



## Investment behavior of young adults in Kolkata - A in-depth analysis

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### Abstract

This investigation delves into the investment tendencies of young adults in Kolkata, acknowledging their influential role in shaping the city's financial landscape amid India's evolving economy. Against Kolkata's diverse socio-economic tapestry, the study seeks nuanced insights into the factors impacting investment choices among this demographic. Utilizing a purposeful sample of 108 individuals aged 18-35, the research employs a survey method with closed-ended questions, emphasizing quantitative analysis. The results indicate a shift from conventional savings to contemporary investment avenues, spotlighting challenges like limited financial awareness and understanding diverse investment options among young investors. Through hypothesis testing, the study establishes significant links between income levels and investment preferences, gender and risk outlook, and income brackets and investment frequency. In summary, this research bridges gaps in behavioral economics, offering actionable insights for policymakers, educators, and financial institutions. It aims to shape tailored financial literacy initiatives, guide policy decisions, and align financial services with the distinct needs of young Kolkata investors. Ultimately, it serves as a crucial resource in empowering informed financial decision-making among young adults, fostering a resilient financial environment.

**Keywords:** Investment behavior, young adults, survey method, chi-square test

### Introduction

The global financial landscape, ever in flux, requires a nuanced comprehension of investment behaviors across diverse demographics. Among these demographics, the youth stand out as influential agents shaping economic progress, wielding substantial impact on the trajectory of financial markets. Their distinct perspectives, characterized by a higher risk appetite, adeptness with technology, and forward-looking aspirations, mark them as a critical cohort in the financial ecosystem.

Kolkata, with its historical richness and contemporary dynamism, serves as a unique microcosm for exploring investment behaviors among young adults. Investment behavior is inherently uncertain, influenced by factors like information flow, availability, and rumors. Three main theories—risk propensity, risk preference, and attitude—shape investment behavior. The study delves into the challenges and potential of young adults in financial decision-making, leveraging Kolkata's diverse socioeconomic fabric. Given India's economic transformation, understanding how the younger generation navigates this landscape is crucial. Sahi (2009) notes societal changes, emphasizing financial adaptation for varied objectives. The project aims to unravel the complex variables influencing young adults' investment choices, offering insights essential for tailored investment solutions and customized financial literacy initiatives. The study contributes practical perspectives for financial institutions, educators, and regulators. The study addresses the need for targeted financial literacy programs and policy interventions to guide young people in Kolkata toward responsible investing. Williams and Oumlil (2015) advocate alternative strategies for managing private debt in this demographic. In the evolving financial landscape of Kolkata, understanding

the investment behaviors of young adults is pivotal for creating an inclusive financial ecosystem amid globalization and technological advancements. The study aspires to empower the youth, providing insights for policymakers, aiding financial institutions in aligning products with preferences, and informing educational efforts. By unraveling the determinants of youth investment behavior, the research aims to offer practical guidance for policymakers, educators, and financial institutions. The diverse socioeconomic settings of Kolkata make it an invaluable study area. The ultimate goal is to assist young adults in making informed financial decisions aligned with their objectives, addressing challenges and adapting services to meet their evolving needs.

### Significance of the Study

The research is significant because it adds to the body of knowledge already available on investment behavior, specifically focusing on Kolkata's youth demographic, which is underrepresented. Using the information, policymakers can create financial education initiatives and legislation that support young people's responsible investment habits. Financial institutions can better target this group with their products and services if they have a greater awareness of the issues and preferences of young people. This fosters a beneficial connection between the institutions and the youth and increases their market relevance. This work offers significant value to scholars and researchers who are interested in the relationship between behavioral economics and finance.

### Literature Review

Sahu and Sainy (2023) [8] investigated the investment behavior of youth in Central India, focusing on preferences,

decision-making processes, and barriers. Employing a mixed-methods approach, including a survey of 140 participants aged 18-30 and qualitative interviews, the research explores factors like financial literacy, risk perception, socioeconomics, and culture. It aims to inform targeted interventions for improved investment outcomes, contributing to emerging market literature. These proposals aim to create an enabling environment for responsible youth investment, fostering long-term financial well-being and economic growth.

Saranya and Joyce (2022) <sup>[11]</sup> explored investment as a crucial financial activity, with the objective of generating income and augmenting asset value, entailing a patient waiting period for returns. The study investigated diverse investment patterns, focusing on working women, households, rural residents, and salaried employees, providing insights into the investment behavior of the general public. The research highlighted a correlation between investment patterns and social class, underscoring the necessity for a comprehensive exploration of factors influencing investment choices for a nuanced understanding. Joshy (2022) <sup>[4]</sup> explored the intersection of youth, investment patterns, and behavioral finance. Challenging the rational actor theory, behavioral finance underscores the psychological aspects influencing investment decisions. The dedication of assets for value appreciation over time necessitates financial literacy. The study aims to analyze youth investment behavior and identify diverse investment avenues. It proposes creating a conducive environment through parental and educational support. The conclusion highlights the low awareness among youth about investment's crucial role in financial security and wealth growth, emphasizing the potential benefits and long-term goals associated with investing.

Dayana and Rodrigues (2021) <sup>[2]</sup> conducted research on the investment behaviors of young Millennial in Bangalore, utilizing primary questionnaire data from 133 respondents, primarily aged 18-24. Results indicate a leaning towards Gold, Silver, and conventional options such as Bank and post office savings. The study highlights a penchant among middle-income investors for secure returns, displaying a cautious investment approach. It also highlights managerial implications for financial institutions to adapt services according to investor inclinations and enhance financial education for the younger cohort.

Umair and Ganapathi (2021) <sup>[12]</sup> explored Bangalore's BPO sector millennial employees' savings and investment behaviors. Despite awareness of diverse investment options, this demographic predominantly favors bank deposits, real estate, and gold, driven by a preference for perceived stability and risk management. The study underscores the importance of both knowledge and skills in navigating investment decisions, aligning with evolving millennial preferences for growth and income linked to specific goals. The study suggests avenues for further research on savings and investment patterns across sectors, geographies, and age groups.

Sajeiv *et al.* (2021) <sup>[10]</sup> undertook a study investigating the correlation between behavioral finance and investment choices among Gen Z investors in Maharashtra, India. The research aims to fill a gap in understanding the link between investment behavior and decisions in this demographic. Results reveal that behavioral biases significantly impact investor decision-making, with Gen Z investors displaying

elevated levels of financial literacy, risk tolerance, and information-seeking behavior. Notably, there's a weak negative correlation with herding behavior. The study emphasizes that investors employ diverse assessments to safeguard their self-appreciation in investments. Insights from behavioral finance are crucial for financial stakeholders to align with Gen Z preferences in their products and services. Future studies should explore potential disparities between stated preferences and actual behaviors.

Patil and Mali (2021) <sup>[6]</sup> conducted research focusing on investment behavior within the Millennial demographic in Pune city. The study revealed that this group tends to allocate less than 10% of their income towards investments, mainly due to their relatively lower earnings from employment. It was observed that Millennial predominantly favor traditional investment avenues like bank deposits, insurance, and investments in gold or silver. This inclination is linked to their perceived lack of expertise in analyzing company finances and timing market entry effectively, making it challenging for them to decide on the best entry points.

Kumawat and Parkar (2020) <sup>[5]</sup> examined the essentiality of robust financial investment to drive rapid growth in the Indian economy. Their focus on transitioning from traditional to modern investment methods involved probing the impact of age, income, and education on investment decisions. Notably, positive correlations were identified between income and mutual funds, income and equity shares, while a negative correlation emerged between age and equity share investments. The findings underscore the pivotal role of age, income, and education in influencing investment choices, emphasizing the ongoing necessity for investor education and the promotion of contemporary investment avenues.

Jain and Tripathi (2019) <sup>[7]</sup> studied that the modern economy's dynamism has expanded the financial and investment sectors, offering diverse investment modes for various categories of investors. Effective planning and strategy can generate wealth, contributing to economic growth. This literature review explores factors influencing individual investment behavior, emphasizing the relevance for investors, financial planners, policymakers, and wealth managers. As of 2030, developing countries, including India, are projected to dominate global investments. Despite positive economic indicators such as healthy savings, investment rates, and a young population, challenges like declining savings-to-GDP ratio suggest the need for further research. Specifically, the study proposes investigating the saving and investment behavior of professional women in Indore, acknowledging their significant contribution to the city's growth.

Saikia (2018) <sup>[9]</sup> emphasizes the critical role of capital formation in enhancing a nation's productive capacity, highlighting the importance of strong savings rates and efficient capital mobilization for fostering economic growth. Concentrating on India, specifically Mumbai, the study delves into the savings and investment behaviors of college-going individuals aged 17- 25, recognizing the demographic dividend and the increasing per capita income. The findings indicate that safety, security, and returns are primary considerations for young investors, leading to a preference for alternative avenues such as mutual funds, particularly through Systematic Investment Plans (SIP). The research

underscores the significance of financial literacy among the youth, noting a waning interest in traditional savings options due to lower returns and the absence of tax benefits. Additionally, the literature highlights factors like safety, credit ratings, return types, risk-return relationships, tax implications, inflation, and the need for caution in investment, offering valuable insights for individual investors.

Bhushan (2014) <sup>[1]</sup> emphasized the vital importance of financial literacy in enabling people to grasp and maneuver through the intricate nature of contemporary financial offerings. The research delves into the correlation between financial literacy and the recognition of diverse financial products among employed individuals, revealing a significant influence on their investment inclinations. These results stress the need for governmental and policy measures to elevate financial literacy, empowering individuals to make knowledgeable choices and leverage a wide array of financial prospects.

Geetha and Ramesh (2011) <sup>[3]</sup> investigated investment preferences and behavior in Kurumbalur, highlighting the challenges encountered by developing nations like India in garnering capital for economic expansion. Their research underscores the vital role of investments in fostering economic development and examines the investment inclinations of 210 randomly chosen respondents in Kurumbalur. The results indicate a moderate level of awareness regarding investment choices, with a notable lack of familiarity with stock market instruments. The study advocates for awareness initiatives, particularly by stock brokering firms, to enlighten the population about new services and the intricacies of the stock market.

### Objectives

- Investigate the investment behavior of young adults residing in Kolkata city.
- Explore the determinants that impact the investment choices of young adults.
- Identify the challenges encountered by young adults when engaging in investments.

### Research Gap

Research gaps identified include

- Limited focus on young adults' investment behavior in Kolkata.
- Absence of city-specific analysis in existing studies.
- Insufficient investigation into gender-specific risk tolerance, particularly among young adults in Kolkata.

### Research Design and Methodology

The research design aimed to understand young adults' investment behavior in Kolkata City through primary data collection and quantitative analysis. Key elements included goal definition, purposive sampling, online survey data collection, and close-ended questionnaire use. Analysis techniques focused on quantitative assessment, revealing trends and informing recommendations for tailored strategies promoting informed investment decisions among different demographic groups. Purposive sampling ensured representation across various demographic factors, while the online survey method facilitated efficient data collection. Close-ended questions streamlined responses, enabling standardized analysis. Overall, the study provides valuable insights into investment behavior among young adults in

Kolkata City and suggests strategies to encourage informed decision-making.

### Hypothesis Testing

**H1:** The choice of investment time period differs significantly across various income brackets.

**H2:** Risk tolerance varies significantly across different genders.

**H3:** The frequency of investments varies with income levels.

### Data analysis and Findings

#### Gender

**Findings:** The data on gender distribution among 108 respondents reveals that 40% are males (43 respondents) and 60% are females (65 respondents). This signifies a higher female representation in the study. The female-to-male ratio is approximately 1.51:1. These percentages underscore the importance of considering both genders in the analysis of investment behavior among young adults in Kolkata City. The majority female representation suggests a noteworthy trend, urging researchers to delve into potential gender-specific nuances in financial decision-making among the youth in the city.

#### Age Group

**Findings:** Among the 108 respondents surveyed, 59% fall within the age bracket of 18- 24 years, comprising 64 individuals, while 41% belong to the 25-35 age range, totaling 44 respondents. This distribution indicates a higher representation of the younger cohort in the study. The data suggests a prevalence of younger adults in the research on investment behavior in Kolkata City. It highlights the significance of analyzing financial tendencies and decision-making patterns predominantly among the 18-24 age group, emphasizing their impact on investment trends and strategies within the city's young adult demographic. Understanding this age-based disparity is crucial for tailored financial guidance and policy considerations.

#### Highest Level of Education

**Findings:** Among the 108 respondents surveyed, 1% have an education level of Class 12 or below, constituting only 1 individual. The majority, comprising 68%, are graduates, totaling 73 respondents, while 31% hold postgraduate degrees, accounting for 34 participants. The data underscores a predominant presence of graduates in the study on investment behavior in Kolkata City, emphasizing the need to tailor financial insights to this educational cohort. Although a small percentage, those with Class 12 or below education contribute to the diversity of the sample, warranting consideration in the broader analysis of financial decision-making patterns among young adults in the city.

#### Occupation

**Findings:** In the surveyed group of 108 respondents, students represent the largest segment, constituting 45% of the sample with 49 individuals. Self-employed individuals account for 26%, totaling 28 respondents, followed closely by 27% who are employed in salaried positions, making up 29 respondents. Professionals form a smaller portion, comprising 2% of the sample, with only 2 individuals. The

prevalence of students in this study examining investment behavior among Kolkata City's young adults highlights the need for targeted financial guidance for this significant demographic. However, insights from other occupational groups, including self-employed and salaried individuals, provide a holistic understanding of investment inclinations within the city's varied workforce.

**Annual Income**

**Findings:** 43% of the 108 respondents, or 47 people, had an annual income of less than 2 lakhs, according to the data that looks at the distribution of income among respondents. People who earn between 2-3 lakhs per year include 13% (14 respondents), whereas people who earn between 3-4 lakhs per year comprise 26% (28 respondents). 2% of people make between 5 and 6 lakhs, while only 5% make between 4-5 lakhs. Interestingly, 11% of respondents make at least Rs. 6 lakhs. Comprehending these income ranges offers significant insights into the financial terrain of young adults in Kolkata City, facilitating customized methods for varying income brackets.

**Total Percentage of Investment out of Annual Income**

**Findings:** The data on investment percentages among 108 respondents showcases that the majority, accounting for 57%, allocate 0-10% of their annual income for investments, totaling 62 individuals. Those allocating 11-25% represent 38% of the sample, comprising 41 respondents. A smaller portion, constituting 3%, allocate 26-50% of their income for investments, which includes 3 individuals, while 51-70% allocation is the least common, representing 2% with just 2 respondents. Understanding these investment allocation percentages sheds light on the diverse investment approaches among young adults in Kolkata City, from conservative investors to those more actively engaged in higher investment allocations.

**Objectives Behind Investments**

**Table 1:** Percentage of objectives behind investments of Respondents

Objectives	No. of Respondents	Percentage
TaxSavings	30	27.8
WealthCreation	72	66.7
RegularReturns	34	31.5
EmergencyPurposes	51	47.2
Others	30	27.8

**Investment Avenues**

**Table 4:** Favorable Investment Avenues of Respondents Statistics

Statement	Strongly Unfavorable	Unfavorable	Neither Favorable nor Unfavorable	Favorable	Strongly Favorable
BankDeposit	12	3	11	51	31
Insurance	2	12	16	53	25
StockMarket	1	6	41	49	11
Gold/Silver	1	4	21	51	31
MutualFunds	3	19	37	38	11
RealEstate	8	18	40	29	13
Commodity Market	9	28	45	25	1
Cryptocurrency	23	31	39	13	2
Government Security	13	22	27	33	13

**Findings:** Examining the investment objectives among 108 respondents, the data reveals a diverse set of financial goals. Wealth creation emerges as the dominant objective, with 66.7% prioritizing it. Emergency purposes rank high, with 47.2% aiming to build a financial safety net. Tax savings are a goal for 27.8%. Regular returns are sought by 31.5%. Other objectives, encompassing education, retirement, travel, and marriage, also command attention, collectively representing 27.8%. This nuanced understanding of varied financial aspirations among young adults in Kolkata City underscores the multifaceted nature of investment motivations in the region.

**Factors Considered Before Investment**

**Table 2:** Factors Considered before Investments by Respondents

Statement	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
HighReturns	2	2	16	47	41
SafetyofPrincipal Amount	1	3	5	40	59
RiskInvolved	3	7	20	53	25
Liquidity	1	4	25	47	31

**Statistics**

**Table 3:** Statistics showing Mean and Standard Deviation of Factors Considered before Investments

	HighReturns	Safetyof Principal Amount	Risk Involved	Liquidity
N	Valid	108	108	108
	Missing	0	0	0
Mean	4.14	4.42	3.83	3.95
Std. Deviation	.870	.787	.952	.869

**Findings:** The survey on factors considered before investment among 108 respondents reveals nuanced perspectives. Respondents strongly prioritize the safety of principal amount, giving it the highest mean score of 4.42, indicating a collective emphasis on capital preservation. High returns are also valued significantly, garnering a mean score of 4.14. Risk involved is considered moderately, with a mean score of 3.83, while liquidity, with a mean of 3.95, is moderately important in investment decisions. The standard deviations indicate a relatively consistent agreement among respondents. These findings illuminate the varied emphasis placed on different factors, showcasing the multifaceted nature of investment considerations among young adults in Kolkata City.

**Table 5:** Statistics showing Mean and Standard Deviation of Favorable Investment Avenues

Bank Deposit		Insurance	Stock Market	Gold/Silver	Mutual funds	Real Estate	Commodity Market	Cryptocurrency	Government Security	
N	Valid	108	108	108	108	108	108	108	108	
	Missing	0	0	0	0	0	0	0	0	
Mean		3.81	3.81	3.57	4.00	3.31	3.19	2.81	2.45	3.09
Std. Deviation		1.219	.978	.788	.854	.973	1.086	.908	1.017	1.212

**Findings:** The data presents the sentiments of 108 respondents towards various investment avenues. Bank deposits and insurance are viewed favorably by the majority, with means of 3.81 each. Gold/Silver and stock market investments are perceived more favorably, with means of 4.00 and 3.57, respectively. Mutual funds and real estate receive moderately positive responses (means of 3.31 and 3.19), while commodity market and cryptocurrency exhibit lower favorability (means of 2.81 and 2.45). Government security is moderately favored (mean of 3.09). The standard deviations indicate diverse opinions, particularly in cryptocurrency and commodity markets. Overall, this reflects the varied preferences of young adults in Kolkata City regarding different investment avenues.

**Statistics**

**Table 7:** Statistics showing Mean and Standard Deviation of Risk Involved in Investment Instrument

Bank Deposit		Insurance	Stock Market	Gold/Silver	Mutual funds	Real Estate	Commodity Market	Cryptocurrency	Government Security	
N	Valid	108	108	108	108	108	108	108	108	
	Missing	0	0	0	0	0	0	0	0	
Mean		3.45	3.25	2.36	3.09	2.86	2.96	2.50	2.27	3.45
Std. Deviation		.990	.948	1.115	.870	.901	1.004	.791	.953	.999

**Findings:** Researcher has asked this question to know the opinion of respondents about the level of risk involved in each investment avenue and following information was revealed. From the above table it was observed that in case of level of risk involved parameters like Bank Deposit, Government securities Insurance and Gold/ Silver has received moderate mean score of 3.45, 3.45, 3.25 and 3.09 respectively. It means that respondents feel secured if they made investment in these investment avenues. Level of risk involved in parameters like Real estate, Mutual fund, commodity market, Crypto currency and stock market has received low mean score of 2.96, 2.86, 2.50, 2.27, and 2.36 respectively. It means that respondents feel less secured in investment avenues like Mutual fund, commodity market and stock market because of uncertainty and volatility in stock market. Further respondents feel unsecured to invest in Crypto currency because there may be possibility, that not all crypto currencies will give sky- high returns, there is tax trouble, Governments adverse stance, KYC timeline and volatility in Prices etc.

**Frequency of Investment**

**Table 8:** Frequency of Investments of Respondents

Frequency	No. of Respondents	Percentage
Monthly	57	53
Quarterly	26	24
Bi-Annually	13	12
Annually	12	11
Total	108	100

**Risk Involved in Investment Instrument:**

**Table 6:** Risk Involved in Investment Instrument according to Respondents

Statement	VeryHigh	High	Moderate	Low	Very Low
Bank Deposit	4	11	40	36	17
Insurance	1	23	43	28	13
Stock Market	24	44	27	4	9
Gold/Silver	3	23	49	28	5
Mutual Funds	1	42	45	12	8
Real Estate	6	30	42	22	8
Commodity Market	10	41	51	4	2
Cryptocurrency	28	31	43	4	2
Government Security	2	11	53	19	23

**Findings:** Among 108 respondents, investment frequency varies significantly. Monthly investments stand out as the most common approach, with 53% of participants (57 respondents) preferring this frequency. Quarterly investments follow, representing 24% (26 respondents), while bi-annual and annual investment frequencies are less prevalent, constituting 12% (13 respondents) and 11% (12 respondents) respectively. This distribution illustrates a preference for more regular and frequent investment activities, potentially indicating an active engagement and continuous management of finances among young adults in Kolkata City.

**Duration of Investment**

**Table 9:** Duration of Investments of Respondents

Duration	No. of Respondents	Percentage
Upto 1Year	41	38
2Year-3Year	38	35
3Year-4Year	4	4
4YearandAbove	25	23
Total	108	100

**Findings:** Among 108 respondents, investment duration preferences vary noticeably. Short- term investments up to 1 year are favored by 38% (41 respondents), closely followed by 2 to 3-year investments, representing 35% (38 respondents). A smaller group prefers longer- term investments, with 3 to 4-year durations chosen by 4% (4 respondents) and 4 years and above selected by 23% (25 respondents). This distribution reflects a notable inclination

toward shorter to mid-term investment horizons among young adults in Kolkata City.

**Challenges Experienced During Investment**

**Table 10:** Challenges experienced during Investments by Respondents

Statement	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Market Uncertainties	1	13	17	55	22
Lack of Knowledge	8	12	31	40	17
Limited Capital	1	10	38	43	16
Wrong timings of investment	2	14	29	51	12

**Statistics**

**Table 11:** Statistics showing Mean and Standard Deviation of Challenges experienced during Investments

	Market Uncertainties	Lack of Knowledge	Limited Capital	Wrong timings of investment
N	Valid 108 Missing 0	108 0	108 0	108 0
Mean	3.79	3.42	3.57	3.54
Std. Deviation	.938	1.112	.888	.921

**Findings:** The challenges experienced during investment, as perceived by 108 respondents, are diverse. Market uncertainties emerge as a significant concern, with a mean score of 3.79, indicating a considerable level of agreement on the impact of market unpredictability. Lack of knowledge is another notable challenge, with a mean score of 3.42, suggesting a common awareness among respondents of their informational limitations. Limited capital is viewed as a challenge, with a mean score of 3.57, reflecting concerns about financial resources. Additionally, timing issues during investment decisions receive attention, with a mean score of 3.54, indicating a shared acknowledgment of the importance of timing in investment strategies. The standard deviations suggest varying levels of consensus on these challenges. These findings underscore the need for targeted financial education and support to address these perceived hurdles faced by young adults in Kolkata City.

**Hypothesis 1**

**Null Hypothesis:** There is no significant association between annual income range and the preferred time period for investments.

**Alternative Hypothesis:** The choice of investment time period differs significantly across various income brackets.

**Annual Income Range\* Time Period Preference for Investments Crosstabulation**

**Table 12:** Cross tabulation showing Annual Income Range and Time Period Preference for Investments Chi-Square Tests

		Time Period Preference for Investments				Total	
		2 Year -3 Year	3 Year-4 Year	4 Year and Above	Upto 1 Year		
Annual Income Range	2-3 Lakhs	Count	0	0	14	14	
		ExpectedCount	5.1	.5	3.2	5.2	14.0
	3-4 Lakhs	Count	24	3	0	1	28
		ExpectedCount	10.1	1.0	6.5	10.4	28.0
	4-5 Lakhs	Count	0	1	4	0	5
		ExpectedCount	1.8	.2	1.2	1.9	5.0
	5-6 Lakhs	Count	2	0	0	0	2
		ExpectedCount	.7	.1	.5	.7	2.0
	6 Lakhs and above	Count	2	0	9	1	12
		ExpectedCount	4.3	.4	2.8	4.4	12.0
	Below 2lakhs	Count	11	0	12	24	47
		ExpectedCount	17.0	1.7	10.9	17.4	47.0
Total		Count	39	4	25	40	108
		ExpectedCount	39.0	4.0	25.0	40.0	108.0

**Table 13:** Chi Square Test showing significance between Annual Income Range and Time Period Preference for investments

Value	df	Asymptotic Significance (2-sided)	
Pearson Chi-Square	104.067 <sup>a</sup>	15	.000
Likelihood Ratio	111.678	15	.000
Linear-by-Linear Association	4.921	1	.027
N of Valid Cases	108		

a. 16 cells (66.7%) have expected count less than 5. The minimum expected count is .07.

**Interpretation**

The chi-square test yielded a statistically significant association ( $\chi^2 = 104.067$ ,  $p < 0.001$ ) between annual income and investment time period preferences, rejecting

the null hypothesis. The data suggests income influences investment duration choices, with lower income groups favoring shorter periods and higher income brackets leaning towards longer ones. The rejection implies that income levels are related to investment preferences, supporting the alternative hypothesis. This underscores the importance of considering income disparities when understanding individuals' investment behaviors and tailoring financial strategies accordingly.

**Hypothesis 2**

**Null Hypothesis:** There is no significant relationship between gender and risk tolerance.

**Alternative Hypothesis:** Risk tolerance varies significantly across different genders.

Gender: \*RiskToleranceCrosstabulation

Table 14: Crosstabulation showing Gender and Risk Tolerance for Chi Square Test

		Risk Tolerance					Total
		High	Moderate	Low	VeryLow		
Gender:	Female	Count	4	58	2	1	65
		Expected Count	18.1	37.9	7.8	1.2	65.0
	Male	Count	26	5	11	1	43
		Expected Count	11.9	25.1	5.2	.8	43.0
Total	Count	30	63	13	2	108	
	Expected Count	30.0	63.0	13.0	2.0	108.0	

Chi-SquareTests

Table 15: Chi Square Test showing Risk Tolerance varies significantly across different Genders

Value	df	Asymptotic Significance (2- sided)	
Pearson Chi-Square	65.174 <sup>a</sup>	3	.000
Likelihood Ratio	72.782	3	.000
Linear-by-Linear Association	5.120	1	.024
N of Valid Cases	108		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .80.

Interpretation

The Chi-Square test results indicate a statistically significant association between gender and risk tolerance (p < 0.05). This leads to the rejection of the null hypothesis, suggesting that risk tolerance levels differ significantly between genders. The expected counts demonstrate that females tend to exhibit moderate risk tolerance, while males show a more diverse pattern across risk categories. The findings underscore the importance of considering gender-specific factors in financial risk assessments and developing targeted

strategies to address varying risk preferences among different genders for effective financial planning and investment management.

Hypothesis 3

**Null Hypothesis:** There is no significant relationship between income levels and the frequency of investments.

**Alternative Hypothesis:** The frequency of investments varies with income levels.

Table 16: Cross tabulation showing Annual Income Range and Frequency of Financial Investment for Chi Square Test

		Frequency of Financial Investments					Total
		Annually	Bi-Annually	Monthly	Quarterly		
Annual Income Range	2-3 Lakhs	Count	1	0	0	13	14
		Expected Count	1.6	1.7	7.4	3.4	14.0
	3-4 Lakhs	Count	1	0	26	1	28
		Expected Count	3.1	3.4	14.8	6.7	28.0
	4-5 Lakhs	Count	1	0	4	0	5
		Expected Count	.6	.6	2.6	1.2	5.0
	5-6 Lakhs	Count	0	1	1	0	2
		Expected Count	.2	.2	1.1	.5	2.0
	6 Lakhs and above	Count	6	2	3	1	12
		Expected Count	1.3	1.4	6.3	2.9	12.0
	Below 2 lakhs	Count	3	10	23	11	47
		Expected Count	5.2	5.7	24.8	11.3	47.0
	Total	Count	12	13	57	26	108
		Expected Count	12.0	13.0	57.0	26.0	108.0

Chi-SquareTests

Table 17: Chi Square Test showing Annual Income Range and Frequency of Financial Investment

Value	df	Asymptotic Significance (2-sided)	
Pearson Chi-Square	84.920 <sup>a</sup>	15	.000
Likelihood Ratio	81.465	15	.000
Linear-by-Linear Association	7.517	1	.006
N of Valid Cases	108		

a. 16 cells (66.7%) have expected count less than 5. The minimum expected count is .22.

Interpretation

The chi-square tests conducted on annual income range and frequency of financial investments reveal a highly significant association (p < .05). The Pearson Chi-Square (84.920, df = 15) and Likelihood Ratio (81.465, df = 15) both indicate this association. The Linear-by-Linear Association test further supports a significant linear trend. In practical terms, the results suggest that individuals with varying income levels exhibit distinct patterns in the frequency of their financial investments. This strong statistical evidence rejects the null hypothesis, emphasizing the importance of income as a factor influencing investment

behavior in the analyzed sample of 108 cases.

### Discussion of results

The study reveals notable gender disparities, with 60% females and 40% males, urging deeper examination of gender-specific financial behaviors. Majority fall within 18-24 age bracket, highlighting the importance of understanding financial tendencies among younger adults. Graduates comprise 68%, emphasizing tailored financial guidance for educational cohorts. Income distribution showcases varied landscapes, underscoring the need for customized approaches. Wealth creation emerges as dominant objective, reflecting diverse financial goals. Factors influencing investment decisions exhibit nuanced perspectives, emphasizing capital preservation and returns. Preferences towards investment avenues vary, with traditional options receiving favorable views. Risk perceptions differ across investment instruments, influencing choices. Monthly investments are prevalent, indicating active engagement in financial management. Short to mid-term investment horizons are favored, reflecting preferences among young adults. Market uncertainties, lack of knowledge, and limited capital are perceived challenges, emphasizing the need for targeted financial education and support. The study's first hypothesis, examining the link between annual income range and preferred investment time periods, yielded a statistically significant association. Lower income groups tend to favor shorter investment durations, while higher income brackets lean towards longer periods. The second hypothesis, investigating the relationship between gender and risk tolerance, revealed significant gender-based differences in risk preferences. Females generally exhibit moderate risk tolerance, contrasting with males who show varied risk patterns. The third hypothesis, exploring the connection between income levels and investment frequency, unveiled a highly significant association, emphasizing the influence of income on investment behavior.

### Recommendations

1. **Tailored Financial Education:** Customized programs for various education and job levels.
2. **Diversified Workshops:** Interactive sessions on diverse investment options and practical experience.
3. **Accessible Platforms:** Provide easy tools for varied income levels through user-friendly interfaces.
4. **Personalized Planning:** Offer individualized services based on goals, risk tolerance, and income.
5. **Gamification Engagement:** Incorporate games into apps for risk-free investment practice.
6. **Community-Based Clubs:** Promote groups for sharing investment methods and experiences.

Implementation can significantly improve young adults' investment behavior in Kolkata City.

### Limitations

1. Close-ended questions may limit diversity of viewpoints and qualitative richness.

2. Small sample size of 108 may not fully represent the young adult population.
3. Selection bias may skew demographics, socioeconomic status, and geographic distribution.
4. Bias in self-reported responses could affect accuracy of data.
5. Short one-month study duration may not capture evolving investment behavior.

Recognizing these limitations is crucial for future research to ensure robust and generalizable findings.

### Conclusion

In conclusion, this study delves into young adults' investment behavior in Kolkata City, recognizing its impact on global economic growth. The research highlights diverse perspectives, challenges traditional gender norms, and emphasizes the importance of tailored financial guidance. Findings reveal varied priorities, nuanced risk perceptions, and active financial engagement. Statistical analyses identify income, gender, and investment frequency as significant influencers. Recommendations include tailored education, diversified workshops, accessible platforms, personalized planning, gamification, and community engagement. Acknowledging limitations, the study contributes vital insights, shaping strategies for policymakers and fostering a resilient financial ecosystem in Kolkata City. Continuous research efforts are essential for sustainable growth.

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