



INTERNATIONAL RESEARCH JOURNAL OF HUMANITIES AND INTERDISCIPLINARY STUDIES

(Peer-reviewed, Refereed, Indexed & Open Access Journal)

DOI : 03.2021-11278686

ISSN : 2582-8568

IMPACT FACTOR : 8.031 (SJIF 2025)

INCOME, EXPENDITURE AND INVESTMENT PATTERNS OF WORKING WOMEN IN KOLHAPUR CITY

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DOI No. **03.2021-11278686** DOI Link :: <https://doi-ds.org/doi/10.2582/04.2025-35294354/IRJHIS2504019>

Abstract:

India has witnessed significant growth in women's participation in the workforce over the past few decades. This shift has led to changes in the financial behavior of working women, particularly in terms of income, expenditure, and investment patterns. Traditionally, women in India have been perceived as less financially independent and less involved in decision making regarding investments and savings. However, the increasing number of women in the workforce and their growing economic independence are altering these perceptions.

Keywords: Working women, income, expenditure, investment, Kolhapur, patterns

Introduction:

This study of income, expenditure, and investment patterns of working women explores how women earn, spend, and invest their resources. This is important as women's financial decisions differ from men's due to several factors such as income disparities, social roles, educational levels, and access to financial resources. In many societies, women have faced significant barriers to economic participation, including lower wages, limited access to credit, and societal expectations regarding their roles as caregivers. However, with the increasing presence of women in the workforce and growing awareness around gender equality, these barriers are gradually being reduced. A substantial body of evidence strongly supports the idea that improving women's education, health, employment opportunities, and their participation in income generating activities leading to economic independence can yield significant societal benefits. So income, expenditure and investment patterns of women are need to be studied.

Objectives of the Research:

- To study the profile of working women in Kolhapur city.
- To analyze income structure and its sources of working women in Kolhapur city
- To examine expenditure patterns of working women in Kolhapur city.
- To explore investment behavior of working women in Kolhapur city
- To study demographic influences on Income, expenditure and investment of working women in Kolhapur city.

Hypotheses:

- Hypothesis1: There is a positive correlation between the income levels of working women and their expenditure level.
- Hypothesis2: Working women with higher incomes are more likely to allocate a greater proportion of their earnings to investments and savings than those with lower incomes.
- Hypothesis3: The investment preferences of working women are significantly based on demographic factors such as age, marital status, and educational level.
- Hypothesis4: Working women with higher financial literacy exhibit more diversified and planned investment patterns compared to those with lower financial literacy.

Literature Review:**Income Expenditure Patterns-**

Several studies have focused on the income and expenditure patterns of working women globally. According to Sharma & Jain (2015), working women in India tend to allocate a significant portion of their income to household expenses. Research by Nair & Kumar (2018) indicates that while women contribute financially to their families, a substantial portion of their income is still controlled by male members of the household. Several studies have examined the income expenditure patterns of working women. According to Dube (2018), women in urban areas tend to allocate their income towards family expenditures such as education, healthcare, and household needs. In contrast, Gupta (2016) found that women working in metropolitan areas exhibited higher disposable income, which allowed for greater individual expenditures on luxury goods and services.

Investment Patterns:

In terms of investment, women's investment choices often reflect a risk averse attitude. Kaur (2020) suggests that Indian women prefer safer investment options such as Fixed Deposits (FDs) and Public Provident Funds (PPF) rather than high risk stock market investments. Similarly, Madhuri & Soni (2019) observe that while working women are increasingly investing in mutual funds and stocks, their participation remains lower compared to men. Investment behavior among working women has also gained attention in financial studies. Patel and Mehta (2017)

highlighted that working women tend to invest in more secure, low risk investment options such as fixed deposits, government schemes, and savings accounts. On the other hand, Sharma (2019) observed that women with higher education levels and professional jobs were more likely to diversify their investment portfolios, including stocks and mutual funds.

Research gap:

There are several studies about Income and Investment pattern of women, but there are very few studies about income, expenditure and investment pattern of women together.

The percentage of working women is increasing in Kolhapur city. It is time to study their income, expenditure and investment patterns. Mostly working women have fixed flow of income but their income, expenditure and investments patterns are different. In connection with this research gap, a study is made to find out income, expenditure and investment patterns of working women in Kolhapur city. It will be helpful to understand the income, expenditure and investment behavior of working women.

Research Methodology:

The research used a descriptive research design to analyze the income, expenditure, and investment patterns of working women in Kolhapur city. The study focuses on understanding various factors influencing these patterns, including occupation, income level, family responsibilities, and economic background, investment options, financial literacy. Both qualitative and quantitative methods are used for data collection. A survey based approach is adopted for data collection through questioner. Personal observation and informal discussions are also held for this research. Various statistical tools are used to test hypothesis.

Population and Sampling:

Target Population: Working women in Kolhapur city, across different sectors such as education, healthcare, banking, IT, government services, private sector, professional and self employed women and business owners. As the Population is infinite, sample is drawn with the help of formula.

$$n = (Z^2 \times p \times (1 - p)) / E^2 = 385$$
 with a 95% confidence level and a 5% margin of error

Sampling Technique: For our convenience, working women are divided into 4 strata's. Salaried women, working professionals, business owners & self employed women.

A stratified random sampling technique is used to ensure that all stratum are adequately represented. Purposive sampling is used while selecting participants, their availability and willingness is also taken into consideration. The 391 participants were selected as per availability and willingness to participate.

Data Collection Methods:

Primary Data: Data is collected using a structured questionnaire designed to assess income,

expenditure, and investment patterns. The questionnaire included both closed and open ended questions.

Secondary Data: Relevant literature, previous research on the income and expenditure and investment patterns of working women were reviewed to enlighten the study and offer comparative insights.

Statistical Tools Used:

Correlation Analysis: Measures the strength and direction of the relationship between income and expenditure.

Chi Square Test: Analyzes associations between demographic factors and investment choices.

Regression Analysis: Examines how income predicts investment behaviors.

ANOVA: Compares investment diversification across different financial literacy levels.

Demographics:

- The survey results indicate that the majority of respondents belong to the 30-40 age group (40%), followed by the 20-30 age group (35%).
- The majority (65%) of the respondents are married and their financial decisions are influenced by family responsibilities such as household expenses, children's education, medical expenses and long term financial security. 74% of the married respondents told that their spouse is working and they are sharing expenses together. 25% of single women and 80% of divorced women are single earners in family and have more dependents on them.
- Education plays a crucial role in shaping financial behavior. A significant 50% of the respondents hold at least a bachelor's degree, with 25% having a master's degree and 3% possessing a doctorate. 20% have a high school diploma, while 2% fall under the other category like vocational training etc.
- Most respondents (55%) are employed full time, indicating that they likely have a steady income source. Additionally, 15% are self employed, while another 15% are professionals, which include specialized fields like doctors, lawyers, chartered accountants or consultants. Business owners also form 15% of the survey group.

○ **Income Pattern:**

- The majority of respondents (40%) earn between Rs.20000- 40000 per month, making it the most common income bracket. A smaller but significant group (15%) falls in the range of Rs. 40,000 to 60,000 per month income, 8% earns between Rs.60000 to 80000 per month. 7% ranges from Rs. 80000 to 100000 per month , only 10% earn above Rs.100,000 pm. Meanwhile, 20% of the participants earn less than Rs. 20,000 per month.
- Salary is the primary income source for 60% of respondents, showing that most participants rely on fixed monthly earnings. Other income streams include fees (20%), which may come

from consultancy or freelance work, and profits (10%), indicating business earnings. Rent and interest (5% each) contribute less significantly.

- 45% working women follow monthly budget, 25% follow budget sometimes, however 30% do not follow or make budgets.
- 87% of working women admit that as income increases expenditure also increases.

Impulsive Buying Behavior:

- Most respondents (40%) rarely make impulsive purchases, while 35% do so sometimes. A smaller portion (15%) frequently indulges, and 10% always make impulsive buys. This suggests that while most respondents maintain financial discipline, impulsive buying is still present in a notable fraction.
- The biggest trigger is discounts/sales (40%), followed by advertising (30%), and social media influencers (10%). Emotional triggers and peer pressure influence 15% and 5%, respectively. This suggests that marketing strategies strongly impact spending behavior of working women in Kolhapur city.

Investment Behavior:

- A large proportion (60%) invests in various investment options, reflecting proactive approach and awareness about financial planning or risk aversion. However, 40% remained with very low disposable income, so their investments are not consistent or regular.
- The most popular choices are gold/silver (32%), Fixed deposits investments (25%) mutual funds (20%), share market (10%) indicating moderate risk taking behavior of working women in Kolhapur city, real estate are (11%) while crypto currency is the least favored (2%).
- Age and education significantly influenced income, expenditure, and investment patterns. Younger women were more inclined to take financial risks and invest in diverse instruments, while older women preferred safer, low-risk investments. **Highly educated women exhibited better financial planning and investment knowledge. (hypothesis 2)**
- Most (50%) review their investments annually, showing a passive investment approach. Only 21% review every six months, and 29% do not review investments at all, highlighting a need for financial education.
- A striking 70% do not seek professional financial guidance, indicating reliance on personal knowledge or informal sources.
- Also 45% women stated that they have phobia with mathematical calculations.

Income Tax Awareness:

- Most (75%) file income tax returns, but only 60% of them are aware of exemptions. Half actively plan for deductions, while the rest may be missing out on potential savings.

- A majority (60%) find the tax system difficult to understand, pointing to the need for better financial literacy and accessible tax education.

Financial Literacy:

- Most respondents rate their financial literacy as average (45%) and choose 2 to 3 investment types and (25%) rate it as high, **they select more than 4 investment types**. However, 30% rate it as low, showing a gap in financial understanding.
- A strong 65% have financial goals for the next five years, with buying a house (35%) being the top priority. Saving for education rates 15% and Retirement planning is (15%)
- A significant 85% believe Investment in health is essential, reinforcing awareness of long term financial security as well as physical and mental fitness.

Hypothesis testing:

- H1: There is Strong positive correlation ($r = 0.75, p < 0.01$) between income and expenditure.
- H2: Significant relationship ($p < 0.05$) between income and investment choices.
- H3: Higher education leads to more diverse investments (Chi square: $\chi^2 = 23.4, p < 0.05$).
- H4: Financial literacy significantly impacts investment diversification (ANOVA: $F(2,388) = 12.4, p = 0.0003$)

Findings:

- **Diverse Income Sources:** The income of working women in Kolhapur City is primarily sourced from salaried employment, self-employment, professionals and small-scale business ventures. Among these, salaried women in government and private sectors constitute the largest group.
- **Income Disparity:** There is a significant income disparity between women in different sectors. Professionals women in education, healthcare, and government services tend to earn higher than those in informal or low-skilled sectors.
- **Income and Expenditure:** **The results support the hypothesis that income and expenditure are positively correlated. (H1)** Working women tend to allocate a significant portion of their income to household expenses, which reflects the traditional roles they still perform despite earning independently. The findings also suggest that as women earn more, they tend to increase their spending on personal and leisure activities.
- **Household Expenditures:** The majority of working women spend the largest portion of their income on household-related expenses such as food, groceries, children's education, and healthcare.
- **Personal Expenses:** There is also a noticeable trend towards personal spending, including

clothing, grooming, entertainment, and social activities. Younger women tend to spend more on leisure and lifestyle-related items compared to older women.

- **Family Support:** Many women contribute financially to their families, particularly to their children's education, and often prioritize family welfare over personal expenditures.
- The study found that **impulsive buying behavior** among working women in Kolhapur is influenced by several key factors, including income levels, marketing strategies, emotional triggers.
- Higher income levels were associated with a greater likelihood of impulsive spending on luxury and non essential items. However, women with lower incomes were found to engage in impulsive spending on discounts and sales, possibly due to the perception of value for money deals.
- **Lack of Investment Knowledge:** Despite growing interest, many working women lack detailed knowledge about diverse investment options. Financial literacy remains a significant challenge, especially among women in lower-income groups or less formal sectors.
- **Role of Spouse and Family:** Many working women report that financial decisions, especially investments, are influenced by their husbands or male family members. However, women with higher education and professional backgrounds tend to have more independence in managing their finances.
- **Limited Financial Autonomy:** A substantial proportion of working women in Kolhapur still rely on their husbands or other male family members for major financial decisions, including large investments and expenditure.

Conclusions:

- **Income Distribution and Sources:** The study reveals that the majority of working women in Kolhapur City earn an income primarily through salaried jobs, followed by professional, self-employment and small businesses. The average income levels vary widely based on education, occupation, and years of experience, with women in managerial or professional roles earning significantly higher than those in clerical or blue-collar jobs.
- **Expenditure Patterns:** Expenditure on household essentials like food, utilities, and education constitutes the largest share of the total income for working women. This indicates that for most women, essential needs dominate financial planning.
- However, there is also noticeable spending on personal grooming, healthcare, and entertainment. The pattern shows a shift towards a more modern lifestyle with increased expenditure on leisure and lifestyle products, especially among younger working women.
- Many working women face challenges in effective financial planning, including a lack of proper knowledge about investment opportunities and long-term financial planning. This is

often due to limited financial literacy and societal constraints, especially among women in lower-income groups.

- Younger working women in Kolhapur are increasingly inclined towards financial products, such as mutual funds, SIPs, and insurance, indicating a positive shift in financial awareness and planning. Moreover, the increasing role of technology and online platforms in financial services is helping women to become more proactive in managing their finances.

Family support, particularly from spouses, plays a crucial role in the financial decisions of working women. Women who have supportive partners tend to have more financial independence, invest more, and make informed decisions regarding their expenditure and savings.

Suggestions:

<ul style="list-style-type: none"> ○ Invest in Education and Skills ○ Generate multiple sources of income ○ Negotiate Salaries and Benefits ○ Invest in Financial Literacy ○ Mentorship and Professional Development ○ Network and Build Professional Relationships ○ Use Social Media and Personal Branding ○ Create and Stick to a Budget ○ Use Cash or Debit Cards ○ Make a Shopping List ○ Avoid Impulse Purchases ○ Review spending and investments regularly ○ Write down investment plan ○ Be aware from financial SCAMS 	<ul style="list-style-type: none"> ○ Set Clear Financial Goals ○ Unsubscribe from unnecessary Marketing Emails ○ Make smart use of credit card (don't use for impulsive buys) ○ Evaluate Wardrobe and Home ○ Find Alternatives to Shopping for Entertainment like walking, reading, healthy habits ○ Pursue Investment Opportunities ○ Go for health and disability insurance ○ Create Partnerships with Women's Organizations ○ The Financial Independence and Retire Early (FIRE) ○ Get involved in family financial decisions ○ Invest in HEALTH , travel, make good friends and stay healthy.
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Recommendations:

- Organize workshops and seminars to educate working women in Kolhapur about financial planning, budgeting, savings, and investment options.
- Financial institutions and organizations should develop and promote investment products that are specifically designed for women, including low-risk investment options, retirement funds, and insurance policies.

- Encourage Savings for Retirement: the growing importance of financial independence, working women should be encouraged to start saving early for retirement through pension schemes, provident funds, or other long term investment avenues.
- Workplace Financial Programs: Employers could introduce financial literacy programs as part of employee welfare initiatives.
- Local government and employers should work on creating policies that promote work-life balance, such as flexible working hours or work-from-home options.
- Offer tax benefits and incentives to women who start and run businesses.
- Financial institutions should ease the process for women to access credit, loans, and other financial products, especially for those starting their own businesses.
- Government and employers should provide affordable and accessible childcare facilities, such as daycare centers, for working women. Childcare support allows women to focus on their careers and increase their financial contribution, thus impacting their income and investment capacity.
- Financial Literacy Programs and Apps: Several fintech companies and NGOs have launched apps and platforms that focus on improving the financial literacy of women,
- Financial advisors and healthcare providers should create awareness regarding women's healthcare needs and the financial planning required for managing health expenses.

Limitations and Future Research:

- The study is limited to the city of Kolhapur, which may not reflect the income expenditure investment patterns of working women in other regions.
- The sample size of 391 participants, while adequate for a preliminary analysis, may not fully capture the diversity of working women in Kolhapur city.
- Future Research: Future research should explore the impact of financial literacy programs, government policies aimed at promoting gender equality, and the role of technology in bridging the gap in women's financial participation. Additionally, more attention should be paid to the experiences of working women from diverse socio economic backgrounds, particularly in rural and semi urban areas, where challenges are more pronounced.

Final thought:

- In conclusion, this study on the income, expenditure, and investment patterns of working women in Kolhapur offers valuable insights into their financial behavior. The findings show a positive correlation between income and expenditure, with higher earnings leading to increased spending, especially on household needs and lifestyle. A significant relationship between income and investment choices suggests that higher earnings enable women to explore diverse investment options, influenced by financial literacy and education.

- The research also highlights that educated women tend to have more diverse investment portfolios, reinforcing the need for financial literacy programs to help women make informed investment decisions. Financial literacy was found to significantly impact investment diversification, emphasizing the importance of targeted educational initiatives.
- Overall, the study underscores the need to support working women in Kolhapur with resources and education to improve financial decision-making, leading to greater economic empowerment and independence.

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