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Personal Financial Practices and Investment Behaviour of Working Millennials in Mumbai: A Qualitative Behavioural Analysis

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Abstract

Millennials, defined as individuals born between 1981 and 1996, represent nearly 34 percent of India's population and form a substantial segment of the urban working legion, thereby influencing household savings and investment dynamics[1]. In recent years, regulatory and industry evidence has pointed to a steady increase in their participation in equity-oriented financial instruments. Reports published by the Securities and Exchange Board of India (2020)[2] and the Association of Mutual Funds in India (2024) document rising retail engagement in capital markets, while data from Computer Age Management Services (2023)[3] highlight significant inflows from younger investors facilitated by digital investment platforms. Although quantitative studies have examined risk tolerance and financial literacy among Indian investors, limited qualitative research has explored how routine financial practices and behavioural dispositions interact to shape investment decisions in metropolitan contexts.

This study examines the financial practices and behavioural influences affecting the investment behaviour of 100 working millennials residing in Mumbai. Adopting a qualitative research design, semi-structured interviews were conducted to explore budgeting patterns, saving discipline, risk perception, portfolio preferences, and the influence of peers and digital financial content. The findings show that although most participants actively invest in equity markets, structured financial planning is not consistently practiced. In particular, retirement calculations, written financial goals, and risk-based diversification are often missing or loosely defined. Drawing upon behavioural finance foundations (Kahneman & Tversky, 1979; Barberis & Thaler, 2003) and contextual insights from professional financial planning practice, the study offers an integrated understanding of investment behaviour among urban millennials. The findings contribute to existing literature by linking behavioural biases with practical financial planning deficiencies and by proposing goal-oriented strategies to strengthen long-term financial preparedness in India's urban environment.

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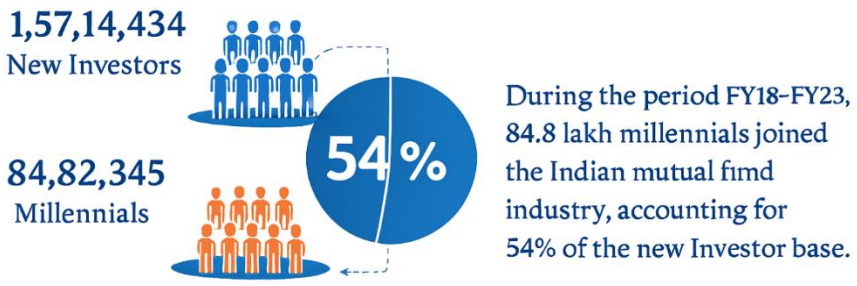
I. INTRODUCTION

India is currently positioned within a demographic dividend phase, supported by a large and economically active young workforce, with millennials constituting a significant share of this demographic structure. Millennials constitute approximately **34% of India's population**, representing nearly **440 million individuals** and forming a substantial share of the country's working-age demographic (Motilal Oswal Financial Services, 2019)[4]. This demographic concentration has direct implications for household savings, capital market participation, and long-term economic stability.

India's financial ecosystem has expanded rapidly in the past decade. According to the Association of Mutual Funds in India (AMFI), mutual fund assets under management (AUM) increased from approximately ₹22 trillion in FY2019 to over ₹50 trillion in FY2024[5], reflecting strong retail participation. Data from the Securities and Exchange Board of India indicate a consistent rise in demat account registrations and systematic investment plan (SIP) contributions over the past decade (SEBI, 2020)[6]. However, despite this growth, securities market penetration among Indian households remains relatively low compared to developed economies, highlighting structural and behavioral constraints. Industry data from CAMS (2023) show that 84.8 lakh new millennial investors entered mutual funds between FY2019–FY2023, constituting 54% of new investors, indicating the growing dominance of this demographic segment in capital markets[7].

Fig. 01 – Growth of New Millennial Investors (FY19–FY23)



Source: Compiled by the author using data from Computer Age Management Services Limited (2023), Association of Mutual Funds in India (2024), and Securities and Exchange Board of India (2020). In large metropolitan cities like Mumbai, the financial capital of India, millennials live in a fast-paced and expensive environment. They experience frequent income changes, rising housing costs, and easy access to investment options through fintech platforms. In such a setting, managing money carefully becomes essential. Personal financial planning—covering budgeting, saving, investing, insurance, and retirement planning—plays a key role in ensuring long-term financial stability. Since millennials form a significant portion of the workforce, weak financial planning, excessive borrowing, or high consumption patterns may also have wider economic consequences. Although previous research in India has mainly used a quantitative method to analyse risk tolerance and investment behaviour, there is a lack of qualitative studies that investigate the relationship between individual financial behaviour and behavioural and social factors in urban areas. This research aims to fill this gap by analysing the financial behavior and behavioral factors that influence investment decisions made by working millennials in Mumbai.

[4] Motilal Oswal Financial Services. (2019). *The millennial advantage: Retail thematic report*. Motilal Oswal Research.
[5] Association of Mutual Funds in India. (2024). *AMFI annual report 2023–24*. https://www.amfiindia.com
[6] Securities and Exchange Board of India. (2020). *Handbook of statistics on the Indian securities market*. SEBI.
[7] Computer Age Management Services Limited. (2023). *The emerging force of millennial investors is here to stay and grow*. CAMS Analytics Team.

II. REVIEW OF LITERATURE

This study examines how personal financial practices and behavioural determinants influence the investment decisions of working millennials in Mumbai. Accordingly, the literature is reviewed under three interconnected domains: (1) personal financial planning behaviour, (2) behavioural biases and risk perception, and (3) socio-economic and social influence factors affecting investment decisions of working millennials in India.

2.1 Personal Financial Planning Practices and Investment Behaviour

Personal financial planning refers to the systematic management of income, savings, investments, and risk in alignment with long-term financial goals. It includes budgeting, emergency fund allocation, retirement planning, diversification, and insurance decisions. The effectiveness of financial literacy depends largely on how these practices are implemented in daily financial life.[8]

Lusardi and Mitchell (2014) examined the economic importance of financial literacy and found that individuals with stronger understanding of inflation, compound interest, and risk diversification were significantly more likely to plan for retirement and accumulate wealth. Their research emphasized that financial knowledge positively influences financial behaviour; however, gaps remain between awareness and execution.[9]

In the Indian context, Agarwalla, S. K., Barua, S. K., Jacob, J., & Varma, J. R. (2015) assessed financial literacy among working youth in urban India and found moderate awareness levels but limited depth in long-term planning practices. The authors reported that although respondents were familiar with financial products, structured retirement planning and diversification strategies were often inadequate.[10]

Bhushan and Medury (2013) investigated the relationship between financial literacy and investment behaviour among salaried individuals in India. Their findings indicated that education and income significantly influence financial knowledge, which in turn affects saving and investment decisions. However, the study also suggested that knowledge alone does not ensure disciplined financial planning.[11]

Chandra (2008), in a study of Indian retail investors, reported that investment decisions were frequently influenced by personal beliefs and informal advice, even when formal financial information was available.[12] Similarly, Sahi (2017) observed that urban investors often exhibit inconsistencies between financial awareness and structured asset allocation behaviour.[13] While these studies confirm that financial literacy enhances market participation, they largely rely on quantitative survey approaches. Limited research explores how millennials integrate budgeting, emergency planning, and goal-setting into actual investment decisions, particularly within metropolitan environments such as Mumbai.

Connection to the present study:

The present study builds upon prior research by examining how working millennials in Mumbai operationalize financial planning practices in real-life contexts and how these practices shape investment behaviour beyond literacy levels.

[8] Prasanna Chandra, *Investment Analysis and Portfolio Management* (New Delhi: Tata McGraw-Hill, 2008).
[9] Annamaria Lusardi and Olivia S. Mitchell, "The Economic Importance of Financial Literacy: Theory and Evidence," *Journal of Economic Literature* 52, no. 1 (2014): 5–44.
[10] S. K. Agarwalla et al., "Financial Literacy among Working Young in Urban India," *World Development* 67 (2015): 101–109.
[11] Puneet Bhushan and Yajulu Medury, "Financial Literacy and its Determinants," *International Journal of Engineering, Business and Enterprise Applications* (2013).
[12] Prasanna Chandra, *Investment Analysis and Portfolio Management* (2008).
[13] Shivani K. Sahi, "Psychological Biases of Individual Investors," *Journal of Behavioral and Experimental Finance* (2017).

2.2 Behavioural Biases, Risk Perception, and Investment Decisions

Behavioural finance literature challenges the assumption of purely rational investment decision-making. Building on Prospect Theory, Kahneman and Tversky (1979) conceptualized asymmetrical loss-gain valuation, which provides the theoretical basis for interpreting risk aversion patterns observed in the present study.[14]

Barberis and Thaler (2003) reviewed behavioural finance models and identified systematic biases such as overconfidence, herd behaviour, recency bias, and mental accounting. The authors argued that these cognitive biases can distort rational portfolio construction and long-term asset allocation.[15]

In the Indian context, Sahi and Arora (2012) examined behavioural biases among Indian retail investors and found evidence of overconfidence and disposition bias. The study reported that investors tended to hold losing securities while selling profitable ones prematurely. Kumar and Goyal (2015) investigated behavioural patterns in Indian equity markets and documented herd behaviour and overreaction tendencies among retail participants.[16]

These findings suggest that behavioural biases are prevalent in the Indian investment environment. However, much of the existing research treats biases as independent psychological constructs. Limited attention has been given to how such biases interact with everyday financial planning practices such as retirement estimation, budgeting discipline, or goal-based allocation.

Recent reports by SEBI (2020) and CAMS (2023) indicate increased retail participation in equity markets alongside frequent SIP discontinuations. While these reports do not provide behavioural explanations, they reflect patterns consistent with recency bias and loss aversion.

Connection to the present study:

The present research extends behavioural finance literature by examining how cognitive biases and risk perception are embedded within the financial routines of working millennials in Mumbai rather than analyzing biases in isolation.

2.3 Social Influence, Urban Context, and Digital Investment Participation

Investment decisions are influenced not only by individual cognition but also by social and environmental factors. Shiller (2000), in his work on market psychology, argued that financial behaviour is shaped by social narratives and collective expectations.[17]

In the Indian setting, Gupta and Ahmed (2020) examined the role of peer influence and social media exposure on investment behaviour among young investors and found that social interaction significantly affects risk-taking tendencies. Bansal and Kumar (2022) studied the impact of digital investment platforms and reported that while digital accessibility increases participation, it may also encourage short-term speculative behaviour.[18]

Industry data indicate that millennials are increasingly participating in systematic investment plans (SIPs), reflecting a gradual shift toward more structured financial engagement (Association of Mutual Funds in India, 2024). Similarly, reports by Computer Age Management Services Limited point to rising equity inflows from younger investors, suggesting a growing comfort with market-linked instruments (Computer Age Management Services Limited, 2023). Academic research also supports this trend, highlighting that digital financial platforms have made investing more accessible and convenient, thereby encouraging greater retail participation, though often with a tendency toward short-term decision-making (Bansal & Kumar, 2022)[19]. In addition, regulatory observations and findings from investor surveys by the Securities and Exchange Board of

[14] Daniel Kahneman and Amos Tversky, "Prospect Theory: An Analysis of Decision under Risk," *Econometrica* (1979).
[15] Nicholas Barberis and Richard H. Thaler, "A Survey of Behavioral Finance," *Handbook of the Economics of Finance* (2003).
[16] Shivani K. Sahi and A. P. Arora, "Individual Investor Biases," *Qualitative Research in Financial Markets* (2012).
[17] Robert J. Shiller, *Irrational Exuberance* (Princeton University Press, 2000).
[18] Ankita Gupta and S. Ahmed, "Influence of Social Media on Investment Decisions of Young Investors," (2020).
[19] Bansal, R., & Kumar, S. (2022). *Digital financial platforms and retail investor participation*.

India indicate that digital content and unregistered financial influencers are increasingly shaping the investment choices of retail investors, particularly millennials (Securities and Exchange Board of India, 2023).

Despite this emerging evidence, limited academic research examines how social exposure interacts with structured financial planning behaviour among metropolitan millennials. Particularly in Mumbai—characterized by high living costs, competitive professional environments, and strong peer networks—the influence of social benchmarking on investment decisions warrants closer examination[20]. Building on the growing evidence of digital participation, recent studies have further examined the role of financial technology (fintech) in shaping investment behaviour. The role of digital investment platforms and financial technology (fintech) has become increasingly significant in shaping the financial behaviour of millennials in India. The adoption of mobile-based investment applications and user-friendly digital interfaces has improved accessibility to financial markets, particularly among young investors. These platforms facilitate quicker decision-making and provide real-time access to financial information, thereby influencing investment participation and preferences. At the same time, the ease of access and convenience offered by such platforms may also encourage more frequent trading and short-term investment orientation, reflecting a shift in behavioural patterns among millennials (Securities and Exchange Board of India, 2023, Reserve Bank of India, 2023)[21].

Connection to the present study:

This study focuses on working millennials in Mumbai to understand how peer discussions, digital platforms, and social narratives influence investment decisions and whether such influences reinforce or undermine structured financial planning.

2.4 Synthesis and Identified Gap

The literature consistently indicates that:

1. Financial literacy positively influences investment participation (Lusardi & Mitchell, 2014; Agarwalla et al., 2015).
2. Behavioural biases significantly affect investment decisions (Kahneman & Tversky, 1979; Sahi & Arora, 2012).
3. Social and digital environments increasingly shape investor behaviour in India (Gupta & Ahmed, 2020; Bansal & Kumar, 2022).

However, existing studies often examine these dimensions separately. There is limited integration of personal financial planning practices, behavioural biases, and social influences within a unified analytical framework. Moreover, qualitative evidence focusing on working millennials in Mumbai remains scarce.

III. RESEARCH OBJECTIVES

The research objectives are specific to:

1. Investigate the personal financial practices of working millennials in Mumbai.

2. Analyse their investment behaviour, including diversification, return preferences, and the impact of market trends and online financial influencers.

3. Evaluate the extent of financial literacy and its significance in influencing investment decisions and long-term financial planning.

[20] Association of Mutual Funds in India (2024) and Computer Age Management Services (2023) reports.
[21] Securities and Exchange Board of India. (2023). *Investor survey 2023*. https://www.sebi.gov.in/reports-and-statistics/research/investor-survey-2023. Reserve Bank of India. (2023). *Report on trend and progress of banking in India 2022–23*. https://www.rbi.org.in

IV. RESEARCH METHODOLOGY

4.1 Research Design

This study adopts a qualitative research design to explore the financial practices and behavioural tendencies of working millennials in Mumbai. A qualitative approach was considered appropriate because the objective was not merely to measure investment participation, but to understand the reasoning, perceptions, and lived financial experiences behind those decisions.

Rather than treating investment behaviour as a numerical outcome, the study seeks to interpret how individuals think about money, risk, and long-term planning. Financial decision-making often involves emotional responses, informal rules, and social influences that are not easily captured through structured questionnaires alone. The qualitative design therefore enabled deeper exploration of these underlying processes.

The researcher's professional exposure as a Certified Financial Planner provided contextual familiarity with financial planning frameworks; however, conscious efforts were made to avoid imposing professional assumptions during interviews. Questions were framed in an open-ended manner, allowing respondents to articulate their financial habits in their own words.

4.2 Population, Sample Size, and Sampling Technique

The population consists of working millennials (born between 1981 and 1996) living in Mumbai and actively participating in income-generating employment.

A total of 100 respondents were chosen through the purposive sampling technique. The criteria for selection included:

- Age belonging to the millennial generation
- Currently employed
- Actively saving or investing in financial instruments

Respondents came from industries such as finance, IT, healthcare, education, media, and manufacturing. The sample size was considered sufficient because thematic saturation was achieved, and patterns began to emerge.

4.3 Data Gathering Methods

Two qualitative methods of data gathering were employed:

1. Semi-Structured In-Depth Interviews

Open-ended questions were employed to investigate:

- Budgeting and saving habits
- Investment choices
- Risk perception
- Awareness of financial literacy
- Social and peer influences
- Financial goals for the long term

Each interview lasted about 30-45 minutes. Informed consent was sought, and confidentiality was guaranteed. The primary data for the study was collected during the period January 2025 to November 2025.

2. Non-Participant Observation

Non-participant observation was carried out during interviews and financial conversations to gather data on:

- Emotional reactions during discussions of gains and losses
- Confidence levels during financial investment discussions
- Behavioral reactions like hesitation, excitement, or risk aversion

Observation allowed the researcher to recognize inconsistencies between self-reported financial behavior and real behavioral propensities, thus improving the depth of interpretation.

4.4 Data Analysis

All interviews were conducted in a semi-structured format and notes were systematically compiled immediately after each interaction. The analysis followed an iterative thematic approach. In the first stage, open coding was undertaken. Key phrases, behavioural expressions, and recurring patterns were identified from the responses. At this stage, coding remained descriptive and close to participant language.

In the second stage, related codes were grouped into broader analytical categories such as financial planning discipline, risk perception, social influence, and behavioural bias indicators. This axial coding process helped identify relationships between financial habits and investment outcomes. In the final stage, selective coding was used to integrate categories into broader explanatory themes. Particular attention was given to instances where stated financial knowledge did not align with actual financial practice. Observational notes were cross-checked against interview responses to enhance interpretive consistency. The process was iterative rather than linear. Themes were refined as additional interviews were analyzed, and thematic saturation was considered achieved when no substantially new behavioural patterns emerged across subsequent interviews.

4.5 Trustworthiness and Rigor

Trustworthiness was ensured by:

- Data triangulation (conducted interviews and observations)
- Identification of recurring themes (data saturation)
- Verification of responses against observed behavior

This ensured that the results obtained were valid and reliable.

V. FINDINGS AND DISCUSSION

The interview responses and observational notes were examined to identify common patterns in the financial behaviour of working millennials in Mumbai. During the analysis, similar ideas and experiences reported by respondents were grouped together through a coding process. This helped organize the data into broader themes such as budgeting and saving practices, financial literacy, investment preferences, risk perception, and behavioural biases. The thematic coding framework derived from this process is presented in Table 1. These themes provide a basis for discussing how everyday financial practices and behavioural tendencies influence the investment decisions of millennials.

Table 1: Thematic Coding Framework

Code	Theme	Description
FP1	Budgeting & Saving	Monthly budgeting with lifestyle constraints
FP2	Financial Literacy	Understanding of financial instruments
IB1	Investment Preferences	Mutual funds, fixed deposits, growing equity exposure
IB2	Risk Perception	Moderate to high risk aversion
BF1	Behavioral Biases	Herd behavior, loss aversion, recency bias
SI1	Social Influence	Peer and social media impact
LG1	Long-Term Goals	Financial independence, retirement planning

Source: Author's analysis based on primary data collected through semi-structured interviews (N = 100).

VI. Integrated Findings and Analytical Interpretation

The analysis of interviews and observations reveals a noticeable gap between financial participation and financial structuring among working millennials in Mumbai. While most respondents are actively engaged in financial markets, deeper examination suggests that this participation is not always supported by systematic planning.

Table 2: Prevalence of Key Themes Among Respondents (N = 100)

Theme	Respondents Exhibiting Theme	Approx. %	Interpretation
Structured Budgeting	38	38%	Majority lack formal budgeting system
Emergency Fund (Uncalculated)	72	72%	Maintained but not adequacy-based
Clear Retirement Planning	29	29%	Long-term planning weak
Preference for High Returns Over Suitability	60	60%	Performance-driven investing
Influencer/Peer Impact	54	54%	Social contagion evident
Performance-Chasing Behaviour	63	63%	Reactive allocation changes
Understanding of Risk-Adjusted Returns	22	22%	Literacy conceptual, not applied

Source: Author's compilation based on primary data collected through interviews and observations (N = 100).

6.1. Financial Practices: Partial Structure, Limited Precision

As presented in Table 2, only 38% of respondents reported maintaining a structured budgeting system. The remaining majority managed finances informally—tracking expenses mentally or through occasional review rather than consistent documentation. Budgeting, where present, was largely expense-oriented and focused on managing current lifestyle rather than linking income allocation to long-term wealth creation.

Emergency savings appeared relatively common, with 72% indicating that they maintained some form of reserve. However, when asked how the amount was determined, most respondents were unable to relate it to a specific expense multiple or risk calculation. During interactions, several respondents expressed confidence in investment decisions, yet hesitated when discussing risk diversification. The emergency corpus was often described as "adequate" without formal assessment. This suggests awareness of financial prudence, but limited quantitative grounding. Retirement planning was comparatively underdeveloped. Although financial independence was frequently cited as a future aspiration, only 29% of respondents demonstrated clarity regarding retirement corpus estimation or inflation-adjusted calculations. For many, retirement remained a conceptual goal rather than an actionable financial target. Interestingly, this pattern was consistent across respondents irrespective of income level or profession, suggesting that the gap is behavioural rather than purely financial.

6.2. Investment Orientation: Return Focus and Performance Sensitivity

Despite gaps in long-term planning, investment participation was strong. Approximately 60% of respondents showed a clear preference for higher-return instruments over suitability-based allocation. Equity-oriented mutual funds and direct equity investments dominated portfolios. In most interviews, expected returns were discussed more frequently than asset allocation strategy, risk tolerance alignment, or lifecycle considerations.

Performance-chasing behaviour was evident in 63% of respondents. Several participants acknowledged increasing equity exposure during bullish periods and reducing or pausing investments during downturns. Such adjustments were commonly framed as cautious or tactical decisions; however, they reflect short-term responsiveness consistent with behavioural patterns such as recency bias (Kahneman & Tversky, 1979; Barberis & Thaler, 2003). A notable observation during the interviews was that many respondents justified such shifts as 'practical decisions,' even when they deviated from long-term planning logic.

6.3. Influence of Social and Digital Ecosystems

Social and peer influence emerged as a significant factor. As shown in Table 2, 54% of respondents acknowledged that workplace discussions, peer recommendations, or digital financial content shaped their investment decisions. In many cases, investment exploration began through exposure to online financial educators or social media content.

While digital platforms appear to have enhanced accessibility and awareness, they have also contributed to trend-based participation. Some respondents described allocating funds to products that were "popular" or widely discussed without conducting independent suitability evaluation. "This pattern aligns with the broader behavioural theme of herd orientation (Shiller, 2000; Sahi & Arora, 2012)." The influence observed was not necessarily irrational, but it often operated without structured risk assessment.

6.4. Applied Financial Literacy: Conceptual Understanding vs Practical Application

An important observation relates to the difference between conceptual and applied financial literacy. Although many respondents expressed comfort with terms such as compounding, diversification, and inflation, only 22% demonstrated practical integration of risk-adjusted evaluation in their investment decisions.

Return percentages were commonly discussed, yet metrics such as volatility, downside risk, or time-horizon alignment were rarely incorporated into portfolio assessment. This indicates that financial literacy, while present at a conceptual level, does not consistently translate into disciplined portfolio construction (Lusardi & Mitchell, 2014). This reflects a practical disconnect rather than a knowledge gap, where awareness exists but is not translated into disciplined financial action.

6.5. Linking Financial Practice Gaps with Behavioural Tendencies

Table 3 presents a structured mapping between observed financial practice gaps and corresponding behavioural tendencies.

Table 3: Link Between Financial Practices and Observed Investment Behavior

Financial Practice Gap	Observed Investment Outcome	Behavioral Finance Link
No inflation-adjusted corpus estimation	Underestimation of retirement needs	Present bias
Over-reliance on recent market performance	Frequent portfolio switching	Recency bias
Peer-based product discovery	Trend-based allocation	Herd behaviour
Focus on returns, not risk metrics	Undiversified portfolios	Overconfidence
Lack of written goals	Reactive asset allocation	Mental accounting

Source: Author's analysis based on thematic coding of interview responses.

For instance:

- Absence of inflation-adjusted corpus estimation was associated with underestimation of long-term retirement needs, reflecting present-oriented bias.
- Heavy reliance on recent market performance corresponded with frequent portfolio adjustments, consistent with recency bias.
- Peer-driven product discovery often resulted in trend-based allocation decisions, reflecting herd behaviour.
- Strong emphasis on return potential over risk evaluation suggested elements of overconfidence.
- Lack of written financial goals contributed to reactive rather than strategic asset allocation, aligning with mental accounting tendencies.

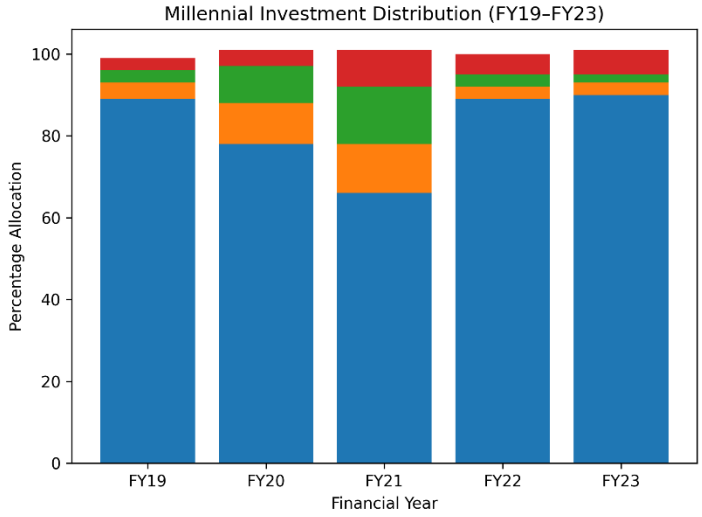
These behavioural patterns did not occur on their own. In most cases, they were linked to weak financial planning or unclear goals. When participants did not have a clear plan, their investment decisions were more influenced by emotions or market trends. In short, the lack of structured planning made behavioural biases stronger.

6.6. Broader Contextual Alignment

Industry evidence provides contextual support to these findings. Data from Computer Age Management Services (CAMS, 2023) indicate that equity-oriented schemes accounted for approximately 60–72% of millennial inflows in recent years. This trend mirrors the return-oriented preferences observed among respondents in the present study. However, high participation in equity markets does not automatically imply long-term stability. The findings suggest that while millennials are comfortable entering markets, consistency in disciplined investment behaviour remains uneven.

Table 4: Millennial Investor Trends and Asset Allocation (FY19–FY23)

Year	Investors	Equity (%)	Debt (%)	Cash (%)	Other (%)
FY19	14,29,863	89	4	3	3
FY20	11,01,274	78	10	9	4
FY21	11,14,960	66	12	14	9
FY22	23,80,642	89	3	3	5
FY23	16,30,096	90	3	2	6



Source: Compiled by the author using data from Computer Age Management Services Limited (2023), Association of Mutual Funds in India (2024), and Securities and Exchange Board of India (2020).

Interpretation: The figure highlights a dominant preference for equity investments among millennial investors across all observed years, ranging from 66 percent to 90 percent. A temporary shift toward diversification is visible in FY21, where allocations to debt and cash increased, indicating heightened risk sensitivity during uncertain market conditions. However, the subsequent years reflect a reversion to equity-heavy portfolios, suggesting renewed market confidence. Overall, the allocation pattern indicates performance-driven investment behavior with limited emphasis on diversification and liquidity instruments. The findings also indicate that financial behaviour among millennials is not uniform and varies significantly based on individual experiences, financial awareness, and risk perception, highlighting the complexity of financial decision-making.

6.7 Overall Interpretation

Taken together, the findings point toward a structural imbalance rather than a knowledge deficit. Millennials in Mumbai are financially active, digitally connected, and willing to invest. Market participation is not the challenge. The challenge lies in integrating income management, long-term goals, risk profiling, and inflation-adjusted planning into a coherent framework.

The issue was not a lack of awareness or access to markets. Instead, the challenge lay in converting that awareness into structured and consistent financial action. Investment behaviour appears energetic and opportunity-driven, yet long-term alignment with financial life-cycle needs remains limited.

This alignment between planning gaps and behavioural tendencies forms the central analytical outcome of the study. It suggests that strengthening structured financial practices may simultaneously moderate reactive investment behaviour.

VII. IMPLICATIONS OF THE STUDY

1. For Millennials: "Invest Smart, Not Just Trendy"

• Plan with purpose: Set up short-term, medium-term, and long-term financial goals. Do not invest in trendy funds alone.

• Build safety nets: Set aside 6-12 months' worth of expenses in emergency funds before investing in high returns.

• Diversify smartly: Combine equity, mutual funds, and fixed income investments to minimize risks and maximize stability.

• Think beyond likes & shares: Check the authenticity of advice from influencers. Invest according to your own goals.

2. For Financial Advisors: "Guide, Don't Just Sell"

• Behaviorally informed guidance: Recognize your clients' biases, such as herd behavior or overconfidence, and advise them to remain disciplined.

• Digital engagement solutions: Leverage apps to illustrate financial goals, monitor investments, and point out gaps in financial planning.

• Advise on habit, not hype: Recommend SIPs, periodic portfolio analysis, and goal-based investing over short-term market trends.

3. For Employers: "Empower Employees Financially"

• Financial wellness initiatives: Conduct training sessions, webinars, or mobile apps on budgeting, investing, and retirement planning.

• Encourage planning: Promote systematic savings, matching contributions, or tax-optimized investment plans.

4. For Policymakers & Fintech Platforms: "Make Smart Investing Easy"

• Effective financial literacy campaigns: Emphasize practical applications—goal-based planning, risk management, and inflation-adjusted planning.

• Transparent online platforms: Display risk levels, charges, and appropriateness for various life stages.

• Encourage discipline: Use gamification for goal accomplishment and reminders to resist impulsive and trend-based investments.

VIII. LIMITATIONS

• The scope of the study is geographically limited to Mumbai, which may not be generalizable to other cities or rural areas.

• The results are based on qualitative data that may be subject to recall bias or social desirability.

• The sample size of 100 may not capture all the variations in the sector and socioeconomic groups of millennials.

IX. FUTURE RESEARCH OPPORTUNITIES

- Mixed-method research designs that integrate qualitative findings with quantitative survey research can be employed to enhance generalizability.
- Comparative research can be undertaken across various metropolitan cities to examine regional differences in millennial financial behavior.
- Longitudinal research can be carried out to examine changes in financial practices, risk perceptions, and investment choices over time.
- The role of new fintech technologies, online investment platforms, and social media influence on the shift in investment behavior can be investigated.

X. CONCLUSION

The millennial generation in Mumbai is actively engaged in financial markets, but their investment patterns are mostly reactive and unorganized. Their investment decisions are often clouded by behavioral patterns, social pressures, and trend following, rather than sound planning and rational decision-making.

The significance of aligning financial literacy with goal-based planning, risk management, and disciplined investment practices is brought out by this study. It is possible to enable the millennial generation to make informed, consistent, and sustainable investment decisions through practical interventions such as advisory services, technology, and workplace financial wellness initiatives. Closing the knowledge gap and translating it into organized action can help the millennial generation improve their individual financial security and also help in the growth of savings in urban India.

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Abbreviations

The following abbreviations are used in the study:

Securities and Exchange Board of India (SEBI) – The regulatory authority overseeing securities markets in India.

Association of Mutual Funds in India (AMFI) – The industry body representing asset management companies in India.

Computer Age Management Services (CAMS) – A registrar and transfer agent providing services to mutual funds and financial institutions in India.

Assets Under Management (AUM) – The total market value of investments managed by a financial institution or mutual fund.

Systematic Investment Plan (SIP) – A method of investing a fixed amount regularly in mutual funds.