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AN ANALYSIS ON PERCEPTION OF INVESTORS TOWARDS SAVINGS AND INVESTMENT IN THANJAVUR DISTRICT.

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ABSTRACT

The savings and investing patterns of investors served as the foundation for the research study. By increasing personal wealth, investing can promote overall economic growth and prosperity. The growth of financial markets that enable companies to raise capital is facilitated by investing. This also encourages more prosperity and economic advancement. Some types of investments also benefit society in different ways. The use of funds on assets to produce income or capital gains is known as investing. The two aspects of investing are time and risk. It makes reference to the concept of postponed consumption, which is the act of making a purchase, making a loan, or keeping money in a bank account with the goal of earning returns down the road. The study's goals were to establish the savings objective and identify the various aspects that affect investing before making an investment. To collect data, a structured questionnaire was distributed to one hundred investors in the Thanjavur region. Despite their low compensation, investors have been saving for future needs. The main investment avenues are bank savings, and the main objectives of investments are marriage, children's education, and retirement security.

KEY WORDS: Perception, Savings, Investment

INTRODUCTION

Savings and investments are two key variables which play a significant role in economic growth and expansion. However, the relationship between savings and investments continues to be one of the most hotly debated topics among economists since the essential question in the discussion is "Causation," or whether savings cause investments or investments create savings. Due to its significant ramifications for the nation's budgetary strategy, the topic of causality becomes even more crucial. For example, the detrimental effects of government deficits on net national saving and capital formation are often used to

construct the economic significance of these deficits. Behind this interpretation of government deficits lies an implicit view that it is saving that causes investment: government deficits represent negative government saving, and this reduces the pool of national saving available for investment thereby reducing the level of investment. Not only does the saving - investment causation debate raise questions about the level of deficits, it also has implications regarding how such deficits are to be closed. Thus, if saving causes investment and investment is desired for purposes of raising growth, then the government deficit should be closed by cutting spending rather than raising taxes.

MEANING OF INVESTMENT

Investing is the use of money on assets in order to generate income or capital gains. Time and risk are the two characteristics of investment. It alludes to the idea of postponed consumption, which is the process of buying something, lending money, or holding money in a bank account in order to earn returns later. There are numerous investment possibilities with varying risk-reward tradeoffs. An investor can build a portfolio that optimizes returns while lowering risk exposure by having a solid understanding of the fundamental ideas and conducting a thorough study of the available possibilities.

Investment objectives

Increasing the rate and lowering the risk are the primary investment goals. Additional goals, such as safety, liquidity, and inflation hedging, might be categorized as subsidiary goals.

Return

A high rate of return on investment is something that all investors anticipate. The entire income an investor receives over the course of the holding time expressed as a percentage of the purchase price at the start of the holding period is known as the rate of return.

Risk

The likelihood that the actual return will fall short of the anticipated return is correlated with the risk of keeping securities. The terms "risk" and "variability of return" are interchangeable. Because minimizing risk and maximizing return are interconnected goals in investment management, assessing an investment's risk is equally as crucial as determining its expected rate of return. An investment is riskier if its rate of return fluctuates significantly over time than if it stays relatively constant. Every investor wants to lower the risk of his investment by combining various securities in the right way.

Liquidity

Liquidity is provided by the investment's marketability. The trading and marketing facilities determine the liquidity. The investor would be better equipped to handle emergencies if they could quickly turn a portion of their investment into cash. Only when stocks offer a sufficient return through dividends and capital growth can they attract a high market value and are considered liquid.

Safety

The legal and regulatory framework should apply to the chosen investment avenue. It is challenging to represent any grievances if they are not covered by the legal framework. The law's own approval lends an air of security. Despite being legally sanctioned, the safety of the principle varies depending on the investing method. Compared to private investments, government-backed investments offer greater security. The following is a ranking of investments from a safety perspective: government bonds, UTI units, equity shares, convertible and non-convertible debentures, bank deposits, and deposits with non-bank financial firms

VARIOUS INVESTMENT OPTIONS

- Savings Bank Account

- Bank Fixed Deposit (Bank FDs)
- Post Office Savings Schemes (POSS)
- Mutual Funds
- Life Insurance Policies
- Equity Shares
- Gold
- Real Estate
- Government Securities

OBJECTIVES OF THE STUDY

1. To know the various investment avenues available for investors .
2. To examine investment patterns and investment decisions making forwards investment avenues
3. To identify the perception of investors for selection of investment avenues

REVIEW OF LITERATURE

Dr. M. Kalimuthu -2023 : This study tries to analyze the employee's awareness level in relation with demographic factors and various other factors influence before investing. This study is based on both primary data and secondary data. The primary data is collected through framing a structured questionnaire by Convenient Sampling Techniques from 120 salaried employees of both private and government sector in Coimbatore city, which cannot reflect the opinion of the whole population. Statistical Tools: Percentage Analysis, Rank Analysis, and Likert Scale Analysis have been adopted to find the results for the data collected. The study also reveals most of the employees prefer Gold, Bank deposits, Real Estate and etc., as the investment option, there is lack of awareness about other Insurance, Post Office Saving Schemes offered by the Central Government. From this study, it is concluded that people invest in various investment schemes by allocating certain amount from their income or savings to meet up the future needs without taking high level of risk.

Dr. Mavy Miranda 2023 : The objective of the study is to analyse the investment pattern of salaried employees of Udupi city. The data is collected through questionnaire served through google forms. It was found from the analysis that majority of the respondents invest their savings to earn additional income and that the most preferred option of investment is Bank Fixed deposits. Lack of sufficient financial knowledge regarding risk and return also prevents the employees from venturing into modern investment avenues.

Velmurugan & Amarjothi (2020) in their paper “A Study on Savings and Investment Pattern of Assistant Professors of Self-Finance Colleges in Theni District” found that most of the assistant professors considered safety of the funds as the main factor before investing and Bank deposits was considered as the main option of their investments.

Research Design

A Research design is purely and simply the framework of plan for a study that guides the collection and analysis of data. The study is intended to find the investors preference towards various investment avenues. The study design is **descriptive** in nature.

Sampling Methods

Convenience method of sampling is used to collect **the sample of 100** from the respondents. Researchers or field workers have the freedom to choose whomever they find, thus the name “convenience”.

Data collection

Primary data – collected through Structured Questionnaire from teachers were working in selected colleges in trichy.

Secondary data – Earlier records from journals, magazines and other sources.

ANALYSIS AND INTERPRETATION

Table No. 1
Demographic Characteristics

Factors		Frequency	Percentage
Age	21-30	23	23
	31-40	71	71
	41-50	4	4
	50 & Above	2	2
Qualification	School Level	10	10
	Graduate	22	22
	PG	58	58
	PhD	6	6
	Others	4	4
Occupation	Govt employee	18	18
	Pvt employee	78	78
	Self employee	4	4
Income	Upto RS.20,000	75	75
	RS.20,001-40,000	15	15
	RS.40,001-60,000	8	8
	Above RS.60,000	2	2
Marital Status	Married	71	71
	Unmarried	29	29
No of members in the family	1-2	28	28
	3-4	65	65
	5-6	7	7
Earnings members in the family	One member	57	57
	Two members	25	25
	Above 2 members	18	18

The above analysis shows that 23% of respondents are in the age group of 20-30, 71% of respondents are in the age group of 31-40, 4% of respondents are in the age group of 41-50 and 2% of respondents are in the age group of 50 and above, 22% of respondents are graduate, 58% of respondents are postgraduate, and 6% of respondents are PhD holders and 4% are others. 78% of the respondents are private employee, 18% of the respondents are government employee and 4% of the respondents are self employed. 75% of the respondents had a monthly income of Rs.20000, 15% of the respondents had a monthly income of Rs.20001-40000, and 8% of the respondents had a monthly income of Rs.40, 001-60, 000, and 2% of the respondents had a monthly income of above Rs.60000 and 71% are married and 29 % are unmarried, 65% respondents are having 3-4 members in the family, 28% respondents are having 1-2 members in the family, and 7% respondents are having 5-6 members in the family. 57% of the respondents are having one earning member in the family, 25% of the respondents are having two earning members in the family.

Table No. 2
Preference of Investment Avenues

Investment Avenues	Respondents	Percentage
Insurance	20	20
Banks	40	40
Post office	8	8
Equities	2	2

Real estate	7	7
Mutual fund	8	8
Govt.securities	2	2
Gold	12	12
Others	1	1
Total	100	100

The above analysis shows that 20% of respondents invested in insurance, 40% of respondents had invested in banks, 8% of respondents had invested in post offices, 2% of respondents had invested in equities, 7% of respondents had invested in real estates, 8% of respondents had invested in mutual funds, 2% of respondents had invested in govt.securities, 12% of respondents had invested in gold, 1% had invested in others

Table No. 3
Factor Considered Before Investing

Factor	Respondents	Percentage
Safety	27	27
Low risk	14	14
High return	18	18
Tax consideration	17	17
Liquidity	24	20
Total	100	100

The above analysis shows that 27% of respondents giving importance to factor of safety & principal, 14% of respondents giving importance to factor of low risk, 18% of respondents giving importance to factor of high returns, 17% of respondents giving importance to tax consideration, 24% of respondents giving importance to factor of liquidity.

Table No. 4
Investment decision

Investment depends	Respondents	Percentage
Surplus money	10	10
Past performance	12	12
Economic scenario	32	32
Investment analysis	31	31
Portfolio analysis	15	15
Total	100	100

The above analysis shows that 10% of respondents are having an investment decision depends on surplus money, 12% of respondents are having an investment decision depends on past performance, 32% of respondents are having an investment decision depends on economic scenario, 31% of respondents are having an investment analysis and 15% on portfolio analysis

Table No. 5
Savings Objectives

Savings objectives	Respondents	Percentage
Children s Education	34	34%

Retirement	4	4%
Home purchase	27	27%
Children s marriage	9	9%
Health care	17	17%
Unforeseen Risk	10	10%
Total	100	100%

The above analysis shows that 34% of the respondents are having savings objectives of children education , 27 % of respondents having savings objectives of home purchases , 17 % of respondents having savings objectives of health care, 10 % of respondents having savings objectives of unforeseen risk , 9 % of the respondents having savings objectives of children marriage and 4 % of the respondents having savings objectives of retirement this investment .

**Table No. 6
Mode of Savings**

Mode of savings	Respondents	Percentage
Monthly	67	67%
Quarterly	9	9%
Half Yearly	9	9%
Yearly	15	15%
Total	100	100%

The above table shows that 67% of respondents are having mode of savings as monthly, 15% of respondents are having mode of savings as yearly 9% of respondents are having mode of savings as quarterly , 9% of respondents are having mode of savings as half yearly for this mode of savings .

**Table No. 7
Problems While Investing**

problems	Respondents	Percentage
Lack of family support	37	47%
Lack of Knowledge	8	8%
Improper guidance	55	45%
Total	100	100%

The above analysis shows that 37% of respondents having lack of family support, 10% of respondents having lack of knowledge,55% of respondents having improper guidance for investment.

**Table No. 8
Prefer To Invest**

Which sector do you prefer to invest your money	Respondents	Percentage
Private Sector	30	30%
Public Sector	22	22%
Government Sector	37	37%
Foreign Sector	11	11%

Total	100	100%
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The above table shows that 37% of respondents are prefer to invest in government sector , 30% of respondents are prefer to invest in private sector , 22% of respondents are prefer to invest in public sector , 11% of respondents are prefer to invest in foreign sector this invest their money.

Table No. 9
Investment Period

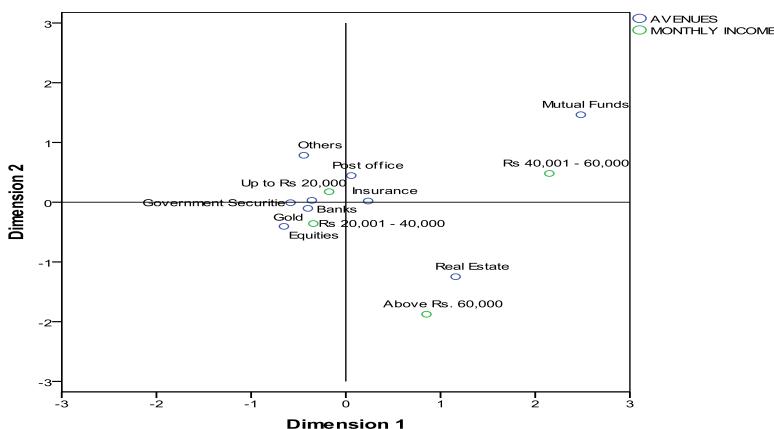
Investment period would you prefer to invest	Respondents	Percentage
Short-term (0-1 Year)	24	24%
Medium- term(1-5 Year)	46	46%
Long term (>5 Years)	30	30%
Total	100	100%

The above table shows that 46 % of respondents are having investment period of medium -(1-5 year) , 30 % of respondents are having investment period of long term (> 5 years) 24 % of respondents are having investment period of short – term (0-1 year) their investment period .

The Relationship between Income and Investment avenues

Table No. 10
Relationship between the Monthly Income and Avenues

Monthly Income	AVENUES									
	Insurance	Banks	Post office	Equities	Real Estate	Mutual Funds	Government Securities	Gold	Others	Active Margin
Up to Rs 20,000	15	35	5	1	4	4	1	9	1	75
Rs 20,001 - 40,000	2	4	2	1	2	2	1	1	0	15
Rs 40,001 - 60,000	3	1	1	0	1	2	0	1	0	9
Above Rs.60,000	0	0	0	0	0	0	0	1	0	1
Active Margin	20	40	8	2	7	8	2	12	1	100



The above Correspondence graph is a primary technique for representing the rows and columns of a two way contingency table in a joint plot. It produces a visual representation of the relationships between the row categories and the column categories in the same space.

The above Table illustrates a typical two dimensional contingency table. The data are from various Avenues and Monthly income of the respondents which constitute the row and column for the two way plot. The aspect of the study looks at the various avenues of the respondents from various income groups. The respondents Income between Rs 40,001 to 60,000 make investment in mutual funds, the income group above Rs. 60,000 invest in real estate business. These two income groups come under first dimension. The remaining income group falls under second dimensions. The income groups below Rs. 20,000 second dimension invest in post office, insurance and Government securities. The income group between Rs. 20,001 to 40,000 invests in Gold, Equities and in Banks.

Table No. 11

The Relationship between Income and Saving.

Setting of Hypothesis:

Null Hypothesis : There is no association between income and saving.

Alternate Hypothesis : There is an association between income and saving.

Chi-Square test of relationship between Income and Savings

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.492(b)	1	.006
Likelihood Ratio	6.233	1	.002
Fisher's Exact Test			
Linear-by-Linear Association	3.492	1	.013
N of Valid Cases	100		

Result

Since the chi square value is less than the significant value ($0.006 < 0.05$). We accept the alternative hypothesis and reject the null hypothesis.

Significant at 5% level.

Therefore we conclude that there is association between monthly income and investment

FINDINGS

- The majority of responders are between the ages of 31 and 40.
- The majority of respondents earned Rs. 20,000 per month.
- Of those surveyed, 65% had three to four family members.
- Of the respondents, 57% have a single earner in their family.
- Forty percent of those surveyed had made bank investments.
- 27% of respondents said that safety and principal were important factors.
- According to 32% of respondents, the state of the economy influences investment decisions.
- Of those surveyed, 34% have savings goals related to their children's education.
- Of those surveyed, 37% said they would rather invest in the public sector.
- Monthly income and investments are related.

SUGGESTIONS

- In order to improve saving habits, the savings mode needs to draw in customers by offering a variety of deals or competitive pricing.
- The lack of investment or savings practices stems from a concern of uncertain returns. By guaranteeing the return of the deposited funds, this obstacle can be eliminated.

- If someone wants to invest in shares, they should read newspapers, journals, and other publications about investments. They should also only deal with registered members of reputable stock exchanges; if there are no stock exchanges, they may deal with subbrokers who are connected to registered brokers.

CONCLUSION

Savings and proper investment is important for every human life. Investments made by individual investors are supported by rewards and capital. For their investments, they require security and dependability. The majority of investors save money, place it in safer environments, and require consistent income from their lower risk investments. The respondents have more options regarding different investments, such as bank deposits, post office RD, NSC, fixed and recurring deposits, insurance policies, and government securities, such as RPF, KGID, PE GPF/PPF, and small savings bank deposits. It is evident from the study that most of the investors are considered safety for selecting the mode of saving and Bank deposits was considered as the main option of the investment

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