

# **A Study on Investment Awareness of Government Employees in Idukki District**

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## **ABSTRACT**

This study examines investment awareness among government employees in the Idukki district, India, with a focus on demographic factors such as age, gender, income level, education, and retirement planning. The research investigates how these factors influence employees' investment decisions, preferences, and risk tolerance. The study uses a mixed-methods approach, combining quantitative surveys with qualitative interviews and focus groups to collect data from 100 respondents. The findings indicate that investment awareness in the government employees preference for riskier investments like shares, debentures, and mutual funds. Gender and income levels also play a significant role in shaping investment decisions. The study highlights the need for enhanced financial education and suggests strategies to improve investment awareness for government employees. This research provides valuable insights for policymakers and financial institutions in designing effective investment education programs

**Keywords:** Investment awareness, government employees, financial literacy, demographic factors, risk tolerance, investment decisions, Idukki district, financial education, age, gender, income level, education, retirement planning, mixed-methods research.

## **INTRODUCTION**

Investment awareness is a critical aspect of financial literacy, enabling individuals to make informed decisions about managing and growing their wealth. In an era of economic uncertainty and rising inflation, the need for systematic financial planning has become paramount. This study focuses on the level of investment awareness among government employees in the Idukki district. Government employees often benefit from job security and fixed income structures, which may lead to traditional investment choices such as provident funds and fixed deposits. This study aims to analyze the differences in investment knowledge, preferences, and risk tolerance to the government employees. By identifying gaps in awareness and understanding factors influencing investment decisions, the research seeks to offer insights for financial institutions, policymakers, and educators to design targeted interventions that promote informed financial decision-making among employees in Idukki district.

## **REVIEW OF LITERATURE**

The reviewed literature provides valuable insights into the investment behaviors and awareness of government employees, focusing on factors such as risk tolerance, income levels, job security, and financial literacy. Studies reveal distinct investment patterns between these sectors, influenced by demographic factors like age, education, and gender

**Sujit and Amrit (1996)**, stated that the main factor influencing the salaried and business-class groups to invest in mutual funds was tax benefits.

**Elmiger and Kim (2003)** concluded that risk is the trade-off that investors have to make between the higher rewards that generally come with the various investment avenues and the higher risk that has to be borne as a consequence of the danger.

**E. Sankaran (2004)** proposes that the future direction for investors will be to invest in pension funds as the government introduces diversified instruments for all kinds of investors. Researchers further opined that the MF industry will continue to grow in spite of competition because of investor-friendly products.

**F. Singh (2004)** concludes that middle-class salaried investors and professionals prefer to have disclosure of net asset value on a day-to-day basis and are interested in investing in MFs in order to get higher tax rebates. Further, it is observed that small investors prefer MFs as better investment alternatives and public sector investments as less risky.

**Desigan et al. (2006)** found that women investors are indecisive on mutual fund investments because of various problems such as lack of knowledge about investment protection and their various investment procedures, market fluctuations, various risks associated with investment, assessment of investment, and redressal of grievances.

**Sudalaimuthu and Kumar (2008)** states that MF is one of the best investment opportunities for small investors, and he studied investors' perceptions of MF investments considering the investors' preference for the MF sector. The study concluded that to understand the financial behavior of MF investors in connection with scheme preference and selection,

**Alex Wang (2011)** expressed that factors like awareness, income level, and skill play an important role in influencing young people to invest in mutual funds.

**Azizah, Nurfadhilah, Ramesh, and Mior (2013)**, define financial literacy as the ability to read, interpret, and analyze financial information, manage money, communicate about personal financial conditions that affect material well-being, compute, develop independent judgment, and take actions resulting from those processes in order to thrive in our complex financial world. It also includes the ability to discern financial choices, discuss money and financial issues without discomfort, plan for the future, and respond competently to life events that affect every day financial decisions, including events in the general economy.

**Palanivel and Chandrakumar (2013)** investors with low and middle incomes to invest in insurance and bank deposits

**Singh (2016)** Singh's study explores the investment behavior of government employees, noting their preference for low-risk, traditional investment options like fixed deposits and PPF. Job security and retirement benefits influence these choices

**Sheth, Mittal & Prajapati (2017)** This study evaluates the performance of public and private sector mutual funds, noting that private sector funds are more suitable for investors seeking higher returns. Private funds employ aggressive strategies, focusing on growth opportunities, while public sector funds prioritize stability and long-term security, often yielding lower returns. The research underscores the trade-off between risk and reward and emphasizes the need for investors to assess their risk tolerance and financial goals when choosing between the two fund types.

**Kumar & Mehta (2019)** Kumar and Mehta's study focuses on the performance and growth of tax-saving funds like Equity-Linked Saving Schemes (ELSS). These funds offer tax benefits under Section 80C while providing high-return potential through equity investments. The research compares their risk-adjusted

returns with other mutual fund types and notes that tax funds contribute significantly to the mutual fund industry's growth. The study highlights how tax-saving funds encourage both savings and investment in the equity market, providing a dual benefit of tax deductions and wealth accumulation over time.

**Kumar & Shukla (2020)** Kumar and Shukla investigate investor perceptions toward public and private sector mutual funds, emphasizing the influence of demographic factors such as age, income, and education. The study finds that younger investors, with higher risk appetite, favor private sector funds for their higher return potential, while older investors prefer public sector funds for their stability. The research suggests that financial literacy programs tailored to different demographic groups are essential for helping investors make informed decisions that align with their financial goals and risk profiles.

## **RESEARCH GAP**

The research gap in this study lies in the limited exploration of how specific demographic factors, such as age, education, and retirement planning, influence investment awareness among government employees in Idukki district.

## **RESEARCH METHODOLOGY**

This study will adopt a mixed-methods research design, combining both qualitative and quantitative approaches to assess the level of investment awareness among government employees in Idukki district.

## **RESEARCH OBJECTIVES**

- To assess the level of investment awareness among government employees in Idukki district.
- To analyze the impact of demographic factors such as age, income level, education, and retirement planning on investment decisions in government employees.
- To suggest strategies for improving investment awareness and encouraging diversified investment practices among employees in Idukki district.

## **RESEARCH DESIGN**

The research will be descriptive in nature, aimed at understanding investment awareness, knowledge, preferences, and behaviors of government employees. A survey will be conducted to collect primary data, supported by questionnaire to gain deeper insights into investment decision-making processes.

## **SAMPLING TARGET POPULATION**

The study will focus on employees from government sectors in Idukki district. A sample of 100 employees will be selected.

## **SAMPLING TECHNIQUE**

Random sampling will be used to ensure that the sample is representative of different sectors, age groups, income levels, and educational backgrounds.

## **DATA COLLECTION SURVEY QUESTIONNAIRE**

A structured questionnaire will be designed to collect data on respondents' demographic details, level of investment awareness, investment preferences, risk tolerance, and knowledge of various investment options.

## DATA ANALYSIS QUANTITATIVE DATA

Statistical tools such as SPSS will be used to analyze the survey data, applying descriptive statistics, chi-square tests, and t-tests to determine differences in investment awareness to the government employees.

## QUALITATIVE DATA

Thematic analysis will be applied to the interview and focus group data, identifying common themes and patterns in investment behavior.

## LIMITATIONS

The study will focus on employees in Idukki district, which may limit the generalizability of the

## FINDINGS TO OTHER REGIONS

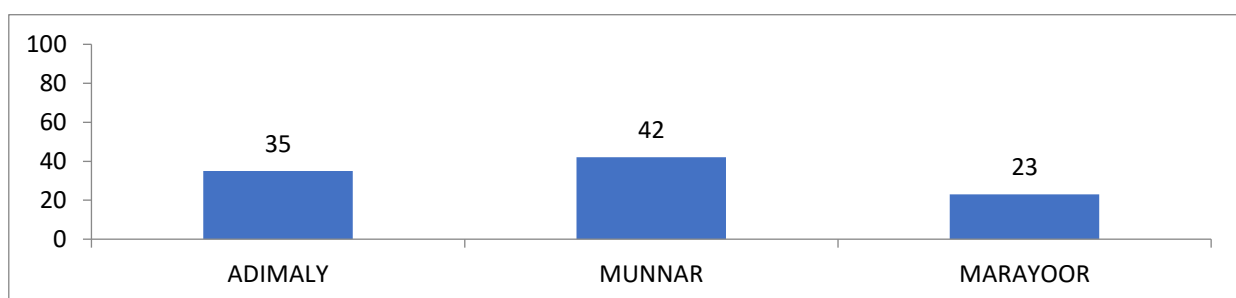
Time and resource constraints may limit the depth of qualitative data collection.

## DATA ANALYSIS AND INTERPRETATION

### CLASSIFICATION ON THE BASIS OF DEMOGRAPHIC PROFILE

Particulars	No Of Respondents	Percentage (%)
ADIMALY	35	35%
MUNNAR	42	42%
MARAYOOR	23	23%
<b>Total</b>	<b>100</b>	<b>100%</b>

*Source: Primary Data*



## Interpretation

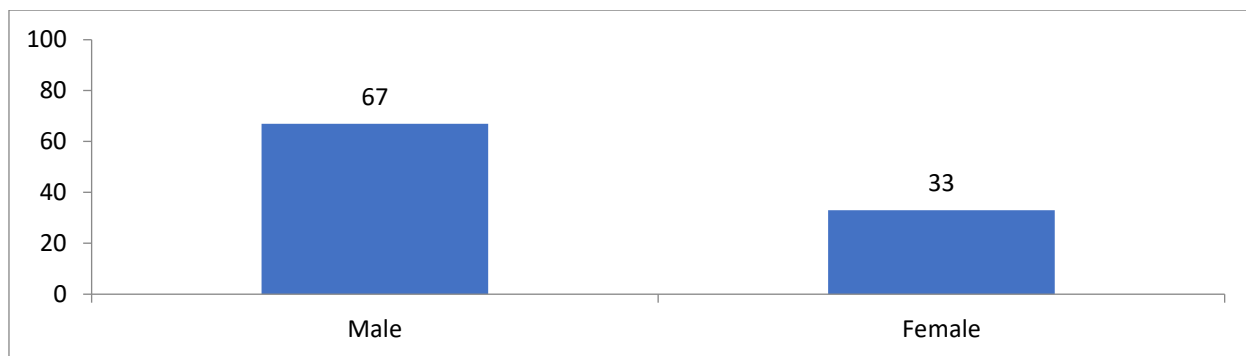
The above figure represents a survey conducted across three cities in Idukki. Adimaly, Munnar, and Marayoor, comparing the investment awareness of the government employees. The survey collected responses from 100 individuals in the government employees. participants from these cities. Adimaly 35 employees, Munnar 42 employees, Marayoor 23 employees from total 100 respondents. This distribution analysis of the investment awareness government employees. The findings from this study aim to highlight different investment preferences, risk tolerance, and financial planning the government employees. The research seeks to understand how demographic factors such as income level, job security, and financial literacy influence investment decisions. The data will also aid in identifying gaps in awareness, enabling

financial institutions and policymakers to design targeted interventions to improve investment knowledge and decision-making among employees in the government sector.

## CLASSIFICATION ON THE BASIS OF GENDER

Particulars	No Of Respondents	Percentage (%)
Male	67	67%
Female	33	33%
<b>Total</b>	<b>100</b>	<b>100%</b>

*Source : Primary Data*



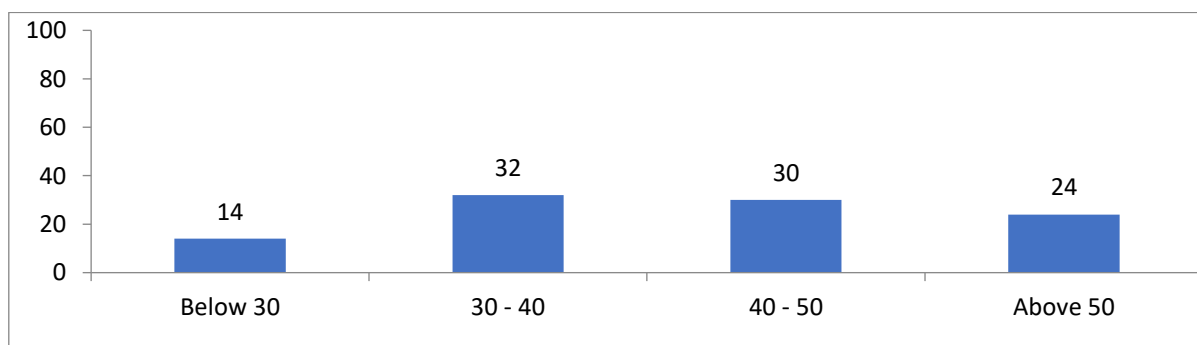
### Interpretation

The above figure shows 67% of respondents are male, 33% of respondents are female

## CLASSIFICATION ON THE BASIS OF AGE

Particulars	No Of Respondents	Percentage (%)
Below 30	14	14%
30 - 40	32	32%
40 - 50	30	30%
Above 50	24	24%
<b>Total</b>	<b>100</b>	<b>100%</b>

*Source : Primary Data*



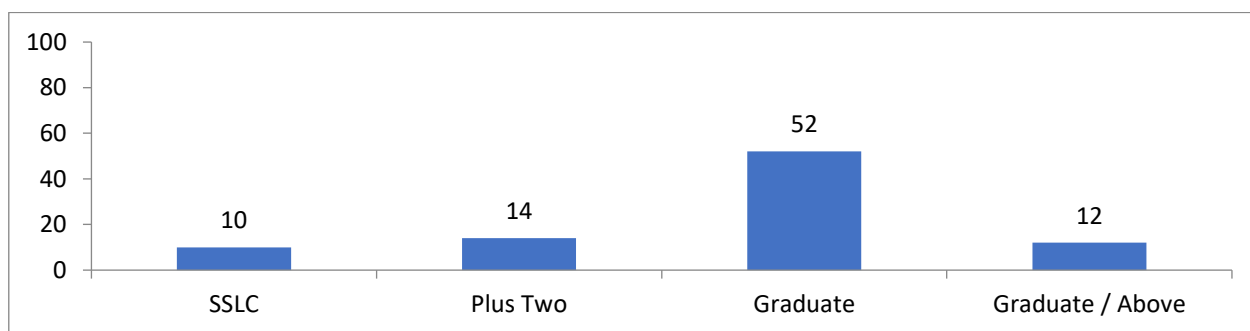
### Interpretation

The above figure shows 14% of respondents are below 30 age old, 32% of respondents are between 30 to 40 age old, 30% of respondents are between 40 to 50 age old, 24% of respondents are above 50 age old,

## CLASSIFICATION ON THE BASIS OF QUALIFICATION

Particulars	No Of Respondents	Percentage (%)
SSLC	10	10%
Plus two	14	14%
Graduate	52	52%
Graduate / Above	24	24%
<b>Total</b>	<b>100</b>	<b>100%</b>

*Source: Primary Data*



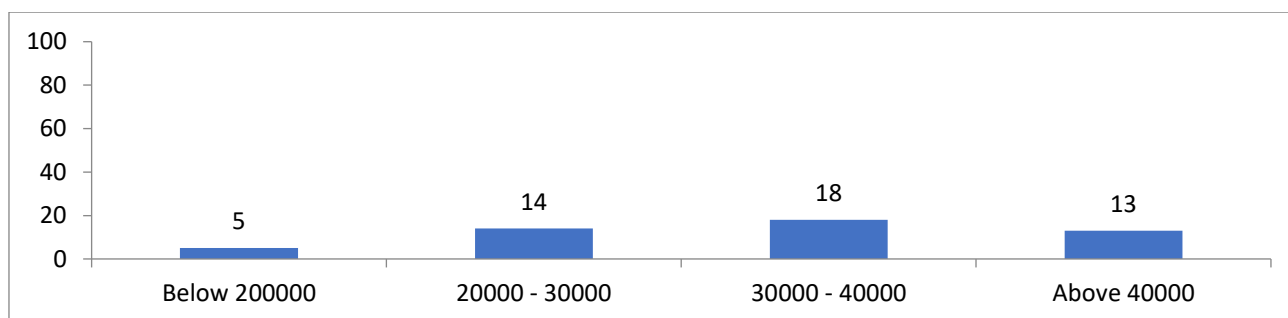
### Interpretation

The above figure shows 10% of respondents are have SSLC only, 14% of respondents are have plus two, 52% of respondents are have graduation, 24% of respondents are have graduation and above.

## CLASSIFICATION ON THE BASIS OF INCOME

Particulars	No Of Respondents	Percentage (%)
Below 20000	5	10%
20000 – 30000	14	28%
30000 – 40000	18	36%
Above 40000	13	26%
<b>Total</b>	<b>50</b>	<b>100%</b>

*Source: Primary Data*



### Interpretation

The above figure shows 10% of respondent monthly income below 20000, 28% of respondents monthly income between 20000 - 30000, 36% of respondents monthly income between 30000 - 40000, 26% of respondents monthly income above 40000.

## CLASSIFICATION ON THE BASIS OF INVESTMENT AWARENESS

Investment option	Rank	Male	Female	Total	%
Bank deposits	7	23	8	31	31
Provident fund	6	10	7	17	17
Insurance policy	5	8	7	15	15
Real estate	4	8	6	14	14
Post office	3	9	3	12	12
Mutual fund	2	7	1	8	8
shares	1	2	1	3	3
Total		67	33	100	100

**Bank Deposits** 31% of employees favor bank deposits as their preferred investment option, with 23 male respondents and 8 female respondents.

**Provident Fund** 17% employees show awareness of provident funds, with a higher proportion of males 10 compared to females 7.

**Insurance Policy** 15% of respondents prefer insurance policies, with males 8, females 7 showing awareness.

**Real Estate** 14% of public sector employees prefer real estate, with 8 male respondents and 6 female respondents.

**Post Office** 12% invest in post office schemes, with very few respondents aware of this option like male 9 and female 3 respondent.

**Mutual Funds** 8% have awareness of mutual funds, with males 7 and females 1.

**Shares** 3% of employees show awareness of shares.

## ANALYSIS

- Bank Deposits is the most popular investment choices for the employees 31%.
- Provident Fund 17% employees show awareness of provident funds.
- Insurance Policy 15% of respondents prefer insurance policies.
- Real Estate 14% of public sector employees prefer real estate.
- Post Office 12% invest in post office schemes, with very few respondents aware of this option.
- Mutual Funds 8% have awareness of mutual funds.
- Shares 3% of employees show awareness of shares.

## FINDINGS

- Investment Awareness of the employees show greater awareness of traditional, safer investment options such as bank deposits 31%.
- The study find most invested 32% of respondents are between 30 to 40 age old,
- The study find 10% of respondents are have SSLC only, 14% of respondents are have plus two, 52% of respondents are have graduation, 24% of respondents are have graduation and above.
- The study find 10% of respondent monthly income below 200000, 28% of respondent monthly income between 20000 - 30000, 36% of respondent monthly income between 30000 - 40000, 26% of respondent monthly income above 400000.



## SUGGESTION

- Governments should encourage their employees to invest in different sectors by giving some incentives.
- Steps should be taken by the banks and financial institutions to make the investors aware of the benefits of compound interest that they are likely to receive if the investments are kept for a longer period of time
- To provide awareness by the Banks, Post office, financial institution, Insurance agency to government employees.
- In direct tax department to provide more awareness classes regarding deduction relating to the savings and investments.
- To provides special classes to increase awareness of the employees by organizing some seminar, discussions other investing awareness program.
- The government try to reduced complexity of savings and investment process that attracted the investor to invest more money.

## CONCLUSION

The study has made an attempt to find the investment awareness of government employees. The study on investment awareness of government employees to identifying the source of investment, preference, level of awareness about bank, post office, insurance agency and level of satisfaction on returns of investment of government employees in Idukki.

Analysis of the study was undertaken with the help of survey conducted. After analysis and interpretation of data it is concluded that in Idukki district government employees prefer invest in public sector bank, government institution like post office, insurance but they do not prefer high risky investment to protect our principal amount.

All the government employees give more important to bank, insurance, real estate, post office. In Idukki government employees are more aware about various investment avenues like, bank deposits, insurance, post office small savings like mutual fund, shares etc.

The survey also concludes that the government employees most preferred investment, followed by the bank deposits, public provident fund, fixed, post office savings, real estate.

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