

# Motivating Factors for Savings and Investment Decision of Rural Women

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## ABSTRACT

Savings and investment forms part of economic sustainability of any society. Rural women in Kerala are now socially, politically empowered to meet with the requirements of the modern era according to recent studies. But the extent of economic empowerment, depends on savings and investment habits apart from mere income generation. This paper attempts to put light on the major motivating factors for savings as well as investment decisions.

## 1. Introduction and Research Problem

Savings and investment forms part of economic sustainability of any society. Rural women in Kerala are now socially, politically empowered to meet with the requirements of the modern era according to recent studies. But the extent of economic empowerment, depends on savings and investment habits apart from mere income generation. This paper attempts to put light on the major motivating factors for savings as well as investment decisions.

### 1.1 Objectives

This paper primarily aims to identify the major factors that motivate savings among rural women and also their investment decisions.

## 2. Research Methodology

The study is empirical in nature using primary data collected from 450 rural women from three districts of Kerala. Both descriptive and inferential tools are used for analysis. Since the data was found to be not normal, non parametric tools are used to draw inferences.

## 3. Results

A detailed analysis of the collected data produced the following results.

Table 1 Motivating factors for savings

	Mean Rank	Chi-Square	df	P value#
Increase in disposable income	3.88	413.017	6	<0.001**
Reducing your expenses	3.19			
Increase in your gross income	4.54			
Receipt of windfall incomes	5.35			
Being aware of your financial position	2.93			
Being aware of your future financial needs	3.33			
Being aware of different ways to save	4.78			

Source: Computed from Survey Data

# Friedman Test

\*\*Significant @ 1% level of significance

Being aware of the present financial position and awareness of future financial needs are identified to be the most prominent factors that drive the savings of rural women.

Table 2  
 Factors influencing Investment Decisions of Rural Women

Deviation	N	Mean	Std.	P value#	Inference	Rank
Suggestions of family	450	4.22	0.928	<0.001**	Significant	1
Suggestions of agents	450	3.97	1.013	<0.001**	Significant	2
Suggestions of friends/colleagues	450	3.85	0.794	<0.001**	Significant	3
Financial expert opinion	450	3.70	0.959	<0.001**	Significant	4
Suggestions of relatives	450	3.66	0.726	0.586	Not Significant	5
Suggestions from neighbours	450	3.34	0.744	0.111	Not Significant	6
No one/ self-decision	450	3.22	0.684	<0.001**	Significant	7
Newspaper/ Book (specify)	450	3.07	0.416	<0.001**	Significant	8
TV Channel (specify)	450	3.04	0.456	<0.001**	Significant	9
Annual reports of companies	450	3.04	0.325	<0.001**	Significant	10
Seminars/ Discussions	450	3.02	0.27	<0.001**	Significant	11

Associations (specify)	450	3.00	0.306	<0.001**	Significant	12
Radio shows	450	3.00	0.258	<0.001**	Significant	13
Blogs/Twitter	450	2.99	0.258	<0.001**	Significant	14
Direct mail/ websites	450	2.98	0.266	<0.001**	Significant	15
Others (specify)	450	2.97	0.252	<0.001**	Significant	16
Hoardings/ Pamphlets	450	2.95	0.333	<0.001**	Significant	17

Source: Computed from Survey Data

# One Sample Sign Test

\*\*Significant @ 1% level of significance

Suggestions from family, agents and friends are found to be the most preferred drive for investment decisions of rural women. Direct mails and hoardings least influence their investment decisions. Suggestions from relatives and neighbors produced a mixed response as few strongly use it and few avoid it. Rural women also exhibit a habit of not disclosing their financial plans. Self decision is also opted at times. Word of mouth is mostly found effective from known sources. Than compared to others.

#### 4. Conclusion

The Kerala model is known for social, economic and political empowerment. We need to march more to reach the goal of sustainable development in rural livelihood. Savings and investment habit among rural women would be the best drive to attain this goal. Future research and awareness programmes shall be to familiarize desirable avenues to the target audience.

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