



A Study On The Saving And Investment Behaviour Of Home Makers In Jogeshwari And Andheri Region Of Mumbai

Research Project by

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ABSTRACT

Saving plays a vital role in every one's life. Salary and also other incomes root cast for the savings and Investment. Savings is to fulfil their needs and also unexpected events. Indian banks and other financial institutions introduced various savings schemes. Investors are investing in various sectors such as Corporate sector, Private sector, Household sector and Foreign sector.

Knowing how to secure financial well-being is one of the most important things that we ever need in life. No one can guarantee for making money from investments made by the individual. But if you get the facts about savings and investing and follow through with an intelligent plan, you can gain financial security over the years and enjoy the benefits of managing the money. A good majority of the people are not aware of investment avenues. The government also encourages the people to invest their money in stock market viz., shares and debentures. Many of them without having adequate knowledge on portfolio management have invested in shares and debentures burnt their fingers with huge losses. They believed that the savings in shares and debentures is just like bonds issued in the post office and fixed savings in banks. But the innocent people were not aware that stock market is an authorized gambling so this ignorance should be wiped out through creating a good saving awareness by the banks and post office.

1 - Introduction

Investment is time, energy, or matter spent in the hope of future benefits actualized within a specified date or time frame. In financial connotation, investment means buying or creating an asset with the expectation of capital appreciation, dividends, interest earnings, rents, or some combination of these returns. This may or may not be backed by research and analysis. Most of all forms of investment involve some form of risk, such as investment in equities, property, and even fixed interest securities which are subject, among other things, to inflation risk. It is indispensable for project investors to identify and manage the risks related to the investment. Investment and investing are distinguished from other uses of money such as saving, speculation, donation, gifting etc. In that the deployment of money is done for the purpose of obtaining a positive expected return.

However, when we talk about homemakers, also known as housewives, they are the true care takers of households. They manage all the expenses of the household and try to save the given resources for various purposes, like unforeseen circumstances and for a better future for the family. The amount saved is sometimes invested, but rest of the time, it is only lying as idle cash. Since they are not working, they are not much aware of the investment avenues, hence, they end up keeping the money either in the locker, or make a fixed deposit or saving deposit account.

Hence, in order to get all these things, the homemakers have to decide the portfolio which will suit them. They, by considering all the different types of investment portfolio available, can think of channeling the excess for their own benefit as well as for the growth of the country's economy.

2 - Statement of the Problem

Against this background the present study is a modest attempt to find out answers to the following questions.

1. What is the level of awareness of the homemakers towards savings and investment?
2. What are the factors influencing the homemakers to prefer their choice of investment in savings?
3. What is the level of satisfaction perceived by the homemakers towards various savings and investment avenues?
4. To what extent, the sources of income and consumption pattern of the homemaker affect the savings?
5. Whether the problems faced by the homemakers in deciding different sources of savings and investment.
6. How do the homemakers gain knowledge and locate potential investments?

The present study becomes highly essential to know the Savings and Investment Behaviour of homemakers and to find out the various factors affecting their investment behaviour.

3 - Review of Literature

Dharmaja V., Ganesh J. and Santhi (2012) To study the various factors influencing the Investment behavior of individual investors and impact of the selfimage/firm image coincidence on the investor behavior. This research studied that the majority of the respondents are influenced by the accounting information of the companies and advocate recommendation is the least influencing Group.

Bhawana Bhardwaj, Nisha Sharma, Dipanker Sharma (2013) The purpose of research was to study the income, consumption and savings pattern of Employees and evaluate the awareness level investment in industrial securities. It can be inferred from the study that the majority of the employees have knowledge about industrial securities. It was revealed that as income of the employees increases, awareness about securities also increases.

N. Srividhya & S. Visalakshi (2013) research was to analyze the savings and investments pattern of college teachers and the rate of return expected by income earners from the investments. It was proved that all the working teachers save the money for their wards' education, marriage, security and also for house construction purposes.

Sonali Patil, Kalpana Nandawar (2014) to know the source of motivation and problems faced by salaried employees of Pune, India while doing investment of and To study the investment preferences while selecting the securities. The result of the study was that investors are aware about investment avenues available in India but still investors are preferred to invest in bank deposits, real estate, metals (Gold) and study reveals that safety is an important factor while doing investment.

K. Parimalakanthi, M. Ashok Kumar (2015) The focus of the study is to determine the factors of individual investor behaviour in the Indian financial market and assess the risk exposure, factors affecting the Investment decision. The study concluded investor's education is immensely important for the present day investors in Coimbatore and investment behaviour was found to be better at the time of investment than before investment and post investment.

D. Senthil (2015) To study the investment behaviour of Investors and the factors affecting different investors. The research concluded that occupation is dependent on all factors of overconfident factors, Loss Aversion, representativeness and Price anchoring factors while investors are investing in the capital market. Education level is dependent on overconfident factors and representativeness factors.

Neha S Shukla (2016) The main objective of the research is to study investment preference of working women of North Gujarat Region. It was found that there is no relationship between education with investment while there is a significant relationship between Age and Income.

4 - Significance of the study

With reference to the above literature review, homemakers are measured at a justifiable rate when the point of household management comes. The women may or may not be highly qualified but they live a satisfactory life. While investment behaviour has been studied intensively in a generic sense, minimum research exists with respect to Mumbai based homemakers whose mind-set is towards investment as a subject.

5 - Objectives of the study

1. To study the savings culture in general and in particular to homemakers in the study area.
2. To analyse the awareness of savings and the level of satisfaction perceived on safe investment.
3. To analyse the factors influencing to invest the savings on various investment avenues.
4. To identify the common problems faced by the housewives in terms of investment.
5. To suggest better ways and means for effective investment to save for future life.

6 - Hypotheses

Hypotheses

H0- Homemakers do not make any savings in the household

H1- Homemakers save a portion of the income in the household

H0- There is no satisfaction on saving and investment done by homemakers

H2- Homemakers are satisfied with the amount of saving and investment done by them

H0- There are no factors influencing to invest the savings on various investment avenues

H3- There are certain factors influencing to invest the savings on various investment avenues

H0- Homemakers do not face problems in terms of investment

H4- Homemakers face a couple of problems in terms of investment

7 - Research Methodology

The present study makes the critical assessment and evaluation of homemakers in various households, not only in metropolitan but also in small towns and semi-urban areas. The present study is restricted to Jogeshwari and Andheri regions in Mumbai city.

The data collection for the research study involves:

- Primary data collection and
- Secondary data collection.

Primary data collection

For the present study, the primary data was collected with the help of questionnaire-schedule which was administered to the respondents, to elicit information keeping in mind the focus of the study. Housewives from various households are considered of varying ages.

The respondents will be selected through random sampling method and 157 homemakers will be considered for the study.

Secondary data collection

The secondary data will be collected from census reports, economic surveys, source of statistical data from official documents and reports.

Statistical Tools to be used:

- Percentage analysis
- Independent samples t-test
- One sample test

8 - Scope of the study

The study confines its analysis only to homemakers aged 21 and above. The reason for selecting Jogeshwari and Andheri region of Mumbai is that the area reflects the cosmopolitan nature of Mumbai city where women from different classes, cultures, different languages and community backgrounds reside together.

Data Analysis and Interpretation:

In this survey, a sample was taken of 157 home makers from all places of Srinagar including all demographic features. A questionnaire consisting of 10 questions has been used for the survey.

We categorized the investors into different age groups and it was found as exhibited in figure 1 that around 30% respondents belong to the age group of 20 – 30. More than 17% respondents belong to the age group of 31 – 40. More than 30% respondents belong to the age group of 41 – 50 and around 4% respondents belong the age group of 51 and above. Thus, we can say that the home makers after the age of 51 and above do not invest much part of their incomes.

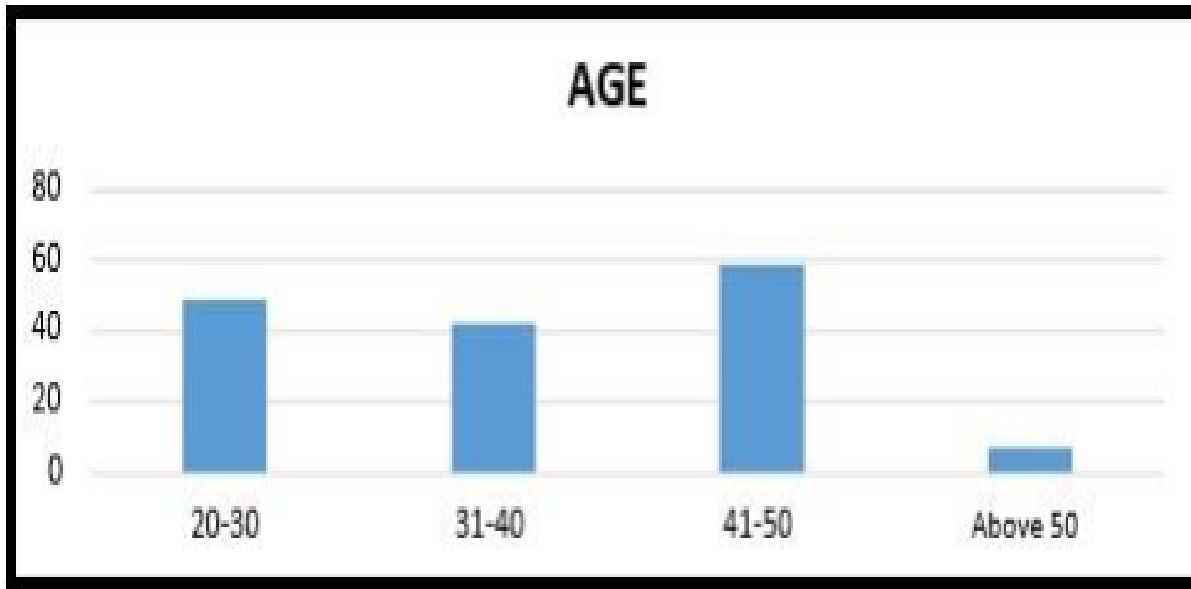


Figure 1

Figure 1 As shown in figure 2 below the categories related to the monthly incomes started from International Journal of Management, Technology and Engineering Rs.5000. Normally, we should not have taken Rs. 5000 as the initial income level because the home makers are usually having low-income levels who earn their incomes by doing parttime jobs like teaching, weaving, knitting, yarning, making candles, tailoring etc. some of them also get family support. It may be by their parents, spouse, children and other relatives. While analysing income groups, we found that nearly 16% respondents belong to the income groups below 5000. Around 18% respondents belong to the income group of 10001 – 20000. More than 28% respondents belong to the income group of 20001 – 30000. Only 8% respondents belong to the income group of 30000 – above. According to the respondents the income group with income less than Rs. 5000 invest less in stock markets than high income group home makers.

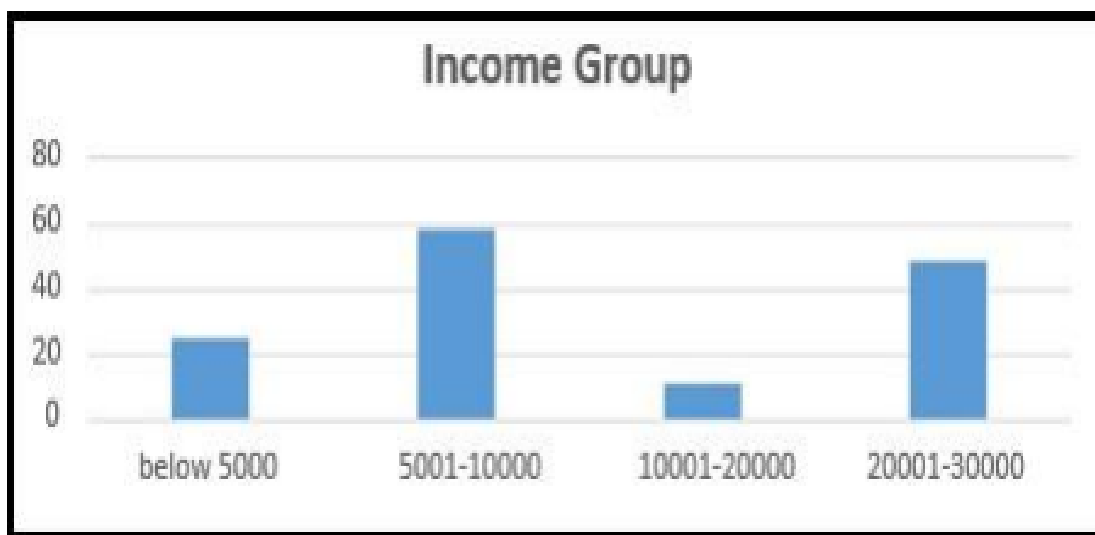


Figure 2

Figure 2 Out of 157 respondents more than 35% were short term investors. More than 43% were midterm investor and only 21% were long-term investors as presented in figure 3. Simply, we can say that homemakers prefer to invest only for 2 – 6 years. They do not want to invest their money for long-term periods. Figure 3 The figure 4 below indicates that while investigating the sources of funds, most of the women get money from their family members.



Figure 3

Out of 157 respondents, 72 respondents get income from their part-time jobs and 85 respondents get their savings from their family support. International Journal of Management, Technology And Engineering While investigating the kind of investment the respondents are take into, most of the respondents invest their incomes in banks and in gold as shown in figure 5.

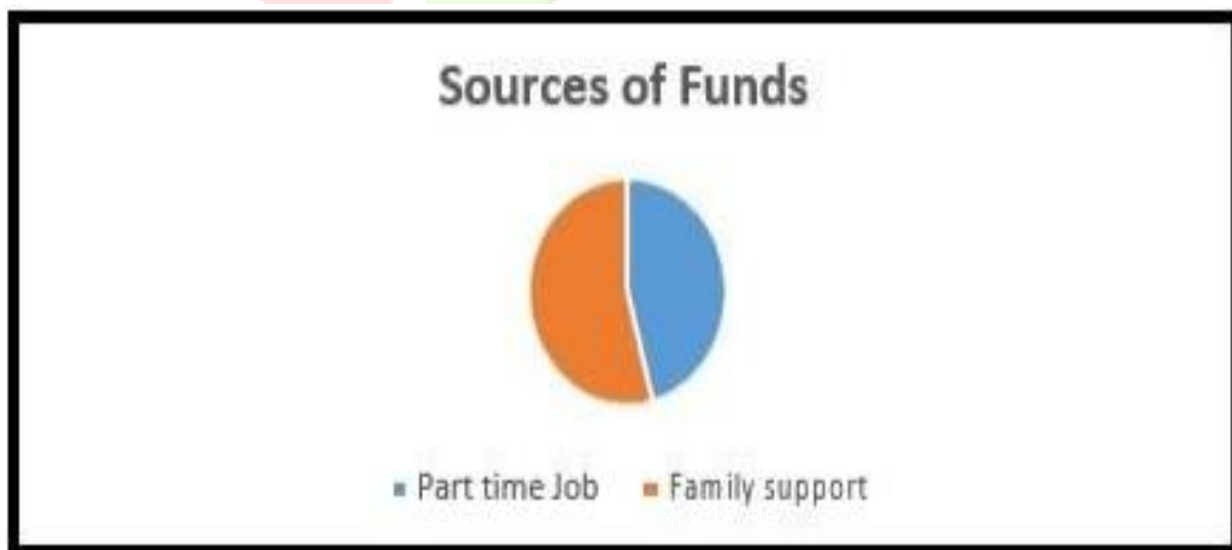


Figure 4

Very low percent of home makers invest in shares. Out of the 157 respondents only 7% respondents are involved in shares. More than 42% of home makers are investing in gold. Around 44% is involved in banks and only 6% respondents are involved in other kinds of stocks provided by various kinds of institutions.

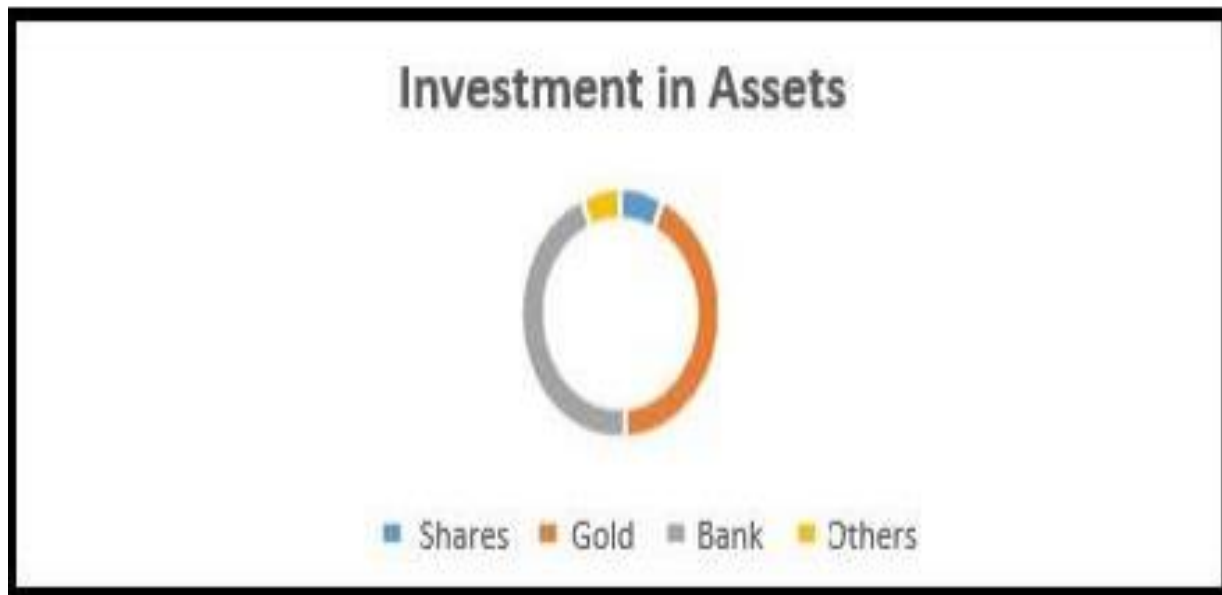


Figure 5

Figure 5 The next question asked was related to the type of risk appetite of home makers in Srinagar. Risk was categorised into five options - low, moderate, high, very-high and no risk. Around 32% respondents are interested in low-risk. More than 17% investors are interested in moderate-risk. Nearly 14% are interested in high-risk. Only 1% of the home makers are interested in very-high risk and the great number of women invests in safe investments. The results are exhibited in figure 6 below. They take or prefer risk free investments and want to be away from risk. In short we can say that women are less risk takers. They are risk averse. International Journal of Management, Technology And Engineering.

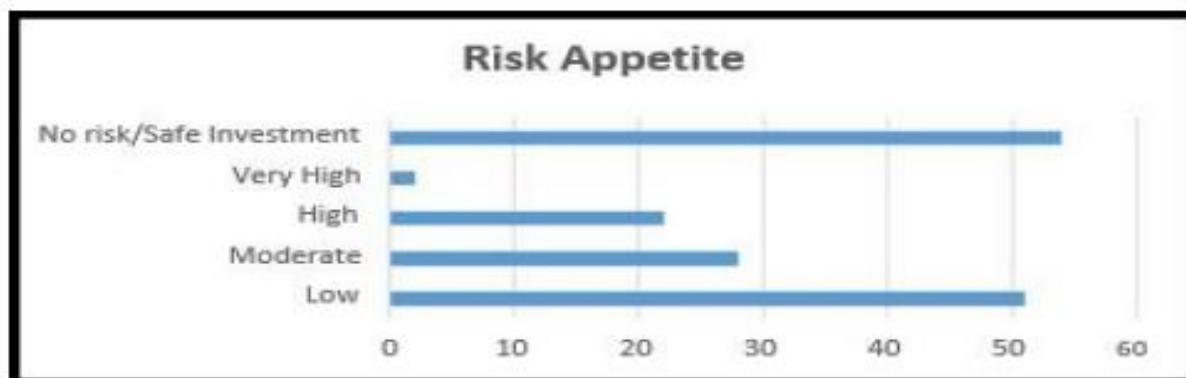


Figure 6

Figure 6 Further, a question was framed about the things that induced the investors to invest in a particular stock and the responses for the same are displayed in figure 7. More than 17% of the investors belong to the first option that is tips. Around 16% of the investors belong to the second group that is news. Only 7% of the investors belong to the third group that is research report and a huge number of investors that is around 60% belong to the fourth group, which is

personal homework. Taking respondents into consideration we can include that the home makers in Srinagar do not believe in tips, news, research reports, etc. than personal experiences. The respondents only believe in personal homework.

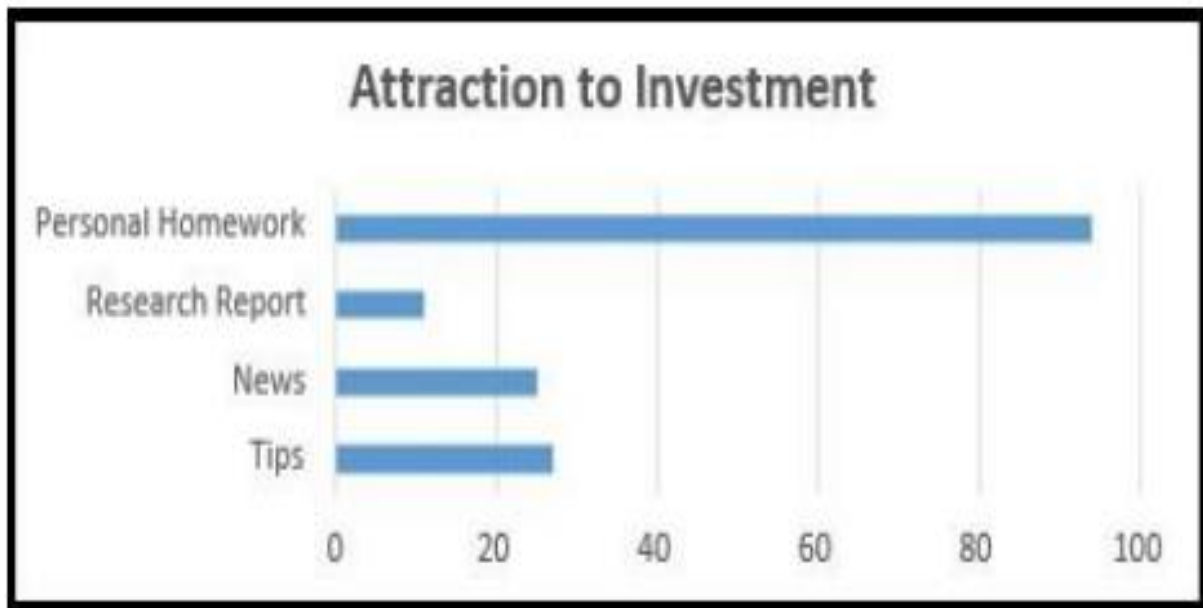


Figure 7

9 - Limitations of the study

Even though entrepreneurs are available in almost all cities and towns of India, visiting all these places personally is practically not possible. Therefore, the present study is restricted to Mumbai city. Mumbai is specifically a cosmopolitan city. People from different states have migrated to Mumbai and settled here for earning money and making a career. They have brought their different cultures with them. Secondly, the research is restricted to a time range of three to six years and considering the monetary and social factors, the research is not feasible to be conducted in the entire city or state.

10 - Tentative Conclusion/ References

The conclusion of this research will be derived on the basis of primary and secondary data analysis. With the help of this research, we will be able to conclude with the importance of saving and investment and its prevalence. Moreover, we will be able to identify the problems faced by housewives in terms of saving and investment. We will be able to suggest remedial measures that would motivate homemakers to save considerably and invest in various other avenues. The study will open new frontiers for homemakers for further exploring the investment segment to provide more opportunities for a better future. It will also make suggestions and recommendations for the homemakers to efficiently manage the household and get financially literate.

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