



A STUDY OF THE INVESTMENT MINDSET AND CHALLENGES OF MIDDLE-CLASS WORKING WOMEN IN THE CAPITAL MARKET: EVIDENCE FROM NAGPUR CITY

Supriya Prabhakar Ale
Research Scholar,
Dept. Of Business Management,
RTM Nagpur University

Dr. Durga H. Puttevar
Research Supervisor,
Dept. Of Business Management,
RTM Nagpur University

ABSTRACT

The ever growing rise in the number of women in the labor force has enhanced their ability to earn incomes but at the same time they are not doing much in regard to their roles concerning capital market investment particularly among the middle-class working women. In this paper, the mindset of the working middle class will be reviewed and the issues that middle class women must confront when trading in the capital market in the Nagpur City. The study will target learning their perception towards risk, investment preferences, decision making behaviour and social-economic and psychological limitations that influence their investment decisions. The study is a case study and is based on primary data used in scientific studies through the systematic questionnaire that was administered to employed middle income women who worked in various areas of Nagpur City. The descriptive statistics and tools of inference have been used to analyse the data. These results determine that despite their growing urge to remain capital market instruments they are impaired in engagement by issues such as low financial literacy, being risk-averse and risk-makers, low-quality professional guidance, their time, due to their duality of roles as well as their socio-cultural factors. The paper has identified that there is a requirement to possess certain financial education initiatives, gender-based investment advisory services, and enabling policy tool to enhance the involvement of the working women in the capital markets. Hopefully, the results would be applied by other policymakers, financial institutions, and the interested researchers to the inclusive financial development.

Keywords - Investment Mindset; Capital Market; Working Women; Middle Class; Financial Literacy; Investment Challenges; Nagpur City

INTRODUCTION

Capital market plays a key role in the economic development of a particular country in mobilization of savings and investing them in productive endeavors. It provides a person with an opportunity to increase its wealth, make financial risk, and participate in the country economic development. The capital markets in India have shown to grow immensely over the last few years which has been supported by the advancements in technology, regulatory reforms and the financial inclusion programs. Despite these

new tendencies, there has not been a fair distribution of participation in investments of capital market across different socio-economic classes where women are mostly underrepresented in the middle-income working classes. One would like to be acquainted with the state of mind of the investment and obstacles this segment is facing to achieve inclusive and sustainable financial development.

The socio-economic situation in India has shifted with the growing women participation in the labor market. The middle classes today



are enjoying a fair share of the family income with the women increasingly being included in decision making on financial matters. Their investment opportunities have been diversified with increased education, modernization as well as online financial access via internet. But within the empirical evidence, the conservative approach towards the investment behaviours is assigned to women, who incline towards the instruments that are more conservative, i.e. fixed-deposits, recurrent deposits, gold and insurance policies. The working women are yet to be substantially engaged in capital market products such as equities, mutual funds and derivatives and this points to the presence of internal psychological, informational and structural barriers.

The mindset of investment is considered as the attitudes or beliefs, perceptions and riskiness of a person which influences the financial decision making. These relationships, the consistency of income and financial literacy, cultural norms, family problems, and experience, create such an attitude in the case of working middle-class women. The risk of bankruptcy and a lack of confidence in being familiar with the capital market instruments will put a lot of people off. Furthermore, women lack time frequently because they are full of their personal business and family matters, they do not have time to arrange the market and examine it. All this is combined to obtain a risk-averse attitude in investments, and moderate involvement of capital market.

The important variable as far investment behaviour is concerned is financial literacy. Most working women lack proper educations on capital market operations, risk-reward trade off, and long term ways of generating wealth irrespective of the increase in supply of financial information through the digital media. The second reason which influences the decision to invest based on informal information provided by family members or peers is the fact that it usually leads to suboptimal ways of decision making. In addition, there will not exist any specialised financial advisory to women name-seeking to

limit their free and autonomous investment choice formulation. Ensuring that such a knowledge gap is addressed is pivotal towards allowing women to be competent in capital markets.

Nagpur City of Maharashtra has a thriving and expanding urban centre that provides it with an appropriate environment under which to conduct research on behaviour of investment among working middle-class working women. Nagpur being a growing educational, administrative and business hub, has a varied population of educated women who have secured jobs in education, banking, health, government and business industry. Despite the relative stable earnings and availability of banking and financial services, anecdotal evidence depicts that not all members of this group are investors in the capital market. Such a segment analysis on an urban basis would provide useful knowledge on the city scale socio-economic facts, a degree of investment awareness and behaviour as would be reflective of the urban trend in other similar cities in India.

These are not the only financial obstacles in the capital market investment by the middle-class working women. Financial behaviour by women remains subject to social-cultural influences such as conventional gender roles, absence of autonomy when it comes to financial matters and social conventions. Major investments that should be made by a majority of families has been left to the prerogative of the male members and hence the women are not expected to be directly involved in the capital market activities. In addition, factors, which border on the volatility of the market, fraud and distrust of the financial intermediary, further increase the unwillingness to invest in the capital markets. These issues and disparities must be addressed in a holistic way of addressing psychological and structural problems affecting a female investor.

It is on this backdrop that this paper attempts to explore the capital market investment attitude and issues of middle-class working



women regarding investment in the capital market and Nagpur City in particular. The study will assist in filling the gaps on body of literature on gender and investment behaviour by taking into account their level of awareness, perceptions of risk, investment behaviour and perceived barriers. The inferences will aid policymakers, financial companies and educators to develop certain financial literacy initiatives and inclusive investment approaches to convince more working women to enter the capital markets to achieve financial empowerment and stabilize the economy over the long run.

REVIEW OF LITERATURE

The Indian case has been busy in observing the saving habits and the investing behaviour of the salaried and middle-income individuals in which the income stability and a sense of risk, financial literacy and socio-economic elements have been found to play a factor in investment behaviour. Salaried employees have been of interest to several studies which aim to cognize how this type of workers make a significant section of the household savings and capital formation and their mindset and restriction to investment.

Vadalia, Vashistha, and Gohil (2023) researched the perceptions of the employees who are paid salaries towards investing and, considering the outcome, the level of awareness and risk perception are significant in the investment decision-making. The study discovered that that the selection of safe and conventional investment instruments was discovered to be appealing as a display of the cautious disposition of the salaried individuals as the incomes increased. Similar study by Miranda (2023) discovered that the high salaried employees favored low-risk portfolios such as bank deposits and insurance most and the capital market instruments were not subscribed to satisfactorily due to fear of loss and inadequate knowledge on the market. These conclusions also indicate the risk aversion nature of the workers who are salaried.

In an effort to examine the middle-class households in India, Das and Kumar (2016) established that the acts of discretionary saving and investment vary according to the level of income, but that psychological issues such as the confidence they have in their financial position and uncertainty about the future are factors that shape the discretionary decisions in terms of investment choice. They concentrate on the fact that the middle-class households have low likelihoods of investing in the capital market with more liquidity and security as opposed to higher returns. It is along this line of thinking that Dhawan and Mehta (2019) assessed the current trends in saving and investment and highlighted that poor financial literacy and absence of professional advice was one of the major impediments to diversified investment portfolios.

Sector specific studies have also made additions to literature on investment behaviour. Gopi, Priyanka, and Preetha (2018) have created in their study of the private shipping business of Ernakulam that, even though the level of incomes remained stable, the group of respondents depicted had a minimal level of exposure to equity investments and mutual funds. The study credited this to the unavailability of time and having to depend on informal advice and ignorance on the market mechanisms. Having bank employees on the focus, Ramanathan and Meenakshisundaram (2015) reported that the level of financial awareness was relatively high but among other employees in the sampled population they were surpassed by the conservative investment preferences signal, which indicated that knowledge is not likely to bring about an increase in risk-taking behaviour.

In spite of this, Mulasi, Mathew and Desai (2022) conducted predictive models involving financial behaviour and attitude study of the Indian salaried-class people and concluded that the age, education level, risk taking ability, and income stability are the most significant drivers of investment behaviour.



They conclude with the fact that behavioural prejudice and demographics characteristics are significant predictors of financial judgement decisions which proves the behavioural approaches of finance theories in understanding the individual investment behaviours. Empirical findings of SreePriya and Gurusamy (2012) in Coimbatore District also indicated that asset diversification in their portfolios was low among the people on a salaried basis with a significant inclination to conventional.

White-collar research that is more specifically devoted to the middle-class households contributes to a useful contextual significance. Samudra and Burghate (2012) conducted a research at Nagpur and found out the behaviour of middle-class households with regard to investment and found that safety, regular income, and capital protection were the main factors that one considers when investing. This access to capital markets has been identified as low due to the perceived risk and lack of trust and therefore the article can be considered very relevant to the current research. In comparison, Sood (2015) who conducted a study on the salaried-class respondents in Chandigarh also concluded that risk-aversion and low level of financial literacy were restricting capital market investments exposure because the extent of access to financial market products were on the rise.

Thiruchelvam and Mayakkannan (2012) pointed out on behavioural perspective that emotion quota, herd effects and risk perception are the primary issues, which affect the decision of an Indian individual investor rather than her financial analysis. An important contribution was made by a literature review that examines the perceptions of investors and behaviour concerning the mutual funds investing, which was carried out by Sathe (2023); the information on the significance of the perception of the advisor, awareness campaigns and the impact on the choice of the decision on investing in mutual funds was found. These publications suggest that there is

a general trend of the low roles adopted in determining the investment behaviour decision through psychological and perceptual factors as compared to economic factors.

Even though the available literature has generally addressed the subject of investment behaviour amongst salaried individuals and residential decadences on general houses, the behaviour of the working women particularly the urban environment has received comparatively limited attention. Most of the research articles use salaried workforce as a homogenous group ignoring such interests as gender specific (dual responsibilities, societal-cultural constraints, less risk taking, and less confrontation of decisions). Also, minimal studies especially on cities that are urbanized like Nagpur exist.

It is against this new research research gaps that the current research study tries to contribute to the research field by concentrating on the research topic of investment mindset and the predicaments facing middle-class working women in the capital market in specific reference to the Nagpur City. In the prospect of transcending the information that is already available in the field, in a bid to provide viable solutions to policy formulators and financial institutions that strive to improve inclusive financial development, the study will be interested in addresses gender based structural and behavioural constraints.

Objectives of the study

1. To study the investment mindset of middle-class working women in the capital market in Nagpur City.
2. To examine the level of awareness and financial literacy related to capital market instruments among middle-class working women.
3. To analyze the investment preferences of middle-class working women in Nagpur City.

Null and Alternative Hypotheses

H₀ (Null Hypothesis): There is no significant level of awareness and financial literacy



related to capital market instruments among middle-class working women.

H₁ (Alternative Hypothesis): There is a significant level of awareness and financial literacy related to capital market instruments among middle-class working women.

Research Methodology

This study will use the descriptive and empirical research design that aims at exploring the middle-class working women in the capital market on their mind set towards investments and the issues in reference to Nagpur City. Both the primary and secondary data have been used to achieve the objectives of the study. To assist in capturing the data on

the basis of the demographic profile, level of awareness and financial literacy, choice of preference in terms of investment, risk perception and barriers to investment in the capital market, structured questionnaire was used in the collection of primary data. The respondents were middle-class middle-aged working women in various sphere of employment including education, banking, health, government and other service agencies of Nagpur city. Here, a convenience sampling, in which the convenience sampling was not a probability sampling, was applied because only respondents could be contacted, thus this sampled respondents participated in the study.

Table: Descriptive Statistics of Awareness and Financial Literacy Related to Capital Market Instruments

Particulars	N	Mean	Standard Deviation	Minimum	Maximum
Awareness of Equity Shares	120	3.62	0.84	1	5
Awareness of Mutual Funds	120	3.98	0.76	2	5
Awareness of Bonds and Debentures	120	3.15	0.89	1	5
Awareness of Stock Market Operations	120	3.42	0.81	1	5
Understanding of Risk–Return Relationship	120	3.55	0.78	2	5
Knowledge of SEBI Regulations	120	2.94	0.92	1	5
Overall Financial Literacy Score	120	3.44	0.67	2	5

Analysis

According to the descriptive statistics, the awareness and the financial literacy of middle-class working women in Nagpur City regarding capital market instruments are medium. The mean ranking of the equity shares and mutual fund awareness is very large, and it means that there is more knowledge regarding the most popular and popularized spheres of investment. This means that increased media coverage, job-related discussions and investment websites have augmented fundamental knowledge towards popular capital market trading instruments by the working women. However, the comparatively lower mean marks on knowledge of bonds, debentures and SEBI guidelines appear to indicate that people are not very knowledgeable about more technical and regulatory aspects of the capital market.

The financial literacy score is an average score indicating that there is good knowledge of the fundamentals in investment such as risk-return relationship and how the market works. Nonetheless, the deviation that is established in the standard deviation values would mean that there would be variance in the level of awareness of the respondents; and it could be informed by variables such as education, earnings, profession, and prior experience on investment or otherwise. The max and min values have revealed too the presence of the respondents who are financially intelligent, as well as individuals who are financially ignorant, consequently, the distribution of the financial literacy among the respondents is not even.

Though the results confirm the alternative hypothesis of high level of awareness and financial literacy among middle working class



women, there are also signs on the basis of findings that there is the partial and inconsistent level of understanding capital market instruments. It appears that the greater awareness is in respect of investment vehicles that are considered to be a little safer or that the regulatory framework and instruments are not as familiar, as they should be. This imbalance might influence stocking up behaviour in investments as well as restrict greater participation in capital markets.

Generally speaking, the analysis contributes to the fact that the special financial education

programs, which are based on regulatory knowledge, risk management, and advanced investment instruments, are needed. Those knowledge gaps may be eliminated through the enhancement of the systematic financial literacy initiatives which specifically focus on working women in order to make them more confident and willing to invest their money in capital markets. These findings therefore affirm the fact that the level of awareness is good but long term interventions are required to make middle-class working women financially literate in general.

Table: One-Way ANOVA for Awareness and Financial Literacy Related to Capital Market Instruments

Source of Variation	Sum of Squares	df	Mean Square	F Value	Sig. (p-value)
Between Groups	18.742	3	6.247	5.386	0.001
Within Groups	132.458	116	1.142		
Total	151.200	119			

Level of Significance: 0.05

The outcome of the ANOVA with one-way results indicates that the level of awareness and level of financial literacy of middle working women on the question of capital market instruments has a statistically significant difference across the various socio-economic groups of individuals. The calculated F value is below the level of 5 percent that is statistically significant. This confirms that the gap between the scores of the awareness and financial literacy scores of the groups is not the matter of a mere coincidence, but there is a considerable gap between the scores that are influenced by the state of prevalent demographic and socio-economic factors.

The large between group variance is evidence that such variables as the level of education, income, and occupation play a significant role in the formation of the financial awareness and literacy. The better educated women or those who have encountered more of the financial conditions are likely to be better informed on the capital market instruments than their counterparts. In the meantime, the presence of within-group variance also implies that in a

homogeneous socio-economic group, there is no homogeneity in the degree of awareness i.e. there exist variations in individual interest, experience and access to financial information. Overall, the findings of the ANOVA energy this affirmative response to this alternative hypothesis in line with which middle-class working women possess a relatively high degree awareness and financial literateness about the capital market instruments, yet, the degree of this awareness differs across groups. The results point out group and specialized financial literacy interventions are to be developed rather than standardized interventions. Enabling the individual working women to have their own informational needs addressed will enhance the knowledge level and confidence of investments in the capital market of the individual women as well as the financial institutions.

Overall Conclusion

The study presents a profound understanding of the attitude of the investment, financial literacy, and the issues of middle-class working women in the capital market in Nagpur City. The findings have revealed that



they are moderately to very financially literate and have knowledge regarding the popular type of investment vehicles such as the equity shares and mutual funds but are very unfamiliar with more complex vehicles, regulation and risk management. With the socio-economic factors identified such as education, income, and occupation, as it is seen in the analysis, they are of significantly large magnitude to decide the level of awareness and investment behaviour, and as others are able to see, there are noticeable differences between the diverse groups.

As much as the investment in the information and digital investment platforms may have increased, risk-averse behavior of working women persists with most of them undertaking the traditional and less risky investments. The problems unveiled in the investigation include the lack of professional financial counseling corner, time because of multitasking, social-cultural needs, and lack of self belief to handle uncertainties in the market. All these factors deprive the middle-class working women a complete chance to exploit the investment opportunities to become wealthy.

The fact that the degree of knowledge related to the understanding of financial literacy plays an important role in the sample of middle working and some middle income women is confirmed by the statistical data like the ANOVA and also shows the gaps and knowledge gaps. It underlines the importance of special financial literacy education, gender-women attitude advisory services and policy interventions through facilitations in encouraging good investment choices. It has been well established that improved penetration of working women into the capital markets is possible through generating awareness and confidence and structural and psychological barriers which not only ensure that women have access to finances that can enable them to set greater interest in themselves but also the economy in general.

In a conclusive note, the decision to make an entry in the capital market by the middle-class working women in Nagpur City is reserved

even though there is an increasing awareness of investment opportunities. Specialized musicians that are capable of resulting in greater foundational and self trust investor ground with respect to working females require special interference that will favor financial literacy, perceived risk diminution, and lesser obstructions to investment counseling.

REFERENCES

1. Vadalia, A., Vashistha, S., & Gohil, S. (2023). A study on investment perception of salaried employees. *EPRA International Journal of Economic and Business Review*, 1–5. <https://doi.org/10.36713/epra12551>
2. Das, S. C., & Kumar, V. (2016). Discretionary savings and investment behaviour of middle-class households in India: Empirical evidence.
3. Dhawan, D., & Mehta, S. K. (2019). Saving and investment pattern: Assessment and prospects. *ACRN Journal of Finance and Risk Perspectives*, 8(1), 123–132. <https://doi.org/10.35944/jofrp.2019.8.1.008>
4. Miranda, M. (2023). A study of investment pattern of salaried employees in Udupi City. *EPRA International Journal of Environmental Economics, Commerce and Educational Management*, 13–17. <https://doi.org/10.36713/epra14028>
5. Gopi, G., Priyanka, D., & Preetha, R. (2018). An insight into the savings and investment pattern of salaried employees working in private sector of shipping industries at Ernakulam.
6. Mulasi, A., Mathew, J., & Desai, K. (2022). Predicting the financial behavior of Indian salaried-class individuals. *Investment Management and Financial Innovations*, 20(1), 26–37. [https://doi.org/10.21511/imfi.20\(1\).2023.03](https://doi.org/10.21511/imfi.20(1).2023.03)
7. SreePriya, R., & Gurusamy, P. (2012). Investment pattern of salaried people –



- A study in Coimbatore district.
International Journal of Scientific Research, 2(1), 114–115.
<https://doi.org/10.15373/22778179/JAN2013/39>
8. Ramanathan, K. V., & Meenakshisundaram, K. S. (2015). A study of the investment pattern of bank employees.
 9. Samudra, D. A., & Burghate, D. M. A. (2012). A study on investment behavior of middle-class households in Nagpur.
 10. Sathe, D. P. V. (2023). To study the substantial influence of investor's perception and behaviour on mutual fund investment: Review of literature. *11(1)*
 11. Sood, D. (2015). A study of saving and investment pattern of salaried class people with special reference to Chandigarh (India). *Social Sciences*, 5(2),
 12. Thiruchelvam, C., & Mayakkannan, R. (2012). An empirical study of Indian individual investors' behavior.