IMPACT OF DEMOGRAPHIC FACTORS ON CHOICE OF INVESTMENT AVENUES AMONG THE SALARIED PEOPLE IN VIJAYAPURA DISTRICT (KARNATAKA)

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Investment is the employment of funds with the aim of getting return on it. It is the commitment of funds which have been saved from current consumption with the hope that some benefits will accrue in future. Therefore, the first step to investment is savings. Most of the salaried people faces difficulty in savings as they have to meet first their day today expenses and then think about savings. The major issue of salaried people to do investment from their small saving of today. Today, there are a so many investment avenues are available but, only thing is that they must choose the best avenue which suits them. If the person dealing with the proper planning must know about all the alternatives and how they have to choose for future benefits. Now a day there are several investment alternatives are available. The modern investment trend has a different scenario which has various investment options with best return for the investors. But the investment decisions are changed from one person to another. Many times the demographic factors have great impact on investment decision,   Therefore, this study examines the impact of demographic factors on saving and investment among the salaried persons in Bijapur district. To analyse this different statistical tools i.e percentage chi-square, ANOVA test are used by the researcher.

Key Words: **Investors, Impact, Investment alternatives, Demographic factors**

I. INTRODUCTION

Investment refers to purchase of financial assets. While investment goods are those goods which are used for further production. Investment is a conscious act of an individual or any entity that involves development of money in securities or properties issued by any financial institutions with the objective of high returns with in a definite period of time (Mahendra Kumar Ikkar, 2014).

Many individuals find investments to be fascinating because they can participate in the decision-making process and see the results of their choices. Not all investments will be profitable, as investor will not always make the correct investment decisions over the period of years. Investment is not a game but a serious subject that can have a major impact on investor's future wellbeing. Virtually everyone makes investments. The demographic factors like age, gender and education level, nature of occupation and other are associated with investors' preference in different investment avenues.

2. STATEMENT OF THE PROBLEM

Most of the investor used the investment and savings as a tool to fulfill their future needs. After meeting their today needs only they think about investment. But many times it is not possible to take proper decision due to their demographic factors. At the time of investment the investors suffer from lack of awareness towards the investment avenues. But the investment decisions are change from person to person. Hence, a need is felt to undertake this study.

3. LITERATURE REVIEW

The study conducted by Singh & Chander, (2003) revealed that majority of the investors belonging to salaried and retired categories and those in the age group of above 60 years of age gives maximum importance to the past records before taking investment decision; salaried people choose the return of funds to be the best criteria for the performance appraisal of a fund; investors belonging to business category give importance to the option of 'repurchase of the units' followed by 'easy transferability

Jasmin (2008) found that investors' socio-economic factors have significant effect on investors' risk tolerance. The study showed that less educated investors are less likely to take risk; and wealthy investors are more risk tolerant than the less-wealthy investors.

Mehta & Shah (2012) conducted a survey in Ahmedabad and Boroda city observed that the mutual fund investors in the earlier age group gives preference to high risk high return securities while investors belonging to the middle age group (41-50 years) gives equal preference to liquidity, high return and low risk. Investors exceeding 50 years of age prefer low risk more than any other factor. The study a revealed that qualification plays a little role in the knowledge level about mutual funds; and investment in mutual fund is influenced by the income of the investors. Viraparthi & Margam (2013) found that males are keener in various investments than females, the investment of an individual is directly correlated with the income of the investors and investors' qualification has a significant impact on their share of investment in mutual funds

Bhanusireesha & Sreelaxmi(2013) conducted study on "Impact of demographics on select investment avenues "The study presents the results of empirical testing of impact of demographic factors on investment avenues selected by investors in the twin cities of Hyderabad and Secunderabad, India. It is found that gender, age and friends are mostly influencing the investment decisions of the respondents. It is concluded that the respondents of the study are conservative in nature and show less concern for money multiplication and liquidity.

Saugat Das &Ritika Jain (2014) studied a title "A study on the influence of demographical variables on the factors of investment-a perspective on the Guwahati region". Their study revealed that Among other objectives, demographic variables are one of the important objectives which influence financial decision making of investors. This paper focuses on the relationship between the four demographic variables i.e., age, gender, education and occupation with the four most important objectives of investment such as risk, return, retirement and tax which influences the buying behaviour of the investors. A sample of 150respondents was interviewed and analysis was done through SPSS. The study emphasizes the fact that demographic variables indeed play a role on the mind-set of the investor community which is driven by age and educational qualification

Geetha& M. Ramesh (2012) conducted study on A study on relevance of demographic factors in investment decisions .This study attempts to find out the significance of demographic factors of population such as gender, age, education, occupation, income, savings and family size over several elements of investment decisions like priorities based on characteristics of investments, period of investment, reach of information source, frequency of investment and analytical abilities. The study was made by conducting a survey in Nagapattinam district of Tamilnadu, South India and the statistical inferences were deduced using computer software tools. The study reveals that the demographic factors have a significant influence over some of the investment decision elements and insignificant in others elements too. The study also discloses a general view of investor"s perception over various investment avenues

4. OBJECTIVES OF THE STUDY

- To analyse the impact of the demographic factors on savings and investment decision.
- To analyse the impact of demographic factors on selection of different investment avenues.
- To analyse the reason for investment decision among the salaried persons.

5. SAMPLING DESIGN

This research is based on the primary data collected by the researcher. The data collected from salaried investors in Vijayapur Districts who are working in different departments. The investors are selected by convenient sampling technique. Accordingly the researcher has selected 200 investors from the study area.

6. HYPOTHESIS

- ✓ **H_o: There is no association between gender and investment decision.**

  H_1: There is association between gender and investment decision.
- ✓ **H_o: There is no association between age and investment alternatives**

  H_o: There is association between age and investment alternatives
- ✓ **H_o: There is no association between nature of employment and reason for investment.**

  H_o: There is no association between nature of employment and reason for investment.

7. STATISTICAL TOOLS

Various statistical tools are used in analyzing the data. For data analysis t-test and ANOVA test is used.

8. PERIOD OF THE STUDY

The study covers the data collected from the different salaried persons in different departments in the Vijayapur district. The data were collected during November to January 2019-20 by using a interview schedule.

9. ANALYSIS AND DISCUSSION:

Hypothesis 1:

H_o: There is no association between gender and investment decision.

H_1: There is association between gender and investment decision

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Investment decision	Male	158	1.3608	.48175	.03833
	Female	42	1.2857	.45723	.07055

Independent Samples Test

Investment decision	Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference	
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Equal variances assumed	4.204	.042	.907	198	.366	.07505	.08277	-.08818	.23827
Equal variances not assumed			.935	67.239	.353	.07505	.08029	-.08520	.23529

From the above table it is observed that significance value is 0.042 which is more than 0.05 (95% Confidence Interval) so null hypothesis is accepted and alternative hypothesis is rejected. So it is interpreted that there is no relationship between the investor's investment decision and gender.

Hypothesis 2:

H_o: **There is no association between age and investment alternatives**

H_o: **There is association between age and investment alternatives**

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Bank deposits	Between Groups	1.731	4	.433	1.259	.288
	Within Groups	67.049	195	.344		
	Total	68.780	199			
Post office savings/certificates	Between Groups	3.839	4	.960	1.404	.234
	Within Groups	133.341	195	.684		
	Total	137.180	199			
Life insurance policies	Between Groups	2.248	4	.562	1.116	.350
	Within Groups	98.232	195	.504		
	Total	100.480	199			
Government securities	Between Groups	7.150	4	1.787	1.497	.205
	Within Groups	232.850	195	1.194		
	Total	240.000	199			
Corporate securities	Between Groups	17.457	4	4.364	3.887	.005
	Within Groups	218.923	195	1.123		
	Total	236.380	199			
Chits	Between Groups	7.744	4	1.936	1.535	.194
	Within Groups	246.011	195	1.262		
	Total	253.755	199			
Savings at home	Between Groups	11.061	4	2.765	1.909	.110
	Within Groups	282.439	195	1.448		
	Total	293.500	199			
Gold	Between Groups	3.697	4	.924	1.105	.356
	Within Groups	163.183	195	.837		
	Total	166.880	199			
Silver	Between Groups	9.385	4	2.346	1.522	.197
	Within Groups	300.615	195	1.542		
	Total	310.000	199			
Agriculture land	Between Groups	9.067	4	2.267	1.346	.254
	Within Groups	328.328	195	1.684		
	Total	337.395	199			
Real estate	Between Groups	6.589	4	1.647	.958	.432
	Within Groups	335.411	195	1.720		
	Total	342.000	199			
Others	Between Groups	22.531	4	5.633	3.381	.011
	Within Groups	324.864	195	1.666		
	Total	347.395	199			

From the above table it is observed that significance value in case of corporate securities is 0.05 which is equal to 0.05 therefore, it is interpreted that there is no relationship between the investor's investment alternatives and nature of employment. But in other cases the significance value is more than 0.05, so it is interpreted that there is a relationship between the investor's investment alternatives and nature of employment.

Hypotheis 3:

H₀ :There is no association between nature of employment and reason for investment.

H₀: There is no association between nature of employment and reason for investment.

ANOVA

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Nature of Employment	200	2.0850	.79431	.05617
For well being of my children	200	1.2400	.46203	.03267
To maintain social status/prestige	200	1.7850	.66406	.04696
For well being of parents	200	1.7750	.52512	.03713
Influence of neighbours/friends habit	200	2.0750	.79532	.05624
Aspiration for comfortable living	200	1.8150	.69512	.04915
To meet emergency situation	200	1.8450	.87453	.06184

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Nature of Employment	37.122	199	.000	2.08500	1.9742	2.1958
For well-being of my children	37.955	199	.000	1.24000	1.1756	1.3044
To maintain social status/prestige	38.014	199	.000	1.78500	1.6924	1.8776
For well-being of parents	47.803	199	.000	1.77500	1.7018	1.8482
Influence of neighbours/friends habit	36.897	199	.000	2.07500	1.9641	2.1859
Aspiration for comfortable living	36.926	199	.000	1.81500	1.7181	1.9119
To meet emergency situation	29.836	199	.000	1.84500	1.7231	1.9669

From the above table it is observed that significance value is 0.00 which is less than 0.05 (95% Confidence Interval) so null hypothesis is rejected and alternative hypothesis is accepted. So it is interpreted that there is a relationship between the investor's investment reason and nature of employment.

10. Findings:

1. It is found that there is no relationship between the investor's investment decision and gender.
2. It is found that there is no relationship between investor's investment alternative in case of corporate securities and age. But in case of other alternatives like bank deposits, life insurance policies, government securities, savings at home , gold silver, agricultural land, real estate and others it is found that there is a significance relationship between alternatives and age.
3. It is found that there is a association between nature of employment and reason for investment.

11. SUGGESTIONS:

- Conducting the investor meetings to highlight the significance of investment in their working department.

- Ensure the investors that minimum return is guaranteed if they invest in financial assets.

- Educate the investors about different available investment avenues.

- Providing attractive tax concessions and tax relief for the financial investments under Income Tax Act 1961.

- Giving guarantee to protect the investor's interests.

- Offer more government schemes for investment in department wise.

- It is suggested to offer the investment schemes that provide regular and steady

- Door to door campaign and Street play.

- Get together function in different government departments to exchange information.

- Use of Mass Medias.

- Publicity in department wise.

- Distribution of pamphlets in the government offices.

- Putting as posters in government offices.

12. CONCLUSION

Study concludes that investment decisions are majorly affected by risk, return, market trends, past performance. Demographic factors like age, gender is having very less impact on investment decision making. Majority of investors are investing money for well-being of parents. Investment decision is not only depended on demographic variables. Today, the standard of living of the people increasing day by day so salaried class community has started realizing the importance of savings and proper investment of their savings.

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