

Understanding Investment Patterns and Preferences of Salaried Individuals in India: A Review

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Abstract:

This research paper provides a comprehensive analysis of the investment patterns and preferences of salaried individuals in India. The study sheds light on the diverse investment objectives and behaviours of respondents, including their prioritization of safety, tax-saving benefits, and frequency-based investment behaviour. The research also highlights the limited awareness about stock market investments, equity, bonds, and debentures among salaried individuals, emphasizing the need for increased financial literacy and awareness programs. Additionally, the demographic insights reveal that the majority of investors surveyed are male, married, and employed in the private sector, with a significant portion belonging to the service class and falling within the age group of up to 30 years. The study acknowledges its limitations and emphasizes the need for future research with larger sample sizes to further explore investment patterns and behaviours among salaried individuals in the region. The findings of this research paper have significant implications for financial institutions, policymakers, and investment advisors, highlighting the importance of tailored financial literacy programs and investment products to meet the diverse needs of salaried individuals in India. Overall, this comprehensive analysis contributes to the existing literature on investment behaviour and provides a foundation for future research in this area.

Keywords: Investment behaviour, financial literacy, financial decision-making.

Introduction:

Investment behaviour and decision-making among salaried individuals in India have been extensively researched in recent years due to the increasing availability of investment options and the growing importance of financial planning. Understanding the investment patterns and preferences of salaried individuals in India is crucial to promote financial literacy and awareness among the general population. This research paper aims to provide a comprehensive analysis of investment behaviour among salaried individuals in India, with a particular focus on the impact of socio-economic factors on investment patterns and preferences. The paper will analyse the preferred investment avenues, demographic characteristics, and investment objectives of salaried individuals in India. Additionally, it will identify the influence of socio-economic factors such as education level, income, and gender on investment patterns and behaviour. The findings of this research paper will have significant implications for financial institutions and investment advisors targeting salaried individuals in India, as well as policymakers seeking to promote financial literacy and awareness.

Objectives:

1. To review the investment pattern and preferences of salaried individual.
2. To give major findings in investment pattern and preferences of salaried individual.
1. "Investment Preferences of Salaried Women Employees" This paper provides a comprehensive analysis of the investment behavior of working women in India, including their preferred investment avenues, demographic characteristics, and investment objectives. However, it acknowledges the need for further research with a larger and more diverse sample to validate its findings.
2. "Analysis of Investment Pattern among Salaried Class in Namakkal Taluk, Tamil Nadu, India" This research paper offers valuable insights into the investment choices and patterns of salaried individuals in a specific region. It employs statistical tools for data analysis and acknowledges the limitations of its location-specific nature and convenient sampling. The study's findings contribute to the existing literature on behavioral finance and investment decision-making.
3. "A Study on Impact of Socio-Economic Profile on Investment Pattern of Salaried & Business People in Coimbatore City" This paper provides valuable insights into the investment patterns of salaried and business people in Coimbatore City, highlighting the impact of various factors such as education level, awareness about the financial system, and age of investors on their investment patterns. However, it is based on a relatively small sample size and single-city focus, limiting its generalizability.
4. "A Study on Preferred Investment Avenues among Salaried Peoples with Reference to Namakkal Taluk, Tamil Nadu, India" This study offers valuable insights into the investment preferences of salaried individuals in Namakkal Taluk, using a sound methodology and probability sampling technique. However, it acknowledges limitations such as a small sample size and a focus only on salaried individuals, which may limit its generalizability.
5. "Investment Preferences of Salaried Women Employees" This paper provides a comprehensive analysis of the awareness and preferences of working women in India regarding financial investments. It emphasizes the evolving role of women in the workforce and their increasing influence over financial decisions. The study's objectives are clearly outlined, focusing on demographic details of the respondents, investment patterns, and preferences of salaried women employees.
6. "A Study on the Perception of Investment Pattern among Urban Working Women with Reference to Coimbatore City" This research paper analyzes the income and investment patterns of women employees in Coimbatore City, highlighting the impact of gender norms and expectations on savings. However, it is based on a small sample size and acknowledges the need for further research to validate its findings.
7. "Salaried Women and Their Investment Pattern: Analytical Overview in Coimbatore City" This paper provides a comprehensive analysis of the investment patterns and challenges faced by salaried women in Coimbatore, India. It offers valuable insights into the investment patterns and financial planning of urban working women in Coimbatore City, with implications for policymakers, financial institutions, and women employees.
8. "Analysis of Investment Pattern among Salaried Class in Namakkal Taluk, Tamil Nadu, India" This research paper provides a comprehensive analysis of the investment choices and patterns of salaried individuals in a specific region. It offers valuable insights into the investment behaviour of the respondents, including their preferred investment avenues, demographic characteristics, and investment objectives.

Findings:

1. Preferred Investment Avenues:

- a. Insurance policies, bank fixed deposits, and post offices are the most well-known investment avenues among respondents.
 - b. Salaried individuals in Namakkal Taluk show a preference for conservative investment avenues such as insurance and bank deposits.
 - c. Salaried women employees in Coimbatore city favor fixed deposits, mutual funds, and insurance policies as their primary investment avenues.
 - d. The majority of investors surveyed prefer long-term investments, while a significant portion also opt for short-term investments.
 - e. The study identifies insurance as the most favoured investment avenue among salaried individuals in Namakkal Taluk .
2. Investment Criteria:
- a. Factors such as growth & income, safety, past performances of companies, and service criteria significantly influence investment decisions.
 - b. Income level is an important factor influencing the investment portfolio of respondents, particularly for lower-income and middle-age groups.
 - c. A positive relationship exists between the education level of investors and their awareness of investment avenues, highlighting the importance of financial literacy and education in influencing investment behavior .
 - d. The level of income has a significant impact on savings and investment patterns among women employees, with a noticeable increase in income over the last decade.
3. Investment Objectives and Behavior:
- a. Most people save money for children's education, marriage, and other life goals.
 - b. The diverse investment objectives and behaviors of respondents include prioritizing safety, tax-saving benefits, and frequency-based investment behavior .
4. Awareness and Knowledge Gaps:
- a. Limited awareness about stock market investments, equity, bonds, and debentures suggests a potential opportunity for increasing financial literacy and awareness among salaried individuals .
 - b. The need for awareness programs to educate respondents about new services related to the stock market is emphasized, highlighting the potential for increasing awareness and knowledge about investment options .
 - c. The challenges faced by women in making investment decisions include lack of knowledge, lack of time, and lack of trust in financial institutions, indicating a need for financial literacy programs and women-friendly investment products .
 - d. The study highlights the need for increased awareness and education about various investment avenues, particularly those related to the stock market, equity, bonds, and debentures .
5. Demographic Insights:
- a. The majority of investors surveyed are male, married, and employed in the private sector .
 - b. A significant portion of the investors belong to the service class, indicating a fixed income source .
 - c. The majority of the sample investors fall within the age group of up to 30 years, indicating that younger individuals are actively engaging in investment activities .
 - d. The study reveals that a substantial proportion of the investors have an educational qualification up to the graduation level, suggesting that individuals with varying educational backgrounds are participating in investment decisions .
6. Limitations and Scope:
- a. The research acknowledges the limitations of the study, recognizing that the perceptions and investment patterns of respondents may vary due to diverse social, economic, and cultural factors .

- b. The study emphasizes the scope for future research and the need for larger sample sizes to further explore investment patterns and behaviors among salaried individuals in the region .

Conclusion:

This study has offered valuable insights into the investment behavior and preferences of salaried individuals in India. It has revealed the diverse investment objectives and behaviors of respondents, emphasizing their focus on safety, tax-saving benefits, and frequency-based investment behavior. Additionally, the research has highlighted the limited awareness about stock market investments, equity, bonds, and debentures among salaried individuals, underscoring the need for enhanced financial literacy and awareness programs. The demographic insights have indicated that the majority of surveyed investors are male, married, employed in the private sector, and predominantly from the service class, with a significant portion falling within the age group of up to 30 years. Moreover, the study has recognized its limitations and stressed the necessity for future research with larger sample sizes to further explore investment patterns and behaviors among salaried individuals in the region. The findings of this research paper carry substantial implications for financial institutions, policymakers, and investment advisors, emphasizing the importance of tailored financial literacy programs and investment products to address the diverse needs of salaried individuals in India. Overall, this comprehensive analysis enriches the existing literature on investment behavior and lays a groundwork for future research in this domain.

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