

Impact of Demographic Determinants and Risk Tolerance on Investors of Raipur city, Chhatisgarh.

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- **Abstract:** The concept of 'risk tolerance' means the ability of an investor to take risks while investing in various investment options. There are a lot of investment options available to investors while some like to invest in gold and real estate others prefer to invest in equity markets and these decisions are highly impacted by psychological and behavioral factors. The current study tries to discover the impact of demographic determinants and risk tolerance that plays a crucial role in investor's decision making. The evolution of behavioral finance has brought about a revolution in the finance industry and risk is an inevitable part of this industry. Demographic determinants such as age, gender, earning class, profession and investment experience, and risk tolerance have a deep impact on an investor's decision making. Applying structural pivot analysis to data collected from 200 respondents of Raipur city, Chhattisgarh we found a notable relationship between certain demographic factors and risk tolerance. The factors such as occupation, gender, and income class illustrates a positive correlation between risk tolerance and investor behavior while others, such as age and investment experience illustrates a negative correlation between risk tolerance and investor behavior.
- **Keywords:** illustrates, decision making, behavioral finance, risk tolerance