

## RISK TOLERANCE OF WOMEN TEACHERS AMONG DIFFERENT INVESTMENT AVENUES

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### ABSTRACT

This research paper is to analyze risk tolerance of women teachers. The purpose of this research is to analyze the risk tolerance of women teachers and understand the investors behaviour towards various investment methods and schemes. In the present financial system, there are many investment schemes and it is difficult to point out the best one. Some of these investment schemes offer attractive returns but with high risks and prefer low risk investment schemes. A variety of factors influence investors behaviour such as returns, safety of principal amount, progressive amount, tax savings along with other factor like family, friends and expert opinion and motives behind savings and but not least discomforts they face while investing. For this study is based on primary data and secondary data. This study will make an awareness to the investors to find better profit investment schemes.

**Keywords:** Risk tolerance, Investment behaviour, Investment avenues, Investment Return, Women teachers.

### INTRODUCTION

Money has always been a focal point of most of the human activities. Since ages, human beings, individually or in groups, are involved in the efforts of maximizing their wealth, ethically or unethically. This aspiration of maximizing wealth has generated the need for saving and investing by individuals. An individual does not prefer to consume his entire earnings and saves some part of it for investment purposes, with the basic objective of investing it for generating more money out of it. Money invested is managed in a way to meet the desired objectives.

Risk Tolerance and Investment behaviour of individuals is a mystery for long and experts of various disciplines have tried to reach a consensus by undertaking a large number of studies on various dimensions of individualism including demography, lifestyle, psychological traits, surroundings. The terms “Risk Tolerance”, “Risk Attitude”, “Risk Preference” and “Risk Aversion” are more or less used synonymously in the researches of behavioural finance. The studies have suggested that an individual’s investment decisions are largely affected by his psychological traits and emotional biases, thereby deviating him from rational behaviour.

Risk in investment means, the chance that the actual benefit (return) from an investment will vary from the expected benefit. In other words, the future returns from an investment scheme are unpredictable. The concept of risk is defined as the possibility that not reaching the expected benefit from investment avenues. The presence of risk means that more than one outcome is possible. The risk may be defined as a chance of variation in return.

## **CONCEPT OF WOMEN INVESTORS**

In today’s world, women investors have undergone a change compared with yesteryears and are making their greatest impact on society. Earlier women investors’ contribution to society was limited and controlled by men. However today, women are playing a major role in investing. so investing is the important for the women's life ones who are seeking to have a life of prosperity, increase wealth and meet their short-term and retirement goals.

## **STATEMENT OF THE PROBLEM**

People invest their money to complete their financial requirements in future because the future is unpredictable. So, investments are required to complete their financial requirements. people built their good carrier by means of time and efforts in education to fulfill their money requirements. This will create a stable financial future and savings for an investor, and for his/her family. Similarly, to develop good skills and knowledge to manage money, finance, income and investment schemes. The majority of the respondents are facing risks in interest, credit, market, inflation, politics, liquidity. The study has been done to analyze the risk tolerance of women teachers working in arts & science colleges among different investment avenues.

## **REVIEW OF LITERATURE**

- **Richa Agarwal, Mukul Jain & Richa Arora (2021)** carry out “A study of investment risk tolerance among teachers in higher education institutions of Delhi-NCR” the present study aims to the investment risk tolerance abilities of teachers from various disciplines working in higher educational institutes and also they try to find out whether teachers in higher education are risk-

averse, risk-tolerant or risk-takers. It would try to find if risk-taking capacity is dependent on age, (older Vs. younger teachers), gender and income. The study would be beneficial to policymakers, wealth managers, investment planners and institutions to construe various aspects of economic behavior and develop programs for the improvement of the financial well-being of higher education teachers.

- **Bilgehan & Ali (2016)** have studied “An Empirical Research on Investor Biases in Financial Decision-Making, Financial Risk Tolerance and Financial Personality”. In this study, the relation between personal traits, psychological biases and financial risk tolerance of investors were tested through a questionnaire. Sample of the study were selected among individual investors who live in İstanbul and operate in financial markets. The hypotheses made within the scope of the study were tested by chi-square analysis and logistic regression analysis. As a result of the study, it was concluded that there was a significant relation between the personality traits of investors and the psychological biases they faced and that the personality traits of investors affected their financial risk tolerances.

## **OBJECTIVES OF THE STUDY**

1. To analyze the risk tolerance of women teachers in various investment avenues.
2. To identify the factors of the investor’s behaviour towards various investment avenues.

## **RESEARCH METHODOLOGY**

**Source of data collection:** This study is based on primary data and secondary data. The primary data have been collected through a structured questionnaire and the secondary data have been obtained from reports, journals, books, and websites.

**Sample technique:** For the present study 110 women teachers were selected from arts and science colleges in Kanyakumari district using convenient sampling method.

**Tools used for analysis:** The following tools are used for representing and analyzing data. Percentage Analysis, Garrett Ranking, T Test and ANNOVA.

## **DEMOGRAPHIC PROFILE OF THE WOMEN TEACHERS**

Demographic factors are personal characteristics that are used to evaluate the data on people in a given population. In this study, a set of personal characteristics namely age, marital status, qualification and income of the 110 respondents have been presented in this table.

**TABLE 1****DEMOGRAPHIC PROFILE OF THE WOMEN TEACHERS**

| <b>Demographic Variable</b> | <b>Particulars</b>  | <b>No of Respondents</b> | <b>Percentage</b> |
|-----------------------------|---------------------|--------------------------|-------------------|
| Age                         | Below 30 Years      | 20                       | 18                |
|                             | 31-40 Years         | 33                       | 30                |
|                             | 41-50Years          | 41                       | 37                |
|                             | Above 50 Years      | 16                       | 15                |
|                             | TOTAL               | 110                      | 100.0             |
| Marital Status              | Married             | 95                       | 86                |
|                             | Unmarried           | 15                       | 14                |
|                             | TOTAL               | 110                      | 100.0             |
| Qualification               | PG with NET/SLET    | 11                       | 10                |
|                             | Ph. D               | 66                       | 60                |
|                             | Ph.D. with NET/SLET | 25                       | 23                |
|                             | M.Phil.             | 8                        | 7                 |
|                             | TOTAL               | 110                      | 100.0             |
| Monthly Income              | Below 30000         | 15                       | 14                |
|                             | 30001-60000         | 35                       | 32                |
|                             | 60001-90000         | 41                       | 37                |
|                             | Above 90000         | 19                       | 17                |
|                             | TOTAL               | 110                      | 100.0             |

**Source: Primary Data**

Table 1 reveals out of 110 women teachers, majority 41 (37 percent) of the respondents are between the age group of 41-50 years, 95 (86 percent) respondents are married, 66 (60 percent) respondents are completed Ph.D., and 41 (37 percent) respondents earn Rs.60,001 to Rs.90,000.

**RISK TOLERANCE OF WOMEN TEACHERS IN VARIOUS INVESTMENT AVENUES**

As this study relates to the six risk factors faced by women teachers in various investment avenues. Hendry's Garrett Ranking Technique has been used to analyze the risk tolerance of women teachers in various investment avenues are shown in the table below.

**TABLE 2****RISK TOLERANCE OF WOMEN TEACHERS IN VARIOUS INVESTMENT AVENUES**

| Sl. No | Risk factor                               | Score | Rank |
|--------|---|-------|------|
| 1      | Liquidity risk (difficulty to sell)       | 54.3  | V    |
| 2      | Political risk (changes in Govt-policies) | 53.8  | VI   |
| 3      | Interest rate risk (price of bonds)       | 61.7  | I    |
| 4      | Inflation risk (purchasing power)         | 61.4  | II   |
| 5      | Credit risk (rating)                      | 58.8  | IV   |
| 6      | Market risk (price and yields)            | 59.1  | III  |

**Source: Primary Data**

In Garrett's ranking, it shows that majority of the respondents feel that “Interest rate risk (price of bond) in risk tolerance of women teachers is taking place first rank. Followed by second rank is for “Inflation risk” with a mean score of 61.4. Third rank is for “Market risk” with a mean score of 59.1.” Credit risk” takes place fourth rank with a mean score of 58.8. Fifth rank is for “Liquidity risk” with a mean score of 54.3 and last rank is for “political risk” with a mean score of 53.8 respectively.

### **FACTORS OF THE INVESTORS BEHAVIOUR TOWARDS VARIOUS INVESTMENT AVENUES**

In this study there was eight statements were identified for measuring the factors of the investor's behaviour towards various investment avenues. T test analysis has been used in this study.

**TABLE – 3**

### **FACTORS OF THE INVESTORS BEHAVIOUR TOWARDS VARIOUS INVESTMENT AVENUES**

| S.NO | FACTORS   | MEAN SCORE |           | T STATISTICS | P VALUE |
|------|---|------------|-----------|--------------|---------|
|      |   | MARRIED    | UNMARRIED |              |         |
| 1    | I make investment for getting return                            | 4.00       | 3.73      | -2.469       | .016*   |
| 2    | I will invest for tax exemption                                 | 4.42       | 3.80      | -2.743       | .007*   |
| 3    | I make investment decision based on advice of investors/brokers | 4.42       | 4.15      | -1.216       | .228    |
| 4    | When I invest, I look at the market position                    | 4.50       | 4.37      | -.283        | .778    |
| 5    | I try to invest in risky stock for better return                | 4.48       | 3.96      | -2.520       | .014*   |
| 6    | I am confident to manage my investment                          | 4.26       | 3.72      | -3.317       | .001*   |
| 7    | I usually invest in companies which I know and trust            | 4.29       | 3.94      | -2.463       | .015*   |
| 8    | I use past price movement to predict future price               | 4.47       | 3.90      | 3.751        | .000*   |

**Source: Primary Data**

Table 3 reveals the comparison between the marital status of the respondents and factors that influence the investors behaviour towards various investment avenues. Since the p value is less than 0.05 percent for six variables they are “I will make investment for getting return”, “I will invest for tax exemption”, “I try to invest in risky stock for better return”, “I am confident to manage my investment”, “I usually invest in companies which I know and trust”, “I use past price movement to predict future price”. Hence, the null hypothesis is rejected. Hence it is concluded that there is a significant difference between the marital status of the respondents and their investment avenues.

## **AGE AND INVESTORS BEHAVIOR TOWARDS VARIOUS INVESTMENT AVENUES**

The following table describes the investors behaviour towards various investment avenues. ANOVA was undertaken to measure the age and investors behaviour towards various investment avenues.

TABLE 4

**ASSOCIATION BETWEEN AGE AND INVESTORS BEHAVIOR TOWARDS VARIOUS INVESTMENT AVENUES**

| Variables   |                | Sum of Squares | Df  | Mean Square | F      | Sig.  |
|---|----------------|----------------|-----|-------------|--------|-------|
| I make investment for getting return                            | Between Groups | 14.465         | 3   | 4.822       | 8.733  | .000* |
|   | Within Groups  | 58.526         | 106 | .552        |        |       |
|   | <b>Total</b>   | 72.991         | 109 |             |        |       |
| I will invest for tax exemption                                 | Between Groups | 29.501         | 3   | 9.834       | 6.379  | .001* |
|   | Within Groups  | 163.417        | 106 | 1.542       |        |       |
|   | <b>Total</b>   | 192.918        | 109 |             |        |       |
| I make investment decision based on advice of investors /broker | Between Groups | 43.527         | 3   | 14.509      | 12.424 | .000* |
|   | Within Groups  | 123.792        | 106 | 1.168       |        |       |
|   | <b>Total</b>   | 167.318        | 109 |             |        |       |
| When I invest I look at the market position                     | Between Groups | 38.883         | 3   | 12.961      | 35.154 | .000* |
|   | Within Groups  | 39.081         | 106 | .369        |        |       |
|   | <b>Total</b>   | 77.964         | 109 |             |        |       |
| I try to invest in risky stock for better return                | Between Groups | 68.927         | 3   | 22.976      | 35.940 | .000* |
|   | Within Groups  | 67.764         | 106 | .639        |        |       |
|   | <b>Total</b>   | 136.691        | 109 |             |        |       |
| I am confident to manage my investment                          | Between Groups | 6.708          | 3   | 2.236       | 1.859  | .141  |
|   | Within Groups  | 127.510        | 106 | 1.203       |        |       |
|   | <b>Total</b>   | 134.218        | 109 |             |        |       |
| I usually invest in companies which I know and trust            | Between Groups | 28.548         | 3   | 9.516       | 15.446 | .000* |
|   | Within Groups  | 65.306         | 106 | .616        |        |       |
|   | <b>Total</b>   | 93.855         | 109 |             |        |       |
| I use past price movement to predict future price               | Between Groups | 11.456         | 3   | 3.819       | 6.321  | .001* |
|   | Within Groups  | 64.035         | 106 | .604        |        |       |
|   | <b>Total</b>   | 75.491         | 109 |             |        |       |

*Source: Primary Data*

Table 4 reveals the association between age and investors behaviour towards various investment avenues. Since the p value is less than 0.05 per cent for seven variables they are “I will make an investment for getting a return” (.000), “I will invest for tax exemption” (.001), “I make an investment decision based on the advice of investors/broker” (.000), “When I invest I look at the market position” (.000), “I try to invest in risky stock for better return” (.000), “I usually invest in companies which I know and trust” (.000), “I use past price movement to predict future price” (.001). Hence the null hypothesis is rejected. Hence it is concluded that there is an association between age of the respondents and investors behaviour towards various investment avenues.

## **FINDINGS**

- The majority of the respondents are between the age group of 41 and 50 years.
- 86 percent of the respondents are married and 60 percent of qualified with a Ph.D.
- Most of the respondents have an income level between 60001 and 90000.
- In Garrett's ranking, it shows that majority of the respondents feels that “Interest rate risk (price of bond) in risk tolerance of women teachers is taking place first rank.
- There is a significant difference between the marital status of the respondents and their investment avenue. Since, p value is less than 0.05, Hence the null hypothesis is rejected.
- There is an association between age of the respondents and investors behavior towards various investment avenues. Since the p value is less than 0.05 percent, hence the null hypothesis is rejected.

## **SUGGESTIONS**

- Govt. should fix the Interest rate risk for the investors in order to meet the inflation.
- Govt. must exercise some reasonable and valuable management programs in order to capture the inflation risk.
- Women teachers (or) investors must know all conditions before investing so as to avoid market risk.
- Colleges must make an awareness to avoid risks involved in investment avenues with women teachers.
- Colleges can arrange group discussions based on practical investment experiences, possible smart investment techniques, do's and don'ts of investment along with the participation of women teachers.
- Investors should be improved by purposeful efforts and shift their investment flow from investment Products.



## CONCLUSION

The study concluded that investor's risk tolerance and investment behaviour are decided by demographic factors like age, marital status, income level and education. Garret's Ranking is used to find out the risk factors of women teachers. Almost similar results were generated by ANOVA test applied for expiring the association of demographic variables with investors behaviour towards various investment avenues. Extending this, the study attempted to segmentize the women teachers based on financial risk tolerance and investment behaviour, whereas it was concluded that risk tolerance plays a significant role in women teachers among various investment avenues.

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