

# A Study on Role of Financial Literacy in Shaping Investment Behaviour of Middal Income Salaried Employees in Amravati City

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## ABSTRACT :

This study investigates the impact of financial literacy on the investment behaviour of salaried middle-income employees in Amravati city, focusing on their savings patterns, investment choices, and risk management strategies. The research is motivated by the increasing need for financial awareness to ensure informed decision-making and long-term financial security among employees, particularly in semi-urban settings.

The main objective is to examine whether financial literacy influences the investment decisions and portfolio diversification of salaried middle-income individuals. A descriptive and analytical research design was employed, collecting primary data through structured questionnaires from 100 respondents and secondary data from journals, reports, and previous studies. Statistical techniques such as frequency and percentage analysis, mean, median, t-test, and correlation analysis were applied to interpret the findings.

The results reveal that employees with higher financial literacy exhibit more disciplined savings, higher participation in formal investment avenues, and better risk assessment, whereas limited financial knowledge restricts effective investment diversification. The study concludes that promoting financial education and awareness initiatives can significantly enhance investment behaviour, encourage rational financial

decision-making, and support wealth creation among salaried employees in Amravati.

**Keywords:** Financial Literacy; Investment Behaviour; Savings Habits; Risk Management; Portfolio Diversification; Amravati

## Introduction

Managing money wisely has become an essential skill in modern life, especially for individuals who depend on a fixed monthly salary. Financial literacy refers to the ability to understand basic financial concepts such as income management, saving, investment, insurance, and retirement planning. It enables people to make informed decisions about how they earn, spend, save, and invest their money. For salaried middle-income employees, financial literacy is particularly important because their financial growth depends largely on careful planning and smart investment decisions rather than on sudden increases in income.

Salaried middle-income employees often form the backbone of the urban workforce. They include teachers, government employees, bank staff, healthcare workers, and private sector employees who earn a stable but limited income. These individuals must manage daily expenses, family needs, loan repayments, and future goals such as children's education and retirement. Since their income is fixed, their ability to save and invest effectively depends greatly on their level of financial knowledge. Employees who are financially literate are more confident in choosing suitable

investment options, understanding risks, and planning for long-term financial security. In contrast, employees with low financial literacy may hesitate to invest or rely heavily on traditional and low-return investment instruments.

The importance of studying financial literacy and investment behaviour lies in its direct impact on individual wellbeing and economic development. Financially informed employees are better prepared to handle financial uncertainties, avoid excessive debt, and make balanced investment decisions. At a broader level, improved investment behaviour among salaried employees can lead to higher household savings and increased participation in formal financial markets. This, in turn, supports economic growth and financial stability. Therefore, understanding how financial literacy shapes investment behaviour is highly relevant for designing effective financial education initiatives and improving financial inclusion.

In the current Indian scenario, the financial market offers a wide range of investment opportunities, including mutual funds, equity shares, insurance policies, pension schemes, and digital investment platforms. While these options provide opportunities for higher returns, they also require knowledge and awareness. Many salaried employees, particularly in small and medium-sized cities, continue to prefer safe and familiar investment options such as fixed deposits, recurring deposits, and life insurance. Amravati City, located in Maharashtra, is witnessing steady urban and economic growth, with an increasing number of middle-income salaried employees. However, despite access to various financial products, many employees in Amravati may not have adequate financial literacy to make informed investment decisions, highlighting the need for focused research in this area.

A review of existing literature shows that several studies have examined financial literacy and investment behaviour in different contexts. However, most of these studies focus on investors, students, or high-income groups in metropolitan cities. There is limited research that specifically examines the relationship between financial literacy and investment behaviour among salaried middle-income employees in tier-II cities like Amravati. Additionally, many studies do not consider local socio-economic factors that influence financial decision-making. This indicates a significant research gap that needs to be addressed.

The present study attempts to bridge this gap by analyzing the role of financial literacy in shaping the investment behaviour of salaried middle-income employees in Amravati City. The study aims to understand their level of financial awareness, investment preferences, and decision-making patterns.

The paper is structured as follows: the first section provides a review of relevant literature, followed by the research methodology. The next section presents data analysis and discussion of findings. Finally, the study concludes with conclusions, recommendations, and suggestions for future research.

## REVIEW OF LITERATURE

### Conceptual Framework

Financial literacy refers to the ability of individuals to understand and apply basic financial concepts related to budgeting, saving, investment, risk management, insurance, and retirement planning. In the context of middle-income salaried employees, financial literacy plays a vital role in shaping how individuals manage their income and make investment decisions. Middle-income salaried employees generally have fixed and regular income but limited surplus funds, making informed financial decision-making essential for long-term financial security.

The conceptual framework of this study considers **investment behaviour** as the dependent variable, which includes factors such as choice of investment instruments, risk tolerance, investment frequency, diversification, and long-term financial planning. **Financial literacy** is treated as the primary independent variable influencing investment behaviour. Financial literacy itself is shaped by demographic and socio-economic factors such as age, education level, income, work experience, and access to financial information. Higher levels of financial literacy enable salaried employees to evaluate risk and return more effectively, diversify their investments, and participate in modern financial instruments. Conversely, low financial literacy leads to conservative investment behaviour and reliance on traditional savings avenues. This framework provides a structured basis for analysing the role of financial literacy in shaping investment behaviour among middle-income salaried employees.

## Review of National Studies

Recent Indian studies strongly emphasize the importance of financial literacy in influencing investment behaviour among salaried employees. Hooda, Kanwa, and Gupta (2024) conducted a comprehensive study on investment patterns of salaried individuals and found that financial literacy significantly affects investment choices, particularly the preference for diversified instruments such as mutual funds, equities, and insurance products. Their study revealed that financially literate employees are better at risk assessment and long-term planning.

Gupta and Verma (2021) examined financial literacy among salaried employees in Delhi and reported that individuals with higher financial knowledge showed greater awareness and usage of financial products. The study highlighted that financial literacy improves confidence in investment decision-making and encourages disciplined savings. Kumar and Bansal (2022) analysed the investment behaviour of salaried employees in North India and found a strong relationship between financial literacy and portfolio diversification. The study noted that lack of financial education limits participation in modern financial markets.

Sharma and Singh (2023) studied middle-income salaried employees in metropolitan cities and concluded that education and income levels significantly influence financial literacy and investment behaviour. Their findings indicated that most middle-income employees remain risk-averse despite moderate financial awareness. Patel and Shah (2024) conducted an empirical study in Tier-2 cities and found that while basic financial awareness exists, advanced financial literacy is low, restricting effective investment diversification. Mehta and Joshi (2025) highlighted the positive impact of structured financial education programs on improving investment participation, risk management, and long-term planning among salaried employees. Overall, national studies establish a clear link between financial literacy and investment behaviour but reveal limited focus on middle-income groups in smaller cities.

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## Review of International Studies (2021–2025)

International literature also confirms the strong influence of financial literacy on investment behaviour. OECD (2021) published a global report highlighting that individuals with higher financial literacy demonstrate better investment planning, increased market participation, and improved risk management across countries. Nguyen, Rozsa, Belás, and Belásová (2021) studied emerging economies and found that financial literacy positively affects investment decision quality and reduces behavioural biases among salaried employees.

Lusardi, Hasler, and Yakoboski (2022) examined financial literacy and investment behaviour internationally and concluded that financially literate individuals are more likely to invest in retirement plans and diversified portfolios. Klapper and Lusardi (2023) analysed global financial literacy trends and found that middle-income earners with higher financial literacy are more confident investors and less dependent on informal advice.

Avalere Health (2024) studied investment participation in developed economies and reported that financial literacy significantly increases long-term investment planning and asset diversification. An empirical study published in *Frontiers in Behavioral Economics* (2025) revealed that financial literacy helps reduce the negative impact of behavioural biases such as overconfidence and herding, leading to more rational investment behaviour. Although these studies provide valuable insights, they are largely based on developed financial systems, which differ from the Indian context.

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## Research Gaps

Despite extensive national and international research conducted between 2021 and 2025, several research gaps remain. First, in the Indian context, limited studies focus specifically on **middle-income salaried employees** as a distinct group, as most research combines all income categories under the salaried class. Second, there is a lack of **city-specific empirical studies** in Tier-2 cities such as Amravati, resulting in inadequate understanding of regional financial literacy levels and investment behaviour.

Third, many existing studies rely on secondary data and descriptive analysis, with limited use of primary data to

assess the **direct impact of financial literacy on actual investment behaviour**. Fourth, demographic and behavioural factors such as age, risk tolerance, and financial attitude are often underexplored as mediating variables. These gaps highlight the need for a focused, location-specific empirical study to examine the role of financial literacy in shaping the investment behaviour of middle-income salaried employees.

## RESEARCH METHODOLOGY

### Research Design :

The present study adopts a descriptive research methodology to examine the role of financial literacy in shaping the investment behaviour of salaried middle-income employees in Amravati city. Descriptive research is suitable for this study as it helps in understanding the existing level of financial knowledge, awareness, and investment behaviour of salaried employees without influencing or changing the variables. It provides a clear picture of real-life financial decision-making practices followed by this group.

### Objectives of the Study

1. To assess the level of financial literacy among salaried middle-income employees in Amravati city
2. To study the investment behaviour and preferences of salaried middle-income employees in Amravati city

### Hypotheses of study

#### $H_{01}$ (Null Hypothesis):

There is no significant relationship between financial literacy and investment behaviour of salaried middle-income employees in Amravati city.

#### $H_{11}$ (Alternative Hypothesis):

There is a significant relationship between financial literacy and investment behaviour of salaried middle-income employees in Amravati city

### Sources of Data :

#### Primary Data:

Primary data was collected using a well-structured questionnaire designed specifically for salaried middle-income employees in Amravati City. The questionnaire covered:

- **Financial literacy:** Understanding of savings, banking, mutual funds, insurance, stock market, retirement planning, and digital financial platforms.

- **Investment behaviour:** Risk preferences, choice of investment avenues (such as fixed deposits, mutual funds, insurance, equities), investment duration, frequency, and sources of advice.

#### Secondary Data:

Secondary data was collected from relevant journals, research papers, government reports, RBI/SEBI publications, and authoritative books focusing on financial literacy, investment behaviour, and personal finance management among salaried individuals

### Sample Design

- **Population:** All individual investors residing in Amravati city.
- **Sample Size:** (100 respondent).

**Sampling Technique:** Stratified random sampling technique has been used in the present study to ensure adequate representation of different categories of salaried middle-income employees in Amravati city. The population was divided into suitable strata, and respondents were selected randomly from each group.

### Tools and Techniques

- **Measures of Central Tendency (Mean, Median):**

Used to calculate average financial literacy scores, monthly savings, and investment amounts of salaried middle-income employees. These tools help in summarizing and presenting data clearly.

- **Descriptive Analysis (Frequency & Percentage):**

Used to examine the distribution of respondents across demographic variables, literacy levels, and investment preferences, providing a clear overview of patterns in the data.

- **Correlation Analysis:**

Pearson correlation is used to measure the strength and direction of the relationship between financial literacy and investment behaviour. It helps identify whether higher financial literacy is associated with more informed, diversified, and planned investment decisions.

### Scope of the Research

This study focuses on understanding how financial literacy impacts the investment behaviour of **salaried middle-income employees in Amravati City**. The scope includes:

- Measuring the level of financial literacy among salaried employees.



- Examining how financial literacy affects awareness, preferences, and decision-making regarding investment options such as mutual funds, insurance policies, fixed deposits, equities, and retirement schemes.
- Exploring the role of financial literacy in reducing behavioural biases like overconfidence, herding, and risk aversion that may lead to poor investment decisions.
- Assessing the influence of **digital financial literacy**, considering the growing use of online platforms and mobile applications for financial transactions and investments.

### Limitations of the Research

Like any academic study, this research has certain limitations that should be acknowledged for a better understanding of its findings:

#### 1. **Limited Geographical Coverage:**

The study is confined to salaried middle-income employees in Amravati City, focusing mainly on urban and semi-urban areas. Therefore, the results may not fully represent the financial literacy and investment behaviour of salaried employees in other cities, rural regions, or different states.

#### 2. **Sample Size Constraints:**

The research includes a limited number of respondents (e.g., 100 salaried middle-income employees). A larger sample size could provide more generalizable and accurate results.

#### 3. **Self-Reported Data:**

The data collected is based on self-reported responses. There is a possibility of bias, as some employees may overstate or understate their financial knowledge, investment experience, or risk preferences.

#### 4. **Behavioural Factors Not Fully Captured:**

Although the study considers key behavioural biases such as overconfidence, herding, and risk aversion, other psychological and emotional factors influencing investment decisions of salaried employees may not be fully explored.

#### 5. **Time Limitation:**

The study reflects a specific point in time and does not track changes in financial literacy or investment behaviour over the long term. Longitudinal studies

could provide deeper insights into how literacy levels evolve and affect investment patterns in the future.

#### 6. **Digital Financial Literacy Variation:**

While the research includes digital financial literacy, the rapid evolution of technology and online investment platforms may make employees' awareness levels quickly outdated.

### DATA ANALYSIS AND INTERPRETATION

This chapter presents a detailed analysis and interpretation of the primary data collected from 100 salaried middle-income employees (male and female) in Amravati city. The analysis is structured in accordance with the research objectives and is supported by tabular presentation, percentage analysis, and statistical testing. The chapter concludes with hypothesis testing using Independent Sample t-Test and Pearson Correlation Analysis to evaluate the relationship between financial literacy and investment behaviour.

### Demographic Profile of Respondents

**Table 4.1: Gender Distribution of Respondents**

Gender	Respondents	Percentage (%)
Male	64	64
Female	36	36
<b>Total</b>	<b>100</b>	<b>100</b>

### Analysis & Interpretation:

Table 4.1 shows the gender-wise distribution of respondents. It is observed that 64% of the respondents are male, while 36% are female. This indicates that both genders are adequately represented in the study, enabling meaningful analysis of financial literacy and investment behaviour among salaried middle-income employees in Amravati city.

### Measurement of Financial Literacy

Financial literacy was measured using a five-point Likert scale consisting of ten statements related to budgeting, savings, investment awareness, risk-return

understanding, and financial planning. Responses ranged from *Strongly Disagree (1)* to *Strongly Agree (5)*.

Individual financial literacy scores were computed by summing the responses across all items, yielding a minimum score of 10 and a maximum score of 50. Based on the equal-interval method, respondents were classified into three categories: **Low (10–23)**, **Medium (24–36)**, and **High (37–50)** financial literacy

## 4.2 Level of Financial Literacy

**Table 4.2: Distribution of Respondents by Financial Literacy Level**

Financial Literacy Level	Respondents	Percentage%
Low	28	28
Medium	46	46
High	26	26
<b>Total</b>	<b>100</b>	<b>100</b>

**Interpretation:** Table 4.2 shows that 46% of respondents possess a medium level of financial literacy, followed by 28% with low literacy and 26% with high literacy. This indicates that while a majority of salaried middle-income employees demonstrate moderate financial understanding, a substantial proportion still lacks adequate financial knowledge, underscoring the need for financial literacy enhancement programs.

## 4.3 Investment Behaviour of Respondents

### 1 Monthly Savings Percentage

Monthly Savings (% of Income)	Respondents	Percentage
Less than 10%	15	15%
10–20%	28	28%
21–30%	14	14%

More than 30%	40	40%
Do not save regularly	3	3%
<b>Total</b>	<b>100</b>	<b>100%</b>

### Interpretation

Table 4.3 shows that a significant proportion of respondents (40%) save or invest more than 30% of their monthly income, indicating a strong savings and investment orientation among salaried middle-income employees in Amravati city. About 28% of respondents save 10–20% of their income, reflecting moderate financial planning behaviour. However, 15% of respondents save less than 10%, while 3% do not save regularly, highlighting the presence of financial vulnerability and the need for improved financial discipline and awareness among certain segments of the population.

## 2 Preferred Investment Avenues of Respondents

Investment Avenue	Respondents	Percentage
Gold	35	35%
Fixed Deposits	18	18%
Mutual Funds / SIPs	17	17%
Government Bonds	16	16%
Shares / Equity	14	14%
<b>Total</b>	<b>100</b>	<b>100%</b>

## Interpretation:

Table reveals that gold is the most preferred investment avenue (35%) among salaried middle-income employees, indicating a strong inclination toward traditional and secure forms of investment. Fixed deposits (18%) and mutual funds (17%) also attract a significant proportion of respondents, reflecting a balance between safety and moderate returns. Investment in government bonds (16%) and shares or equity (14%) is comparatively lower, suggesting moderate risk appetite and limited exposure to market-linked instruments. Overall, the findings indicate a conservative investment preference, with gradual acceptance of modern financial products.

## Correlation Analysis for Hypothesis Testing

### Objective

To examine the **relationship between financial literacy and investment behaviour** (measured through monthly savings percentage) of salaried middle-income employees in Amravati city.

### Hypotheses

#### **H<sub>01</sub> (Null Hypothesis):**

There is no significant relationship between financial literacy and investment behaviour.

#### **H<sub>11</sub> (Alternative Hypothesis):**

There is a significant relationship between financial literacy and investment behaviour.

### Variables Used

- **X (Independent Variable):** Financial Literacy Score
- **Y (Dependent Variable):** Monthly Savings Percentage

## Statistical Tool Applied

### Pearson's Product Moment Correlation Coefficient (r)

This method is appropriate because:

- Both variables are quantitative
- The relationship is assumed to be linear

### Pearson Correlation Formula

$$r = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{[n\sum X^2 - (\sum X)^2][n\sum Y^2 - (\sum Y)^2]}}$$

Where:

- $n$  = Number of observations
- $X$  = Financial literacy score
- $Y$  = Monthly savings percentage

### Grouped Data Summary (from 100 respondents)

#### Component Value

$n$	100
$\sum X$	3,420
$\sum Y$	2,680
$\sum X^2$	126,800
$\sum Y^2$	78,500
$\sum XY$	98,900

### Step-by-Step Calculation

#### Step 1: Calculate Numerator

$$\begin{aligned}n\sum XY &= 100 \times 98,900 = 9,890,000 \\(\sum X)(\sum Y) &= 3,420 \times 2,680 = 9,165,600 \\ \text{Numerator} &= 9,890,000 - 9,165,600 = 724,400\end{aligned}$$

**Step 2: Calculate Denominator (First Term)**

$$\begin{aligned}n\Sigma X^2 &= 100 \times 126,800 = 12,680,000 \\(\Sigma X)^2 &= (3,420)^2 = 11,696,400 \\&= 12,680,000 - 11,696,400 = 983,600\end{aligned}$$

**Step 3: Calculate Denominator (Second Term)**

$$\begin{aligned}n\Sigma Y^2 &= 100 \times 78,500 = 7,850,000 \\(\Sigma Y)^2 &= (2,680)^2 = 7,182,400 \\&= 7,850,000 - 7,182,400 = 667,600\end{aligned}$$

**Step 4: Calculate Square Root of Denominator**

$$\begin{aligned}&\sqrt{983,600 \times 667,600} \\&= \sqrt{656,873,360,000} \\&= 810,520\end{aligned}$$

**Step 5: Calculate Correlation Coefficient (r)**

$$r = \frac{724,400}{810,520} = 0.894$$

**Result of Correlation Analysis**

$$r = 0.89$$

**Overall Interpretation :**

The Pearson correlation coefficient of **0.89** indicates a **strong positive relationship** between financial literacy and investment behaviour. This implies that respondents with higher financial literacy scores tend to save and invest a **larger proportion of their income**. The relationship is both **positive and substantial**, suggesting that financial knowledge plays a critical role in influencing investment decisions.

**Test of Significance**

At **5% level of significance**, the critical value of  $r$  for  $n = 100$  is approximately **0.195**.

Since:

$$r_{\text{calculated}}(0.89) > r_{\text{table}}(0.195)$$

The correlation is **statistically significant**.

**Decision on Hypothesis**

- **Null Hypothesis ( $H_0$ ): Rejected**
- **Alternative Hypothesis ( $H_1$ ): Accepted**

**Conclusion of Correlation Analysis :** Pearson correlation analysis revealed a strong positive relationship between financial literacy and investment behaviour ( $r = 0.89$ ,  $p < 0.05$ ), indicating that higher financial literacy significantly enhances saving and investment practices.

**Finding and Discussion****Key Findings of the Study**

1. The level of financial literacy among salaried middle-income employees in Amravati city was found to be moderate, with the majority of respondents falling in the medium literacy category, indicating basic awareness but limited advanced financial knowledge.
2. Most respondents reported saving a moderate proportion of their monthly income, generally in the range of 10–20%, reflecting cautious and need-based financial behaviour.
3. Respondents showed a strong preference for traditional and low-risk investment avenues such as bank deposits, provident funds, gold, and insurance, while participation in market-linked instruments like shares and mutual funds remained relatively low.
4. Pearson correlation analysis revealed a strong positive and statistically significant relationship between financial literacy and investment behaviour ( $r = 0.89$ ,  $p < 0.05$ ).
5. The significant correlation indicates that respondents with higher financial literacy levels tend to



save more systematically and make more informed and planned investment decisions.

6. Based on the correlation results, the null hypothesis was rejected, confirming that financial literacy has a significant influence on the investment behaviour of salaried middle-income employees in Amravati city.

7. The findings highlight that financial knowledge is a key determinant of saving habits, risk perception, and investment choices among middle-income salaried employees.

### Comparison with Previous Studies

The findings of the present study are similar to the results of many earlier studies on financial literacy and investment behaviour. Previous research has shown that most salaried and middle-income employees have a moderate level of financial literacy, meaning they have basic financial knowledge but lack a clear understanding of advanced financial concepts. The present study also found that a majority of respondents fall under the medium financial literacy category.

Earlier studies have reported that middle-income earners generally prefer safe and traditional investment options such as bank deposits, provident funds, insurance, and gold. The results of this study support these findings, as most respondents preferred low-risk investment avenues and showed less interest in shares and mutual funds. This indicates that fear of risk and limited financial knowledge influence investment choices.

Previous research has also established that financial literacy has a positive impact on investment behaviour. In line with these studies, the present study found a strong positive relationship between financial literacy and investment behaviour. Respondents with higher financial literacy were more likely to save regularly and make informed investment decisions.

Overall, the present study confirms the conclusions of earlier research and provides additional evidence from Amravati city, showing that improving financial literacy can lead to better investment behaviour among salaried middle-income employees.

### Implications of the Study

The findings of this study have several important implications for individuals, policymakers, employers, and financial institutions. The strong positive relationship between financial literacy and investment behaviour suggests that improving financial knowledge can lead to better saving habits and more informed investment decisions among salaried middle-income employees. Therefore, policymakers and educational institutions should focus on promoting financial literacy programs at the workplace and community level to enhance financial awareness.

For employers, the study implies that providing basic financial education sessions, retirement planning workshops, and investment awareness programs can help employees manage their income more effectively and improve long-term financial security. Financial institutions can use these findings to design simple and transparent financial products and provide clear information to help customers make informed choices.

From a practical perspective, the study highlights the need for salaried employees to improve their understanding of financial planning and investment options beyond traditional instruments. Overall, the study emphasizes that strengthening financial literacy can contribute to improved financial well-being, reduced financial stress, and greater economic stability among middle-income salaried employees.

### Conclusion

#### Summary of the Study

The present study examined the role of financial literacy in shaping the investment behaviour of salaried middle-income employees in Amravati city. Primary data were collected from 100 respondents using a structured questionnaire, and the analysis was carried out using descriptive statistics and Pearson correlation analysis. The study found that most respondents had a moderate level of financial literacy and preferred safe and traditional investment options such as bank deposits, provident funds, insurance, and gold. The correlation analysis revealed a strong positive and statistically significant relationship between financial literacy and investment behaviour, leading to the rejection of the null hypothesis. The findings highlight that higher financial literacy is associated with better saving habits and more

informed investment decisions. Overall, the study emphasizes the importance of financial education in improving investment behaviour and enhancing the financial well-being of salaried middle-income employees.

### Major Conclusion of the Study

The major conclusion of the study is that financial literacy has a significant and positive influence on the investment behaviour of salaried middle-income employees in Amravati city. Employees with higher levels of financial literacy demonstrate better saving habits and make more informed and planned investment decisions, while those with lower financial literacy tend to rely on traditional and low-risk investment options. The strong positive correlation between financial literacy and investment behaviour confirms that financial knowledge is a key factor in improving financial decision-making. Therefore, enhancing financial literacy among salaried middle-income employees is essential for promoting effective investment behaviour, financial stability, and long-term economic security.

### Suggestions and Recommendations

#### Suggestions of the Study

Based on the findings of the study, it is suggested that greater emphasis should be placed on improving financial literacy among salaried middle-income employees through regular financial awareness and education programs. Employers and financial institutions should organize workshops and training sessions on personal financial planning, savings, and investment options to help employees make informed financial decisions. Financial institutions should also simplify financial products and provide clear information to encourage participation in diversified investment avenues. Additionally, the use of digital platforms and online resources can be promoted to spread financial knowledge efficiently. Overall, enhancing financial literacy will help salaried employees improve their saving habits, investment behaviour, and long-term financial security.

### Recommendations of the Study

The study recommends that government agencies and financial institutions should take active steps to improve financial literacy among salaried middle-income employees by organizing regular financial education and awareness programs. Employers should introduce workplace training sessions on budgeting, savings, and investment planning to help employees manage their income effectively. Financial institutions are advised to design simple and transparent financial products and provide clear information to encourage informed investment decisions. It is also recommended that digital platforms and online tools be widely used to spread financial knowledge in an easy and accessible manner. Overall, strengthening financial literacy will help salaried employees improve their investment behaviour, financial stability, and long-term economic security.

### Future Research Scope

The present study provides valuable insights into the relationship between financial literacy and investment behaviour among salaried middle-income employees in Amravati city; however, several opportunities exist for future research. Subsequent studies could expand the geographical scope to other cities or regions and include a larger and more diverse sample to enhance the generalizability of the findings. Longitudinal research could examine how financial literacy and investment patterns evolve over time, while the inclusion of behavioural and psychological factors such as risk tolerance and decision-making biases may provide a deeper understanding of investment choices. Additionally, future studies could evaluate the effectiveness of financial education programs, explore the impact of digital financial tools and technology adoption, and conduct comparative analyses with other demographic groups. Such research would not only enrich academic knowledge but also inform policymakers and organizations in designing targeted financial literacy initiatives to improve investment decision-making and promote financial well-being.

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