

24. A Study on Financial Investment Decision of Female Entrepreneurs of Mumbai District

Dr. Sucheta Pawar

Assistant Professor, PTVAIM.

Ms. Drashti Desai

Student, PTVAIM.

Abstract

Woman empowerment can be easily promoted through financial independence of women. Financial independence means freedom to work, earn, save and invest. However investments need to be well balanced investment. The study tried to understand volume of investment of female entrepreneur of Mumbai district along. The study also tried to reveal the influential force behind female investments. The study is based on primary survey of 611 female entrepreneurs of Mumbai district was taken against well structured questionnaire. Data was analyzed by using simple percentage method. It was observed that rarely women take their own investment decisions.

Key Words: Woman Empowerment, potential investors, Modern investment avenues

1.1 Introduction

India is showing high growth potential. In the first quarter of 2018-19, the GDP growth at 8.2% is certainly impressive. However what is more important for India is to excel on not just growth indicator but to show phenomenal improvement on overall economic development indicators. India became one of the signatory nation to adopt Millennium Development Goals where third goal talks about promoting gender equality and empowering women. Freedom of women and the improvement in their social, political as well as economic status is imperative for sustainable development. How far India is achieving it, is the research question this paper analyses. Financial freedom of women can become driving force behind socio political freedom of women. Freedom to earn, spend, save and invest can be considered as major components of woman's financial freedom. It has been observed that often women's knowledge, abilities and coping mechanism in financial decision making often go unrecognized. In fact women themselves are found to have less confidence on their own capabilities where financial investments are concerned though they are contributing to total earning of the family. This paper

tries to analyze the extent to which women take financial decisions, specifically decision regarding financial savings and investments.

1.2 Literature Review

Moxie (2018) tried to understand mindset of today's female investors from Australia, China, Germany, UK and USA. The study is based on survey taken of 2536 female respondents belonging to 18 to 65 age groups through online interviews. It was found that female investors are adopting modern and new avenues of investments that are giving them good returns as well as creating positive societal as well as environmental impact. Chinese women were found to be more cautious of their investments may be because of more challenges faced by them.

Hemavathy (2015) studied impact of demographic variables on share market investments of Indian working women with the help of primary data of 100 respondents which was analysed by using one way ANOVA. Study revealed that working woman 'age, marital status, education, income, role in family and source of information are the variables influencing their share market investments. At the same the study found that Indian working women do less share market investments due to reasons like, inadequate returns, inadequate trading skills, fear of loosing money.

Gaur (2011) studied difference in attitude and aptitude of male and female investors using chi-square method. Male were found to be more aware of different investment avenues as well as more confident than female investors.

The above literature clearly indicates that women in India are still lagging behind in taking investment decisions. The paper tried to understand the extent to which female entrepreneurs of metropolitan city of Mumbai are aware as well as confident regarding their investment related decisions.

1.3 Research Design

1.3.1 Research Objectives

Specific objectives of the study are

- i) To study investment options preferred by earning women
- ii) To understand the extent to which earning women take their investment decisions themselves

1.3.2 Data Collection

Among working women, women entrepreneurs are considered as more confident group who have shown capacity to take inherent risks of business. The data of 611 women entrepreneurs of Mumbai region belonging to 'Amhi Udyogini Pratishthan' was collected against well structured questionnaire. The data was collected during various branch meetings, fairs organized by Amhi Udyogini Pratishthan.

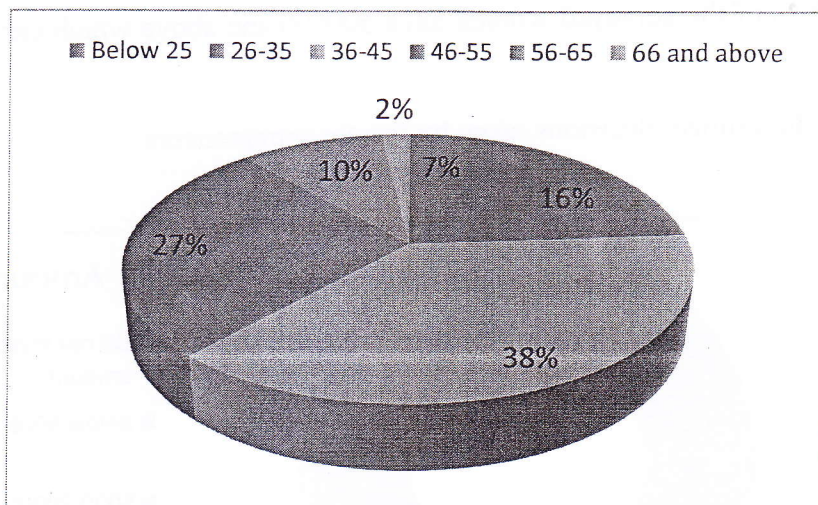
1.3.3. Data Analysis

The data was analyzed by simple percentage method using MS Excel.

1.4 Discussion

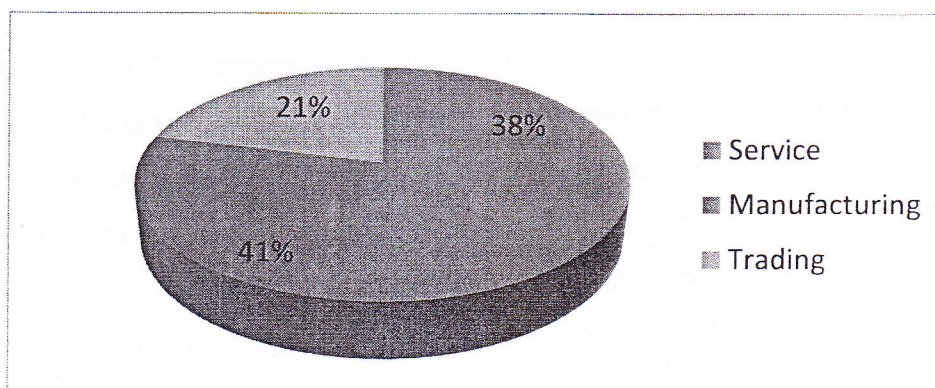
1.4.1 The Socio economic profile of 611 respondents is as follows

1.1 Age Composition



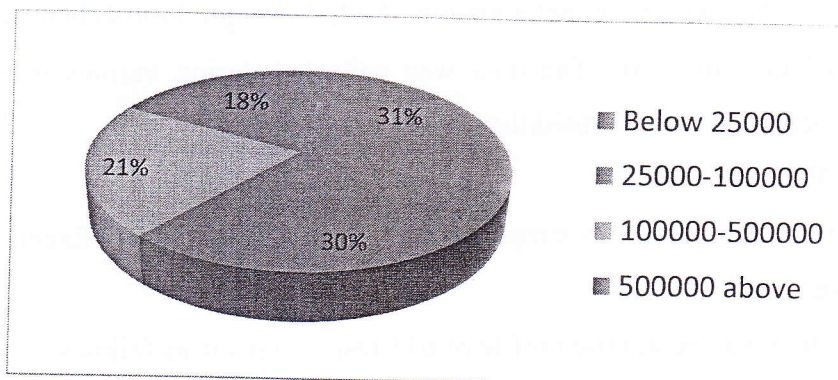
The above chart shed light on respondent's age composition. A large number of respondents were in the age group of 36-55.

1.2 Business Type



As shown in the chart 1.2, respondents were into providing services, Manufacturing and trading. As can be observed, 41% businesses were in manufacturing category.

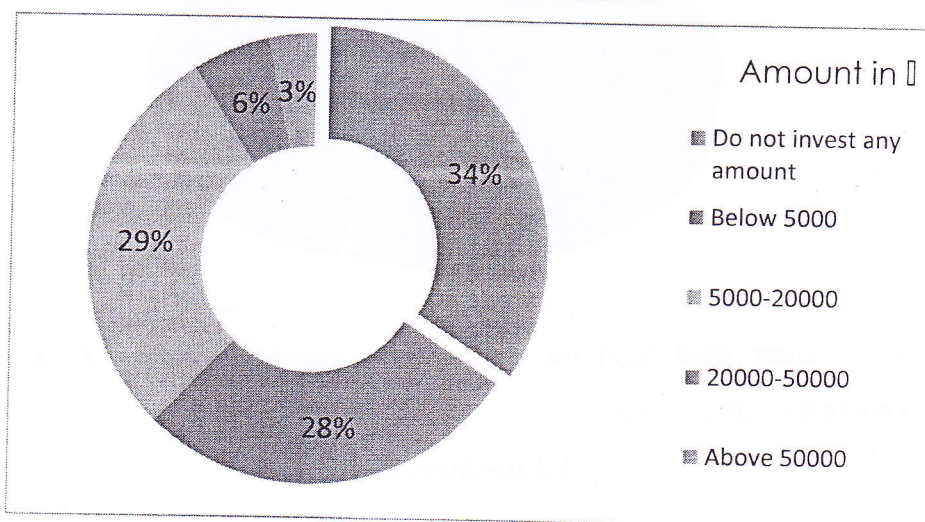
1.3 Business Turnover



As shown in chart 1.3 around 31% of respondents had business turnover below 25,000 annually. 18 % of the surveyed women have 500000 and above which can go for share market investments.

1.4.2. Investment decisions taken by female entrepreneurs

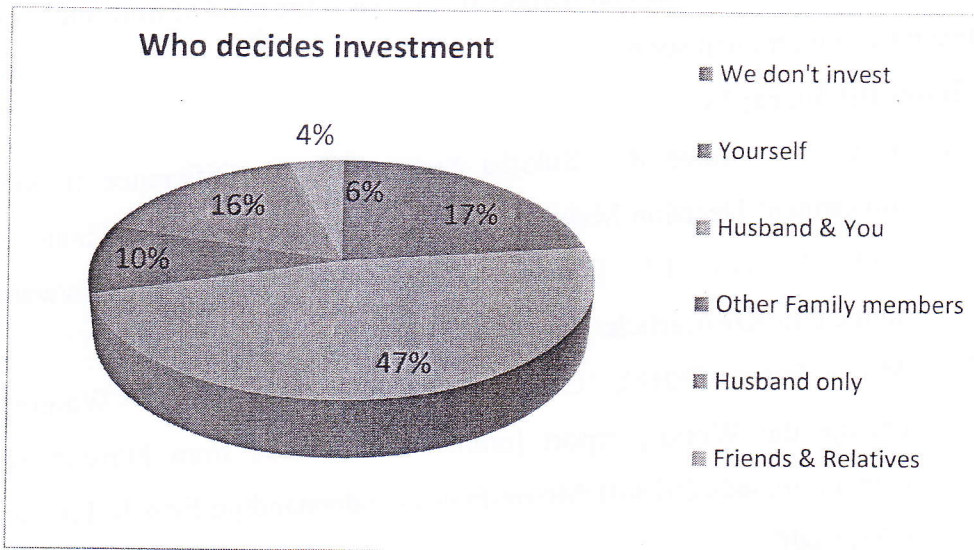
1.4 Volume of Investments



As shown in the chart 1.4, 34% of respondents, which means 207 female entrepreneurs claimed of not investing at all. It means that these entrepreneurs potentially would remain deprived of sufficient capital for their business. Those who were found to be investing, the amount was found to be small, that is 28% respondents were investing below 5000 per month and 29% were found investing between 5000 to 20000 per month.

Further investment analysis was done of only 66% respondents (404) who were found to be investing.

1.5 Investment decisions Taken by



The chart 1.5 shows that a small number of respondents (17%) take their own investment decisions, whereas 6% of respondents claimed that they do not take investment related decisions though investments are done. In case of 63% of respondents husbands were found to be playing major role in investment related decisions.

Majority respondents claimed to be investing in traditional investment avenues like bank, chit funds, and post office deposits and also responded that they are scared of losing money in share market.

1.5 Findings & Recommendations

It was observed that although being self employed modern women, female entrepreneurs of Mumbai district resort to traditional investments which are again small in volume. Most of them do not take their own investment decision and scared of modern avenues of investment like mutual fund and stock markets.

The bleak picture is mainly due to less knowledge regarding investment. Rigorous information regarding investment option need to be given to people.

1.6 Conclusion

Woman empowerment will be achieved only through financial independence which seem to be low among working women of Mumbai district especially women entrepreneurs who will be in constant need of capital. Sensible investments with diversified portfolio are what they need to do. However to achieve that, investor need to have in depth knowledge of different investment options available and risks and returns attached to each option which seems to be lacking among

women of urban India. Financial literacy of women is the need of time and required steps need to be taken by Government soon.

1.7 Select Bibliography

- 1) Gaur Arti, Julee & Sukijha Sunita (2011), 'Difference in Gender Attitude in Investment Decision Making in India, 'Research Journal of Finance and Accounting', Vol 2, No 12 [Online] downloaded from <https://www.iiste.org/Journals/index.php/RJFA/article/viewFile/1292/1212>
- 2) Moxie Future (2018), 'Understanding Female Investors – Women using capital to change the World', report [online] downloaded from <https://moxiefuture.com/wp-content/uploads/2018/01/Moxie-Future-Understanding-Female-Investors-Report-UFI18.pdf>
- 3) P Hemavathy and S Gurusamy (2015), 'Perception of the Indian Working Women Considering Equity as an Investment Avenue: An Empirical Study', Ushus J B Mgt 14,[Online] downloaded From file:///C:/Users/sanja/Downloads/1456-49-2941-1-10-20170615.pdf
- 4) United Nations Population Fund (1994), 'Issue 7: Women Empowerment' [Online] Downloaded from <https://www.unfpa.org/resources/issue-7-women-empowerment>