

CHAPTER- IV

DEMOGRAPHIC AND ECONOMIC PROFILE OF INVESTORS

4.1 Introduction

Given chapter of the study presents the consequences of the study carried among investors. Frequency analysis was conducted in the study in directive to classify the suitability of the defendants with respect to the study's aim and objectives. Primarily the study offerings the respondent's demographic profile and thereafter the knowledge among respondents on general evidence related to the issue at hand is discussed. Lastly in the inferential section, the researcher investigates upon the respondent's investment behavior and investment pattern in the financial market.

4.2 Demographic and Economic Analysis

In given section, the participant's demographic analysis is presented and examined in the system of distribution of frequency. This comprises of the participants' description as per the age, gender, marital status, and educational qualification, status of employment, household income and place of residence. The profile as demographically is essential in identifying the respondent's suitability who is participating in the research.

Table 4.1 Demographic and Economic Profile of the Respondents

Factors	Classification	Frequency	Percentage
Marital Status	Married	210	56.2
	Single	177	43.7
	Separated	93	19.3
Gender	Male	348	72.1
	Female	132	27.1
Residential status	Rural	40	8.33
	Urban	380	79.1

Factors	Classification	Frequency	Percentage
	Semi urban	60	12.7
Age (in years)	Less than 25	150	31.1
	25 to 40	176	36.5
	40 to 55	116	24.1
	Above 55	38	7.8
Educational Qualification	Under graduate	128	26.6
	Post graduate	178	37
	Diploma	85	17.6
	Professional Degree	89	18.5
Employment Status	Government Sector	90	18.7
	Private Sector	150	31.2
	Professional	210	43.7
	Unemployed	30	6.2
Current Annual income	Less than or equal to 3lakhs	50	10.4
	Between 300001/- and 500000/-	160	33.3
	Between 500001/- and 800000/-	30	6.2
	Between 800001/- and 1100,000/-	180	37.5
	More than or equal to 11,00,001/-	60	12.5
Savings Potential	Below Rs 1,00,000	30	6.25
	Rs 1,00,001-Rs 2,00,000	90	18.75
	Rs 2,00,001- Rs 3,00,000	200	41.4
	Above Rs 3,00,000	150	31.25

4.2.1 Gender

In investment decisions the difference among women and difference among men are much greater than the difference between men and women (Berggren et al, 2010). Hence the study of gender is an important factor in investment behavior analysis. It is found that 72.1% of the respondents are male and 27.1% of the respondents are female. It is observed from Table 4.1 that, respondent's majority (72.1 per cent) are male.

4.2.2 Age

The low and middle age group are ready to invest in high and moderate risk financial assets. It is found that 31% associate to the age group of less than 25 years, 36.5% associate to the age group of 25 to 40 years, 24.1 percent associate to the age group of 40 to 55 years as well as the rest of the respondents covering 7.8 per cent, associate to the above 55 years age group. It is observed that the highest numbers of respondents of 36.5 per cent belong to the age group of 25 to 40 years in the study area. It is also examined that, three-fourths of the respondents are from below 40 years age group.

4.2.3 Educational Qualification

The level of education of the individual influenced the saving behaviour of the household's positively. Hence the respondents' educational qualification has been presented in Table 4.1 It is observed that 26.6 per cent of the respondents are Under Graduates, 37 per cent are Post Graduates, 17.6 per cent are Diploma holders and the rest of the respondents are Professional Degree holders. It is found that the maximum number of respondents (37 per cent) possess a Post Graduate degree.

4.2.4 Martial Status

The social status of the individuals determines the investment behaviour of the respondents. The married population is subjected to more liabilities which discourage them to invest more when compared to the unmarried and separated group (Nayak, 2013). It is identified from Table 4.1 that maximum numbers respondents (43.7 per cent) belong to social status of single followed by the respondents in the category of married (56.2).

4.2.5 Annual Income

The income of the respondents reflects the purchasing power (Syed, 2010). The details of respondents depended over their annual income have been presented in Table 4.1 It is inferred that 10.4 per cent respondents have the income less than or equal to 300000, 33.3 per cent have the income level between Rs.3,00,001- Rs.5,00,000, 6.2 per cent of the respondents have the income level between Rs. 5,00,001- Rs.8,00,000 and 37.5 per cent of the respondents have an income of more than Rs. 8,00,000 per annum. It is found that maximum number of respondents' (37.5 per cent) income falls between rupees Rs.8, 00,001- Rs.11, 00,000 followed by 33.3 per cent of respondents having an income of above Rs. 3, 00,000 per annum.

4.2.6 Savings Potential

As per life-cycle hypothesis (LCH), the individual plan their savings behaviour for a long term in the best possible manner over their entire life time. 29.9 per cent of the respondents have the savings potential of less than Rs. 1,00,000 per annum, 26.1 per cent have the savings potential of between Rs. 1,00,001 and Rs.2,00,000 per annum, 11.4 per cent of the respondents have the savings potential between Rs. 2,00,001 and

Rs.3,00,000 per annum and 32.6 per cent of the respondents have the savings potential of above Rs.3,00,000 per annum. It is found that maximum number of respondents (32.6 percent) have the savings potential of above Rs.3,00,000 per annum followed by nearly 30 per cent of respondents who have the savings potential of less than Rs. 1,00,000 per annum.

4.3 Awareness on Investment

The awareness on various financial assets determines the degree of accessibility. So it is essential to examine the understanding of the respondents. There's simply no fixed scope to understand the respondents but depending on the evaluation of literature the claims are developed and Likert 5 issue scaling method was accustomed calculate the understanding. To measure the variable, five point scales are constructed, such as “Highly Agree”, “Agree”, “Neutral”, “Disagree” and “Highly Disagree”. In the five-point continuum, weights of 5,4,3,2 and 1 are assigned in order to give several expressions, the direction of the weight age, being determined by the favorable and unfavorable selection of the variables. Likert score was calculated by the number of responses and the total score was obtained. Based on the total score the mean score was computed and ranked and has been presented in 4.2.

Respondent's majority stated that they are knowledgeable on investment avenues, with the highest mean value of 4.00. To gain knowledge on investment avenues maximum number of respondents visiting investment related websites and the mean score value of 3.83 and it has been ranked second. The statements ‘investment consist opportunity and risk’, ‘try to improve awareness on various investment options’, ‘experienced in stocks and mutual funds investments’, ‘track investment through TV/News papers’ and ‘often get advice from financial experts’ have the highest mean score value.

Table no. 4.2 Factors of level of awareness

	Statements	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total score	Mean score	Rank
1	Knowledge on investment avenues	122(610)	272(1088)	62(186)	17(34)	9(9)	1924	4.00	I
2	Track investment through TV/ News papers	65(325)	220(880)	105(315)	82(164)	10(10)	1694	3.51	VI
3	Try to improve awareness on various investment options	51(255)	334(1336)	24(72S)	44(89)	27(27)	1781	3.70	IV
4	Often get advice from financial experts	41(205)	187(748)	186(558)	68(136)	0	1647	3.42	VII
5	Usually visit to the website related to investment	112(560)	244(976)	70(210)	46(92)	10(10)	1848	3.83	II
6	Usually review the reports of professional bodies	19(95)	203(820)	166(448)	64(128)	28(28)	1566	3.26	XII
7	Review my investment progress	0	257(1028)	123(359)	91(186)	9(9)	1590	3.30	X
8	Refer all the documents before making any investment	28(140)	116(472)	112(336)	178(356)	46(46)	1350	2.80	XI
9	Vigilant while making investment	16(90)	214(856)	158(474)	82(164)	10(10)	1594	3.31	IX
10	Usually it take long time to make investment decisions	47(235)	189(764)	169(507)	56(112)	19(19)	1637	3.40	VIII

	Statements	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total score	Mean score	Rank
11	Experienced in stocks and mutual funds' investments	57(285)	241(962)	122(372)	38(76)	22(22)	1716	3.57	V
12	Investment consist opportunity and risk	96(480)	233(932)	122(372)	19(38)	10(10)	1830	3.80	III

Classification of Respondents for Level of Awareness

The responses of respondents are given scores to their expressions and the total variables were obtained. In order to classify the respondents as per level of awareness, quartiles were used.

- The respondents whose total scores are in the middle number between smallest number and the median of the data set are considered as below average level of awareness. The score between 27 and 39 are under first quartile and classified as below average level of awareness on investment.
- The respondents whose total scores are in the middle number between the median and the largest number of the data set are considered as excellent level of awareness. The score between 47 and 57 are under third quartile and classified as excellent level of awareness on investment.
- The respondents whose total scores are between first and third quartiles come under second quartile and classified as average level of awareness on investment.

4.3.2 Level of Awareness on Investment

The level of awareness is one of the important features in investment behavioral study; hence the 12 variables under level of awareness are grouped into three

categories and have been presented in table 4.3 reveals that, 24.9 per cent of the respondents have awareness about the investment at excellent level, maximum number of respondents (46.6 per cent) have awareness about the investment at average level and rest of 28.5 per cent have the awareness about investment at below average level. It is observed from the table that maximum number of the respondents (46.6 per cent) have awareness about investment at average level.

Table 4.3: Level of awareness on investment

Level of awareness	Frequency	Percentage
Excellent	137	24.9
Average	223	46.6
Below average	120	28.5
total	480	100.0

4.3.3 Demographic and Economic Factors and Level of Awareness

In the evolved monetary landscaping, the place that the assortment as well as intricacy of monetary items consistently raised, building comprehension of the realm of financial is fully necessary. Exploration all over the world found insufficient monetary literacy that rose major issues concerning the capability of people to secure their fiscal well-being (Moorthy, 2007). Hence it is necessitated the researcher to study the level of awareness on the basis of the socio-economic factors of the respondents in the research field. The individuals belonging to different socio-economic classes exhibit varying awareness level. A cross tabulation analysis with mean score was carried out and presented in table no 4.4

Table no 4.4: Demographic and Economic factors and level of Awareness

	Factors	Level of Awareness			Mean score
		Below average	Average	Excellent	
Gender	Male	83(70.1)	170(75.4)	94(69.0)	2.03
	Female	36(29.7)	55(24.3)	42(30.4)	2.02
Age	Less than 25	56(47.8)	65(29.4)	35(19.9)	1.79
	25 to 40	25(29.8)	60(50.2)	35(20.6)	1.95
	40-55	35(29.8)	62(44.9)	27(20.3)	2.37
	Above 55	31(8.3)	66(33.2)	23(14.7)	2.27
Educational qualification	Under graduate	70(57.9)	41(22.2)	9(3.6)	1.53
	Post graduate	9(7.4)	92(53.3)	19(14.2)	2.23
	Diploma	14(11.6)	19(8.4)	87(38.2)	2.44
	Professional Degree	28(23.1)	36(16.0)	56(27.2)	1.97
Social status	Single	20(14.9)	200(71.9)	20(14.9)	1.89
	Married	37(17.1)	189(70.0)	23(17.1)	2.21
	Separated	10(8.3)	10(4.4)	9(6.6)	1.97
Residential status	Rural	20(14.0)	13(18.0)	7(7.1)	1.67
	Urban	30(19.0)	70(37.8)	280(81.0)	2.32
	Semi urban	16(11.9)	33(22.9)	11(8.9)	2.04
Annual income	Less than or equal to 3 lakh	9(8.9)	72(38.0)	11(12.9)	1.40
	Between 300001/-and 500000/-	12(19.0)	68(41.8)	14(33.8)	2.14
	Between 500001/- and 800000/-	13(15.7)	69(28.4)	12(6.6)	1.89
	Between 800001/- and 11,00,000/-	14(15.7)	71(28.4)	9(6.6)	2.47
	More than or equal to 11,00, 000/-	11(8.3)	71(52.2)	22(43.4)	2.52
Saving Potential	Below Rs. 1,00,000	88(72.7)	44(20.4)	10(7.4)	1.46
	Rs. 100,001- Rs. 2,00,000	23(19.0)	92(40.8)	9(6.6)	1.89
	Rs. 2,00,001- Rs. 3,00,000	10(8.3)	9(4.0)	34(26.5)	2.47
	Above Rs. 3,00,000	0	74(33.4)	8159.1)	2.52

Gender and Level of Awareness

Table reveals that maximum number of respondents' (46.6 per cent) under the category of gender, in the study area has awareness at average level. In respect of awareness at average level, male respondents have contributed to 75.6 per cent and female respondents have contributed to 24.4 per cent. In respect of awareness at excellent level, male respondents have contributed to 69.1 per cent and female respondents have contributed to 30.9 per cent. It is observed that majority of male respondents in the study area having awareness at below average level.

Age and Level of Awareness

It is inferred from Table that with respect of awareness at below average level, maximum numbers of respondents i.e., 47.9 per cent belong to the age category of less than 25 years. It is observed that majority of respondents, 50.2 per cent having awareness at average level are found to be in the age category of 25 to 40 years and maximum number of respondents, 44.9 per cent of respondents having awareness at excellent level are found to be in the age category of 40 to 55 years. It is clear that age of respondents has influence on their awareness level and it is concluded that the age category of 40 to 55 years in the study area have highest level of awareness when likened to all other age group with the highest mean score of 2.37.

Educational Qualification and Level of Awareness

With respect to awareness at below average level, it is observed that majority of respondents (57.9 per cent) belong to the qualification category of Under Graduation. With respect to awareness at average level, 53.3 per cent having awareness at average level belong to the qualification category of Post graduation. It is observed that

maximum number of respondents having awareness at excellent level belong to the qualification category of Diploma followed by Post Graduation in the study area. It is clear from Table 4.4 that, qualification of respondents has influence on their awareness level. It is found that, the respondents associated to the diploma category of education have maximum level of awareness when compare to all other category of respondents.

Marital Status and Level of Awareness

It is observed from Table 4.4 that majority of respondents have awareness at below average level belong to the marital status of single (72.7 per cent) in the study area. Out of 225 respondents' awareness at average level, maximum number of respondents are from the social status of married with children (40.9 per cent) in the study area. With regards to awareness at excellent level, majority of respondents belong to the marital status of married (52.20 per cent). Those who have separated have contributed equally to below average, average and excellent level in awareness. It is determined that the majority of the respondents who belong to married category have high level of awareness on investment with the peak mean score value of 2.21.

Residential Area and Level of Awareness

The residential area of the respondents may have an impact on the level of awareness. Those who live in urban area may have accessibility to more sources for their investment queries when compared to other type of respondents. Table 4.4 reveals that, majority of respondents (52.1 per cent) have awareness at below average level belongs to the rural area. Majority of the respondents who have awareness at average and excellent level are from urban area, while the respondents who are from semi

urban area, i.e., 37.5 per cent have awareness at excellent level. On the whole, it is observed that, the respondents who are from urban area have comparably good level of awareness in the study area. It is clear that the nature of residential area of the respondents influences their awareness level.

Annual Income and Level of Awareness

Table 4.4 reveals that, majority of respondents (57.0 per cent) have awareness at below average level belonging to the category of less than Rs. 3, 00,000 per annum and because of their low income, they do not search for merging avenues to invest. It is found that maximum number of respondents (41.8 per cent) having awareness at average level belong to the category of respondents who have the annual income between Rs. 3,00,001 and Rs.5,00,001 and majority of respondents (52.2 per cent) have awareness at excellent level belong to the category of respondents who have the annual income of more than or equal above Rs. 11,00,000. Due to their high earning power, the respondents search for new avenues to invest their excess income, hence those respondents who have higher level of income have excellent level of awareness and it is supported by highest mean score value of 2.52. Hence it may be determined that there is a relationship between income along with the level of awareness, higher the income higher will be the level of awareness.

Savings Potential and Level of Awareness

Relationship between savings potential of the respondents and their level of awareness about the investment has been studied. Respondents' awareness at below average level, majority of respondents (72.7 per cent) have the saving potential of less than Rs. 1, 00,000 per annum. It is observed that out of 225 respondents, 41.8 per cent have awareness at average level belong to category of respondents who have savings potential

of between Rs. 1,00,001 to 2,00,000 per annum. It is observed that majority of respondents have awareness at excellent level belong to the category of respondents who have savings potential of above Rs.3,00,000 showed highest mean score of 2.52. It is clear from the above table that the respondents have high savings potentials are aware of more about investment avenues in investing their funds and the respondents who have minimum potentials depend on the known funds and they are not ready to search for new avenues due to the non-availability of funds for investment.

4.4 Chi Square analysis on Demographic and Economic factors and Level of Awareness

The relationship between respondent's demographic and economic factors and their level of awareness about the investment has been analysed by applying chi square test with help of the following hypotheses and presented in Table 4.5:

H₀: There is no association between demographic and economic factors and level of awareness.

H₁: There is an association between Demographic and Economic factors and level of awareness.

Table No 4.5: Chi square analysis on demographic and economic and level of awareness

S.NO	Factors	X ² value	p- value	Significance
1	Age	86.74	0.000	Significant
2	Gender	89.72	0.004	Significant
3	Level of education	158.90	0.000	Significant
4	Marital status	129.20	0.000	Significant
5	Residential status	102.70	0.000	Significant
6	Annual income	192.02	0.000	Significant
7	Saving potential	256.20	0.000	Significant

Table reveals that, 'p' value is less than the significant value at one per cent level (p value is $0.001 < 0.01$) for the factors age, level of education, marital status, residential area, annual income, savings potential. Later, the null hypothesis is excluded also it is determined that an association is there between age, level of education, social status, residential area, annual income, savings potential with level of awareness and significant for all factors.

As the investor's awareness of is measured to be crucial while reviewing one's pattern of investment and savings, the section analyzed the respondents' awareness on investment. To measure the awareness level of respondents, quartile was used and three levels of awareness are named as 'below average' 'average' and 'excellent'. Chi-square analysis is used to assess the association between demographic and economic variables and level of awareness. It is concluded that the respondents' profile has influence on the level awareness on investment.