Library Progress International *Print version ISSN 0970 1052*
Vol.44 No.3, Jul-Dec 2024: P.5500-5506 *Online version ISSN 2320 317X*

Original Article *Available online at www.bpasjournals.com*

Financial behaviour Across Professions: An In-depth Analysis of Knowledge, Attitudes, and Practices among Professionals in Diverse Sectors

Dr. Himani shonik, Ms. Sonam srivastavaMr. Tanuj Bansal, Dr. Diwakar Chaudhary, Mr. Vishal, Ms.Yashmita Awasthi

[1] Assistant Professor, Mangalmay Institute of Management and Technology, Greater Noida, Uttar Pradesh
[2] Assistant Professor, Mangalmay Institute of Management and Technology, Greater Noida, Uttar Pradesh
[3] Academic Manager, Samarth eGov, Institute of Informatics and Communication, University of Delhi
[4] Assistant Professor, Mangalmay Institute of Management and Technology, Greater Noida, Uttar Pradesh
[5] Assistant Professor, Mangalmay Institute of Management and Technology, Greater Noida, Uttar Pradesh
[6] Assistant Professor, Christ University, Bengaluru

How to cite this article: Himani shonik, Sonam Srivastava,Tanuj Bansal, Diwakar Chaudhary, Vishal,Yashmita Awasthi (2024) Financial behaviour Across Professions: An In-depth Analysis of Knowledge, Attitudes, and Practices among Professionals in Diverse Sectors. *Library Progress International,* 44(3), 5500-5506.

Abstract

Purpose: To analyse the knowledge, attitudes, and practices regarding finances among professionals across different sectors for improving financial well-being.

Design/methodology/approach: It involves a comprehensive analysis of financial behaviors among professionals through surveys (questionnaire). The data collected has been properly aligned in excel sheet and then was entered into SPSS 20.0 software and then t-test, Multiple regression and ANOVA has been used for properly analysing the data.

Findings – The analysis reveals that future planning is the primary driver of investment, with individuals motivated by high returns and tax benefits. Investors display a risk-averse nature, as supported by portfolio frequencies.

Originality/value – This paper uniquely examines the interplay of risk and return in the financial attitudes and practices of professionals across various sectors, offering crucial insights into their distinct risk-taking behaviours and potential returns on investment.

Keywords Financial literacy, Financial Behaviour, Regression analysis, Investment.

Paper type- Article

This study conducts a thorough analysis of financial behaviour across diverse professions, investigating the knowledge, attitudes, and practices of professionals. Through surveys and interviews spanning sectors like finance, academics, and technology, the research unveils patterns in financial understanding, attitudes towards risk, and practical behaviours. The findings offer targeted insights for financial advisors and policymakers to enhance financial well-being tailored to the unique needs of professionals in different fields. This study contributes to a nuanced understanding of the interplay between professional life and financial decision-making.

Introduction

The term "saving" shares its origin with "safe," emphasizing the fundamental importance of safeguarding money. Conversely, when individuals invest, their primary aim is usually to generate profits. Notably, a crucial aspect to consider is the trade-off between risk and return. Another distinction is apparent in the dictionary's definition of "saving" - denoting a decrease in the money utilized. This definition implies curtailing expenditure to set aside funds. It's these reserved funds that can then be put into investments. For putting this investment in good use and efficiently managing the money there is a growing need of financial literacy among individuals. In the current economic landscape, the significance of financial literacy is amplified by its role in navigating challenges.

The factors which effects investment decisions include “safety, return, growth of capital, risk, liquidity, tax benefits,

ticket size and convenience". The main aim of investor is to make an optimal portfolio by minimising risk and maximising return. An accomplished investor not only profits but also conducts market analysis, assesses their risk tolerance, establishes investment goals, defines anticipated returns, and determines the investment timeframe. As the Keynesian theory explains, the marginal propensity to save is always found more than the marginal propensity to consume with every increase in income of the individual and the country as a whole.

The desire to diminish financial uncertainty, achieve a sense of financial autonomy, and possess personal assets such as a home or car at a young age are among several motivations that drive young professionals in the initial stages of their careers to invest their earnings in a diverse investment avenue. Most of the market operates under intangible and unmeasurable factors called market sentiments. To maximize investment outcomes, comprehending human behaviour in financial contexts is essential. Moreover, investors must cultivate a forward-looking mindset, resilience, patience, and motivation. Differences in investors' behaviour stem from various factors such as demographics, encompassing socio-economic status, education, age, ethnicity, and gender.

Literature Review

There is a study on the savings and investment behaviour of college faculty members in Puducherry region. The results of the study shows that satisfaction level of faculty members and their choice of investment avenues is correlated with various demographic factors (Nagpal & Bodla, 2009; Pandey & Kathavarayan)[1]. Research conducted on financial literacy and Investment behaviour of IT professional in Bangalore city conclude that the factors which influence Investment options towards IT Professionals includes Interest rates, Risk and return, regular income, safety and security and tax benefits and it was found that demographic factors have found to have noteworthy impact on investment preferences among IT Professionals (Shaik et al.)[2].

There is a previous study on Financial Literacy and Investment Behaviour of IT Professional in India and it was found demographic factors were having a notable impact on investment preferences among IT Professionals (Shaik et al.)[3].

Ming pai fang[4] has written a research paper which highlight levels of financial literacy of young people are among the lowest as compared to the other demographics also Increasingly more countries are recognizing the importance of financial literacy and are developing financial education programs for schoolchildren.

According to Chen Chen Yong[5], inadequate financial literacy and suboptimal financial management practices have a noteworthy impact on numerous young Malaysians and Research suggests that financial knowledge's impact on behavior is influenced by financial attitudes. Potrich et al. [6] defined financial education serves as a developmental process aimed at empowering individuals to make informed decisions which helps in personal financial management.

Lusardi and Mitchell [7] proposed a comprehensive definition that includes understanding key financial concepts, such as portfolio, market risk, and its minimisation by diversification, as well as the ability to engage in financial behaviours like budgeting and saving.

Anju KJ and Dr. Anuradha PS [8] emphasized on untapped potential of income in case of IT professionals and after this study it was found that there is a positive relation between annual savings and expected rate of return on percentage of saving and investments.

A prior study analysed financial literacy trends among young people in Dugvapile. The findings revealed that students, in particular, require increased awareness of rapidly evolving financial instruments in today's dynamic market. The lack of such awareness exacerbates decision-making challenges for young individuals (Caplinska, A., & Ohotina, A.)[9].

Problem Statement

Despite the increasing significance of financial literacy in making sound investment decisions, there is a lack understanding on the way financial behaviour varies among various professional segments. This research addresses the gap in understanding how financial literacy influences the investment decisions of diverse professionals. It aims to examine the impact on factors like safety, return, risk, and liquidity, considering specific financial products.

Objectives

1. To investigate the relationship between gender, financial knowledge, income, age, and investment decisions, and identify any patterns or trends in the data

2. To examine the role of age, gender, profession and income in shaping financial literacy and their impact on investment decisions.

Hypothesis

H_{01}: There is no significant difference between Income and choice of investment avenues.

H_{02}: Financial behaviour is positively associated with income, age, gender and profession.

Research Methodology

Primary data has been collected with the help of questionnaire. The respondents were practising professionals across diverse streams in Greater Noida region. The sample size considered for this research is 107. Secondary data has been collected from various Journal, books, websites, public records and several others. Simple random sampling has been used for collecting data. The data collected with the help of questionnaire has been properly aligned in excel sheet and then was entered into SPSS 20.0 software and then t-test, Multiple regression and ANOVA has been used for properly analysing the data.

The Table-1 reveals that 30.7% of professionals prioritize saving for retirement, while 6.3% focus on saving for foreign tours. This underscores a trend of future-oriented financial planning among individuals engaged in savings.

Table-2: Motive of investment

Motive[a]	Responses	
	N	Percent
High returns	46	28.9%
Regular income	31	19.5%
Tax benefits	45	28.3%
Safety	37	23.3%
Total	159	100.0%

The Table-2 shows that 28.9% of individuals save for high returns on investments (>30%), while approximately an equal percentage (28.3%) is motivated by tax benefits. Fewer individuals are focused on saving for regular income, indicating a preference for passive income due to its perceived stability.

Table-3: Investment Portfolio

Portfolio[a]	Responses	
	N	Percent
Small cap	30	18.0%
Medium cap	52	31.1%
Large cap	47	28.1%
NO	38	22.8%
Total	167	100.0%

The Table-3 indicates that 31.1% of individuals prefer medium-cap investments, suggesting a medium-risk, medium-return approach. Following closely, 28.1% invest in large caps, revealing a trend toward risk aversion. The smallest portion is allocated to small-cap investments, indicating lower risk tolerance among the majority.

Table-4:Mode of investment

Mode[a]	Responses	
	N	Percent
Stocks	59	13.0%
National Pension Scheme	27	5.9%
Real estate	21	4.6%
PPF	34	7.5%
Commodities(Gold, silver)	15	3.3%
LIC/ other Life insurance scheme	43	9.5%
IPO	25	5.5%
Mutual funds	70	15.4%
FD	64	14.1%
RD	35	7.7%
Bonds	21	4.6%
Senior citizen savings scheme	12	2.6%
Pradhan Mantri Vaya Vandana Yojana	11	2.4%
Post office montlhy saving scheme	10	2.2%
others	8	1.8%
Total	455	100.0%

The results from Table-4 indicate that 15.4% and 14.1% of individuals invest in mutual funds and fixed deposits, respectively. This suggests a prevalent risk-averse attitude with a preference for calculated risks for future benefits. On the other hand, interest in senior citizen saving schemes (2.6%), Pradhan Mantri Vyaya Vandana Yojana (2.4%), post office monthly savings scheme (2.2%), and other options is relatively low, pointing towards a potential lack of financial awareness and aptitude in this segment of the population.

Table 5: Source of investment information

Source[a]	Responses	
	N	Percent
Social Media	36	25.7%
From friends	27	19.3%
Newspaper	13	9.3%
TV News	13	9.3%
Website	29	20.7%
others,	22	15.7%
Total	140	100.0%

The analysis reveals that 25.7% of individuals primarily obtain financial information from social media, indicating a reliance on influencers. The second-largest group (20.7%) seeks information from websites, suggesting a trend of informed decision-making among these individuals. In contrast, a smaller segment (9.3%) relies on newspapers and TV news, indicating lower dependence on traditional media for financial insights.

Table-6 Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.462[a]	.213	.182	3.41884	.213	6.905	4	102	.000

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.127	1.953		4.672	.000
	Profession	.675	.498	.120	1.355	.017
	Age_Group	.296	.479	.057	.617	.053
	Gender	-2.025	.721	-.269	-2.810	.006
	Income_Grp	.551	.187	.282	2.948	.004

a. Dependent Variable: Investment_Behaviour

The regression model is statistically significant at the 5% level, with a p-value less than 0.05. The R-squared value of 0.213 indicates that approximately 21.3% of the variability in the dependent variable is explained by the included independent variables (age, income group, gender, and profession). All independent variables have p-values less than 0.05, indicating their statistical significance. Specifically, profession, age group, and income show a positive association with financial behavior, while gender is negatively associated.

Table 7: Results of t test for Gender with respect to Factors influencing investment decision

	Gender	N	Mean	Standard deviation	t Value	P value
Risk	Male	51	1.5	1.18		
	Female	56	0.87	0.91	3.36	0.001
Return	Male	51	1.94	0.925		
	Female	56	2.05	0.84	-0.658	0.512
Safety	Male	51	0.43	0.5		
	Female	56	0.27	0.447	1.77	0.07
Tax benefit	Male	51	0.41	0.497		
	Female	56	0.43	0.499	-0.174	0.862
Regular Income	Male	51	0.49	0.505		
	Female	56	0.11	0.312	4.66	0.00
High returns	Male	51	0.53	0.504		
	Female	56	0.34	0.478	1.99	0.048

After the analysis of the collected data, it is found that gender based investment decisions are governed by risk, regular income and high returns which majorly drives the investment decisions of the professionals in diverse sectors.

Table 8: Results of t test for age with respect to Factors influencing investment decision

	Age	N	Mean	Standard deviation	F Value	P value
Risk	23-28	9	2	1		
	28-35	38	1.4	0.72		
	35-50	54	1.5	0.71		
	50-60	6	1.7	1	1.3	0.275
Return	23-28	9	1.89	1.17	0.117	0.95

	28-35	38	2	0.84		
	35-50	54	2	0.91		
	50-60	6	2.7	0.41		
Safety	23-28	9	0.11	0.53		
	28-35	38	0.29	0.46		
	35-50	54	0.33	0.48		
	50-60	6	0.67	0.52	1.226	0.304
Tax benefit	23-28	9	0.11	0.33		
	28-35	38	0.39	0.49		
	35-50	54	0.5	0.5		
	50-60	6	0.33	0.52	1.763	0.159
Regular Income	23-28	9	0.56	0.53		
	28-35	38	0.29	0.46		
	35-50	54	0.26	0.44		
	50-60	6	0.17	0.41	1.256	0.29
High returns	23-28	9	0.44	0.53		
	28-35	38	0.61	0.5	2.973	0.035
	35-50	54	0.33	0.48		
	50-60	6	0.17	0.41		

After the careful analysis of the data, it is found that investment decisions are not much impacted by age group as out of all the considered factors only high return drives the investment decision of the professional.

Conclusion

The analysis reveals that future planning is the primary driver of investment, with individuals motivated by high returns and tax benefits. Investors display a risk-averse nature, as supported by portfolio frequencies. Social media, particularly financial influencers, serves as the key source of investment information. The regression model indicates a positive correlation between financial behaviour and factors such as profession, age, and income, with an intercept of 9.127, suggesting potential for additional research.

Approximately one-third of respondents prefer medium-term investments with moderate risk and return. While most are satisfied with current returns, there's an expectation for future increases. Family and friends play a crucial role in disseminating investment information. The study emphasizes the need to educate professionals to foster increased investment for economic development.

References

[1] Nagpal, S., & Bodla, B. S. (2009). Impact of investors' lifestyle on their investment pattern: an empirical study. *IUP Journal of Behavioral Finance*, *6*(2), 28.

[2] Shaik, M. B., Kethan, M., & Jaggaiah, T. (2022). Financial Literacy and Investment Behaviour of IT Professional with Reference to Bangalore City. *Ilomata International Journal of Management*, *3*(3), 353-362.

[3] Shaik, M. B., Kethan, M., Jaggaiah, T., & Khizerulla, M. (2022). Financial Literacy and Investment Behaviour of IT Professional in India. *East Asian Journal of Multidisciplinary Research*, *1*(5), 777-788.

[4] Pang, M.F. (2016). Enhancing the Financial Literacy of Young People: A Conceptual Approach Based on the Variation Theory of Learning. In: Aprea, C., *et al.* International Handbook of Financial Literacy. Springer, Singapore. https://doi.org/10.1007/978-981-10-0360-8_37.

[5] Yong, C. C., Yew, S. Y., & Wee, C. K. (2018). Financial knowledge, attitude and behaviour of young working adults in Malaysia. *Institutions and Economies*, *10*(4).

[6] Potrich, A. C. G., Vieira, K. M., & Mendes-Da-Silva, W. (2016). Development of a financial literacy model for university students. *Management Research Review*, *39*(3), 356-376.

[7] Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *American Economic Journal: Journal of Economic Literature*, *52*(1), 5-44.

[8] Anju, K. J., & Anuradha, P. S. (2017). Saving and Investment Behaviour of Information Technology Professionals–An Empirical Analysis. *Asian Journal of Research in Business Economics and Management*, *7*(6), 71-91.

[9] Caplinska, A., & Ohotina, A. (2019). Analysis of financial literacy tendencies with young people. *Entrepreneurship and Sustainability Issues*, *6*(4), 6.

[10] Singh, J., & Chander, S. (2004). An empirical analysis of perceptions of investors towards mutual funds. *Finance India*, *18*(4), 1673.