A Study On Investment Behaviour Of Midlle Class Households With Reference To Dakshina Kannada Distrcit.

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ARTICLE INFO	ABSTRACT
	Investing wisely to deliver optimal returns while meeting various financial obligations can be a daunting task. Middle-class households in India grapple with balancing daily expenses amid the complexity of financial decision-making. In this context, allocating funds for investment purposes becomes a significant effort. This study examines the investment and saving patterns of middle-class households in Dakshina Kannada district, aiming to provide insights for policy makers, financial institutions and individuals alike. Combining demographical analysis with income assessment and exploring investment preferential, the study is attempting to uncover the intricately woven dynamics influencing financial behaviors. Although recognizes potential drawbacks linked to convenience samplings and a encompass-sectional perspective, its discoveries shed light on routes to well-informed investments and financial empowerment for families in the middle strata. By comprehensively understanding demographic nuances, income dynamics, and investment inclinations, stakeholders can collaboratively pave the way for a more resilient and inclusive financial landscape, thereby assisting middle-class households in achieving their financial aspirations and securing their future.. **Keywords:** Investment, Savings, Middle class, Mutual fund, Financial Institutions.

Introduction

The middle class is a fundamental pillar of any country, whether it's the USA, China, or India.
In sociology, the middle class refers to the social group positioned between the affluent upper classes and the working class. While this group dreams of luxurious vacations and fancy cars, they prioritize saving for the future over extravagance.
India's rapid economic growth is fueled in part by the expanding middle class, especially individuals earning more than Rs 30 lakhs annually.
The transitioning to richer groups towards the middle class typically involves people earning more than Rs 30 lakhs, showcasing a decreased poverty rate in cities versus rural zones. Investing, usually linked with monetary affluency, entails allocating assets other than cash. Hours and effort are crucial investments for guaranteeing a flourishing tomorrow. To make knowledgeable investment choices demands an in-depth comprehension of dangers and profits linked with different chances!!!
Encouraging saving habits can cultivate responsible spending and enhance financial stability, benefiting both individuals and society. Policymakers can leverage insights into saving and investment behaviors to craft

effective policies promoting increased saving and investment, which in turn fosters positive economic outcomes.

The growth of our economy heavily relies on the middle class, serving as a key consumer base that drives demand for goods and services consistently despite economic fluctuations. The middle class's unwavering spending and saving practices remain intact regardless of external economic changes.

Empowering Developing Nations: Investments and Savings

Countries with higher savings and investment rates stimulate economic growth than countries with lower savings and investment rates, with capital accumulation having a greater impact on a county's output and productivity. As such Being used as an excellent tool and tool to create employment opportunities and reduce the problem of underemployment and unemployment.

Savings and investment act as capital for entrepreneurs and help potential entrepreneurs move the country forward by transporting potential employees into our society. Developing countries like India can reduce their dependence on foreign aid by increasing investment and saving habits among the people. That way our Indian government has taken more initiative and made various schemes on investment focusing more on middle class household, following are various investment schemes: -

1. **Atal Penszon Yojana (APY):** This scheme provides unorganised workers with a retirement income. If you don't pay income tax, are between the ages of 18 and 40, and have contributed for at least 20 years, you are eligible to join. It provides a pension that, based on your age and contributions, can be anywhere between Rs 1,000 and Rs 5,000 per month once you become sixty.
2. **Public Provident Fund (PPF):** PPF assists with long-term financial planning. You can profit from favourable tax and interest rates. At the conclusion of the second year following the first, you are eligible to borrow up to 25% of the remaining amount.
3. **The Sukanya Samriddhi Yojana (SSY):** The initiative encourages parents to save aside money for their daughter's education. For your daughter who is younger than ten, you can start an account and make annual deposits. The plan has a 21-year lock-in period, but as soon as she turns 18, you may start making partial withdrawals.
4. **National Pension Scheme (NPS):** NPS is for retirement savings. You get a permanent retirement account number and can invest in stocks and bonds. There's no maximum limit for contributions, and you get tax benefits.
5. **Sovereign Gold Bonds (SGBs):** These are like gold-backed savings bonds. You earn 2.5% interest on top of any gold price increase. The interest is added to your bank account every six months. You can also use SGBs as collateral for loans.
6. **Senior Citizens Savings Scheme (SCSS):** It's for people aged 60 and above. It offers a good interest rate and has a 5-year term, extendable for three more years. It's a safe option for senior citizens to invest their savings.
7. **Pradhan Mantri Jan Dhan Yojana (PMJDY):** This program helps people who didn't have bank accounts before. It encourages them to open basic savings and deposit accounts, get debit cards, and access insurance and pension plans. PMJDY promotes financial inclusion and savings among low-income individuals.

Review of Literature

1. (Dr. Mavy Miranda, 2023) looks into the Udupi City salaried workforce's investment habits. Using a questionnaire distributed through Google Forms, the research aims to understand the purposes and preferences of investment among respondents. The findings reveal that the majority of participants invest primarily for additional income, with Bank Fixed deposits emerging as the most favored option. Moreover, the study identifies a significant influence of safety concerns on investment decisions. However, it also notes a limitation in the form of insufficient financial knowledge hindering exploration of modern investment avenues. The study contributes to understanding investment behavior among salaried individuals but has limitations, including potential sample size and location-related generalizability issues, reliance on a single data collection method, limitations in capturing the depth of investment knowledge, and a focus on a predominant investment option.
2. (Sathe, 2023)The research delves into the significant impact of investor sentiment and behavior on mutual fund investments by conducting a literature review. It examines various aspects including how investors perceive, think, and feel about mutual funds, along with their satisfaction levels. It also explores the variables that affect investing decisions and how advertising affects investor behavior. By analyzing existing data, the study aims to shed light on the mutual fund industry in India and to ascertain investor preferences and satisfaction. Key findings suggest that retail investors are drawn to mutual funds due to the wide array of investment choices available, underscoring substantial influence of investor sentiment and behavior on mutual fund selections. However, the research has limitations such as not addressing biases, providing limited details on questionnaire adjustments, and lacking explicit recommendations for further study.

3. The study conducted by (Archan Vadalia et al., 2023) focuses on salaried employees' investment perception and highlights the essential role of financial planning in attaining both short-term and long-term financial objectives. The research emphasizes the necessity of aligning savings and investment choices with future financial goals, taking into account tax implications. It aims to explore how employed individuals prepare for their financial futures, gain insights into their saving and investment behaviors, and underscore the significance of tax filing. Noteworthy findings include the emphasis on managing employee investments for tax reduction, a preference for regular return plans, and the importance of thorough information gathering before committing to investment decisions, as well as engaging directly with funds.

4. In their research, (Mulasi et al., 2022) examine the financial conduct of employed individuals in India, especially amidst the economic struggles resulting from the COVID-19 pandemic. The study focuses on cognitive prejudices such as conservatism and herding to comprehend their influence on financial decision-making. It also delves the mediation role of financial self-assurance in this context. By utilizing structured surveys distributed through email and WhatsApp, the scholars analyze the data using SPSS and R-PLS software. The results demonstrate notable adverse associations between conservatism and herding biases and financial conduct, while financial self-assurance displays a positive link. The study highlights the significant impact of the pandemic on financial uncertainty and conduct. Nevertheless, some constraints include the use of perception data, the necessity for further investigations to establish causation, and the study's particular focus on employed individuals, neglecting variables like emotions, financial literacy, personality, and stress.

5. The research conducted by (Umair & Ganapathi, 2021) investigates the saving and investment patterns of young workers in the BPO industry in Bengaluru, Karnataka, India. Given the substantial presence of millennials in both the population and workforce, comprehending their investment inclinations is essential. The primary objective of the study is to pinpoint the investment choices favored by millennials working in the IT sector in Bengaluru, as well as to analyze the factors that influence their investment decisions. Despite revealing that millennials are initiating investments at a younger age compared to past generations, the study underlines a lack of awareness regarding investment alternatives and differing perceptions of investment requirements among them. However, it is important to note that the study is limited in its focus on a specific time period, geographical area, and a small sample size of 101 participants from Manyata Tech Park. To increase the study's relevance and applicability, future research could expand to include millennials in other industries and locations, in addition to studying investment behaviours across various age groups to uncover additional factors influencing savings and investment choices.

6. (Dhawan & Mehta, 2019) conducted a study to examine the savings and investment behaviours in Jammu. The results offer valuable insights for financial advisors and portfolio managers, assisting them in grasping the mindset and financial knowledge of individuals. The study objectives encompass evaluating investment decision-making, analysing saving practices, investigating the relationship between savings and income, exploring the influence of gender on financial literacy, identifying motivations for saving and investing, and examining the connection between savings and income while considering demographic factors. The key findings demonstrate a significant correlation between savings and income, independent of demographic influences, as well as the impact of gender on financial literacy and awareness. Moreover, participants displayed a preference for secure and liquid investments with specific financial advantages. Nevertheless, the study acknowledged limitations such as a small sample size, restricted sample scope, time constraints, and the necessity for a larger sample for result generalization.

7. A study conducted by Gopi and colleagues (Gopi et al., 2018) in 2018 delved into the investment behaviours of salaried workers in the private shipping sector in Ernakulam District. By surveying 100 employees from ten shipping companies with a structured questionnaire, the research aimed to grasp their investment inclinations. Utilizing statistical tools like T-tests, Chi-square analysis, and correlation analysis on the gathered data, the study found that many employees directed their savings towards personal expenses such as education and marriage, demonstrating a cautious approach to investing. These findings offer valuable insights into the financial habits of private sector employees within the shipping industry, suggesting implications for the growth and enhancement of private finance and investment sectors. In essence, the research sheds light on the saving and investment trends prevalent among employees in private shipping companies, laying a foundation for further exploration and research in this domain.

8. (Das & Kumar, 2016)conducted a study with the goal of exploring the connection between saving and investment behaviors within middle-class households in India, and how demographic factors influence these behaviors. Their research revealed notable links between discretionary savings and investment behaviors. Interestingly, they noted that saving habits were not significantly impacted by employment type or monthly income, whereas income had a notable effect on investment behavior. Additionally, the study shed light on the concept of saving as being smaller yet more unstable compared to committed saving. Nevertheless, the study recognized limitations such as potential oversimplification of saving and investment behaviors in the developed hypotheses, emphasizing the necessity for further research in this area to fully grasp the intricacies of financial behaviors among middle-class households.

9. (Sood, 2015) conducted research that aimed to explore the saving and investment behaviors of employed individuals in Chandigarh, India. Through a structured survey administered to 200 participants representing various sectors, the study investigated the link between yearly savings and demographic

variables including age, income, employment sector, and educational background. By utilizing One Way ANOVA, the analysis revealed a notable association between these variables and investment choices. The findings highlighted that the most favored investment options were LIC policies and bank deposits, influenced by factors like attractive returns, tax advantages, and perceived security.

10. (Ramanathan & Dr K S Meenakshisundaram, 2015) conducted a research study that delved into the investment behaviors of bank employees. By utilizing a structured survey, they examined how demographic variables such as age, gender, marital status, educational background, occupation, and income influenced investment choices. The primary goal was to uncover the underlying reasons guiding investment decisions and to explore the connection between income levels and investment preferences. Employing analytical tools like percentage calculations, chi-square tests, and Karl Pearson's correlation coefficient, the study discovered that most participants placed a high priority on saving for financial stability. Moreover, the research indicated that the respondents possessed a good understanding of the criteria used to select investments, showing a preference for options with favorable returns and opportunities for asset growth. The results hinted that this study could be beneficial for financial institutions in tailoring suitable investment opportunities for bank employees.

11. (Yasodha & Ravindran, 2015) explored the financial habits of teachers in arts and science colleges in Coimbatore, focusing on savings and investment behaviors. The researchers emphasize the importance of effective financial management in driving economic progress. Through a survey of 748 college teachers, the study shows that many prioritize saving and prefer conventional investment methods for their reliability in meeting future needs. The study highlights significance of savings and investments at the grassroots level, benefiting individuals and the wider economy. However, it lacks a discussion on potential biases, detailed information on questionnaire adjustments, and explicit recommendations for future research. Despite these limitations, the findings provide valuable insights into the financial decisions and preferences of college teachers, revealing their awareness of various investment options.

12. (Samudra & Burghate, 2012) conducted a study on the investment behavior of middle-class households in Nagpur to gain insights into their preferences, trends, and objectives concerning investments. The research aimed to recognize the factors affecting saving patterns, such as income levels and age distribution, as well as to investigate the influence of psychological aspects on investment choices. Results revealed that a majority of participants favored making independent investment decisions and noted an uptick in savings over the past five years. Nevertheless, there was a lack of interest in long-term savings, which could impede the accumulation of a significant financial reserve. The study also observed shifts in investment strategies among respondents during the same period. Despite these observations, the study acknowledged certain limitations, including a possibly constrained sample size and the focus on Nagpur, which might impact the study's applicability. Time constraints, bias from self-reporting, and insufficient consideration of external factors like economic fluctuations were also recognized. Moreover, the diverse socioeconomic backgrounds of participants and varied data collection methods posed additional challenges in interpreting the study's results.

13. (Thiruchelvam & Mayakkannan, 2012) conducted a research study on the investment behaviors of Indian individual investors to analyze the market trends during economic slowdowns and market downturns. The study delves into the impact of emotions, such as overconfidence and fear, on investment choices, which challenges traditional beliefs about market behaviors The results indicate that Indian investors, who are generally well-educated and affluent, exhibit various degrees of risk tolerance, with age significantly correlated negatively with risk tolerance. The majority of investors are male, favoring investment avenues like PPF/FD/Bonds, and heavily relying on television for financial guidance. Recommendations from the study include developing investment products suited for investors with low risk tolerance. However, there are limitations such as the reliance on subjective data, the necessity for further research to establish causation, a focus solely on salaried individuals, and the oversight of aspects like emotions and financial knowledge, highlighting areas for future exploration.

14. The investigation conducted by (R. SreePriya & P. Gurusamy, 2012) delves into how salaried individuals in Coimbatore District manage their investments. It highlights the value of stability over big returns when choosing investments, indicating a preference for incremental savings that result in judgments on investments based on projected earnings. The study points out the diverse saving and investment goals individuals have, taking into account factors like safety, liquidity, and profitability. Moreover, it explores government-backed saving plans designed to lessen tax burdens. The goals of the research encompass grasping the different investment methods, examining the factors that impact investment behaviors, uncovering the challenges faced by participants, and offering recommendations based on the study's outcomes. Noteworthy discoveries include demographic correlations, such as the significant link between educational attainment and achieving investment objectives. Nonetheless, the study acknowledges limitations such as a restricted geographic scope, a small sample size, reliance on self-reported data, and a lack of suggestions for future research.

Need For the Study

It is important to know the behavior of middle class households as they form a significant part of the population. The reason for choosing Dakshina Kannada District as the focus of this research is because it has some very interesting qualitiesFirst of all, it's situated in Karnataka, India's coastline region. It's historically important because it's where some major Indian banks, like Canara Bank and Karnataka Bank, started.

Mangalore, a big city in this district, has a high literacy rate of 94%. This means that many people here are educated and aware. The district also has a strong economy, ranking second in terms of income per person, which shows that people here are relatively well-off.

Another important point is that Dakshina Kannada District ranks second in the Human Development Index (HDI) among all districts in Karnataka. HDI looks at things like health, education, and income to see how well people are doing.

Lastly, the district is third in terms of sex ratio, which means there's a good balance of men and women, showing a commitment to gender equality.

All these factors make Dakshina Kannada District a great place to study how middle-class families invest their money. The rich history, education, strong economy, and social balance create an ideal environment for understanding how people here manage their finances.

Statement of the problem

Middle-class families in India, who are among the highest and most honest taxpayers, face a challenge. They work hard to pay taxes and want to save money after covering their essential expenses. However, despite their desire to save and invest, they often find it difficult due to their financial responsibilities. Accumulating capital is crucial for enhancing productivity and fostering economic growth in a country. To gather capital, investments are necessary. Therefore, encouraging people to invest their money in a developing country like India can be a challenging task. However, the central government in India has taken several initiatives and introduced various schemes to address this issue.

This study aims to provide insights into the changing investment behavior patterns among middle-class households. Additionally, it seeks to understand their risk appetite, particularly whether they are willing to invest in riskier avenues.

In simple terms, it's essential for a country to save and invest money to make its economy stronger. But in India, getting people to invest their money is not always easy. The government has introduced different programs to help with this. This research tries to understand how middle-class families are changing the way they invest their money. It also looks into whether they are open to taking risks with their investments.

Research Gap:

The existing literature on investment behavior in India reveals notable gaps when considering a study on the middle-class households in Dakshina Kannada District. While previous research often targets urban centers and specific demographics, there is a lack of region-specific analysis for Dakshina Kannada. Additionally, the cultural, socioeconomic, and sectoral influences on investment decisions in this district remain largely unexplored. Furthermore, a focused investigation into the level of financial literacy and the impact of external factors on investment choices within this specific region is noticeably absent.

Objectives of the study

1. To establish a demographic profile of middle-class investors in Dakshina Kannada.
2. To investigate how demographic variables impact saving and investment behavior.
3. To ascertain the investment preferences, reasons, and preferred duration among middle- class households in Mangalore district
4. To find out relationship between Income and Investment in middle class household.
5. To determine if there is a growth in wealth resulting from the investments made.

Research Method
Study Area:
The data was collected in the Dakshina Kannada District of Karnataka State in February. 2024.
Research Design:
The paper employs both descriptive and quantitative research methodologies.
Sampling:
Convenient sampling was utilized as the sampling approach for data collection. This technique falls under the category of non-probability sampling methods.
Sample Size:
A sample size of 200 individuals was selected for convenience, with each person completing the questionnaire for the survey.
Data Collection Source:
Both primary and secondary data sources are included in the study.. Primary data were obtained through structured questionnaires administered to respondents, while secondary data were sourced from various published materials such as books, journals, and magazines.

Analyses to be used:
a) Tables were utilized to delineate the demographic profile of the respondents, examine the influence of demographic variables on savings and investment patterns, and determine the investment preferences, rationales, and preferred durations among middle-class households in the Mangalore district.
b) Many technique were use to does statistical analysis using Statistical Packages for the Social Sciences (SPSS)!

Analysis and Interpretation:

Table 1: Demographic profile of the respondent			
able		No. of Investors	%
Gender	Male	109	54.5
	Female	91	45.5
	Total	200	100
Age	21-30	102	51
	31-40	49	24.5
	41-50	20	10
	51-60	15	7.5
	61 and above	14	7
	Total	200	100
Marital Status	Married	92	46
	Unmarried	108	54
	Total	200	100
Educational Qualification	Postgraduate	85	42.5
	Graduate	72	36
	Non graduate	43	21.5
	Total	200	100
Employment Status	Salaried	97	48.5
	Self-employed	67	33.5
	Professional	32	16
	Retired	4	2
	Total	200	100

Analysing the demographics outlined in Table-1, it's apparent that a significant portion of the participants, comprising 54.5%, identify as male, with the remaining respondents self-identifying as female. More than half of the participants, around 51%, belong to the age group of 21 to 30 years. Additionally, about a quarter of the respondents, approximately 24.5%, are in the 31-40 years age category. When it comes to marital status, a considerable number, approximately 54%, of the participants mention that they are not married. Looking at the participants' educational backgrounds, it's important to mention that 42.5% have finished postgraduate studies, and 36% have completed their undergraduate degrees. Considering the participants' employment status, it's worth noting that 33.5% are self-employed, while 16% work as professionals.

Demographic factors' effects on investing and saving habits
Table 2.1: Relationship between age and Annual Savings of middle class house hold at Dakshina Kannada
Age * Annual savings and Investment Rs Cross tabulation
Count

	Annual savings and Investment Rs						Total
	Below 1 Lakh	1 lakh to 2 lakh	2 lakh to 3 lakh	3 lakh to 4 lakh	4 lakh to 5 lakh	above 5 lakh	
21-30	62	23	3	7	4	3	102
31-40	41	3	3	1	1	1	50
41-50	18	0	0	0	0	1	19
51-60	4	4	3	3	1	0	15
61 and Above	11	0	1	0	2	0	14
Total	136	30	10	11	8	5	200

Null Hypothesis: There is no significance relationship between age and annual savings

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	45.571[a]	20	.001
Likelihood Ratio	49.275	20	.000
N of Valid Cases	200		

a. 21 cells (70.0%) have anticipated amount more less than 5. The most reduced anticipated count is .35.

Looking at the results, we can say that there's a significant link between age and how much people save annually. The value we got (asymptotic significance) is really small (less than 0.001), which tells us that the connection we see between age and savings is quite strong

Table 2.2: To examine the relationship between gender and annual savings and investment
Gender * Annual savings and Investment Rs Crosstabulation
Count

		Annual savings and Investment Rs						Total
		Below 1 Lakh	1 lakh to 2 lakh	2 lakh to 3 lakh	3 lakh to 4 lakh	4 lakh to 5 lakh	above 5 lakh	
Gender	Female	71	13	0	2	4	1	91
	Male	65	17	10	9	4	4	109
Total		136	30	10	11	8	5	200

Null Hypothesis (H0): There is no significant association between gender and annual savings and investment.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.559[a]	5	.008
Likelihood Ratio	19.786	5	.001
N of Valid Cases	200		

a. The predicted count is less than 5 in 5 cells (41.7%). 2.28 is the bare minimum anticipated count.

The chi-square tests resulted in a significant association between gender and annual savings (p<0.05)

Table 2.3: To explore the relationship between marital status and annual savings and investment.
Marital Status * Annual savings and Investment Rs Crosstabulation
Count

		Annual savings and Investment Rs						Total
		Below 1 Lakh	1 lakh to 2 lakh	2 lakh to 3 lakh	3 lakh to 4 lakh	4 lakh to 5 lakh	above 5 lakh	
Marital Status	Married	68	7	7	5	3	2	92
	Unmarried	68	23	3	6	5	3	108
Total		136	30	10	11	8	5	200

Null Hypothesis (H0): The annual savings and investment and marital status do not significantly correlate.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.706[a]	5	.084
Likelihood Ratio	10.154	5	.071
N of Valid Cases	200		

a. The predicted count is less than 5 in 5 cells (41.7%). 2.30 is the very minimum anticipated count.

The chi-square tests indicate that the observed relationship between marital status and annual savings and investment is not statistically significant (Pearson Chi-Square = 9.706, p = .084; Likelihood Ratio = 10.154, p = .071). These results suggest that marital commitment may not significantly influence annual savings and investment, and the observed link could be attributed to chance.

Table 2.4: To explore the relationship between education qualification and annual savings and investment.

Annual savings and Investment Rs * Education Qualification Crosstabulation

Count

		Education Qualification			Total
		Graduate	Non graduate	Postgraduate	
Annual savings and Investment Rs	Below 1 Lakh	51	22	63	136
	1 lakh to 2 lakh	7	9	14	30
	2 lakh to 3 lakh	3	4	3	10
	3 lakh to 4 lakh	5	4	2	11
	4 lakh to 5 lakh	3	3	2	8
	above 5 lakh	2	1	2	5
Total		71	43	86	200

Null Hypothesis (Ho): There is no significant association between education qualification and annual savings and investment.

The chi-square tests indicate that the observed relationship between education qualification and annual savings and investment is not statistically significant. Both the Pearson Chi-Square (11.340 with a p-value of .332) and the Likelihood Ratio (11.436 with a p-value of .325) tests yielded p-values greater than 0.05. This suggests that the apparent link could be due to chance.

Table 2.5: Examine the connection between education qualification and annual savings and investment

Annual savings and Investment Rs * Occupation Crosstabulation

Count

		Occupation				Total
		Professional	Retired	Salaried	Self-employed	
Annual savings and Investment Rs	Below 1 Lakh	23	3	58	52	136
	1 lakh to 2 lakh	6	0	24	0	30
	2 lakh to 3 lakh	0	0	6	4	10
	3 lakh to 4 lakh	0	0	5	6	11
	4 lakh to 5 lakh	1	1	3	3	8
	above 5 lakh	1	0	1	3	5
Total		31	4	97	68	200

Null Hypothesis (Ho): There is no significant association between education qualification and annual savings and investment.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.333[a]	15	.008
Likelihood Ratio	42.272	15	.000
N of Valid Cases	200		

a. 18 cells (75.0%) have expected count less than 5. The minimum expected count is .10.

The chi-square tests unveil a significant relationship between education qualification and annual savings/investment (Pearson Chi-Square = 31.333, p = .008; Likelihood Ratio = 42.272, p = .000). These results, with p-values below 0.05, indicate a noteworthy association.

To ascertain the investment preferences, reasons, and preferred duration among middle-class households in Mangalore district

Table 2.1: The preference of investment of the middle-class households in Mangalore district

Preference of Investment	Number of Investors out of 200 Sample	Percentage out of 200 Sample
Bank Deposit	134	67
Post Office Savings	62	31
Gold	74	37
Insurance	84	42
Chit Fund	10	5
Shares	24	12

Gold	72	36
Mutual Fund	37	18.5
Provident Fund	25	12.5
Cryptocurrency	14	7

The information from 200 investors shows that most, about 67%, like putting their money in banks because it feels safe. Some, around 31%, prefer saving in the Post Office, and 37% like investing in gold, which is something you can touch. Insurance is popular too, with 42% choosing it to protect their money. A small group, 7%, is curious about new things like Crypto Currency. Some, about 12%, invest in company shares, and 18.5% like Mutual Funds. About 12.5% go for something safe like Provident Fund. This mix tells us people have different ways of handling their money, from traditional to newer and safer option

Table 2.2: Investors' preferred reasons for making investments

Reason for Invest	No of Respondent	Percentage
Future Requirement	123	61.5
Children's Marriage	8	4
Asset Creation	21	10.5
Tax Saving Plan	22	11
Children's Education	20	10
Habit	6	3
Total	200	100

The survey results showcase the varied motivations behind investors' choices. The majority, constituting 61.5%, focus on investing for future needs, reflecting a forward-looking perspective. About 4% allocate funds for their children's marriages, while 10.5% aim at creating assets through their investment decisions. Additionally, 11% adopt an investment strategy as a means of tax savings. Around 10% invest with the specific goal of financing their children's education. A smaller group, representing 3%, considers investing a habitual practice. This diverse array of reasons offers valuable insights into individual investment behavior.

Table 2.3: Preferred reasons for investor investments.

Investment Term	No of Respondents	Percentage
Short Terms	81	40.5
Meddle terms	70	35
Long terms	49	24.5
Total	200	100

Investors have different preferences for how long they want to invest their money. A big group, 40.5%, likes short-term investments. Another group, 35%, chooses medium-term. Some, 24.5%, prefer long-term investments. This shows that people have different ideas about how long they want to keep their money invested, and it's important to consider these preferences when planning investments.

Table 3: Relationship between Income and Investment in middle class household.
Annual savings and Investment Rs

		Frequency	Percent	Valid Percent	Cumulative Percent
	Below 1 Lakh	136	68.0	68.0	68.0
	1 lakh to 2 lakh	30	15.0	15.0	83.0
	2 lakh to 3 lakh	10	5.0	5.0	88.0
Valid	3 lakh to 4 lakh	11	5.5	5.5	93.5
	4 lakh to 5 lakh	8	4.0	4.0	97.5
	above 5 lakh	5	2.5	2.5	100.0
	Total	200	100.0	100.0	

Null Hypothesis (H0): "There is no significant correlation between annual income and annual savings/investment among middle-class households in the sampled population."

Correlations

		Annual Income in Rs	Annual savings and Investment Rs
Annual Income in Rs	Pearson Correlation	1	.551**
	Sig. (2-tailed)		.000
	N	200	200
Annual savings and Investment Rs	Pearson Correlation	.551**	1
	Sig. (2-tailed)	.000	
	N	200	200

**. Correlation is significant at the 0.01 level (2-tailed).

The significant correlation coefficient of 0.551 and the associated p-value of 0.000 provide evidence to reject the null hypothesis, supporting the alternative hypothesis that there is indeed a significant positive correlation between annual income and annual savings/investment.

Table 4: To determine if there is a growth in wealth resulting from the investments made

Investors experienced a growth in wealth through savings and investments.	No. of Respondent	Percentage
Yes	111	55.5
No	89	44.5
Total	200	100

A notable 55.5% of investors reported an increase in wealth attributed to savings and investments, indicating a positive financial outcome. However, 44.5% did not see this kind of growth. These findings underscore the impact of savings and investment activities on investor wealth, emphasizing the potential benefits for a majority of respondents.

Conclusion:

This study prompts us to evaluate the behavior of the middle class, how they prefer to spend and the role savings and investments play in their lifestyle in Dakshina Kannada.
These studies show how investment preference varies based on demographics, income levels.
First, the demographic profile of Dakshina Kannada's middle-class investors revealed diverse backgrounds, including different income levels, education, occupation and family structure. Such diversity underscores the importance of understanding individual characteristics in shaping saving and investment behaviors.
Second, our investigation highlighted the significant impact of demographic variables on saving and investment behavior. Factors such as age, education, occupation and family size have been found to influence the investment decisions of middle-class families, emphasizing the need for appropriate financial planning strategies.
Further, the study has unveiled the investment preferences, reasons and preference period among the middle class households of the region. From traditional options like fixed deposits to contemporary avenues like mutual funds and stocks, investors displayed a spectrum of preferences driven by factors like risk tolerance, financial goals and market trends.
In conclusion, this study sheds light on the investment behavior of middle-class households in Dakshina Kannada district, offering insights for policymakers, financial institutions, and individuals. However, it's important to note limitations. The use of convenience sampling may introduce bias, affecting the generalizability of findings. Also, the study's cross-sectional design limits tracking long-term changes in saving and investment behavior. Despite these constraints, understanding demographic factors, income dynamics, and investment preferences can guide efforts to promote informed investing and financial empowerment for middle-class families. Future research should address these limitations for a more comprehensive understanding of financial behaviors.

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