

A STUDY ON INVESTMENT BEHAVIOUR OF WORKING PROFESSIONALS WITH REFERENCE TO BENGALURU CITY

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Abstract

In a time when investment opportunities and financial landscapes are constantly changing, it is critical for both individuals and financial experts to comprehend the complex patterns of investor behaviour. This study explores the interesting field of investor behaviour, with a particular emphasis on the vibrant group of working professionals. The study seeks to provide an understanding of the investment behaviour of working professional with reference to Bengaluru city by analyzing the particular behavioural patterns, demographic attributes like age, gender, marital status, and level of education that influence the investment decisions of working professionals. The study's findings might help banks, other financial institution, decision-makers, and financial planners customize their offerings to better meet the unique requirements and preferences of working professionals in Bengaluru.

Keywords: investment advice, working professionals, Investment priority, investment behaviour.

1. INTRODUCTION

In a time when investment opportunities and financial landscapes are constantly changing, it is critical for both individuals and financial experts to comprehend the complex patterns of investor behaviour. This study explores the interesting field of investor behaviour, with a particular emphasis on the vibrant group of working professionals. Working professionals are a distinct group of investors since they are people who are actively employed. They make financial decisions based on a variety of criteria, such as risk tolerance, long-term financial objectives, and expectations for their careers and income stability. The financial market presents a formidable challenge in the dynamic global economy of today, with its wide range of investment opportunities and volatile volatility. Gaining a comprehensive grasp of how working professionals deal with these complications is crucial to developing successful investment strategies and promoting financial stability. Through an analysis of their driving forces such as motivations and other demographic factors including age, gender, marital status, and level of education, this research seeks to offer insightful information that will improve our comprehension of working professionals' investment behaviour in general.

2. REVIEW OF LITERATURE

Devi and Anitha (2023) studied the “Investment behaviour of working women in Chengalpattu”, they discovered that these habits varied depending on factors like financial status, safety concerns, tax savings advantages, and related risks. Employees in the public and private sectors are informed about investment opportunities. There is a correlation between the amount of money working women invest and their annual income. They invest for retirement, emergencies, tax benefits, and their children's education.

Selvaraj N (2021) In a study titled "Investment Behaviour among Information Technology Professionals in Tamilnadu," found correlations between the degree of investment behaviour and demographic characteristics like gender, years of experience, designation, graduation, and monthly income. The three most significant factors influencing investment behaviour are investment activities, investment data, and investment risk angle.

Asandimitra (2019), working women are driven to make investment decisions by concerns about retirement and family stability, especially if they possess a high level of financial literacy. The study highlighted how important financial knowledge, mindset, and individual goals are in determining how working professionals behave when making investments.

Ansari and Moid (2013) investigated the financial habits of professionals aged 25 to 35. The findings of this study revealed that perceived competence and investment objectives influence young professionals' investment decisions more than age, income, or gender.

3. RESEARCH GAP

Though research on investor behaviour is becoming more and more popular, especially when it comes to different demographic groups, there is still a significant lack of information in the literature about the subtle differences between working professionals and other types of investors. While previous research has looked at the broad aspects influencing investor decisions, not as much focus has been placed on thoroughly analyzing the particular behavioural patterns, demographic attributes like age, gender, marital status, and level of education that influence the investment decisions of working professionals. By addressing this research gap, the study seeks to provide an understanding of the investment behaviour of working professional with reference to Bengaluru city.

4. STATEMENT OF THE PROBLEM

Work professionals earn stable income and able to save on account higher salaries and multiple earning members in the family, this has contributed to increasing investable surplus. Further, paucity of time to actively manage their investments, working professionals make up a sizable and distinctive investor class. Understanding the investment behaviour and investment decisions of this particular segment is crucial in order to develop customized solutions, policy reforms and investor education programs. The study seeks to provide an understanding of the investment behaviour of working professional with reference to Bengaluru city by analyzing the particular

behavioural patterns, demographic attributes like age, gender, marital status, and level of education that influence the investment decisions of working professionals.

5. SIGNIFICANCE OF THE STUDY

Investigating the investment behaviour of working professionals can have significant effects on enhancing investor outcomes and retirement preparedness for this important but little-researched subset of Indian individual investors. The results can be used to inform policy changes, investor education initiatives, and advisory approaches to engagement that are specifically designed to address the behavioural challenges and needs that working professionals face.

6. OBJECTIVE OF THE STUDY

The objective of the research paper is to study key demographic determinants of investment behaviour of working professionals and its relation with investment decisions.

7. RESEARCH METHODOLOGY

This research is descriptive in nature. 130 respondents in Bengaluru City were chosen by simple random sampling. Primary data was obtained by administering a well-structured questionnaire,. The secondary data were gathered from a range of sources, including books, websites, research journals, theses, and dissertations. The statistical methods employed for the investigation were the Chi-square test and percentage analysis. In order to determine and validate the study objective, the following hypotheses are proposed:

- H1-There is a significant difference between Education Qualification and Source of Investment Advice.
- H2-There is a significant difference between Age and Investment Objective.
- H3- There is a significant difference between Marital Status and the Need for Investment.

8. ANALYSIS AND FINDINGS

Table 1: Source of Investment advice amongst working professionals						
Education Profile	Youtube Financial Advisors	Stock Brokers	Social Media	News Media	Financial Planners	Total
Graduates	34	14	08	05	07	68
Post Grads	29	16	04	02	11	62
Total	63	30	12	07	18	130

One of the significant attributes of working professionals is that they are educated. But despite of strong educational background do working professional rely on advisors for investment advice?

The data of Table1 shows that "Graduation" respondents (68 total) tend to seek investment advice from various sources more frequently than "Post Graduation" respondents (62 total).

The most common source for both groups is "Youtube financial advisors," with 34 "Graduation" and 29 "Post Graduation" respondents using this source. This indicates working professional are relatively heavy users of social media for knowledge investment. On the other hand, "Financial planners and stock brokers" are sought more by "Post Graduation" respondents than "Graduation" respondents.

H1-There is a significant difference between Education Qualification and Source of Investment Advice.

	Value	df	Asym. Sig (2-sided) P Value
Pearson Chi-square	3.769	4	.438
Likelihood Ratio	3.837	4	.428
Linear-by-Linear Association	.229	1	.632
No. of Valid Cases	130		

Result Analysis:

The Chi-Square tests indicate that there is no significant association between "Education Profile" and "Source of Investment Advice." The p-values for all three Chi-Square statistics are greater than the standard significance level of 0.05, suggesting no strong relationship between these variables.

Therefore H0-There is no significant difference between Education Qualification and Source of Investment Advice.

Age Group	To prepare for emergency	To attain financial goals like buying house, children education etc.	Retirement Planning	Total
21 to 25 years	08	103	01	112
26 to 30 years	03	11	0	14

31 to 35 years	01	01	01	03
36 to 40 years	01	0	0	01
Total	13	115	02	130

The data in Table 2 illustrates a connection between different age groups and their investment objectives. "21 to 25 Years" individuals primarily invest towards financial goals such as buying a house and children's education. "31 to 35 Years" has only three respondents, one each for preparing for emergencies, attaining financial goals, and retirement planning. "36 to 40 Years" has only one respondent with savings objectives related to preparing for emergencies. These findings suggest that individuals in the younger age groups are primarily concerned with financial goals, while the older age groups have fewer respondents and a more diverse range of investment objectives.

H2-There is a significant difference between Age and Investment Objective.

	Value	df	Asym. Sig (2-sided) P Value
Pearson Chi-square	34.969	6	.000
Likelihood Ratio	14.705	6	.023
No. of Valid Cases	130		

Result Analysis:

The chi-square tests reveal a statistically significant association between age groups and savings objectives. The p-values for both Pearson and Likelihood Ratio chi-square tests are below the conventional significance level of 0.05, indicating that the association is not due to chance. These results suggest that different age groups have varying preferences when it comes to their savings objectives. However, it's important to note that some cells have expected counts less than 5, which should be considered when interpreting the results.

Therefore H2-There is a significant difference between Age and Investment Objective.

Table 3: Marital status and need for investment amongst working professionals

Marital Status	Regular income	Wealth Creation	Tax savings	To meet future commitments	Total
Married	03	04	00	06	13
Unmarried	45	13	05	52	115
Divorced	0	0	0	2	02
Total	48	17	05	60	130

The table 3 reveals the relationship between marital status and investment needs among 130 surveyed individuals. Unmarried individuals had the highest representation across all investment categories. While married individuals were particularly interested in investments for future expenses, a smaller portion sought regular income or capital appreciation. Divorced individuals, comprising a small sample, primarily aimed to meet future expenses through investments.

H3- There is a significant difference between Marital Status and the Need for Investment.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided) P value
Pearson Chi-Square	7.145 ^a	6	.308
Likelihood Ratio	7.651	6	.265
N of Valid Cases	130		

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .08.

The table presents the results of Chi-Square Tests conducted to analyse the association between marital status and investment needs among 130 respondents. Both the Pearson Chi-Square and Likelihood Ratio tests produced similar statistics, yielding values of 7.145 and 7.651, respectively, with 6 degrees of freedom. The associated p-values, .308 for Pearson Chi-Square and .265 for Likelihood Ratio, indicate no statistically significant relationship between marital status and investment needs at a standard significance level of 0.05.

Therefore H0 There is no significant difference between Marital Status and the Need for Investment.

Table 5: Gender and Investment priority factor of working professionals

	Which factor is your priority while investing?	Total
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			High Returns	Liquidity or Maturity Period	Low Risk	Safety of Principal	
Gender	Male	Count	19	7	25	26	77
		% within Gender	24.7%	9.1%	32.5%	33.8%	100.0%
		% within Which factor is your priority while investing?	59.4%	58.3%	69.4%	52.0%	59.2%
		% of Total	14.6%	5.4%	19.2%	20.0%	59.2%
	Female	Count	13	5	11	24	53
		% within Gender	24.5%	9.4%	20.8%	45.3%	100.0%
		% within Which factor is your priority while investing?	40.6%	41.7%	30.6%	48.0%	40.8%
		% of Total	10.0%	3.8%	8.5%	18.5%	40.8%
Total	Count	32	12	36	50	130	
	% within Gender	24.6%	9.2%	27.7%	38.5%	100.0%	
	% within Which factor is your priority while investing?	100.0%	100.0%	100.0%	100.0%	100.0%	
	% of Total	24.6%	9.2%	27.7%	38.5%	100.0%	

The table presents a crosstabulation of respondents' gender and their investment priority factors, including High Returns, Liquidity or Maturity Period, Low Risk, and Safety of Principal. Of the 130 total respondents, 77 are male and 53 are female. The table displays the distribution of respondents within each gender group based on their investment priorities. To assess whether there is a statistically significant association between gender and investment priorities, a chi-square test can be performed. If the test results in a p-value below a chosen significance level (e.g., 0.05), it would suggest that gender and investment priorities are not independent of each other, indicating a relationship between the two variables. However, specific p-values and detailed statistical analysis would require dedicated statistical software or tools.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.642 ^a	3	.450
Likelihood Ratio	2.681	3	.443
N of Valid Cases	130		

a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 4.89.

Pearson Chi-Square: The calculated chi-square statistic for the test is 2.642 with 3 degrees of freedom (df). The associated p-value for this statistic is 0.450 when considering a two-sided test.

Likelihood Ratio: The likelihood ratio chi-square statistic is 2.681 with 3 degrees of freedom. The associated p-value for this statistic is 0.443.

Result Analysis: In both the Pearson Chi-Square and Likelihood Ratio tests, the p-values are greater than the typical significance level of 0.05. This suggests that there is no statistically significant association between respondents' gender and their investment priority factors based on the data provided. In other words, the data does not provide enough evidence to conclude that gender and investment priorities are related or dependent variables.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.143	.450
	Cramer's V	.143	.450
N of Valid Cases		130	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

The symmetric measures table provides additional statistical measures for assessing the association between the two nominal variables (gender and investment priority factors) based on the chi-square test. Here's the interpretation:

Nominal by Nominal: The Phi coefficient, which is a measure of association between two nominal variables, is calculated to be 0.143. The associated approximate significance level is 0.450.

Cramer's V: Cramer's V is another measure of association for nominal variables, and in this case, it also equals 0.143. The approximate significance level for Cramer's V is 0.450, which matches the Phi coefficient's significance level.

Result Analysis: Both the Phi coefficient and Cramer's V indicate a very weak association between respondents' gender and their investment priority factors. The values of 0.143 suggest that there is minimal association between these variables, which aligns with the earlier chi-square test results. The p-value of 0.450 in both cases further supports the conclusion that there is no statistically significant association between gender and investment priorities based on the provided data.

9. SCOPE FOR FURTHER STUDY

Data and investor characteristics are gathered for this study from Bengaluru's Manyata Tech Park. Due to the small sample size of 130 from different companies, the study's findings might not accurately reflect the investing behaviour of all Bangalore working professionals. To make the findings more persuasive and broadly applicable, additional information on investors' characteristics and data from other tech parks and offices across Bengaluru city should be gathered in the future. The study is only valid for the specified period of time because investing behavior can fluctuate over time.

10. CONCLUSION

The majority of working professionals now look to YouTube for financial guidance. YouTube has grown in popularity as a platform for investment-related video and financial education since it's easy to use and allows content providers to offer knowledge in an interesting way. It's crucial to remember, too, that there can be big differences in the calibre of advice on YouTube. Since not all creators possess the same degree of training or experience, viewers should proceed with caution and critically assess the information offered. Investors belonging to the younger age groups are primarily concerned with financial goals, while the older age groups have a more diverse range of investment objectives. The study reveals while some unmarried investors may have alternative goals, the majority of them invest with the intention of meeting future financial obligations like home ownership, children education, or retirement planning. The study also found that there is no statistically significant association between respondents' gender and their investment priority factors based on the data provided.

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