AN ANALYSIS OF FINANCIAL LITERACY, INVESTMENT AWARENESS, AND DECISION-MAKING ACROSS THE DISTRICTS OF MUMBAI, SUBURBAN MUMBAI, RAIGAD, AND THANE

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ABSTRACT

This study examines the financial behavior, investment habits, and knowledge sources of individuals across different districts, with a focus on urban and rural disparities. The objectives are to analyze savings, investment, and insurance practices; explore how individuals gain investment knowledge through personal networks, financial advisors, and online resources; and evaluate confidence levels in managing investments. District-based variations in financial behavior and education needs are also explored to highlight regional trends and opportunities for improvement in financial literacy. Data was collected from 377 respondents using a stratified random sampling method, analyzing responses through descriptive statistics, cross-tabulation, and comparative analysis. Key findings show that urban districts such as Mumbai and Thane exhibit higher investment participation and confidence, with a notable preference for self-guided investment methods. Additionally, most respondents rely on family and friends for investment advice, with a strong interest in learning more about financial opportunities. The study highlights the need for targeted financial education initiatives, especially in rural areas like Raigad, to promote better financial literacy and empower individuals to make informed investment decisions.

KEYWORDS : Investment, Financial literacy, Investment Awareness, Financial Behavior, investment decision etc.

INTRODUCTON

Financial behavior and investment decisions are increasingly important for securing long-term financial stability. However, there exists a significant gap in financial knowledge and investment habits between individuals from different districts, particularly urban and rural regions. This study aims to analyze the financial behaviors, investment preferences, and sources of investment knowledge among individuals across various districts, with a focus on how regional differences influence participation in savings, investments, and insurance. It also explores the levels of confidence individuals have in managing their investments and the methods they prefer for learning about investment opportunities. By examining district-specific variations in financial education, this research identifies key areas where improvements can be made to enhance financial literacy. The findings will provide valuable insights for

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policymakers, financial institutions, and educators to design targeted programs that meet the unique needs of diverse populations, especially in rural areas where investment participation is lower. Ultimately, this study aims to contribute to the promotion of better financial practices and the empowerment of individuals in managing their personal finances.

STATEMENT OF THE PROBLEM

Despite a growing interest in investment opportunities and financial security, there is significant variation in investment behaviors, sources of knowledge, and confidence in managing finances among individuals from different districts. The research aims to explore the financial habits of individuals in terms of saving, investment, and insurance, and how these factors vary across urban and rural districts. Additionally, the study seeks to identify gaps in financial education and recommend strategies to improve access to investment knowledge and increase confidence in managing personal finances.

OBJECTIVES OF THE STUDY

1. To analyze the financial behavior and investment habits of individuals across different districts, particularly focusing on their involvement in savings, investments, and insurance.
2. To explore the sources of investment knowledge and identify how individuals learn about investment opportunities, with a focus on personal networks, financial advisors, and online research.
3. To evaluate the levels of confidence individuals, have in managing their investments and their preferences for investment education and learning methods.
4. To examine the district-based variations in investment participation, investment methods, and interest in further financial education, aiming to uncover regional trends and opportunities for improvement in financial literacy.

RESEARCH METHODOLOGY
Research Design

This study follows a descriptive research design to systematically collect and analyze data on individuals' financial behaviors, knowledge sources, and confidence levels. The research focuses on understanding the current state of investment participation and educational needs among respondents across different districts.

Sampling Method

The study employs a stratified random sampling method, where respondents are divided into different strata based on their district (Mumbai, Mumbai Suburban, Raigad, and Thane). This ensures that each district is represented, allowing for district-based comparisons. The sample size consists of 377 respondents, selected to capture a diverse cross-section of the population.

Data Analysis

The data collected will be analyzed using quantitative methods, including:

1. Descriptive statistics to summarize the responses to survey questions, such as frequencies and percentages, helping to describe the overall trends in financial behaviors and attitudes.
2. Cross-tabulation to explore the relationships between different variables, such as district and investment participation, or sources of investment knowledge and confidence levels.
3. Comparative analysis to assess differences between districts, highlighting regional variations in financial behaviors and educational needs.
4. Trend analysis to identify patterns in investment participation, confidence, and learning preferences across the sample population.

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2

These analyses will provide a comprehensive understanding of financial behaviors, investment knowledge, and regional differences in the surveyed districts.

Data Interpretation and Analysis:

Table No 1: Overview of Financial Behaviors and Investment Preferences: Saving, Insurance, and Learning Trends

Sr. No	Particular	Yes	%	No	%
1	Do you save money?	347	92.04	30	7.96
2	Do you have insurance?	273	72.41	104	27.59
3	Do you have Mediclaim?	242	64.19	135	35.81
4	Do you currently invest in any financial instruments?	285	75.6	92	24.4
5	Have you ever attended any investment-related workshops or seminars?	180	47.75	197	52.25
6	Are you interested in learning more about investment opportunities?	342	90.72	35	9.28
7	Do you save or invest in stocks?	224	59.42	153	40.58

Table 1 presents responses to financial-related questions, showing that most respondents (92.04%) save money, indicating financial discipline and a long-term focus. A significant portion (72.41%) have insurance, suggesting a degree of financial security, while 64.19% have Mediclaim, pointing to a gap in healthcare coverage. Additionally, 75.6% invest, reflecting growing awareness of wealth creation, though 52.25% have not attended investment workshops, possibly due to lack of interest or knowledge. Despite this, 90.72% show strong interest in learning about investments, highlighting a desire for improved financial literacy. Among those investing, 59.42% invest in stocks, driven by the popularity of the stock market. Overall, the data reveals a financially aware population with a focus on savings and investments but highlights the need for better financial education and more comprehensive health insurance coverage.

Table No 2: Analysis of Investment Knowledge, Education Sources, Goals, Confidence, and Strategies Among Respondents

Particulars	How familiar are you with Investment Concept?	%	Particulars	How did you learn about your current investment?	%
Familiar	141	37.40	Educational Institutions	23	6.10
Not familiar	20	5.31	Family/Friends	159	42.18
Somewhat familiar	91	24.14	Financial Advisor	88	23.34
Very Familiar	125	33.16	Media/ Advertisements	20	5.31
		0.00	Online Research	87	23.08
Particulars	What are your primary Investment goals?	%	Particulars	What type of investment education would you find most beneficial?	%
Education Funding	47	12.47	Books/Articles	41	10.88
Emergency fund	39	10.34	Financial Advisors	122	32.36
Home purchase	50	13.26	Online courses	56	14.85

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3

Retirement saving	78	20.69	Webinars	41	10.88
Wealth Building	123	32.63	Workshops/ Seminars	86	22.81
Other	40	10.61	Other	31	8.22
Particulars	**How confident are you in managing your investment?**	**%**	**Particulars**	**What topics would you like to learn more about?**	**%**
Not Confident	64	16.98	Mutual Fund	53	14.06
Somewhat confident	215	57.03	Real Estate Investment	80	21.22
Very Confident	98	25.99	Retirement Planning	40	10.61
Particulars	How do you invest?	%	Stock market investing	122	32.36
Own, after self-study or analysis	254	67.37	Tax Efficient Investing	48	12.73
Through Broker	123	32.63	Other	34	9.02

Table no 2 presents data on respondents' familiarity with investment concepts, their sources of investment knowledge, goals, confidence in managing investments, preferred education formats, and topics of interest. Here's a meaningful analysis of the information:

1. Familiarity with Investment Concepts: 37.40% are familiar with investment concepts, while 33.16% are very familiar. A significant portion (24.14%) is somewhat familiar, and a smaller group (5.31%) is not familiar. This indicates a generally moderate understanding of investment concepts among the respondents.

2. Sources of Investment Knowledge: Most respondents learned about investments through family and friends (42.18%), followed by financial advisors (23.34%) and online research (23.08%). Educational institutions (6.10%) and media/advertisements (5.31%) play a smaller role, suggesting a reliance on personal networks and self-driven research rather than formal or external sources of learning.

3. Primary Investment Goals: Wealth building (32.63%) and retirement savings (20.69%) are the most common goals. Home purchase (13.26%) and education funding (12.47%) are also significant, but a smaller portion (10.61%) have "other" goals. This highlights that long-term financial security and wealth growth are the primary focuses of the respondents.

4. Preferred Investment Education: Financial advisors (32.36%) and online courses (14.85%) are the preferred sources of investment education. Workshops/seminars (22.81%) also have a notable share. Books/articles (10.88%) and webinars (10.88%) are less favored. This suggests a preference for interactive and personalized learning over passive resources.

5. Confidence in Managing Investments: Most respondents (57.03%) feel somewhat confident in managing investments, while 25.99% are very confident. A smaller group (16.98%) is not confident. This indicates that while most feel capable of managing investments, many still lack full confidence in their abilities.

6. Types of Investments: Stock market investing (32.36%) and self-study or analysis (67.37%) dominate the investment approaches. Broker-led investments (32.63%) are less common. This suggests that respondents tend to rely on independent research and decision-making rather than professional brokers for their investments.

7. Topics of Interest: Respondents express interest in learning about real estate investment (21.22%) and mutual funds (14.06%). Other topics such as retirement planning (10.61%) and tax-efficient investing (12.73%) are also of interest, indicating a desire for a diverse range of financial knowledge.

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Financial Investment Behavior by District: Financial investment behavior of the survey districts is explained below.

Table No 3: Investment Participation Across Districts

Districts	Do you currently invest in any financial instruments?		
	No (%)	Yes (%)	Grand Total
Mumbai	28.57	71.43	100
Mumbai suburban	14.61	85.39	100
Raigad	31.82	68.18	100
Thane	25.56	74.44	100
Grand Total	24.40	75.60	100

The investment participation data in table no 3 highlights a direct correlation between urbanization and financial engagement. **Mumbai** and **Thane** exhibit the highest investment rates, with 71.43% and 74.44% respectively. This higher participation is likely due to better access to financial markets, job opportunities, and an overall urbanized environment fostering financial literacy. **Mumbai Suburban** shows a moderate 85.39% investment rate, reflecting its balance between urban and rural characteristics, offering reasonable financial access. In contrast, **Raigad** has the lowest investment rate (68.18%), likely caused by limited financial infrastructure and fewer investment opportunities, particularly in rural areas. Overall, financial engagement is higher in urban areas due to better accessibility and economic opportunities.

Table No 4: Sources of Investment Knowledge across districts

Districts	How did you learn about your current investment?					
	Educational Institutions (%)	Family/Friends (%)	Financial Advisor (%)	Media/ Advertisements (%)	Online Research (%)	Grand Total (%)
Mumbai	7.52	42.11	24.81	5.26	20.30	100
Mumbai suburban	5.62	37.08	24.72	1.12	31.46	100
Raigad	4.55	68.18	4.55	4.55	18.18	100
Thane	5.26	41.35	24.06	8.27	21.05	100
Grand Total	6.10	42.18	23.34	5.31	23.08	100

The data in table no 4 reveals that **family and friends** are the primary source of investment knowledge across all districts, with **Raigad** (68.18%) and **Mumbai** (42.11%) showing high reliance on personal networks. This is likely due to a strong cultural emphasis on word-of-mouth learning and trust within families. In urban areas like **Mumbai** and **Thane**, there is a noticeable reliance on **financial advisors** (24.81% in Mumbai and 24.06% in Thane), reflecting greater access to professional advice due to higher economic activity. **Online research** is another significant source, especially in **Mumbai Suburban** (31.46%) and **Thane** (28%), likely due to increased internet access and tech-savvy populations. Educational institutions have a limited influence, suggesting that formal education on investments is less emphasized compared to informal and digital sources.

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Table No 5: Investment Methods across districts

Districts	How do you invest?		
	Own, after self-study or analysis (%)	Through Broker (%)	Grand Total (%)
Mumbai	61.65	38.35	100
Mumbai suburban	58.43	41.57	100
Raigad	86.36	13.64	100
Thane	75.94	24.06	100
Grand Total	67.37	32.63	100

The data in the table no 5 reveals a clear preference for **self-directed investments** across all districts, with **Raigad** (86.36%) and **Thane** (75.94%) showing a significant trend toward investing after self-study or analysis. This may be driven by a lack of access to brokers or limited financial infrastructure in Raigad. In contrast, urban areas like **Mumbai** (61.65%) and **Mumbai Suburban** (58.43%) show slightly lower but still strong independence in investment decisions, indicating greater financial literacy and access to resources. However, **broker-based investment** is notably less common, particularly in **Raigad** (13.64%), suggesting fewer brokers or financial services in rural areas. Overall, urban areas demonstrate stronger investment independence, while Raigad's reliance on self-directed methods is likely influenced by limited professional financial support.

Table No 6: Confidence in Managing Investments across districts.

| Districts	How confident are you in managing your investment?			
	Not Confident (%)	Somewhat confident (%)	Very Confident (%)	Grand Total (%)
Mumbai	13.53	57.14	29.32	100
Mumbai suburban	16.85	50.56	32.58	100
Raigad	31.82	59.09	9.09	100
Thane	18.05	60.90	21.05	100
Grand Total	16.98	57.03	25.99	100

The data in table no 6 shows that most respondents feel **somewhat confident** in managing their investments, especially in **Mumbai** (57.14%) and **Thane** (60.90%). This suggests that while people in these urban areas may have a general understanding of investing, they may not view themselves as experts. A smaller percentage of respondents are **very confident**, particularly in **Mumbai** (29.32%) and **Thane** (21.05%), reflecting a higher level of financial familiarity and comfort in these cities. On the other hand, **Raigad** has a higher proportion of **not confident** investors (31.82%), possibly due to limited access to financial resources or education, which affects their confidence in managing investments. Overall, urban areas exhibit greater confidence in financial management compared to Raigad.

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Table No 7: Interest in Learning More About Investment Opportunities across districts

Districts	Are you interested in learning more about investment opportunities?		
	No (%)	Yes (%)	Grand Total
Mumbai	9.02	90.98	100
Mumbai suburban	7.87	92.13	100
Raigad	18.18	81.82	100
Thane	9.02	90.98	100
Grand Total	9.28	90.72	100

The data in the table no 7 reveals a strong desire to learn more about **investment opportunities**, particularly in urban areas. **Mumbai** (90.98%) and **Thane** (90.98%) exhibit the highest interest, reflecting a greater awareness and need for further financial education in these regions. The high demand for financial knowledge in these districts could be linked to higher **investment participation** and **confidence** in managing investments. In contrast, **Raigad** (81.82%) and **Mumbai Suburban** (92.13%) show somewhat lower interest, possibly due to limited access to financial education or fewer opportunities to engage with investment knowledge. The overall trend points to a growing interest in **self-directed** investment, with **family, friends, and online resources** being primary sources of information. Enhancing financial literacy programs, especially in areas like Raigad and Mumbai Suburban, could significantly improve **investment participation** and **confidence**, empowering a wider range of individuals to make informed investment decisions.

Analysis of Saving and Investment Behavior Survey Results
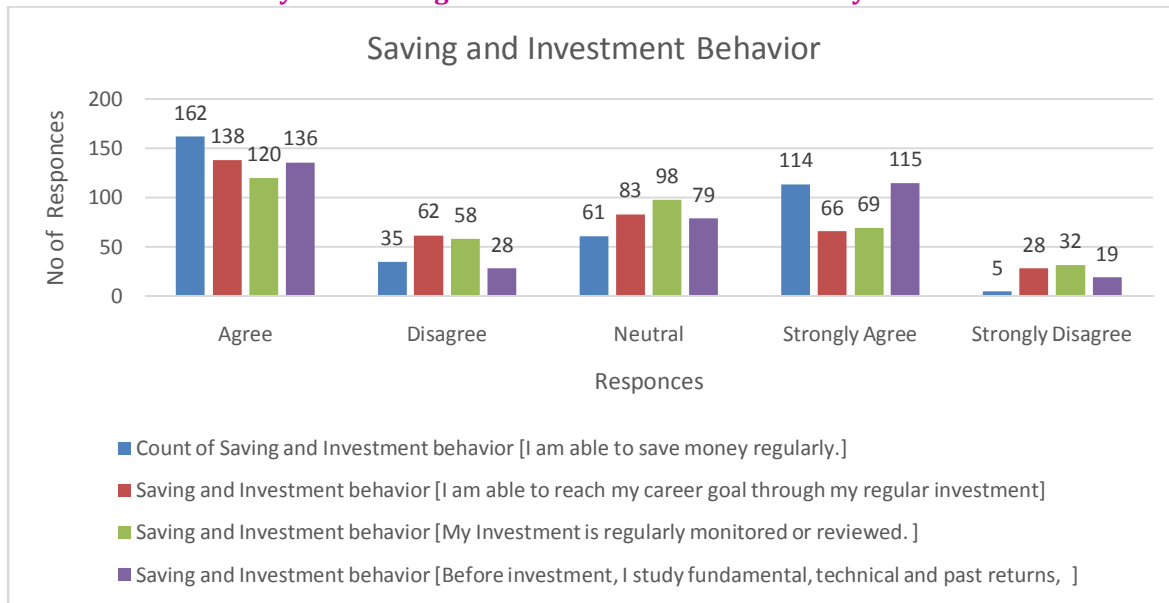
The survey results offer insights into respondents' saving and investment behaviors.
1. Regular Saving: Most respondents (162 agree, 114 strongly agree) report being able to save money regularly, reflecting a strong saving culture among the participants. Only 5 strongly disagree, suggesting that most individuals have a disciplined saving habit. However, 61 remains neutral, indicating some inconsistency or uncertainty in regular savings.

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2. Investment and Career Goals: While 138 respondents agree and 66 strongly agree that their investments help achieve career goals, a significant portion (62 disagree and 28 strongly disagree) do not see this connection. This suggests a disconnect between investment strategies and long-term career objectives for some individuals, with 83 being neutral, possibly indicating uncertainty in the relationship between investments and career planning.

3. Investment Monitoring: A substantial number (120 agree, 69 strongly agree) regularly monitor their investments. However, 58 disagree and 32 strongly disagree, pointing to a lack of active investment management among some respondents. The neutral responses (98) indicate that many may not prioritize or engage in consistent investment reviews.

4. Pre-Investment Research: Most respondents (136 agree, 115 strongly agree) conduct thorough research before investing, including analyzing fundamentals and past returns. However, 28 disagree and 19 strongly disagree, indicating that some individuals may not prioritize research, which could lead to less informed investment decisions.

Overall, while many respondents demonstrate positive saving and investment behaviors, there is a noticeable proportion who either lack consistency in their practices or do not actively engage in critical investment management strategies.

CONCLUSION:

This study reveals significant disparities in financial behaviors and investment participation between urban and rural districts, with urban areas like Mumbai and Thane showing higher investment participation, greater financial confidence, and a stronger desire for investment education compared to rural districts like Raigad, which face challenges such as limited access to financial services and lower investment confidence. The findings highlight that family, and friends are the primary sources of investment knowledge, while financial advisors and online resources play a secondary role, with educational institutions having minimal influence. Urban districts show higher confidence in managing investments, whereas Raigad respondents express more uncertainty. Despite these gaps, there is a strong desire for financial education across all districts, especially in urban areas. To address these issues, the study suggests targeted financial literacy programs for rural populations, increased access to financial advisors, the use of digital platforms to cater to tech-savvy individuals, and interactive learning methods like workshops and seminars to enhance financial education. These efforts will help bridge the gap in financial knowledge and confidence, ultimately empowering individuals to make informed investment decisions.

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