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A STUDY ON INVESTMENT PREFERENCES AND PATTERNS OF SALARIED EMPLOYEES

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The study surveyed a cross-section of paid workers from several sectors. The main goals are to determine the best ways to invest (e.g., in fixed deposits, mutual funds, stocks, or real estate), to comprehend the significance of financial objectives (e.g., saving for retirement, building wealth, or minimizing taxes), and to evaluate how market conditions impact investment choices. From what we can tell so far, most paid workers would rather put their money into low-risk assets like provident funds and fixed deposits. Mutual funds and equities are examples of market-linked tools; nevertheless, younger workers with more incomes and financial sophistication are more likely to choose them. Moreover, retirement planning and tax benefits play a significant role in influencing investing decisions.

INTRODUCTION

The act of allocating funds to a project or asset with the hope of making a profit or producing income over time is known as investing.

Important aspects of Investments Include

- Every investment has some level of risk, and the reward for taking on that risk is known as the return.
- Time Horizon: Investments sometimes need a certain amount of time to mature or provide profits.
- Capital Growth: Over time, investments seek to raise the primary amount's worth.
- Income Generation: Bonds and real estate are two examples of assets that generate income on a regular basis.

Investment Types

Based on their traits and the underlying assets, investments may be widely grouped.

1. Monetary Investments

Financial instrument investments, which are often exchanged in structured markets:

Purchasing stock in a corporation with the goal of earning dividends or capital gains is known as an equity investment. Bonds are debt securities in which investors give money to organizations in return for regular interest payments. Mutual funds are professionally managed pools of money used to buy a variety of stocks, bonds, and other assets.

Like mutual funds, exchange-traded funds (ETFs) are exchanged on stock exchanges much like individual equities. Bank or financial institution products that give set returns over a predetermined time period are known as fixed deposits (FDs).

2. Actual Resources Putting money into material assets:

Buying land, homes, or businesses for capital growth or rental re venue is known as real estate.

Purchasing tangible goods as a hedge against inflation is known as gold and precious metal investing.

Infrastructure includes things like power plants, roadways, and u rban growth.

3. Alternative Investing

Nontraditional investments are frequently utilized to diversify a portfolio.Hedge funds are pools of investments that use cutting-edge techniques to optimize profits.

Direct investment in privately held businesses or buyouts is kno wn as private equity.

Cryptocurrencies: Virtual or digital money such as Ethereum and Bitcoin.

Collectibles: Uncommon things like artwork, antiques, and old v ehicles.

4. Investments Sponsored by the Government

Investments supported by programs or initiatives of the governm ent:

the Public Provident Fund (PPF) offers tax advantages along wit h long-term savings. A retirement-

focused investing strategy is the National Pension Scheme (NPS) Government-

issued bonds for gold investments are known as Sovereign Gold

Bonds (SGBs).

5. Human Capital Investments: Putting money into training, education, or skills to increase earning potential in the future.

The Value of Investments

- riches Creation: Assists people in gradually increasing their riches.
- Retirement planning guarantees post-retirement financial stability.
- Inflation Hedging: Assets such as stocks and real estate offer protection from inflation.
- Economic Growth: Economic development is fueled by directing funds toward profitable endeavors.
- By distributing assets among several asset groups, diversification lowers risk.

A stable future and financial independence can be attained via investment. People may make well-informed decisions that are in line with their financial objectives by having a thorough understanding of the different kinds of investments and their risk-return profiles. A well-thought-out investing plan is crucial for optimizing profits, regardless of whether one chooses conventional assets like stocks and bonds or investigates alternatives like cryptocurrency and real estate.

An item that is purchased with the intention of letting its value rise over time is called an investment. Wealth may be generated by investing for a number of reasons, including to cover income gaps, prepare for retirement, or fulfil commitments like debt repayment, tuition, or the purchases of more assets.

In order to achieve the financial objectives, investors must comprehend the meaning of investments, evaluate savings and investments strategies and use the appropriate tools. There are two ways that investments might generate revenue.

- Investor could generate money if they invest in a sellable asset
- Investor can generate income by building up profits if you invest in a return-generating plan
- Consequently, investing may be defined as the act of allocating your funds to assets or items that will appreciate in value or produce income in the future.

In general, bigger potential gains are associated with increased risk. On the other hand, a safer investment could not yield the same level of profit. Investors must take their own risk tolerance into account when making decisions about their investments. Some people might be prepared to assume more risk in the hopes of earning larger rewards. On the other hand, individuals who are risk averse could rather stick with the security of conservative investments that will increase gradually but consistently. Risk tolerance and investment decisions are frequently correlated with life circumstances.

A person who is getting close to retirement could look for safer investments because they are no longer guaranteed a steady income. A younger individual, on the other hand, can be more open to risky investments since they have more time to recover any losses.

STATEMENT OF THE PROBLEM

For a variety of stakeholders, including people, companies, governments, and financial institutions, it is essential to research investments and their trends. The dynamic nature of financial markets, changing economic conditions, and the significance of investments in ensuring financial well-being and promoting economic progress make such a research necessary. There are several reasons why an investment research is necessary, including policymaking, risk management, financial literacy, and economic growth. In addition to helping people reach their financial objectives, it also gives governments and corporations information they may use to build a stronger financial system. Understanding people's risk tolerance, financial objectives, and preferences may be gained by examining how they divide their resources among different investment options

SCOPE OF THE STUDY

The study is limited to the Customers and Investor of the companies. This study's scope establishes the parameters, areas of interest, and possible uses of the investigation into investing habits and preferences. It guarantees that the study's objectives, target population, and practical ramifications are all clearly understood.

OBJECTIVES OF THE STUDY

- To determine which investment products salaried workers, prefer.
- To examine the variables affecting investment choices.
- To investigate variations in investing behavior according to income, education, age, and gender.
- To offer suggestions for enhancing financial knowledge and promoting wise investing methods.

RESEARCH METHODOLOGY

To accomplish the goals that have been established, the research technique that will be used for the study on **Investment Preferences and Patterns of Salaried Employees** will consist of a mix of qualitative and quantitative methodologies.

The data is collected from the Primary Source of Data and Secondary Source of Data.

Primary Data : The data is collected from the primary source through structured Questionnaire and Observations
Research Design: Exploratory Design
Sampling Design: Convenience Sampling
Sampling Procedure: Simple Random Sampling
Sample Size: 126
Tool for Analysis: Structured Questionnaire

Secondary Data: The data is collected from the various secondary sources like Textbooks, Journals, Websites etc.

LIMITATIONS OF THE STUDY

- The data is gathered from the selected area of the people

- The data collected for the analysis may or may not provide accurate results
- The analysed data may not provide to take accurate decision making
- The sample collected for the analysis is very small

LITERATURE REVIEW

Choice of salaried employees on numerous investment options available by Prof Rakesh Rao, (Aug 2023): Many salaried employees rely on investments for a significant portion of their income. They may feel overwhelmed by the number of choices available to them and struggle to choose which is best. Through the use of a questionnaire, the research surveyed 96 paid individuals from a variety of industries to gauge their familiarity with, and preferences for, various investment vehicles. The study's participants were paid workers, who were familiar with most of the options, but who favored putting their money into a small number of secure, long-term investments.

A study of investment pattern of salaried employees in udupi city by Dr mavy miranda dr mavy miranda, (Aug 2023): Analyzing the investing pattern of paid employees of Udupi city is the purpose of the study. The information is gathered by means of a Google Forms survey. The data shows that most people want to diversify their income streams, and when asked how they plan to do that, bank fixed deposits were named as the most popular investment choice. Employees are hesitant to explore new investing opportunities due to a lack of understanding of financial concepts like risk and return. Gold, real estate, and long-term shares were perceived as safe haven investments by employees.

Impact of Economic Variables on Retirement Planning of Salaried Employees by Gourav Mittal, Pardeep Gupt, (Dec 2022): Few studies have examined how economic factors affect the retirement planning of salaried individuals, even though these variables are commonly included in retirement research. Because of their impact on retirement planning, economic variables should be familiarized with before beginning the process. In light of this, the purpose of this research is to examine how various economic factors influence the retirement saving habits of wage earners. In order to achieve this goal, 312 paid workers from five different institutions in the state of Haryana were surveyed using a standardized questionnaire.

Cancer Incidence Among Male Salaried Employees at a Smeltery in Northern Sweden by Anita Sandström, Stig Wall, (Jan 1993): There has been prior evidence that blue-collar workers in northern Sweden are at a higher risk of lung cancer, most likely as a result of arsenic exposure; this study examines mortality and cancer incidence among male paid employees at a copper smeltery to confirm this. From 1928 to 1979, there were 6,334 male blue-collar workers and 1,255 male paid employees. People who had worked in both salaried and blue collar jobs, as well as those who had worked in both types of jobs, were divided into three groups. Compared to Sweden overall, the death rate among all paid employees was lower.

Tax Saving Strategies And Financial Planning For Salaried Employees by Vinaya V S Vinaya V S, Mrs Prathibha V Mrs Prathibha V, (Nov 2024): Finding a reasonable level of knowledge about tax-saving choices and a preference for investing in insurance, mutual funds, and post office programs, this research investigates tax-saving tactics and financial planning among salaried people in India. Employees can better manage their taxes and save for the future with the help of educational reforms and government assistance, according to the report, which emphasizes the importance of increased financial literacy.

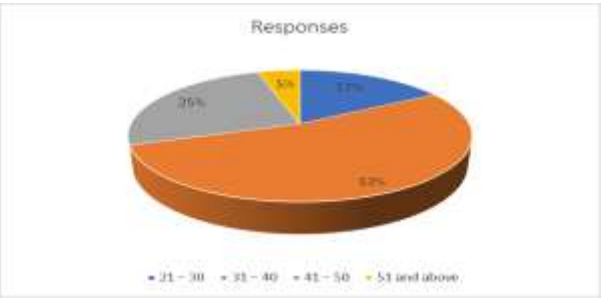
Impact of Financial Literacy Towards ESG Investing Among Salaried Employees by Abhishek Misra, N. S. Bohra, (June 2024): As the financial landscape evolves, ESG investment—which stands for environmental, social, and governance—has risen to prominence among ethical and sustainable investors. Salaried workers who have amassed money over the course of their professions have an obligation to responsibly preserve and grow their wealth. Findings suggest that among paid individuals, financial literacy is mediated by their perceptions of the effectiveness of Robo-advisors in regard to ESG investment practices.

DATA ANALYSIS

Age:

a. 21-30 b. 31-40 c. 41-50 d. 51 and above

Age	Responses	Percentage
21 – 30	21	17
31 – 40	67	53
41 – 50	32	25
51 and above	6	5
Total	126	100

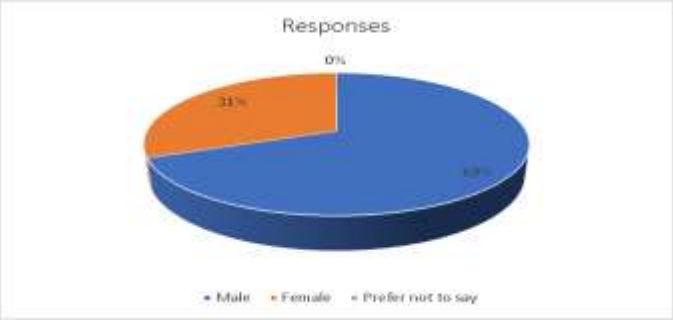


Interpretation

From the above table and graph we can state that, 17% of the responses age is 21-30yrs, 53% of the responses are in the age group of 31 – 40yrs, 25% of the responses are in the age group of 41-50yrs, 5% age group is 51 and above.

Gender:
a.Male b. Female c. Other

Gender	Responses	Percentage
Male	87	69
Female	39	31
Prefer not to say	0	0
Total	126	100

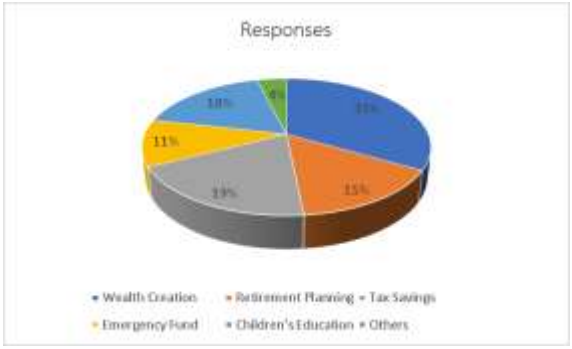


Interpretation
From the above table and graph we can state that, 69% of the responses are male & 31% of the responses are Female.

What is your primary objective for investing? (Select one)

a. Wealth Creation
b. Retirement Planning
c. Tax Savings
d. Emergency Fund
e. Children's Education
f. Others (Please specify): _____

Primary Objective	Responses	Percentage
Wealth Creation	42	33
Retirement Planning	19	15
Tax Savings	24	19
Emergency Fund	14	11
Children's Education	22	17
Others	5	4
Total	126	100



Interpretation
From the above table and graph we can state that, 33% of the responses Investment objective is wealth creation, 15% of the responses is retirement planning, 19% says fpr Tax Savings, 11% of the responses says for Emergency Fund, 17% of the responses says children's Education, 4% says for others.

Chi Square Test
Hypothesis
Hypothesis – I
H0; There is no significance relationship between the Age and Objective of the Investment
H1: There is a Significance relationship between the age and Objective of the Investment

Observed Values

Primary Objective	21 – 30	31 – 40	41 – 50	51 and above	Total
Wealth Creation	9	21	11	1	42
Retirement Planning	4	11	3	1	19
Tax Savings	3	11	9	1	24
Emergency Fund	3	7	3	1	14
Children's Education	2	13	5	2	22
Others	0	4	1	0	5
Total	21	67	32	6	126

Expected values

Primary Objective	21 – 30	31 – 40	41 – 50	51 and above	Total
Wealth Creation	7	22	11	2	42
Retirement Planning	3	10	5	1	19
Tax Savings	4	13	6	1	24
Emergency Fund	2	7	4	1	14
Children's Education	4	12	6	1	22
Others	1	3	1	0	5
Total	21	67	32	6	126

Expected Values = $\frac{CT \times RT}{GT}$

CT = Column Total
RT = Row Total
GT = Grand Total
Chi – Square Test = $\sum \frac{(O\,V - E\,V)^2}{E\,V}$

O V = Observed Values
E V = Expected Values

Degree of Freedom=(R-1)(C-1)=(4-1)(6-1)= 3 x 5=15
Level of Significance is 5% i.e. 0.05
Tabular Value is = 24.996
Chi – Sqaure Test value is 0.917

Interpretation
From the above data we can state that, calculated chi-square value is less than the tabular value (i.e 0.917 < 24.996). So we accept the Null Hypothesis and Reject the Alternative Hypothesis.
Hypothesis – II
H0: There is no significance relationship between the Gender and Objective of the Investment
H1: There is a significance relationship between the Gender and Objective of the Investment

Observed Values

Primary Objective	Male	Female	Prefer not to say	Total
Wealth Creation	29	13	0	42
Retirement Planning	13	6	0	19
Tax Savings	17	7	0	24
Emergency Fund	9	5	0	14
Children's Education	15	7	0	22
Others	4	1	0	5
Total	87	39	0	126

Expected Values

Primary Objective	Male	Female	Prefer not to say	Total
Wealth Creation	29	13	0	42
Retirement Planning	13	6	0	19
Tax Savings	17	7	0	24
Emergency Fund	10	4	0	14
Children's Education	15	7	0	22
Others	3	2	0	5
Total	87	39	0	126

$$\text{Expected Values} = \frac{CT \times RT}{GT}$$

CT = Column Total
RT = Row Total
GT = Grand Total

$$\text{Chi – Square Test} = \sum \frac{(O\,V - E\,V)^2}{E\,V}$$

O V = Observed Values
E V = Expected Values
Degree of Freedom =(R-1)(C-1)=(6-1)(3-1)= 5 x 2=10
Level of Significance is 5% i.e. 0.05
Tabular Value is = 18.307
Chi – Sqaure Test value is 0.992

Interpretation
From the above data we can state that, calculated chi-square value is less than the tabular value (i.e 0.992 < 18.307). So we accept the Null Hypothesis and Reject the Alternative Hypothesis.

FINDINGS

- 17% of the responses age is 21-30yrs, 53% of the responses are in the age group of 31 – 40yrs, 25% of the responses are in the age group of 41-50yrs, 5% age group is 51 and above.
- 69% of the responses are male & 31% of the responses are Female.
- 29% of the responses Marital status is single, 63% of the responses are Married, 6% are Divorced, 2% are widow
- 13% of the responses educational qualification is High School, 44% of the responses educational Qualification is Graduation, 35% are Post Graduates, 9% are Professional Degree.
- 10% of the responses Monthly Incomes is below 30000/-, 29% of the responses monthly income is 30000 – 50000/-, 35% of the responses Monthly Income is 50000 – 75000/-, 21% of the responses monthly Income is 75000 – 100000/-, 6% of the monthly Income is above 100000/-
- 39% of the responses occupation is Private Sector Employees, 19% are Public Sector Employees, 33% are Self Employed, 10% are Others.
- 33% of the responses Investment objective is wealth creation, 15% of the responses is retirement planning, 19% says fpr Tax Savings, 11% of the responses says for Emergency Fund, 17% of the responses says children's Education, 4% says for others.
- 15% of the responses review their portfolio of investment Monthly, 23% review Quarterly, 53% review Annually, 9% review Rarely.
- 25% of the responses knowledge of Investment products are in Basic level, 58% of their knowledge is Intermediate Level, 17% of their knowledge is Advanced
- 31% of the responses feel their current investment as Low Risk factor, 50% responses feel Moderate Risk, 19% of the responses feel High Risk
- 31% of the response level of risk tolerance when investing is Low (I prefer safe, guaranteed returns), 50% of the responses level of risk tolerance while Investing is Medium (I am open to moderate risk for better returns), 19% of the responses level of risk tolerance when investing is High (I am willing to take high risks for potentially higher returns).
- 31% of the responses says Yes they will consider investing in high-risk instruments like stocks or cryptocurrencies, 17% says No, 52% says Maybe, If they have knowledge.

- 47% of the responses have financial advisor or Planner for their Investment Portfolio, 53% doesn't have any financial advisor or planner
- 63% of the responses feel that financial literacy is very important while making investment decision, 33% says Somewhat Important, 4% says Not Important.
- 69% of the responses have attendant the financial literacy programs and 31% of the responses doesn't attended any financial literacy programs.
- 63% of the responses adjust their portfolio based on market trends, 37% of the responses will not adjust their portfolio based on market trends.
- 58% of the responses says yes recent changes in tax laws influenced their investment choices, 42% says No recent changes in tax laws have not influenced their investment choices

SUGGESTIONS

- Diversification To reduce their exposure to risk, salaried workers should diversify their holdings among several asset types such as stocks, bonds, gold, and real estate.
- Ad hoc investing is not a good investment strategy; instead, people should organize their investments around certain life objectives like retirement, paying for a child's college, or buying a house.
- Financial advisers or HR departments may facilitate risk profiling by assisting workers in identifying their level of comfort with risk (conservative, moderate, aggressive) and then making product recommendations based on that knowledge.
- Systematic Investment Plans (SIPs) in mutual funds and recurrent deposits are crucial for habit building and long-term wealth growth. Regular and disciplined investment is essential.
- Employees may make better investing decisions based on their own knowledge and not only on what their coworkers or trends suggest if you raise their level of financial literacy through workshops and webinars.
- Promote the use of reliable investment applications and platforms to facilitate simple tracking, transparency, and disciplined investing through the use of digital platforms.
- Propose Tools for Building Wealth and Reducing Taxes (such as PPF, NPS, and ELSS) under Section 80C and 80CCD.
- Help the staff set aside a part of their savings (around three to six months' worth of costs) in liquid assets in case of an emergency, and then encourage them to invest the rest.
- Prior to investing in market-linked assets, it is recommended that you have basic health and life insurance policies in place.
- It is recommended to examine investment portfolios on a regular basis, preferably once a year, in order to reevaluate investment objectives in light of changes in income, family obligations, and market trends.

CONCLUSION

Salaried workers' investing selections are influenced by their long-term financial objectives, level of financial education, risk tolerance, and the stability of their income. Because of the low risk and predictable returns of fixed deposits, provident funds, and insurance schemes, the majority of employees prefer these traditional investing channels. Nonetheless, many are progressively investigating market-linked alternatives, such as mutual funds and stocks, thanks to rising knowledge and internet access. Notably, thorough financial planning is still overshadowed by tax-saving incentives and peer advice when it comes to investing behavior. In order to encourage diverse and goal-based investment, it is evident that financial education among employees needs to be improved. The ability of paid persons to make educated investment decisions that guarantee long-term financial stability and well-being is a critical responsibility of employers and financial institutions.

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