

A Comprehensive Analysis of Demographic Profile and Investment Decisions of Salaried Women

¹ Monika Saradhara, ² Dr. Nirav Vyas

¹Research Scholar, Department of Management, Gujarat Technological University, Ahmedabad, India

²Associate Professor- Marketing, Shanti Business School, Ahmedabad, India

Email – sardharamonika78@gmail.com

Abstract: Investment can be described as the act of forgoing immediate benefits in anticipation of future gains. It involves the distribution of financial resources towards assets that are anticipated to generate a profit or positive return over a specified duration. The objective of the study is to know the association between various demographic variables and objectives of investment and also to find the most preferred investment avenues by salaried woman. Structure questionnaire was used to collect the data from 225 salaried woman working in education sector at Rajkot. Data Analysis through SPSS various tools like frequency distribution, cross tabulation, chi-square test used. The result of the study found that age, marital status, education qualification, number of family member, type of education sector and annual income plays a crucial role in shaping investment objectives.

Key Words: Investment Decision, Demographic Variable, Investment Avenues, Investment objective.

1. INTRODUCTION:

Investment can be described as the act of forgoing immediate benefits in anticipation of future gains. It involves the distribution of financial resources towards assets that are anticipated to generate a profit or positive return over a specified duration. Essentially, investment signifies the dedication of capital with the expectation of achieving a certain rate of return. Investment involves allocating capital to various opportunities or instruments with the anticipation that the value will either be maintained or appreciate, thereby yielding positive returns. The investment process serves as a conduit that connects suppliers those possessing surplus funds with demanders those in need of financial resources. Typically, this connection is facilitated by financial institutions, which function as intermediaries within the financial market. In essence, investment represents the forgoing of current monetary resources or other assets in pursuit of future gains. From a financial perspective, investment is defined as the allocation of an individual's funds to generate income through interest, dividends, premiums, pension benefits, or capital appreciation.

In the present economic landscape, money is often viewed as the fundamental source of happiness. Individuals increasingly seek to invest for a secure lifestyle and a promising future. However, a significant challenge arises as investors find themselves perplexed by the multitude of options available. The financial market offers a variety of investment opportunities, including bank deposits, corporate debentures, bonds, and post office savings schemes, which typically present low risk accompanied by low returns. Alternatively, investors may choose to engage in the stock market, where the potential for high returns is matched by a greater level of risk. Investment options encompass equities, bonds, corporate debentures, fixed deposits from companies and banks, public provident funds, life insurance, post office-NSE, as well as commodities like gold and silver, real estate, and mutual funds.

Numerous investment options are accessible to investors for allocating their funds. However, the selection of these investment options varies among investors, influenced by their financial literacy and expectations (Jain & Mandot, 2012) (Chambers & Schlagenhauf, 2002; Gomes et al., 2004; Kesavan et al., 2012). Lewellen et al. (1977) identified that factors such as age, gender, income, and education significantly impact investors' preferences and attitudes regarding investment decisions, which are aligned with their investment goals.

2. LITERATURE REVIEW:

Mehta & Aggarwal (2011) it was found that there exists a correlation between demographic characteristics and the personality types of investors in relation to their investment choices. Significant differences were observed between

genders regarding preferences for provident funds, fixed deposits, and real estate, with females exhibiting a more conservative approach than their male counterparts. Additionally, investors in older age brackets showed a preference for post office investments, in contrast to those in younger age groups. Furthermore, the majority of investors indicated a tendency to seek advice from family members when making investment decisions.

Verma (2008) examined the influence of demographic factors and personality traits on investment preferences among Indian investors, revealing that mutual funds were favoured by professionals, students, and the self-employed. In contrast, retirees exhibited a tendency towards risk aversion, opting not to invest in mutual funds or equity shares. Additionally, the study indicated that a higher level of education correlated with an increased comprehension of investment complexities, with individuals holding graduate degrees or higher showing a preference for investing in both equity shares and mutual funds.

Jain, D., & Mandot, N. (2012).found that The primary goal of most investors is to generate consistent income, with the anticipated rate of return varying among individuals according to their market knowledge and risk tolerance and also found a negative correlation between investors' marital status, gender, age, educational qualifications, and occupation. Conversely, a positive correlation exists among the cities in which investors reside, their income levels, and their knowledge. These findings were established through cross-analysis utilizing correlation analysis.

Abhijeet and Dinesh (2010) Analyze the psychological biases that affect investor behavior. The psychological factors taken into account when addressing investment-related matters include overconfidence bias, susceptibility to rumors, conservatism bias, and representativeness bias. The research concludes that enhancing the frequency of information dissemination and improving transparency will benefit investors.

Kabra et al. (2010) This study investigates the elements that affect behavior, investment risk tolerance, and the decision-making process. The primary audience consists of regular investors. Participants were categorized based on criteria such as age, gender, profession, and annual income. Individual investors make investment choices in accordance with their risk preferences. Those who are risk-averse take into account various factors and pursue a range of information prior to carrying out investment transactions. The findings indicate that both age and gender significantly impact the risk-taking ability of investors.

Lewellen et al. (1977) The study investigated the portfolio decision-making process of individual equity investors by utilizing data collected from a questionnaire survey. Multiple regression analyses were conducted on the chosen variables of interest. The analysis included a cross-classification of the demographics of the participants alongside their portfolio objectives and various investment behaviors. A comprehensive overview of the demographic relationships illustrated significant evidence of systematic shifts in investment goals and risk tolerance across different age groups. This research explores the correlation between demographic factors and investment strategies.

3. OBJECTIVES:

- To study the association between various demographic variables and objectives of investment
- To find the most preferred investment avenues by salaried woman

4. METHODOLOGY:

The research employs a descriptive design. A non-probabilistic convenience sampling method is utilized, targeting salaried woman in education sector as the sample population. Data is collected through a structured questionnaire administered in Rajkot, India. Out of 300 distributed questionnaires, only 225 responses were deemed valid for the study due to incomplete or partially filled forms. The data collection process is conducted via a survey method, with responses measured on a 5-point likert scale. Data analysis is performed using SPSS. Frequency distribution, cross tabulation, Chi-square test and correlation used to analysis the relationship between demographic variable and investment objective. For this study demographic variable considered as an independent variable and investment objective dependent variable.

5. RESULT ANALYSIS:

Table 1: Demographic profile of the respondent

		Frequency	Percentage
Age	18 to 25	45	20
	26 to 35	120	53.3
	36 to 45	53	23.6
	46 to 55	7	3.1
	Total	225	100

Marital Status:	Married	135	60
	Unmarried	90	40
	Total	225	100
Educational Qualification:	Post-graduation	135	60
	Doctorate	90	40
	Total	225	100
Number of Family members:	3 to 5	210	93.3
	5 to 7	15	6.7
	Total	225	100
Number of dependents in the family	one	90	40
	two	90	40
	Three	15	6.7
	More than Three	30	13.3
	Total	225	100
Types of education sector:	Private	210	93.3
	Government Sector	15	6.7
	Total	225	100
Annual Income (Rs)	Up to 300000	75	33.3
	300000 to 600000	105	46.7
	600000 to 1000000	30	13.3
	Above 10,00,000	15	6.7
	Total	225	100

Table 1 Represent the summery of various demographic information of respondents

Chi-square Test

H_0 - There is no relationship between investment objectives and age.

H_1 - There is relationship between investment objectives and age.

Table 2: Degree of relationship between investment objective and age.

Investment Objective	Pearson Chi-Square	Degrees of freedom	Critical value at α 0.05
Capital Appreciation	17.364	6	0.008
Return	30.288	3	0
Safety	50.448	6	0
Retirement planning	47.615	6	0
Liquidity	98.98	9	0
Tax- Planning	98.438	9	0
Medical Requirement	52.056	9	0
Children Requirement	65.878	9	0
To be Self Independent	49.584	3	0

The findings demonstrate that all investment objectives show a substantial correlation with age, as the p-values (critical values at $\alpha = 0.05$) are either 0 or nearly 0, significantly lower than the conventional significance level of 0.05. This analysis affirms that age plays a crucial role in shaping investment objectives. As Salaried woman advance through various life stages, their financial priorities evolve, thereby influencing their preferences regarding returns, safety, liquidity, retirement planning, and tax implications.

H_0 - There is no relationship between investment objectives and marital status.

H_1 - There is relationship between investment objectives and marital status.

Table 3: Degree of relationship between investment objective and marital status.

Investment Objective	Pearson Chi-Square	Degrees of freedom	Critical value at α 0.05
Capital Appreciation	16.667	2	0
Return	23.077	1	0
Safety	36.111	2	0

Retirement planning	6.25	2	0.044
Liquidity	10.714	3	0.013
Tax- Planning	33.333	3	0
Medical Requirement	41.964	3	0
Children Requirement	110.417	3	0
To be Self Independent	10.714	1	0

The findings suggest that there is a notable correlation between investment objectives and marital status, as evidenced by p-values (critical values at $\alpha = 0.05$) that are either zero or nearly zero. This indicates that marital status plays a role in shaping investment preferences. Specifically, married salaried woman are inclined to prioritize safety, tax planning, medical requirements, and the future of their children, whereas single individuals often emphasize capital appreciation, returns, and personal independence.

H₀ - There is no relationship between investment objectives and educational qualification.

H₁ - There is relationship between investment objectives and educational qualification.

Table 4: Degree of relationship between investment objective and educational qualification.

Investment Objective	Pearson Chi- quare	Degrees of freedom	Critical value at α 0.05
Capital Appreciation	37.5	2	0
Return	51.923	1	0
Safety	25	2	0
Retirement planning	86.111	2	0
Liquidity	86.607	3	0
Tax- Planning	75	3	0
Medical Requirement	88.095	3	0
Children Requirement	84.375	3	0
To be Self Independent	24.107	1	0

The findings indicate that there exists a significant correlation between all investment objectives and educational qualifications, as evidenced by the p-values (critical values at $\alpha = 0.05$) being 0. This suggests that individuals possessing different educational backgrounds exhibit distinct investment preferences. Those with higher education tend to demonstrate enhanced financial literacy, more proactive retirement planning, greater tax efficiency, and a more balanced perspective on risk and return.

H₀ - There is no relationship between investment objectives and number of family members.

H₁ - There is relationship between investment objectives and number of family members.

Table 5: Degree of relationship between investment objective and number of family members

Investment Objective	Pearson Chi- quare	Degrees of freedom	Critical value at α 0.05
Capital Appreciation	24.107	2	0
Return	2.473	1	0.116
Safety	10.714	2	0.005
Retirement planning	10.714	2	0.005
Liquidity	18.367	3	0
Tax- Planning	8.036	3	0.045
Medical Requirement	24.107	3	0
Children Requirement	24.107	3	0
To be Self Independent	18.367	1	0

The findings suggest that the majority of investment goals are significantly correlated with the number of family members, with the exception of Return ($p = 0.116$), which does not reach statistical significance at $\alpha = 0.05$. Families with a greater number of members typically prioritize safety, liquidity, tax planning, medical security, and the future of their children, whereas smaller families may possess greater flexibility to seek capital appreciation and self-sufficiency.

H₀ - There is no relationship between investment objectives and number of dependents in the family.

H₁ - There is relationship between investment objectives and number of dependents in the family.

Table 6: Degree of relationship between investment objective and number of dependents in the family

Investment Objective	Pearson Chi-Square	Degrees of freedom	Critical value at α 0.05
Capital Appreciation	39.063	6	0
Return	51.923	3	0
Safety	36.667	6	0
Retirement planning	135.417	6	0
Liquidity	168.75	9	0
Tax- Planning	73.75	9	0
Medical Requirement	199.107	9	0
Children Requirement	162.5	9	0
To be Self Independent	24.107	3	0

The findings suggest that the majority of investment objectives exhibit a notable correlation with the number of family members, with the exception of Return ($p = 0.116$), which does not reach statistical significance at $\alpha = 0.05$.

H₀ - There is no relationship between investment objectives and types of education sector

H₁ - There is relationship between investment objectives and types of education sector.

Table 7: Degree of relationship between investment objective types of education sector

Investment Objective	Pearson Chi-Square	Degrees of freedom	Critical value at α 0.05
Capital Appreciation	14.063	2	0.001
Return	2.473	1	0.116
Safety	10.714	2	0.005
Retirement planning	10.714	2	0.005
Liquidity	18.367	3	0
Tax- Planning	64.286	3	0
Medical Requirement	18.367	3	0
Children Requirement	24.107	3	0
To be Self Independent	14.063	1	0

The findings demonstrate that there exists a statistically significant correlation between all investment objectives and the number of dependents, as evidenced by p-values of 0, which are critical at $\alpha = 0.05$. This implies that an increase in the number of dependents leads to a notable shift in investment priorities. Households with a greater number of dependents tend to emphasize safety, liquidity, medical security, the future of their children, and tax-saving investments. In contrast, individuals with fewer dependents are more inclined to focus on capital appreciation and achieving financial independence.

H₀ - There is no relationship between investment objectives and age.

H₁ - There is relationship between investment objectives and annual income.

Table 8: Degree of relationship between investment objective annual incomes

Investment Objective	Pearson Chi- quare	Degrees of freedom	Critical value at α 0.05
Capital Appreciation	76.607	6	0
Return	39.56	3	0
Safety	109.286	6	0
Retirement planning	149.286	6	0
Liquidity	232.577	9	0
Tax- Planning	69.429	9	0
Medical Requirement	62.219	9	0
Children Requirement	142.768	9	0
To be Self Independent	43.335	3	0

The findings demonstrate that there exists a statistically significant correlation between all investment objectives and income, as all p-values (critical values at $\alpha = 0.05$) are equal to 0. This implies that investment priorities undergo substantial changes in response to variations in income levels.

Table 9: Choice of investment avenues and their investment objective

	Capital Appreciation	Regular Income	Safety	Liquidity	Maturity	Tax Benefit	Not Applicable
Bank Deposits	15	75	60	30	30	0	15
Real Estate	60	30	45	0	0	15	75
Insurance	15	0	120	15	0	45	30
Gold/ Gold ETF	60	15	30	45	15	15	45
Mutual Fund	75	0	45	30	30	0	45
Stock Market	60	30	30	15	30	0	60
Post Office Deposits	30	45	60	15	30	0	45
PPF	30	15	105	0	30	15	30
Government Securities	30	15	105	15	0	15	45
Other	30	0	75	0	0	0	120

8. CONCLUSION:

The study concludes that age, marital status, education qualification, number of family member, type of education sector and annual income plays a crucial role in shaping investment objectives. As per the life stage their financial priorities evolve. Married woman have safety, tax planning, medical requirement, and future of their children as investment objective, where single are having capital appreciation as their investment objective. More educated woman focus on balanced approach on risk and return. Families with a greater number of members typically prioritize safety, liquidity, tax planning, medical security, and the future of their children.

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