



A Study on Investment Pattern of Working Employees

Manasvi G¹, Sujay C²

¹Student of BBA – PES University

²Assistant Professor, Faculty of Management and Commerce

ABSTRACT

The purpose of this study article is to acquire insight into the financial behaviours and decision-making processes that form working professionals' investment portfolios. The study takes a mixed-methods approach, combining quantitative investment data analysis with qualitative investigation via surveys and interviews. The research attempts to discover current patterns and variables impacting investment decisions by evaluating the investment preferences, risk tolerance, and financial goals of a varied sample of working people. Furthermore, the study investigates the influence of demographic characteristics such as age, income, and education on investing patterns, offering insight on possible inequities as well as chances for targeted financial education campaigns.

Key Words [Financial, Behaviour, qualitative investigation, risk tolerance, investment preference]

INTRODUCTION

Investment is crucial to economic growth. Individual income grew as a result of saving, as did inflation rates. Deposits with banks and non-banking financial institutions, investments in stocks, mutual funds, equity-oriented schemes, and so on, modest savings, life insurance, precious metals such as gold and silver, and so on, as well as provident funds and pension funds, are all examples of financial savings. Investment preferences change from person to person since everyone invests differently. Individual investing conduct is influenced by his or her surroundings. With the expectation of earning substantial returns over time and at a certain level of risk. Each employee has a unique mindset towards investing in a certain investment channel.

The goal of this study piece is to look at how workers invest in order to maximise predicted utility based on their future returns predictions. You must understand human nature from a financial aspect in order to get the most out of your investment. Investors must also have a clear vision, insight, patience, and commitment. Investor investing behaviour is differentiated by factors such as socioeconomic background, degree of education, age, race, and gender. Making investment decisions is the most difficult difficulty for investors. While constructing their investment portfolio, investors consider their financial goals, risk tolerance level, and other constraints.

Individual need, rate of return, and risk preference would impact respondents' investment decision, and the degree of risk and return varies for different investment channels. The purpose of investing is to multiply money at varied rates depending on the length of the investment. A strong understanding of fundamental concepts and accessible choices will aid the investor in preparing for best returns while reducing risk. This study supports in the examination of employees' saving behaviours and investment inclinations towards various products based on demographic characteristics.

Managing expenses requires receiving acceptable returns on every rupee spent as well as making sound decisions on payment methods such as cash, cheque, credit card or equivalent monthly instalments (EMIs). Because of the limited and fixed flow of money, a salaried person's financial planning is critical. A person must be proactive in taking the required steps to obtain total financial independence. It is critical to understand the savings and spending trends before making an investment. A person must make up the difference by spending carefully on consumption and conserving.

A steady flow of money is one of the key advantages of a paid individual. It may be used as a tool for systematic investment to achieve financial goals. Another advantage for salaried people is the risk coverage given by their employers, which may include life insurance and health insurance.

OBJECTIVE OF THE STUDY

- To investigate people's degrees of knowledge about the investing pattern.
- To learn about the investing patterns of working workers
- To explore people's perceptions towards various investment possibilities.

RESEARCH METHODOLOGY

I used both primary and secondary data sources. I gathered the replies in order to better understand the investment habits of working people. This study included both qualitative and quantitative methodologies. Focus groups and interviews fall under the qualitative category. These interviews yielded insights, and a questionnaire was created.

PROBLEM STATEMENT

INDEPENDENT VARIABLE

- **Income Level:** The study will look into how income affects investment decisions. Is a higher income related with more aggressive investment tactics or with a more conservative approach?
- **Employment Stability:** Investigating the impact of job stability on investment behaviour. Is it true that having a secure job leads to more confident and diverse investing decisions, or that fear of job insecurity leads to a more cautious approach?
- **Financial Knowledge:** Determining the level of financial literacy among working people and its link to investment decisions. Does increasing financial literacy result in more informed and wise investing decisions?

DEPENDENT VARIABLE

The primary dependent variable in this study is the investing behaviour of working employees. This includes the financial instruments employed (e.g., stocks, bonds, real estate), risk tolerance, portfolio diversification, and frequency of investing activity.

REVIEW OF LITERATURE

1) A Study of employee's investment behaviour at Vellore district:

Individual investors have different perspectives when it comes to investing in bonds, mutual funds, stocks, debentures, bank deposits, real estate, and other assets. Their judgements are influenced by their risk-taking aptitude and the aim of investment, which is linked to saving goals. (Srinivasan, 2015)

2) Investment Behaviour of Employees A Study with Respect to Government and Private Employees of Visakhapatnam:

Lower caste people in India strive to raise their social position by claiming lineage from Hindu gods and goddesses via stories. Some castes also claim ancestry from sages, who are represented in religious literature as highly esteemed persons who can interact with celestial creatures. These assertions are founded on traditional jobs, mythologies, and personal characteristics. Some cultures deify and elevate these sages to godhood, erect temples, and practise new rites to honour them. (NOOKARAJU, 2020)

3) Influence of Financial Literacy on Investment Decisions of Working Women

The post-industrial expansion of the Indian economy and financial markets has resulted in greater financial product investment. Low financial literacy, on the other hand, impedes prudent financial decisions and inflation rates. Financial literacy at all levels may aid in poverty alleviation and development in underdeveloped nations. (Singh, 2019)

4) Investment behaviour of employees of select bank branches in kamrup m district of assam

Investment is the use of money for profit, with profit being the difference between what is earned and what is spent. It is an asset purchased with the goal of producing income or increasing in value. The purpose is not to consume, but to build wealth for the future. However, investments do not always produce returns and may even lose money over time. (Kaur, 2021)

5) Investment pattern and behaviour of working women on financial investment avenues – a study with special reference to Chennai city

A monetary item acquired with the intention of future revenue is referred to as an investment. It has a substantial impact on an economy's growth, with public funding meeting the majority of private and public sector investment demands. As a growing economy, India necessitates capital production through savings and investments. (S)

6) According to classical economic theory and the economic man model, humans are rational decision-makers who weigh facts in order to maximise results. For decades, finance research assumed total rationality in investors, affecting asset pricing and demand. This premise, however, is being called into question by a rising number of persons and published evidence pushing for individual uniqueness in terms of features, aims, and restrictions. (rushdi, 2015)

7) Impact of tax saving schemes on investment behaviour A study of government employees in jandk state:

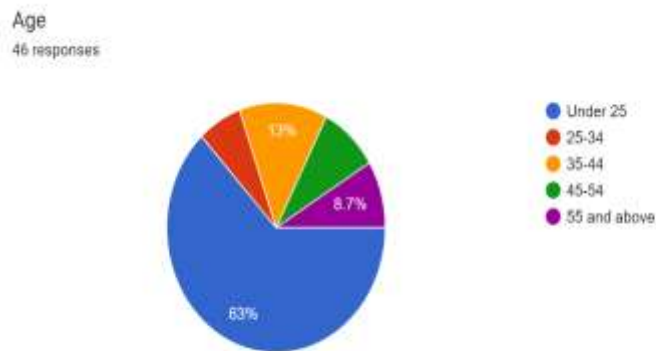
Investment entails foregoing current consumption in exchange for future rewards, with current sacrifice and future benefits being crucial characteristics. Investors desire predictability while making investment decisions. Evaluating, analysing, appraising, forecasting, and revising

decision-making procedures are all part of investment behaviour. Personal characteristics, ambitions, and taxes all impact investing decisions, with taxes having a significant effect. (Khan, 2020)

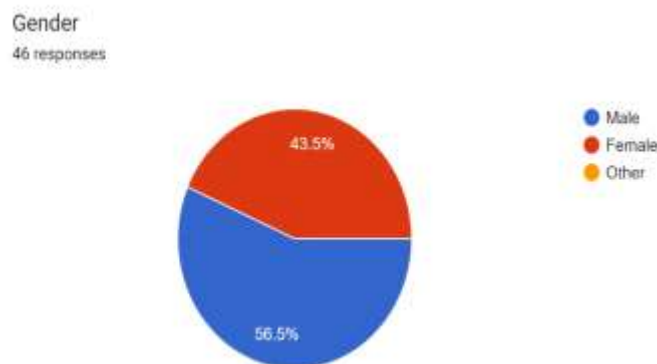
8) Influence of Financial Literacy on Investment Decisions of Working women:

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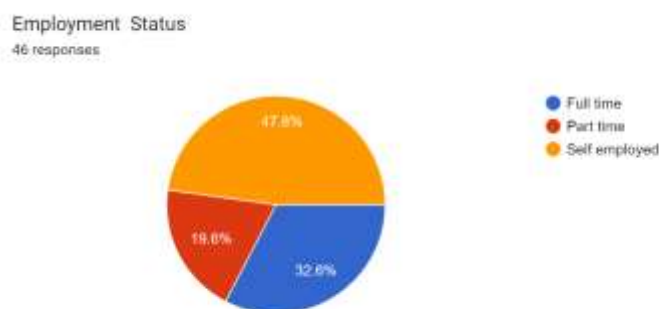
DATA ANALYSIS AND INTERPRETATION



According to survey we got most of the responses from age group of under 25 years that is 63% and with the next highest votes with 13% of the age group of 35-44 and followed by 25-34 age group.

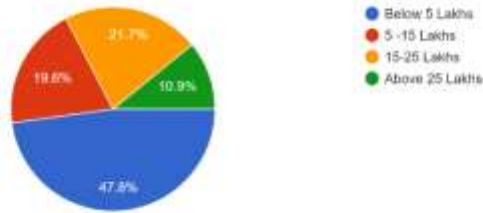


According to survey we have got most of the responses from male's which is 55.5% and females from 43.5%.



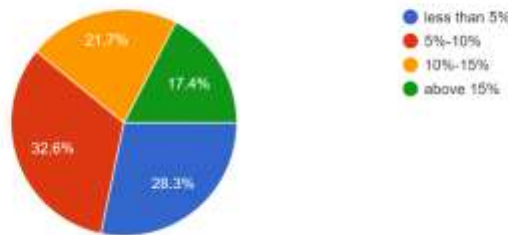
Most of them who respondent are self employed which is 48%. 32.6% are full time employed.

What is your current annual income range?
46 responses



The majority of the respondent's annual income range was below 5 Lakhs and about 21% of their annual income range was between 15-25 Lakhs.

On average, what percentage of your annual income do you invest?
46 responses



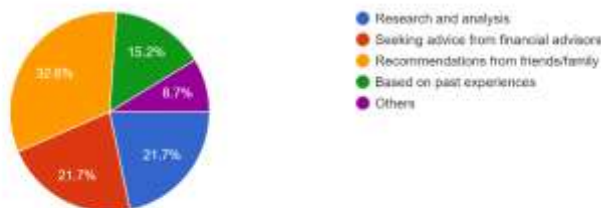
Respondents who invest 5%-10% of their annual income as their investment which is 32.6% or 28% of the respondents invest less than 5% of their annual income as their investment.

What types of investments do you currently have?
46 responses



According to the survey we have found that most of them invest in savings bank account around 50% with least votes for Retirement account which is 11%.

How do you typically make investment decisions?
46 responses



Most of them typical make their invest decision based on their recommendation of thoir family and friends.



According to the survey most of them invest because of the return of investment that they will get after maturity period.

What challenges do you face while investing?

This was the open-ended question which was asked in the form for survey everyone had a different opinion.

FINDINGS

- The survey also discovered that among the fixed income segment and investing for safety, safety was the most chosen element.
- Reasons for investing in savings bank account is because it is safe and it is not exposure to market.
- Gender and investment ratio in real estate are elements that impact investing behavior
- Salaried employees have not saved more for their retirement than elders.
- Investors with more than 5 lakhs in annual income preserve more liquid cash for potential situations.
- According to the report, males have more financial literacy than women.
- Despite the low return rate, the majority of them have invested in SBI savings bank accounts.

SUGGESTIONS

- As safety is perceived to be the most important component in any investment, the Government of India, banks, and other financial institutions should work to offer more financial products with the highest level of security.
- To prevent making decisions at the moment of investing, a greater awareness plan should be implemented.
- Investors must be favorably informed on investments such as stocks, bonds, mutual funds, and commodities.
- Unlike their elders, young investors are not interested in saving for their future retirement days and, as of now, do not consider investing long-term.
- According to the study, there is a link between the saving goals of small and medium household investors and their age, occupation, and income level. Individual investors' financial behaviour is linked to the many accessible investment alternatives, preference, and selection.

CONCLUSION

The survey shows that respondents exhibited a majority degree of investing behaviour. According to the survey, the majority of investors invest for growth and increased income, and the key element that leads their investment decision is risk, implying that investors are generally risk adverse. The study also reveals that safety was the most important factor in fixed income and investment for safety. This study aided in shedding light on elements that influence the investment activity of individuals working in the small-scale business. This study also demonstrated that employee investment behaviour is affected by income, age, and objective factors.

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