

Analysing Investment Behaviour of Salaried Individuals in Jaipur: An Empirical Approach

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Abstract

Background: Investment is an activity that involves almost all individuals and reflects their financial knowledge, skills, preferences, and objectives. For salaried individuals, investment decisions take on added importance as they often include retirement planning alongside other financial goals (Chaturvedi, 2025; Miranda, 2023). In today's dynamic global economy, a wide range of investment avenues are available such as equity, debt, gold, provident funds, real estate, and post office savings schemes. Salaried individuals typically invest in multiple channels to meet various objectives over time. Recent studies emphasize that factors influencing investment decisions among salaried employees include demographic aspects, financial literacy, risk tolerance, and psychological biases (Miranda, 2023). Furthermore, employee satisfaction with their investments is closely linked to how well these align with their financial goals.

Objectives: This research aims to examine the determinants affecting investment choices of salaried individuals and assess their satisfaction levels in relation to their objectives.

Methods: This research paper considers Jaipur city as the population for the study, including salaried individuals employed in both the public and private sectors. Data analysis was performed using the statistical software SPSS version 22.0, employing various statistical tests. Specifically, Spearman's rho correlation, and multiple linear regression was used to test the hypotheses.

Results: The study concluded that the most of the salaried individuals financial information is one of the key factors which affects the return on investment to a great extent and most of the respondents does depend on their financial information while deciding about the returns from the various investment avenues available in the market. A part from these information possessed by the salaried individuals the peer pressure and the mode of investment i.e. online and offline does play a role in the investment pattern.

Conclusions: The study concludes that financial information significantly influences the return on investment for most salaried individuals. The majority of respondents rely heavily on their financial knowledge when evaluating potential returns from various investment options available in the market. Besides the information they possess, factors such as peer pressure and the mode of investment—whether online or offline—also affect their investment behavior and preferences.

Keywords: *Investment Behaviour, Salaried Individuals, Financial Knowledge, Financial Literacy, Risk Tolerance.*

1. Introduction

Over the past decade the saving and investment has become of much more importance to all the individuals especially the salaried individuals because of the ever-changing market situations and the dynamic economy. As we all know it is the important part and parcel of life now. The investment preference towards any avenue available in the market shows the financial literacy and the financial objective behind it. Not only does the financial skills and knowledge is reflected by it but there are many of the demographic factors as well which affects the same such as income level, number of dependents and the earning member in the family, family's investment pattern over the past.

As India has the most of the working population of the new generation. So, this has also led to the change in the investment pattern which has been very evident in the market pattern. New generation has not only led to the change in the pattern but availability of the many new investment avenues has been responsible for the same as well. The shift in graph towards the new investment avenues available in the market rather than the traditional ones like fixed deposit has been still positive. The investment pattern has not only been changing because of such conditions but also have the effect of risk appetite and the peer pressure shared by many salaried individuals.

All the salaried individuals having low, medium or high income level becomes an investor as soon as they think of parking their surplus savings in some of the investment avenues to earn some income over and above the investment fund available and present in the market. Now here comes the role of the various On such basis the salaried individual's level of financial literacy, their preference towards the avenues present, their investment objective can be explained under different categories as the (i) one who does not have much of investment knowledge and still depends on the traditional type of investing (ii) one who has investment knowledge but the level is still low (iii) one who has good knowledge but find different investment avenues available in the market difficult to understand to make very aggressive investment in them (iv) one who is possess very good knowledge of various investment avenues available in the market and find it comfortable to invest in the same avenues available.

1.1 Presence of New Investment Avenues Available in the Market

These days the investment avenues available in the market are much more accessible to the investors than ever in the past. The factors like deregulation and liberalization of financial products, modernisation and development of information and telecommunications etc. have made available the tailored products for the consumers. This has resulted in having a broad panel of alternatives to safely park their savings. The deep understanding is desired on part of the salaried individuals to make best of the use of the available new innovative products to trade-off between risk and return associated with the innovations have been ever increasing. To introduce such avenues and to them comfortable many of the organisations have started talking to their employees and have started conducting workshops and seminars to make them much more efficient while making their investment decisions.

1.2 Attractiveness of the Avenues Available in the Market

As a result of Industrial policy 1991, many structural changes in the financial markets have been made in India resulting in LPG i.e. liberalisation, privatisation and globalisation. It made the domestic markets open to the many domestic investors and foreign investors to increase inflow of savings and investments to enhance economic growth rate and to achieve their investment objective. With such less of barriers and more of promising investment policies lot of foreign investors entered the Indian financial markets with newer financial products. On entry, these companies started providing customised and generalised investment solutions. But the salaried individuals who did not possess fair share of investment knowledge about the different investment avenues available in the market. As a result they still depend on the traditional investment avenues and are not able to gain as per their expectations and loose the trust in the modern investment avenues as a whole and continued with old ways of saving their funds. Thus many of the salaried individuals are not able to derive benefit out of the new avenues offered in the market

1.3 Investment in Modernised Way

These days with the advancement of technology every aspect of the saving and investment avenues available in the market has changed from parking of funds to the final gain and delivery. With the introduction of E-Commerce and with the expansion of the internet as the today's means of communication has helped and enabled many of the financial companies

and institutions to make their avenues available online and shift the pattern of investment from offline to online. The technology breakthrough has helped the investors in acquiring greater information without geographical barrier and without any waste of time. But to utilise the best of the benefits the investor needs to have good financial knowledge and must have been introduced to the avenues available.

1.5 Financial Markets and Investment

Financial markets are the backbone of any economic system around the globe and aids in the allocation of share capital across the productive sectors of the economy. This allocation of resources helps to sustain healthy climate for savings and investment. The financial system has to be more dynamic than the real system as it has to continuously respond to the needs of the economy to help it to achieve its goals. In the modern financial system there are so many investment avenues to choose from today in financial market and it has become difficult for anyone to decide about these avenues. The decision of parking funds in any of these available avenues in the market depends not only on the risk appetite but also depends on the demographic profile, investment objective, peer pressure. Some of these investment avenues offer attractive returns but with high risks and some offer lower returns with very low risks.

2. RESEARCH PROBLEM

Individuals primarily work to earn an income, which enables them to fulfill their present needs and secure a stable and comfortable future. While the basic objective of earning income is to meet consumption requirements, income also plays a significant role in broader financial and socio-economic contexts. For salaried individuals, the aspiration often extends beyond meeting immediate expenditure, encompassing the desire to accumulate surpluses for the future. However, the mere existence of a surplus does not necessarily translate into savings. Research highlights that the willingness to save is more critical than the absolute capacity to save (Katona, 1975).

Savings, while providing financial security, generally yield limited returns unless invested in more productive avenues. In developing economies like India, mobilizing household savings across all segments is crucial for supporting national capital formation (RBI, 2020). Unlike business owners, whose savings are uncertain due to the volatility of business conditions, salaried individuals typically have a stable and predictable income stream, occasionally supplemented by secondary income sources (Sundaresan, 2009). Their preferences often lean towards investment options that provide assured returns and regular income, aligning with long-term goals such as retirement planning, children's education, or housing (Chaturvedi & Khare, 2012).

Empirical studies at the micro level reaffirm the significant role of salaried class investors in channeling funds into the industrial and financial sectors (Singh & Yadav, 2016). Nevertheless, the extent of such investments could be enhanced if the financial system offered more attractive, secure, and accessible investment avenues. Considering the high potential for savings among salaried employees, this study seeks to examine their investment behavior and evaluate their satisfaction with various investment options available in the market.

3 REVIEW OF LITERATURE

Few studies shown preference for traditional savings and investment avenues like fixed deposits, bank savings accounts, recurring deposits, and gold. This is especially among lower and middle-income salaried groups in India. However, higher-income salaried individuals are more likely to diversify, investing in equity mutual funds, stocks, and real estate, driven by greater risk tolerance and higher financial awareness (Jacob 2024; Chaturvedi 2025).

Charkha, Sanket & Lanjekar, Jagdeesh. (2018) have revealed in their study "A Study Of Saving And Investment Pattern Of Salaried Class People With Special Reference To Pune City (India)", that to understand the saving and investment pattern of salaried individuals it is of much importance to understand their behaviour towards these financial products available in the market. The result of the study highlighted that the salaried individuals in pune gives much importance to the risk associated with various saving and investment products available and their appetite in the same regard. It was concluded that both risk and return plays an important role in the saving and investment pattern of the salaried individuals of the Pune city.

Sangeeta Gupta (2017) have revealed in their study "To Study The Financial Literacy And Investment Behaviour Of Salaried Class Individuals Of Delhi", that to understand the investment behaviour of the salaried individuals it is very much importance to know the financial literacy level of the individuals. The financial literacy is most driving force for understanding the pattern

of investment of salaried class individual. The results of the study highlighted that the majority of the salaried class individual were falling under the low financial knowledge category, which in turn needs some steps to be taken to enhance the knowledge of the individuals about the financial market and the investment avenues available in the market.

Devi (2015) has revealed in their study “Investment Preference of Individual-A Review of Literature” that all investor are different from each other in lieu of various demographic factors. The focus of the government should be to design some policies to motivate individuals to invest more of their surplus money or savings which they usually keep with themselves at home or in banks as savings for the uncertain and unseen future needs.

Sathiyamoorthy, C., & Krishnamurthy, K. (2015) “Investment Pattern And Awareness Of Salaried Class Investors In Tiruvannamalai District Of Tamil Nadu” this study tries to talks about the various traditional investment avenues like bank deposits which still remain the most popular and secured type of investment avenue available in the market for the various households and the main aim of these type investments is to use the funds for the children’s marriage, education or even for the sake of financial security after retirement.

4. RESEARCH OBJECTIVE

The objective of this research paper is to study the saving and investment pattern of salaried individual and level of satisfaction towards various investment avenues available in the market among the salaried individuals working in different government offices in Jaipur City.

O1: To assess the relationship between factors influencing saving and investment decisions and saving & investment pattern of salaried individuals.

O2: To study the impact of various investment objectives on the level of satisfaction derived by salaried individuals.

5. HYPOTHESIS OF THE STUDY

H0: There is no significant relationship between various factors affecting saving & investment pattern of salaried individuals.

H0: There is no significant impact of the various investments objectives on the level of satisfaction derived by salaried Individuals.

6. RESEARCH METHODOLOGY

In this research paper the Jaipur study was considered as the population of the study. Both working in public and private sector were considered for the study. The primary data was collected through questionnaire. Utmost care was taken during framing the questionnaire to get the most useful and most efficient information out of the sample regarding the population. To get the sample out of population the Morgan formula was used for the used for the infinite population and the sample was drawn out to be 384. To get the 384 salaried individuals as respondents the snow ball sampling technique was used and 400 questionnaire were circulated out of which 391 were received back and were used for the study and to gain the insights of the research area taken for the study, various secondary sources of data collection was used such as books, research journals, magazines, newspapers, web sites, online published reports national or international etc. The data was analysed using the statistical tool SPSS 22.0, various statistical test were used for the study. The Hypothesis 1 was tested by Spearman's rho Correlation and Hypothesis 2 was tested by Multiple Linear Regression . Both the Hypotheses were test at 5% significance level.

6. DATA ANALYSIS

The data collected through the salaried individuals as respondents was analysed and was used to examine the research objectives and hypothesis.

Objective 1: To assess the relationship between factors influencing saving and investment decisions and saving & investment pattern of salaried individuals.

H0: There is no significant relationship between various factors affecting saving & investment pattern of salaried individuals.

Spearman's rho Correlations							
Factors	Spearman's rho	Financial Information	Null Hypothesis Accepted/Rejected	Company Information	Null Hypothesis Accepted/Rejected	General Information	Null Hypothesis Accepted/Rejected
Investment Avenues	R value	.240		.300		.165	
	P value	.000	Rejected	.000	Rejected	.001	Rejected
	N	391		391		391	
Risk in Investment	R value	-.417		-.333		-.361	
	P value	.000	Rejected	.000	Rejected	.000	Rejected
	N	391		391		391	
Return in Investment	R value	.004		-.211		-.132	
	P value	.933	Accepted	.000	Rejected	.009	Rejected
	N	391		391		391	
Investment Objectives	R value	.492		.392		.310	
	P value	.000	Rejected	.000	Rejected	.000	Rejected
	N	391		391		391	

Source: Processing of Primary Data in SPSS

From the above table it is clear that investment avenue has a positive correlation with financial information, company information and general information as the p value is less than 0.05. Risk in investment has a statistical significant correlation with financial information, company information and general information but the correlation here is negative as the value of r is negative which further indicates that with increase in risk these information also increases. Return in investment is not statistically correlated with financial information as the p value is more than 0.05. In this it was further concluded that return in investment is statistically correlated with company information and general information but these are negatively correlated as the value of r is negative. It can be concluded that the investment objective has statistical significant correlation (positive) with company information, financial information and general information.

Objective 2: To study the impact of various investment objectives on the level of satisfaction derived by salaried individuals.
H0: There is no significant impact of the various investments objectives on the level of satisfaction derived by salaried Individuals.

Model Summary b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.747	.558	.548	.51833

Source: Processing of Primary Data in SPSS

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	129.400	9	14.378	53.514	.000
Residual	102.364	381	.269		
Total	231.763	390			

Source: Processing of Primary Data in SPSS

Coefficients									
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	.651	.202		3.223	.001	.254	1.048		
Regular Income	.098	.038	.136	2.577	.010	.023	.174	.418	2.390
Capital Appericiation	.138	.037	.173	3.708	.000	.065	.211	.535	1.870
Profits	.385	.049	.474	7.890	.000	.289	.481	.321	3.114
Safety	.300	.062	.262	4.839	.000	.178	.422	.394	2.536
Hedge	.054	.076	.049	.708	.480	-.096	.204	.243	4.110
Tax Benefits	.280	.048	.284	5.785	.000	.185	.375	.481	2.079
Diversification	.055	.032	.085	1.734	.084	-.007	.117	.477	2.097
Right Bonus	.055	.036	.088	1.528	.127	-.016	.126	.346	2.892
Liquidity	.200	.039	.343	5.135	.000	.123	.277	.260	3.844

Source: Processing of Primary Data in SPSS

From the above tables we know that the value of R² is .558 which means that various investment avenues available in the market explain 55.8% variability through this model on the overall satisfaction derived by the salaried individuals. Furthermore as we got the significance value as .000 in the ANOVA model which explains that the above model is fit for regression. From the third table we can conclude that the unstandardized coefficients tells us, that how much the dependent variable differ from the independent variable used in the study when all of the other independent variables are constant. It can be further concluded from the above table that the significance value of regular income, capital appreciation, profits, safety, tax benefits is less than 0.05 which shows that the null hypothesis (H₀) is rejected and alternate hypothesis (H_a) is accepted. But in some cases like hedge, diversification and right bonus the sig value is more than 0.05 that means that null hypothesis will be accepted for the above model.

7. CONCLUSION

From the above study it can be concluded that the most of the salaried individuals financial information is one of the key factors which affects the return on investment to a great extent and most of the respondents does depend on their financial information while deciding about the returns from the various investment avenues available in the market. A part from these information possessed by the salaried individuals the peer pressure and the mode of investment i.e. online and offline does play a role in the investment pattern. As stated above and carried out by the objective of the study satisfaction is one thing which is most important to the investor and in case of investment objective like hedging of funds, right bound and diversification of the investment portfolio the satisfaction does not play a much role because while going for these objectives for doing the investment the investor is looking at a bigger picture than the just safety of funds and regular income.

8. RECOMMENDATIONS

In the end to conclude the study the various suggestion can be made for the industry and for the further research is that various workshops, seminars should be organised by the employer to upgrade the financial and investment knowledge of its employees. Various financial companies bringing out these investment avenues for the investors can also collaborate with

various organisations and educate their employees regarding the mode of investment and about various platforms which can in turn help the salaried individuals to widen their portfolio and the tax benefits as well from the new generation investment avenues available.

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