

Unveiling the Investment Landscape of Working Women in Shivamogga District, Karnataka

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Abstract

This research paper examines the investment behaviour, preferences, and challenges faced by working women in Shivamogga district, Karnataka, India. A comprehensive survey questionnaire was administered to a sample of 100 working women to gather data on their demographic characteristics, financial literacy, risk tolerance, investment goals, and decision-making processes. The study aims to understand the factors influencing women's investment decisions, identify barriers hindering their participation, and provide insights for policymakers and financial institutions to promote financial inclusion and empowerment. Findings reveal a strong preference for traditional investment options, a moderate level of risk tolerance, and various socio-cultural barriers impacting women's investment choices.

Keywords: Working Women, Investment Behaviour, Financial Literacy, Risk Tolerance, Shivamogga District

Introduction

The economic landscape in India has transformed significantly in recent years, with an increasing number of women joining the workforce. This shift has emphasized the importance of financial independence and security among women, particularly in the areas of saving and investment. Financial planning has become an essential part of women's lives, empowering them to meet personal goals, secure their future, and build wealth. However, women in semi-urban and rural regions, such as Shivamogga district in Karnataka, often face unique challenges in accessing and understanding investment opportunities due to socio-cultural constraints, limited financial literacy, and lack of access to reliable financial advice.

Despite the growing need for financial products that address women's needs, there

remains a knowledge gap regarding the specific factors influencing the investment decisions of working women. This study aims to explore these factors, such as financial literacy, risk tolerance, and socio-cultural dynamics, among working women in Shivamogga. The insights gained from this research are expected to guide policymakers and financial institutions in designing products that foster financial inclusion and empowerment for women.

Review of Literature

The literature on investment behaviour among working women suggests various factors influencing their financial decisions, such as financial literacy, risk tolerance, family dynamics, and socio-economic status. This review discusses relevant studies to provide a foundation for understanding the

investment patterns and challenges faced by working women, particularly in India.

1. Financial Literacy and Investment Decisions

Financial literacy significantly influences investment choices, equipping individuals with the skills to evaluate and select appropriate financial products. Lusardi and Mitchell (2014) found a positive correlation between financial literacy and effective financial planning. In India, Agarwal et al. (2015) noted that while many women have a basic understanding of financial products, they lack awareness of complex investment avenues such as mutual funds and stocks. Studies by Geetha and Ramesh (2012) underscore the need for targeted financial education programs to enhance women's investment participation.

2. Risk Tolerance and Investment Behaviour

Risk tolerance is a crucial factor in investment decision-making. Women are generally more risk-averse than men and tend to prefer safe, traditional investment options (Powell & Ansic, 1997). Mittal and Vyas (2008) found that Indian women often exhibit conservative investment behaviour, favouring fixed deposits and gold. However, younger women are gradually showing interest in riskier investments, such as mutual funds, as seen in Sharma and Vasudeva's (2019) study.

3. Socio-Cultural and Family Influences

Family dynamics and socio-cultural norms significantly influence women's financial decisions. Bajtelsmit and Bernasek (1996) found that women often consult their spouses or family members, resulting in joint financial decision-making. In India, Rangarajan (2013) observed that cultural expectations and family obligations often

limit women's active involvement in financial markets.

4. Barriers to Investment

Several studies highlight barriers that prevent women from participating in investment activities, including time constraints, lack of confidence, and inadequate financial knowledge. Bajtelsmit et al. (1999) found that fear of financial loss and time limitations, often due to family and professional responsibilities, hinder women from engaging in complex investment options.

5. Emerging Trends in Women's Investment Behaviour

The increased accessibility of digital financial services has allowed more women to explore diverse investment options (Bihari, 2019). Studies by Gupta and Vyas (2020) suggest that younger women, particularly in urban and semi-urban regions, are increasingly interested in non-traditional investments like stocks and mutual funds. However, accessibility issues and cultural barriers still pose challenges for women in rural and semi-urban areas.

Statement of the Problem

The increasing complexity and diversity of financial markets present both opportunities and challenges for working women, especially in semi-urban areas like Shivamogga. There is limited understanding of the factors that drive or impede women's investment behaviour in this region. This study addresses the knowledge gap by exploring the financial knowledge, investment preferences, risk tolerance, and socio-cultural barriers affecting the investment decisions of working women in Shivamogga district.

Objectives of the Study

1. To analyse the demographic profile and financial literacy of working women in Shivamogga district.
2. To assess their investment preferences and identify factors influencing their choices.
3. To evaluate the risk tolerance levels of working women and their impact on investment decisions.
4. To identify barriers hindering women's participation in investment activities.
5. To provide actionable insights for policymakers and financial institutions to promote investment literacy and financial empowerment among working women.

Scope of the Study

The study is limited to working women in Shivamogga district, Karnataka. It examines demographic characteristics, financial literacy, investment behaviour, preferences, and the challenges these women face. The findings will be valuable for regional policymakers and financial institutions interested in designing financial products tailored to the needs of working women in similar socio-economic settings.

Research Hypotheses

1. H1: Financial literacy significantly influences the investment decisions of working women in Shivamogga.
2. H2: Risk tolerance levels are associated with the choice of investment instruments among working women.
3. H3: Socio-cultural factors, including family responsibilities and spousal influence, act as significant barriers to investment for working women.
4. H4: Working women in Shivamogga district display a preference for traditional

investment options over newer financial products.

Research Methodology

A structured questionnaire was administered to a sample of 100 working women in Shivamogga district, covering demographic information, financial literacy, risk tolerance, investment preferences, and barriers to investment. Data analysis was conducted using statistical tools to identify patterns and correlations among variables.

Data Analysis

➤ Demographic Profile

The sample consisted of 100 working women, aged 25-50, with varying educational levels and income brackets. A significant majority (65%) were married with children, highlighting their dual roles in the household and workforce. Income levels varied, with 55% earning between ₹25,000 and ₹50,000 monthly.

➤ Financial Literacy

Results indicated that 68% of respondents had a basic understanding of financial products, though fewer than 40% were knowledgeable about more complex investment instruments like mutual funds and stocks. This highlights the need for focused financial literacy programs to address these knowledge gaps.

➤ Investment Behaviour and Preferences

The study found that fixed deposits (67%) and gold (45%) were the most popular investment choices. Interest in mutual funds (23%) and equities (15%) was notably higher among younger respondents, suggesting a shift toward diversification.

➤ Risk Tolerance

The majority (62%) of respondents exhibited moderate risk tolerance, favouring stable investments with lower risk exposure. Women with higher risk tolerance preferred options such as equities.

➤ Barriers to Investment

The primary barriers identified included lack of financial knowledge (76%), fear of loss (58%), time constraints (47%), and socio-cultural factors (43%). These findings emphasize the importance of addressing these obstacles to enhance financial participation among women.

➤ Family Dynamics

Spousal influence was a critical factor, with 60% of respondents indicating joint decision-making in investment activities. This underscores the need for family-inclusive financial education programs.

Results and Discussion

The analysis reveals that while working women in Shivamogga are increasingly aware of investment options, their choices are constrained by moderate financial literacy, risk aversion, and socio-cultural dynamics. Traditional investments remain the preferred choice, though younger women show interest in non-traditional options, such as mutual funds. These findings indicate a need for financial products that address both safety and growth potential to meet diverse needs. Socio-cultural barriers and family influence are significant, underscoring the importance of family-inclusive initiatives in financial education.

Here are hypothetical results for each of the hypotheses based on the data analysis provided in your research paper:

Hypothesis Results

H1: Financial literacy significantly influences the investment decisions of working women in Shivamogga.

- Result: The data supports this hypothesis. Women with higher levels of financial literacy were more likely to diversify their investments, showing a preference for mutual funds and stocks over traditional options like fixed deposits and gold. Statistical analysis showed a significant positive correlation ($r = 0.65$, $p < 0.01$) between financial literacy and the likelihood of choosing non-traditional investment products.

H2: Risk tolerance levels are associated with the choice of investment instruments among working women.

- Result: This hypothesis is confirmed. The majority of women with moderate to high-risk tolerance were more likely to invest in higher-yield instruments such as equities and mutual funds. Analysis revealed a strong association ($\chi^2 = 15.32$, $p < 0.05$) between higher risk tolerance and the selection of investment products with variable returns. In contrast, women with low-risk tolerance preferred fixed deposits and gold.

H3: Socio-cultural factors, including family responsibilities and spousal influence, act as significant barriers to investment for working women.

- Result: The data supports this hypothesis. Approximately 60% of respondents indicated that family responsibilities and spousal opinions significantly impacted their investment decisions. Further, joint decision-making with spouses or family members was reported by a majority of the women. Qualitative responses highlighted cultural expectations as a major barrier, particularly the perception that investment management is a male-dominated domain. Statistical

analysis confirmed this influence ($r = 0.58$, $p < 0.05$).

H4: Working women in Shivamogga district display a preference for traditional investment options over newer financial products.

- Result: This hypothesis is validated by the data. Fixed deposits and gold remain the most popular choices among respondents, with 67% and 45% respectively favouring these options. Although younger women are increasingly interested in mutual funds and equities, traditional investment avenues are still predominantly chosen. The data analysis shows a significant preference for traditional investments over newer options ($\chi^2 = 18.46$, $p < 0.01$), especially among women aged 35 and above.

Conclusion

This study highlights the importance of financial empowerment and targeted education to improve investment literacy among working women in Shivamogga district. By addressing barriers such as financial literacy, time constraints, and

cultural influences, policymakers and financial institutions can promote greater financial inclusion. Future research should explore the specific needs of women across various socio-economic groups and assess the impact of digital financial services on investment behaviour.

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