ABSTRACT

Gross domestic savings has been consistently rising since 1950. It is observed that share of household sector savings is more than private corporate and public sector savings in the GDS. This study analyses the contribution of all financial assets in the household sector. In short, it is observed that savings in bank deposits as financial assets have been very popular and its share in overall household savings is largest. The savings in life insurance policies also increased over a period of time; perhaps the savings in provident fund and non-banking financial instruments have been declined over the years. The savings in share and debentures have been appeared very small earlier which has recently increased. This study is tried to understand why there is no similarity among financial assets regarding their growth. Savings habit of the household is very crucial factor which effects on the changes of financial assets of household. The present study analyses the various factors like, people’s desire, preference to financial assets, previous knowledge regarding investment, their ability to think, risk perception level which can be helpful for giving preference to investment and taking proper decisions. Some studies have proved that Social, Demographical and Psychological factors are also responsible to be changes in financial assets of the households. These factors are substantially important when people take decisions relating to savings and investment. The Investors are stratified in the form of salaried and self-employed. The employees of government and semi-governments in which includes Zilla Parishad, Municipal Corporation, Collector Office, teachers and academicians are chosen from salaried group of investors. The self-employed investors are selected from the professions of health, engineering, legal and commercial activities.

This study concludes that some social, psychological and personal factors are responsible for giving preference to various financial assets in the household sector by salaried and self-employed investors in Nanded city. The important factors are: herding, Imitations, heuristics and representativeness.