

A Study on Investment Patterns of Salaried Professionals in Bengaluru

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ABSTRACT

Investments are a vital tool for ensuring financial security and accomplishing long-term objectives because they direct current funds into ventures with the potential to generate profits. The investing patterns, methods, and behaviours of salaried professionals in Bengaluru, a centre of India's IT industry, are examined in this study. It emphasises how crucial it is to make investments that promote personal financial stability, meet urgent requirements, and accomplish long-term goals like asset acquisition or lifestyle development. By serving as a catalyst for aggregate demand and national savings, the study highlights how investments may both assist personal finance and promote economic growth.

This study also looks at the many different investment options that Bengaluru professionals have access to, including equities, mutual funds, fixed deposits, real estate, gold, and cryptocurrencies, all of which may accommodate different risk tolerances and return expectations. Through an analysis of planning techniques and investing behaviours, the study offers insights into how professionals plan, assess, and forecast their investments. It emphasises how important well-informed choices and customised investing strategies are to maximising profits and lowering risks. In the end, this study seeks to offer insightful recommendations to financial advisers, legislators, and investors looking to maximise their investment strategies.

Key words: Investment , professionals , savings .

INTRODUCTION

Investment has emerged as a crucial tactic for those trying to safeguard their financial future in the quickly changing economic environment of today. Investment choices for salaried professionals are influenced by a number of factors, including financial objectives, income stability, and the overall state of the economy, especially in large cities like Bengaluru. A big and diversified paid workforce in Bengaluru, a major IT hub, offers a unique viewpoint on how people approach investing their hard-earned money. This study's main goal is to investigate the investment habits of Bengaluru's paid professionals, with an emphasis on their platforms of choice, decision-making procedures, and preferences. Given the growing number of paid people looking for ways to build wealth, it's critical to comprehend the variables affecting their investing choices.

These variables might include market availability of investment alternatives, investment goals, risk tolerance, and financial knowledge. Bengaluru's salaried workforce frequently has access to a wide range of investing alternatives, from more conventional options like mutual funds and term deposits to more exciting ones like equities, real estate, and cryptocurrency. These people's decisions affect not just their financial stability but also the growth of the economy as a whole by directing funds towards profitable ventures. The purpose of this study is to examine how salaried professionals invest, gauge their propensity for taking risks, and determine how well their investing decisions fit with their long-term financial objectives.

This study will offer important insights into the difficulties these professionals have while making investment decisions, which may aid in the creation of more efficient financial education and planning techniques suited to Bengaluru's salaried professionals' requirements.

A mix of growing financial awareness, digital platforms, and an emphasis on long-term wealth accumulation has been driving a rapid evolution in the investment habits of salaried professionals in India, particularly in urban regions like Bengaluru. Gold, equities, mutual funds, fixed deposits, and real estate are the most popular investment choices among salaried people. Nevertheless, despite the dangers involved, there is a growing desire for equity investments because of the possibility of larger returns. 58% of young Indian professionals, especially those in the Millennial and Gen Z generations, choose direct stock investing over more conventional options like mutual funds and term deposits, according to a recent survey.

This shift has also been fuelled by technology, with websites like YouTube serving as a major hub for financial education. Professionals are increasingly using smartphone applications to manage their investments and savings. Customisation of investment strategies is also growing. In an effort to balance risk and return, more paid people are diversifying their investments. Conversely, mutual funds, particularly through structured investment plans (SIPs), have become more popular, while fixed deposits continue to be a reliable option for conservative investors. Despite the high initial investment costs, real estate remains a solid choice for investors seeking both long-term growth and rental income. Professionals are also giving emergency money and insurance coverage more importance in terms of financial security as they serve as safety nets for unforeseen life occurrences.

This change in investment habits is indicative of a larger movement towards financial independence, as salaried people actively work to increase their wealth while guaranteeing their future.

REVIEW OF LITERATURE

- **Preferences for Investments and Risk Tolerance:** The investing choices of paid professionals have been the subject of several studies. A research by Kapoor & Khanna (2020) found that Bengaluru's salaried population has a wide range of investment habits, from more aggressive options like equities and mutual funds to more conservative ones like fixed deposits. Younger workers are more likely to make high-risk stock market and cryptocurrency investments, especially those in the IT industry. However, low-risk, safer choices like government bonds and fixed deposits are typically preferred by senior professionals. This tendency has been ascribed to younger generations' increased risk tolerance and financial security as opposed to their elder counterparts' more cautious financial attitude (Singh, 2019).
- **Digital Platforms and Financial Literacy:** Investment patterns have been greatly impacted by the growing adoption of digital platforms and financial literacy initiatives. Salaried professionals in Bengaluru are increasingly using online platforms to invest in equities and mutual funds, according to a report by Mishra & Sinha (2021). People may now more easily access a variety of investing possibilities thanks to the ease of mobile applications and online trading platforms. Additionally, these platforms frequently include thorough financial guidance, which aids in improved decision-making. Digital platforms, however, potentially put investors at risk for fraud and false information, particularly for novice investors with little financial experience (Rathi, 2020).
- **Effects of Market and Economic Conditions:** Investment decisions are significantly influenced by market and economic conditions. Salaried professionals in Bengaluru have a tendency to go towards safer and less volatile investments like gold and real estate during times of market or economic turmoil. In reaction to stock market

volatility during the COVID-19 pandemic, there was a noticeable move towards gold and fixed deposits, according to a research by Agarwal & Gupta (2021). The quest for steady profits and financial stability during difficult times was the driving force for this behaviour.

- **Portfolio Management and Diversification:** One important tactic used by paid professionals seeking to reduce risk and provide steady returns is diversification. Salary workers in Bengaluru often invest in a variety of equities, mutual funds, real estate, and gold to create diverse portfolios, according a study by Sharma & Iyer (2019). As professionals look for lower-risk exposure to the equity markets, mutual funds—especially Systematic Investment Plans, or SIPs—have become more and more popular. Salaried people with a medium to long investment horizon would find this technique particularly appealing as it permits consistent accumulation over time (Kumar & Rathi, 2020).
- **The Impact of Social and Cultural Factors:** Salaried professionals' investing patterns are also influenced by social and cultural variables. Jain & Kumar's (2020) study emphasised how friends and family affect investing choices. Many professionals base their investing decisions on the counsel of family members, particularly those from elder generations. Furthermore, investing patterns are still influenced by social conventions surrounding gold as a safe asset class, particularly among professionals from particular ethnic backgrounds.

OBJECTIVES OF THE STUDY

1. To investigate the saving behaviours of salaried individuals.
2. To identify the most preferred investment options among salaried professionals.
3. To identify the factors influencing investment decision.

STATEMENT OF THE PROBLEM

The purpose of the study is to look at the investment habits, inclinations, and practices of Bengaluru's paid professionals. It will concentrate on the reasons that affect their choices, the influence of digital platforms, and how they manage risk and reward. It is unclear how well-suited traditional fixed deposits are for long-term asset creation and financial stability given the trend towards riskier alternatives like equities, mutual funds, and cryptocurrencies. Another factor contributing to the issue is the intricacy of financial products and the growing reliance on digital platforms. The goal of the study is to give salaried professionals insights into improved asset management and financial planning.

RESEARCH METHODOLOGY

Research methodology refers to the systematic approach used to identify, select, organize, and analyse data relevant to a specific research topic. This study employs both primary and secondary data sources. Primary data is gathered through a structured questionnaire designed to capture insights from the target population. For the selection of participants, the research adopts a convenience sampling technique, ensuring that data is collected from easily accessible respondents.

Sampling Unit: The unit of analysis for this study consists of salaried professionals or investors who have experience in managing investments.

Sample Size: A total of 200 salaried individuals were selected to participate in the survey and complete the questionnaire designed for this study.

Sampling Technique: The research uses convenience sampling, which involves selecting individuals who are readily available or accessible for participation.

LIMITATIONS OF THE STUDY

- The primary data for this study has been gathered through a structured questionnaire, distributed to a sample of investors in Bengaluru. As a result, the findings may not fully represent the opinions or behaviours of the entire population of salaried professionals in the city.
- The study is based on a limited sample size of 200 respondents, which may not provide a comprehensive overview of investment patterns across a broader or more diverse group of salaried professionals in Bengaluru.

DATA ANALYSIS AND INTERPRETATION

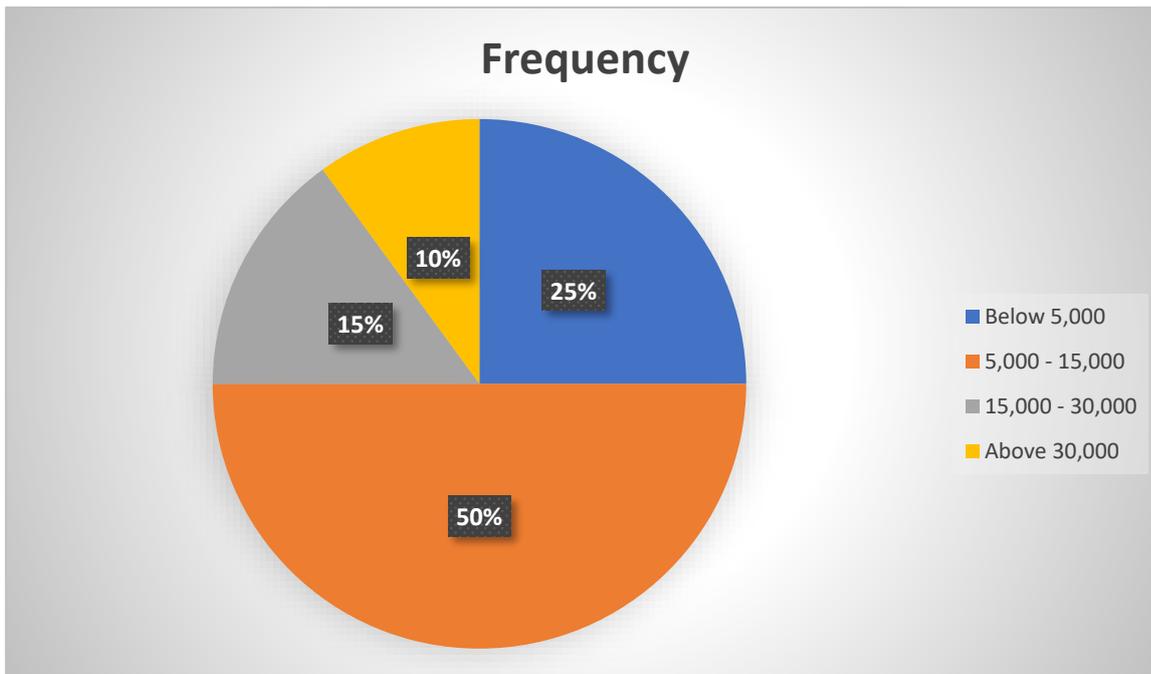
Demographic Profile of Respondents

Demographic Category	Frequency	Percentage (%)
Gender		
Male	140	70%
Female	60	30%
Age Group		
18-30 years	80	40%
31-45 years	95	47.5%
46-60 years	20	10%
Above 60 years	5	2.5%
Income Group		
Below ₹5 Lakh	50	25%
₹5 Lakh - ₹10 Lakh	80	40%
₹10 Lakh and above	70	35%
Total	200	100%

Analysis: Most responders (47.5%) are between the ages of 31 and 45, with younger professionals (40%) in the 18–30 age range coming in second. This suggests that individuals in their peak earning years who are salaried professionals are more inclined to invest. According to the gender distribution, there are more men (70%) than women (30%) who invest, which reflects larger cultural patterns in financial decision-making.

Monthly Savings

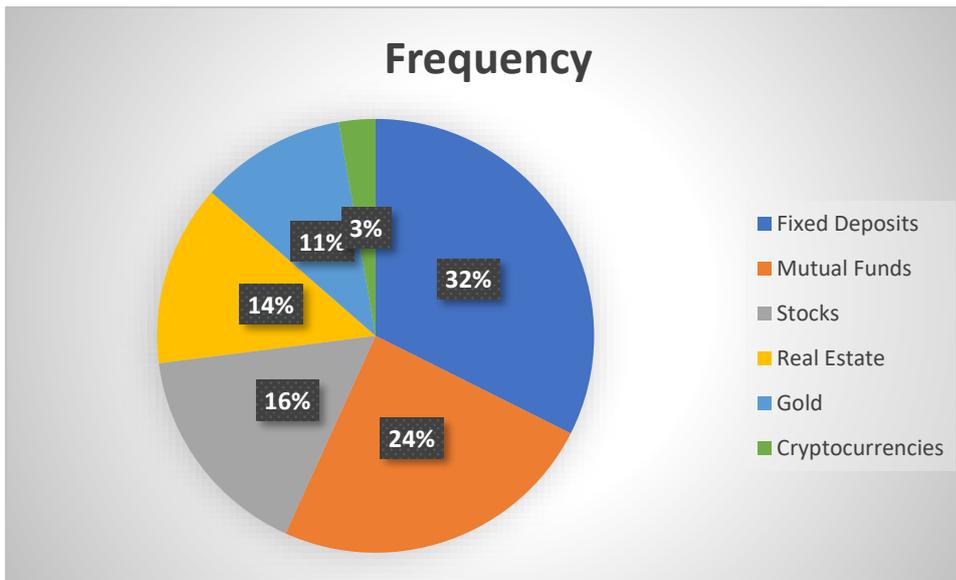
Savings Range (₹)	Frequency	Percentage (%)
Below 5,000	50	25%
5,000 - 15,000	100	50%
15,000 - 30,000	30	15%
Above 30,000	20	10%



Analysis : 50% of those surveyed said they save between ₹5,000 and ₹15,000 per month. Twenty-five percent of people save less than ₹5,000, which might be a result of restricted discretionary income or budgetary restrictions. Just 10% of those surveyed save more than ₹30,000, suggesting that they have better financial planning and higher income levels.

Investment Preferences Among Respondents

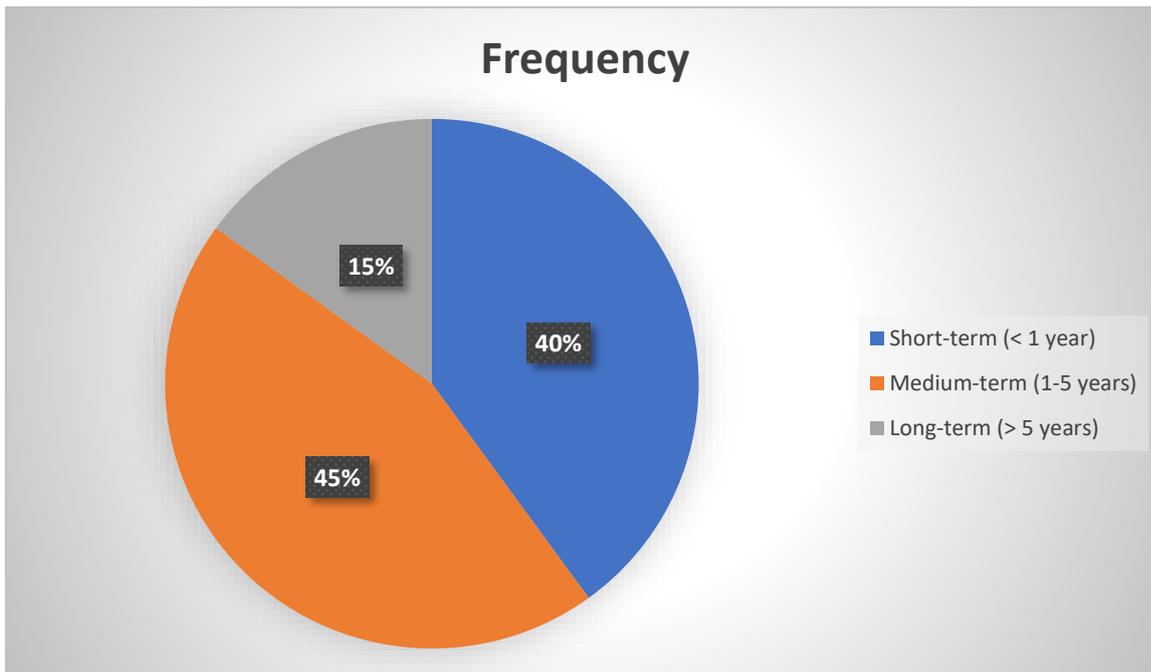
Investment Option	Frequency	Percentage (%)
Fixed Deposits	120	60%
Mutual Funds	90	45%
Stocks	60	30%
Real Estate	50	25%
Gold	40	20%
Cryptocurrencies	10	5%



Analysis: With 60% of respondents selecting fixed deposits, this low-risk, conservative investment was the most popular choice. The fact that mutual funds ranked second (45%) suggests that people are becoming more interested in diverse, expertly managed portfolios. The fact that just 30% of respondents indicated investing in equities suggests that the bulk of Bengaluru's paid professionals may be taking a more conservative approach. Because gold has cultural importance in India and real estate has historically produced steady profits, both gold and real estate are still valuable financial assets. Despite garnering international attention, just 5% of this demographic invests in cryptocurrencies, making them a less popular asset class.

Preferred Investment Durations

Duration	Frequency	Percentage (%)
Short-term (< 1 year)	80	40%
Medium-term (1-5 years)	90	45%
Long-term (> 5 years)	30	15%



Analysis: The majority of respondents (45%) like medium-term investments because they balance risk and reward. 40% of investors choose short-term investments, which reflects their need for rapid returns and liquidity. There is a need to encourage retirement planning and future wealth creation, as just 15% of investors concentrate on long-term investing.

Savings vs. Investment Practices Among Respondents

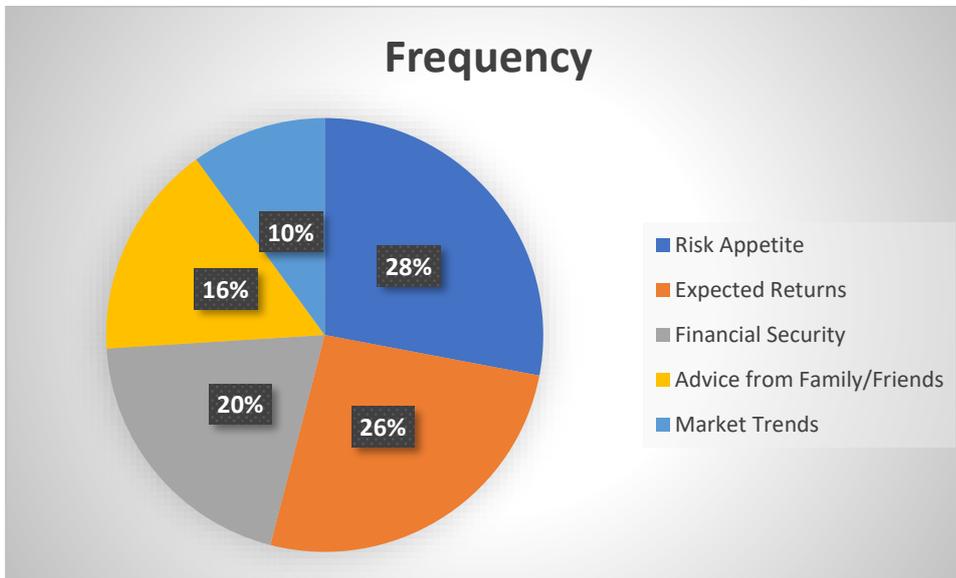
Category	Frequency	Percentage (%)
Saving pattern		
Regular Savers	160	80%
Occasional Savers	30	15%
No Regular Savings	10	5%
Investors		
Regular Investors	120	60%
Occasional Investors	50	25%
Non-Investors	30	15%

Analysis : A disciplined approach to financial planning is demonstrated by the large majority of responders (80%) who regularly save money. Of those surveyed, 60% make investments on a regular basis, while 25% do so sporadically. A possible gap in transforming savings into profitable investments is highlighted by the 15% of people who do not actively invest.

Factors Influencing Investment Decisions

Factor	Frequency	Percentage (%)
Risk Appetite	140	70%
Expected Returns	130	65%

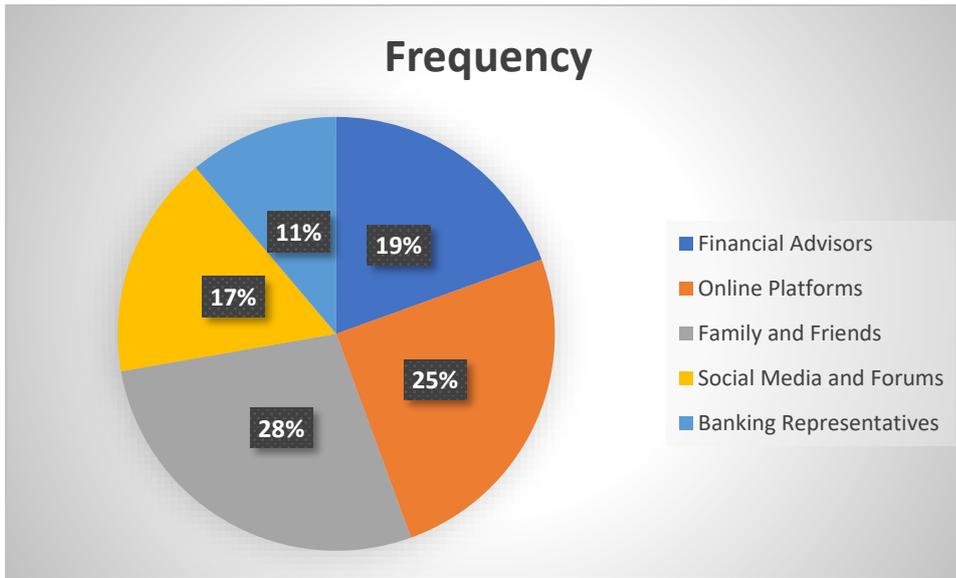
Financial Security	100	50%
Advice from Family/Friends	80	40%
Market Trends	50	25%
Risk Appetite	140	70%



Analysis : Risk appetite is the most important factor affecting investment decisions (70%), suggesting that people are generally conscious of their risk tolerance when making decisions about their investments. The significance of returns in the decision-making process is shown by the expected returns (65%), which are also crucial. Another important consideration for responders who want to protect their future is financial stability (50%). Furthermore, 40% of respondents said that they are influenced by recommendations from friends and family, demonstrating the significant effect of social networks on investing habits. When making investing decisions, just 25% of respondents took market trends into account, indicating that individual risk tolerance and predicted returns are more important determinants than general market circumstances.

Sources of Investment Decisions

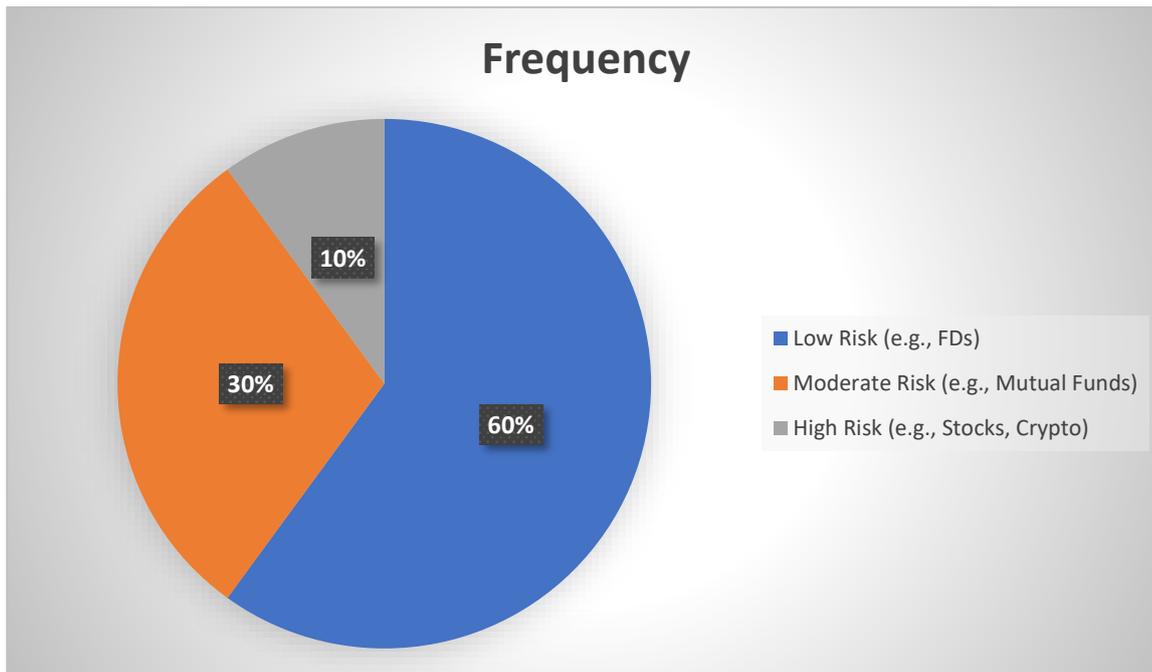
Source	Frequency	Percentage (%)
Financial Advisors	70	35%
Online Platforms	90	45%
Family and Friends	100	50%
Social Media and Forums	60	30%
Banking Representatives	40	20%



Analysis: According to trust and interpersonal influence, family and friends continue to be the most popular source of investing advice (50%). Online resources (45%) are growing in importance as information sources, particularly for younger audiences. 35% percent visit financial consultants, indicating a need on expert counsel for organised financial planning.

Risk Tolerance Among Respondents

Risk Tolerance Level	Frequency	Percentage (%)
Low Risk (e.g., FDs)	120	60%
Moderate Risk (e.g., Mutual Funds)	60	30%
High Risk (e.g., Stocks, Crypto)	20	10%



Analysis: With 60% of all investments being low-risk, salaried workers' cautious approach is evident. 30% are drawn to investments with moderate risk, indicating an increasing demand for mutual fund products. Just 10% feel comfortable making high-risk investments, which suggests that they don't participate much in erratic markets like stocks or cryptocurrency.

CONCLUSION

The study on Bengaluru's salaried professionals' investing habits offers valuable insights into their financial habits, investment choices, and knowledge levels. According to the study, there is a rising preference for moderate-risk financial products like mutual funds, even if paid professionals still place a higher priority on saving and low-risk investments like gold and fixed deposits. There are wide differences in people's knowledge of different investment options; classic options are more well-known than more recent ones like stocks and cryptocurrency.

The results also show that when making financial decisions, people tend to rely on reliable sources like friends, family, and internet resources. Professionals seek a balance between liquidity and profits, which is highlighted by their preference for medium-term investments.

Even with careful investment strategies, more knowledge and instruction about high-growth investment possibilities is clearly needed in order to maximise financial planning and diversify portfolios.

The study's findings highlight the significance of customised financial solutions and focused awareness campaigns in filling knowledge gaps and promoting long-term wealth accumulation among Bengaluru's salaried professionals. In order to effectively meet the changing financial demands of this group, governments, financial institutions, and advisors must close these gaps.

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