



# A Study on Saving and Investment Habits Among Salaried Employees.

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**Abstract** – In today’s dynamic economic environment, analyzed in recent studies, managing income effectively has become essential for salaried employees due to rising inflation and changing lifestyle requirements. Research indicates that while many salaried individuals possess moderate awareness of investment options, they predominantly exhibit a conservative investment behavior, heavily prioritizing safe and secure avenues to ensure capital protection and regular returns, say studies on and. Traditional options such as bank deposits, Public Provident Fund (PPF), and insurance schemes remain highly favored, followed closely by gold, especially among those with lower risk tolerance. The key factors shaping these investment choices include income level, age, family obligations, and the need for tax- saving, particularly focusing on Section 80C instruments. Although a shift toward market-linked products like mutual funds and Systematic Investment Plans (SIPs) is visible among younger, higher-income, and urban employees, significant gaps in financial literacy still exist, with many relying on informal advice from friends or colleagues. The study highlights that improving financial knowledge and encouraging disciplined, goal-based savings are critical to achieving long-term financial stability in 2026. Consequently, there is an ongoing need for increased financial education to assist employees in navigating a wider range of investment opportunities that can better combat inflation.

**Keywords:** Personal Financial Planning, Salaried Employees, Investment Behaviour, Financial Literacy, Inflation, Savings, Risk Tolerance, Tax Saving, Section 80C, Mutual Funds, SIPs, PPF, Bank Deposits, Insurance Schemes, Gold Investment, Financial Stability, Goal-Based Savings, Income Management, Investment Awareness, Secure Investments.

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## I. INTRODUCTION

Savings and investment habits among salaried employees play an important role in achieving financial security and improving living standards. Salaried employees earn a fixed monthly income, so proper planning of income, expenses, savings, and investments is necessary for future stability. Savings refer to the portion of income that is not spent on current expenses and is kept aside for future needs, emergencies, education, retirement, or purchasing assets. Investment means using saved money in various financial instruments such as bank deposits, mutual funds, insurance, shares, gold, and provident funds to earn returns and create wealth.

In the present economic environment, rising inflation, increasing living costs, and changing lifestyles have made saving and investment more important than ever. Salaried employees are becoming more aware of financial planning and are choosing both safe and growth-oriented investment options. However, their decisions are influenced by factors such as income level, risk tolerance, financial knowledge, family responsibilities, and tax benefits.

This study aims to understand the saving patterns, preferred investment avenues, and factors affecting the financial decisions of salaried employees. It also highlights

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## II. LITERATURE REVIEW

Review of literature is an important part of research which helps to understand previous studies related to saving and investment habits among salaried employees. Many researchers have studied the investment preferences, saving motives, awareness level, and factors influencing financial decisions of salaried people.

S.L. Charkha et al. (2020) conducted a study on saving and investment patterns of salaried class people with special reference to Pune city. The study found that salaried employees were well aware of different investment avenues. However, most investors preferred to invest in bank deposits and real estate. Safety was considered the most important factor while making investment decisions, and therefore risky investment options were less preferred. Akshay Bhisikar et al. (2020) studied the saving and investment pattern of salaried employees in Nagpur city. The study revealed that safety and well-being were the major concerns of investors. It was also found that investors were aware of different investment opportunities and mainly preferred mutual funds and bank deposits.

Deepak Sood and Navdeep Kaur (2015) conducted a study in Chandigarh on saving and investment behavior of salaried people. The results showed that most salaried employees saved money for children's education, marriage, and fulfillment of future life goals. This indicates that family responsibilities play a major role in saving behavior.

Dr. V. Ramanujam and Chitra Devi (2012) carried out a study on the impact of socio-economic profile on investment patterns of salaried and business people in Coimbatore city. The study found that income, occupation, education, and family background significantly influenced investment attitudes and preferences.

Sathiyamoorthy and Krishnamoorthy (2016) studied salaried class investors in Tiruvannamalai district. They found that salaried people invested their savings mainly for future benefits and allocated funds among different investment avenues according to their needs.

Yathish Kumar (2019) reviewed the investment pattern of different classes of people. The study concluded that investment behavior differs from one class of people to another based on risk perception, awareness, and financial goals. However, bank deposits remained one of the most preferred traditional investment avenues in India.

Sunita Totala (2016) studied the investment preferences of salaried persons in Indore. The study found that graduates invested more compared to postgraduates and other education groups. It was also observed that people in the income group of ₹2 lakh to ₹10 lakh invested more than other groups.

V.R. Palanivelu et al. (2013) studied preferred investment avenues among salaried people in Tamil Nadu. The study

stated that salaried employees preferred investments that offered both safety and good returns. Respondents were aware of various investment avenues, except some female investors who had lower awareness.

Deepika Dhawan et al. (2019) examined the impact of gender on financial literacy and awareness. The study found that investors preferred safe and liquid investments with tax benefits, higher returns, and low lock-in periods.

Geetha C and Marimuthu M (2019) studied preferred investment avenues among salaried people and concluded that respondents had medium awareness regarding investment choices. They were aware of insurance, bank deposits, and small savings schemes, but had less awareness about stock markets, bonds, and debentures.

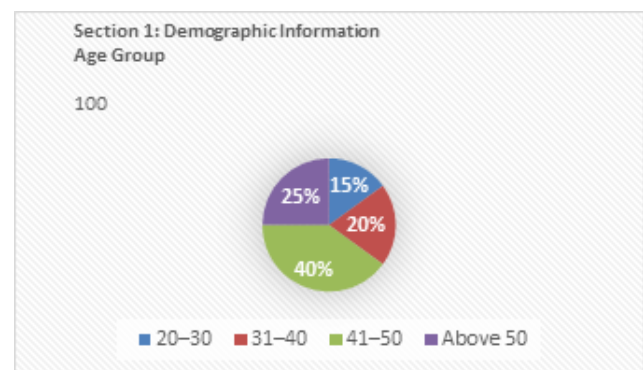
From the above studies, it can be concluded that salaried employees generally prefer safe investment avenues such as bank deposits, insurance, provident funds, and real estate. Factors such as income level, education, financial awareness, family responsibilities, tax benefits, and risk tolerance greatly influence saving and investment habits. Although awareness about modern investment avenues is increasing, many employees still rely on traditional investment options.

## III. OBJECTIVES OF THE STUDY

- Analysis of Saving Habits among Salaried Employees
- Study of Investment Preferences and Patterns
- Assessment of Financial Awareness and Knowledge
- Factors Influencing Investment Decisions
- Purpose and Importance of Savings among Salaried Individuals.

## IV. DATA ANALYSIS AND INTERPRETATION

### Section 1: Demographic Information



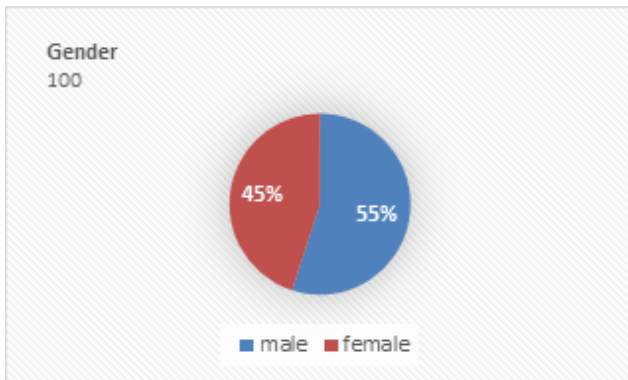
Interpretation:

The pie chart illustrates the age distribution salaried employees in the survey, with the largest segment



(40%) falling in the 41–50 years range, indicating a concentration of middle-aged professionals. Another significant portion, 25%, consists of individuals above 50 years, followed by 20% in the 31–40 years bracket. The smallest group, representing 15% of respondents, is aged 20–30 years. Overall, this distribution suggests that the majority of participants are experienced employees likely to have stable incomes and active saving or investment habits.

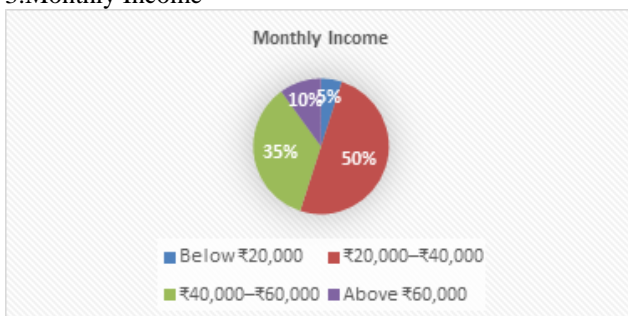
## 2. Gender



Interpretation:

Based on the survey data, the gender distribution shows that male respondents make up the slight majority at 55%, while female respondents account for 45% of the total, indicating a relatively balanced, though male-leaning, participant pool

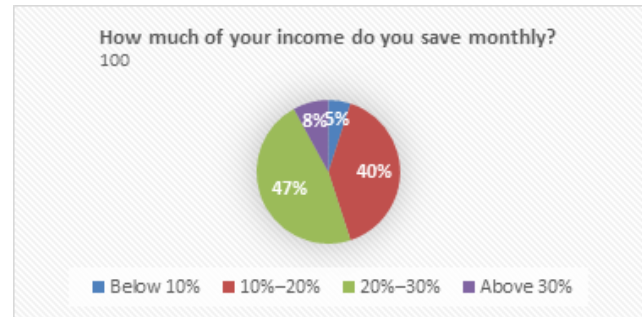
## 3.Monthly Income



Interpretation:

The pie chart shows the monthly income distribution of respondents. The majority of respondents (50%) earn between ₹20,000–₹40,000 per month, followed by 35% earning ₹40,000–₹60,000. Only 10% of respondents earn above ₹60,000, while 5% earn below ₹20,000. This indicates that most respondents belong to the middle-income group.

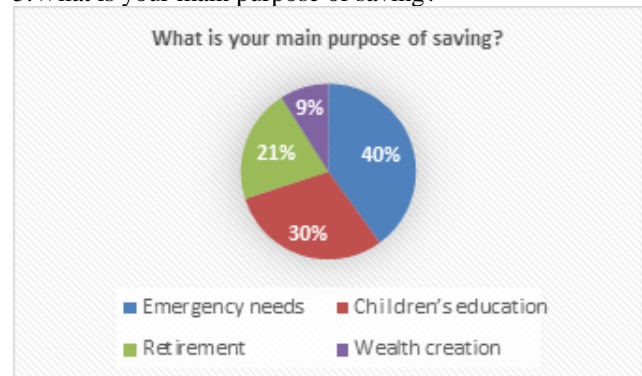
## 4.How much of your income do you save monthly?



Interpretation:

The data indicates a disciplined approach to saving, with a combined 87% of respondents saving at least 10% of their monthly income. The largest group (47%) falls into the 20%–30% range, reflecting strong financial habits, while a solid 40% maintain moderate savings of 10%–20%. Only a small minority (5%) save below 10%, highlighting that most individuals prioritize consistent financial planning. [1]

## 5.What is your main purpose of saving?



Interpretation:

The data shows that 40% of respondents prioritize saving for emergencies, followed by 30% for children's education and 21% for retirement. This indicates that the vast majority of people (91%) focus on security and future responsibilities, while only 9% save for wealth creation.

## 6. Do you have knowledge about investment products?

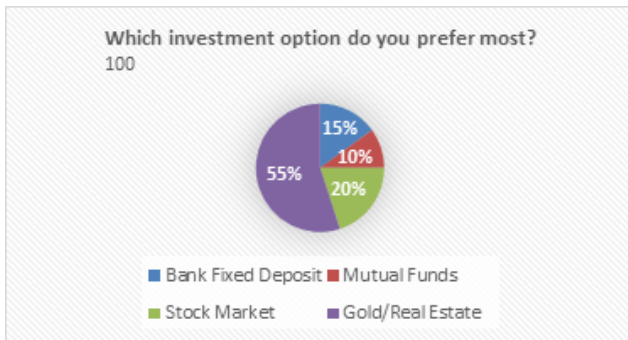




**Interpretation:**

Based on the data, 70% of respondents possess average to good knowledge of investment products, indicating a solid base of awareness but moderate financial literacy rather than deep expertise. With only 25% demonstrating excellent knowledge and a combined 45% having only average or poor knowledge, there is a clear opportunity to increase in-depth financial education to move this majority from awareness to high proficiency..

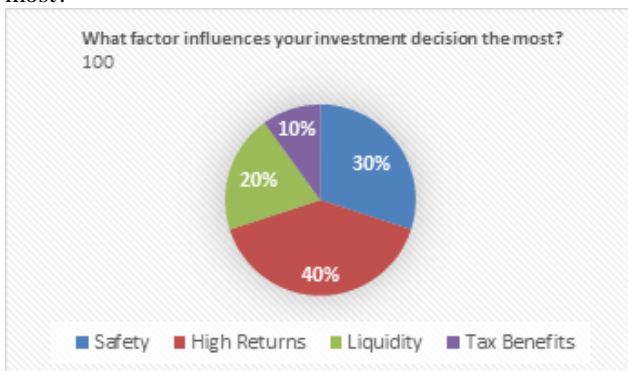
**7. Which investment option do you prefer most?**



**Interpretation:**

In 2026, investors are maintaining a conservative approach, heavily favoring tangible assets, with 55% preferring Gold or Real Estate for stability. Stock market participation remains moderate (20%), while traditional safe havens like Bank Fixed Deposits (15%) and Mutual Funds (10%) have lower popularity.

**8. What factor influences your investment decision the most?**



**Interpretation:**

Based on the data, investors are primarily profit-driven, with High Returns (40%) and Safety (30%) serving as the top priorities, highlighting a focus on balancing capital growth with risk management. While Liquidity (20%) holds moderate importance for accessing funds, Tax Benefits (10%) are the least influential factor. Overall, the findings suggest that maximizing returns is the main

objective, while tax efficiency plays a minor role in investment decisions..

**Research Methodology Research Design**

Component	Description
Research Design	Descriptive Research
Data Collection (Primary)	Structured Questionnaires (Google Forms/In-person)
Data Collection (Secondary)	Journals, Research Papers, Articles, Online Sources
Sampling Method	Convenience Sampling
Sample Size	As per survey (Salaried Individuals)
Data Analysis Tools	Charts, Percentages, Simple Statistical Techniques
Area of Study	Pune Region

**V. FINDINGS OF THE STUDY**

Based on the provided data analysis, the investment landscape for middle-income earners (₹20,000–₹40,000) aged 41–50 is defined by a security-oriented, moderate-risk approach, aiming for a balance of high returns and safety to meet life-stage milestones like children’s education. With a strong propensity to save 10%–30% of their income, these experienced investors still favor traditional, tangible assets such as gold and real estate over equity, despite having moderate knowledge of financial products. Tax benefits play a minimal role in their decision-making, as the priority lies in capital preservation and long-term security rather than complex tax planning. The data indicates significant potential to drive these savers toward more productive financial instruments through targeted education, encouraging them to move beyond traditional savings and toward growth-oriented investments like equity mutual funds, especially as they look to secure their financial future.

**VI. CONCLUSION**

As of 2026, studies indicate a positive shift in financial behavior among salaried employees, who are increasingly prioritizing savings and investing for long-term security,



according to the 2026 Employee Financial Wellness Survey: PwC. Although they follow disciplined, regular savings habits, this demographic remains predominantly conservative, favoring low-risk, traditional avenues such as bank deposits, gold, and real estate, particularly because safety takes precedence over high returns, as noted in the 2026 Real Estate Outlook: Why It Beats Stocks & Gold. Despite having basic knowledge, many employees lack the deep financial literacy required to navigate higher-return instruments like stocks and mutual funds, leading to a hesitation that stems from fear of risk, highlights Financial Literacy Is a Survival Skill in 2026 - LinkedIn. Consequently, their decisions are often influenced more by safety and tax benefits rather than aggressive wealth creation, according to the financial awareness among employees: an empirical study. The consensus from recent studies is a strong need for enhanced financial education to foster diversification and empower employees to transition from conservative savings to strategic investment, enabling them to achieve both short-term stability and long-term financial prosperity.

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