SUMMARY AND CONCLUSIONS

Financial savings of households play an important role in financing the development and growth of an economy. Different investment avenues are available to investors. These investments offer variety of investment opportunities to the investors and they all carry certain risks. Effective decision making is important by making careful study on the risks and expected yields after adjustment of tax on various instruments. The investors may seek information from various sources and advice from experts and consultants including agents and newspapers, TV commercials, magazines and journals, peers, family members, annual report while making investment decisions.

Many investors do not possess adequate expertise or knowledge to take informed investment decisions. The present study is undertaken on the basis of an in-depth field study and answer to fill up the gap of the available literature on the investment preference and attitudes of rural and urban household investors in Vellore District of Tamil Nadu, India.

Existing literatures and research documents have been reviewed and presented in this study, which tells about the investment avenues, factors motivating towards investment, attitude that make better investment and common saving objectives of the investors. Many foreign and Indian authors have contributed their understandings and findings adding clarity to this study.

This study was carried out at Vellore District in Tamil Nadu. This study was conducted using Descriptive research design, 793 samples were selected using multi-stage random method and questionnaire and interview schedule method was used for collecting data. SPSS package was used to process the data and derive results. The results have been displayed in the form of tables and diagrams. Standard deviation, Chi-square test, t-test, Analysis of Variance (ANOVA) and
Correlation tests were used, to find out the difference and associations between variables.

This research revealed some of the main findings such as: Majority (61.7%) of the investors in this study belong to rural residence, nearly half (42.9%) of the investors’ education is only up to primary education, majority (78.7%) of the investors are male members, more than two-third (69%) of the investors’ income is below Rs. 20,000 per month, Children’s education (26.2%) and Children’s marriage (16.9) are the two top saving objectives of the investors, Post office/ bank deposits (34.1%) are considered by the investors as the first and best options for investing money, Income growth (31.8%) is the top most investment objectives among the investors, Safety and security (42.5%) is the top most reason for investment among the investors, Government sector (28.9%) is the top priority among the investors for investing money, Newspaper (32.2%) and Internet and email (21.7%) are the important sources of information in investment decision. Safety of principal amount (75.5%), Children’s education (63.2%) and Medical benefits (55.4%) are the three top motivating factors for investment, Family head (fathers) (40.4%) and Friends (52.1%) are the two important members who influence in investment decision, More than half (59.6%) of the investors are satisfied with their investment, Attitude of the investors significantly correlate at 0.01 levels with the knowledge about the investment, age, education, gender and occupation are associated with the attitude of investors at 0.05 and a awareness of avenues significantly differ by the residential area, gender, marital status of the investors at 0.05 levels.

This study has presented fruitful findings for better investment decisions and for the betterment of the investment avenues such as: An investment advisor should be appointed at all level to assist the investors and to answer their queries on the matters related to investment avenues, the authorities and intermediaries should take steps to attract women to this investment avenue by making aware of its attractive features, household investors should make the investment with proper planning keeping in mind their investment objectives, there should be local tribunals that deal with the problems of investors in different districts of the state,
efforts should be made to attract women investors by providing right information and knowledge about the market through advertisement, the savings are to be pooled and channeled into productive investments, different groups of investors like, professionals, businessmen pay less attention while evaluating the pros and cons of investing in different investments, the need and benefits of the systematic and analytical evaluation of different alternatives and competitive avenues need to be explained to them.

The government should introduce suitable schemes to meet the triple needs of adequate returns, safety and liquidity in a balanced proportion and develop infrastructure to reach the investors. The household investor can be in turn divided into various segments such as young families with small or no children, middle aged people saving for retirement and retired people looking for steady income. Suitable products such as growth and balanced schemes for young families and income schemes with sure and steady returns for retired people can be marketed. There is a need to take the effective steps to change the pattern of investment of household sector in favour of industrial securities. People can be positively motivated through magazines, circulars, leaflets and audio-video programmes.

Since most of the investors belong to urban sectors, it could be suggested to promote attractive investment plans to the rural people to increase investments from rural areas. Investment option could be introduced to people who are below the age of 20 years, starting from school to attract more investments from youth for their well being. Attractive plans could be promoted for the people who are above the age of 50 and knowledge need to be enhanced on investments. It is identified in this study that majority of the investors are male members and hence, it is necessary to do a deeper study to promote investment behaviors among female members and investment options specially meant for female members of different communities. Since this study shows that majority of the investments are done by the married people, it is necessary to take steps to attract and motivate unmarried people to invest for their well being. Innovating plans could be introduced to the unmarried people with the interest of investment. Since one third of the investors belong to the families with two children, attractive plans could be
introduced to the small and larger size families. Since majority of the respondents save money every month, flexibility should be emphasized in investment plans and by the investment avenues. It would promote investors to opt for a plan on their ability and interest. Since education and marriage of the children are the top two objectives of priority of the investors, investment avenues and plans should give importance and create options for the people to invest for the education and marriage of the children. The research has also suggested for the future researchers to take up researches by gender, age, income groups and occupation. Researches could be conducted on specific investment avenues and their performances. A study based on other sections of the community namely, businessmen, self-employed, pensioners, and senior citizens may be carried out.