
Conceptual Study on Investing: Gender based Difference

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ABSTRACT

Gender is a social construct that influences the decisions of an individual throughout the life. From the choice of food to investment decisions, every facet of life is entwined in the gendered socialization that is imparted to an individual by the society. Equal access to economic opportunities by both women and men contributes to growth in countries' economies and better development outcomes. But It is still a man's world when it comes to stock trading. According to a recent nationwide survey of investors it say that nearly 85% of the estimated 80 lakh investors in India are men. Remaining 15% of those women who do invest in stocks seem to base their decisions more on facts (than men do)and are not as cost conscious as men. In this research paper: primarily, it is to raise women, awareness of gender based investing. and secondarily, it is to make a better investor given what know about gender-based tendencies. It is not the intent state that the differences are genetic, cultural, and sociological or some combination of the three that cause these measurable differences

Keywords: Investment, Gender difference, Gold futures,

INTRODUCTION

Gender investing is emerging as one of the most exciting strategies for creating impact. It is an approach to investing that champion's diversity and inclusion in all of our communities and workplaces. Traditional financial analysis has mostly ignored gender considerations, and we have tolerated significant imbalances in who benefits from our capital flows. This historic lack of gender equity has stifled innovation, limited gains and masked risks for enterprises large and small.

It is still a man's world when it comes to stock trading. According to a recent nationwide survey of investors, 85% of the estimated seven-eight million investors in India are men.

The burgeoning investor base may have attracted a new generation of investors, but it has not significantly narrowed the gender divide. Those women who do invest in stocks, however, seem to base their decisions more on facts (than men do) and are not as cost conscious as men. And younger investors are more cost-conscious than older ones.

Male investors continue to dominate the securities market in India, while the percentage of women considering such market as an investment avenue has remained at less than 25 per cent, says a survey by CDSL. It further said that equity is the preferred mode of investment for capital market investors. Out of total individual demat accounts held as on March 31, 2011, till March 2015, 76 per cent of such accounts pertain to male resident investors, as per a survey by Central service ltd. These are some of the highlights of India Investor Survey-2015 conducted by media buying firm Starcom Worldwide. The survey is based on an email survey that covered around 10,000 respondents (all investors).

Almost half the respondents belong to the age group of 28-37 years; 42% of the respondents work in the private sector and 11% in the public sector. And almost 49% claim to be directly trading online

through a stock broking platform, and another 26% through dealers. The rest prefer to trade through sub-brokers. Around 55% of the respondents say they have been trading in stocks for not more than three years, while only a fifth of investors say have been trading for more than five years.

Women tend to be mid-term players in the stock market (which means their investment horizon is medium-term) compared to men, who remain invested in a scrip for a longer period.

Around 71% of female investors rated research and analysis as the most important factor they considered while investing against 63% of male investors.

RESEARCH METHODOLOGY

Objectives

- To know the factors affecting women to avoid them in investing.
- To create awareness among women about the investment.
- To study the risk taking capabilities between the genders.

Data Collection

Framework: - Analytical and Conceptual (referred data)

Type of Data

Primary Data: Through questionnaires

Secondary Data: The secondary data has been collected through various journals, company websites & reports. Secondary data is based on information gleaned from studies previously performed by various journals.

Sample used in the Study

The data is collected from various age groups, educational background, occupation, income range, in order to bring in common conclusion.

Sampling Technique: Non Probability Sampling - Convenience Sampling

Sample Size: 50 respondents

Limitation

- Women Economic Empowerment through gender basis.
- The study takes into considerations only working population
- The study was limited for one month

Attitudes towards male and female managers within organizations are well documented, but how the stock market perceives their relative capabilities is less studied. Recent evidence documents a negative short-run market reaction to the appointment of females CEOs and suggests that female executives are less informed about future corporate performance than their male counterparts. These results appear to dispute the stock market-value of having women on corporate boards. However, such short-run market reactions may retain a ‘gender bias’, reflecting the prevalence of negative stereotypes, where the market reacts to ‘beliefs’ rather than ‘performance’.

Women investment helps to evaluates women opportunities based on how investment supports women’s leadership, women’s access to capital, products and services beneficial to women and girls, workplace equity, and related shareholder engagement and policy work.

Women and Invest: Why They Avoid and Lack Confidence when Making Decision Compared to Men

Investing Knowledge

Men spend more time learning about investing and describe themselves as being more knowledgeable than women, but when it comes to investing, men are more apt to believe that they know more than they really do, while women often do know more than they believe, they know.

Investing Information Processing

Women tend to rely on others for investing information and once that investing information is in hand, they are better at integrating or processing it. They are also better at deciphering even contradictory information. Men prefer to collect their own investing information and they are more likely to disregard outright any conflicting information.

Investing Confidence

Women are less confident and thus much less susceptible to the risks than men. To some extent, this is why women are more likely to use a financial advisor than men.

Investing Patience

Men are less patient for a positive outcome from their investments and more likely to modify their portfolio if they view it is underperforming. Over time, women are more patient with their existing investments, and if they consider a change to their portfolio they are also more likely to consult with a financial advisor first.

Investing Time-Frame

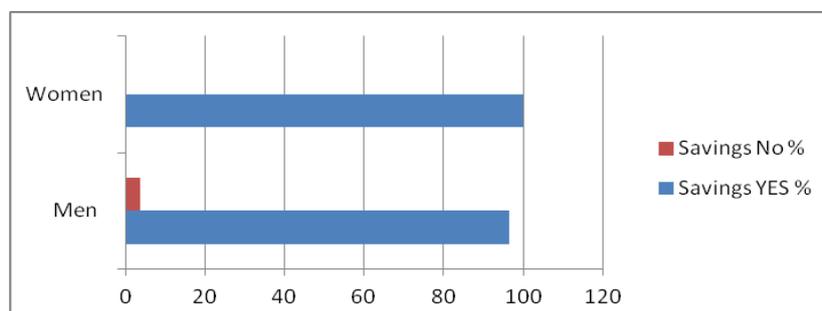
Women tend to live longer than men of the same age yet they also tend to have less in their retirement accounts than men. As a result, women need to be certain that they make the best financial decisions.

So what does all of this mean? On the face of it perhaps not much, as it may seem to be little more than an eye-opener. But that was, in fact, the goal of this exercise; to make you, as an investor, aware of possible gender-based traits. And while it is unlikely that any single investor can lay claim to all of the identifiable gender-based traits, it is important that everyone, man or woman, have good “self-awareness” when it comes to investing. To that end, you should:

1. Be aware of the gender-based tendencies in both you and your spouse or partner. When you are aware of your specific tendencies, you can make conscious decisions to offset any negative behavior.
2. Become more aware of your investing goals- write them down
3. Understand your current portfolio, i.e. what is the expected return, what is the level of risk and what is the level of diversification.
4. Have a plan, or what is commonly referred to as an Investment policy Statement.

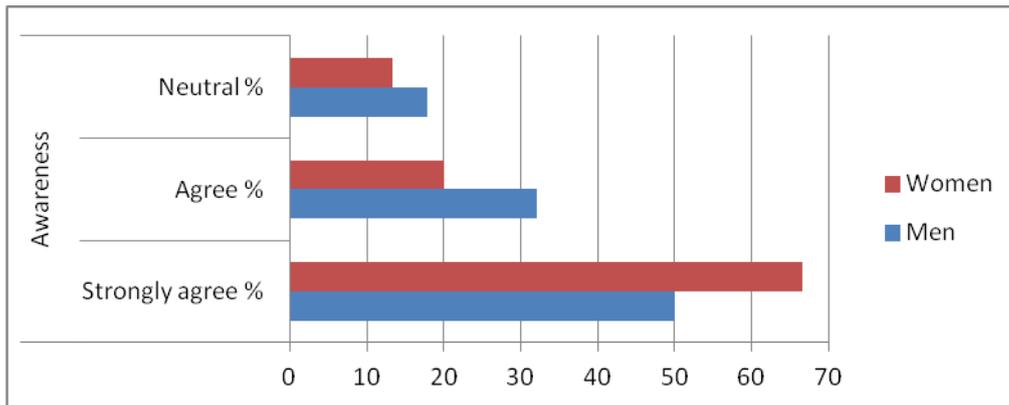
DATA ANALYSIS AND INTERPRETATION

Graph 1 Showing the Percentage of Savings



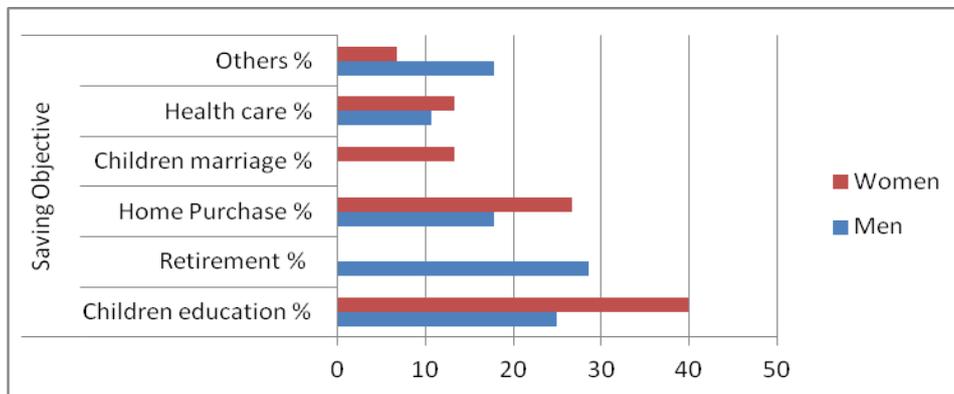
From the sample collected, 100% of women said that they have savings whereas only 96.43% of men said that they had savings.

Graph 2 Showing the Awareness behind Savings



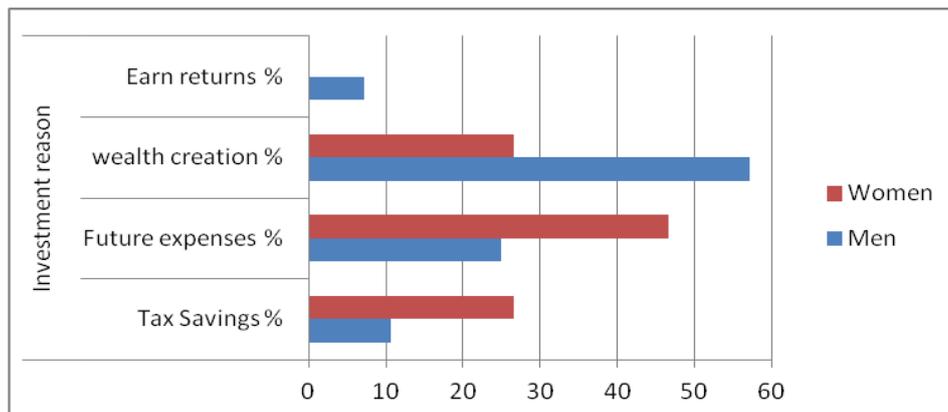
From the above graph, 66.66% of women and 50% of men strongly agree that they are aware about the reason behind savings which means they are clear about their investment reason. The majority of men only agree or they have neutral perception behind the awareness about the reason.

Graph 3 Showing the Saving Objective



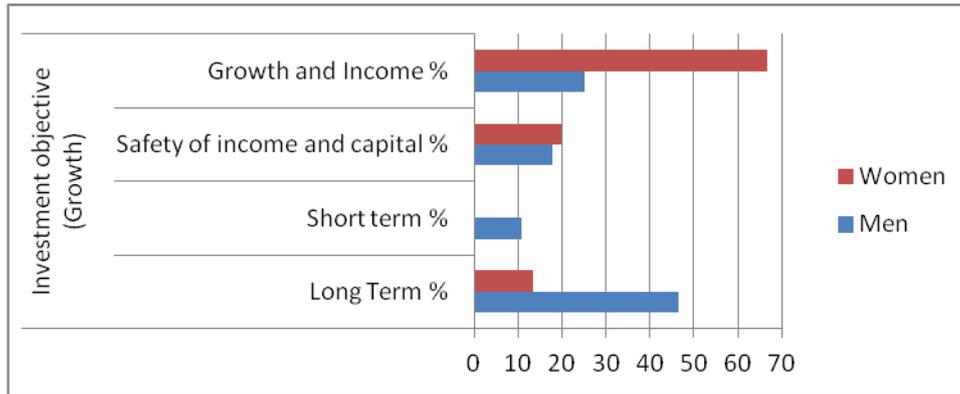
From the above graph, the primary saving objective for women is children education and the secondary objective is home purchase whereas the leading objective for men is to save for their retirement and Children education is the subsidiary objective.

Graph 4 Showing the Reason for Investment



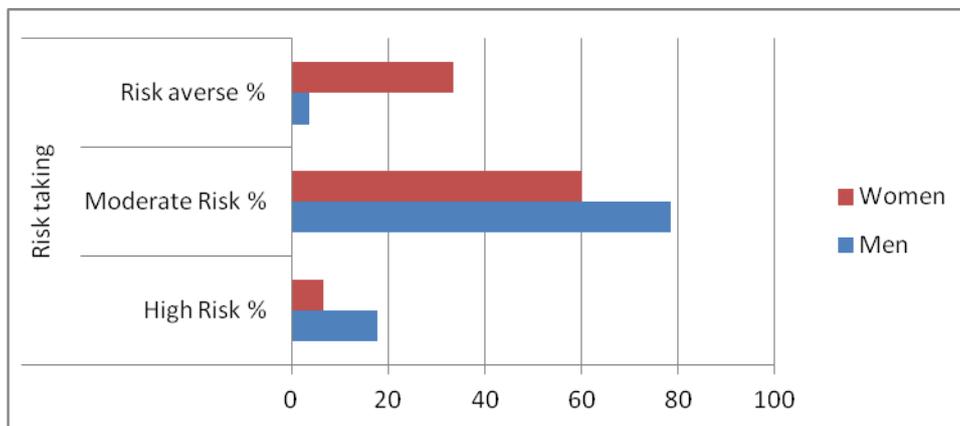
46.66% of Women invest to save money for their future expense such as retirement, medical expense, child marriage so on whereas majority of the men invest their savings for wealth creation, future expense is the secondary reason for investment.

Graph 5 Showing the Investment Objective



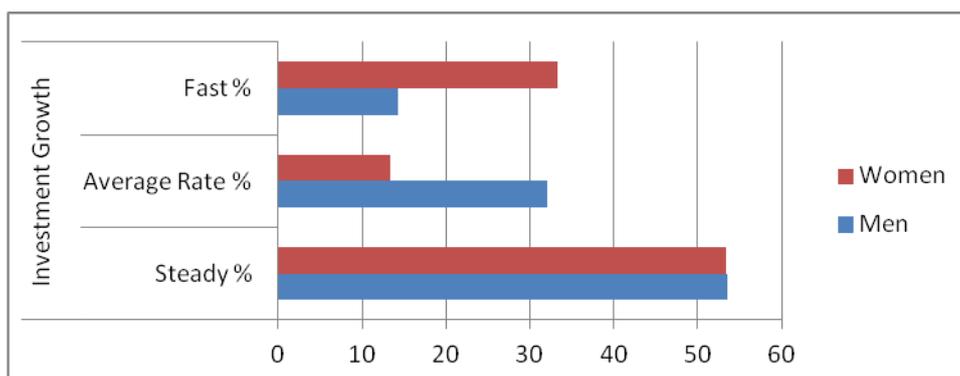
From the above graph, men has a long term investment objective where as women invests with an intent of growth of their capital as well as to earn regular income. A man has a better understanding that long term investment creates more wealth.

Graph 6 Showing the Risk Taking Capabilities



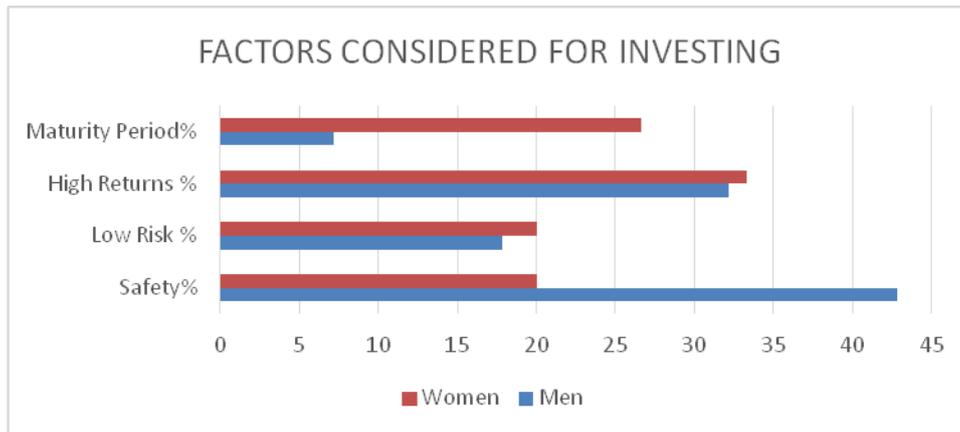
From the study it is showed that neither men nor women are ready to assume high risk, but men have the highest percentage to assume high risk. The return has a close relation to the risk that is assumed by the investor hence in this case 33.33% of women are risk averse. Majority of both the categories assume moderate risk.

Graph 7 Showing the Investment Growth Preferred



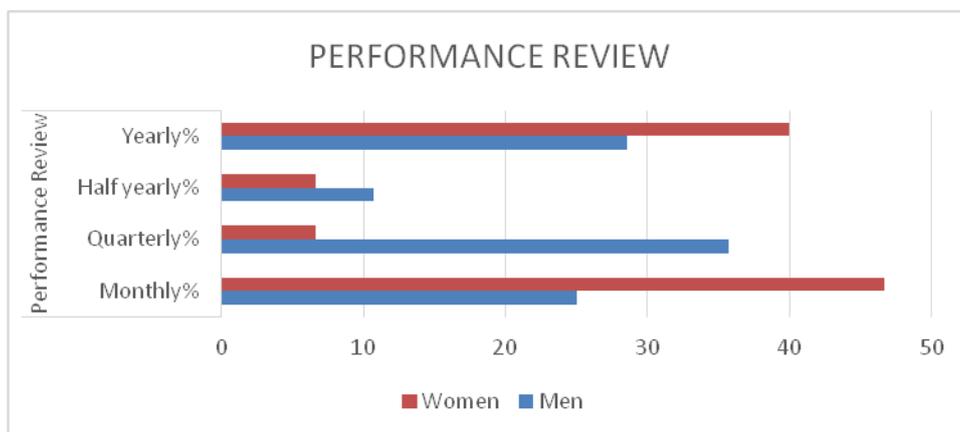
Majority of the investor category prefer a steady growth of investment. There is no much difference between the preference for investment growth among men and women. But 33.33% of women prefer fast growth and 32.14% of men prefer the growth of the investment at an average rate.

Graph 8 Showing the Factors Considered For Investing



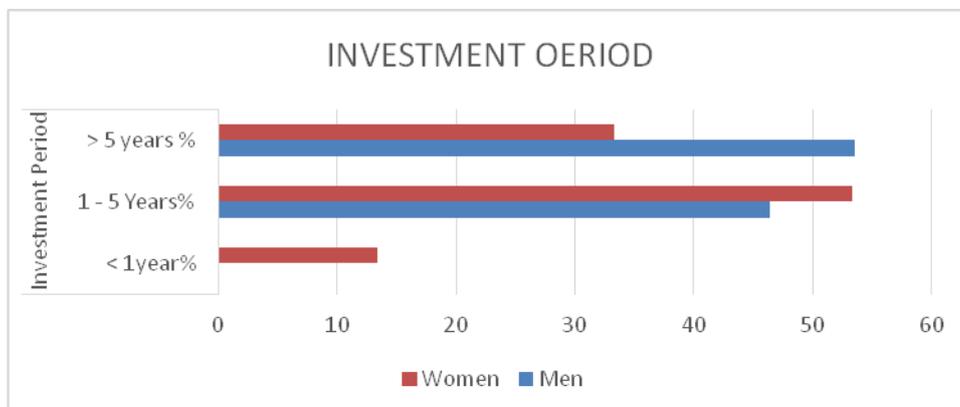
Factors that men consider before investing is safety of funds, whereas women consider percentage of returns that they receive for the funds invested.

Graph 9 Showing the Performance Review



Most of the women investors review their performance of the investments monthly, but men review their investments quarterly, yearly and monthly.

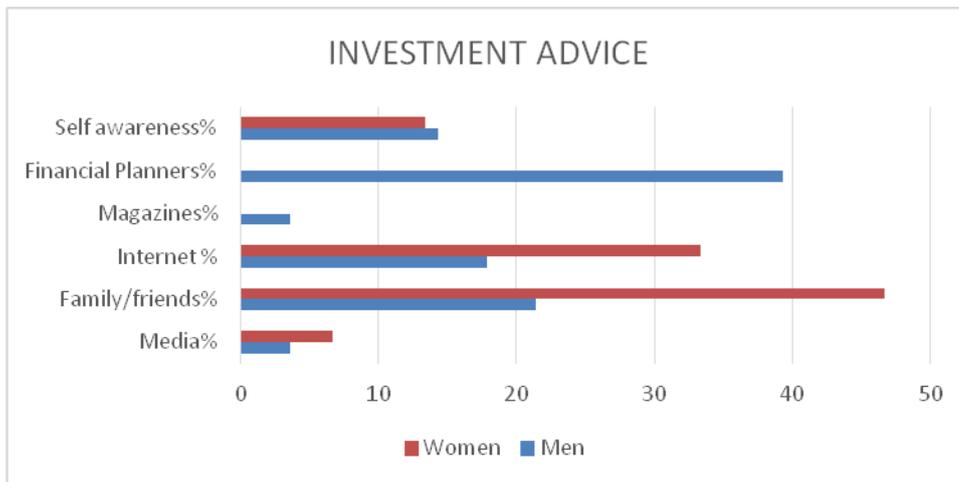
Graph 10 showing the Investment Period



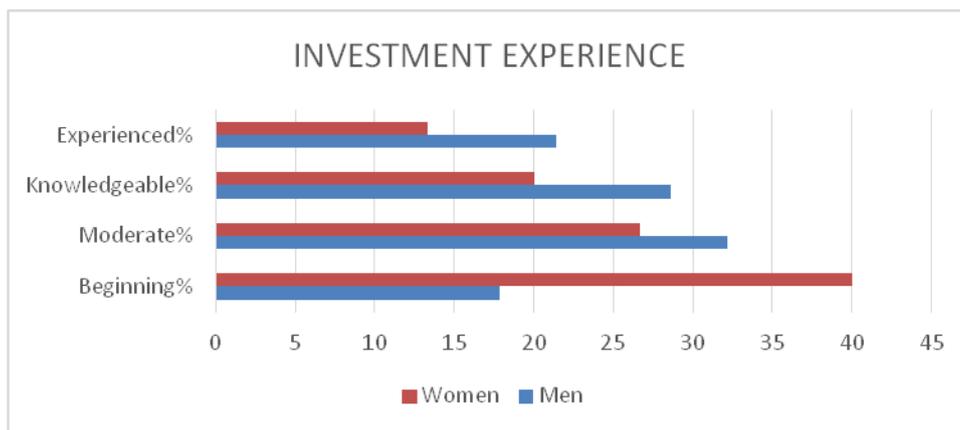
Men prefer long term investments that are more than 5years, unlike women who prefer investing their investments for medium term such that for less than 5 years and even in short terms.

Graph 11 Showing the Investment Advice

Most of the investors in men are organized such that they make their investments through financial advisors rather than family or friends advice like women do.

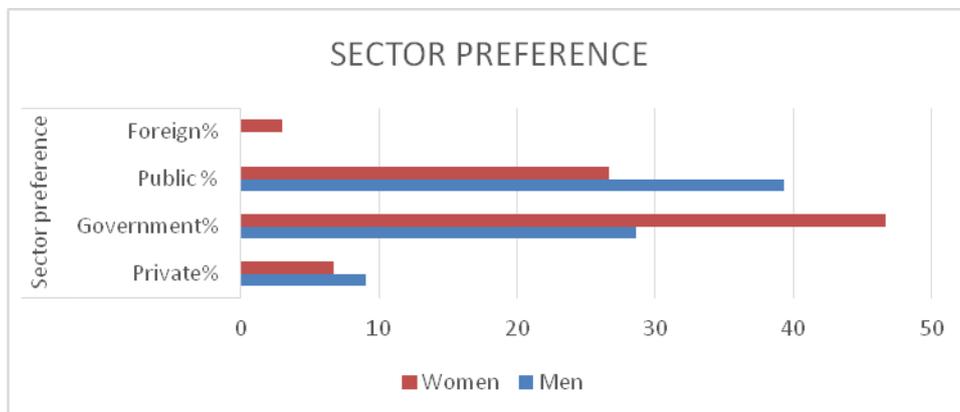


Graph 12 Showing the Investment Experience



Men investors have moderate knowledge about investments, whereas women investors are beginners who are yet to get experienced in investing.

Graph 13 Showing the Sector Preference



The men investors prefer investing in public sectors where as women investors prefer investing in government sectors where the safety is more.

CONCLUSION

The recent rise of gender investing has opened new opportunities to apply gender considerations across numerous asset classes commonly found in diversified investor portfolios — from conventional asset classes such as cash, fixed income, and public equities to alternative asset classes such as private debt, private equity, and venture capital. As some thematic investment strategies begin

to emerge with a focused concentration on gender and women’s issues, increasing numbers of asset managers and investors are also making gender a stronger, explicit factor of a much more holistic analysis of social and environmental risk and impact.

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