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## UNDERSTANDING SAVINGS AND INVESTMENT PATTERNS OF SALARIED EMPLOYEES IN WAYANAD DISTRICT

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**Abstract:** The financial behavior of salaried employees plays a crucial role in shaping the economic landscape of any region. This study explores the savings and investment patterns of salaried employees in Wayanad District, focusing on the factors influencing their financial decisions, preferred investment avenues, and the relationship between demographic factors and financial behavior. The research is based on a comprehensive survey of 100 salaried individuals, analyzing their income levels, savings habits, investment preferences, and financial literacy. The findings reveal that income levels, financial literacy, family influence, and economic conditions significantly impact savings and investment decisions. Traditional investment options like fixed deposits and public provident funds remain popular, while modern investments such as mutual funds and cryptocurrencies are gaining traction, particularly among younger employees. The study underscores the need for financial literacy programs and customized investment products to enhance financial decision-making among salaried employees.

**Keywords:** Savings behavior, Investment patterns, financial literacy, Demographic factors, Wayanad District

### I. INTRODUCTION

The financial behavior of salaried employees plays a crucial role in shaping the economic landscape of any region. This study explores the savings and investment patterns of salaried employees in Wayanad District, focusing on the factors influencing their financial decisions, preferred investment avenues, and the relationship between demographic factors and financial behavior. The study is based on a comprehensive survey of 100 salaried individuals, analyzing their income levels, savings habits, investment preferences, and financial literacy.

### 2. Objectives of the Study

1. To understand the factors influencing the savings and investment decisions of salaried individuals.
2. To analyze the preferred savings and investment avenues among the salaried class employees.
3. To examine the relationship between demographic factors and savings and investment behavior.
4. To identify challenges faced by salaried employees in financial planning.
5. To recommend strategies for improving financial literacy and investment awareness.

### 3. Result and Discussion

#### 1. Factors Influencing Savings and Investment Decisions

The study reveals that several factors influence the savings and investment decisions of salaried employees in Wayanad District. Key factors include income levels, financial literacy, family responsibilities, and economic conditions.

- **Income Levels:** The survey shows that 42% of respondents earn between Rs. 20,001 and Rs. 40,000 per month, and 48% save only 0-10% of their income. Higher-income individuals (earning above Rs. 80,000) tend to save and invest more, with 12% of them saving 21-30% of their income.
- **Financial Literacy:** A significant finding is that 35% of respondents face difficulties in differentiating various investment avenues due to a lack of adequate skills. This highlights the need for financial literacy programs.

- **Family and Friends:** 70% of respondents rely on family and friends for investment decisions, indicating a strong influence of social networks.
- **Economic Conditions:** 59% of respondents state that their investment decisions depend on the economic scenario, including factors such as inflation, interest rates, and market volatility.

## 2. Preferred Savings and Investment Avenues

The study identifies the preferred savings and investment avenues among salaried employees in Wayanad District.

- **Traditional Investments:** Fixed deposits and recurring deposits are the most preferred investment options (45% of respondents). Public provident funds (PPF) and life insurance policies are also popular among older respondents.
- **Modern Investments:** There is a growing trend towards modern investment avenues. Mutual funds and systematic investment plans (SIPs) are gaining popularity, with 53% investing in the share market. Additionally, 78% of respondents consider bitcoin as a trending investment option.
- **Real Estate and Gold:** These remain important investment avenues, particularly for long-term goals such as children's education and marriage.

## 3. Relationship Between Demographic Factors and Financial Behavior

- **Age:** Younger respondents (20-30 years) prefer high-risk investments, while older respondents (above 40 years) prefer low-risk options such as fixed deposits and PPF.
- **Gender:** 68% of respondents are male, and 32% are female. Male respondents are more likely to invest in high-risk avenues, while female respondents prefer safer options.
- **Income Levels:** Higher-income individuals are more likely to invest in mutual funds and real estate, while lower-income individuals prioritize savings accounts and fixed deposits.

## 4. Findings

1. Most salaried employees allocate only a small portion of their income towards savings and investments.
2. Financial literacy levels are relatively low, leading to suboptimal investment choices.
3. The majority rely on informal sources such as family and friends for financial advice.
4. Traditional investment options such as fixed deposits remain dominant, but interest in modern investments is increasing.
5. Younger individuals prefer high-risk investments, while older individuals prioritize capital preservation.

## 5. Suggestions

1. **Financial Literacy Programs:** Institutions and policymakers should organize financial literacy programs to educate salaried employees on investment options.
2. **Diversified Investment Portfolios:** Employees should be encouraged to diversify their investment portfolios to balance risk and returns.
3. **Customized Investment Plans:** Financial institutions should introduce investment products tailored to different income levels and risk appetites.
4. **Awareness Campaigns on Market Trends:** Regular workshops should be conducted to keep employees updated on evolving investment trends.
5. **Encouraging Systematic Investment:** Promoting systematic investment plans (SIPs) and other disciplined saving mechanisms can help employees build wealth over time.

## 6. Scope for Future Research

1. **Comparative Analysis:** A comparison of savings and investment patterns in different districts of Kerala.
2. **Impact of Digital Investment Platforms:** Analyzing the role of digital platforms and fintech solutions in shaping investment behavior.

3. **Behavioral Finance Perspective:** Examining how psychological factors influence investment decisions.
4. **Gender-Based Financial Decision-Making:** Understanding the differences in investment behavior between men and women.
5. **Longitudinal Study:** Tracking changes in investment behavior over time in response to economic fluctuations.

## 7. Conclusion

The findings of this study highlight the importance of financial literacy, income levels, and demographic factors in shaping the savings and investment behavior of salaried employees in Wayanad District. The study underscores the need for targeted financial education programs and customized investment products. By addressing these factors, policymakers and financial institutions can empower salaried individuals to make informed financial decisions and achieve their long-term financial goals.

## 8. References

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