



**A Study on Impact of Behavioural Finance on the Investment Decision of Single Working Mother in Maharashtra State**

**Dr. Archana M. Pandagale<sup>1</sup>, Dr. Pradeep S. Ohol<sup>2</sup>, Dr. Prashant V. Tope<sup>3</sup>**

Academic Coordinator, School of Commerce & Management Yashwantrao Chavan  
Maharashtra Open University, Nashik<sup>1</sup>

Academic Coordinator, School of Commerce & Management Yashwantrao Chavan  
Maharashtra Open University, Nashik<sup>2</sup>

Academic Coordinator, School of Commerce & Management Yashwantrao Chavan  
Maharashtra Open University, Nashik<sup>3</sup>

**Abstract**

The aim of the research study find the impact of behaviour finance on the investment decision of single working mothers in Maharashtra State. The survival of single working mother who normally doesn't have any potential sources in their family. The decision which they take must be trustable one and can't give another chance. This research one of the ways to evaluate the effect of behaviour biases in investment decision making to single working mothers. The present era women have started actively involved in investing their surplus money, while it all based upon several constant such as degree of their risk-taking ability, effect of family members and friends and the issue to get exposed to Standard and innovative Investment approach. But single mothers have high risk challenges of investment. The single working younger mothers have developed their investment plans. This research highlighted on single working mothers investors 'risk-taking capability and Decision Making Capacity is depend upon their level of income and source of income'. This study Conducted in the Need to understand the saving and investment pattern of single working mother. Study highlighted to the marital status of single working mothers i.e. married, unmarried, divorced, widow and Separated.

**Introduction**

The Behavioural Finance theory is however to have a lot of saying when it has comes to examine property investments. Psychologically biases effect investor behaviours and rate of asset price appropriating to behavioural finance investors use previous results to calculated recent stock market presentation. They don't have all asset forms. When they determine, investors angles will make different as they compare timely frequent changes. In supplementary to that stint buying stock, investors act truculent because they believe they can make eloquent profit. Investor who doubt on the other hand, can only buy low amount of stock.

This research aim of decide the impact of behavioural biases on a single working mothers decision making and risk taking capability. It is a noted phase in the Stock Market for investment options overall world. Behaviour finance is the study affected on psychology and sociology on financial promoter's behaviours. It is necessary to inspect why people negotiate Stock without doing market research when making investment decisions.



The study analyse the impact of marital status an investment performance. The finance play vital role of everyone's life. And investment is an tool that word. Everyone therefore single and married wants to be financially self- sufficient as they want for secured an investment which helps them to collect more cash. This research acknowledge that living single is more benefited as they are free to take financial decisions. While the biggest issue for the married is that they need to explain every financial plan with their family.

The study highlighted to the marital status impact of financial investment and financial decisions making of individuals. The different common way of comparing the different kinds of female investors like single, married, divorced and separated mother parets. The investment plan of the short term income plan, long-term income plan, guaranteed income plan, life cover, Mutual funds, PPF, Small Saving Scheme, fixed deposit or Liquid funds etc. A construction and consistent investment plans will help them achieve their life goals and secure the financial future of their children's. Single working mother keep balance multiple responsibilities and challenges. They have anchor the family, manage a career and take care of the children. Among the daily activity single working mother need to get their financial planning right to secure their children's lives as well as their own future.

The present era investment behaviour of single working mother parent is important. The Single working mothers faced so many challenges of their having money in arrange can help ease the situations. Find a hold on their finances can make the expedition easy and smoother because the present investment is done. Saving of single working mothers are invested in asset turn on their risk and return, liquidity, safety and demands are accessible approach for investment, several financial organizations. it is principle of study the how they conduct to save their money and invest in the long term and short term future so they explain and set their financial goals and The single working younger mothers have developed their investment plans. This research highlighted on single working mothers investors 'risk- taking capability and Decision Making Capacity is depend upon their level of income and source of income'. This study Conducted in the Need to understand the saving and investment pattern of single working mothers.

### **Review of Literature**

The aim of the paper is to analyse behavioural finance theory objectively and to define property issues for behavioural analysis. The indication that the market is incompetent or at best only weak-form efficient, suggests that assets investors do not always hold on to rationality and are unfair by emotions. Hence, Behavioural finance theories are thought to have a lot to say when it comes to evaluating property investments. Psychological biases affect shareholder behaviour and asset prices, according to behavioural finance Investors use historical results to consider current stock market performance. They do not have all asset forms. When deciding, investors' perspectives will alter as they compare periodical changes. In addition to that while buying stock, investors act aggressively because they believe they can make a significant profit. Investors who lack trust, on the other hand, can only buy a small amount of stock.



Examine a study on marital status and Investment preferences. The focus of this study is to analyse the impact of marital status on investment preferences. Finance plays a very important role in everyone's life and investment is an instrument that drives. Everyone whether single or married wants to be financially independent as they go for secured an investment which helps them to accumulate more wealth. The study reveals that being single is more advantageous as they are free to take financial decisions. While the biggest challenge for the married is that they need to discuss every financial plan with their partners. The study has revealed that there is a significant impact of marital status and gender on the investment behaviour of individuals. Both men and women respond to risk differently and women when compared to men are more risk-averse as per their behaviour. The study also focuses on divorced and widowed individuals who encounter a major change in their lives when they become single. One of the biggest challenges they face in this situation is to re-evaluate their long-term investment strategies to meet financial goals and needs. It becomes necessary for them to cope up with emotional stress before facing financial stress if any. Planning for future financial plans like retirement, health care, long term investment and children education comes into the context. **Rana and Vibha (2017).**

Aim of the study on effects of marriage and divorce on financial investments. The study focuses on how the changes in marital status impact the financial decision making of individuals. As an alternative to the traditional approach of comparing different kind of investors like singles, married, and divorced, the study focuses to use a difference-indifference opinion strategy to compare individuals (before and after marriage) with that of the level of investors to study the differences as well as various related aspects. The investigation is also to know about the count of people who go for the stock market and also those who prepare risk portfolios. As per the findings, it was revealed that women tend to invest more in stocks after marriage while they decrease it when they are divorced. While on the other hand men invest less in stock after marriage and will increase their investment when they are divorced. The study also investigates the impact of gender and marital status on portfolio allocations by comparing one group of investors. **Christiansen, Joensen, and Rangvid (2011).**

Examine a study on investment awareness among Indian working women with special reference to Pune city. The objective is to study the investment behaviour and pattern of Indian working women in different sectors in Pune city and also to know their risk-bearing ability while investing. The study focuses on different social demographic variables which are dependent on each other. Women wish to be economically independent and secured to complete their upcoming needs. As the life suspense of women is moderately high when compared to men, it becomes important for them to plan their investments carefully to sustain their lifestyle throughout. It is seen in metro cities that the women are career-oriented and hence prefer not to get married and adopt children to become single working mothers. In such a situation, it becomes necessary for them to be financially independent to fulfil their needs as well as the needs of a new child. While it comes to divorced people, it is seen that the rate is increasing day by day and hence it is necessary for them to be financially independent as well



and also to have sound investment to secure their future needs. The paper also reveals about women not being risk-averse while making investment decisions. They educate themselves about various avenues but invest in few comparatively, so it is important for them to take bold decisions while investing. **Vasagadekar (2014)**

### **Research Methodology**

Rational Techniques of based on Qualitative Data.

### **Qualitative Method**

This research method basically used to state their Problems and Risks, Thoughts, and Experiences. It is given details of human behaviour. The highlighted Causes of questions why and how.

### **The Qualitative Method is under the followings**

Generally qualitative based data collected from literature reviews, interviews of responses, observation and Questionnaire.

### **Scope of the Study**

The Aim of study highlighted on Investment and Saving Pattern, Risk- taking Capability and Decision Making Capability and which factors affected on investment strategy of the Single earner mothers population in Maharashtra State selected Districts of Aurangabad, Pune, Nasik, Nagpur and Mumbai.

### **Objectives of the Study**

1. To find out single working mothers awareness and Perceptions regarding several investments approaches
2. To identified investment plans of single working mothers.
3. To Analyze the study encourage the single mothers to do saving and Investments.
4. To find the Risk-taking capability of Single working mothers.
5. To know the ways of investment of single working mothers in Maharashtra.
6. To know the impact of behavioural finance on the investment decision of single working mothers.

### **Hypothesis of the Study**

### **Data Collection**

The research is based on primary as well as secondary sources.

### **Primary data:**

For the purpose of the study primary data was collected with help of the Well-structured questionnaire, field survey, Interview with the customers and bank offices.

### **Secondary Data:**

Secondary data was collected from the Government publications, Journals, Books, Magazines, Articles, Banking website, Research studies and other relevant documents, various banks reports.



### **Sampling Design**

Researcher has used sampling method of Judgmental, Selective and Subjective sampling because when we define Specific types of samples. These Techniques of sampling also known as purposive sampling Techniques.

### **Target Population**

This research is focused on all the Single Working Mothers in Maharashtra states in selected districts i.e. Aurangabad, Pune, Nasik, Nagpur and Mumbai.

### **Sampling Frame**

#### **Questionnaire Method**

Research has Frame Questionnaire and gets their responses personally.

#### **Sample Size**

The researcher will be 200 samples of single working mothers.

#### **Sample Area**

Researcher has selected geographical area of research i.e. Maharashtra State Selected districts of Aurangabad, Pune, Nasik, Nagpur and Mumbai.

#### **Limitations of the Study**

- The Study has basis of secondary and primary data.
- The secondary data has obtained mainly from the report publications of Government department. Therefore, the accuracy of the study based on secondary data depends upon the reliability of data obtained from these sources.

#### **Analysis and Interpretation**

**Table No.1. The demographic description of the respondents**

<b>Age</b>	<b>Category</b>	<b>Respondent</b>	
		<b>Count</b>	<b>Percentage</b>
	20-30	49	24
	31-40	46	23
	41-50	62	32
	Above 50	43	21
		<b>200</b>	<b>100</b>
<b>Marital Status</b>	Married	80	<b>39</b>
	Un-Married	22	<b>38</b>
	Divorced	50	<b>12</b>
	Separated	48	<b>11</b>
		<b>200</b>	<b>100</b>
<b>Education</b>	Undergraduate	67	33
	Postgraduate	73	37
	Professional	40	20
	Other	20	10
		<b>200</b>	<b>100</b>



**Interpretation**

The Age of the Respondent is required because it might have an influence on the spending habit of the respondent. Most of the respondents are in the age group 41-50. The remaining sample is almost equally divided among the other three age groups 20-30, 31-40 & Above 50. The Marital status of the Respondent is required because describes a person’s relationship with a significant other also known as civil status. Most of the respondents are classified as Married or Unmarried category. The categories of divorced or separated are less in number when compared to the other categories. The number of respondents in terms of educational qualification is required because it might have an influence on the spending habit of the respondent due to the changes in education level. The total sample size is 200 and we have considered the respondents with different educational levels such as Undergraduate, Professional, Postgraduate and others, where most respondents are from the PG category.

**Table No.2. The sources of the information respondents reward for their investments Information**

Information	Number of respondents
Relatives	73
Friends	113
Journal& magazines	43
Advisors	73
Websites	1
Self	3

**Interpretation**

The popular of the respondents contract their investment information from their friends, followed by relatives and advisors. A smallest number of respondents get their investment information from self-analysis, websites, and family.

**Following are the different Behavioural Factors influencing investment decisions**

**Table No.3. The level of over confidence of the respondents.**

I am an experienced single working mothers		I am self-assured about my own investment opinions than opinions from my friends or family & advisor	
Strongly Agree	11	Strongly Agree	07
Agree	74	Agree	114
Neutral	101	Neutral	69
Disagree	0	Disagree	0
Strongly Disagree	14	Strongly Disagree	10
I have the ability to choose investments when their performance is better than market performance		I go for riskier investment options	
Strongly Agree	12	Strongly Agree	13
Agree	110	Agree	74

Neutral	68	Neutral	101
Disagree	0	Disagree	0
Strongly Disagree	10	Strongly Disagree	12

**Interpretation**

Above data, we can see that most of the audience were positive about their investment opinions and have basic knowledge about it. And also, more than 65 % of them have a preference to go for low risk related investment rather than having a higher risk. Hence, we can say that the majority of the investors are confident about the investment decisions they have made.

**Table No. 4. The loss aversion nature of the respondents.**

I am anxious more about losses in investment than significant gain		I do not raise my investment when the performance of the market is broke down	
Strongly Agree	15	Strongly Agree	17
Agree	98	Agree	83
Neutral	80	Neutral	96
Strongly Disagree	07	Strongly Disagree	04
I spend in low return, assured investment over investments that carry a top risk		I trade stocks that increase in value very quickly	
Strongly Agree	15	Strongly Agree	15
Agree	89	Agree	76
Neutral	90	Neutral	86
Strongly Disagree	06	Strongly Disagree	23

**Interpretation**

Above table no.4, it is clear that more than 62 % of the investors are always concerned about the loss they might encounter in their investment and consequently they have a preference to invest in low return with guaranteed returns. Hence, the Loss aversion aspect does have an impact on their decision-making.

**Findings**

1. Most single working mothers are private employees.
2. The number source of income in a single working mothers family from 2 to 5 people, which allows them to save more and to invest appropriately.
3. The majority of dependents in a single working mothers family comprises of 2 to 5. It shows the dependents are other, so the saving pattern of the single working mothers differs.
4. The number of people having income from other sources is 2 being the highest in a family, but we can survey that individuals having other sources of income.



5. We could find that most of the single working mothers were confident about their investment opinions and have basic knowledge about it. And more than 65 % of them prefer to go for low-risk related investment rather than having higher risk as there is no room for a second chance to invest all over in the given situation.
6. More than 62% of investors are still worried about future losses in their portfolios, so they tend to invest in low-risk, guaranteed-return investments. Therefore, the aversion factor to failure influences their pattern of decision making

### **Conclusion**

The Single working mothers and their investment decisions can be precious in period of managing parenting and money management. When single working mother's steps ahead and invest their hard earned savings, there is no scope for a mistake. Generally this research exhibit that the target respondents actually end up ignore long term plan of invest their savings. They want to minimum and low amount of risk concerned. There is demand to essential properly between long term and short term aim or goal and invest respectively. Depending on single working mother's income and other sources of income in a family, they can determine the risk they can manage take while investing.

### **References**

1. Bansal, R. And Zahera, S.A. (2018), Do Investors Exhibit Behavioural Biases In Investment Decision Making? A Systematic Review. *Quqlity Research in Financial Market*, 210-245.
2. Barber, O (2011). The Behaviour of Individual Investors. In G. Constantinides, And M. H. Stuz, *Handbook of the Economics of Finance* (Pp1533-1565).
3. Christiansen, C., Joensen, J.S., And Rangvid, J. (2011). Understanding The Effect of Marriage and Divorce on Financial Investment: The Role of Background Risk Sharing. *Economic Enquiry*, 431-447.
4. Budhiraja, K., Raman, T.V. & Bhardwag, G.N. (2018). Impact of Behavioural Finance in Investment Decision Making. *International Journal of Civil Engineering and Technology (Ijciet)*, 1144-1160.
5. Upadhyay, D. (2019). A Study on Behaviourial Finance in Investment Decision of Investors in Ahmedabad. *International Journal of Novel Research and Development*, 103-112.
6. Kannadas Sendilvelu and Dr. Manita Deepak Shah (2021). A Study on Inpact of Behaviuorial Finance on Investment Decision of Single Working Mothers in South Asian Countries., Vvol.6, No. 2; 2021, Issn 2576-1285, E-Issn 2576-1293., Published By Cribfb, Usa. Pp- 16-37.