

A study of women and stock market – awareness and participation

¹Dr. Unmesh Kulkarni & ²Miss. Deepa R. Hinge

¹Associate Professor, Bhonsala Military College, Nashik, Maharashtra (India)

²Lecturer, Bhonsala Military College, Nashik, Maharashtra (India)

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Corresponding Author

Email: [hinge.deepa\[at\]yahoo.in](mailto:hinge.deepa[at]yahoo.in)

ABSTRACT

From the ancient period women were called as a 'Home Minister' (Gruhmantri) but she is having great involvement in the area of money, investments that is 'Arth', for that it is immaterial whether she is earning or not. From our cultural heritage we have Veda's, Puran's and other great epics which states that 'Sarswati – Goddess of wisdom and interlligece,' 'Laxmi- Goddess of wealth, money, gold', 'Durga- Goddess of Defence and Protection', This system is from our God or we can say Almighty it still continue in modern era of 21st century work done by Goddess is same now but only ways are different. In the era of 21st century women are also earning source of the family. And economic empowerment is the biggest social change in the recent times. Participation of women in the Economy is important in order to enhance and contribute long economic development and its potential; as women constitute half of the world's population. Due to financial awareness, they change there social status and financial independence. It is due practice in the society especially male dominated society investment decisions are taken by male only, women are always disinterested while doing so. The areas like stock or share market historically denominated by male but economic reform, equality, education, awareness gives new horizon for the women and they are also equal capable for trading, investing in the stock market. The major impediment is lack of awareness of investment awareness related to stock market. Several studies shows that women are always make better investment in the stock market.

1. Research Limitation

This article shows, demonstrates that there are several impediments which prevent women from investment in the stock market but how this scenario changes for the social upliftment of society.

2. Introduction

Women constitute half of the world's population. The importance of the participation of women is enhance in the economic decisions and it is positively contributing the upliftment of the total development gains that can be made by ensuring women's equal participation in economic and financial spheres. Men have dominated financial services in the world since its inception. In studies by John Coates (A Wall street Trader) there is an evidence that biologically also testosterone and risk and it leads to irrational exuberance. Ample literature suggest that there are real differences between sexes when it comes about the risk-taking.

Basically Paper is related that participation in the stock market and women. The word share market always said that it is not secured; but wise and rational investor by using modern informative techniques can earn money and maintain portfolio in such a manner as it is useful in the debt funds. Long lasting in equalities have prevented women from participating in and benefiting from stock markets. Women themselves are less confident than men when it comes to investing, and are less likely to take factors such as risk and return into consideration when making an investment decision. Women are reluctant for engagement of any financial activities and professionals unless and until they are highly recommended by any other person to

whom they are having trust with the change in the economic status of women, it has become critically important to enhance their financial knowledge and awareness in order to enable them to make informed financial decisions.

3. Behavior of women regarding investment in stock market

The real development and upliftment of society is judged by only the overall development of every organ of it. Economic Growth, poverty eradication and well being of families and communities can be achieved by participation of women in the area which is dominated by men. As stock markets constitute major and important area of investment and they play the vital role of economic development of any country.

Women as a organ of society, she should not away from this investment area, because overall development can be achieved by contributing towards the society as well as self development. Academic researchers are of the view that financial awareness is of utmost importance to women at every stage of behavioral change in order to bring about a change in order to bring about a change in their financial behavior.

- Precontemplation, the first stage of behavior change women are either un informed or under informed about the long term consequences of their financial decisions or often they are demoralized due to lack of literacy.
- Contemplation stage, awareness about finance, investment able them to analyze the risk and cost associated with investment and avenues of investment.

- Preparation stage, women need to be aware about investment for matching long term and short term goals.
- During the action and maintenance stage, financial literacy is needed for maintaining profits and avoid losses.

4. Active Participation in the stock market as compare to men

Traditionally financial decisions and investment activities such as stock markets was considered as a male prerogative where women were doing only day to day affairs of the family. Recently in the 21st century gives new horizon and gives chance to be literate and then investment and economic decisions are able to take by any women. Active participation in the stock market contribute towards raising their economic potential.

Several studies backup that claim that women investing in stocks are better as compare to men. According to Fidelity Investments Reports where they analyzed over 8 Million clients account and found that women outperform men by 0.4%.

“At first glance they may be a minor difference but can have a significant impact overtime.” Study said.

5. A Barclays

Sponsored Warwick Business school study found greater gender based outperformance and evidence that females are superior traders.

Both above mentioned reports says that women are investing more rationally why is it so?

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Tendency or psychology of women that is they are engage in less trading than men and they buy and hold the stock. Women are more averse to risk.

Men tend to be much more risk taken where as women tend to generate better returns as they don't trade often. Women take a more long term perspective trading less frequently.

Men have a less long term view and less patience. They look at investing as a competition to see beating the benchmarks, always women evaluate her success by saying, "am 1 on the right track."

6. Conclusion

From the above study, different impediments are faced by women while investing in the stock market. Some of them relate to psychology of women, some related to stereotypes relating to women that prevail in some parts of the world. Financial literacy Foundation Advisory Board stated disinterest, lack or perceived relevance and stress which is major obstacles faced by women. Although women have made a lot o progress in all spheres of life there active participation in the stock market is less due to lack of knowledge. Investment educational program for women is also needed to provide investment strategies which are responsive for the participation of stock market.

The educational programs must make women aware of available and help them shaping the stock market matters and investment decisions. As every women needs financial independence, potential to make quick money and creating the wealth.