



A Study on Investment Pattern and Awareness of Youth in Rajkot City

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Abstract:

"Precious investments and savings are essential for a stable financial future." It is necessary to comprehend and examine this basic reality. Understanding the awareness, patterns, and decision-making process of mass investors requires a thorough understanding of two crucial concepts: savings and investments. Investors have a variety of goals in mind when they invest their money, including profit, security, and appreciation. Young investors have many alternatives to choose from when it comes to investing since they have a healthy risk appetite, a long-time horizon, and the desire to receive a solid return on their money until they are 40 years old. There are many different investment options on the market, including real estate, bank and post office deposits, equity markets, mutual funds, physical gold, and equity markets.

Any country must follow that public savings must be directed towards investments. Investors have access to a wide range of investment opportunities, but frequently they are unaware of them; occasionally, there is a deficiency in investment awareness. The capital appreciation of an investment is the aim of the investors. The primary data used in this study was gathered by using a questionnaire with a sample size of 62 respondents from the Rajkot city of Gujarat, India, using a convenience sampling method. They will be questioned about their investment pattern and awareness in detail. The study attempted to find out the investment pattern & awareness of youth in Rajkot city, Gujarat.

Key words: Saving, Investment, Awareness, Pattern.



Introduction:

A developing economy becomes a developed economy under the condition of economic progress. In the Indian context, even the current administration is intent on making the country's GDP reach the fantastical 5 trillion US dollars within the next five years, by 2024. Most economists concur that physical capital, human resources, technology, and natural resources all have an impact on the pace of economic growth and development. Every one of these components must play a part in a nation's economic growth. More education and training are needed for human resources to function properly and produce more, which would eventually boost the economy's efficiency. Lack of skilled and trained labourers hinders economic expansion since they are unexperienced and lack the necessary skill sets, which burdens the system and leads to unemployment. Roads, railroads, industries, and other infrastructure facilities require ongoing investment in order to maximize output while minimizing the cost per unit of product. These resources aid in raising productivity, which fuels expansion of the economy.

Savings are often defined as the difference between income and expenses. With the intention of generating more income or increasing the value of the money invested, investments take place when these savings are either invested or distributed away. An investment has three components: the amount invested, the amount of sacrifice made in the now, and the predicted return in the future.

Investing is an essential part of wealth creation in India. It helps to beat inflation, fulfil in financial goals and secured our financial future. In spite of letting money idle in bank, we will get more return if we diversify our investment portfolio in different avenue like equities, mutual fund, precious metal like Gold, fixed deposits. With the diversify our investment we will reach our financial goals & live a secure life. Investment is the use of money with the intention of earning a profit. Investment, in its broadest sense, refers to the use of money with the intention of increasing one's wealth.

The demographics of investors and savers in India The percentage of India's young population defined by the UN as those between the ages of 15 and 24 has risen gradually over time, rising from 16.7% in 1961 to 18.12% in 2011 and the ratio in 2022 is 67.8%. India is



now the youngest country in the world, with a demographic dividend seeming to be a reality thanks to this incredible increase in the younger population. According to economists, the economic engine will be driven by a younger labour force. However, the way this youthful labour force allocates its earnings after they have a job will also have an impact on the direction the nation goes in. Over 86% of the population is under 54 years old. Approximately 65 percent of the population is between the ages of 15 and 64. Furthermore, figures on Work Force Participation indicate that a growing number of young people are joining the nation's wage earners.

The word "risk" has a particular meaning in the world of finance. It refers to the potential for financial transactions resulting in losses. Investing is often regarded to have a low risk profile and is only done through safe major options. The investing of high-risk capital is referred to as "speculation."

The primary non-financial investment is usually used to refer to real estate. People from lower-income families are more inclined to invest in gold, jewellery, livestock, and home items. Low-income individuals are significantly more likely to maintain informal savings, frequently keeping cash on hand at home or with family. People often find the process of investing exciting since they can participate in the decision-making and can witness the results immediately. Because investors don't always choose the best assets over the course of years, not all investments turn a return. A diverse portfolio, however, is anticipated to provide a profit.

Review of Literature:

1. **Ms.K. Sushmitha and Dr. A. Jayabal (2023)** performed a survey on awareness of investment among Women investor in Chennai City. To gather data for the study, 356 working women in various sectors completed a standardised questionnaire that was delivered to them. Here, researcher used chi- square test.

2. **Dr K S Dinesh Kumar (2022)** aim of the study is to know the awareness of investor in financial Assets as specially in Chennai city. Using the Chi-square test, hypothesis testing was also conducted to examine the relationship between financial products and



socioeconomic characteristics based on the mean values of awareness of these variables. according to the data from the 200 respondents gathered.

3. Mr. Rajiv Kumar (2021) performed a survey on young investor of Pune city about saving & investment pattern. Understanding the behaviour, patterns, and decision-making process of mass investors requires a thorough understanding of two crucial concepts: savings and investments. Here, they collected data of 250 respondents from convenient sampling method.

4. Sidhant Lodaya, Udayveer Singh Sekhon, Soham Kapadia, Sukanya Narayan, Toshan Gugnani & Trisha Sinha (2020) study that pattern of saving and investment of youth in Mumbai. Here researchers want to study between the age group of 15 – 30. They are using primary method for survey. They are collecting sample of 232 out of 194 people are from target category.

5. Rajeshwari Jain (2019) performed a survey on an analysis of income and saving investment pattern of working women in the Ahmedabad city. Here the researcher wants to study investment pattern & income in both the sector (private & government). Here researcher use primary and secondary data collection method. A total of 250 sample are taken with convenience sampling method in Ahmedabad city. Researcher also used current reports, magazines, journals & also website for information.

6. Deepika Dhawan and Sushil Kumar Mehta (2019) performed a survey on Investment and saving pattern in the city of Jammu. By using a structured questionnaire, the study aims to determine the relationship between saving and income, the motivations behind saving, and the preferences of investors for various investment products. With the use of one way Anova, ANCOVA, and MANOVA are used to identify and understand the patterns of saving and investment and underlying triggers for the same. A selection of 184 responses was made using judgement. After 250 respondents received the questionnaires at first, 28 of them were incomplete and 38 did not reply.

7. Dr. Mukti Katariya and Dr. Seema Joshi (2018) study that investment preference, awareness and saving pattern of Jalgaon district. Here the researchers want to study the saving pattern, level of awareness, different preference of investment alternative. 300 investors were



chosen at random from among the 15 talukas of the districts using area sampling. for secondary data researcher used Freidman Chi square test.

8. Dr. C. M. Shinde and Priyanka Zanvar (2015) performed a survey of investment pattern on the basis of Demographic traits. This research aims to investigate how investors' level of risk tolerance influences their investment decision based on demographic parameters. A sample of 670 investors was chosen from Pune City, Maharashtra State, India. They are using ANOVA, the Mann Whiteny "U" test, and the Kruskal-Wallis test. The paper's findings demonstrated how an investor's degree of risk tolerance is influenced by demographic parameters including age, income level, and educational attainment.

9. S. Umamaheswari (2013) studied in the district of Coimbatore for awareness and investment pattern of salaried class investor. Researcher used Convenient sampling technique & collected data from 1000 people. Researcher wants to Compare the relation between Sex, Age, respondents educational Qualification, monthly income, monthly Expenses, monthly investment with awareness level. Here, researcher used Chi-Square Analysis & Anova.

10. Stephen Thomsen (2000) studied patterns of investment for long term. The performance of a nation in terms of yearly inflows is frequently used for evaluating the suitability of its policies and, consequently, the degree to which it is a desirable place to locate investments. The notion of foreign direct investment pertains to balances of payments and is intended to facilitate cross-border capital movements.

Statement of the problem

In order for an economy to grow, investment is essential. The primary goal of this study is to ascertain the youth degree of awareness regarding the various investing options. To ascertain the influence of investment decisions, it is necessary to examine investment preferences and issues that differ according to age, location, educational background, career, risk tolerance, and projected return.

Objective of the study:

A project's specific goal should be kept in mind before it is started, as without it, it is impossible to come to a conclusion or provide the desired outcome.



1. To analyse the investment objective of youth of Rajkot city.
2. To find priority for investment like Returns, Risk, Safety and maturity of investment.
3. To evaluate the investment pattern of youth of Rajkot city.

Research Methodology:

The general goal of the current study is to emphasise Youth knowledge of investments with specific reference to the Rajkot city. In essence, primary and secondary data are the only sources of information used in this study. Secondary data on Youth investment awareness are gathered from a variety of sources, including reports released recently by different websites, publications, journals, and other research papers. 62 youth from Rajkot city who answered questionnaires in a variety of categories provided primary data. For this investigation, a convenient sampling strategy was employed. The data has been analysed by using percentage analysis as well as graphical chart analysis.

Sample design

Generally speaking, sampling is a methodical process for choosing a suitable number of samples from the population, which is beneficial for studying the features of the population and even for streamlining the findings of the sample research. I have gathered 62 Youth from the city of Rajkot as respondents for my data analysis. Convenience sampling was employed by the researcher in this instance.

Tools and techniques used for the research

For the objective to data analysis and interpretation, table analysis and bar chart is used for the presentation of data collected. Microsoft Excel and SPSS software is used to carry out data analysis.

Limitations

1. The research is only limited to Rajkot City, so more geographical area is not covered.
2. It might not be possible to infer with 100% certainty given the small sample size of 62 respondents.
3. The study is focused only on Youth, so its demographic coverage is limited.



Analysis and Interpretation

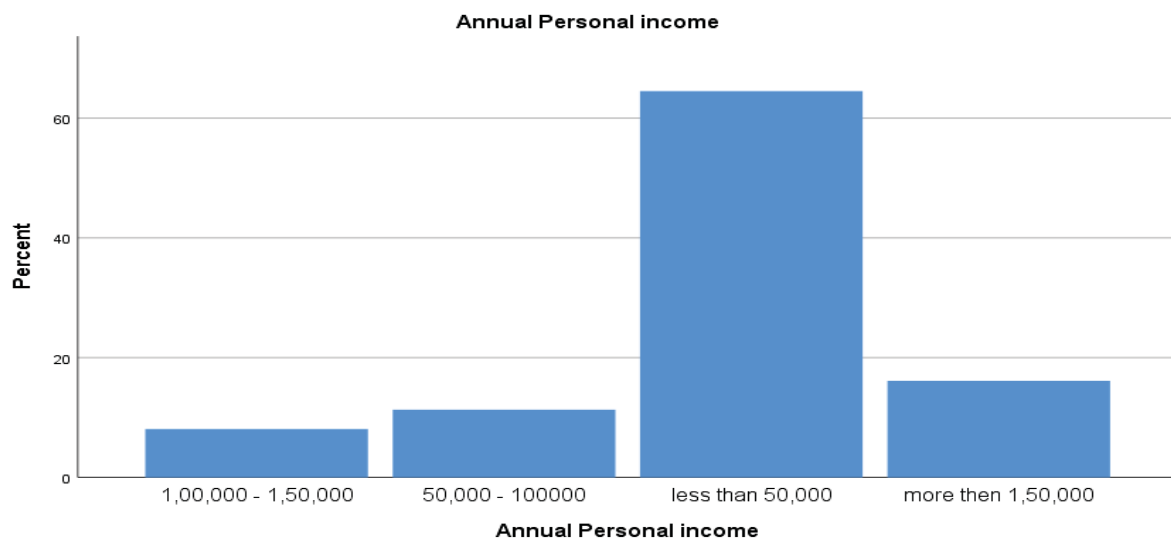
Demographics information

Gender	Frequency	Percent
Female	25	40.3
Male	36	58.1
Total	62	100
Age	Frequency	Percent
15-25	42	67.7
25-30	4	6.5
30-35	16	25.8
Total	62	100
Education qualification	Frequency	Percent
Graduate	14	22.6
Master's degree	15	24.2
Phd	1	1.6
Undergraduate	32	51.6
Total	62	100
Annual personal income	Frequency	Percent
1,00,000 - 1,50,000	5	8.1
50,000 - 100000	7	11.3



less than 50,000	40	64.5
more then 1,50,000	10	16.1
Total	62	100

From these table researchers have found that there are 40.3% respondent are female, while 58.1% are male respondent. So, majority of the respondent are male. Along with the different area here respondent are also catategorized into different age group. 67.7%respondents belong to the age group of 15-25 ,6.5% from 25-30 while 25.8% are belong to 30-35.so,here majority of the respondent are from age group of 15-25.Education is a crucial component as it influences investment decisions. 24.2% of the participants hold a postgraduate degree, followed by 22.6% of graduates, 1.6% of professionals and technicians, and 51.6% of those which are under graduate. Here personal income effects a lot on investment decision so we also consider annual personal income as a important factor. Here majority of the respondent are there whose personal earning is less than 50,000.64.5% respondent are earned less than 50,000. while 11.3% respondent belong to 50,001 to 1,00,000. While 8.1% respondent are belonging to 1,00,001 to 1,50,000 and only 16.1% respondents are from the group whose personal earning is more than 1,50,000.



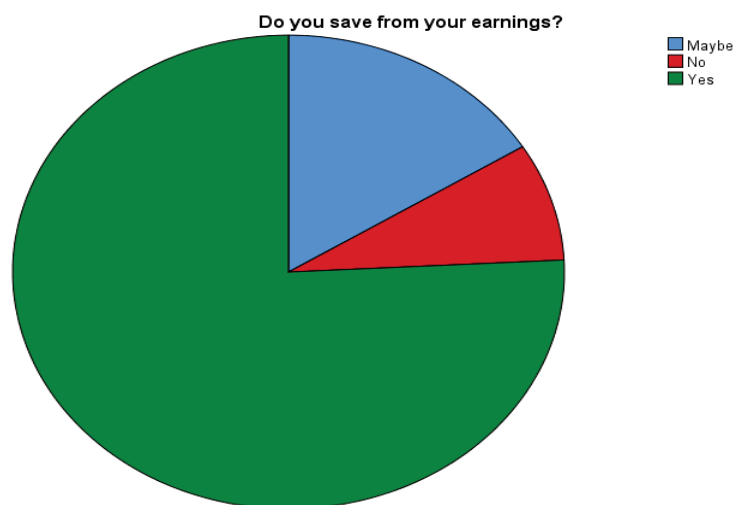


Earning & saving habit of Investor

Earning	Frequency	Percent
No	23	37.1
Yes	39	62.9
Total	62	100

Saving habit	Frequency	Percent
Maybe	10	16.1
No	5	8.1
Yes	47	75.8
Total	62	100

There are 37.1% of youth are not started earning so they don't have any personal income. So these youths can't save on regular basis. But majority of respondent have started their earning. 62.9% respondent are earned. Nowadays youth have good habit to save. From these data we can easily conclude that 75.8% youth have saving habit. While only 8.1% respondent are there who doesn't have saving habit.





Analysis of Investment Related Information

Amount of saving	Frequency	Percent	Source of information	Frequency	Percent
monthly fixed amount	24	38.7	Advertisement	8	12.9
Randomly	38	61.3	Family Member	27	43.5
Total	62	100	Financial Advisor	13	21
Purpose of saving	Frequency	Percent	Friends	11	17.7
For better lifestyle	38	61.3	Staff/ Colleague	3	4.8
For Higher education	13	21	Total	62	100
For own new venture	11	17.7	Type of investment	Frequency	Percent
Total	62	100	Bank fixed deposits	12	19.4
investment Tenure	Frequency	Percent	Gold & Gold ETF	9	14.5
1 to 3	20	32.3	Mutual Fund	19	30.6
3 to 5	9	14.5	Post Office	3	4.8
5 to 10	12	19.4	Real Estate	7	11.3



more than 10	5	8.1	Share Market	12	19.4
Up to 1 Year	16	25.8	Total	62	100
Total	62	100	Frequency of Investment	Frequency	Percent
Proportion of income for Investment	Frequency	Percent	Annually	7	11.3
0 - 5%	13	21	Monthly	35	56.5
10 -15 %	10	16.1	Occasionally	10	16.1
5 - 10%	30	48.4	Quarterly	7	11.3
Above 15%	9	14.5	Semi -Annually	3	4.8
Total	62	100	Total	62	100

The above table contains a wealth of information about the respondents that the researcher has gathered. For example, if the respondents are employed, what is the purpose of their investments, how often they make them, how long they last, and what proportion of their income they invest? If the respondents are not employed, what are the results of their investments? Thus, let's review the subject in brief. There are 38.7% respondent who invest monthly fixed amount while majority of the respondent are save random amount. Majority of the youth's main purpose behind investment is for better lifestyle. While 21% save their money for Higher Education and 17.7% respondent save their money for their own venture.

There are youth who have different preferred time period for investment, some investor invests for long period, and some prefers short term investments. Here 25.8% respondents prefer up to 1 year, 32.3% prefer 1 to 3-year time period, 14.5% respondents prefer 3 to 5 years' investment time period, 19.4% respondents prefer 5 to 10-year investment tenure and



remaining 8.1% respondents prefer investment tenure for more than 10 years that means there are less percentage of respondents prefer investment for long time. Frequency is also one of the important factors, 56.5% respondents invest monthly basis, 11.3% respondents invest quarterly, 4.8% respondents invest semi-annually, 11.3% invest annually and 16.1% have no particular time period for the investment.

Although researchers have limited experience, it is crucial to understand who is making investment decisions and if they are self-sufficient enough to do so. 12.9% respondents get information through advertisement. while 43.5% respondent get suggestion from their family member. 21% youth get advice from financial advisor. So they can get good return. yet 17.7% respondent get information through friends and 4.8% get information through staff / colleagues.

Here majority of the respondent invest believe to invest 5 -10% of their income. 48.4% youth invest 5-10% of their income. So they believe more in spending. after COVID-19 may be they believe strongly to spend more. 21% respondent believe to invest only 0-5% of their earning. While 16.1% believe to invest 10-15% of their earning. Only 14.5% investor invest more than 15% of their earning. So at such level they can secure their future.

It is also a important question regarding in which type of investment they like to invest. majority of youth believe to invest in mutual fund. Out of 62 respondents 19 believe to invest in Mutual fund so 30.6% respondent believe to invest in Mutual fund. While 19.4% Respondent believe in traditional method. They like to invest in fixed Deposits. 14.5% youth believe to invest in Gold & Gold ETF. 4.8% believe to invest in post office. While 11.3% are invested in Real Estate. 19.4% respondent interested to invest their hard-earned money in Share market.

Kind of investor	Frequency	Percent
Conservative	4	6.5
long term Investor	44	71
Speculator	8	12.9

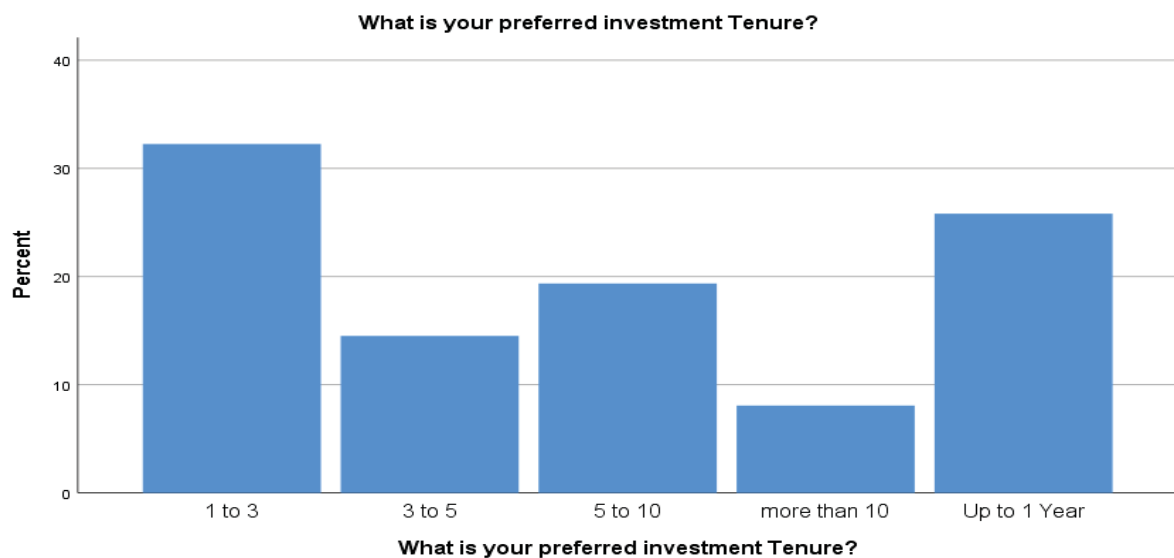
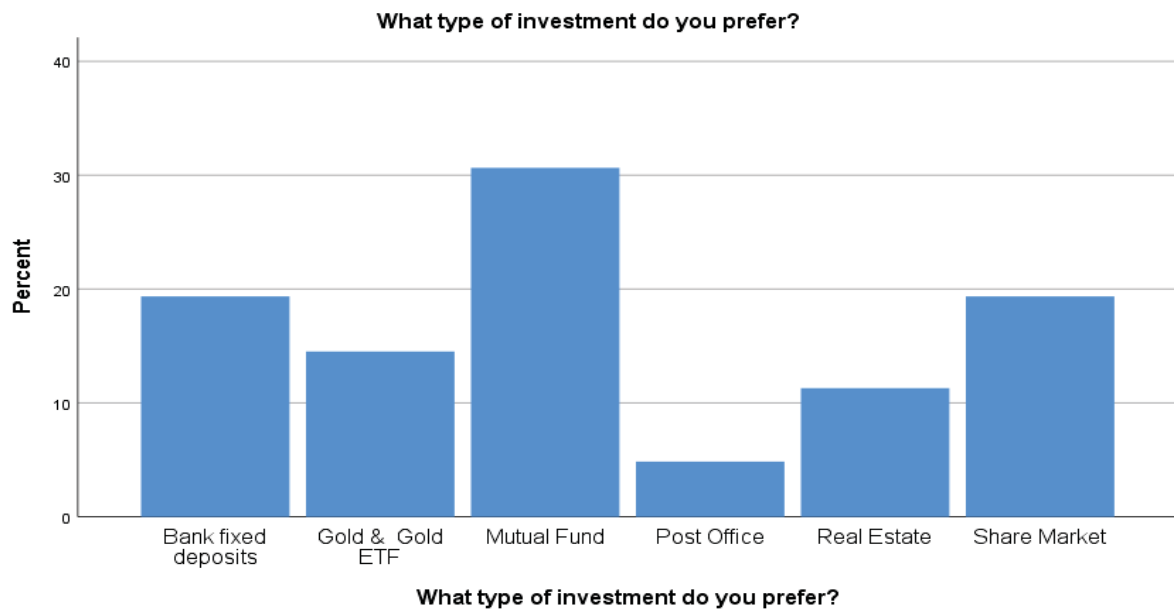


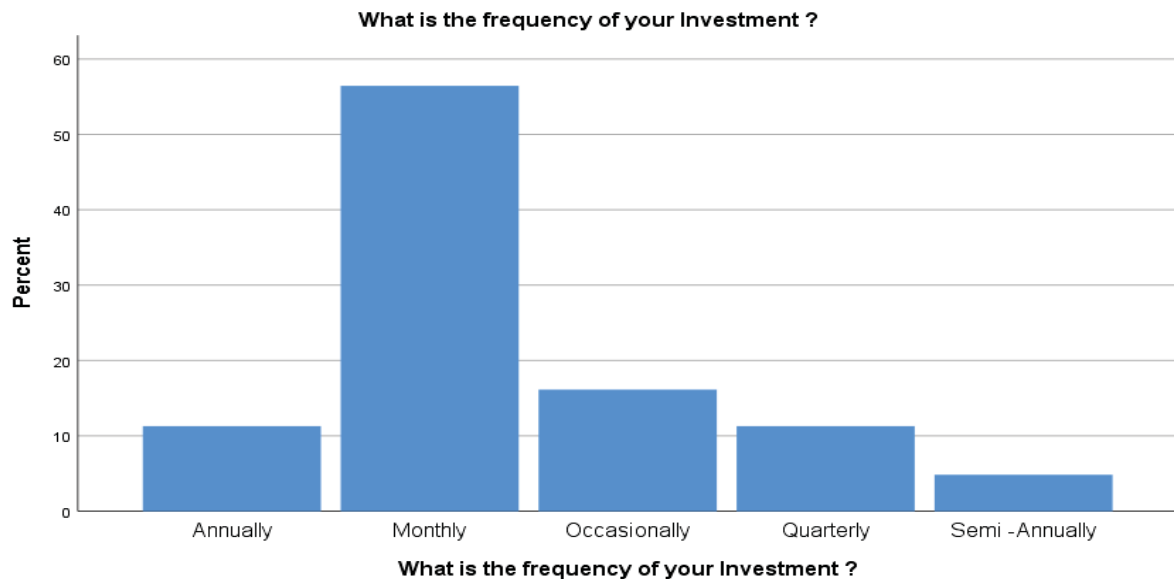
Trader	6	9.7
Total	62	100
Expected return	Frequency	Percent
10 - 20 %	28	45.2
20 - 30 %	16	25.8
Above 30%	4	6.5
Below 10%	14	22.6
Total	62	100
Actual return	Frequency	Percent
10 - 20 %	30	48.4
20 - 30 %	8	12.9
Above 30%	3	4.8
Below 10%	21	33.9
Total	62	100

Different types of investors are also there, as here 12.9% are speculator, 71% are long term, 9.7% are trader and 9.7% are conservative type of investors. so here respondents expect different % in return from their investments, 22.6% respondents expecting below 10% investment, 45.2% expect 10 – 20% return, 25.8% expect 20 – 30% and 6.5% expect more than 30% return. After expected return how much they actually get as return it's also important to discuss. 33.9% respondents get below 10% return, 48.4% respondent got 10 – 20% return, 12.9% respondents got 20 – 30% return and only 4.8% got above 30% actual return so here researcher found that there is a difference between expected return and actual



return of youth. Out of all investors there are some investors who get less return than their expectations so they may think about diversification of investment. 50% of investors diversify their investment portfolio and 50% do not diversify their portfolio. For the diversification many reasons affects to it.





Findings & Conclusions

From the above described detailed analysis, it has been determined that majority of respondents are from the age ranging from 15 to 25 years, so majority of respondents are youth who are either pursuing post graduate or at least graduate from different occupation such private job, government job, professional services, business, work from home, etc. Here this age group has just started their job. So, they are not earning properly. Here maximum respondents are making investment of their money for different investment tenure from less than 1 year to more than 10 years with different frequency of investment such monthly, quarterly, half yearly or yearly basis. As far as investing preferences go, most of them are long-term investors; very few are traders, speculators, or conservative investors. The respondents' allocation of their income to investments ranges from less than 5% to over 15%. The majority of the time, family members make the investment decisions or the family as a whole makes the decision. When looking at their investment from a return standpoint, most people expect a 10–20% return; when looking at their actual return, most people receive a 10–20% return or less. Now that we're talking about investment diversification, half of the respondents say they prefer it because they "don't put all the eggs in one basket," while the other half say they don't make diversified investments for a variety of reasons, including lack of funds, conservative approach, or inadequate knowledge.



Suggestions

Since the next generation is responsible for the growth of any nation, youth play a crucial role in nation-building and development. The future of democracy, the economy, technology, and medical science rests with the youth. With the use of these investment they can also start up in new unexplored filed.

Given the low level of understanding among the youth, it is recommended that various financial agencies and institutions should step up their efforts to raise public awareness of financial planning and investing opportunities.

In order to execute an effective investment strategy, youth should create a comprehensive plan, precisely analyse their income, expenses, needs, and future expectations, and assess their risk tolerance.

Upon doing a thorough analysis of various investment paths, comprehensive insights into the risk and return profiles of individual investment options may be obtained. In order to create a balanced investment portfolio over time, young people should gradually aim to diversify their portfolio by include both high-risk and low-risk investments, as well as liquid assets.

The professional agent should be concerned with youth as well in order to make better investment portfolio decisions. The "I know everything" mind-set has to be changed.



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