

UNDERSTANDING INVESTMENT PATTERNS AND HABITS AMONG RURAL RESIDENTS IN THRISSUR DISTRICT

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Abstract

This study explores the investment practices and preferences of rural residents in Thrissur District, Kerala, providing a detailed analysis of their financial decision-making processes. Conducted between April and May 2014, the research employed a multi-stage sampling technique to ensure a representative sample of the rural population. Data were gathered from 200 respondents through a structured questionnaire administered at major bus stations, public places, and shopping centres by trained personnel. The study identifies significant variations in investment preferences among different occupational groups, including salaried individuals, professionals, coolies, self-employed people, and agriculturists. Key findings indicate that salaried individuals and self-employed people prioritize secure and low-risk investments such as life insurance and bank fixed deposits. Conversely, agriculturists and coolies show a strong preference for tangible and community-based investments, like gold and chit funds. Professionals display a balanced approach, favouring both traditional savings instruments and long-term asset-building investments. Overall, the results highlight a predominant preference for low-risk and secure investment avenues across all groups, with cultural factors and socio-economic conditions significantly influencing financial behaviour.

Index Terms: Rural investors, Investment behaviour, Thrissur District, Investment pattern

INTRODUCTION

In recent years, the dynamics of financial investment have been evolving significantly, influenced by diverse socioeconomic factors, and changing lifestyles. While research on investment behaviours often focuses on urban populations, it is equally essential to explore the investment patterns and habits of rural communities, which can reveal unique insights shaped by local contexts and challenges.

This study delves into the investment practices of rural residents in Thrissur district, Kerala, aiming to provide a comprehensive analysis of their financial preferences and decision-making processes. Thrissur district, known for its agrarian economy and cultural heritage, presents an intriguing backdrop for investigating how rural individuals engage with various investment opportunities. The significance of this study lies in its focus on a demographic often underrepresented in financial research—the rural populace. By understanding the investment habits of rural residents, policymakers, financial institutions, and development agencies can tailor strategies that promote financial inclusion and economic empowerment within these communities.

This article is structured as follows: following this introduction, the literature review presents a synthesis of existing research on rural investment behaviours. Subsequently, the methodology section details the approach adopted for data collection and analysis. The findings section presents key observations derived from the survey data, followed by a discussion of implications and recommendations. In summary, this research contributes to the broader discourse on financial inclusion and rural development by shedding light on the investment choices and preferences of rural residents in Thrissur district. By highlighting these insights, this study aims to inform policies and interventions that enhance financial literacy and promote sustainable economic growth in rural areas.

LITERATURE REVIEW

(Jain & Joy, 1997) This study delves into the financial motives of 36 professional South Asian (Indian) families residing in a Canadian metropolitan city, aiming to grasp their financial behaviour within the context of their cultural worldview. Economic criteria alone do not wholly explain their consumption, saving, and investment patterns; instead, their need for saving often dictates their consumption decisions. To fully comprehend their financial behaviour, it is crucial to recognize the cultural frameworks within which these families operate. The study underscores the significance of understanding the socio-cultural contexts behind what may initially seem like purely economic decisions.

(Praba & Suyam, 2011) This study focuses on understanding how individual investors' behaviour influences financial decisions. The primary objective of the study was to investigate the evolving behaviour of investors, particularly their departure from traditional investment avenues like POSB, mutual funds, insurance, bank deposits, and gold. Against this backdrop, a survey was conducted among 109 salaried respondents in Coimbatore city, specifically those employed in the IT, banking, or NBFC sectors. The survey aimed to explore the factors influencing their investment decision-making processes. The research objectives encompass

studying the savings patterns among respondents, identifying the key factors that drive their savings and investment decisions, conducting risk profiling of investors, and assessing their conceptual knowledge, awareness level, and perceptions regarding mutual funds.

(Chakraborty & Digal, 2011) This paper investigates the investment patterns and saving objectives of individual investors in Orissa, India, using a sample of 200 respondents. The study analyses preferences for various investment options and factors influencing saving objectives, employing both parametric and non-parametric statistical methods. Through a structured questionnaire, demographic factors like age, occupation, and income level were found to significantly influence saving objectives. The research highlights the saving habits of retail investors across income levels, with a notable emphasis on women's disciplined saving behaviour. Despite a perception of men being more risk-tolerant, the study reveals that women tend to be more risk-averse yet save consistently, particularly as income levels increase. This investigation contributes to the understanding of personal finance and investment behaviours, offering insights that can inform the development of this field.

(Odoemenem, Ezihe, & Akerele, 2013) This study investigates the saving and investment patterns of small-scale farmers in Makurdi Local Government Area of Benue State, Nigeria. A total of 120 farmers were selected using multi-stage sampling techniques, and data were collected through structured questionnaires administered via interviews. Regarding savings, about 64.2% of respondents save N 100,000 or less, primarily to support their families (51.80%). Furthermore, a majority (64%) invest in non-farm activities. These findings shed light on the financial behaviors and demographics of small-scale farmers in the study area, providing valuable insights into their saving and investment practices.

(Ganapathi, 2014) This study explores the investment patterns of Madurai's government employees to enhance their investment literacy and optimize returns. The study reveals that, Government employees in Madurai, benefiting from lower living costs and better salaries, save regularly and seek higher returns through investments. However, many lack detailed investment knowledge, necessitating awareness initiatives.

RESEARCH GAP

The existing literature on rural investments in Thrissur district primarily focuses on broader economic indicators and agricultural practices, with limited in-depth analysis of individual investment behaviours and preferences. There is a notable gap in recent studies that comprehensively address the specific investment patterns, factors, and influences unique to rural populations in this region. Furthermore, while some studies touch upon financial literacy in rural areas, there is a need for updated insights into the current level of awareness and understanding of investment options among rural residents. Additionally, few studies delve deeply into the cultural and familial contexts shaping investment decisions in Thrissur district, highlighting the need for research that explores these influences in detail. Therefore, this study seeks to bridge these gaps by providing a nuanced and up-to-date analysis of rural investment habits, factors influencing decisions, levels of financial literacy, and the role of cultural and familial influences within the context of Thrissur district.

RESEARCH PROBLEM

Despite the importance of understanding investment patterns and habits among rural populations in Thrissur district, there is a lack of recent comprehensive studies that specifically address the following key aspects:

- The specific types of investments preferred by rural individuals in Thrissur district, considering their unique socio-economic and cultural context.
- The factors influencing investment decisions within rural communities, including financial literacy levels, socio-cultural influences, and familial dynamics.
- The current level of financial awareness and knowledge regarding investment options among rural residents.
- The impact of cultural and familial influences on investment behaviour and decision-making processes among rural households.

SCOPE OF THE STUDY

- Examining the various types of investments preferred by rural residents, including traditional and modern financial instruments.
- Identifying and analysing the factors that influence investment decisions within the rural community, such as income levels, education, cultural values, and economic conditions.
- Assessing the level of financial literacy and awareness among rural individuals regarding different investment options available to them.
- Exploring the cultural and familial influences on investment behaviour to understand how social norms and family dynamics impact financial decision-making in rural households.

IMPORTANCE OF THE STUDY

Insights for Policy and Development: Findings from this study can inform policymakers and development agencies about the specific investment needs and challenges faced by rural populations, guiding the development of targeted financial inclusion and literacy programs.

Enhancing Financial Literacy: By assessing the level of financial literacy and awareness, the study can highlight areas where education and outreach efforts are needed to empower rural residents with knowledge about investment opportunities and risks.

Promoting Inclusive Growth: Understanding investment patterns and factors influencing decisions can contribute to promoting inclusive economic growth by encouraging rural individuals to make informed and beneficial financial choices.

Preserving Cultural Identity: Exploring cultural and familial influences on investment behaviour helps in recognizing the unique socio-cultural contexts that shape financial practices, preserving and respecting local traditions while promoting financial well-being.

In summary, this study not only deepens our understanding of rural investment behaviours in Thrissur district but also has practical implications for policy interventions and educational initiatives aimed at fostering financial inclusion and empowerment among rural communities. By addressing the identified objectives, the study aims to contribute valuable insights to the field of rural finance and economic development.

RESEARCH OBJECTIVES

1. Examine the types of investments preferred by rural individuals in Thrissur district.
2. Identify the factors influencing investment decisions among rural residents.
3. Assess the level of financial literacy and awareness regarding investment options.
4. Explore the role of cultural and familial influences on investment behaviour.

METHODOLOGY

Data for this study were collected through a structured questionnaire distributed to 200 individuals across Thrissur district. The survey was conducted in major bus stations, public places, and shopping centres, ensuring a diverse representation of the rural population. Trained personnel were designated to administer the questionnaire, capturing valuable insights directly from the participants.

Period of Study: April – May 2014

Sampling Technique: A multi-stage sampling technique is utilized to ensure representative sampling from different parts of Thrissur district. The first stage involves selecting major bus stations, public places, and shopping centres as primary sampling units (PSUs). In the second stage, dedicated personnel are assigned to randomly approach individuals within these locations to participate in the survey.

Data Collection: Data is collected using a structured questionnaire designed specifically for this study. The questionnaire covers aspects related to:

- Types of investments preferred by respondents
- Factors influencing investment decisions
- Level of financial literacy and awareness
- Cultural and familial influences on investment behaviour

The survey is administered through face-to-face interviews conducted by trained interviewers. Participants are briefed about the purpose of the study and confidentiality of their responses.

Data Analysis: Once data collection is completed, quantitative data analysis techniques are applied to address the research objectives. Descriptive statistics (frequencies, percentages) are used to analyse respondents' investment preferences and demographic characteristics.

Limitations: Potential limitations of this study include reliance on self-reported data, sampling bias due to the nature of sampling locations, and the cross-sectional nature of the survey, which may limit the ability to establish causal relationships.

Table 1. Personal Profile of Respondents

Attributes	Distribution	No. of Responses	Percentage
Gender	Male	138	69
	Female	62	31
Age	Below 20	0	0
	20-30	54	27
	30-40	44	22
	40 - 50	73	36.5
	Above 50	29	14.5
Education	Class X and Below	26	13
	XII	82	41
	Graduation	48	24
	Post Graduation	26	13
	Professional	18	9
Occupation	Coolie	30	15
	Agriculture	48	24
	Salaried	66	33
	Self Employed	28	14
	Professional	10	5
	Retired	18	9
Annual Income	Below 1 Lakh	78	39
	1 Lakh - 3 Lakhs	66	33
	3 Lakhs - 5 Lakhs	32	16
	Above 5 Lakhs	24	12

Gender Distribution: The sample is predominantly male, with 69% of respondents being men and only 31% women. This gender imbalance suggests a potential bias in the sample towards male participants, which could influence the study's findings and interpretations.

Age Distribution: The largest proportion of respondents (36.5%) falls within the age group of 40-50 years, indicating that middle-aged individuals are well-represented in the sample. However, there is an underrepresentation of respondents below the age of 20, suggesting a limited perspective on younger individuals' investment patterns and habits.

Education Levels: A significant portion of respondents (41%) have completed Class XII education, followed by those with graduation-level education (24%). This distribution implies that the sample comprises individuals with varying levels of formal education, which may influence their financial literacy and investment decision-making.

Occupation Composition: The sample includes a diverse range of occupations, with the largest groups being salaried employees (33%) and individuals engaged in agriculture (24%). This diversity reflects different economic activities within the rural context but may also indicate potential disparities in income levels and investment capacities among respondents.

Annual Income Distribution: A substantial proportion of respondents (39%) report an annual income below 1 Lakh, suggesting that a significant segment of the sample belongs to lower-income brackets. This income distribution can significantly impact investment behaviors and preferences, highlighting the importance of considering income levels in the analysis.

In summary, the sample composition is skewed towards middle-aged, male respondents with varying levels of education and income. The demographic profile of the sample may influence the generalizability of findings to the broader population of rural individuals in Thrissur district. Consideration of gender, age, education, occupation, and income disparities is crucial for interpreting investment patterns and habits observed in the study. Future research efforts should aim to diversify the sample to ensure a more representative and comprehensive understanding of rural investment behaviours across different demographic groups.

Table 2. Investment Profile of Respondents

Attribute	Distribution	No. of Responses	Percentage
Do you have Finance Advisor?	Yes	52	26
	No	148	74
Favourite Sector for Investment	Public	116	58
	Private	84	42
Prepare Family Budget?	Yes	128	64
	No	72	36
Prefer Share Market?	Yes	108	54
	No	92	46
Any Capital Market Investment?	Yes	68	34
	No	132	66
Duration of Investment	Short Term (Less than 1 Year)	54	27
	Medium Term (1 to 5 Year)	106	53
	Long Term (More than 5 Years)	40	20

Finance Advisor: Out of the respondents surveyed, 26% (52 individuals) have a finance advisor, while the majority (74%, 148 individuals) do not. This indicates that a significant portion of respondents make financial decisions without professional advice, which could impact the sophistication and risk management of their investment portfolios.

Favourite Sector for Investment: The majority of respondents (58%, 116 individuals) prefer investing in the public sector, while 42% (84 individuals) favour the private sector. This distribution reflects varying perceptions of risk, return, and familiarity with different investment opportunities among respondents.

Family Budget Preparation: A notable proportion (64%, 128 individuals) of respondents prepare a family budget, indicating a level of financial planning and discipline in managing household finances. However, 36% (72 individuals) do not engage in budgeting, which may affect their overall financial stability and investment decisions.

Preference for Share Market: More than half of the respondents (54%, 108 individuals) prefer investing in the share market, suggesting a significant interest in equity investments and potential wealth accumulation through stock ownership. However, 46% (92 individuals) do not prefer the share market, potentially due to risk aversion or lack of familiarity with stock market investments.

Capital Market Investment: A substantial portion of respondents (34%, 68 individuals) have investments in the capital market, indicating participation in securities such as stocks, bonds, or mutual funds. However, 66% (132 individuals) do not have any capital market investments, highlighting potential barriers or limitations in accessing these financial instruments.

Preferred Duration of Investment: A notable portion of respondents (27%) prefer short-term investments. Short-term investments typically refer to holding assets for a relatively brief period, usually less than one year. This preference suggests a focus on liquidity and the potential for quick returns or capital preservation. Short-term investments may include savings accounts, fixed deposits, or money market instruments. Respondents opting for short-term investments may prioritize flexibility and immediate access to funds. The majority of respondents (53%) prefer medium-term investments. Medium-term investments typically involve holding assets for a period ranging from one to five years. This preference indicates a balance between risk and return, with potential investment avenues including mutual funds, bonds, or real estate. Medium-term investors may seek moderate growth or income generation over a relatively defined time horizon. A smaller proportion of respondents (20%) prefer long-term investments. Long-term investments typically involve holding assets for an extended period, often more than five years. This preference suggests a focus on wealth accumulation, retirement planning, or capital appreciation over the long term. Long-term investment options may include equity investments (stocks), retirement accounts (e.g., 401(k) or pension plans), or real estate properties. Respondents opting for long-term investments may prioritize maximizing returns over a prolonged investment horizon.

Table 3. Factors consider before making an investment

Factors	No of Respondents	Percentage
Safety to the Principal	86	43
Low Risk	16	8
High Return	44	22
Maturity Period	25	12.5
Secrecy of Account	8	4
Ease of Withdrawal	20	10
Others	1	0.5
Total	100	100

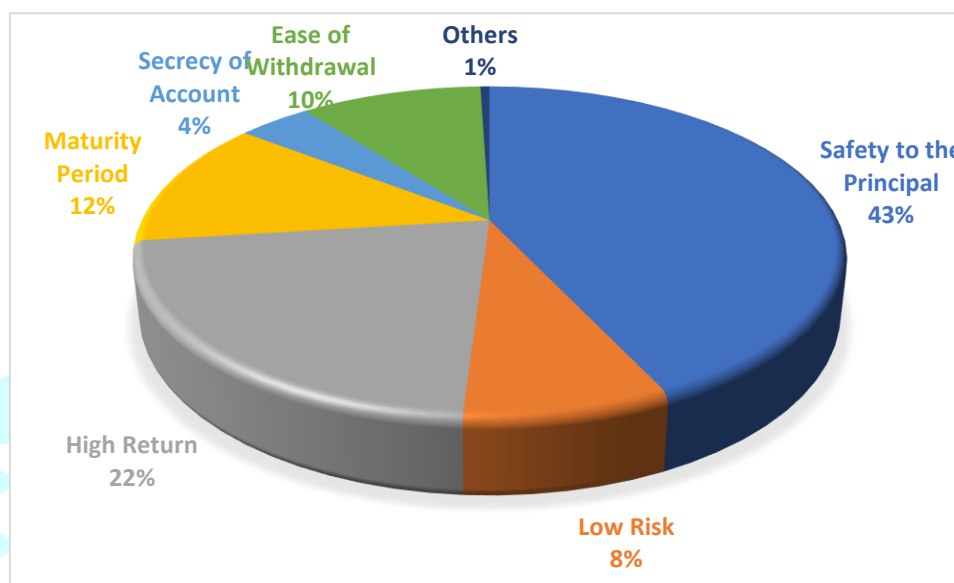


Figure 1. Factors consider before making an investment

The table presents the factors that investors consider before making an investment, highlighting their priorities and concerns:

The highest percentage of respondents (43%) prioritize safety to the principal amount invested. This factor reflects a risk-averse approach, where investors prioritize protecting their initial investment amount and avoiding potential losses. Investments perceived as safe to the principal typically include government-backed securities, fixed deposits, and low-risk bonds. A smaller proportion of respondents (8%) specifically consider low-risk investment options. This factor overlaps with the priority of safety to the principal, indicating a preference for investments with minimal risk exposure and stable returns over time. A significant percentage of respondents (22%) prioritize high returns when making investment decisions. This reflects an interest in maximizing investment gains and achieving above-average profitability. Investments associated with high returns may include equities, growth-oriented mutual funds, or alternative investment products.

A notable percentage of respondents (12.5%) consider the maturity period of investments. This factor relates to the time horizon over which investors expect to receive returns or access their funds. Longer maturity periods may be associated with higher returns but also entail locking in funds for an extended duration. A smaller segment of respondents (4%) values the secrecy or confidentiality of investment accounts. This factor suggests a preference for privacy and discretion in financial transactions, which may influence the choice of investment platforms or institutions. Another significant percentage of respondents (10%) prioritize ease of withdrawal when considering investments. This factor reflects the importance of liquidity and accessibility, where investors prefer investments that allow for quick and convenient access to funds when needed. A negligible percentage of respondents (0.5%) indicated other factors not explicitly listed in the survey. This suggests that individual preferences and considerations may vary based on unique circumstances or specific investment goals.

The distribution of factors considered before investment reflects a blend of risk-averse and return-seeking preferences among respondents. Safety to the principal emerges as the top priority, underscoring the importance of capital preservation and minimizing investment risk. High return ranks significantly, highlighting the desire for investment growth and wealth accumulation over time.

Table 4. Motive for Investment Decision

Motive for Investment Decision	Mean Score	Rank
Wealth Creation	2.4	3
Tax Saving	0.96	6
Health Care	0.72	7
Childrens Marriage	2	4
Childrens Education	3.52	2
Retirement Life	1.44	5
Owning a House	4.56	1
Others	0.4	8

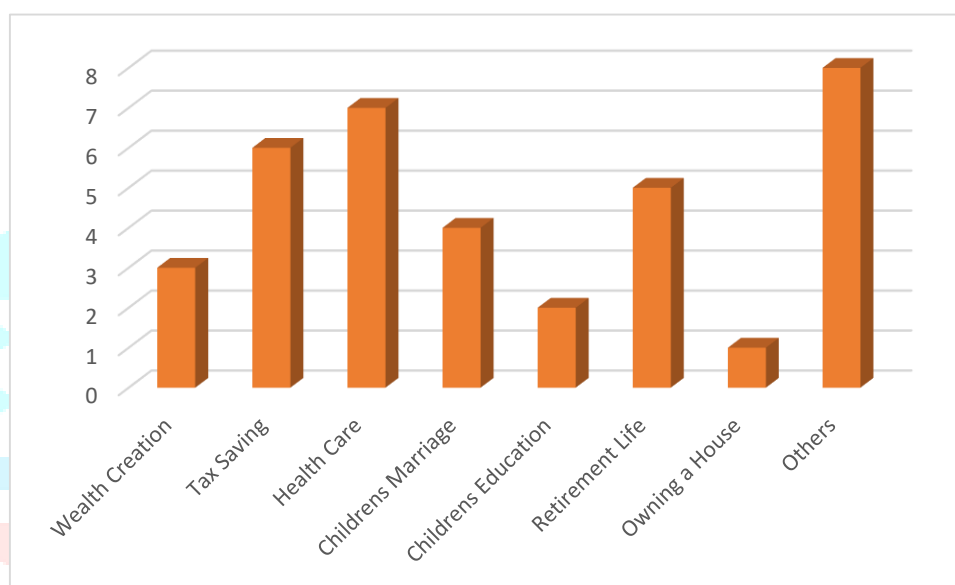


Figure 2. Rank Given to Various Motives Behind Investment Decision

The table presents the motives behind investment decisions among rural residents, based on calculated mean scores and corresponding ranks:

The highest-ranked motive for investment among rural residents is owning a house, as indicated by the highest mean score and rank. This reflects a strong desire among respondents to invest in real estate for long-term security and asset ownership. Investing in children's education ranks second, emphasizing the importance placed on funding educational expenses and securing children's future prospects through academic development. Wealth creation is ranked third among investment motives, suggesting a focus on building financial assets and achieving economic prosperity over time.

Funding children's marriage expenses ranks fourth, highlighting the cultural significance and financial commitment associated with marriage ceremonies within the rural community. Planning for retirement life ranks fifth, indicating a consideration of long-term financial security and ensuring a comfortable lifestyle post-retirement. Tax-saving motives rank relatively lower, suggesting a lesser emphasis on tax benefits as a primary driver for investment decisions among rural residents. Health care-related investment motives rank seventh, indicating a lower priority compared to other investment goals such as education, housing, and wealth creation. Other investment motives rank lowest, implying that miscellaneous factors beyond the listed categories have minimal influence on investment decisions.

The investment habits of rural residents in Thrissur District are driven by strong motivations related to tangible assets and future financial security. Owning a house emerges as the primary investment motive, reflecting a common aspiration among rural individuals to secure home ownership and build property assets. Prioritization of children's education and marriage expenses underscores the importance of family values and intergenerational wealth planning within the rural community. The relatively lower emphasis on tax-saving motives suggests that investment decisions are driven more by personal goals and family needs rather than tax optimization strategies. Understanding these investment motives can guide policymakers, financial institutions, and investment advisors in tailoring products and services that align with the specific goals and preferences of rural investors, fostering inclusive and impactful financial planning initiatives.

Table 5. Calculated Rank Given to Various Investment Avenues by Groups

Investment Avenues	Calculated Rank of Investment Avenues among Various Groups				
	Salaried	Agriculturists	Coolie	Self Employed	Professionals
Life Insurance	1	6.5	4	1	3
Gold	3	1	2	7	2
Bank Fixed Deposits	2	5	5	2	1
Mutual Funds	5	9	8	4	6
Real Estate	6	4	6	5	4.5
Post Office Savings	7	2	3	8	4.5
PPF	10	10	10	6	10
NSC	9	6.5	7	9	8.5
Chit Funds	8	3	1	3	7
Savings Account	4	8	9	10	8.5

The table presents calculated ranks of various investment avenues among different occupational groups (salaried, agriculturists, coolie, self-employed, and professionals). The rankings provide insights into the investment preferences and behaviours of rural residents based on their occupational backgrounds:

Life insurance ranks highest among salaried individuals and self-employed individuals, indicating a focus on financial protection and risk management. Gold emerges as a preferred investment avenue among agriculturists, reflecting cultural and traditional significance as well as a hedge against economic uncertainty. Bank fixed deposits are favoured by salaried and self-employed individuals, likely due to perceived safety and stable returns. Mutual funds rank relatively higher among self-employed individuals, reflecting an interest in diversified investment options and potential capital appreciation. Real estate investments are moderately preferred across different occupational groups, highlighting a general interest in property ownership and long-term asset accumulation. Post office savings rank higher among agriculturists, indicating a preference for accessible and government-backed savings instruments. PPF ranks lower across all occupational groups, suggesting relatively lower interest in long-term savings schemes. NSC investments are moderately preferred by agriculturists and self-employed individuals, reflecting interest in secure government-backed savings. Chit funds rank relatively higher among coolie and self-employed individuals, potentially due to access to informal credit and community-based financing. Savings accounts rank higher among salaried individuals, highlighting a preference for liquidity and regular banking services.

The rankings reflect a diverse range of investment preferences influenced by occupation, risk tolerance, and financial goals among rural residents. Investments like gold and real estate exhibit preferences influenced by cultural norms and perceptions of value, particularly among agriculturists. Preference for bank fixed deposits, life insurance, and government-backed savings instruments underscores a preference for safety and stable returns among various occupational groups. Investments like mutual funds and real estate suggest a growing interest in diversified asset allocation and potential wealth creation among rural individuals.

RESULTS AND DISCUSSION

Investment Patterns and Preferences: The survey conducted among rural residents in Thrissur District revealed diverse investment patterns and preferences influenced by various demographic and occupational factors. Salaried individuals and self-employed individuals favoured life insurance and bank fixed deposits, emphasizing risk management and stability. Agriculturists showed a strong preference for gold investments, reflecting cultural significance and economic hedging practices. Mutual funds were relatively more favoured by self-employed individuals, highlighting a growing interest in diversified investment options.

The study identified significant motives guiding investment decisions: Owning a house emerged as the primary motive, underscoring the importance of real estate investments for long-term security and asset accumulation. Investing in children's education ranked prominently, emphasizing the priority placed on educational funding and future financial planning. Wealth creation and retirement planning were also key motives, reflecting a desire for financial stability and long-term prosperity.

Factors Influencing Investment Choices: The respondents exhibited a balanced approach between risk and return: Safety to the principal was a top priority, emphasizing a risk-averse investment mindset. High returns and wealth creation were also significant factors, indicating a desire for growth and financial prosperity.

Financial Literacy and Awareness: The study highlighted varying levels of financial literacy and awareness: While some respondents prioritized tax-saving benefits and investment maturity periods, others focused on practical factors like ease of withdrawal and account secrecy.

IMPLICATIONS AND RECOMMENDATIONS

The table provides a ranking of various investment avenues by different groups of people in the rural area of Thrissur District, Kerala. Each group (salaried people, professionals, coolies, self-employed people, and agriculturists) has distinct preferences for their investments.

Salaried People

Life Insurance (Rank 1), Bank Fixed Deposits (Rank 2), Gold (Rank 3), Savings Account (Rank 4), Mutual Funds (Rank 5).

Salaried individuals prioritize secure and low-risk investments such as life insurance and bank fixed deposits. They also value the liquidity and safety of savings accounts. While they do invest in gold, their interest in mutual funds suggests a moderate risk appetite for potential higher returns.

Agriculturists

Gold (Rank 1), Post Office Savings (Rank 2), Chit Funds (Rank 3), Real Estate (Rank 4), Bank Fixed Deposits (Rank 5).

Agriculturists favour tangible and secure investments. Gold is highly preferred due to its value retention and liquidity. Post office savings and chit funds indicate a preference for safe, community-based savings mechanisms. Real estate is also popular, reflecting a preference for long-term asset building.

Coolies:

Chit Funds (Rank 1), Gold (Rank 2), Post Office Savings (Rank 3), Life Insurance (Rank 4), Bank Fixed Deposits (Rank 5)

Coolies prefer chit funds, which are community-based savings schemes offering flexibility and accessibility. Gold is a close second, reflecting its cultural importance and investment value. They also rely on safe and low-risk options like post office savings and life insurance, demonstrating a need for financial security and future planning.

Self-Employed People:

Life Insurance (Rank 1), Bank Fixed Deposits (Rank 2), Chit Funds (Rank 3), Mutual Funds (Rank 4), Real Estate (Rank 5)

Interpretation: Self-employed individuals prioritize life insurance and bank fixed deposits, similar to salaried people, indicating a preference for secure and stable investments. They also invest in chit funds and mutual funds, reflecting a willingness to balance security with moderate risk for potential returns. Real estate is also a notable preference, indicating a long-term investment perspective.

Professionals:

Bank Fixed Deposits (Rank 1), Gold (Rank 2), Life Insurance (Rank 3), Real Estate & Post Office Savings (Rank 4.5), Mutual Funds (Rank 6)

Professionals prefer bank fixed deposits and gold, emphasizing safety and value preservation. Life insurance is also important, likely for its dual role in protection and savings. Their interest in real estate and post office savings suggests a balanced approach between secure, traditional investments and long-term asset building.

General Comments:

Risk Appetite: Most groups show a preference for low-risk investments such as life insurance, bank fixed deposits, and post office savings. This indicates a general aversion to high-risk investments among rural populations.

Cultural Factors: Gold consistently ranks high across most groups, reflecting its cultural significance and perception as a safe, valuable asset.

Community-Based Investments: Chit funds are particularly popular among coolies and agriculturists, highlighting the importance of community-based savings mechanisms in rural areas.

Future Security: Life insurance is highly valued by salaried and self-employed groups, indicating a concern for future financial security and risk management.

Tailored Financial Education: The findings underscore the need for targeted financial education initiatives. Enhancing financial literacy can empower rural residents to make informed investment decisions aligned with their goals and risk profiles.

Product Development and Advisory Services: Financial institutions and advisors can leverage insights from this study to develop tailored investment products and services. Offering diverse investment avenues catering to specific motives and preferences identified among rural investors.

Community Engagement and Outreach: Community-based engagement strategies can promote inclusive financial planning. Collaborative efforts with local stakeholders can enhance access to financial resources and promote sustainable investment practices.

Overall, the investment preferences of these groups reveal a cautious approach to investment, prioritizing security, liquidity, and tangible assets over high-risk, high-reward options. This reflects the socio-economic realities and financial goals of rural populations in Thrissur District.

CONCLUSION

The study on investment patterns and behaviours among rural residents in Thrissur District sheds light on the diverse preferences, motives, and factors influencing investment decisions within this community. The survey highlighted a diverse range of investment preferences across different occupational groups, influenced by cultural norms, economic conditions, and individual aspirations. Respondents exhibited a risk-averse investment behaviour, prioritizing safety to the principal and stable returns over higher-risk investment options. The study underscores the importance of enhancing financial literacy and awareness among rural residents, empowering individuals to make informed investment decisions aligned with their financial goals and aspirations.

In conclusion, this research provides valuable insights into the investment landscape of Thrissur District's rural population, highlighting opportunities for tailored financial education initiatives and product development to support inclusive and sustainable financial planning practices. By addressing the specific needs and preferences identified in this study, policymakers, financial institutions, and community stakeholders can foster greater financial inclusion and empowerment within the rural community, promoting economic resilience and prosperity.

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