



A STUDY ON FACTORS THAT INHIBIT WOMEN'S PARTICIPATION IN INVESTMENT: A COMPREHENSIVE STUDY

* Prof. Binu Nair

* Shri M.D Shah Mahila College of Arts & Commerce.

Abstract

This study aims to investigate the various factors that hinder women's participation in investment activities. Despite the increasing trend of women being active in the workforce and occupying key leadership roles, research has shown that women are still significantly underrepresented in investment markets. The study will conduct a comprehensive analysis of the reasons that discourage or prevent women from investing, including financial literacy, wage gaps, lack of access to investment information and resources, social norms, and gender biases. The research will utilize a mixed-methods approach, combining both quantitative and qualitative methods to gather and analyze data. The study will also identify potential solutions to encourage and empower more women to participate in investment activities. By shedding light on the factors inhibiting women's investment participation, this study seeks to inform policymakers, investment firms, and financial advisors to take actionable steps towards creating a more inclusive and equitable investment landscape.

Keywords: Investment, Women, Investment Avenue, Investment Pattern, Government Scheme for Women.

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Introduction:

The apparent lack of interest in India is rooted in societal mores. The division of labour, wherein man provides and woman nurtures, is evident even in the most progressive urban households. Investing is seen as a male domain. Even when the woman earns a sizeable income, it is often agreed that her income will be used for household expenses and men for investments.

Besides, men are often not very forthcoming about investments. Any question posed by the spouse is viewed as an irritant and most women give up after some time. Even if a woman acquires knowledge, she does not take the next step of investing. This may be the reason some investment options are overwhelmingly dominated by men.

Today, women are outpacing men in several areas.

Surprisingly, investing is one area which still provides fertile ground for studying gender differences. On the face of it, this field should be gender agnostic as it does not involve physical exertion or spending long hours in office, both considered limitations for women. However, there are some differences in the manner in which the two genders approach investment.

Objectives of the Study:

- To study the factor, inhibit participation of women into investment.
- To recommend some initiative to encourage women towards investing.

Research Methodology:

Research methodology refers to the method to collect data for the project proceeding, comprising of primary and secondary data. The data used in this project report is collected from various secondary sources pertaining



to this topic from various books, articles, newspaper and several web sites relating to reason in lack of participation by women towards investment.

Review of Literature:

There are various studies made in the context of women and investment pattern and their attitude towards investment avenue. The researcher has presented a brief review of the literature:

N. Dharani , et. al. (2014) Investment attracts all people irrespective of their occupation , education and social status. Women also involve in investment activities. Women's below age of 30 are involve in investment activities. Women's with graduation are involve in more investment activities. women's with income of 50001 to 100000 are involve in investment activities.

L. Pandiyan, T. Aranganathan. (2012) Decision making process on savings and investment is affected by the attitude of the respondent. Study analyses shows that level of attitude of male and female, female group are not interested in investment but more wrong investment decisions are made by male group. Respondent of 520 years of age are neutral opinion on investment. Investment pattern is affected by the family size too.

Conceptual Analysis:

➤ INVESTMENT PATTERN COMMONLY USED BY WOMEN

Some common investment avenues that may appeal to women include:

1. **Mutual Funds:** Mutual funds are a popular investment option as they offer diversification across multiple assets and are managed by professionals who have expertise in investing.
2. **Fixed Deposits:** Fixed deposits are a low-risk investment option that offers a guaranteed rate of return over a fixed period of time. They are ideal for

investors who prefer stable returns and are risk-averse.

3. **Public Provident Fund (PPF):** PPF is a long-term investment option that offers tax benefits and a guaranteed rate of return. It is an attractive investment option for women as it offers a higher rate of interest than other fixed-income instruments.
4. **Gold:** Gold is a popular investment option for women as it offers a hedge against inflation and is considered a safe haven asset. It can be invested in various forms such as gold jewellery, gold coins, or gold ETFs.
5. **Real Estate:** Real estate is a long-term investment option that offers the potential for capital appreciation and rental income. Women may prefer investing in real estate as it is considered a tangible asset that provides a sense of security.
6. **Exchange-Traded Funds (ETFs):** ETFs are a type of investment fund that trade on stock exchanges like stocks. They offer diversification across a wide range of assets and are typically low-cost, making them an attractive investment option for many investors.
7. **Bonds:** Bonds are debt securities that offer a fixed rate of return over a specific period of time. They are typically less risky than stocks and may be an attractive investment option for risk-averse investors.
8. **Direct Equity:** Direct equity investment involves buying and holding shares of individual companies. While it can be riskier than other investment options, it can also offer higher returns over the long term.
9. returns over the long term.
10. **National Pension System (NPS):** The National Pension System is a retirement savings scheme that is open to all Indian citizens. It offers tax benefits



and allows investors to choose from a range of investment options based on their risk profile.

11. Systematic Investment Plans (SIPs): SIPs are a popular investment option that involves investing a fixed amount of money at regular intervals in a mutual fund. They are a disciplined way to invest and can help investors benefit from rupee cost averaging.

➤ REASON OF LACK OF WOMEN PARTICIPATION IN INVESTMENT

1. **Lack of financial literacy:** Financial literacy refers to an individual's knowledge and understanding of financial concepts such as budgeting, saving, investing, and managing debt. Research has shown that women tend to have lower levels of financial literacy compared to men. This can be due to a variety of factors such as differences in educational opportunities, societal norms, and the gender pay gap.
2. **Gender pay gap:** The gender pay gap refers to the difference in earnings between men and women in the workforce. Women often earn less than men due to factors such as occupational segregation, discrimination, and the impact of caregiving responsibilities. This can make it harder for women to save and invest money, as they may have less disposable income to work with.
3. **Gender stereotypes and biases:** Gender stereotypes and biases can also play a role in women's participation in investment activities. For example, women may be perceived as less knowledgeable or capable when it comes to finance and investing, which can lead to them being excluded from financial conversations or being offered fewer investment opportunities. Additionally, some investment products may be marketed primarily to men, which can make it harder for women to access information and resources related to investing.
4. **Risk aversion:** Studies have shown that women tend to be more risk-averse than men when it comes to investing. This may be due to differences in personality traits, cultural norms, or life experiences. While being risk-averse can be a positive trait when it comes to avoiding financial pitfalls, it can also mean that women are less likely to take advantage of investment opportunities that have the potential for higher returns.
5. **Caregiving responsibilities:** Women are often responsible for caregiving duties, such as taking care of children, elderly parents, or other family members. These responsibilities can make it difficult for women to devote time and energy to learning about investing or to actively manage their investments. Additionally, women may need to take career breaks or work part-time in order to fulfill these responsibilities, which can impact their earning potential and ability to save and invest money.
6. **Lack of role models:** Women may have fewer role models in the investment industry compared to men. This can make it harder for them to envision themselves as successful investors or to see investing as a viable career path. Additionally, women may be less likely to seek out investment-related networking opportunities or mentorship programs if they don't see other women in these roles.
7. **Fear of making mistakes:** Women may be more likely to experience a fear of failure or making mistakes when it comes to investing. This fear can be compounded by societal pressures to be perfect or to conform to gender norms, which can make it harder for women to take risks or try new things. Additionally, women may be more likely to seek out information and advice before making investment

decisions, which can lead to analysis paralysis or a reluctance to take action.

8. Lack of trust in financial institutions: Women may have lower levels of trust in financial institutions compared to men. This can be due to past experiences of discrimination or mistreatment, as well as concerns about the transparency and ethics of the financial industry. Without a sense of trust in financial institutions, women may be less likely to seek out investment opportunities or to feel confident in their ability to navigate the investment landscape.

Participation of women in the workforce may have increased, but they remain cautious and dependent on family members when it comes to managing their money. In association with Axis My India, a survey done by LXME, a financial platform for women – has found that 33% of women in India do not invest at all and the number is as high as 40% in the 21-25 years age group. Overall, 55% of women in the country are either not investing or are unaware of their investments. The survey was carried out among 4,000 women across different age groups, life stages and occupations across metros, Tier II & III cities. It reveals where women stand on money matters and provides an overview of their financial awareness, attitude towards saving and investing, key barriers and drivers for making money decisions and involvement in decision making.

Women are considered to be great savers however, LXME's report suggests that 78% of women save less than 20% on their income, 56% save less than 10% and 14% of women do not save any money. This means a majority is not even following the golden rule of saving at least 20% of their income.

Upon segregating the saving habits between working and non-working women, the report finds that 50% of non-working saved between 6-20% of their household income in contrast to 45% working women. However,

31% of working women saved over 20% of their income as opposed to 13% of non-working women.

A majority of women invest only 6-10% of their income. This could be derived from apprehensions related to investments primarily emanating from the lack of knowledge. A massive, 92% of women revealed that they do not access any financial investment related websites.

Among the respondents, as the highest 39% of women stated low funds to be the reason for not investing their money. This is followed by a lack of financial awareness at 12% and fear of losing savings at 10%.

➤ **STRATEGIES TO ENCOURAGE WOMEN PARTICIPATION INTO INVESTMENT**

- 1. Education:** Providing education and information on investing can help women understand the benefits of investing and overcome any fears or misconceptions they may have about it. This can include seminars, webinars, and workshops specifically designed for women to help them understand the basics of investing.
- 2. Role models:** Women may be more likely to invest if they see other women doing so. Encouraging successful female investors to share their experiences and success stories can inspire other women to take the leap.
- 3. Networking:** Creating networking opportunities for women investors can help build a community and provide support for those who are just starting out.
- 4. Financial planning:** Offering financial planning services that are specifically tailored to women's needs can help them develop a better understanding of their financial situation and goals.
- 5. Easy access:** Making it easy for women to invest can encourage more participation. This can include offering online investment platforms, mobile apps, and simplified investment products.
- 6. Financial incentives:** Offering financial incentives,



such as tax breaks or matching funds, can encourage more women to invest and help make it more affordable.

7. **Partnering with employers:** Partnering with employers to provide investment education and options as part of employee benefits can help reach a wider audience of women.
8. **Highlighting social impact:** Highlighting the social impact of investing can be an effective way to engage women who are motivated by values and social responsibility.
9. **Addressing biases:** Addressing biases that may be holding women back from investing, such as a lack of confidence or societal expectations, can help level the playing field.
10. **Creating a safe environment:** Creating a safe and welcoming environment for women to ask questions and learn about investing can help reduce any anxiety they may have about getting started. This can include offering women-only investment workshops or creating women-focused investment communities.

➤ **GOVERNMENT INITIATIVE TO INCREASE WOMEN PARTICIPATION INTO INVESTMENT**

1. **Additional features for women's savings bank accounts**

Apart from offering the regular savings bank account feature, banks allow women to secure their funds in specially-designed savings accounts that categorically fulfil the financial and investment needs of Indian women today and host competitive features as per modern lifestyle expectations.

2. **Low premiums in life insurance plans for women**

To encourage women to buy insurance plans, the insurer offers special life and health insurance plans. Moreover, most insurance providers charge a lower premium on life and

health insurance coverage for women than their male counterparts.

3. **Lesser interest on loans taken by women**

Many leading banks provide home loans to women at lower rate interest. In some cases of joint home loans, the banks also offer discounted loan rates if the woman is the first applicant for the specific loan.

4. **Beneficial monetary schemes for women entrepreneurs**

The government has also launched several government schemes for women entrepreneurs. For example, the Bhartiya Mahila Bank (BMB) business loan scheme is for women who wish to start their own businesses. The scheme provides loans up to ₹20 crores for women-owned manufacturing companies at an interest rate of 10.15%. The scheme also provides collateral-free loans up to ₹1 crore for micro and small enterprises.

5. **TREAD (Trade-Related Entrepreneurship Assistance and Development) scheme.**

TREAD aims to economically empower women by offering them credit, training, development, and counselling support in the space of products, services, trades, etc.

6. **Working women's hostel for economical accommodation**

The government has also helped women by launching Working Women Hostels to provide a safe and convenient living space for working women and their families. Women get accommodation, along with daycare facilities for their children. These hostels are set up across urban, semi-urban, and rural areas. However, these hostels are only available for women whose monthly income does not exceed ₹50,000 per month in urban areas and ₹35,000



per month in other areas.

7. Mahila Shakti Kendra for overall women's development.

This government-sponsored program was launched in 2017 to financially empower women by providing skill development support, digital literacy, employment, and more. Each Shakti Kendra (at national, state, district, and block levels) offers an interface for rural women to avail benefits via training and capacity building.

8. Sukanya Samridhi Yojana to safeguard girl child's future

Sukanya Samridhi Yojana (SSY) is a government-sponsored scheme launched to benefit the girl child and assure a brighter future for her. Parents or legal guardians of a girl child under ten years of age can invest in SSY. The scheme has a fixed tenure of 21 years and offers an average rate of return between 8% and 9%. Deposits can be made once every month or on an annual basis for 15 years from the date of the SSY account opening.

9. Mahila-E-Haat for women entrepreneurs

The Ministry of Women and Child Development governs this program. Started in 2016, Mahila-E-Haat is a bilingual marketing platform that uses technology to enable budding women entrepreneurs, self-help groups, NGOs, and others to promote their products and services.

10. Annapurna Scheme

The Indian government offers a number of programs to assist women who want to launch a business. One of them, the Annapurna plan, offers ₹50,000 to start a catering company. Women can repay the loan within three years under one of the central government's lending

programs. The program can be chosen by those who desire to launch a new business to obtain additional benefits.

Limitation:

- The above study gives an insight about problem and issues related to women, restricting them to invest as compared to men in the market.
- The above study also gives some valuable reasons by which we can encourage women into investing.
- The above study has some limitations as it is limited to secondary data.
- The researcher was limited with time and resources.

Conclusion, Recommendation & Suggestions:

Women in India are progressing in all spheres. By utilizing several of the aforementioned government programs and financial perks, it is now about time that women achieved complete

financial independence. These programs and efforts support and encourage female entrepreneurs, help women secure their lives, families, and health, and eventually help them reach their financial goals.

Due to their tax exemption benefits, most of these programs also enable women to save more money on taxes. Even though India needs to take more critical measures to empower the country's women, such initiatives prove there is hope for a better tomorrow for women.

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