FINANCIAL PILLARS OF AN INDIVIDUAL

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Introduction
Asset allocation decision is an important aspect of the process of deciding how to distribute an investor's wealth among different asset classes for investment purposes. One will be thriving to find various investment avenues for investing so that one's set goal is reached, with this investment. There are some risk taking assets classes , which the other are less risk one. Of course one is aware of the fact the risk and return are inversely related to each other.

Need for Carrying out the Study
While there are a number of studies carried out on Investments, Investor's behavior towards investments, Risk preference of investors while making investment decisions, studies related to show the relationship between variables like risk and return, there are a very few studies been conducted till date on the investment patterns / Asset mix based on different factors of an individual like age, income, education, etc. Some studies carried out also show age group of 30 years and above as investors only .This is the foremost reason for undertaking this study as the pervious studies does not cover all the factors and these studies were conducted in other countries and not India. Hence, the current study is undertaken to fill the research gap.

Purpose - This article tries to determine the investor's investment pattern over different aspects of an individual.

Objectives
The Focus of the study is to determine different aspects of an individual influences investment size.

Scope of the study
The study will be covering investors in India. The class of investors would be from every stage of human life cycle. This study deals with individuals meaning living persons only and does not include any firms or companies. Investors will be from both classes i.e earners and non-earners (who have funds on their name). The study is mainly to find the investment patterns and to determine various other factors, which influence investment decisions of investors. This paper presents about the factors influencing investment size.

Design/methodology/approach - A questionnaire survey was conducted and responses were obtained from 69 investors at Hyderabad. The data obtained was then analyzed using statistical techniques like simple percentages and Chi – square method.

Profile of the investors
Table: 1 Age of the investor

Age group	No: of investors	Percentage
20 – 39	24	35
40 – 59	28	41
60 and above	17	24
Total	69	100

Source: Primary data

Age plays an eminent role in making investment decisions. Investment patterns of different age group people will be different as each individual is different from one another.

The above table shows the age profile of the investors. From the table it is observed that maximum number of respondents belonged to the age group of 40 to 59 years (41 percent), followed by 20 to 39 years (24 percent) age category. Only 24 percent of the investors were 60 and above years group.

Table: 2 Gender of the investor

Gender	No: of respondents	Percentage
Males	53	76
Females	16	24
Total	69	100

Source: Primary data

The impact of gender on financial decision – making in general and on the investment process specifically has been of increasing interest to both the researchers and practitioners. Table 2 presents the details relating to gender of the investors. Of the total respondents nearly 76 percent are males and remaining 24 percent are female investors. It can be clearly seen that majority of the respondents are men.

Table: 3 Monthly Income of the investors

Monthly income	No: of respondents	Percentage
< Rs.10,000	8	11.59
Rs.10,000 – Rs.25,000	29	42.09
Rs.25,000 – Rs.50,000	20	28.99
>Rs.50,000	12	17.39
Total	69	100

Source: Primary data

Income size and investment related characters may be different for different income investors. Table 3 gives the break- up of the income of the respondents. 42 percent of the investors have an income of Rs.10,000 to Rs.25,000 per month, followed by 20 percent of the respondents with monthly income of Rs.25,000 to Rs. 50,000 and 12 percent of the investors earn an income above Rs.50,000 per month.

Table: 4 Annual savings of the investors

Annual savings	No: of respondents	Percentage
< Rs.50,000	13	19
Rs.50,000 – Rs.2,50,000	24	35
Rs.2,50,000 – Rs.5,00,000	22	32
Above Rs.5,00,000	10	14
Total	69	100

Source: Primary data

Savings of the individuals can be kept in two forms, one way is pure cash and the other way is to invest in any of the investment alternatives. Table 4 gives the break –up of savings of the respondents. It reveals that 35 percent (maximum) of the respondents save an amount of Rs.50, 000 to Rs.2,50,000 every year.

I. Lifecycle clusters and investment related characteristics					
Table 5: Lifecycle clusters and investment size					
	Investment size(in Rs. lakhs)				
Age	<0.5	0.5 -2.5	2.5-5.0	>5.0	Total
20 – 39 Yrs	2	8	6	8	24
40 – 59 Yrs	2	12	12	2	28
60 and above	7	4	4	2	17
Total	11	24	22	12	69

Source: Primary data

Calculated Chi – square(2) value	17.474
Table value	12.59
Degree of freedom	6
	0.05
Ho	Rejected

An attempt is made to study the association between lifecycle (age) clusters and their investment size. For this purpose, the size of investment is divided into four groups: (i) less than Rs.50,000; (ii) Rs 50,000 to Rs.2,50,000; (iii) Rs.2,50,000 to Rs.5,00,000 and (iv) above Rs.5,00,000.

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Chi – square test:

Ho: Age of the investors and investment size are independent.

H1: Age of the investors and investment size are dependent.

Chi – square value from table 5 for 6 degree of freedom at 5 percent level of significance is 17.474. The table value of Chi – square for (4-1)(3-1) is 12.59. Since the calculated value of Chi – square is greater than table value, the Ho is rejected. Hence, it may be concluded that, age of the investor and investment size are dependent.

II. Income and investment related characteristics					
Table 6: Income and Investment Size					
	Investment Size				
Monthly Income	<0.5	0.5 -2.5	2.5-5.0	>5.0	Total
< Rs.10000	3	5	0	0	8
Rs.10000 -RS. 25000	5	16	8	0	29
Rs.25000 - Rs.50000	1	2	10	7	20
> Rs. 50000	2	1	4	5	12
Total	11	24	22	12	69

Source: Primary data

Calculated Chi – square(2) value	33.899
Table value	16.92
Degree of freedom	9
	0.05
Ho	Rejected

Income size and investment related characteristics may be different for different income investors. Table 6 shows the relationship between income size of the investors and their investment size. For this study the break up of income into four groups is done. That is (i) less than Rs.10,000 (ii) Rs.10,000 – Rs.25,000 (iii) Rs.25,000 – Rs.50,000 and (iv) greater than Rs.50,000 per month. The same sample investors were further classified on the basis of the income level of investors. Of these 67 percent investor belong to investment size of Rs.50,000 – Rs.2,50,000 and the remaining 33 percent are of investment size of less than Rs.50,000.

42 percent of the total respondents belong to a monthly income of Rs.10,000 to Rs.25,000. Of these ,a highest of 53 percent invest in Rs.50,000 to Rs.2,50,000 in an year, followed by 35 percent in less than Rs.50,000 size.12 percent of the investors in this category invest an amount of Rs.2,50,000 to Rs.5,00,000. Of the total respondents 28 percent belong to Rs.25,000 to Rs.50,000 monthly income. In this group a maximum of 70 percent of the respondent s' investment size is Rs.50,000. 18 percent of the total respondents are of greater than Rs.50,000 income group. Of these a majority invest an amount of Rs.2,50,000 to Rs.5,00,000.

Chi – square test:

Ho: Income of the investors and investment size are independent.

H1: Income of the investors and investment size are dependent.

Chi – square value from table 6 for 9 degree of freedom at 5 percent level of significance is 33.899. The table value of Chi – square is 16.92. Since the calculated value of Chi – square is greater than table value, the Ho is rejected. Hence, it may be concluded that, Income of the investors and investment size are dependent.

III. Gender And Investment Related Characteristics					
Table 7: Gender and Investment Size					
	Investment size(in Rs.Lakhs)				
Gender	<0.5	0.5 -2.5	2.5-5.0	>5.0	Total
Male	2	21	20	10	53
Female	9	3	2	2	16
Total	11	24	22	12	69

Source: Primary data

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Calculated Chi – square(2) value	25.5
Table value	7.78
Degree of freedom	3
	0.05
Ho	Rejected

Table 7 presents the responses of male and female investors regarding their investment size. A keen observation shows that women investors tend to invest less compared to men.

Chi – square test:
Ho: Gender of the investors and Investment Size are independent.
H1: Gender of the investors and Investment Size are dependent.
Chi – square value from table 7 for 3 degree of freedom at 5 percent level of significance is 25.5. The table value of Chi – square is 7.78. Since the calculated value of Chi – square is greater than table value, the Ho is rejected. Hence, it may be concluded that, Gender of the investors and Investment Size are dependent.

IV. Annual Savings And Investment Related Characteristics					
Table 8:Annual Savings and Investment Size					
	Investment Size				
Annual Savings	<0.5	0.5 -2.5	2.5-5.0	>5.0	Total
<0.5	11	0	0	0	11
0.5 - 2.5	0	24	0	0	24
2.5 - 5.0	0	0	22	0	22
>5.0	0	0	0	12	12
Total	11	24	22	12	69

Source: Primary data

Calculated Chi – square(2) value	207.0
Table value	16.92
Degree of freedom	9
	0.05
Ho	Rejected

Chi – square test:
Ho: Annual Savings and Investment Size are independent.
H1: Annual Savings and Investment Size are dependent.
Chi – square value from table 8 for 9 degree of freedom at 5 percent level of significance is 207. The table value of Chi – square is 16.92. Since the calculated value of Chi – square is greater than table value, the Ho is rejected. Hence, it may be concluded that, Annual Savings and Investment Size are dependent.

Conclusion: Chi – square analysis revealed that age, income, gender and savings have significant impact on their investment size.

Practical implications - The findings in the paper could be used by financial service companies to target their financial products to there investor segments and effectively market them.

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