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# AN EXPLORATORY STUDY ON INVESTORS AWARENESS AND INVESTMENT PORTFOLIO OF GENZ

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*Abstract:* Investment is a slow and gradual process which provides high return over a period of time, selecting appropriate path plays pivotal role in the growth of assets. Generation Z is the backbone of the economy. The study aim to investigate the investor awareness and investment portfolio of GenZ of Mumbai Metropolitan Region(MMR) with the primary information gathered from 244 respondents, also secondary data help is taken to aid knowledge of investing habits of GenZ. There are many benefits of investing such as it helps to cope up inflation, retirement planning, liquidity, tax benefit, diversification, wealth accumulation etc. The data analysed by applying Z Test: Two Sample for Means , p-value is 0 which is < 0.05 where study shown awareness of investment avenues have impact on investors preference. Also study found Gen Z investors are more interested for higher return than retirement planning. Social media has also played significant role in advising to Gen Z investors for assortment of investment as per need of hour.

**Keywords:** Investment Awareness, Gen Z, MMR, Investment behaviour.

**I INTRODUCTION:** Investor is a person who invest money in physical or financial assets with the intention to receive financial or monetary return in future. Investment assets consist of stock, bonds, real estate, commodities etc. Risk and return are important component considered for investing. The engagement of investors in nature of investment is based on various factors , such as:

1. Risk tolerance- conservative, moderately conservative, moderately aggressive and aggressive
2. Nature of work- salary earner, self employed, professional
3. Income Group- low income group, middle in come group, high income group
4. Age group- young, Middle Age, old age

### 1.1 Income & Investment:

The investment ability, pattern, period and risk bearing ability is based on income status of investor. The saving and investment is depend upon the life style, nature of family and source of income of the family and responsibilities of investor. It cannot be appropriately thought higher the income will lead higher saving and investment. E.g. If an investor is the only bread earner in the family then he cannot justify to invest more. Hence the investment capability is always touches by the role and responsibilities shouldered by the investor.

" Never depend on single income. make investment to create a second source"- Warren Buffet.

It is always noted that an expenditure for someone is the income for others. As salary paid by employer to employee..

**1.2 Financial Planning**:

An individual needs to do a financial planning but certain points need to be considered for meaningful financial planning.

1. Know your Financial Goal: Means what you want to achieve over a period of time that is short term medium term and long term
2. Know your Financial Position: Are you at lower level or moderate level or higher level?

**1.3 Portfolio:**

A Portfolio is a mixed or combination of different options/ avenues. A wise investor allocates his funds proportionally to different investment option keeping in mind the journey of adult age to old age. It is rightly said investment is an art and investor is an artist, it is upon the investors how will he decorate his investing ideas. Golden rule need to be follow for investment:

1. start investing at early age
2. Keep consistency in investing
3. Always think for long term goal
4. Have aggressive portfolio at early age and and regressive portfolio at elderly age.

**1.4 Benefits of Investing:**

1. Tax Benefit: Investing in certain Investment Avenue such as PPF, ULIP, ELSS lead to tax benefits. Even investing in mutual fund leads to save taxes over a period of time.
2. Beat Inflation: Inflation is a slow and gradual process of rise in the cost of living. Today's investment of rupee one maybe equal to rupees 100 after a decade. Compounding is the power to grow investment in multifold.
3. Liquidity: Liquidity is nothing but the flexibility allowing investor to access funds quickly. Higher the liquidity leads lower return or respiratory.
4. Diversification : The primary goal of portfolio investment is diversification. It is wisely said "don't pull all your eggs in one basket" applies diversification means not only allocating funds at different avenues but at suitable avenues.
5. Wealth Accumulation: It is very obvious as wealth accumulation over a period of time. Investing is done for wealth accumulation. it can be in any form either rise in value of physical assets or monetary assets.
6. Retirement Planning: To ensure a stress free retirement it's a need to invest during adult age. Post retirement an individual won't be getting regular income(e.g. salary) but the expenditure won't stop just because he does not earn. To beat post retirement expenses (children education, medical expenses), it is advisable to invest at early age.

**II.Review of Litearture:**

1. **Shivani T. & Manjula S.(2020),** Studied an investors perception and awareness about investment avenues considering primary and secondary source of data Collection. The study revealed, people are advise able to take help of professionals or broker while investing in Stock, Mutual Fund Market. Final decision should be based on investor's opinion .In the study majority of the investor shown first preference towards bank deposit since they are risk averse.
2. **Shinki P.& Abhishek V.(2020)** has made study on investment preference of young investors in Raipur City with the intention to find the investment preference among the investors. The study revealed 32% population is inclined towards Mutual Fund and 25% population in equity market. Also noted that there is a significance between risk level an Investment avenues selection. Young investors are not bound to the time horizon rather than they focused on higher returns.
3. **Dr. Ajit S.& Priyam S.(April 2024),** examined impact of financial literacy on investment behaviour among Gen Z with the purpose to evaluate the financial literacy of investor influencing financial decision, source and frequency of media against the investment behaviour of millennial and Gen Z

.The target population is Gen Z investor in India. Facts has been taken into study collecting data from 100 people using probability sampling. The qualitative research conducted with financial literacy information, data evaluated with correlation analysis, ANOVA showing the positive relation stating that intervention influences the decision to investment avenues such as share market, Cryptocurrency etc.

4. **Iqbal F.&Putri F. (June 2024**), studied generation Z investment decision: An analysis using behavioural factor such as trait Anger( emotional state or variance of feeling), trait anxiety( emotional response), over confidence( unwanted faith), herding behaviour( tendency of following majority) and self monitoring. The collection of data from responding were done through distributing questionnaire via Google form to 489 respondents of the Bundung city, Indonesia. Among Gen Z female are being overcrowded. Data analysed using multiple linear regression analysis, T Test, F Test, Determination of Coefficient Test. The research shows trait anger, trait anxiety, over confidence, self -monitoring influences the investment decision of generation Z.

5. **Rosdiana, R (Nov.2020)**, studied investment behaviour of Gen Z and Millennial generation. The concern of the researcher was to determine the effect of the level of financial literacy, herding behaviour, risk averse, risk perception on the Gen Zen and millennial investment decision. The study carried out in Mercu Buana University, Indonesia. The population of the study is considered all academic faculty and students of the university, selected sample attributes are lecturer, staff and student aged 15 to 35 years, the close ended questionnaire circulated among the respondents. Data has been analysed applying Determination Coefficient Test and the result stated that financial literacy variable and herding behaviour, risk perception as a significant positive effect on investment decision.

**2.2. Research Gap:** It's not wrong at all if we say investment is the basic need for current generation. Saving and investment is very much needed due to rise in inflation. Gen Z are the are the backbone of future, there investment behaviour, investment avenue has greater impact on the countries GDP growth. Many research activities are carried out but to fill the gap of Investment awareness and Gen Z investment portfolio this has research carried out.

## III.RESEARCH METHODOLOGY:

**3.1. Objective**: The aim of the research is as below.

1. To know the awareness of investment avenues of GenZ
2. To find the avenue where Gen Z investors prefers to invest.

3.2. **Hypothesis** : Hypothesis is a tentative assumption of the fact.

H0: Awareness of investment avenues does not have impact on investors preference.
H1: Awareness of investment avenues have impact on investors preference.

3.3. **Scope of the Study:**

The study have been carried out consisting the investment awareness and portfolio of Mumbai Metropolitan Region (MMR) Generation Z. For the study investors has been asked whether they are aware of investment avenues such as Bank Fixed Deposit, real estate, Public Provident fund(PPF) gold, e-gold, Mutual fund, National Pension System(NPS), Senior Citizen Saving scheme, RBI bonds etc.

The investors has shown their interest and investing in gold, gold bond, bitcoin, mutual fund, share market, real estate, bank deposit, Post office Recurring Deposit, National Saving Certificate (NSC), insurance policies, pension schemes, government securities etc.

**3.4. Research Design:**

3.4.1 Type of Research : The research taken for the study is exploratory in nature.

3.4.2 Data Collection Methods: Data Has been gathered through survey and close-ended questionnaire methods.

a. Primary Data : Primary data is the first hand data gathered through the well structured questionnaire from respondents. The questionnaire were circulated among 250 respondents of Mumbai Metropolitan Region (MMR).

b. Secondary Data : The secondary data is also an essential part of the research to justify the study precisely it is must to know what kind of work done by other researchers till now. It helps to enhance the researchers knowledge by referring secondary research articles, newspaper, magazine , journals/periodicals .

3.4.3Sampling Design: 244 responses have been collected from Mumbai Metropolitan Region.

3.4.4 Data Analysis: With the help of Z Test: Two Sample for Means data has been analysed.

## IV. RESULTS AND DISCUSSION

Hypothesis Testing : Z-Test: Two Sample for Means, compares the mean of two variables where the sample size is large.

z-Test: Two Sample for Means

| | *Investment Avenues* | *Investment Preference* |
|---|---|---|
| Mean | 56 | 37.63114754 |
| Known Variance | 1 | 1 |
| Observations | 10 | 244 |
| Hypothesized Mean Difference | 0 | |
| Z | 56.93247718 | |
| P(Z<=z) one-tail | 0 | |
| z Critical one-tail | 1.644853627 | |
| P(Z<=z) two-tail | 0 | |
| z Critical two-tail | 1.959963985 | |

Since the absolute value of the Z-value (56.93) is much greater than both critical values (1.64 and 1.96), the null hypothesis is rejected. In hypothesis testing, if the test statistic (Z-value in this case) falls outside the range defined by the critical values, it indicates strong evidence against the null hypothesis. The p-values (both one-tail and two-tail) are 0, which is less than the common significance levels (e.g., 0.05), further supporting the rejection of the null hypothesis. Therefore, the alternative hypothesis is accepted, means awareness of investment avenues have impact on investors preference.

**V.LIMITATION**: The researcher feels the study bears some limitations as follows:

1. The selected geographical area for the study is not much large as the study is carried out in only Mumbai Metropolitan Region (MMR).
2. The study has considered only generation z(Gen Z) leaving the opinion of GenX and Geny.
3. The study period is of four to five month, it is possible the opinion of Gen Z ,ay change over the period of time.
4. Study is concerned about investment awareness and Gen Z investment portfolio, while other parametres are not taken into consideration.

## VI.FINDINGS :

1. Gen Z investors has known to modern avenues of investment along with traditional avenues.
2. Gen z has shown more interest in Bank Fixed Deposit considering safety preference.
3. Investors have maintained their portfolio accumulative many avenues such a s Gold, e-gold, PPf, NPS, Direct-Equity, Mutual Fund and so on.
4. Higher financial literacy wiser the investment decision is seen among the Gen Z.
5. Gen z are not more concern about retirement plan, instead they believe higher risk, highest return.

**VII.CONCLUSION :** From the above study it is concluded that though it is thought Gen Z people are the most expensive age group, simultaneously they are concern about investment .The change in attitude of Gen Z investors pivotal role played by social media where they are addicted to spend more time than other chores. From at early age itself these population has become serious about earning money , the one of the reason is to fulfil the extended desire of the generation.

**VIII.SCOPE FOR FURTHER STUDY**: The study can be explored in view of diverse aspects of investment such as , investment habits, investment pattern, investment behaviour. The area of research can be extended with different age category namely Gen X and GenY.

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