

**WOMEN INVESTOR PARTICIPATION IN THE STOCK MARKET IS CHANGING
THE LANDSCAPE OF INVESTING: A CASE STUDY**

Dr. Mahesh Sarva

Professor, Lovely Professional University, Phagwara, Punjab.

Dr. Praveen Dubey

Associate Professor, ICFAI University, Dehradun, Uttarakhand.

Dr. S. Thandayuthapani

Assistant Professor, Department of Management Studies, Vel Tech Rangarajan Dr. Sagunthala
R&D Institute of Science and Technology, Morai, Tamil Nadu

Dr. Sarabjot Singh

Assistant Professor, Shri Mata Vaishno Devi University
Jammu, Jammu & Kashmir

Abstract:

A well-functioning stock market is critical for the economic development of the country because it facilitates businesses to acquire funds from the public. One of the objectives of the regulator of stock markets is to broad-base the need for economic growth. Traditionally finance is believed to be the field of men whereas women are there to manage household work. In the last decade, this position is changed in society as now women are participating in all walks of life including finance. The outbreak of the pandemic has further strengthened the participation of women in the field of finance. The top country where women's participation is highest with 44% is the Philippines followed by Barbados, Papua New Guinea, Trinidad and Tobago, and Jamaica. In Canada, there is a gender gap where 79% of investors are male and 21% are female. Indian stock market is ranked as the fifth biggest stock market globally but when it comes to the participation of women it is still lagging behind. This case study highlights the participation of women in the stock market as a segment that is changing the landscape of investing in terms of economic growth.

Keywords: *Women participation, Stock Market, Gender disparity, Economic growth*

Introduction: Women are now participating in every sphere of life name it be corporate, education, politics, or entrepreneurship. The same thing applies to financial markets and economies in which impact is now increasing. The women who up till now was tracking the monthly expense of the family have also started in the field of investing. The top country where women's participation is highest with 44% is the Philippines followed by Barbados, Papua New Guinea, Trinidad and Tobago, and Jamaica. In Canada, there is a gender gap where 79% of investors are male and 21% are female. The same type of gap exists in other countries like the USA with 77% male and 23 % female, the UK with 79% male and 21% female, France with 77% male and 23% female, Germany with 80% male and 20% female and Australia with 78% male and 22% female. Bangladesh has the lowest share of female investors at just 12% while Saudi Arabia,

Somalia, Pakistan, and Brazil complete the bottom five. IMF study says increased participation of women would not only improve gender disparity but it also brings stability to the banking system enhancing economic growth. As per the data gathered on women by Kuvera an online wealth management platform out of every 5 investors in India, only 1 is a woman. Many millennial women increased their participation in stocks and mutual funds in post covid 19 pandemic to survive in a challenging environment. The widespread increase in financial apps and technological tools held women in research and picking suitable mutual funds and stocks.

Positive Factors for Growth: The participation of women in the economy is important in order to increase the rising potential of the economy. One of the positive factors for increased women participation is the time of the pandemic. Women during that time got time and access to education for controlling the finance of the family. The pandemic has given time to all people regarding exploration. The lockdown time has given the time to think and explore new ways of managing finance by all which has also given a positive factor for women to participate stock market. As per the data given by Sharekhan, the increase in female demat accounts increased by 77% in comparison to the previous year. Motilal Oswal also showed a similar figure of increase from 14.1% to 35.7% in women participation in January 2020-21. Up stocks observed an increase of 32% in women's account openings from April to June 2020 compared to the prior three months. Zerodha also observed an additional 11 lakh clients opened from March 2020 out of which 1.8 lakh are women. These figures speak about the increased volume of participation in the area of finance which is male-dominated.

This was also enhanced due to the economic collapse and the need to increase the income of the family. Data regarding unemployment show that rate rose to 17%, which is more than double the rate for men during the pandemic. The young female with knowledge of the internet and smartphone shifted towards stock trading due to uncertainties of lockdown. This not only increased the trading in the stock market but also gave time to improve financial literacy.

So, in lockdown increased access to the internet, real-time access to market data, supplementing income for the family, and time to improve financial literacy are some of the factors which have increased women's participation in stock trading.

Negative Factors for Participation: The growing tendency of increased participation is a long way to improve the participation of women in the stock market in India. In a male-dominated stock market, a sector woman have a long way to go. As per figures 23% of Indian women do not have access to financial services and 65% do not use them. There is a barrier with respect to gender bias, mobility, and lack of financial and tech literacy. Women also tend to prefer low risk as they are conditioned to stay safe and within boundaries. This made them to save in less risky alternatives like fixed deposits rather than speculating in market. As per the data observed women are more interested to invest rather than trade.

Future: An increase in women’s participation will not only improve economic stability but also improves economic growth. As per the survey conducted by Scripdox as a new women investor fancy for alternatives of investor nearly 22% of women opted for mutual funds followed by shares and gold. This survey also highlighted the reduction in gender gap roles and increase in independence is now more than ten ever in the area of investment. As in other areas of women, participation in other efforts should be increased like increasing financial education in schools and colleges, improving literacy in rural areas, and raising awareness in females that they possess certain traits like being less impulsive, willing to learn, and passions which are suitable for investing. As per the data of the Fidelity 2021 Women and Investing study, women outperform by 40 basis points or 0.4% on average. The study points out certain characteristics which make women both savvy savers and intuitive investors.

As women constitute half of the world’s population segment participation can boost the fortune of the stock market and enhance economic growth. This would also reduce gender differences, increased volume in the stock market, financial independence, and fulfillment of government policies in terms of financial literacy.

Questions

1. What are the reasons which forced increased female participation in the stock market?
2. What are the pros of female participation in stock market investing?

References

1. Aradhana Gotur, (2022). Women’s Day 2022: More Female Investors Entered the Stock Market During Pandemic retrieved from <https://www.tickertape.in/blog/womens-day-2022-more-female-investors-entered-the-stock-market-during-pandemic/>
2. **Asha Mary Reji and Meera Mohan**, (2021). Women And Finance: The Pandemic Has Seen A Promising Rise In Female Investors retrieved from <https://feminisminindia.com/2021/08/03/women-and-finance-the-pandemic-has-seen-a-promising-rise-in-female-investors/>
3. ET Online, (2022). 22% of women invest via mutual funds, followed by gold and stocks <https://economictimes.indiatimes.com//mf/mf-news/22-women-invest-via-mutual-funds-followed-by-gold-and-stocks/articleshow/89983766.cms>
4. **Steve Randall**,(2021). Which countries have the largest share of female investors? retrieved from <https://www.wealthprofessional.ca/news/industry-news/which-countries-have-the-largest-share-of-female-investors/360127>
5. Meghan Railey, (2022) Op-ed: If female investors have any weakness, it’s their mistaken belief that they’re not good investors retrieved from <https://www.cnbc.com/2022/04/11/op-ed-heres-why-women-are-better-investors-than-men.html>

Exhibit:

Rank	Country	Percentage of Female Investors	Percentage of Male Investors
1	The Philippines	44%	56%
2	Barbados	39%	61%
3	Papua New Guinea	38%	62%
3	Trinidad & Tobago	38%	62%
5	Jamaica	37%	63%
6	Bahamas	36%	64%
6	Belarus	36%	64%
8	Hong Kong	35%	65%
8	Mongolia	35%	65%
10	China	34%	66%

Source: <https://www.wealthprofessional.ca/news/industry-news/which-countries-have-the-largest-share-of-female-investors/360127>

Teaching Notes

1. Synopsis

From the last few years, there has been a change in participation of women's in the field of finance and stock market participation which was traditionally dominated by men. The major supporting factors in these changes witnessed are covid 19 and impact of lockdown in the last years. Further change which increased participation was less cost on the internet, less cost on brokerage due to increase in discount brokerage, improvement in financial literacy, need to supplement income to support family income which has changed the quantum and way of doing business in the broking segment. Experts are now analyzing that the long-term impact of these changes will be positive as it will remove gender disparity and improve economic stability.

2. Learning objectives

- To understand current scenario of women participation in stock market.
- To interpret and assess the impact of changes in women's participation in the stock market.

- To discuss the challenges faced by women's participation and steps to be taken in the future for growth in participation.

3. Position in the course

The objective of the case is to make the participants aware of the impact of changes on business and challenges with steps for women's participation in stock investing. The case is ideal for discussion in the session on the impact of the environment on business, strategy management, security analysis & portfolio management, and entrepreneurship for MBA and BBA students.

4. Relevant Readings

Research papers:

- Aradhana Gotur, (2022). Women's Day 2022: More Female Investors Entered the Stock Market During Pandemic retrieved from <https://www.tickertape.in/blog/womens-day-2022-more-female-investors-entered-the-stock-market-during-pandemic/>
- **Asha Mary Reji and Meera Mohan**, (2021). Women and Finance: The Pandemic Has Seen A Promising Rise in Female Investors retrieved from <https://feminisminindia.com/2021/08/03/women-and-finance-the-pandemic-has-seen-a-promising-rise-in-female-investors/>
- ET Online, (2022). 22% women invest via mutual funds, followed by gold and stocks <https://economictimes.indiatimes.com//mf/mf-news/22-women-invest-via-mutual-funds-followed-by-gold-and-stocks/articleshow/89983766.cms>
- Steve Randall,(2021). Which countries have the largest share of female investors? retrieved from <https://www.wealthprofessional.ca/news/industry-news/which-countries-have-the-largest-share-of-female-investors/360127>

Books:

The economic environment of business 3rd Edition, Paliwal Veena Keshav, Prentice Hall, 2008,512 pages.

Assignment questions

Q1: What are the reasons which forced increased women participation in stock market?

A: The reasons which forced increased women participation in stock market:

- Increased internet connectivity with less cost.
- Time in lockdown for enchaining financial literacy.
- Need to supplement income for family during crises time.
- Increase in discount brokerage and reduced brokerage.
- Increase in financial apps and technological tools helping in picking stocks.

Q2: What are the pros of women participation in stock market investing?

- Reduction in gender disparity in sector which is traditionally male dominant.

- Stabilization in financial sector and Improving economic prosperity.
- Increased volume in stock market due to involvement of new segment.
- Fulfillment of government policies with respect to financial literacy in the economy.

5. Teaching plan

Discussion Point	Time (Minutes)
Introduction	15
Assignment Question1	15
Assignment Question 2	15
Conclusion	15

6. Analysis

After analyzing the case, it can be concluded that many changes have taken place in the recent past impacted stock market investment like covid 19, lockdown with further changes like less cost in internet, less cost on brokerage due to increase in discount brokerage, improve in financial literacy and need to supplement income to support family income. Experts are now analyzing that the long-term impact of these changes will be positive as it will improve volume in the stock market, financial independence, reduction in gender disparity and enhance economic prosperity. Though the changes in the sector have challenges and steps need to be taken for future increases in women’s participation for whatever lies ahead as it may be the beginning of new innings in the sector.