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ATTITUDE OF INVESTOR TOWARDS SAVINGS AND INVESTMENT DECISION: A Study Of Gender Differences In Uttarakhand

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ABSTRACT

Attitude of the respondents plays an important role in their decision making process on savings and investment. Also, changes in attitude likely to affect the overall savings habit of the people. The aim of this research paper is to identify the factors which play important role in influencing the attitude of respondent towards savings and investment. It is also study that whether there is any gender difference in the attitude of investors towards savings and investment.

KEYWORDS: *Attitude ,Gender Difference, Savings And Investment.*

INTRODUCTION:

The prosperity of an economy is closely linked with the ability of the public to save and invest in productive assets for an uninterrupted supply of capital.

In this article, the attitude of the salaried people towards savings and investment is assessed. Attitude of the respondents plays an important role in their decision making process on saving and investments. Also, changes in attitude likely to affect the overall savings habit of the people. Therefore, the attempt is made to assess the attitude of the respon* dents towards savings and investments.

OBJECTIVES OF THE STUDY:

- To study the gender difference in attitude of household towards savings and investment

HYPOTHESES:

- **Ho_1:** There is no significant difference between male and female households with regard to attitude towards savings and investment
- **$H_1 1$:** There is significant difference between male and female households with regard to attitude towards savings and investment

REVIEW OF LITERATURE:

Gaurav Kabra , Prashant Kumar Mishra &Manoj Kumar Dash (2010)

this study is an attempt to find out Factors which affects individual investment decision and Differences in the perception of Investors in the decision of investing on basis of Age and on the basis of Gender. the study was done on 196 investors working in a government and private sectors in India . the questionnaire consisting 6 subscale was developed. The study concludes that investors' age and gender are very dominantly decides the risk taking capacity of investors

Patti, J Fisher (2010) in his study uses the Survey of Consumer Finances (SCF) of 2007 the sample of 1171 single-person households, with female = 702 and male = 469 were taken. variable taken for study were saving, income, age , risk tolerance, preference, time horizon, occupation, consumer need, marital status, education, and wealth. the data were analysed with the help of Logistic regression analysis, chi-square and f test. The study outcomes indicated that the saving behaviors of male and female appear to different based on the univariate results, as do the factors related to saving and it also find out that risk tolerance also affected male and female in terms of whether they engaged in saving. The groups were significantly different in the majority of characteristics, but no significant difference was found in the proportion of female and male saving regularly, having a medium saving horizon, experiencing income uncertainty, being in poor health, or being separated or divorced. There was also no significant difference in the proportion of female and male who were Hispanic, Black, White, or other

ANALYSIS AND DISCUSSION:

In this research paper attitude of male and female household towards saving and investment in Uttarakhand state has been studied. The factors effecting the attitude also has been identified in the previous paper by using Factor analysis. To study the attitude of male and female household six factors that have been identified are as follows: i)opinion ,ii) security, iii) time horizon, iv) awareness, v) Risk tolerance and vi) confidence level.

Ho_1: There is no significant difference between male and female households with regard to attitude towards savings and investment

$H_1$1: There is significant difference between male and female households with regard to attitude towards savings and investment

To test this hypothesis gender is independent variable and attitude towards saving and investment is Depended variable.

Table shows the descriptive data of level of attitude

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
level of attitude	Male	300	3.16	.743	.043
	Female	300	2.64	.817	.047

Table shows the result of T-test of level of attitude

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
level of attitude	Equal variances assumed	16.288	.000	8.263	598	**.000**	.527	.064	.401	.652
	Equal variances not assumed			8.263	592.718	**.000**	.527	.064	.401	.652

FINDING:

The test statistic follows student's t- distribution with degree of freedom (n1+n2-2)=598 and at 5% level of significance, the critical values for this two- tailed test are between-1.96 and1.96. from the above table it is find out that the calculated value of t is 8.26 which is much more than the table value 1.96. Therefore our null hypothesis(Ho1) is rejected and our alternate hypothesis (H11) is accepted, which means that there is significant difference between male and female households with regard to attitude towards saving and investment.

To make more clear about the attitude of male and female household towards saving and investment, factors wise study has been done and six more sub hypothesis and there six alternate hypothesis has been developed. the sub hypothesis and there alternate hypothesis are as follows:

Ho1-1: There is no significant difference between male and female households with regards to Risk Tolerance.

$H_1$1-1: There is significant difference between male and female households with regards to Risk Tolerance.

Ho1-2: There is no significant difference between male and female households with regards to Confidence Level.

$H_1$1-2: There is significant difference between male and female households with regards to Confidence Level.

Ho1-3: There is no significant difference between male and female households with regards to opinion

$H_1$1-3: There is significant difference between male and female households with regards to opinion

Ho1-4: There is no significant difference between male and female households with regards to awareness

$H_1$1-4: There is significant difference between male and female households with regards to awareness

Ho1-5: There is no significant difference between male and female households with regards to time horizon

$H_1$1-5: There is significant difference between male and female households with regards to time horizon

Ho1-6: There is no significant difference between male and female households with regards to security

$H_1$1-6: There is significant difference between male and female households with regards to security

To test the hypothesis the independent t test has been applied. The independent-samples t test evaluates the difference between the means of two independent or unrelated groups. That is, we evaluate whether the means for two independent groups are significantly different from each other. The independent-samples t test is commonly referred to as a between-groups design. With an independent-samples t test, each case must have scores on two variables, the grouping (independent) variable and the test (dependent) variable. The grouping variable divides cases into two mutually exclusive groups or categories, such as male or female for the grouping variable gender, while the test variable describes each case on some quantitative dimension such as attitude towards saving and investment. The t test evaluates whether the mean value of the test variable (e.g., attitude) for one group (e.g., male) differs significantly from the mean value of the test variable for the second group (e.g., female).

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Risk tolerance	Male	300	3.2433	1.11446	.06434
	Female	300	2.6808	.95181	.05495
Confidence level	Male	300	4.0400	.90524	.05226
	Female	300	2.8833	1.06505	.06149
Opinion	Male	300	3.4150	.99427	.05740
	Female	300	3.4933	1.02312	.05907
Awareness	Male	300	3.7667	1.02496	.05918
	Female	300	3.5267	.96445	.05568
Time horizon	Male	300	3.5822	.89109	.05145
	Female	300	2.8622	.97550	.05632
Security	Male	300	4.0783	.97401	.05623
	Female	300	3.8567	.59776	.03451

Interpretation :

From the above table it is find out that male households are more risk tolerant (mean value 3.24) than female household(mean value 2.68). Male households are more confident about the investment decisions (mean value 4.04))than female household(mean value 2.88). Before investing the money female household(mean value 3.49) are more likely to take opinion from friends, relatives and financial advisor than male household(mean value 3.41) who are less likely to take opinion from friends, relatives and financial advisor. Male respondents(mean value 3.76) are much aware of these investment options and have good knowledge of investment matter than female respondents(mean value 3.52). Thinking of both male and female household is more or less same in regard of investment meet the family needs in future and investment is done to live a safe and secured life, but thinking differ in context of investment provide protection from inflation and investment reduce liability. overall from the point of security more male household (mean value4.07) think that investment provide security than female household(mean value 3.85)

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	Upper
Mean of risk tolerance	Equal variances assumed	15.816	.000	6.754	598	**.000**	.573	.085	.407	.740
	Equal variances not assumed			6.754	588.477	**.000**	.573	.085	.407	.740
Mean of confidence level	Equal variances assumed	13.293	.000	13.095	598	**.000**	1.040	.079	.884	1.196
	Equal variances not assumed			13.095	584.371	**.000**	1.040	.079	.884	1.196
Mean of awareness	Equal variances assumed	.203	.653	3.161	598	**.002**	.263	.083	.100	.427
	Equal variances not assumed			3.161	594.353	**.002**	.263	.083	.100	.427
Mean of time horizon	Equal variances assumed	.036	.850	8.695	598	**.000**	.707	.081	.547	.866
	Equal variances not assumed			8.695	596.374	**.000**	.707	.081	.547	.866
Mean of security	Equal variances assumed	77.816	.000	4.242	598	**.000**	.293	.069	.158	.429
	Equal variances not assumed			4.242	528.561	**.000**	.293	.069	.157	.429
Mean of opinion	Equal variances assumed	.578	.447	-2.396	598	**.017**	-.203	.085	-.370	-.037
	Equal variances not assumed			-2.396	595.508	**.017**	-.203	.085	-.370	-.037

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Ho4-1: There is no significant difference between male and female households with regards to Risk Tolerance.
$H_1$4-1: There is significant difference between male and female households with regards to Risk Tolerance

FINDING:

The test statistic follows student's t- distribution with degree of freedom (n1+n2-2)=598 and at 5% level of significance, the critical values for this two- tailed test are Between-1.96 and1.96. From the above table it is find out that the calculated value of t is 6.754 Which is much more than the table value 1.96. Therefore our null hypothesis(Ho4-1) is Rejected and our alternate hypothesis (H14-1) is accepted, which means that there is Significant difference between male and female households with regard to Risk Tolerance
Ho4-2: There is no significant difference between male and female households with regards to Confidence Level.
$H_1$4-2: There is significant difference between male and female households with regards to Confidence Level

FINDING:

For " t" test with degree of freedom (n1+n2-2)=598 and at 5% level of significance, the critical values for this two- tailed test are between-1.96 and1.96. From the above table it is find out that the calculated value of t is 13.09, Which is much more than the table value 1.96.

Therefore our null hypothesis(Ho4-2) is Rejected and our alternate hypothesis ($H_1$4-2) is accepted, which means that there is Significant difference between male and female households with regard to Confidence Level.
Ho4-3: There is no significant difference between male and female households with regards to opinion
$H_1$4-3: There is significant difference between male and female households with regards to opinion

FINDING:

The t value with degree of freedom (n1+n2-2)=598 and at 5% level of significance, the critical values for this two- tailed test are Between-1.96 and1.96. From the above table it is find out that the calculated value of t is -2.39, Which is much less than the table value -1.96. Therefore our null hypothesis(Ho4-3) is Rejected and our alternate hypothesis ($H_1$4-3) is accepted, which means that there is Significant difference between male and female households with regard to opinion
Ho4-4: There is no significant difference between male and female households with regards to awareness
$H_1$4-4: There is significant difference between male and female households with regards to awareness

FINDING:

For " t" test with degree of freedom (n1+n2-2)=598 and at 5% level of significance, the critical values for this two- tailed test are Between-1.96 and1.96. From the above table it is find out that the calculated value of t is 3.16, Which is much more than the table value 1.96. Therefore our null hypothesis(Ho4-4) is Rejected and our alternate hypothesis (H14-4) is accepted, which means that there is Significant difference between male and female households with regard to awareness.
Ho4-5: There is no significant difference between male and female households with regards to time horizon
$H_1$4-5: There is significant difference between male and female households with regards to time horizon

FINDING:

For " t" test with degree of freedom (n1+n2-2)=598 and at 5% level of significance, the critical values for this two- tailed test are Between-1.96 and1.96. From the above table it is find out that the calculated value of t is 8.69, Which is much more than the table value 1.96. Therefore our null hypothesis(Ho4-5) is Rejected and our alternate hypothesis (H14-5) is accepted, which means that there is Significant difference between male and female households with regard to time horizon.
Ho4-6: There is no significant difference between male and female households with regards to security
$H_1$4-6: There is significant difference between male and female households with regards to security

FINDING:

For " t" test with degree of freedom (n1+n2-2)=598 and at 5% level of significance, the critical values for this two- tailed test are Between-1.96 and1.96. From the above table it is find out that the calculated value of t is 4.24, Which is much more than the table value 1.96. Therefore our null hypothesis(Ho4-6) is Rejected and our alternate hypothesis (H14-6) is accepted, which means that there is Significant difference between male and female households with regard to security

CONCLUSION:

There is significant difference between male and female households with regard to attitude towards investment decision making. The main factors which are responsible for influencing the attitude of households towards investment decision makings are risk tolerance, level of confidence, opinion, awareness, time horizon and safety. The research study implies that gender play a significant role in the attitude of household towards investment decision making. Male household are more risk tolerant than the female household. As far as confidence level is concerned male households are more confident than female household regarding the investment decisions. Before making investment both male and female households take suggestion from friends or relatives approximately equally but male households take the advice of financial advisor for choosing the investment option more than the female household. There is a significant gender difference in the time horizon for investment . Female households usually invest their money for short term where as male households invest their money in short, medium and usually long term. Awareness also plays an important role in investment decision making. It occurs that male respondents are more aware about the investment option than the female respondent. Comparatively there is greater knowledge about the various investment matters in male household than female household. Since female respondents are less aware about the various investment options therefore they are more likely to increase the investment if they were given more knowledge and awareness programme. Attitude of both male and female household is more or less same in regard of investment i.e. meet the family needs in future and to live a safe and secured life, however attitude differs in context of investment objectives regarding protection from inflation and reducing liability.

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