

# A STUDY ON INVESTMENT BEHAVIOUR OF SALARIED PEOPLE WITH SPLECIAL REFERENCE TO COIMBATORE CITY

<sup>1</sup>Ms.J.Novinasteffy, <sup>2</sup>R.Sakthivel, <sup>3</sup>T.N.Subhashri

<sup>1</sup>Assistant professor,BCom-A&F,SRCAS,Coimbatore,Tamilnadu,India.

<sup>2,3</sup>Student,BCom-A&F,SRCAS,Coimbatore,Tamilnadu,India.

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## Abstract:

This study examines the investment behavior of salaried individuals in Coimbatore City, focusing on the factors influencing their financial decisions, risk preferences, and asset allocation patterns. Using a survey-based approach, the research examines the impact of demographic variables such as age, income, education, and financial literacy on investment choices. It also explores the role of psychological factors like risk tolerance, saving motives, and the influence of peers and family. The type of sampling method used for the study is Simple Random Sampling. The response has been collected from the people of Coimbatore city. Primary as well as secondary data were used for this research. The Primary data was gathered from questionnaire. We received a response from 50 respondents.

**Keywords— Risk Preferences, Financial Literacy, Risk Tolerance.**

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## INTRODUCTION

The patterns and decision-making procedures people use while distributing their money across different investment opportunities are referred to as investment behavior. A salaried person's investing choices are frequently influenced by their financial objectives, risk tolerance, income stability, and access to financial information. Salaried people have particular opportunities and challenges when it comes to efficiently managing their investments and savings because of the consistent but frequently fixed nature of their income. Salaried people now have access to a wider variety of investment options, such as equities, mutual funds, fixed deposits, real estate, and emerging asset classes like crypto currencies, thanks to the increased complexity of financial markets and the emergence of digital investment platforms. However, psychological and emotional elements including risk perception, loss aversion, and behavioral biases frequently have an impact on their investment decisions in addition to economic ones. By investigating the incentives, difficulties, and inclinations of salaried people, this study advances our knowledge of investment behavior and identifies areas in which financial resources and education can enable this group to reach their financial objectives.

## OBJECTIVES

- To Study the impact of demographic factors of salaried people in their

investment decision.

- To analyze the awareness level on the investment schemes of salaried people.

## STATEMENT OF THE PROBLEM

Salaried person's investment behavior is important to research because it shows their financial planning, risk tolerance, and ability to achieve long-term financial goals. Despite increased awareness of investing prospects, many salaried persons struggle to make informed investment decisions due to issues such as low financial literacy, income limits, market volatility, and psychological biases. The purpose of this study is to better understand the psychological emotional factors that influence salaried people's investment decision. It also seeks to uncover obstacles that prohibit salaried workers from improving their investment portfolios and obtaining financial independence. By addressing these concerns, the study will provide significant insights into how salaried workers might be encouraged to overcome their psychological emotional factors and make healthy financial decisions for the future.

## SCOPE OF THE STUDY

The scope of the study on investment behavior of salaried people aims to explore, analyze and understand the major elements influencing their financial choice. The study focuses exclusively on salaried individuals,

working in both public and private sector. People from a wide range of demographic groups, including: age, gender, income level, education and occupation comprise the population. In the study it examines the behavioral differences between salaried populations in rural and urban areas.

### **RESEARCH METHODOLOGY**

This study employs a descriptive research design to outline the demographic characteristics of the respondents, analyze the awareness level on the investment schemes and explore the challenges faced by salaried individual by investing.

### **AREA OF THE STUDY**

The study was conducted within the Coimbatore city.

### **SAMPLE DESIGN**

The research design used for the study is descriptive analysis.

### **PRIMARY DATA**

The primary data was collected from the respondent through questionnaire method.

### **SECONDARY DATA**

The secondary data was collected through journal, magazines, newspaper and internet.

### **SAMPLE SIZE**

The data for this study were collected from sample size of 50 respondents.

### **STATISTICAL TOOLS**

- Percentage Analysis
- ANOVA

### **LIMITATIONS OF THE STUDY**

- Only 50 respondents were taken for the study.
- The study is limited only to salaried persons who invest their income.

The accuracy of the study depends on the respondent's information.

### **REVIEW OF LITRATURE**

**Neena Therasa P J (2022)<sup>1</sup>**, in their study titled “A study on investment pattern of salaried people with reference to Coimbatore city” aims to identify the popular investment avenues and also the level of satisfaction of investors in their investment. The primary data were collected through structured questionnaire from 150 respondents using convenience

sampling. The tools used are percentage analysis, chi-square and rank analysis. They found that the salaried employees are conscious of various investments and satisfied with their investments and there is no significant relationship between annual income and investment percent. It was suggested that the investors should make the investment with proper planning about their investment objective. Thus, the study concluded that the investors are preferring to speculate their money in fixed deposits and gold.

**Sonali patil (2023)<sup>2</sup>**, in their study titled “A study on preferred investment avenues among salaried people with reference to Pune, India” aim is to know source of motivation of the salaried employees and to know the factors that influence their investment behavior. The primary data were collected through structured questionnaire from 40 respondents by using simple random sampling. The tools used are chi-square test and Pearson correlation coefficient. The study founded that self awareness is the main source of investment as percentages are 30.52% and 20% respectively. To run several programs for people to know well about the investment schemes, it is suggested. Hence, in consideration of these researches, it is concluded that most of the investors prefer secured regular income on investment in the study area.

**Dr Mavy Miranda (2023)<sup>3</sup>**, in their study titled “A study on investment pattern of salaried employees in Udupi city” aims to study the purpose of investment among the respondents and to identify the preferred option for investment among the respondents. The data was collected through questionnaire served through Google forms and the sample size taken for the study was 89. The tool used was percentage analysis. It was founded that 1 year to 5 years is the preferred time period for investment among the respondents. It is suggested that employees should channelize their surplus income in diversified ways so that they may get more returns. Hence the researchers concluded that majority of the respondents invest their savings to earn additional income and that the most preferred option of investment is Bank Fixed deposits.

**DATA ANALYSIS AND INTERPRETATION**

**1. ANOVA**

ANOVA						
		Sum of Squares	f	Mean Square	F	Sig.
Fear of losing money.	Between Groups	25.701	4	6.425	.726	.579
	Within Groups	398.479	45	8.855		
	Total	424.180	49			
Greed or desire of profit	Between Groups	27.136	4	6.784	1.230	.312
	Within Groups	248.244	45	5.517		
	Total	275.380	49			
Following friends and family's decision.	Between Groups	20.106	4	5.026	.669	.617
	Within Groups	338.314	45	7.518		
	Total	358.420	49			
Emotional attachment to specific assets or companies.	Between Groups	9.173	4	2.293	.352	.841
	Within Groups	293.327	45	6.518		
	Total					

	Total	302.500	49			
Stress due to market downturns.	Between Groups	52.302	4	13.075	1.667	.174
	Within Groups	352.918	45	7.843		
	Total	405.220	49			
Hope for the performance of the market in the future.	Between Groups	33.476	4	8.369	.871	.489
	Within Groups	432.304	45	9.607		
	Total	465.780	49			
Regret for past investment decision.	Between Groups	24.304	4	6.076	.574	.683
	Within Groups	476.176	45	10.582		
	Total	500.480	49			
Having too much faith in your own judgement.	Between Groups	39.048	4	9.762	1.077	.379
	Within Groups	407.832	45	9.063		
	Total	446.880	49			
Social influencer.	Between Groups	19.532	4	4.883	.511	.728
	Within Groups	429.988	45	9.555		
	Total	449.520	49			
Long-term security goals.	Between Groups	26.795	4	6.699	.957	.440
	Within Groups	314.985	45	7.000		
	Total	341.780	49			

(Source - Primary data)

**INTERPRETATION:**

This is the table that shows the output of the ANOVA analysis and whether there is a statically significant difference between our group means. We can see that the significant value is 0.579 (i.e.  $p=0.579$ ), which is above 0.05. Therefore there is no relationship between age and psychological emotional factor of salaried people.

**1. PERCENTAGE ANALYSIS**

Gender Wise Respondents

Table 4.1

Gender	No. of. Respondents	Percentage
Male	90	89.961%
Female	67	67.039%
<b>Total</b>	<b>157</b>	<b>100%</b>

(Source- Primary data)

**INTERPRETATION:**

The above table indicates that 89.961% of Respondents are male, and 67.039% were female. The Majority of Respondents who attended the survey were male.

Invest out of your income Table 4.2

invest	No. of. Respondents	Percentage
Yes	129	129.839%
No	28	27.161%
<b>Total</b>	<b>157</b>	<b>100%</b>

(Source– Primary data)

**INTERPRETATION:**

It can be seen from the above table that 129 respondents are selected yes. So, the majority of the respondents are investing out of their income.

Often do you review your investment portfolio

Table 4.3

review	No. of. Respondents	Percentage
Monthly	46	46.001%
Quarterly	79	78.971%
Annually	26	26.062%
Never	6	5.966%
<b>Total</b>	<b>157</b>	<b>100%</b>

(Source– Primary data)

**INTERPRETATION:**

The above table highlights that how often they review their investment portfolio (78.971%). The less they used to review is never (5.966%).

Confident to make investment decision Table 4.4

Confidence	No. of. Respondents	Percentage
Very confident	76	76.459%
Somewhat confident	65	65.469%
Not confident at all	15	15.072%
<b>Total</b>	<b>157</b>	<b>100%</b>

(Source– Primary data)

**INTERPRETATION:**

The above table indicates the 76.459%(76) respondents are very confident to make investment decisions.

**FINDINGS**

This is the table that shows the output of the ANOVA analysis and whether there is a statically significant difference between our group means. We can see that the significant value is 0.579 (i.e.  $p=0.579$ ), which is above 0.05. Therefore there is no relationship between age and psychological emotional factor of salaried people.

- The above table indicates that 89.961% of Respondents are male, and 67.039% were female. The Majority of Respondents who attended the survey were male.

- It can be seen from the above table that 129 respondents are selected yes. So, the majority of the respondents are investing out of their income.
- The above table highlights that how often they review their investment portfolio (78.971%). The less they used to review is never (5.966%).
- The above table indicates the 76.459% (76) respondents are very confident to make investment decisions.

**SUGGESTION**

- An awareness program must be conducted to educate people regarding various investment avenues, so that they are aware of the current financial scenario and make the best decisions.

- Salaried people can diversify their investments into various sectors so that they can get the maximum return.
- The humans are focusing, easiest put up office, banks, insurance, gold and silvers, and other institutions are included and promoted to humans for the savings.

#### **CONCLUSION**

From the results of the study, it can be concluded that employees have shown that they are following good investment policies and they are satisfied with their investment practices. The findings of the study indicate that employee's perception has led to the investment appreciation exhibited through various factors. A similar kind of investor group perception will enhance investment effectiveness. Employees not only contribute to their respective organization by their labour contributions, they do contribute to the development of national economy by investing in various investment avenues. This will further improve on economy in general and give more revenues by

way yield to the employee investors in particular.

#### **WEBSITE**

<https://cibgp.com/au/index.php/1323-6903/article/view/825/791>

<https://www.sciencepublishinggroup.com/article/10.11648/j.jim.20231202.12>

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