



A Comparative Study of Financial Literacy and Investment Behaviour among Salaried and Non-Salaried People in Mandvi City (Kachchh)

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ABSTRACT

This study analyzes the financial literacy and investment behavior of salaried and non-salaried individuals in Mandvi City, Kachchh. Primary data were collected through a structured questionnaire from an equal number of respondents in both occupational groups. Percentage analysis and chi-square tests were used for data analysis. The findings indicate that salaried individuals demonstrate higher financial literacy and greater awareness of modern investment avenues such as Mutual Funds, Shares, and Insurance, while awareness of traditional options like Fixed Deposits and Gold is similar across both groups. Although overall investment participation is comparable, differences are observed in investment preferences and influencing factors. The study concludes that occupation significantly influences certain aspects of investment behavior and emphasizes the need for targeted financial education programs, especially for non-salaried individuals.

1. Introduction

Financial literacy means having basic knowledge about money, such as saving, investing, budgeting, and managing income. In today's life, financial literacy is very important because it helps people make correct decisions about their money and plan for the future.



Investment decisions depend a lot on how much financial knowledge a person has. People who understand financial concepts can choose better investment options and reduce financial risks. People with less financial knowledge may hesitate to invest or may choose wrong investment options, which can affect their financial security.

Salaried and non-salaried people handle money in different ways. Salaried people get a fixed income every month, so they can plan savings and investments more easily. Non-salaried people, such as business owners and self-employed workers, do not have fixed income, which makes investment planning more challenging for them.

Mandvi City in Kachchh has people from different income and job backgrounds. However, there is limited research on financial literacy and investment awareness among people in this area. This study focuses on comparing the level of financial literacy towards investment among salaried and non-salaried people in Mandvi City, Kachchh. The results of this study will help in understanding the financial awareness of people and will support the development of better financial education programs.

1.1 Research Objective:

This study aims to achieve the following objectives.

- To study the financial literacy level of salaried and non-salaried people in Mandvi City.
- To compare investment awareness of salaried and non-salaried people.
- To understand investment decisions of salaried and non-salaried people.

2. Review of Literature

Zanver and Bhola (2016) reported that Indian investors, despite being salaried, independent, and well-educated, prefer risk-free returns and avoid market-linked instruments. Similarly, **Gupta (2017)** observed that individuals with higher financial literacy demonstrate better awareness of modern financial products, whereas those with lower literacy levels continue to invest in safe and conventional instruments. In addition, **Popat an Pandya (2018)** highlighted differences between urban and rural investors, noting that rural investors are more risk-averse, while urban investors rely heavily on expert opinions rather than personal financial analysis. Gender-focused research by **Singh Chetana (2019)** reveals that working women generally possess limited knowledge of investment avenues and show a strong preference for safe financial products over risky instruments such as shares, bonds, and debentures. **Mahabub Basha, M. Kethan, et al. (2022)** Earlier studies show that investment behaviour depends on financial knowledge, income, age, and personal thinking. Most salaried and IT professionals prefer safe investments like bank



deposits and insurance because they fear risk and lack financial awareness. Even though IT professionals earn more, they focus on safety, regular income, and tax benefits. Researchers suggest financial education to improve better and diversified investment decisions. **Rahul Kumar, Prof. Ashok Shukla (2024)** Earlier studies indicate that male and female investors differ in financial literacy, attitudes, and investment behaviour. Male investors generally show higher financial knowledge and risk-taking ability, while female investors prefer safer and diversified investments. Most studies used surveys and statistical tools like t-tests, and they recommend financial education programs, especially for women, to reduce these differences. Overall, the literature concludes that financial literacy significantly affects investment awareness, risk tolerance, and portfolio diversification. Low levels of financial knowledge led to conservative and traditional investment choices, while higher literacy promotes informed decision-making and willingness to explore diversified financial products. These studies collectively emphasize the need for effective financial literacy programs to enhance investment behaviour and financial inclusion across different population groups. The existing literature highlights the important role of financial literacy in influencing individual investment decisions and behaviour. Several studies reveal that investors with low financial knowledge tends to prefer traditional and low-risk investment avenues such as fixed deposits, insurance policies, post office savings schemes, and bank deposits.

3. Research Methodology

In this study, information is gathered by electronic questionnaire, informal interviews, and observation. Responses are gathered digitally with their data. The method of stratified random sampling is applied. Every respondent is a member of the city of Mandvi.

3.1 Source of Data

Primary data: The method of gathering information directly from users is known as primary data collection. The most common method used to acquire this kind of data is survey and informal interviews.

Secondary data: This type of data is not directly collected but is obtained from various published journals, periodicals, websites, information and library center networks and through census reports.

3.2 Data Collection Method

Structured Questionnaire method



Closed ended, direct questions are asked in structured questionnaire. They can gather deal of useful information if they are organized properly, providing significant insight into the thoughts of the many respondents to these questions.

3.3 Population

All the respondents selected for the study belong to Mandvi City.

3.4 Sampling Method

The method of stratified random sampling is applied. As a probability sampling technique.

3.5 Sampling Frame

The frame involves respondents who are belongs city of Mandvi and focus on salaried and non-salaried respondents of Mandvi city.

3.6 Sample Size

The sample size for this research is **100** people, comprising **50 salaried** and **50 non-salaried** people.

3.7 Statistical Technique Used

The researcher used statistical tools such as percentage analysis and the chi-square test to interpret the data.

3.8 Research Hypothesis

Null Hypotheses (H_0)

H_{01} : There is no significant difference in financial literacy between salaried and non-salaried people.

H_{02} : There is no significant difference in investment awareness between salaried and non-salaried people.

H_{03} : There is no significant difference in investment decisions between salaried and non-salaried people.

Alternative Hypotheses (H_1)

H_{11} : There is a significant difference in financial literacy between salaried and non-salaried people.

H_{12} : There is a significant difference in investment awareness between salaried and non-salaried people.



H₁₃: There is a significant difference in investment decisions between salaried and non-salaried people.

4. Data Analysis and Interpretation

DEMOGRAPHIC PROFILE AND INFORMATION ABOUT RESPONDENTS

Objective 1: To study the financial literacy level of salaried and non-salaried people in Mandvi City.

Table 4.1 Occupation wise Distribution

Occupation Type	Frequency	Percentage (%)
Salaried	50	50
Non-Salaried	50	50
Total	100	100

Interpretation: The sample is equally divided between salaried and non-salaried respondents, ensuring a balanced comparative study.

Table 4.1.1 Age Group Distribution

Age Group	Frequency	Percentage (%)
Below 25	25	25
25-35	22	22
36-45	38	38
Above 45	20	20
Total	100	100

Interpretation: Most respondents belong to the 36–45 age group, indicating a mature working population relevant for financial literacy analysis.

Table 4.1.2 Educational Qualification

Qualification	Frequency	Percentage (%)
Up to 12 th	63	63
Graduate	21	21
Post Graduate	16	16
Total	100	100

Interpretation: A majority of respondents have education up to 12th standard, which may influence overall financial awareness.

**Table 4.1.3 Monthly Income**

Income Level	Frequency	Percentage (%)
Below 20000	33	33
20,001 to 40,000	35	35
40,001 to 60,000	22	22
Above 60,000	10	10
Total	100	100

Interpretation: Most respondents fall in the middle-income category, making financial planning and investment awareness essential.

H₀₁: There is no significant difference in financial literacy between salaried and non-salaried people.

H₁₁: There is a significant difference in financial literacy between salaried and non-salaried people.

Table 4.1.4 Financial Literacy Awareness

Statement	Yes (%)	No (%)
Meaning of financial literacy	55	45
Maintain monthly budget	89	11
Difference between saving & investment	93	7
Concept of risk & return	81	19
Knowledge of tax-saving investments	60	40

Interpretation: Respondents show high awareness regarding budgeting, savings, investment, and risk-return concepts, while tax-saving knowledge is comparatively moderate.

Table 4.1.5 Chi -Square test on Comparative Analysis (Salaried vs non-salaried responses)

Test	Value	Df	Sig.(p-value)	Result
Pearson Chi-Square	6.84	1	0.009	0.009
Likelihood Ratio	6.71	1	0.010	H₀ Rejected



Interpretation of Chi-Square Result: The Chi-square test indicates a statistically significant difference in financial literacy between salaried and non-salaried respondents in Mandvi City. Salaried respondents demonstrate higher awareness of budgeting, investment concepts, and tax-saving instruments compared to non-salaried respondents.

4.1.6 Comparative Study Findings

Aspect	Salaried People	Non salaried People
Financial literacy level	Higher	Moderate
Budgeting habit	Strong	Comparatively Weaker
Investment awareness	High	Average
Tax-saving knowledge	Better	Limited

Overall Interpretation: Salaried individuals benefit from regular income, formal exposure, and employer-related financial guidance, resulting in higher financial literacy. Non-salaried individuals show reasonable awareness but require targeted financial education programs. **Null hypothesis is rejected** and the **Alternative hypothesis is accepted**.

Objective 02: To compare investment awareness of salaried and non-salaried people.

H₀₂: There is no significant difference in investment awareness between salaried and non-salaried people.

H₁₂: There is a significant difference in investment awareness between salaried and non-salaried people

4.2 Cross tabulation of responses * Awareness of Investment options

Investment Options	Occupation	Aware	Not Aware	Total	Occupation	Aware	Not Aware	Total
Fixed Deposit	salaried	48	2	50	Non-Salaried	43	07	50
Mutual Funds	salaried	35	15	50	Non-Salaried	20	30	50
Shares/Stock Market	salaried	38	12	50	Non-Salaried	21	29	50
Gold	salaried	42	08	50	Non-Salaried	38	12	50



					Salaried			
Insurance	salaried	40	10	50	Non-Salaried	31	19	50
Government Scheme	salaried	30	20	50	Non-Salaried	21	29	50

4.2.1 Cross tabulation of Fixed Deposit Awareness * Occupation

Occupation	Aware	Not Aware	Total
Salaried	48	02	50
Non-Salaried	43	07	50
Total	91	09	100

4.2.2 Chi Square Tests on Fixed Deposit Awareness * Occupation

Test	Value	Df	Asymp.Sig.	Result
Pearson Chi square	3.020	1	0.82	0.82
Continuity Correction	1.880	1	0.170	Fail to Reject Ho
Likelihood Ratio	3.260	1	0.71	
N of Valid Cases	100			

Interpretation: There is no significant Difference

4.2.3 Cross tabulation of Mutual Funds * Occupation

Occupation	Aware	Not Aware	Total
Salaried	35	15	50
Non-Salaried	20	30	50
Total	55	45	100

4.2.4 Chi Square Tests on Mutual Funds * Occupation



Test	Value	Df	Asymp.Sig.	Result
Pearson Chi square	9.020	1	.003	.003
Continuity Correction	8.120	1	.004	H₀ Rejected
Likelihood Ratio	9.150	1	.002	
N of Valid Cases	100			

Interpretation: There is significant difference Exits.

4.2.5 Cross tabulation of Shares * Occupation

Occupation	Aware	Not Aware	Total
Salaried	38	12	50
Non-Salaried	21	29	50
Total	59	41	100

4.2.6 Chi Square Tests on Shares * Occupation

Test	Value	Df	Asymp.Sig.	Result
Pearson Chi square	11.640	1	.001	.001
Continuity Correction	10.420	1	.001	H₀ Rejected
Likelihood Ratio	11.880	1	.001	
N of Valid Cases	100			

Interpretation: There is significant difference.

4.2.7 Cross tabulation of Gold Investment Awareness * Occupation

Occupation	Aware	Not Aware	Total
Salaried	42	8	50
Non-Salaried	38	12	50
Total	80	20	100

**4.2.8 Chi Square Tests on Gold Investment Awareness * Occupation**

Test	Value	df	Asymp.Sig.	Result
Pearson Chi square	0.889	1	.346	.346
Continuity Correction	0.444	1	.505	Fail to Reject Ho
Likelihood Ratio	0.902	1	.342	
N of Valid Cases	100			

Interpretation: There is no significant difference.

4.2.9 Cross tabulation of Insurance Awareness * Occupation

Occupation	Aware	Not Aware	Total
Salaried	40	10	50
Non-Salaried	31	19	50
Total	71	29	100

4.2.10 Chi Square Tests on Insurance Awareness * Occupation

Test	Value	Df	Asymp.Sig.	Result
Pearson Chi square	4.120	1	.042	.042
Continuity Correction	3.220	1	.073	H₀ Rejected
Likelihood Ratio	4.210	1	.040	
N of Valid Cases	100			

Interpretation: There is significant difference.

4.2.11 Cross tabulation on Government Scheme Awareness Scheme * Occupation

Occupation	Aware	Not Aware	Total
Salaried	30	20	50
Non-Salaried	21	29	50



Total	51	49	100
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4.2.12 Chi Square Tests of Government Scheme Awareness Scheme *Occupation

Test	Value	Df	Asymp.Sig.	Result
Pearson Chi square	3.780	1	.052	.052
Continuity Correction	3.000	1	.083	Marginal Difference (Accepted)
Likelihood Ratio	3.850	1	.050	Fail to Reject Ho
N of Valid Cases	100			

Interpretation: There is no significant difference.

4.2.13 Overall Summary

Investment Option	p-value	Hypothesis Result
Fixed Deposit	0.082	Accepted
Mutual Funds	0.003	Rejected
Shares	0.001	Rejected
Gold	0.346	Accepted
Insurance	0.042	Rejected
Government Scheme	0.052	Accepted

Overall Interpretation

Overall, the study reveals that occupation plays a significant role in awareness of modern and market-linked investment options such as Mutual Funds, Shares, and Insurance. Salaried people consistently demonstrate higher awareness in these areas. However, for traditional and widely used investment options such as Fixed Deposits and Gold, awareness levels are similar among both salaried and non-salaried people.

4.2.14 Cross tabulation of Financial Education or Training * Occupation

Occupation	Yes	No	Total
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Salaried	20	30	50
Non-Salaried	10	40	50
Total	30	70	100

4.2.15 Chi-Square Test on Financial Education or Training * Occupation

Test	Value	Df	sig	Result
Pearson Chi-Square	4.76	1	0.029	H₀ Rejected

Interpretation: Salaried people received more financial education training compared to non-salaried people.

4.2.16 Cross tabulation of Financial News * Occupation

Occupation	Yes	No	Total
Salaried	35	15	50
Non-Salaried	25	25	50
Total	60	40	100

4.2.17 Chi-Square test on Financial News * Occupation

Test	Value	Df	Sig. (2 sided)	Result
Pearson Chi-square	4.167	1	0.041	0.041
Likelihood Ratio	4.211	1	0.040	H₀ Rejected
N of valid cases	100			

Interpretation: This indicates that salaried respondents are more actively engaged in following financial news and investment information compared to non-salaried respondents.

4.12.18 Cross tabulation of long-term investment benefit * occupation

Occupation	Yes	No	Total
Salaried	45	5	50
Non-Salaried	39	11	50
Total	84	16	100



4.2.19 Chi-Square test on long-term investment benefit * occupation

Test	Value	Df	Sig. (2 sided)	Result
Pearson Chi-square	3.13	1	0.077	0.077
Likelihood Ratio	3.20	1	0.073	Fail to Reject Ho
N of valid cases	100			

There is no significant association between occupation (salaried and non-salaried) and awareness of long-term investment benefits. Both groups show high awareness, though salaried people appear slightly more aware.

Conclusion: Since most tests show p-values less than 0.05, the **null hypothesis is rejected** and the **alternative hypothesis is accepted**.

Objective 03: To understand investment decisions of salaried and non-salaried people.

H₀₃: There is no significant difference in investment decisions between salaried and non-salaried people.

H₁₃: There is a significant difference in investment decisions between salaried and non-salaried people.

4.3 Cross tabulation of Investment Money * Occupation

Occupation	Yes	No	Total
Salaried	47	3	50
Non-Salaried	46	4	50
Total	93	07	100

4.3.1 Chi-Square test on Investment Money * Occupation

Test	Value	Df	Sig.	Result
Pearson Chi Square	0.21	1	0.646	Fail to Reject Ho



Interpretation The p-value ($0.646 > 0.05$) shows no significant association between occupation and investment decision.

Conclusion: Both salaried and non-salaried people invest their money at a similar level.

4.3.2 Cross tabulation of Preferred Investment Avenue * Occupation

Investment Avenue	Salaried	Non-Salaried	Total
Bank Deposit	20	14	34
Mutual Fund	09	05	14
Shares	08	12	20
Gold	05	06	11
Insurance	06	05	11
Others	02	08	10
Total	50	50	100

4.3.3 Chi-Square Test on Preferred Investment Avenue * Occupation

Test	Value	Df	Sig.	Result
Pearson Chi Square	11.47	5	.043	H₀ Rejected

Interpretation: Since $p < 0.05$, investment preference differs significantly based on occupation.

Conclusion: Salaried people prefer bank deposits and mutual funds, while non-salaried people prefer shares and other investments.

4.3.4 Cross tabulation of Purpose of Investment * Occupation

Purpose	Salaried	Non-Salaried	Total
Safety	30	24	54
Regular Income	08	03	11
High Return	11	23	34
Tax Saving	01	00	01
Total	50	50	100



4.3.5 Chi-Square Test on Purpose of Investment * Occupation

Test	Value	Df	Sig.	Result
Pearson Chi Square	9.88	3	.020	H₀ Rejected

Interpretation: The p-value ($0.020 < 0.05$) indicates a significant relationship.

Conclusion: Salaried people invest mainly for safety, while non-salaried people focus more on high returns.

4.3.6 Cross tabulation on Influence of Investment Decision * Occupation

Influence	Salaried	Non-Salaried	Total
Self	30	37	67
Family/Friends	13	11	24
Financial Advisor	05	01	06
Bank Officials	02	01	03
Total	50	50	100

4.3.7 Chi-Square Test on Influence of Investment Decision * Occupation

Test	Value	Df	Sig.	Result
Pearson Chi Square	8.36	3	.039	H₀ Rejected

Interpretation: Since $p < 0.05$, occupation significantly influences decision-making sources.

Conclusion: Non-salaried respondents rely more on self-decision, while salaried respondents also consult advisors.

4.3.8 Cross tabulation of Risk Consider Before Investing * Occupation

Response	Salaried	Non-Salaried	Total
Yes	44	46	50
No	06	04	50
Total	50	50	100

**4.3.9 Chi-Square Test on Risk Consider Before Investing * Occupation**

Test	Value	Df	Sig.	Result
Pearson Chi Square	0.48	1	.489	Fail to Reject Ho

Interpretation: The p-value is greater than 0.05.

Conclusion: Risk consideration is similar for both salaried and non-salaried respondents.

4.3.10 Cross tabulation of Financial Knowledge helps in better Investment decision * Occupation

Response	Salaried	Non-Salaried	Total
Yes	48	45	93
No	02	05	07
Total	50	50	100

4.3.11 Chi-Square Test on Financial Knowledge helps in better Investment decision * Occupation

Test	Value	Df	Sig.	Result
Pearson Chi Square	1.37	1	.242	Fail to Reject Ho

Interpretation: Since $p > 0.05$, both groups similarly agree on the importance of financial knowledge.

Conclusion: Financial knowledge is equally valued by salaried and non-salaried people.

Overall Interpretation: The study concludes that while investment participation, risk consideration, and belief in financial knowledge are similar among salaried and non-salaried people, significant differences exist in investment preferences, purposes, and influencing sources. Occupational status therefore plays a selective role in shaping investment behavior rather than completely determining it.

5. Findings of the Study

1. The study finds that salaried individuals possess higher financial literacy compared to non-salaried individuals. This is mainly due to regular income, formal workplace exposure, and access to employer-related financial guidance.



2. Non-salaried individuals also demonstrate reasonable awareness of financial and investment concepts; however, their knowledge is comparatively limited in modern and market-linked investment avenues.

3. Occupational status has a significant impact on awareness of market-oriented investments such as Mutual Funds, Shares, and Insurance, where salaried respondents consistently show higher awareness levels.

4. For traditional investment options like Fixed Deposits and Gold, awareness levels are almost similar among both salaried and non-salaried groups, indicating their widespread acceptance and familiarity.

5. The study reveals that investment participation and risk consideration are broadly similar across both groups, suggesting that basic investment intent exists irrespective of occupation.

6. Differences are observed in investment preferences, purposes, and sources of influence, where salaried individuals rely more on professional advice and formal information sources, while non-salaried individuals depend more on informal networks.

7. Overall, occupation plays a selective role in shaping investment behavior rather than being the sole determining factor.

6. Conclusion of the Study

The present study concludes that occupation significantly influences financial literacy and investment awareness, particularly in relation to modern and market-linked investment options. Salaried individuals demonstrate higher awareness due to structured income, formal financial exposure, and access to professional guidance.

However, the study also establishes that non-salaried individuals are not financially unaware, as they show comparable understanding of traditional investment avenues such as Fixed Deposits and Gold.

Although both groups exhibit similar levels of participation and risk perception, distinct differences exist in investment preferences, objectives, and influencing sources. Therefore, occupational status influences specific aspects of investment behavior rather than completely determining overall financial decision-making.

7. Recommendations



- 1.Targeted financial literacy programs should be introduced for non-salaried individuals, focusing on market-linked investment instruments such as Mutual Funds, Shares, and Insurance.
- 2.Government bodies, financial institutions, and educational organizations should conduct awareness workshops and training programs tailored to occupational needs.
- 3.Employers should continue and expand workplace-based financial education initiatives to further strengthen financial literacy among salaried individuals.

8.Suggestions for Future Improvement

- 1.Financial education should be included as a basic academic subject at the college level to prepare students for informed investment decisions.
- 2.Special awareness campaigns should be designed for self-employed and informal sector workers, focusing on long-term financial planning.
- 3.Collaboration between banks, mutual fund companies, and local organizations can help in spreading financial awareness at the grassroots level.
- 4.Practical investment guidance sessions, including case studies and real-life examples, should be emphasized for better understanding.

9.Limitations of the Study

- 1.The study is limited to Mandvi City, Kachchh, and therefore the findings may not be generalized to other regions.
- 2.The sample size is limited, which may restrict the broader applicability of the results.

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