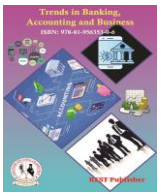
Trends in Banking, Accounting and Business
Vol: 3(1), 2024
REST Publisher; ISBN: 978-81-956353-0-6
Website: https://restpublisher.com/book-series/tbab/



A Study on Savings and Investment Patterns of Salaried Employees at Uno Minda at Hosur

***M. Dhanasekaran, Abirami. S**
Adhiyamaan college of Engineering (Autonomous), Hosur, Tamil Nadu, India.
*Corresponding Author Email Id: dhanasekaran.mba@adhiyamaan.in

Abstract: *To assess and analyze the Savings and Investment Patterns of Salaried Employees People via a questionnaire. A Prospective observational study carried out with a convenient sampling of sample size 100 is obtained. Based on a review of the literature and the need of the study, a questionnaire was made, and inclusion, and exclusion criterion were set. Then the questionnaires were created in Google Forms, shared among salaried Employees people, exported to Excel from Google Sheets, and analyzed using MS Excel, and SPSS software v.26. The summary of analysis was analyzed using descriptive and inferential statistics. The recordings were noted. In our study, we found many knew about the Employees investment option but lacked an idea of the latest trends like the share market, bitcoins, etc. This study thus certainly improves the investment pattern decisions and their choice to meet their future investment. Similar studies with diverse samples will help in understanding the investment attitude of the targeted respondents at a better level. The main reason has been observed to be the lack of awareness of investors about the latest concept and working of the investment pattern. Moreover, as far as the socioeconomic variables are concerned, age, gender, income, education, and occupation have been found to influence the attitude of investors towards investment.*

Keywords: *Savings, Investment, Satisfaction levels, Investment avenues, Growth, Term Period*

1. INTRODUCTION

The developing countries in the world, like India, face the enormous task of finding sufficient capital to utilize in their development efforts. Most countries find it difficult at this stage to get out of poverty of low income, low savings, low investment, and low employment. With a high capital-output ratio, India needs very high rates of investments to leap forward in attaining high levels of growth. A different variety of investments are available such as shares, banks, companies, gold and silver, real estate, life insurance, and postal savings. All the investors invest their surplus money in the above- mentioned avenues based on their risk-taking attitude and capacity-bearing. Saving means not spending all your current income on spending. Investing on the other hand, choosing what assets to carry. We can choose to invest in secure assets, dangerous assets, or a combination of both. In normal use, however, the term savings often means to invest in a secure asset with an insured bank account. It is easy to confuse saving with safe investment.

2. OBJECTIVES OF THE STUDY

To ascertain the factors motivated to your investment preference and portfolio towards salaried Employees investors.
To measure the investors level of satisfaction towards different investment patterns
To study the investment preference among the salaried people working in different sectors.
To know the factors that are influencing investment behavior of the people.

3. SCOPE OF THE STUDY

The study survey was conducted with the help of a well-structured questionnaire consisting of relevant questions. The focus was on understanding the preference of investors with regard to investment avenues, their educational qualifications and investment awareness level. The responses help in analyzing the profile and investing habits of the investor and factors influencing the investor. This study will help the salaried employees to plan investment towards maximizing the returns.

Copyright@ REST Publisher

4. REVIEW OF LITERATURE

S.L.Charkha et al (June 2020) a study of saving and investment pattern of salaried Employees people with special reference to Pune city have found that salaried employees are very well aware about investment avenues but still investors are preferring to invest in their money in bank deposit, real estate The data analysis of research reveals that the safety is considered as important factor while doing investment, so remaining avenues are found less considerable while doing investment by investors. Akshay Bhisikar et al (Oct 2020) an analysis on investment and saving pattern of salaried employees with reference to Nagpur city showed us safety and wellbeing is concerned as vital factor while doing investment. Investors are very well conscious about different investment avenues, and they are mostly towards Mutual fund and bank deposit. Deepika Dhawan et al (Sept 2019) the impact of gender on financial literacy and awareness is found. Also finds that people prefer safe and liquid investments with tax benefits, higher returns, and fewer lock-in- periods on Evaluating Saving and Investment Pattern: Assessment and Prospects. Geetha C and Marimuthu M (Sept 2019) concludes that India respondents are medium aware about various investment choices, but they do not know aware about stock market, equity, bond and debentures, but they are aware of various investment avenues like Insurance, bank deposits, small savings like post office savings etc. Sathiyamoorthy and Krishnamoorthy (June 2016) have found that Salaried Employees investors are investing the future benefits. They allocate their savings in various aspects of investment avenues. Sunita Totala (April 2016) on Investment preferences of salaried persons of Indore says that graduates are investing more as compared to postgraduate, professional and higher secondary completed persons. Persons falling in income group 2-5 Lac and 5-10 Lac are investing more in comparison of persons falling in other Employees of annual income. Deepak Sood and Navdeep kaur (Feb 2015) have conducted a study of saving and investment pattern of salaried Employees people with special reference to chandigarh which evidently states that most of the people are saving their money for children's education, marriage and to fulfill the other goals of life. V.R.Palanivelu et al (March 2013) on A Study on Preferred Investment Avenues among Salaried Peoples with Reference to Namakkal Taluk, Tamil Nadu, India stated that that salaried employees consider the safety as well as good return on investment that is invested on regular basis. Respondents are much more aware about the different investment avenues available in India except female investors. Dr.V.Ramanujam and Chitra Devi (Nov 2012) stated that there was a lack of awareness of investors about the concept and working of the investment pattern & Moreover, the Socio-Economic variables have been found influencing the attitude of investors towards investment significantly. Most of them will look after the safety of their investment rather than high returns. And the bank deposit again remains to be the most preferred investment avenue of the households.

5. RESEARCH METHODOLOGY

Research in common refers to a search for knowledge. Research scholars have defined the term research as a scientific and systematic search for information on a specific topic. In fact, research is an art of scientific investigation. It is a voyage of discovery. The primary purpose of research is to discover answers to questions through the application of scientific procedures.

Research design: The study is a Prospective Observational study with convenient sampling of salaried Employees people using questionnaire.

Methods of data collection: This study involves primary data.
PRIMARY DATA: The primary data has been collected through a questionnaire.
SECONDARY DATA: The Secondary data has been collected from books, website, journals, articles.

Hypothesis of the study: To check the impact of age, gender & income status over their responses
Kruskal Wallis one way ANOVA
One sample chi square test and correlated using Spearman correlation.

6. DATA ANALYSIS

Chi-square test:

TABLE 1. Income Saving- Monthly Income

What percentage of your income do you save? Monthly Income							
Crosstab							
Description	**%**	**Monthly Income (Rs.)**					**Total**
		up to 20,000	**20001 – 40000**	**40001 -60000**	**60001 – 80000**	**> 80001**	
What percentage of your income do you save?	0 – 10%	10	29	6	2	1	48
	11 – 20%	1	9	9	4	2	25
	21 – 30%	1	3	6	5	6	21
	31 – 40%	0	1	1	0	2	4
	41 – 50%	1	0	0	0	1	2
Total		**13**	**42**	**22**	**11**	**12**	**100**

TABLE 2. Chi-Square Tests

Description	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	44.348[a]	16	0.000
Likelihood Ratio	44.724	16	0.000
Linear-by-Linear Association	23.702	1	0.000
N of Valid Cases	100		

Inference:

The table shows the Null hypothesis (H0) is rejected and Alternative (H1) is accepted. Because of significance level is 0.000 it is less than 0.05. On associating monthly income vs percentage of income saved we found that there is a statistically significant change, and they imply that there is the impact of monthly income in percentage of income saved.

TABLE 3. Income Invest - Monthly Income

What percentage of your income do you invest? Monthly Income							
Crosstab							
Description	**%**	**Monthly Income (Rs.)**					**Total**
		up to 20,000	**20001 - 40000**	**40001-60000**	**60001 -80000**	**> 80001**	
What percentage of your income do you invest?	0 - 10%	10	34	10	8	3	65
	11 - 20%	2	7	10	3	4	26
	21 - 30%	1	1	1	0	3	6
	31 - 40%	0	0	1	0	1	2
	41 - 50%	0	0	0	0	1	1
Total		**13**	**42**	**22**	**11**	**12**	**100**

TABLE 4. Chi-Square Tests

Description	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	32.414[a]	16	0.009
Likelihood Ratio	27.718	16	0.034
Linear-by-Linear Association	14.679	1	0.000
N of Valid Cases	100		

The table shows the Null hypothesis (H0) is rejected and Alternative (H1) is accepted. Because of significance level is 0.009 it is less than 0.05. On associating monthly income vs percentage of income invested we found that there is a statistically significant change, and they imply that there is the impact of monthly income in percentage of income invested.

TABLE 5. Investment patterns satisfaction – monthly income

How satisfied are you with your investment patterns - Monthly Income							
Crosstab							
Description	**%**	**Monthly Income (Rs.)**					**Total**
		up to 20,000	**20001 - 40000**	**40001 - 60000**	**60001 - 80000**	**> 80001**	
How satisfied are you with your investment patterns	Highly satisfied	3	2	1	0	0	6
	Satisfied	2	11	8	5	9	35
	Neutral	6	17	9	6	2	40
	Dissatisfied	0	10	4	0	1	15
	Highly dissatisfied	2	2	0	0	0	4
Total		**13**	**42**	**22**	**11**	**12**	**100**

TABLE 6. Chi-Square Tests

Description	**Value**	**df**	**AsymptoticSignificance (2-sided)**
Pearson Chi-Square	30.780[a]	16	0.014
Likelihood Ratio	32.313	16	0.009
Linear-by-Linear Association	3.281	1	0.070
N of Valid Cases	100		

The table shows the Null hypothesis (H0) is rejected and Alternative (H1) is accepted. Because of significance level is 0.014 it is less than 0.05. On associating monthly income vs satisfaction levels of investment patterns, we found that there is a statistically significant change, and they imply that there is the impact of monthly income in their satisfaction levels too.

7. FINDINGS OF THE STUDY

1. 53% of the respondents were between age group 20 – 30.
2. 68% of the respondents were male.
3. 58% of the respondents were graduates (U.G)
4. 74% of the respondents were employed in Private companies.
5. 42% of the respondents have monthly income ranging between Rs.20,001/- & Rs.40,000/-
6. 48% of the respondents save 0% - 10% of their income.
7. 65% of the respondents invest 0% - 10% of their income.
8. 45% of the respondent rate moderate about their investment done so far
9. 47% of the respondents were neutrally satisfied with their investment.
10. 47% of the respondent time their investment monthly
11. 70% of the respondents say that family & friends were the driving factors to seek investment.
12. Decisions
13. 30% of the respondents say that their investment horizon is more than 5 years.
14. 64% of the respondents say that the return is their short-term goal of investment.
15. 41% of the respondents say that the return is the factor influence their investment decision.
16. 59% of the respondents say that their decision to invest depends upon the economic scenario.
17. 39% of the respondents were ready to undertake a low & neutral level of risk for investment.
18. 58% of the respondents agree with preparing a formal budget for family expenditure.
19. 58% of the respondents agree to the aim of investing certain amount each year.
20. 35% of the respondents want their investment to grow steadily.
21. 42% of the respondents consider high returns before investing.
22. 53% of the respondents agree that they invest money in the share market.
23. 60% of the respondents monitor your investment monthly.
24. 35% of the respondents' face difficulties in differentiating various investment avenues due to
25. lack of adequate skills

26. 43% of the respondents say that their gross monthly expenditure range between Rs.20,000/-
27. to Rs.30,000/-
28. 29% of the respondents say that their purpose of investment is for their children education &
29. marriage and also for their safety & security
30. 78% of the respondents say bitcoin is the latest trend of investment.
31. 40% of the respondents are neutrally satisfied with your investment patterns.

8. SUGGESTIONS

It is absolutely essential with the income that is earned, to have a plan for your future. Today, the living standard of the people is increasing day by day, so the salaried Employees community has started realizing the importance of savings and proper investment of their savings. They avoid spending money on heavy luxurious lifestyle and preferring the normal living standard The studies is especially relevant for the salaried Employees people and how and investment pattern get affect by the Socio-Economic variables helps the targeted respondents to make out the investment pattern. The study also reveals most of the salaried investors prefer Bank deposits, insurance policies and Government securities as the investment option, there is lack of awareness about other avenues like shares, debentures, and mutual fund etc. So, to invest in them they should regularly read newspapers, journals and articles related to the stock market and proper awareness should be given.

9. CONCLUSION

This study thus certainly improves the investment pattern decisions and their choice to meet of their future investment. Similar studies with diverse samples will help in understanding the investment attitude of the targeted respondents in a better level. The main reason has been observed to be the lack of awareness of investors about the concept and working of the investment pattern. Moreover, as far as the Socio-Economic variables are concerned, age, gender, income, education and occupation have been found influencing the attitude of investors towards investment significantly The awareness among the rural investors is required to increase the investment options in share market and thereby they also to reap the benefits of the stock market investment. Also, to create awareness among the investors in the district who have inadequate knowledge about the share market. Diversified research helps to provide various knowledge about the investment area.

REFERENCES

[1]. Charkha, S. L., & Lanjekar, J. R. (2018). A study of saving and investment pattern of salaried Employees people with special reference to pune city (india). International Journal for Research in Engineering Application and Management, 4(3), 439-444.

[2]. Kulal, A., Alasbahi, A., & Al-Gamal, E. (2019). Analysis of Investment Pattern of Different Employees of People: A Review. Journal of Social Welfare and Management, 11(2), 135-140.

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

[4]. Ramanujam, V., & Chitradevi, K. (2012). A study on impact of socio-economic profile on investment pattern of salaried and business people in Coimbatore city. International journal of management & information technology, 2(1), 67-77.

[5]. Ranganathan, K. (2006). A study of fund selection behaviour of individual investors towards mutual funds - with reference to Mumbai city. In Indian Institute of Capital Markets 9th Capital Markets Conference Paper.

[6]. Sathiyamoorthy, M. C., & Krishnamurthy, K. (2015). Investment pattern and awareness of salaried Employees investors in Tiruvannamalai district of Tamilnadu. Asia Pacific Journal of Research Vol: I. Issue XXVI.

[7]. Shahbaz Nasir and Mahmood Khalid (2004), "Saving-investment Behaviour in Pakistan: An Empirical Investigation", The Pakistan Development Review, vol. 43, issue 4, pages 665-682

[8]. Shanmuga Sundaram. V and Bala Krishnan .V (2010), "Investment decision-making - a behavioral approach". International Journal of Business innovation & Research, vol.4, Nov 6, 2010, pages 432-444

[9]. Sood, D., & Kaur, N. (2015). A study of saving and investment pattern of salaried Employees people with special reference to chandigarh (India). International Journal of Research in Engineering, IT & Social Sciences, 5(2), 1-15.

[10]. Suganthi, M. K., Valli, M. T., Umamaheswari, D., & Sivaranjani, M. A. (2019).