

# A Study on Investment Pattern of Salaried Class People –Post Covid-19

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**Abstract-** Investment is an activity in which people invest their savings to obtain profit. A variety of investment options are available in India such as securities, deposits, postal schemes, insurance, real assets and so on. This study aims to determine the impact of investment pattern on salaried class people – post covid-19 with reference to Coimbatore city. The study data has been gathered through questionnaire adopted by convenience sampling through which 112 responses has been collected of salaried persons. The data has been analyzed using percentage and chi-square test with the help of statistical software. The research has analyzed that there is an impact on salary of persons after covid-19 and in some how this impact made them to change their investment patterns after covid-19. Investors of salaried persons consider majorly return, tax saving and capital growth as their most influencing factors while selecting investment pattern. All the age group of salaried persons invest their savings as investments based upon their awareness level.

## I. INTRODUCTION

“Investment can be defined as the scarification of fund at present for the expectation that it will yield higher return in the future.”- Amit Chaudhary. The term Investment means transferring money into some activities which will be in profit motive and yields a return. It does not means spending the money but transferring money from the bank account to any functional activities where the money will be productive and also safe. In India the investment is very low referred to the population and unemployment rate. If the investment is high the poverty will be diminishing and may vanish. The investment rate will increase if the tax amount is paid properly or the full profit or salary credited on the bank account. Because the investment is the safest place to hold up the money and also to enjoy the tax benefits. If the highest tax payers and also those who saves more if they invest their money in any investment avenues in India the poverty and the economic problems will be reduced.

The objective of investment depends upon the investor needs. Common main objective of investment is safety, capital appreciation, income, liquidity and tax saving.

There are various investment patterns available in India, some are listed below: -

- Securities - Stocks, Bonds, Government securities, Money market instruments and Mutual funds.
- Deposits - Bank deposit, Non-Banking financial company (NBFC) deposits.
- Postal schemes -Monthly income scheme(MIS), National saving scheme (NSS)and Public provident fund (PPF)
- Insurance - Life insurance policies and Unit linked insurance plans(ULIP)
- Real assets - Precious metals like gold and diamonds and Art and antiques

A salaried person is a person who receives a fixed and regular compensation for the services provided to the company regardless of the time it takes to perform the services.

### Objective of the study:

- To study the investment percentage of salaried class people, post covid-19.
- To identify the investment preference of salaried class people, post covid-19.
- To analyze the impact of covid-19 on change in investment pattern of salaried class people among income.
- To study the factors influencing while selecting investment the pattern.

### Statement of the problem:

Investment is an important aspect of salaried class people or individual’s life. Moreover, covid-19 has impacted the financial markets dramatically. The risk and return expectations of people have changed due to financial crisis and may leads them to change their investment pattern after covid-19. This research aims to study the change in investment pattern of salaried class people, post covid-19.

Covid-19 has drastic effect not only in investment industry in India but also in all other aspects of human life and in other countries.

## II. REVIEW OF LITERATURE

**Dr. P. Vanitha and M. Gowsika** (2021)<sup>1</sup> stated that it is essential to save your income, to have a plan for your future, and to resist spending funds that you do not already have. Mutual fund is one of the most preferred option by the youngsters today. Awareness programs needs to be conducted by stock broking firms, because most of the investors thinks that the investment avenues make losses and does not have good return.

**Dr. Shebazbano Khan, Dr. Charu Upadhyaya, Dr. Shuchi Gautam and Dr. Pankaj Natu** (2020)<sup>2</sup>, In their study find that the Covid-19 has a significant impact on investor preference towards real estate, however the impact on investor preferences towards Gold and Equity has not been significant. Investment is a rational decision that depends on the individual's risk appetite and return expectations arising out of subjective assessment of multiple factors.

**Arpita Gurbaxani and Rajani Gupte** (2021)<sup>3</sup>, studied that how covid-19 pandemic has impacted investment and financial decisions of individuals in small towns in developing nations such as India. They found a significant association between measures taken to prevent the spread of covid-19 such as lockdown and travel restrictions and individual income. Such preventive measures directly impacted savings and investment behavior. Respondents reported drop in SIP investments during the pandemic.

**Sonali Patil and Dr. Kalpana Nandawar** (2014)<sup>4</sup>, according to the research Shares, bank, companies, gold and silver, real estate, life insurance, postal savings and etc.. are the variety of investment avenues are available. Investors invest their money based on their risk taking attitude. Safety, liquidity, income stability, appreciation and easy transferability are consider to be the major features of an investment.

**Prof. Sanket L. Charkha and Dr. Jagdeesh R. Lanjekar**<sup>5</sup>, they concluded that the Investors are very well aware about the investment avenues that are available in Pune, India but still bank deposits and real estate are the preferred options of investors of investing money. Real estate is always on the high or up Especially in a city like Pune this is not at all bad investment option. But the risk and amount of investment is high and there is no fixed return.

**Surabhi Kumthakar and Dr. Varsha Nerlekar** (2020)<sup>6</sup>, studied on the impact of covid-19 is huge and the economy is going to take time to completely recover from it. The investments industry did not witness a huge downfall but still the impact is visible. As it is a global pandemic, the recovery will be tough but retail investors need to have faith and should not completely shift to the traditional and safe investment avenues. The future of investment industry in India looks very promising and the perception of retail investors is also positive.

**TejasBannore and Dr. Vinita Ahirekale** (2020)<sup>7</sup>, examines that an investors Investment Strategy is a plan which helps an investors to choose most suitable investment option with minimum risk to achieve their financial goal within time. An Investment helps investors to increase their individual wealth and it also helps to overall growth of economy. Investor preferred to get maximum return with minimum risk. The process of investments helps various companies to raise their capital through financial market.

## III. RESEARCH METHODOLOGY

### Research Area:

The research was carried out in Coimbatore city, Tamil Nadu which is known as Manchester of South India, is famous for textile industry and cotton cultivation. Coimbatore is also famous for foundry and automobile industries, manufacturing of textile industry equipment's, spares, motor pump sets, wet grinders and varied engineering goods and services.

### Data collection:

The study is based on primary data. A questionnaire has been prepared and data were collected from the salaried persons who invest. Convenience sampling is the method that is drawn from a source that is conveniently accessible to the researcher and it is the method used to collect the data from the respondents by well-structured questionnaire.

### Sample size:

The sample was collected among the size of 112 respondents of investors.

### Tools used for Data analysis:

- Percentage analysis
- Chi square test

**Limitation of the study:**

- Investment pattern of salaried class people only chosen for study.
- The respondent for the research was limited to Coimbatore city.

**IV. ANALYSIS****Percentage Analysis****Gender of Response**

S No	Gender	No of Respondents	Percentage
1	Male	57	50.9
2	Female	55	49.1
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 50.9 Per cent of the respondents are male and 49.1 Per cent of the respondents are female. This concludes that there is no difference in investment in case of gender.

**Age of Response**

S No	Age	No of respondents	Percentage
1	18-25	45	40.2
2	25-40	45	40.2
3	40-50	22	19.6
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 40.2 Per cent of the respondents are 18-25 and 25-40 of age group and 19.6 Per cent of the respondents are 40-50 age group. Therefore, every age group of salaried person invests their savings as investments.

**Educational Qualification of Response**

S No	Educational qualification	No of respondents	Percentage
1	Graduate	63	56.3
2	Diploma	22	19.6
3	Non graduate	27	24.1
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 56.3 Per cent, 24.1 Per cent and 19.6 Per cent of respondents are graduate, non- graduate and diploma.

**Awareness Level of Investment Avenues of Response**

S No	Awareness level	No of respondents	Percentage
1	High	25	22.3
2	Medium	65	58
3	Low	22	19.6
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 58 Per cent of the respondents have medium awareness, Whereas, 22.3 Per cent and 19.6 Per cent of the respondents have high and low level of awareness of investment avenues.

**Monthly Income of Response**

S N	Monthly income	No of respondent	Percentage
1	Below 15000	26	23.2
2	15000–25000	49	43.8
3	25000–45000	19	17
4	45000–65000	10	8.9
5	Above 65000	8	7.1
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 43.8 Per cent of the respondents have 15000 -25000 of monthly income after covid-19. 23.2 Per cent, 17 Per cent, 8.9 Per cent, 7.1 Per cent of respondent's monthly income are below 15000, 25000 -45000, 45000 - 65000, and above 65000. Majority of the respondent's income are 15000 -25000 after covid-19.

**Preference of Investment Sector**

S No	Investment Sector	No of respondents	Percentage
1	Public	58	51.8
2	Private	43	38.4
3	Foreign	11	9.8
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 51.8 Per cent majority of the respondents preferred to invest in public. 38.4Per cent and 9.8Per centof respondents preferred to invest in private and foreign sectors.

**Investment Percentage of Income**

S No	Investment Percentage	No ofrespondent	Percentage
1	Below 10Per cent	48	42.9
2	10Per cent-30Per cent	44	39.3
3	30Per cent-50Per cent	15	13.4
4	Above 50Per cent	5	4.4
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 42.9Per cent and 39.3Per cent of respondents invest below 10Per cent and 10Per cent-30Per cent. Whereas, 13.4Per cent and 4.4Per cent of the respondents invest 30Per cent-50Per cent and above 50Per cent of their income after covid-19.

**Difference in Saving Percentagebefore and after covid-19**

S N	Difference	No of responden	Percentag e
1	High difference	24	21.4
2	Moderate difference	55	49.2
3	Low difference	24	21.4
4	No difference	9	8
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 49.2 Per cent of respondent has moderate difference of saving percentage. Whereas, 21.4 Per cent has high and low difference and 8 Per cent of respondent has No difference of saving percentage after and before covid-19.

**Duration of Long-Term Investment After Covid-19**

S No	Duration	No of respondent	Percentage
1	Below 2	49	43.7
2	2-5 years	46	41.1
3	5 years	17	15.2
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 43.7Per cent and 41.1Per cent of the respondents preferred time period below 2 years and 2-5 years, whereas 15.2Per cent of the respondents preferred 5 years as their Long-term investment time period.

**Duration of Short-Term Investment After Covid-19**

S No	Duration	No of Respondent	Percentage
1	Weekly	11	9.8
2	Monthly	38	33.9
3	Quarterly	33	29.5
4	Halfyearly	17	15.2
5	Yearly	13	11.6
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 33.9 Per cent and 29.5 Per cent of the respondents prefer monthly and quarterly. Whereas, 15.2 Per cent prefer half yearly,11.6 Per cent and 9.8 Per centof the respondents preferyearly and weekly as their Short-term investment after covid-19.

**Factors influencing while selecting investment pattern**

S No	Factors	No of respondent	Percentage
1	Capital	21	18
2	Risk	16	15
3	Tax saving	21	18
4	Return	22	20
5	Time period	18	16
6	Affordability	14	13
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

**Interpretation:**

The table shows that 20 Per cent of the respondents consider return as their major influencing factor. While 18 Per cent consider capital growth and tax saving,16 Per cent

consider time period, 15 Per cent consider risk and 13 Per cent of the respondents consider affordability as the influencing factor while selecting investment pattern. Majority of the respondents consider return, capital growth and tax saving as the most influenced factor while selecting investment pattern.

#### Investment preference of the response after covid-19

S No	Investment preference	No of respondent	Percentage
1	Securities	19	17
2	Deposit	32	28
3	Insurance	32	28
4	Postal schemes	15	13
5	Real assets	14	12.5
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

#### Interpretation:

The table shows that 28 Per cent of the respondents preferred deposit and insurance, while 17 Per cent, 13 Per cent and 12.5 Per cent of the respondents preferred securities, postal schemes and real estate. Deposit and insurance are the most preferred investment avenues by the respondents.

#### Risk Level of Investment After Covid-19

S No	Risk Level	No of respondent	Percentage
1	High	13	11.6
2	Medium	64	57.1
3	Low	35	31.3
	<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

#### Interpretation:

The table shows that major of the respondents 57.1 Per cent are ready to take medium risk. Whereas, 31.3 Per cent and 11.6 Per cent of the respondents are ready to take low and high risk for their investment after covid-19. Majority of the respondents are ready to take medium level of risk for their investment after covid-19.

#### Chi-Square Test

#### Relationship Between Age and Awareness Level of Investment Avenues

#### Hypothesis:

H<sub>0</sub>: There is no significant relationship between Age and Awareness level of Investment Avenues.

H<sub>1</sub>: There is a significant relationship between Age and Awareness level of Investment Avenues.

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.899 <sup>a</sup>	4	.028
Likelihood Ratio	12.072	4	.017
N of Valid Cases	112		

2 cells (22.2%) have expected count less than 5. The minimum expected count is 4.32.

#### Table value:

The table value of chi square for degrees of freedom at 5% level is 0.05.

#### Interpretation:

From the above-mentioned table, the table value (0.05) is greater than the calculated value (0.028), hence the hypothesis is accepted.

#### Relationship Between Awareness Level of Investment Avenues and Investment Preference After Covid-19

#### Hypothesis:

H<sub>0</sub>: There is no significant relationship between Awareness level of investment avenues and Investment preference after covid-19.

H<sub>1</sub>: There is a significant relationship between Awareness level of investment avenues and Investment preference after covid-19.

#### Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.414 <sup>a</sup>	8	.026
Likelihood Ratio	20.354	8	.009
N of Valid Cases	112		

6 cells (40.0%) have expected count less than 5. The minimum expected count is 2.75.

#### Table value:

The table value of chi square for degrees of freedom at 5% level is 0.05.

### Interpretation:

From the above-mentioned table, the table value (0.05) is greater than the calculated value (0.028), hence the hypothesis is accepted.

### Relationship Between Age and Factors Influencing While Selecting Investment Pattern

#### Hypothesis:

H<sub>0</sub>: There is no significant relationship between age and factors influencing while selecting investment pattern.

H<sub>1</sub>: There is a significant relationship between age and factors influencing while selecting investment pattern.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.768 <sup>a</sup>	10	.651
Likelihood Ratio	7.743	10	.654
N of Valid Cases	112		

6 cells (33.3%) have expected count less than 5. The minimum expected count is 2.75

#### Table value:

The table value of chi square for degrees of freedom at 5% level is 0.05.

### Interpretation:

From the above-mentioned table, the table value (0.05) is less than the calculated value (0.651), hence the hypothesis is not significant. The null hypothesis is accepted.

## V. FINDINGS

- 50.9% of the respondents are male.
- 40.2% of the respondents are 18-25 and 25-40 of age group.
- 56.3% of the respondents are graduate.
- 58% of the respondents have medium awareness of the investment avenues.
- 43.8% of the respondents have 15000 -25000 of monthly income.

- 51.8% majority of the respondents preferred to invest in public sector.
- 42.9% of respondents invest below 10Per cent of their income.
- 49.2% of respondents saving percentage differs moderately from before and after covid-19
- 43.7% of the respondents preferred time period as below 2 years for their Long-term investment after covid-19.
- 33.9% of the respondents prefer monthly as their Short-term investment period after covid-19.
- 20% of the respondents consider return as their major influencing factor.
- 28% of the respondents preferred Deposit and Insurance.
- 57.1% of the respondents are ready to take medium risk for their investment after covid-19.

### Chi square test:

- The hypothesis is accepted as there is a significant relationship between Age and Awareness level of Investment Avenues.
- The hypothesis is accepted as there is a significant relationship between Awareness level of investment avenues and Investment preference after covid-19.
- The hypothesis is rejected as there is no significant relationship between age and factors influencing while selecting investment pattern. The null hypothesis is accepted.

## VI. SUGGESTION

The investors of salaried persons should have some basic knowledge in which they are investing their savings. Preferring the correct investment pattern makes to gain the profits without more loss. Study on the investment patterns and the economic situations or analyzing the self-economy stability helps to make a clear outcome of the investment. Investors should monitor their investments regularly to bring the asset allocation back in line. Depth knowledge of the investment portfolios makes you to understand the concepts behind investments like mutual funds and stocks that are also a safer medium. Investing based on your income and expenditures makes you to gain some sufficient returns without loses.

## VII. CONCLUSION

The research concludes that awareness level of investment differs from age groups. Investors are expecting more return with minimum risk. Even high salaried persons prefer safer investments. The analysis reveals that capital

growth, risk, tax saving, return, time period and affordability are the factors investors consider before investing. Awareness programs on investment portfolios have to be conducted because most of the respondents think that there is no safer medium than insurance and deposits. Most of the investors preferred secured regular income on investment. As an investor you must be aware of the market fluctuations and not let your emotions affect your investment decisions. Awareness on top to bottom of your investment preferences avoids you to lose your capital. Choosing a better and correct investment pattern according to your needs is an important one.

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