

**A Study based on Gender Behavioral differences on
Investment Decisions in State of Gujarat**

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By

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Conclusion

800 respondents/investors from various urban and rural areas of Gujarat were selected for the study. Based on the data analysis done, some conclusions are presented below.

With respect to the demographical profile of respondents and level of financial literacy, it can be concluded that males are more financially literate than females. The analysis of financial literacy questions shows that 31.8% of respondents possessed low financial literacy. There is a statistically significant association between financial literacy level and respondent's age, gender, education, income, and occupation.

About demographic and socio-economic profile of respondents and financial literacy, it was found that female possessed lower financial literacy, as compared to males. In rural areas, financial literacy among women is only 10.39% whereas, 38.83% of women respondents were financially literate in urban areas. In other words, financial literacy increased with an increase in income and was found highest in high-income groups. Respondents whose income is above Rs. 10,00,000, are more financially literate. The study revealed that respondents between the age group of 40-49 years, possessed lower financial literacy (18.96%). Financial literacy was found more in Respondents working in the private sector were found to be more financially literate (38.87%) than respondents working in the public sector (26.5%).

For the majority of respondents, the first objective of the investment is saving money on income tax, followed by meeting unexpected financial and health contingencies. But K Jyothilingam and K V Kannan (2013) concluded in their research that objectives of investment vary significantly among investors concerning age, education level, occupation, and annual income. It is also found that the majority of respondents have a preference for the post office saving schemes, insurance, pension plans, which involves less risk. Dr. S Prince Jebaraj (2014) in his study concluded that medium and low-income groups respondents preferred to invest in insurance and bank deposit rather than any other investment. The study clearly highlights that there are gender differences in the investment behavior of an individual. These differences would have to be kept in mind while developing financial education material and investment education program focused on women. The material would have to be grounded in the financial lives of a female learner. A generic approach towards creating financial products is not going to work and customized products which meet the male and female risk taking approach and behavior would have to be considered.

The analysis of risk tolerance questions shows that only 1.1% of respondents took high risk. Women were found to be low-risk takers (21.75%) as compared to men (16.75%). As Sunita Mehta and M. S. Mahapatra (2015) concluded in their study that there is a significant difference between the risk appetite of men and women. As income increases, respondents take more risk. Low-risk taker, shift towards medium risk. Private sector employees took more risk (16.75%) compared to public sector employees (4.88%). 29.62% of married respondents took a lower risk, 33.63% of married respondents took a moderate risk. 7.74% of unmarried respondents took a lower risk on their investments. Being married and with family responsibilities, married respondents tend to take a lower risk. Respondents belonging to the age group of 20-29 years took a high and medium risk, but as the age increased, risk tolerance went down. There were no respondents (0%) between the age of 60-69 years who took high risk.

In correlation between financial literacy, risk tolerance, and confidence, it was concluded that the relationship between risk tolerance and confidence is positive and high too. Respondents relied more on friend and family members for investment information than TV and other sources. Though the number of professional financial advisors is increasing gradually, only 12.9% of respondents considered acquiring help or information from financial advisors. But there is a significant relationship between gender, age, education, occupation, income, and savings with the source of awareness/information obtained by investors.

Future Scope

No research in any subject is complete. In this study, an attempt is made to study financial literacy in rural and urban areas in State of Gujarat. Some of the scope of research are as under.

- As it is mentioned in survey, that study is based on retail investors in State of Gujarat. This study can be expanded in other state also with third gender too.
- Now a days SHGs also empower through financial literacy. One can do this study again by including SHGs and considering their members too.
- In this study we worked on measuring financial literacy, which further can be extended by studying stock diversification, portfolio management.