

A Study of Financial Awareness of Salaried Persons Regarding Various Investment Options in Haryana

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ABSTRACT

In this study the investors' (salaried class person ion higher education) opinion regarding various investment options are analysed by using Friedman rank and mean score test. The test shows the preferences and awareness regarding the fixed and variable securities i.e. bank deposits, post office savings, gold, shares, debentures etc.

Keywords: Financial Awareness, Investment Options, Salaried Person, Higher Education, Haryana

I. INTRODUCTION

Haryana is one of the most progressive states in the country to one of the most advanced, ranking 3rd in respect of per capita income. The economy of Haryana is developed in all aspects, from its self - sufficient agriculture built for its industrial development, along with horticulture, transport, forest and hydro resources. The economy of Haryana is currently the third fastest growing economy in India. This has made Haryana is one of the wealthiest places in entire South Asia. According to 2011 census the rural population of Haryana is 65.2% and total volume employment of Haryana was 24 lakh.

Salaried investors are those who earn fixed wages. Its investment behaviour is different because of the security, steady and steady flows of income, tax savings, security, pension benefits, and not professionals, farmers and businesspeople. Savings apart from salaried class is not regular and un-assured

because it is subject to market conditions. The salaried class investors with assured monthly income could be the regular savers and with the implementation of VII Pay Commission the salary classes have enjoyed the enormous hike in their income. The various studies at micro level confirm the important role of salaried class investors in providing financial resources to various sectors of the economy. But the level of savings depends upon the financial literacy provided by the government and other financial intermediaries. Further savings can be augmented if the financial system is made more attractive to the investors.

II. REVIEW OF LITERATURE

Ishwara (2014) in the research paper 'Investment Behaviour and Satisfaction of Salaried Employees: A Study with Reference to Selected Employees in Mangalore City' made an attempt to study the investment behaviour and level of satisfaction towards various investment avenues by salaried class

employees. A survey was conducted and data collected from the respondents were analyzed to discover the investment attitude of salaried people of Mangalore city. The study revealed that most of the respondents have little awareness about the investment securities. It was found that majority (96%) of the respondents are aware about the physical assets.

Kalluvilil and Anuradha (2015) in their article 'Determinants of Investor's Behaviour - An Analytical Review' investigate worldwide literature to diagnose the investor's financial literacy and investment behaviour. The results were deduced by scrupulous analysis of the data obtained from respondents using survey method to study the investors' behaviour in different countries regarding investment instrument and investment pattern. The paper exhibits that there are various parameters that administer the saving and investment decision of an investor.

Mittal (2017) through his article 'Demographic Factors and Investment Pattern of Households in Haryana' makes an attempt to know the role of demographic factors in the investment pattern of households in Haryana. The study is based on 200 respondents from Haryana. Chi-square test was employed to test the correlation of demographic factors with various investment avenues. The study found that child's education and marriage, wealth creation, emergency need and tax concession are the major objectives of household savings/investment. Life insurance, bank deposits, gold and postal schemes were found to be the most preferred investment avenues by the household investors of Haryana. The study observed that safety, liquidity and high rate of return are the major parameters affecting investment decisions of household investors of Haryana. The study concluded that the demographic factors like age, income, gender

influence the selection of investment objectives and investment avenues.

Geethu et al. (2018) in their article 'An Insight into the Savings and Investment Pattern of Salaried Employees Working in the Private Sector of Shipping Industries at Ernakulam' conducted an investigation to understand the investment preference of salaried people working in the private sector of shipping industries in Ernakulam District of Kerala. Random sampling method was used to select the sample of 100 employees from ten shipping industries in Ernakulam and a structured questionnaire was issued to them. The collected information was analyzed by using different statistical tools like T-test, Chi-Square analysis, correlation analysis and percentage analysis. The findings of the study suggested that most of the employees are risk averse and prefer to save/invest money in safe modes with the personal objectives of child's education, marriage etc.

Sharma and Thakur (2019) in the paper 'Spotting the Variables affecting Investment Behaviour of Salaried and Corporate Class Individuals' make an attempt to identify the parameters which influence the employees' investments. The paper seeks to determine the aspects which might be pertinent to the investment pattern. The researcher classifies the factors representing the investment conduct of the individual and corporate investors into 4 categories viz. investor-associated factors, market/environment-connected factors, investment-connected factors, and company-associated factors.

Chhillar and Arora (2020) in their article 'Basic Financial Literacy Level of Salaried People in Delhi NCR: A Comparative Study' conducted a study on the salaried people of Delhi NCR for their financial awareness and financial literacy level. Financial literacy equips people with the knowledge of financial products, interest rates, inflation, budgeting, investing, etc. helping people to make better financial choice in their life. The study was conducted to find

out the demographic and economic factors that significantly influence the basic financial awareness of the salaried people of Delhi NCR region. An online survey was carried out on a sample of 139 salaried people from Delhi NCR with questionnaire as the research instrument. Analysis of the collected data was carried out using Parametric Test of ANOVA and t-Test. The financial awareness and investment behaviour of the salaried people in Delhi NCR region was found to be little influenced by the factors like age, gender, income level, profession, etc.

III. METHODOLOGY

3.1 Research Objectives:

To know the financial awareness of salaried persons regarding various investment options in higher education sector.

3.2 Research Hypothesis

H₀: There is no difference between the option of various salaried class person in higher education sector regarding various investment options.

3.3 Methods, Tools & Techniques

A sample size of 500 salaried peoples was collected from the public and private institutes of higher education of Haryana using judgmental and convenience sampling. The current study is

exploratory and descriptive in nature. A structured questionnaire was developed to collect primary information of respondents.

The Research Instrument (Questionnaire) comprises of research statements eliciting critical information from the respondents (apart from relevant demographic information having a bearing on their psychographic attitudes, interests and opinions) used to collected the data

1) Data was analyzed using various descriptive and inferential statistical tools such as frequency distribution, percentage, arithmetic mean. Friedman Rank and Mean Score test is used to test hypotheses and analyses substantial differences.

IV. DATA ANALYSIS

Table 1 shows that 68.60 per cent of the respondents were highly aware of Bank deposits and 18.4 per cent of the respondents were aware of it. Therefore, it is inferred that majority of the respondents have high awareness about **Bank Deposits**. About **Post Office Savings**, 13.6 per cent of the respondents were moderately aware, 33.2 per cent of the respondents were aware and 45.6 per cent of the respondents were highly aware of it.

TABLE 1 :
LEVEL OF AWARENESS OF THE RESPONDENTS ABOUT VARIOUS SAVING AND INVESTMENT OPTIONS

	Very Low Awareness / Not Aware		Low Awareness		Moderately Aware		Aware		Highly Aware		Total
	N	%	N	%	N	%	N	%	N	%	
Bank Deposits	10	2	10	2	45	9	92	18.4	343	68.6	500
Post office savings	11	2.2	27	5.4	68	13.6	166	33.2	228	45.6	500

PF (Provident Fund)	25	5	28	5.6	80	16	108	21.6	259	51.8	500
Life Insurance Schemes	18	3.6	42	8.4	78	15.6	92	18.4	270	54	500
Bullions	60	12	80	16	88	17.6	142	28.4	130	26	500
Bonds	44	8.8	82	16.4	136	27.2	98	19.6	140	28	500
Shares	45	9	137	27.4	104	20.8	88	17.6	126	25.2	500
Debentures	96	19.2	98	19.6	103	20.6	84	16.8	119	23.8	500
Real Estate	46	9.2	77	15.4	87	17.4	100	20	190	38	500
Mutual Funds	56	11.2	68	13.6	99	19.8	89	17.8	188	37.6	500
Chit Funds	52	10.4	69	13.8	89	17.8	95	19	195	39	500

Source: Primary Data

Regarding **PF (Provident Fund)**, 16 per cent of the respondents were moderately aware, 21.6 per cent of the respondents were aware and 51.8 per cent of the respondents were highly aware of it.

15.6 per cent of the respondents were moderately aware, 18.4 per cent of the respondents were aware and 54 per cent of the respondents were highly aware of **Life Insurance Schemes**.

It is evident from Table 3.1 that in respect of **Bullions**, 17.6 per cent of the respondents were moderately aware, 28.4 per cent of the respondents were aware and 26 per cent of the respondents were highly Aware it.

Regarding the **Bonds**, 16.4 per cent of the respondents have very low awareness, 27.2 per cent of the respondents were moderately Aware, 19.6 per cent of the respondents were Aware and 28.00 per cent of the respondents were highly aware of bonds.

27.4 per cent of the respondents have low awareness, 20.8 per cent of the respondents were moderately aware, 17.6 per cent of the respondents were aware and 25.2 per cent of the respondents were highly aware of the investment option Shares.

About **Debentures**, 19.2 per cent of the respondents have very low awareness / not aware another 19.6 per

cent of the respondents have low awareness, 20.6 per cent of the respondents were moderately aware and only 23.8 per cent of the respondents were highly aware of debentures.

15.4 per cent of the respondents have very low awareness, 17.4 per cent of the respondents were moderately aware, 20 per cent of the respondents were aware and 38 per cent of the respondents were highly aware of **Real Estate**.

19.8 per cent of the respondents have moderate awareness and 37.6 per cent of the respondents have high awareness about **Mutual Funds**.

39 per cent of the respondents were highly aware of **Chit Funds** and 19 per cent of the respondents were aware of it.

It is found from the analysis that, majority of the respondents were highly aware of Bank Deposits, Post Office Savings, PF (Provident Fund), Life Insurance Schemes. Nearly one-third of the respondents were highly aware of investment avenues like Real Estate, Mutual Funds and Chit Funds. Relating to Shares, majority of the respondents have low awareness.

According to Table 5.1, 68.60 percent of respondents were highly aware of bank deposits, whereas 18.4 percent were aware. As a result, it can be concluded

that the majority of respondents had a high level of awareness regarding Bank Deposits.

Regarding Post Office Savings, 13.6 percent of respondents were moderately aware, 33.2 percent were aware, and 45.6 percent were highly aware.

Concerning PF (Provident Fund), 16% of respondents were moderately, 21.6 percent were aware, and 51.8 percent were highly aware.

15.6 percent of respondents were moderately aware, 18.4 percent were aware, and 54% were well aware of Life Insurance Schemes.

As shown in Table 5.1, 17.6 percent of respondents were moderately aware about Bullions, 28.4 percent were aware, and 26 percent were highly aware.

Concerning bonds, 16.4 percent of respondents reported having a very low level of awareness, 27.2 percent reported having a moderate level of awareness, 19.6 percent reported having a high level of awareness, and 28.00 percent reported having a very high level of awareness.

27.4 percent of respondents had a low awareness of the investment choice as Shares, 20.8 percent had a

moderate awareness, 17.6 percent had a high awareness, and 25.2 percent had a very high awareness.

Concerning Debentures, 19.2 percent of respondents have a very low awareness of them or are unaware of them. 19.6 percent of respondents had a low awareness of debentures, 20.6 percent had a moderate awareness, and only 23.8 percent had a high awareness.

15 percent of respondents reported having a very low awareness of Real Estate, 17.4 percent reported being moderately aware, 20 percent reported being aware, and 38 percent reported being highly aware.

19.8 percent of respondents have a moderate level of awareness about Mutual Funds, while 37.6 percent have a high level of awareness. 39 percent of respondents were highly aware about Chit Funds, while 19 percent were aware.

Friedman's test analysis was carried out in order to identify the investment option about which the respondents had a high level of awareness, and the findings are presented in Table 2.

TABLE 2
LEVEL OF AWARENESS ABOUT VARIOUS INVESTMENT OPTIONS – FRIEDMAN TEST RESULTS

Investment Options	Mean	SD	Mean Rank	Reliability
Bank Deposits	4.52	0.85	8.14	0.916
Post Office Savings	4.18	0.98	7.09	
PF (Provident Fund)	4.12	1.17	7.10	
Life Insurance Schemes	4.12	1.17	7.10	
Bullions	3.41	1.36	5.05	
Bonds	3.42	1.30	5.15	
Shares	3.25	1.34	4.88	
Debentures	3.03	1.44	4.42	
Real Estate	3.64	1.39	5.75	
Mutual Funds	3.59	1.40	5.66	
Chit Funds	3.63	1.39	5.84	

Source: Primary Data

As per according above table, it is clear that out of

11 investment avenues, the majority of respondents having high level of awareness Debentures ranked on 1st, Shares on 2nd Rank, Bullions ranked on 3rd position. The reliability was 0.916.

TABLE 3
AWARENESS ABOUT VARIOUS INVESTMENT OPTIONS –MEAN SCORES

Demographic Variables		N	Mean	SD	Mean %	Z	p
Type of Institutions	Private College	151	39.08	9.89	73.03	3.15	0.002*
	Govt. College	280	39.11	9.14	75.80		
	Aided College	69	43.74	10.8	79.56		
Gender	Male	262	42.17	9.56	77.97	3.88	0.001*
	Female	238	40.01	9.98	72.11		
Age (Years)	Below 30	154	38.67	10.2	70.31	9.4	0.001*
	31 - 40	240	40.3	10.1	73.28		
	41 - 50	68	42.82	9.65	77.86		
	Above 50	38	47.96	8.05	88.15		
Educational Qualification	Post Graduate	267	39.39	11	71.62	8.162	0.001*
	M. Phil.	114	46.12	8.12	83.26		
	Doctorate	119	44.48	10.3	80.88		
Designation	Assistant Professor	399	38.68	9.72	70.33	23.18	0.001*
	Associate Professor	59	48.10	8.68	84.72		
	Professor	42	46.18	9.19	83.16		
Marital Status	Married	357	42.62	9.66	75.48	3.22	0.001*
	Unmarried	143	41.28	10.12	71.33		
Nature of the Family	Nuclear Family	238	42.34	10.22	73.21	1.52	0.129
	Joint Family	262	40.16	9.8	71.21		
Annual Income	Up to 1,00,000	1	39.22	9.53	71.31	10.08	0.001*
	1,00,001-2,00,000	1	40.56	10.3	73.74		
	2,00,001-3,00,000	259	42.7	10.8	77.64		
	3,00,001 - 400000	134	47.59	9.77	83.81		
	400001 - 500000	54	41.12	8.76	79.91		
	Above 500000	51	46.19	9.18	80.62		
Family Monthly Income (in Rs.)	300000-500000	35	42.43	9.93	73.74		
	500001-1000000	273	42.7	10.8	77.64		
	Above 1000000	192	44.59	10.1	79.59		
Number of Members in the Family	Up to 2	57	42.53	11.5	77.34	1.746	0.157
	Three	55	39.21	9.78	71.3		
	Four	74	42.11	9.48	76.17		
	Above 4	314	40.74	11.2	74.07		
Number of Earning Members in the Family	One	168	44.66	9.98	80.13	4.132	0.007*
	Two	167	39.97	9.62	72.67		
	Three	127	39.76	10.2	72.29		
	Above 3	38	43.62	11.7	79.3		
Total		500	42.77	10.22	75.31		

Source: Primary Data

*Significant at 5 % Level of Significance

Mean distributions, standard deviations, and mean percentages by demographic Awareness of various investment options reveals that Aided College has the highest mean score (43.74, $\sigma=10.80$) and the highest mean percentage (79.56%) of any type of institution. Private College has the lowest mean score (39.08, $\sigma=9.89$) and the highest mean percentage (73.03 percent). Awareness of various investment options varies by gender, with the highest mean score of (42.17, $\sigma=9.56$) representing 77.97 percent for Male and the lowest mean score of (40.01, $\sigma=9.98$) representing 72.11 percent for Female. Awareness of various investment options varies according to age, with the highest mean score of (47.96, $\sigma=8.05$), or 88.15 percent, obtained by respondents aged Above 50 years. With the highest educational qualification of M. Phil with SET/NET, a mean score of (46.12, $\sigma=8.12$) indicates an 83.26 percent success rate.

The awareness of various investment options demonstrates that the Associate Professors achieve the highest mean score of (48.10, $\sigma=8.68$), or 84.72 percent. With an annual income of between 3,00,001 and 4,00,000, the mean score is (47.59, $\sigma=9.77$), or 83.81 percent. With a monthly family income of over 10,000,00, the mean score is (44.59, $\sigma =10.01$), which equals 79.59 percent.

With regards to Marital Status, Married respondents received the highest mean score of (42.62, $\sigma=9.66$), which equals 75.48 percent, while Unmarried respondents received the lowest mean score of (41.28, $\sigma=10.12$), equaling 71.33 percent. Awareness of various investment options demonstrates that when it comes to the Family's Nature, the highest mean score of (42.34, $\sigma=10.22$) Nuclear Family received the highest mean score (40.16, $\sigma=10.22$) of 73.21 percent, while Joint Family received the lowest mean score (40.16, $\sigma=9.8$) of 71.21 percent.

The awareness of various investment options

demonstrates that when the number of family members is considered, the highest mean score of (42.11, $\sigma=9.48$), or 76.17 percent, is obtained among respondents who have four family members with one earning member, while the mean score of (44.66, $\sigma=9.98$), or 80.13 percent, is obtained among respondents who have four family members with one earning member.

Given that the p value for the demographic variables of type of institution, gender, age, marital status, educational qualification, designation, family monthly income, and number of earning members in the family is less than 0.05, it is concluded that there is a highly significant difference in the mean scores for these demographic variables in terms of awareness of various investment options.

V. CONCLUSION

In the above study the majority of respondents were highly aware about Bank Deposits, Post Office Savings, PF (Provident Fund), and Life Insurance Schemes. Almost one-third of respondents were highly aware about investment options like as real estate, mutual funds, and chit funds. Concerning Shares, the majority of respondents express a lack of awareness.

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