Investment, Savings, and Spending Habits of Indian Digital Natives/Millennials : A Comparative Study of Age Group Cohorts

Narayanaswamy T. [1]
Shubha A. [2]
R. Gokilavani [3]
Ajay N. P. [4]

Abstract

This research work attempted to study and compare the investment pattern, spending level, and saving habits of three age cohorts, namely pre-millennials (born before the 1980s), millennials (born between 1981 & 1996), and post-millennials (born after 1996) in India. Secondary data from the surveys conducted by YouGov, Mint News, and the Centre for Policy Research (CPR) during the years 2019 and 2020 were used in the study. Major statistical tools used for the study were descriptive statistics, ranking, and chi-square analysis. The demographic study results showed that the money saved by these cohorts varied according to their income levels, and income influenced saving habits more than the age factor. In terms of investment, more proportion of the money was saved in deposit/savings schemes rather than market-related investments. While considering the spending pattern, purchasing vehicles, houses, travel, future needs and priorities, income levels, and financial security were found to play a major role. Post-millennials and millennials preferred savings and investment by purchasing fixed assets and paying for education; whereas pre-millennials saved for retirement, contingencies, and children's education.

Keywords : **millennials, income, savings, spending habits, and investment preferences**

JEL Classification : D14, D31, G5, G11

Paper Submission Date : September 5, 2022 ; Paper sent back for Revision : November 25, 2022 ; Paper Acceptance Date : November 30, 2022

The world is facing rapid changes in terms of technology and its adoption for use in various decision-making areas. People born in the early 1980s until the late 1990s are called millennials, who are well acquainted with the technology and usage. These young people are earning income in terms of millions, and thousands of young people are self-employed. Although they earn a good income level, they are poor in saving and planning the investment. A lack of knowledge in dealing with financial matters makes young people susceptible to wrong financial decisions (Klimkiewicz & Oltra, 2017). According to financial planners and fintech firms, millennials spend huge amounts of money without understanding its intrinsic value. It is natural for youngsters to buy the desired things with or without a need. The millennials typically spend more than 60% of their income, indicating declining saving habits among them (Kwatra & Bhattacharya, 2019).

[1] *Associate Professor,* REVA Business School, REVA University, Bengaluru - 560 064, Karnataka. (Email : narentexmba@gmail.com)
[2] *Professor and Dean,* REVA Business School, REVA University, Bengaluru - 560 064, Karnataka.
[3] *Associate Professor,* REVA Business School, REVA University, Bengaluru - 560 064, Karnataka.
[4] *Final Year MBA Student,* REVA Business School, REVA University, Bengaluru - 560 064, Karnataka.

DOI : https://doi.org/10.17010/ijrcm/2022/v9i4/172661

Another common problem with this generation is that they do not systematically handle the funds. Credit cards are extensively used, increasing their spending and financial burden. Compared to the other age group cohorts, millennials are more likely to borrow loans to buy gadgets and consumer durables (Kwatra & Bhattacharya, 2019). In terms of investment, income is a major factor that affects investment decisions rather than age factor. The affluent category of the millennials invests more than the other income category. On this ground, this research aims to understand millennials' outlook/perception and attitude regarding saving, investment, and spending patterns of Indian millennials.

Review of Literature

Financial literacy means knowledge and skills in finance to make better investment decisions to earn better returns. Only one-third of the Indian population exhibits financial literacy (Das, 2016). For example, 76% of adults in India have minor comprehensive financial planning, as Standard & Poor Financial Services reported in 2016. In this parlance, the Millennial Generation has acquaintance with using technology which aids them in making better financial planning and decisions. Due to this reason, they make investment decisions without proper investment guidance from the experts. Pre-millennials born at any time between the 1970s can socialize with a group exhibiting their culture and connected with money and material. On the other hand, Generation Y (millennials) neither exhibits a personal interest in money nor funds management for future purposes (Bailey, 2014).

Millennials face three major issues regarding learning: lack of concentration, engagement, and socialization (Karakas et al., 2015). On the other side, millennials can use technology extensively and quickly retrieve information online as per their requirements and priorities. Substantial studies have been done to check the level of interaction between knowledge and risk, which influences the retirement investment choice of millennials. Millennials did not have sufficient financial knowledge, which led to a decline in taking higher risks because of low confidence (Larson et al., 2016). Pal (2019) stated that millennials differ from other age groups when they invest. The author mentioned that millennials prefer investing in equity (especially regular/systematic types of mutual fund schemes). They invest in fulfilling the goals such as buying expensive and desired personal things. Also, they do not restrict investing in one particular avenue/category but diversify it into different types of investment as they have solid information and quick access to various investment avenues. Millennials prefer to make investment decisions by learning about various investment avenues/products through online and offline resources and taking advice from investment/financial advisors. Further, they are more convenient to use Fintech apps to make investments and monitor and revise them.

Mehta and Dirchi (2018) stated that millennials are very active in making investments and start to invest at the early stage of their career. Gen X workforce saves money for their long-term goals, such as retirement, children's education, and weddings. In contrast, Gen Y's purpose of saving is to buy cars, meet vacation expenses, have electronic gadgets, and so on. Millennials prefer staying in a rented house rather than investing huge amounts of money to buy a house. Millennials plan for their retirement money only after attaining the age of more than 40. Mittal (2019) stated that millennials would purchase products that do not affect society and the environment. They spend more on clothing, electronics, and vehicles and less on vacations, television, etc. Because of the advent of the internet, they spend through online modes of purchase. Chopra (2019) stated that millennials in India plan and spend for their entertainment and personal expense because the joint family system has been disintegrating, with flexible working hours and an increase in disposable income compared to their previous generations. The majority (more than 60%) of the monthly income is spent on leisure activities, such as electronics, apparel, entertainment, and eating out. According to the author's report, 27% of car buyers were millennials in 2016.

Chakraborty (2020) stated that millennials have a Do-It-Yourself attitude by making investment decisions

rather than relying on professional advice. The reason is that they are called digital natives, and they have more access to resources and applications, facilitating self-learning right from planning for a vacation to investing. They are not interested in seeking advice from relationship managers/Chartered Accountants before investing because they offer systematic and long-term plan guidance. The digital platforms for making investments/financial planning/spending are more convenient, transparent, simplified, and user-friendly. These platforms also facilitate the millennials to monitor and regulate the performance of their investment portfolios. Kwatra (2018) stated, based on a survey conducted in 2018, that one-third of working millennials invest their money only in risk-free avenues, such as fixed deposits, and they do not invest much in equity forms of investments compared to pre–millennials. This less percentage of millennials investing in equity also varied across different regions of the country, viz., it is 35% in Hyderabad and 61% in Kolkata. Further, it was revealed that there is not much difference between gender groups of millennials in terms of investment.

Sanghvi (2020) exhibited data that discussed the spending pattern of millennials in the year 2019. The findings revealed that the millennials borrowed loans during this year mainly for paying out bills (25% of the loan amount) and the rest for managing medical and other expenses. The average ticket size of a loan was found to be INR 33,000. Studies found that the availability of loan facilities gives self-confidence and boosts morale to people aged 18–27 years. However, this positive attitude fades away when they reach their 30s. Borate (2019) reported that 45% of the new mutual fund investment during the financial year were millennials (age group from 20–35 years of age) based on the data from CAMS (Computer Age Management Services). The YouGov survey report highlighted that millennial investment in equity and mutual funds depends highly on the income level of the different age groups of millennials.

Further, millennials invest in liquid (instant redemption funds) mutual funds to save tax instead of a plan for a home loan/children's education. Most online mutual fund platform users belong to the millennial age group, mostly first-time investors. The millennials', though tech-savvy, analysis and understanding of the information about the investment options are limited. This, in turn, results in making a wrong investment decision and less opportunity to make an effective investment plan.

Objectives of the Study

- To examine the attitude and outlook of Indian millennials with regard to their investment, savings, and spending habits.
- To examine the factors influencing millennials in making investment and spending decisions.

Research Methodology

Research studies on millennials are very few, especially in the Indian context. Areas such as investment, saving, and spending pattern of millennials requires extensive study as millennials grew when digitalization started creating a big revolution. As millennials started to earn more than their previous generations, managing funds for savings and investment became essential. This also created the need to understand their outlook and attitude toward investment and savings. Also, 50% of the Indian population consists of millennials, which has led to the creation of many business models.

The study data was collected from secondary sources published in journals, news articles, and magazines. The major secondary data sources used were YouGov (a market research company) and Mint (an Indian Daily newspaper), which conducted a five-part data journalism series on millennials during the years 2019 and 2020. In addition, the survey data published in the Mint newspaper was used for the study. Different categories of age cohorts are identified and presented in Table 1 to compare their investment, saving, and spending habits.

Table 1. ***Classification of Age Cohorts***

S.No.	Time period of birth	Age group (as of 2019)	Category
1.	Before the 1980s	40 years and above	Pre–millennials
2.	1981 and 1996	Attained adulthood in the 21st century (above 23 years up to 39 years)	Millennials
3.	After 1996	23 years or below	Post–millennials or Gen *Z*

Source : Consolidated by the author based on *Livemint* survey reports 2019.

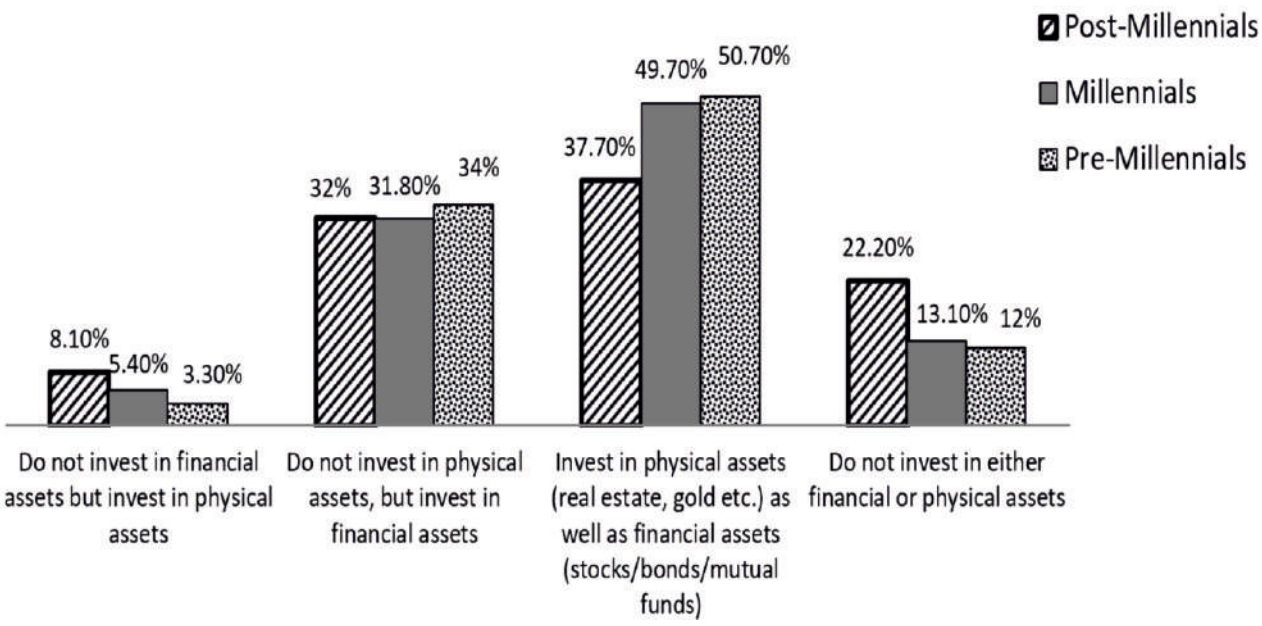
Analysis and Results

Investment Outlook of Different Age Group Cohorts

From Figure 1, it can be inferred that post-millennials are comparatively investing less in financial and physical assets than the other two age groups because most respondents are students. On the other hand, more than 30% of all the age cohorts have invested only in financial assets but not physical assets. The survey also revealed that working post-millennials were the least in making investments. Another possible reason stated in the survey was that the majority of Indians start investing after accumulating a considerable amount of savings. As post-millennials have not yet accumulated huge savings, they are less likely to invest.

From Table 2, it can be inferred that most post-millennials (86.5%) started to invest early, between 18 and 20 years. On the other hand, 49.30% (majority) of the millennials started to invest between 21 and 25 years. In the case of pre-millennials, 46.30% (majority) started to invest after 30 years of age. On a comparative note, it can be stated that post-millennials make their investments earlier than the other two age groups, namely millennials and

Figure 1. ***Investment Patterns of Different Categories of Millenials***



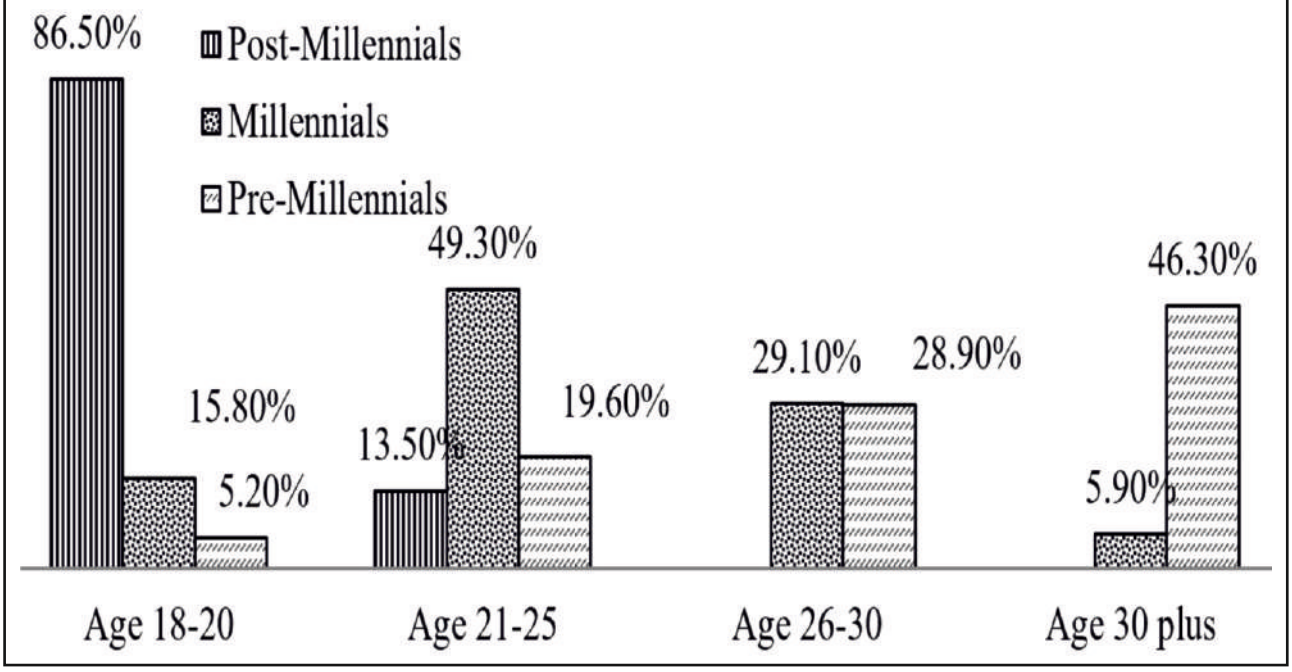
Note. The above data is based on the survey responses collected from 9,324 respondents.
Source : YouGov-Mint Millennial Survey (Sep–Oct 2019).

Table 2. ***Age at Which the Millennials Commenced to Invest***

Age Group (Yrs.) →	18–20	21–25	26–30	30 and above
Post-Millennials	86.50%	13.50%	–	–
Millennials	15.80%	49.30%	29.10%	5.90%
Pre-Millennials	5.20%	19.60%	28.90%	46.30%

Note. No. of responses = 6,260.

Figure 2. ***Age at Which Investment Started (% of Respondents)***



pre-millennials. The age at which various categories of millennials start to invest is graphically depicted in Figure 2.

↳ **H01 :** The number of millennial age group cohorts responding to the survey does not differ significantly in terms of investment patterns.

↳ **Ha1 :** The number of millennial age group cohorts responding to the survey differs significantly in terms of investment patterns.

As the variables such as age cohort and investment pattern are nominal, a chi-square (χ^2) test was done, the results of which are exhibited in Table 3. The variable investment pattern consisted of 4 categories shown as 1,2,3,4 in Table 3. The variable age cohorts consisted of 3 categories shown as I, II, and III in the same table. The χ^2 value of 214.62, with six degrees of freedom, is significant (p-value = 0.00, which is less than a 5% level of significance). In other words, the variables of age cohorts and investment patterns are related. Hence hypothesis H01 has been substantiated. This means that the investment pattern changes according to age cohort.

Table 3. ***Cross-Tabulation of Investment Patterns and Age Cohorts with Chi-Square Value***

Investment Pattern ↓		Category of Millennials (Age Cohorts)→ Post–Millennials (I)	Millennials (II)	Pre–Millennials (III)	Total
1. Do not invest in financial	Observed Count	205	265	62	532
assets but invest in physical assets	Expected Count	144	280	108	532
2. Do not invest in physical assets,	Observed Count	809	1,561	642	3,012
but invest in financial assets	Expected Count	817	1,585	610	3,012
3. Invest in physical assets (real estate, gold, etc.) as	Observed Count	953	2,439	957	4,350
well as financial assets (stocks/bonds/mutual funds)	Expected Count	1,179	2,290	881	4,350
4. Do not invest in either financial or physical assets	Observed Count	561	643	227	1,431
	Expected Count	388	753	290	1,431

Pearson Chi-Square Value = 214.62 **Deg. of freedom = 6** **Asymptote Significance = 0.00 (*p*–value)**

Table 4. ***Income and Investment Preferences of Post-Millennials***

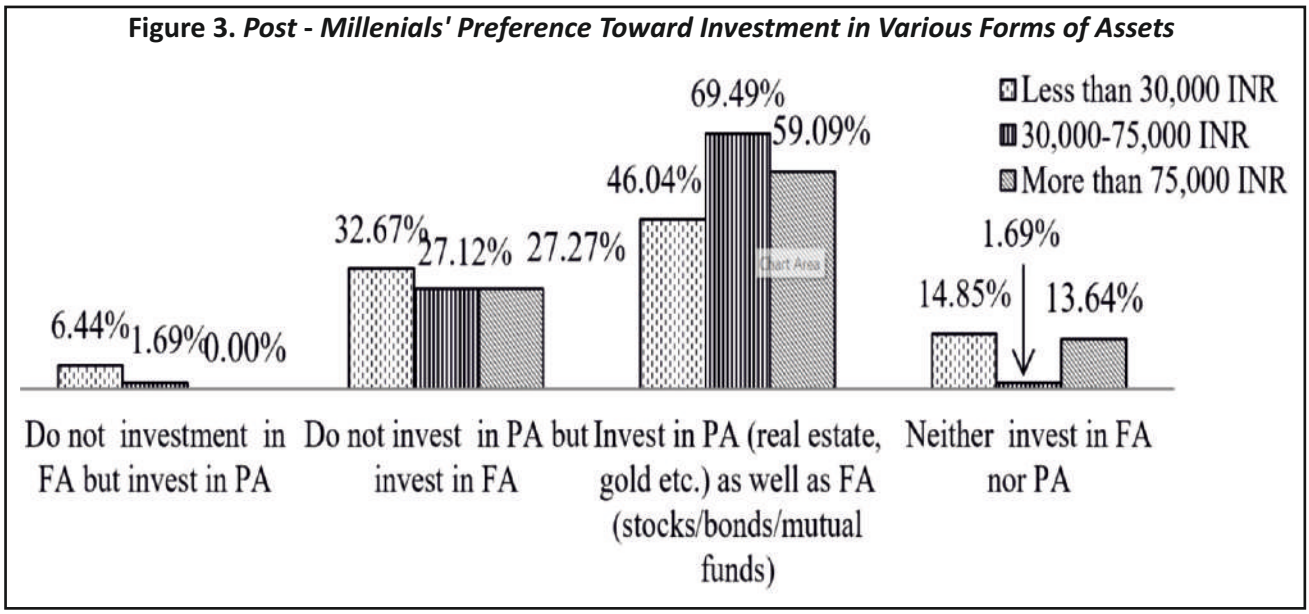
Monthly income (₹)	Do not invest in FA but invest in PA	Do not invest in PA but invest in FA	Invest in PA (real estate, gold, etc.) as well as FA (stocks /bonds/mutual funds)	Neither invests in FA nor PA
< 30,000	6.44%	32.67%	46.04%	14.85%
30,000–75,000	1.69%	27.12%	69.49%	1.69%
> 75,000	0.00%	27.27%	59.09%	13.64%

The above data is collected from 298 post-millennials.

Source : YouGov-Mint Millennial Survey (Sep–Oct 2019).

*PA- Physical Assets, FA - Financial Assets.

Figure 3. ***Post - Millenials' Preference Toward Investment in Various Forms of Assets***



Income and Investment Preferences of Post-Millennials

Table 4 shows the post-millennial responses toward investment in various forms of assets, such as physical and financial assets, based on income level. The majority of the post-millennial respondents under each income category (as shown in the 4th column of the above table) have invested in both physical and financial assets. This indicates that post-millennials diversified investments with a mix of financial and physical assets. On the other hand, the second majority of respondents invest only in financial assets but not physical assets, as shown in the 3rd column of the table. Table 4 is also presented in the form of Figure 3.

Income and Investment Preference of Millennials

Table 5 depicts the millennial preference toward investment in various forms of assets depending upon income

Table 5. ***Income and Investment Preference of Millennials***

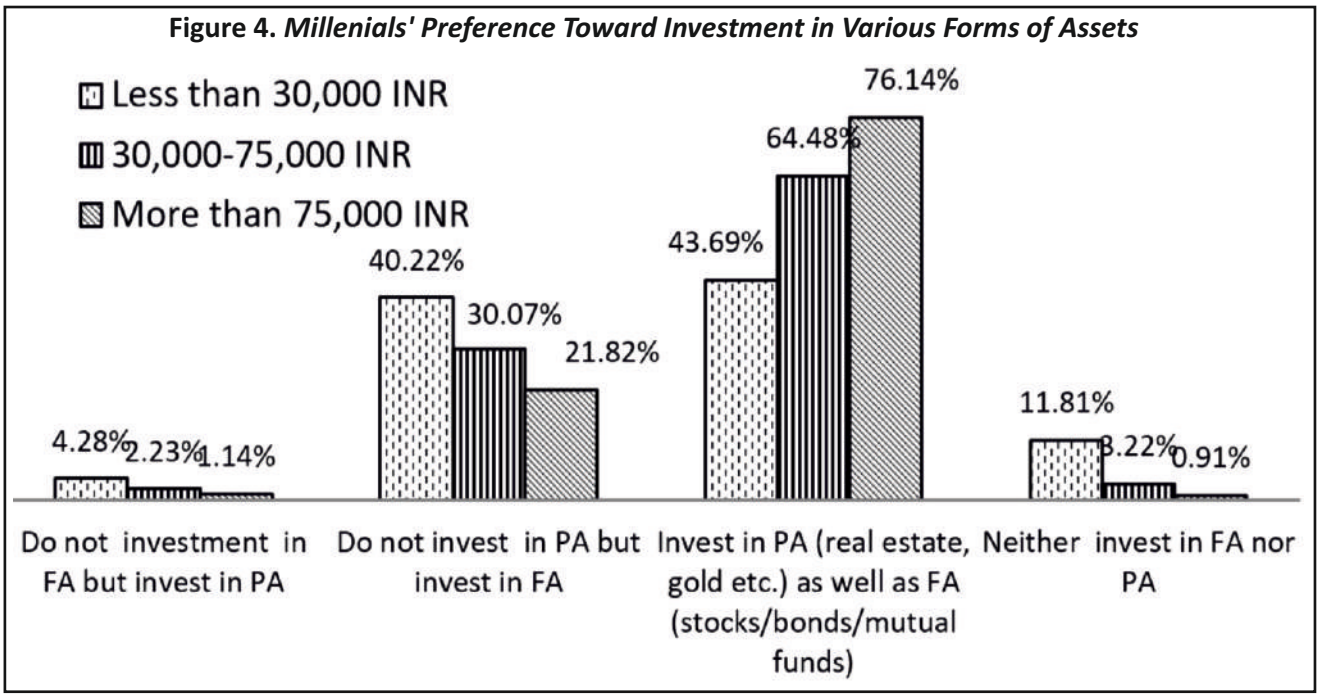
Monthly income (₹)	Do not invest in FA but invest in PA	Do not invest in PA but invest in FA	Invest in PA (real estate, gold, etc.) as well as FA (stocks /bonds/mutual funds)	Neither invests in FA nor PA
< 30,000	4.28%	40.22%	43.69%	11.81%
30,000–75,000	2.23%	30.07%	64.48%	3.22%
> 75,000	1.14%	21.82%	76.14%	0.91%

The above data is collected from 2,333 millennials.

Source : YouGov-Mint Millennial Survey (Sep–Oct 2019).

*PA- Physical Assets, FA- Financial Assets.

Figure 4. ***Millenials' Preference Toward Investment in Various Forms of Assets***



level. It can be seen in the 3rd column of the table that the percentage of millennials investing in both financial and physical assets increases with income level. On the other hand, the category of millennials investing in financial assets but not in physical assets shows decreasing responses when income levels increase. Table 5 is presented in the form of Figure 4 as well.

Monthly Income and Savings of Different Age Cohorts

Table 6 shows the percentage of monthly income apportioned for savings by different categories of millennials. The data reveals that the number/percentage of millennials and pre-millennials saving in the range of 0 to 10% is relatively more than that of post-millennials. More than 25% of the respondents in each age group are saving 10–20% of their monthly income. More than 8% of the respondents in each age group saved 20–30% of their monthly income. In terms of saving more than 30% of income, post-millennials (7.1%) outweigh millennials (6.5%) and pre-millennials (3.8%). The same information is depicted in Figure 5.

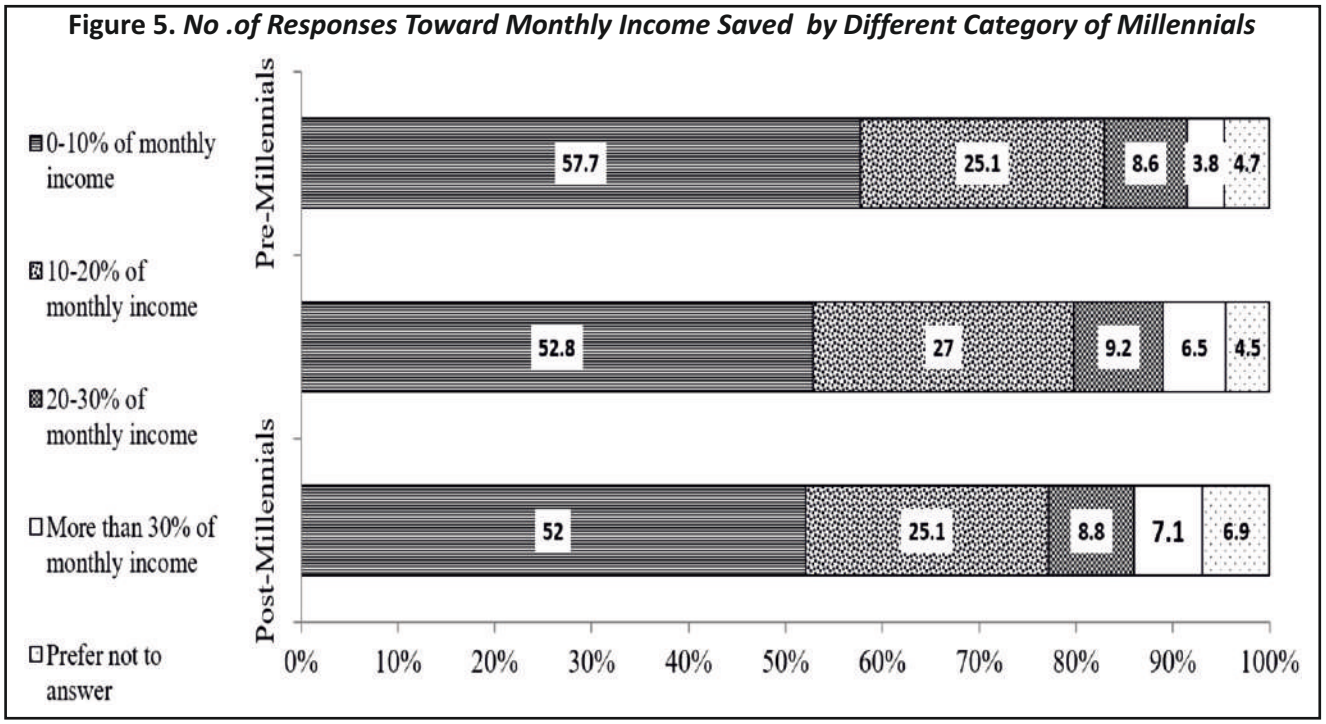
Table 6. ***Percentage of Responses for Saving a Portion of Monthly Income by Different Age Groups***

	% of Monthly Income			
Age Category	**0–10%**	**10–20%**	**20–30%**	**More than 30%**
Post-Millennials	52	25.1	8.8	7.1
Millennials	52.8	27	9.2	6.5
Pre-Millennials	58	25	8.6	3.8

No. of respondents = 5,010 working professionals.

Source : YouGov & Mint Millennial Survey conducted during the month Sep–Oct 2019.

Figure 5. ***No .of Responses Toward Monthly Income Saved by Different Category of Millennials***



↳ **H02 :** The percentage of millennial age group cohorts responding to the survey does not differ significantly in terms percentage of income saved.

↳ **Ha2 :** The percentage of millennial age group cohorts responding to the survey does not differ significantly in terms percentage of income saved.

Since both variables, age cohort and percentage of income saved, are nominal scale, a chi-square (χ^2) test was done, the results of which are exhibited in Table 7. The income saved consisted of four categories, and the age cohorts consisted of three categories, shown as I, II, and III in the same table. It may be seen that the χ^2 value of 1.53, with six degrees of freedom, is not significant (*p*-value = 0.00, which is greater than a 5% level of significance). In other words, the variables: age cohorts and percentage of income saved are not related to each other. Hence, hypothesis H02 has not been substantiated. This means that percentage of income saved does not change according to age cohort. Furthermore, this means the percentage of responses by age group cohorts toward the 'percentage of income saved' does not differ significantly.

Range of Monthly Income Saved by Different Age Cohorts

Table 8 shows the responses given by millennials regarding the percentage of savings based on income levels. It can be identified from Table 8 that the percentage of money saved depends on the income level of the millennials. For example, more than 50% of millennials with an income level over 75,000 rupees can save between 10% and 30%, and 16% can save more than 30%. On the other hand, most millennials earning income within 75,000 rupees are saving between 20% and 30%. Thus, with higher income, millennials can save more out of income.

Table 7. ***Cross-Tabulation of % Income Saved and Age Cohorts with Chi-Square Value (% of Responses)***

Percentage of Income Saved ↓		Category of Millennials (Age Cohorts)→			Total
		Post–Millennials (I)	Millennials (II)	Pre–Millennials (III)	
0–10%	Observed Count	52.00	52.80	58.00	163
	Expected Count	53	55	55	53
10–20%	Observed Count	25.10	27.00	25.00	77
	Expected Count	25	26	26	25
20–30%	Observed Count	8.80	9.20	8.60	27
	Expected Count	9	9	9	27
More than 30%	Observed Count	7.10	6.50	3.80	17
	Expected Count	6	6	6	17
Pearson Chi-Square Value = 1.53		**Deg. of freedom = 6**		**Asymptote Significance = 0.96 (*p*–value)**	

Table 8. ***% of Responses Towards Money Saved Depending on the Income Levels***

Monthly Income Categories	0–10%	10–20%	20–30%	More than 30%	Prefer not to answer
Less than 30,000 INR	66.5	20.4	5	3.9	4.3
30,000–75,000 INR	47.4	32.8	13.1	5.2	1.5
More than 75,000 INR	28.4	36.1	18.2	16.4	0.9

↳ **H03 :** The percentage of savings of millennial age group cohorts does not differ significantly in terms of income level/category.

↳ **Ha3 :** The percentage of savings of millennial age group cohorts differs significantly in terms of income level/category.

Since both variables, such as income level and percentage of income saved, are nominal scale, a chi-square (χ^2) test was done, the results of which are exhibited in Table 9. The study grouped the percentage of income saved into four categories shown as 0–10%, 10–20%, 20–30%, and more than 30%, shown in Table 9. The variable income level consisted of three categories shown as I, II, and III in the same table. Therefore, the χ^2 value of 38.32, with six degrees of freedom, may be seen as significant (p-value = 0.00, which is greater than a 5% level of significance). In other words, the variables "income category" and "percentage of income saved" are related. Hence hypothesis H03 has been substantiated. This means that percentage of income saved changes according to income level.

Investment Avenues Preferred by Different Age Cohorts

Table 10 gives details about the investment avenues preferred by different age cohorts. Considering the

Table 9. ***Cross–Tabulation of Income Saved and Income Category with Chi-Square Value (% of Responses)***

Percentage of Income Saved ↓		Category of Millennials (Age Cohorts)→			Total
		Less than 30,000 INR (I)	30,000–75,000 INR (II)	More than 75,000 INR (III)	
0–10%	Observed Count	66.5	47.4	28.4	142
	Expected Count	47	48	48	142
10–20%	Observed Count	20.4	32.8	36.1	89
	Expected Count	29	30	30	89
20–30%	Observed Count	5	13.1	18.2	36
	Expected Count	12	12	12	36
More than 30%	Observed Count	3.9	5.2	16.4	26
	Expected Count	8	9	9	26

Pearson Chi-Square Value = 38.32 **Deg. of freedom = 6** **Asymptote Significance = 0.00 (*p*–value)**

Table 10. ***Preference Toward Various Investment Avenues by Different Age Cohorts (% of Responses)***

	Savings Schemes/Deposits			Investments in Stock Market Related Schemes/Funds		
Age Cohorts	Cash at Home	Bank savings/ Fixed deposits /Postal savings account	Public provident fund / National Savings certificate / Sukanya Samriddhi Yojana, / National Pension Scheme	Mutual Funds /Collective investment schemes	Gold/Gold Exchange Traded Funds	Cryptocurrencies /Others
Post-Millennials	10	28	9	14	7	32
Millennials	7	31	13	16	9	24
Pre-Millennials	4	37	12	20	7	20

Source : Prepared based on Millennial Survey conducted by YouGov-Mint (Sep–Oct 2019), (No. of respondents = 7,110).

Table 11. ***Reasons for Savings and Their Preferences of Different Age Group Cohorts***

Purpose/ Reasons for Savings	Post-Millennials	Rank	Millennials	Rank	Pre-Millennials	Rank
Retirement	857	7	2,004	7	2,871	2
To save taxes	807	8	1,007	8	1,042	9
Purchasing assets such as a house or car	2,074	1	2,179	1	1,593	5
Travel	1,688	2	1,698	2	1,708	4
Education	1,463	4	1,463	4	1,348	6
Buying white goods (TV/fridges/ washing machines etc.) or electronic gadgets	952	6	977	6	752	10
Wedding/Family events	1,012	5	1,293	5	1,197	7
Contingencies*	1,603	3	2,445	3	3,171	1
Children's education	797	9	1,743	9	2,290	3
Repairs/renovations to house	501	11	736	11	1,107	8
Other reasons	541	10	421	10	296	11

Source : Extracted based on Millennial Survey conducted by YouGov-Mint during Sep–Oct 2019.

Contingency savings indicate savings for an emergency, fund and job loss, and fund and health shocks. No. of working respondents: 5,010.

investment in saving schemes/deposits, the majority of the different age cohorts invest in bank deposits/fixed deposits and postal savings accounts (the relevant data can be seen in column three of Table 10). When investing in stock market-related investments/schemes/funds, the number of millennial age cohorts investing in cryptocurrencies/other forms is higher than that in mutual funds/gold exchange-traded funds.

Reasons for Savings

Table 11 indicates the responses of different age cohorts toward a preference for savings. The table consists of ranks based on the frequency of multi-responses (The higher the frequency, the better the rank). It is evident from the above data that millennials' and post-millennials' preference toward saving (priority for savings/ranking) is the same. On the other hand, pre-millennial ranks are slightly different from these categories. For example, the data presented in Table 11 reveals that pre-millennials prioritize saving money to meet contingency and after-retirement expenses. In contrast, millennials and post-millennials prefer purchasing a house/car and traveling.

Spending Habits of Different Age Cohorts

Intention to Purchase Fixed Assets

Table 12 indicates the percentage of responses of different age cohorts toward the intention to purchase a car/two-wheeler/house/apartment in the near future. The majority of the post-millennial respondents (28.3%) intended to buy a two-wheeler soon, whereas the majority of the millennials (33.8%) and pre-millennials (30.8%) intended to buy a car.

↳ **$H04_0$:** The number of millennial age cohorts does not differ significantly in terms of intention to purchase a car/two-wheeler/house/apartment in the coming year.

Table 12. ***Intention to Purchase Car/ Two-Wheeler/House/Apartment in the Coming Year (% of Respondents)***

	Post-Millennials	Millennials	Pre-Millennials
House/apartment	17.3(437)	24.2(1,188)	20.2(381)
Car	23.7(599)	33.8(1,659)	30.8(582)
Two-wheeler	28.3(715)	26.7(1,310)	18(340)
Others	30.70(776)	15.30(776)	31.00(585)
Total No. of Respondents	2,528	4,908	1,888

Source : Millennial Survey conducted by YouGov-Mint during Sep–Oct 2019.

Note. Figures in parentheses indicate no. of responses in each category.

Table 13. ***Cross-Tabulation of Intention to Purchase Car/Two-Wheeler/House and Age Cohorts with Chi-Square Value (No. of Responses)***

Intention to purchase the following ↓		Category of Millennials→ Post-Millennials (I)	Millennials (II)	Pre-Millennials (III)	Total
House/apartment	Observed Count	437	1188	381	2006
	Expected Count	544	1056	406	2006
Car	Observed Count	599	1659	582	2840
	Expected Count	770	1495	575	2840
Two-wheeler	Observed Count	715	1310	340	2366
	Expected Count	641	1245	479	2366
Others	Observed Count	776	751	585	2112
	Expected Count	573	1112	428	2112
Pearson Chi-Square Value = 394.66		**Deg. of freedom = 6**		**Asymptote Significance = 0.00 (*p*–value)**	

↳ **Ha4 :** The number of millennial age cohorts differs significantly in terms of intention to purchase a car/two-wheeler/house/apartment in the coming year.

Both variables, intention to purchase car/two-wheeler/ house and age cohorts, are nominal scale; hence, the chi-square (χ^2) test was carried out, and the results are exhibited in Table 13. The variable "intention to purchase" consists of four categories: house, car, two-wheeler, and other, as shown in Table 13. The variable "age cohorts" has three categories shown as I, II, and III in the same table. It may be seen that the χ^2 value of 394.66, with six degrees of freedom, is significant (p-value = 0.00, which is less than the 5% level of significance). In other words, the variables—intention to purchase fixed assets and age cohorts—are related. Hence hypothesis H04 has been substantiated. This means that millennial age cohorts differ significantly in terms of intention to purchase a car/two-wheeler/house/apartment in the coming year.

Financial Security Versus Intention to Purchase Fixed Assets and Consumer Durables

Table 14 indicates the percentage of responses (from millennials and post-millennials) for a survey item regarding "intention to purchase fixed assets and consumer durables" based on financial security. The number of

respondents who were financially secure and intended to buy fixed assets/consumer durables is higher than the financially insecure respondents. The same is presented in the form of Figures 6 and 7.

Vacation Spending by Different Categories of Millennials

Table 15 indicates the response toward the amount spent by different categories of millennials for vacation purposes. The percentage of post-millennials (10.96%) spending more than 100,000 rupees is comparatively higher than millennials (1.94%) and pre-millennials (0.99%). Most of the respondents in all three categories of millennials spend less than 50,000 rupees to enjoy a vacation. The post-millennials are leading millennials and pre-millennials in terms of vacation spending patterns.

Table 14. ***% of Responses Toward Intention to Purchase Fixed Assets and Consumer Durables Based on Financial Security By Different Age Cohorts in the Coming Year (Multi-Response Item)***

Age Cohort	Assets	Financially Insecure	Financially Secure
Millennials (Total No. of responses = 4,908)	House/apartment	20	27
	Car	24	39
	Two-wheeler	23	29
	Consumer-durables	44	59
Post-Millennials (= 2,528)	House/apartment	13	20
	Car	18	28
	Two-wheeler	23	32
	Consumer-durables	34	47

No. responses: 4,908 millennials and 2,528 post-millennials.

Source : Millennial Survey conducted by YouGov-Mint during Sep–Oct 2019.

Figure 6. ***% of Responses Toward Intention to Purchase Fixed Assets/ Consumer Durables by Millennials in the Coming Year***

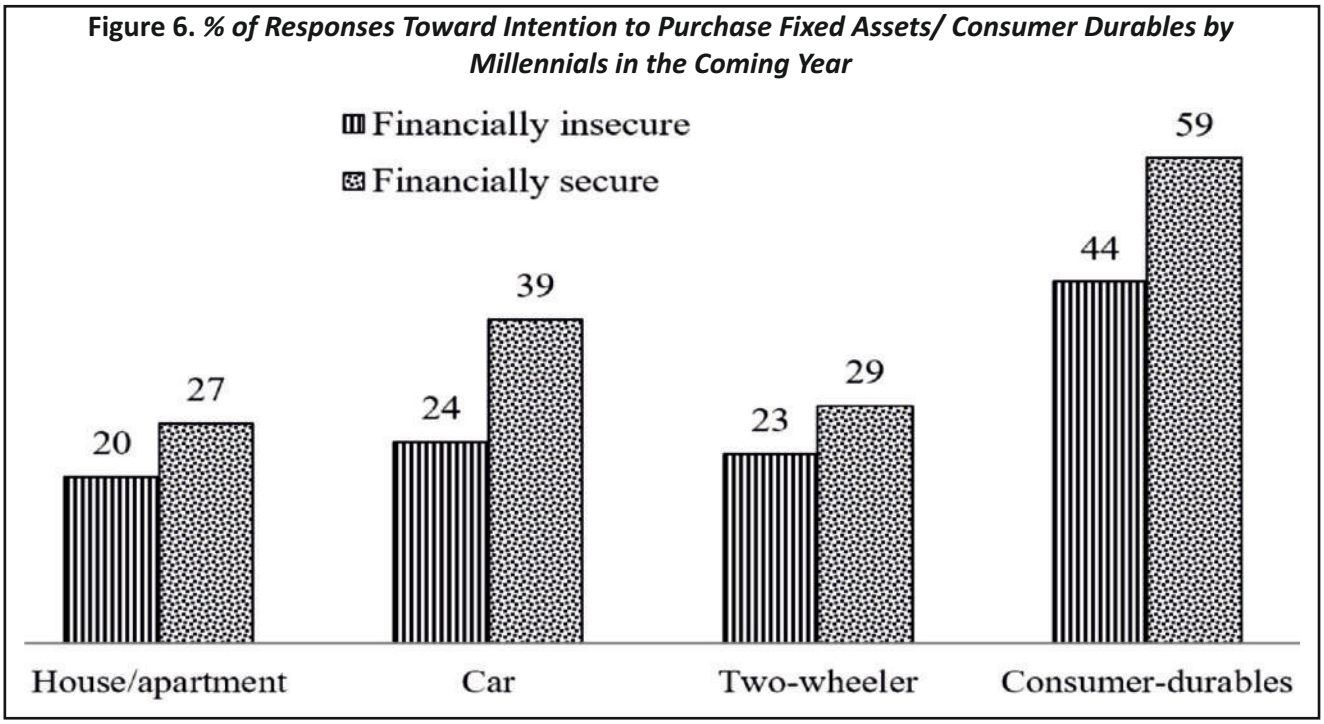


Figure 7. ***% of Responses Toward Intention to Purchase Fixed Assets/ Consumer Durables by Post-Millennials in the Coming Year***

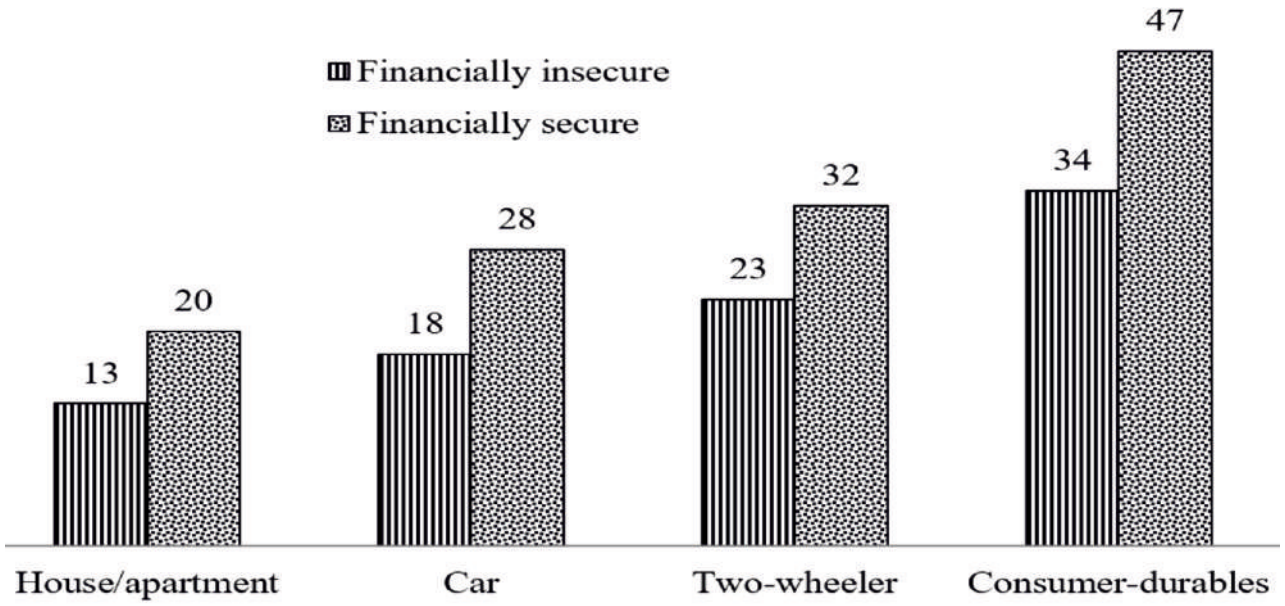


Table 15. ***% of Responses Toward Spending on Vacation by Different Categories of Millennials***

	Post-Millennials	Millennials	Pre-Millennials
More than 100,000 INR	10.96	1.94	6.99
50,000–100,000 INR	13.14	5.26	11.55
Less than 50,000 INR	58.26	69.07	65.83
Did not spend/answer	17.64	23.73	15.63

Source : Millennial Survey conducted by YouGov-Mint during (Sep–Oct 2019).

Table 16. ***Cross-Tabulation of Money Spent on Vacation and Age Cohorts with Chi-Square Value (No. of Responses)***

Money Spent on Vacation ↓		**Category of Millennials→**			
		Post-Millennials (I)	**Millennials (II)**	**Pre-Millennials (III)**	**Total**
More than 100,000 INR	Observed Count	277	95	132	**504**
	Expected Count	137	265	102	504
50,000–100,000 INR	Observed Count	332	258	218	**808**
	Expected Count	219	426	164	808
Less than 50,000 INR	Observed Count	1473	3390	1243	**6106**
	Expected Count	1655	3214	1236	6106
Did not spend/answer*	Observed Count	446	1165	295	**1906**
	Expected Count	517	1003	386	1906
Pearson Chi-Square Value = 491.24		**Deg. of freedom = 6**		**Asymptote Significance = 0.00 (*p*–value)**	

↳ **H05 :** The number of millennial age cohorts does not differ significantly in terms of spending money for vacations.

↳ **Ha5 :** The number of millennial age cohorts differs significantly in terms of spending money for vacations.

Since both variables—"money spent on vacation" and "age cohorts"—are nominal, a chi-square (χ^2) test was done, the results of which are exhibited in Table 16. The money spent on vacation was categorized into four groups: "More than 100,000 INR, 50,000–1,00,000 INR, less than 50,000 INR, did not spend/answer," as shown in Table 16. The variable age cohorts comprised three categories: I, II, and III. It may be seen that the χ^2 value of 491.24, with six degrees of freedom, is significant (p-value = 0.00, which is less than a 5% level of significance). In other words, the variables of money spent on vacation and age cohorts are related. Hence, hypothesis H05 has been substantiated and not rejected. Therefore, the number of millennial age cohorts differs significantly in terms of spending on vacations.

Comparison of Happiness of Indian Millennials with Their Parents

YouGov-Mint-CPR Millennial Survey conducted during March–April 2020 revealed that Indian millennials are leading a better life in terms of finance, material comfort, relationships, and freedom/opportunity. The survey findings revealed that 80% of millennials felt that they were performing better than their parents when they were the age of current millennials. However, this percentage figure is more or less the same for post-millennials (77%). The survey results extracted are shown in Table 17.

Table 17 indicates that more than 40% of millennials feel much better in terms of factors such as finance, material comfort, freedom, and relationships. Also, 55% of the millennials feel better in terms of material comfort than their parents when they were the age of current millennials. Additionally, 43% of millennials feel they are in a better position than their parents, and 51% feel they have more freedom/opportunities than their parents. In terms of relationships, 41% of millennials feel that they are better at maintaining relationships. It is also evident from the table that a very few percent (1.4%–7.5%) of millennials feel worse in terms of the above-stated factors than their parents when they were the age of current millennials. The same content is presented in the form of a graph in Figure 8.

Table 17. ***% of Millennial Respondents Feel Better in Terms of Material Comfort, Finance, Freedom/Opportunity, and Relationships than their Parents***

	Material Comfort	Finance	Freedom/ Opportunity	Relationships
Much better	55.3(2741)	43.0(2132)	51.2(2538)	41.4(2052)
Somewhat better	26.6(1319)	32.9(1631)	27.7(1373)	27.3(1353)
Has stayed the same	8.2(406)	10.9(540)	10.3(511)	14.5(719)
Somewhat worse	4.0(198)	5.9(292)	5.0(248)	7.5(372)
Much worse	1.4(69)	2.9(144)	2.2(109)	3.0(149)
Can't say/don't know	4.5(223)	4.4(218)	3.6(178)	6.3(312)

Source : Extracted based on YouGov-Mint-CPR Millennial Survey from 4,957 respondents (Mar–Apr 2020). Figures in parentheses indicate the number of respondents.

Figure 8. ***% of Millennials Who Feel Better Compared to their Parents in Terms of Happiness Toward Various Factors***

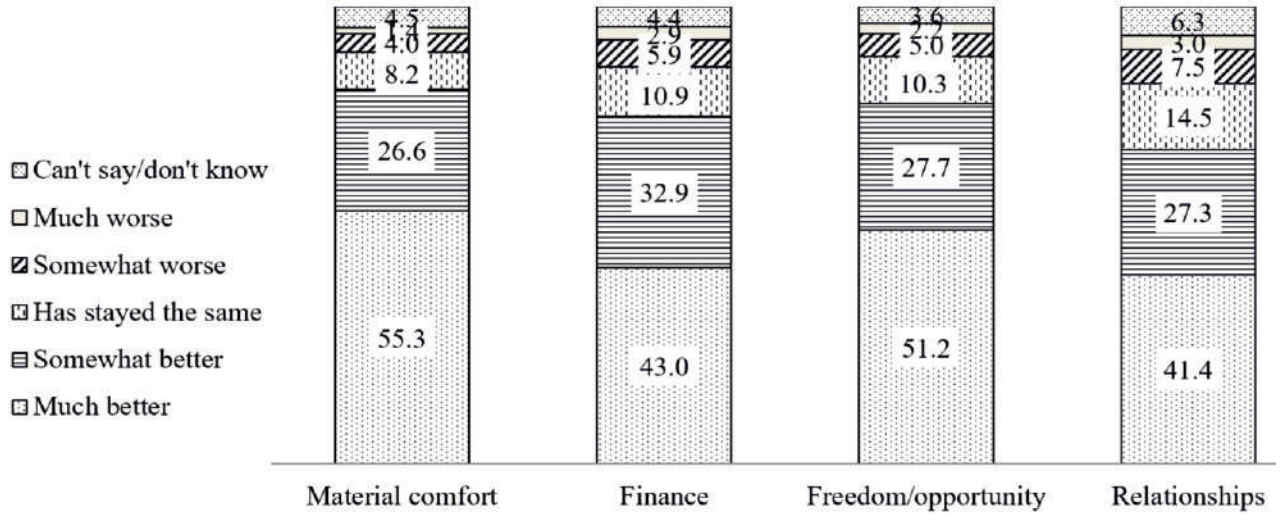


Table 18. ***% of Responses Toward Willingness and Affordability to Buy House(s) by Different Categories of Millennials***

Affordability to buy a house	Post-Millennials	Millennials	Pre-Millennials
Want to own a house but can't afford	43.8 (1307)	39.3(1948)	28.3(584)
Own or will inherit a house and be willing to buy more	38.4(1145)	45.5(2255)	58.9(1216)
Will inherit, don't wish to buy	9.4(280)	8.7(431)	8.7(180)
Prefer renting	8.4(251)	6.5(322)	4.1(85)
Total no. of responses→	2,983	4,957	2,065
		10,005	

Source : extracted from YouGov-Mint-CPR Millennial Survey conducted in Mar–Apr 2020. Figures in the parentheses indicate the number of respondents.

Table 19. ***Cross Tabulation of Millennial Age Cohorts and Affordability to Buy a House***

Affordability to buy a house ↓		**Category of Millennials→**			**Total**
		Post-Millennials (I)	**Millennials (II)**	**Pre-Millennials (III)**	
Want to own a house but can't afford	Observed Count	1307	1948	584	3839
	Expected Count	1228	2041	850	4119
Own or will inherit a house and	Observed Count	1145	2255	1216	4617
be willing to buy more	Expected Count	1477	2455	1023	4954
Will inherit, don't wish to buy	Observed Count	280	431	180	891
	Expected Count	285	474	197	956
Prefer renting	Observed Count	251	322	85	657
	Expected Count	210	350	146	705
Pearson Chi-Square Value = 260.53		**Deg. of freedom = 6**		**Asymptote Significance = 0.00 (*p*–value)**	

Willingness and Affordability to Buy House by Different Categories of Millennials

Table 18 shows the percentage of responses toward willingness and affordability to buy a house(s) by different categories of millennials. The data in the table reveals that most respondents (more than 80%) in each category of millennials prefer to own a house or buy a few more houses.

↳ **H06 :** The number of millennial age cohorts does not differ significantly in terms of affordability to buy a house.

↳ **Ha6 :** The number of millennial age cohorts differs significantly in terms of affordability to buy a house.

The variables "affordability to buy a house" and "age cohorts" are nominal; hence, the chi-square (χ^2) test was done, the results of which are exhibited in Table 19. The money spent on purchasing a house consisted of four categories, and the age cohorts consisted of three categories shown as I, II, and III in the same table. It may be seen that the χ^2 value of 260.53, with six degrees of freedom, is significant (p-value = 0.00, which is less than a 5% level of significance). In other words, the "affordability to buy a house" and "age cohorts" are related. Hence, hypothesis H06 has been substantiated and proved that the millennial age cohorts differ significantly in terms of the affordability to buy a house.

Discussion

This section deals with the comparison of the results of the study with the existing research literature. It is observed that most millennials at different age cohorts made their investments in both fixed and financial assets. However, the investment pattern in the form of fixed and physical assets significantly differs among age cohorts. The reason for this behavior is to diversify their risk and also to fulfill certain financial goals (Pal, 2019). The majority of millennials started to invest at the age between 20 and 25; whereas, the majority of pre-millennials started their investment after 30 years of age. This indicates that millennials actively invest early to fulfill their long-term goals (Mehta & Dirch, 2018, para 9). The study shows that the percentage of income saved by age cohorts of millennials is not significantly different. Thus, age does not influence the percentage of income saved. However, it is highly influenced by the income category of the millennial.

Most millennials invest more in bank savings/fixed deposits/postal savings accounts and comparatively invest less in market-related schemes/funds. As first-time users, many rely heavily on online purchases of market-related investments (Borate, 2019, para 6). The categories of millennials also differ significantly in the form of intention to purchase a car/house/two-wheeler, etc. (in the coming year), which in turn depends on their financial security. The majority of them want to own a house. This indicates that millennial age cohorts spend intensely on the said things when they are financially secure (Mehta & Dirchi, 2018, para 9).

Limitations of the Study and Scope for Further Research

The data for the study is collected from secondary sources, which include opinions and survey reports published in prominent newspapers. The number of research publications concerning personal financial management by millennials is very few, especially in India. Therefore, the study would be a ready reference for those pursuing research on the spending, saving, and investment behaviors of millennials. The study did not cover the financial impact of the COVID-19 pandemic on the financial behavior of Indian millennials. Furthermore, millennials' investment behavior can be compared across countries to get more insights about the reasons/factors driving their similarity/differences in their financial behavior.

Conclusion

The study focused mainly on the spending, savings, and investment behavior of millennial age cohorts. Millennials are more tech-savvy than the previous generations. This helps them gain more knowledge on various investment avenues, which can be categorized and segmented based on their investment goals. Moreover, if they can better understand the financial markets and their products, they can diversify their investments to reduce the financial risks significantly. The amount of savings depends highly on income level rather than age. In terms of spending, age cohorts vary depending on their major long-term needs for the future. The YouGov-mint millennial survey reveals that millennials and pre-millennials do not differ much in terms of their monthly routine spending, except post-millennials spend a little higher than their counterparts. Overall, the millennial age cohorts feel better in terms of finance, material comfort, availing opportunities, and maintaining relationships.

Authors' Contribution

Dr. Narayanaswamy T. conceived the topic idea and collected secondary data for the study. The literature review was collected and summarized by professors Dr. Shubha A. and Dr. R. Gokilavani. These authors have also reviewed the data analysis and interpretation. Ajay N. P. and Dr. Narayanaswamy T. carried out the numerical calculation of risk and returns, hypotheses testing, data analysis, interpretation, conclusions, implication, and grammar correction. Dr. Narayanaswamy T. wrote the manuscript in consultation with all the other authors. SPSS 21.0 software was used to conduct data analysis and hypothesis testing.

Conflict of Interest

The authors confirm/certify that they are neither affiliated to nor associated with any organizations/firms discussed in the manuscript. Also, there are no financial interests from any of the authors with reference to the subject matter or the data discussed in this manuscript/article.

Funding Acknowledgement

The authors did not receive financial support for the purpose of doing research work, authorship, and/or the publication of this article.

References

Bailey, S. R. (2014). *Bridging generation Y: A commentary on the financial development of young adults in the new millennium* (Honors Senior Theses/Projects. 6). https://digitalcommons.wou.edu/honors_theses/6

Borate, N. (2019, October 21). Tech-happy millennials like their mutual funds. *Livemint*. https://www.livemint.com/money/personal-finance/tech-happy-millennials-like-their-mutual-funds-11571655225686.html

Chakraborty, N. (2020, February 24). Millennials like to DIY, but are they investing right? *Livemint*. https://www.livemint.com/money/personal-finance/millennials-like-to-diy-but-are-they-investing-right-11582539856978.html

Chopra, G. (2019, January 31). Budget for leisure: How a millennial mindset is driving India's economic growth. *News18*. https://www.news18.com/news/buzz/budget-for-leisure-how-millennial-mindset-is-driving-indias-economic-growth-2020067.html

Das, S. C. (2016). Financial literacy among Indian millennial generation and their reflections on financial behaviour and attitude: An explanatory research. *The Indian Journal of Commerce, 69*(4), 16–34.

Karakas, F., Manisaligil, A., & Sarigollu, E. (2015). Management learning at the speed of life: Designing reflective, creative, and collaborative spaces for millennials. *The International Journal of Management Education, 13*(3), 237–248. https://doi.org/10.1016/j.ijme.2015.07.001

Klimkiewicz, K., & Oltra, V. (2017). Does CSR enhance employer attractiveness? The role of millennial job seekers' attitudes. *Corporate Social Responsibility and Environmental Management, 24*(5), 449–463. https://doi.org/10.1002/csr.1419

Kwatra, N., & Bhattacharya, P. (2019, December 15). Are Indian millennials wary of investments? *Livemint*. https://www.livemint.com/news/india/are-indian-millennials-wary-of-investments-11576421679199.html

Kwatra, N. (2018, November 14). How millennials in India invest their money. *Livemint*. https://www.livemint.com/Money/JVWIiPAYVsmUyYOgiRQsXJ/How-millennials-in-India-invest-their-money.html

Larson, L. R., Eastman, J. K., & Bock, D. E. (2016). A multi-method exploration of the relationship between knowledge and risk: The impact on millennials' retirement investment decisions. *Journal of Marketing Theory and Practice, 24*(1), 72–90. https://doi.org/10.1080/10696679.2016.1089765

Mehta, R., & Dirchi, R. (2018, August 07). Are millennials financially wiser than their parents? Find out. *The Economic Times*. https://economictimes.indiatimes.com/wealth/plan/are-millennials-financially-wiser-than-their-parents-find-out/articleshow/65268296.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Mittal, S. (2019, November 20). Spending habit of millennials. *Outlook Money*. https://www.outlookindia.com/outlookmoney/finance/spending-habit-of-millennials-3910

Pal, A. (2019, June 19). 5 Investment trends of millennials. *Outlook Money*. https://www.outlookindia.com/outlookmoney/talking-money/5-investment-trends-of-millennials-3119

Sanghvi, D. (2020, January 01). Woke millennials and money, the two indeed meet. *Livemint*. https://www.livemint.com/money/personal-finance/woke-millennials-and-money-the-two-indeed-meet-11577868679292.html

About the Authors

Dr. Narayanaswamy T. is currently working as an Associate Professor in REVA Business School, REVA University, Bengaluru. He has total teaching experience of 12 years and an industry experience of 2 years. His research interests span financial productivity, financial services, investments, and capital markets.

Dr. Shubha A. is currently working as a Professor and Dean in REVA Business School, REVA University, Bengaluru. She has a total teaching and administrative experience of 20 plus years. Her research interests include accounting, financial analysis, and financial markets.

Dr. R. Gokilavani is an Associate Professor in REVA Business school, REVA University, Bengaluru. She has a total of 15 years of experience in teaching and corporate. Her areas of interest are investment, banking, finance, and marketing.

Mr. Ajay N. P. passed out as Student of the Year 2022, REVA Business School, REVA University, Bengaluru. He is an MBA in the discipline of finance and operations.