

Savings and Investment Model of Salaried Employees at Tanjore

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Abstract:

Investment pattern of people vary depending on their income status and the activity that is engaged by those to make saving on their income these investments are made from their hard earning. Investment options a plentiful and the choices are Real estate, investment on gold, deposits in banks, post services, chit funds, shares and bonds. Investors look on returns on investment, value of appreciation on assets or investments. Investment is an activity confined to specific financial aims of investors. It's the path through which smart money are transferred from the surplus area to the deficit. The money is deposited by the investor with the diverse Intention such as appreciation, return and safety.

Keywords: Budget, Economy, Employees, Return, Financial plan, Investment, Salary.

INTRODUCTION

SAVING habits of middle income group are always highly calculative as hard- earned money is invested on their future needs with some expected returns. It's even more suitable when we say savings are from their current or basic need compromise. Savings is considered as the determinants of growth from the earlier days lending the underdeveloped countries to the path of development. Investment is the act of planning, money for the invests the hard earning with a hope of returns or security for future capital appreciation. Savings by the individual salaried employee provide a cushion of security against future needs, else their dual benefits for the nation provide the funds needed or required for the developmental purpose.

2.1 SALARIED INVESTORS

Investment pattern of salaried employee are quite different, the nature of employment and income level plays a vital role, but one factor is common for all its regular basis of income may lead to eventual

investment or monthly saving habit instead of lump sum saving. This research focused only on salaried persons. The saving and investment pattern of the salaried employees is different from one another due to opinion on safety, return on investments, regular income, tax savings benefits, retirement benefits.

2.2 SAVINGS AND INVESTMENT PATTERN OF SALARIED INCOME GROUP

Although there are lot of investment avenues, now investments and start ups are getting reduced gradually, so

people are not interest on huge investments as their savings quite got reduced and meeting out their common expenses get abridged. Investment are approximately categorized into hardly any of the i.e. shares, bonds, real estate, commodities, and miscellaneous bank deposit, post office, insurance, bond/debentures, mutual funds, shares gold and chit funds.

2.3 Objectives

- To identify the mode of investment of the
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salaried employees.

ii. To SWOT up the saving pattern of salaried employees.

2.4 Scope

- To recognize various investment decisions of salaried persons
- To be acquainted with the category of savings.

2.5 METHODOLOGY

Researchers together collected primary and secondary data for their research work. Primary data composed from the respondents through questionnaire. Secondary data collected from articles, websites, journals and books.

2.6 SAMPLING TECHNIQUES

Research used simple random sampling method for collection of data from 50 members as a sample size.

2.7 TOOLS USED FOR ANALYSING THE DATA

Researchers used simple percentage calculation and charts for analyze the data and interpretation.

3 REVIEW OF LITERATURE

- Neha S Shukla (2016) focused on the analysis of investment preference of working women of North Gujarat region. It was founded that the majority of the women preferred traditional mode of investment practices.
- A study by B.Thulasipriya (2014), mentioned that majority of people save their money on Bank Deposits for the safety of an unpredictable future. Basic reason for saving are children education, marriage and security after retirement.
- VasagadekarPriya (2014) examined that women working in various industrial sector in Pune. It is clear from this study, respondent prefer to invest in safe investment like Post Office savings scheme and fixed deposits in banks.

- V.R. Palanivelu & K.CV.R. Palanivelu & K.Chandrakumar (2013) studied investment of salaried in Namakkal Taluk, Tamil Nadu. It highlight's on factors like age, educational, knowledge on finance affect the decision regarding the choice of investment avenues.
- Dr.VarshaVirani (2012) propounded savings and investment model of school teachers in Gujarat in which data is collected from school teachers majority of school teachers are saving funds as bank deposits and government securities as their investment preference.
- Dr. S. Mathivannan and Dr. M. Selvakumar (2011) studied the investment and savings pattern at Sivakashi Taluk, Tamil Nadu. The study concluded those now days, teaching community has started preparing budgets to met their expenses.
- Somasundaram (1998) on his study found that chit funds and bank deposits were the most excellent known modes of saving for the investors.

4 DATA ANALYSIS AND INTERPRETATION

TABLE 4.5

DEMOGRAPHIC PROFILE

Gender	No. of respondent	Percentage
Male	18	36%
Female	32	64%

source: primary data

TABLE 4.2

SAVING HABIT OF SALARIED EMPLOYEE

Saving habits	No. of the respondent	Percentage
Mutual funds	4	8%
Shares	Nil	Nil
Gold	39	78%
Chit funds	8	16%
Real estate	9	18%
$\mu =$	14.8888	
AD	26.96	

\bar{X} =	35.96
σ =	50.39

source: primary data

The overhead table indicates that the 78% of respondents invest their money in gold as countries like India have a traditional core in gold investment is proved here, 68% of respondents in bank deposit people still believe bank deposits as one among the safest investment pattern, 52% of respondents denoted as insurance this shows how people have started to overcome the risk on their life's and investment choice too, 24% of respondents in post office this is an interest earning as the attraction of post office has reduced rapidly among peoples, only 18% of respondents in real estate as it needs huge amount for investment, 16% of respondents in chit funds although it is more risky people still have crazy on chits due to its high returns, only 8% of respondents in mutual funds and 4% of respondents in bond/deposit to invest their money still awareness is less on this investments, no one is interested in share.

CHART No. 4.1

SAVING HABIT OF SALARIED EMPLOYEES

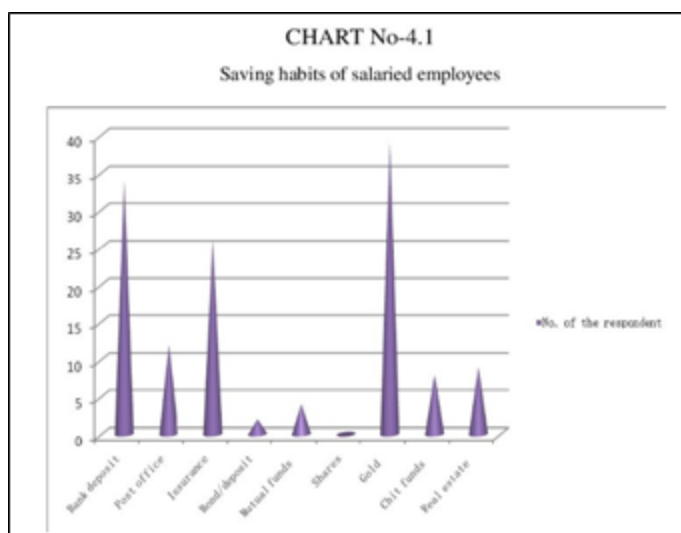


TABLE 4.3

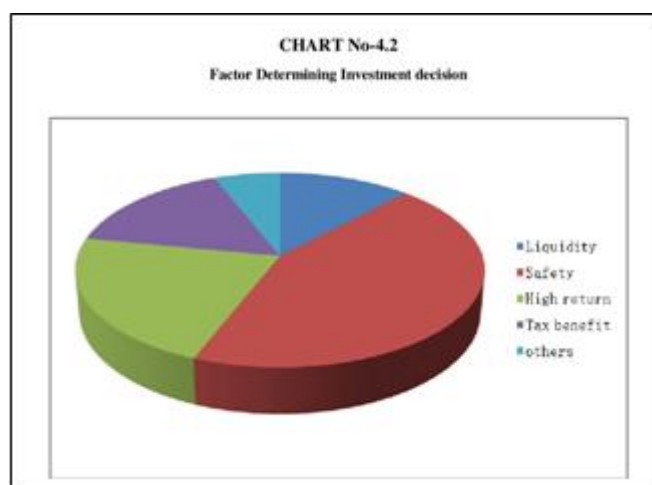
Factor Determining Investment decision

Investment decisions	No. of the respondent	Percentage
Liquidity	6	12%

Safety	22	44%
High return	11	22%
Tax benefit	8	16%
Others	3	6%
μ =	10	
AD	15.2	
\bar{X} =	23.22	
σ =	30.51	

source: primary data

The table represents the elements which determine the investment decision of the respondents, 44% of the respondents commonly prefer the safety as their choice for investment. Around 22% of respondents are taking high return on their investment and plan accordingly to their investment, 16% of respondents invest for tax benefit or tax purpose, only 12% for liquidity and 6% of respondents are taking others for their saving.



5 FINDINGS

- Maximum of 78% respondents have invested in gold
- 68% of respondents in bank deposit,
- Meagrely 16% of respondents in chit funds,
- Only 8% of respondents in mutual funds,
- Only 4% of respondents in bond/deposit to invest their money.
- On an average 44% of the respondents are commonly preferring the safety for investment.

- 22% of respondent are taking high return for their investment,
- Only 16% of respondents invest for tax benefit/purpose.

6 CONCLUSION

Saving habits are measuring rod to analyse the economic position of a country, when people stop or reduce their savings and investments it's an alarm to the path of development and growth of countries. Pathetic condition among salaried group is they have left with meagre amount for saving purpose after left from all their regular expenses, so it's a chain process for investing where people first save smaller amount for some short term regularly and that amount collectively invested in another pattern of investment.

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