



## Impediments to Women in Stock Market Participation

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### ABSTRACT

Present era is the era of women empowerment. Women comprise semi partial of the world population. The tasks of women in all spears of life cannot be ignored. The financial strengthening of women is the greatest social change as of late. With the change in the economic status of women, it has become critically important to enhance their financial knowledge and awareness in order to enable them to make informed financial decisions. Women are facing discriminatory practices which prevent them from participating in the stock market. The current scenario demonstrates that there are several impediments that prevent women from investing in the stock market and suggest that besides financial literacy programmers, change in attitude and behavior of the society as well as women are needed in order to progress themselves and expand their participation in the stock exchange.

#### Keywords:

Awareness  
Impediments  
Stock Market  
Women

### 1. Introduction

Generally, money related basic leadership was considered as a male right where ladies were allotted the obligation of dealing with the everyday issues of the family. Yet, the modern changes in the financial and societal position of ladies require an adjustment in the money related learning and mindfulness level of ladies. It is only the perceptive awareness level of women investors that will help the policy makers in designing financial education and consciousness will help women to effectively take an interest in the financial exchange and contribute towards raising their monetary potential and support in the economy. In this way, the present investigation endeavors to inspect the degree of attention to ladies about the stock.

#### 1.1. Need of the study

Though studies are made from the investment perspective, the need of the hour is the increase in the number of women participation in stock

exchange. The highlight of the present article is about the study of impediments faced by women in the stock market participation.

### 2. Objective

To study the impediments faced by women in the stock market participation.

### 3. Review of Literature

Jacobsen et al. (2010) [3], US T-test, descriptive statistics and Log it, Regression. Lack of optimism was responsible for low stock holding among women.

Financial Literacy Foundation Advisory Board (2008) [2], Australia ABN population Statistics, chi-squared, automatic integrator detector procedure, exploratory cluster analysis, cross tabulation analysis. The study identified disinterest in the issue, lack of perceived relevance and increased stress as major obstacle that prevented women from building their money skills.

Blasé et al. (2008) [1], U.S. Respondents of the Center for venture research from 2000-2006, The responses portrayed that the women angel lower level of confidence as well as restricted access to early stage capital as compared to men.

Mishra (2007) [6], India 1,200 working Women Simple percentage, chi-square test Garret ranking and factor analysis Result: High risk involved in making stock market investments prevented women from investing in stock market.

Women Information Referral Exchange (2007) [6], Victoria, Australia, Likert scale and Descriptive Statistics, The study revealed that the language and the style adopted by the financial professionals were the major barriers that prevented women from participating in the financial activates.

#### 4. Methodology

To make the present study, a thorough review of empirical literature has been conducted. Search engines such as social science research network (SSRN), National Bureau of Economic Research (NBER), and goggle scholar has been reviewed. The books related to the topic were also reviewed.

##### 4.1. Psychological and Sociological Theories/models: for Implications for Women Financial Behavior:

**Table 1**  
Hira and Loeb (2006)

Psychological Theories/Models	Implications for Women Financial Behavior
Trans theoretical model of Change (TTM) In the initial stages, individuals do not have any intention to change the investment decision take by them in the foreseeable future.	Women tend to wait for the investment to produce return before taking the risk of selling the investment which might turn out to be good in future.
Health Belief Model (HBM). Individuals have a subjective perception of contracting a financial risk having both economic and social consequence.	Women are reluctant to make investments as there is a risk of losing money.
Theory of reasoned action/Planned Behavior (TRA). People hold certain investment attitude, subjective norms and perceptions of	Women find investment decisions stressful, difficult and time consuming

Psychological Theories/Models	Implications for Women Financial Behavior
behavioral control	
Risk Reduction Model (RRM). Individual label high financial risk behavior as problematic and seek and enable solutions directed at reducing high financial risk activities.	Women prefer to get investment information from financial advisers because they are a little more fearful of the unknown and less willing to invest on a whim without fully understanding.
Social Cognitive /Learning Theory (SCT). Individual gains knowledge and develops behaviors through interaction within the social network.	What they are getting themselves into. The investment behavior of women is very much influenced by their parents and the society.

**Table 2**  
Ozmet and Hira (2011)

Sociological Theories/ Models	Implications for women Financial Behavior
Role Theory (RT) Individuals have been assigned certain roles in the society that influence their beliefs, attitude and behavior, these roles vary across gender.	Women generally show lesser financial knowledge, have more financial concerns and are less confident about their financial situation because of their gender roles.
Socialization Theory (ST) The acquisition of skill, values and knowledge by an individual depends upon their interaction with others in the social system.	Women are willing to take less risk as compared to men as they have greater responsibility towards their children and family.

#### 5. Findings, suggestions and conclusions

Most of the studies reviewed are based on the data collected from primary sources. The researchers have used different approaches of collecting primary data in order to reach the respondents, that is, through mail surveys, Internet surveys, focus groups interviews, questionnaires, etc. The resultant data include data from the US Bureau of the Census, Survey of Consumer Finances, and Center for Venture Research and mutual funds. The respondents have been selected mainly by using purposive and convenience sampling techniques.

1. The researchers explored various reasons that acted as impediments for women stock market participation. Gender

discrimination, limited access to use available information, misconception of investment advisers, less human capital investment, greater family responsibilities, shorter work life, difference in wealth and the expectation of inheritance, lack of confidence, faulty retirement system, lack of optimism, cumbersome procedure and formalities and risk averse attitude were the reasons identified by various authors.

2. Financial literacy initiatives directed at women can be successful in bringing about a change in the attitudes, beliefs and behavior of women who are less confident when it comes to investing. So, it is recommended that women should be motivated to invest in the stock market through well-designed financial education programmes.
3. The social norms, values and practices that define inequalities between women and men in societies generally allocate lower value to the aptitudes, capabilities and activities conventionally associated with women. Such constraints restrict women movement in the public domain. The society needs to eradicate such stereotypes relating to women that prevail in several areas of the world. Women ought to bring a change in their outlook and thoughts in order to improve their contribution in the stock market.
4. This article has examined published work relating to women and their stock market participation. Although women made growth in all spheres of life, their participation in the stock market is limited because they have little knowledge of stocks and the working of the stock market. Women need to be provided with specific information, services and products as their information needs are different from that of men array so as to ensure their active market participation. An investment educational program for the women is also needed to provide investment strategies that are responsive to their concerns and appreciative of the high demands they experience in their everyday lives. The educational programmes must make women aware of the available financial investment instruments and should help them in shaping their confidence about money matters and future profit investiture decisions.

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