



# Indian Scenario of Investment Pattern of Senior Citizens

**Dr. Mukta Jain<sup>1</sup> and Dr. Nipun Aggarwal<sup>2</sup>**

Associate Professor, Department of Commerce, Dyal Singh College, Karnal, Haryana, India<sup>1</sup>

Associate Professor, MM Institute of Management

Maharishi Markandeshwar Deemed to be University, Mullana, Ambala, India<sup>2</sup>

**Abstract:** *Investment is the backbone of the development of a nation because the collection of the savings of the people from various categories are very much relevant for the industrial and economic development of a nation. More than 80% of the savings of the nation income people including the senior citizens especially the pensioners. In short, the senior citizens in all categories either pensioners or non and economic and industrial development in all states in India. Therefore, the study of investment patterns of senior citizens is having eminent relevance in this economy.*

**Keywords:** Tax Benefits, Risk and Return, Investment, Expense Ratio, Mutual Funds

## I. INTRODUCTION

Indian economy is growing at a rapid pace and service industry is now becoming the essence of economy. Investment avenues provide money flow in economy. To be a market leader, it is necessary to understand the buying behaviour of customer to tap them and make them loyal customer. For any brand acceptance by customers, their priority and brand loyalty are base for increase in market share and presence in market. So, it is important for investment companies & for me as a student of marketing, to understand the buying behaviour of customers. My research is concentrated on senior citizens. "Commitment of funds made in the expectation of some positive rate of return". Expectation of return is an essential element of investment.

In the words of Suriya et al. (2012), "Financial backers conduct in different contribute roads a review" this study manages the conduct of the financial backer to distinguish the better venture roads accessible in India. The speculation technique is an arrangement, which is made to direct a financial backer to pick the most proper venture portfolio that will assist them with accomplishing their monetary objectives with in a specific timeframe. By expanding privately invested money, contributing can add to higher, by and large financial development and success. The method involved with contributing aides' organizations where they can raise their capital through monetary business sectors. Explicit kinds of speculations give different advantages to the financial backer, corporate just as the general public. The Indian financialbackers are particularly mindful with regards to the idea of portfolio distributions and hazard and returns of the speculation.

As mentioned by Gunjan et al. (2011), "Venture Trend Now and Then: A Survey Based Study of Moradabad (U.P.)". The paper endeavours to realize the mindfulness level of the venture options accessible among the financial backers and thinks about the speculation pattern now from 20 years back. The region of the review is Moradabad, a city in Uttar Pradesh and the example size is 150.



The information utilized in the review involves both essential and secondary information. The greater part of the financial backers is hazard opposed and along these lines overlook unsafe ventures like subordinates, values and lean toward safe paradise like bank stores, mail centre stores, gold, and so on There is almost no improvement in the mindfulness level for more up to date monetary instruments among financial backers throughout the long term.

As such the return is expected to be realized in future. A citizen is a person who has the legal right to belong to a particular country. He has the right to take part in the legislative proceedings of the state to which he belongs. People who are more than sixty years of age are commonly referred to as senior citizens or seniors. Senior citizens are a treasure to the society. They have worked hard all the years for the development of the nation as well as the community. This challenge deals with the distinctive investment decisions made by distinct people and specializes in detail of threat in detail even as making an investment in securities. It also explains how portfolio hedges the risk in funding and giving superior go back to a given quantity of chance.

It additionally offers an intensive evaluation of portfolio creation, selection, revision and assessment. After figuring out the investor's behaviour, a funding approach has to be devised. An investment method is a plan mounted to assist an investor in deciding on the exceptional appropriate funding portfolio to help them meet their economic objectives inside a specific time frame. Investing can assist to reinforce ordinary financial boom and prosperity by using growing personal wealth. The examiner's fundamental aim became to find out about man or woman traders' attitudes on selecting a purpose for which they keep money for the destiny. An individual's saving goal adjustments at each factor of their existence cycle. This shift happens not simplest because of the investors' age however additionally because of their occupation and profits degree. The funding option that home savers select to gain their desires is always substantiated by way of their savings goals.

#### **BEST SENIOR CITIZENS INVESTMENT PLANS WITH HIGH RETURNS 2023**

<b>INVESTMENT OPTION</b>	<b>RETURNS</b>	<b>MINIMUM INVESTMENT AMOUNT</b>
<b>Senior Citizens Savings Scheme (SCSS)</b>	8.00% p.a.	Rs. 1,000
<b>PradhanMantriVaya Vandana Yojana (PMVVY)</b>	7.40% p.a.	Min Rs. 1,50,000
<b>Post Office Monthly Income Scheme (POMIS)</b>	7.10% p.a.	Min Rs. 1,500
<b>Senior Citizen FD</b>	3.5% – 8.95% p.a.	Varies between banks
<b>Tax-Free Bond</b>	5.5%-6.5% p.a.	NA
<b>Mutual Funds</b>	10% – 15% p.a Market Linked	Rs.100

**SOURCE:** <https://scripbox.com/mf/best-investment-for-senior-citizens-india/>

**Senior Citizens Savings Scheme (SCSS)**

Senior Citizens Savings Scheme (SCSS) is one of the post office savings schemes for senior citizens. The Government of India backs the scheme. It offers safety and regular income in the form of interest payments to its investors. The interest is computed every quarter and credited to the investor's account. The interest rates are revised by the Ministry of Finance every quarter

**PradhanMantriVaya Vandana Yojana (PMVVY)**

Pradhan Mantri Vaya Vandana Yojana (PMVVY) is an investment scheme for senior citizens. It offers both retirement and pension benefits. Life Insurance Corporation (LIC), under the purview of the Government, manages and operates the scheme. PMVVY offers a fixed return. The tenure of the scheme is for a period of ten years. The scheme requires its subscribers to be of 60 years and above.

**Post Office Monthly Income Scheme (POMIS)**

India Post or the Department of Post (DoP) offers Post Office Monthly Income Scheme (POMIS). The Government of India backs this savings scheme. POMIS is a low-risk investment option and offers regular monthly income to the depositors in interest payments.

**Senior Citizen FD**

Senior citizen fixed deposits FD are traditional investment products. Bank fixed deposits are the most preferred investment options as they offer a fixed return. These are considered low-risk investments as the returns are guaranteed in the form of investment.

**Tax-Free Bond**

Tax free bonds are issued by government infrastructure organizations like NTPC Limited, Housing and Development Corporation, NHAI, and Indian Railways Finance Corporation.

**Mutual Funds**

Mutual funds are investment vehicles that pool money from multiple investors with similar objectives and invest in equities and debt securities. There are various categories of mutual funds, namely equity funds, debt funds and hybrid funds. Equity mutual funds majorly invest in equities, while debt funds invest in debt and money market securities. Hybrid funds invest both equity and debt securities. Senior citizens can align their goals with the fund's objective and choose the right one.

In mutual funds, investors can not only invest monthly through SIP. They also have an option to withdraw their investments at regular intervals through SWP. Systematic Withdrawal Plans (SWP) allows investors to withdraw from their mutual fund investments at regular intervals. Investors can choose to withdraw a fixed or variable amount monthly, quarterly, half-yearly or annually. Investors can choose to withdraw just the capital gains, keeping their capital intact. Moreover, they will have to pay capital gains tax only on the withdrawn amount. Hence SWP not only provides regular income but is also tax efficient.



## II. REVIEW OF LITERATURE

Gaurav Kabra et al. (2010) in this study they want to know the factors influence investment behaviour and the impact of these factors on risk tolerance and mindset of men and women while taking investment decisions and is age can be a reason. For analysis, they used hedging and regression analysis. They concluded that now investors are more matured and have adequate knowledge but still an individual investor prefers to invest according to their risk tolerance capacity.

Geetha and Ramesh (2012) have found in their study, 'A Study on Relevance of Demographic Factors in Investment Decisions' that demographic factors such as gender, age, sex, education, occupation, income, savings and family size influence the period of investment, frequency of investment, reach of information of source and analytical abilities. The authors revealed that demographic factors have a significant influence over some investment decisions. It also discloses a general view of investor perception over various investment avenues.

K. Malar Mathi et al. (2012) the objective of this study is to understand individual investor behaviour. Data collected from review the literature, research papers have been collected from various referred journals related to individual investors' behaviour. They development of economy depend on the growth of rural market in the country. Lack of finance in rural is the reason behind for low investment. Shifting to urban for jobs.

Jothilingam et al. (2013) carried out examination available literature on the investors' attitude towards investment avenues. This based on primary data and secondary data. It proposed that woman investors should enthusiastic to make an investment in avenues other than gold, like mutual funds, shares, and securities, currency. Conclude that investors preferred to invest in less risky investment avenues like gold, mutual funds, and bank deposits. Investor avoids risk as much as they can.

Shalini Sah et al. (2013) They wanted to identify the beliefs and attitudes of the individual investors with regard to financial investment decision making, with particular reference to the investor biases. They conducted an in-depth study to understand investor beliefs and preferences. They found that individual investors have numerous beliefs and preferences that bias their financial investment decisions. They suggested that an understanding of an individual investor's psychology would help in better comprehending the way the individual investment decisions are made.

Puneet Bhusan (2014) assessed the financial literacy level of salaried individuals affect their investment preferences towards financial products. Primary data had done to collect data using a non-disguised structured questionnaire. Multistage sampling method used in collecting data. There are total of twelve districts in Himachal Pradesh. Out of these three districts namely Shimla, Solan and Kangra were selected randomly (first stage). Measure the level of financial literacy of the respondents using OECD approach in the study. Financial literacy of an individual affects its awareness regarding financial products and investment preferences. Due to low financial literacy individuals prefers traditional financial products.

Devi and Chitra (2014) have revealed in their study, 'A Study on Salaried Employees Behaviour towards Domestic Savings and Investment in Rasipuram Town', that the investment is made by different categories of investors keeping in mind period of investment avenues,



investment decisions taken and level of satisfaction of investors. The data was analysed with the help of Chi-Square test and F-Test. It was further concluded that investing has been an activity of rich and business class but today it has become a routine course for every individual. Moreover, increase in working population, larger family incomes, provisions for tax incentives, availability of large and attractive investment avenues, etc also paves a way for saving and investment. The study further recommends that adequate supply of savings should be maintained as a central policy objective for economic stability.

Laxman Prasad et al. (2015) the objective of their study was to understand investor attitude towards investment option selection and to identify what all factors affect the investor attitude towards investment option selection with special reference to SIP. Before investing investor should do proper research about the risk involved in the investment or it is better to take suggestions from the asset management company before investment.

Uddin. A (2016) this paper is based on the study to find out the motivating factor to invest in a systematic investment plan and the problem in this scheme. The sample size is 100 respondents who are a SIP account holder in Gandhinagar city in Gujarat and have been taken for the purpose of the study. Data have been collected from primary sources using the questionnaire method. Collected data were analysed using various statistical tools. Results of the study found that for higher returns with low risk the investor motivates to invest in a systematic investment plan on the other hand knowledge and the operational platform is one of the main barriers that investor is facing of the scheme.

Fachrudin K.R., Fachrudin K.A (2016) research worked towards determining the domination of education, experience and financial literacy on investment decisions by individual investors in the city of Medan. This study used a questionnaire to collect data and the sample consisted of 250 respondents. Data were analysed using descriptive statistical analysis and Structural Equation Modelling. The results showed that investors with undergraduate degrees are 46.80%. 36.00% of the investor has a maximum of 3 years of investing experience in the stock market. No significant relationship between education and investment. Financial literacy is found to build up the links between education and experience toward investment decisions. The implication is that financial literacy is vital for the right investment decision.

### III. OBJECTIVES

- To study and examine the elements affecting example of senior resident.
- To study the depth of Indian Scenario of Investment Pattern of Senior Citizens
- To study the purpose of Indian Scenario of Investment Pattern of Senior Citizens
- To compare the usage of Indian Scenario of Investment Pattern of Senior Citizens

### IV. RESEARCH METHODOLOGY

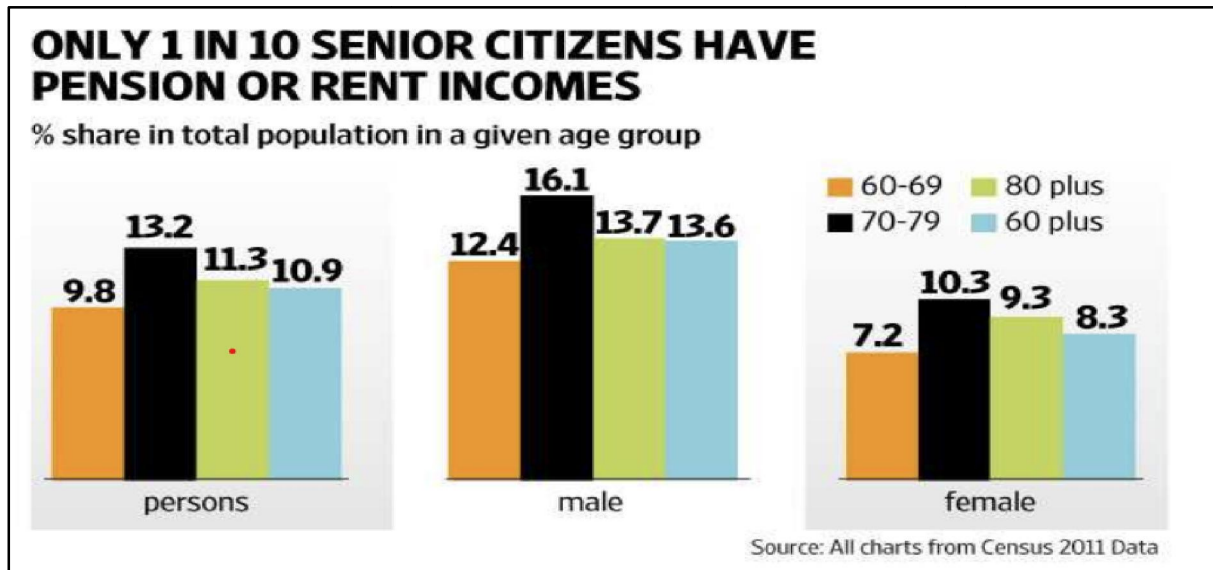
The Research has been based on conceptual research work. A depth study was carried out. This paper discusses the legal aspects related to Indian Scenario of Investment Pattern of Senior Citizens to understand the depth of the concept Indian Scenario of Investment Pattern of Senior



Citizens, the values that investment holds and to understand the importance of Growth of Micro Finance in India

Secondary data has been used and studies from the previous researchers to identify various aspects related to the topic. Literature review and introduction has been preparing with the help of research paper publications, article, and other internet sources

## V. INDINGS & DISCUSSION



The above graph shows only 1 senior citizen among 10 have source of income hence investment can be another asset for senior citizen to be independent in old age.

## VI. SUGGESTIONS

The dilemma faced by the senior citizens is about thereconciliation of profitability, liquidity and risk of investment. The senior citizens must collect the required information before taking investment decisions. Preparation for retirements should be made well in advance, so as to plan how to utilize the retirement benefits and other resources for safe future. To choose the right investment according to needs, the senior citizens should seek the support of the financial planners who have exhaustive knowledge about different avenues of investment. People should be educated that the old age has to pass through and that saving for old age could be a painless process if started early in life.

## VII. CONCLUSION

As investors near their retirement age, most of their financial responsibilities have been completed. Also, most of them would've planned for retirement. All they need is an additional source of regular income to compensate for the loss of income post-retirement. Moreover, they also need to think about growth in the form of capital appreciation. At this stage, investors are not willing to take any additional risk to earn an extra rupee. However, some investors have a high-risk tolerance even at the age of 60. For senior citizens, the best investment scheme will help earn a regular source of income and aid in gaining from the growth of the capital.





Senior citizens require adequate information for making apt investment decision. Preparation for retirement and old age should be planned in advance. Investment should be made based on the needs, taking into consideration liquidity, profitability, stability and security. These elements are crucial aspect with regard to investments of senior citizens. The study shed lights on the aged senior citizens who are not much bothered in society these days. Investment awareness and information regarding various investment avenues is necessary to select right investment decision.

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