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INVESTMENT BEHAVIOUR OF WOMEN: A CRITICAL REVIEW

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Abstract
Women constitute roughly half of the population of the world and thus potentially half of its work force. As a group they do as much work as men, if not more. But, for long "men" along with money and material are mentioned as factors of production. Women were not given much of significance in that list. Women were often disadvantaged compared to men in access to employment opportunities and conditions of work; furthermore, many women forego or curtail employment because of family responsibilities. The removal of obstacles and inequalities that women face with respect to employment is a step towards realizing women's potential in the economy and enhancing their contribution to economic and social development. Thankfully, of late things are changing and women are playing a vital role in the economy. Nowadays, more women are entering into tertiary and higher education in wide variety of faculties.

Keywords: Women Empowerment, Investment Behaviour of Women, Women as Investor.

Introduction

Today, more than 1 billion ladies take part in the worldwide workforce. More ladies are turning into the leaders of their families, acquiring more than their spouses, rising quicker and further in the workforce, and beginning entrepreneurial endeavors. Much work has been done to differentiate the demographic patterns basic the development in riches creation experienced by ladies in the course of recent decades. In any case, not very many studies have endeavored to draw an obvious conclusion, in an exclusive way, between the effective demographic patterns in our general public and the effect these patterns are having on the contributing propensities and cravings of ladies financial specialists.

Thus its mandatory for the financial institutions to understand the investment behaviour of women thus keeping them up to date leading to similar up gradation can be done in the financial products designed by them.

Review of Literature

When all is said in done, it has been watched that ladies are more risk disinclined than men, the youthful are more risk looking for than the old, wealthier people show a more noteworthy ability to put resources into values and the poor are danger opposed (Clark and Strauss, 2008).

Johnson and Powell (1994) investigate contrasts in the choices brought by people with administrative training. They find that guys and females in this subpopulation show comparative danger inclination while contributing on value situated securities. Despite the fact that this finding can't be summed up to the aggregate populace, it might demonstrate that instructive foundation assumes a critical part in balancing sex contrasts in danger taking. In a more broad setting, in light of the Panel Study of Income Dynamics, find that sex has no effect on an equity investor's decision to hold stocks.

Keller & Siegrist (2006) the study based on a representative survey of private households in Switzerland show that females have the same willingness to invest in stocks as males. Nonetheless, the above mentioned literature is significantly outnumbered by studies claiming that gender matters. It is argued that female investors are less willing to hold risky assets and, conditional on decision to hold them, invest a smaller share of their wealth into these assets than their male counterparts.

Fellner & Maciejovsky (2007) find that women prefer less volatile investments and xhibit lower market activity, e.g. they submit fewer offers and engage less often in trades.

Similar evidence is provided by Animisha (2008), who show that Indian males invest a higher fraction of their financial wealth in stocks, while women prefer safer assets such as Gold and saving accounts. Hemalatha & Padmaja (2009) found that Indian women are investing less on equity shares and more on Gold. According to them, the reason for investing on equity shares is a purely investment decision, but while investing on gold, Indian women tend to think more on social recognition than as an investment product.

In another study conducted by Sumathi .N (2011) on the investment psychology of Indian women investors, she made the following observations.

1. Most of the Indian women are investing on either Public Sector Enterprise equity shares or the companies in which, herself of her family members are working.

2. Some of them are investing on Equity Linked Saving Schemes (ELSS) to get tax exemption as their first priority and wealth generation as second priority.
3. Most of the Indian working women are not investing on equity as they feel that they do not have require knowledge to understand the equity markets or due to discouragement by family members, though they are interested in investing on equity oriented securities.

One of the studies is conducted by Dohmen et al. (2006) who use data of the German Socioeconomic Panel (SOEP), another is done by Perrin (2008), who surveys a large sample of Swiss households. Both studies find that being a man is positively correlated with the willingness to take risks in financial matters.

Contrary to the many of the earlier studies, Kennedy (2011) stated in his research that risk bearing capacity of American women is increasing due to their growing confidence on money management. This increase in risk bearing capacity among working women is not confined to only USA. Even in India also the similar observation is made by National Council for Applied Economic Research survey of Indian investors. (NCAER Investor Survey 2011).

Men have a significantly higher preference for risk than women: males prefer “riskier” investment strategies in order to achieve the highest gains, while women select “safer” strategies that allow them avoiding the worst possible losses. Olsen & Cox (2001), who investigate the gender differences for professionally trained investors, find that women weigh risk attributes, such as possibility of loss and uncertainty, more heavily than men. Female investors also tend to emphasize risk reduction more than their male colleagues.

Consonant with these findings, Niessen & Ruenzi (2007) show that, for managers of US mutual funds, gender differences are significant even when educational background and work experience are comparable. Finally, Fellner & Maciejovsky (2007) find that women prefer less volatile investments and exhibit lower market activity, e.g. they submit fewer offers and engage less often in trades.

Conclusion
Women investors are more risk averse. They do not have the confidence when it comes on investments. This is mainly due to no emotional support at the personal end, lesser know how about various schemes, fragile nature of women etc. women prefer safer assets such as Gold, saving accounts and Fixed deposits moreover they invest into different asset classes mainly with the purpose of tax planning.

It was found that women initially start their investments from insurance and mutual funds than they slowly shift to investing in equity market, they prefer investing in younger generation.

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