

Economic Behaviour of Educated Women: A Study in Coastal Karnataka

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***Abstract:** There is an increasing awareness about the role of women in economic development. Women have been equally participating on par with men in economic activities. Their presence is seen in all the major three sectors of economy. Their contribution to national income is no more invisible. But how do they allocate their income is an interesting issue to study. This study would analyse few significant issues like how much proportionate of income they use for consumption purpose, how much aware women are about saving and investment benefits, whether they invest their income or not, and if invested how much they do, what is the purpose of their saving and investments etc. This paper attempts to study the economic behaviour of employed women across different educational status in Coastal Karnataka.*

Introduction

Women constitute half of the human resource potential available for economic activity. They perform multiple productive roles. In developing countries large proportion of female participation is seen in agriculture and allied activities. In the industrial sector, women constitute an average of 27.0 per cent of the industrial task force in developing countries. The role of women in productive activities in our country has been increasing over the years. Women constitute 29.0 per cent of the adult labour force in India as stated by the Economic Survey (2000-2001). At the macro level women are contributing for the development of economy and at the micro level they are contributing to their own family through their earnings. But the questions are- what do they do with their income? How do they spend it? Do they save? Where do they invest? What is the major purpose of it? Whom do they consult in taking decisions regarding savings and investments etc.

With this background, this paper attempts to analyse the economic behaviour of educated and employed women in terms of income, consumption, savings and investment.

Review of literature

Several studies have been undertaken on the links between education and different economic aspects such as income, consumption, savings etc and to know how it differs among men and women. A brief review of such studies is given in this section.

A study (Task Force on Education and Gender Equality 2005b) estimates that women receive only slightly higher returns to their investment in education (10.0 per cent) than men (9.0 per cent). Returns vary, however, by the level of education. Women experience higher returns to secondary education (18.0 per cent) than do men (14.0 per cent), but lower returns (13.0 per cent) to primary education than do men (20.0 per cent). Women have higher rates of return than men to post-secondary education (Boothby et al. 2002). The rate of return to university education is found to be higher for women than for men in most OECD countries (Ono 2001). Secondary or higher levels of education are needed to improve options and outcomes for women as secondary and higher levels of education have the greatest payoff (ICRW 2005; UNIFEM 2004; Gupta and Malhotra 2002).

It is observed that consumption benefits from education (Hettich and Walter, 1972). As pointed by Michael (1972), education improves one's efficiency in consumption. It is found by NBER (National bureau of economic research) that 'the level of formal schooling directly influences consumer behaviour independently of its effect on money income'. Money in the hands of men is spent quite differently from money in the hands of women. (Jhabvala, 1984). One of the studies by International Labour Organisation shows that men tend to spend 60.0 per cent of their income for their home and 40.0 per cent on themselves, whereas a woman spends 90.0 per cent of her income on her family and only 10.0 per cent on herself. Thus, when a woman controls the household income, the family gets more benefits.

Lewis Solmon (1975) observed that both average and marginal propensity to save tend to rise with the schooling attainment, other things remaining the same. There are different societal pressures on men and women to save. In societies with an abundance of men, men tend to spend more and take on debt due to competition between males for mates (Griskevicius et al). Men impress potential partners through spending money. Women, on the other hand, do not have the same societal pressures to spend. In fact, they tend to have pressures to save for education and family events that are considered a part of "running the home". Burney and Khan (1988) showed in their study that a person who has high level education, would have relatively high consumptions and on the other hand the households who were educated, their earning is more.

Women, unlike their male counterparts, are comfortable with the long view. They prefer to focus on how spending and investing can support their life goals (Miller, 2012). Being the matriarch of a family, women's concerns often include gifting and management of the assets. They're more end-result oriented, whereas, for example, men tend to be more concerned about issues such as rates of return and volatility (Miller, 2010). Kelley (1968) examined the influence of the level of education on household saving. According to Gneezy and Croson (2004) a number of studies in sociology and psychology indicated that women shows risk aversion behavior than men.

Though several studies are made to analyse the effect of education on income, consumption and savings, they do not provide a single framework to analyse the economic behaviour of women across different educational status. In this context the present study was taken up.

Aim of the paper

The general objective of this paper is to analyse the economic behaviour of women across their educational status. The specific aims of the paper are-

1. To analyse the income condition
2. To analyse the consumption pattern
3. To analyse saving and investment behaviour of women across different educational status.

Methodology

This paper mainly relies upon primary data but secondary data is also used to provide theoretical base for the study. Sampling is drawn from employed women across their education level i.e. under graduation, graduation, post-graduation and professional education. The researcher has

personally administered a comprehensive structured and pre-tested questionnaire to the sample women respondents. Purposive sampling technique is adopted.

Scope and limitations of the study

This study is confined to 400 respondents of Coastal Karnataka only. Women who are working in this region only were taken for study. The study was also carried out to compare the level of difference in economic behaviour among four different categories of respondents viz, under graduated, graduated, post-graduate and professional educated women. The findings of the present study can be made use of, to provide the implementation of government schemes for promoting saving investment behaviour among women for a sustainable economic future and may serve as basis for further studies related to economic behaviour of women.

Sample profile

The study is undertaken in two districts of Karnataka state namely Dakshina Kannada and Udupi districts. The sample consists of 400 women i.e, 200 each in Dakshina Kannada and Udupi districts. Sample is drawn from employed women across different educational status such as under graduation, graduation, post-graduation and professional education in equal proportion i.e 25.0 per cent each. Besides formal education they have obtained additional qualification. Among the respondents 24.0 per cent of women have done computer courses, 12.0 per cent self employment courses, 11.50 per cent diploma courses, 13.5 training courses and 39.0 per cent have not undergone any additional courses. The age group of Sample women varies from 20 to 50 years.

Working profile of sample women

Among the respondents 18.75 per cent each are belonged to teaching, banking/ insurance, self employment/ business and other *occupations*. 25.0 per cent of respondents are professionals like doctors and engineers. Around 28.0 per cent of respondents are working in private *organization*. 42.0 per cent and 10.0 per cent are working in government organizations and NGOs whereas around 18.0 per cent are self employed women. Around 5.0 per cent of respondents have less than 1 year of *working experience* whereas 17.0 per cent of women are having more than 25 years of experience. With regard to *monthly family income* of respondents, 17 per cent of them are having less than 10000 Rs. and only 5.5 per cent of the households are earning more than 50000 Rs.

Income of the respondents

Income is one of the indicators which show the economic position of an individual. The study was based on the hypothesis that working women's income is directly related to their educational status. The hypothesis can be accepted as it is observed that among the sample women, higher the education level, higher is the income. Professional educated women earn more income followed by post graduates, graduates and under graduates.

It is observed from the table 1 that among the sample women, 34.0 per cent of under graduates and 10.0 per cent of graduates are earning less than 5000 Rs of monthly income. But

no post graduate and professional educated women are earning less than 5000 Rs. It is also seen that no one of under graduate woman is earning more than 30000 Rs a month. 18.0 per cent of graduates, 6.0 per cent of post graduates and 76.0 per cent of professional educated women are earning more than 30000 Rs of monthly income. 18.0 per cent of professional educated women get more than 50000 Rs a month which is not earned by a single under graduate and post graduate sample women.

Table 1: Monthly income of the respondents

Monthly income (in '000)	Category of respondents by education level				Total
	U.G	G	P.G	Pf.G	
<5	34	10	0	0	44
5-10	26	09	11	0	46
11-20	28	22	48	12	110
21-30	12	41	35	21	109
31-40	0	08	06	37	51
41-50	0	10	0	12	22
>50	0	0	0	18	18
Total	100	100	100	100	400

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

Economic Behavior of Educated Women

Economic behavior indicates consumption, saving and investment behaviours. Here study is made to find the link between educational status and their economic behaviour.

Consumption behavior

Consumption behaviour tells how the consumption pattern of individuals is i.e. how they spend money on different goods and services and also how much they spend.

Table 2: Percentage of monthly income spent on consumption

% of monthly income	Category of respondents by education level				Total
	U.G	G	P.G	Pf.G	
< 20	0	12	07	02	21
20-40	20	14	23	20	77
40-60	61	28	36	42	167
60-80	11	46	34	30	121
>80	08	0	0	06	14
Total	100	100	100	100	400

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

Table 2 indicates how much of income respondents spend in a month for consumption purpose. 12.0 per cent of graduates, 7.0 per cent of post graduates and 2.0 per cent of

professional graduates spend less than 20.0 per cent of their monthly income for consumption. It can be possible because either their income is more or they may use other family members' (parents'/ husband) income for consumption and will save most part of their income. But it should be noticed that none of the under graduate sample woman spends less than 20.0 per cent for consumption. It may be because their personal income as well as family income is very less. Around 8.0 per cent of under graduates and 6.0 per cent of professional educated women spend more than 80.0 per cent of their income for consumption pattern. It can be said that professional educated women though earn more they have more consumerism.

Table-3: Percentage of monthly income spent on consumption of food items

% of monthly income	Category of respondents by education level			
	U.G	G	P.G	Pf.G
< 20	05	10	20	15
20-40	30	40	52	55
40-60	45	30	20	20
60-80	20	20	8	10
>80	0	0	0	0
Total	100	100	100	100

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

Table 3 shows how much of income respondents spend in a month for consumption of food items. 5.0 per cent of under-graduates, 10.0 per cent of graduates, 20.0 per cent of post graduates and 15.0 per cent of professional graduates spend less than 20.0 per cent of their monthly income for consumption of food. Majority of under graduate employed women spend between 40-60 per cent of their income for this purpose. It is 20-40 per cent in case of rest of all three categories of sample women. None of the respondents spend more than 80.0 per cent of their income for this purpose. Besides food items, people have to spend their income on non-food items such as children's education, fuel, power, health, transportation and communication, recreation etc.

Table-4: Percentage of monthly income spent on consumption of non-food items

% of monthly income	Category of respondents by education level			
	U.G	G	P.G	Pf.G
< 20	15	30	30	10
20-40	50	60	50	60
40-60	20	10	20	30
60-80	0	0	0	0
>80	0	0	0	0
Total	100	100	100	100

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

Table 4 shows proportion of monthly income respondents spend for consumption of non-food items. 15.0 per cent of under-graduates, 30.0 per cent of graduates and post graduates and

10.0 per cent of professional graduates spend less than 20.0 per cent of their monthly income for consumption of non-food items. Majority of sample women irrespective of educational status spend between 20-40 per cent of their income for this purpose. None of the respondents spend more than 60.0 per cent of their income for this purpose.

The proportion of income spent for the consumption of other goods which don't fall under the previous 2 categories is depicted in table 5

Table-5: Percentage of monthly income spent on consumption of miscellaneous items

% of monthly income	Category of respondents by education level			
	U.G	G	P.G	Pf.G
< 10	52	60	62	54
10-20	40	39	38	46
20-30	8	1	0	0
>30	0	0	0	0
Total	100	100	100	100

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G-professional graduation

Table 5 shows how much of income respondents spend in a month for miscellaneous (i.e. items which do not fall under food and non-food category) items. Majority of sample women irrespective of educational status spend less than 10.0 per cent of their income for this purpose. None of the respondents spend more than 30.0 per cent of their income for this purpose.

Saving-investment behaviour

People can save or invest their income in different forms like bank deposits, postal savings, insurance policies, public provident fund, land and buildings, shares and securities, jewels etc.

Table 6: Form of saving- investment

Saving- Investment form	Category of respondents by education level			
	U.G	G	P.G	Pf.G
Bank deposits	30	50	43	60
Postal savings	20	15	17	08
Life insurance	23	30	19	30
PPF	20	40	42	18
Real estate	0	0	02	09
Jewels	63	58	46	30
Corporate securities	02	12	10	35
Others	14	05	17	08

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

It is observed that majority of respondent women (49.25 per cent) invest their income on jewels. It's only among professional educated women, majority (52.0 per cent) invest on corporate securities. Bank deposits are still a major form of savings among women irrespective of their educational status. It is observed that even educated women including those who earn

well don't show interest in investing on real estate. Among the respondents, only professional educated women (that is mere 9.0 per cent) invest on land and buildings.

Income and savings

The proportionate income that is saved speaks of saving behaviour of individuals. The study is based on the hypothesis that saving behaviour of women is directly related to educational status.

Table 7: Percentage of monthly income used as savings by the respondents

% of monthly income	Category of respondents by education level				Total
	U.G	G	P.G	Pf.G	
< 20	30	40	42	32	144
20-40	42	28	30	42	142
40-60	12	16	20	22	70
60-80	16	14	08	04	42
>80	0	02	0	0	02
Total	100	100	100	100	400

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

It is seen in table 7 that 30.0 per cent of under graduates, 42.0 per cent of post graduates and 32.0 per cent of professional educated women save less than 20.0 per cent of their monthly income. Majority of under graduates (42.0 per cent) save 20-40 per cent per cent where as among graduates and post graduates it is less than 20.0 per cent.

Income and investment

The proportionate income that is invested speaks of investment behaviour of individuals. The study is based on the hypothesis that investment behaviour of women is directly related to their educational status.

Table 8: Percentage of monthly income used as investment by the respondents

% of monthly income	Category of respondents by education level				Total
	U.G	G	P.G	Pf.G	
Nil	40	22	18	06	86
< 20	38	43	50	51	182
20-40	18	29	25	33	105
>40	04	06	07	10	27
Total	100	100	100	100	400

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

As shown in the table8, 40 per cent of under graduates, 22.0 per cent of graduates, 18.0 per cent of post graduates and 6.0 per cent of professional educated women don't invest at all. More than 40.0 per cent of income is invested by 4.0 per cent of under graduates, 6.0 per cent of

graduates, 7.0 per cent of post graduates and 10.0 per cent of professional educated women respondents.

Major reasons/ Purposes of savings and investments

There will be different purposes behind saving and investment. Some do it for tax benefits. Some for assured returns; few for children's education; few to get benefits of speculation.

Table 9: Major reasons/ Purposes of savings and investments

Reasons/ Purpose	Category of respondents by education level				Total
	U.G	G	P.G	Pf.G	
Assured returns	15	07	04	08	34
Tax benefits	40	70	75	82	267
Children's education	10	20	15	02	47
Daughters' marriage	30	02	0	0	32
Speculation	05	01	06	08	20
Total	100	100	100	100	400

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

Majority of respondents (66.75 per cent) irrespective of their educational status save/ invest to get tax benefits. It can also be observed that no post graduate and professional graduated woman save/ invest for reasons like 'daughter's marriage' which is a tendency found more among under graduates.

Source of knowledge for investment

Before opting for a form of saving/ investment people will consult others to know which is more beneficial? Few may depend on their own family members. Few may ask their friends, colleagues or experts in the field. Few may refer media information or that of investment journals.

Table 10: Source of knowledge for investment

Sources of Knowledge	Category of respondents by education level				Total
	U.G	G	P.G	Pf.G	
Family members	40	35	14	10	99
Friends	10	07	12	14	43
Colleagues	10	18	24	26	78
Field experts	0	03	12	10	25
Investment journals/ Media	0	05	20	34	59
No response	40	32	18	06	96
Total	100	100	100	100	400

Note: U.G-under-graduation, G-graduation, P.G- post graduation, Pf. G- professional graduation

As it is observed from the table that majority of under graduates (60.0 per cent) and graduates (40.0 per cent) rely upon their family members only to choose their saving/ invest option. But post graduates (32.0 per cent) and professional educated women (40.0 per cent) refer to investment journals and media like television, news papers etc. therefore it can be said that they are more rational in taking saving- investment decisions than less educated women.

Field observations

- *Income* of the respondents is positively related to their educational status. Higher the education level, higher is the income. Professional graduate women earn more income followed by post-graduates, graduates and under-graduates. The professional graduates earn average monthly income of Rs.37460, post graduates Rs.23720, graduates Rs.22140 and under-graduates Rs.10640 respectively.
- With regard to '*consumption*', 12.0 per cent of graduate women, 7.0 per cent of post graduate and 2.0 per cent of professional educated women spend less than 20.0 per cent of their monthly income on consumption. Whereas 8.0 per cent of under graduate women, 6.0 per cent of professional educated women spend more than 80.0 per cent of their monthly income on consumption. No one of graduate and post graduate women spend more than 80.0 per cent on consumption.
- With regard to '*saving behaviour*' of sample women it is noticed that 30.0 per cent of under graduate women, 40.0 per cent of graduate women, 42.0 per cent of post graduate and 32.0 per cent of professional educated women save less than 20.0 per cent of their monthly income. Whereas 2.0 per cent of graduates save more than 80.0 per cent of their monthly income.
- The '*investment behaviour*' of respondents shows that around 40.0 per cent of under graduate women, 22.0 per cent of graduate women, 18.0 per cent of post graduate and 6.0 per cent of professional educated women don't invest their income at all.
- Majority of employed women irrespective of their education status, invest their income for tax benefits. This shows that majority of women are interested in investing their income just to reduce the tax burden and are not aware of the returns from investment.
- To choose the form of saving-investment, majority of under graduates and graduates, consult their family members. Whereas majority of the post graduate and professional educated women are rational in taking such important decisions as majority of them refer to investment journals. But very less number of sample women consult the field experts for this purpose.
- The saving investment behavior is very low among women irrespective of educational status.

Conclusion

The economic behaviour of women varies with their educational status. But in spite of differences in education, income and employment, the measures of long term financial securities are still at lower levels among women. Though more educated women are showing better

performance in terms of savings and investment, it has not reached the expected levels. Therefore women have to be educated in terms of allocating their income in a most appropriate manner. They must be known the significance of savings/investment and benefits accruing out of it. It is highly essential as women work force is growing at a faster rate and also for a sustainable economic future.

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