

GOING FROM SAVERS TO INVESTORS: A STUDY OF SAVING AND INVESTMENT BEHAVIOUR OF WOMEN IN NORTH-WEST INDIA

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ABSTRACT

Women in India are well known for their diligent saving habits, yet their participation in investment markets remains limited. Men have been considered the sole bread earner and decision maker of the family, women participation in the financial decision making have been very minimal for long time in the history. But things do not remain the same. Women are going shoulder to shoulder with their counterpart in almost every field. The literature has proved that women can be the better decision maker when it comes to financial investment. They are risk averse by nature that prompts them to play safe and invest in lesser volatile investment options. The present paper is a modest attempt to highlight the shifting saving and investment pattern of women in India. It would also analyze the financial behavior of women, with a particular focus on the transition from “savers” to “investors”.

Keywords: financial behaviour, investment, women investors, decision making power

INTRODUCTION

India has a strong culture of saving, often rooted in traditions of financial prudence and family security. Women play a central role in household financial management, yet their choices largely remain conservative, with savings concentrated in safe but low-yield assets such as gold, bank deposits, and chit funds (Kaur & Maheshwary, 2022). While this habit ensures liquidity and stability, it also reflects missed opportunities for wealth creation through investments in equities, bonds, and mutual funds. The shift from “saver” to “investor” is not merely financial but behavioural, involving risk perception, awareness, and confidence. Understanding this transition is crucial for financial institutions and policymakers, as mobilising women's savings into investments can deepen capital markets, drive economic growth, and enhance women's financial empowerment.

REVIEW OF LITERATURE

The conversation around financial awareness among women has grown steadily over the last two decades, shaped by both global and Indian research. Early work in this field came from the United States, where **Lusardi and Mitchell (2008)** revealed stark gaps in how men and women prepare for retirement. Their study showed that women not only scored lower on measures of financial knowledge but were also less likely to plan ahead, leaving them vulnerable to insecurity in later life. What was striking was not just the numbers themselves, but what they implied: many women enter old age without the tools to safeguard their independence.

Lusardi, Mitchell, and Curto (2010) shifted the focus to the younger generation. Even among youth, they found that women consistently performed worse on financial questions about

interest and risk. This early disadvantage means that women often start their adult lives already at the back foot, with fewer skills to manage credit, loans, or investments. These findings painted a worrying picture of how inequality compounds over the life course.

Mahdavi and Horton (2014) deepened this concern by showing that even highly educated women are not immune. Surveying graduates of an elite U.S. women's college, they found that many struggled with core financial concepts. The message was clear: general education alone does not guarantee financial capability—without explicit attention to money matters, even bright, capable women can be left behind. This also challenges the common assumption that literacy gaps are simply the result of “less education.”

The cross-country perspective offered by **Bucher-Koenen, Lusardi, Alessie, and van Rooij (2017)** confirmed that this is not an American problem alone. Whether in Europe, the U.S., or Asia, women were consistently less confident and more likely to say “I don't know” when faced with financial questions. This response is revealing: women are not only disadvantaged by knowledge gaps but also by confidence gaps, which may prevent them from engaging with financial products or seeking advice. Financial awareness, then, is not just about what you know—it is also about how secure you feel in acting on that knowledge.

Bhutoria and Vignoles (2018) carried out one of the first experimental studies in India. They tested whether a simple, one-day “rules of thumb” training could make a difference for urban poor women. The results were modest but encouraging: within just a few months, women reported better saving habits and budgeting practices. While short-lived, these effects showed that change is possible and that interventions need not always be complex or costly to be effective.

Kaiser, Lusardi, Menkhoff, and Urban (2020) had gathered evidence from over 160,000 participants worldwide. Their meta-analysis revealed a hopeful but sobering truth: financial education does work—it raises knowledge significantly—but its effects on behaviour are more modest and often fade over time. For women, however, programs tailored to their specific realities had more durable benefits.

Parallel to this global evidence, Indian researchers began to map the financial realities of women in specific regions. In **S&P Global Finlit Survey (2015)** it was observed that only 24% Indians are financial literate and not only is financial illiteracy widespread but women, less educated and poor people suffer from gaps in financial knowledge. And this is true for both advanced economies and emerging economies. Women have weaker financial skills than men even considering variations in age, country, education and income.

Verma and Saraawat (2021) observed in a study of working women that they prefer low risk investment and lack of knowledge about the investing options available. Research on rural women, particularly members of Self-Help Groups (SHGs), highlights the role of microfinance in enhancing saving habits but shows limited impact on investment diversification (**Kapasi & Sarkar, 2021**). Gold continues to dominate as a preferred form of saving across both urban and rural contexts due to its cultural significance and perceived safety (**Biswas, 2021**).

Study by **Sreelakshmi Rajeevan, Rajani (2022)** in Ernakulum district also assert the same fact the women avoid taking risk therefore they choose traditional or conventional investment options even if they have knowledge about the various other investment options, majority of them are even satisfied with their investment.

Studies in India consistently show that women are disciplined savers but cautious investors. In

Punjab, **Kaur and Maheshwary (2022)** found that salaried women demonstrated strong saving behavior and high levels of awareness (68%) but limited exposure to investment avenues and many women still gravitated toward safe, familiar options, suggesting that knowledge does not always translate into bold financial decision-making.

Priyanka, Nandal and Yadav (2022) reported similar findings in Haryana, where working women preferred gold and fixed deposits over equities due to lack of awareness and fear of financial loss. Financial literacy rose with the education, income and age. Yet, even employed women lacked confidence in areas such as insurance and investment.

SCOPE AND OBJECTIVE OF THE STUDY

The primary objective of the study is to understand the behavior of women as investors. The objective is achieved through the following sub-objectives:

1. To delve into the overall saving and investment pattern of Women in India.
2. To analyze the Financial awareness of women with regards to various investment options available.
3. To understand the Financial Behaviour of women in North-western states in India.

RESEARCH METHODOLOGY

To achieve the above objectives a random sample of 180 women belonging to Panjab, Haryana and Himachal Pradesh was taken through convenience sampling method. They were administered a pre-structured questionnaire. The responses have been further analyzed by Descriptive statistical tools.

Sample Profile

States/UT	No. of Respondents
Haryana	43
Himachal Pradesh	40
Punjab	48
Chandigarh	49
Total	180

Data analysis and interpretation

On the basis of the questionnaires filled by the respondents the data has been analyzed to gauge into the investment behavior of the respondents in the following text.

Demographic profile of the respondents:

The demographics play an important role for investors to make investment decisions. With growing age, the investors become more risk averter and demand safer investments with regular flow of income. Similarly, the education and income level also affects the investment behavior. More educated investors and high-income group people become risk lovers or volatile investment seeker. Employed investors are more return oriented and invest to provide for property building and children education while the business people may want investment to have regular income and meet the emergencies like downfall in market etc.

Table No. 1. -Demographic profile of the respondents

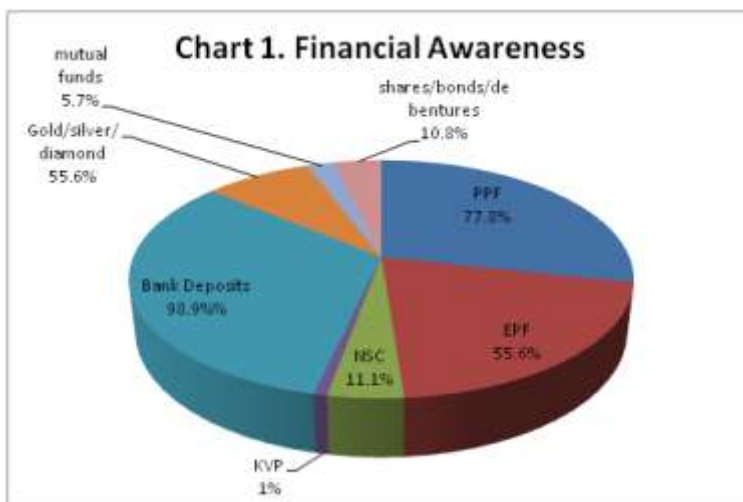
Age	Frequency	Percentage
Less than 30	30	16.66%
30-40	102	56.67%
40-50	36	20%
Above 50	12	6.67%
Total	180	
Marital status	Frequency	Percentage
Married	114	63.33%
Unmarried	48	26.67%
Other	18	10%
Total	180	
Education	Frequency	Percentage
Under Graduation	45	25%
Graduation	81	45%
Post graduation	54	30%
Total	180	
Occupational status	Frequency	Percentage
Employed	111	61.67%
Business	24	13.33%
Housewife	45	25%
Total	180	
Annual Family Income	Frequency	Percentage
Less than Rs. 300000	54	30%
Rs. 300000-500000	21	11.67%
500000- 700000	27	15%
Above 700000	78	43.33%
Total	180	

The majority respondents (56.67%) belonged to the age group of 30-40 who are more active investors also. The sample is comprised of 63.33% married and 26.67% unmarried women. The sample belonged to the educated people belonging to medium to high income groups (above Rs. 7,00,000 per annum). More than 50% respondents are employed whether in govt. sector or the private sector and 8 respondents are running their own small business such as tailoring, beauty parlors, groceries etc.

Decision-making power: When enquired about the decision making at homes with regards to the financial matters, 44.4% respondents stated that their husband take this decision that goes well with the literature that says that men still hold the position of decision maker of the family. But this is not the overall picture, 39% of the respondents are taking the financial investment decisions on their own. It brings a change in the society where women have, generally, been kept out of the purview of financial matters for long in the history.

Level of financial awareness: The respondents were given a list of most commonly used and easily

available investment options to see their awareness level with respect to such options.



Almost all the respondents (98.9%) are aware of the bank deposit options including Fixed deposits, Recurring deposits. About 78% respondents are well aware of the Public provident funds and 55.6% are familiar with Employees provident fund as the majority of the respondents are employed in organized sector. This is followed by awareness with regards to investment in precious metal (Gold, silver, platinum and diamond). But the awareness level of National Saving Certificates (NSC) and Kisan Vikas Patra (KVP) schemes of government was found to be very minimal.

Purpose of investment: The purpose of investment plays a proactive role in determining the investment type. The majority respondents (87.5%) ranked emergency needs at first place as their purpose of investment followed by financial support during old age (62.5%) and to augment family income (50%).

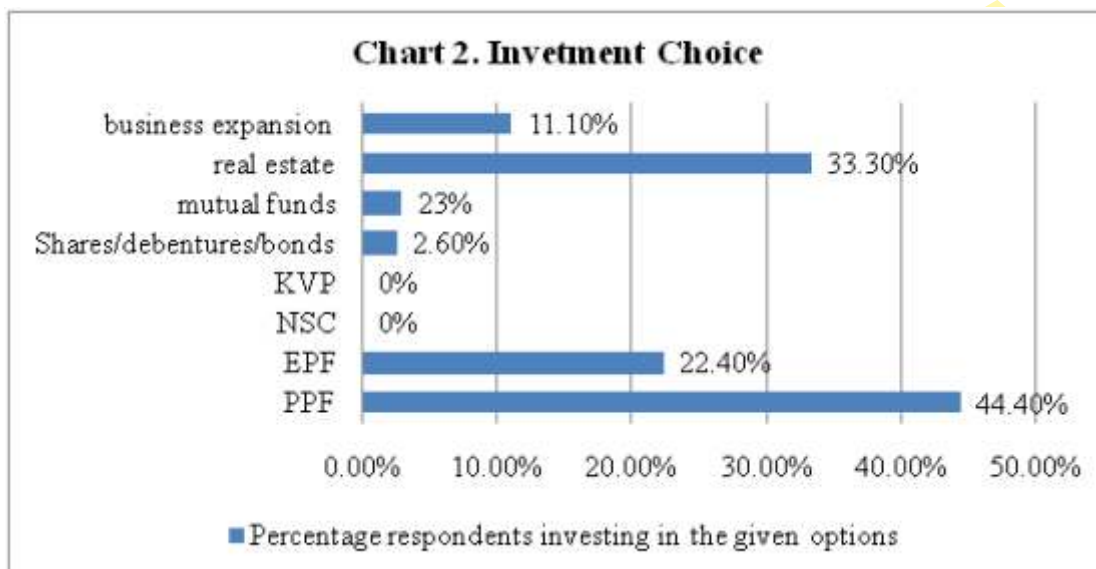
Table No. 2 Purpose of investment

Serial No.	Purpose of Investment	Ranks
1	To support family income	3
2	To aids children education	4
3	To build up property	5
4	To meet emergency situation	1
5	To provide for financial need during old age	2

The purpose of investment to help in children education is ranked 4th and building up property is amongst the least ranked priority to invest.

Preference for Investment avenues: The respondents were given a list of options to mark the investments they have made in. The majority respondents are investing in the PPF and EPF schemes of the government. According to a report by CRISIL DBS, women are investing more in fixed deposits (51%) rather than saving accounts (46%). This perfectly aligns with the risk averting nature of women. But, what is interesting to note is that a good number of women respondents have invested in Real Estate (33%) and Business ventures (11%) which breaks the age old barriers where women were not allowed to take part in financial decision making especially in real estate and business.

Now women own 39.2 % of bank accounts in India constituting 39.7% of total deposits and interestingly this percentage is much higher in rural areas- 42.2%. Although male counterpart is still holding a major share in bank accounts but the rise of women account holders is appreciating. (Times of India, 2025)



A good number of respondents are investing their funds in real estate also. Interestingly, though, 10.8% respondents are aware of the shares, debentures and bonds as investment options but only a meager 2.6% are actually investing in such type of securities. However, the trend is changing gradually.

The Ministry of Statistics and Programmes Implementation in its publication “Women and Men in India 2024: Selected indicators and data” reported that women are actively investing in stock market and mutual funds. There has been a significant rise in the demat accounts held by women from 33.26 million in the year 2021 to 143.02 million in the year 2024. The report also suggested rise in women owned enterprises in manufacturing, trade and services over the last couple of years.

As far as Mutual Fund investment is concerned, women are making their presence there also. Women share of mutual fund industry asset has remarkably increased from 15% in the year 2017 to

21% in the year 2023. (The New Indian Express, 2024). This indicates the paradigm shift in financial status of women in India moving away from the outdated stereotypes towards self-empowerment in every aspect of life including financial decision making.

Saving Behaviour: Only 22.2% respondents stated that they invest on monthly basis and majority of them i.e. 42.7% are investing on yearly basis. When asked about the quantum of investment as a percentage of their family income, 33.3% women stated that they are investing somewhere between 10-15% of their total family income. 26.2% are allocating below 10% of family income for investment and 32.4% respondents said that they do not have any fixed percentage set aside for investment each year. It varies as per their savings and requirement of liquidity.

Factors affecting investment choice: The respondents were further asked to rank the factors affecting investment in a particular type of option. Risk free security has been give rank 1 followed by earning high interest (Ranked 2) and ensuring regular return (Ranked 3). This is again followed by their purpose of investment (See Table No. 3) where the respondents make investment to cater to their old age needs and meeting the emergency situations in future. That is the reason they want a steady return that is free from any kind of risk. This again leads them to make investment in secured funds like PPF, EPF and banks deposits.

Table No. 3 Factors determining the investment decision

Sr. No.	Factors	Ranking
1	High interest rate	2
2	Risk free securities	1
3	Regular return	3
4	Reliable	7
5	Easy exit	6
6	Convenience	4
7	Less procedural formalities	5

Respondents also seek convenience of investment and lesser procedural formalities. As the women have greater responsibilities at home, they cannot spend much time in visiting the banks or offices for making investment of their funds that is the reason behind men being the decision maker when it comes to investment of funds. Easy exit policy is another determinant which guide the investment choice as they dint want to block their funds.

FINDINGS AND SUGGESTIONS: The findings highlight the paradox of women as disciplined savers but hesitant investors. In India, the preference for tangible and culturally familiar assets such as gold reflects both risk aversion and trust in traditional forms of security. However, this limits long-term wealth creation and prevents women from fully leveraging their financial potential.

Findings of the above study can be summarized as follows along with the suggestive measures to raise the investment level of women:

1. Financial awareness amongst women has been found to be lesser for some category of the investments. Though with the growth of education in women, they have become economically independent, financial literacy has to be improved. Awareness campaigns can be arranged in rural and distantly located areas to make the women aware of the various

investment opportunities available to them and how can they avail it.

2. Though in most of the cases working women themselves take investment decision, still in majority households' women still depend upon their male counterpart for taking financial decision. This is due to lack of confidence in their financial decision-making capacity. This shyness has to be uplifted. Women should gather the courage to participate in investment decisions of the family.
3. Women are risk avert in nature. This is good in a sense to play safe with your hard earned money. But, to get more return some risk has to be taken. Women should balance their funds in risk free and risky investment options to earn healthy returns.
4. Financial service providers should enhance the financial products under their umbrella as keeping in mind the demands of women investors. Gender differences among men and women investors cannot be denied so the marketers should have different marketing strategy for their women investors.
5. Bankers and financial services providers should ease their procedural formalities as women prefer hassle free investments.

CONCLUDING REMARKS

Though, there has been a trend of men being the financial decision-maker at home, the scenario is changing in a positive way. Gone are the days where men were the sole bread winner in the family and women were confined to the duties within four walls of their home. Now, women are working and earning to augment their family income as well as taking investment decisions on their own after careful analysis of various factors affecting investment decision. The most important factor that influence women's investment decision is the safety and security of funds invested that can earn regular return to meet the contingencies and old age needs. The transition from saver to investor requires targeted interventions: financial literacy programs tailored to women, simplified digital investment platforms, and workplace-based financial awareness sessions. Encouraging women to invest is not only about personal security but also about mobilising idle savings into productive economic use.

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