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Influence of Demographic Factors on Individual's Investment Decisions in WA Municipality, the Upper West Region of Ghana

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Abstract

"Investment is the obligation of a person's resources to earn income in the form of benefits, pensions, dividends, bonuses, capital appreciation, stock purchase, obligations, and savings certificates in the post office and policies, all of which are certainly investments in the financial sense". Among other elements, investor behavior is also influenced by demographic characteristics; including age, sex, marital status, experience, and knowledge of financial management, level of income and educational level. The case study analysis assesses two main areas of concern. The qualitative and quantitative research methods made use of questionnaires that constituted data collection tools. Both primary and secondary data constituted the data sources for this study. A sample of 300 investors in the municipality of WA was selected using convenience sampling where snow balling was considered. The data collected were quantified using descriptive statistical tables. The SPSS version 25 software was also used in the analysis. The study proved that demographic factors affect investment decisions. It also concluded that, the educational level of respondents was a weak indicator of investment decisions and therefore, does not determine the investment decision for individual investors. The study concluded that the most common investment methods investors invest in are fixed deposits in banks and life insurance policies. It is recommended that individual investors take into account the asymmetry of information, which is the largest contributor to the investor's indifference that leads to investment decisions.

Keywords: *Influence, Demographic Factors, Investment Decisions.*

Introduction

Investing, as I understand is the process of giving up something now for the prospect of getting something in the future. De Long, Shleifer, Summers, and Waldmann, (1990), define investment as "the allocation of financial resources to assets that are expected to yield some positive gains or returns over a period of time." Fama, (1980), claimed that, the total investment process is the mechanism of bringing on-board suppliers (those with more funds) with applicants (those who need funds). Financial institutions often combine suppliers and demanders, and these financial institutions act as financial intermediaries in the financial market. Mishra and Suar, (2010), also claimed that investment is the calculation of current funds or other income for future benefits. In the financial sense, "investment is the guarantee of the individual's resources to profit in the form of interest, pension, profits, premiums or interest, appreciation of the value of their wealth, purchase of shares, debt securities, post office savings certificates and insurance documents, all of which are investments in the financial sense" (Mishra & Suar, 2010).

In the current economic scenario, money is the main cause of all happiness and individuals begin to invest for a safer life and a brighter future (Cumming, Dannhauser, & Johan, 2015). They also claimed that, on the contrary, the most important dilemma is that investors are puzzled in various areas. There are many savings opportunities available in the investor's financial market which can be invested in bank deposits, corporate bonds and bonds, post office savings plans etc., where, there is low risk combined with low yield (Cummins, 2000).

Traditional financial principles assume that investors are persuasive and that people unreasonably choose between choices and that, they act realistically while making savings decisions (Simon, 1979). To a large extent, many researchers have found that individual investors sometimes make illogical decisions about their savings (Barber & Odean, 2013). Barber and Odean, (2013), further claim that

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the various influences affect the behavior of depositors during the process of individual financial management and among other factors, investor behavior is also influenced by demographic characteristics. Different research papers appear to ensure that demographic factors influence the choice of investment and show opposing results from one country to another and from one region to another (Sadiq & Ishaq, 2014).

The main objective of this paper is to examine the degree to which the demographic factors affect the decision-making process of the investor in the municipality of WA in the upper west region of Ghana. This is because most people have lost their money to financial institutions and "susu" (traditional savings and micro credit) schemes, especially in the municipality of WA.

Literature review

Headen and Lee, (1974), examined the effects of financial market performance and the prospects of buyers in buying ordinary life insurance and made sure that the demand for life insurance is inflexible and positively influenced by the diversity of ideas from buyers; interest rates play a role in the short and long term. Truett and Truett, (1990), explored the diversity of growth in consumption of life insurance in Mexico and the United States within the proportionate period between 1964 and 1984. They offered greater flexibility than demand for life insurance in Mexico with low-income levels. Age, education and income have had a major impact on demand for life insurance in both countries.

Jambodekar, (1996), conducted a pilot study to assess the awareness of mutual funds among depositors and to identify the sources of information that stimulate the purchasing decision and the factors that motivate the selection of a particular fund. The study reveals that income schemes and open schemes are more desirable than growth plans and closed schemes during prevailing market conditions.

Geetha and Ramesh, (2011), conducted a study entitled "People's investment pattern" to analyze a group of people's investments in Bangalore. After exploring and clarifying the data, it was ascertained that depositors in Bangalore were more alert to the different investment methods and associated risks. All age groups have given greater attention to capital investment, with the exception of those over 50 years' old who have expressed interest in insurance, fixed deposits and tax savings. In general, investors who invest in capital are those who monitor the stock market personally on a regular basis and on a daily basis. However, those who invested in mutual funds are watching the stock market weekly or periodically. In Bangalore, too, investors are more alert about the many investment paths and associated risks. But in Bhubaneswar, investors are more traditional by nature and want to invest in those less risky ways, such as bank deposits, mail savings, small savings, etc.

Bhushan, (2014), studied the effect of demographic and behavioral makeup on the choice of savings among Indian investors and proved that mutual funds were prevalent among experts, students and self-employed. Retirees have shown their aversion to risk as not being financed by mutual funds and capital. It has also been shown that the more education, the greater the level of understanding of investment multipliers. Graduates and presidents have the standards required to invest in stocks, as well as investment funds.

Nagpal and Bodla, (2009), examined the characteristics of respondents' way of life and their impact on investment preferences. The study revealed that investors' lifestyle essentially determines the risk tolerance of investors. The study showed that despite the remarkable growth in the stock market, individual investors prefer less risky investments, i.e. fixed deposits in banks, life insurance policies, postal services, Public Provident Fund and NSC.

Bhushan and Medury, (2013), studied 1,463 Indian households and put depositors' hobby among major groups of financial assets, such as equity investment, indirect investment through various types of mutual fund schemes, and other types of investment, such as the Exchange trade gold fund, fixed deposits of banks and Public savings schemes. The study provides motivational data on how investors' attitudes towards different types of investment are related to their profits and their performance, diversification of their portfolios and general characteristics of the market parameter as perceived by investors themselves.

Bhushan and Medury, (2013), also investigated "gender differences in investment performance among employees" and found that women were more traditional when investing and risk-taking.

Therefore, women must be offered financial products that are appropriate in terms of risks and performance characteristics. For this, product designers and marketers of these financial products must understand the gender differences in the investment behavior of individuals.

The investigative framework for this research is illustrated in Figure 1 below.

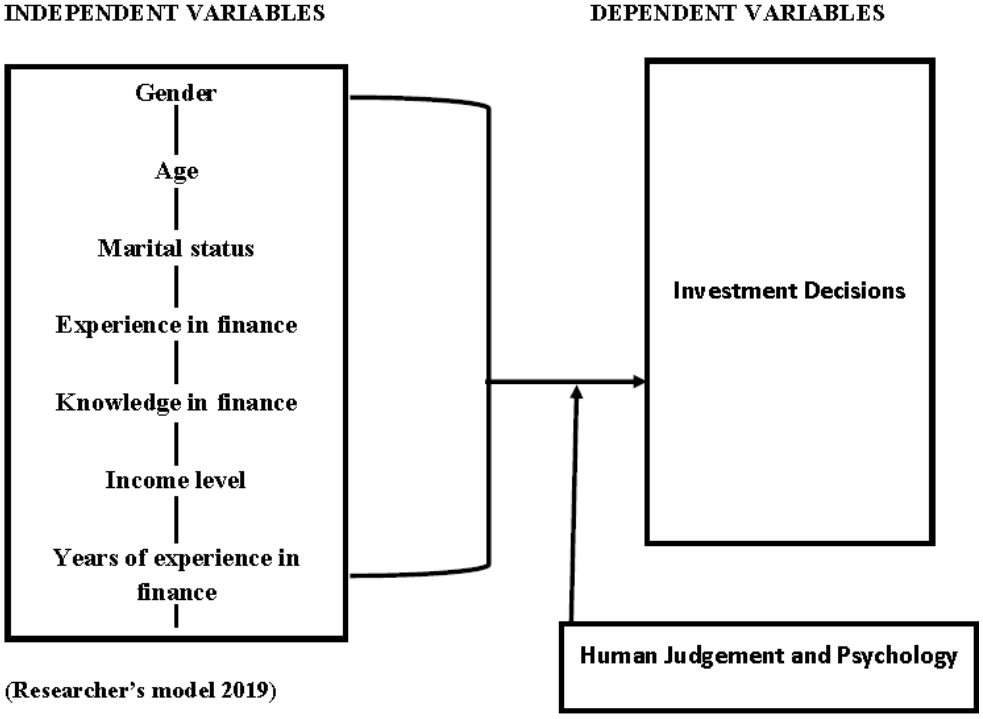

Figure 1. Conceptual frame work

Gender

Among other demographic factors, gender is the first factor of discrimination and categorization (Bajtelsmit & Bernasek, 1996). Due to the role of emotional variables, the risk claim varies between men and women (Loewenstein, Weber, Hsee, & Welch, 2001). In comparison with a male investor, the stores are more risk averse in various activities such as financial decision making (Graham, Stendardi Jr, Myers, & Graham, 2002). They also affirmed that male investors have more confidence in their investment decisions, have more financial knowledge, wealth and tolerance for risk. Some studies have shown that there is no significant gender impact on risk tolerance during financial decisions (Sadiq & Ishaq, 2014).

Age

The investment event or individual shareholder selection process also depends on their age (Pasewark & Riley, 2010). Researchers such as Wang and Hanna, (1997), found that risk aversion is relatively low with age when other variables remain constant. Older people are more at risk than young investors (Kuzniak, Rabbani, Heo, Ruiz-Menjivar, & Grable, 2015). Korniotis and Kumar, (2011), confirm that the young investor cannot accurately assess their work performance compared to the older ones. A divergent view of some researchers such as Sadiq and Ishaq, (2014), has shown that it has increased the age of investors and has led to a reduction in risk tolerance.

Education

The third demographic component, which increased tolerance of financial risks during the selection process, was education (formally acquired academic training) (Sung & Hanna, 1996). Sung and Hana (1996) reported that the level of education acquired and tolerance of risk had a positive relationship. Some researchers found contradictory results, and explored the lack of an important relationship between education and decision-making, as well as risk tolerance (Sung and Hanna, 1996).

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Marital status

Marital status is also an effective factor influencing decision making for investors (Joo & Pauwels, 2002). Single individuals are more vulnerable than married people because married individuals have responsibilities for themselves and their dependents (Waite, 1995). Some studies have not been able to establish a statistically significant relationship between marital status, financial decision and tolerance of risk (Sapienza, Zingales, & Maestripieri, 2009).

Income level

The applicant's income level is also an element that distorts behavior towards investment (Sadiq & Ishaq, 2014). Sadiq and Ishaq (2014), argue that a person with a greater wealth has greater risks. They also stated that people with higher incomes tend to risk more than low-income people. Researchers such as Wang and Hana (1997) found that risk tolerance increases with increased income levels. Depositors deposit their money in a more volatile portfolio consisting of more stocks that are volatile when they have a higher income level (Barber & Odean, 2001). The higher level of income represents the ability to bear losses, so wealthy people want to increase the level of risk (Sadik and Ishaq, 2014).

From a divergent point of view, such as Sung and Hana (1996), income levels have nothing to do with financial decision and risk tolerance.

Methodology

Specifically, a case study exploration was used to evaluate two primary areas of interest: 1. the impact of demographic elements on investor's choice process in the WA municipality of the Upper West Region, Ghana. 2. The utmost desired investment portfolios amongst the investor community. The strategy used for this work was exploratory, with both qualitative and quantitative approach since the data collected would be converted into numerical value for better interpretation. The target population was the individuals selected from the WA Township in the upper west Region of Ghana using convenience sampling. The sample was composed of 300 investors in the WA Municipality of the Upper West Region Ghana, using convenience sampling where snow balling was considered. Both primary and secondary sources of data were used in this study. A survey questionnaire was used to acquire information from the target individuals of the WA Municipality. The data gathered was analyzed quantitatively by using descriptive statistical tables and percentages where correlation and regression were considered. Statistical package for social sciences (SPSS) version 25 software was also used in the analysis.

Analysis and discussion

The researcher needed to know the gender, Age distribution and Educational level of respondents and this is represented in table 1

Table 1 Gender, Age, Education

Variable	**Frequency**	**%**
Gender		
Male	174	58
Female	126	42
Total	**300**	**100**
Age Group		
20-29	73	24
30-39	128	43
40 +	99	33
Total	300	100

Education		
Secondary education	99	33
College education	61	20
University education	84	28
Illiterate Total	56 **100**	19 **100**

Researcher's fieldwork april 2019

From table 1, the total respondents were 300. 174 out of 300 were males representing 58% responds rate. The remaining 126 were females representing 42%. This therefore shows that majority of respondents were males.

From table 1 also, the total respondents were 300. 74 out of 300 were between the ages of 20 to 29 representing 24% responds rate. 128 of the respondents were between the ages of 30 to 39 representing 43% response rate. The remaining 99 respondents were between the ages of 40 and above representing 33%. This therefore shows that majority of respondents were between the ages of 30 to 39.

Again, from table 1 above, the total respondents were 300. 99out of 300 were secondary school graduates representing 33% responds rate. 61 respondents attained college education representing 20% response rate. 84 respondents were university graduate representing 28%. The remaining 56 respondents were illiterates representing 19%. This therefore shows that majority of respondents were secondary school graduates.

Table 2. Marital status

		Frequency	**Percent**
Valid	MARRIED	125	42
	SINGLE	175	58
	Total	300	100

Table 3. Sufficient financial management knowledge

		Frequency	**Percent**
Valid	YES	53	18
	NO	247	82.
	Total	300	100

Researcher's fieldwork April 2019

From table 2 above, the total respondents were 300. 125 out of 300 were married representing 42% responds rate. The remaining 175 respondents were singles representing 58%. This therefore shows that majority of respondents were single.

The researcher again needed to know if respondents have sufficient knowledge in financial management and this is represented in table 3.

From table 3 above, the total respondents were 300. 53 out of 300 respondents have sufficient knowledge in financial management representing 18% responds rate. The remaining 247 respondents claim they do not have sufficient financial management knowledge and this also represent 82% response rate. This therefore shows that majority of respondents have no sufficient knowledge in financial management.

The researcher again needed to know the level of work experience in the field of finance by respondents and this is represented in table 4

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Table 4. experience in the field of finance

		Frequency	Percent
Valid	YES	60	20
	NO	240	80
	Total	300	100

Researcher's fieldwork April 2019

From table 4 above, the total respondents were 300. 60 out of 300 respondents were experience in the field of finance representing 20% response rate. The remaining 240 respondents do not have experience in the field of finance representing 80% response rate. This therefore indicates that majority of respondents were not experience in the field of finance.

The researcher again wanted to know the number of years of respondents in the field of finance and this is represented in table 5 below.

From table 5 below, the total respondents were 300. 64 out of 300 respondents were experience in the field of finance between 1 to 3 years representing 22% response rate. 4 of the respondents also claim their number of years of experience in the field of finance was 4 years and above representing 1% response rate. The remaining 232 respondents do not have experience at all in the field of finance representing 77% response rate. This therefore indicates that majority of respondents were not experience in the field of finance.

Table 5. Number of years of experience in the field of finance

		Frequency	Percent
Valid	1 TO 3 YEARS	64	22
	4YEARS AND ABOVE	4	1
	NIL	232	77
	Total	300	100

Researcher's fieldwork April 2019

The researcher again wanted to know the average income level of respondents and this is represented in table 6 below.

Table 6. Average income level

		Frequency	Percent
Valid	500 TO 1000	56	19
	1100 TO 1500	108	36
	1600 TO 2000	108	36
	2100 ABOVE	28	9
	Total	300	100

From table 6 above, the total respondents were 300. 56 out of 300 respondents claimed their average income was between 500 to 1000 Ghana cedis per month representing 19% response rate. 108 of the respondents also claim their income was between 1100.00 to 1500.00 Ghana cedis per month representing 36% response rate. 108 of the respondents also claim their income was between 1600.00 to 2000.00 Ghana cedis per month representing 36% response rate. The remaining 28 respondents claimed their income was 2100.00 Ghana cedis and above per month representing 9% response rate. This therefore indicates that majority of respondents' income per month were GHS1100.00 to GHS1500.00 and GHS1600 to GHS2000.00.

Linear Regression for the Effect of Demographic factors on individuals' investment decisions.

A linear regression model was carried out in order to indicate the effect of each demographic factors as dependent variables on investment decision by individuals as an independent variable as shown in the Tables below.

Table 7. Effects of gender on investment decisions

ANOVA						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	8.459	5	1.692	7.697	.000[b]
	Residual	64.621	294	.220		
	Total	73.080	299			

a. Dependent Variable: GENDER
b. Predictors: (Constant), Public Provident Fund, Invest in Fixed Deposit (Treasury Bill), Investment in Stock Market, Life Insurance Investment, Invest in Mutual Fund Investment

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.638	.283		9.325	.000
	Investment in Stock Market	.083	.028	.175	2.904	.004
	Invest in Mutual Fund Investment	-.014	.026	-.038	-.541	.589
	Invest in Fixed Deposit (Treasury Bill)	-.163	.044	-.204	-3.684	.000
	Life insurance investment	-.148	.049	-.181	-3.017	.003
	Public Provident Fund	.027	.023	.075	1.157	.248

Researcher's field work April 2019

a. Dependent Variable: Gender

The results of regression model as shown in Table 9 indicated that, the coefficient is taken in to consideration to know the slope and intercept from charging relationships. The unstandardized coefficients are the slope and intercept in the model unit. In trying to predict the level of effects of demographics on investment decisions, it gives an intercept of 2.638. This means that its gives each model 2 standard deviations above the mean. The regression equation can be written as 2.638+.0.83 *investment in stock market -.014*mutual fund investment -.163*investment in fixed deposit-.148*life insurance investment+.027*public provident fund.

From table 7, there was a strong positive relationship between investment in stock and gender since the significant level was 0.004 and less than (0.01). The findings indicated that stock investment .004 is of significance on gender, since this value is statistically significant that means gender is a good predictor in investment decision, stock investment. Thus, in the standardized coefficient, if gender increases by one unit, the decision to invest in stocks will increase by .175 units. It is also found that there was a positive but weak relationship between investment decision, mutual fund investment and gender since the significant level .589, was greater than (0.01). Fixed deposit also indicates a strong positive relationship on gender of investors with a .000 level of significance. Life insurance also indicated a positive relationship on gender of respondents with .003 significance level. Public provident fund indicates a weak positive relationship with .248 significance level, which is greater than .01. The researcher concluded based on the findings of this study that there is a positive relationship between investment decision (stock investment, fixed deposit and life insurance) and gender of individual investors.

Table 8. effects of age on investment decisions

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.165	5	3.633	7.046	.000[b]
	Residual	151.581	294	.516		
	Total	169.747	299			

a. Dependent Variable: Age

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b. Predictors: (Constant), Public Provident Fund, Invest in Fixed Deposit (Treasury Bill), Investment in Stock Market, Life Insurance Investment, Invest in Mutual Fund Investment.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.672	.433		3.859	.000
	Investment in stock market	-.169	.044	-.235	-3.883	.000
	Invest in mutual fund investment	.181	.039	.324	4.632	.000
	Invest in fixed deposit (treasury bill)	.079	.068	.065	1.163	.246
	Life insurance investment	.039	.075	.032	.525	.600
	Public provident fund	-.097	.036	-.177	-2.710	.007

a. Dependent Variable: Age

The results of regression model as shown in Table 10 indicated that, the coefficient is taken in to consideration to know the slope and intercept from charging relationships. The unstandardized coefficients are the slope and intercept in the model unit. In trying to predict the level of effects of age of investors on investment decisions, it gives an intercept of 1.672. This means that its gives each model 1 standard deviation above the mean. The regression equation can be written as this 1.672-.169 *investment in stock market +.181*mutual fund investment +.079*investment in fixed deposit+.039*life insurance investment+.097*public provident fund.

From table 8, there was a strong positive relationship between investment in stock and age of respondents since the significant level was 0.000 and less than (0.01). The findings indicated that stock investment .000 is of significance on age of respondents, since this value is statistically significant, that means age is a good predictor in investment decision, stock investment. It is also found that there was a strong positive relationship between investment decision mutual fund investment and age since the significant level .000 was less than (0.01). Fixed deposit also indicates a weak positive relationship on age of investors with a .246 level of significance. Life insurance also indicated a weak positive relationship on age of respondents with .600 significance level. Public provident fund indicates a strong positive relationship with .007 significance level, which is greater than .01. The researcher concluded based on the findings of this study that there is a positive relationship between investment decisions; stock investment, mutual fund and public provident fund and gender of individual investors.

Table 9. Effects of marital status on investment decisions by investors

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.427	5	1.685	7.684	.000[b]
	Residual	64.489	294	.219		
	Total	72.917	299			

a. Dependent Variable: MARITAL STATUS

b. Predictors: (Constant), Public Provident Fund, Invest in Fixed Deposit (Treasury Bill), Investment in Stock Market, Life Insurance Investment, Invest in Mutual Fund Investment

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.483	.283		8.783	.000
	Investment in stock market	-.093	.028	-.197	-3.262	.001
	Invest in mutual fund investment	.005	.025	.013	.184	.854
	Invest in fixed deposit (treasury bill)	-.051	.044	-.065	-1.164	.246
	Life insurance investment	-.184	.049	-.225	-3.761	.000
	Public provident fund	.098	.023	.273	4.209	.000

a. Dependent Variable: MARITAL STATUS

The results of regression model as shown in Table 9 indicated that, the coefficient is taken in to consideration to know the slope and intercept from charging relationships. The unstandardized coefficients are the slope and intercept in the model unit. In trying to predict the level of effects of marital status of investors on investment decisions, it gives an intercept of 2.483. This means that it gives each model 2 standard deviation above the mean. The regression equation can be written as this 2.483-.093 *investment in stock market +.005*mutual fund investment -.051*investment in fixed deposit-.184*life insurance investment+.098*public provident fund.

From table 9, there was a strong positive relationship between investment in stock and marital status of respondents since the significant level was 0.001 and less than (0.01). The findings indicated that stock investment .001 is of significance on marital status of respondents, since this value is statistically significant that means marital status is a good predictor in investment decision stock investment. It is also found that there was a weak positive relationship between investment decision mutual fund investment and marital status since the significant level .854, was greater than (0.01). Fixed deposit also indicates a weak positive relationship on marital status of investors with a .246 level of significance. Life insurance also indicated a strong positive relationship on marital status of respondents with .000 significance level. Public provident fund indicates a strong positive relationship with .000 significance level, which is greater than .01. The researcher concluded based on the findings of this study that there is a positive relationship between investment decisions stock investment, mutual fund and public provident fund and marital status of individual investors.

Table 10. Effect of level of education on investment decision

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.465	5	7.093	6.130	.000[b]
	Residual	340.172	294	1.157		
	Total	375.637	299			

a. Dependent Variable: HIGHEST LEVEL OF EDUCATION

b. Predictors: (Constant), Public Provident Fund, Invest in Fixed Deposit (Treasury Bill), Investment in Stock Market, Life Insurance Investment, Invest in Mutual Fund Investment

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.138	.649		4.834	.000
	Investment in Stock Market	-.327	.065	-.305	-4.997	.000

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	Invest in Mutual Fund Investment	.009	.059	.011	.155	.877
	Invest in Fixed Deposit (Treasury Bill)	-.144	.101	-.080	-1.421	.156
	Life Insurance Investment	.002	.113	.001	.018	.986
	Public Provident Fund	.127	.053	.157	2.382	.018

a. Dependent Variable: Highest Level of Education

The results of regression model as shown in Table 10 above indicated that, the coefficient is taken in to consideration to know the slope and intercept from charging relationships. The unstandardized coefficients are the slope and intercept in the model unit. In trying to predict the level of effects of level of education of investors on investment decisions, it gives an intercept of 3.138. This means that it gives each model 3 standard deviation above the mean. The regression equation can be written as this 3.138-.327 *investment in stock market +.009*mutual fund investment -.144*investment in fixed deposit+.002*life insurance investment+.122*public provident fund.

From table 10, there was a strong positive relationship between investment in stock and level of education of respondents since the significant level was 0.000 and less than (0.01). The findings indicated that stock investment .000 is of significance on level of education of respondents, since this value is statistically significant that means level of education is a good predictor in investment decision stock investment. It is also found that there was a weak positive relationship between investment decision mutual fund investment and level of education since the significant level .877, was greater than (0.01). Fixed deposit also indicates a weak positive relationship on level of education of investors with a .156 level of significance. Life insurance also indicated a strong positive relationship on marital status of respondents with .986 significance level. Public provident fund indicates a strong positive relationship with .018 significance level, which is slightly greater than .01. The researcher concluded based on the findings of this study that there is a positive relationship between investment decisions stock investment, mutual fund and public provident fund and level of education of individual investors.

Table 11. Effects of financial management knowledge on investment decision

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.531	5	.306	2.138	.061[b]
	Residual	42.105	294	.143		
	Total	43.637	299			

a. Dependent Variable: Do You Have Sufficient Financial Management Knowledge?

b. Predictors: (Constant), Public Provident Fund, Invest in Fixed Deposit (Treasury Bill), Investment in Stock Market, Life Insurance Investment, Invest in Mutual Fund Investment

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.832	.228		8.022	.000
	Investment in stock market	-.074	.023	-.202	-3.205	.002
	Invest in mutual fund investment	.028	.021	.099	1.360	.175
	Invest in fixed deposit (treasury bill)	.012	.036	.020	.350	.727
	Life insurance investment	-.006	.040	-.010	-.158	.875
	Public provident fund	.006	.019	.023	.332	.740

a. Dependent Variable: Sufficient Financial Management Knowledge

The results of regression model as shown in Table 11 above indicated that, the coefficient is taken in to consideration to know the slope and intercept from charging relationships. The unstandardized

coefficients are the slope and intercept in the model unit. In trying to predict the level of effects of knowledge in financial management of investors on investment decisions, it gives an intercept of 3.138. This means that it gives each model 1 standard deviation above the mean. The regression equation can be written as this 1.832-.074 *investment in stock market +.028*mutual fund investment +.012*investment in fixed deposit-.006*life insurance investment+.006*public provident fund.

From table 11, there was a strong positive relationship between investment in stock and level of knowledge in financial management of respondents since the significant level was 0.002 and less than (0.01). The findings indicated that stock investment .002 is of significance on knowledge of financial management of respondents, since this value is statistically significant that means knowledge in financial management of individual investors is a good predictor in investment decision, stock investment. It is also found that there was a weak positive relationship between investment decision mutual fund investment and knowledge in financial management of investors since the significant level .175, was greater than (0.01). Fixed deposit also indicates a weak positive relationship on knowledge in financial management of investors with a .727 level of significance. Life insurance also indicated a weak positive relationship on knowledge in financial management of investors with .875 significance level. Public provident fund indicates a weak positive relationship with .740 significance level, which is greater than .01. The researcher concluded based on the findings of this study that there is a weak predictor and weak positive relationship between investment decisions and knowledge in financial management of investors.

Table 12. Effects of monthly income of respondents on investment decision.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.682	5	6.536	9.400	.000[b]
	Residual	204.438	294	.695		
	Total	237.120	299			

a. Dependent Variable: Monthly Income Level

b. Predictors: (Constant), Public Provident Fund, Invest in Fixed Deposit (Treasury Bill), Investment in Stock Market, Life Insurance Investment, Invest in Mutual Fund Investment

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.113	.503		.225	.822
	Investment in stock market	-.026	.051	-.030	-.512	.609
	Invest in mutual fund investment	.116	.045	.175	2.545	.011
	Invest in fixed deposit (treasury bill)	.014	.078	.010	.182	.856
	Life insurance investment	.359	.087	.244	4.120	.000
	Public provident fund	.039	.041	.060	.934	.351

Researcher's fieldwork April 2019

a. Dependent Variable: Monthly Income Level

The results of regression model as shown in Table 12 indicated that, the coefficient is taken in to consideration to know the slope and intercept from charging relationships. The unstandardized coefficients are the slope and intercept in the model unit. In trying to predict the level of effects of level of education of investors on investment decisions, it gives an intercept of .113. This means that it gives each model no standard deviation above the mean. The regression equation can be written as this .113-.026 *investment in stock market +.116*mutual fund investment +.014*investment in fixed deposit+.359*life insurance investment+.039*public provident fund.

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From table 12, there was a weak positive relationship between investment in stock and monthly income level of respondents since the significant level was .609. The findings indicated that stock investment .609 is of weak significance on monthly income level of respondents, since this value is a weak statistically significant, that means monthly income level of respondents is weak a predictor in investment decision, stock investment. It is also found that there was a strong positive relationship between investment decision mutual fund investment and level of education since the significant level .011, was slightly greater than (0.01). Fixed deposit also indicates a weak positive relationship on monthly income level of respondents with a .856 level of significance. Life insurance also indicated a strong positive relationship on monthly income level of respondents with .000 significance level. Public provident fund indicates a weak positive relationship with .351 significance level, which is greater than .01. The researcher concluded based on the findings of this study that there is a positive relationship between investment decisions and monthly income level of respondents.

Table 13. The most preferred investment avenues by investors.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Investment in Stock Market	300	1.00	5.00	2.1167	1.04564
Invest in Mutual Fund Investment	300	1.00	5.00	3.3433	1.34840
Invest in Fixed Deposit (Treasury Bill)	300	2.00	5.00	4.6567	.62189
Life insurance investment	300	1.00	5.00	4.7167	.60355
Public provident fund	300	1.00	5.00	3.9767	1.37930
Valid N (listwise)	300				

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From Table 13 above, the standard deviation measures the concentration of data around the mean. More deviation, lower standard deviation therefore, the standard deviation is affected by extreme values (low or very high numbers in the data set). This is because the standard deviation depends on the distance from the center. This means that the small standard deviation means that the data set is close to the mean of the data set, on average, and the large standard deviation points out that the values in the data set are far from mean, on average.

From the findings in table 13 above, the respondents indicated stock investment as most preferred investment avenue to invest in. This is largely as indicated by a mean of 2.1167, standard deviation of 1.04564 minimum value 1 and maximum value of 5. Standard deviation of 1.04564 is close to the mean of 2.1167 on average. This therefore indicates that stock investment is not the most preferred investment avenue by investors.

The findings also revealed that, mutual fund is not also the most preferred investment avenue by investors. This is indicated by a mean of 3.3433, standard deviation of 1.34840. Standard deviation of 1.34840 is close to the mean on average. This therefore indicates that mutual fund is not the most preferred investment by investors.

Again, from the table fixed deposit is indicated as a most preferred investment avenue by investors as indicated by a mean of 4.6567, standard deviation of .62189. Standard deviation of .62189 is far away from the mean on average. This therefore indicates that fixed deposit is a most preferred investment avenue by investors.

The respondents also indicated life insurance as the most preferred investment avenue to invest in. This is indicated by a mean of 4.7167 and standard deviation of .60355. Standard deviation of .60355 is far away from the mean on average. This therefore indicates that life insurance is the most preferred investment avenue by investors.

The results also revealed that public provident fund is not a most preferred investment avenue by respondents. This is indicated by a mean of 3.9767 and a standard deviation of 1.37930. Standard deviation of 3.9767 is close to the mean on average. This therefore indicates that public provident fund is not a most preferred investment avenue by investors.

From the study, it can therefore be concluded that, fixed deposit and life insurance are the most preferred investment avenues by respondents.

Summery and discussion of results.

The findings to this study are summarized below:

1. Majority of respondents were males.
2. Majority of respondents were single.
3. Majority of respondents were secondary school graduates.
4. Majority of respondents were secondary school graduates.
5. Majority of respondents have no sufficient knowledge in financial management.
6. Majority of respondents were not experience in the field of finance.
7. Majority of respondents were not experience in the field of finance.
8. Majority of respondents' income per month were ghs1100.00 to ghs1500.00 and ghs1600 to ghs2000.00.
9. There is a positive relationship between investment decision (stock investment, fixed deposit and life insurance) and gender of individual investors.
10. There is a positive relationship between investment decisions (stock investment, mutual fund and public provident fund) and gender of individual investors.
11. There is a positive relationship between investment decisions stock investment, mutual fund and public provident fund and marital status of individual investors.
12. There is a positive relationship between investment decisions stock investment, mutual fund and public provident fund and level of education of individual investors.
13. There is a weak predictor and weak positive relationship between investment decisions and knowledge in financial management of investors
14. There is a positive relationship between investment decisions and monthly income level of respondents
15. Fixed deposit and life insurance are the most preferred investment avenues by respondents.

The findings to this study are discussed below:

The effect of demographic factors on investor's decisions in WA municipality of the Upper West Region Ghana.

The study first objective was to investigate the effects of demographic factors on investors' decisions in WA municipality of upper west region of Ghana. The study established that, there is a positive relationship between investment decision (stock investment, fixed deposit and life insurance) and gender of individual investors. There is also a positive relationship between investment decisions (stock investment, mutual fund and public provident fund) and gender of individual investors. The study again established that, there is a positive relationship between investment decisions stock investment, mutual fund and public provident fund and marital status of individual investors. There is also a positive relationship between investment decisions stock investment, mutual fund and public provident fund and level of education of individual investors. Again, there is a weak predictor and weak positive relationship between investment decisions and knowledge in financial management of investors. There is also a positive relationship between investment decisions and monthly income level of respondents. This confirms Headen and Lee (1974), study that age, gender, marital status, and income level affect investment decisions: life insurance, time deposits, mutual funds, and public savings. Sadik and Ishaq, (2014), study also posits that, the level of education obtained and tolerance of risk have a positive relationship however, there are also conflicting results in this study, which explore the fact that there is no significant relationship between education and decision-making.

The most preferred Investment Avenue by investors

The second objective was also to examine the most preferred investment avenue by investors in the Wa Municipality of the upper west region of Ghana. The study therefore confirms the study conducted by Nagpal and Bodla, (2009), which concludes that investor lifestyles often determine the ability of investors to take risks. Nagpal and Bodla (2009) found that despite the phenomenal growth

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in the stock market, individual investors prefer less risky investments, i.e. life insurance policies, fixed deposits in banks, post offices, PPF and NSC.

Conclusion

From the study, it can be concluded that demographic factors affect investment decisions. The study established that gender, age, income level, marital status and financial management knowledge have a positive relationship with investment decisions; life insurance policies, fixed deposits, mutual fund, stock investment and public provident fund. This means that, the demographic factors determine the extent to which individuals invest in the avenues above. It is also concluded that educational level of respondents was a weak predictor of investment decisions and hence does not determine investment decision of individual investors. The study finally concluded that the most preferred investment avenues investors invest in includes fixed deposit with banks and life insurance policies.

Recommendations for practice and future research

From this study, the researcher recommends a few approaches.

From the study, demographic factors affect investment decisions hence it is recommended that individual investors should be mindful of information asymmetry, which is the biggest contributor of investor apathy that leads to investment decisions. The regulatory bodies to aid investors in making a better-informed investment decision should therefore disseminate investment information.

Also, for future researches it is recommended that the study be verified among other regions of Ghana to ascertain the effects of demographic factors on investment decisions by individual investors

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