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A STUDY ON INVESTMENT PATTERN OF MILLENNIALS WITH SPECIAL REFERENCE TO THE NILGIRIS DISTRICT

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Abstract : Investment has become an important part of everyone's life. Several studies have been conducted to find out the investment pattern of youth. However, not much research has been done on an investment patterns by a particular generation millennials of the working population. The purpose of this paper is to investigate the investment pattern of millennials in current times with special reference to the Nilgiris District. The major objective of the study is to understand the savings pattern, risk taking capacity of millennials and to find out whether they are looking for long term growth or high returns.

IndexTerms - Investment, Millennials, Savings, Growth, Return

I. INTRODUCTION

In recent days, we have seen that investment has become the backbone of a countries that are attempting to grow their economics. Fundamentally Investment is not only about investing current money for return, but it also implies that return and risk is on both sides of investment. And this varies according to the preferences of how the investors views on their savings. The productive capacity of a nation is dependent upon sound capital formation. A robust savings rate and sound mobilization of capital are the main macroeconomic variables that play an important role in economic growth. A country's propensity to save and invest is also a key factor in the dynamic stability of the capital market.

1.1 Investment

An Investment is an asset or item acquired with the goal of generating income or appreciation. Appreciation refers to an increase in the value of an asset over time. When an individual purchases goods as an investment, the intent is not to consume the goods but rather to use it in the future.

1.1.1 Elements of Investment

Return: Investor may buy or sell financial assets in order to earn return on them. The returns better known as reward from investments, includes both current income and capital gain or loss which arise by the increase or decrease of the investment channel.

Risk: Risk is the chance of loss due to variability of returns on an investment. All investments involve some degree of risk.

Time: Time is the most critical aspect of investing. Investment is examined over the time period. Time period depends on the attitude of investors who follow a 'buy' and 'hold' policy.

1.1.2 Types of Investment

There are two main categories of investment. They are as follows:

- Traditional Investment – Fixed Deposits, Gold, Real Estates, post office savings, Retirement Planning Schemes.
- Modern Investment – Equity Shares, Bonds, Mutual Funds

1.2 Millennial

A person born between 1981 and 1996 (ages 27 to 42 in 2023) is considered as Millennial.

	Born	Ages
Gen Z	1997 – 2012	10 – 25
Millennials	1981 – 1996	26 – 41
Gen X	1965 – 1980	42 – 57
Boomers II*	1955 – 1964	58 – 67
Boomers I*	1946 – 1954	68 – 76
Post War	1928 – 1945	77 – 94
WW II	1922 – 1927	95 – 100

II. LITERATURE REVIEW

1. “INVESTMENT PATTERN OF YOUTH IN INDIA WITH PARTICULAR REFERENCE TO MUMBAI,” By- “Ms. Sudarshana Saikia et al, 2018”, The main objective of the study was to study about the investment pattern of youth and their risk taking capacity of youth from the age 17-25 in Mumbai. The study also focuses on the financial literacy of the youth on choosing the effective investment channels. The financial literacy of the youth was also studied. The bank savings plays an important role among youth and investment in mutual funds started gaining in the recent years among youth in Mumbai.
2. “THE STUDY ON INVESTMENT BEHAVIOUR OF INDIAN INVESTORS: GENDER BIASNESS, By- Ms. Priya Kansal February, 2013” Most researches concludes that there are significant differences in the investment pattern of the Men and Women. As a new phenomenon this research concludes that the women also invests more as they involve in the investment decision of their family equally.
3. “FINANCIAL LITERACY, PERCEIVED RISK ATTITUDES AND INVESTMENT INTENTIONS AMONG YOUTH IN JAMMU AND KASHMIR”, By- “Aabida Akhter, 2016” The results shows that on average the youth show a high score on risk propensity than cautiousness whereas discussed in previous chapters risk propensity measure the extent to which the respondents view risks positively and are in favour of taking more risks for better returns. The findings shows that on average, the youth have more liking for adventurous decisions. Also, they believe in analysing the relevant information carefully about the behaviour under consideration.
4. “SOCIO-DEMOGRAPHIC DETERMINANTS OF FINANCIAL BEHAVIOUR OF INDIVIDUAL INVESTORS IN INDIA” By- “Shalini Gautam and Mitu Matta, 2016”- Research studies have shown many socio demographic variables that are correlated with an individual's financial conduct. These are gender, age, education, jobs, marital status, spouse's employment status, annual household income, and the number of individuals financially dependent on a person. The testing of the hypotheses clearly indicates that six socio-demographic variables are substantially correlated.
5. “DETERMINANTS OF INVESTMENT DECISION MAKING: AN EMPIRICAL STUDY”, By- “Gunjan Sharma, 2017”- This study includes the study of determinants of investment decision which are the most dominating factor affecting the investment decision. They found that the most influential factors are under “Firm's Image” with the highest loading, followed up by ethics that a particular firm follows.

III.OBJECTIVES

- To study the investment pattern of millennials in the Nilgiris District.
- To study the risk taking capacity of the Millennials in the Nilgiris District.
- To compare the preferences of Millennials towards Traditional and Modern Investments.

IV.RESEARCH GAP

Previous research has been done on some specific cities and the research was focusing on the whole youth. This research has specifically focused on Millennials in the Nilgiris District.

IV.RESEARCH METHODOLOGY

As this research is based on both primary and secondary data, the available literature on investment pattern is studied. Questionnaire related to the investment pattern of the Millennials are collected from the respondents as a primary source with the help of Google forms. The simple percentage analysis and chi square test are the statistical tools used. Chi square test was performed with the help of MS Excel.

4.1Sampling

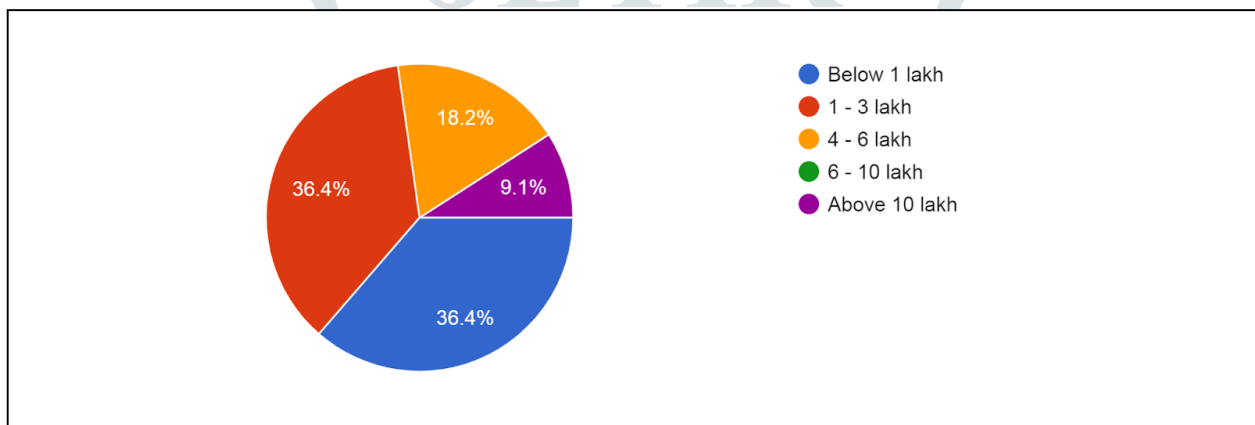
The respondents were selected from the Nilgiris District between the age group 26-42 as this study is mainly focused on Millennials of the Nilgiris District. 50 respondents were selected based on convenient sampling method.

V.DATA ANALYSIS AND INTERPRETATION

5.1 Demographic Profile:

The demographic profile of the respondents studied as a part of the research. There were 63.6% of female and 36.4% male respondents. Majority of the respondents are of age group 27 – 35(72.7%) and the remaining is between the age group of 36-42(27.3%).

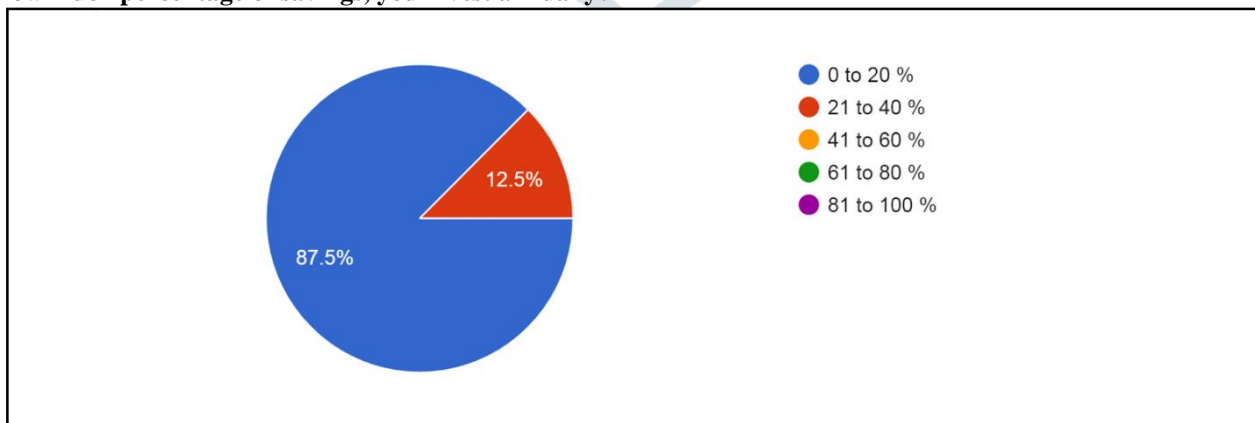
5.2Annual Income of the respondent:



The above pie chart shows an annual income of the respondents. The survey data shows that 36.4% of the respondents are with an income below 1 lakh per annum, 36.4% of the respondents are with an income between 1-3 lakh per annum. 9% of the respondents are with an income above 10 lakh.

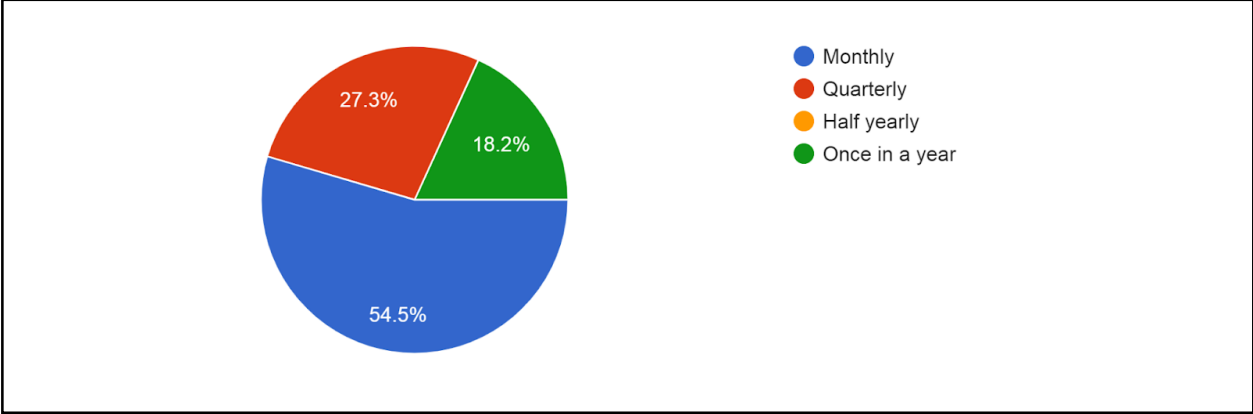
5.3Investment Pattern of the Millennials

5.3.1How much percentage of savings, you invest annually?



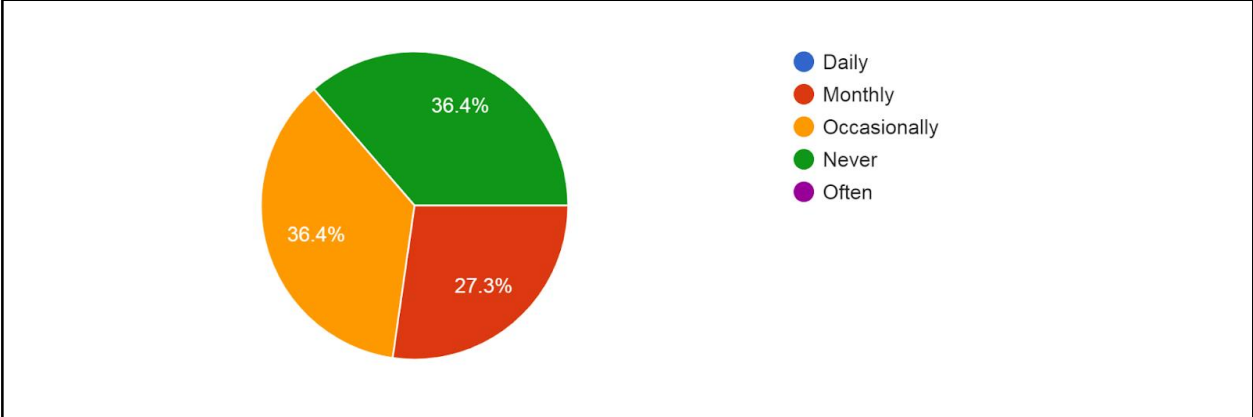
The above pie chart shows the highest of 87.5% of the respondents invests 0- 20 % of their savings annually and the remaining 12.5 % of the respondents invests 21 – 40 % of their savings annually.

5.3.2Which time do you generally prefer for investment?



The above pie chart shows that the maximum of 54.5% of the respondents prefer monthly investment. The minimum of 18.2% of the respondents prefer the investment of once in a year.

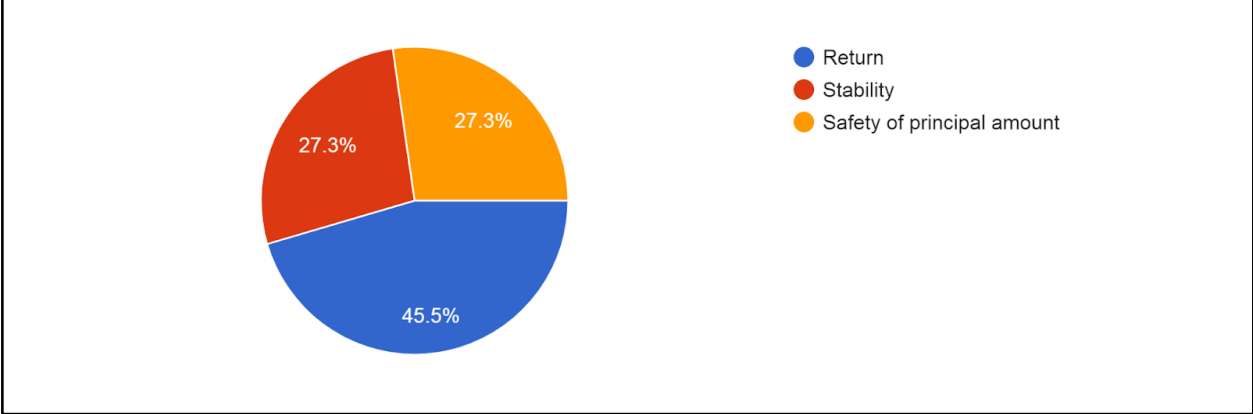
5.3.3How often do you keep a check on your investment?



The above pie chart shows that 36.4 % of the respondents occasionally check their investment level. 36.4% of the respondents never check their investment and the remaining 27.3% of the respondents monthly check their investment level.

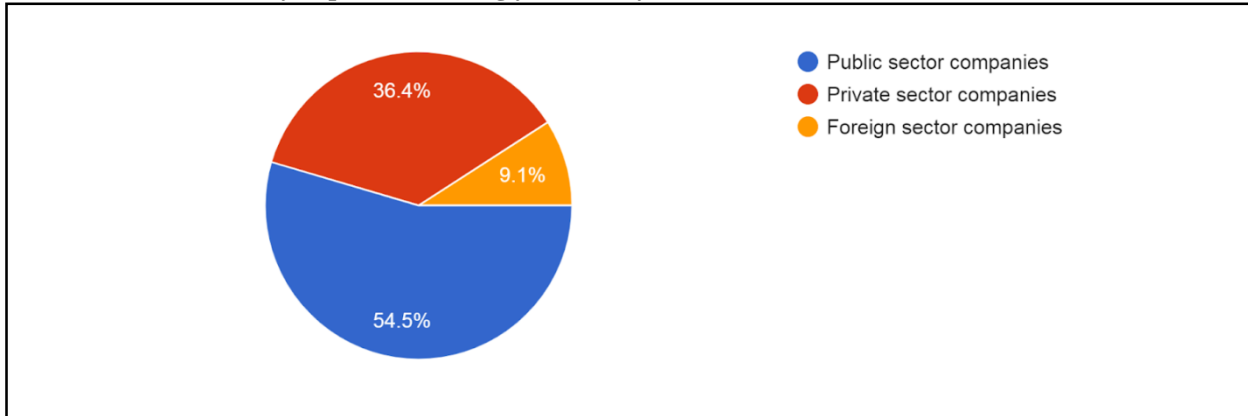
5.4 Risk Taking capacity:

5.4.1Which is the important factor guiding your investment decision?



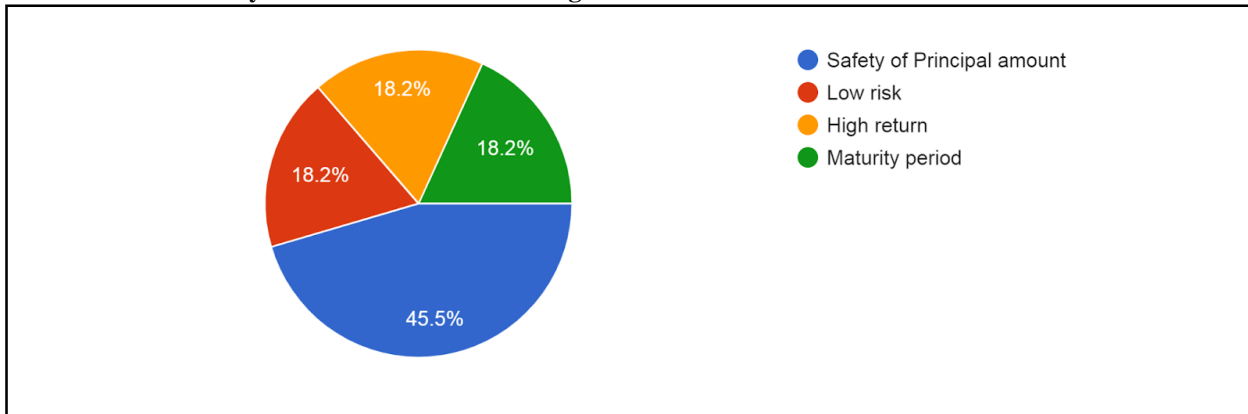
The above pie chart shows that the maximum of 45.5% of the respondents choose return as the important factor for investment decision. 27.3% of the respondents choose stability and the remaining 27.3% of the respondents choose the safety of principal amount as the important factor for their investment decision.

5.4.2 In which sector do you prefer investing your money?



The above pie chart shows that maximum of 54.5% of the respondents choose public sector companies for investment and the minimum of 9.1% of the respondents choose foreign sector companies.

5.4.3 Which factor do you consider before investing?



The above pie chart shows that 45.5% of the respondents select investment based on the safety of principal amount. 18.2% of the respondents choose low risk. 18.2% of the respondents choose high return. 18.2% of the respondents select investment considering maturity period as an important factor.

5.4.4 Hypothesis:

The following null Hypothesis were formulated to derive the answer for the above objective.

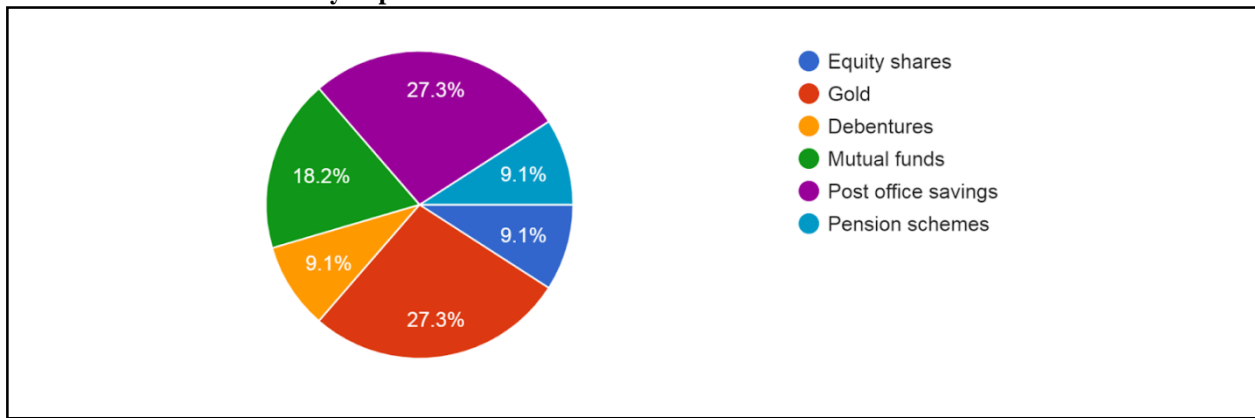
H_0 - there is no significant relationship between the annual income and the factors guiding investment decision.

Actual Value					
Count of Annual Income	Column Labels				
Row Labels	1 - 3 lakh	4 - 6 lakh	Above 10 lakh	Below 1 lakh	Grand Total
Return	4	10		10	24
Safety of principal amount	8			4	12
Stability	4		5	5	14
Grand Total	16	10	5	19	50
Expected Value					
Row Labels	1 - 3 lakh	4 - 6 lakh	Above 10 lakh	Below 1 lakh	Grand Total
Return	7.68	4.8	2.4	9.12	24
Safety of principal amount	3.84	2.4	1.2	4.56	12
Stability	4.48	2.8	1.4	5.32	14
Grand Total	16	10	5	19	50
0.001564175					
P Value = 0.001564175 < .005					

The Chi square test of Annual income of the respondents does not have a significant association with the factors guiding the investment decision of the respondents.

5.5 preferences of Millennials towards Traditional and Modern Investments

5.5.1 Which investment vehicle do you prefer?



The above pie chart shows that the maximum of 27.3% of the respondents prefer post office savings and gold. 9.1% of the respondents prefer equity shares, pension schemes and debentures for investment.

VI. RESULTS AND DISCUSSION

The millennial generation of the Nilgiris District mainly focuses on more earning compare to the other generations. But when it comes to investment, they are spending upto 20% of the salary towards their investment. They prefer to invest monthly which is an appreciable move, but according to this research the Millennial generation of the Nilgiris District is not much involved in checking their investment status which will leads to the less awareness about the other effective investment channels. When it comes to investment channels, the millennials mainly invest in gold and post office scheme despite of the knowledge on the other investment channels like equity, debentures and other recently developed investment channels, which proves that the risk taking capacity of this particular generation is very low. This particular generation's focus is more on investing in public sector. Based on the questionnaire this generation involve in the investment mainly based on the return and the safely of the principal amount compare to high return. By these responses we can able to conclude that the millennial generation prefers only the traditional investment schemes because of the trust worthy on the modern investment channels.

VII. CONCLUSION

Investment pattern of the people changes by time. This research was mainly focused to find out the investment pattern of the particular generation called Millennials in the Nilgiris District. The young generation of millennials undertakes a job to fulfill their present needs so their investment level is very low despite the good knowledge on the investment compare to the other generations. The millennials of the Nilgiri district mostly chooses traditional investment channels compare to the modern investment channels. The risk taking capacity on the investment is very low as they only focus on stable return. This research is a benefit to know the investment pattern of a particular generation clearly.

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