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Analyzing shifts in rural investment behavior in Haryana: A comparative study of post-Covid-19 patterns, determinants, and challenges

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Abstract
Corona virus pandemic has been acknowledged as a world level crisis by the World Health Organization (WHO), which has significant impacts on global economies, and India. The pandemic led to widespread disruptions in economic activities, including investments, due to lockdowns, social distancing, and other preventive measures.

The research employs a descriptive and exploratory design, utilizing both first that is primary and second hand that is secondary data. Primary data is collected through structured questionnaires and interviews with approximately 200 rural investors across two divisions in Haryana. Secondary data is gathered from existing literature, journals, and reports. Data analysis is conducted using statistical tools such as SPSS, with techniques including percentage analysis, and T-tests to compare investment patterns, the variables which impact the investment, the issues and challenges on the basis of the occupation.

The study hypothesizes that there are significant differences in investment patterns, influencing factors, and challenges faced by rural investors after COVID-19. By addressing these objectives, the research aims to provide insights into how the pandemic has reshaped rural investment behavior in Haryana, offering valuable information for policymakers and financial institutions to design targeted interventions to support rural investors in post-pandemic recovery.

Keyword: Investment, rural investors, pandemic, Covid-19, determinants, challenges, financial strategy

1. Introduction

The COVID-19 pandemic spread globally at an alarming rate, significantly affecting the world economy (Gopal & Malliasamy, 2022) [2]. It had a profound impact on global financial markets, including those in India. Investors typically aim to secure a steady income while safeguarding their investments. Money is a significant part to live a life, and the COVID-19 pandemic came with disturbances to financial markets, significantly altering investment behaviors worldwide. While sectors such as travel, restaurants, and Micro, Small, and Medium Enterprises (MSMEs) experienced reduced business activities, other occupations saw work-from-home arrangements as a welcome break from their routine schedules (Das *et al*., 2022). This shift highlights the varying impacts of the pandemic across different sectors and occupations, underscoring the need for tailored strategies to address the unique challenges faced by each group.

Investments play a critical role in driving economic growth and stability. However, for rural investors, the investment process is often fraught with challenges, primarily due to limited awareness of financial regulations and opportunities (Lokhande, 2015) [10]. In India, the rate of savings mobilization has not kept pace with economic growth, resulting in savings that are often not optimally invested.

The financial stress induced by the COVID-19 pandemic further reshaped the investment landscape, altering priorities and patterns among rural investors (Bansal & Shukhija, 2019) [2]. Factors such as education, financial literacy, and income levels play a significant role in shaping investment decisions. Although rural populations are gradually beginning to explore mutual funds and capital investments (Mittal & Subesingh, 2019) [14], their preference for safer options reflects a cautious approach toward the risks associated with capital markets

(Ravichandran, 2012). In Haryana, for instance, the per capita income has risen significantly, from ₹106,085 in 2011-12 to ₹325,759 in 2023-24 at current prices (DESA Haryana, 2023). Despite this growth, rural households remain largely unaware of diverse investment opportunities, creating a stark disparity between rural and urban investors. While urban investors often explore high-yield and diversified investment options, rural investors tend to rely on traditional and safer avenues such as savings accounts, gold, and post office schemes (Mak & Ip, 2017; Mathi & Kungumapriya, 2014) [12, 11]. According to the Centre for Monitoring Indian Economy (CMIE), India's unemployment rate surged by 20% due to the pandemic, with Tamil Nadu experiencing a staggering rate of 49.8%. Job losses and salary cuts forced many individuals to dip into their savings or take on debt. For instance, between April and July, employees withdrew approximately ₹30,000 crores from their provident funds, highlighting the severe financial impact on the workforce. A McKinsey report revealed that nearly 1/4th houses lessen the expenditures, and around 36% of people cut back on savings due to COVID-19 (McKinsey, 2020) [13].

The impact of COVID-19 on the U.S. stock market closely resembled the effects of major economic crises such as those in 2008, 1987, and 1929, rather than the consequences of previous infectious disease outbreaks (Baur *et al*., 2025) [3]. Understanding rural investment behavior is crucial for policymakers and financial institutions, as it directly influences the design of strategies aimed at improving investment literacy and accessibility (Agrawal & Singh, 2019) [1]. Financial literacy is particularly important because it sheds light on the emotional and cognitive biases that affect decision-making, especially during periods of economic distress such as the COVID-19 pandemic (Ricciardi & Simon, 2000) [15]. Promoting financial awareness and education can empower rural investors, fostering a more inclusive and resilient economic environment. This paper provides an overview of the factors influencing rural investment post-pandemic and examines how the pandemic reshaped the finances of rural households.

During the COVID-19 period, these emotional factors influenced stock markets across 21 countries, including India. If we talk about the behavioral economics, the behavior or perception of towards investment is an ideal and unique area for research that examines how investors perceive, analyze, and make decisions. This includes understanding investment psychology, information gathering, contextualization, and investigation. The rationality of investors and market efficiency are central hypotheses in explaining financial concepts (Jan *et al*., 2022) [8].

Among various investment options, mutual funds emerged as a popular choice due to their relative safety and accessibility. Mutual funds allow individuals to invest in a diversified portfolio of financial instruments such as stocks, bonds, and money market tools without requiring extensive market knowledge or large capital. Managed by professionals, mutual funds offer the potential for good returns with lower risk, making them an ideal choice for individuals uncertain about selecting the right securities or lacking financial market awareness.

1.1 Review of Literature

The COVID-19 pandemic has had a profound impact on global economies, influencing various financial decisions and market behaviors. Several studies have examined the pandemic's effects on household savings and spending patterns, gold investments, and the integration of ICT in education, stock market performance, and investor psychology.

Gopal and Malliasamy (2022) [2] analyzed the alteration in investments and expenditure habits of rural households during COVID-19. The study, found a significant and positive relationship between different types of savings and the savings motives of rural households. It also revealed that spending patterns shifted, with rural inhabitants prioritizing emergency savings over other expenditures. Baur, Gopalakrishnan, and Mohapatra (2025) [3] explored the role of gold as a financial hedge for Indian households during the pandemic. They discovered that households in districts severely affected by COVID-19 exhibited a higher tendency to purchase gold. However, financially vulnerable households were more inclined to pledge or sell gold rather than buy it. This behavior reflects an increased risk perception and highlights gold's role as a safe haven investment. Regev and Tavor (2024) [16] conducted a comparative analysis of stock market responses across 16 countries with varying COVID-19 infection rates. Their regression analyses demonstrated that in low-infection countries, stock market indices were highly responsive to pandemic-related variables, such as infection and fatality rates. In contrast, in high-infection countries, market responses were muted, suggesting that investors had already factored in the ongoing crisis, reducing the immediate impact of pandemic-related variables on stock returns. Jan *et al*. (2022) [8] examined the role of biases we have in our mind towards the saving or investment of Chinese investors, post-pandemic. They found that overoptimism, and anchoring bias significantly influenced investment decisions. However, availability bias had an insignificant and negative effect. Moreover, information availability played a crucial moderating role in shaping investors' decisions, highlighting the importance of financial knowledge in mitigating behavioral biases.

1.2 Objectives of the study

1. To identify the factors influencing investment behavior during these periods.
2. To examine the challenges faced by rural investors in Haryana in the context of the pandemic.

1.3 Hypotheses

- **Null Hypothesis (H_0):** There is no significant difference in investment behavior between individuals in government jobs and those in agriculture.
- **Alternative Hypothesis (H_1):** There is a significant difference in investment behavior between these two occupational groups.

1.4 Research Methodology

This methodology provides a structured framework for analyzing the impact of COVID-19 on rural investment behavior in Haryana, offering valuable insights for policymakers and financial institutions to design targeted interventions for post-pandemic recovery.

This research paper focused on mixed method approach which is an amalgamation of quantitative approach and qualitative approach to analyze the investment behavior with the help of survey technique suing structured questionnaire as the tool of data collection. The part is exploratory part and the content analysis of related article and research papers, which is descriptive part of this research. Data has been collected through the 200 respondents of two districts of Haryana i.e. Rohtak and Hisar. For collection of the data convenience sampling has been used to select the number of respondents. Income level and occupation has been used as the variables of the study. Data analysis using T-test to compare the impact of different occupations on investment behavior with the help of SPSS.

1.5 Data presentation and interpretation

1.5.1 Income of rural household of the people living in Rohtak and Hisar

Table 1: Shows the comparison among the rural residents of Rohtak and Hisar

Household income (in lakhs)	Rohtak	Hisar	Total
Less than 8	58	45	103
9-12	23	14	37
12-16	12	36	48
Above 16	7	5	12
Total	**100**	**100**	**200**

The data indicates that a larger proportion of households in Rohtak (58%) earn less than ₹8 lakh annually compared to Hisar (45%). This suggests that Rohtak has a higher concentration of lower-income households.

On the other hand, a significantly larger share of households in Hisar (36%) fall within the ₹12-16 lakh income bracket, compared to just 12% in Rohtak. Similarly, while both districts have a small number of households earning above ₹16 lakh, Rohtak has a slightly higher count.

The income distribution pattern suggests that Hisar has a higher proportion of middle-income households, which could be attributed to the presence of more government jobholders in the region. Government employment is known for providing stable income, job security, and additional benefits, which contribute to a higher overall financial status. As a result, residents in Hisar are more likely to engage in investments, savings, and financial planning compared to Rohtak, where a larger portion of households fall in the lower-income category.

1.5.2 Occupation of residents of two different districts

Table 2: Occupational Distribution of Rural Residents in Hisar and Rohtak

Occupation	Rohtak	Hisar	Total
Agriculture	40	30	70
Government Jobs	15	35	50
Private Jobs	25	20	45
Business	10	10	20
Others	10	5	15
Total	100	100	200

This table highlights the differences in employment trends between the two districts. Hisar has a significantly higher proportion of residents in government jobs (35%) compared to Rohtak (15%), which supports the observation that Hisar has a more financially stable population. Meanwhile, Rohtak has a slightly higher number of people engaged in agriculture and private jobs, which may contribute to lower income stability.

1.5.3 T-Test analysis

Impact of Occupation on Investment Behavior

An independent samples t-test was conducted to compare the mean investment behavior scores between government employees and agricultural workers.

1.5.4 Levene's Test for Equality of Variances

Table 3: Levene's Test for Equality of Variances

F-Value	Sig. (p-value)
3.12	0.079

Since $p > 0.05$, equal variances are assumed.

1.5.5 Independent Samples T-Test Results

Table 4: Analysis of T-test

Group	N	Mean Investment Score	Std. Deviation	t-value	df	Sig. (p-value)
Agriculture	70	3.2	1.5	-4.18	118	0.0002
Govt. Jobs	50	5.6	1.2			

The mean investment behavior score of individuals in government jobs ($M = 5.6$, $SD = 1.2$) is significantly higher than those engaged in agriculture ($M = 3.2$, $SD = 1.5$). The t-value (-4.18) and the p-value ($0.0002 < 0.05$) indicate a statistically significant difference. This suggests that government employees invest more frequently and in larger amounts compared to agricultural workers, likely due to stable income, job security, and access to financial benefits.

1.6 Discussion

The results reject the null hypothesis and confirm that occupation significantly influences investment behavior. The higher proportion of government employees in Hisar could explain why residents in this district engage more in investment activities compared to those in Rohtak.

1.7 Conclusion

The findings of this study highlight the significant impact of occupation on investment behavior among rural residents of Hisar and Rohtak. The t-test analysis confirms that government employees exhibit a higher tendency to invest compared to individuals engaged in agriculture. This difference can be attributed to stable income, job security, and financial benefits associated with government employment, which enables structured financial planning and investment.

The income and occupational distribution data further reinforce this trend, showing that Hisar, with a higher proportion of government jobholders, has more middle-income households, whereas Rohtak has a larger share of lower-income households primarily engaged in agriculture.

Given the uncertainties in agricultural income due to market fluctuations, weather conditions, and lack of financial security, farmers are less likely to make regular investments. These insights are crucial for policymakers and financial institutions aiming to enhance financial literacy and investment accessibility in rural areas. Targeted financial awareness programs, improved access to investment tools, and tailored financial products can bridge the investment gap between different occupational groups, fostering greater economic resilience in rural communities.

This study underscores the need for structured financial education and inclusive investment policies, especially for agricultural workers, to promote long-term financial stability and economic growth in rural Haryana.

This study identifies key factors influencing investment behavior during the COVID-19 period, highlighting the role of occupation, income stability, and financial literacy in shaping rural investment decisions. The findings reveal that government employees in Haryana, particularly in Hisar, exhibit a higher tendency to invest due to stable incomes and job security, whereas agricultural workers in Rohtak face financial uncertainty, limiting their investment capacity.

Additionally, the study highlights challenges faced by rural investors, including income volatility, lack of financial awareness, and limited access to formal investment avenues. Addressing these issues through targeted financial literacy programs, policy interventions, and improved investment accessibility can enhance economic resilience and promote inclusive growth in rural Haryana.

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