

# A Study On Saving Behaviour And Investment Pattern Among Information Technology Sector Employees

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## I. INTRODUCTION

The term "saving and investing behaviour" describes how individuals and organizations handle their money for future needs. Saving means reserving a portion of your present funds rather than immediately using them. It provides a safety net for unanticipated costs such as emergencies, retirement, or significant purchases. On the other hand, investing is the process of allocating money or resources to assets that are expected to generate returns over time, such as stocks, bonds, or real estate. These behaviours are influenced by a variety of factors, includes such as income levels, interest rates, the economy, risk tolerance, and personal financial goals. People with higher wages are more likely to save and invest, whereas those with lower incomes would emphasize immediate spending. Depending on their risk tolerance, people may also decide to invest in safer, lower-return options or pursue higher risk in the hopes of earning larger returns. The connection between saving and investing determines economic growth. People's savings can be used by financial institutions to lend to companies, allowing them to make investments in infrastructure, innovation, and growth. This cycle of saving, lending, and investing creates jobs, stabilizes markets, and drives economic progress. Understanding how people save and invest is useful for developing economic policies that promote long-term prosperity and financial stability.

## II. LITERATURE REVIEW

*Jaimin Mehta (2024)*, "A Study on Savings & Investment Pattern of Salaried People of Surat City", examines the ways in which salaried individuals in Surat save and invest their money. It examines popular options such as stocks, mutual funds, fixed deposits, and real estate and examines the factors

that influence them such as safety, returns, and risk. According to this study, most people prefer stable and dependable investments, although many are becoming aware of alternative choices. However, problems like ignorance of finance and risk aversion persist. The study comes to the conclusion that salaried people can attain greater financial growth and security by enhancing financial education and offering better advice on investment choices.

*Aswathy R (2024)*, "A Study on Savings and Investment Pattern Among Salaried Employees with Special Reference to Alappuzha District", examined 50 salaried individual workers to find out how they save and invest. Employees are investigating equities and mutual funds, but many still prefer traditional options like gold and bank accounts, the report found. Their choices are greatly impacted by factors like as income, financial literacy, and risk tolerance. The study's recommendations for improved awareness campaigns, individualized investment possibilities, and easily navigable digital tools are made in its conclusion.

*Miss. Minakshi Pandurang Kharkar (2024)*, "A Study on Saving and Investment Pattern of Salaried Peoples with Reference to Wardha City", examines the ways in which salaried workers save and invest their money in Wardha City. A survey of 67 respondents found that most consumers place a high value on safety and satisfaction and prefer safe investment options like fixed deposits and savings accounts. Age, occupation, income, and education all have an impact on their financial decisions, but their options are limited because they are poorly informed about alternative investment opportunities.

*Ms. Teresa Stephen and Ms. Christa Mary Jose (2024)*, "Saving and Investment Behavior of IT Employees in Ernakulam District", the saving and investing practices of 212 respondents in the Ernakulam district. Younger respondents tend to take more risks while investing, whilst older

respondents prefer safer options. The study highlights how investment decisions are significantly influenced by age, income, and financial literacy. It also demonstrates how many employees use financial advisors and digital technologies to manage their money. The paper suggests improving financial education to assist IT professionals in making better decisions and protecting their future.

Anusha K. P and Dr. Sudha B. S (2024), "Investment Patterns of Salaried IT Sector Professionals in Bengaluru", highlights that the majority of respondents prefer low-risk investments, such as fixed deposits and gold, with mutual funds and real estate ranking second and third, respectively. The study, which surveyed 106 participants, found that while many investors have specific long-term objectives in mind, they suffer from a lack of financial knowledge and market uncertainty. Major challenges include a lack of confidence in financial advisors, uncertainty about market trends, and an inability to track investments. These findings emphasize the need for improved financial literacy and tailored investment strategies, offering valuable information to investors and businesses in Bengaluru's IT sector.

### III. RESEARCH GAP

While studies have examined saving behaviour and investment patterns across various professions, limited research focuses on IT sector employees in Chennai. The influence of high-income levels, fintech adoption, job instability, and post-pandemic financial shifts on their investment decisions remains underexplored. Addressing this gap will help develop targeted financial strategies and policies for IT professionals.

### IV. OBJECTIVES OF THE STUDY

- ✓ To study the socio-economic conditions of Information Technology sector employees.
- ✓ To trace the saving behaviour of Information Technology sector employees.
- ✓ To know the investment pattern of Information Technology sector employees.
- ✓ To analyse the factors influencing investment decisions.

### V. RESEARCH METHODOLOGY

#### METHODS OF DATA COLLECTION AND SAMPLE SIZE

The study is based on both primary and secondary data. In this study sample size is 171 respondents, and secondary data were collected from various books, articles and websites. This study is based on Convenience sampling method.

### HYPOTHESIS OF THE STUDY

- ✓ *Ho:* There is no significant association between the demographic profile (Educational Qualification, Monthly Income, Years of Experience) of the respondents and their objectives of investment.
- ✓ *Ho:* There is no significant association between Monthly Income of the respondents and their saving income on monthly basis.

### CHI-SQUARE TEST

*Ho:* There is no significant association between Monthly income of the respondents and objectives of investment.

Monthly Income	Objectives of Investment					Total
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Upto Rs.20,000	4	1	0	9	5	19
Rs.20,001 – Rs.30,000	5	7	1	6	13	32
Rs.30,001 – Rs.40,000	4	10	5	10	14	43
Rs.40,001 – Rs.50,000	5	13	1	7	10	36
Above Rs.50,000	2	8	3	16	12	41
<b>Total</b>	<b>20</b>	<b>39</b>	<b>10</b>	<b>48</b>	<b>54</b>	<b>171</b>
		<b>Value</b>	<b>DF</b>	<b>Sig.</b>		
Pearson Chi-Square		21.923	16	.146		

Monthly Income of the Respondents with Objectives of Investment

The significant value is 0.146, which is greater than 0.05 and the significance level is 95%. Thus, null hypothesis is accepted. There is no significant association between monthly income of the respondents and objectives of investment.

### CHI-SQUARE TEST

*Ho:* There is no Significant association between Monthly income of the respondents and saving income on monthly basis.

Monthly Income	Saving Income on Monthly Basis				Total
	Less than 10%	10% - 20%	21% - 30%	More than 30%	
Up to Rs.20,000	12	5	1	1	19
Rs.20,001 – Rs.30,000	12	16	3	1	32
Rs.30,001 – Rs.40,000	17	20	6	0	43
Rs.40,001 – Rs.50,000	10	19	7	0	36

Above Rs.50,000	9	16	9	7	41
<b>Total</b>	<b>60</b>	<b>78</b>	<b>26</b>	<b>9</b>	<b>171</b>
		<b>Value</b>	<b>DF</b>	<b>Sig.</b>	
Pearson Chi-Square		28.577	12	.005	

Monthly Income of the Respondents with Saving Income on Monthly Basis

The significant value is 0.005, which is lesser than 0.05 and the significance level is 95%. Thus, null hypothesis is rejected. There is significant association between monthly income of the respondents and their saving income on monthly basis.

#### ONE WAY ANOVA

*Ho:* There is no significant difference between years of experience of the respondents and factors influencing saving.

Years of Experience	N	Mean	Std. Deviation	F	Sig.
Up to 2 years	47	13.9787	3.41027	5.339	.002
3 – 5 years	58	13.7414	3.74897		
6 – 8 years	30	11.6333	4.95833		
Above 8 years	36	11.0833	4.43605		
<b>Total</b>	<b>171</b>	<b>12.8772</b>	<b>4.20114</b>		

Years of Experience with Factors Influencing Saving ANOVA

Factors	Source of Variation	Sum of Square	DF	Mean Square
Factors Influencing your Saving	Between Groups	262.605	3	87.535
	Within Groups	2737.816	167	16.394
	<b>Total</b>	<b>3000.421</b>	<b>170</b>	

Using one-way ANOVA, the p value is .002, which is lesser than 0.05. Thus, the null hypothesis is rejected. So, there is significant difference between years of experience of the respondents and their factors influencing saving.

#### ONE WAY ANOVA

*Ho:* There is no Significant difference between educational qualification of the respondents and factors influencing investment decisions.

Educational Qualification	N	Mean	Std. Deviation	F	Sig.
UG	55	26.6000	7.96195	.383	.682
PG	76	25.4211	7.59169		
Professional	40	26.1750	7.87690		
<b>Total</b>	<b>171</b>	<b>25.9766</b>	<b>7.75049</b>		

Educational Qualification with Factors Influencing Investment Decisions

#### ANOVA

Factors	Source of Variation	Sum of Square	DF	Mean Square
Factors Influencing Investment Decisions	Between Groups	46.405	2	23.203
	Within Groups	10165.501	168	60.509
	<b>Total</b>	<b>10211.906</b>	<b>170</b>	

Using one-way ANOVA, the p value is .682, which is greater than 0.05. Thus, the null hypothesis is accepted. So, there is no significant difference between educational qualification of the respondents and their factors influencing investment decisions.

#### VI. FINDINGS

- ✓ The majority of the respondents (43.9) age group between 26 – 35 years.
- ✓ The most of the respondents (52) are male.
- ✓ 60.8 percent of the respondents are married.
- ✓ The majority of the respondents (44.4) are educated up to Post graduate.
- ✓ The most of the respondents (25.1) have monthly income ranging from Rs.30,001 – Rs.40,000.
- ✓ 44.4 percent of the respondents save 11 percent to 20 percent of their total income on monthly basis.
- ✓ 61.4 percent of the respondents has maintained separate saving account for different goals.
- ✓ 42.1 percent of the respondents say moderate influence of family and friends on saving habits.
- ✓ The majority of the respondents (50.3) are said no to premature withdrawals of savings and investments.
- ✓ The most of the respondents (40.9) prefer 1 to 3 years of holding period for investment.
- ✓ 41.5 percent of the respondents are willing to take medium level of risk in investment.
- ✓ The majority of the respondents (34.5) review their investments monthly
- ✓ 51.5 percent of the respondents are sometimes seeking advice from financial advisor or expert.
- ✓ 40.9 percent of the respondents are said previous experience with investment make strong impact in current decision-making process.
- ✓ The majority of the respondents (67.3) are considered tax-saving options in investment.
- ✓ The most of the respondents (51.5) are said technological improvements has moderately influence the decision-making process.
- ✓ 58.5 percent of the respondents are using tools or platforms to make investment decisions.
- ✓ The respondent's preferred way is manual tracking, digital tools, financial advisors to manage the savings and investment.
- ✓ Emergency fund, travel, retirement is the primary financial goals of the respondents.
- ✓ The respondent's primary and secondary options is to invest in gold and fixed deposit.

## VII. SUGGESTIONS

- ✓ It is better to encourage all the IT people to save and invest more money.
- ✓ It is suggested that all the respondents save more than 20 percent of their total income.
- ✓ The respondents has to increase their holding period from 3 years to 5 years.
- ✓ To avoid challenges in investment, the employees seek assistance from financial advisors or experts.
- ✓ The government also provide high returns and tax benefits to the employees. It will automatically increase the saving behavior of investors.
- ✓ The study finds that gold and fixed deposits are the most popular investment alternatives, which shows lack of awareness of other essential investment avenues.
- ✓ The investors can reduce risk by diversifying the investments. Investors should not put all of their money in to the same kind of investment avenues.
- ✓ The respondents prefer medium level of risk in investment that concentrate capital assurance, but it also recommended to support high level of risk that provide higher returns.
- ✓ There are a lot of unique investment plans available today that motivate consumers to save money.
- ✓ To hold seminars, workshops, awareness campaigns in order to enhance their understanding of financial products, investment options.

## VIII. CONCLUSION

“Small drop of water makes a big ocean”. Likewise, the saving behavior and investment pattern increase the individual income and national income. Due to limited resources, persons with lower incomes prioritize saving, while those with greater incomes have more possibilities for investments. Developing financial options requires an understanding of revenue trends. An essential element is financial literacy; those with greater financial literacy are better equipped to manage financial difficulties and make wise decisions. According to the study, IT workers should receive better financial planning to help them diversify their portfolios, balance risk and return, and plan for long-term wealth creation. A lack of financial education can lead to poor decisions and missed investment

opportunities since it prevents people from understanding financial concepts. Investing is significantly impacted by risk understanding. While people with a higher risk tolerance seek for riskier options like stocks, mutual funds, and real estate, those with a lower risk tolerance go for safer options like government bonds or savings accounts. By highlighting the influence of demographic factors, the effort provides insight into the financial choices made by IT workers. Such data might enable financial institutions and policymakers create programs that benefit people by promoting financial literacy and offering focused investing options, which would ultimately lead to financial security and independence.

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