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INVESTMENT PATTERNS OF THE SALARIED MILLENNIALS – A COMPARATIVE STUDY OF INDIA AND UNITED STATES OF AMERICA

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ABSTRACT

The study is about the investment patterns of millennials with salaried income. Salaries of individuals are different based on the type of industries, the skillset, etc. Every individual earning an income will end up with saving if his expenses are below the income earned. This expense can vary based on the individual's responsibilities, lifestyle and other choices. These savings can be invested in different financial asset classes. These asset classes have different levels of risks. Traditional, many people preferred stable investments such as banks accounts, fixed deposits, postal schemes, and bonds. These investments preferences depend on the level of risk that these individuals are willing to take. Their understanding of financial knowledge help individuals makes an informed decision relating to personal finance. Primary data was collected electronically from the U.S. and Indian respondents using a structured questionnaire using Qualtrics. Out of 267 respondents, only 166 were found to suitable for further processing. The test carried out were Garret' Ranking method, ANOVA, Pearson correlation test. It was found that millennials prefer low risk to moderate risk type of investment option. Millennials prefer to get advice from a professional financial advisor.

KEYWORDS: *Millennials, Investment Pattern, Financial Literacy*

INTRODUCTION

Investment and saving plays an important role in all countries' economy. Saving and investments are a challenge for most young people because their needs may exceed their financial resources. To mitigate this challenge, one must have a good understanding of specific investments, investment planning and strategies, and other financial concepts. This will help in achieving their financial security to reach their financial goals in the future.

It's No Secret that the financial crisis was a traumatic event for many millennials (Salisbury, 2018). Imagine millennials who have lost their job and need to maintain their current lifestyle until getting another job. It is a difficult task. To survive, they might have to resort to borrowing money from family and friends or deplete their savings. In today's economy, most companies have to adapt to Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) in the corporate environment. These companies may resort to cutting their expenses if they feel that the company losing their market share. Usually, companies take the path of reducing the number of staff or employees in order to overcome the problems. Though the above scenario may not apply to everyone but are people ready to face this challenge? If an individual has significant savings, managing this sudden shock is possible. According to many studies, most millennials do not have any savings. This can be attributed to the lifestyles most millennials follow and to the cost of their education, which has steadily risen compared to previous generations. Additionally, most millennials have consumer loans and credit card debts. Making these loan payments usually reduces the level of savings.

Planning for future financial needs for retirement, or for any contingency/emergency, is important in a millennials financial life decisions. Individual save money for many financial reasons and motivations. Savings and investment provide a high degree of freedom, such as if a person wants to retire early or wants to buy a house or new car without straining their current budget and expenses. Financial security can be achieved through savings and investments, thereby reduce stress related to a financial crisis. If someone wants to start a business, which is a risky project that can strain financial resources. If they have saved enough money to start a business, financial resources will help reduce the strain in the day to day activities.

Savings come from the discretionary funds remaining after individuals pay all of their required and necessary expenses. These savings can be invested in options such as banks, stocks, bonds, and commodity futures, etc. Millennials who invest their money have their expectation in receiving financial benefits such as interest, dividends, bond payments, and rental income. This can be considered as an additional or secondary source of income. When investments provide higher returns compared to other options those investments typically come with a higher level of risk. Investment returns also affected by the investment time period, such as short term or long term. A higher level of risk tolerance is the investors' willingness to face a potential investment, which is offset by the prospect of receiving higher returns. This risk tolerance characteristic varies greatly among different individual investors.

STATEMENT OF PROBLEM

This research is focused on the analysis of the investment patterns of millennials and the differentiation of millennials those who are in the United States and India.

In today's world, millennials are typically more educated when compared to previous generations. Millennials are the first generation that saw the dawn of the Internet. The Internet has provided access to information and knowledge in any field through a click of a button. Technology is also evolving rapidly, so individuals are not confined to a specific place in order to seek information, like the previous generation. This access to information can lead to better understanding of complex financial issues. Because of this, millennials should have higher savings and better investment planning behavior. These benefits should make them less risk-averse. Investing money has also become easier due to access to most financial resources and apps on their smartphones. It has also become easier in getting advice from a professional financial advisor.

When an individual decides to invest their savings, it is to generate some desired sum of money for a specific goal and for making plans for uncertainty in the future. One of the main reasons that investments need to be wisely considered, maybe to meet the cost of inflation because when inflation rate raises the cost of living expenses increase.

Despite millennials being more literate than previous generations, they have fewer savings and investments. The main reason for this may be the cost of higher education and various types of debts. According to Kim, Anderson, and Seay (2017), Millennials though have good financial knowledge when compared to the previous generation, but they do not know how to implement or utilize this knowledge in practice.

This research paper tries to study Millennials' income and how much of it they save. This study will focus on identifying the patterns that millennials exhibit relating to savings and their preferred investment options. These investments preferred by millennials depend on the level of risk tolerance that they are willing to assume and the on-time period of the investment. These findings will help in assessing the risk tolerance level and millennials' level of understanding about their financial knowledge.

To understand the preferences made by millennials, the focus of this research will be to look into the association of various demographic factors that can influence their decisions and risk tolerance.

BACKGROUND OF THE RESEARCH TOPIC

India and the United States are among the top countries having the most number of millennials in the world. Millennials are the generation whose age ranges from 18 to 34. According to CNBC report, a GoBankingRates survey conducted in 2017 found that 67% millennials have less than $1000 in their savings accounts and 46% have $0 in their savings accounts (Elkins, 2018). CNN reported findings of the National Institute on Retirement Security that state 66% of millennials have nothing saved for retirement (Lobosco, 2018). The main reason for not having good saving is because of some kind debts like education loans, credit card debts and many more. Another reason for having fewer savings is the result of lifestyles followed by millennials. There are a few survey results which contradict the survey. According to these surveys, millennials have better savings when compared to previous generations, like Gen-X, but older Millennials have higher debt than millennials whose age is below the age of 24 (Todd,2014).

Investment and savings are important in financial markets of all countries. When as economies rise and fall, investments and savings have a huge impact on smoothing out those extreme fluctuations. When individuals in society invest their savings, benefits are provided to the local and national economy. As economies grow and strengthen through these investments, the dependence of programs such as costs relating to health care and social services is lessened, thereby creating significant benefits to society and increase in the quality of the standard of living in society.

Every individual has specific living expenses and any remaining money may be used to build savings for that particular person. This expense can vary based on their individual's responsibilities, lifestyle and other choices. These savings can be invested in different options. When an individual invests money, they do so with the intent of receiving good returns while maintaining a high level of liquidity, and safety. The reason for this is because the individual has sacrificed or postponed their current consumption to receive better benefits in the future. Saving also depends on each individual's income and their demographic.

The goal of every investment is to provide an increase in value for the individual, and higher or lower rates are affected by investments' time period such as short term or long term, and the risk level of the investment. Traditionally, most investors preferred stable investments, such as banks accounts, fixed deposits, stocks, and bonds. These investment preferences depend on the level of risk that these individuals are willing to take. Their understanding of financial knowledge helps them in making an informed decision relating to personal finance.

LITERATURE REVIEW

Robb and James (2009) conducted research to identify correlation between individual characteristics and financial knowledge among college students. The purpose of the study was to find the factors that impact college students and their personal finances. This research found that student with a major in business is financially more knowledgeable than other students. The research also found that married students possessed a higher degree of financial knowledge. They used primary research data and targeted college students. The method utilized to analyze the collective data was ordinary least squares (ols) regression. The total number of respondents in the surveywere 3,525 students. The survey was sent via email and the data collection period was one month. The results of this study emphasize the importance of education in financial knowledge.

A study by **Finke and Guillemette (2016**) evaluated the risk tolerance of individuals in their investments. The research focused on the relationship between cognitive ability and risk preferences. People with less cognitive ability had greater levels of risk aversion and vice versa. The salary level of the individual affects their risk preference. As an individuals' income and wealth increase, they are willing to accept more risks in their investments. This study suggested methods to measure investors' risk preferences. Financial advisors can influence an investor in investing in riskier portfolios in order to increase the value of the assets in the portfolio with the goal of increasing the compensation of the financial advisor. The analysis tells about the role of advisors in helping clients manage their risk effectively.

Chatterjee, Fan, Jacob, and Haas (2017) utilized the national database to understand the relationship between risk tolerance, financial literacy, and goal-based savings. They defined goal-based savings as saving for retirement, savings for children's education and grandchildren's education, and a few other reasons. Each individual's investment options vary because of their perception of risk, so it is difficult to create a universal plan for investments. Investors with higher education levels were positively correlated to higher tolerance level, and also to goal-based savings. The study also found that investors who are self-employed also had a higher risk tolerance level. Financial literacy was found to be negatively correlated with risk aversion. This study suggested that individuals' emergency savings and goal-based long-term savings behaviors are positively correlated with financial literacy and risk tolerance.

Todd (2014) found that savings patterns and debt vary greatly by age within the millennial generation. Millennials within the age of 20 to 24 typically have an average debt of $17,100 however millennials within the age of 25 to 29 often have a higher debt of about $35,600, approximately double the level of debt of younger age group. Todd also stated younger millennials aged 18 to 24 are likely to have no debt. Millennials have goals that drive their savings, but the amount of savings required for goals are far from reality. For example, 74% of millennial respondents have a goal to want a house, but only 11% have saved for this goal. This survey was conducted though PNC Financial Services Group with 3288 respondents in the U.S. aged between 20 to 29.

Lazar and Sundar (2017) studied the Investment and Herding Behavior of Indian Investors. The research found that there is no relationship between investors' demographic patterns and the term of the investment. A frequency of stock market monitoring, stock market trading and demographic variables, such as age, gender, marital status, education, occupation, and monthly income are independent. The investment goals of each individual investor are distinct. The author provides insight into the herding behavior of investors. The results were analyzed using chi-square goodness-to-fit to get the results. The investors' herding behavior is likely due to peer pressure, fear, reputation, and other factors.

According to this survey, 69% of respondents are influenced by other investors. The herding behavior is independently correlated with demographics and social factors.

Gonzalez and Ozcan (2013) studied the relationship between the Risk of Divorce and Household Saving Behavior. The target group was people in Ireland. In 1996, divorce was legalized in Ireland. For this research, there few control groups. The first control group included with very religious individuals who were probably less affected by legalized divorce. To substantiate this argument, regression analysis was separation rates before divorce legalization. An individual is classified as religious if they reported attending church at least once a week. The data indicated that religious individuals had less likelihood of becoming separated than individuals who were reported to be nonreligious. Single individuals were one control group. The remaining control group was married partners from other European Union countries. These countries were selected as they had almost similar features in most aspects, including the economy. All these control groups had their savings behaviors evaluated. All these groups reported some level of savings. After legalization, non-religious couples had reported a significant increase in savings due to an increase in the risk of marital separations. This study found that in comparison to the savings in other countries, Ireland had higher savings after the Legalization of divorce.

Heo, Grable, Nobre, and Ruiz-Menjivar (2016) did an estimation of the effect of mediation on risk tolerance, and marital status, gender, and investing behavior. The years focused were 2008 to 2011, because this represented the depth and recovery periods in the Great Recession. The total number of respondents was 29,641. The association between investing behavior, gender, and marital status was mixed. The level of risk tolerance decreased after the economic recession in 2009 but recovered in 2010. Male respondents had higher risk tolerance when compared to the female. Married male respondents had lower risk tolerance when compared to single males, whereas married female respondents had higher risk tolerance when compared to single females. Married respondents had higher holdings of investment assets. To estimate direct, indirect and total effects of gender, marital status, and financial risk tolerance - a path model was used.

Beck and Chira (2017) examined the relationships of savings and behavior with respect to demographic attributes, long-term financial goals, and level of financial knowledge of highly educated individuals. When it comes to savings there is a huge difference in expectation and actual savings among individuals from different demographics and their personal goal for savings. For this research, 318 respondents were used. The questions asked were under five sections, they were Retirement Scenarios, Actual Savings Behavior, Financial Goals, Financial Knowledge, and Demographic Information. Among the total respondents, 38% had a Ph.D., 39% had a Master's or professional degree, and 23% had an undergraduate degree. The survey results indicate that individuals are aware of the amount needed to save for their retirement. They realize that they would have to save higher levels for their retirement if they start later. Their savings are less in practice because of specific goals and their number of children is inversely proportional to the savings. Subjects who reported to be financially prosperous had higher savings and also had a higher knowledge of investments. A large percentage of individuals' income was consumed by paying their debts.

Das (2017) measured the level of financial literacy among Indian millennials. The surveyed individuals were postgraduate students in marketing, finance, and human resources, which are three different areas of specialization of business studies. The sampling technique used was a stratified sampling technique. The number of respondents was 210. The data from the survey was analyzed using K-Means Cluster technique and Mann-Whitney test to measure the level of financial literacy of respondents from those three different fields of business studies. There were twelve control variables used. To measure the dependency of the level of financial knowledge on the control variables with a certain assumption, the Mann-Whitney test, and the Kruskal Wallis test was performed. To measure the influence of financial literacy, on financial knowledge Ordinal Regression (PLUM) and Multinomial Logistic Model (MLR) was utilized. The research found that the level of financial literacy of millennial respondents answered the majority of questions correctly, but questions related to time value of money and corporate tax were answered incorrectly by more than 70% respondents answered correctly. The level of knowledge within finance major respondents had higher knowledge when compared to their marketing and human resource peers. The Family Resource Management Theory (Deacon and Firebaugh, 1981) contributes to environmental influences in shaping the overall growth of millennials' financial literacy.

In Yong and Tan (2017) identified the influences of financial literacy on risk tolerance. This study focused on the financial literacy of Malaysian youths. The survey questionnaires were distributed to students attending undergraduate programs in the Tunku Abdul Rahman University's College Perak Campus. The data analysis included descriptive, correlations, t-test, and analysis of variance (ANOVA) on the collected data. They concluded that respondents with lower financial knowledge can be weak in managing their debts. This study tells the correlation of financial literacy, financial behavior, gender, parental and income backgrounds. Financial literacy was high among males when compared to the female. The parental background had a significant influence on the financial behavior of the respondents, suggesting that Malaysian youths learn their financial responsibility from their parents. The majority of the surveyed respondents (72%) displayed good financial literacy.

Kim, Anderson, and Seay (2017) studied the level of financial literacy and its impact on the financial decision of millennials in the U.S. The study focused on Millennials' long-term and short-term financial goals. The study included demographic data on the respondents' age, gender, race, marital status, the presence of the dependent child, employment status, level of education, and household income. According to the findings, millennials short-term financial behaviors mean composite score was 2.44. The short-term behaviors and sample size under each behavior included spending less income was 76%, not experiencing an overdraft was nearly 62%, and keeping a budget was 60%, and only 41% had an emergency fund. The mean of long-term behaviors' composite score was 1.86. Millennials under this category were evaluated for retirement investment plans and other long-term financial goals. Of the amount required for retirement only 39% figured this amount. However, only 47% of millennials had at least one retirement account. Other than retirement, 30% had actual long-term investments while 70% of millennials had planned for long-term investment. Millennials had received some form of financial education which was higher than all households. Though millennials had a higher knowledge of subjective financial knowledge than all households, they had lower objective financial knowledge.

OBJECTIVES OF THE STUDY

- To study the preferred investment pattern of the millennials.
- To study various demographic factors that influence millennial's goals for savings, selection investment options, and risk tolerance
- To compare the financial risk tolerance, savings percentage, goals for savings, and other demographics between the U.S. and India

METHODOLOGY

Research Design

This study is a descriptive study of the investments patterns and savings of millennials in the United States and India. This research studies millennials perception, awareness, and risk tolerance levels on various options available for investments.

Sample Size, Sample Design, and Source of Data

The study was a comparative analysis of Investment patterns of Millennials in the U.S. and India. Primary data was collected using questionnaires. The total number of respondents was 267. The data from few respondents were not used for the study because of insufficient data. Finally, 166 respondents' data was suitable for the analysis.

Primary data was collected using the survey questionnaire developed in Qualtrics and the link for the questionnaire was sent through emails. Each question in the survey was designed to get respondents awareness of various option, risk tolerance level, the source of information investment, problems they face in investing, and demographics.

DATA ANALYSIS

The responses received were from the U.S. and India. The majority of respondents were from the U.S. (64.5%) and the rest were from India (35.5%). The Henry Garret ranking method was used to find out the investment options of the millennials of India and US.

The Percent Position and Garret Value

The Garret ranks were calculated by using the appropriate Garret Ranking formula. Based on the Garret ranks, the garret value was calculated. The Garret tables and scores of each Investment options in indicated in the below two tables, the following formula is used to calculate the total Garret score.

Percent Position = 100(Rij – 0.5)/Nj

Rji = Rank given for the ith variable by the jth respondent

Nj = number of variables ranked by the jth respondent

The result is provided in the following table.

Table 1: Percent Position and Garret Value

Sl.No	100(Rij – 0.5)/Nj	Calculated Value	Garret Value
1	100(1-0.5)/4	12.5	73
2	100 (2-0.5)/4	37.5	56
3	100(3-0.5)/4	62.5	44
4	100(4-0.5)/4	87.5	27

Table 2: Calculation of Ranks with Current Investment Preference Using Garret Value (India)

Sl. No	Factors	Rank Given by the Respondents				Total	%	Rank
		1	2	3	4			
1	Low Risk investments options	2774	448	308	324	3854	56.6	1
2	Moderate risk investments options	1095	2128	440	81	3744	55	2
3	High risk investments options	584	616	1012	432	2644	38.8	3
4	Non-Traditional investments options	584	336	792	702	2414	35.5	4

Table 3: Calculation of Ranks with Current Investment Preference Using Garret Value (USA)

Sl. No	Factors	Rank Given by the Respondents				Total	%	Rank
		1	2	3	4			
1	Low Risk investments options	3066	784	880	486	5216	58.6	1
2	Moderate risk investments options	1241	2240	1232	135	4848	54.5	2
3	High risk investments options	1460	1176	1276	540	4452	50	3
4	Non-Traditional investments options	1095	840	572	1242	3749	42	4

Table 4: Calculation of Ranks with Future Investment Preference Using Garret Value (India)

Sl. No	Factors	Rank Given by the Respondents				Total	%	Rank
		1	2	3	4			
1	Low Risk investments options	1971	896	528	374	3773	55.5	2
2	Moderate risk investments options	2190	1288	616	27	4121	60.6	1
3	High risk investments options	584	840	880	567	2871	42.2	3
4	Non-Traditional investments options	511	672	792	756	2731	40.1	4

Table 5: Calculation of Ranks with Future Investment Preference Using Garret Value (USA)

Sl. No	Factors	Rank Given by the Respondents				Total	%	Rank
		1	2	3	4			
1	Low Risk investments options	1898	896	1012	405	4211	47.3	2
2	Moderate risk investments options	2117	1792	704	108	4721	53	1
3	High risk investments options	949	1064	1144	594	3751	42.2	3
4	Non-Traditional investments options	1022	728	660	1053	3463	39	4

In tables, 2 and 3 we can observe that millennial in the US and India are investing in the low-risk investment options. In Tables 4 and 5 we can see that in the future they expect to invest in the moderate risk options. The reason for the above phenomena could be the expectation of higher income in the future.

RISK TOLERANCE

Risk tolerance is the degree of variability in investment returns that an investor is willing to withstand (Investopedia). A comparative study was conducted between the millennial of US and India. To understand the risk tolerance level two types of questions were included in the questionnaire. The first question under risk tolerance section was based on the individual rating of their financial knowledge. The next three questions was based on a few scenarios. Each question carried certain weightage depending on the option selected. These values were summed and risk tolerance value was found. Based on the value, the respondents were classified into 5 categories. Aggressive – This risk tolerance behavior sum range is 27 to 28 because the investor has greater financial knowledge making them more risk tolerant. Moderately Aggressive - This risk tolerance behavior sum range is 22 to 26 because they might choose a less risky option than an aggressive investor. Moderate - This risk tolerance behavior sum range is 15 to 21 because their appetite for risk is considerably low when compared moderately aggressive. Moderately Conservative -This risk tolerance behavior sum range is 9 to 14 because choose riskier options when compared to the conservative investor but less risky options when compared to moderate investors. Conservative - This risk tolerance behavior sum range less than 8 because they are the most risk-averse investors.

Investments are categorized according to the risk involved. A risk is dependent on various factors like past performance, governing body and so on. They are categorized as

Low-Risk Investment Options: Savings Bank Account, Fixed Deposit, Public Provident Fund, National Savings Certificate, Post Office Savings Account, and Government Securities.

Moderate Risk Investment: A moderate-risk investment option is an investment with modest fluctuations in the year-to-year value of your portfolio and has some time to recover from any market downturns. Moderate Risk Investment includes Life Insurance, Debentures, Bonds, and Mutual Funds.

High-Risk Investment Option: A high-risk investment is one where there is either a high chance of loss or gain of capital or under-performance or a relatively small chance of a devastating loss. High-Risk Investment includes Equity, Commodity market, and Forex.

Traditional Investment Options: Traditional investments refer to putting money into well-known assets (real estate) with the expectation of capital appreciation, dividends, and interest earnings. Traditional investments include Real Estate, Gold/Silver.

A comparative study was conducted to understand if there is a difference in Risk Tolerance of millennials from the U.S. and India.

Comparison of Risk Tolerance of Millennials

H_0: There is no difference in risk tolerance level of millennials in the U.S. and India

H_1: There is a difference in risk tolerance level of millennials in the U.S. and India

To test this hypothesis, we conducted independent samples test between the two samples (USA and India). The table below shows the descriptive statistics of our data.

Table 6: Descriptive Statistics

Group Statistics					
	Country	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
Risk tolerance	India	68	16.0294	5.47442	.66387
	USA	89	15.7303	4.94921	.52461

Table 7: Independent Sample Test Result

Independent Samples Test										
		Levene's Test For Equality of Variances		T-Test For Equality Of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Risk tolerance	Equal variances assumed	.703	.403	.358	155	.721	.29907	.83476	-1.34990	1.94805
	Equal variances not assumed			.353	136.330	.724	.29907	.84614	-1.37417	1.97232

Inference: The Levene's test on Risk Tolerance shows that the probability is greater than 0.05 (that is .403). The two tail significance shows that the p-value (0.721) is greater than 0.05(p>0.05), therefore we fail to reject the null hypothesis. Thus we can conclude that there is no significant difference in risk tolerance level of millennials in the U.S. and India.

Impact of Annual Income and the Geographical Territory on Risk Tolerance

H_0: Risk Tolerance level does not depend on annual income and the geographical territory

H_1: Risk Tolerance level does depend on annual income and the geographical territory

To test this hypothesis, we conducted a two-way anova between annual income and geographical territory taking risk tolerance level as the dependent variable.

Table 8: Cross Tabulation

Annual Income * Geographical Territory Cross Tabulation				
Count				
		Country		Total
		India	USA	
	less than Rs2,50,000 or $25000	30	46	76
	Rs 2,50,001 - 5,00,000 or $25000 - 50000	11	25	36
	5,00,000 - 10,00,000 or $ 50,001 - 75000	16	14	30
	10,00,001 - 15,00,001 or $75001 - 100,000	6	1	7
	15,00,001 and more or $100,001 or more	5	3	8
Total		68	89	157

Table 9: Two Way Anova

Tests of Between-Subjects Effects					
Dependent Variable: Risk Tolerance					
Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	107.898[a]	9	11.989	.434	.915
Intercept	12202.752	1	12202.752	441.931	.000
Country	16.948	1	16.948	.614	.435
annual income	30.772	4	7.693	.279	.891
Country * annual income	65.201	4	16.300	.590	.670
Error	4059.019	147	27.612		
Total	43658.000	157			
Corrected Total	4166.917	156			

Inference: The two-way anova between annual income and geographical territory taking risk tolerance level as the dependent variable was conducted to check if the two countries act differently with risk tolerance. A two-way ANOVA examined the effect of annual income and geographical territory on risk tolerance level. There is no statistically significant interaction between the annual income and geographical territory on the risk tolerance level, as p = .670 >0.05 it is concluded that we fail to reject the null hypothesis. Thus, annual income and geographical territory does not influence the risk tolerance level among the millennials.

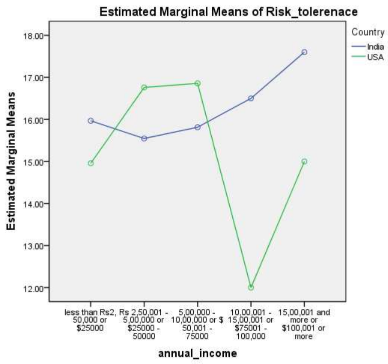

Figure 1: Comparative Analysis between Country, Annual Income and Risk Tolerance Level

From the above graph, we understand that even though the millennials of India and US have an increment in their annual income still they want to be moderate risk takers.

CONCLUSIONS

The focus of this comparative study was to understand the investment patterns of millennials living in United States which are a developed country versus India which is a developing country. From the results of the study, it is evident that the salaried millennials in both countries prefer low-risk investment in the present. This shows that the millennials are risk-averse and prefer traditional safer investment avenues like fixed deposits, saving bank accounts, etc. This could be the result of limited savings and huge borrowings on the part of millennial employees. The bandwidth to take financial risks seems to be lower among salaried millennials in their present investments. However, the millennials present a moderate risk-taking appetite in their future investments. This may be the result of expectations of higher returns in the future. This is positive news for marketers of moderate risk instruments such as mutual funds, debentures, etc. These instruments by their very nature focus on future long term returns and seem well suited for the salaried millennials future investment needs.

Based on the results of the Independent Sample Test, we conclude that the risk-taking patterns of salaried millennials in both countries are similar. It is evident that millennials in both countries do not have significant differences in risk tolerance. From the results of the two way anova test, it is inferred that the millennials even though their income increases still prefer to be in the category of moderate risk takers.

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