

An Exploratory Study of Millennial Investors and Psychological Biases Coalesced Around Decision Making Behaviour

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ABSTRACT: *This paper aims to explore how behavioural biases have altered the rational decision making and investing patterns of Gen Y. To dig deeper into Gen Yers' investing patterns, this study conducted thirty exploratory interviews that enabled us to uncover the underlying beliefs and perceptions affecting their investment decision making. The interviews were analysed using thematic analysis to analyse the respondents' rationale for investment decisions. Our findings reveal that each generations' investing patterns are different. We found that millennials are being frugal in their expenses, optimizing their savings, and expanding their investment portfolios. More importantly, our data reflects the fragility of Gen Yers' financial prospects as the generation is subject towards fear of missing out, framing, mental accounting and socially responsible investment bias. The findings of this study are expected to enable financial managers to accurately profile various investor groups and, thus, offer tailored investment solutions to investors who seek maximum mileage from their resources.*

Keywords: Psychological Biases, Consumer Psychology, Financial Decision Making, Generation Y, Qualitative Research.

INTRODUCTION

Investors often use market information to make their investment choices. However, they may also be susceptible to their feelings, emotions, and subjective interpretations in their decision making (Sahi *et al.*, 2013). Often,

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