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CURRENT TREND OF INVESTMENT IN SALARIED CLASS OF AHMEDABAD

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Abstract:

This abstract offers a snapshot of current investing patterns among Ahmedabad, Gujarat's salaried class. Numerous socioeconomic forces have contributed to the rapid transformation of the landscape of individual financial planning and investing during the last several years. One of Gujarat's flourishing towns, Ahmedabad, shows these shifts in the investing preferences of its paid people. People in Ahmedabad's middle class are diversifying their savings and investments beyond bank accounts and certificates of deposit. An increased desire for larger returns and wealth development has led to an increase in the popularity of equity investments, mutual funds, and real estate. Salaried people in Ahmedabad now have additional opportunities to invest because to the proliferation of online investment platforms and digital financial services. When it comes to managing assets, real-time monitoring and decision-making are essential, and this is where mobile applications and online trading platforms come in. Salaried people in Ahmedabad are increasingly taking into account sustainability and ethical investing, which helps them make investment decisions that are consistent with their beliefs and environmental concerns. Investment trends among Ahmedabad's middle class are fast changing, characterised by increased diversification, digitization, and a focus on socially responsible and environmentally friendly funds. These changes are indicative of a larger shift in the Indian financial industry, which is being pushed by rising incomes and a heightened interest in capital appreciation.

Key words: Annual income, current investing patterns, salaried class, opportunities, digital financial services.

Introduction:

In today's culture, the general consensus is that one should be allowed to enjoy the money he / she has earned as a result of own hard work and effort. That's great, but it's not the best idea to dump all wealth into one pot. Saving money helps people out financially in the long run. Individuals may be less inclined to save money because of the future's

uncertainty. If person wake up tomorrow and there's no job waiting for him, what would he / she do? What if one's car breaks down? Having savings in place for the future makes people more resilient to the uncertainties of life and reduces their stress levels. Without some sort of financial security, such as savings and/or investments, individuals may be more vulnerable to a variety of threats. Better management of discretionary spending is one of several strategies for reducing household budgets. Person may reduce his / her monthly phone bill expenses in the same way by reducing one's phone use and purchasing a model that fits to budget. Therefore, one's frugality serves not only to benefit self, but also to advance the national economy, protect the environment, and preserve natural resources.

The following are some of the main reasons why people have started saving money immediately. For starters, a new roof for the house, unexpected medical expenditures, or being laid off from work might all qualify as emergencies that need immediate financial attention. It's important to put money aside in savings for emergencies. The next step of retirement planning involves realising that, at some point in the future; one will stop working and will need a source of income other than their regular pay check to get by. The second step is to consider one's options for when he / she retire. Thirdly, the Average Lifespan has a considerable impact. People are living longer than ever before because to improvements in healthcare and public policy, which in turn increases the need for money. Future monetary stability is another important factor to think about. Schooling - Rising public and private tuition costs make it harder to meet rising student demand for college preparation programmes. As a result, has started their savings. They want to save up for a down payment on a house, which is also one of the reasons, and they want to construct a home for residential use, which is a reason too. Putting down a sizable sum of money as a down payment gives a buyer far more leverage in negotiations. As a consequence, one may qualify for a bigger mortgage and buy a more expensive home. The amount of money one should put away on a monthly basis for this purpose is something that, ultimately, only the individual can determine. A desired trip to Europe is possible with enough savings are done. In addition, one might put money aside for fun. Having cash on hand might give more leverage during negotiations for major purchases. As fashion evolves on a daily basis, so does the necessity for specialised luxury goods for various occupations and businesses. An alternative to buying a brand-new car is to use cash to make the transaction.

The world of investing is vast and complex. The two most important parts of investing are the sacrifice made now and the returns received afterwards. The two features of investing may be seen in a wide range of actions. Consider the case of a portfolio manager who invests in 1000 shares of Reliance Industries Ltd. A parent might buy jewels for his daughter's wedding, an individual may invest in the Oriental Bank of Commerce's fixed deposit plan for a year or longer, a corporation could invest in an expansion programme of forty million rupees, and so on. All of them require foregoing convenience in the short term in order to reap benefits in the long run; so, they are investments. Putting money into something with the intention of keeping it for a while is an investment. Putting resources aside for later use is what is meant by the term "investing." Putting one's money or resources to work for self in the hopes of gaining a return on investment, such concept of investing is straightforward: person just put one's money to work for him. It's a new way of considering the issue of financial gain. The act of investing is not the same as gambling. Gambling is the risky practise of betting on an event whose result is up to chance. It is now important to tell the difference between lawful investments and those that resemble gambling. If one spends Rs. 500 on a lottery ticket in the hopes of earning a significant return, he / she may have to forego some gratification in the short term, but they are not investing. A lottery buyer purchases a ticket with the full knowledge that he will lose money under any and all circumstances if he does not win the lottery. However, the Investor is not a speculator and

does not make investment decisions based on the belief that he would incur a loss. True investors would always be equipped with pertinent data that has been carefully examined in light of their own risk-reward profile, allowing them to make informed decisions about where and how to put their money. However, distinguishing between speculative or gambling motivations and actual investment motivations is exceedingly difficult in practice and highly subjective. Everyone, obviously, wishes they had more money. It's not hard to figure out that most individuals put money into the stock market so they can have more discretionary income, a safer financial future, and more material comforts. For any reason, investors should always work to grow their capital as much as possible. The assets must be protected against inflation, taxes, and other potential losses. The Importance of Investment Increased wealth, the realisation of individual goals, and the reduction of future risk are all outcomes of monetary interdependence.

REVIEW OF LITERATURE:

Research done by R Sreepriya & P Gurusamy (2013) on the "Investment pattern of salaried people in the district of Coimbatore" indicated that the vast majority of respondents had at least a bachelor's degree and were familiar with available investment options among a sample of 150 respondents. The majority of respondents also agreed that bank savings are the best long-term investment option. Their investments have not given them any trouble. The correlation between respondents' levels of education and their sense of satisfaction was also highlighted. Studies on the "Investment pattern of salaried individuals" were done by Zankhana Atodaria and Ronikadevi Sharma (2019). The primary objectives of this research were to investigate the demographic characteristics and investing behaviours of salaried persons, as well as to assess their investment knowledge, perception, and conduct. According to the data, bank deposits and insurance policies are still the two most common types of investments. Salary workers' saving motivations and ages go hand in hand. In their paper "A Study on Savings and Investment Pattern of Assistant Professors of Self-Finance Colleges in Theni District", Velmurugan & Amarjothi (2020) found that most assistant professors prioritised the security of their money before making any investments, with bank deposits being the most popular choice. According to the literature review conducted by Divya Verma and Deepak Sahni (2020) and titled "A Study of Investment Pattern of a Common Man: A Literature Review," most individuals want to invest their money, but many of them are uninformed of the numerous investment possibilities available to them. Since they did not have enough financial information about risk and return, they opted for the traditional types of investment, such as gold, bank deposits, or investments in land. People in the salaried class invest based on their age to generate consistent returns and reduce their tax liability.

OBJECTIVES OF THE STUDY

- The survey's goal is to find out why people of Ahmedabad invest.
- Find out which investing strategy is most popular.

RESEARCH METHODOLOGY

Google Forms questionnaires are used to compile the data. The research used a sample size of 89 participants. Percentage analysis has been used to study the data.

LIMITATIONS OF THE STUDY

The major source of information comes from Ahmedabad city's salaried class, who may not be representative of the general public's viewpoint.

ANALYSIS AND INTERPRETATION

This is how we analysed and evaluated the main data we got from our sample respondents:

Table No.1
Personal profile of the of the respondents

Age	Frequency	Percent
Below 30	28	31
30 - 40	32	36
40 - 50	16	18
Above 50	13	15
Total	89	100
Gender	Frequency	Percent
Male	29	33
Female	60	67
Total	89	100
Qualification	Frequency	Percent
Diploma	5	6
Graduation	25	28
Post Graduation	53	60
M. Phil.	3	3
Ph. D.	3	3
Total	89	100
Marital Status	Frequency	Percent
Married	60	67
Single	29	33
Total	89	100
Workplace	Frequency	Percent
Government organisation	29	33
Private organisation	41	46
Company	7	8
University	4	4
Others	8	9
Total	89	100
Monthly Income Frequency	Frequency	Percent
Percent		
Total 89 100		
< Rs.30,000	44	49
Rs 30,000 - Rs 60,000	20	23
Rs 60,000 - Rs 90,000	11	12
> Rs 90,000	14	16
Total	89	100

In Table 1, we see the respondents' basic demographic data. The age, gender, education, marital status, profession, and monthly income of the respondents are all shown. Of the respondents, 31% are under the age of 30, while 36% are in their 30s and 40% are in their 40s. Sixty-seven percent of the responses are women. Sixty percent of those who answered are college educated or above. Approximately two-thirds (67%) of the population has a spouse. Nearly half (46%) of those surveyed are employed by businesses, while little

over a third (33%) are employed by the public sector. While 23% of respondents make between Rs.30,000 and Rs.60,000 per month, 49% make less than Rs.30,000.

Table No. 2
Sources of Information about different investment options

Source	Frequency	Percent
Relatives	15	16
Friends	24	27
TV	5	6
Newspaper	8	9
Financial Advisor	6	7
Bank	18	20
Social Media	5	6
Websites	8	9
Total	89	100

Inquiring about investing options amongst friends is done by 27% of respondents. Twenty percent of respondents rely on bank staff for relevant information, sixteen percent on relatives for details on investment opportunities, and nine percent on publications and related websites.

Table No.3
Preferred investment avenues among the respondents

Investment Sources	Frequency	Percent
Bank Deposit	31	35
Post Office	13	15
Life Insurance	6	7
Mutual Fund	19	21
Financial Advisor	6	7
Gold	9	10
Shares	6	7
Government Bonds	1	1
Real Estate	2	2
PPF	2	2
Total	89	100

The most popular form of investing among respondents is bank savings (35%). Mutual funds are favoured by 21% of those polled. Fifteen percent of those polled said they'd rather put their money in post office savings products, while ten percent choose gold. Seven percent of respondents like investing in shares and another seven percent like investing in life insurance products, while two percent each like investing in real estate and the public provident fund. Less than one percent of investors like government bonds.

Table No.4
Purpose of Investment among the respondents

Investment Purpose	Frequency	Percent
Education of Children	20	22
Marriage	5	6
House construction	17	19
Retirement Needs	12	13

Tax Benefit	6	7
Bank	18	20
Capital Appreciation	8	9
Additional income	21	24
Total	89	100

Investments made by wage earners are broken out in Table 4. The study uncovered seven reasons for doing so. Earning more money was the top reason for investing for 24% of respondents, followed by providing for children's education (22%), building a home (19%), saving for retirement (13%), experiencing capital appreciation (9%), minimising tax liability (9%), and funding a wedding (6%).

FINDINGS

- The majority of those who answered are women.
- The majority of responses are between the ages of 30 and 40.
- Many of the responders work in the business sector.
- Nearly half of those who participated in the survey had monthly incomes of less than Rs.30,000.
- The vast majority of respondents learn about available investing opportunities via their social networks.
- Most people who have invested say they put their money in the bank.
- Respondents mostly invest for two reasons: (1) to increase income, and (2) to fund their children's education.
- While profits on investment were seen as essential by 26% of respondents, 63% prioritised safety first when making an investment.
- Up to 15% of monthly income may be invested by the largest possible proportion of responders.
- The most popular investment horizon was between one and five years.

CONCLUSION & SUGGESTION

Investments in the form of bank deposits are more common among paid employees, and the key motive for making such an investment is to secure the security of one's funds while making it. You should look at the potential for fluctuating interest rates on bank accounts before counting on them as a reliable source of income. Investments placed in eligible bank fixed deposits for a period of at least five years are free from federal income tax under Section 80C of the Internal Revenue Code. Salaried employees need a better grasp of investment alternatives accessible to them if they are to enhance their participation in the stock market and mutual funds. Therefore, it is suggested that employees spend their bonus money in a number of various sectors in the hopes of maximising their return. The greatest method to protect one's financial situation against the risk of experiencing financial difficulty due to a drop in the value of any one or more of one's holdings is to invest in a diversified portfolio of assets.

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