

The Attitude of Jordanian Women toward Investment

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Abstract This study aimed for better understanding and exploring of the investment attitude of Jordanian women toward investment, types of investment vehicles, the sources of funds and investment goals. In regard to their demographic variables such as age, education level, income level, and marital status.

In order to achieve these goals, the study distributed 464 questionnaires to a sample of Jordanian women from North, Middle, and Southern regions of Jordan. The study found that Jordanian women have the same investment behavior as women from developed countries although they have a different culture and surrounding environment.

The study found limited investment participation of women in Jordan (26.50%); but on the other hand, 35.13% of Jordanian women are planning to invest in the future. Thus the study found that Jordanian women are conservative and prefer safer investment vehicles, where they depend on equity sources more than debt sources and most women invest to accumulate funds for retirement.

However, no statistically significant differences were found between different age and marital status groups. On the other hand, the results found statistically significant differences among different region, income and education level groups.

Therefore, Jordanian women are encouraged to participate more in investment, in order to improve the growth of the Jordanian economy. The study recommended future research in this area investigating the main investment barriers.

Keyword: Investment Attitude; Demographic Variables; Women; Jordan

JEL Classification: G41; J10; J16

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Introduction

The Arab world population reached 414,491,886 at the end of 2017, where Arab women represent 48.20 percent of the population and represent only 20.53 percent of the labor force. More specifically, the Jordanian population reached 9,702,353 at the end of 2017, where females represent 49.36 percent of the population and represent only 17.77 percent of the labor force (World Bank, 2017).

On the other hand, economic and investment empowerment indicators are relatively low in Jordan, where females owning land and owning apartments present 15.8 and 23 percent of female population in Jordan, respectively. The total value of security owned by females represents only 23.1 percent of total security value. Also, loans granted to female are relatively low, where 17.2 percent of total commercial bank loans are granted to females. On the other hand, 48.5 percent of microfinance loans of financial institutions are granted to females (Department of Statistics, 2015).

Although Jordanian women's roles are very important in the growth and development of the economy, their percentage of participation in the labor force and economic and investment empowerment is still relatively low, due mainly to cultural, social and demographic variables.

A growing set of studies such as Zissimopoulos et al. (2008), and Das and Jain (2014), indicated the importance of demographic variables (age, education level, income level, and marital status) in investment attitudes of individual investors, although most of the studies did not focus on women.

Therefore, the following study aimed at a better understanding and exploration of the investment attitude of Jordanian women, with respect to types of investment vehicles, sources of funds, and investment goals. It concentrates on their demographic variables such as age, education level, income level, and marital status.

The study consists of four sections, besides this introduction. Section Two reviews empirical literature related to the study. Section three; discusses the data and methodology used in the study, and is followed up by the analysis of section three. Conclusions and Recommendations are stated in section five.

Literature Review

A growing set of studies indicated the importance of behavioral finance on the investment behavior decision of individual and institutional investors such as Ritter (2003), Shefrin(2011), and Waweru et. al. (2008).

In general individual investment behavior decision is difficult to measure because it is affected by influential factors, such as demographic variables (gender, age, education level, income level, and material status) Mittal and Vyas(2011) Zissimopoulos et. al. (2008), Das and Jain (2014), and Mak and Ip(2017).

Nemours studies examine the effect of gender on investment decision, where they try to compare the investment decision of women and men in the context of risk. Many researchers indicated that women are more conservative and risk-averse, such as {Schumell (1996) Hinz et al., (1977), Lewllen et al.,(1977), Barskey et al.,

(1996), Jianakoplos and Bernaset(1998), Sunden and Suretle (1998),Fehr-Duda et al.,(2006),Mittal and Dhade(2007), Bhushan and Medury(2013)Fellner and Maciejovsk, (2007), Agnew et al., (2008), and Speelman et al., (2013)}. Charles and Kasilingam(2013) conducted a study for the Indian stock market and concluded that the investors' age had a significant effect on investment decisions.

Moreover, ONeill(2003) had revealed that women's participation in investment is low because their income level is low.

Bajtelsmit and Bernasek(1996), Weber et al. (2002), Graham (2002), and Al-Ajmi(2008), they indicated the importance of education and income level on the investment decision, where they believe as education and income level increase, investment attitude will increase and risk aversion will decrease.

A set of studies indicated the importance of marital status on investment decision, such as Waite and Gallagher (2000) and Lupton and Smith(2003), where they indicated that women tend to invest if they face a problem such as a divorce and becoming a widow. To the best of author's knowledge, this is the first study that investigates the investment attitude of Jordanian women.

Data and Methodology

This section aims to investigate the population and a sample of the study, sources of data and research methodology.

Population and Sample of the Study

The population of the study consists of all Jordanian females, where they reached 4,789,148 at the end of 2017, presenting 49.36 percent of the Jordanian population.

According to Yamane (1967), the sample size should equal 400, in case the population size is more than 10,000, with a confidence level of 95 percent and 5 percent of desired level of precision.

Also, according to Cochran (1963), in which he developed a formula to calculate the exact size of the sample in case of a large population, the study sample should equal 384. Therefore, the sample was selected using a stratified random technique; in which the population was divided into subgroups depending on the population of females in the north, middle and eastern areas of Jordan and then the study chose a random sample from each subgroup.

Sources of Data

The study used primary data collected from distributing close-end questionnaires, where the study distributed 500 questionnaires.

Out of the 500 questionnaires, 470 were collected back, representing a response rate of 94 percent. Nonetheless, only 464 subjects out of the 470 were found to be suitable for data analysis, i.e. the actual response rate was 92.8 percent (265 was from the middle of Jordan, 161 in the north of Jordan and 38 in the south of Jordan). The questionnaires

were distributed and collected with the assistance of the Princess Basma Center for Jordanian Women's Studies at Yarmouk University.

Methodology

To investigate the attitude of Jordanian female toward investment, types of investment vehicles, sources of funds, and their investment goals. The study designed close – end questionnaires. It consists of two parts. Part one asks about the demographic characteristics of the respondent (age, monthly income level, marital status, and education level).

Part two consists of four paragraphs asking about the investment attitude of Jordanian women, in terms of types of investment vehicles, sources of funds, and investment goals. To ensure the validity of the questionnaire, the study designed it based on theoretical models from previous studies. Also, it was reviewed by financial experts in the field of investment, and finally a pilot study was conducted by distributing a random sample of 50 questionnaires to Jordanian women, where they found it simple and easy to be understood and answered.

Results

As it is indicated in Table (1), describes the demographic characteristics of the respondents of the study, where the sample is diversified in terms of respondents' demographic variables such as age, marital status, income level and education level.

Over many years, it ranges from 20 and older than 65, where 41.4% of the respondents are between 20 and 34 years old, 37.1% of them are between 35 and 49, 19.6% are between 50 and 64, and only 1.9% are older than 65.

The sample also contains respondents from various income levels, where income level ranges from less than JD 200 to more than JD 1000. It indicates that 30.6% of the respondents' income levels are less than JD 200, 46.8% of them their income level ranged between JD 200 and less than JD 600, 11.4% of their income level ranged between JD 600 and less than JD 1000, and only 11.2% are above JD 1000.

For marital status, 31.3% of respondents are single, while 56.5% of them are married, 5.8, 6.5 percent of them are divorced and widow, respectively.

In addition, the sample includes respondents with different education level; 26.7% have high school or less, 20.3% hold diploma, 41.4% are bachelor degree holders and 11.6% are higher degree holders. Therefore this diversity implies that the sample contains different occupations, where 51.7% of them are employed, 42% are unemployed and 6.3% are retired.

This diversity implies that the respondents may have different investment attitude with different types of investment vehicles, sources of funds and investment goal. Table 2, reports the frequencies of respondents' answers of Jordanian women for investment attitude questions. Question (1), asked if the respondents are currently an investor, the results show that only 26.50% of Jordanian women are current investors. This implies limited investment participation of women in Jordan and indicates that Jordanian

women are highly affected by culture, social and demographic factors that limit their participation. On the other hand, Hira(2006), indicates that women have limited investment participation because they think that investment is stressful and scary. Thus, Beyer and Bowde (1997) indicated that women tend to participate less because they think that investment is considered as a masculine field.

Question (2), asked about the types of investment vehicles, where the main four investment vehicles most commonly invested in are listed (Gitiman et al. 2015)

The results indicated that 78.86% of women invest in real property, where 50.79% of real property was invested in building and apartments and 26.83% was invested in land. Only 3.25% of women invest in personal tangible property, 9.76% of women invest in financial securities, and 8.13% of women invest in others.

These results indicated that women in Jordan are risk averse and prefer to invest in safer assets rather than risky assets. This finding agrees with the findings of Schumell (1996) which indicated that women are risk averse and choose less risky assets because the women's confidence, regarding taking the correct financial decision is low. Mittal and Vyas (2009), indicated that women are risk averse due to biological and evolutionary, social and cultural and psychological factors.

This result is consistent with the results of [Hinz et al., (1977), Lewwllen et al.,(1977), Barskey et al., (1996), Jianakoplos and Bernaset(1998), Sunden and Suretle (1998), Fehr-Duda et al.,(2006), Mittal and Dhade(2007), Bhushan and Medury(2013)] , where they all indicated that women are conservative and prefer less risky investment vehicles.

Question (3), asked about the sources of funds. The results indicated that 71.54% of women finance their investment by equity sources, where 51.54% of equity was self-made by the women and 20% was inherited.

On the other hand, 28.46% of women finance their investment by debt sources, where 17.70% of debt was from financial institutions and 10.76% was from work incentives. Also, these results indicated that women are risk averse because they depend on equity sources to finance their investment more than debt sources. These results are consistent with the results of Department of Statistics 2015, which indicated that only 19.6% of commercial bank borrowers are females (17.2 percent of total commercial banks loans are granted to females).

Question (4), asked about the investment goals, the results indicated that 34.64% of women invest to enhance their income, 42% of women invest to accumulate for retirement, and 22.88% of women invest to save for a major expenditure.

Question (5), asked women who are not currently an investor if they are planning to invest in the future. The results show that 35.13% of Jordanian women are planning to invest in the future. This result is a good indication that probably the investment participation of Jordanian women is improving. Finally, Question (6), asked the prospective investors about the types of investment they prefer to invest in the future, the results show that 57.55% of women plan to invest in real property, where 37.14% of real property will be invested in building and apartments and 20.41% will be invested in lands. Thus, 20.41% of women plan to invest in personal tangible property, only 4.08% of women plan to invest in financial securities, and 17.96% of women plan to invest in others.

As it is indicated, the Jordanian women are still planning to invest in conservative assets, although the percentage of their investment may differ (for example real property, financial securities, and other percentages decrease, personal tangible property percentage increase) and they tend to invest in personal tangible property, such as Jewelry, antiques, coins, stamps,...).

To better understand the investment attitude of Jordanian women, the study investigates it with regard to demographic variables (age, education level, income level, and marital status). Table (3) reports Chi-square test results, in which it indicated statistically significant differences between region groups at 5% confidence level, each region in Jordan has different facilities of investment, therefore; there will be a difference between regional groups.

The results show statistically significant differences between income and education level groups at 5% confidence level.

These results are consistent with the results of Bajtelsmit and Bernasek(1996), Weber et al.(2002), and Graham (2002).

On the other hand, the results indicated no statistically significant differences between different age and the marital status group at 5% confidence level.

Although Graham et al., (2002), indicates that women tend to invest if they face a problem such as divorce and becoming a widow.

Conclusions and Recommendations

A growing set of studies indicated the importance of behavioral finance on the investment behavior decision of individual and institutional investors. The main objective of this study is to investigate the investment attitude of Jordanian women in the context of types of investment vehicles and goals of investment. The study also asks whether these investment attitudes differ between different Region. Age, Income, Marital Status, Education, and Occupation groups. The study found limited investment participation of women in Jordan (26.50%). On the other hand, 35.13% of Jordanian women are planning to invest in the future. Thus the study found that Jordanian women are conservative and prefer safer investment vehicles, where they depend on equity sources more than debt sources. However, no statistically significant differences are found between different age and marital status groups. On the other hand, the results found statistically significant differences between different region, income and education level groups. These results are based on the answers of 464 women from north, middle, and southern regions of Jordan. These findings have important implications to Jordanian women to encourage them to participate more in investment, because increased participation of Jordanian women will improve the growth of the Jordanian economy. Moreover, these findings also have important implications for investment managers and policy makers, thus researchers and academicians are interested in behavioral finance in context of women investment. The study recommended future research in this area investigating the main investment barriers for Jordanian women.

Table 1. Demographic Variables

Demographic Variables	Frequency	Percentage
Age		
20-34	192	41.4
35-49	172	37.1
50-64	91	19.6
65 or older	9	1.9
Month Income Level		
Less than JD 200.	142	30.6
JD 200-less than JD 600.	217	46.8
JD 600- less than JD 1000	53	11.4
Above JD 1000.	52	11.2
Marital Status		
Single	145	31.3
Married	262	56.5
Divorced	26	5.8
Widow	30	6.5
Education Level		
High school or less	124	26.7
Diploma	94	20.3
Bachelor degree	192	41.4
Higher education	54	11.6
Occupation		
Employed	240	51.7
Unemployed	195	42.0
Retired	29	6.3

Table 2. The frequencies of the respondents' answers of Jordanian women for investment attitude questions.*

Question No.	Question	Frequencies	Percentage (%)
1.	Are you currently an investor?		
	Yes	123	26.50
	No	341	73.50

Question No.	Question	Frequencies	Percentage (%)
2.	Which of the following Types of Investment Vehicles you currently own?		
	1. Real Property	97	78.86
	a. Building and Apartments.	64	50.79
	b. Land	33	26.83
	2. Personal Tangible Property such as (Jewelry, antiques, coins, stamps,...)	4	3.25
	3. Financial Securities	12	9.76
	4. Others such as (interest-bearing deposits,..)	10	8.13
3.	Which of the following Source of funds you currently use?		
	1. Equity.	93	71.54
	a. Self-Made.	67	51.54
	b. Inherited.	26	20.00
	2. Debt.	37	28.46
	a. Debt from Financial Institutions.	23	17.70
	b. Work Incentives.	14	10.76
4.	Which of the following is/are your investment goal?		
	1. Enhancing Income.	53	34.64
	2. Accumulation for Retirement.	65	42.48
	3. Saving for Major Expenditure, such as religious purposes, entertainment,...	35	22.88
5.	If you are not currently an investor, do you plan to invest in the future?		
	Yes	163	35.13
	No	301	64.87

Question No.	Question	Frequencies	Percentage (%)
6.	Which of the following Types of Investment Vehicles you plan to invest in the future?		
	1.Real Property		57.55
	c. Building and Apartments.	91	37.14
	d. Land	50	20.41
	2. Personal Tangible Property such as (Jewelry, antiques, coins, stamps,...)	50	20.41
	3.Financial Securities	10	4.08
	4. Others such as (interest-bearing deposits,..)	44	17.96

* You may choose more than one answer in questions 2-4 and 6.

Table 3. The Chi-square test of Investment Attitude and Demographic Variables.

Region	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.463	.001
Likelihood Ratio	14.624	.001
Linear-by- Linear Association.	.846	.358
Age Level	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.406	.144
Likelihood Ratio	5.413	.144
Linear-by- Linear Association.	4.928	.026
Income Level	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.383	.000
Likelihood Ratio	19.974	.000
Linear-by- Linear Association.	15.819	.000
Marital Status	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.202	.066
Likelihood Ratio	7.241	.065
Linear-by- Linear Association.	1.161	.281

Education Level	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.007	.003
Likelihood Ratio	14.163	.003
Linear-by- Linear Association.	13.457	.000
Occupation	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.998	.000
Likelihood Ratio	23.245	.000
Linear-by- Linear Association.	22.922	.000

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