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OBSERVATION, CONCLUSION
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OBSERVATION, CONCLUSION AND RECOMMENDATION

6.1. Introduction:

Coming to the end part of the whole study, an effort has been made to find out some suggestions for improving the savings and investment habits of rural women. This is the last and important part of the study. This chapter is based on the previous chapter i.e. data analysis and interpretation. On the basis of data analysis researcher come to know some important factors which are related to savings and investments of rural women. Also on the basis of data collection and interpretation researcher found some valuable traits of rural women as investor and that are put by researcher as observation. Each and every observation has reference of appropriate table no. In this chapter researcher has also tried to come to some conclusions on the basis of observations. Each conclusion has reference of observations made by the researcher. Last part of this chapter is suggestions/recommendation of researcher on the basis of data collected and all the observation he made during the study period. While interacting with the rural women respondents, several suggestions from their side come up for the betterment of saving and investment climate. This chapter includes recommendations for women, for government and for financial agencies respectively.

6.2. OBSERVATIONS BASED ON STUDY

1. Nearly 49% of rural women are agree with the different aspects of financial planning such as right kind of insurance, right approach of investment, and security of life through healthy spending pattern.

   This means that there is right understanding of importance of financial planning among rural women.

   (Ref table no. 5.2.1.1.)

2. Nearly 16% women agreed that personal financial planning should involve adequate record keeping system,35% agreed with development of a sound yearly budget of expenses and income.
Whereas only 6.7% women replied that, for maximization of returns there is need of regular examination of investment plan. Out of the total, 42% respondents agreed with the various benefits of financial planning which have earlier.

This means there is a significant awareness & low rate of understanding about financial plan.

(Ref table no. 5.2.1.2.)

3. Very few respondents (6.7%) agreed with importance of designing of right portfolio to maximize returns. This means that they are unaware of right financial planning also they lack knowledge of financial systems.

(Ref table no. 5.2.1.2.)

4. According to only 35% of woman, develop a yearly budget of expenses and income and establishing adequate financial record keeping systems are important factor of financial planning.

(Ref table no. 5.2.1.2.)

5. Nearly 46.7% of women respondents think that net worth is nothing but the difference between expenditure and income. This means there is absence of right understanding of important concept related to financial planning such as net worth. This is basically because of most the respondent fails in to recognize the right concept of income & expenditure whereas it is difference between assets and liabilities.

(Ref table no. 5.2.1.3.)

6. Very few respondents replied that net worth is difference between cash inflows and cash outflows. Whereas only 5% women replied that it is difference between bank borrowings and savings. This means that a majority of respondents fails in to the write understanding of concept like cash inflows and outflows, bank borrowing and savings etc.

(Ref table no. 5.2.1.3.)
7. When data collected regarding the different views of respondents regarding liquidity of assets, nearly 50% of the women replied that money in saving or current a/c are more liquid than that of fixed deposit in bank, a car, a house etc. this means that rural women are significantly aware about the investment options, which will give them liquidity at very great extent. Also concerning the liquidity rural women found capable to segregate every investment option.
   (Ref table no. 5.2.1.4.)

8. Majority(77.3%) of the respondents replied that, investor can not withdraw his money for the first year, once invested in mutual fund. This means that rural women have lack of knowledge about the liquidity aspect of mutual fund.
   (Ref table no. 5.2.1.5.)

9. Nearly 75% of the women replied that, through mutual fund money can be invested in both stock and bonds. This means that, rural women have sufficient knowledge about mutual funds schemes.
   (Ref table no. 5.2.1.5.)

10. Nearly 76% women replied that they can get guaranteed return through mutual fund which will depend on past performance of that particular mutual fund. It means there is absence of write understanding & knowledge about risk and return theory of mutual fund.
    (Ref table no. 5.2.1.5.)

11. Nearly 47% women replied that buying a share from a company means own a part of that company. Whereas according to 33% women, to buy a share of a company means to lend money to that company, 14% said that it creates liability for us, and 5% fails to reply about shareholding. This means that there is no significant and sufficient knowledge about stock of the company.
    (Ref table no. 5.2.1.6.)
12. Nearly 45% respondent replied that stock market brings people together, 26% replied that stock market results in an increase in the price of stock, 10% have opinion that stock market helps to predict stock earning, and 19% respondents remain neutral as they didn’t answer anything. This means that rural women are not totally aware of the working process of stock market. There is need to develop and acquire knowledge regarding stock market.

(Ref table no. 5.2.1.7.)

13. Out of the total respondents only 68% respondents could give correct answer regarding question of working day of share market. As share market work only for 5 day in a week that is from Monday to Friday. This means that there is a need to increase the knowledge about stock market.

(Ref table no. 5.2.1.8.)

14. Nearly 36% respondents could answer about of working hr. of stock market.

15. It means that, there is lack of knowledge about stock market trading. Whereas stock remains open in between 9.15 to 3.30., and the investors and trader can perform there in this time period.

(Ref table no. 5.2.1.9.)

16. Nearly 53% women replied that they will consider real estate as most profitable avenue compared to saving a/c, bonds, shares.18% women think shares and 9% think bonds can give highest return in long term (10 to20 years).

17. This means that rural women have conservative approach toward investment decision taken by them for long period of time. As they think that the prices of real estate are rising day by day they are ready to invest in real estate though there are various options which can
prove as more profitable compare to real estate. So there is need to acquire knowledge about other avenue.

(Ref table no. 5.2.1.10.)

18. Considering fluctuation rate of various avenues, according to 39% of women share have more fluctuation compared to saving a/c, bonds, and any other. This means that rural women are more aware about stability aspect of investment options, and they think that shares could not give them stability when it compared to saving account and bonds.

(Ref table no. 5.2.1.11.)

19. Nearly 45% women respondents replied that diversification can decrease risk involved in total investment, whereas 34% women respondent cannot answer for this. This means that, rural women are not significantly aware about importance of diversification in growth and protection of investment portfolio. As there is necessity of wide diversification when investor do not understand what they have to do in the beginning of investment.

(Ref table no. 5.2.1.12.)

20. Majority of respondent (64%) knows about SIP which is available for investment in shares.

68% respondents replied that if you buy/sale securities through stock exchange, it is called as online trading.

When we come to the liquidity aspect that is lock in period of investment, according to 62% investors lock in period prevents insiders/investors from selling their shares for a certain period of time.

According to 64% of respondents NAV is considered as measure of performance for mutual funds.

It means that no. of women from rural area are able to understand the concept like SIP, online trading, lock in period& NAV. But still there is huge block of women have lack of knowledge about all these concepts.

(Ref table no. 5.2.1.13.)
21. Majority of women replied that (74%), maintaining adequate financial records, habit of spending less than your income, maintaining adequate insurance coverage are important with planning and implementing a regular investment program. Only a few women (26%) are not agreed with these views.

This means that rural women have significant approach toward financial record; also they are aware of importance regarding good habit of savings and investment. Rural women have high rate of understanding of insurance policies. Rural women found agree with importance of investment program which enable them to create wealth and helps them in finding opportunities.

(Ref table no. 5.2.1.14.)

22. Majority (88%) women replied that buying company shares usually provides a high return than a mutual fund investing in shares.

This means that rural women are aware about profitability of shares. They are able to differentiate between mutual fund and shares.

(Ref table no. 5.2.1.15.)

23. Nearly 94% Women replied that, shares are normally riskier than bonds. This means that rural women have knowledge about theory of risk and return. This approach shows that there is need to develop wide approach regarding each and every avenue of investment.

(Ref table no. 5.2.1.15.)

24. Nearly 87% Women opinioned that once we invest in real estate, money will lock for long period. This means that women are aware about the liquidity position of real estate. Women agreed that those who have patience can only invest in real estate.

(Ref table no. 5.2.1.15.)
25. Nearly 86% women replied that if there is higher return, there is definitely high risk attached with it. This means that rural women very well know that decision regarding investment must be based on study of risk factors related to investment avenues.

(Ref table no. 5.2.1.15.)

26. Nearly 90% of the women opinioned that, we should considered past experience while investing in any avenue in future.

(Ref table no. 5.2.1.15.)

27. Women replied about their current investment and they have currently invested preferably in insurance (26%), bank deposits (18%), and gold/silver (16%), compared all other avenues like share (5%), NBFC (0%), mutual funds (5%).

Rural women show awareness regarding insurance. It also depict that even though the rate of gold/silver are increasing day by day women are interested to invest in these investment avenues. Bank deposits are considered as the most secured investment avenue.

(Ref table no. 5.2.1.15.)

28. Women investors more inclined towards gold/silver having 1\textsuperscript{st} rank with 92% of total investment, real estate having 2\textsuperscript{nd} rank with 86.7% of total investment, insurance have third rank with 84% of total investment, bank deposit having 4\textsuperscript{th} rank with 83.3% of total investment and shares having 5\textsuperscript{th} rank with 67.3% of total investment.

Whereas women are not going to prefer NBFC, pathsantha, NSC, debentures, mutual fund etc.

(Ref table no. 5.2.2.2.)

29. Researcher observe that women take advise or recommendation mostly from friends & family members (73%) and only 20% of the women prefer publish performance ranking to choose investment avenue. Web sites, financial adviser, business associates are less preferred by women for choosing Investment Avenue.
It means that respondents believe more on advice by people and less by other media.

(Ref table no. 5.2.2.3.)

30. According to majority of women investment performance track record and confidentiality are most important parameter, whereas balance portfolio, charity record/community service and mgt fees are less important.

It means that women want to save and invest their money on the basis of confidentiality and performance track record of avenue. From women’s point of view management fees, charity record, balance portfolio has less importance.

(Ref table no. 5.2.2.4. p.)

31. Information source use by the respondent are C.A, portfolio manager and accountant rather than the banker, stock broker and estate planner.

It means that rural women give more weight age to the most qualified person while they think about source of information.

(Ref table no. 5.2.2.5.)

32. Nearly 87% women replied that they will prefer invest in shares and mutual funds, if they get time to process information regarding investment. It means that time is important factor while investing in shares and mutual funds.

(Ref table no. 5.2.2.6.)

33. More than ¾ of respondents replied that while investing in real estate one should fully satisfy oneself about clear title of property. This means that there is a significant awareness among women about real estate.

(Ref table no. 5.2.2.7.)
34. According to 66.7% women bank deposit is better option of investment as it doesn’t affect by changes in financial market. This means that potential of women in rural area is limited to bank deposit as according to them it is more stable, secured option.

(Ref table no. 5.2.2.7.)

35. According to 68% women’s, services of financial adviser should be taken before investing in shares/bonds/ debenture/mutual fund. This means that women investor adopt prudent approach toward investment decision. Women think that services by financial adviser can give them more return, safety, and liquidity.

(Ref table no. 5.2.2.6.)

36. Nearly 34% of respondents replied that investing in mutual fund require less information compared to share. This implies that there is absence of knowledge among women regarding the data required related to mutual fund and shares.

(Ref table no. 5.2.2.6.)

37. Out of the total respondents 75% agreed that, selection of suitable insurance plan can provide good return and adequate coverage. This means there is a significant awareness among women regarding insurance policy. Women believe in balance portfolio.

(Ref table no. 5.2.2.6.)

38. Majority of women (81%) replied that while allocating fund in investment, return, liquidity and risk are equally important factor which should be considered by investors.

(ref table no. 5.2.2.6.)

39. Women (69%) are also agreed that according to risk bearing capacity, some fund must be invested in high return investment avenue. This means that rural women think that there must change in investment criteria concerning the individual personal risk bearing capacity.
40. Majority (68%) women are agreed that, anyone can get good return if there is availability of professional services and financial planning.

(Ref table no. 5.2.2.6.)

41. It is observed that when the rural women go for savings, they are guided by some important reasons. Several reasons are cited but summing up, there are four; safety, security, return and liquidity. It is clearly indicate the main reason of savings by women in rural area.

(Ref table no. 5.2.2.7.)

42. All the respondents are age group of 18 to 65, qualification of them is in between S.S.C to P.G. Out of total respondents (94%) comes in to income level of above Rs.4000 to Rs.40000 and few (6%) of them earn above 40000. Means all the respondents are segregated in different earning capacity. Earning source of them or professions is also different as salaries, business and professions.

(Ref table no. 5.2.3.)

6.3. CONCLUSIONS BASED ON STUDY

1. In this study it is noticed that there is an absence of right understanding of financial planning. However almost all the respondents feel and agreed with the presumption that there is a need of appropriate planning.

As an investor they agreed that the financial planning can help them in to meet their future fund requirement they also feels that with financial planning they can enjoy security of life and can change their spending pattern.

(ref.obs.no.1).
2. In this study it is noticed that majority (60%) of rural women are not significantly aware about the importance of financial planning as they are not completely agreed with the importance of adequate record keeping, yearly budget of expenses and income and examination of investment plan.

(ref.obs.no.2,3,4).

3. Net worth is the concept which is applicable to both individual and business. Increase in net worth indicates good financial health. But rural women are not aware about this important concept. So, Because of this unawareness rural women are not able define their individual financial status and they cannot choose the right avenue.

(ref.obs.no.6,7,8).

4. In this study it is noticed that Women investors have not significant knowledge about liquidity of mutual fund. As the liquidity may be based on type of fund prefer by the investor.

(ref.obs.no.8).

5. From this study it is noticed that there is a variation in the views of rural women regarding the liquidity, profitability and stability of investment avenues.

(ref.obs.no.9,10,11).

6. In this study it is noticed that rural women have no significant knowledge about company shares as only few women can answer about the ownership of share.

(ref.obs.no.12).

7. In this study it is noticed that rural women do not have satisfactory knowledge about the operating /working process of stock market.

(ref.obs.no.13,14,15).
8. In this study it is noticed that considering a long period of time (10 to 20 years) women investors feel that to get maximum return real estate is better option compared to shares and bonds. It shows that women still very conservative in their approach and we can also find there pattern of investment which is still very restricted.

(ref.obs.no.16).

9. In this study it is noticed that rural women choose saving a/c, and bonds rather than shares. This means that rural women are more aware about stability of return.

(ref.obs.no.17).

10. In this study it is noticed that Rural women trust in to diversification of fund to decrease the rate of risk which could be avoid.

(ref.obs.no.18).

11. In this study it is noticed that Most important concepts like NAV, lock in period, online trading and SIP are still not completely understood by all the rural women who are investors and saver.

(ref.obs.no.19,20,22,23).

12. In this study it is noticed that Women investors are still not ready to think widely. Rural women replied that shares are more profitable than mutual funds, though there is risk factor associated with shares which can affect the profitability of shares.

(ref.obs.no.24).

13. In this study it is noticed that Women investors have significant awareness but not satisfactory understanding of lot of things related to investment such as rate of return, risk factor, lock in period of investment, risk and return relationship and profit related to past experience of investment.

(ref.obs.no.25-29).
14. In this study it is noticed that Women investors have conservative approach as we can see their current investment is in the insurance, gold/silver, bank deposit. This means that rural women prefer safety while they invest in anything. Women investors still not ready change their approach.

(ref.obs.no.31)

15. In this study it is noticed that existing investor’s philosophy need to be reoriented Women investors are still not ready to invest in shares, debenture, NBFC which are also profitable, secure and liquid investment avenue.

(ref.obs.no.31)

16. In this study it is noticed that Women investor more inclined toward gold/silver, real estate, insurance, bank deposits compare to any other modern avenue.

(ref.obs.no.30)

17. In this study it is noticed that that women like to take advice from friends & family members and only few women prefer public performance ranking to choose Investment Avenue. On the other hand most of them neglect websites,financial advisor,and business associate.

(ref.obs.no.32)

18. In this study it is noticed that while making investment confidentiality and investment performance track record are parameter mostly prefer by women.

(ref.obs.no.33)

19. In this study it is noticed that Parameter such as balance portfolio, charity record/community service and mgt fee have not prefer by rural women.

(ref.obs.no.33)
20. In this study it is noticed that Women investors rely on C.A., portfolio manager and accountant rather than stock broker and estate planner.
   (ref.obs.no.34)

21. In this study it is noticed that rural women will raise their investment in share and m.f if they get time to process the information. It means that women investor must try to develop their skill for future investment
   (ref.obs.no.35)

22. In this study it is noticed that Women investors have significant awareness regarding real estate. As the rural women are investing in real estate they have opinion that the investment must be depending on clear title of property.
   (ref.obs.no.36)

23. In this study it is noticed that to get stability and decrease the level of uncertainty women investors choose bank deposits. This means that women feel that bank deposits can give fix and safe return.
   (ref.obs.no.37)

24. In this study it is noticed that Women have tendency to trust on financial advisor when they think to invest in shares/bonds/Mutualfund/etc.
   (ref.obs.no.38)

25. In this study it is noticed that rural women have tendency to take such type of insurance plan which will give high return, adequate coverage. It means that according to women risk and return are simultaneously important.
   (ref.obs.no.40)

26. From analyzing the main reasons for rural women savings, an effort was also made here to understand why some rural women had only small savings or not made any. The reason of this important question is
behind their educational background and mainly low earning capacity. These are the two basic factors which limits their potential for savings and investment.

(ref.obs.no.40)

6.4. RECOMMENDATIONS BASED ON THE STUDY

1. The rural women should develop proper plan which will help them in to their short or long term investment decision making.

(Reference conclusion no.1)

2. Financial planning can only enable the creation/increase the wealth, it can provide opportunity for saving/ investment of women. So, the importance and awareness of financial planning should increase in rural women at great extent.

(Reference conclusion no.2)

3. The rural women should take proper training through the government and non-governmental agencies before starting an economic activity which will help to maintain liquidity, profitability, and safety at optimum level.

(Reference conclusion no.3)

4. Various government schemes like PMRY, KVIC, SGSY etc. Are only meant to help the poor people, particularly the rural poor to augment their household income thereby increasing rural saving and its investment. Therefore, their proper utilization and its prompt repayment as and when it became due are the mantra for economic upliftment of the rural poor. Also with this rural women must understand the basic concept related to investment that is NET WORTH, which will help them in understanding their financial status.

(Reference conclusion no.4)
5. The selected rural respondents should try to develop the intellectual property of their own it will expand the knowledge and develop investment skill, thereby understand the significant aspect like liquidity of assets and Investment Avenue.

(Reference conclusion no.5)

6. Every women respondent should acquire knowledge of mutual fund as there is a need to rethink about investment in mutual fund as no satisfactory reply have found by rural women.

(Reference conclusion no.6,7,8)

7. Very conservative approach have found by researcher. So, women’s approach toward the investment should change. It may happen with the operational knowledge of share market.

(Reference conclusion no.8,9,14,15,16)

8. There must be change in the pattern of investment which looks very conservative. As women from rural area are inclined toward gold/silver which is a indicator of rising of dead investment.

(Reference conclusion no.9,12 to 16)

9. Women must know enough about each and every option of investment. Whether it is share market, mutual fund or bond to increase the overall rate of saving in to that.

(Reference conclusion no.9, 12 to 16)

10. There is very low source of education of finance which will increase financial literacy in rural women which can help them to make the concept clear like NAV, lock in period, SIP etc.

(Reference conclusion no.11)
11. Women must intend to invest in share market to get more return on the basis of their present knowledge and proper training.
   (Reference conclusion no.13, 18, and 21)

12. The existing investor’s philosophy need to be reoriented by proper education so that they come to understand the role of saving for economic development of their own.
   (Reference conclusion no.15, 16, 17, and 19)

13. There is additional risk factor involved in gold as thousands of cases are launching in the police stations regarding gold chain snatching. Rural women must take in to consideration the making charges and maintenance charges of gold ornaments which frequently have to bear by owner.
   (Reference conclusion no.16)

14. Rural women must prefer estate planner with C.A. and portfolio manager as they can guide women regarding real estate.
   (Reference conclusion no.20 and 21)

15. There is a need to focus on various parameters such as balance portfolio, charity record, and management fees etc. which can also influence decision regarding investment.
   (Reference conclusion no. 18, and 19)

16. For investing in shares/bonds/mutual fund, women can get help from portfolio manager, tax consultant also. Rural women must think about these options instead of relying only on financial advisor.
   (Reference conclusion no. 38)
17. Rural women must have to save and invest for their personal purpose but with this objective they should not forget about growth and development of nation.

General suggestions to the government and non-government financial agencies

The financial motivating agencies are not found in the rural area in exception of post offices and commercial bank, thereby resulting in to depending on traditional way for saving and its investment. Financial institutions should come forward to mobilize resources from rural women.

Design appropriate saving schemes suitable for the poor women; these are valued, and they are an important source of mobilizing funds at rural levels.

Banking and insurance service should be available near to the rural area.

The rural women need to be properly educated so that they come to understand the role of saving for the economic development of their own. There should be coordinated efforts by all, particularly the government for developing the saving habits of the women.