

A STUDY ON PREFERRED INVESTMENT AVENUES AMONG SALARIED PEOPLE IN RURAL HARYANA

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*Research Scholar (JRF), Haryana School of Business, Guru Jambheshwar University of Science & Technology, Hisar-125001, Haryana, India,***ABSTRACT**Article DOI URL: <https://doi.org/10.36713/epra3207>

This study analyzes the profile of the salaried class investors of the rural areas and their investment pattern and preference in Haryana. Primary data has been collected from 450 respondents through a questionnaire from salaried peoples of rural households in Haryana. The collected data is analyzed through the chi-square test, frequency, and percentage analysis. Respondents earn money from their government, private job, agriculture, and other income activity. The study discovered that 36.4 % of respondents earn household income from agriculture, 48.2 % earn from other sources of income and 20.2 % also get a pension. The result revealed that a maximum (68.2%) people prefer bank deposits as investment avenues for salaried class peoples and second to this is provident funds, industry, and business (1.8%), and tree plantation (1.8 %) are least preferred avenues of investment. Out of the total respondents, 92.7 % invest annually, only 7.3 % of rural salaried people do not invest in any kind of investment avenue. The chi-square result indicated that there is a significant relationship between annual income, age, education level, caste, gender, and investment made by the respondents.

KEYWORDS: *investment avenue, rural household, salaried people, frequency analysis.***1. INTRODUCTION**

Developing countries like India confront the massive job of finding adequate capital for their development efforts. These countries find it challenging to come out of the vicious circle-low revenue, low savings, low investment, and low employment, and poverty with more capital-output, high investment rate in India require a hike in its efforts to make further higher levels of development. Investment is termed as one of the critical contributing factors along with capital formation which is influenced by appropriate saving.

Salaried Investors

The respondents of this study involve only the persons those who are receiving their income as salary and belongs to rural Haryana, It is observed that the salaried people will always differ in their investment pattern due to security, safety, retirement benefit, regular income, and other unique features than the other occupational people like professionals and businessman.

Investment Options Available

There are lots of investment opportunities available for investors. Some of these are less risky while others are extremely risky and some of these are marketable while others are non-marketable. The people have to choose a suitable

avenue between these, depending upon their risk preference, return expectation, and specific needs. Investment avenues can generally classify under the following heads.

1. Bank deposits
2. Chits
3. Post office
4. Insurance
5. Public Provident funds
6. Gold and others
7. Land purchase
8. Land development
9. Building
10. Planting tree
11. Livestock breeding
12. Pump set
13. Industry and business

2. REVIEW OF LITERATURE

Krishnamoorthy (2008) evaluated the profile and awareness of salaried people, their satisfaction, and their attitude towards investment. The study concluded that all salaried people were aware of bank deposits, insurance schemes, PF schemes, gold, post office savings schemes, however only a few were aware of UTI.

Umamaheswari and Kumar (2013) investigated the investment pattern and socio-economic variables that affect the investment of the salaried and business people. The study revealed that the lack of awareness of investors about the investment and the socio-economic variables like gender, age, education, income, and occupation affects the attitude of investors.

Yeshaswini and Manasa (2020) evaluated the investment preference of salaried people in Bangalore. The questionnaire method was adopted and data collected through convenience sampling from 50 respondents. The study revealed that the employee favors investing in secure and safe investment avenues like bank deposits and post office saving deposits to meet their future requirements like health expenses, contingent expenses, children's education. Their decision gets affected by the liquidity feature and safety of certain investments.

Uma and K.S (2019) investigated factors impacting the investment of corporate investors and individuals. The study results may be of use to the financial institutions encouraging investment items to corporate investors and individuals.

The investigator suggests that investors have the ability to recognize the market as well as economic indicators then impact the inclusive performance of the share in the market. They have essentials to evaluate all the variables instead of a single variable.

R. Vinodha (2020) the study found that investment is made in various investment avenues with probable capital appreciation in the long term as well as short term. Professionals, salaried people, maximum of the educated people self-employed, private /government, retired people and salaried people prefer secure investment avenues. The study found the various demographic factors like gender, age, occupation, income have a major influence on investment decisions.

C. and Dr. M. (2019) the study investigated the preference of investment avenues among the individual investors using a self-assessment test. The primary data has been analyzed using the chi-square test and percentage with the help of SPSS statistic software. There are various investment opportunities available today. this paper examined how salaried peoples dealing with their investments. Generally, the researchers have focused their research work on the price forecasts of the share market with the help of Neural Networks.

Ashly and Dr. M. Prakash (2014). the study analyses the awareness among individuals investors about a large number of investment avenues. The primary data has been collected by using a structured questionnaire. Numerous people are not ready to bear the risk for investment, therefore several people favor investing in insurances, post office savings, bank deposits, etc and most are not conscious about share market, equity, etc.

Deepak and Dr. Navdeep (2015) examined the association between the investments and savings patterns among the salaried people of Chandigarh. The primary data has been collected through a structured questionnaire from 200 working peoples. the study revealed that there is a relationship between savings and income, age, education level, sector-wise employment. Data has been analyzed through One Way ANOVA. The result of this study found that the most favored investment avenues are bank deposits and LIC. Tax benefits, high returns, and safety are factors influencing investment decisions. Most of the respondents are saving their money

for adult offspring's marriage, education, and other requirements of life and this is optimistic chances to increase the investment and saving habits of the respondents.

Ankurita and Dr. Sunita (2019) investigated the investment behavior and patterns of individual investors in Haryana and Punjab. A large number of investment options are available for a short or long term like bank a/c, government security, saving a/c, public deposits funds, real estate, mutual funds, gold/silver, hedge funds, equity share market, etc. Numerous factors influence investor's behavior for example tax savings, the safety of principal amount, return, progressive amount, and other factors like family, expert opinion and friends, and purposes of savings, etc. The primary data has been collected from 500 respondents in Haryana & Punjab and divided into 250 in both states. An independent T-test is used to analyze the data. The study found that there is no significant difference between the investment behavior and patterns of respondents in the study area.

R. Vinodha (2020) study found that investment made in various investment options with expected some positive gain in long term and short term periods. Furthermost the self-employed, professionals, educated people, salaried people, and retired people favor the safe zone of investment avenues. The numerous factor like gender, age, occupation, income has the main influence on investor's investment decision.

Neha *et.al* (2019) investigated the various investment avenues available to household investors in Solan town of Himachal Pradesh, the factors influencing investment decision making, significant gender differences, and awareness level of the household investors. The study found that most of the males involved in high-risk investment avenues, while females involved in traditional investment options like gold and silver. The male investors are preferred to real-estate and the female are interested in fixed deposits in the bank. Male respondents have favored income and growth factors of investment while female respondents are preferred for longterm growth and safety component.

3. OBJECTIVES

- To analyze the profile of the salaried class investors in the rural household of Haryana.
- To study the investment pattern and preference among salaried class people in the rural area of Haryana.

4. HYPOTHESIS

The study also has tested the following hypothesis –

- There is no significant association between annual income and investment made by the respondents.
- There is no significant association between age, education level, caste, gender and investment made by the respondents

5. RESEARCH METHODOLOGY

The study is based on primary data. Primary data have been collected from 450 respondents through a questionnaire from salaried peoples of rural households in Haryana. Simple random sampling techniques are used to select the respondent from the available database. To analyze the collected data, the frequency and percentage analysis and the chi-square test are used.

6. ANALYSIS OF INVESTMENT PREFERENCE

Profile of salaried class people

The study examined the data collected from a survey on the investment behavior of salaried people in the rural area of Haryana. The results are represented in the following table –

Table 1 Data on Personal Factors of the Investors

Personal Factors	Sub Factors	Frequency	Percent (%)
Gender	Male	309	68.7
	Female	141	31.3
Caste	GEN	210	46.7
	SC	54	12.0
	BC	149	33.1
	OBC	37	8.2
Education Level	Up to 8th	51	11.3
	Metric And Secondary	140	31.1
	Graduate	160	35.6
	Post Graduate	97	21.6
	Any Others	2	.4
Size of family	1-3	17	3.8
	4-6	332	73.8
	7-9	57	12.7
	More than 9	44	9.8
Respondents age	Under 25 Years	102	22.7
	25-35 Years	136	30.2
	35-45 Years	61	13.6
	45-55 Years	76	16.9
	55 Year and Above	75	16.7
Marital status	Single	92	20.4
	Married	358	79.6
Earning members	1	152	33.8
	2	157	34.9
	3	77	17.1
	More	64	14.2
Household Income	Agriculture Income	164	36.4
	Wage Income	26	5.8
	Salary Income	450	100.0
	Business Income	28	6.2
	Pension	91	20.2
	Other Source Income	217	48.2

(Source - Researcher calculated)

In rural areas, people earn from their government, private jobs, agriculture, wage, pension, and other income activity.

From the percentage analysis, it is revealed that 68.7 % of the respondents are male and 31.3% are female that is shown in table 1. Out of 450 respondents, 46.7 % of salaried people belong to the general castes and 33.1% belong to backward castes. Most of the respondents (salaried people) in the rural areas who have their Education level up to Graduates are 35.6%. Metric and secondary are 31.1 % of all respondents. The family size of salaried people is 4-6 members usually (73.8%). 30.2 % of respondents are of the age group lies between 25-35 years in the studied area and 22.7 % are of age groups under 25. Most of the respondents are married which is 79.6 % and only 20.4 % are unmarried.

34.9 % of respondents have two earning members in their family and 33.8% have one single earning member.

36.4 % of respondents earned household income from agriculture, 48.2 % earn from other sources of income and 20.2 % also get a pension.

Table 2 shows that bank deposit is the first preference for investment avenues for salaried class peoples. 68.2% of the respondents decide to invest in bank deposits in the rural area. 59.1 % and 47.3 % of salaried people invest their income into provident funds and insurance respectively. 16.4% of people invest in gold and other items. 13.8% of respondent's investment purpose is for livestock (cattle etc.) and 10.7% of respondents like to invest their income into land development. Industry and business (1.8%) and tree plantation (1.8 %) are lest preferred avenues.

Table 2 Investment Preference Nature of Salaried People

Investment avenues	Frequency	Percent (%)
Bank Deposits	307	68.2
Chits	61	13.6
Post Office	45	10.0
Insurance	213	47.3
Public Provident Funds	266	59.1
Gold and Others	74	16.4
Land Purchase	9	2.0
land Development	48	10.7
Building	26	5.8
Plating Tree	8	1.8
Livestock (Cattle etc.)	62	13.8
Pump Set	14	3.1
Industry and Business	8	1.8

(Source - Researcher calculated)

Table 3 Investment Pattern of Salaried People

Investment	Frequency	Percent
Up to 20000	40	8.9
20000- 50000	93	20.7
50000-100000	139	30.9
100000-150000	54	12
Above 150000	91	20.2
Total	417	92.7

Table 3 presents the investment pattern of salaried people in the rural area. Out of total respondents, 92.7 % invest annually in various investment avenues only 7.3 % of rural salaried people choose not to invest. it can be seen that 30.9 % of respondent's investments lies between 1 50000- 1 100000 per annum and 20.7 % of respondent investment are 1 20000- 1 50000 per annum. Whereas investment up to 1 20000 per annum is only invested by 8.9% of respondents

7. TESTING OF HYPOTHESIS

There is no significant association between the annual income of respondents and investment made by them. There is no significant association between age of respondents, education level, caste, gender and investment made by the respondents

Table no. 4 Test Statistics

	Chi-Square Tests	df	P-Value
Income and Investment	258.442 ^a	16	.000
Age and Investment	77.73	16	.000
Education Level and Investment	135.314 ^a	16	.000
Cast and Investment	75.117 ^a	12	.000
Gender and Investment	10.933	4	0.027

Table no 4 indicates that the result of the Pearson Chi-Square test and the p-value is less than our chosen significant level ($p < 0.05$). Hence there is a significant association between the annual income of respondents and investment made by them and the study also revealed a significant association in demographic factors like age, education level, cast, gender of respondent, and investment. The study concluded that H_0 is rejected. Hence there is a significant relationship between annual Income, age, education level, cast, gender, and investment made by the respondents.

8. CONCLUSION

This study analyzes the profile of the salaried class investors, their investment patterns, and preference of the rural area in Haryana. To achieve this objective primary data have been collected from 450 respondents through a questionnaire from salaried people of rural households in Haryana. Simple random sampling technique is used to collect responses from the area. To analyze the collected data the chi-square test, frequency, and percentage analysis are used. The result of the study revealed that 68.7 % of the respondents are male and 31.3% are female. This shows that our society is

a male dominating society. Out of 450 respondents, 46.7 % of salaried people belong to the general caste and 33.1% belong to backward castes. Most of the respondents (salaried people) in the rural area have their Education level up to Graduates that is 35.6%. Those who have their education level up to metric and secondary are 31.1 % of respondents. This indicates that people in the studied area lacks in higher education. The family size of salaried people is 4-6 members usually (73.8%). 30.2 % of the respondent's age group lies between 25-35 years and 22.7 % of age groups are under 25years. Most of the respondents are married which is 79.6 % and only 20.4 % are unmarried. 34.9 % of respondents have two earning members in their family and 33.8% have only one earning member.

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Out of the total respondents, 92.7 % invest annually in various investment avenues. only 7.3 % of rural salaried people do not invest at all. It can be observed that 30.9 % of respondent's investment lies between ¹ 50000- ¹ 100000 per annum

The results of the chi-square observed that investment and income are dependent on each other, while the age of respondent, gender, caste, and education level of respondents have a significant association with the investment made by the respondents

9. SUGGESTION

People should increase the habit of investment and savings patterns.

Rural people should minimize their expenditure in the best possible ways and also identify minimum risk with topmost return schemes.

The Government should organize programs of investment awareness in colleges and schools, also introduce investment options mainly for the students

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