Original Article

Time Horizon Analysis for Investments in Punjab and Haryana Based on Investor Demographics

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Abstract

Introduction: There are several investing products accessible today. An investor has several possibilities to allocate their capital. The fund managers administer these assets to reduce risk and guarantee consistent returns. With the founding of the Unit Trust of India (UTI) in 1964, India's mutual fund sector got its start. A variety of mutual funds exist to accommodate the interests and preferences of investors. In accordance with ownership, the operational system, the portfolio, and the location.

Aim of the study: The main aim of the study is to Time horizon analysis for investments in Punjab and Haryana based on investor demographics

Material and method: Investment behavior research considers the demographics and socio-economic position of investors to be significant. The anticipated data is obtained from primary data sources. A total of 500 respondents were chosen using a bespoke structured questionnaire utilizing a judgmental sample method, covering 10 densely populated cities in Punjab and Haryana, with five cities from each state based on the 2011 population census.

Conclusion: The investing aim of individual investors is to ensure the sustainability of all recurring cash inflows with a forward-looking approach. The research revealed that the female counterparts in both states exhibit less interest in investing compared to their male counterparts. Respondents aged 31-40 engage in investing activities more actively than those in other age groups, and married respondents are likewise more actively engaged in investment endeavors.

Keywords: *Investment, Investor, Demographics, Time Horizon, etc.*

Introduction

1 Investment Avenues In India

There are several investing products accessible today. An investor has several possibilities to allocate their capital. An investor should choose investment channels that optimize their usefulness. Some are very dangerous, while others are comparatively less so. Investment routes include broad categories based on their risk levels, including dependable and risk-free choices include savings accounts, fixed deposits in banks, public provident funds, post office savings schemes, national savings certificates, and security offerings from the government. Investment vehicles with a moderate degree of danger, including mutual funds, life insurance, and debentures. Investment options with significant risk include equity markets, commodity markets, and hedge funds. Conventional investment options such as real estate, precious metals like gold and silver, and art and collectibles.

2 Moderate Risk Investment Avenues

Mutual Funds

A mutual fund is an investment instrument that allows individuals to aggregate their money to invest in a diverse portfolio of assets, aiming for favorable returns and capital growth.

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As stated in the Investment Company Institute of the US's Mutual Fund Book, "A mutual fund is a financial service organization that collects funds from shareholders, invests them, generates returns, seeks to enhance their value, and commits to disbursing cash to shareholders upon request for the current value of their investment." The fund managers administer these assets to reduce risk and guarantee consistent returns. With the founding of the Unit Trust of India (UTI) in 1964, India's mutual fund sector got its start. A variety of mutual funds exist to accommodate the interests and preferences of investors. In accordance with ownership, the operational system, the portfolio, and the location.

Literature Review

Walunj, Renuka & Tamhane, Rahul (2024) Investment denotes the allocation of capital now with the anticipation of yielding future revenue. It entails acquiring financial assets or allocating cash with the expectation of a favorable rate of return in the future. Saving constitutes the first phase of investing. Savings refers to the act of setting aside funds, while investing is allocating money into financial instruments or opportunities with the anticipation of generating a return. Numerous investment alternatives exist in the market, including bank and post office deposits, LIC funds, pension funds, gold, shares, debentures, and mutual funds. Each investment choice has distinct characteristics. Individual investors choose and invest in investment variables based on characteristics such as safety, liquidity, marketability, tax advantages, and associated risks. Age, income level, and knowledge level are characteristics that impact the selection of investing alternatives. The objective of the study is to examine the many investment alternatives available to individual investors, including their characteristics and the variables influencing the selection of these choices.

Raj, Drishya & Dharmaraj, A. (2024) Approximately 67.63% of the rural Indian population resides in these areas and contributes one-third of the nation's GDP. The household sector is a crucial contributor to the enhancement of gross domestic savings. The primary aim of the research is to comprehend the savings and investing behaviors of rural households, which are affected by several aspects such as age, education, financial position, and employment. The survey indicates that most respondents had diminished earning potential, and even those with higher incomes allocate just a small portion of their earnings to savings. India has a multitude of investment prospects, each accompanied by its own benefits and cons. Making optimal investment selections to satisfy the diverse needs of individuals requires a comprehensive awareness of available investment possibilities. This article examines several investment alternatives and the extent of household knowledge in rural regions. The research included a well-crafted surveys rural investor to find out what they like and how much they know about investment. The primary goal was to learn about their preferred investing channels and their level of understanding of various investment options. To summarize the findings, simple percentages were utilized for data analysis, and the chi-square test was applied to evaluate connections between categorical variables. Three hundred rural homes were chosen as the sample size from Ernakulam District using the convenience sampling technique.

Luu, Ngoc (2024) This study seeks to examine the behavioral aspects that affect the decision-making List private investors in Ho Chi Minh City, Vietnam's securities companies. With a response rate of 63%, the data for this research was derived from 188 individual investor answers. In the Ho Chi Minh Stock Exchange, five types of investor biases—herding, market, prospect, overconfidence-gambler's fallacy, and anchoring-ability bias—influence individual traders. This study's findings could help securities companies to enhance their comprehension of investors' decision-making, hence providing improved recommendations. Stock prices thereafter represent their intrinsic worth, and the Ho Chi Minh stock market serves as a benchmark for the economy's wealth, facilitating firms in capital acquisition for company operations.

M, Thinesh Kumar (2022) Investment serves productive goals and is paramount for the benefit of a country's economic development and progress. Nowadays, investors may choose from a wide variety of investment options, such as direct stocks, commodities and derivatives, debt, mutual funds, property, and gold. Some investment items are quite risky, while others are completely safe. The behavior of investors is impacted by several aspects

during the rational selection of investments, including attitudes, awareness, perception, and willingness. An investor is a someone who forgoes immediate gratification to attain future gains. The advantages include dividends, capital appreciation, retirement benefits, bonuses, and other perks. This research serves as an expansion of the current body of information and addresses the gap in assessing individual investing behavior. This research employs a questionnaire to evaluate the factors influencing the investing behavior of individual investors. The statistical tools used in the research include ANOVA, Chi-square, and Independent Sample T-test. The survey reveals that most investors choose to preserve money and invest with a focus on safety. Professional organizations impact investors' decision-making processes. Investors must seek counsel from financial professionals about investing decisions.

Deepak, Kumar & Bansal, Shruti (2021) The capital market is underpinned by investors. A burgeoning economy, like India, requires a growing influx of funds into economic companies. In recent years, individual investors' participation in the equity markets has risen. The allocation of capital for productive objectives is referred to as investment. An economy may have elevated consumption levels without investment; nevertheless, this would lead to an imbalanced economy. States with more investment commitments exhibit increased progressivism. The present study is to analyze investor behavior and statistically evaluate the interconnections among diverse features. The data was collected via an analysis of questionnaires sent throughout different regions of Delhi-NCR. The data was examined using SPSS Software by employing the Chi-Square Test across several variables. In the investing procedure, every person needs effective financial planning. Individuals have to be aware of all investing alternatives prior to making financial judgments. The contemporary financial markets are intricate, with each investor possessing distinct financial requirements influenced by individual ambitions and risk tolerance. Ultimately, every investor seeks to optimize profits while safeguarding their capital. Consequently, financial knowledge is essential for individuals to invest their funds judiciously.

Methodology

1 Demographic Profile of Respondents

Investment behavior research considers the demographics and socio-economic position of investors to be significant. The demographic and socio-economic status of investors correlates with their preferences for saving and investing schemes, satisfaction levels, and future market potential, influenced by age, income, occupation, education, and personal development. The researcher has examined the demographic status of the questioned respondents based on this conceptual understanding of the study. This research conducts a comparative examination of the investing habits of individual investors in Punjab and Haryana.

2 Method of Data Collection

The anticipated data is obtained from primary data sources. A total of 500 respondents were chosen using a bespoke structured questionnaire utilizing a judgmental sample method, covering 10 densely populated cities in Punjab and Haryana, with five cities from each state based on the 2011 population census. Primary data was gathered via the survey technique using a 'Google Chrome' document containing the questionnaire, which was sent to respondents through social media. The data gathering period spanned from May 2024 until September 2024. The structured questionnaire comprises four sections: the first section addresses demographic profiles, the second examines investment preferences and behaviors, the third explores investment preferences and time horizons, and the fourth investigates psychological biases that affect individual investor behavior.

Results

1 Respondent's Demographic Profile
1.1 Gender

Gender is a significant determinant in Indian social contexts, influenced by many social and economic phenomena, with globalization being no exception. Consequently, the variable of gender was examined for this research. The data about the respondents' gender is shown in Table 4.1.

Table 4.1 Gender

State of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Punjab	Male	148	59.2	59.2	59.2
	Female	102	40.8	40.8	100.0
	Total	250	100.0	100.0	
Haryana	Male	165	66.0	66.0	66.0
	Female	85	34.0	34.0	100.0
	Total	250	100.0	100.0	

Table 4.1 illustrates the gender distribution of respondents throughout the respective states. In Punjab, 59.2 percent of respondents identified as male, while 40.8 percent identified as female. In Haryana, 66 percent of men and 34 percent of females were included in the survey. In both states, the ratio of male counterparts exceeds that of female counterparts.

1.2 Age

The age of respondents is a crucial attribute for comprehending their perspectives on certain issues; generally, age reflects persons' maturity, hence making it essential to analyze responses about age. Table 4.2 presents data about the respondents' ages.

Table: 4.2 Age

State of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Punjab	20-30	49	19.6	19.6	19.6
	31-40	111	44.4	44.4	64.0
	41-50	67	26.8	26.8	90.8
	above 50	23	9.2	9.2	100.0
	Total	250	100.0	100.0	
Haryana	20-30	65	26.0	26.0	26.0
	31-40	104	41.6	41.6	67.6
	41-50	51	20.4	20.4	88.0
	above 50	30	12.0	12.0	100.0
	Total	250	100.0	100.0	

Table 4.2 indicates that 19.6 percent of respondents from Punjab are aged between 20 and 30 years. Additionally, 44 percent belong to the age group of 31 to 40 years. 26.8 percent of respondents are aged between 41 and 50 years, while just 9.2 percent of respondents from Punjab are over 50 years of age. Conversely, 26 percent of respondents from Haryana are aged 20 to 30 years, while 41.6 percent fall within the 31 to 40-year age group. Additionally, 20.4 percent of respondents are aged 41 to 50, and merely 12 percent are above 50 years old. In both states, most respondents belong to the 31 to 40 age group.

1.3 Marital Status

Marriage is a fundamental component of social institutions. India, being a growing nation, has seen several transformations. The perspectives and attitudes of individuals may vary based on their marital status, since marriage may enhance a person's sense of responsibility and maturity in comprehending and responding to inquiries. The respondents' marital status information are included in Table 4.3.

Table: 4.3 Marital Status

State of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Punjab	Married	174	69.6	69.6	69.6
	Unmarried	62	24.8	24.8	94.4
	Divorced	7	2.8	2.8	97.2
	Widow	7	2.8	2.8	100.0
	Total	250	100.0	100.0	

Haryana	Married	154	61.6	61.6	61.6
	Unmarried	72	28.8	28.8	90.4
	Divorced	11	4.4	4.4	94.8
	Widow	13	5.2	5.2	100.0
	Total	250	100.0	100.0	

The table 4.3 delineates the marital status of respondents in both states. In Punjab, 69.6 percent of participants were identified as married. Subsequently, 24.8 percent of respondents identified as single, while just 2.8 percent were classified as either divorced or widowed. In Haryana, 61.6 percent of respondents identified as married, 28.8 percent as unmarried, 4.4 percent as divorced, and 5.2 percent as widowed. The respondents' statistics indicated that the number of married couples was greater in both states.

4.2 Comparative Analysis of Investor Time Horizons Based On Ranking Methodology

Table 4.4 Mean and standard deviation for the investment time horizon of individual investors in Punjab and Haryana, along with their ranking.

Variables	Punjab			Haryana		
Safe & Low-Risk Investment Avenues	Mean	SD	Rank	Mean	SD	Rank
Saving Account	2.62	.852	1	2.73	1.214	1
Bank Fixed Deposits	3.69	.849	4	3.62	1.043	5.5
Public Provident Fund	3.72	1.179	5	3.62	1.073	5.5
National Saving Certificate	3.30	1.190	3	3.58	.959	4
Post Office Savings	3.77	1.022	6	3.49	.995	3
Govt. Securities	3.26	1.232	2	3.44	1.037	2
Moderate Risk Investment Avenues						
Mutual Funds	3.17	.877	2	3.37	1.076	2
Life Insurance	3.81	.897	3	3.66	1.087	3
Debentures	2.60	1.045	1	3.21	.854	1
High Risky Investment Avenues						
Equity Share Market	1.31	.680	1	2.18	1.109	1.5
Commodity Market	1.56	1.009	3	2.36	1.261	3
Hedge Market	1.49	.870	2	2.18	1.263	1.5
Traditional Investment Avenues						
Real Estate/Property	2.95	1.017	3	3.10	1.099	3
Gold/Silver	2.59	1.169	2	2.87	1.086	2
Art & Passion	1.93	1.117	1	2.35	1.278	1

Table 4.4 categorizes the different assets based on their perceived risk levels and then ranks them according to mean score and standard deviation.

Safe & Low-Risk Investment Avenues: The data in Table 4.4 indicates that bank savings accounts are placed top among safe/low-risk investment options by respondents from both Punjab and Haryana, with means of 2.62 for Punjab and 2.73 for Haryana.

The sample population indicated a preference for investing in government securities, national saving certificates, and bank fixed deposits, which were rated by respondents from Punjab in second, third, and fourth positions, with mean scores of 3.26, 3.30, and 3.69, respectively. Respondents from Haryana prefer to invest in government securities, post office savings, and national savings certificates, which are

rated second, third, and fourth accordingly, with mean scores of 3.44, 3.49, and 3.58. Additionally, it has been deduced that respondents from Punjab like the public provident fund and post office savings, ranking fifth and sixth with mean scores of 3.72 and 3.77, respectively. The respondents from Haryana favor public provident funds and bank fixed deposits, ranking them equally in fifth place. Respondents from both states prioritize bank savings accounts and government securities as their top and second choices, respectively, with other options following thereafter. Participants from both states choose secure, low-risk investing options for the long term.

Moderate Risk Investment Avenues: According to Table 4.4, it can be concluded that among moderate risk investment options, debentures are ranked first by respondents from Punjab and Haryana based on time horizon, with mean values of 2.60 and 3.21, respectively. Mutual funds and life insurance occupy the second and third positions, respectively, with mean values of (3.17, 3.37) and (3.81, 3.66). Illustrates that investors in Haryana and Punjab

choose life insurance, mutual funds, and debentures as medium- to long-term investment options.

Highly Risky Investment Avenues: Table 4.4 indicates that respondents from Punjab and Haryana perceive equities, the commodity market, and hedge funds as highly risky investment options. Consequently, most respondents favored very short-term investments, ranking equities first, followed by hedge funds and the commodity market in second and third positions, respectively.

Traditional Investment Avenue: Table 4.4 indicates that in conventional investment channels, art and passion have the first place for the investment time horizon, with a mean value. Subsequently, gold and silver, together with real estate and property, are listed in the second and third positions, respectively. Real estate and gold/silver are favored as medium-term investments, but art and passion are only chosen for the very short term by an investor from both states. The mean and standard deviation indicate that the choices of respondents from Punjab and Haryana were comparable.

4.3 Investment Patterns of Investors in Punjab and Haryana

Table 4.5 Return on Investment as a Percentage

State of Respondents	Percentage of income invest	No. of Respondents	Percent
Punjab	0-20%	175	70.0
	20-40%	72	28.8
	40-60%	2	.8
	Above 60%	1	.4
	Total	250	100.0
Haryana	Percentage of income invest	No. of Respondents	Percent
	0-20%	187	74.8
	20-40%	52	20.8
	40-60%	10	4.0
	Above 60%	1	.4
	Total	250	100.0

According to Table 4.5, 70 percent of Punjabi respondents and 74.8% of Haryanai respondents invest between zero and twenty percent of their income. A total of 28.8% of Punjabis and 20.8% of Haryanais put their money into investments with a return of 20–40%. As a result, between 40 and 60% of respondents from Haryana and 0.8% of Punjab put their money into it. Among those who responded, only 0.4% from Haryana and

0.4% from Punjab put more than 60% of their income into investments.

Table 4.6 Using Factors and Multiple Response Analysis to Guide Investment Decisions

State of Respondents	Factors	No. of Respondents	Percent
Punjab	Return	229	92.0
	Progressive value	8	3.2
	Safety of principal amount	7	2.8
	Tax saving	5	2.0
	Total	249	100.0
Haryana	Factors	No. of Respondents	Percent
	Return	188	76.4
	Progressive value	21	8.5
	Safety of principal amount	20	8.1
	Tax saving	17	6.9
	Total	246	100.0

Table 4.7 Discomfort Face by Investors

State of Respondents	Factors	No. of Respondents	Percent
Punjab	Uncertainty	60	24.0
	Less awareness	137	54.8
	Low return	46	18.4
	Inconvenient to operate	6	2.4
	Not applicable	1	.4
	Total	250	100.0
Haryana	Factors	No. of Respondents	Percent
	Uncertainty	70	28.0
	Less awareness	110	44.0
	Low return	34	13.6
	Inconvenient to operate	26	10.4
	Not applicable	10	4.0
	Total	250	100.0

Table 4.6 shows that in Punjab, 92.0% of investors put returns above everything else when making an investment decision. In Haryana, however, the percentage is somewhat lower at 76.4%. Only 3.2% of people in Punjab said progressive principles motivated them, compared to 8.5% in Haryana. Only 2.8% of investors in Punjab put safeguarding the principal amount first; 8.1% of investors in Haryana do the same. In comparison to 6.9% in Haryana, just 2.0% of respondents in the overall survey got advice on how to save money on taxes. When it comes to making investment choices, the return component is the main factor that most respondents from both states consider, according to the data set.

Table 4.7 shows that out of a total of 500 respondents, 250 were from the state of Punjab and 250 were from the state of Haryana. Among Punjabi respondents, 54.8% agreed that they aren't well-informed about various investing opportunities and activities, whereas 44.0 percent of respondents from Haryana acknowledged a similar lack of awareness regarding financial avenues. Concern about investment uncertainty was also voiced by 28.0 percent of Haryanans and 24.0 percent of Punjabis. Furthermore, 18.4 percent of investors in Punjab indicated discomfort due to low returns, while 13.6 percent of investors in Haryana similarly cited low returns as a source of discomfort. Only 2.4 percent of respondents in Punjab reported difficulties in operation when investing, however 10.4 percent of investors in Haryana acknowledged that operational inconveniences contribute to their discomfort during investment. Additionally, repose. Four percent of respondents from Punjab and four percent from Haryana said that none of the four choices applied to them.

Conclusion

The investing aim of individual investors is to ensure the sustainability of all recurring cash inflows with a forward-looking approach. This research revealed that individual investors' investing strategies are significantly influenced by

demographic characteristics, psychological influences, and other elements such as returns, taxation, principal safety, awareness levels, familial considerations, and saving motivations. The research revealed that the female counterparts in both states exhibit less interest in investing compared to their male counterparts. Respondents aged 31-40 engage in investing activities more actively than those in other age groups, and married respondents are likewise more actively engaged in investment endeavors. Furthermore, the study revealed that graduate respondents from Punjab and postgraduate respondents from Haryana exhibited greater engagement in terms of education and qualifications. Additionally, those earning between Rs.20,000 and Rs.50,000 monthly demonstrated a keen and deliberate interest in investment participation.

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