Factors Affecting Risk Attitude and Investors' Happiness of Newly Employed Individuals

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Abstract

Purpose : This study aimed to evaluate the impact of risk attitude and holding risk-free and risky assets on investors' happiness. It also aimed to study investors' demographic differences in risk attitude and happiness. Evaluation of the impact of age and family size of investors on their risk attitudes was another aim of this study.

Methodology : This study evaluated the impact of three independent variables, viz, holding risk-free assets, holding risky assets, and risk attitude on one dependent variable, i.e., investors' happiness with an investment decision. A sample survey of 409 newly employed individuals having work experience of less than five years was conducted in Vidarbha, India. The data was analyzed by using multiple regression and MANOVA using the SPSS software.

Findings : Investor satisfaction has been demonstrated to have a modest, positive, and significant association with risk attitude. The contentment of investors was significantly impacted by both holding risk-free and risky assets. It was discovered that there were significant gender differences in investors' happiness. Nonetheless, there was no discernible variation in investors' levels of enjoyment based on their income or marital status.

Practical Implications : This research has significant implications for managers in understanding the various facets of the investment behavior of youth and demographic differences in their investment behavior. Financial advisors would be able to plan their sales pitches by referring to the results.

Originality : In contrast to earlier studies on behavioral finance, the current work examined the topics of investment behavior in the Indian setting, with a focus on risk attitude, involvement in the financial market, and satisfaction of recently hired people.

Keywords : **risk attitude, risky assets, risk-free assets, financial market participation, happiness**

JEL Classification Codes : G11, G40, G41

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It is widely accepted that one of the most important indicators of a nation's economic progress is its level of financial development (Mahapatra et al., 2017). Individuals can participate in the financial market to attain financial development. The existing data on financial markets reveals that participation in financial markets is extremely limited in developing nations (Özbilgin, 2010). India is a growing economy where, despite strong savings rates and forward-thinking policies, equity product penetration is quite low (Sivaramakrishnan et al., 2017). In addition, the percentage of Indians who participate in the stock market is still rather low at less than 6%, despite significant incentives and focused marketing emphasizing the advantages of equity investments (Sivaramakrishnan & Srivastava, 2019). According to Sivaramakrishnan and Srivastava (2019), the household stockholding rate was found to be 17.5% in China, 15% in the USA, and 23% in Europe in 2010.

A Demat account is a sign of direct stock market engagement, and only 1.7% of Indians have one, compared to 17.7% in the US, 16.4% in the UK, and 9.4% in China (Kumari, 2017). A significant number of people in India between the ages of 24 and 39 recently created new Demat accounts, according to SEBI data (Rana, 2022). This may indicate a recent surge in the number of Demat account openings in India, especially among youth. As a result, more people will have access to the stock market, which could eventually lead to an increase in the number of participants in the Indian financial system.

Research Problem

Scholars in the fields of finance and economics have been investigating a range of matters pertaining to investment behavior. Three trends that are becoming more and more popular include risk attitudes, retail investor participation in financial markets, and investor happiness. India is a young nation, as seen by its demographics, with nearly half of its citizens under 25 (Ghate & Robertson, 2015). This suggests that a significant portion of the population of the nation is young. Additionally, Indian investors are unique, making it difficult to forecast their actions (Ramesh et al., 2019). In light of this, we have decided to look into the investment practices and degree of involvement of these young professionals, especially those who have just recently begun working in the financial markets.

Research Gap

Previous research was done on the following topics: financial literacy (Nag & Shah, 2022), sentiments (Kumar & Lee, 2006), herding behavior (Hsieh et al., 2020), informativeness (Farrell et al., 2022), financial behavior (Vaghela et al., 2023), financial inclusion (Tandon & Singh, 2021), financial behavior (Vaghela et al., 2023), and attention (Colaco et al., 2017). The current study, however, aims to learn more about the investment behavior of recently hired people, particularly their involvement in financial markets, risk tolerance, and level of pleasure. The work of Chen et al. (2020) has an impact on this study. Still, we considered the Indian context of recently hired workers in addition to a host of other factors related to investors' satisfaction in their investigation.

Research Aim/Purpose

This study endeavors to determine the extent of holding risky and risk-free assets by newly employed individuals. This study aims to evaluate the impact of risk attitude and holding risky and risk-free assets on investors' happiness. We also wish to study their demographic differences (gender, marital status, and income) in risk attitude and happiness. Another goal of this study is to evaluate how investors' risk perceptions are affected by factors like age and family size.

Research Questions

The following research questions are addressed in this study:

- ***RQ1 :*** What is the degree of holding risky and risk-free assets by newly employed individuals in India?
- ***RQ2 :*** What impact do risk-taking behavior and the possession of both risky and risk-free assets have on the pleasure of investors?
- ***RQ3 :*** Do the risk attitude and satisfaction of recently hired persons vary based on factors such as gender, marital status, and income?
- ***RQ4 :*** Does the size of their family and age affect the risk attitudes of recently hired individual investors?

Literature Review and Hypotheses Formulation

Investors' Happiness

Strack et al. (1991) described happiness as a state of joy or as a state of satisfaction. Joy is an emotion, while satisfaction is a cognition. We wish to empirically assess investors' happiness with investment decisions. Investors' happiness is often viewed as a result of the spending opportunities provided by investment returns (Merkle et al., 2014). Argyle (2001) asserted that a gauge of happiness is subjective well-being. Numerous factors have been studied in the past that affect investors' happiness, including stockholding (Rao et al., 2016), past market and portfolio returns (Merkle et al., 2014), investment horizon (Merkle et al., 2014), subjective portfolio risk (Merkle et al., 2014), and investors' sentiments (Bouri et al., 2022). Bouri et al. (2022) studied the return and volatility spillovers across global stock markets, whereas Delis and Mylonidis (2015) studied the effect of investors' happiness on households' financial decisions. Additionally, Kochhar (2024) investigated the financial behavior and well-being of research academics. Prior research has typically examined investors' satisfaction as a significant element when examining investors' behavior. As a result, the researchers decided to focus on saving and forward-thinking investing practices in this investigation.

Holding Risky Assets and Investors' Happiness

People invest their money in the financial market for wealth creation. Financial assets include things like cash or bank deposits, equities, bonds, and mutual funds (Qiao & Cai, 2023). Different assets contain different levels of risk. Broadly, financial assets can be classified as risk-free and risky assets. Stocks and mutual funds comprise different levels of risk; however, financial assets such as cash or bank deposits are secured in their par value (Qiao & Cai, 2023). Various prior studies have studied the relationship between financial market participation and subjective well-being. Rao et al. (2016) found that investing in stocks or mutual funds is strongly associated with happiness. Merkle et al. (2014) explored the relationship between portfolio risk and happiness.

Interestingly, Apergis et al. (2019) concluded that higher levels of happiness lead to higher shares of risky assets in financial portfolios. Qiao and Cai (2023) reported that the value of holding stocks and funds has no significant effect on improving happiness. Stock market participation is considered an indicator of consumer financial well-being (Xia et al., 2014). Based on the above studies, it seems that investments in stocks and mutual funds are associated with happiness. Hence, the following hypothesis is formulated:

- **H01 :** There is no significant relationship between holding risky assets and investors' happiness.

Holding Risk-Free Assets and Investors' Happiness

Individual subjective well-being was regarded as important because investing and retaining risk-free assets may be considered a stable type of wealth (Chen et al., 2020). There is some literature to provide supporting evidence for the view that holding risk-free assets has an association with happiness. Qiao and Cai (2023) proved that the value of certificates of deposit has a significant effect on improving happiness. Shim et al. (2012) evaluated the impact of savings on young adults' well-being. An American study of workers and retirees found that those who began saving for retirement had greater health and well-being than those who did not (Noone et al., 2009). Similarly, Brown et al. (2005) discovered that heads of British homes who saved money each year had a stronger feeling of well-being than those who did not. The following hypothesis is put forth while taking into account the prior empirical support:

- **H02 :** There is no significant relationship between holding risk-free assets and investors' happiness.

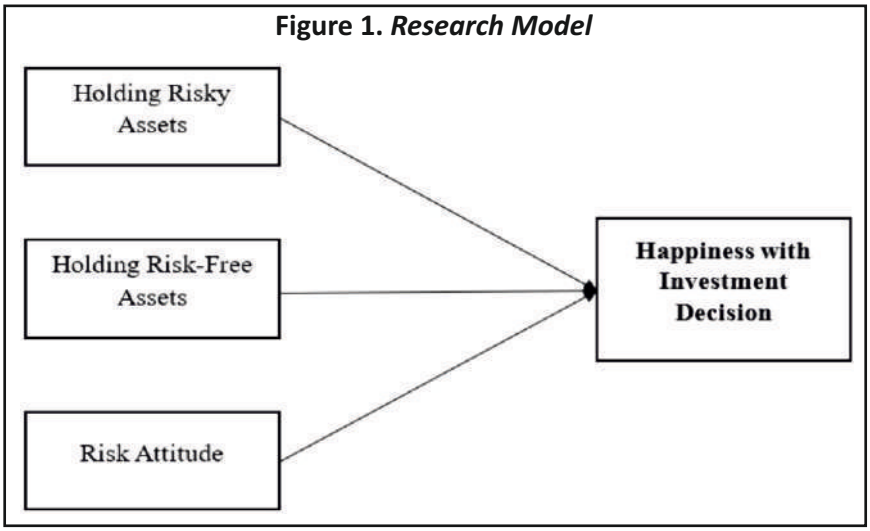
Risk Attitude and Investors' Happiness

The extent to which a person is inclined to take on financial risk is known as their risk attitude (Chen et al., 2020). We attempted to measure risk attitude. Individual risk attitudes must be assessed for various managerial and financial decision-making areas (Fellner & Maciejovsky, 2007). Apergis et al. (2019) suggested that happiness plays a vital role in financial decisions because it can influence risk tolerance. Similarly, Saurabh and Nandan (2019) examined the impact of financial knowledge and financial socialization on the financial satisfaction of an individual. Rodrigues and Gopalakrishna (2023) studied the predictors of financial risk-taking propensity among working adults. The study was conducted in Tier II cities in India. Coleman (2003) has also focussed on relating risk attitude to the willingness to hold risky assets. Similarly, Shim et al. (2012) evaluated the impact of financial attitude and financial well-being of young adults. Therefore, the following hypothesis is formulated:

- **H03 :** There is no significant relationship between risk attitude and investors' happiness.

The suggested correlation between the independent and dependent variables used for this investigation is illustrated in Figure 1. Moreover, we have chosen to assess the demographic variations in investors' satisfaction and risk attitude.

Figure 1. ***Research Model***



Impact of Socio-Demographic Factors on Investors' Happiness and Risk Attitude

There isn't much literature to provide supporting evidence to the socio-demographic factors on investors' happiness and risk attitude. However, a few previous studies attempted to explore these associations. For instance, Kannadhasan (2015) investigated whether demographic parameters such as gender, age, marital status, income, occupation, and education, alone or in combination, could be utilized to differentiate among retail investors in terms of financial risk tolerance (FRT) and risk-taking behavior (FRB). Similarly, Grable (1997) investigated whether the factors of gender, age, marital status, occupation, self-employment, income, race, and education might be used alone or in combination to distinguish between levels of investor risk tolerance. Bollen and Posavac (2018) studied the impact of gender on asset allocation recommendations.

Similarly, Manzoor et al. (2023) evaluated the impact of demographic characteristics on the investment behavior of individual investors in North India. Against this backdrop, an empirical investigation on the impact of demographic variables viz gender, marital status, age, income, and family size is required. Hence, the following hypotheses are formulated:

- **H04 :** There is no gender difference in investors' happiness.
- **H05 :** There is no gender difference in risk attitude.
- **H06 :** There is no significant difference in investors' happiness according to marital status.
- **H07 :** There is no significant difference in risk attitude according to marital status.
- **H08 :** There is no significant difference in investors' happiness according to income.
- **H09 :** There is no significant difference in risk attitude according to income.
- **H010 :** There is no impact of the age of the investors on their risk attitude.
- **H011 :** There is no impact of the family size of the investors on their risk attitude.

Methodology

Type of Research and Sampling

This is an empirical investigation based on the applications of descriptive research design. A sample survey of recently hired people with less than five years of work experience was carried out. Most of the participants are residents of Vidarbha, a geographic region in Maharashtra State, India. The sample size was determined by using Cochran's (Cochran, 1977) formula for an infinite population with a 95% confidence level and 5% sampling error. The minimum sample size computed by using Cochran's formula was 384. The researchers surveyed 409 newly employed individuals, which is much above the minimum sample size required. Snowball and purposive sampling strategies were used to choose the participants. In particular, when the target population is infinite, both non-probability sampling strategies are applied. Table 1 provides information on the sample characteristics.

Table 1. ***Sample Characteristics***

Characteristics	Choices	No. of Respondents	%
Gender	Male	173	42
	Female	236	58

Marital Status	Married	60	15
	Unmarried	349	85
Education	Under Graduate	35	09
	Graduate	88	21
	Post Graduate	286	70
Monthly Gross Income (in ₹)	Below ₹ 25,000	175	43
	Between ₹ 26,000 – ₹ 50,000	207	51
	Above ₹ 50,000	27	06
Work Experience (in years)	Less than 1 year	35	09
	1 – 3 years	317	77
	3 – 5 years	57	14

N = 409.

Measures

The data was gathered from June 19, 2023 to July 12, 2023 by administering a well-structured questionnaire designed by the researchers. As mentioned earlier, this study is highly inspired by the work of Chen et al. (2020). The survey instrument constitutes the socio-demographic characteristics viz; gender, age, education, marital status, occupation, work experience, and family size. Holding risky and non-risky assets were the two factors used to gauge the respondents' involvement in the financial market. The sources of these two scales were Chen et al. (2020). First, it was inquired of the respondents if they had ever made any investments in investment products. Subsequently, their behavior as holding risk-free assets was measured by asking them whether they had a savings account or a fixed deposit account. The responses were measured on a binary scale of "yes" and "no" type.

Similarly, the respondents' behavior in holding risky assets was measured by asking them whether they had invested in stocks or mutual funds. The responses were measured on a binary scale of "yes" and "no" type. Both these variables were coded as 0 for not performing the activity and 1 for performing the activity.

The pleasure scale for investment decisions was taken from Larsen et al. (1985). It is a single item 5-point scale ranging from *"very unhappy"* to *"very happy."* The respondents were asked, "How do you feel how happy you are with your investment decision?" The risk attitude scale was adapted from Chen et al. (2020), which is made up of a single item. The risk attitude is a single-item 5-point scale ranging from "not willing to take any risk" to "high risk and high return project." The question was worded as "What extent of risk are you willing to take while choosing investment products?"

Every scale was changed to fit the parameters of the research project. Ten respondents were then asked to pre-test the questionnaire in order to analyze the questions' appropriateness and intelligibility. After pre-testing, a few questions were changed to ensure that the most pertinent data was gathered. As the scales on "risk attitude" and "happiness with investment decision" are made up of a single item and the scales on "holding risky assets" and "holding risk-free assets" are binary responses; therefore, the reliability measure Cronbach's alpha was not computed.

Data Collection

The questionnaire was subsequently transformed into an electronic Google survey form (Linge et al., 2023). Telephone numbers of the potential respondents were gathered by using numerous known respondents. The prospective respondents received a link to the electronic survey form in each of their personal WhatsApp

windows. Following the questionnaire, the participants were requested to provide the contact information of prospective respondents. The link was also posted in the various relevant WhatsApp groups to generate maximum responses.

Additionally, the link was asked to be forwarded to any known potential contacts of the respondents. Also, they were asked to share the link in the pertinent and well-known WhatsApp groups to which they belonged. A regular follow-up was taken by initiating telephone calls. The potential respondents were motivated to participate in the survey throughout the data collection period. Data analysis is done by using linear multiple regression and multivariate analysis of variance (MANOVA) using the SPSS computer program.

Analysis and Results

The sample constitutes 173 (42%) male and 236 (58%) female investors. A total of 60 (15%) married and 349 (85%) unmarried investors were there in the sample. In terms of respondents' educational backgrounds, there were 35 (09%) undergrads, 88 (21%) and 286 (70%) postgrads. A total of 175 (43%) respondents earned less than ₹ 25,000 per month, 207 (51%) earned between ₹ 26,000/- to ₹ 50,000/- per month, and only 27 (6%) respondents earned more than ₹ 50,000/- in a month. A total of 35 (9%) respondents possessed work experience of less than one year, 317 (77%) possessed 1–3 years of work experience, and 57 (14%) respondents possessed 3–5 years of work experience.

Participation in the Financial Market

Table 2 indicates that 93% of newly employed individuals had participated in the financial markets. The statistics on holding risk-free assets show that 98% of the participants had savings accounts either in a bank or post office. Interestingly, it was found that only 40% of the newly employed young investors invested in fixed deposit schemes. A total of 98% of the participants held either a savings account or an FD. Only 54% of young investors who had recently started their careers bought shares, and 86% invested in mutual fund schemes when it came to holding riskier assets. A total of 92% of the participants invested either in a share or in a mutual fund scheme.

Table 2. ***Financial Market Participation***

Characteristics	Choices	No. of Respondents	%
Investment in any financial product	Yes	380	93
	No	29	07
	Total	409	100
Holding Risk-Free Assets			
Having a savings account with	Yes	399	98
a bank or post office	No	10	02
	Total	409	100
Investment in fixed deposits	Yes	162	40
	No	247	60
	Total	409	100
Holding either a savings account or an FD	Yes	401	98
	No	08	02
	Total	409	100

Holding Risky Assets			
Investment in shares	Yes	222	54
	No	187	46
	Total	409	100
Investment in any mutual fund scheme	Yes	352	86
	No	57	14
	Total	409	100
Investment in either shares	Yes	378	92
or mutual funds	No	31	08
	Total	409	100

Impact of Risk Attitude, Holding Risk-Free Assets, and Holding Risky Assets on Investors' Happiness

The main objective of this study is to evaluate the impact of three parameters of investors' happiness, viz., risk attitude, holding risk-free assets, and holding risky assets on their happiness with investment decisions. The hypothesis is that there is no relationship between risk attitude and investors' happiness (H01), holding risk-free assets and investors' happiness (H02), and holding risky assets and investors' happiness (H03). These hypotheses were tested by performing multiple correlation and multiple linear regression analysis at a 0.05 significance level.

The results of multiple correlation analysis (Table 3) show that risk attitude has a low, positive, and significant relationship with investors' happiness ($r = 0.268$, $p < 0.05$). Therefore, H01 is rejected. The relationship between

Table 3. ***Mean, SD, and Correlations***

Hypotheses	Dependent Variable : Investors' Happiness	Mean	*SD*	Correlation Coefficient	*p*-value	Result
H01	Risk Attitude	3.513	0.9474	0.268**	0.00	Significant
H02	Holding Risk-Free Assets	0.980	0.1387	0.225**	0.00	Significant
H03	Holding Risky Assets	0.924	0.2650	0.194**	0.00	Significant

Note. ** The results are significant at the .05 significance level.

Table 4. ***Factors Affecting Investors' Happiness***

Factors Affecting Investors' Happiness	Regression Coefficient	*t*-value	Sig.	Result
Intercept	2.398	9.980	0.000*	Significant
Risk Attitude (*X*1)	0.161	4.759	0.000*	Significant
Holding Risk-Free Assets (*X*2)	0.786	3.249	0.001*	Significant
Holding Risky Assets (*X*3)	0.218	1.700	0.090	Non-Significant
R^2	0.115			
Adjusted R^2	0.108			
F	17.487	–	0.00*	Significant
N	409	–	–	

Note. * Results are significant at the 0.05 significance level.

holding risk-free assets and investors' happiness is also found to be significant ($r = 0.225$, $p < 0.05$). Therefore, H02 is rejected. Similarly, the relationship between holding risky assets and investors' happiness is also found to be significant ($r = 0.194$, $p < 0.05$). Hence, H03 is also rejected.

The results of multiple linear regression analysis (Table 4) show a significant overall impact of all three independent variables on investors' happiness ($F = 17.487$, $p < 0.05$) with $R^2 = 0.115$, suggesting that the listed factors predict 11.5% of the variation. The results indicate that (Table 4) the regression coefficients of risk attitude ($\beta = 0.161$, $p < 0.05$) and holding risk-free assets ($\beta = 0.786$, $p < 0.05$) are found to be significant. However, the regression coefficient of holding risk-free assets is found to be insignificant ($\beta = 0.218$, $p > 0.05$). Therefore, 2.398 + 0.161 (Risk Attitude) + 0.786 (Holding Risk-Free Assets) is the expected investors' pleasure score. The greatest predictor of pleasure with investment decisions was found to be risk attitude ($r = 0.268$, $p < 0.00$) followed by risk-free assets ($r = 0.225$, $p < 0.00$).

Impact of Demographic Variables on Attitude Toward Financial Risk and Investors' Happiness

One of the objectives of this study is to evaluate whether there are any demographic differences (gender, marital status, and income) in risk attitude and investors' happiness. The descriptive statistics are presented in Table 5. The hypothesis is that "there is no impact of gender, marital status, and income on risk attitude and investors' happiness." Multivariate analysis of variance (MANOVA) was performed to test the differences. Table 6's findings indicate that there is no gender difference in risk attitude ($p > 0.05$). Therefore, H05 is accepted. Similarly, it is found that risk attitude doesn't differ according to marital status ($p > 0.05$). Therefore, H07 is accepted. However, it is found that there is a significant difference in the risk attitude of the investors of different income groups ($p < 0.05$). Therefore, H09 is accepted. The results of Tukey's post hoc test show that investors with less than ₹ 25,000 monthly income prefer to invest in products with average risk and average returns (mean = 3.2). However, investors with ₹ 25,000 to ₹ 50,000 (mean = 3.96) and with more than ₹ 50,000 (mean = 4.22) monthly income prefer to invest in products with slightly higher risk and slightly higher return projects.

As far as investors' happiness is concerned, it is found to differ significantly according to gender ($p < 0.05$). Therefore, H04 is rejected. Female investors were found to be happier (mean = 3.94) than male investors (mean = 3.92). However, no significant difference in investors' happiness is noticed for marital status ($p > 0.05$).

Table 5. ***Descriptive Statistics of Risk Attitude and Investors' Happiness***

Variables	Mean	*SD*	Description
Attitude toward financial risk	3.51	0.95	The investors are willing to invest in projects that assume slightly higher risk and give slightly higher returns.
Investors' Happiness	3.94	0.67	The investors are happy with their investment decisions.

Table 6. ***Multivariate Analysis of Variance Test (MANOVA) (Wilk's Statistics)***

Effect	Wilk's Lambda	*F*	*p*-value	Result
Gender	0.984	3.218	0.041*	Significant
Marital Status	0.998	0.301	0.740	Non-significant
Income	0.936	6.608	0.000*	Significant

Note. * Results are significant at a 0.05 significance level.

Therefore, H06 is accepted. Investors' happiness is found to differ for investors belonging to different income groups ($p < 0.05$). Therefore, H08 is rejected. The results of Tukey's post hoc test indicate that there is no significant difference in the happiness of the investors having less than ₹ 25,000 (mean = 3.87) and ₹ 26,000 to ₹ 50,000 (mean = 3.95) monthly income. Similarly, the investors with ₹ 26,000 to ₹ 50,000 (mean = 3.95) and more than ₹ 50,000 monthly income were found to have the same happiness level.

Using Wilks' criterion, it is found that the main effects are significant for two independent variables, viz, gender ($WL = 0.984, p < 0.05$) and income ($WL = 0.936, p < 0.05$) on both the dependent variables, viz, risk attitude and investors' happiness. However, the overall effect of marital status on both the dependent variables, viz, risk attitude and investors' happiness, is found to be non-significant ($WL = 0.998, p > 0.05$).

Tests of between-subjects effects were performed on the data. Table 7 summarizes the findings of the hypotheses testing.

Impact of Age and Family Size on Attitude Toward Financial Risk

Another objective of this study is to evaluate the impact of age and family size of investors on their risk attitudes. The hypotheses are that there is no impact of age and family size on risk attitude. The results of correlation analysis (Table 8) show that age has a low, positive, and significant relationship with attitude toward financial risk ($r = 0.215, p < 0.05$). Therefore, H010 is rejected. However, family size does not show a significant relationship with attitude toward financial risk ($r = 0.048, p > 0.05$). Therefore, H011 is accepted.

Table 9 indicates a significant overall impact of age and family size on attitude toward financial risk ($F = 10.48$, $p < 0.05$) with $R^2 = 0.049$, suggesting that 4.9% of the variation in attitude toward financial risk is explained by age and family size. The regression coefficient of age ($\beta 1 = 0.902, p < 0.05$) is found to be significant. However, the regression coefficient of family size is found to be insignificant ($\beta 2 = 0.068, p > 0.05$). Therefore, the predicted attitude toward financial risk score is equal to 0.901 + 0.092 (Age).

Table 7. ***Tests of Between-Subjects Effects***

Source	Dependent Variable	*MS*	*F*	*p*-value	Result
Gender	Risk Attitude	0.027	0.032	0.858	Non-significant
	Happiness	2.517	5.822	0.016*	Significant
Marital Status	Risk Attitude	0.352	0.423	0.516	Non-significant
	Happiness	0.141	0.327	0.568	Non-significant
Income	Risk Attitude	8.996	10.822	0.000*	Significant
	Happiness	1.766	4.085	0.018*	Significant

Note. * Results are significant at a 0.05 significance level.

Table 8. ***Mean, SD, and Correlations***

Dependent variable : Attitude toward financial risk	Mean	Std. Deviation	Correlation Coefficient	*p*-value	Result
Age	25.083	2.2290	0.215	0.00*	Significant
Family Size	4.469	0.7274	0.048	0.168*	Non-Significant

Note. *N* = 409 * Results are significant at a 0.05 significance level.

Table 9. ***Factors Affecting Attitude Toward Financial Risk***

Factors Affecting Attitude Toward Financial Risk	Regression Coefficient	*t*-value	Sig.	Result
Intercept	0.901	1.515	0.130	Non-Significant
Age (*X*1)	0.092	4.472	0.000	Significant
Family Size (*X*2)	0.068	1.080	0.281	Non-Significant
R^2	0.049			
Adjusted R^2	0.044			
F	10.48	–	0.00	Significant
N	409	–	–	

Discussion

To understand the factors influencing newly employed individuals' happiness, we tested a regression model that is influenced by the work of Chen et al. (2020). The suggested model included one dependent variable, investors' pleasure, and three independent variables: owning risky assets, holding risk-free assets, and risk attitude. The findings demonstrate how risk attitude positively and significantly affects investors' level of satisfaction. The results are consistent with Chen et al. (2020) and Rao et al. (2016). The Karl Pearson's correlation coefficient of the relationship between holding risk-free assets is found to be positive and significant at a 0.05 significance level. This result is also consistent with Chen et al. (2020). The relationship between holding risk-free assets and happiness is found to be sounder than that of holding risky assets and happiness. Still, the findings (Delis & Mylonidis, 2015) indicate that pleasure decreases the likelihood of making investments in riskier financial instruments. We also investigated the demographic differences in investors' happiness and risk attitudes. The results show that risk attitude doesn't differ according to gender. This result is in contrast to Coleman (2003). The result of Coleman (2003) shows that women expressed a higher level of risk aversion than that of men. However, this study does not determine the differences in marital status and income of the investors.

Conclusion

This study evaluates the impact of financial market participation and risk attitude of newly employed individuals on their happiness. Financial market participation is divided into two variables based on different levels of risk in holding the financial assets, viz, holding risk-free assets and holding risky assets. The results indicate that 93% of newly employed individuals have participated in the financial markets; 98% of the participants hold any of the risk-free assets, i.e., either a savings account or an FD, and 92% of the participants invested in risky assets. i.e., either in a share or in a mutual fund scheme. All three variables, viz, holding risk-free assets, holding risky assets, and risk attitude, were found to have a significant impact on investors' happiness. This study also evaluated the demographic differences in risk attitude and investors' happiness. The results show that risk attitude doesn't differ according to gender and marital status. However, risk attitude is found to differ according to different income groups. As far as investors' happiness is concerned, it is found to differ significantly according to gender and income. However, no significant difference in investors' happiness is noticed for marital status. This study also attempts to examine the relationship between the age and family size of investors with their financial risk attitude. The results indicate that age has a low, positive, and significant relationship with attitude toward financial risk. However, family size does not show a significant relationship with attitude toward financial risk.

Managerial/Theoretical Implications/Policy Implications

The results of this study add to the existing literature on investors' happiness and their participation in financial markets, especially concerning newly employed youth in India. The findings have significant implications for global investors in terms of understanding their peers' investment behavior. Additionally, this study has significant management implications for comprehending teenage investing behavior and its diverse aspects, including demographic variations. The study's findings might also be useful to financial counselors. By organizing their sales presentations and awareness campaigns, they could help their clients comprehend the overall Indian investing landscape. The study's findings may provide policymakers with valuable information for future planning and revision.

Limitations of the Study and Scope for Further Research

This study provides comprehensive insights into the determinants of investors' happiness, though it has a few limitations. One multiple linear regression analysis technique was used to evaluate the impact of holding risk-free and risky assets and risk attitude on investors' happiness. More sophisticated techniques like structural equation modeling could be utilized in future studies by introducing mediating and moderating variables. Second, this study is conducted in Vidarbha, a geographic area in MS, India, on newly employed individuals. Future studies may involve different target populations in other settings. Three, this study attempted to evaluate the determinants of investors' happiness. Financial market participation, risk attitude, and demographic characteristics are the factors of investors' happiness. However, future studies may consider the other factors of investors' happiness.

Authors' Contribution

Dr. Ashish A. Linge and Dr. Adil Jiwani conceived the idea of the topic and searched the relevant literature. Dr. Ashish A. Linge prepared the questionnaire. Dr. Adil Jiwani and Dr. Baldeo B. Kakde gathered the required primary data. Dr. Ashish A. Linge analyzed the data and wrote the manuscript in consultation with both the authors and supervised the study. He has also done editing and proofreading of the manuscript. Dr. Baldeo B. Kakde prepared the diagrams and tables and he also generated citations and references.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

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