

A Study on Changing Investment Patterns Among Salaried Individuals

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Abstract

This study examines the changing investment patterns among salaried individuals with a focus on their preferences, influencing factors, and satisfaction levels. Using primary data collected from 130 respondents through structured questionnaires, the study analyses investment behaviour across various financial instrument such as bank deposits, mutual funds, gold and real estate. The findings reveal a strong preference for traditional and low-risk investment avenues, with real estate emerging as the most preferred option. Factors such as minimal investment values and social influence significantly affect investment decisions. The study highlights the need for improved financial literacy and diversification strategies. Most of the investors, particularly rural investors, are found to be unaware about investment avenues and rules and regulations. In spite of remarkable growth of our economy and increasing income levels of people, the pace of saving mobilization is lower in India. Rural saving is not mobilized and invested properly. Multiple choice questions have been chosen to collect the response from 130 customer. Convenience sampling method has used in the research work. Percentage analysis. Numerous new findings have been derived from this research has helped to provide valuable suggestion to improve the investment pattern of the investors the analysis further indicate that factor such as minimal investment value, social influence, and perceived risk play a crucial role in shaping investment decision. Additionally, the study finds that most respondents rely on family member or informal sources for financial guidance rather than professional advisor. Satisfaction level among investor are moderate, suggestion that while individual is relatively content with their investment there is still room for improvement kyain term of return and diversification

Keywords:

Investment patterns, salaried individual, risk, return, financial behaviour, saving

Introduction

Investment plays a crucial role in financial planning, especially for salaried individual who depend on fixed income. With the growing complexity of financial markets, individual face challenges in selecting suitable investment avenues. Understanding how individuals allocate their salary into different financial instrument helps in analysing economic behaviour and improving financial decision-making in real estate.

In recent year, the financial landscape has undergone significant transformation due to technological advancement, improved access to financial service, and increase awareness among the investors. despite these developments, investment decision among salaried individuals is often influenced by factor such as risk perception, expected returns, liquidity, and social influence. Many individuals continue to prefer low-risk investment options due to uncertainty and lack of knowledge, which can limit their ability to achieve higher returns in the long run among the companies.

By analysing these aspects, the study provide insight into the behavioural tendencies of salaried individuals and highlights the need for improved financial literacy and diversified investment approaches. The finding of this research can be useful for financial institutions, policymakers, and investors in developing strategies that promote better financial planning and long-term wealth creation.

Investment generally expects higher returns from riskier investment. Financial assets range from low-risk, low-return investment, such as high-grade government bonds, to those with higher risk and higher expected commensurate reward, such as emerging markets stock investment.

Investor, particularly novices, are often advised to adopt an investment strategy and diversify their portfolio. Diversification has the statistical effect of reducing overall risk in Investment.

Objective of the study

- To analyse investment patterns among salaried individuals across various avenues
- To identify preferred investment options and reasons behind their selection.
- To evaluate satisfaction with currents investment decisions and outcomes.
- To suggest strategies for improving financial literacy and investment behavior.

Scope of the study

This study examines investment patterns, preference, influencing factors, awareness level, and satisfaction among salaried individual to understand financial behaviour and decision-making in the company. Its examines awareness level, satisfaction, and decision-making behaviour to understand how individual allocate income across various financial strategies for long-term stability.

Review of literature

Panwar, S. and Madhumathi, R. (2006) conduct a study on public sectors sponsored and private-sector sponsored mutual funds to investigate the difference in characteristics of assets held, portfolio diversification, and variable efforts of diversification on investment performance for the period May 2002 to May 2005.

Kum martin (October 2007) in his article, “Basics about mutual funds” discussed about different types of mutual funds. He stated that the equity funds involve just common stock investment.

Kozup, John C., Elizabeth howlett and Michael pagano (2008) explored whether a single page supplemental information disclosure impact investors funds evaluations and investment intentions.

Rao, D. N. and Rao, S. B. (2009) analyzed the performance of the 47 balanced and 72 income funds in the terms of return, risk, Return per risk and Sharpe ratio over the past three year (2006, 2007 and 2008) during which period the Indian stock market had witnessed much volatility.

Research methodology

- Descriptive research design analyzing investment behaviour pattern
- Primary data collected using structured questionnaires method
- Sample size consists of 130 salaried respondents
- Convenience sample method used for data collection
- Data analysed using percentage analysing for trends
- Secondary data collected from journal books through online and website.
- Methodology systematic but limited by sampling the company data.

Data Analysis and interpretation

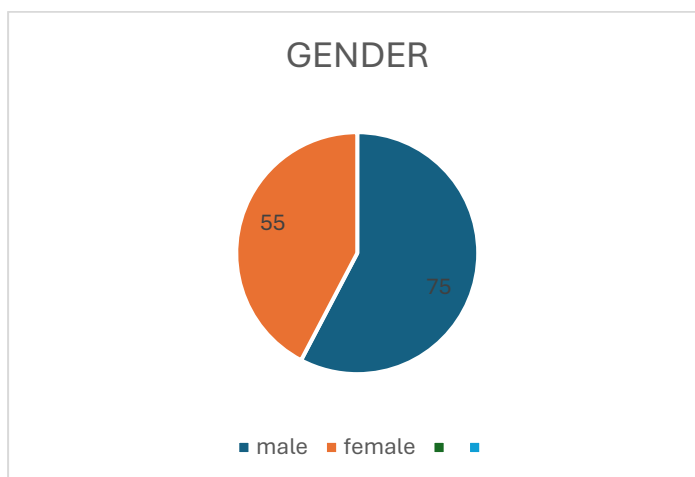
Table 1

Gender	No of respondents	% of respondents
Male	75	58%
Female	55	42%
Total	130	100%

Interpretation

58% of the respondents are male and, 42% of the remaining respondents are female and therefore most of the respondents are male.

Chart 1



2. Age wise classification

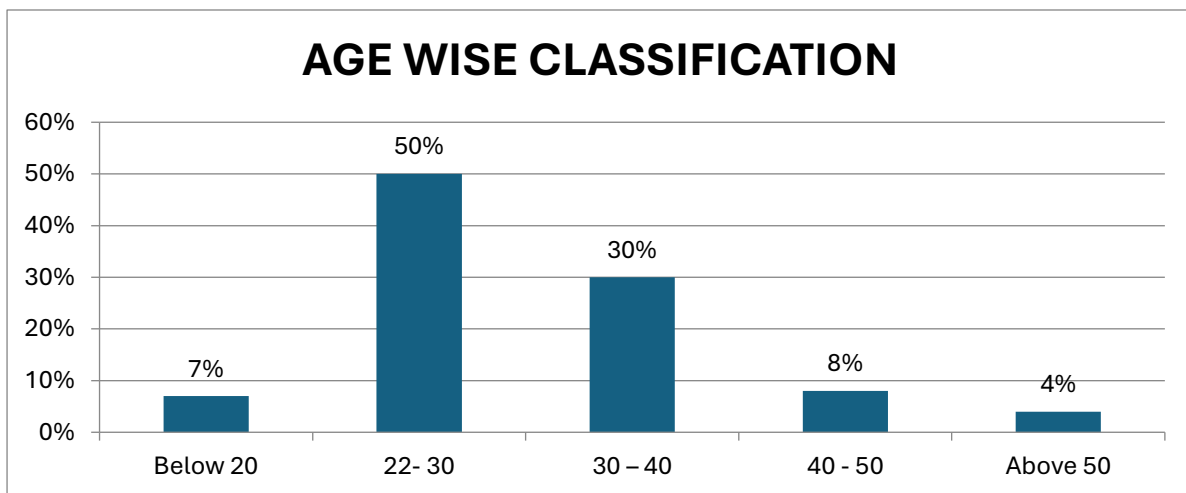
Table 2

Age (in years)	No. of respondents	% of respondents
Below 20	9	7%
22 – 30	65	50%
30 – 40	39	30%
40 – 50	10	8%
Above 50	7	5%
Total	130	100%

Interpretation

50% of the respondents belongs to the group between 22 to 30 years, 30% belong to the age group between 30 to 40 years, therefore most of the respondents belongs to the age group between 22 to 30 years.

Chart 2



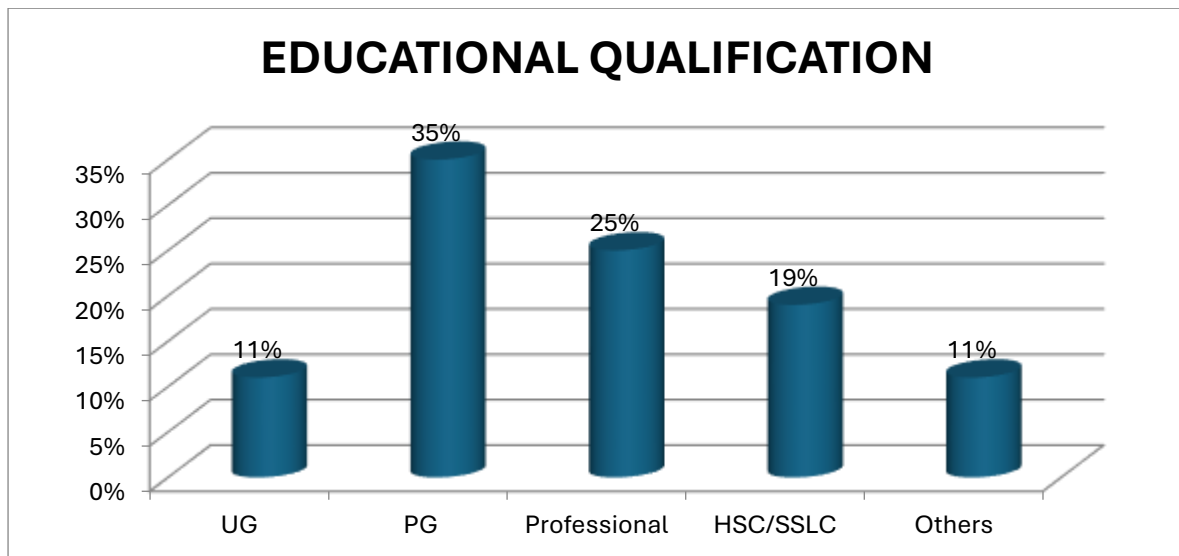
3. EDUCATIONAL QUALIFICATION

TABLE 3

Educational Qualification	No. of respondents	% of respondents
UG	14	11%
PG	45	35%
Professional	32	25%
HSC/SSLC	25	19%
Others	14	11%
Total	130	100%

Interpretation

35% of the respondents are PG, 25% of the respondents are from professional customers, therefore most of the respondents are from PG students.

Chart 3

SUGGESTIONS

Investment in real estate:

Mutual funds are allowed to invest in real estates. Real estates higher profit & there by enables in the investors to get a higher return for their investment.

Higher awareness among investors:

Mutual funds companies should bring greater awareness in the investors mind about their different schemes.

Tax rebate for investing in mutual fund:

Tax rebate should be provided to the investor for the investment in the mutual funds so that as to encourage them to invest in the companies.

Innovation products or funds:

Mutual funds companies must create innovations funds for the investor to keeping them in a mind that the investment period of the investor.

Conclusion

This study constitutes a sample of 130 investors and the opinions of the investors has been collected through structured questionnaire and study confined to the areas of different areas in Chennai. Most of the investors have very good knowledge about the various investment avenues and there are satisfied with the return and with the performance of the investment very easily long - term and short - term wealth can be created and investors are aware of that and this is a scheme which is disciplined and it give good return and it protect the investors when the market falls.

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