



Savings and investment pattern of women agricultural labourers in Coimbatore District, Tamil Nadu

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Abstract

This study examines the savings and investment behaviour of women agricultural labourers in the Coimbatore District of Tamil Nadu. Women agricultural labourers form a critical segment of the rural workforce, yet their financial practices are under-researched. With an empirical sample of 350 respondents, the study explores their income levels, savings patterns, investment preferences, access to financial services, and factors influencing their financial decisions. Both primary and secondary data were collected using structured questionnaires and interviews. The study reveals that while the majority of women labourers save regularly, their investment choices are limited and often influenced by informal channels such as self-help groups (SHGs), moneylenders, and household obligations. Institutional barriers, limited financial literacy, and low disposable income restrict formal investment behaviour. Statistical techniques such as percentage analysis, weighted ranking, and chi-square tests were used to analyse the data. The findings emphasize the importance of targeted financial inclusion strategies, strengthened access to formal credit, and financial literacy programs tailored to women agricultural labourers. This paper outlines policy suggestions to enhance savings mobilization and promote long-term investment avenues that improve economic stability and empowerment among women workers in the agricultural sector.

Keywords: Women agricultural labourers, savings pattern, investment preference, financial inclusion, Coimbatore

Introduction

Rural women constitute the backbone of India's agrarian economy, contributing substantially to agricultural production and allied activities. Women agricultural labourers are actively engaged in labour-intensive tasks such as sowing, transplanting, and weeding, harvesting, threshing, and post-harvest processing. Their participation is not only crucial for farm productivity but also for sustaining rural household economies. Despite their indispensable role, these women often remain economically marginalised, underpaid, and largely excluded from formal financial systems.

Savings and investment behaviour is a critical indicator of economic security, resilience, and future planning. For women agricultural labourers, savings serve as a buffer against income uncertainty, seasonal unemployment, health emergencies, and social obligations. Investment decisions, on the other hand, reflect the extent to which households can move beyond subsistence and build productive assets. However, due to low income levels, irregular employment, and restricted access to financial institutions, rural women often struggle to develop structured saving habits or engage in formal investment avenues.

In rural India, financial decision-making is deeply embedded in socio-cultural norms, household responsibilities, and gendered power relations. Women typically prioritise household consumption, children's education, and health needs over long-term financial planning. Moreover, limited financial literacy and mistrust of formal institutions push them towards informal savings mechanisms such as self-help groups (SHGs), rotating savings and credit associations (ROSCAs), or savings in physical assets like gold and livestock.

Understanding the savings and investment patterns of women agricultural labourers is therefore crucial for designing inclusive financial policies and targeted

interventions. By analysing their behaviour, constraints, and preferences, policymakers and financial institutions can develop mechanisms that promote financial inclusion, enhance economic empowerment, and improve long-term livelihood security.

Background of the Study

Savings and investments form the foundation of household financial management. They enable individuals to cope with unforeseen contingencies, smooth consumption during periods of income fluctuation, and accumulate resources for long-term goals such as education, healthcare, housing, and old-age security. In rural settings, especially among economically vulnerable groups like agricultural labourers, the capacity to save and invest is shaped by multiple factors including income volatility, seasonal employment, access to credit, literacy levels, and prevailing social norms.

Tamil Nadu is one of India's agriculturally advanced states, with a large proportion of its rural population dependent on agricultural wage labour. Coimbatore district, characterised by diverse agro-climatic conditions and cropping patterns, provides employment to a significant number of women agricultural labourers. These women contribute substantially to farm operations but continue to receive low and irregular wages, often without social security benefits or formal employment protection.

Despite various government initiatives aimed at financial inclusion—such as Jan Dhan Yojana, SHG-bank linkage programmes, and microfinance schemes—many women agricultural labourers remain outside the ambit of formal financial systems. Their financial behaviour is often driven by survival needs rather than long-term wealth creation. Hence, an in-depth examination of their savings and investment behaviour is essential to understand existing gaps and design appropriate financial empowerment strategies.

Statement of the Problem

Women agricultural labourers largely depend on daily or seasonal wages that are uncertain and inadequate. This income instability severely limits their ability to save regularly or invest productively. In the absence of sufficient savings, they are compelled to rely on informal credit sources such as moneylenders, relatives, or employers, often at exploitative terms.

Limited access to banking services, low awareness of financial products, procedural complexities, and lack of trust in formal institutions further restrict their financial participation. Additionally, women's financial decisions are constrained by heavy household responsibilities and limited autonomy. While they play a key role in income generation, their ability to control or allocate income for savings and investment remains limited.

Therefore, there is a pressing need to examine how women agricultural labourers save, where they invest, and what factors influence their financial decisions. Identifying these aspects will help address barriers to financial inclusion and promote sustainable economic empowerment.

Scope of the Study

The present study focuses on women agricultural labourers residing in rural areas of Coimbatore district. It examines their savings behaviour, investment preferences, sources of financial information, and the socio-economic factors influencing financial decision-making. The study aims to generate empirical evidence that can support policy formulation, institutional reforms, and community-based financial interventions.

Review of Literature

A substantial body of literature exists on rural savings behaviour, women's financial inclusion, and investment practices in developing economies. Prior studies consistently highlight income level, education, financial access, and social networks as key determinants influencing financial behaviour.

1. Savings Behaviour among Rural Women

Dev and Rao (2016) [2] observe that rural women's savings behaviour is predominantly precautionary in nature. Savings are primarily motivated by the need to ensure food security, meet health emergencies, and support children's education. The study highlights that due to mistrust in formal financial institutions and procedural barriers, women often prefer informal savings methods such as SHGs or cash holdings. Singh and Arora (2017) [9] find that rural women in Punjab prefer savings in physical assets like gold, jewellery, and livestock. These assets are perceived as secure, culturally acceptable, and easily liquidated during emergencies. The study underscores the role of cultural norms and social expectations in shaping savings behaviour.

2. Financial Inclusion and Investment Preferences

Rajan and Kamath (2018) [7] analyse the impact of SHGs on women's financial behaviour and find that participation in SHGs enhances savings discipline, credit access, and investment in income-generating activities. SHGs act as a bridge between informal financial practices and formal banking systems.

Chandran (2019) [1] highlights widespread investment ignorance among agricultural labourers. The study attributes

poor investment choices to low financial literacy, absence of advisory services, and lack of exposure to formal financial products.

3. Determinants of Savings

Joshi and Patel (2020) [4] identify income stability, education, household size, and access to credit as critical determinants of savings. Women with greater domestic responsibilities tend to prioritise immediate consumption over savings. Education is found to significantly enhance financial awareness and disciplined saving behaviour.

However, existing literature offers limited region-specific analysis focusing on women agricultural labourers in Tamil Nadu, particularly in Coimbatore district. This research gap provides the basis for the present study.

Objectives of the Study

The primary objective of this study is to analyse the savings and investment patterns of women agricultural labourers in Coimbatore district. The specific objectives are to examine their socio-economic profile, assess the nature and extent of their savings, analyse investment preferences and channels, identify factors influencing financial decisions, and suggest policy measures to enhance financial inclusion and economic empowerment.

Research Methodology

The study adopts a descriptive research design, combining quantitative and qualitative approaches to capture a comprehensive understanding of financial behaviour.

A sample of 350 women agricultural labourers was selected using stratified random sampling from rural blocks of Coimbatore district to ensure adequate representation. Primary data were collected through a structured questionnaire, while secondary data were sourced from journals, books, reports, and official publications.

Data analysis involved percentage analysis, weighted ranking, cross-tabulation, and chi-square tests to identify patterns and relationships.

Results and Discussion

This section presents and analyses the empirical findings of the study based on primary data collected from women agricultural labourers in the rural areas of Coimbatore district. The results are systematically examined to understand the socio-economic profile of the respondents, their savings behaviour, investment preferences, sources of financial information, and the factors influencing their financial decision-making. Appropriate statistical tools such as percentage analysis, weighted ranking, cross-tabulation, and chi-square tests have been employed to interpret the data meaningfully.

1. Socio-Economic Profile of Respondents

Table 1: Socio-Economic Characteristics of Respondents (n=350)

Characteristic	Category	Number	Percentage
Age (years)	18-30	98	28.0
	31-45	142	40.6
	46-60	82	23.4
	Above 60	28	8.0
Education	Illiterate	112	32.0
	Primary	138	39.4
	Secondary	76	21.7
	Higher	24	6.9
Monthly Income (₹)	Below 5,000	204	58.3
	5,001-10,000	110	31.4
	Above 10,000	36	10.3

Interpretation

The majority (40.6%) of respondents fall in the 31–45 age group. Most women have primary or below education (71.4%), and over half earn less than ₹5,000 per month, indicating low income, limited education, and challenging financial conditions.

2. Savings Behaviour

Table 2: Savings Frequency and Type

Savings Habit	Frequency	Percentage
Save regularly	172	49.1
Save occasionally	124	35.4
Do not save	54	15.5
Type of Savings	Bank savings	86
	Post office	42
	SHG / Cooperatives	98
	Informal group (ROSCAs)	78
	Cash at home	46

Interpretation

Nearly half (49.1%) save regularly, while 15.5% do not save at all. Savings through SHGs/cooperatives (28.0%) and informal groups (22.3%) are more common than formal bank savings.

3. Investment Preferences

Table 3: Investment Channels

Investment Avenue	Respondents	Percentage
Jewellery / Gold	112	32.0
Livestock	68	19.4
Bank Deposits	40	11.4
SHG / Micro Credit Activities	78	22.3
Household needs	52	14.9

Interpretation

Women primarily invest in gold (32.0%) and livestock (19.4%) owing to cultural and liquidity considerations. Formal channels like bank deposits are less preferred.

4. Sources of Financial Information

Table 4: Financial Information Sources

Source	Number	Percentage
Family	148	42.3
Friends / Neighbours	96	27.4
SHG Meetings	64	18.3
Bank Officials	22	6.3
Media / Internet	20	5.7

Interpretation

Family and social networks are the primary sources of financial information, overshadowing formal sources like bank officials.

5. Factors Influencing Savings and Investment Decisions

Using weighted ranking, respondents were asked to rank factors that influence their financial choices.

Table 5: Factors Influencing Financial Decisions (Weighted Score)

Factor	Mean Score	Rank
Income Level	4.38	1
Family Obligations	4.21	2
Access to Financial Services	3.82	3
Financial Literacy	3.65	4
Cultural Beliefs	3.44	5

Interpretation

Income level and family responsibilities are the top determinants. Financial literacy and cultural norms also play notable roles, indicating the need for financial education.

6. Chi-Square Test: Education and Savings Habit

The relationship between education level and savings has been tested.

Table 6: Chi-Square Results

Variable	χ^2	Df	p-Value
Education & Savings Habit	24.87	6	0.000

Interpretation

Since $p < 0.05$, education and savings habits are significantly associated—higher education correlates with more disciplined savings.

Discussion

The findings reveal that women agricultural labourers in Coimbatore district exhibit diverse savings behaviour, with nearly half saving regularly despite low incomes. Institutional savings through SHGs are prominent, indicating the importance of community-based financial platforms. However, reliance on informal savings and investment in traditional assets like gold reflects constrained access to formal financial instruments.

The socio-economic profile shows a predominantly low-income, low-education group. Education emerged as a significant determinant of savings behaviour, aligning with prior literature (Joshi & Patel, 2020)^[4]. This highlights the need for targeted financial literacy programs tailored to rural women.

Investment preferences demonstrate a preference for culturally accepted and easily liquidated assets rather than formal financial products. Limited trust in banks and bureaucratic barriers may deter formal investments.

Information networks remain informal, with family and local contacts being primary sources. This suggests that financial institutions should engage more actively at the community level through outreach programs and village-level agents.

Conclusions

This study provides valuable insights into the savings and investment patterns of women agricultural labourers in Coimbatore District. The findings reveal that although nearly half of the respondents save regularly, the volume of savings and the range of saving avenues remain limited due to low and irregular incomes. Self-help groups and informal savings mechanisms play a crucial role in facilitating financial activities, highlighting the importance of community-based financial platforms. The study further

establishes that education, income levels, and family obligations significantly influence savings behaviour, with better-educated women demonstrating more disciplined financial practices. A strong preference for traditional investment avenues such as gold and livestock reflects risk aversion and cultural norms, but this preference also limits long-term wealth creation and growth potential. Additionally, limited financial literacy and inadequate access to formal banking services continue to constrain informed investment decisions, underscoring the need for targeted financial inclusion and capacity-building initiatives.

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