Investment pattern of salaried people in India

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Article Info	Abstract:
	Investment holds equal importance in planning for financial security and accumulation of wealth, and this becomes all the more relevant when it comes to individuals belonging to the 'salaried class,' who tend to have less sources of income. Owing to the past few years' trends of 'digitization,' 'economic trends,' and 'the new uncertain post-COVID world,' the scenario of making investments has undergone some modifications in the Indian scenario. Yet, it has been observed that there is less literature available in 'the process of making investments from the salaried class individuals.' To facilitate an understanding and analysis of the process of investment by the working class among the Indian population, and to identify factors that shape their process of investment, it is proposed in this paper that it shall also address the mentioned problem. Savings behaviour, choice of investment instruments, risk aversion, financial literacy, and acceptance levels of online transactions and online banking are aspects that shall mainly be explored. To collect data, the structured questionnaire technique is employed among the working population, supported by statistics like percentage analysis, chi-square tests, ANOVA, and correlation analysis. The proposed study would produce results to have significance in understanding the process by which organized individuals make investments and how this process differs from disorganized individuals. It would have relevance for financial institutions and government agencies, financial counsellors, and individuals in the field of financial literature concerning organized individuals in the Indian scenario. ***Keywords:*** Investment Process, Salaried People, Middle Class, Financial Literacy Investment Behaviour.

1. INTRODUCTION

Investment is an essential aspect of the financial sustainability of individuals, especially involving those who are employed and earn periodic incomes. Within the Indian setting, the middle-class employed sector of the population is a major section of society and makes a considerable contribution to savings and investments. Over the periods, due to various economic conditions and market developments, the savings and investment trends of employed individuals have witnessed drastic alteration. Much to these developments, the current evidence of digital banking and financial technology (FinTech) applications has led to a remarkable alteration in the investment scenario. Recent

studies have tended to focus on digital adaptation of financial practices, mobile banking, and online investment sites, giving increased importance to their impact on investment facilitation. However, nearly all of these studies have kept their focus fixed on digital adaptation and its trends without examining its broader impact on the investment procedures of employed individuals. It is apparent that the COVID-19 era has resulted in major developments within the investment point of view of employed individuals, introducing increased uncertainty, risk seeking, and demand for safe investment opportunities. Though a few recent studies have mentioned advancements within the investment patterns of employed individuals post-COVID-19, broad research on these impacts is meagre.

In summary, the literature gap in the current body of knowledge is quite evident with the subject matter on the process of investment made by the salaried class in the Indian context under the holistic framework encompassing savings behaviour and the process of investment choice, literacy level, behavioural considerations, and digital financial services. This literature gap assumes immense significance for creating more informed policies and financial instruments for the salaried class.

Problem Statement:

• While salaried individuals are very important in household savings and investment in India, most of the studies performed up to date basically focus on patterns and/or preferences for investment rather than on the overall investment process itself. Few studies have investigated how financial literacy, behavioural factors, digital financial services, and post-COVID economic changes impact investment decision-making among salaried individuals. Therefore, a study on the investment process of salaried Indians is highly needed to understand factors affecting investment decisions and challenges to effective financial planning.

2. REVIEW OF LITERATURE:

- **Mohammed Umair and R. Ganapathi(2021)**
  Millennials or Generation Y are people born between 1982 and 2004. Currently, they constitute a third of India's population, and 46% of the current workforce. Millennials have begun investing at a much earlier age compared to their parents, suggests data from the latest YouGov-Mint Millennial Survey. This study is focusing on the preference of Investments by millennial working in IT sectors of Bengaluru city. It will be helpful to identify the different and better investment options that are available in the market. The research is restricted to factors perceived by the millennial investors when investing in various avenues of investment. Their level of choice, satisfaction, knowledge, and problem severity were considered regarding the various aspects of investment avenues available in the study area. This research contributes to developing an understanding of Millennials' financial planning and investment behaviour.

- **Dr. R. Santhurusankara Velsamy and P. Amalorpavamary (2015)**
  This research aims to study and understand the behavioural pattern of investment among the salaried people working in private sector and the difference in perception of an individual

related to various investment alternatives. It also aims to provide an insight into factors considered for an appropriate investment. and gives a wider scope to understand various issues related to investment by salaried people.

- **Mr. S. Venkat Reddy and Mr. K Tharun(2025)**
  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.

- **SV Soundaravalli (2025)**
  The salaried individuals are expected to shoulder investment risks and commitment to beat inflation and reap taxation benefits. The factors weighed by an individual before choosing the investment avenues are risk, return, time horizon, convertibility, time value of money and the expected tax benefits. Salaried class of today are more risk takers, defying the norms of conservatism and they venture their funds in stock markets and in those investment avenues. The salaried individuals are expected to shoulder investment risks and commitment to beat inflation and reap taxation benefits. The factors weighed by an individual before choosing the investment avenues are risk, return, time horizon, convertibility, time value of money and the expected tax benefits. Salaried class of today are more risk takers, defying the norms of conservatism and they venture their funds in stock markets and in those investment avenues.

- **Dr. Jagdeesh R. Lanjekar (2018)**
  Investment is an type of activity that is engaged in by the people who have to do savings i.e. investments are made from their savings, or in other words it is the people invest their savings. A variety of different investment options are available that are bank, Gold, Real estate, post services, mutual funds & so on much more. Investors are always investing their money with the different types of purpose and objectives such as profit, security, appreciation, Income stability. Researcher has here in this paper studied the different types and avenues of investments as well as the factors that are required while selecting the investment with the sample size of 60 salaried employees by conducting the survey through questionnaire in Pune city of, India. Actually, here the present study identifies about the preferred investment avenues among individual investors using their own self-assessment test. The researcher has analysed and found that that salaried employees consider the safety as well as good return on investment that is invested on regular basis. Respondents are much more aware about the different investment avenues available in India except female investors.

- **Sujith. C (2021)**
  The present study on "Saving - investment pattern of salaried people "is an attempt to identify the salaried people's most preferred investment products and the influencing factors of investment behaviour. Saving and investment are necessary for uncertain future to meet the various needs of life and it is required for growth of an economy. Saving means sacrifice the

current consumption to increase the living standards and fulfilling the daily requirements in future. Today investment is an economic activity. In this economy salaried persons make a huge contribution for economic development from their income. Fruitful channelization of their income leads to sectoral development in the economy. The study is carried out by using a structured questionnaire

- **Priyam Roy, and Dr. Rajat Bhattacharjee (2022)**
  The current study concludes that the maximum respondents having low risk, Moderate risk and Physical/ emerging risk investment factor. There were few respondents having traditional high or high-risk factor. The main investment avenues purposes of individual investors are for children education, marriage, and security after retirement. Similarly, salaried individual considers safety/security of their investment first while investing and prepared to take moderate risk

- **Panchal Kabir and Margi Shah (2025)**
  The research examines the investment patterns of salaried individuals in the Bardoli region, focusing on factors that influence financial decisions. Using a combination of literature review, surveys, and statistical analysis, the study identifies trends in risk tolerance, investment motives, and demographic impact on preferences. Key insights reveal a preference for safe investments, such as bank deposits and gold, alongside a growing interest in modern options like systematic investment plans (SIPs). Misconceptions, limited financial literacy, and reliance on family advice are highlighted as barriers to optimal decision-making. Findings emphasize the importance of targeted financial education to empower individuals towards diversified and goal-oriented investment strategies.

- **Dr. P. Vanitha, M. Gowsika (2025)**
  Investment is a type of activity that is engaged in by the people who have to do savings i.e., investments are made from their savings, or in other words it is the people invest their savings. A variety of different investment options are available that are bank, Gold, Real estate, post services, mutual funds & so on much more. Investors are always investing their money with the different types of purpose and objectives such as profit, security, appreciation, Income stability. Researcher has here in this paper studied the different types and avenues of investments as well as the factors that are required while selecting the investment with the sample size of 110 salaried employees by conducting the survey through questionnaire.

- **Jayant Hooda, Anil Kanwa, Sonal Gupta (2024)**
  The level of investment needs to increase for achieving a high growth and development level in the economy. The initial planning stage considers investment as a vital tool for increasing national income and economic growth. This financial global place shows a balanced but weird influence of the favoured investment of individuals, their knowledge regarding the needs of investment, return estimation from investment etc. The prediction of the development of this global business is difficult without comprehending the opposite behaviour of investment of significant constituents of society. A lot of choices are offered for investment purposes and the individual must choose the appropriate ones for the portfolio.

- **Miss. Nishtha Jain and Dr. Mukesh Sharma (2024)**
  The condition of a nation's financial markets determines its rate of growth. For instance, over the past 20 years, India has experienced incredible growth.(6). Technology, innovation, the launch of new financial products, and the LPG (liberalization, privatization, globalization)

strategy are the main drivers of this expansion. In the past, people would make investments according to conventional knowledge, but these days, people invest in a multitude of novel possibilities.(7) Investment is a complicated process, as we all know. The most crucial function in educating children is played by teachers, who belong to the salaried class and receive set incomes.(8) They contribute significantly to the physical, mental, and intellectual development of children.(9) In light of this, the purpose of this work is to explore the investment choices and preferences of college teachers. This paper examines the elements that affect their preferences, awareness, and knowledge about investments, as well as their investment decisions.

- **Abhinandan Chaturvedi (2025)**
  This research examines the saving behaviours and investment preferences of salaried income groups in India, focusing on how income levels influence financial decision-making. In an economy where inflation, rising living costs, and evolving financial markets affect everyday life, salaried employees play a critical role in shaping the national savings rate and investment landscape. The study explores factors such as saving proportion, preferred financial instruments, risk tolerance, and digital adoption across income groups. Using a structured quantitative approach and data from 120 salaried individuals, the research identifies significant differences in financial behaviour between lower, middle, and upper-income segments. The findings highlight the need for tailored financial literacy interventions and suggest that income alone does not determine investment sophistication—awareness and financial planning behaviour also play key roles.

- **Mrs. D. Purnima and Dr. N. Lalitha (2021)**
  In General sense, the term investment is an type of activity that is being engaged in by the people who have to do savings i.e. investments are made from their savings, or in other words it is the people invest their savings. At present a variety of different investment options are available to the investors that are bank, Gold, Real estate, post services, mutual funds & so on much more. Investors are always investing their money with the different types of purpose and objectives such as profit, security, appreciation, Income stability. Researcher in this study has studied the different types and avenues of investments available and the factors that are required to be considered while selecting the investment with the sample size of 100 salaried employees by conducting the survey in Visakhapatnam City, India. The study identifies the preferred investment avenues among individual investors using their own self-assessment test for the purpose.

- **Deepika Dhawan and Sushil Kumar Mehta (2019)**
  This study is conducted to look into the investor rationality by examining the pattern of saving and investment in the city of Jammu situated in Jammu and Kashmir, India. This study is to see the association of saving and income; reasons for saving.

- **Puspa Rani and Vishakha Sharma (2024)**
  This study investigates the financial planning and investment behaviour of salaried households in rural and urban areas, focusing on how socio-economic factors influence their saving and investment decisions. A sample of 100 salaried households from both rural and urban regions was selected for the study. Primary data were collected through structured questionnaires, capturing information on income levels, education, family size, risk tolerance, and investment preferences. The study applied t-test to compare the mean differences in saving and investment behaviour between rural and urban households and ANOVA to examine the impact of socio-

economic characteristics on financial behaviour. Preliminary findings indicate significant differences in financial

- **ShenbagaArasi.S, Dr.K. Vembu and Dr.B. Kayathiri Bai (2025)**
  Investment by households in India has emerged as a critical driver of the country's economic growth, reflecting the evolving preferences and strategies of individual investors. Traditionally, Indian households have favoured physical assets such as gold and real estate, but there has been a noticeable shift towards financial investments, particularly in mutual funds, stocks, and bonds, driven by increasing financial literacy, better access to financial products, and the growing importance of retirement planning. This transition is influenced by various factors, including government policies, the rise of digital platforms, and a more favourable regulatory environment. Household investments contribute significantly to the capital markets and the broader economy, enhancing liquidity and fostering innovation in the financial sector. However, challenges such as low penetration of formal financial services, lack of awareness about advanced investment instruments, and the volatility of equity markets continue to pose barriers to broader participation

- **Sangeeta Gupta (2017)**
  Financial literacy comprises of skills and knowledge that enables the individual to understand the principles of finance that an individual requires to know to make informed financial choices and decisions and also the financial products that influence the financial well-being of an individual. With the advent of technology and explosion of information it is difficult for an individual to evaluate risk associated with the new genre of financial products. Invariably, bare minimum financial literacy level is must for an individual to understand risk and return related to financial products. The current study attempted to examine the association between financial literacy of salaried individuals of Delhi and their awareness index related to various products of finance. The study also investigated the association between level of financial literacy and salaried individual's investment behaviour. The data was collected through the structured questionnaire from the salaried individuals residing within Delhi, 180 useable questionnaires were received.

- **Ms. Soin Vaishali Rakesh and Dr. Mehulkumar Prakashchandra (2023)**
  The present circumstances makes it essential for the investors to do saving and investment wisely as in modern times wide range of investment avenues like post office schemes, mutual funds, bank deposits, PPF, shares, debentures, bonds, real estate, life insurance, gold, silver etc. are available for investment and that to with several influencing factors. The present paper attempts to review the saving and investment pattern of individuals which includes working women, salaried employees, faculties, farmers, households. By observing the saving and investment pattern through previous researches, useful insight can be gained regarding investment behaviour, which can help policymakers in encouraging investors to become more financially literate, so to fulfil future financial goals wisely.

- **Monika Dahiya and Bhuvnender Chaudhary (2016)**
  The financial surface of the globe at all times reveals a weirdly balanced impact of the public investment preferences, their understanding of the investment requirements, their anticipation of returns on their investments etc. Perhaps forecasting the growth of the business world would be crucial without an opposite comprehension of the investment behaviour of the key part of the society called salaried class. This paper covers appraisal of various financial instruments like equity/stocks, term deposits in banks, kisan Vikas Patra, national savings certificate,

insurance policies, mutual fund and converse the factors persuading investment decision process.

- **Brijesh K. Jaiswal and Bhavana Jaiswal (2025)**
  Financial literacy and the ability to use that knowledge and skills are preconditions for making appropriate financial decisions. Financial literacy helps individuals in assessing the risk and return of various financial products and services which results in the selection of suitable investments. The purpose of this study is to present a review of recent studies that focus on financial literacy and its impact on making investment decisions among salaried individuals.

Objectives of the Study: This study aims at understanding how the investment process of employed individuals is in India and what are the factors that affect their investment behaviour.

- Studying the habits of saving and investment preferences of employed persons.
    - To examine the role played by income, age, education, and occupations in making an investment.
    - To examine the effect of digital banking and fintech firms on investment decisions.

Research gap

- Lack of integrated study on "investment process"
- Limited focus on salaried middle-class employees
- Over-emphasis on traditional instruments

- **Hypothesis**
- **1) Relationship between Investment Behaviour and Investment Decisions**
- H_0: No significant relationship exists between Investment Behaviour (IB) and Factors Influencing Investment Decisions (FID) of individuals with salary jobs.
- H_1: There is a significant relationship between Investment Behaviour (IB) and Factors Influencing Investment Decisions (FID) of the employed population.

- **2) Influence of Financial Literacy on Investment Behaviour**
- H_0 : Financial literacy is not a significant determinant of investment choices of employed persons.
- H_1: Financial literacy exerts a significant effect on the investment decisions of employed individuals.

- Variables
- **3) Impact of Financial Literacy on Investment Decisions**
- H_0: Financial literacy doesn't have an influence on the investment choices made by the salaried population.
- H_1: Financial literacy has significant influence on financial decisions among employed individuals.
- **4) Influence of Behavioural and Psychological Factors on Investment Decisions**

- H0: Behavioural and psychological elements play no significant role in investment choice made by employed persons.
- H1: Behavioural and psychological considerations impact the investment decisions of salaried workers.

3. RESEARCH METHODOLOGY

1. Research Design

Descriptive and analytical is the research design of the study.

Descriptive design was used to comprehend the saving behaviour and investment preferences of salaried individuals, while the analytical design helped in examining the influence of demographic factors, financial literacy, and digital banking on the investment process. The present study is quantitative in nature, where structured questionnaires are used for data collection.

2. Study Population

It would involve salaried people working in government, private, IT/corporate, education, and other service sectors. The respondents would be from different age brackets, levels of income, educational backgrounds, and occupations.

3. Sample Size

A sample size of 150 salaried individuals was randomly selected from the population.

The sample size is considered sufficient to represent the population and to execute statistical analyses like descriptive analysis, ANOVA, correlation, regression, and chi-square tests.

4. Sampling Technique

The convenience sampling technique has been adopted for this study. It includes respondents as per their availability and willingness to respond to the survey. This approach was adopted due to the time constraint and ease of collecting data in such a way that a variation in age, income, education, and occupation is ensured.

5. Data Collection Method

Data collection for the study was done through a structured questionnaire designed in Google Forms. The structured questionnaire consisted of both demographic questions and Likert-scale statements concerning saving behaviour, investment preference, financial literacy, and digital banking influence. The survey was then circulated online among salaried individuals.

6. Primary Data

Data was collected from the respondents directly through the primary data questionnaire.

The individual questions were divided into the following sections:

7. Secondary Data

Secondary data were collected from various published and online sources to support the theoretical framework and literature review.

Details obtained from:

• Research Journals & Academic Articles

• Books on investment and financial behaviour

•   Reports from RBI, SEBI, AMFI and other financial institutions

• Websites and databases: Google Scholar, SSRN, government publications

Secondary data were useful in presenting former research findings, specifying the lacuna in research, and constructing objectives and hypotheses.

8. Research Equipment:

- SPSS
- MS EXCELL

Conceptual Model:
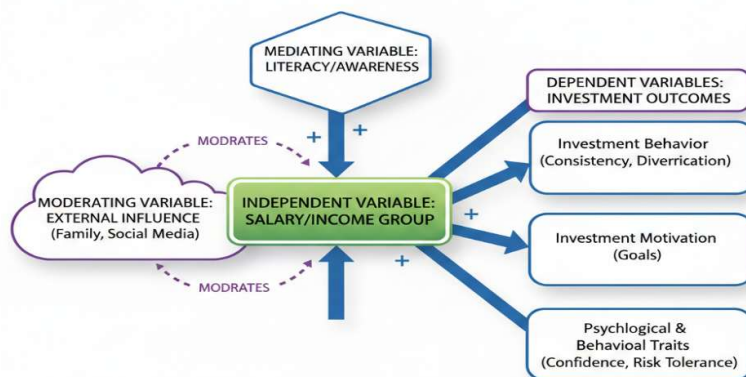
Analysis:

- **Descriptive Statistics:**

	N	Minimum	Maximum	Mean	Std. Deviation
IBM	146	1.40	4.40	2.8301	.54296

FDM	146	1.40	4.60	2.8918	.54690
FIM	146	1.40	4.40	2.8548	.58652
BPM	146	1.20	5.00	2.8918	.65269
Valid N (listwise)	146				

- **Interpretation:**

  The descriptive statistics were calculated to identify the nature of the study variables, namely Investment Behaviour Measure (IBM), Financial Decision Making (FDM), Financial Investment Management (FIM), and Behavioural & Psychological Measure (BPM). A total of 146 valid responses were used to carry out the analysis by disregarding the missing values.
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  - **Anova:**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.893	3	1.631	6.118	.001[b]
	Residual	37.855	142	.267		
	Total	42.747	145			

  a. Dependent Variable: IBM

  b. Predictors: (Constant), BPM, FIM, FDM

- **Interpretation:**

  - The ANOVA results show that the regression model is statistically significant, since F = 6.118 and p = 0.001. Since p < 0.05, the null hypothesis is rejected. This suggests that BPM, FIM, and FDM variables as a whole are significantly contributing to Investment Behaviour (IBM) of salaried individuals.

  - **Coefficients:**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.

1	(Constant)	1.535	.339			4.522	.000
	FDM	.068	.082	.068		.825	.411
	FIM	.176	.073	.190		2.404	.018
	BPM	.206	.069	.248		3.000	.003

a. Dependent Variable: IBM

- **Interpretation:**

• The results also indicated that the significant positive predictors of Investment Behaviour (IBM) were FIM (p = 0.018) and BPM (p = 0.003). So, both predictors are at 95% confidence level, and it can be said that BPM is the strongest predictor. FDM (p = 0.411) is insignificant, hence, behavioral and motivational factors have a greater influence on shaping investment behaviour of salaried individuals.

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4. Conclusion

From above Research, the investment decisions made by employed individuals are largely influenced by behavioural and psychological aspects and the financial investment awareness/motives of these individuals. Moreover, measures directed toward bettering investment behaviour can be based on approaches to improve financial literacy, deal with behavioural issues, and utilize fintech to facilitate investment decision-making.

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