



Impact of Saving Behaviour on Investment Decisions: Evidence from the General Public in Mysuru District

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DOI : <https://doi.org/10.5281/zenodo.22095191>

ARTICLE DETAILS	ABSTRACT
Research Paper	Saving is an important component of personal financial management and can provide the financial foundation for investment and wealth creation.
Received: 22-06-2026	Individuals differ in their ability to save, financial goals, risk preferences and willingness to convert savings into investments. The present study examines the impact of saving behaviour on investment decisions among the general public in Mysuru District. The study is based on a sample of 57 respondents and uses a structured questionnaire to measure saving behaviour and investment decisions. Descriptive statistics, reliability analysis, Pearson correlation and simple linear regression are employed for analysis. The synthetic empirical results indicate a positive and statistically significant relationship between saving behaviour and investment decisions, with a Pearson correlation of 0.606 and a significance level below 0.001. Regression analysis indicates that saving behaviour explains approximately 36.7% of the variation in investment decisions. The findings suggest that regular and systematic saving can contribute to more planned investment decisions. The study emphasizes the importance of financial planning, disciplined saving and investment awareness for improving household financial security.
Accepted: 18-07-2026	
Published: 21-08-2026	
Keywords:	
<i>Saving Behaviour, Investment Decisions, Investment Behaviour, Financial Planning, Wealth Creation, General Public, Mysuru District</i>	

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1. Introduction

Saving and investment are closely connected components of personal financial management. Saving enables individuals to preserve part of their current income for future requirements, while investment provides an opportunity to earn returns and build wealth. Individuals may use their accumulated savings for bank deposits, mutual funds, gold, insurance, shares, real estate and other investment avenues.

The growing availability of financial products has increased investment choices for households. However, the decision to invest depends on several factors, including saving capacity, financial goals, risk tolerance, income, financial awareness and expected returns. Regular saving can provide individuals with the financial resources required to participate in investment activities.

Mysuru District provides an appropriate setting for examining this relationship because its population includes individuals from different occupational, income and educational backgrounds. The present study therefore investigates whether stronger saving behaviour is associated with better investment decisions among the general public in Mysuru District.

2. Statement of the Problem

Individuals may save money without necessarily converting their savings into investments. Some prefer keeping their savings in bank accounts or other low-risk avenues, while others invest in mutual funds, gold, shares, insurance or property. The difference may arise from variations in financial planning, risk perception, investment awareness and saving capacity.

Although saving is generally considered the foundation of investment, the extent to which saving behaviour influences actual investment decisions requires empirical examination. The present study therefore focuses on the relationship between saving behaviour and investment decisions among 57 respondents in Mysuru District.

3. Review of Literature

Lusardi and Mitchell (2014) identified financial capability as an important factor in financial decision-making and long-term planning. Their work demonstrates the importance of financial knowledge in helping individuals make informed decisions relating to saving and investment.

Studies on household financial behaviour have also shown that saving and investment decisions are influenced by income, financial goals, risk tolerance and demographic characteristics. Individuals with



systematic financial planning are generally better positioned to allocate resources towards long-term financial objectives.

Research on investment behaviour further indicates that investors differ in their preferences for safety, liquidity, return and risk. Traditional avenues such as bank deposits and gold continue to attract conservative investors, while market-linked products such as mutual funds and shares may be preferred by individuals seeking higher returns.

The literature therefore suggests that saving capacity is an important foundation for investment, but the conversion of savings into investments may depend on several behavioural and financial factors.

4. Research Gap

Existing studies have examined saving and investment behaviour among households, employees and investors in different geographical settings. However, relatively limited localized evidence focuses specifically on whether saving behaviour influences investment decisions among the general public in Mysuru District.

A further gap exists in examining the savings-to-investment relationship directly. The present study addresses this gap by treating **saving behaviour as the independent variable and investment decisions as the dependent variable**, using primary data from 57 respondents.

5. Study Contribution

The study contributes to the literature by examining the behavioural link between saving and investment within the context of Mysuru District. It considers saving behaviour through regularity of saving, financial goals, budgeting and expenditure control, while investment decisions include investment planning, risk consideration, return expectations, diversification and long-term orientation.

The findings can provide useful insights for individuals, financial institutions and financial educators in encouraging systematic saving and informed investment practices.

6. Objectives of the Study

1. To examine the saving behaviour of the general public in Mysuru District.
2. To identify the major investment avenues preferred by respondents.
3. To examine the relationship between saving behaviour and investment decisions.



4. To determine whether saving behaviour significantly influences investment decisions.
5. To suggest measures for improving systematic saving and investment practices.

7. Research Questions

1. What are the major saving practices followed by respondents?
2. Which investment avenues are preferred by the general public?
3. Is there a significant relationship between saving behaviour and investment decisions?
4. Does saving behaviour significantly influence investment decisions?

8. Hypotheses

H01: There is no significant relationship between saving behaviour and investment decisions among the general public in Mysuru District.

H02: Saving behaviour does not significantly influence investment decisions among the general public in Mysuru District.

9. Conceptual Framework

The study proposes the following relationship:

Saving Behaviour → Investment Decisions

Saving behaviour is measured through regular saving, saving goals, budgeting, expenditure control, formal saving and long-term saving practices. Investment decisions are measured through investment participation, financial goal alignment, risk and return consideration, diversification and investment review.

The framework assumes that individuals who demonstrate systematic saving behaviour are more likely to make planned investment decisions.

10. Research Methodology

The study adopts a descriptive and analytical research design. Primary data are represented through a structured questionnaire administered to **57 respondents from the general public in Mysuru District**. The questionnaire consists of demographic questions, saving behaviour statements and investment decision statements.

Saving behaviour and investment decisions were measured using five-point Likert-scale statements ranging from strongly disagree to strongly agree. Ten statements were used for each principal construct. Additional questions examined saving frequency, saving proportion, reasons for saving, investment preferences, investment objectives, investment horizon and risk preference.

The analysis uses frequency and percentage, mean, standard deviation, Cronbach's Alpha, Pearson correlation and simple linear regression. Statistical significance is assessed at the 5% level.

Note: The dataset used for the following analysis is synthetic and was created solely for research-method demonstration.

11. Data Analysis and Interpretation

Table 1: Demographic Profile of Respondents

Variable	Category	Frequency	Percentage
Gender	Male	27	47.4
	Female	30	52.6
Age	Below 25	5	8.8
	25–35	22	38.6
	36–45	16	28.1
	46–55	8	14.0
	Above 55	6	10.5
Education	Graduate	28	49.1
	Postgraduate	15	26.3
	Professional	6	10.5
	SSLC	5	8.8
	PUC	3	5.3

The respondents represent different age and educational groups, with graduates forming the largest educational category.

Table 2: Monthly Income of Respondents

Monthly Income	Frequency	Percentage
Below ₹20,000	4	7.0
₹20,001–40,000	18	31.6
₹40,001–60,000	16	28.1
₹60,001–1,00,000	12	21.1
Above ₹1,00,000	7	12.3
Total	57	100.0

The largest group earns between ₹20,001 and ₹40,000 per month, followed by respondents earning ₹40,001–₹60,000.

Table 3: Saving Frequency

Saving Frequency	Frequency	Percentage
Every month	37	64.9
Occasionally	6	10.5
Only when surplus is available	7	12.3
Rarely	5	8.8
Never	2	3.5
Total	57	100.0

A substantial **64.9%** of respondents report saving every month, indicating a relatively strong regular-saving orientation in the simulated sample.

Table 4: Preferred Investment Avenues

Investment Avenue	Frequency	Percentage
Mutual Funds	17	29.8
Gold	11	19.3
Bank Deposits	9	15.8

Insurance	9	15.8
Shares	5	8.8
Real Estate	4	7.0
Other	2	3.5
Total	57	100.0

Mutual funds are the most preferred investment avenue, followed by gold. This suggests that respondents show interest in both market-linked and traditional investment avenues.

Table 5: Descriptive Statistics

Variable	N	Mean	Std. Deviation
Saving Behaviour	57	3.096	0.711
Investment Decisions	57	3.216	0.743

The mean scores indicate moderately positive saving behaviour and investment decision-making among respondents.

Table 6: Reliability Analysis

Construct	Items	Cronbach's Alpha
Saving Behaviour	10	0.907
Investment Decisions	10	0.917

Both constructs demonstrate high internal consistency, with Cronbach's Alpha exceeding 0.90.

12. Correlation and Regression Analysis

Table 7: Pearson Correlation Between Saving Behaviour and Investment Decisions

Variables	Saving Behaviour	Investment Decisions
Saving Behaviour	1.000	0.606
Investment Decisions	0.606	1.000
Significance	—	<0.001

The Pearson correlation coefficient of **0.606** indicates a moderately strong positive relationship between saving behaviour and investment decisions. The p-value below 0.001 indicates that the relationship is statistically significant.

Table 8: Regression Analysis

Dependent Variable: Investment Decisions

Model	R	R ²	Adjusted R ²	B	t	F	Sig.
Saving Behaviour	0.606	0.367	0.355	0.633	5.644	31.856	<0.001

The regression coefficient of **0.633** is positive, indicating that improvement in saving behaviour is associated with improvement in investment decisions. The R² value of **0.367** indicates that saving behaviour explains approximately **36.7% of the variation in investment decisions** in the synthetic sample. The regression model is statistically significant.

13. Hypothesis Testing

Table 9: Hypothesis Testing Summary

Hypothesis	Test	Statistical Result	Decision
H01: No significant relationship between saving behaviour and investment decisions	Pearson Correlation	$r = 0.606, p < 0.001$	Rejected
H02: Saving behaviour does not significantly influence investment decisions	Regression	$B = 0.633, p < 0.001$	Rejected

Since both significance values are below 0.05, **H01 and H02 are rejected**. The synthetic results therefore provide evidence of a significant positive relationship between saving behaviour and investment decisions.

14. Results and Discussion

The findings indicate that regular saving is an important characteristic of the respondents. Nearly two-thirds report saving every month, while 10–20% of income is the most common saving proportion. Mutual funds emerge as the most preferred investment avenue, suggesting an interest in investment products beyond conventional savings.

The correlation result demonstrates that respondents with stronger saving behaviour tend to exhibit stronger investment decision-making. The regression result provides further support by showing that saving

behaviour has a positive and statistically significant effect on investment decisions. The findings support the conceptual proposition that disciplined saving can provide the financial base necessary for planned investment.

15. Major Findings

1. A majority of respondents report saving regularly every month.
2. The most common saving proportion is 10–20% of income.
3. Mutual funds are the most preferred investment avenue in the synthetic sample.
4. Saving behaviour has a positive correlation with investment decisions ($r = 0.606$).
5. Saving behaviour significantly predicts investment decisions ($B = 0.633, p < 0.001$).
6. Saving behaviour explains approximately **36.7%** of the variation in investment decisions.
7. Both null hypotheses are rejected.

16. Suggestions

Individuals should develop systematic monthly saving habits and link savings with clearly defined financial goals. Financial planning programmes should encourage people to distinguish between emergency savings and long-term investment funds.

Financial institutions can improve awareness regarding mutual funds, deposits, insurance, gold, shares and other investment avenues. Investors should also consider risk, return, liquidity and investment horizon before committing their savings. Financial education can help individuals move from informal saving towards informed and diversified investment.

17. Conclusion

Saving provides an important financial foundation for investment. The empirical analysis based on the synthetic sample of 57 respondents shows a statistically significant positive relationship between saving behaviour and investment decisions. Individuals who save systematically are more likely to participate in planned investment activities.

The findings indicate that promoting disciplined saving alone may not be sufficient; it should be accompanied by investment awareness and financial planning. Encouraging households to develop regular



saving habits and subsequently allocate appropriate savings towards suitable investment avenues can contribute to long-term financial security and wealth creation.

18. Limitations and Scope for Future Research

The study is limited to 57 respondents and focuses on the general public in Mysuru District. The use of convenience-based sampling may limit generalization. More importantly, the present statistical results are based on **synthetic data created for methodological demonstration and are not actual field-survey findings.**

Future studies should use larger samples and actual primary data from different parts of Mysuru and Karnataka. Further research can incorporate financial literacy, risk tolerance, income, age, gender, investment experience, digital financial services and financial goals to develop a more comprehensive model of saving and investment behaviour.

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