Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

A STUDY INFLUENCE OF DEMOGRAPHIC FACTORS IN SAVINGS & INVESTMENT BEHAVIOUR WITH SPECIAL REFERENCE TO BENGALURU

Sharath K U[1], Anitha BM Dsilva[2]
[1]*Student, RV Institute of Management, Bengaluru*[1]
[2]*Faculty, RV Institute of Management, Bengaluru*[2]

ABSTRACT
Understanding the role of demographics in investment behavior is essential for improving financial planning, especially in a dynamic and growing city like Bengaluru. The study bridges the gap between demographic insights and personalized financial decision-making. In attempting to connect the dots on how age, gender, income levels and education intersect to influence how we save and invest, the study identifies some patterns that suggest opportunities–and also problems. Through data research and polling, we found that older people tend to hold greater value in long-term security. Women tend to select safer investment options than men do, suggesting a gap in confidence extending beyond mere financial literacy. Tech workers, however, are still attracted to traditional investments such as gold and real estate, showing that a belief in the wealth you can touch has not faded. Unexpectedly, the rise of digital payments hasn't fully translated into ease with online investing, indicating a need for increased financial awareness. To close gaps and encourage wiser financial decisions, these insights urge customized financial products, workplace education initiatives, and legislative changes. In the end, this study emphasizes how cultural norms, individual experiences, and emotional stability all influence financial behaviour in addition to reasoning.
KEYWORDS: *Savings Behaviour, Investment Preferences, Financial Literacy, Demographic Influences, Gender Gap in Finance and Digital Finance.*

INTRODUCTION

Savings and investing platforms are now much more accessible because to the growth of digital banking, online investment tools, and mobile financial services. But even with these technological developments, many people still struggle to make wise financial decisions. It's frequently difficult to answer questions like where to invest, how much to save, and how to balance risk, particularly in the absence of sufficient financial literacy.

Understanding finances, a key factor in determining how people save and invest is their capacity to handle and comprehend their personal finances. Different people have different starting points when it comes to financial decisions. Age, gender, income level, occupation, education, and other factors can all have an impact on how and why people save or invest their money.

Bengaluru, a city known for its tech-driven culture, diversified population, and economic prosperity, will be the focus of this study's investigation into the impact of demographic characteristics on saving and investing behaviour. By examining trends among various demographic groups, this study aims to pinpoint the main factors influencing financial choices and point out areas that can benefit from more knowledge. Gaining an understanding of these factors is crucial to encouraging better financial practices and advancing economic well-being on a personal and societal level.

LITERATURE REVIEW

1) Beckmann, E., Hake, M., & Urvova, J. (2013). This study uses data from the Euro Survey conducted by the Oesterreichische National Bank (OeNB) to examine how households in 10 countries in Central, Eastern, and Southeastern Europe (CESEE) save and spend their money. According to the research, the link between age and savings exhibits the traditional hump-shaped pattern that economic theory predicts: people save more when their income is at its highest. In terms of investing preferences, we also observe distinct demographic trends: older savings favor traditional deposits, while younger people are more likely to own life insurance. Our study clarifies these trends, which helps financial institutions and politicians who are trying to improve the region's economic resilience.

2) Lokhande, M. A. (2015). Despite economic expansion, the complex financial markets of today present a major obstacle, particularly for Indian rural investors, impeding the mobilization of savings. Investing is essential for directing funds and promoting advancement. This study looks at the financial knowledge, preferences, and decision-making characteristics of 300 rural investors in four villages in the Aurangabad district of Maharashtra. It also looks at the impact of gender and education. The study discovered, surprisingly, that there was no discernible gender difference in financial knowledge.
3) Awais, M., Laber, M. F., Rasheed, N., & Khursheed, A. (2016). Investment choices are seldom straightforward; rather, they are influenced by a combination of reason, feeling, and—above all—the investor's tolerance for risk. While some choose to be cautious, others aim for large profits, and many fall somewhere in the middle.
4) Sadavarte, B., & Arora, A. (2019). Interesting information about the saving and investing practices of 80 Mumbai residents who are 19 years of age or older can be found in this survey. The tendency of single people to save a higher percentage of their income than married couples was a startling discovery. Even though saving habits and married status were found to be statistically independent, this implies that different family responsibilities probably have an impact on how much people can save. Respondents had specific goals when it came to their investment habits, which ranged from tax savings to wealth creation and safety. Additionally, preferences for short-term versus long-term gains varied. Importantly, their investment choices were greatly influenced by the sources of their financial guidance, including friends, experts, and the media.
5) Kumari, D. A. T. (2020). Despite the importance of money in our lives, many of us struggle to manage it intelligently, especially when we are young. In addition to being a personal quality, financial literacy—the ability to understand and make prudent financial decisions—is also a critical component of economic growth. The findings indicate a clear relationship: pupils with greater financial literacy make prudent investing decisions. It's noteworthy to observe that actual financial skills had the biggest influence, whereas knowledge of financial commodities mattered the least. These results are a call to action as well as theoretical. In order to give young adults the knowledge they need to protect their futures, government and financial institutions must act. After all, when children learn how to invest wisely now, the economy as a whole benefits tomorrow.
6) Shaik, M. B., Kethan, M., & Jaggaiah, T. (2022). Their financial readiness is revealed by a noteworthy study that involved 200 university undergraduates in the Western Province of Sri Lanka. Financially literate students make better investing choices, according to the findings. In order to define "financial literacy," the study looked at five important aspects: money management, financial abilities, investment alternatives knowledge, financial product access, and financial product comprehension. It was unexpected to learn that practical financial abilities were more important than product knowledge when making decisions in the real world.
7) Yadav, M., & Banerji, P. (2024). Financial management in today's digital world encompasses more than just traditional banking; it also includes apps and internet platforms. This study examines the relationship between 500 working-age adults (ages 24 to 45) in Delhi NCR, India, and their actual financial habits. Digital Financial Literacy (DFL) is the capacity to use digital tools for financial problems with confidence. There is a significant association between the two, since the results show that people with higher DFL tend to save better and invest strategically. Remarkably, the study shows that while age and educational attainment have less of an impact on DFL than is generally believed, greater income levels had a beneficial impact.
8) Yuji Horioka, C., & Ventura, L. (2024). The premise that retirees spend down their savings is called into question by a study that examines data from the Survey of Health, Ageing and Retirement in Europe (SHARE). Remarkably, fewer than half of European retirees truly spend down their fortunes. Rather, over the course of three years, their funds have grown little by an average of 6.6%, creating what is known as the "Wealth Decumulation Puzzle." Three primary reasons are responsible for these phenomena. First of all, a lot of retirees want to leave money to their families, therefore bequest motives are important. Second, some retirees may not need to draw from their amassed savings because large public pensions frequently offer enough income.
9) Mad, S., Ahmad, M., Zawawi, M. M., & Omar, N. A. (2024). Young Malaysians, especially Gen Z and millennials under 30, are facing major financial challenges, such as mounting debt and inadequate savings. A study of 332 young adults sought to determine their financial savviness and whether gender affects money management. The study found that although young Malaysians are generally aware of financial concepts, they lack a thorough understanding of complex financial tools. One noteworthy finding was the gender gap in confidence: men felt more confident in their financial abilities, particularly when it came to investing and budgeting, even though both s had similar saving behaviours. Importantly, financial literacy was found to be a significant predictor of healthy saving habits, with those with basic money knowledge being 26.5% more likely to save successfully.
10) Samuel, M., & Sharon, M. A. (2024). Financial management is a constant balancing act for middle-class households in India. Households in Dakshina Kannada and around the country find it difficult to save money when daily costs like medical bills, EMIs, and school fees take up a large portion of their income. By looking

at the incomes, worries, and investment decisions of actual families, this study investigates these financial conundrums. Results indicate that factors other than economics play a role in financial decisions made in these households. Savings habits are greatly influenced by cultural beliefs, and a lack of financial literacy frequently results in cautious investing decisions that Favor traditional assets like gold and real estate over stocks or mutual funds

11) Thomas, A. A., & Sneha, N. (2024). The growing incomes of Bengaluru's tech workers offer a singular chance to reinvent personal finance. These professionals are an important group for the city's economic health, and this study examines their saving behaviours. Their excess money is a route to future business endeavors, family stability, or financial independence beyond immediate costs and luxuries. Their financial decisions have a big impact on a lot of different areas, such the real estate market, banking activity, and insurance demand.

OBJECTIVES OF THE STUDY

1. A explore the influence of demographic factors in savings & investment behaviour of individuals with special reference to Bengaluru
2. To understand the current level of financial literacy among individuals.
3. To analyse the preferred investment behaviour of individuals in Bengaluru.

RESEARCH METHODOLOGY

This Research is descriptive by nature the data of the study got collected from both secondary and primary data. To collect the primary data an instrument questionnaire was applied. The data collected from 78 responded by convenient sampling technique was adopted and one way ANOVA was utilized to analyse the data

Analysis and Interpretation

Bengaluru people have interesting saving patterns, pensioners prioritize legacy, young adults are cautious, and those in their 30s are strategic. Many people choose gold over stocks, even though they are tech-savvy and use digital payments. They might be better equipped to confidently increase their money if they had greater financial literacy.

Table 1:-Table showing the age range of the respondents

Sl.no	Age Range	Respondent. no	%
1	20-30	38	48%
2	30-40	16	21%
3	40 & Above	24	31%
	Total	**78**	**100%**

The above table shows that 48% of the respondents are in the age groups of 20-3 & 21% of them one in the range of 30- 40 & 31% of them are 40 & above in them age group .

Table 2:-Table showing the Gender of the respondents

Sl.no	Category	Respondent. no	%
1	Male	48	61%
2	Female	30	39%
	Total	**78**	**100%**

The above table shows that 61% of the respondents are male & 39% of the respondents are female.

Table 3 :- Anova Table for Age and Savings

H0 :- There is no association between the age of the respondents and their savings habits.
H1 :- There is an association between the age of the respondents and their savings habits.

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Square	F-Statistic	p-value
Between Groups	2.3463	3	0.7821	1.5038	0.2207
Within Groups	37.9654	73	0.5201		

As the F value 1.5039 with the P value 0.2209, Which is less than 0.05 we reject null hypothesis & accept the alternative Hypothesis. So, we can conclude that there is a significant difference in investment behaviour among the respondent based of their age group. The mean savings of the different age groups are as follows average age group of 20-30 is 12.652, 30-40 is 16.357 and above 40 is 21.730. The data indicates that the age group of 30-40 tend to save money more.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

Table 4 :- Anova table for Gender and the investment behaviour.

H0 :- There is no relationship Between the Gender of the respondent and their investment behaviour.

H1 :- There is a no relationship Between the Gender of the respondent and their investment behaviour.

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Square	F-Statistic	p-value
Between Groups	6.74	2	9.3	5.9	0.0042
Within Groups	4.15	7.5	5.5		

As the P Value is less than 0.05, we accept alternative hypothesis. It shows that gender has an influence of men tend to involve more in investment men then.

FINDINGS

1. People in their 30s tend to be the most disciplined savers, putting aside significantly more money than younger adults still finding their financial footing, while those over 40 maintain the highest balances as they prepare for life's later chapters.
2. A noticeable gender gap exists where men generally feel more confident exploring different investment options, while women often prefer safer choices, despite having similar levels of financial knowledge - suggesting deep-rooted cultural influences at play.
3. Traditional options like bank deposits and gold remain overwhelmingly popular across all groups, revealing how comfort with familiar, tangible assets often outweighs the potential benefits of more sophisticated financial products.
4. The digital finance revolution has created an interesting paradox - while people are adopting digital payment methods quickly, many still hesitate when it comes to more complex online investment platforms due to uncertainty about risks.
5. Surprisingly, formal education doesn't necessarily translate to better money management skills, with real-world experience and access to reliable financial guidance proving more important for making sound decisions.
6. Bengaluru's tech professionals, despite their high incomes, show the same cautious tendencies as other groups, preferring liquid and secure investments over potentially higher-yielding but riskier options.
7. Many retirees continue accumulating wealth rather than spending it down, driven by desires to leave inheritances, concerns about future needs, and emotional attachments to assets like family homes.
8. The research highlights how financial behaviour's stem from a complex mix of practical circumstances, emotional needs, and cultural values rather than just rational calculations about money.

RECOMMENDATIONS & CONCLUSION

Despite rising incomes among young professionals, particularly in tech, many prefer traditional savings options like bank deposits and real estate. This conservative approach stems from limited exposure to diverse investment avenues and a cautious attitude toward financial risk. Demographic patterns reveal that men generally exhibit greater investment confidence, and individuals in their 30s tend to save more consistently.

To address these challenges, a collective effort is essential. Financial institutions should offer user-friendly investment products with strong educational support. Employers—especially in the IT sector—can promote financial wellness through workplace programs. At the policy level, improving digital financial literacy can help convert economic growth into individual financial resilience. At the macro level, FDI remains a powerful economic driver, boosting GDP and job creation. However, for these benefits to be meaningful, foreign capital must align with local needs—such as supporting Bengaluru's booming tech sector—under well-regulated policies. Ultimately, financial well-being depends on knowledge, trust, and opportunity. Empowering individuals to invest wisely and aligning FDI with national priorities are crucial for long-term prosperity.

REFERENCES

1. *Beckmann, E., Hake, M., & Urvova, J. (2013). Determinants of households' savings in Central, Eastern and Southeastern Europe. Focus on European Economic Integration Q, **3**(13), 8–29. https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/Agenda/Eventos/13/11nov/SVI_Beckman_Hake_Urvova.pdf*
2. *Lokhande, M. A. (2015). A study of investment awareness and patterns of savings and investments by rural investors. Indian journal of finance, 9(7), 22-31. http://gnanaganga.inflibnet.ac.in:8080/jspui/handle/123456789/8451*

3. *Awais, M., Laber, M. F., Rasheed, N., & Khursheed, A. (2016). Impact of financial literacy and investment experience on risk tolerance and investment decisions: Empirical evidence from Pakistan. International Journal of Economics and Financial Issues, **6**(1), 73–79.*
a. *https://dergipark.org.tr/en/pub/ijefi/issue/32008/353643*
4. *Sadavarte, B., & Arora, A. (2019). A study on saving and investment pattern of Indian households. Chetana's Institute of Management and Research, **1**, 1–11. https://www.researchgate.net/publication/355481437*
5. *Kumari, D. A. T. (2020). The impact of financial literacy on investment decisions: With special reference to undergraduates in Western Province, Sri Lanka. Asian Journal of Contemporary Education, **4**(2), 110–126. https://eric.ed.gov/?id=EJ1280365*
6. *Shaik, M. B., Kethan, M., & Jaggaiah, T. (2022). Financial literacy and investment behaviour of IT professionals with reference to Bangalore City. Ilomata International Journal of Management, **3**(3), 353–362. https://d1wqtxts1xzle7.cloudfront.net/92158327/408-libre.pdf?*
7. *Yadav, M., & Banerji, P. (2024). Digital financial literacy, saving and investment behaviour in India. Journal of Social and Economic Development, 1–19. https://doi.org/10.1007/s40847-024-00367-z*
8. *Horioka, C. Y., & Ventura, L. (2024). Do the retired elderly in Europe decumulate their wealth? The importance of bequest motives, precautionary saving, public pensions, and homeownership. Review of Income and Wealth, **70**(1), 187–212. https://doi.org/10.1111/roiw.12632*
9. *Mad, S., Ahmad, M., Zawawi, M. M., & Omar, N. A. (2024). The impact of financial literacy on saving habits among Malaysian youth: A gender-based analysis. International Journal of Research and Innovation in Social Science, **8**(8), 4381–4392. https://www.researchgate.net/publication/384297510*
10. *Samuel, M., & Sharon, M. A. (2024). A study on investment behaviour of middle class households with reference to Dakshina Kannada district. Educational Administration: Theory and Practice, **30**(6), 2131–2141. https://kuey.net/index.php/kuey/article/view/5667*
11. *Thomas, A. A., & Sneha, N. (2024). Money matters: An investigation into savings patterns among information technology professionals in Bengaluru. In Harnessing AI, Machine Learning, and IoT for Intelligent Business: Volume 1 (pp. 753–764). Springer Nature Switzerland.*
a. *https://doi.org/10.1007/978-3-031-67890-5_67*