A STUDY ON INVESTMENT PATTERN OF SALARIED PEOPLE

Smriti Kumari[1], Prof, Dr. Tej SinghVaishali Baghel[2], Prof, Dr. Tej Singh[3]

[1,2,3]School of Finance & Commerce, Galgotias University, India.

ABSTRACT

In the contemporary financial landscape, understanding the investment behaviour of salaried individuals holds paramount importance for financial institutions, policymakers, and individuals themselves. This study delves into the intricate dynamics of investment patterns among salaried individuals, aiming to unearth the underlying factors influencing their investment decisions, risk appetites, and preferences. Through a comprehensive review of existing literature, coupled with primary data collection via surveys and interviews, this research endeavours to provide nuanced insights into the investment behavior of this demographic segment. The methodology adopted for this study quantitative analysis of survey responses. By engaging with a diverse sample of salaried individuals across various demographics, including age, income levels, and professions, the study aimsto capture a holistic understanding of their investment inclinations. The findings of this study are expected to contribute significantly to both academia and practice. Furthermore, the study seeks to fill existing gaps in the literature pertaining to the investment behavior of salaried individuals, particularly in the context of emerging economies. In conclusion, this study endeavours to provide a comprehensive analysis of investment patterns among salaried individuals, offering valuable insights for stakeholders across various sectors.

By synthesizing insights from behavioral economics, finance, and psychology, the study endeavours to construct a holistic understanding of the cognitive, emotional, and socio- economic factors that influence salaried individuals' investment decisions. Methodologically, this study employs a mixed-method approach to gather both quantitative and qualitative data. A structured survey instrument will be administered to a diverse sampleof salaried individuals, capturing demographic information, investment preferences, risk tolerance levels, and perceptions of financial literacy. By examining the relationships between demographic variables, psychological factors, and investment choices, the research seeks to uncover patterns and trends that can inform both theoretical frameworks and practical strategies for promoting financial well-being. The findings of this study are expected to offer valuable insights for a wide range of stakeholders. Financial institutions can leverage these insights to design tailored investment products and services that resonatewith the needs and preferences of salaried individuals, thereby enhancing customer satisfaction and loyalty. Policymakers can utilize the findings to formulate targeted interventions aimed at enhancing financial literacy, fostering a culture of savings, and mitigating barriers to investment participation among salaried workers. Moreover, the studyaims to contribute to academic scholarship by addressing gaps in the existing literature on investment behavior among salaried individuals. In conclusion, this study endeavours to provide a comprehensive analysis of investment patterns among salaried individuals,offering actionable insights for practitioners, policymakers, and scholars alike.

1. INTRODUCTION

An investment is a piece of property bought or money committed with the intention of earning income from savings down the road. To put it another way, an investment is a financial item purchased with the expectation of earning better returns down the road. Selecting the appropriate financial tools to achieve your financial objectives can be challenging. It is a future- focused purchase of things with the intention of generating wealthor revenue down the road. Another way for someone to profit from an asset is to sell it lateron for a better price.

Investments can also be made with cash dedicated to starting a new business, growing an already-existing one, buying a stake or share in a company, or investing an asset in a company. An investor is someone who makes investments into one or more asset classes, such as debt securities, real estate, commodities, currency, equity, and derivatives like put and call options, with the intention of profiting from their investments. The goal of investingis to make your money work for you or allow it to grow.

Making wise investment choices is essential in today's personal finance environment to achieve long-term objectives and maintain financial security. Across all demographic groups, salaried people make up a large proportion of investors globally. It is critical for financial institutions, lawmakers and individuals themselves to comprehend their investment patterns.

People all across the world are becoming more proactive in managing their money and safeguarding their financial prospects in today's economies. Major of them, a sizeable portion are salaried workers who actively participate in investing activities in order to accomplish a variety of financial objectives, including asset diversification, retirement planning, and wealth growth. Salaried people's investment habits not only reveal their personal financial preferences

but also have wider consequences for financial stability, market dynamics, and economic growth.

In recent times, there has been a notable transformation in the personal financial sector due to various factors like globalization, technology improvements, demographic shifts, and shifting regulatory frameworks. The prevalence of employer-sponsored pension plans and other traditional sources of retirement income has decreased, putting more of the burden on individuals to manage their own retirement savings through investment vehicles like 401(k) plans, individual retirement accounts (IRAs), and other investment products. Moreover, a more active and diverse approach to investment management has become necessary due to low interest rates and volatile market conditions, which has prompted paid individuals to look for new investment options and techniques.

In light of this, it is crucial for a variety of stakeholders, including financial institutions, legislators, regulators, and researchers, to comprehend the investing habits of paid people. One may learn a great deal about salaried people's financial needs, risk tolerance, investing strategies, and long-term financial goals by studying their investment behaviour, preferences, and decision-making processes. Furthermore, studying how paid people invest can yield important insights for the creation of customized investment advice, financial goods and services, and educational programs meant to raise awareness of responsible money management.

Numerous factors, such as demographics, socioeconomic level, educational background, risk tolerance, financial aspirations, market conditions, regulatory environment, and behavioural biases, influence the investment patterns of paid individuals. Gaining an understanding of the ways in which these variables interact and influence investment choices can help to improve financial planning and investment strategies by offering insightful information about the workings of the financial markets.

With an emphasis on understanding salaried individuals' investing preferences, asset allocation techniques, risk management practices, and the variables influencing their investment decisions, this research attempts to give a thorough analysis of their investment patterns. The ultimate goal of this research is to promote financial well-being, enhance market efficiency, and foster economic growth by providing useful insights for financial institutions, policymakers, regulators, and salaried individuals themselves by shedding light on this important demographic's investment behaviour.

In order to fully understand salaried individuals' investment habits, this study report will examine their preferences, driving forces, perceptions of risk, and the variables that affect choices. By looking at these trends, we hope to offer insightful information on the tactics and behaviour of this group, explaining how they allocate their finances and how they feel about various investment vehicles.

2. OBJECTIVES OF THE STUDY

1. To know the aim of investments and motivating factors which influence investment decisions.
2. To identify the popular investment avenue and also the level of satisfaction of investors in their investment.
3. To know the factors that influence investment behavior of the salaried people.

2.1 Scope of the Study

Within the larger investor community, salaried individuals are the precise demographic category that is the subject of this research. The study is to provide insightful analysis of their investment patterns to financial advisors, legislators, and organizations that provide wealth management, financial planning, and investment consulting services. Comprehending the investing conduct of salaried folks is crucial for crafting customized financial products, customizing investment guidance, and devising efficacious regulatory interventions to preserve investor welfare.

The scope of the study on the investment pattern of salaried persons encompasses a wide range of dimensions, factors, and considerations.

3. LITERATURE REVIEW

Ms. Neena Therasa P J, Dr. S Bhuvaneswari (2022), the research focused only on salaried persons. Both primary and secondary data gathering techniques were used to get the data. A well-structured questionnaire has been developed to collect data from 150 participants. statistical instruments such as rank analysis, Chi square test, and percentage analysis. Analysis revealed that investors were happy with their gold and fixed deposit choices, and they were aware of the risks associated with different investment options.

Babu K A, Dr. Giridhar K V (2021), It has been discovered that there is a significant variation in the income, savings, and investment patterns of those households with private sector salaries. But their spending behaviour hasn't changed all that much. It is advised that the government verify lowered expenses and assured income.

Sekar B, Uma G (2020), The survey showed that a greater degree of understanding was discovered regarding the

return on different life assurance schemes, bank fixed deposits, and insurance schemes. However, a lower degree of awareness was found in relation to the conditions for making investments available on the market, as well as the net asset value and the appropriate timing for taking a position or disinvesting mutual funds.

Dr. M. Kalimuthu, Manorabin J (2020), Due to differing motivations, people's investing and savings habits vary from person to person and even within the same individual over time. There are numerous reasons why people save money and make investments. However, there are a number of significant reasons why people save and invest in themselves, including capital appreciation, consistent income, tax planning, risk diversification and minimization, family health and education, the fulfilment of ceremonial obligations like marriage and childbirth, the acquisition of current and fixed assets, the building of homes, etc.

T.M. Hemalatha & Pavithra. S (2018), The study's foundation is the savings and investment habits of district of Coimbatore salaried women. The primary data used in the study were gathered through the distribution of a closed-ended questionnaire. Friedman rank testing and percentage analysis have been used to analyze the data. Because their needs are diverse, including safety, interest and value appreciation, and savings, paid women investors have distinct expectations from their investments.

Ramanathan K V, Dr. Meenakshisundram K S (2015), The majority of respondents, according to the research results, are saving money for their own safety. The study's findings might also serve as a reference for personal investing and finance.

Deepak Sood, Dr. Navdeep Kaur (2015), According to the report, bank savings and LICs are the most popular investment options, and the main reasons affecting investment selections are safety, tax write-offs, and high returns.

Dr. Ramanujan V, Chitra Devi K (2012), The study demonstrates investors' ignorance of the idea and practice of investing pattern dealing. Additionally, it has been shown that the level of income affects investment selections as well. Higher income groups exhibit a comparatively strong preference for investing in the stock market, whereas lower and average income groups exhibit a strong preference for banks and insurance as their top investment options.

Dr. V.G. Jisha, V. Gomathi (2017), The study stressed that before making an investment, thorough research and consideration of all relevant elements are required. In the city of Coimbatore, women working in the public and private sectors were the subjects of the study. The study's goal was to learn more about the socioeconomic standing and degree of investment knowledge of metropolitan women employees. Fifty employees were chosen using a convenient sample technique in order to gather primary and secondary data from journals, websites, and other sources. For analysis, methods like the Chi-Square test and data visualization like tables and percentages were employed. The study investigated the correlation

4. RESEARCH METHODOLOGY

The research methodology utilized to examine the investment behaviors of paid individuals necessitates a thorough approach that combines qualitative and quantitative research approaches. The main components of the methodology review are delineated in this section:

1. **Research Design:**

- **Descriptive Research:** Utilizing descriptive research to characterize the investment patterns of salaried individuals, including their investment purposes,

- **Exploratory Research:** Conducting exploratory research to identify factors influencing investment decisions among salaried individuals, such as demographic characteristics, financial goals, and behavioral biases.

2. **Sampling Strategy:**

- **Probability Sampling:** Employing probability sampling techniques, such as stratified random sampling or cluster sampling, to ensure representativeness and generalizability of findings across different demographic groups and geographical regions.

- **Sample Size:** Determining an adequate sample size based on statistical power calculations and considering factors such as population size, variability, and desired confidence levels.

3. **Data Collection Methods:**

- **Surveys:** Designing structured surveys to collect quantitative data on investment preferences, risk attitudes, financial goals, and demographic characteristics of salaried individuals.

- Primary data are used in this investigation

- **Primary Data:** A self-structured questionnaire was used to gather the primary data.
- **Secondary Data:** Books, websites, journals, and articles have been consulted for thesecondary data.

4. Sample Size:

For analysis of investment pattern, a sample size of 100 was selected.

5. Sample Method:

For the investigation, convenience sampling is the sample method used. A simple sample is one kind of sampling technique where a sample is drawn from a population that is straightforward to get in touch with or reach.

5. DATA ANALYSIS & INTERPRETATION ANALYSIS AND INTERPRETATION OF PERSONAL INFORMATION
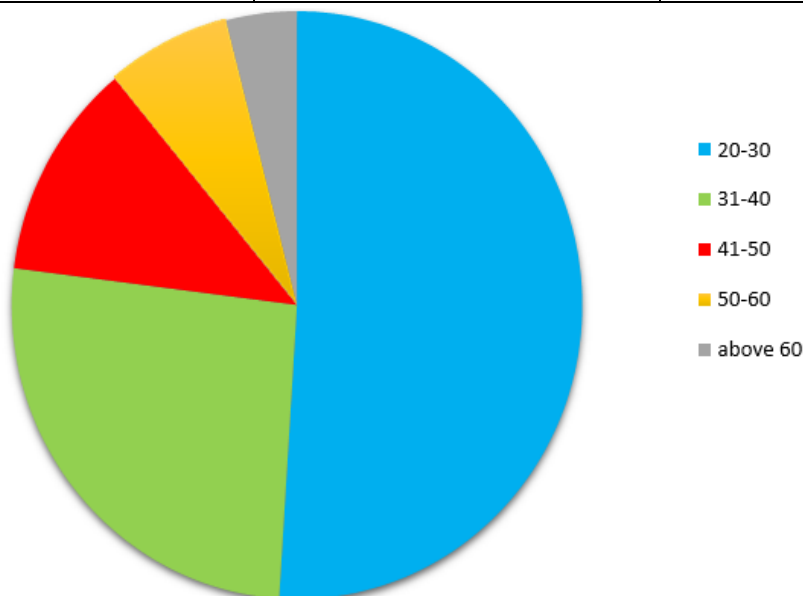
Gender of the respondent.

GENDER	NO. OF RESPONDENTS	PERCENTAGE (%)
Male	62	62
Female	38	38
TOTAL	100	100

Interpretation:

The above table shows that total 100 respondent fill the questionnaire in which around 62respondents are male and the remaining 38 respondents are female.

Age factor of the respondents

| AGE	NO. OF RESPONDENTS	PERCENTAGE (%)
20-30	51	51
31-40	26	26
41-50	12	12
51-60	7	7
above 60	4	4
TOTAL	100	100

Interpretation:

The above table shows the age factor of the respondents. From the data collected it was found that 51 respondents are from age 20 to 30, it can be deduced that 26% of respondentsare from age 31 to 40, 12% are from age 41 to 50, 7% are from age 51 to 60, and 7% are older than 60 years.

The savings % out of their income

| AVINGS % OUT OFINCOME	NO. OF RESPONDENTS	PERCENTAGE (%)
0-10%	52	52
11-20%	21	21
21-30%	17	17
31-40%	6	6
41-50%	4	4
TOTAL	100	100
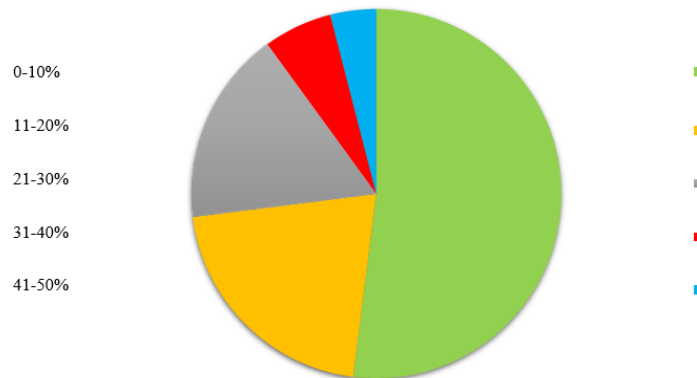
Interpretation:

In the above table it is shows that 52% of respondents save around 10%, 21% of the respondents saves between 11-20%, 17% of the respondents saves between 21-30%. Whilerest of 6% of the respondents save 31-40% and 4% of the respondents saves between 41- 50%.

The occupation of the respondent

| OCCUPATION	NO. OF RESPONDENTS	PERCENTAGE (%)
Govt. Employee	12	12
Private Employee	54	54
Consultant	5	5
Business owner	9	9
Others	20	20
TOTAL	100	100
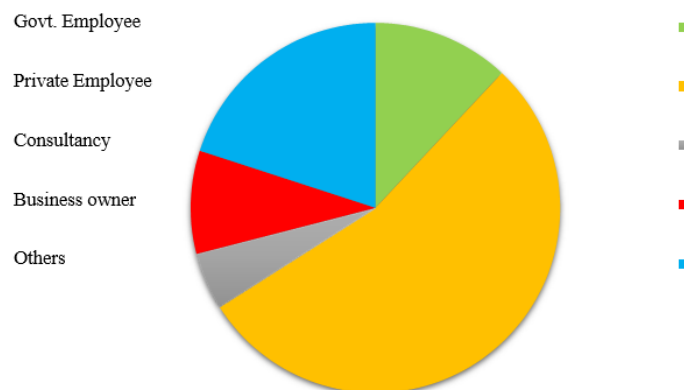
Interpretation:

In the above pie chart inferred that 12% of respondents are Govt. employees and 54% of the respondents are Private employees. Whereas 5% of the respondents are doing Consultancy work, 9% of the respondents are Business owner and 20% of the respondentsare from others category.

**The factors that influence their investment decision**

INFLUENCING FACTORS	NO. OF RESPONDE NTS	PERCENTAGE (%)
Liquidity	6	6
Return	41	41
Risk	36	36
Tax savings	9	9
Others	8	8
TOTAL	100	100
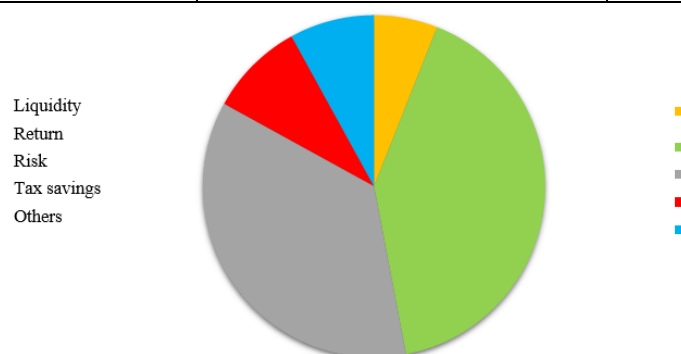
Interpretation:

In the above table it is inferred that 6% of respondents driven by the liquidity purpose, 41% of the respondents get attracted towards investment due to their returns, 36% of the respondents are risk, 9% of the respondents are tax savings and, 8% of the respondents areothers.

Factors to be considered before investment
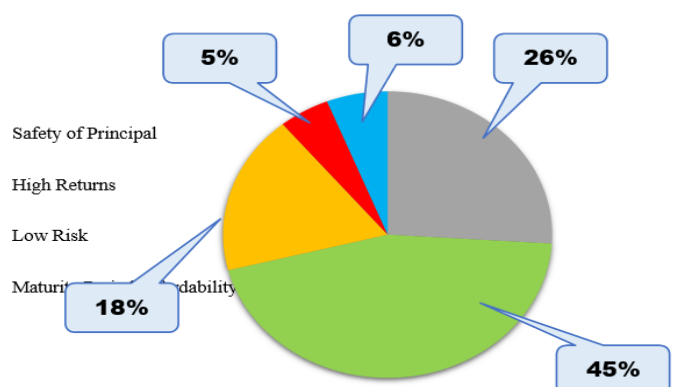
Interpretation:

In the above table it is inferred that before investing 26% of respondents consider safety of principal, 45% of the respondents consider high returns, 18% of the respondents consider

low risk, 5% of the respondents consider maturity period and 6% of the respondentsconsider affordability.

The purpose of the investment

| PURPOSE OF INVESTMENT	NO. OFRESPONDENT S	PERCENTAE (%)
Children Education& Marriage	29	29
Safety And Security	29	29
House Building	27	27
Tax Saving	2	2
Business Aspects	13	13
TOTAL	100	100
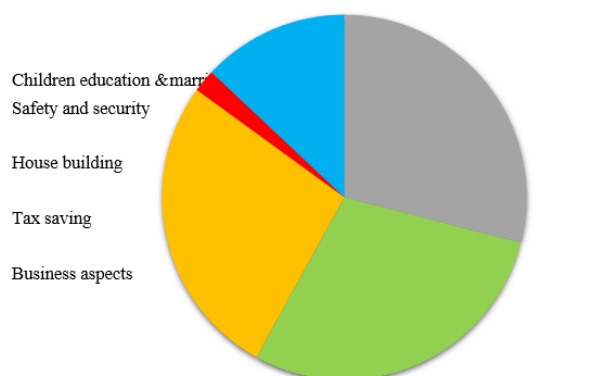
Interpretation:

In the above table it is inferred that regarding the purpose of their investment, 29% of respondents say children education & marriage, 29% of the respondents say safety & security, 27% of the respondents say house building, 2% of the respondents say tax savingand, 13% of the respondents say business aspects.

The satisfaction they get from their investment.

SATISFACTION LEVEL OF THEIRINVESTMENT	NO. OF RESPONDENTS	PERCENTAGE(%)
Highly satisfied	7	7
Satisfied	29	26
Neutral	49	52
Dissatisfied	14	16
Highly dissatisfied	4	3
TOTAL	100	100
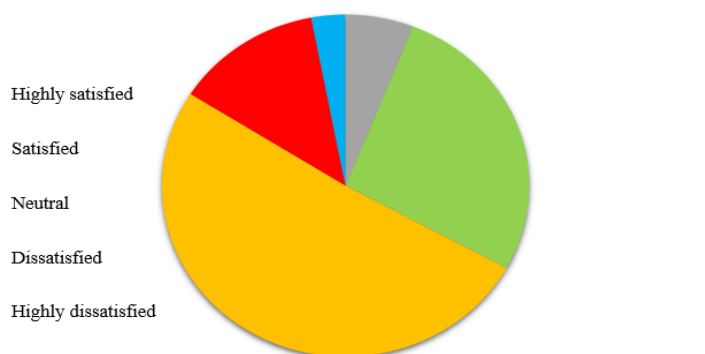
Interpretation:

In the above table it is inferred that 7% of respondents were highly satisfied from their investment, 29% of the respondents were satisfied, 49% of the respondents were neutral, 14% of the respondents were dissatisfied from their investment and, 4% of the respondentswere highly dissatisfied from it.

6. CONCLUSION

Thus, this study undoubtedly enhances decision-making regarding investment patterns and future investments. Analogous research utilizing heterogeneous samples will facilitate a deeper comprehension of the targeted respondents' investing inclination. It has been noted that investors' ignorance of the idea and operation of the investing pattern is the primary cause. Furthermore, it has been discovered that the socio-economic variables of age, gender, income, education, and occupation have a substantial impact on investors' attitudes toward investing. In order for rural investors to gain from stock market investments and expand their alternatives for making investments in the share market, they must become more aware of these opportunities. Additionally, to educate the district's investors who lack sufficient understanding of the share market. Various knowledge about the investing regions is provided by means of diversified study. In addition, steady income is currently the primary goal for salaried individuals when making an investment. It will be determined that they are aware of different investment options and content with what they have chosen to do.

7. DISCUSSION

Having a plan for the future is vitally important while earning a salary. As people's standards of living rise daily, the salaried class is beginning to understand the value of saving money and making wise investments with it. They choose a reasonable living standard over an extravagant, high-end lifestyle.

The study is particularly pertinent to individuals in the salaried class, as it explains how socio- economic characteristics impact investment patterns and assists the intended respondents in identifying their own investment styles.

8. SUGGESTION

- Investors should prepare their investments carefully and with a view to achieving their goals.
- They should also seek information and guidance from a financial advisor, but their choice should be based on thorough research rather than just following the advisor's advice.
- Based on their needs and risk tolerance, investors should choose an investment option.
- To reduce risk, investors should diversify the assets in their portfolio.
- It is important for investors to keep a close eye on their investments.
- List all of your financial objectives together with the estimated time it will take to achieve them.
- Investors need to keep a close eye on their holdings.
- Companies should furnish investors with every relevant information.

9. REFERENCES

[1] Charkha, S. L., and J. R. Lanjekar (2018). A study of saving and investment pattern of salaried class individuals with special reference to Pune city (India). Journal of Engineering Application and Management Research International, 4(3), 439–444.

[2] Alasbahi, A., Kula, A., and Al-Gamal, E. (2019). Examination of Investment Trends for a Review of People in a Different Class. 11(2), 135–140, Journal of Social Welfare and Management.

[3] Marimuthu, M. A survey on paid individuals' favorite investment avenues c. Geetha.

[4] Murthi "Investors Behaviour in Various Investment Avenues - A Study," Suriya S., Narayanan B., and Arivazhagan M. (2012), International Journal of Marketing and Technology, Volume 2, Issue July, pages 36-45

[5] Chitradevi, K., and Ramanujam, V. (2012). an investigation of the influence of socioeconomic status on the investment habits of corporate and salaried individuals in Coimbatore. International Journal of Information Technology & Management, 2(1), 6

[6] Kaur, N., and D. Sood (2015). An investigation into the investment and saving habits of salaried individuals, with a focus on Chandigarh (India). International Journal of Research in Social Sciences, Technology, and Engineering, 5(2), 1–15.

[7] Umamaheswari, D., Suganthi, M. K., Valli, M. T., & Sivaranjani, M. A. (2019). Tanjore Salaried Employees' Savings and Investment Model.

[8] B. U. Swadia (2017). An Analysis of How Investors Act in Relation to Investment Pattern Portfolios. Current Trends: An International Journal of Multidisciplinary Research with Referred Status, 3(4), 41–51.

[9] The study "Analyzing the Rate of Land Use and Land Cover Change and Determining the Causes of Forest Cover Change in Gog District, Gambella Regional State, Ethiopia" may be found at https://www.researchgate.net/publication/322064754.

[10] The study article titled "Discretionary Savings and Investment Behaviour of Middle-Class Households in India: Empirical Evidence" can be found on study Gate.