

A Study on the Awareness Level of Women Investor in Union Territory Chandigarh

Abstract

The working women of today are well educated and occupying a prominent position in various fields of the economy. The awareness level of an individual tells about her ability to perceive something. The study intends to measure the conscious level of working women towards various saving and investment opportunities available in the market. Because higher the level of awareness, better and informed decision one can take. The present study finds that the working women of Chandigarh have high awareness level of different saving and investment avenues. Still they are unaware of many especially of capital market investment avenues. To use their saving for more productively they should get awareness of new and innovative avenues. Their employer and financial institution can play a major role in it.

Keywords: Working women, Saving and Investment Options, Awareness level.

Introduction

Indian household savings play an important role because it constitutes about two-third of the domestic savings. Household investors supply a pool of capital that creates liquidity in market and make it dynamic. We cannot ignore the role of working women in household's savings. Women are also a main contributor in household saving. Women are getting more employed due to increase in their literacy level. As a result they are becoming more financially independent and emerged as a large household class of saver. These savings are transformed into investment for the development of the country. The major purpose of investment is safety of funds as well as to get a good return of income along with the capital appreciation on the funds invested. If the investment is properly undertaken, it can reduce the uncertainties in getting return.

The present women, who are equally employed through their education, have knowledge of different saving and investment avenues present in market. Preference of any investment avenue depends on the awareness regarding the avenue. Still some of the working women are unaware of different avenues. As a result they don't prefer to invest in those avenues.

Thus the main purpose of study is to judge the awareness level of working women towards different saving and investment avenues. A random sample of 300 working women of Chandigarh has been taken. There are many reasons that justify the selection of Chandigarh. One of the reasons is female literacy rate that is 81.19% which is significantly high when compared at India level. Chandigarh is included in top richest cities in India. The next main contributor is government who is major employer there. The small and medium industries are also having their base in Chandigarh. This entire factor leads to selection of Chandigarh.

Review of Literature

The literatures below are the empirical evidences of the study conducted on different types of investor in India. The studies mainly covered their awareness level towards different avenues in different part in India.

Kannadhasan (2006) tried to assess the awareness of the potential retail investors on various investment avenues. The study revealed that only some of the respondents were aware of all the investment avenues available in the capital market but they were not aware about the rules framed by the government to protect their interest.

Nidhi Walia

Research Scholar,
Deptt. of Commerce,
Punjabi University,
Patiala, Punjab, India

Baldeep Singh

Assistant Professor,
Deptt. of Basic Applied Sciences,
Punjabi University,
Patiala, Punjab, India

Krishnudu & Reddy (2009) made an attempt to measure the level of awareness of investors of Andhra Pradesh about the investment products. The study found that age and gender had no effect whereas occupation, education, income level had a great effect on the level of awareness. The study suggested educating the investors so that their savings could be pooled and channelized into productive investment.

Bhushan (2014) shed the light on the awareness level salaried class investors of Himachal Pradesh. The study indicated that the most of people had less knowledge about new financial products. They preferred only traditional products. The study suggested that efforts should be made to educate the investors.

Saraf (2016) studied the awareness level of working women of Aurangabad district. The study showed that they were well aware about the risk free investment. The gold was a favorable avenue for the investment. They had a less knowledge about other financial products in the market.

Objectives of the Study

The objective of the study is to judge the awareness level of working women towards different saving and investment avenues.

Research Methodology

The present study is based on the primary data. A structured questionnaire has been used to collect data from the working women of Chandigarh. Suitable statistical techniques have been used to analyze the data.

Analysis

To measure the level of awareness among the working women, towards the various saving options available, the respondents were offered a small list of options and had been asked them to rate them from not aware (=1) to fully aware (=3). Frequency and percent are used to interpret the results and the results are exhibited in Table 1. Almost every woman is found to be aware of cash kept with her as a saving option. Only 1% women are partially aware. 55% of the working women are fully aware of the saving option with post office saving accounts and 41% are partially aware. 4% are not aware of post office saving account because perhaps they have never used it. The most widely used option for saving is commercial banks. 73% of the working women are fully aware of the various saving options provided by the banks like saving account, FDs etc. Remaining 27% are partially aware. But none is found to be unaware of it. Overall, mean scores can be used to conclude the outcome. Cash as the saving option is the most recognized mode of saving as it obtained a mean score of 2.99 out of 3. At the second place is the saving with banks with an average score of 2.73 and at number three is the saving with post offices with an average score of 2.50. The awareness level towards saving with banks and post office is also high. The lowest score of 1.47 is obtained by the other saving options towards which the awareness level is very low.

Table 1: Awareness Level towards Different Saving Options

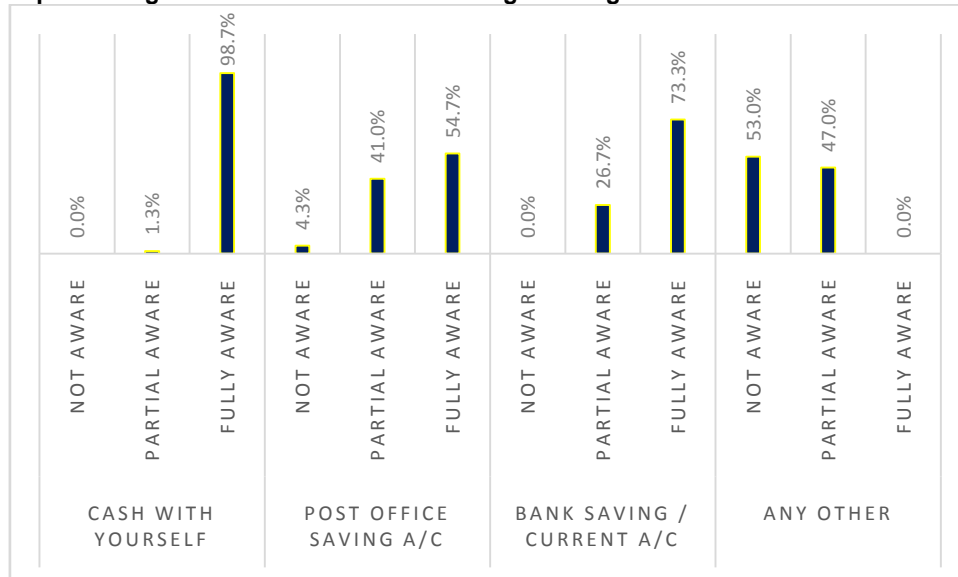
Saving options	Level of awareness	Frequency	Percent	Mean	SD
Cash with yourself	Not aware	0	0.0%	2.99	0.11
	Partial aware	4	1.3%		
	Fully aware	296	98.7%		
Post office saving a/c	Not aware	13	4.3%	2.5	0.58
	Partial aware	123	41.0%		
	Fully aware	164	54.7%		
Bank saving / current a/c	Not aware	0	0.0%	2.73	0.44
	Partial aware	80	26.7%		
	Fully aware	220	73.3%		
Any other	Not aware	159	53.0%	1.47	0.5
	Partial aware	141	47.0%		
	Fully aware	0	0.0%		

Figure 1 exhibits the bar chart expressing the level of awareness among working women towards various saving options, as has discussed above. The

figures are in percent and the length of the bar represents the level of awareness. Longer the bar length, higher is the level of awareness.

Figure1

Bar Chart Representing the Level of Awareness among Working Women towards Various Saving Options



To investigate the awareness level of working women towards various investment options, a list of 11 investment options was offered to the respondents and were asked to rate them on a three point scale from not aware (= 1) to fully aware (= 3). Frequency and percentage are used to describe the results and Friedman test is used to determine the mean rank of the different investment options based on the responses. Based on the mean ranks, the investment options are ranked from most aware to least aware. The results are exhibited in Table 2.

As shown in table2, 83% of the respondents are fully aware of the bank deposits and 17% are partially aware. Almost 100% of the respondents are aware of bank deposits as banks are the most widely used financial institutions for any kind of transactions. Regarding post office schemes, 42% of the respondents are fully aware of post office schemes, 52% are partially aware, and 6% are not aware of it. Regarding insurance policies, 49% of the working women are fully aware of it, 51% are partially aware and 1% is not aware. The awareness level of working women toward insurance policies is very high. Regarding investment in gold and silver, the awareness level is very high as 63% of the working women are fully aware of it, 31% are partial aware and 5% are not aware of it. Regarding the awareness level towards investment in real estate is not very high as only 19% are fully aware, 49% are partial aware, and 31% are not aware of it. Regarding the awareness toward mutual funds, 22% are fully aware, 52% partial aware, and 26% are not aware. The overall awareness toward mutual funds is low. Regarding the shares and debentures, the awareness level is very low as 48% respondents are not aware, 43% partial aware and only 9% are fully aware. NSC/KVP is the debt instruments issued by the central government and issues through Post Office. 44% of the working women are not aware of it and 36% are partial aware. Only 20% are fully aware of these instruments. PPF are very widely used mode of

investment. 55% of the working women are aware of it, and 28% are partial aware but 17% are not aware of it. Government securities and bonds are the tradable instruments which are issued by the government of India to raise funds from the market. These instruments are also called treasury bonds and mature after a definite period of time and give pre-determined ROI. Since these instruments are issued by the central government, they carry no risk and therefore also called risk free gilt instruments. 16% of the working women are aware of it and 44% are partial aware and 39% are not aware of it. Pension scheme is another investment option available in the market. Various private insurance companies have insurance plans. The governments have stopped pension benefits which are available earlier. Under new pension schemes, the private players would manage the invested money in stock market and debt instruments and based on the profitability, the pension is fixed. 27% of working women are not aware of it and 38% are partial aware. Only 35% are fully aware of pension schemes.

Further Friedman test is applied to test if the awareness level towards various investment options is same. The results of the Friedman test are also exhibited in Table 2&3. The Friedman test provides the mean rank of each investment option. Based on the mean rank, Higher the mean rank can be interpreted as higher the level of awareness and lower the mean rank means lower the level of awareness towards the investment option. The highest mean rank of 8.78 has been obtained by the Bank deposit and therefore it may be concluded that the working women have highest level of awareness towards bank deposits. The second highest mean rank score is obtained by 7.76, which means the second highest level of awareness among the working women is towards investment in gold. The third highest mean rank score of 7.39 is obtained by the insurance policies and so on. The lowest mean rank of 3.68 is obtained by the shares and debentures suggesting

that the working women are least aware with the investment in shares and debentures. Share market is

one the most risky investment option also. Therefore, the woman has least interest in this.

Table2: Awareness Level towards Different Investment Options

Investment Options	Level Of Awareness	Frequency	Percent	Mean Rank
Bank Deposit (FD, RD)	Not aware	1	0.3%	8.78
	Partial aware	51	17.0%	
	Fully aware	248	82.7%	
Post Office Schemes(TD,RD)	Not aware	17	5.7%	6.88
	Partial aware	157	52.3%	
	Fully aware	126	42.0%	
Insurance Policies	Not aware	2	0.7%	7.39
	Partial aware	152	50.7%	
	Fully aware	146	48.7%	
Gold and Silver	Not aware	16	5.3%	7.76
	Partial aware	94	31.3%	
	Fully aware	190	63.3%	
Real Estate	Not aware	94	31.3%	4.83
	Partial aware	148	49.3%	
	Fully aware	58	19.3%	
Mutual Fund	Not aware	78	26.0%	5.19
	Partial aware	155	51.7%	
	Fully aware	67	22.3%	
Shares and Debentures	Not aware	144	48.0%	3.68
	Partial aware	128	42.7%	
	Fully aware	28	9.3%	
NSC/KVP	Not aware	131	43.7%	4.41
	Partial aware	108	36.0%	
	Fully aware	61	20.3%	
PPF	Not aware	50	16.7%	7.02
	Partial aware	84	28.0%	
	Fully aware	166	55.3%	
Government Securities/Bonds	Not aware	118	39.3%	4.41
	Partial aware	133	44.3%	
	Fully aware	49	16.3%	
Pension Schemes	Not aware	80	26.7%	5.66
	Partial aware	115	38.3%	
	Fully aware	105	35.0%	

N	300
Chi-Square	1013.341
Df	10
Asymp. Sig.	.000
<i>a. Friedman Test</i>	

The result of Friedman test is found to be highly significant (Chi-square = 1013.34, df =10, p<.01), suggesting that the awareness of working women towards various investment options is not same (refer Table3). Further the Durbin-Conover post-hoc test reveals that the mean ranks of post office scheme and PPF; insurance policies and gold and silver; and real estate and mutual funds are not significantly different

Findings

1. Among the saving avenues most of the respondents are aware of cash with themselves and bank account. They are fully aware of saving account but they are less aware of the current account. There is no one who is unaware of bank deposit.
2. Nearly half of working women are aware of chit funds but they do not save through chit funds as high risk is involved in it.
3. The study of the investment avenues reveals that working women have more awareness towards bank deposit followed by gold and insurance respectively.
4. Working women shows less awareness towards shares and debentures. But they are aware of mutual fund. The reason for this they consider the shares and debentures are risky so they do not get want to aware of them.

Suggestions

Women's awareness level should be increased through conducting seminars and conference. Training should be imparted to them regarding practical aspects of these avenues so that they can reduce their risk. Their employer and financial institution can play a major role in it.

Conclusion

The working women of today are well educated and occupying a prominent position in various fields of the economy. The awareness level of an individual tells about her ability to perceive something. The study intends to measure the consciousness level of working women towards various saving and investment opportunities available in the market. Because higher the level of awareness, better and informed decision one can take. Still they are unaware of various saving and investment avenues. To use their saving for more productively

they should get awareness of new and innovative avenues. Their employer and financial institution can play a major role in it.

References

- Avadhani, V.A. (2000), *Investment Management*, Himalayan Publishing Publication House, New Delhi, Fourth Edition, 2000.
- Bhalla, V.K. (2008), *Management of Financial Services*, Anmol Publications Pvt. Ltd., New Delhi, Fourth Edition, 2008.
- Bhushan Puneet (2014), "Insights into Awareness Level And Investment Behaviour of Salaried Individual Towards Financial Products", *International Journal of Engineering, Business and Enterprise Application (IJEBA)*, vol.8 No.1, March-May, 2014, pp.53-57.
- Chandra, Prassana (2008), *Investment Analysis and Portfolio Management*, Tata McGraw Hill Pvt, Ltd., New Delhi.
- Kannadhasan, M. (2006), "Risk Appetite and Attitudes of Retail Investors with Special Reference to Capital Market", *The Management Accountant*, Vol.41, No. 6, June 2006 pp. 448-454.
- Krishnudu, CH and Reddy, G. Ramakrishna (2009), "Saving Pattern and Investment Preferences of Individual Investors", *Portfolio Organizer*, Vol.10, No. 6, June 2009, pp. 9-21.
- National Council of Applied Economic Research (2011), "How Households Save and Invest: Evidence from NCAER Household Survey", Sponsored by Securities Exchange Board of India, July 2011 pp.1-125.
- Saraf, Aparna Bhonde (2016), "Are Women Financially Educated? A Study With Reference to Earning Women of Aurangabad District, Maharashtra", *Indian Journal of Finance*, Vol.10, No.3, March 2016, pp. 43-51.