A Study on Impact of Demographic Factors on Investment Preferences of Salaried Individuals Across NCR

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Abstract: **Healthy savings and investment trends lay down a robust foundation for development of an economy. Mobilization of savings in to investments is essential aspect of sustainable growth as it hedges the investors against evils of global economic uncertainty and inflation by creating an additional stream of income. Investments are equally important from economic perspective to satisfy mounting needs of corporate sector and to meet the goal of public good. With the growth of service sector, salaried class investors form a substantial segment of 'surplus savers' in Indian economy. They have garnered attention of economists, policy makers, banks and corporates worldwide and have a considerable potential to be unleashed. It is therefore pertinent to understand their investment preferences and factors governing their investment behavior. This is a primary data based study for which 213 responses have been collected through a pre-structured questionnaire from salaried individuals across NCR. The data has been analyzed using frequency distribution, percentages, cross-tabulations, mean rank method.An attempt has been made to assess the significance of demographic variables (gender, age and marital status) amongst salaried individuals over several aspects of investment decision-making like preferred avenues, motives of investment and channels of information guiding investment decisions using Chi-square test at 5 percent level of significance. The results indicate that few demographic variables guide the investment decision-making process.**

Keywords: **investment decision-making, demographic factors, investor preference JEL Classification: *G11, C42.***

1. INTRODUCTION

The globalization, liberalization, rapid economic expansion and outsourcing of non-core activities in the late nineties and the new millennium have given a unique recognition to the Indian economy world over. Austerity drives are the new flavor of most of the developed and developing economies with governments trying their best to shield their respective economies against uncertainties and threats of negative growth.Indians have seen a multitude of investment avenues opening-up over past two decades. According to Mohapatra (2015), "Traditionally India is regarded as a nation of savers." However, in order to hedge against inflation and generate income over a period of time, savings have to mobilize into investments. Real estate, gold, bank deposits and post office instruments have been major investment avenues over the years for Indian salaried class. Moreover, Indian securities market has been witnessing mixed sentiments over the past years and hasbeen posing a brave front vis-à-vis global financial turmoil. This technology-led growthcombined with multiplicity of wantshas made salariedindividuals to search lucrative investment opportunities.These executives have started taking active interest in the Indian stock market in order to optimize on portfolio selection with an expectation of competitive returns. Hence, it is imperative to identify the factors guiding their investment decision-making process.Section I introduces the topic and section II develops the rationale behind the study. Section III and IV lay down the objectives and literature review. Research methodology has been detailed in Section V along with hypotheses. Data analysis and interpretation has been presented in Section VI. The last Section VII summarizes the study.

Investment in physical or financial instruments primarily involves commitment of specified sum for a given period with an expectation of earning return over that period of time. The return may differ for different assets. It may refer to rent or capital appreciation for real estate investment or interest income on bonds or dividend income on shares and so on. The popular investment options resorted to by the investors include:

1. Physical Assets
   a. Real Estate
   b. Gold
      i. Jewelry
      ii. Gold Bars
   c. Silver and/or Precious Stones
   d. Paintings and Antique Items

2.   Financial Instruments

   a. Compulsory Savings (General Provident Fund, Contributory Provident Fund, Employees Provident Fund, New Pension Scheme)

   b. Voluntary Savings

      i. Public Provident Fund (PPF)

      ii. Post Office Savings (National Saving Certificate, KissanVikasPatra, Term Deposits etc.)

      iii. Bank Deposits

      iv. Life Insurance and Pension Plans

      v. Exchange traded Funds (ETFs)

      vi. Mutual Funds, Unit Linked Insurance Plans

      vii. Equity Shares

      viii Bonds (including infrastructural bonds)

      ix. Others (Derivatives, Forex market, Derivatives etc.)

2.   RATIONALE OF THE STUDY

A healthy and progressive rate of investment builds a robust base for the growth of an economy.Though salaried individuals have traditionally been surplus savers of the economy, however they are not necessarily well versed with the basic fundamentals of investment.It is important to understand the salient features of different investment alternatives to make informed choices. Investors have to consider the effects of global economic uncertainty, increased shareholder alertness, strict vigil by regulatory bodies, limited time and resources while choosingfrommultitude of investment avenues. This study has been conducted to understand and analyze the factors underlying investment decisions of these professionals. Also, an attempt has been to find out if investor behavior is independent of demographic variables.

3.   OBJECTIVE OF THE STUDY

The basic objective of this research work is to study investment avenues from the perspective of salaried individuals based out of NCR.For this purpose, the following has been examined:

•   To identify the preferred investment options of salaried individuals

•   To explore motives behind investment decisions

•   To highlight the major channels of information guiding investor's preferences

•   To analyze the influence of demographic variables on investors' decision-making process.

4.   LITERATURE REVIEW

A number of studies have been conducted to understand the investor behavior and preferences for certain types of instruments. Investor behavior is also affected by various demographic factors. According to NCAER Household Survey (July, 2011) for Urban India, "The primary destination of savings across household categories is insurance schemes and banks. Post office savings schemes are, for obvious reasons, less preferred compared to commercial bank deposits and accounts as such schemes have cumbersome procedures and offer inadequate returns.The degree of risk aversion is extremely high in Indian households. It is only at the margin that households engage in risky ventures.

Quality and source of information significantly influence extent of participation in financial markets. Married investors take less risk averse than their unmarried counterparts. On average females take less risk than their male counterparts. Business and white-collar workers hold more risky assets than their blue-collar counterparts." Bhushan (2014) studied the awareness level and investment behavior of salaried individuals towards financial products and found that though the respondents were aware about traditional and safe financial products; theirawareness about newer financial instruments was significantly low. The respondents investing in mutual funds were more than active investors in direct equity. PPF was not found to be a popular investment alternative with support from just two-fifths of the investors. Bank deposits were the most popular investment alternative with 95 percent of investors putting their money followed by life insurance products with 77.7 percent investors.

Mohapatra (2015) studied investment pattern of salaried individuals in Odisha and found that the most preferred mode of investment of respondents were life insurancefollowed bybank deposits and real estate. The study was based on primary data have been collected through a structure questionnaire from 100 salaried class respondents from Cuttack and Bhubaneswar.The results were in line with Bhushan (2014). Though majority of respondents seemed ready to take moderate risk for moderate return, they attachedgreatersignificance to safety and security of their investment. Other significant factors influencing investment decision were liquidity, high returns and better service.

Bairagi and Rastogi (2013) carried out an empirical study on saving pattern and investment preferences of individual household with reference to Pune city. The study was based on primary data collected through a structured questionnaire from 526 respondents selected by non-probability convenient sampling. The study concluded that there was high level of awareness about bank deposits and real estate amongst investors. This was followed by small savings, life insurance

and bullions. They also concluded that occupation, level of education and income had a significant impact on investor behavior.

Tirupathi and Ignatius (2013) studied preferred investment avenues among salaried people with reference to Namakkul Taluk, Tamilnadu. It was a questionnaire based study with a sample of 100 respondents selected through probability sampling. Insurance was found to be the most preferred alternative to invest followed by bank deposits, gold and real estate.

Investor perception and preferences with respect to investment alternatives have been analyzed by Prakash and Sunder (2013) using primary data collected through mail questionnaire sent to 100 respondents based out of Chennai selected through purposive sampling. The study concluded that most significant factors guiding investment decisions were risk diversification, tax exemption, safety, professional management, liquidity, flexibility, balanced and consistent returns, and choice of scheme, reliability and affordability. Bank depositswere found to be the most popular source of investment followed by gold/silver, life insurance, Provident Fund Saving scheme, Mutual funds and Real Estate.

The analysis of these studies clearly stress on the relevance of the topic under consideration and at the same time reiterates the need to conduct such a work with NCR sample and also compare with previously conducted studies of Indian origin.

5. RESEARCH METHODOLOGY

This section explains the methodology used in the study. The study is based on primary and secondary data. The primary information has been collected by using a pre-structured questionnaire. Before finalization of the questionnaire, a pilot study with 15salaried individuals was done and questionnaire was suitably modified.

Both, open and close-ended questions were included in the questionnaire to extract maximum possible information. Convenience sampling technique has been used to select investors due to large size of the population. Anonymity and confidentiality have been assured and participants have been told that they could withdraw from the study at any point without prejudice.

As the study is bound by time and cost limitation, the sample has been drawn from National Capital region (NCR) and it represents people from different economic and social characteristics. The participants have been asked to fill in demographic details followed by a number of questions pertaining to; preferred investment avenues, sources of information used for taking investment decisions and motives of investment. The questionnaire lists both traditional and contemporary investment alternatives for the respondents to choose from covering both physical assets and financial

instruments. A total of 423questionnaires have been mailed for seeking responses and follow-up phone calls and mails have been sent. A total of 227 responses have been received. However, 14questionnaireshave been discarded due to incomplete/missing data. The analysis is based on duly filled questionnaires reverted by a sample of 213 respondents. Frequency distribution, percentages, cross-tabulations, mean rank method have been used for the analysis and interpretation.An attempt has been made to assess the significance of demographic variables amongst salaried individuals over several aspects of investment decision-making like preferred avenues, motives of investment and channels of information guiding investment decisions using Chi-square test at 5 percent level of significance.The results have been estimated using Minitab 17. The secondary data have been collected from various books, journals, newspapers and websites.

Taking into consideration the vastness of the topic, the study does not try to be exhaustive in its treatment of the subject. Respondents usually provide a subjective view especially in open ended questions and therefore that analysis is not free from personal bias of the respondents. In spite of these limitations, the study aims to serve as a useful piece of work highlighting investment behavior of salaried individuals.

Hypotheses

The respondent sample for this study comprises of salaried individuals who are presumed to take rational and informed decisions regardless of various demographic factors like gender, age, marital status, family size, and income and so on. For the purpose of this study, following hypotheses have been proposed.

Ho_1: There is no significant relationship between demographic variables and investment preferences.

Ho_2: There is no significant relationship between demographic variables and motives for investment.

Ho_3: There is no significant relationship between demographic variables and channels of information.

6. DATA ANALYSIS AND INTERPRETATION

The results of the survey have been discussed below:

1. Demographic Details of Respondents

The demographic profile of the respondents has been sketched on the basis of eight socio demographic variables in order to derive logical conclusions whether these attributes affect investment behavior of salaried professionals. The details have been provided in Table 1 below.

TABLE 1: Demographic Details of the Respondents		Number of Respondents	Percentage
GENDER	Male	124	58.2
	Female	89	41.8
AGE (IN YEARS)	22-30	120	56.3
	30-40	81	38.0
	Above 40	12	5.6
MARITAL STATUS	Single	88	41.3
	Married	125	58.7
FAMILY SIZE	Up to 2	32	15.0
	3 to 4	109	51.2
	5 & above	72	33.8
EARNING MEMBERS	1 to 2	145	68.1
	3 to 4	56	26.3
	5 & above	12	5.6
EDUCATION	Graduate	84	39.4
	Post Graduate	117	54.9
	Doctorate	12	5.6
ANNUAL INCOME (IN LAKHS)	Up to 6.5	72	33.8
	6.5 to 10	81	38.0
	10 to 20	44	20.7
	Above 20	16	7.5
ANNUAL SAVING (IN LAKHS)	up to 1.5	100	46.9
	1.5 to 5	89	41.8
	5 to 10	16	7.5
	Above 10	8	3.8
TOTAL RESPONDENTS		213	
Source: Author's Estimation			

An analysis of the Table 1 reveals that a majority of respondents surveyed are males (58.2 percent) as compared to female (41.8 percent). It is also understood that more than half (56.3 percent) of the respondents to the study are young salaried individuals. In fact the results have been primarily drawn on the responses of 22-40 years age group as there are only 5.6 percent participants above 40 years of age.Additionally, two-fifths of the respondents are singles. Interestingly, two-thirds of the respondents have a family size upto 4 persons indicating a favor for nuclear families across NCR. However, more than two-thirds have either 1 or 2 earning members in the family.It is to be noted that 39.4percentof the respondents are graduates while remaining sample is highly qualified with either post-graduate or doctorate degree. It implies that the majority of the salaried investors are qualified and educated. Out of the total respondents, nearly 34percent of the respondents earned an annual income up to ₹ 6.5 lakh, while 38percent of the respondents earned an annual income ₹6.5 lakh to 10 lakh. Likewise, while 21percent of the respondents earned annual income ₹10 lakh to 20 lakh and the remaining 7.5 percent, respondents earned annual income above 20 lakh. As far as annual savings is concerned, it is evident that nearly half (46.9 percent) of the sample is saving only to enjoy tax benefit attached to savings as per income Tax Act 1961. Another 41.8 percent had an annual savings between ₹ 1.5 lakh to ₹5 Lakh while the annual savings of remaining 11 percent respondents was above 5 lakh. This is not encouraging knowing that despite a young sample group, the level of savings is pretty

low and sticking to the tax limit of ₹ 1.5 lakh shows reluctance on the part of individuals to invest progressively.

Each hypothesis has been tested against all eight demographic variables individually to ascertain the independence of investment decision-making from each of them.

2. *Preferred Avenues of Investment*

There are multitudes of investment opportunities available to the investors in the present day world. This part of the survey aims at finding out the relative importance of the various investment options available with the investors and the extent of portfolio diversification. Interestingly, the entire sample has chosen more than one instrument for their investment. It is a healthy trend that investors are following the golden rule of investment management, "Never put all eggs in one basket." The Table 2 presents the preferences of investors along with frequencies and average rank scores.

TABLE 2: Investment Preferences			
Investment Avenues	**Frequency**	**Percentage**	**Rank Average**
Real Estate	145	68.1	7.5
Gold Jewelry and bars	182	85.4	1
Silver	73	34.3	11
Compulsory Savings (GPF, CPF, EPF, NPS)	145	68.1	7.5
PPF	169	79.3	4.5
Post Office Savings (NSC, KVP etc.)	101	47.4	9
Bank Deposits	177	83.1	3
Life Insurance and Pension Plans	169	79.3	4.5
Mutual Funds, ULIPs, ETFs	178	83.6	2
Equity Shares	85	39.9	10
Bonds (including infrastructural bonds)	69	32.4	12
Others (Forex market, Derivatives etc.)	147	69.0	6
Source: Author's Estimation			

From the analysis of the results it is clear that majority of the respondents park their money in traditional investment avenues as top 6 options include gold, bank deposits, compulsory savings, PPF and insurance policies. It is encouraging to note that 83.6 percent respondents have favored investment in mutual funds. This marks a deviation from traditionally popular options and is a health trend.

However, more people invest in securities through mutual funds as compared to equities and bonds as they prefer relying on expert decisions instead of tracking market on a daily basis. Additionally, the respondents display lack of interest in bonds market and consider it as an investment option only in case they bring along additional tax benefit. Though PPF is a traditional saving instrument, it continues to enjoy popularity because it's a twin-edged sword against tax. Results also indicate that people invest their money in forex, derivatives, paintings and precious stones. Silver seems to be losing sheen as an investment alternative.

It is ironical to find that despite all respondents being salaried individuals getting a regular deduction on account of compulsory savings, it has secured average rank of 7.5 with almost 68 percent support. This indicates lack of knowledge on the part of respondents about the relevance of compulsory savings. As the survey results are based on a young sample, there seems to be a need to spread awareness about investment alternatives. Results also point out to the fact that nearly 80 percent respondents have invested in insurance and pension funds, which showsrobusttrend with young respondents following the ground rule, "The sooner the better".

An attempt has been made to find out if investment preferences of the respondents are independent of demographic variables. Chi-Square Test, at 5% significance level, has been applied on the data collected to assess significance of this impact. The results of the test have been summarized in Table: 3.

Table 3: Demographic Factors and Investment Preferences				
Demographic Factor	**Pearson Chi-Square**	**Degrees of freedom**	**Critical value at $\alpha = 0.05$**	**Null Hypothesis**
Gender	15.211	11	19.675	Accept
Age	62.402	22	33.924	Reject
Marital Status	21.854	11	19.675	Reject
Family Size	24.177	22	33.924	Accept
Earning Members	35.095	22	33.924	Reject
Education	62.195	22	33.924	Reject
Annual Income (In Lakhs)	48.432	33	47.4	Reject
Annual Savings (In Lakhs)	44.783	33	47.4	Accept
Source: Author's Estimation				
Investment Preferences as per Demographic Variables provided in Table 8 after references				

The findings indicate that investment preferences are independent from gender, family size and annual savings at 5% level of significance. Null hypotheses in respect of remaining variables including Education, Age, Marital Status, Earning Members and Annual Savingshas not been accepted and alternate hypotheses has been accepted as calculated value of χ^2exceeded critical value at given degrees of freedom [(no. of rows-1)X(no. of columns-1)].

3. Motives of investment

The respondents have been facing increased investment needs due to a variety of reasons. Some of them invest to save tax by claiming deductions while others want to earn additional income by trading on price-differentials. Long-term stable return is the motive of still another class of respondents. Investors aiming at long-term returns have invested in different alternatives such as stock market, real estate, gold and term-deposits.The responses of the investors regarding primary motive behind investment decisions has been displayed byTable4.

TABLE 4: Motives of Investment			
Motives of Investment	Frequency	Percentage	Rank Average
Regular source of income (Interest, Dividend etc.)	153	71.8	2
Long-term Capital Appreciation	145	68.1	3
Tax benefit	197	92.5	1
Safety	141	66.2	4
Liquidity/ Marketability/Early withdrawal	101	47.4	6
Hedge against inflation	57	26.8	9
Retirement Planning	129	60.6	5
Children education and expenses	97	45.5	7
Portfolio Diversification	65	30.5	8
Source: Author's Estimation			

Tax Benefits attached to investment alternatives have received over-riding priority as a reason for investments. It is important to invest in order to take tax relaxations but being ranked as the most preferred reason by 92.5 percent respondents' shows lack of awareness about multitude of benefits attached to investments including reducing uncertainty, providing liquidity, hedging against inflation and providing a strong financial cover. It is interesting to note here that almost half of the respondents have been saving within the tax benefit limit of ₹ 1.5 lakh. All these seem to be under-estimated by the sample. It is followed by generating alternative income source with a support from 68 percent participants. This is indeed a very healthy trend with such a young sample being aware and conscious of generating alternative sources of income so early in life. Additionally, long-term capital appreciation, safety and retirement planning are next most popular investment motives.All these are hinting on long-term plans of investors. Hedging against inflation has been ranked as the least preferred motive behind investment.

Impact of demographic factors on investment motives has been carried out through Chi-square test at 5 percent level of significance. The results have been presented in the Table 5 below.

TABLE 5: Demographic Factors and Motives of Investment				
Demographic Factor	Pearson Chi-Square	Degrees of freedom	Critical value at α = 0.05	Null Hypothesis
Gender	10.635	8	15.507	Accept
Age	39.998	16	26.296	Reject
Marital Status	26.591	8	15.507	Reject
Family Size	24.491	16	26.296	Accept
Earning Members	26.533	16	26.296	Reject
Education	26.255	16	26.296	Accept
Annual Income (In Lakhs)	35.815	24	36.415	Accept
Annual Savings (In Lakhs)	16.743	24	36.415	Accept
Source: Author's Estimation				
Motives of investment as per Demographic Variables provided in Table 9 after references				

As exhibited, investor motives are independent of a majority of demographic variables (gender, family size, education, annual income and annual savings) as null hypotheses have been accepted. However, motives of investment are not independent of age, marital status and earning members.

4. Major Channels of information Guiding Investment Decisions

Though investment management is a discipline in itself, actual investment decisions are not merely restricted to trained professionals. It is pertinent to make an informed choice while taking investment decisions keeping in mind risks and returns attached to various options. Table 4 below presents most frequently resorted to channels of information being used by salaried individuals.

TABLE 6: Channels of Information			
Sources of Information	**Frequency**	**Percentage**	**Rank Avg.**
Self-study and analysis Financial Statements, articles etc.)	89	41.8	5
Published information (newspapers, government reports etc.)	153	71.8	1
Financial Experts (Consultants, brokers etc.)	124	58.2	2
Financial News Channels	92	43.2	4
Family and Friends	113	53.1	3
Source: Author's Estimation			

Though media text does not come with assurance of reliability, it's being referred to as the most popular information channel guiding investment decisions. This is followed by financial experts (58.2 percent) including consultants and brokers either hired by or offering free services (these consultants get remunerated in the form of commission from concerned financial institutions) to respondents. It is interesting to note that more than half (53.1 percent) of the respondents rely on suggestions received from family and friends. Ironically self-study and analysis has been ranked as least preferred information channel indicating that respondents are reluctant to self-analyze investment alternatives while investing their hard earned income. The results draw attention towards the need to spread awareness about various investment options in-depth analysis.

In an attempt to estimate the relevance of demographic variables on channels of information, chi-square test has been applied on investor responses and eight different demographic variables. The same has been tabulated below in Table 7.

TABLE 7: Demographic Factors and Channels of Information				
Demographic Factor	**Pearson Chi-Square**	**Degrees of freedom**	**Critical value at α = 0.05**	**Null Hypothesis**
Gender	16.123	4	9.488	Reject
Age	6.781	8	15.507	Accept
Marital Status	3.918	4	9.488	Accept
Family Size	17.872	8	15.507	Reject
Earning Members	34.135	8	15.507	Reject
Education	9.315	8	15.507	Accept
Annual Income (In Lakhs)	17.373	12	21.026	Reject
Annual Savings (In Lakhs)	24.388	12	21.026	Reject
Source: Author's Estimation				
Channels of Information as per Demographic Variables provided in Table 10after references				

Age, marital status and educational qualification have demonstrated no impact on channels of information for investment decision-making process. However, null hypotheses have been accepted for rest of the variables at 5 percent level of significance. Hence, channels of information are not independent of gender, family size, and number of earning members, annual income and annual savings.

7.   CONCLUSION

India has been declared as the best investment destination (Mehra, 2015) and Indians must capitalize on this. Indian economy's growth in almost all sectors has been promising in the recent past. This study has been conducted to understand the investment decision making process of salaried individuals based out of NCR. These individuals are well-qualified and presumed to be thoroughly aware of investment scenario due to urbanized exposure. The intention has been to understand the popular investments options; motives behind investment and major channels guiding investment decisions. The summary, conclusions and recommendations are as follows:

- A relatively young sample of respondents has been heavily skewed in the favour of traditional investment alternatives including gold, bank deposits, PPF and insurance policies. Another robust trend is the acceptance of mutual funds and ETFs as a favourable investment option by this urban sample.

- Surprisingly, only 68 percent of respondents consider compulsory deductions on account of CPF, GPF, NPS, and EPF as Investment Avenue. This finding clearly indicates need to spread awareness about relevance of these investments.

- Investment preferences are not independent of majority of demographic variables comprising of age, marital status education, earning members and annual income.

- The primary motive for investment has been to earntax benefits. Generating an alternative source of income, long-term capital appreciation and safety of investments have also been ranked high by the respondents.

- Motives of investment have been found to be independent of a majority of demographic variables such as gender, level of education, family size, annual income and level of annual savings. Conversely, age, marital status and number of earning members in the family influence the reasons to invest.

- Majority of the sample relies on published information, expert advice and family and friends for gathering sufficient information to support their decision-making process. It is ironical that the respondents invest their hard earned money without lying due emphasis on self-study and analysis.

- Channels of information have been found to be independent from age, marital status, level of education and annual income. Nevertheless, null hypotheses for rest of the demographic variables including gender, family size, earning members and annual savings has been rejected indicating influence of these variables on sources of information.

The study explicates investors' perception with respect to numerous investment opportunities. The respondents have shown a preference towards both physical and financial assets.This marks a paradigm shift from Pre-1991 years when physical assets enjoyed a supremacy over financial assets. A more conclusive study would require inclusion of rural sample. The study reaffirms the popularity of traditional investment options albeit along with the new ones.Conscious efforts on the part of state can help in modifying the risk-averse attitude of Indian investor.India is an economy having huge potential and the respondents should upgrade their financial knowledge to get optimum returns.

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Table 8: Investment Preferences as per Demographic Variables

	Age			Gender		Marital Status		Education			Family Members			Earning members			Annual Income				Annual Saving				
	22-30	30-40	≥40	Female	Male	Married	Single	Graduate	PG	Doctorate	1-2	3-4	≥5	1-2	3-4	≥5	≤6.5	6.5 to 10	10 to 20	≥20	<1.5	1.5 to 5	5 to 10	≥20	Total
Real Estate	88	53	4	53	92	89	56	56	81	8	24	61	60	93	44	8	44	49	36	16	64	57	16	8	145
Gold Jewelry and bars	120	50	12	90	92	102	80	100	70	12	16	94	72	122	52	8	64	74	28	16	84	70	24	4	182
Silver	44	25	4	37	36	45	28	32	33	8	4	33	36	45	28		28	29	8	8	36	25	8	4	73
Compulsory Savings (GPF, CPF, EPF, NPS)	76	57	12	53	92	93	52	52	85	8	20	69	56	93	44	8	36	61	32	16	68	57	12	8	145
PPF	100	61	8	73	96	97	72	76	85	8	20	85	64	117	40	12	60	61	36	12	84	65	16	4	169
Post Office Savings (NSC, KVP etc)	64	33	4	45	56	53	48	48	45	8	12	49	40	69	20	12	36	37	20	8	36	49	12	4	101
Bank Deposits	108	57	12	69	108	97	80	76	93	8	16	93	68	113	52	12	56	65	40	16	80	73	16	8	177
Life Insurance and Pension Plans	100	57	12	69	100	105	64	72	89	8	24	89	56	117	40	12	56	69	28	16	76	73	12	8	169
Mutual Funds, ULIPs, ETFs	116	58	4	66	112	110	68	72	94	12	20	90	68	118	44	16	60	66	36	16	76	78	16	8	178
Equity Shares	60	21	4	29	56	49	36	36	41	8	8	37	40	49	28	8	28	33	20	4	48	29	8		85
Bonds	48	17	4	25	44	37	32	32	29	8	4	29	36	37	28	4	24	21	16	8	36	21	12	0	69
Others (Forex, Derivatives etc)	128	19	0	59	88	63	84	100	43	4	16	75	56	103	40	4	72	55	8	12	84	47	16	0	147
Pearson Chi-Square	62.402			15.211		21.854		62.195			24.177			35.095			48.432				44.783				
DF	22			11		11		22			22			22			33				33				
Chi Square Table	33.924			19.675		19.675		33.924			33.924			33.924			47.4				47.4				
Null Hypothesis	Reject			Accept		Reject		Reject			Accept			Reject			Reject				Accept				

Source: Author's Estimation

Table 9: Motives of Investment as per Demographic Variables

	Age			Gender		Marital Status		Education			Family Members			Earning members			Annual Income				Annual Saving				
	22-30	30-40	≥40	Female	Male	Married	Single	Graduate	PG	Doctorate	1-2	3-4	≥5	1-2	3-4	≥5	≤6.5	6.5 to 10	10 to 20	≥20	<1.5	1.5 to 5	5 to 10	≥20	Total
Regular source of income (Interest, Dividend, Rent etc.)	96	45	12	53	100	85	68	64	81	8	20	73	60	97	48	8	48	61	32	12	76	57	16	4	153
Long-term Capital Appreciation	76	57	12	61	84	93	52	48	85	12	24	73	48	105	32	8	48	53	32	12	68	61	12	4	145
Tax benefit	108	77	12	81	116	117	80	80	105	12	32	97	68	133	56	8	64	77	44	12	96	81	16	4	197
Safety	88	41	12	65	76	81	60	68	61	12	12	69	60	89	40	12	60	49	20	12	68	57	12	4	141
Liquidity/ Marketability/Early withdrawal Option	60	33	8	37	64	69	32	40	53	8	12	49	40	69	24	8	32	37	24	8	44	45	8	4	101
Hedge against inflation	52	5	0	17	40	21	36	32	25	0	4	29	24	33	20	4	24	25	4	4	36	17	4	0	57
Retirement Planning	76	41	12	53	76	81	48	48	73	8	12	81	36	93	36	0	36	65	20	8	68	49	8	4	129
Children education	64	25	8	45	52	65	32	48	41	8	8	53	36	69	20	8	36	33	16	12	40	41	12	4	97
Portfolio Diversification	48	13	4	21	44	29	36	36	25	4	4	41	20	49	16	0	28	25	4	8	32	25	4	4	65
Pearson Chi-Square	39.998			10.635		26.591		26.255			24.491			26.533			35.815				16.743				
DF	16			8		8		16			16			16			24				24				
Chi Square Table value	26.296			15.507		15.507		26.296			26.296			26.296			36.415				36.415				
Null Hypothesis	Reject			Accept		Reject		Accept			Accept			Reject			Accept				Accept				

Source: Author's Estimation

Table 10: Motives of Investment as per Demographic Variables																									
	Age			Gender		Marital Status		Education			Family Members			Earning members			Annual Income				Annual Saving				
	22-30	30-40	≥40	Female	Male	Married	Single	Graduate	PG	Doctorate	1-2	3-4	≥5	1-2	3-4	≥5	≤6.5	6.5 to 10	10 to 20	≥20	<1.5	1.5 to 5	5 to 10	≥20	Total
Self-study and analysis (Financial statements, journals, articles etc.)	48	33	8	21	68	57	32	28	53	8	16	37	36	69	12	8	28	33	24	4	36	45	4	4	89
Published information (newspapers, government reports etc.)	84	57	12	53	100	89	64	64	77	12	12	89	52	109	44		44	65	32	12	80	53	16	4	153
Financial Experts (Consultants, brokers etc.)	72	44	8	48	76	76	48	44	76	4	16	64	44	80	36	8	36	52	20	16	44	64	8	8	124
Financial News Channels	64	24	4	24	68	48	44	40	48	4	12	48	32	60	32		32	40	12	8	52	32	8		92
Family and Friends	64	41	8	53	60	61	52	48	57	8	16	41	56	69	32	12	40	41	28	4	52	49	8	4	113
Total	332	199	40	199	372	331	240	224	311	36	72	279	220	387	156	28	180	231	116	44	264	243	44	20	571
Pearson Chi-Square	6.781			16.123		3.918		9.315			17.872			34.135			17.373				24.388				
DF	8			4		4		8			8			8			12				12				
Chi Square Table value	15.507			9.488		9.488		15.507			15.507			15.507			21.026				21.026				
Null Hypothesis	Accept			Reject		Accept		Accept			Reject			Reject			Accept				Reject				
Source: Author's Estimation																									