



A Literature Study on Investment Pattern and Choices of Salaried People

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ABSTRACT

The level of investment needs to increase for achieving a high growth and development level in the economy. The initial planning stage considers investment as a vital tool for increasing national income and economic growth. This financial global place shows a balanced but weird influence of the favoured investment of individuals, their knowledge regarding the needs of investment, return estimation from investment etc. The prediction of the development of this global business is difficult without comprehending the opposite behaviour of investment of significant constituents of society. A lot of choices are offered for investment purposes and the individual must choose the appropriate ones for the portfolio. The one who deals with the planning phase must have information of all the investment alternatives and how the investor selects the alternative for achieving the overall goals and aims. The investor chooses the best option after the evaluation of key features linked with the investment like the stability of income, liquidity, risk, return, time, transferability and payback of principal amount. This study focuses on the pattern and choices of Investors regarding investment options and the factors influencing the behaviour of investor while selecting the option. Data is gathered from secondary sources such as research papers, research articles, journals, thesis and websites. The results of the study are based on investment patterns and choice of investor regarding different alternatives on the basis of existing reviews

INTRODUCTION

Now a days, investment is just like a basic necessity for different individuals. Financial market provides a channel or way to allocate savings into investments. The market provides different assets to the savers and different forms from which the investors can increase their amount. The investors and savers do not limit themselves to their abilities but to the ability of the economy for saving and investing respectively. The growth rate of investment is very high in India. The investors invest their amount in various investment options according to the level of risk and return. The goals and needs of investors are specific and general according to the chosen investment options. The objectives of investor differ according to the risk, income and age of the investors. Investors should work on the profile of the investment according to their suitability and after considering the factors like personal constraints, plans and status. The investor waits for future rewards after allocating the funds. The individual makes the commitment for the resources, which either can be saved or kept aside from the current consumption in the expectation that it will give future paybacks. The monetary resources of individuals are allocated in a manner that will provide either negative or positive returns in the future time. The investment decision taken by the investor is the trade-off between the return and risk. The choices of investment by the investor are according to the current needs and by measuring the future uncertainties.

Objective

To review and analyse the pattern and choices of investors regarding different investment alternatives of salaried employees.

LITERATURE REVIEW

The goals and needs of investors are specific and general according to the chosen investment options. The objectives of investor differ according to the risk, income and age of the investors. Investors should work on the profile of the investment according to their suitability and after considering the factors like personal constraints, plans and status. The investor waits for future rewards after allocating the funds. The individual makes the commitment for the resources, which either can be saved or kept aside from the current consumption in the expectation that it will give future paybacks.

METHODOLOGY

The research paper is based on existing reviews of literature. The data used in this paper is collected from secondary sources like research papers, research articles, published thesis, websites and many other. The reviews cover the objectives of the study, sample size and the tools and techniques used in the study and at last results of the study. The performed reviews determine the behaviour of investment, pattern of income and saving, investors and the least and most preferred alternative.

RESULT

Table 1. Result

Name of the Author and year	Objectives of the study	Sample size and the Tools and Techniques	Results of the study
Ramanujam et al., (2012)	To study the impact of socio-economic variables on investors' attitudes regarding investment.	Convenient sampling was used for data collection and different statistical techniques like Mean, ANOVA, Chi-square test and Cross tabulation was used for data analysis.	The study revealed that the frequency of making investments and their occupation was not associated, but income level influences the decision of investment.
Samudra and Burghate (2012)	To examine the preferred instruments of investment of middle-income class in Nagpur city.	Primary method was used for data collection from 300 households selected from three income slabs	The most preferred avenue was Bank deposits and variations were found in the options like real estate, shares, small saving schemes and mutual funds.
Bhushan (2014)	To analyze whether financial literacy helps in improving the understanding level of financial matters	The non-disguised structured questionnaire was filled by the people of Himachal Pradesh. Multistage Random and Purposive sampling was used for data collection.	The result revealed that the respondents having low financial literacy invests in conventional financial products and they are not taking benefit of innovative financial products.
Karanam et al., (2019)	To examine the millennial investment patterns.	The study was descriptive and the data of 350 working	The study found that occupation and income

		professionals were taken who were under the age of 20-35.	played a crucial role in deciding investment patterns and risk-return capacity.
Abdul Muthalif (2018)	To understand the attitude of investors towards various investment alternatives	The study is based on existing reviews of literature.	The results observed that the purpose of investments is long-term growth but most of investors have no idea about mutual fund investments.
Amudhan et al., (2020)	To study the pattern of investment of govt, private and self-employed individuals, and also examine the factors affecting investment decision	Data was collected from 100 convenient respondents of Bangalore city. Different factual methods like chi-square, crosstab and ANOVA were used for hypothesis testing.	The researcher found that the respondents' qualification and behaviour of investment were not related with each other and even the respondent's occupation and their goal of investment was not related with one another.
Bhushan Mishra APJ ABDUL et al., (2019)	To study the level of financial literacy and the awareness of respondents residing in Indore city.	Interview and questionnaires were used for gathering the data. The collected information was presented through graphs, bar charts and pie-charts.	The investors residing in Indore city choose mutual funds, recurring deposit and bank deposits. No significant link was found between the investment mindfulness level and gender.

<p>Shailendra Kulkarni (2014)</p>	<p>To check the satisfaction and understanding level of investors in accordance with their income, occupation, level of education, gender and age.</p>	<p>Data were gathered from 199 investors of Bangalore city through questionnaires. ANOVA, Factor analysis and post hoc test were used for discovering the level of satisfaction and psychoanalytical variables.</p>	<p>The researcher found that investor chooses the alternative according to their annual savings and the capacity of risk and return also depends on the investor's income. The satisfaction level towards the investment options differs from investor's educational level and occupation.</p>
<p>Purnima and Lalitha (2021)</p>	<p>To analyze the investment mode and pattern of salaried individuals working in Vishakhapatnam</p>	<p>Questionnaire were conveniently filled by 100 respondents and simple tools were used for data analysis like table, percentage and chi-square test.</p>	<p>High-income class individuals were more aware of various avenues of investment than the individuals of low-income class. The majority of respondents were in favour that the level of education affects investment avenue selection.</p>
<p>Singh (2018)</p>	<p>To analyze the investment and saving pattern of people live in and around Mohali</p>	<p>Personal interview and questionnaire were used for data collection and 200 respondents were chosen through simple random sampling method with diverse age, income and education level.</p>	<p>The major findings showed that the key drives of investment were regular income source, financial security, tax deduction and capital growth.</p>

<p>Geetha and Ramesh (2011)</p>	<p>To elaborate the respondent's attitude towards various options of investment and also study the factors that affect investment behaviour of individuals</p>	<p>Simple random sampling was used for collecting the data from 210 respondents through structured questionnaire. Percentage analysis was used simply for representing the percentage and frequency of the profile of customers.</p>	<p>The study concluded that respondents are somehow aware about the investment alternatives but they have no idea about bonds, stock market, debentures and equity. Some other preferred options were mutual funds, equity, SHG and real estate.</p>
<p>Azhar et al., (2017)</p>	<p>To examine the awareness level of investment among young generation and also verify the relation between awareness regarding investment and financial literacy among the younger generation.</p>	<p>The data was collected with the help of structured questionnaire from 120 respondents residing in Selangor, Malaysia. Data was analysed through SmartPLS 3.0 and AVE (Average Variance Extracted) that shows the relationship between the constructs.</p>	<p>The result identified that younger people need guaranteed return from the invested amount and they also choose to invest their hard-earned money in low income and get maximum returns for a long period. Youngers also lack investment awareness and knowledge.</p>
<p>Lakhmani et al., (2020)</p>	<p>To examine the individual's investment pattern and how the factors such as savings, liquidity, age and current financial status affect it. The study also analyzes the available options of investment and</p>	<p>The people living in Lucknow city are the respondents and online link was sent for filling the questionnaires to 51 people through random sampling method. Diagrams, tables and charts were used for better</p>	<p>The findings of the study revealed that majority of the investors were risk averse and they prefer the options which consists more returns and liquidity. In</p>

	the most chosen option of people living in Lucknow city.	representing and analysing the data.	addition to this, they want tax benefits with safety and security.
Shaikh et al., (2021)	To study the behaviour of saving and investment of salaried people and recognize the importance of financial planning and tax planning. The secondary objective of the study is to gain understanding about various investment options with regards to tax planning.	Descriptive research design was used in this study and questionnaire was used for collecting the data. 190 samples were taken from the individuals residing in Pune. Pie-charts and bar-graphs were used for representing the data.	The study found that the salaried people have not much information about the tax-saving decisions of investment like ULIPs and NSC. Data also explains that the respondents want steady return plan, as their main reason to invest is to grow their investment return as they were investing on regular basis.
Kanagaraj and Pavithra (2020)	To explore the factors that influence the investors while selecting investment and also study the level of awareness among salaried employees towards the investment nature	The sample size of the research was 120. The tools used for the purpose of analysing the collected data were ranking analysis and simple percentage analysis.	The findings of the study also showed that the perception of employees has led to investment appreciation through different factors. The pattern of investment differs from one class to another class in the form of awareness level of investment and the level of risk perception.

<p>Totala (2016)</p>	<p>To study the pattern and preference of salaried investors in Indore city</p>	<p>Secondary and primary data were collected through survey, questionnaire and many other secondary sources. 479 salaried people of Indore were taken as respondents. Data was analysed on the basis of percentage analysis.</p>	<p>Significant differences were found between the salaried individual's investment preferences and decisions on the basis of education, gender, age, marital status, income tax return filing, annual savings, and annual income.</p>
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DISCUSSION

- The level of income influences the decision of investor regarding the selection of investment.
- Bank deposits is preferred by mostly all types of investors and variations were found in the options like real estate, shares, small saving schemes and mutual funds.
- The purpose of investments are long-term growth and security.
- Qualification and behaviour of investment were not related with each other and even the respondent's occupation and their goal of investment was not related with one another.
- Salaried people have not much information about the tax-saving decisions of investment like ULIPs and NSC.
- Occupation and income played a crucial role in deciding investment patterns and risk-return capacity.
- Majority of the investors were risk averse and they prefer the options which consists more returns and liquidity.
- The investors are less aware about the options like bonds, stock market, debentures and equity.
- High-income class individuals were more aware of various avenues of investment than the individuals of low-income class.
- Investors having low financial literacy invests in conventional financial products and they are not taking benefit of innovative financial products.

CONCLUSION AND RECOMMENDATION

Conclusion

The findings of the study indicate that the behaviour of investment differs from individual to individual. This behaviour of investor differs in the form of risk perception level and knowledge of different avenues of investment. The one avenue that is mostly preferred by all classes of investors is Bank deposits. The low level of risk attached to Bank deposits encourages investors to invest money in this avenue. Investors don't want to lose their hard-earned amount in the expectation of earning more and more returns. This statement revealed that in India, still, most of the investors choose traditional avenues of investment. The investors want more income and growth from their investment but they do not want to take higher returns for more returns. The level of risk and return depends on the knowledge and awareness of the investors regarding different investment avenues. This study revealed that knowledge is the power to invest money in the stock market.

Recommendation

- The study also recommends that knowledge of investors can be increased by conducting several programs related to the awareness of investors.
- Investors start investing money in new and innovative options after getting proper awareness regarding the associated risk and return with the investment.
- The programs related to Investment, its options and associated risk can help in removing the fear from the mind of potential investors.

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