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Investment Decisions of IT Professionals in Karnataka

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Abstract:

Investment is the allocation of funds with the objective of earning returns over time. It involves deploying money in assets, loans, or financial instruments with the expectation of future gains. A well-informed investment strategy, based on thorough analysis and risk assessment, helps in optimizing returns while minimizing risks. The present study aims to know the socio-economic status and analyze the investment decisions of IT Professionals. The primary data was collected from 100 IT professionals through google form and analyzed by frequency and chi-square test. The monthly income and investment of respondents is not influenced on investment decisions of investors.

Keywords: *Investment Decisions, IT professionals, Investment frequency*

Introduction:

Investment is the employment of funds with the aim of getting return on it. The investment means the use of money in the hope of making more money. In general terms, Investment refers to the concept of deferred consumption, which involves purchasing an asset, giving a loan or keeping funds in a bank account with the aim of generating future returns. An understanding of the core concepts and a thorough analysis of the options can help an investor to create a portfolio that maximizes returns while minimizing risk exposure. Investments is imperative for accelerating economic growth and taking India to greater heights. In order to devise appropriate strategies for capital formation and economic growth, the financial planners should be well equipped with in-depth understanding of savings and investment decisions of individuals. IT sector plays a vital role in its contribution towards India's GDP. In Karnataka state Bengaluru is the Silicon City of

India gives employment to nearly 35% of IT professionals. Various investment options are available, offering differing risk-reward trade-offs for IT professionals.

Review of Literature:

Anju and Anuradha (2017) have conducted a study on saving and Investment Behaviour of Information Technology Professionals – An Empirical Analysis. For the study data was collected through questionnaire from 439 respondents and analysed the data by using Descriptive statistics, Normality test, Reliability test, Two-way ANOVA, Factor Analysis, Correlation and Multiple Linear Regression were the statistical tools and techniques applied. The software's used for analysis were IBM SPSS Statistics Version 23 and Microsoft Excel 2011. Quantitative approach, Deductive logical reasoning and Descriptive design are employed in this study. Judgement Sampling and Exponential Non-discriminative Snowball Sampling were applied to select the district Bengaluru and the IT professionals respectively. This study revealed that there is positive interaction between annual savings and expected rate of return on percentage of savings for investment, efficacious factors impact the preference of investment portfolio and aspects of investment planning influences the investment objectives.

Parambil et al. (2018) have conducted a study on Investment Behaviour of Professionals. The study attempts to examine investment preferences of professionals, various factors influencing on investment and satisfaction level of respondents. For the study primary data was collected by using Google Form from 100 respondents through questionnaire and analysed by statistical tools such as percentages, mean, mode and standard deviation, Correlation analysis, Freedman's test by using Statistical Package for Social Sciences (SPSS). From the study Bank deposits and government security is the most preferred investment avenue and Safety and confidence is most important goal in the selection of various investment alternatives.

Ramanujam (2018) has conducted a study on Does Investment Awareness have Effect on Decision Making among the Information Technology Professionals? The study attempts to understand the relationship between investment risk attitude and its determinants of the Information Technology professionals towards their investment behaviour and understand the relationship between investment decision-making and its determinants of the Information Technology professionals towards their investment behaviour. The primary data was collected from 468 IT professionals through multi-stage sampling method and Structural Equation Modelling was used. From the study investment behaviour with investment awareness, knowledge, choices, decision making and risk attitude factors are reliable and validity.

Arooran et al. (2019) have conducted study on Retail Investment Influencing and Decision-Making factors among Information Technology Professionals: Evidence from Tamil Nadu, India. This paper focuses on the investment preference and investment options of individual investor among information technology professionals in Tamil Nadu. The study attempts to know Investment influencing and decision-making factors of Information Technology Professionals in Tamil Nadu. The data collected from 600 respondents

from 10 different IT companies through stratified random sampling method and analysed by statistical tools such as ANOVA, Garret rank, factor analysis, inter correlation, path coefficient and regression analysis.

Selvaraj (2021) has made a study on Investment Behaviour among Information Technology Professionals in Tamilnadu. The study attempts to assess the investment behaviour and review the investment issues faced by data technology professionals. The study was descriptive in nature. The data collected from 559 respondents through questionnaire and analysed data by using chi-square test, t-test, ANOVA and Multiple multivariate analyses. From the study there is no association between level of investment behaviour and gender, age, graduation, designation, years of expertise, family size and monthly financial gain.

Statement of the Problem

Most of the people earning the income periodical but they do not aware how to use it. The problem of the investors is where to invest, how much to invest and how to take investment decision. Because, lack of awareness regarding various investment avenues available in the market. The investors have to pay more attention to characteristics of investment such as return, risk, safety, liquidity, tax benefit and so on. This study attempts to investment decisions taken by the information technology professionals.

Objectives of the study

1. To know the socio-economic status of IT Professionals.
2. To analyze the investment decisions of IT Professionals.

Formulation of Hypothesis

H_{O1}: There is no significant relationship between significant relationship between monthly income and investment decisions of investors.

H_{O2}: There is no significant relationship between significant relationship between monthly investment and investment decisions of investors.

Research Methodology

Research design:	The information was collected from Investors; a questionnaire was prepared for studying the investment decisions of IT Professionals.
Area of the study	The researcher has selected the Karnataka as a study area.
Population of the study	Total IT Professionals who are situated within the jurisdiction of Karnataka are the population for the study area.
Sampling Unit:	IT Professionals
Sampling Technique:	Snow-ball Sampling
Sample Size:	100 IT Professionals
Data Collection Plan	
Methods of data	Both primary and secondary data

collection	
Primary Data	The primary data was collected by the researcher through structured questionnaires using google form from IT Professionals who are working in IT Companies belonging to varied profile of different age group, varied income levels and different qualifications, etc.
Questionnaire Design	Structured Questionnaire using Google Form
Secondary Data	The secondary data was collected from text books, journals, magazines and websites.
Statistical techniques	Frequency analysis and chi-square test.

Table No.1 Demographic Profile of the IT Professionals

Demographic Factors	Category	Frequency	Percent
Gender	Male	62	62.0
	Female	38	38.0
	Total	**100**	**100.0**
Age	Below 30 years	51	51.0
	30 to 40 years	39	39.0
	40 to 50 years	9	9.0
	50 and above	1	1.0
	Total	**100**	**100.0**
Marital status	Married	45	45.0
	Unmarried	55	55.0
	Total	**100**	**100.0**
Family Structure	Joint	58	58.0
	Nuclear	41	41.0
	Extended	1	1.0
	Total	**100**	**100.0**
Family Size	1 to 2 members	5	5.0
	3 to 4 members	41	41.0
	5 to 6 members	36	36.0
	Above 6	18	18.0
	Total	**100**	**100.0**
Educational Qualification	Under Graduation	36	36.0
	Post-Graduation	60	60.0
	Other education	4	4.0

	Total	**100**	**100.0**
Years of Experience	Below 5 years	55	55.0
	5 to 10 years	35	35.0
	10 to 15 years	8	8.0
	More than 15 years	2	2.0
	Total	**100**	**100.0**

Source: Field Survey

The exceeding table 1 shows that out of 100 respondents; 62% of them belongs to male category, 51% of the respondents fall in the age group of Below 30 years, 55% of respondents are unmarried, 58% are in joint family structure, 41% of the family have 3 to 4 members, 60% of IT employees completed their post-graduation, 55% of respondents experience below 5 years.

Table No.2 Socio-Economic Status of the IT Professionals

Particulars	**Category**	**Frequency**	**Percent**
Monthly Income	Below 50000	49	49.0
	50000 to 100000	40	40.0
	Above 100000	11	11.0
	Total	**100**	**100.0**
Monthly Savings	Below 10000	49	49.0
	10000 to 20000	41	41.0
	Above 20000	10	10.0
	Total	**100**	**100.0**
Monthly Investment	Below 10000	57	57.0
	10000 to 20000	35	35.0
	Above 20000	8	8
	Total	**100**	**100.0**
Investment Experience	Below 5 years	68	68.0
	5 to 10 years	28	28.0
	10 to 15 years	2	2.0
	More than 15 years	2	2.0
	Total	**100**	**100.0**
Mode of Investment	Offline	14	14.0
	Online	10	10.0
	Both	76	76.0
	Total	**100**	**100.0**
How frequently do	Weekly	12	12.0

you invest?	Monthly	63	63.0
	Quarterly	13	13.0
	Half yearly	5	5.0
	Yearly	7	7.0
	Total	**100**	**100.0**

Source: Field Survey

From the above table socio-economic status states that 49% of respondents' monthly income is below 50000, 49% of respondents saves monthly below 10000 out of their monthly income, 57% of respondent's monthly investment is below 10000 from savings with 68% of respondent's investment experience is below 5 years and their mode of investment is both online and offline i.e., 76% and majority of them invested monthly i.e., 63%.

Table No. 3: Relationship between monthly income and investment decisions

Statements	Chi-square value	P- value	Remarks
1. Consideration of financial advisors	9.157	0.329	H_o
2. Past performance of investment avenues	13.264	0.103	H_o
3. Characteristics of investments	11.469	0.075	H_o
4. Past experience in investing	8.702	0.368	H_o
5. Capital appreciation	23.839	0.002	H_A

Source: Field Survey

The p value is much higher than the commonly accepted level of 0.05 in first four cases. So, we can accept the null hypothesis. The research hypothesis states that there is no significant relationship between monthly income and investment decisions of investors. The p value is less than the commonly accepted level of 0.05 in last case. So, we can reject the null hypothesis. The research hypothesis states that there is a significant relationship between monthly income and investment decisions of investors.

Table No. 4: Relationship between monthly investment and investment decisions

Statements	Chi-square value	P- value	Remarks
1. Consideration of financial advisors	9.058	0.337	H_o
2. Past performance of investment avenues	11.772	0.162	H_o
3. Characteristics of investments	3.052	0.802	H_o
4. Past experience in investing	5.282	0.727	H_o
5. Capital appreciation	22.501	0.004	H_A

Source: Field Survey

The p value is much higher than the commonly accepted level of 0.05 in first four cases. So, we can accept the null hypothesis. The research hypothesis states that there is no significant relationship between monthly investment and investment decisions of investors. The p value is less than the commonly accepted level of 0.05 in last case. So, we can reject the null hypothesis. The research hypothesis states that there is a significant relationship between monthly investment and investment decisions of investors.

Findings:

1. It is observed that majority of the investors (49%) monthly income is below 50000.
2. It is observed that majority of the investors (49%) saves below Rs.10000 from their income on monthly basis.
3. It is found that majority of the investors (57%) invested below Rs.10000 from their savings on monthly basis and their mode of investment (76%) is both online and offline.
4. From the study majority of the respondents (68%) investment experience is below 5 years.
5. It is to found that monthly income of the respondents is not influenced on investment decisions of investors.
6. It is to found that monthly investment of the respondents is not influenced on investment decisions of investors.

Suggestions:

1. Define clear short-term and long-term financial goals (e.g., buying a home, retirement, children's education) and align investment choices with these goals to ensure purpose-driven decision-making.
2. Spread investments across different asset classes (e.g., equities, mutual funds, real estate, fixed income, and gold) to minimize risks.
3. Use investment platforms, apps, and robo-advisors for research, portfolio tracking, and automated investments.
4. Follow financial news, attend webinars, and subscribe to trusted investment blogs.
5. Engage with certified financial planners for periodic portfolio reviews and strategic advice.

Conclusion:

IT professionals make diverse and goal-oriented investment decisions, leveraging their financial literacy and technological skills. This study describes the socio-economic and investment decisions of IT Professionals. IT Professionals are risk seeking investors invest their money in risky investment avenues. There is not significant relationship between IT employee's monthly income and their investment decisions and also the relationship between monthly investment of IT professionals and their investment decisions not significant.

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