

# Socio-economic Background Of The Investors In Tirunelveli District

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**Abstract** - Socio-Economic factors like gender, age, marital status, educational level, occupation, Experience, annual income, annual savings and nature of family has the great impact on the investors attitude of investments. This study explores the Socio-Economic factors of the investors attitude in Tirunelveli district. The primary data are collected from 542 respondents in Tirunelveli district. This research is based on descriptive method. Analytical tool used in this paper is percentage. This study also depict the impact of socio-economic factors like gender, age, marital status, educational level, occupation, Experience, annual income, annual savings and nature of family, in the performance of the investments. Most of the investors fail to give more attention on socio economic factors. Failures of few investors attitude based on their Socio-Economic factors of the investors in Tirunelveli district. So, the present study attempts to make a Socio-Economic factors of the Investors Attitude towards investments in the Tirunelveli District.

**keywords** - Education, Family support, Marital status, Socio-Economic, Investors.

## I. INTRODUCTION

The Investors attitude at any time is dependent on a complex and varying mixture of the Socio-Economic factors of the investors. In the present study, the Socio-Economic factors of the selected investors attitude towards the investments are discussed with the help of following variables such as gender of investors, age of investors, marital status of investors, education status of investors, occupation of investors, experience of investors, monthly income of investors, monthly savings of investors, nature of family of investors, The study primarily focuses on the socio-economic factors and investment. People nowadays are not ready to bear the risk, but at the same time, more risk leads to more profit. Investors cannot avoid risk, but they can minimize the risk by investing their money in various types of investments. So, that they can get a moderate profit. The present study attempts to make Socio-Economic factors of Investors Attitude towards investments in the Tirunelveli District.

## OBJECTIVES

Following are the objectives of the present study:

1. To study the Socio-Economic factors of the investors Attitude towards investments in Tirunelveli district.
2. To offer suggestions based on the findings of the study.

## RESEARCH METHODOLOGY

This study is based on primary and secondary data. Primary data has been collected by conducting a survey among 542 respondents in Tirunelveli district. The Secondary data have been collected from few Journals, Newspaper, and published thesis. For the purpose of this study 542 investors in Tirunelveli district were selected. Convenient sampling method was adopted and a percentage analysis has been applied.

## REVIEW OF LITERATURE

1. **Agarwal S.P.(Dr)** (2001) in his article “**Public Provident Fund Account – A Matchless Investment Scheme.**” Published in Southern Economist, Feb 15, 2001, concluded that Public Provident Fund (PPF) account is most beneficial investment for all categories i.e. salaried class, retired persons or businessmen either tax-payers or non- taxpayers.
2. **Joseph Anbarasu D, Clifford Paul S and Annette B** (2011) in their article “**An Empirical Study on Some Demographic Characteristics of investors and its Impact on Pattern of their Savings and Risk Coverage through Insurance Schemes**” Published in the IUP Journal of Risk & Insurance, Concluded that the saving pattern of the people is crucial to the government in designing policies to promote savings and investment. Their study reveals that the people are aware about the importance of saving, but the awareness about investment opportunities is low. Steps have to be taken by the government and private companies to increase the awareness by advertising campaigns.
3. **Krishnamoorthi C.** (2009) in his research paper “**Changing Pattern of Indian Households: Savings in Financial Assets**” published in RVS Journal of management, concluded that irrespective of the developments in the capital market/economic conditions, investors like to invest regularly and this investment behavior is highly related to educational background. Their occupation, reading habit of investment news and the time taken for investment decision making process.

4. **Mittal Manish and Vyas R.K.** (2007) in their research paper “**Demographics and Investment Choice among Indian Investors**”, published in the ICFAI Journal of Behavioural Finance, investigated how investment choice gets affected by the demographics of the investor.
5. **Saptarshi Purkayastha** (2008) in his article “**Investor Profiling and Investment Planning: An Empirical Study**” Published in the ICFAI Journal of Management Research, Dec 2008 concluded that younger investors and those with high income are willing to take more risk. According to him people do not take much risk when the question of investment of their hard-earned money comes.

## II. DATA ANALYSIS AND INTERPRETATION

### SOCIO-ECONOMIC FACTORS OF THE INVESTORS:

The Socio-economic factors taken into account in this study include gender, age, marital status, educational level, occupation, Experience, annual income, annual savings and nature of family. The following classification based on the percentage analysis of the Socio-Economic factors.

#### 1. CLASSIFICATION OF INVESTORS - BASED ON GENDER:

Gender is an essential factor to identify the attitude of the investors because investment decisions are varying from male to female or transgender and even from person to person. In this study, gender is classified into three categories such as Male, Female, and Transgender. The classification of investors from gender is shown in table 1.

**Table 1 Classification- on the basis of Gender**

Gender	Frequency	Per cent
Male	303	55.9
Female	218	40.2
Transgender	21	03.9
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 1 reveals that 303(55.9 per cent) of the investors are male, 218(40.2 per cent) of the investors are female and the remaining 21(3.9 per cent) of the investors are Transgender. It is evident that transgender is the least investors; it can be attributed to their less population. Hence, it can be concluded by the Researcher that the majority 303(55.9 per cent) of the investors are male.

#### 2. CLASSIFICATIONS OF INVESTORS - BASED ON AGE

Age is an important variable which influences the attitude of the individuals. The risk and pattern of the investment also depend on age. In this study, age is classified into five groups such as Below 30, 31 – 40, 41 – 50, 51 – 60 and Above 60. The Classification of investors based on their age is shown in table 2.

**Table 2 Classification- on the basis of Age**

Age	Frequency	Per cent
Below 30	282	52.0
31 – 40	164	30.3
41 – 50	34	6.3
51 – 60	32	5.9
Above 60	30	5.5
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 2 depicts that out of 542 investors, 282(52.0 Per cent) of the investors are in the age group of below 30 years, 164(30.3 Per cent) of the investors are in the category of 31-40 years, followed by 34(6.3 per cent) of the investors are in the age group of 41 – 50 years, 32(5.9 per cent) of the investors are in the age group of 51 – 60 years and 30(5.5 per cent) of the investors are in the above 60 years of age group. Hence, it can be concluded that the majority 282(52.0 per cent) of the investors are under the age group of below 30 years.

#### 3. CLASSIFICATION OF INVESTORS - BASED ON MARITAL STATUS

The marital status of the investors has a significant influence on the saving pattern and their behaviour. So, in this study, Marital Status is classified into two groups such as married and Unmarried. The classification of investors on the basis of marital Status is shown in table 3.

**Table 3 Classification- on the basis of Marital Status**

Marital Status	Frequency	Per cent
Married	304	56.1
Unmarried	238	43.9
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 3 discloses that out of 542 investors, 304(56.1 per cent) of the investors are married and the remaining 238(43.9 per cent) of the investors are unmarried. This table indicates that the married are more prone to investment than the unmarried. It can be understood that once the investors attain the age for marriage, they have already enough money for investment and their attitude towards the investments increased. Hence, it can be concluded by the Researcher that the majority of 304(56.1 per cent) of the investors are married.

#### 4. CLASSIFICATION OF INVESTORS - BASED ON EDUCATION

Educational qualification is one of the most influencing factors which decide the investment decisions of the investors. In this study, Education is classified into four groups namely up to HSC, Graduation, Post graduation and Professional degree. The classification of investors on the basis of education is shown in table 4.

**Table 4 Classification- on the basis of Education**

Education	Frequency	Per cent
Up to HSC	63	11.6
Graduation	64	11.8
Post-graduation	250	46.2
Professional degree	165	30.4
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 4 indicates that among 542 investors, 63(11.6 per cent) of the investors have studied up to HSC, 64(11.8 per cent) of the investors have studied up to graduation level, 250(46.2 per cent) of the investors have studied up to Post graduation and the remaining 165(30.4 per cent) of the investors have studied up to Professional degree level. The investments of the investors from up to HSC to Post graduation is increasing, but at the professional level, there is a substantial decline. Hence, it can be concluded by the Researcher that the majority of the investors 250 (46.2 per cent) are Post graduation level.

#### 5. CLASSIFICATION OF INVESTORS - BASED ON OCCUPATION

The Occupation of the investors is one of the significant Socio-Economic factors which decide the investor's Attitude towards the investments. In this study, the occupation of the investors is classified into four categories such as Government Employees, Private Employees, Professional and Retired personnel. To assess the investor's attitude towards investments based on the occupation of the investors. The classification on the basis of occupation is shown in table 5.

**Table 5 Classification- on the basis of Occupation**

Occupation	Frequency	Per cent
Government Employees	21	03.9
Private Employees	435	80.3
Professionals	76	14.0
Retired Personnel	10	1.8
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 5 exhibits that out of 542 sample investors, a maximum of 435(80.3 per cent) of the investors are Private employees followed by 76(14.0 per cent) of the investors are Professionals, 21(03.9 per cent) of the investors are government employees and 10(1.8 per cent) of the investors are Retired personnel. The above table indicates that the majority of the investments are people from the private sector. As the jobs are secured the government employees earnings are safe & better. Private sector people are bound to plan for their future and so to improve their financial status. Hence, a lot of private sector people are investors. Hence, it can be concluded by the Researcher that majority 435(80.3 Per cent) of the investors are private employees.

#### 6. CLASSIFICATION OF INVESTORS - BASED ON EXPERIENCE

Experience is an essential factor for investors decision making. In this study, the experience is classified into four groups such as Below 3 years, 3 - 5 years, 6 - 10 years and Above 10 years, for analysing the investors' attitude towards the investments based on the experience of the investors. The classification of investors on the basis of experience is shown in table 6.

**Table 6 Classification- on the basis of Experience**

Experience	Frequency	Per cent
Below 3 years	249	45.9
3 - 5 years	87	16.1
6 - 10 years	33	6.1
Above 10 years	173	31.9
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 6 shows that 249(45.9 per cent) of investors having below 3 years experience, 87(16.1 per cent) of investors having 3 – 5 years experience, 33(6.1 per cent) of investors are 6-10 years experience and 173(31.9 per cent) of investors having above 10 years experience. From the data collected people with less than 3 years of experience are in huge numbers. Then, with growing years of experience, a drastic decline in investments is seen. But, suddenly, there is an influx in investment from the people who have experienced more than 10 years. Here, it can be noticed that the core group of investors are from the people who have less than 3 years of experiences and from the people who have more than 10 years of experience. Hence, it can be concluded by the Researcher that the majority 249(45.9 per cent) of the investors having below 3 years experience.

#### 7. CLASSIFICATION OF INVESTORS - BASED ON MONTHLY INCOME

The investment of an individual is directly correlated with the income of the investors. In this study, Monthly Income is classified into five groups of investors such as Less than Rs. 10,000, Rs. 10,001-Rs. 20,000, Rs. 20,001- Rs. 30,000, Rs. 30,001-Rs. 40,000 and more than Rs. 40,000, for analyzing the investors attitude towards the investments based on monthly Income. The classification of investors on the basis of monthly Income is shown in table 7.

**Table 7 Classification- on the basis of Monthly Income**

Monthly Income	Frequency	Per cent
Less than Rs. 10,000	85	15.7
Rs. 10,001-Rs. 20,000	294	54.2
Rs. 20,001- Rs. 30,000	87	16.0
Rs. 30,001-Rs. 40,000	55	10.2
More than Rs. 40,000	21	3.9
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 7 exhibits that, out of 542 investors, 294(54.2 per cent) of the investors earn income between Rs. 10,001-20,000, 87(16.0 per cent) of the investors earn income between Rs. 20,001- Rs. 30,000, 85(15.7 per cent) of the investors earn income less than Rs. 10,000 55(10.2 per cent) of the investors earned monthly income between Rs. 30,001- 40,000 and the remaining 21 (3.9 per cent) of the investors earned a monthly income more than Rs. 40,000. From the data collected, it is astonishing to note that the monthly income group Rs.10,001 – Rs. 20,000 are the greatest investors, less than Rs. 10,000 people are living on the edge. They have money only to meet their daily demands. But, people who earn beyond Rs. 20,000 spend on other ways than on investment. Hence, it can be concluded by the Research that majority 294 (54.2 per cent) of the investors have earned monthly income in between Rs.10,001-20,000. It is due to the fact that the majority of the investors are working in private concerns.

**8. CLASSIFICATION OF INVESTORS - BASED ON MONTHLY SAVINGS**

The size of the savings is forming an important factor in deciding adequate return on the investments. The quantum of investments has a direct relationship with the investors' expectation of returns. In this study, Monthly Savings of the investors is classified into three groups such as less than Rs. 5,000, Rs. 5,001-Rs. 10,000 and Rs. More than Rs. 10,000, for analysing the investors' attitude towards the investments based on monthly Savings of the investors. The classification on the basis of monthly Savings is shown in table 8.

**Table 8 Classification- on the basis of Monthly Savings**

Monthly Savings	Frequency	Per cent
Less than Rs. 5,000	391	72.1
Rs. 5,001-Rs. 10,000	130	24.0
More than Rs. 10,000	21	3.9
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 8 describes that out of 542 investors, 391(72.1 per cent) of the investors have monthly savings of less than Rs. 5,000, 130(24.0 per cent) of the investors have monthly savings between Rs. 5,001-Rs. 10,000, the remaining 21(3.9 per cent) of the investors have monthly savings more than Rs. 10,000. As seen earlier, where the majority of the investors are from the income group of Rs. 10,000 – Rs. 20,000, their savings capacity also can be around Rs. 5,000. That is why they are the major partners in the investments to safeguard their future. Hence, it can be concluded by the Researcher that the majority of the investors 391(72.1 per cent) had saved monthly less than Rs. 5,000.

**9. CLASSIFICATION OF INVESTORS - BASED ON THE NATURE OF FAMILY**

Nature of Family plays the most important influence on the investor's attitude towards the investments in the present scenario. In this study, Nature of family is classified into two groups such as Joint family and Nuclear family, for studying the investors' attitude towards the investments. The classification of investors on the basis of the nature of family is shown in table 9.

**Table 9 Classification- on the basis of Nature of family**

Nature of family	Frequency	Per cent
Joint family	236	43.5
Nuclear family	306	56.5
<b>Total</b>	<b>542</b>	<b>100.0</b>

**Source: Primary Data**

Table 9 reveals that out of 542 sample investors, a maximum of 306(56.5 per cent) of the investors have Nuclear family and 236 (43.5 per cent) of them have joint families respectively. From the data collected, it is seen that more Nuclear family members are investing than the Joint family members, because, nowadays, the number of Joint families are far less than Nuclear families. Hence, it can be concluded by the Researcher that the majority of the investors 306(56.5 per cent) in the study area having a nuclear family.

**III. FINDING**

- Out of 542 investors, 303(55.9 per cent) of the investors are male, 218(40.2 per cent) of the investors are female, and the remaining 21(3.9 per cent) of the investors are Transgender.
- Regarding the investors classified on the basis of Age, the majority 282(52.0 per cent) of the investors are in the age group of below 30 years, 32(5.9 per cent) of the investors are in the age group of 31 – 40 years and 30(5.5 per cent) of the investors are in the above 40 years of age group.



- It is found from Table 3 stated that 304(56.1 per cent) of the investors are married and the remaining 238(43.9 per cent) of the investors are unmarried.
- The study revealed that in the study area, the least number 63(11.6 per cent) of the investors have studied up to HSC, 64(11.8 per cent) of the investors have studied up to graduation level, the highest 250(46.2 per cent) of the investors have studied up to Post graduation and the remaining 165(30.4 per cent) of the investors have studied up to Professional degree level.
- The majority 435(80.3 per cent) of the investors are Private employees followed by 76(14.0 per cent) of the investors are Professionals, 21(03.9 per cent) of the investors are government employees, and 10(1.8 per cent) of the investors are Retired personnel.
- Regarding the investors classified on the basis of experience of the investors, the majority 249(45.9 per cent) of investors having below 3 years experience, 87(16.1 per cent) of investors having 3 – 5 years experience, 33(6.1 per cent) of investors are 6-10 years experience and 173(31.9 per cent) of investors having above 10 years experience. e.
- Table 7 found that 294(54.2 per cent) of the investors earn income between Rs. 10,001-20,000, 87(16.0 per cent) of the investors earn income between Rs. 20,001- Rs. 30,000, 85(15.7 per cent) of the investors earn income less than Rs. 10,000, 55(10.2 per cent) of the investors earned monthly income between Rs. 30, 001- 40,000 and the remaining 21 (3.9 per cent) of the investors earned a monthly income more than Rs. 40,000.
- The majority of 391(72.1 per cent) of the investors have monthly savings of less than Rs. 5,000, 130(24.0 per cent) of the investors have monthly savings between Rs. 5,001-Rs. 10,000, the remaining 21(3.9 per cent) of the investors have monthly savings more than Rs. 10,000.
- The most 306(56.5 per cent) of the investors have Nuclear family, and 236 (43.5 per cent) of them have joint families respectively.

#### IV. SUGGESTIONS

Based on the study, the researcher offers a few suggestions and recommendations. They are:

- Apart from the male & female, the transgender, in particular, have less knowledge of the investment avenues available. Hence, Programmes to be arranged either by the government or private authorised agencies to make people aware of the investment avenues available.
- For investing, marital status is not a hurdle. It is found that a large number of married people make their investment, but unmarried people invest less. So, the unmarried people need encouragement and support by the government through bank loans, incentives or IT exemptions etc.
- Private Employees are the major investors in investments avenues, the other segment, i.e. the government employees and others invest less. Hence, the government employees, the students, homemakers, farmers, rural business people and others who have less knowledge in investment must be given adequately guided to invest.
- Educated people participate in the investment in large numbers, but the less educated people who have no knowledge, skills, and awareness towards it invest less. Hence, it is the need of the hour to create awareness among the less educated people to invest in the future.
- There is a wide range of investment avenues available in the study area; the investors themselves select the best avenue after studying the merits and demerits of the investments. Some of the private companies publicise only the values of their companies and hide the faults. The government should appoint verifying agencies in each sector of investments for the benefit of the investors.
- Companies and media must take the necessary steps to provide prompt information about investment avenues available in rural areas as there are no many investors in those areas; such information will help them to grow economically.
- Investors are to choose the type of investments carefully based on their investment objectives and financial goals.
- New investors have to attend online trading programs to take efficient and effective investment decisions.
- Magazines, periodicals, newspaper and social Media provide maximum information about the investment opportunities available in each sector. In-experienced, new investors should go through this information to make themselves clear of all facts of their investment plan.
- Investors are to bear in mind the core principles of investment management like Safety, Liquidity and Profitability of the securities before making investment decisions.
- Investors have to take an investment decision jointly in consultation with their family members. Collective opinion always fetches good returns compared to sole discretion.
- Investors should make investments from their owned sources and avoid borrowed sources. Even from their hold funds, it is preferable to invest from their surplus amount.

#### V. CONCLUSION

This study is a humble and sincere attempt to highlight the Socio-Economic factors of the Investors' Attitude towards investments in the Tirunelveli district of Tamilnadu. The study based on the primary data. It focuses on the investors' Attitude towards investments are made to gain a deeper understanding of the investors' Attitude based on the Socio-economic conditions of the investors and discloses that most of the investors' decision making and risk assessment based on the attitude of the investors.

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