

Review paper on Saving and Investment Preference of Middle Income Group in Indore

First Author;

Saloni Malviya
Research scholar
(Department of commerce)
MEDI-CAPS University, Indore

Second Author;

Dr. Anupama Pardeshi
Assistant Professor
(Department of management and commerce)
MEDI-CAPS University, Indore

ABSTRACT

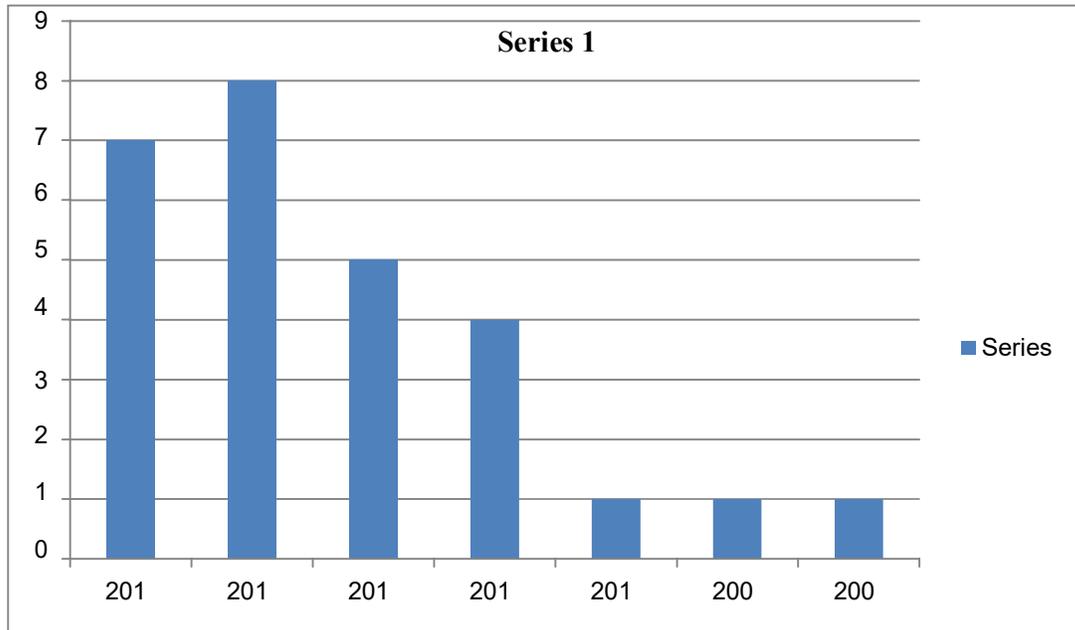
Investment is one of the primary concerns of every middle income investor because their small savings of today are to meet the expenses of tomorrow. The paper attempts to analyse the investment pattern, saving objective and preferences of middle income investors for various investment options available in India. For the purpose of the study, various statistical methods have been employed. The result presents that, objective to saving is mainly influenced by demographic factors like age, occupation and the income level of investors.

Keywords: Saving, Investment, middle income, preference, pattern

INTRODUCTION

Investors in today's scenario are mostly driven by the lucrative returns of the various investing avenues and the attractiveness that it holds besides the basic aim of the investor to invest. It is of great significance to understand what an investor perceive, think and do so that the avenue can be accepted as per their investing need and it helps as well to establish a much needed return in the future as per the goals of the investors. An investor shows positive attitude for the avenues whose return are closer to the investor's goals.

Review of Literature



Geographical Area Covered in the review:

National Journals	International Journals
24	03

(Devi, 2015) Every investor differs from one other in various aspects demographic factors the govt. should also design some policy to create people invest their money which is being kept with themselves at home.

(M.V.Subha, 2015) The study indicates that individual possess a comparatively good level of basic financial knowledge but there is a requirement to extent their knowledge as far as markets and returns are concerned.

(C.Sathiyamoorthy & K.Krishnamurthy, 2015)The study reveals that the deposits in banks still remains the foremost preferred investment outlay of the households & primary purpose of investment is for child education, marriage and security after retirement.

(P.Sasirekha & U.Jerinabi, 2015) Nowadays new age financial products are available, to know about the products, the individuals must have awareness on investment which affects the general portfolio selection further.

(Sood & Kaur, 2015) It had been propounded that the foremost preferred investment options are LIC and deposits in banks and most of the factors affecting investment choice were tax benefit, high returns and safety.

(Cvrlje, 2015)To change the angle and rather than simply pushing citizen for his/her noncompliance government should try and provide them an incentive and motivate them to actively participate in taxation arena.

(Shivakumar & Thimmaiah, 2015) Majority of the respondents said risk coverage & children education beause the major objective of their saving & investment

(Kothari, 2014)It was found that younger people are more inquisitive about investment in comparison to elder and time of life people and the different cohort have different perception towards investment.

(Bhushan, 2014) The high financial literacy groups have higher awareness level for all financial products apart from post office savings.

(P, 2014) The investors are less satisfied about their investment in marketable securities. 64% of respondent’s satisfaction is poor towards investment.

(Bhushan, 2014) Respondents are quite privy to traditional and safe financial products whereas awareness level of recent age financial products is low. Most of the respondents still invest their money in traditional avenues.

(Jagongo & Mutswenje, 2014) Results of factors analysis revealed that the foremost important factors were firm position & performance, investment return & status, diversification & third party opinion.

(Subha & Priya, 2014) The study reveal that non-public financial skills & knowledge are acquired mostly through trial & error.

(Goyal & Sharma, 2014) Investors have sufficient knowledge about various investment avenues as bank deposits, assets but aren't privy to exchange, equity, bonds.

(Patil & Nandawar, 2014) The study concluded that investors are aware of investment avenues available in India but still investors are preferred to take a position in bank deposits, real estate, metals (gold, silver).

(Bhushan & Medury, 2013) Average level of satisfaction is appeared for mutual funds and market investments. Gender differences in satisfaction level are significant for mutual funds.

(Bashir, Javed, Butt, Azam, Tanveer, & Ansar, 2013) The gist show that every one variable are somewhat affecting the choice making behavior of investors. Most influencing variables were accounting information, firm's image, personal financial needs.

(Bhushan & Medury, 2013) It had been concluded that financial awareness gets influenced by gender, education, income, nature of employment whereas it doesn't get tormented by age and geographic area.

(Virani, 2013) They avoid hard cash on heavy luxurious lifestyle and preferring the conventional living standards. Most of the teachers are saving their money for children's education, marriage.

(Bhushan & Medury, 2013) The study concluded that the overall tax literacy 57.08% among respondents is'nt encouraging. This shows that folks are still not much aware of their personal taxation issues.

(Samudra & Burghate, 2012) It can be summarized that the bank deposits remain the foremost popular instrument of investment followed by insurance with most of respondents investing in constant income bearing options.

(L.Pandiyan & T.Aranganathan, 2012) Favorable climate is to be assured by the govt. to supply investment climate guaranteeing acquisition maintainance & liquidation of assets.

(P.Patel & Y.Patel, 2012) Saving tax is one in everyof the foremost reasons behind investment by youth. Mutual fund is the most favored option of the young minds today.

(Achar, 2012) The determinants of saving and investment behavior of teachers are Per Month family income, particular stage of family life cycle and upbringing status.

(Chakraborty & Digal, 2011) The result shows that objective to saving is significantly influence by demographic factors like age, occupation and the income level of investors. It had been found female investors tend to avoid wasting in a disciplined way than male investors.

(Bairagi & Rastogi, 2008) There's an explosion within the growth of middle class families because of double income and increase in number of working women hence effort should be made to draw in women investors by supplying right knowledge of the market through advertisement.

(Ranganathan, 2006) The feasibility of more saving avenues with various risk-return combination would create the investors more alert and choosy. Running a successful MF requires complete understanding of the peculiarities of the Indian Securities market and also the psyche of the tiny investors.

Table: Reviewed Papers/Articles

Author Name	Title	Study Objective/Study Description	Country/ Geographical Area covered	Sample Size/ Data Analysis Method	Findings/ Conclusions
Devi, S. (2015)	Investment Preference of Individual- A Review of Literature	The aim of this study is to see the preference of investors towards various investment avenues and to study the various papers related to it.	India	Conceptual framework model	Every investor differs from one other in various aspects demographic factors the govt. should also design some policy to create people invest their money which is being kept with

					themselves at home
Subha, M.V. (2015)	A Study On The Influence Of Financial Literacy On Individual Savings Behavior	The objective of the study is to the relationship between financial literacy and saving.	India	175 respondents convenience random sampling	The study indicates that individual possess a comparatively good level of basic financial knowledge but there's a requirement to extend their knowledge as far as markets and returns are concerned.
Sathiyamoorthy, C., Krishnamurthy, K. (2015).	Investment Pattern and Awareness of Salaried Class Investors In Tiruvanna malai District of Tamil Nadu	The objective of this study id to understand and ascertain the investment pattern and factors motivated to investment preference and portfolio towards salaried class investors.	Tiruvannamalai (Tamil Nadu)	960 respondents ,Stratified Random sampling Method, one way ANOVA	The study reveals that deposits with bank still remains the foremost preferred investment outlay of the households & primary purpose of investment is for child education, marriage and security after retirement
Sasirekha, P., Jerinabi, U. (2015)	Level of Awareness on Investment with Reference to Professionals of Information Technology Sector	The aim of the study is to find out the level of awareness on investments of the profession in information technology sector.	Coimbatore city (India)	482 respondents Random Sampling Chi-Square test	nowadays new age financial products are available, to know about the products, the individuals must have awareness on investment which affects the general portfolio selection further
Sood, D., Kaur, N. (2015).	A Study Of Saving And Investment Pattern Of Salaried Class People With Special Reference To Chandigarh (INDIA)	The objective of the study was to determine the relationship between the savings and investments pattern among the salaried class people of chandigarh.	Chandigarh	200 Respondents, one way ANOVA	It had been propounded that the formost preferred investment options are LIC and deposits in banks and most of the factors affecting investment decisions were tax benefit, high returns a safety.

Shivakumar., Thimmaiah, N. (2015)	Savings And Investment Behavior Of School Teachers-A Study With Reference To Mysore City, Karnataka	The objective of the study is to study and analyze the saving and investment pattern of school teachers at mysore city.	Mysore (India)	100 respondents convenience random sampling Chi-square test	Majority of the respondents said risk coverage & children education because the major objective of their saving & investment.
Kothari, H. (2014).	Investors Behaviour Towards Investment Avenue: A Study with Reference To Indore City	The aim of this paper is to study the preferred investor's behavior towards investment avenue in indore city and to study the difference of opinion of age on investor's behavior while selection.	Indore (India)	100 respondents, convenient, judgmental sampling, Mean & S.D.	It was found that younger people are more inquisitive about investment in comparison to elder and time of life age people and the different cohort have different perception towards investment.
Bhushan, P. (2014).	Relationship between Financial Literacy and Investment Behavior of Salaried Individuals	To examine the relationship between financial literacy and awareness regarding financial products of salaried individual.	Himachal Pradesh (India)	516 respondents. Statistical package SPSS 16.0	The high financial literacy group have higher awareness level for all financial products apart from post office savings.
Ishwara, p. (2014)	Investment Behaviour and Satisfaction of Salaried Employees: A Study with Reference to Selected Employees in Mangalore (city)	To study the behavior and level of statisfaction towards various investment alternatives by salaried class employees.	Mangalore (India)	100 respondents stratified random sampling.	The investors are less satisfied about their investment in marketable securities. 64% of respondent's satisfaction is poor towards investment.
Bhushan, p. (2014)	Insights Into Awareness Level And Investment Behavior Of Salaried Individuals Towards Financial Products.	To find out the investment preference and awareness level of salaried individuals.	Himachal Pradesh (India)	516 respondents stratified random sampling.	Respondents are quite privy to traditional and safe financial products whereas awareness level of recent age financial products is low. Most

					of the respondents still invest their money in Traditional avenues.
Goyal, M., Sharma, A. (2014)	A Study of Investment Behavior of Middle Income Group Towards Different Kinds of Investment Avenues	The main aim of the study is to know behavior and perception of investors towards different-different investment instruments.	Kota (India)	100 respondents nonprobability convenient sampling Percentage method	Investors have sufficient knowledge about various investment avenues as bank deposits, assets but are 'nt privy to exchange, equity, bonds.
Patil, S., Nandawar, K. (2014)	A Study On Preferred Investment Avenues Among Salaried People With Reference To Pune, India	To study the investment preferences while selecting the securities by salaried employees and the source of motivation behaviour	Pune (India)	40 respondents simple random sampling, chi-square test	The study concluded that investors are aware of investment avenues available in India but still investors are preferred to take a position in bank deposits, real estate, metals
Bhutan, P., Madura, Y. (2013)	Gender Differences in Investment Behaviour Among Employees	The objective of the paper is to study the gender differences in investment behaviour among employees.	Himachal Pradesh (India)	118 respondents simple random sampling Percentage method	Average level of satisfaction is appeared for mutual funds and market investments. Gender differences in satisfaction level are significant for mutual funds.
Virani, V. (2013) 13	Saving And Investment Pattern of School Teachers-A Study With Reference to Rajkot City, Gujarat	The objective of the study was to determine the relationship between the saving and investment pattern among the school teachers.	Rajkot (India)	100 respondents simple random sampling Chi-square test	They avoid hard cash on heavy luxurious lifestyle and preferring the convention living standards. Most of the teachers are saving their money for children's education, marriage.
Samudra, A., Burghate, M., (2012)	A Study On Investment Behaviour of Middle	The objective of this research was to examine the investment behavior	Nagpur (India)	300 respondents stratified random	It can be summarized that the bank deposits

	Class Households In Nagpur	of the middle income class households in Nagpur.		sampling	remain the foremost popular instrument of investment followed by insurance with most of respondents investing in constant income bearing options.
Pandiyan, L., Aranganathan, T. (2012)	Savings and Investments Attitude of Salaried Class in Cuddalore District	The main objective of study is assessment of the attitude of the salaried people towards savings and investment.	Cuddlore (India)	520 respondents simple random sampling	Favorable climate is to be assured by the govt. to supply investment climate guaranteeing acquisition maintenance & liquidation of assets.
Patel, y., Patel, C. (2012)	A Study of Investment Prespective Of Salaried People (Private Sector)	The objective of the study behavioral pattern of investments among salaried people working in private sector.	Mumbai (India)	50 respondents stratified random sampling	Saving tax is one in every of the foremost reasons behind investment by youth. Mutual fund is the most favored option of the young minds today.
Achar, A. (2012)	Saving And Investment Behavior of Teachers- An Empirical Study	This research paper focus on saving and investment pattern of primary, high school, college and university teacher of udupi district of Karnataka state.	Udupi (India)	535 respondents stratified random sampling Chi-square test	The determinants of saving and investment behaviour of teachers are per month family income, particular stage of family life cycle and upbringing status.
Chakraborty, S., Digal, S. (2011)	A Study of Saving And Investment Behavior of Individual Households -An Empirical Evidence From Orissa	The paper attempts to analyze the investment pattern, saving objective and preferences of individual investors for various investment options available in India.	Orissa (India)	200 respondents simple random sampling	The result shows that objective to saving is significantly influence by demographic factors like age, occupation and the income level of investors. It had been found female investors tend to avoid wasting more

					in a disciplined way than male investors.
Bairagi, U., Rastogi, C. (2008)	An Empirical Study of Saving Pattern and Investment Preferences of Individual Household With Preference To Pune City	This study examines the investment pattern and awareness of the pune based investors about different investment instruments such as bank deposits, real estate, small saving, life insurance schemes, bullions etc.	Pune (India)	526 respondents Survey Method	There's an explosion within the growth of middle class families because of double income and increase in number of working women hence effort should be made to draw in women investors by supplying right knowledge of the market through advertisement.

Ranganathan, K. (2006)	A Study of Fund Selection Behaviour of individual Investors Towards Mutual Funds-With Reference to Mumbai City	The objective of the paper is to assess the saving objective and to identify the Fund Selecti Behaviour of individual investors.	Mumbai (India)	100 respondents simple random sampling	The feasibility of more saving avenues with various risk-return combination would create the investors more alert and choosy. Running a successful MF requires complete understanding of the peculiarities of the Indian Securities market and also the psyche of the tiny investors.
------------------------	--	--	----------------	--	---

Objective

- To evaluate saving habit and pattern of middle income group.
- To measure and assess the preferences of middle income group employees towards various investment avenues.
- To ascertain the factors motivated towards investment preference of middle income group.
- To analyze the factors influencing the investor's perception and awareness regarding different investment avenues.

Research Gap

- There are various factors which affect the Investment Decision and pattern and most of the researchers had not emphasized on all the dimensions but had conducted the research on one or two factors of the Investment Decisions.
- Studies on Investment Decision and Investment Pattern had been mainly conducted in Southern part of India.
- **Mostly the earlier studies conducted in this sphere had rarely taken into consideration New Investors as respondents for the study.**
- **The earlier studies had been restricted to demographic factors, but Investment Pattern of Middle Income Individuals has not been emphasized upon in many of the researches.**

Conclusion

The study will help to understand the various factors of middle income investors towards various investment avenues with regard to their knowledge and level of satisfaction. It would further help to understand the congruence of investment decision and investment patterns that would in turn help the financial marketers to better understand the mindset of Indian middle income investors and would be able to attract more and more investors.

References

- Devi, S. (2015). Investment Preference of Individual-A Review of Literature. *International Journal of Commerce and Law*, 02(05), 19-26.
- Sasirekha, P., & Jerinabi, U. (2015). Level of Awareness on Investment with Reference to Professionals of Information Technology Sector. *Indian Journal of Research*, 4(10), 87-88 .
- Sood, D., & Kaur, N. (2015). A Study Of Saving And Investment Pattern Of Salaried Class People With Special Reference To Chandigarh (India). *International Journal of Research in Engineering, IT & Social Sciences*, 5(2).
- Sathiyamoorthy, C., & Krishnamurthy, K. (2015). Investment Pattern And Awareness Of Salaried Class Investors In Tiruvannamalai District Of Tamil Nadu. *Asia Pacific Journal of Research*, 1(XXVI), 75-83.
- Subha, M. V., & Priya, P. S. (2015). A Study On The Influence Of Financial Literacy On Individual Saving Behaviour. *IJABER*, 13(4), 1873-1882.
- Cvrlje, D. (2015). Tax Literacy As An Instrument Of Combating And Overcoming Tax System Complexity, Low Tax Morale And Tax Non-Compliance. *The MacrotHEME Review*, 4(3), 156-167.
- Shivakumar, & Thimmaiah, N. B. (2015). Savings And Investment Behavior Of School Teachers-A Study With Reference To Mysore City, Karnataka. *International Journal of Management Research and Business Strategy*, 3(4), 25-34.
- Bhushan, P. (2014). Relationship Between Financial Literacy and Investment Behavior of Salaried Individuals. *Journal of Business Management & Social Sciences Research*, 3(5), 82-87.
- Patil, S., & Nandawar, K. (2014). A Study on Preferred Investment Avenues Among Salaried People With Reference To Pune, India. *Journal of Economics and Finance*, 5(2), 9-17.
- Kothari, H. (2014). Investors Behaviour Towards Investment Avenues: A Study With Reference To Indore City. *Altius Shodh Journal of Management & Commerce*, 1-8.
- Goyal, M., & Sharma, A. (2014). A Study of Investment Behavior of Middle Income Group Towards Different Kinds of Investment Avenues. *ISOR-Journal of Business and Management*, 16(8), 1-10.