A STUDY ON GROWTH OF MUTUAL FUNDS AMONG SALARIED INDIVIDUALS IN UNION BANK

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ABSTRACT

Mutual funds have emerged as one of the most preferred investment avenues for salaried individuals in India because they offer professional management, diversification, liquidity and tax efficiency in a single product. This study examines the growth of mutual fund investments among salaried customers of Union Bank of India and analyses the awareness, perception, preferences and investment behaviour that drive this growth. The research is descriptive in nature and is based on primary data collected through a structured questionnaire administered to 100 salaried respondents who maintain accounts with Union Bank, supported by secondary data drawn from AMFI reports, SEBI publications, journals and the bank's official communications.

The data have been analysed using simple statistical tools such as percentages, averages and graphical representation to identify the relationship between demographic factors and mutual fund participation. The findings indicate that awareness about mutual funds among salaried individuals has improved significantly, largely because of digital banking, the AMFI "Mutual Funds Sahi Hai" campaign and the convenience of Systematic Investment Plans (SIPs). However, a noticeable gap continues to exist between awareness and actual investment behaviour, mainly due to perceived market risk, limited financial literacy and a continued preference for traditional instruments like fixed deposits. The study concludes with practical suggestions for Union Bank to strengthen investor education, simplify the on-boarding process and use its salary-account customer base to deepen mutual fund penetration.

KEYWORDS

Mutual Funds, Salaried Investors, Union Bank of India, Systematic Investment Plan (SIP), Asset Under Management (AUM), Financial Literacy, Investor Awareness, Risk Perception, Wealth Creation, SEBI.

1.1 INTRODUCTION

Mutual funds have emerged as one of the most popular and trusted investment options in India, especially among salaried individuals seeking stable, professionally managed avenues for wealth creation. In a dynamic financial environment where inflation, market volatility, and rising living costs constantly affect individual savings, mutual funds offer a structured, diversified investment approach. Over the past decade, India has witnessed a remarkable rise in mutual fund participation due to increasing awareness, digital accessibility, and financial literacy initiatives conducted by banks, AMCs (Asset Management Companies), and regulatory bodies like SEBI. As a result, salaried individuals are gradually shifting from traditional saving methods such as fixed deposits and recurring deposits to modern investment options like systematic investment plans (SIPs) and equity-oriented mutual funds.

Salaried individuals often have fixed monthly incomes, predictable financial responsibilities, and long-term goals such as home ownership, children's education, retirement planning, and tax savings. Mutual funds cater to these needs by offering flexibility, liquidity, and professional fund management across different risk appetites. Whether an investor is conservative, moderate, or aggressive, there are varied schemes available—equity funds, debt funds, hybrid funds, ELSS tax-saving funds, and liquid funds—each designed to meet specific financial objectives. This wide range of schemes has significantly contributed to the growing popularity of mutual funds in the salaried segment.

1.2 SCOPE OF THE STUDY

The scope of mutual funds covers pooling money from diverse investors to invest in a managed portfolio of stocks, bonds, or other securities, offering diversification, liquidity, and professional management.

Analyzing the growth of mutual fund investments among salaried individuals in Union Bank helps in understanding various influencing factors such as age, occupation, risk appetite, financial goals, and access to banking services. It also helps identify the gaps in financial awareness and highlights the areas where more investor education or guidance may be required. The study further provides insights into whether the bank's initiatives—such as SIP campaigns, personalized advisory services, and digital investment platforms—are effectively reaching and influencing salaried customers.

1.3 NEED FOR THE STUDY

- The growing importance of financial planning in today's dynamic economic environment has made investment decisions more critical, especially for salaried individuals who rely on fixed monthly incomes.
- With rising inflation, increasing cost of living, and evolving financial goals such as retirement planning, children's education, and wealth creation, there is a strong need to shift from traditional saving methods to more efficient investment avenues like mutual funds.
- Although mutual funds offer diversification, professional management, and the potential for higher returns, many salaried individuals still lack adequate knowledge and confidence to invest in them

1.4 OBJECTIVE OF THE STUDY

- To assess the level of awareness and knowledge of mutual fund schemes among salaried individuals.
- To identify the factors influencing their decision to invest or not invest in mutual funds.
- To analyze the investment preferences of salaried individuals (scheme type, risk level, duration, etc.).
- To evaluate the satisfaction level of salaried investors with Union Bank's mutual fund services.

2.1 REVIEW OF LITERATURE

1. **Prafulla K. Swain & Manoranjan Dash (2017):** In their article "A Literature Review on Investors' Perception Towards Mutual Funds with Reference to Performance, Risk-Return, and Awareness", they examine prior research on how performance metrics, risk–return trade-offs, and investor awareness shape mutual fund acceptance. Their study frames the baseline that awareness and knowledge significantly influence investor decisions. Indian Journal of Finance
2. **Anupam Roy (2025):** In "A Study on Investors' Behaviour Towards Mutual Funds with Reference to West Bengal", he investigates how demographic factors (age, income, education), along with financial literacy and past investment experience, influence decisions about mutual funds among investors in West Bengal.
3. **Ch. Bhavana Sri & S. Narender (2025):** Their study "Investor Awareness About Investment of Mutual Fund with Reference to Axis Mutual Fund" assesses how investors' awareness, scheme-type preferences, satisfaction with services, and access to information affect their inclination to invest in mutual funds
4. **R. Kumar & R. S. Arora (2013):** In "Investors' Perception About Mutual Funds in India: An Empirical Study", the authors analyze investors' opinions on various aspects of mutual funds, including ease of investment, trust in fund management, and overall perceptions, showing that perception significantly affects scheme selection. Indian Journal of Capital Markets

5. **Jyoti Babulal Thakkar (2023):** The paper "Investor Behaviour and Decision-Making in Mutual Fund Investments with Reference to Ahmedabad" studies investor attitudes, preferences, and decision-making processes, especially among lower-income investors, highlighting how perceived returns, risk tolerance, and past experiences drive fund investment.

2.2 RESEARCH METHODOLOGY

1.1.1 RESEARCH DESIGN

The study uses a descriptive research design to understand the growth of mutual fund investments among salaried individuals and the factors influencing their investment decisions.

SAMPLING TECHNIQUE

A convenience sampling method is used to select salaried individuals who invest or plan to invest in mutual funds at Union Bank, Shamshabad branch, using a structured questionnaire.

SAMPLE SIZE

The study will include 50 salaried individuals, depending on availability and willingness to participate.

1.1.2 POPULATION

The population of the study consists of salaried individuals who are customers of Union Bank of India. These individuals may belong to different professions, income groups, and age categories, and are considered potential or existing investors in mutual funds.

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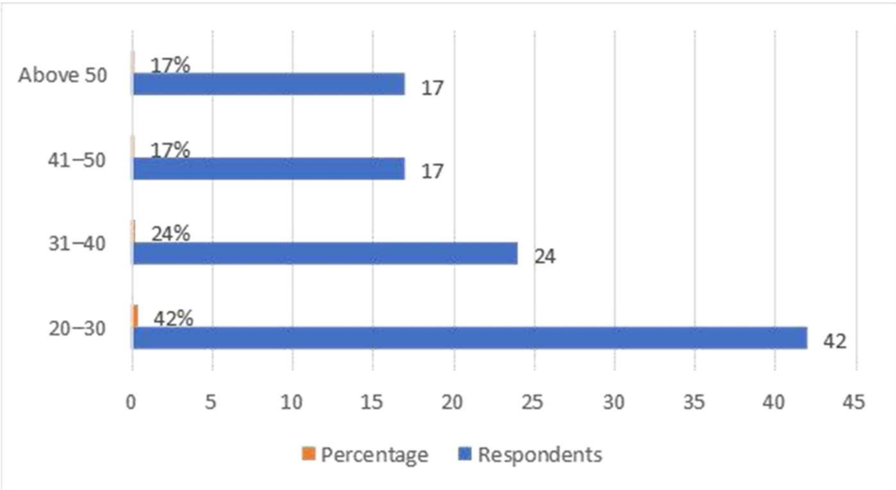
1.1.3 TIME FRAME

The study is conducted over a period of (mention your duration, e.g., 4–6 weeks or 2 months) during which data is collected, analyzed, and interpreted to derive meaningful conclusions.

2.3 DATA ANALYSIS AND INTERPRETATION

Figure 4.1: Age Distribution of Respondents



ANALYSIS:

- Majority (42%) are in the 20–30 age group
- 31–40 group also significant (28%)
- Older age groups have lower participation

INTERPRETATION:

The data shows that younger salaried individuals (20–30 years) are more involved in mutual fund awareness and investment. This indicates that the younger generation is more financially active and open to modern investment options.

4.2 Gender

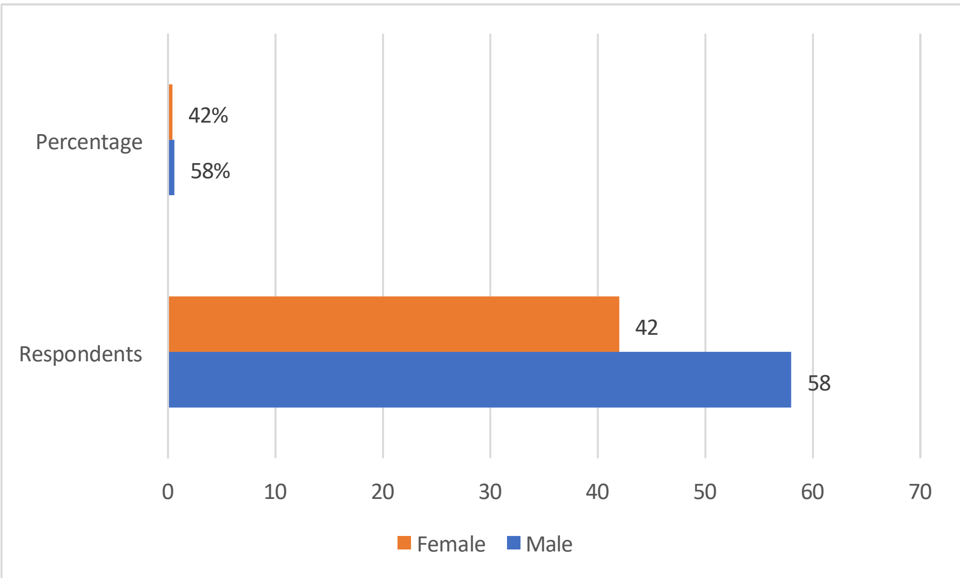
Table 4.2: Gender Distribution of Respondents

Responses	Respondents	Percentage
Male	58	58%
Female	42	42%
Total	**100**	**100%**

ANALYSIS:

- Out of 100 respondents, 58 are male and 42 are female.
- Male respondents are slightly higher than female respondents.
- Both genders are fairly represented in the survey.

Figure 4.2: Gender Distribution of Respondents



INTERPRETATION:

The data indicates that both males and females are actively participating in mutual fund investments, though male respondents are slightly higher. This shows increasing financial awareness among women.

4.3 Monthly Income

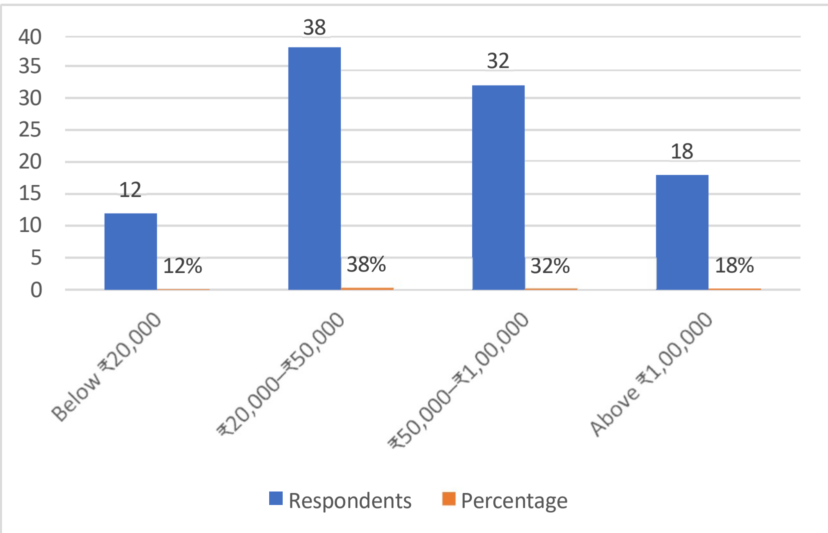
Table 4.3: Income Distribution of Respondents

Responses	Respondents	Percentage
Below ₹20,000	12	12%
₹20,000 – ₹50,000	38	38%
₹50,000 – ₹1,00,000	32	32%
Above ₹1,00,000	18	18%
Total	**100**	**100%**

ANALYSIS:

- Majority fall in ₹20k–₹50k group (38%)
- Middle income dominates
- The high-income group is smaller

Figure 4.3: Income Distribution of Respondents



INTERPRETATION:

Most respondents belong to the middle-income group, indicating that mutual funds are popular among average salaried individuals due to affordability and flexibility.

4.4 Occupation

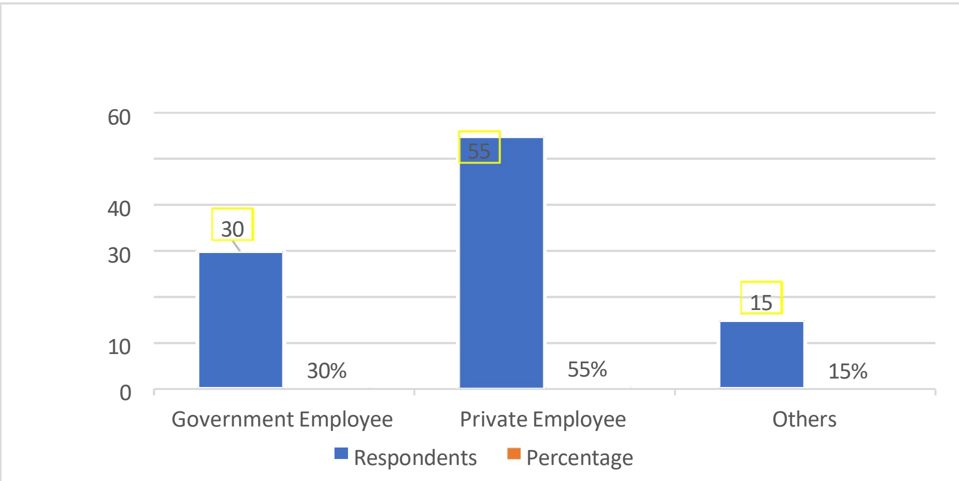
Table 4.4: Occupation Status of Respondents

Responses	Respondents	Percentage
Government Employee	30	30%
Private Employee	55	55%
Others	15	15%
Total	**100**	**100%**

ANALYSIS:

- Private employees dominate (55%)
- Government employees form a good share (30%)

Figure 4.4: Occupation Status of Respondents



INTERPRETATION:

Private sector employees show higher participation, possibly due to higher exposure to financial planning and investment awareness.

2.4 FINDINGS

- Awareness of mutual funds among salaried individuals has significantly increased in recent years due to digital campaigns and financial literacy programs.
- A majority of respondents prefer mutual funds over traditional savings options like fixed deposits due to higher return potential.
- Systematic Investment Plans (SIPs) are the most popular mode of investment among salaried individuals.
- Younger salaried employees (ages 25–35) show higher inclination toward equity mutual funds compared to older age groups.
- Risk tolerance plays a major role in selecting mutual fund schemes among investors.
- Salaried individuals with higher income levels tend to invest more in diversified and equity-oriented funds.

2.5 SUGGESTIONS

- Enhance Investor Awareness: Union Bank should conduct regular financial literacy programs to educate salaried individuals about mutual fund benefits and risks.
- Improve Advisory Services: Personalized investment advice should be provided based on income, risk tolerance, and financial goals of customers.
- Promote SIP Investments: The bank should actively promote Systematic Investment Plans (SIPs) as they are suitable for salaried individuals with fixed monthly income.
- Simplify Investment Process: The mutual fund investment process should be made more user-friendly through mobile apps and online platforms. Use social media and digital marketing to reach younger investors and spread awareness about mutual funds.

REFERENCES

1. Prafulla K. Swain & Manoranjan Dash (2017) studied investors' perception towards mutual funds with reference to performance, risk-return, and awareness. The study concluded that investor knowledge and awareness play a significant role in influencing mutual fund investment decisions.
2. Anupam Roy (2025) examined investor behaviour towards mutual funds in West Bengal. The research found that demographic factors, financial literacy, and previous investment experience significantly affect mutual fund investment decisions.
3. Ch. Bhavana Sri & S. Narender (2025) analyzed investor awareness regarding investments in Axis Mutual Fund. The study highlighted that awareness levels, service satisfaction, and availability of information influence investors' preferences for mutual fund schemes.
4. R. Kumar & R. S. Arora (2013) investigated investors' perceptions of mutual funds in India. Their findings revealed that factors such as trust in fund management, convenience of investment, and overall perception strongly impact scheme selection.
5. Jyoti Babulal Thakkar (2023) studied investor behaviour and decision-making in mutual fund investments in Ahmedabad. The research showed that perceived returns, risk tolerance, and past investment experiences are key determinants of mutual fund investment choices.

CONCLUSION

The growth of mutual funds among salaried individuals between 2021 and 2025 reflects a strong upward trajectory in financial awareness, digital adoption, and disciplined investment behaviour. The number of investors more than doubled, SIP participation emerged as the dominant investment mode, and total investments more than doubled over the five-year period. Equity funds and high-growth sectors such as IT attracted most investor interest, while debt and hybrid funds provided balanced, risk-averse options.