

A Study on Awareness and Knowledge about Wealth Management among Individual

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Abstract: *The purpose of the study is to work on awareness and knowledge about wealth management among individual. The primary objective of the research is to identify the investment decision towards various investment avenues taken by investors across genders, age and income level. For the study data are collected from the total 100 respondents through questionnaire survey. The descriptive research design has been used in the study. Data are analysed through the frequencies and kruskal wallis test (with as gender, age and income level). The research concluded that individual don't know the real meaning of wealth management as they interpret it as financial planning. Out of 100 respondents only 64% respondents say that they are aware about wealth management. And many of them aware but don't have the proper knowledge of the word. PPF, FDs, Life insurance, Gold, and other risk-free assets are preferred by respondents in their portfolios, therefore we can say that they are some popular sources other than saving accounts. On average, saving percentages indicate the level of risk that a person is willing to take. Low risk was associated with a low saving ratio, while a high saving ratio was associated with a high risk. The larger the return, the higher the risk.*

Keywords: Wealth management, Investment, Systematic Financial Plans, Investment avenues

INTRODUCTION

All of us have some dreams in life - whether it is buying a new house, starting a new business, investing your hard earned money in stocks, traveling the world or making plans for the future of your family. All of these can be classified as financial objectives since, in addition to emotions, they have a monetary worth. As a result, financial knowledge becomes a critical component in efficiently planning the above. Knowing your needs early in life allows you to make better financial decisions and set your short and long-term objectives.

Wealth management is a notion that arose in the United States in the 1990s. Essentially, it is a financial planning and investment advising firm that offers private banking, asset management, taxes advice, and portfolio management to individuals. Warren Buffet is the world's most successful investor. "The core ideas of investing are to look at equities as businesses, to take advantage of market swings, and to seek a margin of safety," he explains. That is what Ben Graham instilled in us. The concern stones of investing will still be around after a hundred years." He's even referred to as a wealth builder.

Most of us spend a significant portion of our lives attempting to build a corpus in order to provide financial stability to our loved ones. Simply putting money aside isn't enough. It's critical to devise techniques that will allow your savings to work for you. That is exactly what wealth management services do. Your wealth advisor assists you in developing a financial plan that allows you to invest your assets in such a way that you achieve most, if not all, of your financial goals. He ensures that your money continues to multiply, whether through prudent investing or tax planning.

Setting and meeting realistic goals becomes incredibly difficult without a financial strategy in place. It's critical to recognise and comprehend your financial strengths and challenges so that you can capitalise on them while overcoming hurdles. Experts in wealth management can assist you in putting a plan in motion and monitoring its progress on a regular basis. Wealth management services assist investors in building their portfolio in a measured and systematic manner. Wealth managers have a set of abilities that enable them to comprehend a client's needs and financial objectives. When financial strategies are devised, these factors are taken into consideration. Your wealth manager devotes a significant amount of time to learning about your needs and assisting you in achieving as many of your financial objectives as feasible.

LITERATURE REVIEW

Velmurugan et al (2015) has conducted research on investors' perceptions of various investment avenues. The primary objective behind the government, private, self-employed, and retired people investing in this study is to use the extra money in beneficial schemes so that it can be rolled back while also providing significant returns. When a regular man considers investing, he will never choose a riskier strategy. Because the stock and gold markets are particularly volatile and unpredictable at the moment, investors should carefully evaluate the market before making an investment decision.

Wyman et al (2014) According to him, digital poses a threat to existing wealth management players. Self-directed investment is more comfortable for today's younger, technologically adept individuals than it is for today's elder generation. These investors have also grown up in a world where emerging companies often upset established businesses, and in some cases, completely new industries

are created. As a result, the next generation of investors is more inclined to allocate their resources to companies that use innovative methods and technology, all at a cheaper cost, than established.' wealth managers However, there are digitally-oriented opportunities for established wealth managers to strengthen their relationships with investors by utilising increased communication platforms while also improving the entire investor experience. Significantly, technology may be used to minimise operating costs, resulting in cost savings. reduce operating costs savings that can be passed along as lower fees to investors.

Nayak (2013) According to his analysis, the increase in saving chances available with a convenient bar has resulted in a major change in the levels and density of savings pattern of rural households. The growth of financial institutions such as banks, microfinance institutions, SHGs, and other local banks gave rural people the opportunity to save more. People have become more aware of the importance of saving for their future security as a result of unforeseen events such as the loss of a family member, medical emergencies, and other financial crises, as well as the education of their children and the marriage of a family member. The difference in savings between coral households and urban groups is not significant but still brought a revolution in the pattern of savings of the rural households.

Schroder (2013) The results of a representative poll of wealth advisers on private wealth management methods are analysed, and the advisors' perspectives are compared to academic studies in household finance. This research shows that many wealth managers do not use financial economists' fresh findings while counselling their clients. Many practitioners concentrate solely on managing their clients' market risk exposure. Most practitioners overlook planned future expenditure and investment time horizon when determining an investor's asset allocation.

Cognizant Reports (2011) According to a survey, India's wealth management services business is highly fragmented, which is understandable given the industry's early stages. So far, the majority of organised players have concentrated mostly on urban management. About one-fifth of India's high net worth individuals (HNW1) population is untapped. Potential investors have built faith in milk early entrants and established local players. To demonstrate their reliability, enterprises seeking to enter the market will need to engage extensively in brand-building initiatives. As a result, it is recommended that businesses consider the long term when analysing prospective returns on investment. For new and established wealth management organisations, the general outlook and trends in India show a significant opportunity for growth.

STATEMENT OF THE PROBLEM

Most of us devote a significant portion of our life on building a corpus in order to provide financial stability to our loved ones. It is not enough to just save money. It's crucial to devise techniques that will allow your savings to work for you. That is precisely what wealth management services do. Your wealth advisor assists you in developing a financial plan that allows you to deploy your assets in a way that achieves the majority, if not all, of your financial goals. He assists you in ensuring that your money continues to multiply, whether through prudent investing or tax planning.

OBJECTIVES OF THE STUDY

- To identify the awareness about wealth management among individuals.
- To analyse the percentage up to which individuals is ready to save at how much risk.
- To identify the investment decision towards various investment avenues taken by investors across genders.
- To Study the preference of various investment avenues across the age and income level of respondents.

Research Hypothesis:-

1. Hypothesis one

H0: There is no significant difference in taking investment decisions towards various investment avenues across the gender.

H1: There is a significant difference in taking investment decisions towards various investment avenues across the gender.

2. Hypothesis two

H0: There is no significant difference in the order of preference of various investment avenues across the age and income level of respondents.

H1: There is a significant difference in the order of preference of various investment avenues across the age and income level of respondents.

RESEARCH METHODOLOGY

The primary data are collected for the survey through questionnaire. Total 100 sample size is selected for the study purpose. The research design used is descriptive design. For the analysis purpose frequencies of the data and kruskal wallis test is performed for to reach at the result of the selected research objectives.

DATA ANALYSIS**Demographic Results of Respondents:-**

It can be interpreted from the result that 60% are male respondents and 40% respondents are female. Frequency of respondent age between below 20 years is 20%, 21-30 is 60%, 31-41 is 12% and above 41 years is 8%. 35% of the family is joint family and rest 65% has Nuclear family. 31% respondents yearly income is up to 2,00,000, 19% respondents yearly income is between 2,00,000 – 5,00,000, 44% respondents yearly income is between 5,00,000-10,00,000, 6% respondents yearly income is above 10,00,000. 66% of respondents are young and unmarried, 13% of respondents are young and married with no children, 17% of respondents are married and having children and 4% of respondents are in retirement.

Analysis of Research**Table 1 What Percentage Of Your Income You Save On Annual Basis ?**

	Frequency	Percentage
Below10%	24	23.8
11-20%	32	31.7
21-30%	30	29.7
31-40%	11	10.9
Above40%	4	4
Total	100	100

Table 2 WHAT PERCENTAGE OF INCOME YOU INVEST?

	Frequency	Percentage
Less than 5%	23	23.5
5%-15%	42	40.8
15%-25%	24	24.5
25%-30%	6	6.1
More than 30%	5	5.1
Total	98	100

The above table and charts shows that 31% of surveyed respondents save their income between 11-20%, 30% of respondents save between 21-30%, 11% of respondents save between 31-40% and 4% save above 40. The 2nd table indicates 41% of respondents invest their money 5-15%, 25% of respondents invest their money 15-25%, 23% of respondent invest their money less than 5%, 6% of respondents invest their money between 25-30% 5% of respondents invest their savings more than 30%.

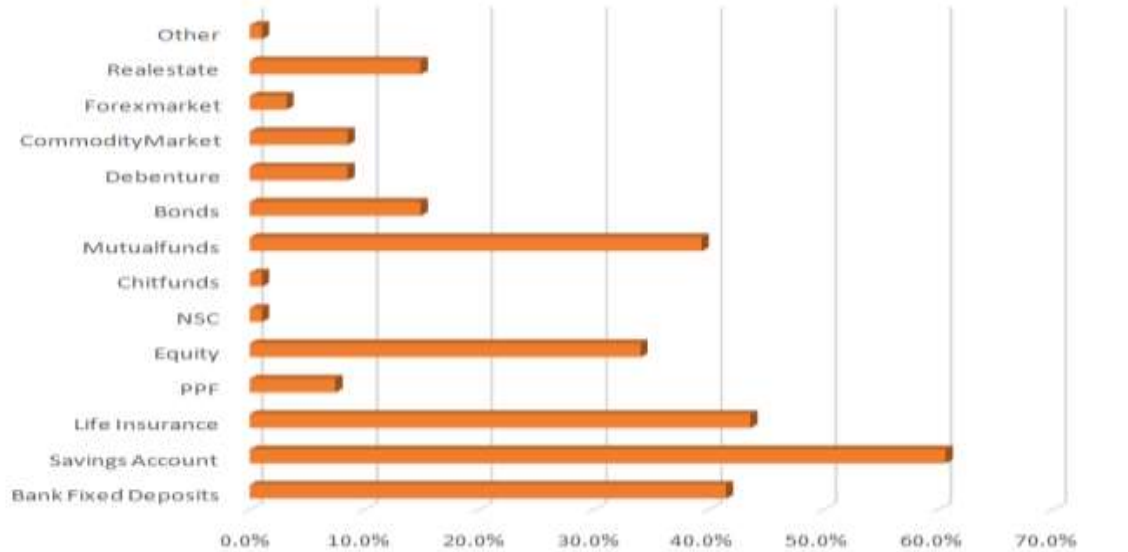


Figure 1 WHICH OF THE FOLLOWING INVESTMENT AVENUE YOU HAVE INVESTED?

Table 3 ARE YOU AWARE OF WEALTH MANAGEMENT? (FINANCIAL PLANNER)

	Frequency	Percentage
Yes	71	71%
No	29	29%
Total	100	100%

Table 4 DO YOU HAVE PROPER FINANCIAL PLANNING? (WEALTH MANAGEMENT)

	Frequency	Valid Percent
Yes	74	73.3
No	27	26.7
Total	101	100

From above table it is been interpreted that majority of respondent that is 71% of respondents know about wealth management. The 73% of survey respondents have proper financial planning and rest 27% doesn't have proper financial planning.

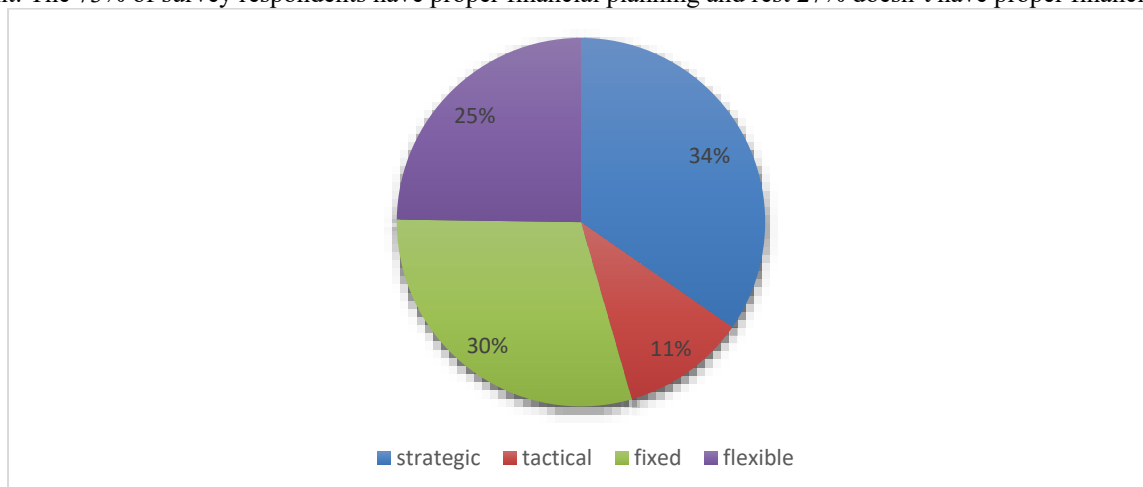


Figure 2 WHICH PLAN YOU HAVE INVESTED?

From the above chart it is been interpreted that 53% of respondent have SIP as their systematic approach to investment, 9% of respondents have select SWP, 3% have STP and remaining 36% have select none as they do not have systematic approach to investment.

Test Statistics ^{a,b}				
	Your familiarity with investment matter	Awareness about Wealth management	Your Preference towards high-Risk profiling	Your preference towards long term investment
Kruskal-Wallis H	.024	.072	.001	4.784
Df	1	1	1	1
Asymp. Sig.	.877	.788	.980	.029
H0	Accepted	Accepted	Accepted	Rejected
a. Kruskal Wallis Test				
b. Grouping Variable: Gender				

The above table shows that there is impact of gender on preference towards long-term investment avenue as the significant Test value is less than 0.05. So, the null hypothesis is rejected. Similarly there is no impact of gender on familiarity with investment matter, awareness about wealth management and preference towards high profile risk (decision regarding various investment avenues) as the significant Test value is greater than 0.05. Therefore it is concluded that, null hypothesis is accepted.

Test Statistics ^{a,b}				
	Your familiarity with investment matter	Awareness about Wealth management	Your Preference towards high-Risk profiling	Your preference towards long term investment
Kruskal-Wallis H	4.244	7.930	3.055	3.543
Df	3	3	3	3
Asymp. Sig.	0.236	0.047	0.383	0.315
H0	Accepted	Accepted	Accepted	Accepted
a. Kruskal Wallis Test				
b. Grouping Variable: Annual Income				

The above table shows that there is no impact of Annual Income in order to preference of various investment avenue (like familiarity with investment matter, awareness about wealth management, preference towards long term investment and preference towards high risk profiling) as the significant test value is greater than 0.05. Therefore, the null Hypothesis is accepted.

Test Statistics ^{a,b}				
	Your familiarity with investment matter	Awareness about Wealth management	Your Preference towards high-Risk profiling	Your preference towards long term investment
Kruskal-Wallis H	6.444	0.309	8.014	3.983
Df	3	3	3	3
Asymp. Sig.	0.092	0.958	0.046	0.263
H0	Accepted	Accepted	Accepted	Accepted
a. Kruskal Wallis Test				

b. Grouping Variable: Age

The above table shows that there is no impact of Age in order to preference of various investment avenue (like familiarity with investment matter, awareness about wealth management, preference towards long term investment and preference towards high risk profiling) as the significant test value is greater than 0.05. Therefore, the null Hypothesis is accepted.

Test Statistics ^{a,b}					
	Family Planning	Retirement	Child Education	Unforeseen costs	Others
Kruskal-Wallis H	5.342	5.154	6.455	.079	.000
df	1	1	1	1	1
Asymp. Sig.	.021	.023	.011	.779	1.000
H0	Accepted	Accepted	Accepted	Accepted	Accepted
a. Kruskal Wallis Test					
b. Grouping Variable: Gender					

The above table shows that here all significance Test value is greater than 0.05(Null Hypothesis is accepted). So, that there is no significance difference in taking investment decision towards various investment avenue across gender (like family planning, retirement, child education, unforeseen costs, others).

CONCLUSION

According to a survey, many people do not understand the true meaning of wealth management, mistaking it for financial planning. Only 64 percent of respondents (out of a total of 100) said they are aware of asset management. And many of them are aware of the term but lack proper knowledge about it. PPF, FDs, Life insurance, Gold, and other risk-free assets are preferred by respondents in their portfolios, therefore we can say that they are some popular sources other than saving accounts. On average, saving percentages indicate the level of risk that a person is willing to take. Low risk was associated with a low saving ratio, while a high saving ratio was associated with a high risk. The larger the return, the higher the risk. Mutual funds, on the other hand, are a better option because of the larger return in long run than any other asset mix but yet not been preferred by many of respondents. Now a day SIP is more popularizing in mutual fund.

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