



STOCK MARKET PARTICIPATION OF WORKING WOMEN IN CHENNAI

¹ Ms. K Raga Suriya, ² Dr. R Saritha

¹Research Scholar, ² Assistant Professor
Department of Economics,
Loyola College, Chennai, India

Abstract: In Tamil Nadu, 55.4% of urban women workers are employed in the formal sector in regular wage or salaried jobs; around 32% of women employed in Chennai are often considered a proxy for formal sector employment; however, their participation in stock market investments continues to be significantly low. This study examines the level of financial autonomy, risk appetite, and investment portfolio of urban working women in Chennai. Using primary data of 100 respondents collected through a structured questionnaire, the study analyses the influence of demographic and socio-economic factors such as education, income, risk appetite and investment experience on women's investment decisions. Descriptive statistics, chi-square analysis, and graphical representations are employed to assess decision-making autonomy and risk behaviour.

The findings indicate that higher levels of education and income enhance women's financial autonomy and confidence in investment decision-making. Nevertheless, most respondents prefer low-risk and secure investment instruments such as mutual funds, gold bonds, and government securities, while direct participation in equities and other high-risk assets remains limited. Persistent risk aversion, gaps in financial literacy, and social influences continue to constrain women's active involvement in the stock market. The research highlights the need for targeted financial literacy initiatives, women-centric investment advisory services, and supportive institutional frameworks to promote informed risk-taking and greater stock market participation among women.

Index Terms - Financial Literacy, Autonomy, Investment Portfolio & Risk Appetite.

I. INTRODUCTION

The role of women in economic decisions is crucial for enhancing a country's economic potential. Traditionally, women relied on family members for their expenses and savings. However, today, they are earning members of their families and actively making financial decisions about how, when, and where to invest money without compromising their lifestyles. Modern women are diversifying their investments beyond traditional options, such as gold, land, and bank or post office schemes. They are increasingly investing in bonds, mutual funds, and insurance, as they become more aware of a broader range of investment alternatives, as highlighted by recent studies. Furthermore, many professional opportunities allow women to have a work-life balance effectively, with financial trading or stock trading being one such option that aligns with contemporary needs.

In recent decades, women's involvement in business and finance has grown significantly. Modern women are not only employed but also possess knowledge of various aspects of business and finance. Today, women serve as corporate directors and officers, as well as investors in firms. As they become more prominent in the corporate sector, it is concerning to note that women investors face certain distinct disadvantages due to being relatively new and limited participants in the securities market. Gender-dependent or sex-based differences largely influence these disadvantages. Women often encounter

discriminatory practices when entering certain occupations, particularly those dominated by men. Additionally, the lack of access to investment information restricts women from making informed investments in the stock market. This study analyses the stock market participation of women, focusing on their objectives, research methodologies, sample populations, and the barriers they face when investing in the stock market. Moreover, it suggests that, in addition to financial literacy programs, there is a need for changes in societal attitudes and behaviours, as well as within women themselves, to improve their participation in the stock market as traders.

1.1 Objectives

- To assess factors influencing the level of autonomy that women have in stock market investment decisions.
- To examine the investment portfolio and risk appetite of women investors.

2. Theoretical Perspectives

This study focuses on the participation of working women in the stock market and also examines their investment portfolio in Chennai, Tamil Nadu. This paper explains the need for women's participation in diversified investment opportunities and exhibits that traditional investments like gold will not yield the best outcome for prospects. It explores the structural barriers that modern women encounter in entering the stock market and aims to understand the role of education in developing financial literacy and confidence among working women. Gary Becker's "Human Capital Theory" and James Tobin's "risk theory" together provide a robust framework for understanding the importance of the participation of women in modern investment platforms, and risk management is a crucial part of any investment activity. This needs to be inculcated among the female workforce to bring gender equality and eradicate male dominance in the stock market. Gary Becker (1964) suggests that education, skills, and experience influence participation in economic activities. Complementing this perspective, James Tobin's risk theory (1958) shifts the focus from creative investments to bearing uncertainty risk. According to the theory, investors make choices under risk by balancing expected return against risk. Personal uncertainty and non-insurable risks inherent in market activities in exchange for potential profit (Cantillon, 1755; Knight, 1921). In the view of these theories, we can understand that the effectiveness of education and financial literacy among working women in the formal sector plays a major role in shaping innovative investments and improving their risk-bearing ability.

3. Literature Review

The study titled "*Perception of Women Towards Indian Stock Market Concerning Demographic Factors*" Kumar, S., & Kumar, P. (2020). It explores how behavioural aspects like understanding, perception, attitude, and preferences, shaped by demographic factors such as age, occupation, investment experience, and income level, influence women's investment decisions. The research was conducted among 400 women investors in Haryana, India. Using ANOVA for data analysis helped find the impact of demographic variables on investment behaviours.

The paper titled "*The Role of Working Women in Investment Decision-Making in the Family in India*" by Sharma, M., & Kota, H. B. (2019). It finds that despite women's growing economic participation, they are generally more risk-averse and rely heavily on guidance from spouses or other family members when making investment choices. This reliance is attributed to lower financial confidence and knowledge, a finding that aligns with global research on the subject. The empirical data gathered from 84 participants through a questionnaire, underscores the ongoing influence of traditional family dynamics on women's financial decisions.

"*An Empirical Study on Factors Restricting Investment Decisions of Women Investors in the Indian Stock Market*" Dhoot, P., Kunte, B., IBMR, A., Chinchwad, P., & Rasal, P. A. (2022). Focuses on the barriers faced by women in Pune, Maharashtra, when investing in the stock market. The study identifies 24 factors that restrict women's investment decisions, such as lack of awareness, risk aversion, family restrictions, and insufficient financial resources. Through a survey of 250 working women, the study highlights the social, cultural, and financial constraints that limit women's participation in the stock market. The comprehensive use of factor analysis to explore these issues provides deep insights into the specific

challenges women face, suggesting the need for increased financial education and more supportive environments to encourage female participation in stock investments.

The article "*Exploring the Factors Resisting Stock Market Participation among Indian Working Women*" **Hemavathy, P., & Gurusamy, S. (2015)**. Provides a detailed analysis of the socioeconomic, the findings show key issues such as lack of financial literacy, risk aversion, time constraints, and societal norms that limit women's financial independence. The authors argue that improving financial literacy, offering more accessible education programs, and challenging societal norms could significantly increase women's participation in the stock market

The study "*Women Risk Fond or Averse? A Study of Women Investors' Behaviour in Indian Stock Market*" **Kale, S. S., & Toge, A. U.** Examines the relationship between gender and investment experience, with a focus on women's risk perception and behaviour in the stock market. The study notes no significant association between gender and risk perception in investment decisions. It also, suggests that women's cautious approach may limit severe losses.

4.Data and Methodology

This study is based on a primary survey conducted with 100 respondents from different formal sector working women, including faculty in higher education institutions, IT employees, professional doctors, lawyers, etc., in Chennai city, Tamil Nadu. It examines the structural barriers in modern investments and discusses the dynamics of interest and risk appetite among women in different professions. A questionnaire was developed, focusing on the demographic background, financial literacy, education, risk-bearing ability and mindset of respondents in the selected city. The study adopted a qualitative and quantitative approach to analyse the collected data. The findings are presented through graphical representations and chi-square analysis, which highlight the barriers and challenges faced by women in entering stock market investment and also analyse the level of autonomy they hold in making investment decisions. The theoretical frameworks of Gary Becker's "Human Capital Theory" and James Tobin's "risk theory" together guide the analysis.

5. RESULTS AND DISCUSSION

5.1 Demographics

Table 1: Qualification

Education	No. of Participants
Matriculate	20
Under Graduate	21
Post Graduate	55
Others	4
Total	100

Source: Primary Data

From the table, it is evident that women with higher educational attainment invest more than women with lower levels of education. Higher education enhances financial literacy, which in turn enables women to make independent investment decisions with greater confidence.

Table 2: Income

Income	No. of Participants
Below 2,00,000	4
2,00,001 - 4,00,000	18
4,00,000-6,00,000	21
6,00,001 above	57
Total	100

Source: Primary Data

Here, higher income levels are associated with greater investment. Women with higher incomes tend to invest more, whereas women with average incomes prefer to save a larger proportion of their earnings rather than invest.

5.2 Chi-Square analysis to analyse the factors determining the level of autonomy of women in stock market investment decisions

		Who makes the final decision regarding which stocks or funds to buy/sell?					
		I decide independently	I decide with suggestions from others	Joint decision with spouse/family	Someone else decides for me	Total	
Education	Matriculate	Count	0	5	0	0	5
		Expected Count	1.0	3.3	.3	.5	5.0
		% within Education	0.0%	100.0%	0.0%	0.0%	100.0%
		% within Who makes the final decision regarding which stocks or funds to buy/sell?	0.0%	7.7%	0.0%	0.0%	5.0%
Others		Count	0	0	0	5	5
		Expected Count	1.0	3.3	.3	.5	5.0
		% within Education	0.0%	0.0%	0.0%	100.0%	100.0%
		% within Who makes the final decision regarding which stocks or funds to buy/sell?	0.0%	0.0%	0.0%	50.0%	5.0%
Post Graduate		Count	15	15	5	0	35
		Expected Count	7.0	22.8	1.8	3.5	35.0
		% within Education	42.9%	42.9%	14.3%	0.0%	100.0%
		% within Who makes the final decision regarding which stocks or funds to buy/sell?	75.0%	23.1%	100.0%	0.0%	35.0%
Under Graduate		Count	5	45	0	5	55
		Expected Count	11.0	35.8	2.8	5.5	55.0
		% within Education	9.1%	81.8%	0.0%	9.1%	100.0%
		% within Who makes the final decision regarding which stocks or funds to buy/sell?	25.0%	69.2%	0.0%	50.0%	55.0%
Total		Count	20	65	5	10	100
		Expected Count	20.0	65.0	5.0	10.0	100.0
		% within Education	20.0%	65.0%	5.0%	10.0%	100.0%
		% within Who makes the final decision regarding which stocks or funds to buy/sell?	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	77.473 ^a	9	.001
Likelihood Ratio	60.073	9	.001
N of Valid Cases	100		

a. 11 cells (68.8%) have expected count less than 5. The minimum expected count is .25.

		Who makes the final decision regarding which stocks or funds to buy/sell?					
			I decide independently	I decide with suggestions from others	Joint decision with spouse/family	Someone else decides for me	Total
Annual Income	2,00,001 - 4,00,000	Count	5	55	0	10	70
		Expected Count	14.0	45.5	3.5	7.0	70.0
		% within Annual Income	7.1%	78.6%	0.0%	14.3%	100.0%
		% within Who makes the final decision regarding which stocks or funds to buy/sell?	25.0%	84.6%	0.0%	100.0%	70.0%
	4,00,000-6,00,000	Count	15	10	5	0	30
		Expected Count	6.0	19.5	1.5	3.0	30.0
		% within Annual Income	50.0%	33.3%	16.7%	0.0%	100.0%
		% within Who makes the final decision regarding which stocks or funds to buy/sell?	75.0%	15.4%	100.0%	0.0%	30.0%
Total		Count	20	65	5	10	100
		Expected Count	20.0	65.0	5.0	10.0	100.0
		% within Annual Income	20.0%	65.0%	5.0%	10.0%	100.0%
		% within Who makes the final decision regarding which stocks or funds to buy/sell?	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Tests

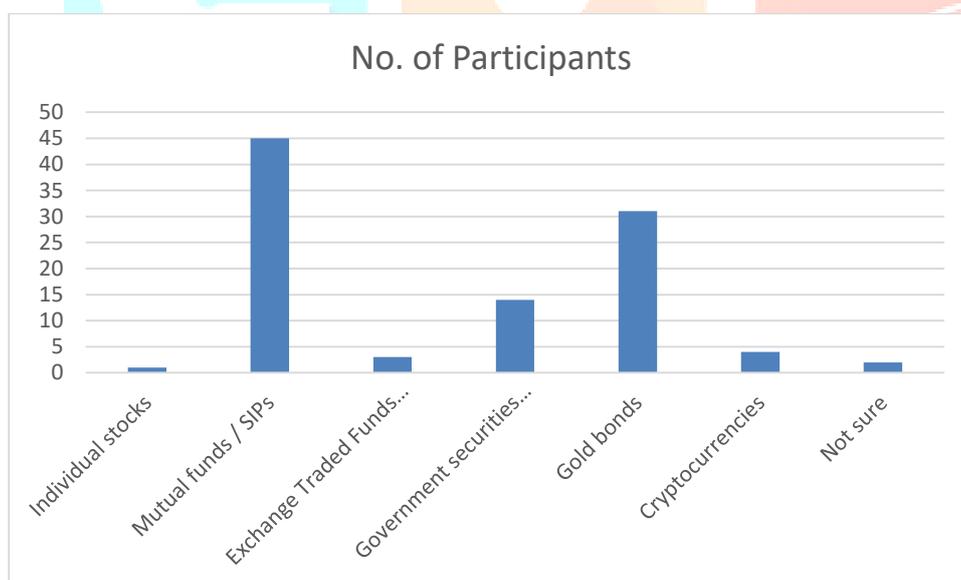
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	41.850 ^a	3	.001
Likelihood Ratio	43.867	3	.001
N of Valid Cases	100		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.50.

The chi-square test results reveal a significant association between women’s education level, income and their autonomy in stock market investment decisions, where their p-value is less than 0.005. Higher levels of education and income improve women’s independence in decision-making.

5.3 Investment Patterns of Working Women in Chennai

Graph 1: Types of Investments

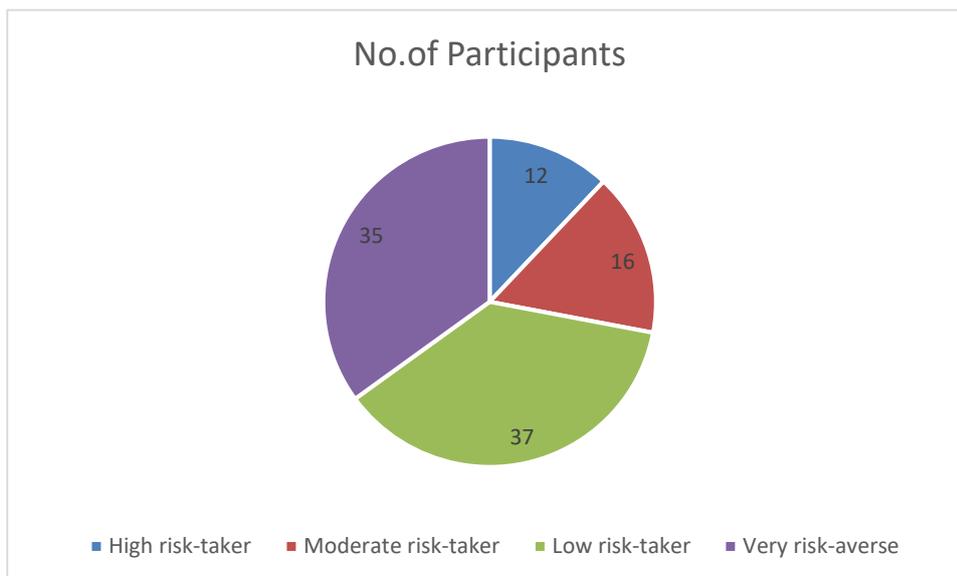


Source: Primary Data

Women investors predominantly favour safe, long-term, and less risky investment options, while participation in high-risk and market-driven instruments remains limited. This pattern may be influenced by factors such as risk aversion, financial literacy, income stability, and decision-making autonomy.

5.4 Risk Appetite of Women Investors

Pie Chart 1: Risk-Taking Ability of Women Investors



Source: Primary Data

The majority of women exhibit low risk-taking behaviour due to fear of financial loss, limited financial security, family responsibilities, inadequate knowledge and awareness, prior investment experiences, and reliance on advice from others.

6. Findings and Analysis

The findings indicate that a few participants, particularly those from the teaching profession, exhibit extreme risk aversion in their investment behaviour. This tendency is more pronounced among women above the age of 40, who show greater hesitation in investing in instruments with uncertain or volatile returns. Such cautious behaviour can be attributed to concerns about capital preservation and long-term financial security. In addition, the study reveals that women face a lack of adequate family support, which significantly influences their participation in stock market investments. This lack of support often constrains their autonomy in financial decision-making, limiting their ability to independently choose investment avenues.

However, the analysis also highlights that women's autonomy in stock market investment decisions is strongly associated with their level of education and annual income. Women with higher educational attainment and greater income levels demonstrate increased confidence and independence in making investment decisions. Education enhances financial literacy and awareness, while higher income provides greater financial security, both of which reduce risk aversion. With respect to investment preferences, women predominantly favour low-risk and stable return instruments, such as paper gold, government securities, mutual funds, and bonds. These investment choices reflect a preference for safety, capital protection, and predictable returns rather than high-risk, high-return options.

7. Policy Recommendations

(i) Promote a Women-centric investment advisory service

To establish, female Financial advisors can encourage enhancing comfort, trust, and participation among women investors by providing unbiased and transparent investment assistance.

(ii) Support women empowerment through income enhancement

Policies aimed at improving women's employment opportunities, wage parity, and income stability will indirectly enhance their autonomy in financial decision-making. Higher and stable income levels increase women's capacity to invest and diversify their portfolios.

(iii) Scale up Legal and Institutional Support for Financial Autonomy

Policymakers should ensure that women have independent control over bank accounts, demat accounts, and investment decisions, free from family or social constraints. Legal safeguards can reinforce women's financial rights.

(iv) Role of Educational Institutions

Universities and colleges should incorporate financial education and investment awareness modules into curricula, even in non-commerce departments, so that everybody can acquire basic financial knowledge, especially in women's colleges, to cultivate early exposure and confidence in financial markets.

(v) Role of Government

The government may consider tax incentives or matching contributions for women investors investing in long-term financial instruments such as mutual funds, pension schemes, and government securities to encourage sustained participation.

8. Concluding Remarks

This research highlights the importance of women's participation in stock market investment and explains the role of education, income, and financial awareness in shaping their investment behaviour. The findings reveal that women with higher levels of education and income exhibit more autonomy in investment decision-making, reflecting improved confidence, financial literacy, and independence. However, their investment pattern indicates a strong preference for low-risk and secure instruments such as mutual funds, gold bonds, and government securities, while direct participation in equities and high-risk assets remains limited.

The analysis also points to persistent challenges, including risk aversion, limited financial knowledge, and socio-cultural constraints, which continue to influence women's investment choices and restrict diversification. Despite growing access to digital platforms and financial products, many women remain cautious in their engagement with the stock market.

Hence, enhancing women's participation in capital markets requires a comprehensive approach that combines financial education, income empowerment, institutional support, and gender-sensitive policies. Strengthening these areas can promote gender equality, financial autonomy, encourage sensible risk-taking, and enable women to make informed investment decisions, thereby contributing to inclusive economic growth and long-term financial security.

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