

A Study on Investment Behaviour of Working Women in Howrah District, West Bengal

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Abstract

This study investigates the investment behaviour of working women in Howrah District, West Bengal. It examines the pattern, preferences, influencing factors, level of financial literacy, and risk attitudes of working women toward investment. The research mainly employs primary data collected through structured questionnaires and analyzes it empirically using descriptive statistics, chi-square tests, and regression analysis. The findings reveal diverse investment behavior influenced by income level, education, financial awareness, family responsibilities, and access to financial resources. Policy recommendations are offered to promote financial inclusion and informed investment decisions among working women.

Keywords: Working Women, Financial Independence, Savings, Investment, Responsibilities, Financial Literacy

1. Introduction

1.1 Background of the Study

The role of women in society has undergone a significant transformation over the past few decades. From being largely confined to domestic responsibilities, women have emerged as active participants in the workforce across sectors such as education, healthcare, business, technology, and public administration. Working women today not only contribute to economic growth but also play a vital role in maintaining family stability.

Investment behavior refers to the decisions individuals make regarding allocation of their savings into financial assets like bank deposits, postal deposit, equity stocks, mutual funds and insurance. In recent years women's participation in the workforce in India has increased, and with it, their economic independence plays a important role in financial decision-making. According to the recent report of National Stock Exchange (NSE) woman's participation in the

Indian stock market rapidly increasing. As of June 2025 female investor's participation has steadily rising among various states. Maharashtra rank first and Gujrat rank second in stock market investment by woman in India.

Compared to males, Indian woman have more saving habits but less financial literacy. Woman's first priority is family security rather than going for risky investment opportunity. Demographic factors like Age, occupation, level of education all have an impact on working women's awareness (Atchyuthan and Yogendrarajah, 2017).

Working Woman

Harriet Beecher Stowe said "Women are the real architects of the society". One of the most important outcomes of women's employment is **financial independence**. Earning a regular income allows women to support themselves and their families, make personal choices, and plan for the future. Working women are increasingly aware of the importance of saving a portion of their income to meet short-term needs and long-term goals.

Savings provide financial security during emergencies such as health issues, job loss, or unexpected family expenses. For working women, savings also offer a sense of confidence and control over their lives. Many women prioritize saving for children's education, home ownership, healthcare, and retirement, reflecting their long-term planning mindset.

Another important part of saving is **investment**. **Savings** is equally important for financial growth and protection against inflation. Financial investment enables working women to multiply their earnings and achieve economic stability over time. Investments may include bank deposits, mutual funds, insurance plans, pension schemes and any other financial instruments.

Profile of Howrah District

Howrah district is an important administrative and industrial district of the state of **West Bengal, India**. Located on the western bank of the Hooghly River, Howrah is closely connected with Kolkata and plays a vital role in the state's economic, cultural, and transport systems. It is bounded by **Hooghly district in the north, South 24 Parganas in the south, Purba Medinipur in the west and Kolkata district in the east**. The district covers a relatively small geographical area but has a high population density.

Howrah District in West Bengal represents a unique socio-economic environment where urban and semi-urban working women engage in diverse professions. Understanding their investment behaviour is essential for enhancing financial inclusion and empowerment.

2. Literature Review

Previous studies indicate that women investors generally exhibit conservative investment behaviour due to risk aversion and family responsibilities. Research emphasizes that higher education and financial literacy positively influence investment diversification. Studies in the Indian context highlight that working women prefer safe instruments such as bank deposits, insurance, and provident funds, while participation in equity markets remains limited. The literature establishes a strong link between income level, financial knowledge, and investment behaviour.

A study by Agarwal (2018) found that working women tend to prioritize low-risk investment options due to limited financial awareness and social constraints. Similarly, Duflo (2012) highlighted that empowering women financially leads to improved family welfare and social outcomes. These studies suggest that working women actively save their money but their participation in diversified investment options remains limited due to knowledge gaps and structural barriers.

3. Statement of the Problem and Research Questions

Despite rising employment rates among women, their investment behaviors are under-studied, especially at the district level in regions like Hooghly. The study addresses:

- What types of investment instruments are preferred by working women?
 - How do socio-economic and psychological factors influence investment decisions?
- Are working women adequately financially literate and aware of risk-return trade-offs?

4. Objectives of the Study

1. To analyze investment patterns of working women in Hooghly District.
2. To identify key factors influencing their investment decisions.
3. To assess the level of financial literacy and risk tolerance among working women.
4. To examine differences in investment behavior across age, income, and education groups.
5. To provide recommendations for improving financial awareness and inclusion.

5. Hypotheses of the Study

The study tests the following hypotheses:

H₁: There is a significant relationship between educational qualification and preference for market-based investment instruments.

H₂: Financial literacy positively affects investment diversification.

H₃: Risk tolerance among working women varies significantly with age.

6. Research Methodology

6.1 Research Design

A descriptive and analytical research design is adopted to examine the patterns and determinants of investment behaviour.

6.2 Population and Sample

The target population includes working women residing in Howrah District, employed in various sectors. A sample size of 180 was selected through stratified random sampling across urban and semi-urban areas.

6.3 Data Collection

Primary Data: Structured questionnaires covering socio-economic profile, investment preferences, financial literacy questions, and risk attitude scale (Likert-type)..

6.4 Tools of Analysis

- **Chi-Square Test:** To test association between categorical variables.
- **Correlation Analysis:** To identify impact factors on investment behaviour.

7. Data Analysis and Findings

- **7.1 Demographic Profile**

Table 1: Demographic profile of the responded

Age Group (Years)	Percentage (%)	Education Level	Percentage (%)	Monthly Income (Rs)	Percentage (%)
21–30	30	Higher Secondary	15	Below-30,000	25
31–40	40	Graduate	55	30,000–60,000	45
41–50	20	Postgraduate	25	Above 60000	30
Above 50	10	Professional Degree	5		
Total	100		100		100

Source: Primary data

It has been found from the above table that, most of respondents (40%) belong to the 31–40 years age group, indicating peak earning years. Around 80% are graduates or postgraduates, reflecting a relatively high educational background and nearly 45% fall within the middle-income group (Rs.30,000 – Rs.60,000).

Table 2 shows the investment preference among the responded

Table 2: Investment Preference

Investment Instrument	Preference
Bank Fixed Deposits	70%
Public Provident Fund (PPF) & Post office investment	55%
Mutual Funds	40%
Stocks/Equities	15%
Real Estate	10%
Insurance Policies	65%

Source: Primary data

It has been found from the above table that working women in Howrah largely prefer secure and traditional investment instruments. Bank Fixed Deposits (70%) and Insurance (65%) are the most preferred investment area, followed by postal investment and PPF (55%). Only 15% invest in equities in the stock market, showing low participation in high-risk instruments. Women prioritize safety and liquidity over high returns.

Among the responded 50% possess moderate financial literacy, while only 25% show high literacy. Risk tolerance is predominantly low to medium, especially among older respondents. Younger women show relatively higher risk-taking capacity.

Hypothesis Testing

H₁: Education and Market Investments

- **Chi-square test** showed a significant association between education level and preference for market-based instruments ($\chi^2 = 18.6$, $p < 0.05$).
- **Inference:** Higher education correlates with diversified investments.

Table 3: Chi-Square Tests

Test	Value	df	Sig. (p-value)
Pearson Chi-Square	18.642	6	0.005
Likelihood Ratio	17.201	6	0.008

Source: Own Calculation

H₃: Financial Literacy and Diversification

- Positive correlation ($r = 0.52$, $p < 0.01$) between literacy score and number of investment types.

H₄: Age and Risk Tolerance

Older respondents showed significantly lower risk tolerance (ANOVA, $p < 0.05$).

Therefore it has been found from the results that Educational qualification significantly influences preference for market-linked investments. Again financial literacy positively correlates with investment diversification. Age significantly affects risk tolerance

8. Conclusion

The study concludes that working women in Howrah District demonstrate careful investment behavior driven by income stability, education, and risk aversion. While traditional investment avenues dominate their portfolios, growing education and financial literacy show potential for diversification. Enhancing financial awareness and access to inclusive financial products can significantly empower working women and contribute to economic development.

9. Limitations of the Study

1. Study restricted to Hooghly District only.
2. Sample size limited to 180 respondents.
3. Data based on self-reported responses.

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Author Biography



Dr.Soumen Das M.Com, Ph.D is presently serving as an Assistant Professor in the Department of Commerce of Prabhu Jagatbandhu College, Andul Howrah, under University of Calcutta, West Bengal, India. He did his undergraduate, post- graduate studies and Ph.D. (research studies) from the University of Calcutta. He has more than 9 years of teaching experience as an Assistant Professor. He has a number of reputed publications to his credit and he presented many research papers in different national and international level seminars/webinars/conferences.