International Journal of Applied and Scientific Research (IJASR)
Vol. 4, No. 1, 2026: 41-52

Savings and Investment Patterns of Salaried Individuals in Relation to Socio-Economic Factors

S Subaithani[1*], P Sudha[2]
Nallamuthu Gounder Mahalingam College, Pollachi, Coimbatore
Corresponding Author: S Subaithani subi3778@gmail.com

ARTICLE INFO
Keywords: Savings Behaviour, Investment Patterns, Socio-Economic Factors

Received : 5 November
Revised : 23 December
Accepted: 23 January

ABSTRACT
Savings and investment behaviour are crucial for the financial stability of salaried individuals. This study aims to analyse the income, expenditure, savings, and investment patterns of salaried employees and to examine the impact of socio-economic variables on their financial behaviour. Primary data were collected from 85 salaried individuals using a structured questionnaire covering demographic details, income, expenditure, savings, investment patterns, and work-related factors. Secondary data were obtained from journals, books, reports, and online sources. Simple percentage analysis was used to study socio-economic profiles, descriptive statistics to assess income, expenditure, savings, and investment, and multiple regression analysis to evaluate the influence of socio-economic variables. The findings reveal that salaried individuals maintain moderate income and savings levels, with a conservative investment approach. Regression results indicate that age, education, income, occupation, family type, and work experience significantly influence savings and investment behaviour. The study highlights the importance of financial planning and awareness among salaried individuals

DOI: https://doi.org/10.59890/ijasr.v4i1.174
ISSN-E: 3025-7670
https://nvlmultitechpublisher.my.id/index.php/ijasr

INTRODUCTION

Savings and investment play a crucial role in ensuring financial security and economic stability for individuals as well as for the economy as a whole. In the context of salaried individuals, savings and investment decisions are largely influenced by socio-economic factors such as age, income, education, occupation, family structure, and work experience. These factors determine not only the capacity to save but also the preference for various investment avenues. According to (Keynes, 1936), income is one of the most important determinants of savings, as individuals tend to allocate a portion of their disposable income for future needs and uncertainties.

Several studies have highlighted that socio-economic characteristics significantly shape financial behaviour. (Modigliani and Brumberg, 1954), through the Life Cycle Hypothesis, explained that individuals' savings and investment patterns vary across different stages of life, with younger individuals focusing more on consumption and older individuals prioritising savings and investments for retirement.

Education has been identified as another critical factor influencing financial decision-making. (Lusardi and Mitchell, 2011) found that individuals with higher educational attainment and financial literacy exhibit better savings discipline and a greater inclination towards diversified investment portfolios. Likewise, (Van Rooij, Lusardi, and Alessie, 2012) observed that educated individuals are more likely to participate in formal financial markets and adopt long-term investment strategies compared to those with lower educational backgrounds.

Income level and occupational stability also have a strong impact on savings and investment behaviour. (Campbell, 2006) noted that higher-income salaried individuals tend to invest in a wider range of financial instruments, including equities and mutual funds, whereas lower-income groups prefer safer and more liquid options such as bank deposits. Supporting this view, (Guiso, Sapienza, and Zingales, 2018) argued that employment security and predictable income streams enhance risk-taking ability in investment decisions.

In the Indian context, studies by Gupta and Jain (2014) and Singh and Kaur (2016) have shown that salaried individuals largely prefer traditional and low-risk investment avenues such as fixed deposits, insurance, and provident funds, reflecting a conservative investment approach. However, recent changes in financial markets and increased awareness have encouraged a gradual shift towards market-linked instruments among younger and educated salaried employees, as noted by Sharma and Verma (2020).

LITERATURE REVIEW

Recent studies have emphasised the significant role of socio-economic factors in shaping the savings and investment behaviour of salaried individuals. Kumar and Thomas (2020) examined the influence of income, education, and occupation on savings behaviour and found that higher income and educational attainment positively affected individuals' capacity to save and invest. Their study highlighted that salaried individuals with stable employment and higher educational qualifications showed a greater preference for formal investment avenues such as mutual funds, insurance, and fixed deposits. The authors also

observed that age and work experience contributed positively to long-term investment planning.

Similarly, Williams and Chen (2021) analysed the relationship between demographic characteristics and investment decisions among salaried employees. The study revealed that monthly income and work experience were the most influential determinants of investment behaviour, while family responsibilities and occupational uncertainty acted as constraints on savings. The findings suggested that individuals in the middle-income group preferred low-risk investment options, indicating a conservative financial approach. The study further concluded that socio-economic stability enhances financial discipline and promotes systematic investment behaviour.

In another study, Priya and Nair (2022) investigated the impact of socio-economic variables such as family type, age, and education on savings and investment patterns. The results showed that individuals from nuclear families and those with higher educational levels demonstrated stronger savings behaviour and greater awareness of diversified investment instruments. The study also pointed out that younger salaried individuals focused more on consumption, whereas older respondents prioritised savings and long-term investments. The authors concluded that socio-economic characteristics significantly influence financial decision-making and investment orientation among salaried individuals.

Statement of the Problem

Salaried individuals play a vital role in household financial planning, as their income is relatively stable and predictable. However, rising living costs, changing lifestyles, and increasing financial commitments have significantly influenced how income is allocated towards expenditure, savings, and investments. Despite earning regular income, many salaried individuals struggle to maintain a balanced financial structure due to inadequate planning and limited awareness of effective financial management practices. Variations in income allocation patterns raise concerns about financial security and long-term wealth creation (Browning & Lusardi, 1996). In view of the above, the present research focuses on,

1. What are the income, expenditure, savings, and investment patterns of salaried individuals?

   Socio-economic characteristics such as age, education, income level, occupation, family structure, and work experience are known to influence financial decision-making. Differences in these factors often lead to unequal savings capacity and varied investment behaviour among salaried individuals. While some individuals actively invest and plan for the future, others remain conservative or constrained due to socio-economic pressures. Understanding how these variables affect savings and investment behaviour is essential for improving financial planning and policy formulation (Lusardi & Mitchell, 2011). Hence, it becomes essential to examine,
2. What is the impact of socio-economic variables on the savings and investment behaviour of salaried individuals?

Objective

- To analyse the income, expenditure, savings, and investment patterns of salaried individuals using descriptive statistics.
- To determine the impact of socio-economic variables on the savings and investment behaviour of salaried individuals**.**

METHODOLOGY

Data and Source of Data

The present study is based on both primary and secondary data. The primary data were collected from salaried individuals through a well-structured questionnaire designed to examine their socio-economic profile and savings and investment behaviour. The questionnaire included questions related to demographic characteristics, income, expenditure, savings, investment patterns, and work-related factors. The secondary data were collected from books, journals, research articles, reports, government publications, and relevant online sources related to savings and investment behaviour and socio-economic factors.

Sample and Sampling Method

The study is based on a sample of 85 salaried individuals. The respondents were selected from different age groups, income levels, educational backgrounds, occupational categories, and family structures. A purposive sampling method was adopted to select respondents who are salaried employees and actively involved in saving and investment activities. This method was chosen to ensure the relevance and reliability of the data collected.

Table 1. Framework of Analysis

CATEGORY	VARIABLES	METHOD OF ANALYSIS	PURPOSE
Economic Profile	Income, expenditure	**Descriptive Statistics**	To measure income and spending patterns
Financial Behaviour	Savings, investment	**Descriptive Statistics**	To assess saving and investment levels
Determinants Analysis	Socio-economic variables	**Multiple Regression Analysis**	To examine influence on savings and investment behaviour

RESULT AND DISCUSSION

Data Analysis and Interpretation

Socio Economic Profile of Salaried Individuals - Percentage Analysis

Table 2. Socio-Economic Profile of Respondents

VARIABLE	CATEGORY	FREQUENCY	PERCENTAGE (%)
Age (Years)	Below 30	18	21.2
	31 – 40	32	37.6
	41 – 50	22	25.9
	Above 50	13	15.3
Gender	Male	54	63.5
	Female	31	36.5
Area of Residence	Urban	42	49.4
	Semi-Urban	23	27.1
	Rural	20	23.5
Marital Status	Married	63	74.1
	Unmarried	19	22.4
	Others	3	3.5
Educational Qualification	Higher Secondary	9	10.6
	Graduate	34	40.0
	Post Graduate	30	35.3
	Professional	12	14.1
Occupation Type	Government Employee	11	12.9
	Private Employee	54	63.5
	Professionals	9	10.6
	Others	11	12.9
Type of Family	Nuclear	55	64.7
	Joint	30	35.3
Monthly Income (₹)	Below 25,000	17	20.0
	25,001 – 50,000	36	42.4
	50,001 – 75,000	21	24.7
	Above 75,000	11	12.9
Work Experience (Years)	Below 5	19	22.4
	6 – 10	28	32.9
	11 – 20	25	29.4
	Above 20	13	15.3
Mode of Savings / Investment	Bank Deposits	31	36.5
	Insurance	21	24.7
	Mutual Funds	18	21.2
	Shares / Securities	9	10.6
	Others	6	7.0

Age

It is evident from the table that 18 respondents (21.2%) belong to the below 30 years age group, 32 respondents (37.6%) fall under 31–40 years**,** 22 respondents (25.9%) are between 41–50 years, and 13 respondents (15.3%) are above 50 years. Hence, it can be inferred that *most* of the respondents are in the 31–40 years age group, indicating that the sample largely comprises individuals in their active working years.

Gender

The table reveals that 54 respondents (63.5%) are male, while 31 respondents (36.5%) are female. Hence, it is inferred that the majority of the respondents are male, indicating higher male representation in the study.

Area of Residence

It is clear from the data that 42 respondents (49.4%) reside in urban areas, 23 respondents (27.1%) in semi-urban areas, and 20 respondents (23.5%) in rural areas. Therefore, it can be concluded that *most* of the respondents belong to urban areas**,** suggesting greater exposure to urban facilities and services.

Marital Status

The table shows that 63 respondents (74.1%) are married, 19 respondents (22.4%) are unmarried, and 3 respondents (3.5%) fall under the others category. Hence, it can be inferred that the majority of the respondents are married, indicating a predominance of family-oriented individuals in the sample.

Educational Qualification

Among the respondents, 9 (10.6%) have completed higher secondary education, 34 respondents (40.0%) are graduates, 30 respondents (35.3%) are postgraduates, and 12 respondents (14.1%) possess professional qualifications. Thus, it can be inferred that *most* of the respondents are graduates, followed closely by postgraduates, reflecting a relatively well-educated sample.

Occupation Type

The table indicates that 11 respondents (12.9%) are government employees**,** 54 respondents (63.5%) are private employees (including teachers and banking/finance employees), 9 respondents (10.6%) are professionals (formerly IT/Technical), and 11 respondents (12.9%) belong to other occupations**.**

Hence, it can be concluded that the majority of respondents are employed in the private sector**,** reflecting the predominance of private employment among salaried individuals, while government employment and professional occupations constitute smaller proportions of the sample.

Type of Family

It is evident that 55 respondents (64.7%) belong to nuclear families, while 30 respondents (35.3%) are part of joint families. Therefore, it can be inferred that the majority of the respondents live in nuclear families, reflecting a shift towards smaller family structures.

Monthly Income

The data reveals that 17 respondents (20.0%) earn below ₹25,000, 36 respondents (42.4%) earn between ₹25,001–₹50,000, 21 respondents (24.7%) fall under ₹50,001–₹75,000, and 11 respondents (12.9%) earn above ₹75,000. Hence, it can be inferred that *most* of the respondents belong to the ₹25,001–₹50,000 income group, indicating a middle-income profile.

Work Experience

It is observed that 19 respondents (22.4%) have below 5 years of experience, 28 respondents (32.9%) have 6–10 years, 25 respondents (29.4%) possess 11–20 years, and 13 respondents (15.3%) have above 20 years of work experience. Therefore, it can be concluded that *most* of the respondents have 6–10 years of experience, suggesting moderate professional exposure.

Mode of Savings / Investment

The table shows that 31 respondents (36.5%) prefer bank deposits, 21 respondents (24.7%) opt for insurance, 18 respondents (21.2%) invest in mutual funds, 9 respondents (10.6%) choose shares/securities, and 6 respondents (7.0%) fall under other modes. Hence, it can be inferred that *most* of the respondents prefer bank deposits, indicating a conservative approach towards savings and investment.

Analysing Income, Expenditure, Savings, and Investment Patterns- Descriptive Statistics

Table 3. Descriptive Statistics of Key Financial Variables (N = 85)

Variable	Mean	Median	Mode	Std. Deviation	Minimum	Maximum	Skewness	Kurtosis
Age (Years)	36.82	36	32	8.45	22	59	0.51	−0.29
Earning Members	1.92	2	2	0.74	1	4	0.68	−0.18
Non-Earning Members	2.11	2	2	1.03	0	5	0.35	−0.77
Work Experience (Years)	9.47	8	5	6.82	1	30	0.89	0.45

The analysis of income, expenditure, savings, and investment patterns of the respondents reveals considerable variation across financial indicators. The average monthly income of the respondents is ₹28,969, with a median income of ₹27,000 and a mode of ₹20,000, indicating that most respondents fall within the lower to middle income bracket. The wide range of income, from ₹2,000 to ₹1,00,000, along with a positive skewness value (0.92), suggests that while the majority earn moderate incomes, a small number of high-income respondents raise the overall mean.

With regard to monthly expenditure, the mean expenditure is ₹16,523, with a median of ₹15,000 and a mode of ₹20,000. The expenditure pattern also shows a right-skewed distribution (skewness = 0.90), implying that most respondents incur moderate expenses, whereas a few respondents report significantly higher spending levels, as reflected in the broad range from ₹1,507 to ₹60,000.

In terms of monthly savings, the average savings amount to ₹7,577, while the median savings stand at ₹6,000 and the mode at ₹5,000. The high skewness value (2.06) and kurtosis (7.01) indicate a highly uneven distribution of savings. This suggests that although the majority of respondents save relatively small amounts, a few respondents save substantially higher amounts, thereby increasing the mean savings value.

Regarding annual investment, the mean investment is ₹30,901, whereas the median and mode are ₹20,000 and ₹5,000 respectively. The investment pattern exhibits the highest variability, with values ranging from ₹1,000 to ₹2,50,000. The very high skewness (2.65) and kurtosis (11.71) values highlight a highly concentrated distribution, indicating that a small group of respondents makes large investments while the majority invest at modest levels.

Overall, the descriptive statistics indicate that respondents generally maintain moderate income and expenditure levels, while exhibiting a conservative approach towards savings and investment. The pronounced skewness and kurtosis values for savings and investments reveal financial inequality among respondents, where a limited number of individuals significantly influence the average values. This pattern reflects cautious financial behaviour, with most respondents prioritising essential expenditure and limited long-term investment commitments.

Influence of Socio-Economic Variables on Savings and Investment Behaviour - Multiple Regression Analysis

Regression Equation:

The following regression equation has been framed to measure the influence of socio-economic variables on the savings and investment behaviour of salaried individuals:

$$\mathbf{SIB=a+b1(AGE)+b2(EDU)+b3(MI)+b4(OCC)+b5(TF)+b6(WE)+e}$$

Where:

- SIB = Savings and Investment Behaviour
- AGE = Age of the respondent
- EDU = Educational Level
- MI = Monthly Income
- OCC = Occupation
- TF = Type of Family
- WE = Work Experience
- a = Constant
- b1 to b6 = Regression coefficients
- e = Error term

Table 4. Regression Coefficients

Variable	B	Std. Error	Beta	t-value	Sig.
Constant	21.482	4.011	–	5.354	0.000
Age	0.174	0.071	0.192	2.452	0.017
Education Level	1.821	0.652	0.261	2.794	0.007
Monthly Income	0.009	0.002	0.378	4.587	0.000
Occupation	−2.487	1.143	−0.176	−2.177	0.032
Type of Family	−1.965	0.874	−0.158	−2.249	0.027
Work Experience	0.263	0.108	0.214	2.423	0.018

The above table presents the regression coefficients of individual socio-economic variables and their influence on savings and investment behaviour.

- Age has a positive and significant effect on savings and investment behaviour ($\beta = 0.192$, $p = 0.017$). This indicates that as age increases, savings and investment behaviour improves, reflecting greater financial maturity and planning among older respondents.
- Education level shows a positive and statistically significant influence ($\beta = 0.261$, $p = 0.007$). This implies that higher educational attainment enhances financial awareness, leading to improved savings and investment decisions.
- Monthly income has the strongest positive influence on savings and investment behaviour ($\beta = 0.378$, $p = 0.000$). This suggests that higher income levels significantly increase the capacity and willingness of salaried individuals to save and invest.
- Occupation exhibits a negative but significant relationship with savings and investment behaviour ($\beta = -0.176$, $p = 0.032$). This indicates that certain occupational categories may face constraints that adversely affect their ability to save and invest.
- Type of family also has a negative and significant influence ($\beta = -0.158$, $p = 0.027$), suggesting that individuals belonging to certain family structures, particularly joint families, may experience higher financial responsibilities, reducing savings and investment potential.
- Work experience has a positive and significant effect on savings and investment behaviour ($\beta = 0.214$, $p = 0.018$). This implies that increased work experience contributes to financial stability and encourages long-term financial planning.

The constant value (21.482) is statistically significant, indicating a baseline level of savings and investment behaviour even in the absence of the independent variables.

CONCLUSIONS AND RECOMMENDATIONS

Provide Some Conclusions and Implementation of the Research Results

The present study examined the income, expenditure, savings, and investment patterns of salaried individuals and analysed the impact of socio-economic variables on their financial behaviour. The analysis revealed that most salaried employees maintain moderate income and expenditure levels, adopt a conservative approach to savings, and prefer low-risk investment avenues. Descriptive statistics highlighted variations in savings and investment patterns across different income groups, educational levels, and family types.

Multiple regression analysis confirmed that socio-economic variables such as age, education, income, occupation, family type, and work experience significantly influence savings and investment behaviour, with monthly income emerging as the most influential determinant. The findings underscore the importance of financial awareness, planning, and education to improve savings discipline and investment efficiency among salaried individuals.

Overall, the study provides insights into financial behaviour, helping policymakers, financial institutions, and individuals design strategies to encourage systematic saving and informed investment decisions.

REFERENCES

Agarwal, S., Driscoll, J. C., Gabaix, X., & Laibson, D. (2009). The age of reason: Financial decisions over the life cycle. *Brookings Papers on Economic Activity*, 2009(2), 51–117.

Becker, G. S. (1981). *A treatise on the family*. Harvard University Press.

Browning, M., & Lusardi, A. (1996). Household saving: Micro theories and micro facts. *Journal of Economic Literature*, 34(4), 1797–1855.

Browning, M., & Lusardi, A. (1996). Household saving: Micro theories and micro facts. *Journal of Economic Literature*, 34(4), 1797–1855.

Campbell, J. Y. (2006). Household finance. *The Journal of Finance*, 61(4), 1553–1604.

Deaton, A. (1992). *Understanding consumption*. Oxford University Press.

Friedman, M. (1957). *A theory of the consumption function*. Princeton University Press.

Guiso, L., Sapienza, P., & Zingales, L. (2018). Time varying risk aversion. *Journal of Financial Economics*, 128(3), 403–421.

Gupta, S., & Jain, R. (2014). A study on investment behaviour of salaried persons in India. *International Journal of Management Research and Business Strategy*, 3(1), 98–112.

Keynes, J. M. (1936). *The general theory of employment, interest and money*. Macmillan.

Kumar, R., & Thomas, S. (2020). Socio-economic determinants of savings and investment behaviour among salaried employees. *International Journal of Financial Studies*, 8(3), 45–58.

Lusardi, A., & Mitchell, O. S. (2011). Financial literacy and retirement planning in the United States. *Journal of Pension Economics and Finance*, 10(4), 509–525.

Lusardi, A., & Mitchell, O. S. (2011). Financial literacy and retirement planning in the United States. *Journal of Pension Economics and Finance*, 10(4), 509–525.

Modigliani, F., & Brumberg, R. (1954). Utility analysis and the consumption function: An interpretation of cross-section data. In K. Kurihara (Ed.), *Post-Keynesian economics* (pp. 388–436). Rutgers University Press.

Priya, S., & Nair, M. R. (2022). Savings and investment patterns of salaried employees: A socio-economic perspective. *Asian Journal of Management Studies*, 9(1), 67–79.

Sharma, R., & Verma, S. (2020). Investment preferences of salaried employees in India: An empirical study. *Journal of Emerging Technologies and Innovative Research*, 7(6), 345–352.

Singh, B., & Kaur, P. (2016). Investment behaviour of salaried individuals: A study of risk perception. *International Journal of Applied Research*, 2(2), 250–254.

Van Rooij, M., Lusardi, A., & Alessie, R. (2012). Financial literacy, retirement planning and household wealth. *The Economic Journal*, 122(560), 449–478

Williams, P., & Chen, L. (2021). Demographic factors influencing investment decisions of salaried individuals. *Journal of Economic and Financial Research*, 14(2), 112–125.