

Rural Women's Saving and Investment Habits: A Study with Special Reference to Kuttampuzha Area, Ernakulam District

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Abstract - In every person's existence, financial stability is essential. One must develop the habit of saving money and allocate it to a variety of investment vehicles in order to build wealth and achieve financial security. Investing is a method for building wealth and savings offer a safety net against unforeseen costs. Women now work and are more literate than ever which has led to more savings. All groups of women have greatly expanded their saving habits and money has to be invested carefully. The purpose of this study is to understand the saving practices of rural women and the factors influencing these behaviors. Kerala has a low per capita income, yet an exceptionally high saving rate. There are a number of factors that influence rural families' saving behaviors.

Keywords: Financial Security, Savings, Investment, Rural Women

I. INTRODUCTION

A person may withstand all unforeseen circumstances by saving. Being a town or village resident is not a prerequisite. It takes money to live a contented and tranquil existence. Savings is a prerequisite for earning money. Women's saving practices are linked to family success. They are unable to preserve much of their money, despite their obsession with work. Particularly in rural areas, women are adept at accumulating funds. However, because of their loss aversion, they lack investing competence. This results from a lack of understanding of finances and several avenues for wise investing. Understanding rural women's saving behaviors is the primary goal of this study (Girma & Alemu, 2015).

Savings have long been thought to be one of the factors that influences growth. The rate of savings needs to be increased in order to guide the developing nations toward progress. Savings give people and their homes a buffer against unforeseen events, while savings give the country the money it needs for development initiatives. Appropriate policies and incentives should be implemented to increase the marginal propensity to save in order to attain a greater rate of growth with relative price stability. In addition, greater domestic savings are required for macroeconomic

stability in a period of global financial interconnectedness. In any economy, aggregate savings are contingent upon several interrelated factors. The majority of savings in the Indian economy come from the household sector. The high rate of savings in Kerala is seen in the large amount of deposits that commercial banks, co-ops, and regional rural banks have mobilized, despite the state's lower per capita income when compared to other states. Kerala's average rural household capital expenditure climbed to Rs. 3947 in 1991–1992, from a high of Rs. 171 in 1961–1962 relative to the national average. During the period of 1991–1992, residential plots and buildings accounted for 68.56 percent of the total capital expenditure, while farm business investment fell from 45.61 percent in 1961–1962 to 14.5% in 1991–1992. Kerala has a higher investment percentage in non-farm businesses. Consequently, physical asset investments in rural Kerala are unique in kind. Since Kerala's saving and investing habits are of particular importance, the current study was conducted with the overarching goal of analyzing the factors that influence rural families' savings in Kerala (Prasanna, 1998).

II. REVIEW OF LITERATURE

In their research “Financial inclusion of rural women: A study of Bareilly district in Uttar Pradesh” in Bareilly, India determined that in rural areas women face many barriers to saving and investing because of limited financial literacy and limited access to financial institutions. In addition to developing services and products that cater to their needs, the research suggested improving the financial literacy of rural women.

In their work “Savings and Investment behaviour of rural women: A case study of Uttar Pradesh” cited that ignorance and a lack of financial understanding are the biggest obstacles keeping rural women from investing their money. The report suggests putting financial literacy efforts into action that cater to the special needs of rural women and educate them about different investing options.

Shwetha & Umesh, (2020) Undertook a study titled "Saving and Investment habits of women in rural areas: A study with reference to rural areas of Udupi district" found that although the women in the rural regions had savings, they are not well-informed about different investment avenues and financial literacy. Even yet, their investment level is rather low, and they lack the self-assurance to take on significant risk (Preeti, 2006).

Duressa & Ejara, (2018) in the research paper "Determinants of saving among rural households in Ethiopia: The case of Wolaita and Dwro Zone," examined the negative correlations between household saving and gender, age, family size, and financial institution accessibility. The income, occupation, interests, and educational attainment of the household members were found to have a favorable correlation with rural household savings (Kothari, 2004).

Pathy, (2017) in his study "Savings and investment habits of rural families in Cuttack district of Odisha" found that the awareness of different investment outlets is relatively low among rural residents. Most of them are familiar with bank deposits. When choosing an investing path, they solely take stability and safety into account. Fifty people made up the sample size (Girija & Kalavani, 2018).

Kothari, (2012) conducted a study on "Investor's behaviour towards investment avenues: A study with reference to Indore city" was done mainly to explore the factors driving the investors to search for the avenues of investment. Risk return demands, safety, liquidity factors were projected. It was concluded that the young generation can save more for the future if they start investing at an earlier stage.

Priya, (2014) in her study, "Investment awareness among Indian working women with reference to Pune Region" identified that a portion of working women turn to their families for advice when making financial decisions. These ladies belong to a class that does not worry about investing or making their own decisions. Since they don't want to hang around their homes, their primary motivation for working is to pass the time. Because they lack self-determination when it comes to investing, these attitudes serve as the foundation for more masculine domination.

III. RESEARCH GAP

Previous studies focused to analyse the investment choice, investment behaviour, investment habit, determinants of investment, saving investment pattern and investment awareness among salaried people. But this study focusing on the rural women's investment and saving habit.

IV. STATEMENT OF THE PROBLEM

Investments and savings are recognized as effective strategies for reducing poverty. Over an extended duration, a modest initial investment can yield substantial returns.

Nevertheless, we must choose where and how much to invest. To make an informed decision, we must fully understand our investing possibilities. However, the primary issue facing investors is that rural women may be confused while choosing the finest investment opportunities. The rural women investors are not well-informed about their investment options while making financial decisions. In addition to the investment option, they must consider safety, liquidity, returns, dangers, tax benefits, and other factors more carefully while making investment selections. When investing money, the aforementioned variables will cause confusion for rural women investors. When choosing an investment route, rural women investors should exercise caution. She ought to use her expertise, knowledge, and judgment while selecting the investment option (Pillai, 2008).

V. NEED FOR THE STUDY

Richness becomes a status quo in our society to earn respect. Everybody wants to become rich overnight. How can this happen? Person becomes rich through systematic savings and investment. Saving is a habit requiring self-control and it is challenging. Despite creating this attitude, rural women lack confidence and awareness to invest in proper investment channels.

VI. OBJECTIVES OF THE STUDY

1. To understand pattern of investment of rural women.
2. To investigate rural women's knowledge of different investment opportunities and examine their investing behavior.
3. To emphasise why savings are important.
4. To examine the elements that affect rural women's investing decisions.

VII. RESEARCH METHODOLOGY

The Kuttampuzha region in Kothamangalam, Ernakulam district was chosen for the research to be conducted. Data gathering methods used for rural women included personal interviews and a standard interview schedule. This study employed a random sampling technique to choose the sample. With MS-Word's assistance, the data collection and analysis were completed methodically. 150 was the selected total sample size. To test the hypothesis, chi-square analysis was utilized. The analysis for this study also included regression coefficient and percentage analysis (Gupta, 1995).

Hypotheses

H0: Age group and saving behavior don't significantly correlate with one another.

H1: Age group and saving behavior significantly correlate with one another.

VIII. RESULTS AND DISCUSSIONS

TABLE I GROUP OF RESPONDENTS BY AGE

AGE GROUP	NO: OF RESPONDENTS	PERCENTAGE (%)
25-35	40	27
35-45	60	40
ABOVE 45	50	33
TOTAL	150	100

From the Table I according to the data, 40% of the participants were aged between 35 and 45. Twenty-seven percent of those surveyed are under 35 years old, while thirty-three percent are over 45.

TABLE II EDUCATIONAL QUALIFICATION

EDUCATIONAL QUALIFICATION OF RESPONDENTS	NO: OF RESPONDENTS	PERCENTAGE (%)
POST GRADUATE	15	10
GRADUATE	40	27
SECONDARY/DIPLOMA	65	43
PRIMARY	15	10
UNEDUCATED	15	10
TOTAL	150	100

From the Table II Out of 150 samples surveyed, 10% of the respondents comprised post graduates, 27% graduates, 43% secondary/diploma and 10% qualified primary. Whereas uneducated comprised only 10% of the sample surveyed.

TABLE III WOMEN'S OCCUPATIONAL STATUS

WOMEN'S OCCUPATIONAL STATUS	NO: OF RESPONDENTS	PERCENTAGE (%)
SELF OCCUPIED	55	37
DAILY WAGES	45	30
PRIVATE SECTOR EMPLOYEE	30	20
PUBLIC SECTOR EMPLOYEE	5	3
NOT WORKING/HOUSEWIVES	15	10
TOTAL	150	100

From the Table III The employment status of women living in rural areas is shown in the above table 3. It is estimated that 37% of respondents work for themselves, 30% get daily pay, 20% work in the commercial sector, and 3% work for the government. Merely 10% of the participants are classified as housewives or unemployed.

TABLE IV PATTERN OF INVESTMENT

INVESTMENT TYPE	NO: OF RESPONDENTS	PERCENTAGE (%)
POST OFFICE DEPOSIT	25	16.66
BANK DEPOSIT	42	28
LIC	42	28
MUTUAL FUNDS	2	1.33
CHITTY FUNDS	20	13.33
GOLD	7	4.66
SHARES AND SECURITIES	3	2
PIGMY DEPOSIT	9	6
TOTAL	150	100

From the Table IV it can be understood that equal preference is given by rural women for investment in bank deposits and LIC ie 28%.16.66% for post office deposits,13.33% for chitty funds,6% for pigmy deposit,4.66% for gold and 2% for shares and securities.

Least investment is given in mutual funds i.e. 1.33% (Bajtelsmit & Bernasek, 1996).

TABLE V LEVEL OF ANNUAL INVESTMENT

LEVEL OF ANNUAL INVESTMENT	NO: OF RESPONDENTS	PERCENTAGE (%)
< 20000	60	40
20000-30000	75	50
30000-40000	10	7
ABOVE 40000	5	3
TOTAL	150	100

The above Table V represents the annual level of investment of rural women. 50% of the women have annual level of investment between Rs.20000 –Rs.30000. 60% invest less than Rs.20000, 7% invest between Rs.30000-Rs.40000. Only 3% seems to invest above Rs.40000 annually. It can be clearly understood that even though rural women are saving and moving more towards investment they are not able to invest huge amounts.

TABLE VI AWARENESS ON THE INVESTMENT OPPORTUNITIES

INVESTMENT OPPORTUNITY	AWARE (%)	UNAWARE (%)
BANK DEPOSITS	95	5
LIC	92	8
POST OFFICE DEPOSITS	90	10
REAL ESTATE	48	52
GOLD BONDS	50	50
PIGMY DEPOSITS	77	23
SHGs	73	27
CO-OPERATIVE SOCIETY	85	15
MUTUAL FUNDS	52	48
SHARES AND SECURITIES	38	62

The above Table VI depicts the awareness of rural women on various investment opportunities. It shows that majority of them are aware of bank deposits, LIC, post office deposits, co-operative society and pigmy deposits. But they are not aware on other channels of investment.

TABLE VII FACTORS DRIVING RESPONDENTS FOR INVESTMENT DECISION

FACTORS	NO: OF RESPONDENTS	PERCENTAGE (%)
SAFETY	62	41.33
RATE OF RETURN	48	32
LIQUIDITY	8	5.33
RISK	5	3.33
TAX SAVING	3	2
CONVENIENCE	20	13.33
OTHER FACTORS	4	2.66
TOTAL	150	100

The above Table VII the aforementioned data makes it evident that respondents' primary considerations when making investment decisions are safety and rate of return. Convenience aspect is preferred by 13.33% of rural women when making investments.

TABLE VIII DATA SOURCE FOR INVESTMENT

DATA SOURCE	NO. OF RESPONDENTS	PERCENTAGE (%)
FRIENDS/FAMILY/RELATIVES	48	32
NEWSPAPERS/MAGAZINES/JOURNALS	27	18
ADVERTISEMENT	28	18.66
INTERNET/WEBSITES	30	20
AGENTS	5	3.33
COLLEAGUES	9	6
OTHERS	3	2
TOTAL	150	100

The above Table VIII represents the source of data for investment by rural women. 32% of the respondents receive data through their family/friends/relatives. Internet/websites and Newspapers/magazines/journals also prove to be the next source of data for investment by rural women i.e. 20% and 18% respectively.

TABLE IX RISK LEVEL PREFERRED BY RESPONDENTS

RISK LEVEL	NO: OF RESPONDENTS	PERCENTAGE (%)
LOW	85	56.66
MEDIUM	62	41.33
HIGH	3	2
TOTAL	150	100

It's evident from the above Table IX that 56.66% of respondents, or the majority, favored a lower risk threshold. Just 2% of respondents preferred a greater level of risk, whilst 41.33% preferred to think at a medium risk. It is also clear that the majority of respondents—56%—think minimal risk since they are afraid of losing anything.

TABLE X TIME HORIZON OF INVESTMENT

TIME HORIZON	NO: OF RESPONDENTS	PERCENTAGE (%)
LONG TERM (More than 5 YEAR)	14	9.33
MEDIUM TERM (5-1 YEARS)	53	35.33
SHORT TERM (12-6 Months)	53	35.33
VERY SHORT TERM (Less than 6 months)	30	20
TOTAL	150	100

The above Table X the aforementioned table makes clear that 35.33% of rural women, or the majority, would rather make short - and medium-term investments. 9.33% of investors make long-term investments, while just 20% make very short-term ones.

TABLE XI SAVINGS PURPOSE

SAVINGS PURPOSE	NO: OF RESPONDENTS	PERCENTAGE (%)
OLD AGE /RETIREMENT/SAFETY BENEFIT	46	30.66
CHILDREN EDUCATION/MARRIAGE	42	28
MEET FUTURE FAMILY CONTINGENCIES	22	14.66
CONSTRUCTION OF HOUSE	18	12
SECURING OF NEW ASSET	5	3.33
WEALTH CREATION	7	4.66
OTHERS	10	6.66
TOTAL	150	100

As seen from the above Table XI data, 30.66% of rural women invest for retirement, old age, or safety benefits. For their children's education or marriage, 28% of the

respondents made investments. In order to cover potential family emergencies, 14.66% is allocated. Savings mostly demonstrate rural women's ability to satisfy their retirement needs.

TABLE XII INFLUENCERS OF INVESTMENT DECISION

INFLUENCERS	NO.: OF RESPONDENTS	PERCENTAGE (%)
FRIENDS/FAMILY/RELATIVES	68	45.33
COLLEAGUES	17	11.33
NEIGHBOURS	8	5.33
SELF DECISION	52	34.66
FINANCIAL ADVISORS	5	3.33
TOTAL	150	100

It can be inferred from the above Table XII data that 45.33% of rural women seek advice from friends, family, and relatives before making an investment choice. Self-determination influences 34.66% of the responses.11.33% of respondents inquire with coworkers, 5.33% with neighbours, and 3.33% with financial experts before making an investment choice.

Next objective is to analyze factors influencing investment decision of rural women (Dash, 2010).

H1: Future need is an influential factor on investment decision making of rural women.

H2: Regular income is an influential factor on investment decision making of rural women.

H3: Tax benefit is an influential factor on investment decision making of rural women.

H4: Well return is an influential factor on investment decision making of rural women.

H5: Advice from others is an influential factor on investment decision making of rural women.

H6: Economical Aspects is an influential factor on investment decision making of rural women.

H7: Previous Experience is an influential factor on investment decision making of rural women.

TABLE XIII MODEL FIT INDICES FOR CFAI INFLUENCING FACTORS ON INVESTMENT DECISION MAKING OF RURAL WOMEN

	χ^2	D F	P	Nor med χ^2	GFI	AG FI	NFI	TLI	CFI	RM R	RM SEA
Influ ential facto rs	12.559	5	0.028	2.520	0.988	0.888	0.997	0.985	0.998	0.014	0.013

(Source: Survey Data)

The above Table XIII Every characteristic significantly loaded on the latent structures. The values of the fit indices indicate an appropriate match between the measurement model and the data. In essence, the measurement method confirms the constructions' factor structure.

TABLE XIV REGRESSION CO-EFFICIENT

Path	Estimate	CR	P	Variance Explained
Future needs -> Influential factors	0.953	26.155	<0.001	90.8
Regular Income-> Influential factors	0.859	18.099	<0.001	86.2
Tax benefit -> Influential factors	0.886	19.692	<0.001	97.3
Well return -> Influential factors	0.973	30.117	<0.001	94.7
Advice from others -> Influential factors	0.987	35.296	<0.001	78.5
Economic Aspects -> Influential factors	0.929	23.173	<0.001	73.8
Previous Experience -> Influential factors	0.988	35.861	<0.001	90.8

The above Table XIV (Source: Survey Data).

H1: Future needs is an influential factor on investment decision making of rural women.

The findings showed that the impact of this construct on influencing variables was significantly influenced by future demands, with a p-value of significant higher than 0.4 (0.953). Accepting hypothesis H1, we may thus draw the conclusion that future demands play a significant role in rural women's investment decision-making.

H2: Regular Income is an influential factor on investment decision making of rural women.

Regular income had a substantial impact on the construct's effect on influencing factors, as indicated by the outcome, which had a p-value of significant 0.859, which is more than 0.4. Therefore, we agree with hypothesis H2 and conclude that regular income influences rural women's investment decisions in a big way.

H3: Tax Benefit is an influential factor on investment decision making of rural women.

It is clear that the impact of this construct on the influencing factors was found to be significantly influenced by the Tax Benefit, with a p-value of 0.886, or more than 0.4, according to the results. Therefore, we accept hypothesis H3 and come to the conclusion that tax benefits have an impact on rural women's investment decisions.

H4: Well return is an influential factor on investment decision making of rural women.

The impact of this construct on influencing factors was shown to be significantly influenced by the well return, with a p-value of 0.973, which is more than 0.4, according to the data. Therefore, we accept hypothesis H4 and come to the conclusion that well return influences rural women's decision to invest.

H5: Advice from others is an influential factor on investment decision making of rural women.

Advice from others had a large influence, as seen by the results, which also demonstrated that this construct's effect on influencing factors was 0.987, greater than 0.4 (the p value was significant). Consequently, we agree with hypothesis H5 and conclude that rural women's investment decisions are influenced by other people's suggestions.

H6: Economic Aspects is an influential factor on investment decision making of rural women.

The data revealed that this construct's impact on influencing factors was 0.929, which is more than 0.4 and suggests that the economic considerations had a substantial influence (the p value was also significant). Thus, we concur with hypothesis H6 and conclude that economic considerations have an impact on rural women's investing decisions.

H7: Previous Experience is an influential factor on investment decision making of rural women.

The results showed that the p value was significant and that this construct had an effect on influencing variables of 0.988, which is more than 0.4. This construct was also significantly influenced by prior experience. We thus accept hypothesis H7 and conclude that rural women's investment decision-making is influenced by their past experiences. Influencing Factors shown in Figure 1.

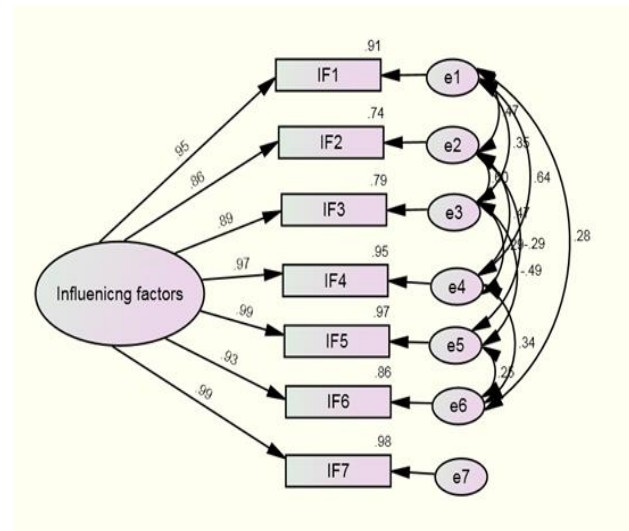


Fig. 1 Influencing Factors

IX. FINDINGS

- The age range of 35 to 45 comprised 40% of the respondents. It is acknowledged that 37% of the participants are independent contractors.
- Rural women had an equal preference (28%), for investment in bank deposits and lic.
- Between Rs. 20,000 and Rs. 30,000 is the yearly investment threshold for 50% of women.
- The vast majority of them are aware of lic, post office, bank, cooperative society, and pigmy

deposits. They are ignorant of alternative investing avenues, though.

- The two main considerations for respondents when making an investment are safety and rate of return.
- 32% of the respondents said they get information from friends, family, or other relatives.
- The majority of responders, or 56.66%, choose a lower risk level.
- 35.33% of rural women want to invest for both the medium and short terms.
- For the goal of retirement, old age, or safety benefit, 30.66% of rural women invest.
- 45.33% of rural women say they get advice about investments from friends, family, and other relatives.
- The saving habits of different age groups do not significantly differ from one another.
- The following factors influence rural women's investment decisions: future demands, regular income, tax benefits, well-return, recommendations from others, economic aspect, and prior experience.

X. SUGGESTIONS

Rural families have a propensity to adopt the products provided by unofficial financial organizations. The operational flexibility of informal financial organizations is the basis for their preference. Such adaptable operating procedures by the official financial institutions will allow these savings to be directed toward investments in profitable industries. The study's findings that non-agricultural families have a strong propensity to save suggest that financial institutions should focus their efforts on mobilizing these households to save. Despite owning substantial production assets, the farmer households only get less than half of their revenue from agricultural activities. Policymakers should be concerned about this since it indicates Kerala's low agricultural production.

XI. SCOPE FOR THE FURTHER STUDY

This study is focusing the rural women's investment patterns only. So this topic has wide scope to do further studies. Research scholar can do the comparison between rural and urban women investment pattern or rural women and rural men investment pattern. Such time of studies didn't conduct.

XII. CONCLUSION

Macro variables like investment and saving are essential to a country like India's economic progress. One crucial factor that is often overlooked is the participation of the rural people. Rural women tend to save well, and they appear to be less inclined to take advantage of other investment opportunities. Their lack of knowledge about different investment options decreases investment levels, which has an impact on the GDP of the country. Women in rural areas lack the courage to invest in high-risk, high-return investment portfolios. By setting up various literacy programs and educating people about the numerous unknown investment channels, particularly high-risk investment portfolios, government authorities must take the required actions to raise their financial literacy.

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