A Study on Saving and Investment Behavior of Millennial Employees Employed in BPO Sector in Bengaluru City, Karnataka, India

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Abstract - **Millennials or Generation Y are people born between 1982 and 2004. Currently, they constitute a third of India's population, and 46% of the current workforce. Millennials have begun investing at a much earlier age compared to their parents, suggests data from the latest YouGov-Mint Millennial Survey. This study is focusing on the preference of Investments by millennial working in IT sectors of Bengaluru city. It will be helpful to identify the different and better investment options that are available in the market. The research is restricted to factors perceived by the millennial investors when investing in various avenues of investment. Their level of choice, satisfaction, knowledge, and problem severity were considered regarding the various aspects of investment avenues available in the study area. This research contributes to developing an understanding of Millennials' financial planning and investment behaviour.**
Keywords: **Millennials, Investment Behaviour**

I. INTRODUCTION

Investment can be described as an employment of money in order to receive extra growth, either in additional revenue or appreciation in value Investment refers to the collection of some type of resource with the intention of obtaining a return. Safety of principal amount, volatility, earnings and its consistency, appreciation and finally simple transferability are the key features seen in an investment. The array of investment options is plentiful and categories such as bonds, bank, businesses, gold and silver, real estate, life insurance, postal savings. All investors who would like to invest or put the money at surplus in the avenues listed above, which are applicable based on their risk-taking mindset and bearing ability. Any saver's main purpose is to make savings, as these small investments built today are to fulfill their future spending. The investor has a range of alternatives for the investment, from traditional investments to recent year's additional options. Nation's economic growth is driven by savings and their conversion into investment. The investment goal includes demographic factors such as the savers age, profession, sex, and earnings. The principal goal of this study is to seek true understanding towards the investment preferences of the millennial who are working in the BPO sector. The aim is also to give an idea of all the influencing factors for an acceptable investment by the investors. The broad spectrum of issues can also be recognized in relation to investments of millennial.

II. REVIEW OF LITERATURE

Prof. Charkha and Prof. LanjekarR. (2018) have studied the investment pattern of salaried class in his research "A study of saving and investment pattern of salaried class people with special reference to Pune city." They stated that investment is a type of activity which engage people who must do savings. Either investment is made for their future savings or people invest their savings.In their study they found that 73.30% investors are aware of investment avenues, high income class people have higher level of awareness about the different investment avenues. Investors prefer safety investment with good returns. The study also found that mutual funds are given 1st preference by the investors for investment.

Hemalatha and Pavitra (2020) studied the savings and investment preference of salaried women in their research titled, "A study on savings and investment pattern of salaried women in Coimbatore district." Research was emphasized that role of women in today's world has different prospective. That majority of the respondents strongly agree that the reason for investment is for future savings which help to increase the standard of living and for future health care. Majority of the respondents have more awareness about the investment avenues in bank deposits, gold, and post office savings. The researcher also found that respondents face problems associated with investment such as safety of principal, variability in returns and cumbersome producers.

Azhar and Juliza *et al.,* (2017) have studied about the investment awareness in their study "Investment awareness among young generation." They have emphasized on young generation as they are more creative and technology savvy, but the research was concerned about the awareness of their financial status and their future investment.The objectives of the study are to identify the relationship between financial literacy and investment awareness among young generation, to examine the relationship between investment activities and investment awareness among young generation and to study the relationship between environment and investment awareness among young generation.The study concluded that the awareness on investment is lacking.

Research Gap: While most of studies focuses on understanding investors behaviour based on demographic variables in region, gender and generation, however no study has so far focused on understanding investment behaviour of Millennials' employed in BPO industry in Bangalore city. Therefore, this study focuses on the preference of Investments by millennial working in BPO sectors of Bengaluru city.

III. RESEARCH METHODOLOGY

A. Research Problem

Millennials or Generation Y are people born between 1982 and 2004. Currently, they constitute a third of India's population, and 46% of the current workforce. Millennials have begun investing at a much earlier age compared to their parents, suggests data from the latest YouGov-Mint Millennial Survey. This study is focusing on the preference of Investments by millennial working in IT sectors of Bengaluru city. It will be helpful to identify the different and better investment options that are available in the market. The research is restricted to factors perceived by the millennial investors when investing in various avenues of investment. Their level of choice, satisfaction, knowledge, and problem severity were considered regarding the various aspects of investment avenues available in the study area. This research contributes to developing an understanding of Millennials' financial planning and investment behaviour.

B. Research Objectives

1. To study the investment preference among the millennial in BPOs in Bengaluru city.
2. To examine the factors that is influencing investment behavior of millennial.

C. Data and Sampling

In this study the primary data was collected through structured questionnaire (consisting of 33 questions) which was distributed to millennial working in BPO sectors in Bengaluru city. The data was distributed through Google forms. The study used convenience sampling method with the sample size of 101 millennial working in BPO at Manyata Tech Park in Bengaluru city, Sectors of Bengaluru city. Percentage analysis was used as a tool to interpret the data that were collected. SPSS software version 21 was used for testing the hypothesis. In this study using SPSS software, an nova test has been conducted to test the 5 major hypothesis.

D. Limitation of the Study

The study is mainly farmed on the primary data collected from 101 respondents working at Manyata Tech Park in Bengaluru city. This is an academic effort, and it is limited to time, geographical location and cost. As the data is collected from 101 respondents only, generalization to other millennial in other location is inevitable.

IV. ANALYSIS AND DISCUSSION

A. Invest Profile of the Respondents

Out of 101 respondents, most of the respondents that is around 57 respondents are between the age group of 23-28 Followed by 24 respondents between the age group of 33-38. Age group considered for the study is based on millennial generation. Anyone born after 1997 is gen z generation. Gender profile of the respondents, out of total 101 of respondents 42 are men and 42 are women and 3 are others. Generally, men bear the financial responsibility in our culture and therefore they take most of the investment decisions at home to fulfill the financial obligations. Thus, from the study we find large proportions that are 55.4% are men.Educational profile of the respondents, out of total 101, 33 respondents is graduates. 45 respondents are postgraduates and 14 respondents with diploma qualification. 8 bear qualifications other than being a graduate, post graduate and diploma. Therefore, from the study we find the majority of the investors are postgraduates having the maximum number of representation (45.5%) followed by graduates.

One of the prerequisites for investing is to have a reliable source of income, if one does not have a reliable source of income a person may depend on borrowing which is very risky. The study exhibits income of the respondents, out of total 100 of respondents 8 are with the earnings of below 2lakhs, 40 respondents with the earnings of 2-4 lakhs, 42 respondents with the earnings of 4-6 lakhs and 10 respondents with the earnings of above 10 lakhs. It is found that most respondents (41.6%) have an annual income of 4-6 lakhs. There is a greater relationship between income, experience, and educational qualification.Out of 101 respondents 64 respondents have 2 dependents. 23 respondents have 3 respondents and 13 respondents have more than 3 dependents in their family. Many of the respondents having only 2 dependents which shows there is a greater opportunity for them to save and invest than compared to respondents with 3 or more dependents. One of the factors that affects individual's savings is family size. Out of 101 respondents 56 respondents are with the family size of less than 4members. 37 respondents are with a family size of 4-6 members and 8 respondents are with a family size of more than 6 members. The nuclear family is undeniably still prominent.

Owning a house is a dream of many in Bengaluru city. The study shows the respondents owning a house. Out of 101 respondents 45 respondents own a house and 56 respondents do not own a house. Many of the respondents does not own house; hence it is found that millennial channelize their savings towards owning a house. Millennial savings. Out of 101 respondents 26.7% are saving less than 25000. 21.8% of the respondents save between the ranges of 25000-50000. 27.7% of the respondents save about 50000-100000 and 23.8% save above 100000. The next step to multiply the money is to invest the savings. The study

exhibits the portion invested from annual income. Majority of the respondents that is 62.4% of the respondents invest less than 20% from their annual income. 32.7% invest 20-40% of their income and 5.9% invest more than 40% from their annual income. In terms of investment experience 28.7% that is 29 respondents have invested from less than 1 year. 17.8% of the respondents invested from 1-2 years. 36.6% of the employees invested from 2-4 years and 16.8% respondents invested from more than 4 years. Return on investment determines the risk level taken by investors, maturity period. The study exhibits the growth rate at which the investment must grow. 23.8% of the respondents want their investment to grow slow and steadily, which means they are much risk averse.

57.4% of the respondents want their investment to grow at an average speed. This signifies that they are ready to take moderate risk with moderate returns. 18.8% of the respondents want to have a fast growth on their investment.Respondent's attitude when making financial decision - Out of 101 respondents 3% of the respondents are very adventurous while taking a finical decision, which shows that they are willing to take greater risk for greater return. 25.5% of the respondents are adventurous. 34.7% of the respondents are at an average that is neither adventurous nor cautious. 23.8% of the respondents are cautious and 12.9% of the respondents are very cautious while taking a financial decision.

Return and risk are of two faces for any investment. There is a positive relationship between risk and return that is when risk goes high return goes high, when risk goes down return goes down. The study exhibits the risk of losing the investment amount. Majority of the respondents that is 76.2% are not ready to take the risk of losing the invested amount, which shows they are risk averse. 23.8% of the respondents are ready to lose their invested amount. Everyone has different saving pattern to be followed. The study exhibits the saving pattern of millennial. 33.7% of the respondents save regularly and put money aside each month. 14.9% of respondents spend regular income and save other income. 28.7% of the respondents spend income of one family member and save the income of other family member. 21.8% of respondents do not have regular saving plan and 1% do not save. When it comes to the investment horizon of millennial - 14.9% of the respondents have invested with an investment period of less than 1 year. 22.8% of the respondents have invested with investment horizon of 1-2 years. 46.5% of the respondents have invested in 2-5 years of investment horizon. 15.8% of respondents have invested with investment horizon of more than 5 years.

B. Research Hypothesis 1

H_0 there is no significant relationship between gender and investment preference among millennials.
H_1 there is a significant relationship between gender and investment preference among millennial.

TABLE I GENDER AND VARIOUS INVESTMENT PREFERENCE

Sl. No.	Kind of investment you prefer the most	Significance Level	Conclusion
1	Savings Bank Account	0.494	No association between gender and investment preference in saving bank account
2	Insurance	0.741	There is no association between gender and investment preference in insurance.
3	Shares	0.918	No association between gender and investment preference in saving shares.
4	Mutual Funds	0.962	No association between gender and investment preference in mutual funds.
5	Real Estate	0.832	No association between gender and investment preference in real estate.
6	Fixed Deposits	0.631	No association between gender and investment preference in fixed deposits.
7	Post office saving schemes	0.550	No association between gender and investment preference in Post office saving schemes.
8	Gold	0.587	No association between gender and investment preference in Post office saving schemes.

C. Research Hypothesis 2

H_0 there is no significant relationship between age and percentage of investment from millennial annual income.

H_1 there is a significant relationship between age and percentage of investment from millennial annual income.

TABLE II PORTION THAT YOU INVEST FROM YOUR ANNUAL INCOME

Particulars	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.669	2	2.335	7.087	.001
Within Groups	32.281	98	.329		
Total	36.950	100			

Since the significance level is .001 which is less than .050 hence there is statistical evidence to accept the null hypothesis.

Therefore, there is an association between annual income and portion invested from annual income.

1. Gender and typical attitude of investors while making financial decision.
a. H_0 there is no significant relationship between gender and typical attitude of investor while making financial decision.
b. H_1 there is no significant relationship between gender and typical attitude of investors while making financial decision.

TABLE III ANOVAHOW WOULD YOU DESCRIBE YOUR TYPICAL ATTITUDE WHEN MAKING FINANCIAL DECISION

Particulars	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.516	2	3.258	3.062	.051
Within Groups	104.276	98	1.064		
Total	110.792	100			

Since the significance level is .051 which is greater than .050 hence there is no statistical evidence to reject the null hypothesis.Therefore, there is no association between gender and typical attitude while taking a financial decision.

V. FINDINGS AND SUGGESTIONS

From the above analysis it is found that most of the respondents that is 57.4% are between the age group of 23-28. Most of the respondents that is 55.4% are male followed by female and others. Most of the respondents that is 45.5% are with an educational qualification of post-graduation, followed by under graduation that is 32.7%. Most of the respondents that is 41.6% are with an annual income which ranges from 4-6 lakhs. Around 39.6% of the respondent's annual income rages from 2-4 lakhs. Majority of the respondents that is 37.6% have a work experience of 2-4 years. Majority of the respondents that is 64.4% have 2 dependents, with the family size of less than 4 members (55.4%). 43.6% respondents do not own a house. Annual savings of respondents are equally distributed among 101 respondents with the rage of 25000 to 1 lakh and above.

Most of the respondents that s 27.7% have an annual income of 50000-100000. Majority of the respondents that is 57.4% are expected to have a growth in their investment at an average it is also found that the typical attitude of the respondents while making a financial decision is neither very adventurous nor very cautious, but the decisions are moderate or at an average. Majority of the respondents that is 76.2% of the respondents are risk averse that is they do not want to lose their investment. Majority of the respondents' saving pattern is to save money each month.

From the study it is found that there is no association between gender and investment preference in the following:
1. Savings bank account.
2. Insurance.
3. Shares
4. Mutual funds
5. Real estate
6. Fixed deposits
7. Post office
8. Gold
9. Public provident fund
10. Debenture

a. From the statistical analysis it is found that there is strong association between annual income and portion invested from annual income.
b. From the statistical analysis, it is found that there is no association between gender and typical attitude while taking a financial decision.
c. from the above statistical analysis, it is found that there is no significant relationship between age and reasons for savings for the following
   1. Owning a house
   2. Medical expenses
   3. Retirement benefits
   4. Other expenses.

a. From the above statistical analysis, it found that there is a significant relationship between age and reasons for saving that is for marriage.
b. From the above statistical analysis, it is found that there is an association between gender and knowledge on investment avenues,
   1. Real estate
   2. Gold
   3. Mutual funds
   4. Bank deposits
   5. Insurance policies
   6. Provident fund.

VI. SUGGESTION AND CONCLUSION

It is very important to save the income which is earned to meet the uncertainties in life and to spend for future. By doing so, one can also avoid spending money on unnecessary things. It is always seen as youth (millennial) does not focus much on saving and investment. But the study throws a light on their saving and investment pattern and factors they consider before investing and reason for their saving. The millennial highly prefers to invest in gold, savings bank, insurance, and fixed deposits.As majority of the millennial consider risk as the major factor before investing, there are also other investment avenues like post office schemes, provident fund, public provident fund which has very less risk or even with 0% risk. On the other hand, other investment avenues like shares, mutual funds are also welcoming by the millennial. Hence the stock broking firms should also conduct more awareness programs to attract the investors.

VII. CONCLUSION

After the analysis and interpretation of data, the study is concluded that investors are well conscious of investment avenues available in India, however still investors prefer to invest in bank deposit, real estate, gold. Research data review shows that when making investments, risk is concerned as a significant consideration, so the remaining avenues are considered less substantial when investors make investments.Since recent times, the effectiveness of every investment decision has become ever more critical, making proper investment decisions requires both skills and knowledge. Investors like millennial have different perception of investment as their need are different such as capital appreciation, growth, and income for reasons like marriage, medical expenditure, owing a house etc. The research defined preference level, knowledge level, and investment satisfaction level. Investors define fund protection as their goal when selecting an investment. So, the government should have more security for investors.

Scope for Further Research: The study is based on millennial saving pattern in IT sectors of Bengaluru city. The study can also be extended on millennial working in other sectors and in other geographical location. The study can also be done on other age groups and find the factors affect their savings and investment.

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