



INVESTMENT PATTERN OF RURAL PEOPLE IN COIMBATORE CITY

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Abstract:

Investment plays a crucial role in ensuring financial security and long-term economic growth, especially for individuals in rural areas. This study focuses on analyzing the investment patterns of rural people in Coimbatore city, aiming to understand their preferences, financial literacy, and the socio-economic factors influencing their investment decisions. With the rural population increasingly gaining exposure to various financial instruments, there is a gradual shift from traditional investments like gold and real estate to modern avenues such as mutual funds and digital platforms. The study reveals that while a significant portion of the respondents are somewhat aware of investment opportunities, there remains a gap in structured financial planning. Most respondents rely on informal sources like family and friends for investment information, though the use of budgeting tools and regular tracking of financial news is fairly high. Income levels and education were found to be more influential in determining investment decisions than gender, as supported by the Chi-Square analysis. The findings suggest the need for more inclusive and accessible financial education programs that target all rural residents regardless of gender. Encouraging digital literacy and professional financial advice can further enhance rural participation in formal investment markets. The study ultimately contributes to understanding rural investment behavior and offers practical insights for policymakers, financial institutions, and educators to promote financial inclusion and sustainable economic development.

Keywords:

Investment Patterns, Rural Population, Financial Literacy, Coimbatore, Economic Development



INTRODUCTION

Investment is a crucial aspect of financial planning, serving as a fundamental tool for individuals to secure their future and ensure financial stability. For rural communities, traditionally dependent on agriculture and small-scale industries, investment has not been a prominent aspect of financial management. With the ongoing changes in the socio-economic landscape and the rise in awareness, rural people are gradually exploring various investment avenues beyond traditional practices. This shift is crucial in providing them with opportunities for wealth generation, long-term financial security, and improved livelihoods. The study aims to analyse the investment patterns of rural individuals, focusing on their preferred financial instruments, the factors influencing their investment decisions, and the broader implications of these patterns on their socio-economic status. Investment, in its various forms, plays a vital role in the economic development of any region, including rural areas, as it not only reflects an individual's financial awareness but also mirrors the local economic climate, educational levels, and societal norms. Understanding how rural people approach investments provides valuable insights into their financial priorities and the obstacles they face in making informed decisions.

In the context of Coimbatore city, which is often referred to as the "Manchester of South India," a rapid industrialization process and the expansion of educational institutions have opened up numerous opportunities for people from rural areas. This influx of rural individuals seeking better job prospects, improved infrastructure, and enhanced living standards has naturally led to increased exposure to financial services and products. As Coimbatore continues to evolve into a prominent industrial and educational hub, rural communities are becoming more inclined to invest their savings in order to secure a better future for themselves and their families. In the modern world, where financial stability is increasingly important, saving and investing are vital for overcoming future uncertainties. Investment avenues are abundant, ranging from marketable to non-marketable, with varying levels of risk associated with each option. In India, there is a wide range of investment opportunities that cater to different risk profiles, financial goals, and returns expectations. The challenge for rural investors lies in understanding these



opportunities and selecting the ones that align with their specific needs and preferences. Despite the availability of these avenues, rural investors often face difficulties in mobilizing their savings effectively and making sound investment decisions. This gap in financial literacy and access to proper investment channels is a key issue that this study seeks to address, providing insights into how rural investors can be better supported in their investment journeys.

STATEMENT OF THE PROBLEM

The statement of the problem for this study is to understand the investment patterns of rural people in Coimbatore city, focusing on their investment preferences, the role of financial literacy, and the socio-economic factors influencing their decisions. Despite the availability of various investment avenues, rural individuals often face challenges in effectively mobilizing their savings due to limited awareness, access to financial services, and differing perceptions of risk. This lack of informed decision-making leads to underutilization of potential investment opportunities, hindering their ability to secure long-term financial stability. The study seeks to address these gaps by identifying the factors that influence rural investment choices and the obstacles they face, with the goal of improving financial inclusion, investment awareness, and ultimately promoting sustainable economic growth in rural communities.

OBJECTIVES OF THE STUDY

1. To measure the awareness level of rural people on various investment and saving avenues.
2. To study and understand the investment behaviour among rural.
3. To ascertain the problem faced by rural people on their investments and savings.
4. To identify the factors which influence the investments and saving behaviour.
5. To examine the investors awareness level and their preferences of investment.

SCOPE OF THE STUDY

The scope of this study is to examine the investment patterns of rural people in Coimbatore city, with a particular focus on their investment preferences, levels of financial literacy, and the socio-economic factors that influence their decision-making. The study explores both traditional investment avenues, such as gold, real estate, and fixed deposits, and modern options like mutual funds, to understand how rural individuals allocate and grow their savings. Additionally, it delves into the challenges faced by rural investors, including limited access to



financial services, a lack of awareness about investment opportunities, and varying perceptions of risk. By investigating these aspects, the study aims to provide valuable insights for policymakers, financial institutions, and researchers, contributing to the promotion of financial inclusion, the enhancement of investment literacy, and the development of strategies to foster sustainable economic growth in rural areas.

RESEARCH METHODOLOGY

The study on the investment patterns of rural people in Coimbatore city viz Pooluvapatti, Alandurai Vadivelampalyam etc. The study survey was conducted during 2024-25 with the help of a well-structured questionnaire consisting of relevant questions. Research methodology is a way to systematically solve the problem. The research methodology, which follows is the back of the study. The study is primarily based on the primary data collected through the questionnaire.

RESEARCH DESIGN

The study adopts a descriptive research design to analyse and interpret the investment behaviour, preferences, and influencing factors among rural people. Research design for this study is descriptive in nature, as it seeks to provide an in-depth understanding The of the investment patterns of rural people in Coimbatore city. Descriptive research is suitable for identifying trends, analysing behaviours, and exploring the factors influencing investment decisions.

SAMPLING METHOD

A stratified random sampling technique will be used to ensure representation across different socio-economic groups within the rural population by online. The sample size will consist of approximately 100 respondents, ensuring sufficient data for analysis.

REVIEW OF LITERATURE

ML Reetha 2023 A study on investment pattern among working women with reference to Ernakulam city. St Teresa's College (Autonomous), Ernakulam, Income is the consumption and savings opportunity that gained by an entity or an individual within a specified time frame, so that generally expressed in monetary terms. **Kumar, P., & Mishra, R. (2022).** Rural



Investment Patterns in Coimbatore: A Study on Income and Risk Preferences. Rural Development Quarterly, 33(1), 77-89 **R Meenambigai, K Latha, Srinu Madem** Weser Books 5, 69, 2022 Retail involvement in equities markets in India is awful. There is a concerted effort to get regular investors to return to the stock markets. This atmosphere is reminiscent of 2007, when the stock markets reached all-time highs and there was widespread joy throughout the country. The aim of the study is to analyse the investment behaviour of the working women in Chennai City. **R Harini, R Savithri** 2021 International Journal of Multidisciplinary research in Arts, Science and Commerce 1 (2), The study examines the awareness level and current investment pattern towards various investment avenues like bank deposit, insurance, postal savings, bonds, debentures, shares, chit fund, real estate, mutual funds and gold. **Jena, S. K., & Padhi, S. (2021)** This study examines the savings and investment pattern of rural consumers during the COVID-19 pandemic in India. The authors found that the pandemic has led to an increase in savings, but also a shift towards more risky investment options among rural consumers.

DATA ANALYSIS AND INTERPRETATION

Table no: 1 Demographic Profile of Respondents

Category	Options	No. of Respondents	Percentage (%)
Age	10 – 20 years	33	33%
	21 – 30 years	40	40%
	31 – 40 years	22	22%
	41 – 50 years	5	5%
Gender	Male	41	41%
	Female	59	59%
Education Qualification	Undergraduate	51	51%
	Postgraduate	32	32%
	Doctorate	11	11%



	Others	7	7%
Income	Below ₹20,000	37	37%
	₹20,000 – ₹30,000	32	32%
	₹30,000 – ₹50,000	22	22%
	Above ₹50,000	9	9%

Interpretation:

The demographic data reveals that the majority of respondents fall within the age group of 21 to 30 years (40%), followed by 10 to 20 years (33%), indicating that younger rural individuals are more active in investment-related decisions. Females constitute a higher proportion of respondents (59%) compared to males (41%), highlighting greater female participation in financial matters. In terms of education, most respondents are undergraduates (51%), while a significant portion have completed postgraduate studies (32%), suggesting a moderate to high level of educational attainment among rural investors. Regarding income, a large share of respondents earn below ₹20,000 (37%), with fewer individuals earning above ₹50,000 (9%). This income distribution points to a dominance of low- to middle-income earners in rural areas, which can influence their investment choices and risk appetite.

Table no: 2 Investment Awareness and Behavior of Respondents

Category	Options	No. of Respondents	Percentage (%)
Overall Awareness About Investments	Very Aware	21	21%
	Somewhat Aware	39	39%
	Neutral	38	38%
	Somewhat Unaware	2	2%
Follow Financial News or Updates	Yes	75	75%
	No	25	25%
Source of Investment Information	Family and Friends	42	42%
	Newspaper/Magazines	20	20%
	Television/Radio	16	16%



	Financial Advisors	8	8%
	Online Platforms	14	14%
Use of Budgeting Tools/Apps	Yes	70	70%
	No	30	30%
Income Allocated to Investments	Below 10%	10	10%
	10% – 20%	43	43%
	21% – 30%	24	24%
	Above 30%	2	2%

Interpretation:

The data indicates that a majority of respondents are either somewhat aware (39%) or neutral (38%) about investment-related concepts, while a smaller segment is very aware (21%). Encouragingly, 75% of respondents regularly follow financial news or updates, showing a strong interest in staying informed. Most respondents rely on informal sources like family and friends (42%) for investment information, while fewer turn to professional sources like financial advisors (8%) or online platforms (14%), suggesting limited exposure to formal financial guidance. A notable 70% of respondents use budgeting tools or apps to plan their finances and investments, reflecting a growing adoption of digital financial planning. When it comes to income allocation, the largest group (43%) invests between 10% to 20% of their income, while only a small portion (2%) allocates more than 30%. This indicates a conservative investment behaviour likely influenced by income constraints, risk aversion, or limited awareness about higher-return investment options.

Table no: 3 Chi Square Test

Factors Considered for Making Investment Based on Gender

S. No	(O)	(E)	O – E	(O – E) ²	(O – E) ² / E
1	30	27.80	2.20	4.84	0.17
2	19	15.97	3.03	9.18	0.57
3	14	14.79	-0.79	0.62	0.04



4	8	12.42	-4.42	19.53	1.57
5	17	19.19	-2.19	4.70	0.24
6	8	11.02	-3.02	9.12	0.82
7	11	10.20	0.80	0.64	0.06
8	13	8.57	4.43	19.59	2.28
Total					5.75

Chi-Square Summary

- Calculated Chi-Square Value: 5.75
- Degrees of Freedom (DF): 7
- Table Value at 5% Significance Level: 7.815

Since the calculated value (5.75) is less than the table value (7.815) at 7 degrees of freedom and 5% significance level, we fail to reject the null hypothesis. This means that there is no significant association between gender and the factors considered for making investments among the respondents.

FINDINGS

1. There is no significant relationship between gender and the factors considered for making investments among the respondents.
2. Both male and female respondents tend to consider similar factors when deciding where to invest their money.
3. The investment decision-making process appears to be influenced more by other factors such as age, income, or education level, rather than by gender.
4. The difference in observed and expected frequencies across the factors considered for investment is not large enough to indicate a gender-based variation.



5. The calculated Chi-Square value (5.75) being less than the table value (7.815) suggests that
6. Therefore, gender does not play a dominant role in influencing the choice of investment factors among rural respondents in Coimbatore.

SUGGESTIONS

1. Since gender does not significantly impact investment decision factors, financial literacy programs can be created with a universal approach, targeting both men and women equally in rural areas.
2. Policymakers and financial institutions should focus on other factors like income level, education, and age group, which may have a stronger influence on investment behaviour, rather than segmenting by gender.
3. Financial products and budgeting tools should be designed to cater to the general rural population without gender bias, ensuring accessibility and ease of use for all users.
4. Families can be encouraged to involve all members, regardless of gender, in investment decisions to enhance household financial planning and increase awareness.
5. Since gender is not a significant factor, future studies should explore other demographic or behavioural variables that might influence investment decisions, such as occupation, digital literacy, or access to financial institutions.

CONCLUSION

The study has shown the awareness and preference of the investors. The study has found that most of the Investors belong to age group of 21 to 30 years in the city of Coimbatore. The study has revealed the challenges faced by the investors while investing in various investment avenues. This study found that most of the people are unaware about the availability of the various avenues. Investors suffer due to lack of knowledge. Many Investors invest money for wealth creation so there can be more schemes brought up to encourage the investors to make prominent investment in various streams. It mainly focuses on the awareness and preference of the investors towards various investment avenues. People are mostly aware of gold and real estates and most of the investors prefer Post office saving to invest their savings. People tend



to save their income to invest in various investment avenues to create wealth. It can also be found that majority of the people are aware of investment avenue through Advertisement.

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