

# An Analytical Study On The Investment Pattern And Savings By Working Women In Relation To The Retirement Corpus Post Retirement

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## ABSTRACT

Investment is the way to utilise savings which are kept idle. The motive of doing investment is to get wealth maximisation or regular return or both. While doing investment one is concern about safety of money with profit. Majority of working women are doing investment after taking information from various sources. The investment process is done by themselves or by someone else. When the investors choose the investment avenues, they take into consideration various factors such as risk, return, time etc. Factors are the features which lead any activity. In case of investment there are many factors which govern the decision of investment. These factors are social, economic, cultural and sometime behavioural. Studying, exploring and understanding the factors, helps to determine the investment behaviour of one. Investment is the way to have financial growth. Factors of investment are different in different gender i.e. men and women. In case of women investor the factors are mainly dominated by social and cultural one. Women investors in large do not take risk while doing investment. And in case of financial planning for retirement there are no efforts take for it.

Keywords -

## 1. INTRODUCTION

Economic growth of a nation is driven by saving and its transformation into investment. This ultimately leads to affect life of people of a country. An investment is done from savings. This is applicable to countries, companies and individuals also. Investment is that part of saved money which is employed in different avenues with an aim to earn future return. The return may be in the form of interest, dividend, profit, or rent derived from investment made in security or property. There are different types of investments such as fixed and recurring deposits, post office saving schemes, Public Provident Fund, bonds, stocks, mutual funds, real estate etc.

Investment is being done, inter alia, by both men and women. Most of the men prefer to invest in fixed deposits, equity shares, mutual funds, and real estate. They invest with the aim to get appreciation in capital, wealth creation, for retirement purpose, and education & marriage of their children. Women save from their earnings and savings by controlling household expenses.

Mainstreaming the rights of older women and men age differently. The problems of elderly women are exacerbated by a lifetime of gender based discrimination, often stemming from deep-rooted cultural and social biases. It is compounded by other forms of discrimination based on class, caste, illiteracy, unemployment due to lack of skills, and marital status. Patriarchal hierarchy and access to property rights are also discriminatory. Burdened with household chores for a longer span of time compared to older men, older women do not have time for paid work, leisure or recreational activity. It has also been observed that women experience proportionately higher rates of chronic illness and disability in later life than men. Women seem to carry a greater burden of non-communicable diseases and experience, lower social and mental health status, especially if they are single and/or widowed. Over 50% of women over age 80 are widows. Elderly women and their problems need special attention as their numbers are likely to increase in the future and, given the multiple disadvantages they face in life, they are likely to be grossly unprepared to tackle the various challenges of survival. More women than men face the prospect of being dispossessed, abandoned and rendered destitute by their own family members, as also by other unscrupulous elements in their immediate environments; the plight of older women becomes the third area of critical concerns. Healthy lifestyles and retirement readiness go hand-in-hand. Workers who engage in multiple healthy activities have a higher retirement readiness score than those who do not.

Financial planning is the process of making arrangements from the earnings to meet financial goals over a period of time. This planning is done through prioritisation of needs vis-à-vis the scope of incomes and savings. A correct financial planning helps to fulfil financial requirements on time and in the settled manner.

## 2. LITERATURE REVIEW

3. In view of Lynch Merrill (2018) - Women are now more financially secure compared to previous time. But still there are many cases where women are not taking financial decisions. The financial independent and financial empowerment is still in progress. There are many factors which has challenged their financial independence. To improve the position of women in financial decision making there is need to understand the challenges, perception, and awareness among women. With the improvement in knowledge, financial independence and awareness the financial decision making status of women will improve.

According to Roy Blessy & Jain Ruchi (2018) women are not aware and are not prepared for getting information about financial market. This ignorance behaviour may be due to various reasons like no information, no motivation, no awareness among peer. And all these factors are stopping women to get involved in financial planning for future. They are concerned about immediate future and current requirement, they do not want to invest hard earn money and taking risk.

In view of Singh Chetna & Raj Kumar (2017) in a country like India, poverty and unemployment are the main issues faced by population. In such situation, giving financial literacy is kept aside. Working women, are more engaged in saving and do not invest, and if

even they invest they prefer to invest in fixed deposit, gold; traditional area of investment. Poverty and unemployment are the main hurdles to economic growth of countries. Whereas in develop countries women are more financial sound and aware about the importance of financial planning and literacy.

According to Ritu Gupta, Sudeepta Pradhan (2017) the advertisements indicated self-reliant retirees, which is a desired state in retirement. The advertisements show financial management but it is not clear how this is achieved. The goal of these advertisements was to motivate individuals watching to plan for retirement to become financially independent.

According to Naidu (2017) - It is found in various studies that the level of financial literacy is very low. Still there is no emphasis given towards awareness regarding financial planning and financial literacy. In case of women and young population, they do not have enough knowledge & guidance of financial planning.

In view of Brown Jennifer and Lessler Joelle (2016) - The participation of women in workforce has increased over a period of time. Women may work for longer time to have sufficient conditions for retirement or pension plans. Majority of women are engage in part time work, work from home or job for short period of time. This kind of employment do not give any guarantee of retirement plans, pension etc. The eligibility of pension and other retirement benefits depends upon the duration of employment of the employee.

#### **4. OBJECTIVES OF THE STUDY**

**4.1** To identify the factors influencing in choice of Investment preference by working women in Mumbai Region.:

**4.2** To analyse the factors influencing choice of savings preferred by working women in Mumbai Region:

**4.3** To identify the impact of investments and savings by working women in Mumbai Region on retirement corpus

#### **5 HYPOTHESIS OF THE STUDY**

In the light of the above-cited objectives, the researcher for the present study has set the following hypotheses.

H0- There is no significant difference between long term financial planning and short term financial planning for the investment made by working women in Mumbai Region.

H1- There is significant difference between long term financial planning and short term financial planning for the investment made by working women in Mumbai Region.

H0: There is no association between investment of savings and investment made for retirement corpus.

H1: There is an association between investment of savings and investment made for retirement corpus.

H0: There is no association between investment for retirement planning and investment made for retirement corpus.

H1: There is an association between investment for retirement planning and investment made for retirement corpus.

## 6. DATA ANALYSIS

The primary data was collected from 1500 respondent from Mumbai region. All were the working women.

**Table No. 1 - Need of Financial Planning in fast city life of Mumbai**

Financial planning is of utmost important in fast city life like Mumbai	Total
Yes	196
No	4
Total	200

**Source: Compiled from Primary data.**

Financial planning is important for city like Mumbai according to 196 respondents i.e. 98 percentages of total respondents. And 4 respondents do not give importance of financial planning. Financial planning gives estimate regarding the future need of savings of money.

**Table No. 2 - Planning of Investment by working women respondents**

Plan before Investment	Marital Status		Total
	Single	Married	
Yes	36	108	144
No	8	32	40
Not Applicable	8	8	16
Total	52	148	200

**Source: Compiled from Primary data.**

There are 184 respondents who do investment i.e. 92 percentages of total respondents. There are 144 respondents who do planning regarding investment i.e. 78 percentages and 40 respondents do not plan before doing investment i.e. 22 percentages of these respondents. The respondents who do planning of investment, among them 108 respondents are married i.e. 75 percentages and 36 respondents are single i.e. 25 percentage of respondents. Married women do planning before doing investment from their savings as they are planning for future expenses which are known and also for unknown expenses.

**Table No 3 - Factors influencing in choice of Investment Options of working women respondents**

Factors	Marital Status	Least Important	Less Important	Neutral	More Important	Most Important	Weightage Product	Weightage Average
Reputation of the Company	Single	0	0	12	16	24	1650	4.23
	Married	0	16	24	32	76	4590	4.14

Peer Pressure	Single	8	0	28	16	0	1170	3.00
	Married	24	36	48	40	0	3000	2.70
Family Pressure/Dependent Family Members	Single	8	4	16	16	8	1260	3.23
	Married	12	20	56	48	12	3540	3.19
Future need/Old Age/Retirement	Single	4	4	16	12	16	1410	3.62
	Married	12	4	32	56	44	4200	3.78
Information about high and assured returns in long run	Single	0	0	16	16	20	1590	4.08
	Married	0	20	24	40	64	4440	4.00
Strong Financial analysis as per need	Single	0	0	24	8	20	1530	3.92
	Married	4	8	32	44	60	4440	4.00
Tax Savings	Single	0	0	12	20	20	1620	4.15
	Married	0	4	12	76	56	4710	4.24
Favourable Market Condition for investment	Single	0	0	16	20	16	1560	4.00
	Married	0	12	32	60	44	4350	3.92
Less risky option of investment	Single	0	4	12	28	8	1470	3.77
	Married	0	12	36	44	56	4410	3.97
Job Security	Single	0	0	8	28	16	1620	4.15
	Married	0	12	40	60	36	4230	3.81
Habit of savings and investment	Single	0	0	12	32	8	1530	3.92
	Married	0	8	28	68	44	4440	4.00
Fear of uncertainty	Single	0	8	8	24	12	1470	3.77
	Married	0	4	60	64	20	4080	3.68

	d						
Total	Single						3.82
	Married						3.79

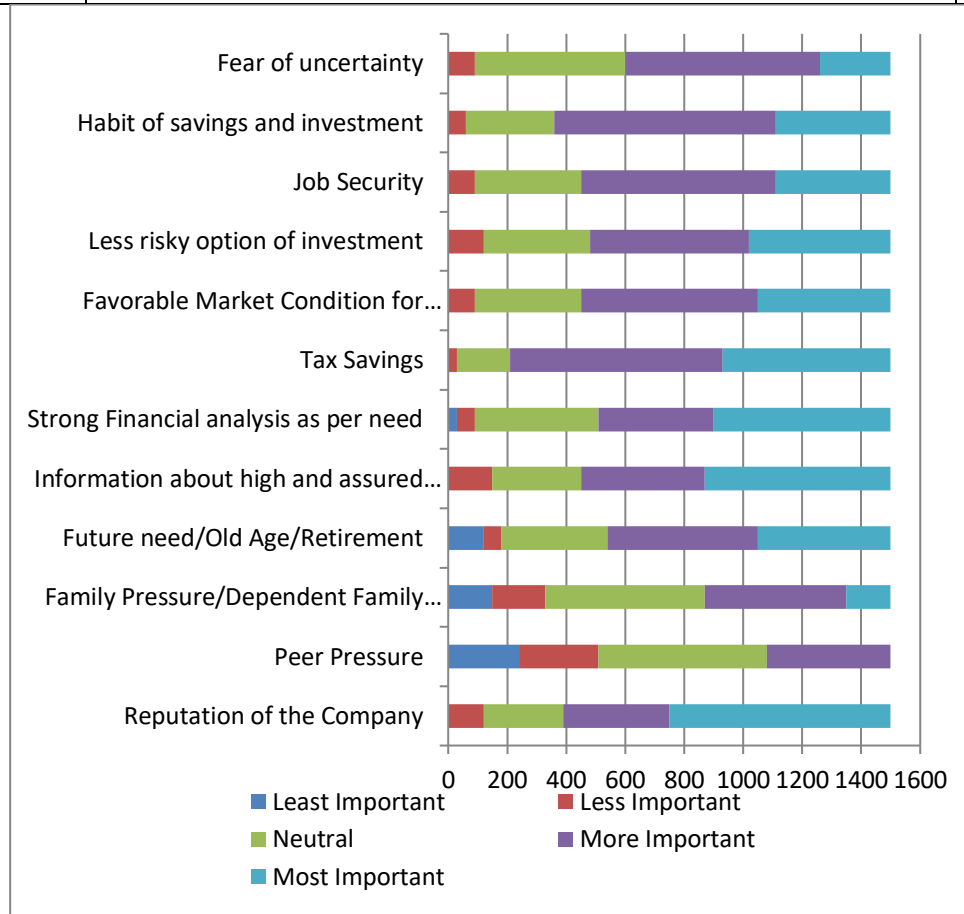


Figure 1- Factors influencing in choice of Investment Options of working women respondents

6.1 Hypothesis testing

**H0: THERE IS NO SIGNIFICANT DIFFERENCE BETWEEN LONG TERM FINANCIAL PLANNING AND SHORT TERM FINANCIAL PLANNING FOR THE INVESTMENT MADE BY WORKING WOMEN IN MUMBAI REGION.**

**H1: THERE IS A SIGNIFICANT DIFFERENCE BETWEEN LONG TERM FINANCIAL PLANNING AND SHORT TERM FINANCIAL PLANNING FOR THE INVESTMENT MADE BY WORKING WOMEN IN MUMBAI REGION.**

As the data collected were categorical and measured as nominal scale, average method was applied to test the hypothesis for the study. Table no. 5.11 describes the test results of averages for the testing of Hypothesis and results of the same

Table No 4 - Testing Hypothesis

Long Term		
Investment Options	N	Average
Gold/Gold Scheme	80	75
Mutual Funds – SIP	124	
Insurance - Term Plan	124	
Insurance – Others	44	
Real Estate	56	
Stock Market	56	
Investment Funds - For Children	52	
Investment Funds - For Retirement	64	
Short Term		
Investment Options	N	Average
Recurring Deposits	104	96
Fixed Deposits	156	
Mutual Funds - Tax Savings	104	
Mutual Funds- General	52	
Insurance – Medi claim	136	
Investment Funds – Other	24	

As per above table there is significant difference in average number of respondents planning for investment out of savings for long term i.e. 75 and short term i.e. 96. Thus null hypothesis stand to be rejected. Thus, there is a significant difference between Short term investment and long term investment made by the working women in Mumbai. It has been concluded through Inferential Analysis that, working women are planning more for short term as compared to long term investment.

**H0: THERE IS NO ASSOCIATION BETWEEN INVESTMENT OF SAVINGS AND INVESTMENT MADE FOR RETIREMENT CORPUS.**

**H1: THERE IS AN ASSOCIATION BETWEEN INVESTMENT OF SAVINGS AND INVESTMENT MADE FOR RETIREMENT CORPUS.**

As the data collected were categorical and measured as nominal scale, Non parametric test (Chi Square test) was applied to test the hypothesis for the study. Table describes the test results of Chi Square Test for the testing of Hypothesis and results of the same.

**Table no. 7 - Test Statistics**

	Any avenues of investment which is building up any retirement corpus	Investment of Savings
Chi-Square	433.200 <sup>a</sup>	1058.400 <sup>b</sup>
Df	2	1
Asymp. Sig.	.000	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 500.0.		
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 750.0.		

As per above table, as sig. value is less than 0.05 (at 95percent level of significance) i.e. 0.000, thus, there is an association between any avenues of investment which is building up any retirement corpus and Investment for savings. It has been concluded through Inferential Analysis that avenues of investment which is building up any retirement corpus is dependent on Investment for savings.

**H0: THERE IS NO ASSOCIATION BETWEEN INVESTMENT FOR RETIREMENT PLANNING AND INVESTMENT MADE FOR RETIREMENT CORPUS.**

**H1: THERE IS AN ASSOCIATION BETWEEN INVESTMENT FOR RETIREMENT PLANNING AND INVESTMENT MADE FOR RETIREMENT CORPUS.**

As the data collected were categorical and measured as nominal scale, Non parametric test (Chi Square test) was applied to test the hypothesis for the study. Table describes the test results of Chi Square Test for the testing of Hypothesis and results of the same.

**Table No. 8 - Test Statistics**

	Any avenues of investment which is building up any retirement corpus	Retirement Planning
Chi-Square	433.200 <sup>a</sup>	38.400 <sup>b</sup>
Df	2	1
Asymp. Sig.	.000	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 500.0.		
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 750.0.		

As per above table, as sig. value is less than 0.05 (at 95percent level of significance) i.e. 0.000, thus, there is an association between any avenues of investment which is building up any retirement corpus and retirement planning. It has been concluded through Inferential



Analysis that avenues of investment which is building up any retirement corpus is dependent on retirement planning.

## 7. RECOMMENDATION

- a. In general women are having long life than men. In such condition, working women must understand that the retirement planning and retirement investment make them independent rather than depending upon others. And this message can be spread by the employer, government agencies, investor education societies and peer.
- b. There is no pension benefit to the employees of private companies and in case of Government Company also its limited. In such condition there is a high need of self-enrolment in pension plans. There are many insurance companies who are providing pension plans. The working women need to enrol themselves in such pension plans.
- c. The importance of pension plans need to convey to the working women by financial advisors, spouse, family members, peers and friends. The pension plans should not be only termed as tax saving tool but also as support for future post-retirement life need of money.
- d. Advertisements are the most effective manner to create impact in the minds of investors regarding importance of investment. There is a need to show women as decision maker or participant in making decision of taking retirement planning and doing investment in retirement funds.
- e. Advertisements must portrait the post retirement life of the individual as smooth as is having during his/her working life. The importance of healthy, good and comfortable post retirement life must be emphasised in advertisement so that women take much interest in taking investment funds for remittent and participate in creating retirement corpus.
- f. Participation of Media will play important role in spreading awareness about the retirement corpus and retirement planning. Media including print and television commercials. Commercials showing the women as financial decision maker can improve the participation of women in making financial decision and taking investment decision
- g. The retirement planning and creation of retirement fund should be started at soon as possible by the working women. The decision of taking investment funds related to retirement should not postpone till the age of retirement. When the working woman starts early investment for retirement, she will have sufficient fund for post- retirement life.
- h. Women do investment but more in conservative way. They invest in secured investment option such as post office, bank fixed deposits etc. While investing there is no long term saving for retirement purpose. Awareness is required for creating retirement corpus with new investment products.
- i. Financial literacy is an important tool for making good retirement income. Many women know about the importance of savings and investment. The information regarding diversion of investment towards retirement is an essential step.
- j. Financial market is changing rapidly and with this change of financial market the responsibility of individual has increased. This change in financial market especially in area

of retirement fund has taken many folds. The women need to get correct information of this changing financial market.

k. There is no specific retirement plan or investment product specifically for working women at domestic level. Giving specific tax benefit or return benefit to women through investment for retirement planning can boost their participation in investment.

## 8. CONCLUSION

Factors are the governing elements which affect any act of decision. There are many factors which are generally deciding the investment by women. There are many factors which are common between married and single women while taking decision of investment. Such as return on investment, fear of uncertainty, peer -pressure whereas factors such as future retirement need of money, dependent responsibilities, and tax savings are having different intensity on investment decision. Women tend to be more conservative investor; they tend to rely on others for taking investment decision like on spouse, father, brother and professionals. Even working women depends on others for taking financial decision for themselves.

The financial literacy is low among the women as compared to men in general. Women do savings whether working or non- working, married or unmarried. The savings and investment decision, choice change with financial literacy i.e. financial information about investment. The financial literacy which play the major role in financial planning and investment is lower among women compared to the required.

The next most important factor is peer pressure in process of financial decision making by working women. With the change in medium of communication and digitalisation the peer pressure has increased. With increasing use of social media the influence of peer is increasing on financial decision making of working women.

Understanding the factors can help the investment companies to make understand women to do investment. There are some common factors which are commonly believed in case of women investors.

Investment pattern indicated the selection of investment avenues i.e. various investment products. The selection of investment avenues is influenced by many factors. The investment pattern of an individual shows its choice of investment avenues, expectations from investment, risk bearing capacity etc. Investment pattern may change after some times as the investor become more financial literate over a period of time.

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