

## **Impact of Demographic Factors on Investment Decisions: Evidence from Individual Investors in Colombo Stock Exchange**

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### **Abstract**

Literature describes when individual investors make investment decisions, their demographic factors make influence in numerous ways. Studies found different demographic factors make different effects for such decisions. Therefore, this research, expected to investigate the impact of demographic factors such as Age, Education Qualification, Income Level, Investment experience and Occupation on the decision making of individual investors' who are actively involved in trading in the Colombo Stock Exchange (CSE) in Sri Lanka.

The sample consists of 200 individual investors engaged in trading in the CSE using convenient sampling. A self- developed five-point Likert scale questionnaire was used to measure variables and data analyzed using the Pearson's correlation and the multiple regression analysis. The results suggest that there is a significant impact for individual investment decision by the demographic factors - age, educational qualification and investment experience. But other demographic factors- the income level, occupation has moderate but significant impact on investment decision making by the individual investors in Colombo Stock Exchange. The implications are useful for the CSE authorities, the potential investors the financial providers to assess the behaviors of individual investors.

**Key words:** *Demographic factors, decision making, Individual investors, Colombo Stock Exchange*