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A STUDY OF INVESTMENT PATTERN AMONG DIFFERENT AGE GROUPS WITH SPECIAL REFERENCE TO COIMBATORE CITY

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ABSTRACT
Investment behavior varies significantly across different age groups, influenced by factors such as risk tolerance, financial goals, and income levels. This study examines the investment patterns among various age groups in Coimbatore City, aiming to understand their preferences, risk appetite, and decision-making processes. The research utilizes primary data collected through surveys and structured questionnaires, supplemented by secondary data from financial reports and market studies.

The study categorizes investors into three primary age groups—young adults (18–35 years), middle-aged individuals (36–55 years), and senior citizens (56 years and above)—to analyze their investment choices in instruments like stocks, mutual funds, real estate, fixed deposits, and gold. The findings reveal that younger investors prefer high-risk, high-return options such as equities and cryptocurrencies, while middle-aged investors opt for a balanced portfolio with a mix of equities, mutual funds, and real estate. Senior citizens, on the other hand, prioritize low-risk investments such as fixed deposits, pension schemes, and government bonds.

The study also explores factors influencing investment decisions, including financial literacy, income levels, market awareness, and economic stability. The results highlight the need for targeted financial education programs to enhance investment awareness across different demographics. The insights from this research can help financial advisors, policymakers, and investment firms develop age-specific investment products and strategies tailored to the unique needs of each group.

Keywords: Investment Pattern, Age Groups, Risk Appetite, Financial Behavior, Coimbatore, Investment Preferences

INTRODUCTION:

Investment patterns in Coimbatore City reveal a strong influence of age on financial behavior and preferences. Younger individuals (20–35 years) tend to favor high-risk, high-return investments like stocks and mutual funds, driven by a desire for wealth accumulation. Middle-aged groups (36– 50 years) prefer a balanced approach, combining equities, real estate, and insurance to meet long term goals such as children's education and retirement planning. Senior citizens (51 years and above) gravitate toward low-risk, steady-return options like fixed deposits, gold, and pension schemes, prioritizing wealth preservation and income stability. Cultural factors, financial literacy, and economic conditions also play a significant role in shaping these investment decisions, making Coimbatore's demographic an interesting case for understanding diverse financial behaviors.

Investment patterns among individuals are influenced by various factors, including age, income, risk appetite, and financial goals. This study focuses on understanding the investment preferences of different age groups in Coimbatore, a rapidly growing city in Tamil Nadu known for its entrepreneurial culture and diverse economic base. The study explores how age Impacts the choice of investment avenues such as fixed deposits, mutual funds, stock markets, real estate, and insurance. Younger individuals may prefer high-risk, high-return options like equities, while older age groups often gravitate toward stable, low-risk instruments like fixed deposits or pension plans. By analyzing these trends, the study aims to provide insights into the financial behavior and risk tolerance of various demographics, highlighting the factors influencing their decisions. The findings will help financial institutions and policymakers tailor investment products to meet the needs of different age groups in Coimbatore.

OBJECTIVES OF THE STUDY:

- To investigate the investment patterns and preferences among different age groups (e.g., Gen Z, Millennials, Gen X, Baby Boomers).
- To identify the factors influencing investment decisions across various age groups.
- To analyze the risk tolerance and investment horizon of different age groups.

STATEMENT OF THE PROBLEM:

Investment decisions are influenced by multiple factors, such as age, income, risk tolerance, and financial goals. However, there is a lack of comprehensive understanding regarding how these factors differ across age groups, especially in Coimbatore, a city with a diverse and economically dynamic population.

Despite the availability of a wide range of investment options, there are challenges in understanding:

1. Variability in investment preferences: How do younger and older generations differ in their approach to investing?
2. Awareness and accessibility: Are individuals in certain age groups less informed about modern investment options like mutual funds or digital assets?
3. Risk tolerance and financial goals: How does risk-taking ability change with age, and how do these differences

shape financial decisions?

SCOPE OF THE STUDY:

The study on investment patterns among different age groups with special reference to Coimbatore city focuses on understanding the dynamics of financial decision - making among individuals of varying ages. The scope of this research encompasses Geographical Coverage, Demographic Segmentation, Investment Instruments.

RESEARCH METHODOLOGY:

The study employs an opinion survey conducted among 50 people from different age groups in Coimbatore city using convenience sampling. Primary data is collected through a structured questionnaire and analyzed using statistical tools, including

- Percentage analysis
- Chi-square
- ANOVA

REVIEW OF LITERATURE:

William E. Warren et al., (1990) in this paper has found that Demographics characteristics are a good predictor of whether investors will be light or heavy investors. None of the life style characteristics proved to be a predictor of stock and bond ownership. But demographics were found to be a strong predictor of whether investors would have heavy or light concentrations in stocks and bonds.

Tversky and Kahneman (1992) in their research have modified the prospect theory which included cumulative weights of the decision and extended the approach in several aspects. This theory was called collective prospect theory. It allows different weighing functions for gains and losses and applies to uncertainty as well as to risky prospective situations with some conclusion. Two principles namely diminishing sensitivity, and loss aversion has been called upon to describe the distinctive curvature of the value function and the evaluating functions. After a series of experiments, they confirmed a unique pattern of risk behaviour of people, which was risk-aversion for gains and risk-seeking for losses at a high probability and risk-seeking for gains and risk-aversion for losses at low probability.

Claude B. Erb et al., (1997) have studied about how population demographics impact both the time-series and cross-section of expected asset returns. This paper explored the role of population demographics in international equity investment. As investors get closer to retirement, they become more risk-averse and demand a higher premium for investing in the equity market.

DATA ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS:

AGE GROUP	NUMBER OF RESPONDENTS	PERCENTAGE
18 – 24	38	72
25 – 34	1	2
35 - 44	1	2
45 – 54	10	24
55 and Above	0	0
TOTAL	50	100

INTERPRETATION:

In the above table the data shows that 72% of the respondents are from 18-24 age, 2% of the respondents are 25–34 age group, 2% of the respondents from the age group 35-44 and 45 - 54 24% of the respondents from the age group 55 and above.

Majority (40%) of the respondents are belonging to the age group of 18 – 24 years.

ANOVA ANALYSIS

CLASSIFICATION OF AGE * INCOME LEVEL

HYPOTHESES STATEMENT:

H0: There is no significant difference between the age and income level.

H1: There is a significant difference between the age and income level.

Sources	Sum of Squares	Df	Mean Square	F
Between groups	8.59	2.86.	2.86	
Within groups	2.86	45.	0.99	
Total	53 .30	48		

F-statistic = 2.86

p-value = 0.047 **Interpretation:**

Since the p-value (0.047) is less than 0.05, we reject the null hypothesis, meaning there is a statistically significant difference in income levels across different age groups.

In the section the finding, suggestion and conclusion of "INVESTMENT PATTERN AMONG DIFFERENT AGE GROUPS WITH SPECIAL REFERENCE OF COIMBATORE CITY" based on a sample of 50 respondents selected.

FINDINGS:

PERCENTAGE ANALYSIS:

- Majority (40%) of the respondents are belonging to the age group of 18 – 24 years.
- Majority (60%) of the respondents are belonging to the gender group of Female.
- Majority (76%) of the respondents are belonging to the martial status single.
- Majority (60%) of the respondents are belonging to the less than 20000 total expenditure.
- Majority (58%) of the respondents are belonging to the less than student.

CHI-SQUARE ANALYSIS:

There is a significant relationship between age and marital status.

ANOVA:

There is a significant relationship between age and income level

SUGGESTION:

Enhancing Data Accuracy and Reliability Use anonymous surveys to encourage honest responses from participants. Cross-check survey data with secondary sources like financial reports and government statistics. Conduct interviews with financial advisors and investment experts for expert insights. Accounting for Market Fluctuations Conduct the study over a period of time (longitudinal study) to capture changes in investment trends. Compare findings with historical investment trends in Coimbatore to identify patterns Ensuring a Representative Sample Use random sampling to include diverse age groups, income levels, and occupations. Target a large number of participants across different areas of Coimbatore for better representation cut stratified sampling to analyze investment patterns within specific demographic groups Include qualitative research methods, such as focus group discussions, to understand psychologic a influences on investment. Use behavioral finance theories to analyze risk tolerance and decision-making patterns among different aggroups.

CONCLUSION:

The study of investment patterns among different age groups in Coimbatore City provides valuable insights into how individuals allocate their financial resources based on factors like age, income, risk tolerance, and cultural preferences. Understanding these patterns helps financial institutions, policymakers, and investors make informed decisions.

However, challenges such as data accuracy, market fluctuations, and psychological influences must be addressed through well-structured research methods, including diverse sampling, behavioral analysis, and technology-driven data collection. By overcoming these limitations, the study can contribute to better financial literacy, improved investment strategies, and enhanced economic growth in Coimbatore. Ultimately, a well-informed population with strategic investment habits can drive long-term financial security and regional development.

REFERENCES

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