



A Study on Investment Pattern of Salaried People Concerning to it Sector in Bengaluru

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DOI: <https://doi.org/10.55248/gengpi.5.0324.0820>

ABSTRACT

Investigating the IT industry investment behavior of Bengaluru's salaried population is the goal of this study. Original data collected from a sample of salaried IT sector professionals in Bengaluru forms the basis of this study. Understanding salaried people's investment preferences, the factors influencing their choices, and their perceptions of the IT industry as a possible investment are the key objectives of the study. The study's findings indicate that many working-class Bengaluru residents would like to invest in the IT sector. The report also highlights how important financial education and literacy are to making informed investment decisions. Financial advisers and other investment professionals can benefit from the study's findings by gaining valuable insight that will enable them to develop customized investment products and strategies.

The data was collected via surveys using primary research approaches. It gives specifics about a person's financial and investment philosophy. Individuals show a preference for low-risk investment categories and are worried about their level of financial understanding. Since most people don't like to take risks, their investment habits are also influenced by their income level.

INTRODUCTION

An investment is a person's aim or purpose to save money for upcoming projects. It alludes to giving up comfort today in exchange for advantages later on. It contributes to the creation of future wealth and savings. Savings, as we all know, are essential to people's future security. Investing in the right platform offers information and the prospect of fulfilling plans' requirements. Gains and money are highly significant, and profits should be invested wisely and according to a strategy. Investing helps people plan for the future and provide for their needs, whether they are emergency or otherwise. It aids in making plans for upcoming objectives like purchasing a home, vehicle, piece of land, or any other necessities.

Security is very important in people's life if the future is not secure then it will affect them during crucial times.

The growth of any country's economy depends heavily on savings. Savings serve as the country's growth engine by being invested in a variety of possibilities that are available to the populace. The financial system in India also presents several opportunities to investors. Our financial system offers fantastic opportunities for someone who wants to invest their money in the stock market, even though it is not the best when compared to other countries financial systems. Investment improves the economy as well as society, which in turn raises the standard of living and promotes economic growth. The amount of employment and total investment authorized during the present period are important indicators of aggregate demand for the economy as a whole. The different opportunities available for IT people in Bangalore are Fixed deposits, Mutual Fund, Stocks, Real estate, Gold, Cryptocurrencies.

To sum up, saves and investments are both crucial aspects of personal finance. Savings are kept for emergencies or short-term objectives, whereas investments are usually designed to make a return on cash over a longer time horizon. Savings usually include little to no risk and lower rewards, whereas investments often involve higher risk and possibly larger returns.

Investing Practices

The way in which investors evaluate, anticipate, assess, and evaluate the processes involved in making decisions—including investment psychology, information gathering, defining and understanding research, and analysis—is referred to as their investing behaviors.

Investment Plan

Investment strategies assist investors in making decisions about where and how to invest based on a variety of factors, including projected return, risk, long- and short-term holdings, retirement age, industry preference, etc. Investors have the option to customize their investment strategies to meet their desired outcomes.

Current information on the investment habits of Bangalore IT workers

The following savings and investing behaviors are common among Bangalore-based IT professionals, per a poll conducted by the Indian financial planning website Wealthy.org as of 2021.

- Fixed Deposits: 33% of IT workers prefer to invest in fixed deposits because of their low risk and assured returns.
- Mutual Funds: 22% of IT workers favor mutual funds because of their potential for higher returns and diversification.
- Stocks: 14% of IT workers choose to invest in stocks because they provide the possibility of larger returns and the ease of buying and selling shares online.
- Real estate: 13% of IT workers would rather invest in real estate because of the possibility of long-term capital growth and rental income.
- Gold: Due to its perceived stability as a hedge against inflation and market volatility, 8% of IT professionals say they prefer to invest in gold.
- Cryptocurrencies: 4% of IT workers would rather invest in cryptocurrencies because of its high return potential and appeal as a decentralized digital asset.
- Others: Six percent of IT professionals would rather make investments in bonds, PPFs, and post office schemes, among other kinds of assets.

STATEMENT OF THE PROBLEM

In today's developing economy, rising prices and inflation make it difficult for middle- and lower-middle-class people to earn and save. Saving is crucial for future needs and emergencies. IT professionals' salaries vary based on experience and skill set. In Bangalore's high cost of living and expanding economy, individuals should prioritize saving and spending. The study aims to identify popular investment strategies and helpful approaches for individuals, focusing on investing and saving. Prudent money management is essential for successful investing objectives, and job-based income can be applied as a methodical investment strategy.

OBJECTIVES.

1. To examine the investment and saving behaviours of individuals in the salaried class
2. To comprehend the investment awareness among IT workforce
3. To determine which investment category IT professionals are preferring.

RESEARCH METHODOLOGY

Research methodology refers to the particular steps or methods that are utilized to locate, pick, organize, and evaluate data related to a subject. Both primary and secondary data are used in this investigation. Convenient sampling is used to frame a structured questionnaire in order to gather primary data.

Sampling Unit: The name of the respondents from the salaried class or investors is implied by the sampling unit.

Sample Size: 106 salaried IT sector workers were chosen to complete the survey report's questionnaire.

Methods for Sampling: A method for choosing the appropriate sample size from the population is the sampling technique.

For the investigation, convenient sampling techniques have been used.

LIMITATIONS OF THE STUDY

- The primary data has been collected a structured questionnaire to a sample of investors in Bangalore city, which cannot reflect the opinion of the whole population.
- The sample size is limited to 106.

REVIEW OF LITERATURE

Geetha, & Ramesh, (2011), The study examines the relationship between investment behaviors of Indian IT professionals and their financial literacy. Survey data reveals that despite having a good financial knowledge, these professionals often make cautious, risk-averse investments. The authors suggest that programs should focus on portfolio diversification and investing options awareness. The study emphasizes the importance of financial literacy in promoting informed investment decisions.

Nasreen Sayyed, Sayyed, & Indhumathi (2018)

The study reveals that the internet significantly influences middle-class households' investment and saving behaviors in Bangalore. The internet provides access to various financial services, such as trading platforms, investment advice, and online banking. The report suggests that technology-based financial products could help these households become more financially inclusive. The findings can be used by financial institutions, decision-makers, and investors to develop tailored investment services and products for this demographic. The adoption of technology-based financial goods could also enhance access to financial services and financial inclusion.

Abhinandan & Al-Gamal (2019) The essay explores investment behavior across different social classes, examining factors like age, education, income, and risk tolerance. It emphasizes the importance of financial education and personalized strategies, highlighting the need for financial literacy and understanding of investment dynamics among investors, regulators, and advisors.

Shaik, Kethan, Jaggaiah, & Khizerulla, (2022), The study examines the relationship between investment behaviors of Indian IT professionals and their financial literacy. Survey data reveals that despite having a good financial knowledge, these professionals often make cautious, risk-averse investments. The authors suggest that programs should focus on portfolio diversification and investing options awareness. The study emphasizes the importance of financial literacy in promoting informed investment decisions.

DATA ANALYSIS AND INTERPERTATION

Table showing Age group of respondents

Age group	Frequency
31-45 years	12
51-60 years	1
Less than 30 years	93
Total	106

The above table provides details of the age group of respondents. The maximum number of respondents are of the age of fewer than 30 years which consists of 93 respondents. 12 respondents are between 31-45 years of age and 1 person is between 51-60 years of age.

Table showing Gender of respondents

Gender	Frequency
Female	53
Male	53
Total	106

The above table provides details of gender distribution based on the responses, and with the details, it is shown that there is an equal contribution by both men and women being 50%.

Table showing annual income range

Annual income Range	Frequency
Above Rs. 20 lakhs	1
Less than Rs. 5 lakhs	61
More than 10-20 Lakhs	5
Rs. 5-10 lakhs	39
Total	106

The above graph provides details on the income level of respondents the majority of the respondents come under an income slab of less than ₹5 lakhs and 39 respondents are between ₹5-10 lakhs and 5 respondents have an income level of more than 10-20 lakhs and 1 person has an income level more than ₹20 lakhs.

Table showing awareness of Investment avenues

Awareness of Investment Avenues	Frequency
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No	14
Yes	92
Total	106

The above table provides details on respondents' knowledge of investment avenues and most of the respondents are aware of the Investment avenues but 13% of respondents are not aware.

Table showing respondent's Investment in the share market or mutual funds

Invested in the share market or mutual funds	Frequency	Percent	Valid Percent	Cumulative Percent
No	57	53.8	53.8	53.8
Yes	49	46.2	46.2	100
Total	106	100	100	

The table graph provides details of respondents who have invested in either share market or mutual funds around 54% have not invested, and 46% have either invested in at least one. It indicates that most of the respondents are not risk takers and they are preferring to invest in either of the avenues.

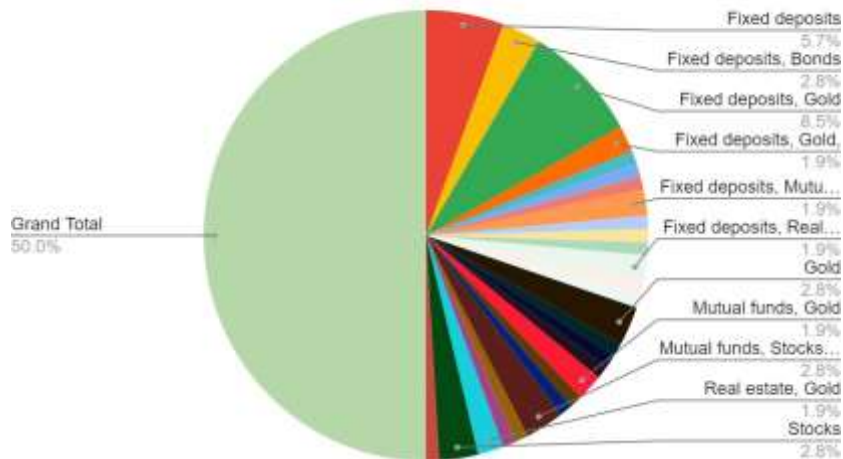
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Graph showing details of Investment preference based on gender

Female and Male



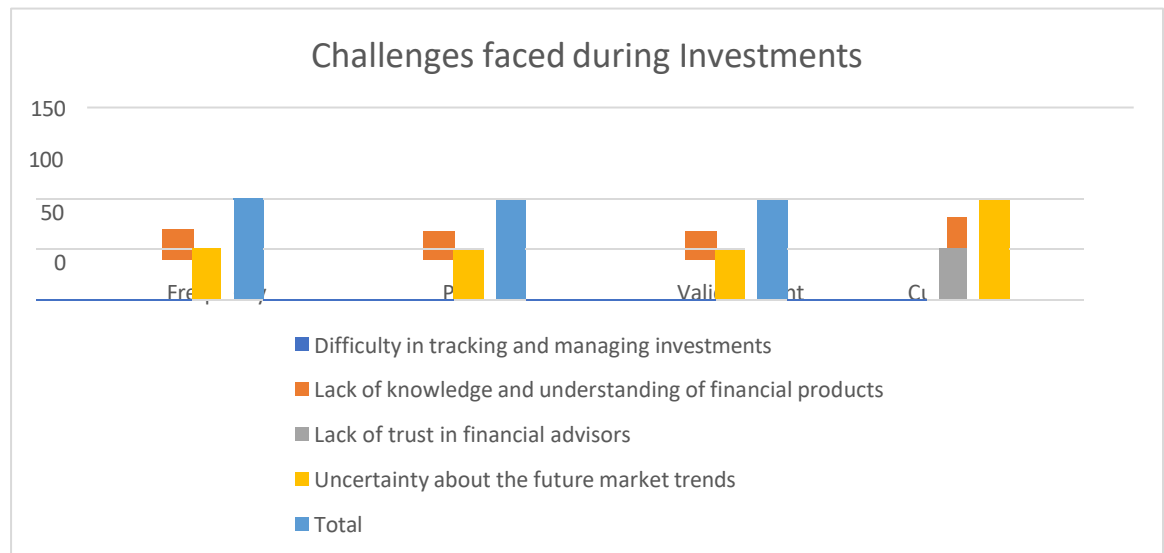
The above chart provides details on respondents' preference to invest in different avenues. Around 8.5% of people prefer to invest in Fixed deposits and gold, 5.7% prefer to invest in Fixed deposits and, around 2.8% prefer to invest in bonds, mutual, funds, and stocks. Around 1.9% prefer to invest in other remaining avenues.

Tables showing details on challenges faced during Investments

Challenges faced during Investments	Frequency	Percent	Valid Percent	Cumulative Percent
Difficulty in tracking and managing investments	14	13.2	13.2	13.2

Lack of knowledge and understanding of financial products	30	28.3	28.3	41.5
Lack of trust in financial advisors	11	10.4	10.4	51.9
Uncertainty about the future market trends	51	48.1	48.1	100
Total	106	100	100	

Graph showing details on challenges faced during Investments



The above graph provides details on respondents' challenges faced while opting for Investments. 48% of people face challenges due to uncertainty of market trends, 28% have a lack of knowledge and understanding of financial products, 13% have difficulty in tracking and managing investments, and, 10% face trust issues in financial advisors.

SUGGESTION

- Almost 60% of respondents are aware of investment avenues and 40% are not aware.
- Most of the respondents have chosen Fixed deposits and gold as their most valued Investment options for savings and Mutual funds and real estate are the next preferred options for investments.
- Almost 54.3% of respondents have invested in either the stock market or mutual funds and around 45.7% of respondents have not invested in either of the avenues.
- The majority of respondents have a goal and they are preferring to invest for their future goals to be fulfilled.
- Among the respondents, there is a significant correlation between income level and investment awareness.
- 48% of people report having problems with uncertainty about potential market trends. Lack of knowledge and understanding of financial products is a problem for 28% of people. Around 10% of people struggle with a lack of trust in financial advisors, and 13% of people report difficulty tracking and managing their investments.

CONCLUSION

This study aimed to ascertain the foundation of saving and investing decisions made by paid workers, as well as their degree of knowledge regarding the selection of investment bases. The survey also demonstrated that participants knew what factors to consider when selecting investments and that they favored high-yielding ventures. Most responders invest in things like life insurance policies that lower their tax liability. Many workers are satisfied with these investments. Payroll staff members and investors favor fixed deposits with gold as their most valuable asset. Investment alternatives for savings, followed by mutual funds and real estate as the next best bets.

The paper might be useful and interesting for investors looking to put money into Bengaluru's IT industry. It would also be helpful to businesses in this sector who wish to raise money or have a better understanding of how investors act in the market.

All things considered, the study on the investing behavior of paid individuals in Bengaluru's IT sector has the potential to provide valuable information on the investment habits of this group and their prospective effects on the local IT business.

In order to find possible markets and make investment decisions, readers can use the study's insights on investment opportunities. Recognizing market patterns in the IT industry to determine the actions of investors. It also aids in risk management for investments made in Bengaluru's IT industry. assists investors seeking to position themselves for potential future growth in the industry in making future predictions. In order to help investors, businesses, and other industry players make wise decisions and remain ahead of the curve, a plethora of information regarding the investment habits of salaried individuals with regard to Bengaluru's IT sector can be found in the study on the field.

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