female employees only who are working in government, private organisations and self employed. For the purpose of this study the primary data was collected by questionnaire techniques with sample size of 196 respondents . Correlation, chi square, are used for analysis & interpretation purpose .The findings and suggestions are given on the basis of analysis

**INTRODUCTION**

**Investment**

Investment implies the production of new capital goods, plants and equipments. John Keynes refers investment as real investment and not financial investment.

Investment is a conscious act of an individual or any entity that involves deployment of money (cash) in securities or assets issued by any financial institution with a view to obtain the target returns over a specified period of time.

Target returns on an investment include:

1. Increase in the value of the securities or asset, and/or
2. Regular income must be available from the securities or asset.

In ancient times, women were not allowed to even get education. Their role was purely to look after home. Their world was limited to their families. But then, the people slowly started recognizing the importance of education for women. And today, we find many highly educated women and employed. They are progressing in real sense because in almost all sectors we finding women working successfully.

Savings is a habit specially embodied to women. Savings refers to the surplus of an individual from her earnings after meeting her necessities. Women's income is always considered as a supplementary income within the family. The growing importance of income earned by women raises many interesting issue worth serious consideration.

Investment is that part of money which is invested in security or property with an aim to earn future returns. In the past, women were investing, mostly in gold, jewellery, ornaments, etc. Presently the attitude of women has been changed. They are more educated and aware about investment avenues. They are now investing in post office saving schemes, fixed deposit, real estate, mutual funds apart from gold and silver.

They are motivated by investment behaviour of working colleague in their work place. The income and education level of women has been increased many folds. They are taking investment decision independently.

Most of the women see themselves as saver rather than investors and prefer to invest in products that offer guaranteed returns. Some investment avenues are risky, less risky and some are risk free. The investors choose investment avenues according to their want, risk and attitude capacity and accepted return. The new women investment club take the fear out of investing for women. The hand that rocks the cradle rules the world is popular saying about women.

Women have inherently been better money managers on a small scale. Yet many working women seem comfortable leaving their long term finance and retirement planning to their fathers or husbands. The efficiency they exhibit in managing home finance is not getting extended to their personal financial front.

Today women face various challenges in life compared to their previous generations. With their rising incomes their financial requirements have also increased, with rising cost of living, education expenses of children and retirement goals

## **RETIREMENT:**

Retirement is defined as seclusion or privacy or withdrawal from work due to age. In India the government is bifurcated into central and state, where the retirement age range within 58-65 as per 7<sup>th</sup> pay commission based upon the profession. Individual working under private sector has no such retirement age. Pension is the periodic monthly payment made to public servants who have completed their services but on or after 2004 pension payment has been stopped for a government employees and a new scheme called contributed pension schemes was introduced where , the employees from their salary 10% plus dearness allowance is been allocated and the government share an equal amount for Tier-I employees. Government does not share their contribution to Tier-II employees.

Individual who work under private sector receive Employee Provident Fund (EPF) monthly which is also consider as a type of pension. The EPF scheme for industrial workers was introduced with the passage of the Employees Provident Fund Act, 1952. Originally, public sector units were not covered under this act, but since 1958 they have also been bought under it.

The Pension Rights Center's Women's Pension Project focuses on preventing poverty among older women by eliminating inequities in the nation's pension programs that uniquely affect working women, widows, and divorced women.

Women often face special challenges when planning for retirement. Because their careers may be interrupted more often to care for children or elderly parents, women may spend less time in the workforce and earn less money than men in the same age group.

As a result, their retirement plan balances, Social Security benefits, and pension benefits are often lower. In addition to earning less, women generally live longer than men, and they may face having to stretch limited retirement savings and benefits over many years. To meet these financial challenges, women need to consider making retirement planning a priority.

## NEED OF STUDY

- ❖ This study is focusing on the preference of investment by women salaried class people and it will be helpful to identify the different and better investment options that are available in the market..
- ❖ This study shows that the time has arrived for women to take stock of their financial situation and undertake a systematic financial planning and investment decisions for their own financial well-being and that of their family.
- ❖ The study tries to understand the difficulties they face in undertaking financial planning and their ability to comprehend their financial goals and identify investments to invest according to their income, risk taking ability, financial need of security and returns expected.

## OBJECTIVES OF THE STUDY

- ❖ To know the socio-economic and investment profile of working women.
- ❖ To identify the level of awareness towards investing in retirement plans.
- ❖ To know the factors influencing working women investment behavior towards retirement planning.

## REVIEW OF LITERATURE

**Geng Li (2014)** highlights the significance of information sharing regarding household financial decisions. The researcher uses the panel Study of Income dynamics, and finds that household investors' likelihood of entering the stock market within the subsequent is about 20 per cent to 30 per cent higher if the parents or children had entered the stock market during the previous five years.

**Santhiyavalli G and Usharani M (March,2014)**. They took sample of 75 respondents. They studied that women investors took less risk and prefer safe investment. Role of women is very important in the economy of world. They concluded that women have less interest in shares and debentures market. So step should be taken to encourage it.

**Patil & Nandanwar (2015)** in their research paper "Review of Literature on Individual Investment Behavior" study confirmed that Indian investors even if they are of high income, well

educated, salaried, and independent are conservative investors who prefer to play safe in the market. Financial regulators have to organize seminars, programs and sessions for creating awareness in individual investors as well as to boost confidence level among them. Based on the research conducted by times of India 80% of working women have no investment. The survey involving nearly 4,800 women investors found that just 18% of single working women take their own decisions. The proportion of married working women taking investment decisions is even lower at 13%. In other words, an overwhelming majority of around seven in every eight married women, although working, don't take their own investment decisions.

**Mistry Kritika (Sep 2015)** She conducted research on 150 individual investor behaviour in stock market in Bharuch district. Her objective is to identify the preferred source of information influencing investment decision and to access the psychology of investors in different market situations. She found that majority of small investors do not consider various financial elements before investing in to stock market. Investor does not take immediate decision. They firstly understand the market then react.

**Pant,Gargi(2015)**.studied that women faculty members are very much aware about the retirement planning, they know the importance of retirement planning ,amount of corpus needed for retirement planning and they are investing in various investment avenues but mostly women invests in FD/RD and some mutual fund, women faculty members considers intuition while investing in stocks.

**Pereira T et al., (2016)** under took a Study on retirement plan among dental professionals in Navi Mumbai, India. A comprehensive questionnaire survey was conducted and it was revealed that many senior dentists advised the younger dentists to begin investing early. The most important factor in preparing for a sound retirement life is to start an early financial planning. Doctor recommends getting a “financial check-up periodically – at least once a year – just like a medical check-up.”Through the present study, dentists can review their current level of savings and look for ways to increase it to a level identified to ensure they are on a path to a safe and secure retirement life. The assessment of the dentist's assets and asset sources leads to the conclusion that dentists are well prepared for their retirement.

**Shailesh Singh, et al., (2017)** has established a study on perception of individuals towards retirement planning. In his study he found, that there is impact of financial advice on saving towards the retirement objectives and the analyses revealed that majority of the respondents are investing with their own belief which is not advisable. He found that majority of the respondents

were positive when asked the question do you think retirement planning is important irrespective of their income, age and occupation

## RESEARCH METHODS

Descriptive research is used to describe characteristics of a population or phenomenon being studied Descriptive research includes surveys and fact-findings enquiries of different kinds..

## SIMPLE RANDOM SAMPLING

A randomly selected sample from a larger sample or population, giving all the individuals in the sample an equal chance to be chosen. In a simple random sample, individuals are chosen at random and not more than once to prevent a bias that would negatively affect the validity of the result of the experiment The sample size is 196 it was calculated using pilot study

## ANALYSIS AND INTERPRETATION

S.NO	AGE	NO OF RESPONDENTS	% OF RESPONDENTS
1	21-30	59	30%
2	31-40	50	25%
3	41-50	48	25%
4	51-60	30	15%
5	Above 60	09	05%
TOTAL		196	100%
S.NO	QUALIFICATION	NO OF RESPONDENTS	% OF RESPONDENTS
1	Under graduate	65	33%
2	Graduate	50	26%
3	Post graduate	81	41%
TOTAL		196	100%
S.NO	MARITAL STATUS	NO OF RESPONDENTS	% OF RESPONDENTS
1	Married	144	74%

2	Unmarried	52	26%
TOTAL		196	100%
<b>S.NO</b>	<b>FAMILY TYPE</b>	<b>NO OF RESPONDENTS</b>	<b>% OF RESPONDENTS</b>
1	Joint family	89	45%
2	Nuclear family	107	55%
TOTAL		196	100%
<b>S.NO</b>	<b>EMPLOYMENT TYPE</b>	<b>NO OF RESPONDENTS</b>	<b>% OF RESPONDENTS</b>
1	Government Employed	18	09%
2	Private Employed	98	50%
3	Self employed	53	27%
4	Professional	27	14%
TOTAL		196	100%
<b>S.NO</b>	<b>WORK EXPERIENCE</b>	<b>NO OF RESPONDENTS</b>	<b>% OF RESPONDENTS</b>
1	Less than 5 years	26	13%
2	5-10 years	101	52%
3	11-15 years	39	20%
4	16-20 years	12	06%
5	Above 20 years	18	09%
TOTAL		196	100%
<b>S.NO</b>	<b>ANNUAL INCOME</b>	<b>NO OF RESPONDENTS</b>	
1	1,00,001-2,00,000	06	03%
2	2,00,001-3,00,000	26	13%
3	3,00,001-4,00,000	73	37%
4	Above 4,00,000	91	47%
TOTAL		196	100%
<b>S.NO</b>	<b>INVESTMENT AVENUES</b>	<b>NO OF RESPONDENTS</b>	<b>% OF RESPONDENTS</b>

1	Very High	21	11%
2	High	56	29%
3	Moderate	85	43%
4	Low	23	12%
5	Very Low	11	05%
TOTAL		196	100%
<b>S.NO</b>	<b>SOURCES</b>	<b>NO OF RESPONDENTS</b>	<b>% OF RESPONDENTS</b>
1	News paper	30	15%
2	Advertisement	42	21%
3	Website	45	23%
4	Family and Friends	50	26%
5	Agents/Brokers	29	15%
TOTAL		196	100%
<b>S.NO</b>	<b>PURPOSES</b>	<b>NO OF RESPONDENTS</b>	<b>% OF RESPONDENTS</b>
1	Tax savings	43	22%
2	Capital appreciation	53	27%
3	Future needs	38	19%
4	Heding	24	12%
5	Regular source of income	38	20%
TOTAL		196	100%

### Chi-Square analysis

#### Null hypothesis (Ho):

There is no significant association between Education and level of awarness and knowledge among respondents

#### Alternative hypothesis H1:

There is significant association between Education and level of awarness and knowledge among respondents



Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Educational Qualification * Level of Awarness and Knowledge about Investment avenues	196	100.0%	0	.0%	196	100.0%

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.850 <sup>a</sup>	8	.000
Likelihood Ratio	28.580	8	.000
Linear-by-Linear Association	8.902	1	.003
N of Valid Cases	196		

a. 3 cells (20.0%) have expected count less than 5. The minimum expected count is 2.81.

Calculated value=28.580    Calculated value > Table value

**Inference:**

From the above technique, it was observed that, calculated value is greater than table value. So, the null hypothesis is rejected. Here there is significant association between Education and level of awarness and knowledge among respondents

**Analysis of correlation**

**Null hypothesis (H0):**

There is positive relationship between the Percentage of Income Invested for Retirement planning and Too much current financial responsibilities reason for considering retirement planning behaviour

**Alternate hypothesis (H1):**

There is negative relationship between the Percentage of Income Invested for Retirement planning and Too much current financial responsibilities reason for considering retirement planning behaviour

<b>Correlations</b>			
		% of Income invested for Retirement Planning	Reasons For considering Retirement planning Behaviour-Too much current financial responsibility
% of Income invested for Retirement Planning	Pearson Correlation	1	.157
	Sig. (2-tailed)		.112
	N	103	103
Reasons For considering Retirement planning Behaviour-Too much current financial responsibility	Pearson Correlation	.157	1
	Sig. (2-tailed)	.112	
	N	103	103

$$r = \frac{N\sum XY - \sum X\sum Y}{\sqrt{N\sum X^2 - (\sum X)^2}\sqrt{N\sum Y^2 - (\sum Y)^2}}$$

**r=0.157**

## INFERENCE:

Since  $r$  is positive, there is positive relationship between the Percentage of Income Invested for Retirement planning and Too much current financial responsibilities reason for considering retirement planning behaviour

## SUMMARY OF FINDINGS

- ❖ Majority (30%) of respondent's age group falls under 21-30 years
- ❖ Most (41%) of respondents have studied Post Graduation
- ❖ It is inferred that 74% of working women are Married
- ❖ Higher (35%) of decision taker in the family are women and their husband
- ❖ It is inferred that 50% of the women are working in private sectors
- ❖ It clears that (52%) of respondents have work experience between the range of 5-10 years
- ❖ It is understood that 47% of respondent have their annual income above 4,00,000
- ❖ It is inferred that 50% of women have Demat account
- ❖ It is clear that 43% of respondent have moderate level of awareness and knowledge about Investment avenues
- ❖ Majority (26%) of respondent collect the source of Information for Investment choice from Family and Friends
- ❖ Most (27%) of respondent make Investment for capital appreciation
- ❖ Majority (29%) of respondent spend 21-30% of income for Investment
- ❖ It is inferred that (38%) of respondent make Investment quarterly
- ❖ Majority (89%) of respondent feel secure about Investment
- ❖ It is inferred that 53% of respondent are planning for Retirement
- ❖ Most (54%) of respondent spend 05-10% of Income Invested for Retirement Planning

## SUGGESTIONS

- ❖ It is clear the most of the respondent are private employed, so it should be better to promote more about Retirement planning to Private employees
- ❖ It is understood that 50% of respondent not having the DEMAT account, so the agents and brokers should promote them towards employees

- ❖ It is inferred that most of the respondent collect the source of Information from Family and Friends, so the better promotions are made through agents, Advertisement to gain more investors
- ❖ It is suggested that the company should increase the awareness about the Retirement planning towards public (Non Users).

## CONCLUSION

From the present study, a lot of investment opportunities are available to the investors in the financial market. Investor can invest in corporate bonds, debentures, shares, post office etc.

It is concluded that most of the respondents are make Investment for Liquidity, since more number of respondent have moderate level of awarness about Investment so the agents and brokers should promote more knowledge about Investment.

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