An Empirical Study on Post Covid Investement Patterns of Salaried Employees

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Abstract

The empirical study on post covid investment patterns of salaried employees tries to find out the patterns of salaried employee after pandemic. From 191 responses which is collected by using sampling method called snowball sampling this study tries to find out helps the person to Enhance awareness on investment options by analyzing how the risk perceptions of individuals will trigger out. From analysis and interpretation it states that after pandemic salaried employees are preferring avenues which are of low risk and safety in nature. Majority of employees are not following personal financial planning. And the test used for analysis is sample percentage analysis and frequency tables are used for analysis and interpreting the data.

Keywords: Savings, Investment Avenues, Covid

Introduction

Nowadays every individual is involved in investment and savings of their money for future Investment is an asset which refers to the forgoing of current consumption with the aim of making more benefits in future consumption by employment of funds in different asset classes. In economics investment is something that doesn't consume today but in the future for creation of wealth or for tax savings or for some future benefits/returns. Generally Investment in different asset classes for the purpose of generating funds, wealth creation, or for capital appreciation and the Investment pattern will differ from investor to investor. Generally there are two attributes or two factors of investment which need to be considered while a person is investing I., e first is your risk and second is your return. And the basis of investment follows like this: the higher the risk the higher the return and the lower that risk the lower the return which has a fine relationship.

Investment is basically a cycle which revolves around income and returns. Investment is the process of action of investing current money in different options with the aim of future returns and profitability. The Indian financial market has evolved a lot due to which the financial goals can be achieved by making investments in various sources from bank products to stocks. Each avenue has a different general set of features and factors which plays a key impact in the investment selection process. Personal finance planning is a process of planning your future financial well- being. It's not just about money but protects you from future uncertainties which include a detailed note about income, savings, investment, expenditure, insurance and debt. In simple words personal finance planning is a type of strategy which helps in managing savings and investment

Review of literature

A study on preferred investment avenues among salaried people (2019) c.geetha, dr. M. Marimuthu

This study attempts to explain investment patterns of salaried employees in different sectors in Tamilnadu with the help of both primary data with the help of questionnaire and secondary data collected from magazines, books, and newspapers. The sampling technique followed in this study is probability sampling. The conclusion of study Tells that Tamilinadu salaried employees are medium aware about investment avenues as they are more aware about investment avenues like insurance and bank deposit, less aware abo stock market services , equity bonds and debentures. All age groups especially middle age groups and lower income level groups give more importance to risk free options like insurance and bank deposits.

A study on investment pattern towards salaried employees in coimbatore city

(2020) mr. P. Anagaraj, pavithra. S

This study explains the investment patterns of salaried employees in Coimbatore with the help of simple Percentage analysis and Ranking analysis on 120 sample sizes. It concluded that the motive of investment is for future expenses of individuals and majority are from the private sector. The majority of respondent's investment patterns decisions are taken by their own and they are monitoring their investments on a monthly basis.

A Study on "Saving and investment pattern of Indian Households"(2021) Dr. Balaj Sadavarte and Ashwin Arora

This study aims to state a detailed note on investment and saving patterns of households in Mumbai by collecting 80 Reponses with the help of a

detailed structure questionnaire. The data was analyzed with the help of anova test and the results state that the savings and marital status are independent means single people save more than married people, and also it concluded that the returns from long term investment is high when compared with short and midterm investments.it also suggest that to earn healthy returns by avoiding market risk one should invest in government securities.

Saving and investment pattern of salaried employees at chandigarh university

(2019) Dr. Nishi Bhardwaj1 & Shivani

This study makes an attempt to analyze the investment behavior of employees in Chandigarh University. With the help of a descriptive sampling technique on 80 responses and concluded that there is a significant relationship between savings and income of investors and there is no significant relation between gender, marital status and annual savings with the expected return of respondents.

Investment preferences of salaried individuals towards financial products Article (2012) Puneet Bhushan. This study states that the most of the avenues are made by working adults and the investment preference are not affected by demographic factors like age, gender, income, marital status and employment status of

Investment Pattern of Salaried Class of Somnath (Daman) -A Study of Various Investment Options Available. Zankhana Atodaria GIDC Rajju Shroff ROFEL. This study aims to analyze the awareness, perception and behavior on different investment options of salaried employees. Data was collected through a structured questionnaire distributed to 100 people in the Somnath area and analyzed using descriptive statistics and chi-square technique applied on data. This study concluded that the majority of salaried people are aware about investing in banks and insurance policies. It also reveals that most investment preferences are age-dependent and independent on other factors like gender, educational qualifications and monthly income of respondents. And most respondents of the age group 21to 40's motive to save is for building reserves for the future and improve their standard of living and for future building.

Investment Avenues of Salaried class people (2020) Firoskhan M C. This paper aims to focus on the preference of a very wide range of investments with different levels of risks and returns by employees and their level of awareness towards investment avenues preferences. For the analysis part they collected 110 Responses from individual employees through questionnaires and performed anova, percentage and ranked weighted average. The study concluded that most individuals are aware about traditional investment options but not about modern investment options as their majority investments are in the public sector rather than private sector. And the majority of employees are gaining information from friends and relatives. The survey found that

most of the respondents are satisfied with their investment and the majority of the investor's motive is to save and the secondary motive is for returns.

Investment Pattern of Youth in India(2021) rajkumar Subbaiyan. This study speaks out about investment patterns of youth in working groups in current times. Analysis on the risk level, saving pattern and investment types like long term or short term that are chosen by the youth of the working population. This study helps to drag the information like preferences of investment options by youth and level of awareness on investment options. From 125 respondents the study concluded that people invest in securities rather than the bank deposits and they are willing to gain more knowledge on investment options available as they have less awareness about the options available for investment. The investment amounts lie between 0 to 20percent of their income.

Savings and investment patterns: assessment and prospects–Deepika Dhawan & sushil Kumar mehata. This study states that that majority people are investing in mutual funds and suggested to conduct workshops on financial literacy like which avenue comes under which category and helps them to differentiate between risky avenue and non-risky avenue. The research methodology used is of descriptive and out of 250 responses for the study they used 184 as the rest are not responded and of incomplete.

A study of the investment behavior of working women in select public sector organization in Tinsukia district– Kumari Indira. From 260 responses based on purposive sampling followed by convenience sampling this study speaks out that awareness level has an impact on individual investments, investing in modern avenues like stocks, bonds are seen less. The future motive of majority investors are for future expenses.

Objectives of the study

● Identifying awareness Level of employees on investment options and impact of education level on awareness.

● Identify better investment options picked by salaried employees after Pandemic.

● To analyze the demographic segmentation on investment patterns of individuals.

● To help individuals in personal financial planning by analyzing personal financial planning followed by individuals.

Source of data

The research data is of primary data which is collected through a structured questionnaire among 192 salaried employees in Gachibowli Hyderabad. Respondents were selected by the non – probability method "snowball sampling" which is also called as referral sampling method.

Tools of analysis

Through descriptive analysis the data is analyzed to get conclusion out of raw data (primary data).

1.   Sampling percentage analysis= (no of

respondents/total no of respondents)*100.This technique helps us to state the percentage analysis of respondents' behavior with respect to different demographic factors.

2. Frequency distribution of respondents are used to calculate the percentage of different factors which helps to get a conclusion of differentiations between respondents. Bar graphs and pie charts are used to represent the data in visualization for detailed understanding.

Data analysis and interpretation

No of salaried employees choose investment avenues

Out of 192 responses 110 respondents are willing to invest Out of their annual income and the rest 82 respondents choose not to invest. The below graph and table shows the count of salaried employees who are investing and not.

Table-2		
No of respondents invest	Frequency	Percentage
Yes	110	57.5
No	81	42.4

Sector that respondents prefer to invest in?

As 110 respondents are choosing to invest and in that 50 respondents are investing in public sector avenues and rest 60 members of respondents are willing to invest in the private sector.

Table-3		
Investment sector by respondents	Frequency	Percentage
Public sector	50	45.5
Private sector	60	54.5

Count of sector do respondent prefer to invest?
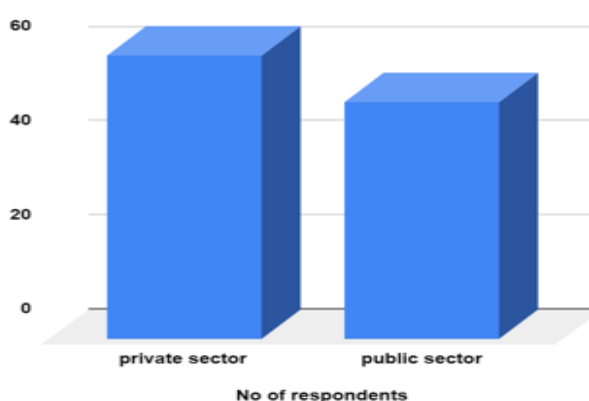
Gender vs. Investment options

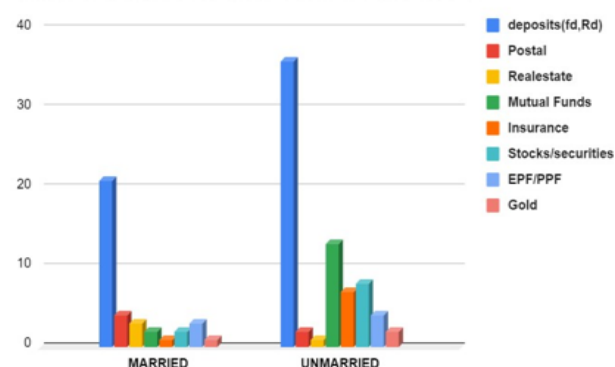| Table-4								
	Investment avenues							
Gender	Depo sits (Fd,Rd)	Pos tal	Real-est ate	Mut ual Fun ds	Insura nce	Stocks/sec urities	EPF/ PPF	Go ld
Male	29	4	3	10	3	6	7	2
Fem ale	28	2	1	5	5	4	0	1
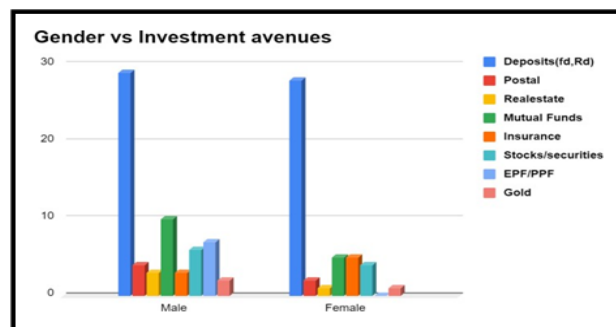
Interpretation: From the above table-4 and graph we can understand that in post covid situation majority investors of male investors are investing in investment options like deposits, mutual funds, stocks/ securities which are safe and secure in returns and of low risk. Female investors are willing to invest in investment options like deposits, Mutual funds and insurance.

From table-1 male investors (51.8%) and female investors (48.2%) both are almost equal in choosing and investing in investment avenues.

Marital Status vs. Investment options

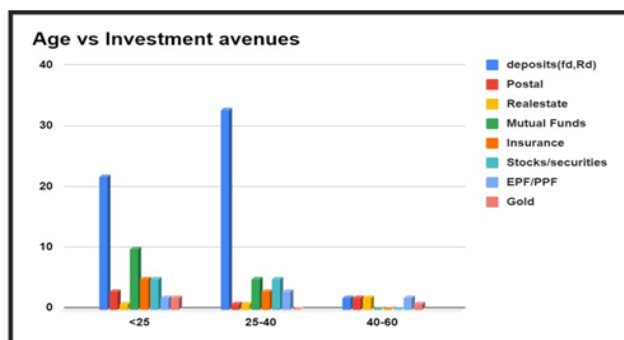| Table-5								
	Investment option							
MARITAL STATUS	depo sits (Fd,Rd)	Pos tal	Real-est ate	Mut ual Fun ds	Insura nce	Stock s/se curitie s	EPF/ PPF	Go ld
MARRIED	21	4	3	2	1	2	3	1
UNMAR RIED	36	2	1	13	7	8	4	2

MARTIAL STATUS VS INVESTMENT AVENUES

Interpretation

From the above table-4 and graph we can understand that in post covid situation

majority investors are unmarried investors. They are investing in investment options like deposits, mutual funds, EPF/PPF which are safe and secure in returns and of low risk. When compared to unmarried investors married investors are investing less in investment options and they are investing in avenues like deposits, Postal savings and real estate. From table-1 of demographic factors Unmarried investors (68.1%) and Married investors (31.9%) both are almost equal in Choosing and investing in investment avenues.

Age vs. Investment options

Table-6							
	Investment option						
AGE	deposits (fd, Rd)	Postal	Real-estate	Mutual Funds	Insurance	Stocks/securities	EPF/PPF	Gold
<25	22	3	1	10	5	5	2	2
25-40	33	1	1	5	3	5	3	0
40-60	2	2	2	0	0	0	2	1
>60	0	0	0	0	0	0	0	0

Interpretation: From the above table-6, and following graph we can notice that 89(table-1) members of age group of 25-40 are investing more when compared to other age groups as they prefer to invest in Investment Avenue like Deposits which are safe and of low risk, and then Follow mutual funds and stock markets. 94 members of age group <25 are prefer to invest in as follows deposits, Mutual funds and stocks market.

10 member of age group 40-60 are prefer to invest in deposits, postal savings and real estate. Deposits are the most preferred investment avenue by all age groups. From the table we can Observe 49.2 respondents are of <25 age group, 44.5 respondents are of 25-40 age group, and 40-60 age group are of 5.9 percent of age groups of salaried employees are investing in different investment avenues.

Annual income vs. Investment options

Table-7							
	Investment option						
RANGE OF ANNUAL INCOME	Deposits (fd,Rd)	Postal	Real- estate	Mutual Funds	Insurancee	Stocks/secrudities	EPF/PPF	Gold
<3 Lakhs	5	1	0	4	0	3	0	1
3-6 Lakhs	43	3	0	8	8	6	6	1
6-10 Lakhs	8	2	3	2	0	2	1	1
>10Lakhs	0	0	0	2	0	0	0	0
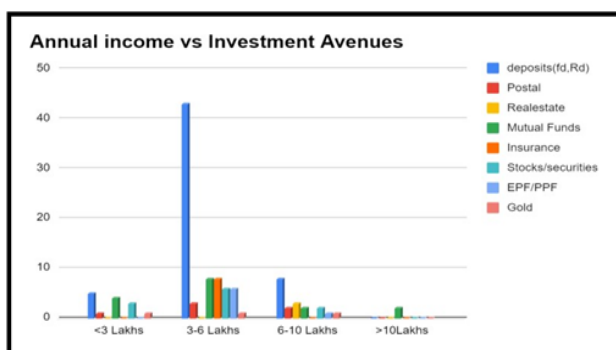
Interpretation

From table-7 and graph we can notice that respondents of annual income ranging 3-6 have more number of people involved in investing and prefer avenues like deposits which are low risk and then Mutual funds and insurance as follows. Respondents of annual income ranging 6-10 lakhs are investing in deposits, real estate and mutual funds which are safe and less risk free in nature when compared to other investment avenues. Respondents of annual income ranging <3lakhs are prefer to invest in deposits, mutual funds and stocks. Respondents of annual income of >10lakhs are preferring mutual funds investment avenue. From the data we can observe that irrespective of annual income range people are willing to prefer investment options which are of low risk and safe in returns.

Working sector of respondents vs. Investment options

Table-8							
	Investment option						
SECTOR WORKING	deposits (fd,Rd)	Postal	Real-estate	Mutual Funds	Insurance	Stocks/securities	EPF/PPF	Gold
Public Sector	10	2	2	1	1	1	3	1
Private Sector	47	5	2	14	7	9	4	1
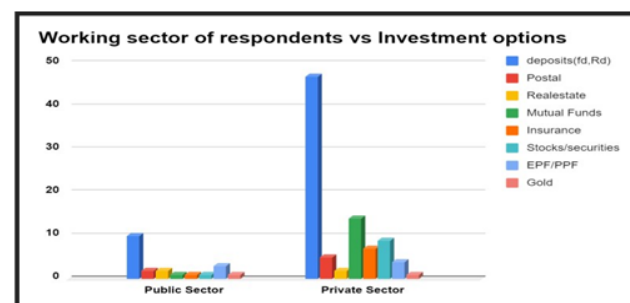
Interpretation

From the survey data respondents are more of

private sector than public sector. Respondents who are working in private sector are prefer to invest in deposits, follows mutual funds and stocks. Whereas respondents who are working in public sector are also are prefer to invest are prefer to invest in deposits, stock.

Level of Education vs. Awareness level of employees

Table-9

Level of awareness	Frequency	Percentage
No aware	1	0.9
Less Aware	22	20
Moderately aware	66	60
High Aware	29	19.1
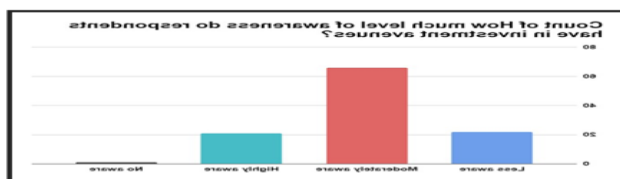
Interpretation

Respondents of 66 members out of 110 respondents are moderately aware about investment avenues which are available in the market. 22 respondents out of 110 respondents are of less awareness about the Investment options available in the market. 29 respondents out of 110 respondents are highly aware of investment options available in the market and only one respondent out of 110 respondents are not aware of investment options in the market.

Table-10				
	Awareness level			
Education level	Less aware	Moderately aware	Highly aware	No aware
Undergraduate	19	29	10	0
Post Graduate	7	24	8	0
MS	1	3	1	0
Phd	2	3	2	1

Education level Vs Awareness level
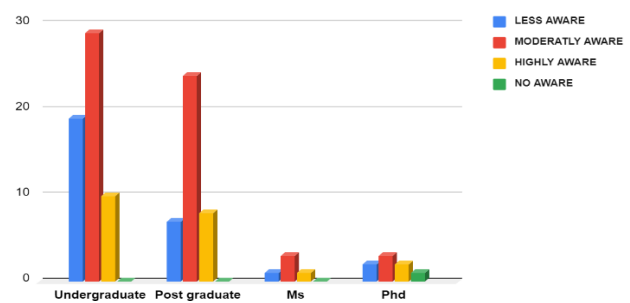
Interpretation

From the above table- 10 and below graph we can observe that undergraduates are more aware of investment options available in market. And then second come post graduates are more aware of investment avenue.

Investment period respondents prefer to invest?

Table-11		
Investment Type	Frequency	Percentage
Short Term	23	20.9
Mid Term	33	30
Long Term	54	49.1
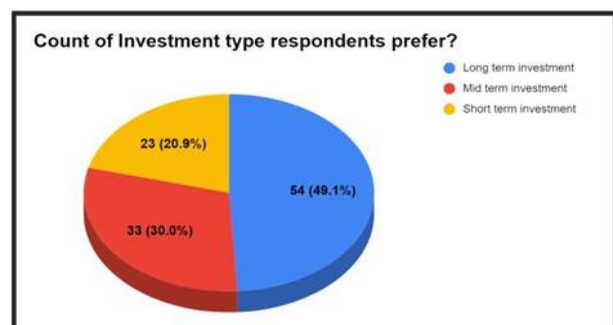
Interpretation

From table-11 and above graph we can observe that most of the respondents prefer long term investment as 54 members prefer long term, and 33 members opt for midterm investments and rest 23 respondents prefer to invest in short term period.

Table-18–count of respondents who follows personal financial planning		
count of respondents who follows personal financial planning	Frequency	Percentage
Yes	21	19.1
No	89	80.9

Interpretation

From the following table-18 and figure out 110 respondent's 21 respondents follow personal financial planning and the rest 89 respondents do not follow personal financial planning.

Findings

• Majority of Salaried employees prefer investment option deposits, Mutual funds which are of low risk and fixed returns after pandemic. As pandemic has a huge effect on individual financial life, savings plays a main key role in COVID situations. From the study and analysis respondents are Choosing investment options with fixed returns and of long term in period. 68.1% of respondents whose annual income ranging 3-6lakhs are investing more.

• Most salaried employees are choosing more

than one Investment Avenue. This shows that they are following investment rules - not to keep all eggs in one basket.

- Salaried employees who are investing are working in private sectors(80.9%)..

- From analysis and survey it is clear that 60% of salaried employees are moderately aware of investment avenues which are available in the market. And the salaried employees who are moderately aware are of undergraduates and postgraduates.

- After the pandemic most of the salaried employees preferred to invest long term for more returns (49.1%).Majority of salaried employees are not willing to take risks.

- From study we can understand that 55.5% of salaried employees are investing 10-20% out of their annual income. According to the budgeting rule 50 30 20 one needs to spend 50% of their income for need, 30% on want and 20% on saving. Salaried employees are more aware about tax benefits

- 55.4% of salaried employee's motive of investing is for future savings as to incur future expenses.

- The Internet, family and friends are the main source of information regarding investment avenues for salaried employees.

- From the sample percentage analysis it states that 55.5% of salaried employees are satisfied and 28.2% are strongly satisfied with their investment.

- 86.4% are suggesting investment options that they invested in.

- Personal financial planning is not followed by 80.9% of employees.

Recommendations

- Every individual along with salaried employees need to follow personal financial planning which helps them in balancing their expenses and savings.

- The source of information needs to be accurate as most salaried employees are getting information from Family and friends and from the internet. Sometimes the source may not be accurate.

- Salaried employees need to explore more investment options as we have a lot of investment available in the market which brings more returns and safety with less risk.

- Along with traditional investment avenues, modern investment avenues need more awareness in salaried employees.

Conclusion

Investment patterns differ from person to person as each person has a different level of impact of demographic factors on their financial life. After the pandemic many of us are financially affected and in pandemic savings of individuals helps in surviving. Before pandemic the investment patterns of individuals are different and after pandemic it is different. Savings and investment become important role in an individual's life. This study makes an attempt to find out patterns of salaried employees after pandemic. From the study area salaried employees are likely to invest in avenues which are of less risk and safe.

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Annexure