

THE IMPACT OF GENDER AND AGE PERCEPTION TOWARDS FINANCIAL INVESTMENT DECISION MAKING

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ABSTRACT

This paper aims at identifying and studying factors influencing investment decision and the perception of different age groups and gender towards the investment making process. All individuals are equal but their investment decision may differ and have different financial planning needs. The investment objectives may differ for a male or a female. Also, different age groups may differently purpose for investing.

***Key words:** Investment, Decisions, Perception, Decision Making, Gender and Age perception on decision making*

INTRODUCTION

Investment is an asset which purchased in present and to resale in future for gaining profit or meeting any unexpected liability. A return is the term used in finance to describe the profit made from an investment. The return might be in the form of a profit on the sale of real estate or an investment, or any other type of investment income such as dividend, interest, rental income or a mix of the two or more.

The proper discounted value of future returns is generally the return on the investment made. Investors often want bigger returns from riskier assets, as increased risk entails a greater likelihood of profit. As a result, when we make a lower-risk investment, we might expect a lower return. Investors must follow a certain investing strategy and diversify their holdings. Diversification has a statistical influence on total risk reduction. Investment is distinct from arbitrage, which is profit made without risk or capital investment.

An investor may be at danger of losing all of his or her assets, or only a few of them, although the risk of losing the value specified on a coin or note is usually minimal. Shares, real estate, and other investments are projected to provide considerable returns, but there is also the possibility of loss, i.e. speculation, which entails a level of risk that most investors would not consider justified by the expected return. One of the other features of speculation is that it is opportunistic and short-term. Furthermore, speculating is the polar opposite of investment, is deemed harmful to human behaviour, and can harm the economy.

Investment decisions are made by investors and managers in any business enterprise. The managers or the experts perform investment analysis by using different types of tools and techniques such as fundamental analysis, technical analysis etc. Investment decisions are not biased and taken with support of various decision tools and techniques. The theory of portfolio is often applied by the investor to achieve a satisfactory return and diversify the risk.

LITERATURE REVIEW

Saving rates should change somewhat constantly with age, according to Chawla et al. and Deaton and Paxson, such that persons of comparable ages act in similar ways. Several studies have looked at the predictive potential of one's retirement date expectations and found that these elements are good predictors of future retirement dates. Actual and projected retirement ages are shown to be linked to changes in health and wealth, as well as marital transitions. According to Maestas, many elderly people who returned to work after retirement had planned ahead of time.

The process of investment decision-making, according to Chandra and Kumar (2011), involves two primary factors: "the thorough and objective assessment of available and potential information." Furthermore, traditional finance implies that individuals are "risk averse," meaning that they are unwilling to incur any risk if the rewards are enough (Nofsinger, 2008). Individual investors' judgments, according to Sultana (2010), are not always based on cold calculations; occasionally, investors' decisions are based on their emotions.

According to Sageder, Mitter, &Feldbauer Durstmueller, 2016, the investor's mental starting position, or previous experiences with this sort of organisation, influences the investment choice. If someone has had a positive experience, he may begin with a positive outlook, and vice versa. If an investor does not have enough data or if the observations are too homogeneous, he may unwittingly make a biased choice (Chua et al., 2012).

RESEARCH METHODOLOGY

Objectives

- To identify various demographic factors which effect investor's financial decision making
- To analyse the effect of various factors on investment making decision process

Research Design

Exploratory and Descriptive Research design has been used in the study.

Data collection

The collection of data was done with the help of secondary sources as well as primary sources in the form of questionnairecontaining various statements regarding demographics and various factors affecting the decision are included.

Sample Size 200 respondents

Sample Location: The research has been carried in Delhi NCR.

Sampling Technique: Non-Probabilistic Convenience Sampling has been used to collect data.

ANALYSIS AND INTERPRETATION

One-way Anova test

1. AGE

HO1: No significant difference is found among different types of age groups towards financial investment.

HA1: Here is significant difference found among age groups towards financial investment.

Table:1

ANOVA

Financial Investment

| | SS | df | Mean Square | F | Sig. |
|----------------|--------|----|-------------|-------|------|
| Between Groups | 6.168 | 3 | 2.056 | 2.649 | .054 |
| Within Groups | 69.869 | 90 | .776 | | |
| Sum | 76.038 | 93 | | | |

INTERPRETATION

Since one-way anova significance(p) is < 0.05 i.e. p value is low, that means null hypothesis(ho) is low and thus rejected. The result has given indications about significant difference in different age groups pertaining to investment objective.

HO2: No significant difference is found among different types of age groups attitude towards financial investment decision.

HA2: Here is significant difference found among age groups attitude towards financial investment decision

Table: 2

ANOVA

Attitudetowardsinvestment decision

| | SS | Degree of Freedom | Mean Square | F Test | Sig. |
|----------------|--------|-------------------|-------------|--------|------|
| Between Groups | 2.673 | 3 | .891 | 1.123 | .344 |
| Within Groups | 71.413 | 90 | .793 | | |
| Sum | 74.086 | 93 | | | |

INTERPRETATION

Since one-way anova significance (p) is > 0.05 i.e. p value is high, that means null hypothesis(H_0) is high and thus accepted. The result has given indications about NO significant difference in different age groups attitude pertaining to investment decision.

H_{03} : No significant difference is found among different types of age groups perception towards investment knowledge and awareness.

H_{A3} : Here is significant difference found among age groups perception towards investment knowledge and awareness.

Table: 3

ANOVA

Knowledgeand awareness

| | SS | Df | Mean Square | F | Sig. |
|----------------|--------|----|-------------|------|------|
| Between Groups | 1.303 | 3 | .434 | .505 | .680 |
| Within Groups | 77.456 | 90 | .861 | | |
| Sum | 78.759 | 93 | | | |

INTERPRETATION

Since one-way anova significance (p) is > 0.05 i.e. p value is high, that means null hypothesis(H_0) is high and thus accepted. The result has given indications about NO significant difference in different age groups perception pertaining to investment knowledge and awareness

H04: No significant difference is found among different types of age groups perception towards risk attitude and tolerance.

HA4: Here is significant difference found among age groups perception towards investment risk attitude and tolerance.

Table : 4
ANOVA

Riskattitudeandtolerance

| | SS | Df | Mean Square | F | Sig. |
|----------------|--------|----|-------------|-------|------|
| Between Groups | 2.685 | 3 | .895 | 1.211 | .310 |
| Within Groups | 66.504 | 90 | .739 | | |
| sum | 69.190 | 93 | | | |

INTERPRETATION

Since one-way anova significance (p) is > 0.05 i.e. p value is high, that means null hypothesis (H_0) is high and thus accepted. The result has given indications about NO significant difference in different age groups pertaining to investment risk attitude and tolerance.

H05: No significant difference is found among different types of age groups perception towards investment avenues.

HA5: Here is significant difference found among age groups perception towards investment avenues

Table : 5
ANOVA

Investmentavenues

| | SS | df | Mean Square | F | Sig. |
|----------------|--------|----|-------------|-------|------|
| Between Groups | 3.300 | 3 | 1.100 | 1.973 | .124 |
| Within Groups | 50.172 | 90 | .557 | | |
| Total | 53.472 | 93 | | | |

INTERPRETATION

Since one-way anova significance (p) is < 0.05 i.e. p value is high, that means null hypothesis (ho) is high and thus accepted. The result has given indications about NO significant difference in different age groups pertaining to investment avenues.

All factors together

Table : 6
ANOVA

| | | SS | df | Mean Square | F | Sig. |
|-----------------------------|----------------|--------|----|-------------|-------|------|
| Investment objective | Between Groups | 6.168 | 3 | 2.056 | 2.649 | .054 |
| | Within Groups | 69.869 | 90 | .776 | | |
| | Total | 76.038 | 93 | | | |
| Attitude towards investment | Between Groups | 2.673 | 3 | .891 | 1.123 | .344 |
| | Within Groups | 71.413 | 90 | .793 | | |
| | Total | 74.086 | 93 | | | |
| Knowledge and awareness | Between Groups | 1.303 | 3 | .434 | .505 | .680 |
| | Within Groups | 77.456 | 90 | .861 | | |
| | Total | 78.759 | 93 | | | |
| Risk attitude and tolerance | Between Groups | 2.685 | 3 | .895 | 1.211 | .310 |
| | Within Groups | 66.504 | 90 | .739 | | |
| | Total | 69.190 | 93 | | | |
| Investment avenues | Between Groups | 3.300 | 3 | 1.100 | 1.973 | .124 |
| | Within Groups | 50.172 | 90 | .557 | | |
| | Total | 53.472 | 93 | | | |

INDEPENDENT T-TEST

GENDER

HO1: No significant difference is found in between male and female perception towards investment objective.

HA1: Here is significant difference found in between male and female perception towards investment objective.

Table : 7

Statistics

| | Gender | N | Mean | S.D. | Std. Error Mean |
|---------------------|--------|----|--------|---------|-----------------|
| Investmentobjective | 1.0 | 45 | 2.4611 | 1.05926 | .15791 |
| | 2.0 | 49 | 2.4592 | .74538 | .10648 |

Independent Samples Test

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|----------------------|-----------------------------|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|--------|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Investment objective | Equal variances assumed | 6.401 | .013 | .010 | 92 | .992 | .00193 | .18771 | -.37087 | .37473 |
| | Equal variances not assumed | | | .010 | 78.278 | .992 | .00193 | .19045 | -.37722 | .38107 |

INTERPRETATION

Since independent t test significance(p) is < 0.05 i.e. p value is low, that means null hypothesis(ho) is low and thus rejected. This indicated that there is significant difference in between male and female perception towards investment objective.

HO2: No significant difference is found in between male and female attitude towards investment decision.

HA2: Here is significant difference found in between male and female attitude towards investment decision.

Table : 8

Statistics

| | Gender | N | Mean | S.D. | Std. Error Mean |
|-----------------------------|--------|----|--------|--------|-----------------|
| Attitude towards investment | 1.0 | 45 | 2.1222 | .96328 | .14360 |
| | 2.0 | 49 | 2.2500 | .82758 | .11823 |

Independent Samples Test

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|-----------------------------|-----------------------------|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|--------|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Attitude towards investment | Equal variances assumed | .201 | .655 | -.691 | 92 | .491 | -.12778 | .18480 | -.49481 | .23926 |
| | Equal variances not assumed | | | -.687 | 87.158 | .494 | -.12778 | .18600 | -.49747 | .24192 |

INTERPRETATION

Since independent t test significance (p) is > 0.05 i.e. p value is high, that means null hypothesis(H_0) is high and thus accepted which means, No significant difference is found in between male and female attitude towards investment decision.

H_{03} : No significant difference is found in between male and female perception towards investment knowledge and awareness

H_{A3} : Here is significant difference found in between male and female perception towards investment knowledge and awareness

Table : 9

Group Statistics

| | Gender | N | Mean | S.D. | Std. Error Mean |
|-------------------------|--------|----|--------|--------|-----------------|
| Knowledge and awareness | 1.0 | 45 | 2.3556 | .94971 | .14158 |
| | 2.0 | 49 | 2.5867 | .88763 | .12680 |

Table : 10

| Independent Samples Test | | | | | | | | | | |
|---------------------------------|-----------------------------|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|--------|
| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | Lower | | Upper |
| Knowledge and awareness | Equal variances assumed | .122 | .728 | -1.220 | 92 | .226 | -.23118 | .18951 | -.60756 | .14520 |
| | Equal variances not assumed | | | -1.216 | 89.886 | .227 | -.23118 | .19006 | -.60877 | .14642 |

INTERPRETATION

Since independent t test significance (p) is >0.05 i.e. p value is high, that means null hypothesis(ho) is high and thus accepted which means ,No significant difference is found in between male and female perception towards investment knowledge and awareness

H04: No significant difference is found in between male and female perception towards investment risk attitude and tolerance

HA4: Here is significant difference found in between male and female perception towards investment risk attitude and tolerance

Table : 11

Group Statistics

| | Gender | N | Mean | S.D. | Std. Error Mean |
|-------------------------|--------|----|--------|--------|-----------------|
| Knowledge and awareness | 1.0 | 45 | 2.3556 | .94971 | .14158 |
| | 2.0 | 49 | 2.5867 | .88763 | .12680 |

Independent Samples Test

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|-------------------------|-----------------------------|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|--------|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Knowledge and awareness | Equal variances assumed | .122 | .728 | -1.220 | 92 | .226 | -.23118 | .18951 | -.60756 | .14520 |
| | Equal variances not assumed | | | -1.216 | 89.886 | .227 | -.23118 | .19006 | -.60877 | .14642 |

INTERPRETATION

Since independent t test significance (p) is > 0.05 i.e. p value is high, that means null hypothesis is high and thus accepted which means, No significant difference is found in between male and female perception towards investment risk attitude and tolerance

H05: No significant difference is found in between male and female perception towards investment avenues

HA5: Here is significant difference found in between male and female perception towards investment avenues

Table : 12

Statistics

| | Gender | N | Mean | Std. Deviation | Std. Error Mean |
|--------------------|--------|----|--------|----------------|-----------------|
| Investment avenues | 1.0 | 45 | 2.5867 | .77858 | .11606 |
| | 2.0 | 49 | 2.7184 | .74153 | .10593 |

Independent Samples Test

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|--------------------|-----------------------------|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|--------|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Investment avenues | Equal variances assumed | .080 | .779 | -.840 | 92 | .403 | -.13170 | .15681 | -.44314 | .17974 |
| | Equal variances not assumed | | | -.838 | 90.361 | .404 | -.13170 | .15714 | -.44387 | .18046 |

INTERPRETATION

Since independent t test significance (p) is < 0.05 i.e. p value is high, that means null hypothesis is high and thus accepted which means, No significant difference is found in between male and female perception towards investment avenues

Table : 13
T test of all the factors in one table

| Group Statistics | | | | | |
|-----------------------------|--------|----|--------|---------|-----------------|
| | Gender | N | Mean | S.D. | Std. Error Mean |
| Investment objective | 1.0 | 45 | 2.4611 | 1.05926 | .15791 |
| | 2.0 | 49 | 2.4592 | .74538 | .10648 |
| Attitude towards investment | 1.0 | 45 | 2.1222 | .96328 | .14360 |
| | 2.0 | 49 | 2.2500 | .82758 | .11823 |
| Knowledge and awareness | 1.0 | 45 | 2.3556 | .94971 | .14158 |
| | 2.0 | 49 | 2.5867 | .88763 | .12680 |
| Risk attitude and tolerance | 1.0 | 45 | 2.5156 | .96058 | .14319 |
| | 2.0 | 49 | 2.3755 | .76554 | .10936 |
| Investment avenues | 1.0 | 45 | 2.5867 | .77858 | .11606 |
| | 2.0 | 49 | 2.7184 | .74153 | .10593 |

| Independent Samples Test | | | | | | | | | | |
|---------------------------------|-----------------------------|---|------|------------------------------|--------|-----------------|-----------------|-----------------------|---|--------|
| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Investment Objective | Equal variances assumed | 6.401 | .013 | .010 | 92 | .992 | .00193 | .18771 | -.37087 | .37473 |
| | Equal variances not assumed | | | .010 | 78.278 | .992 | .00193 | .19045 | -.37722 | .38107 |
| Attitude towards investment | Equal variances assumed | .201 | .655 | -.691 | 92 | .491 | -.12778 | .18480 | -.49481 | .23926 |
| | Equal variances not assumed | | | -.687 | 87.158 | .494 | -.12778 | .18600 | -.49747 | .24192 |
| Knowledge and awareness | Equal variances assumed | .122 | .728 | -1.220 | 92 | .226 | -.23118 | .18951 | -.60756 | .14520 |
| | Equal variances not assumed | | | -1.216 | 89.886 | .227 | -.23118 | .19006 | -.60877 | .14642 |
| Risk attitude and tolerance | Equal variances assumed | 2.444 | .121 | .785 | 92 | .435 | .14005 | .17846 | -.21439 | .49448 |

| | | | | | | | | | | |
|--------------------|-----------------------------|------|------|-------|--------|------|----------|--------|----------|--------|
| | Equal variances not assumed | | | .777 | 84.078 | .439 | .14005 | .18018 | - .21826 | .49835 |
| Investment avenues | Equal variances assumed | .080 | .779 | -.840 | 92 | .403 | - .13170 | .15681 | - .44314 | .17974 |
| | Equal variances not assumed | | | -.838 | 90.361 | .404 | - .13170 | .15714 | - .44387 | .18046 |

CONCLUSION

Through the analysis it can be concluded that different age groups have different perception towards investment objective. Different age groups have views investment in accordance with them. They have different investment objectives. However, no difference can be seen between different age groups with investment decision, investment knowledge & awareness, investment risk attitude & tolerance and investment avenues. Whereas a significant difference is seen in between male and female perception towards investment objective. Therefore, gender affects the investment objectives. Both male and female have different purpose for investment. Also, no relation is seen between gender towards investment decision, investment knowledge & awareness, investment risk attitude & tolerance and investment avenues.

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