

Impact of Demographic Factors on Risk Preference of Investors in Jaipur District

Dr. Kanchan¹ & Namo Narayan Meena^{2*}

¹Supervisor & Assistant Professor, Department of A.B.S.T., University of Rajasthan, Jaipur, Rajasthan, India.

²Research Scholar, Department of A.B.S.T., University of Rajasthan, Jaipur, Rajasthan, India.

*Corresponding Author: nnmeena.ap@gmail.com

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Abstract

This study examines the impact of demographic factors on the investment decisions of investors in Jaipur district. Primary data were collected from 130 respondents using a structured questionnaire. The investment decision was measured through the respondents' preference while investing ₹1 lakh, categorised into three risk levels: Low risk (Fixed Deposit), Moderate risk (Gold/Real Estate or Mutual Funds), and High risk (Stock Market/Equity). The demographic variables analysed include age, gender, marital status, income, occupation, educational qualification, and type of residence (urban, semi-urban, and rural). Cross-tabulation and Chi-square test were applied to examine the relationship between these demographic factors and risk preference. The results reveal that age, gender, marital status, income, occupation, and educational qualification have no significant relationship with the investment decisions of the respondents. However, a significant relationship was found between type of residence and risk preference. The study concludes that the place of residence plays an important role in shaping the investment behaviour of individuals in Jaipur district, while other demographic factors do not show a statistically significant influence.

Keywords: Demographic Factors, Investment Decision, Risk Preference, Chi-square Test.

Introduction

Investment decision-making is a critical aspect of personal financial management. In a developing economy like India, individual investors play an increasingly important role in the financial markets. Their decisions regarding where and how to invest their savings are influenced by multiple factors, among which demographic characteristics hold significant importance. Factors such as age, gender, marital status, income level, occupation, educational qualification, and place of residence can shape an individual's risk appetite and preference for different investment avenues.

In recent years, the investment landscape in India has expanded rapidly with the availability of various options ranging from traditional low-risk instruments such as fixed deposits to high-risk instruments such as equity markets. Understanding how demographic factors influence the choice among these options is essential for financial institutions, policymakers, and investment advisors.

Jaipur district, being one of the major urban centres of Rajasthan, presents a diverse mix of investors belonging to urban, semi-urban, and rural areas. This diversity makes it a suitable location to examine the relationship between demographic variables and investment behaviour.

Although several studies have been conducted on investment behaviour in different parts of India, limited research is available that specifically focuses on the impact of demographic factors on the risk preference of investors in Jaipur district. The present study attempts to fill this gap by analysing the association between selected demographic factors and the investment decisions of respondents when asked to invest a sum of ₹5 lakh.

Objectives of the Study

The main objectives of the present study are:

- To examine the relationship between selected demographic factors (age, gender, marital status, income, occupation, educational qualification, and type of residence) and the risk preference of investors in Jaipur district.
- To identify which demographic factor has a significant influence on the investment decisions of the respondents.

Hypotheses

Hypotheses of the Study

The study formulated the following null and alternative hypotheses for each demographic factor:

- H₀:** There is no significant relationship between the selected demographic factor and the risk preference of investors.
- H₁:** There is a significant relationship between the selected demographic factor and the risk preference of investors.

The hypotheses were tested separately for gender, marital status, age group, income level, education level, occupation and type of residence.

Significance of the Study

The findings of this study will be useful for banks, mutual fund companies, financial advisors, and policymakers in designing suitable investment products and financial awareness programmes according to the demographic profile of investors in Jaipur. It will also help in understanding the role of place of residence in shaping investment behaviour.

Review of Literature

Several studies have examined the relationship between demographic factors and investors' risk preference or investment decisions:

Jain and Mandot (2012) conducted a study on the impact of demographic factors on the investment decisions of investors in Rajasthan. Using primary data from 200 respondents, they applied Chi-square and Correlation analysis. Their findings revealed a significant relationship between marital status, age, and risk-taking ability, while gender showed no significant relationship. The study also reported negative correlation of marital status, gender, age, educational qualification and occupation with risk, and positive correlation of city, income level and knowledge with risk-taking ability.

Jain and Ranawat (2012), in their study of 100 investors in Rajasthan, examined the influence of demographic factors like gender, age, income, occupation, and qualification on investment choice. Using chi-square analysis, they found that gender had a significant association with investment avenues such as post office schemes, real estate, gold and commodities, and shares or equity, with female investors showing a more conservative approach and male investors displaying greater risk-taking behavior. Their findings also revealed that investors belonging to higher income groups showed a stronger preference for real estate, while demographic factors such as age, income, gender, and occupation had no significant association with the percentage of income saved for future needs, except for qualification, which showed a significant relationship. The study further indicated that most investors relied on family members for investment decisions and preferred a 3-to-5-year investment horizon, driven primarily by the goals of safety and growth of money.

Purohit and Chutani (2016) conducted a study titled "A Study on Urban Working Women's Attitude towards Mutual Fund Investment: With Special Reference to Jaipur District, Rajasthan." The study was based on primary data collected from 100 working women in Jaipur through questionnaires and interviews. The findings revealed that demographic factors influence women's investment behaviour.

Fixed deposits were found to be the most preferred investment avenue, while mutual funds were preferred to a lesser extent due to perceived risk and inadequate awareness. The study also found that safety and diversification were the major factors influencing mutual fund investment. The authors concluded that lack of awareness and risk perception were important reasons for the lower preference for mutual funds among working women.

Sharma and Prasad (2018) examined the impact of behavioural dispositions on portfolio investment decisions of individual investors in Rajasthan. The study was based on 310 respondents and considered behavioural factors such as herd mentality, overconfidence, anchoring, mental accounting, confirmation bias and loss aversion. Using multiple regression analysis, the study found that behavioural dispositions significantly influenced various aspects of investment decisions, including expected return, investment duration and investment objectives. The study concluded that behavioural factors play an important role in shaping the investment decisions of individual investors.

Adholiya, Singh and Adholiya (2020) conducted a study titled "*Effect of Technology on Financial Literacy and Investment Decisions of Citizens of Udaipur (Rajasthan)*" to examine the role of information technology in improving financial literacy and investment decision-making among citizens of Udaipur. The study was based on primary data collected through a structured questionnaire from 100 respondents, comprising 60 males and 40 females, and covered respondents from urban, semi-urban and rural areas. The researchers used Pearson's Chi-square test, ANOVA and Pearson correlation for data analysis. The findings revealed a significant association between financial literacy and investment decision-making, with financial knowledge, financial behaviour, financial attitude, financial awareness and financial planning significantly related to investment decisions. Further, demographic characteristics such as gender, age, occupation, income, qualification, marital status and locality were found to significantly influence financial literacy. The authors concluded that technology-enabled financial information plays an important role in enhancing financial literacy and facilitating more rational investment behaviour.

Chaturvedi and Joshi (2021) examined the investment decisions of women entrepreneurs in Rajasthan. The study was based on 384 respondents and found that financial stability was the major investment objective, followed by wealth creation. The study revealed that both personal and external factors significantly influenced investment behaviour, while friends, relatives and family members were important sources of investment information. The study concluded that investment behaviour of women entrepreneurs is influenced by personal and external factors.

Saini and Bindal (2024) studied the investment behaviour of women employees in Jaipur District. The study was based on 226 working women and used a structured questionnaire and descriptive analysis. The findings revealed that women employees generally preferred low-risk investment options and showed a conservative investment attitude. Gold was found to be the most preferred investment avenue, while high returns emerged as the major investment objective. The study highlights the importance of demographic and income-related factors in understanding the investment behaviour and preferences of women employees in Jaipur.

Mukharji and Jain (2025) compare the investment behaviour of Jan Dhan and non-Jan Dhan account holders in rural Jaipur using a survey of 500 respondents. Applying t-tests, principal component analysis, and OLS regression, they find that Jan Dhan holders are significantly less likely to set aside income for investment (6% vs 24%) and score lower on investment awareness and purpose, while the two groups show similar risk-evaluation tendencies. Both groups strongly prefer physical assets such as gold, livestock, and property over financial instruments. Education, gender, non-agricultural occupation, and nuclear family living are the main determinants of investment behaviour. The authors conclude that account access alone does not translate into financial participation and call for financial literacy and tailored product interventions. The cross-sectional design and demographic differences between the groups, however, limit causal interpretation.

These studies indicate that demographic factors such as age, gender, education, marital status, income, occupation and place of residence play an important role in shaping investors' risk preference and investment decisions. However, limited research is available that specifically focuses on the combined effect of these demographic variables on investment behaviour in the context of Jaipur district. The present study attempts to address this gap.

Research Methodology

- **Research Design**

The present study is descriptive as well as analytical in nature. It seeks to examine the impact of various demographic factors on the risk preference of individual investors in Jaipur District. The study attempts to identify whether demographic characteristics such as gender, marital status, age, income, education, occupation and type of residence significantly influence the risk preference of investors while making investment decisions.

- **Sources of Data**

The study is primarily based on primary data. The required information was collected through a well-structured questionnaire administered to individual investors belonging to Jaipur District. The questionnaire was designed to gather information relating to the demographic profile of the respondents and their risk preference in investment decisions.

- **Sample Size**

The sample size of 130 was determined on the basis of statistical adequacy and practical considerations. A sample size above 100 is generally regarded as sufficient for applying chi-square test and other multivariate techniques in social science research. Keeping in view the nature of the study, time and resource constraints, a sample of 130 respondents was considered adequate for the present investigation.

- **Sampling Method**

The study adopted the convenient sampling method for the selection of respondents. The respondents were individual investors who were willing to participate in the survey and had some experience or interest in investment activities.

- **Variables of the Study**

- **Independent Variables:** The independent variables of the study comprise the following demographic factors:
 - Gender
 - Marital Status
 - Age Group
 - Income
 - Education
 - Occupation
 - Type of Residence
- **Dependent Variable:** The dependent variable of the study is the Risk Preference of investors. Risk preference was measured on the basis of the respondents' choice of investment avenue when asked to invest an amount of ₹5 lakh. The responses were classified into three categories:
 - **Low Risk Preference** - Preference for Fixed Deposit, Bank Deposit, Life Insurance Payback
 - **Moderate Risk Preference** - Preference for Mutual Funds, Gold and Real Estate
 - **High Risk Preference** - Preference for Stock Market, Cryptocurrency

- **Statistical Tools Used**

In order to analyse the collected data and to test the hypotheses, the following statistical tools were employed:

- Simple Percentage Analysis
- Cross-tabulation
- Chi-square Test of Independence
- Cramer's V
- Contingency Coefficient

All statistical tests were conducted at 5% level of significance. The results of the analysis have been presented in the form of tables along with suitable interpretation.

Data Analysis and Interpretation

The data collected from 130 respondents have been analysed using cross-tabulation, Chi-square test, Cramer's V and Contingency Coefficient. The relationship between each selected demographic factor (Gender, Marital Status, Age Group, Income, Education, Occupation and Type of Residence) and the risk preference of investors has been examined separately. The results of the analysis are presented in the following tables along with their interpretation.

Table 1: Demographic Characteristics of The Respondents

Characteristics		No. of Respondent	Percentage
Total No of Respondent		130	100
Gender	Male	90	69
	Female	40	31
	Total	130	100
Marital Status	Single	51	39
	Married	79	61
	Divorce	00	00
	Total	130	100
Age Group	18 – 25 Year	20	15
	26 – 35 Year	74	57
	36 – 45 Year	22	17
	46 – 60 Year	12	09
	Above 60 Year	02	02
	Total	130	100
Average Income (Monthly)	Below 20,000	13	10
	20,000 – 40,000	28	22
	40,000 – 60,000	32	24
	60,000 – 100,000	26	20
	100,000 – 250,000	14	11
	Above 250,000	17	13
	Total	130	100
Occupation	Service (Govt/PSU Sector)	59	46
	Service (Private Sector)	21	16
	Professional (CA, Doctor, Lawyer etc.)	04	03
	Business	11	08
	Others	35	27
	Total	130	100
Education	Postgraduate or higher	90	69
	Graduate	30	23
	12th grade	08	06
	10th grade or below	02	02
	Total	130	100

Source: Primary Data from the questionnaire administered

Chi - Square Test

It is a statistical test which is commonly used to compare observed data with data we would expect to obtain according to a specific hypothesis framed earlier. The impact of various demographic factors on an investors' risk preference has been studied and analysed separately, the results of which are as under.

- Extent of Relationship Between Investors' Marital Status and of Risk Preference (Investment Decision) (Tables 2, 3, 4)

H₀ - There is no relationship between the investors' Marital Status and the Risk Preference Risk Preference (Investment Decision).

H₁ - There is a relationship between the investors' Marital Status and the Level of Risk-Taking Ability.

Table 2: Degree of Relationship Between Investors' Marital Status with Their Risk Preference

Risk Preference	Count / Expected	Single	Married	Total
Low	Count	5	14	19
	Exp. Count	7.5	11.5	19.0
Moderate	Count	37	55	92
	Exp. Count	36.1	55.9	92.0
High	Count	9	10	19
	Exp. Count	7.5	11.5	19.0
Total	Count	51	79	130
	Exp. Count	51.0	79.0	130

The above table shows the cross-tabulation between Marital Status and Risk Preference of the respondents based on their choice of investment of Rs. 5 lakh. Out of 51 single respondents, 5 preferred low risk, 37 preferred moderate risk and 9 preferred high risk options. Out of 79 married respondents, 14 preferred low risk, 55 preferred moderate risk and 10 preferred high-risk options. The Exp. Counts are also presented for Chi-square analysis.

Table 3: Chi-Square Test

Statistic	Value	df	Asymp. Sig. (2-sided) / p-value
Pearson Chi-Square	1.895	2	0.388
N of Valid Cases	130		

Calculated value of Chi-square is 1.895. Chi-square critical value at 5% significance level and 2 degrees of freedom is 5.991. As the calculated value of Chi-square is less than the critical value and the p-value (0.388) is greater than 0.05, the Null Hypothesis is accepted. This reveals that there is no significant relationship between the marital status of investors and their risk preference while making investment decisions.

Table 4: Correlation Analysis Between Marital Status and Risk Preference

	Value	Approx. Sig.
Pearson Chi-Square	1.895	0.388
Contingency Coefficient	0.120	0.388
Cramer's V	0.121	0.388
N of Valid Cases	130	

The correlation analysis between Marital Status and Risk Preference shows that the value of Cramer's V is 0.121 and the Contingency Coefficient is 0.120. Both the values indicate a very weak association between the two variables. Further, the significance value (p = 0.388) is greater than 0.05, which means that the association is not statistically significant.

There is no significant relationship between the marital status of the investors and their level of risk-taking ability.

- Extent of Relationship Between Investors' Gender and Risk Preference (Investment Decision). (Tables 5, 6, 7)

H₀: There is no relationship between the investors' Gender and their Risk Preference (Investment Decision).

H₁: There is a relationship between the investors' Gender and their Risk Preference (Investment Decision).

Table 5: Degree of Relationship Between Investors' Gender with their Risk Preference (Investment Decision)

Risk Preference	Count / Expected	Female	Male	Total
Low	Count	5.0	14.0	19.0
	Exp. Count	5.8	13.2	19.0
Moderate	Count	30.0	62.0	92.0
	Exp. Count	28.3	63.7	92.0
High	Count	5.0	14.0	19.0
	Exp. Count	5.8	13.2	19.0
Total	Count	40.0	90.0	130.0
	Exp. Count	40.0	90.0	130.0

The above table shows the cross-tabulation between Gender and Risk Preference of the respondents based on their choice of investment of Rs. 5 lakh. Out of 40 female respondents, 5 preferred low risk, 30 preferred moderate risk and 5 preferred high-risk options. Out of 90 male respondents, 14 preferred low risk, 62 preferred moderate risk and 14 preferred high-risk options. The Exp. Counts are also presented for Chi-square analysis.

Table 6: Chi-Square Test

Statistic	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	0.500	2	0.779
N of Valid Cases	130		

Calculated value of Chi-square is 0.500. Chi-square critical value at 5% significance level and 2 degrees of freedom is 5.991. As the calculated value of Chi-square is less than the critical value and the p-value (0.779) is greater than 0.05, the Null Hypothesis is accepted. This reveals that there is no significant relationship between the gender of investors and their risk preference while making investment decisions.

Table 7: Correlation Analysis Between Gender and Risk Preference

	Value	Approx. Sig.
Pearson Chi-Square	0.500	0.779
Contingency Coefficient	0.062	0.779
Cramer's V	0.062	0.779
N of Valid Cases	130	

The correlation analysis between Gender and Risk Preference shows that the value of Cramer's V is 0.062 and the Contingency Coefficient is 0.062. Both the values indicate a very weak association between the two variables. Further, the significance value ($p = 0.779$) is greater than 0.05, which means that the association is not statistically significant.

- Extent of Relationship Between Investors' Age group and Risk Preference (Investment Decision). (Tables 8, 9, 10)
- H₀**- There is no relationship between the investors' Age and the Risk Preference (Investment Decision).
- H₁** - There is a relationship between the investors' Age and the Risk Preference (Investment Decision).

Table 8: Degree Of Relationship Between Investors' Age Group with their Risk Preference

Age Group	Count / Expected	Low	Moderate	High	Total
18-25	Count	3	13	4	20
	Exp. Count	2.9	14.2	2.9	20.0
26-35	Count	6	55	13	74
	Exp. Count	10.8	52.4	10.8	74.0
36-45	Count	6	14	2	22
	Exp. Count	3.2	15.6	3.2	22.0

46-60	Count	4	8	0	12
	Exp. Count	1.8	8.5	1.8	12.0
Above 60	Count	0	2	0	2
	Exp. Count	0.3	1.4	0.3	2.0
Total	Count	19	92	19	130
	Exp. Count	19.0	92.0	19.0	130

The above table shows the cross-tabulation between Age Group and Risk Preference of the respondents based on their choice of investment of Rs. 5 lakh. The majority of respondents belong to the 26-35 age group (74). Exp. Counts are also presented for the purpose of Chi-square analysis.

Table 9: Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.725	8	0.164
N of Valid Cases	130		

Calculated value of Chi-square is 11.725. Chi-square critical value at 5% significance level and 8 degrees of freedom is 15.507. As the calculated value of Chi-square is less than the critical value and the p-value (0.164) is greater than 0.05, the Null Hypothesis is accepted. This reveals that there is no significant relationship between the age group of investors and their risk preference while making investment decisions.

Table 10: Correlation Analysis Between Age Group and Risk Preference

	Value	Approx. Sig.
Pearson Chi-Square	11.725	0.164
Contingency Coefficient	0.288	0.164
Cramer's V	0.212	0.164
N of Valid Cases	130	

The correlation analysis between Age Group and Risk Preference shows that the value of Cramer's V is 0.212 and the Contingency Coefficient is 0.288. Both the values indicate a weak association between the two variables. Further, the significance value ($p = 0.164$) is greater than 0.05, which means that the association is not statistically significant.

- Extent of Relationship Between Investors' Income and Risk Preference (Investment Decision). (Tables 11, 12, 13)

H₀: There is no relationship between the investors' income Age and the Risk Preference (Investment Decision).

H₁ There is a relationship between the investors' income Age and the Risk Preference (Investment Decision).

Table 11: Degree Of Relationship Between Investors' Level of Income with their Risk Preference

Income Level	Count / Expected	Low	Moderate	High	Total
Below 20,000	Count	3	8	2	13
	Exp. Count	1.9	9.2	1.9	13.0
20,000 – 40,000	Count	4	20	4	28
	Exp. Count	4.1	19.8	4.1	28.0
40,000 – 60,000	Count	2	24	6	32
	Exp. Count	4.7	22.6	4.7	32.0
60,000 – 1,00,000	Count	6	17	3	26
	Exp. Count	3.8	18.4	3.8	26.0
1,00,000 – 2,50,000	Count	1	10	3	14
	Exp. Count	2.0	9.9	2.0	14.0
Above 2,50,000	Count	3	13	1	17
	Exp. Count	2.5	12.0	2.5	17.0
Total	Count	19	92	19	130
	Exp. Count	19.0	92.0	19.0	130

The above table shows the cross-tabulation between Level of Income and Risk Preference of the respondents based on their choice of investment of Rs. 5 lakh. The highest number of respondents fall in the income group of ₹40,000 – 60,000 (32). Exp. Counts are also presented for Chi-square analysis.

Table 12: Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.393	10	0.781
N of Valid Cases	130		

Calculated value of Chi-square is 6.393. Chi-square critical value at 5% significance level and 10 degrees of freedom is 18.307. As the calculated value of Chi-square is less than the critical value and the p-value (0.781) is greater than 0.05, the Null Hypothesis is accepted. This reveals that there is no significant relationship between the level of income of investors and their risk preference while making investment decisions.

Table 13: Correlation Analysis Between Level of Income and Risk Preference

	Value	Approx. Sig.
Pearson Chi-Square	6.393	0.781
Contingency Coefficient	0.216	0.781
Cramer's V	0.157	0.781
N of Valid Cases	130	

The correlation analysis between Level of Income and Risk Preference shows that the value of Cramer's V is 0.157 and the Contingency Coefficient is 0.216. Both the values indicate a very weak association between the two variables. Further, the significance value ($p = 0.781$) is greater than 0.05, which means that the association is not statistically significant.

- Extent of Relationship Between Investors' educational qualification and Risk Preference (Investment Decision). (Tables 14, 15, 16)
- H₀** There is no relationship between the educational qualification and the Risk Preference (Investment Decision).
- H₁** There is a relationship between the investors' educational qualification and the Risk Preference (Investment Decision).

Table 14: Degree Of Relationship Between Investors' Education Level with Their Risk Preference

Education Level	Count / Expected	Low	Moderate	High	Total
10th grade or below	Count	0	2	0	2
	Exp. Count	0.3	1.4	0.3	2.0
12th grade	Count	1	5	2	8
	Exp. Count	1.2	5.7	1.2	8.0
Graduate	Count	1	25	4	30
	Exp. Count	4.4	21.2	4.4	30.0
Postgraduate or higher	Count	17	60	13	90
	Exp. Count	13.2	63.7	13.2	90.0
Total	Count	19	92	19	130
	Exp. Count	19.0	92.0	19.0	130

The above table shows the cross-tabulation between Education Level and Risk Preference of the respondents based on their choice of investment of Rs. 5 lakhs. The majority of respondents are Postgraduate or higher (90). Exp. Counts are also presented for Chi-square analysis.

Table 15: Chi-Square Test

Statistic	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.174	6	0.404
N of Valid Cases	130		

Calculated value of Chi-square is 6.174. Chi-square critical value at 5% significance level and 6 degrees of freedom is 12.592. As the calculated value of Chi-square is less than the critical value and the p-value (0.404) is greater than 0.05, the Null Hypothesis is accepted. This reveals that there is no significant relationship between the education level of investors and their risk preference while making investment decision.

Table 16: Correlation Analysis Between Education Level and Risk Preference

	Value	Approx. Sig.
Pearson Chi-Square	6.174	0.404
Contingency Coefficient	0.213	0.404
Cramer's V	0.154	0.404
N of Valid Cases	130	

The correlation analysis between Education Level and Risk Preference shows that the value of Cramer's V is 0.154 and the Contingency Coefficient is 0.213. Both the values indicate a very weak association between the two variables. Further, the significance value ($p = 0.404$) is greater than 0.05, which means that the association is not statistically significant.

- Extent of Relationship Between Investors' Occupation and Risk Preference (Investment Decision). (Tables 17, 18,19)

H₀ There is no relationship between the Occupation and the Risk Preference (Investment Decision).

H₁ There is a relationship between the investors' Occupation and the Risk Preference (Investment Decision).

Table 17: Degree Of Relationship Between Investors' Occupation With Their Risk Preference

Occupation	Count / Expected	Low	Moderate	High	Total
Service (Govt/PSU Sector)	Count	10	40	9	59
	Exp. Count	8.6	41.8	8.6	59.0
Others	Count	5	24	6	35
	Exp. Count	5.1	24.8	5.1	35.0
Service (Private Sector)	Count	2	16	3	21
	Exp. Count	3.1	14.9	3.1	21.0
Business	Count	2	9	0	11
	Exp. Count	1.6	7.8	1.6	11.0
Professional (CA, Doctor, Lawyer etc.)	Count	0	3	1	4
	Exp. Count	0.6	2.8	0.6	4.0
Total	Count	19	92	19	130
	Exp. Count	19.0	92.0	19.0	130

The above table shows the cross-tabulation between Occupation and Risk Preference of the respondents based on their choice of investment of Rs. 5 lakh. The majority of respondents are from Service (Govt/PSU Sector) (59). Exp. Counts are also presented for Chi-square analysis.

Table 18: Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.734	8	0.880
N of Valid Cases	130		

Calculated value of Chi-square is 3.734. Chi-square critical value at 5% significance level and 8 degrees of freedom is 15.507. As the calculated value of Chi-square is less than the critical value and the p-value (0.880) is greater than 0.05, the Null Hypothesis is accepted. This reveals that there is no significant relationship between the occupation of investors and their risk preference while making investment decisions.

Table 19: Correlation Analysis Between Occupation And Risk Preference

	Value	Approx. Sig.
Pearson Chi-Square	3.734	0.880
Contingency Coefficient	0.167	0.880
Cramer's V	0.120	0.880
N of Valid Cases	130	

The correlation analysis between Occupation and Risk Preference shows that the value of Cramer's V is 0.120 and the Contingency Coefficient is 0.167. Both the values indicate a very weak association between the two variables. Further, the significance value ($p = 0.880$) is greater than 0.05, which means that the association is not statistically significant.

- Extent of Relationship Between Investors' Type of Residence and Risk Preference (Investment Decision). (Tables 20, 21, 22)

H₀ There is no relationship between the Occupation and the Risk Preference (Investment Decision).

H₁ There is a relationship between the investors' Occupation and the Risk Preference (Investment Decision).

Table 20: Degree Of Relationship Between Investors' Type of Residence with their Risk Preference

Type of Residence	Count / Expected	Low	Moderate	High	Total
Rural	Count	6	32	9	47
	Exp. Count	6.9	33.3	6.9	47.0
Semi-Urban	Count	5	42	2	49
	Exp. Count	7.2	34.7	7.2	49.0
Urban	Count	8	18	8	34
	Exp. Count	5.0	24.1	5.0	34.0
Total	Count	19	92	19	130
	Exp. Count	19.0	92.0	19.0	130

The above table shows the cross-tabulation between Type of Residence and Risk Preference of the respondents based on their choice of investment of Rs. 5 lakh. Out of 47 rural respondents, 6 preferred low risk, 32 preferred moderate risk and 9 preferred high-risk options. Out of 49 semi-urban respondents, 5 preferred low risk, 42 preferred moderate risk and only 2 preferred high-risk options. Out of 34 urban respondents, 8 preferred low risk, 18 preferred moderate risk and 8 Preferred High-Risk Options. The Exp. Counts Are Also Presented For Chi-Square Analysis.

Table 21: Chi-Square Test

Statistic	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.962	4	0.018
N of Valid Cases	130		

Calculated value of Chi-square is 11.962. Chi-square critical value at 5% significance level and 4 degrees of freedom is 9.488. As the calculated value of Chi-square is more than the critical value and the p-value (0.018) is less than 0.05, the Null Hypothesis is rejected and the alternative hypothesis is accepted. This reveals that there is a significant relationship between the type of residence of investors and their risk preference while making investment decisions.

Table 22: Correlation Analysis Between Type of Residence and Risk Preference

	Value	Approx. Sig.
Pearson Chi-Square	11.962	0.018
Contingency Coefficient	0.290	0.018
Cramer's V	0.214	0.018
N of Valid Cases	130	

The correlation analysis between Type of Residence and Risk Preference shows that the value of Cramer's V is 0.214 and the Contingency Coefficient is 0.290. Both the values indicate a weak to moderate association between the two variables. Further, the significance value ($p = 0.018$) is less than 0.05, which means that the association is statistically significant.

Findings of the Study

On the basis of the data analysis Out of the seven demographic factors examined, only Type of Residence was found to have a significant impact on the risk preference of investors in Jaipur District. The remaining demographic factors (Gender, Marital Status, Age, Income, Education and Occupation) did not show any significant influence on risk preference.

The results of the Chi-square tests conducted to examine the relationship between various demographic factors and risk preference of investors are summarised below:

Table 23: Summary Of Hypothesis Testing

S. No.	Demographic Factor	Chi-square Value	p-value	Null Hypothesis	Result
1	Gender	0.500	0.779	Accepted	Not Significant
2	Marital Status	1.895	0.388	Accepted	Not Significant
3	Age Group	11.725	0.164	Accepted	Not Significant
4	Income	6.393	0.781	Accepted	Not Significant
5	Education	6.174	0.404	Accepted	Not Significant
6	Occupation	3.734	0.880	Accepted	Not Significant
7	Type of Residence	11.962	0.018	Rejected	Significant

Conclusion And Suggestions

Conclusion

The present study was conducted to examine the impact of selected demographic factors on the risk preference of investors in Jaipur District. The analysis of primary data collected from 130 respondents reveals that most of the demographic variables such as gender, marital status, age group, income level, education and occupation do not have a significant influence on the risk preference of investors. However, the type of residence (Urban, Semi-Urban and Rural) was found to have a significant relationship with risk preference.

The findings suggest that the residential background of investors plays a more important role in shaping their risk preference than other commonly studied demographic characteristics. Semi-urban investors were found to be more inclined towards moderate risk options, while urban and rural investors showed comparatively higher inclination towards high-risk avenues.

Suggestions

On the basis of the findings of the study, the following suggestions are offered:

- Financial literacy programmes should be designed keeping in view the residential background of investors, as type of residence significantly influences risk preference.
- Investment advisors and mutual fund distributors should consider the place of residence of clients while recommending investment products.
- Awareness campaigns regarding high-risk and high-return instruments may be intensified in semi-urban areas where preference for high-risk options is comparatively low.
- Future studies may be conducted with a larger sample size and may include psychological and behavioural factors along with demographic variables for a more comprehensive understanding of risk preference.

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