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## International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

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# A Study of Investment Pattern Among Private Employees with Special Reference in Coimbatore

**M.Gunasekaran M. Com (CA), MBA., M.Phil., (Ph.D), Mari Selvam E**

Assistant Professor, Department of Commerce CA, Dr. N.G.P. Arts and Science College, Coimbatore, India

III B. Com, Department of CA, Dr. N.G.P. Arts and Science College, Coimbatore, India

**ABSTRACT:** This study aims to analyze the investment patterns of private sector employees in Coimbatore, focusing on their preferences, motivations, risk appetite, and awareness of various investment avenues. With the increasing financial literacy and evolving economic environment, private employees are exploring diversified investment options such as mutual funds, fixed deposits, real estate, stocks, and insurance. The research employs a descriptive method through primary data collection using structured questionnaires. It seeks to understand the demographic factors influencing investment behaviour and the role of income, age, and educational background in shaping investment decisions. The findings of the study are expected to provide insights for financial institutions and policymakers to develop tailored financial products and awareness programs targeting this segment of the workforce.

**KEYWORDS:** Investment Pattern, Private Employees, Financial Behavior, Investment Avenues, Financial Literacy, Savings, Mutual Funds, Stock Market

## I. INTRODUCTION

Investment plays a pivotal role in financial planning and wealth accumulation, helping individuals achieve their short-term and long-term financial goals. For private employees, investing wisely is essential as they often lack access to government-backed pension schemes and other financial security benefits available to public sector employees. With rising inflation, economic uncertainties, and changing market trends, making informed investment decisions has become more critical than ever.

Coimbatore, a rapidly growing industrial and commercial hub in Tamil Nadu, has a large workforce employed in various private sectors, including IT, manufacturing, healthcare, and textiles. The investment behavior of these employees varies based on factors such as age, income, education, financial literacy, and risk appetite.

This study seeks to analyze the investment patterns of private employees in Coimbatore District, identifying their preferences, motivations, and challenges in investment decision-making.

By examining the role of demographic and psychological factors in shaping investment behavior, the study aims to provide insights that can help financial institutions, policymakers, and employers design better financial education programs and investment solutions tailored to the needs of private employees.

## 1.2 OBJECTIVES OF THE STUDY

- To examine the impact of demographic factors (age, gender, education, and experience) on investment behaviour.
- To identify the various investment avenues preferred by private employees in Coimbatore District.
- To analyze the key factors influencing investment decisions, such as income level, risk appetite, and financial literacy.

## 1.3 Scope of the Study:

The study on investment patterns among private employees in Coimbatore District aims to explore the financial behavior, preferences, and decision-making processes of individuals working in the private sector. It seeks to provide insights into how private employees manage their investments, the challenges they face, and the factors influencing their financial decisions.





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### 1.4 STATEMENT OF PROBLEM

The problem arises from the gap between investment awareness and actual investment behavior. Many employees either rely on traditional low-risk investments, missing out on higher returns, or avoid investing altogether due to fear of financial loss. Additionally, rapid digitalization and the rise of online investment platforms have changed how people invest, yet many private employees remain hesitant to adopt new financial technologies.

### 1.5 RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process, and analyse information about a topic. In a research paper the methodology section allows the reader to critically evaluate a study overall validity and reliability.

## II. REVIEW OF LITERATURE

1. Investment Behavior and Risk Tolerance – Gupta and Jain (2018) conducted a study on the investment patterns of private-sector employees and found that risk tolerance significantly influences investment decisions. Employees with low risk tolerance preferred fixed deposits, post office schemes, and government bonds, whereas those with higher risk appetite invested in stocks, mutual funds, and cryptocurrencies.
2. Mutual Funds and Systematic Investment Plans (SIPs) – Bose and Sen (2017) highlighted that SIPs in mutual funds have become a preferred investment method among private employees due to their disciplined approach, affordability, and potential for high returns. The study found that SIP investors benefit from rupee-cost averaging, which reduces the impact of market volatility.
3. Financial Literacy and Investment Decisions – Chandra (2019) emphasized the importance of financial knowledge in shaping investment behavior. The study revealed that employees with higher financial literacy tend to invest in stocks, bonds, and market-linked instruments, while those with limited financial awareness prefer fixed-income securities like EPF, PPF, and FDs.
4. Real Estate as an Investment Choice – Rao and Suresh (2020) examined real estate investment trends among private employees and found that middle-aged employees prefer real estate due to its potential for capital appreciation and rental income. However, younger employees avoid real estate due to high initial costs and lack of liquidity, preferring stocks and mutual funds instead.
5. Gold as a Traditional Investment – Sharma and Roy (2019) analyzed gold investment trends and found that gold remains a preferred asset among risk-averse employees, particularly women. The study also noted that gold ETFs (Exchange-Traded Funds) and Sovereign Gold Bonds (SGBs) have gained popularity among employees seeking liquidity and stable returns without physical ownership.

## III. OVERVIEW OF STUDY

Investment plays a crucial role in an individual's financial stability and long-term wealth creation, especially for private employees who often rely on fixed salaries and structured income sources. The investment pattern of private employees is influenced by various factors, including income levels, risk tolerance, financial knowledge, and prevailing economic conditions. Coimbatore, one of Tamil Nadu's major industrial and commercial hubs, has a significant number of private sector employees engaged in various industries such as textiles, IT, manufacturing, and services. Understanding their investment preferences is essential to evaluate how they manage their savings and allocate resources across different investment avenues such as bank deposits, real estate, mutual funds, stocks, gold, insurance, and government schemes.

The financial behavior of individuals is shaped by their demographic characteristics, financial literacy, accessibility to financial markets, and personal aspirations. The availability of investment opportunities and advisory services further influences decision-making, as employees often seek guidance from financial professionals or peers before committing to investments. In recent years, digital financial platforms and mobile-based investment applications have transformed the way employees invest, offering greater convenience and accessibility. However, despite the availability of multiple investment options, many employees struggle with financial planning due to factors such as lack of awareness, fear of risk, market volatility, and limited disposable income.



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### IV. ANALYSIS AND INTERPRETATION

Sum of Squares	df	Mean Square	F	Sig.	
Between Groups	5.658	4	1.415	1.835	.127
Within Groups	90.178	117	.771		
Total	95.836	121			
Between Groups	6.196	4	1.549	2.584	.041
Within Groups	70.140	117	.599		
Total	76.336	121			
Between Groups	2.196	4	.549	.570	.685
Within Groups	112.623	117	.963		
Total	114.820	121			
Between Groups	2.553	4	.638	.578	.680
Within Groups	129.324	117	1.105		
Total	131.877	121			

#### Interpretation:

Since the p-value is greater than 0.05, the difference in responses among groups is not statistically significant. This suggests that participants across different groups (e.g., age, income, education—based on your study design) do not differ significantly in their opinion on the need for better access to financial education.

#### Inference:

Across all demographics, respondents equally believe that improving financial education would help make better investment decisions. This highlights a uniform demand for financial literacy initiatives.

### V. CONCLUSION

Investment is vital for the financial security of private employees, especially in the absence of government-backed pension schemes. This study highlights how factors like income, risk tolerance, financial literacy, and market trends influence investment choices among private employees in Coimbatore. While traditional investments like fixed deposits and gold remain popular, there is a noticeable shift toward mutual funds, stocks, and digital assets. The rise of fintech platforms has further transformed investment behavior, emphasizing the need for better financial awareness. Enhancing financial literacy and encouraging diversified investments can help private employees make informed financial decisions, ensuring long-term stability and growth.

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