

Demographic Factors and Their Influence on Investment Awareness

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Abstract

Investment awareness has become an essential aspect of financial literacy in the current dynamic economic landscape. As financial markets grow increasingly complex and a variety of investment instruments become available, individuals must make well-informed choices to ensure their financial security. Investment awareness not only impacts personal wealth accumulation but also plays a vital role in promoting overall economic stability by encouraging engagement in capital markets and nurturing a culture of savings and prudent financial planning. This research explores the effect of demographic factors on investment awareness among 200 participants. Employing non-parametric statistical methods, such as the Mann-Whitney U and Kruskal-Wallis tests. The findings recommend that awareness initiatives should target younger and unmarried individuals, as well as those from lower-income brackets, while also promoting advanced planning for older and higher-income groups.

Keywords: Investment Awareness, Financial Literacy, Demographic Factors

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1. Introduction

Investing is a crucial financial endeavor where individuals direct their savings into various investment options, including bank deposits, stocks, mutual funds, bonds, insurance, gold, real estate, and government securities. Investment awareness encompasses an individual's comprehension of different investment products, including their risk-return profiles, tax consequences, and the processes involved in making investment decisions.

Demographic factors such as age, gender, education level, occupation, income, and marital status can affect the degree of investment awareness. Gaining insights into these connections can assist financial institutions, policymakers, and investors in creating effective financial education and investment awareness initiatives.

2. Statement of the Problem

Investors vary significantly in their knowledge, preferences, and comprehension of investment opportunities. Demographic traits can significantly influence the degree of investment awareness and the capacity to make well-informed investment choices. Consequently, this study aims to explore the connection between demographic factors and investment awareness among respondents.

3. Review of Literature

Acharekar, Karmani and Lodha (2023) concentrated on the investment awareness of young individuals and investigated the correlation between demographic characteristics and their level of investment knowledge. Primary data was gathered using a structured questionnaire from 253 students aged 16 to 28 years from various academic backgrounds. The study analyzed factors such as age, gender, and educational background. The authors discovered a certain degree of relationship between investment awareness, investment knowledge, and demographic factors. The

study highlighted the significance of financial literacy among the youth and proposed that early financial education could assist young people in making more informed investment choices.

Kumar, Islam, Pillai and Sharif (2023) investigated the impact of behavioral, psychological, and demographic elements on financial decision-making. Researchers gathered information from 634 household investors in the National Capital Territory of Delhi, India, employing a structured questionnaire and analyzed the results using PLS-SEM and multi-group analysis. The results revealed that digital financial literacy, financial capability, financial autonomy, and impulsivity significantly influence financial decision-making. Additionally, the study explored gender differences and emphasized the importance of demographic factors in financial choices.

Rehman and Mia (2024) reviewed 53 research papers from the Scopus database, published from 1981 to 2024, were reviewed. The authors categorized the factors influencing financial literacy into seven primary dimensions: demographic, socio-economic, psychological, societal, financial, Islamic, and technological aspects. The review found that demographic and socio-economic factors were the most commonly studied determinants of financial literacy.

Husain et al. (2025) explored the elements affecting retail investors in the burgeoning field of Metaverse digital real estate. Utilizing quantitative analysis and Principal Component Analysis (PCA), the researchers pinpointed risk tolerance, technological literacy, and confidence in regulatory frameworks as key factors shaping investment behaviour. Additionally, the research noted that younger and higher-income investors were particularly active in this investment sector, driven by speculative growth opportunities and cutting-edge digital platforms that encouraged their involvement.

Kurowski, Rutecka-Góra and Smaga (2026) A large-scale survey was carried out in Poland in 2024, encompassing 1,012 adults, and employed logistic and ordered logistic regression to investigate the links between demographic traits, climate literacy, financial literacy, and socially responsible investment choices. The results demonstrated that climate literacy significantly boosted the likelihood of engaging in socially responsible investments, with its effect being greater than that of financial literacy. Furthermore, the study uncovered a diminished inclination among younger individuals to prioritize socially responsible investments, suggesting a requirement for targeted educational efforts.

4. Research Gap

From the reviewed studies, it can be observed that considerable research has been conducted on financial literacy, investment behaviour and financial decision-making. However, there is scope for further empirical investigation specifically examining investment awareness in relation to multiple demographic factors simultaneously, particularly age, gender, educational qualification, occupation and income.

Therefore, the present study, “Demographic Factors and Their Influence on Investment Awareness,” attempts to fill this gap by examining the level of investment awareness among respondents and determining whether significant associations exist between investment awareness and selected demographic characteristics.

5. Objectives of the Study

1. To study the demographic profile of respondents.
2. To analyse the relationship between demographic factors and investment awareness.

6. Research Methodology

- **Research Design:** Descriptive and analytical research design.
- **Population:** Individual investors.
- **Sample Size:** Data were collected from 200 respondents in Davanagere City, Karnataka.
- **Sampling Method:** Convenience sampling.
- **Data Collection:** Primary Data has been collected through a structured questionnaire and Secondary Data has been collected from books, journals, research papers.
- **Statistical Tools:** Percentage analysis, Mann-Whitney U Test and Kruskal-Wallis Test.

7. Data Analysis and Interpretation

7.1. Analysis of Demographic Profile of the Respondents

Table 1. Demographic Profile of the Respondents

Gender	F	%	Marital Status	F	%
Male	110	55.0	Married	149	74.5
Female	90	45.0	Unmarried	51	25.5
Total	200	100.0	Total	200	100.0
Age	F	%	Occupation	F	%
Below 25 Years	51	25.5	Student	25	12.5
26–35 Years	62	31.0	Government Employee	40	20.0
36–45 Years	64	32.0	Private Employee	59	29.5
Above 46 Years	23	11.5	Business/Self Employed	64	32.0
Total	200	100.0	Retired	12	6.0
Educational Status	F	%	Total	200	100.0
SSLC/PUC	23	11.5	Annual Income	F	%
Undergraduate	79	39.5	Below ₹25,000	33	16.5
Postgraduate	54	27.0	₹25,001–₹50,000	61	30.5
Professional Degree	44	22.0	₹50,001–₹75,000	49	24.5
Total	200	100.0	₹75,001–₹1,00,000	33	16.5
			Above ₹1,00,000	24	12.0
			Total	200	100.0

Source: Primary Data. *F-Frequency

Table 1. shows the description of demographic profile of the respondents as

- **Gender:** Out of 200 respondents, 110 (55%) are male and 90 (45%) are female. Thus, male respondents constitute a slightly higher proportion of the sample.
- **Marital Status:** The majority of respondents, 149 (74.5%), are married, while 51 (25.5%) are unmarried. This indicates that the sample is predominantly composed of married respondents.
- **Age:** The largest group consists of respondents aged 36–45 years (32%), followed by 26–35 years (31%) and below 25 years (25.5%). Respondents above 46 years account for 11.5%, showing that the sample is mainly represented by respondents in the 26–45 age groups.
- **Occupation:** Business/self-employed respondents form the largest group (32%), followed by private employees (29.5%), government employees (20%), students (12.5%), and retired persons (6%). Hence, the sample has a relatively high representation of economically active respondents.
- **Educational Status:** The largest proportion of respondents are undergraduates (39.5%), followed by postgraduates (27%), professional degree holders (22%), and SSLC/PUC respondents (11.5%). This indicates that the respondents generally possess a moderate to high level of educational qualification.
- **Annual Income:** The largest income group is ₹25,001–₹50,000 (30.5%), followed by ₹50,001–₹75,000 (24.5%). Respondents earning below ₹25,000 and ₹75,001–₹1,00,000 each account for 16.5%, while 12% earn above ₹1,00,000. Thus, respondents are distributed across different income categories, with the largest concentration in the ₹25,001–₹50,000 range.

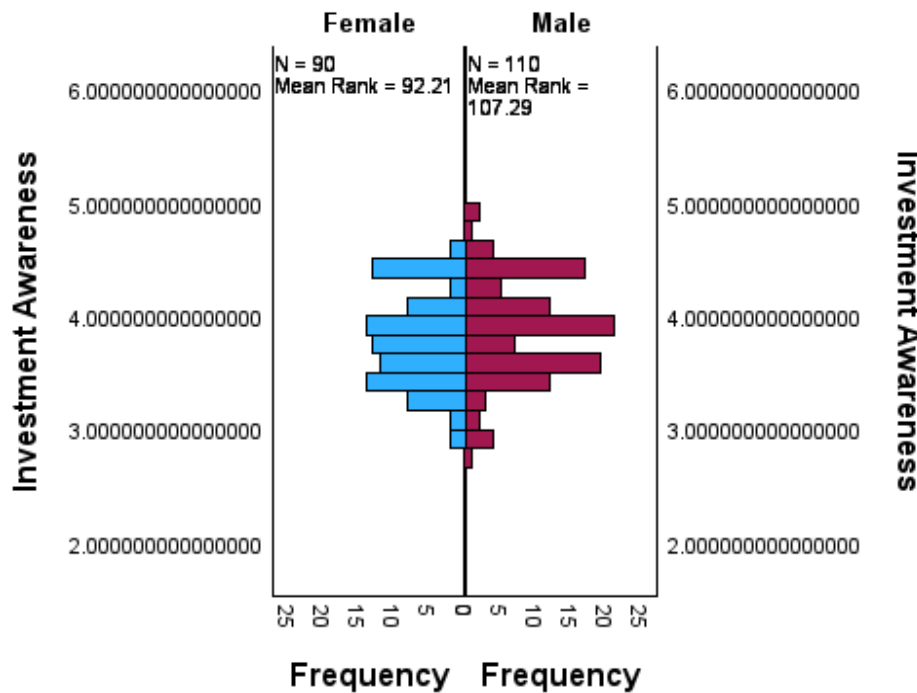
7.2. Investment Awareness across Gender

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig. ^{a,b}	Decision
1	The distribution of Investment Awareness is the same across categories of Gender.	Independent-Samples Mann-Whitney U Test	0.066	Retain the null hypothesis.
a. The significance level is .050.				
b. Asymptotic significance is displayed.				

Independent-Samples Mann-Whitney U Test Summary						
Total N	Mann-Whitney U	Wilcoxon W	Test Statistic	Standard Error	Standardized Test Statistic	Asymptotic Sig. (2-sided test)
200	4203.500	8298.500	4203.500	406.308	-1.837	0.066

Independent-Samples Mann-Whitney U Test

Gender

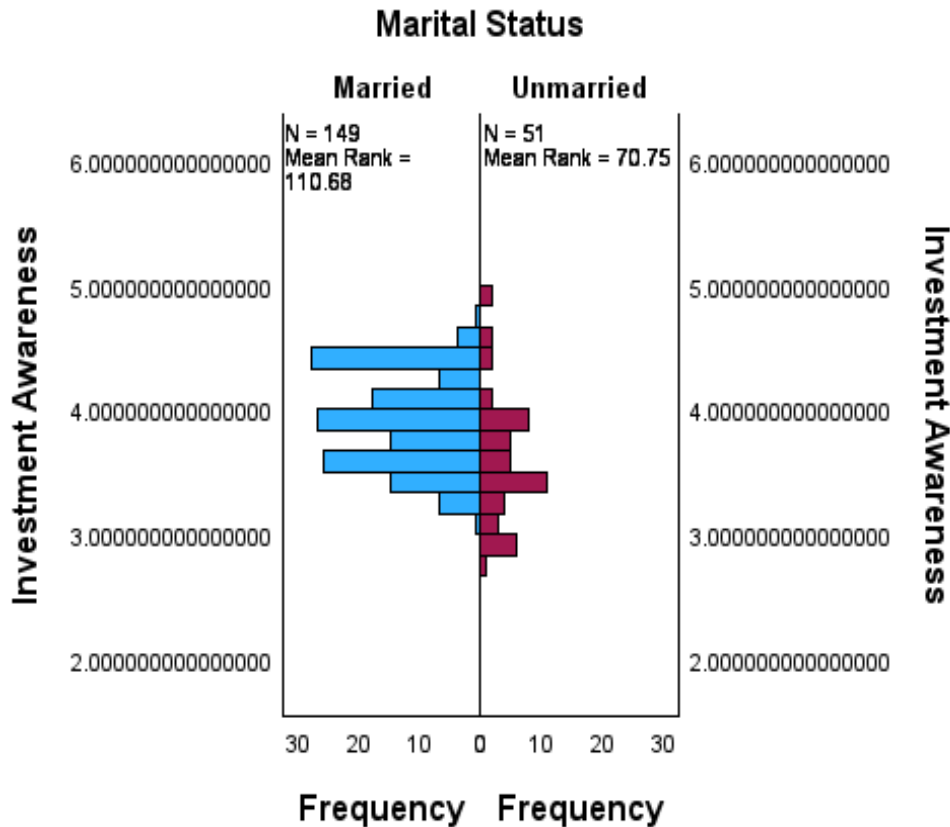


An Independent-Samples Mann-Whitney U Test was conducted to assess differences in investment awareness across gender. The analysis revealed a test statistic of $U = 4203.500$, with a standardized value of $Z = -1.837$ and an asymptotic two-tailed significance of $p = 0.066$. As the p-value exceeded the 0.05 threshold, the null hypothesis was retained. These findings indicate that investment awareness did not differ significantly between male and female respondents in the sample ($N = 200$).

7.3. Investment Awareness according to Marital Status

Hypothesis Test Summary						
	Null Hypothesis	Test	Sig. ^{a,b}	Decision		
1	The distribution of Investment Awareness is the same across categories of Marital Status.	Independent-Samples Mann-Whitney U Test	<.001	Reject the null hypothesis.		
a. The significance level is .050.						
b. Asymptotic significance is displayed.						
Independent-Samples Mann-Whitney U Test Summary						
Total N	Mann-Whitney U	Wilcoxon W	Test Statistic	Standard Error	Standardized Test Statistic	Asymptotic Sig. (2-sided test)
200	2282.5	3608.5	2282.5	355.97	-4.262	<.001

Independent-Samples Mann-Whitney U Test

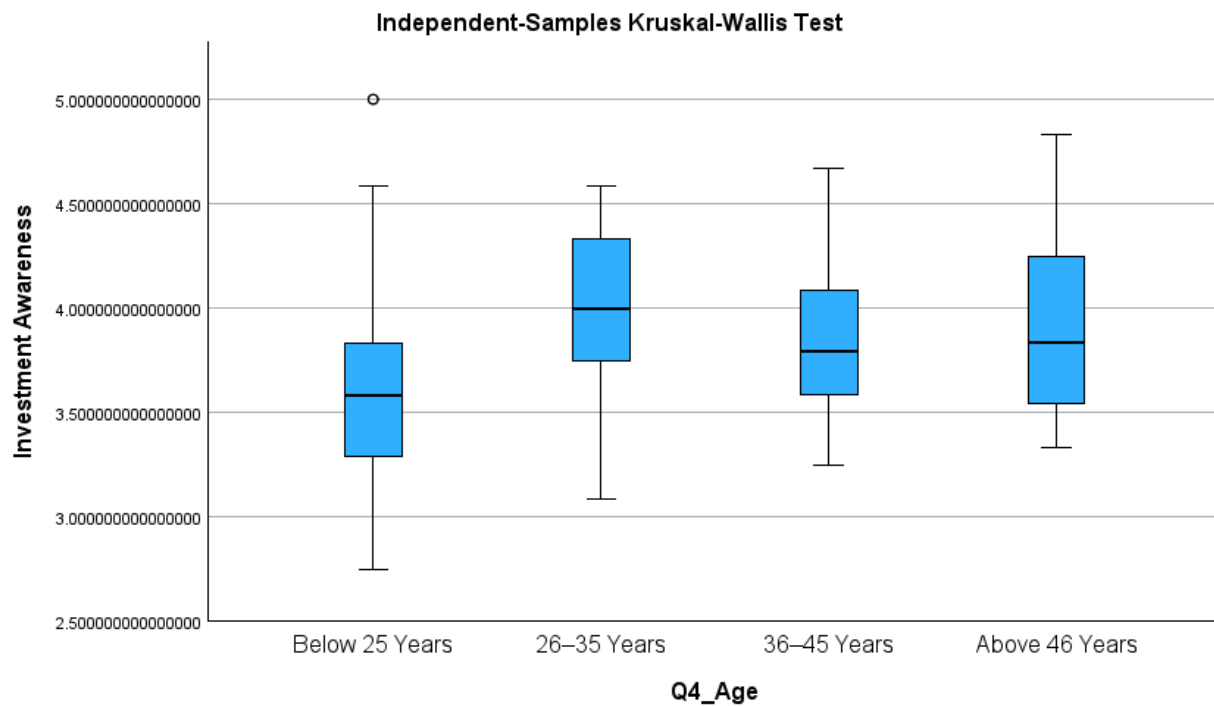


The Independent-Samples Mann-Whitney U Test revealed a statistically significant difference in investment awareness across marital status categories ($U = 2282.5$, $Z = -4.262$, $p < .001$). Given that the p-value is well below the 0.05 threshold, the null hypothesis was rejected. These results indicate that marital status plays a significant role in shaping investment awareness among respondents, suggesting that awareness levels vary meaningfully between married and unmarried individuals.

7.4. Investment Awareness across various categories of Age Group

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig. ^{a,b}	Decision
1	The distribution of Investment Awareness is the same across categories of Age Group	Independent-Samples Kruskal-Wallis Test	<.001	Reject the null hypothesis.
a. The significance level is .050.				
b. Asymptotic significance is displayed.				

Independent-Samples Kruskal-Wallis Test Summary				
Total N	Test Statistic	Degree Of Freedom	Asymptotic Sig. (2-sided test)	
200	26.151 ^a	3	<.001	
a. The test statistic is adjusted for ties.				

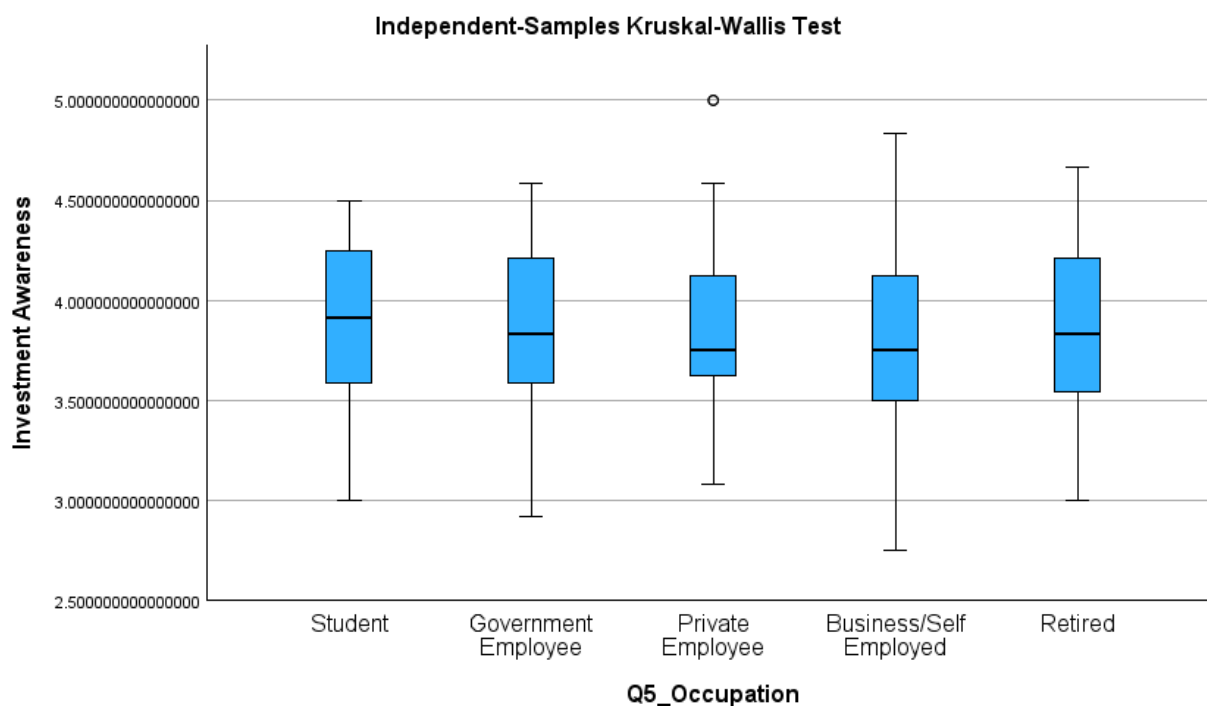


An Independent-Samples Kruskal-Wallis Test was conducted to evaluate differences in investment awareness across age groups. The analysis yielded a test statistic of $H = 26.151$ (adjusted for ties), with $df = 3$ and an asymptotic significance of $p < .001$. As the p-value was well below the 0.05 threshold, the null hypothesis was rejected. These findings indicate that investment awareness varied significantly among respondents across different age categories ($N = 200$).

7.5. Investment Awareness across various categories of Occupation

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig. ^{a,b}	Decision
1	The distribution of Investment Awareness is the same across categories of Occupation.	Independent-Samples Kruskal-Wallis Test	.622	Retain the null hypothesis.
a. The significance level is .050.				
b. Asymptotic significance is displayed.				

Independent-Samples Kruskal-Wallis Test Summary				
Total N	Test Statistic	Degree Of Freedom	Asymptotic Sig. (2-sided test)	
200	2.627 ^a	4	<.622	
a. The test statistic is adjusted for ties.				

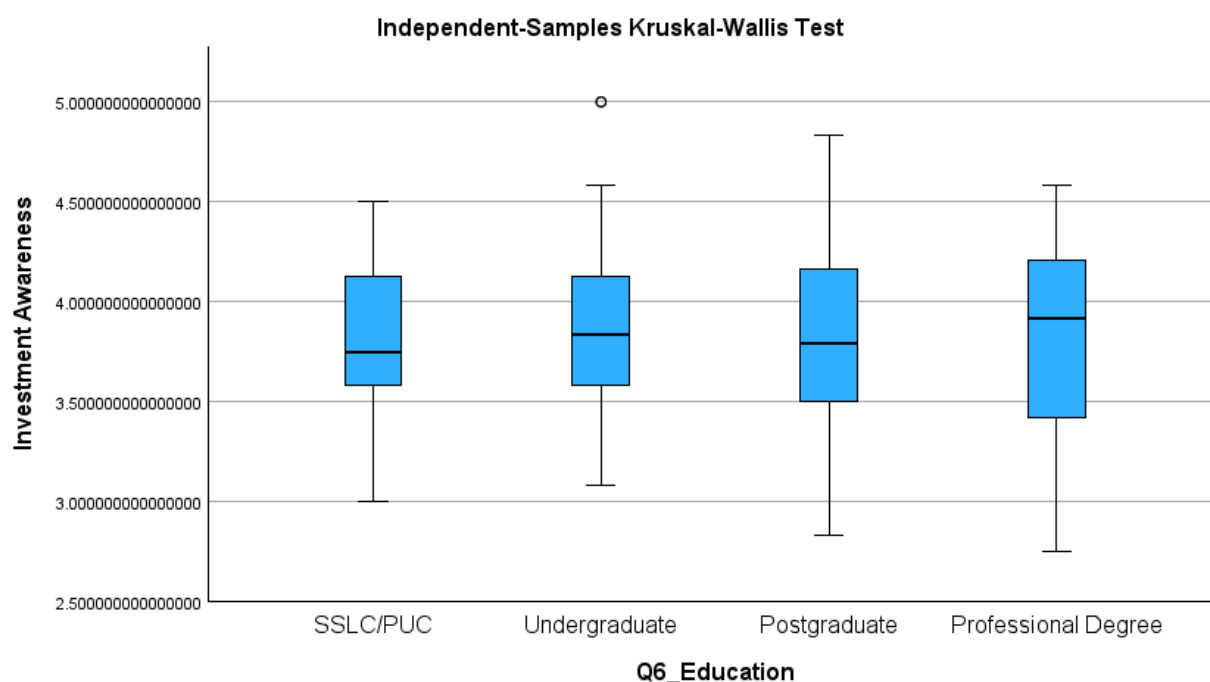


An Independent-Samples Kruskal-Wallis Test was conducted to assess differences in investment awareness across occupational categories. The test produced a statistic of $H = 2.627$ (adjusted for ties), with $df = 4$ and an asymptotic significance of $p = 0.622$. As the p -value exceeded the 0.05 threshold, the null hypothesis was retained. These findings indicate that investment awareness did not differ significantly across occupational groups among the respondents ($N = 200$).

7.6. Investment Awareness across various levels of Education

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig. ^{a,b}	Decision
1	The distribution of Investment Awareness is the same across levels of Education.	Independent-Samples Kruskal-Wallis Test	.823	Retain the null hypothesis.
a. The significance level is .050.				
b. Asymptotic significance is displayed.				

Independent-Samples Kruskal-Wallis Test Summary			
Total N	Test Statistic	Degree Of Freedom	Asymptotic Sig. (2-sided test)
200	.910 ^a	3	<.823
a. The test statistic is adjusted for ties.			

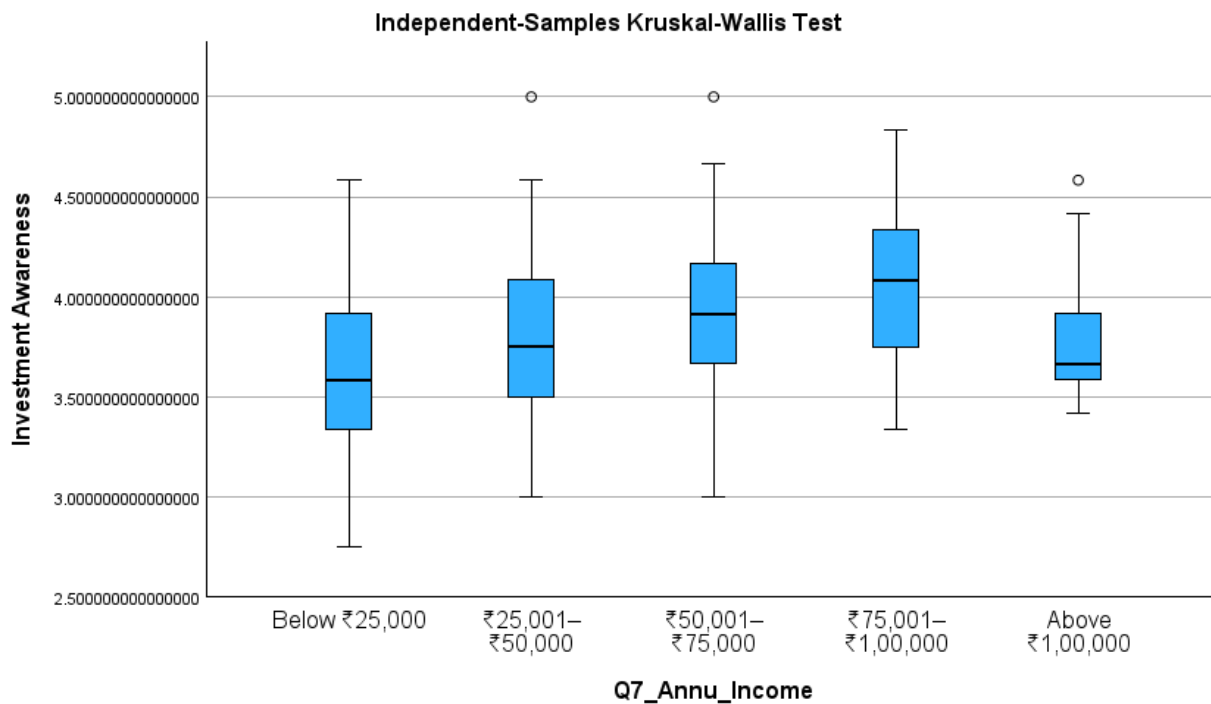


An Independent-Samples Kruskal-Wallis Test was conducted to examine differences in investment awareness across education levels. The analysis yielded a test statistic of $H = 0.910$ (adjusted for ties), with $df = 3$ and an asymptotic significance of $p = 0.823$. As the p -value exceeded the 0.05 threshold, the null hypothesis was retained. These findings indicate that investment awareness did not differ significantly across education levels among the respondents ($N = 200$).

7.7. Investment Awareness across various levels of Annual Income

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig. ^{a,b}	Decision
1	The distribution of Investment Awareness is the same across levels of Annual Income.	Independent-Samples Kruskal-Wallis Test	.002	Reject the null hypothesis.
a. The significance level is .050.				
b. Asymptotic significance is displayed.				

Independent-Samples Kruskal-Wallis Test Summary				
Total N	Test Statistic	Degree Of Freedom	Asymptotic Sig. (2-sided test)	
200	17.455 ^a	4	<.002	
a. The test statistic is adjusted for ties.				



An Independent-Samples Kruskal-Wallis Test was conducted to assess differences in investment awareness across annual income categories. The test produced a statistic of $H = 17.455$ (adjusted for ties), with $df = 4$ and an asymptotic significance of $p = 0.002$. As the p -value was below the 0.05 threshold, the null hypothesis was rejected. These findings indicate that investment awareness differed significantly across income levels among the respondents ($N = 200$).

8. Findings, Suggestions and Conclusion

8.1. Findings

- The present study examined the influence of demographic variables on investment awareness. The analyses revealed that marital status, age group, and annual income were significant determinants of investment awareness, while gender, occupation, and education level did not show statistically significant effects.
- The finding that marital status significantly influenced investment awareness suggests that life stage and family responsibilities may shape financial decision-making. Married individuals often face greater financial obligations, such as household expenses, children's education, and long-term security planning, which may heighten their awareness of investment opportunities.
- Similarly, age group emerged as a critical factor, with significant differences observed across categories. This result aligns with the notion that investment awareness tends to increase with age and experience, as older individuals are more likely to engage in financial planning and risk management compared to younger cohorts.
- Annual income also showed a strong association with investment awareness. Higher income groups typically have greater disposable resources and stronger incentives to explore investment avenues, while lower income groups may prioritize immediate consumption needs over long-term financial planning. This finding underscores the role of financial capacity in shaping awareness and participation in investment activities.
- In contrast, gender, occupation, and education level did not significantly influence investment awareness. The absence of gender differences suggests that both men and women in the sample demonstrated comparable levels of awareness, reflecting a possible shift toward more equitable access to financial information. Similarly, the lack of significant variation across occupation and education indicates that professional background and formal qualifications may not be as decisive in shaping investment awareness as personal circumstances and financial capacity.

8.2. Suggestions

- Financial literacy initiatives should be tailored to marital status and age groups. Married individuals and older respondents may benefit from advanced investment planning, while younger and unmarried groups should be encouraged to adopt early saving and investment habits.

- Since income strongly influences awareness, programs should provide differentiated strategies. Lower-income groups may need guidance on safe, accessible investment options, while higher-income groups can be educated on diversification and wealth management.
- Inclusive Campaigns Across Gender, Occupation, and Education because these factors did not significantly affect awareness, campaigns can be designed inclusively, ensuring equal access to investment knowledge regardless of professional or educational background.
- Policymakers and financial institutions should prioritize awareness-building initiatives that address financial capacity and life stage, rather than focusing solely on structural attributes like occupation or education.

8.3. Conclusion

The findings highlight those personal circumstances and financial capacity—specifically marital status, age, and income—play a decisive role in shaping investment awareness. In contrast, gender, occupation, and education do not significantly influence awareness levels.

Overall, the study underscores the importance of designing financial literacy and investment awareness programs that are sensitive to individuals' life stage, demographic maturity, and financial resources. By focusing on these determinants, policymakers, educators, and financial advisors can more effectively promote informed investment behaviour and enhance financial well-being across diverse populations.

9. References

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