ARCADA

# Bachelor's Thesis

## FACTORS INFLUENCING INVESTMENT DECISION IN RESIDENTS OF HELSINKI, FINLAND: A CASE WITH ARCADA UNIVERSITY OF APPLIED SCIENCES

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Degree Thesis

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# Degree Thesis

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## Abstract:

This study aims to identify the factors influencing investment decisions in residents of Helsinki, Finland; A case with Arcada University of Applied Sciences. To achieve the main research objectives of "*the factors influencing investment decisions in residents of Helsinki"*, there are six (06) research questions were formulated. The study adopted a quantitative method, and well-structured questionnaires were used to collect data via an online survey. In total, 40 individuals responded to the survey, and the respondents have been selected in a simple random method. Data analysis was done by using SPSS. Correlation and crosstabulation were made via SPSS to analyse the data, and the results were interpreted by using graphs and tables. the results were significant and confirmed that the independent variables "Factors" of the research have influenced the dependent variable "investment decision" of the research. To achieve the research objective, the selected factors were investigated with the citizenship status of the responders. Furthermore, demographic factors, including age, level of income and education levels, were analyzed with investment behavour of the respondents. In general, almost all the selected factors have influenced individuals' investment decisions directly or indirectly. The limitations of this study include a small sample size, behavioural factors and demographic factors like marital status. The study could be further developed by adding marital status and risk perception of an individual. further explore the influences towards investment decisions, marital status as a determinant of investment risk perceptions is an interesting topic to research further.

**Keywords:** Factors, Investment decisions, Demographic factors, Risk tolerance, Investment experience, Tax implications, Social influence, Financial literacy, and Finland

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# Preface

I would like to thank all my teachers at Arcada University of Applied Sciences from the bottom of my heart for supporting and strengthening me by giving valuable feedback throughout these three years of studies. I need to extend my special thanks to my supervisor, Ms. Henrica Donner, for spending her valuable time reading, advising and giving feedback to help generate a successful outcome.

I want to dedicate a special thanks to my loving dad Feroz. Despite not being here with me today, I have always been grateful to have you in my life and for being my mental strength throughout this journey. Also, I am eternally grateful to my mom, my brothers and my partner for encouraging me during difficult times. I dearly love you all.

# 1 Introduction

Investments become a topic of interest for people. The most frequently noted questions from them were: why invest, where to invest and how to invest. Likewise, there are varying reasons that may arise. The decision to invest plays a crucial role in personal finance, future security, financial independence and financial well-being and more (Sayyadi Tooranloo et al., 2020). Many individuals considered saving as an investment which does not have a major impact on future returns(Metawa et al., 2019a). To have a better return on investment, many financial instruments, such as government bonds, shares, properties and term deposits, can be identified in this growing financial market. whereby people tend to explore and gather knowledge from experts in the market (Hassan Al-Tamimi & Anood Bin Kalli, 2009).

In situations such as with growing interest in investments, the market tries to understand the behaviour of an individual to fill the market gap (Ordynskaya et al., 2024a). Therefore, it is interesting to identify the factors that influence the investment decisions of individuals and their objections. By considering the potential of growing investment activities lead to the development and growth of the economy. Which may support personal financial planning and the financial market in designing financial product portfolios and services relevant (Kushnirovich, 2016).

The allocation of financial resources to various assets with the expectation of future returns is known as an investment decision, and potential investments to ensure effective funds utilization, estimating returns and weighing risks are all integral components of investment decision making (Magbondé et al., 2024).

Through an extensive review of existing literature, several recurring factors have emerged as influential in investment behaviour. These include risk tolerance, financial literacy, economic conditions, investment experience, tax implications, biases, etc. (Lam et al., 2024). Examining these elements with the local context could help to understand the behaviour of investment decisions of individuals Bryman & Cramer (2012). Therefore, exploring the factors that influence the investment decisions of individuals and their objections is appropriate.

## 1.1 Problem Statement

In this competitive environment, every business needs up-to-date details about its customer base. The consumers and their perceptions vary from time to time. The main business of financial institutions is the financial intermediate role, where money is bought by way of deposits and invested in those funds. Therefore, financial institutions need to understand where their resources should be allocated to get the optimum return. Many financial institutions spend on marketing, training, product development, communication, and sales without identifying the proper factors important for individuals' investment decisions, thus wasting money, time and effort. Financial institutions need to re-engineer the product range, operations, marketing and communication, and customer relationship management accordingly.

The study selected risk tolerance, financial literacy, investment experience, and tax implications as factors affecting investment decisions (Al-Tamimi & Kalli, 2009); (Metawa et al., 2019). Therefore, this research will test how these factors affect the investment decision of an individual in Helsinki, Finland.

## 1.2 Aim and Research Questions

The primary aim of this bachelor's thesis is to identify the factors influencing investment decisions among residents of Helsinki. To achieve this, the following specific objectives will be addressed:

1. Investigate the factors influencing investment decisions among immigrants in Helsinki.
2. Investigate the factors influencing investment decisions among citizens in Helsinki.
3. Analyze the impact of age on investment decisions among residents of Helsinki.
4. Examine the influence of income levels on investment decisions among residents of Helsinki.
5. Determine the effect of education levels on investment decisions among residents of Helsinki.

To achieve the objectives of this dissertation, the following six research questions were formulated:

1. What factors influence investment decisions among residents of Helsinki?
2. What factors influence investment decisions among immigrants in Helsinki?
3. What factors influence investment decisions among citizens in Helsinki?

4. Does age influence the investment decisions of residents in Helsinki?
5. Does income level influence the investment decisions of residents in Helsinki?
6. Does education level influence the investment decisions of residents in Helsinki?

## 1.3 Demarcation

In order to identify the factors affecting the investment decisions of an individual in Helsinki, Finland, a sample would be drawn from the student population of Arcada University of Applied Sciences. As the population in the entire Helsinki, Finland, is large in size, the collection of data would be tedious; the sample is limited to the student population of which represents the entire population of Helsinki.

Although the past literature suggested many factors as important in the investment decisions of individuals, the researcher selected only risk tolerance, financial literacy, economics, investment experience, and tax implications by considering the most relevant factors to the sample drawn in the current context. This exercise also eliminated testing too many variables of which would have made this research more complex. In addition to the factors selected, demographic factors such as age, income level and education level would be tested for their relevance to the factors tested. Additionally, this research also measures how these factors differ among the citizens and immigrants in Helsinki, Finland.

# 2 Theoretical Framework

This chapter covers the theoretical framework of this thesis. It reviews existing literature and theories to establish a foundation for the research and explore what has already been studied concerning the research questions. The information provided is relevant to the topic of the thesis. Literature pertaining to investments, investment decisions, behavioural factors on investments, Investment decision factors, the effect of demographic factors and the differences in influences on investments based on the criteria of citizens and immigrants are discussed in detail.

## 2.1 Investments

The investment is a commitment of capital with the expectation of future returns and drives economic expansion or growth of a country (Ordynskaya et al., 2024b). When considering investments for future returns, most people think of savings, while some might seek higher returns through gambling, a less sound approach for generating reliable returns (Kumar & Goyal, 2016). Investors anticipate greater future returns; however, they must also account for the potential risks inherent in their investments(Sachdeva et al., 2023).

The level of risk is directly correlated with the expected return: higher returns are generally associated with higher risks, while lower returns correlate with lower risks. Therefore, the key elements of an investment significantly influence its potential for generating returns (Wolski et al., 2023). These key elements include capital, assets, time horizon, expected return, and risk(Sachdeva & Lehal, 2023). As per (Ordynskaya et al., 2024b) the importance of investment lies in its contribution to economic growth, which can lead to development, innovation, and societal progress within a country.

In today's market, a new trend has emerged: sustainable investment, which combines environmental, social, and corporate governance (ESG) factors with traditional investment approaches. This trend promotes the potential for long-term environmental and social value alongside financial returns (Ahmad et al., 2024) Furthermore, sustainable investment insights enable investors to make better investment decisions through comprehensive market analysis (Whelan et al., 2015). To provide readers with a clear understanding of investment, this study categorises investment types into equity, fixed income, and cash or cash equivalents (Ordynskaya et al., 2024b). In subsection 2.2, this study section has provided a detailed overview of the types of investment instruments.

## 2.2 Types of investment instruments

This subsection aims to clarify the characteristics and risk levels of each investment instrument by classifying them as either high-risk or low-risk.

### 2.2.1 Equity

As previously noted, equity is a category of investment that provides investors with an ownership stake in an enterprise through the investment of capital (Magbondé et al., 2024; Metawa et al., 2019b). This includes common stocks, preferred shares, stock-based funds like exchange-traded funds (ETF) and mutual funds, as well as private equity(Galloppo et al., 2024). As mentioned, stocks, also known as shares or equities, are mostly known as one of the types of investments. Most publicly traded companies are selling their ownership to the public to gain capital. Where the public can gain profit by selling their shares in the stock market (Cai et al., 2025).

The risk level of this investment would be high if the stock price decreases, as there would be a capital loss in the investment. When investors buy shares in a company, they expect a return on their investment (Grecu et al., 2025). The exchange-traded funds (ETFs) are collections of investments that can be found in market indexes, which can be purchased through fund companies, and transactions can be done in the stock markets (Conlon et al., 2023). The exchange-traded funds have a similarity to mutual funds, which involve many investors' funds and investing in several companies. When handling mutual funds, there is a designated fund manager who handles specific funds in the market index (Dayani, 2022);(Galloppo et al., 2024).

The mutual funds can be managed passively, which is known as index funds, and could track these in the major stock markets. Mutual funds and exchange-traded funds have the same risk levels as stocks and bonds, which may depend on what you have invested in. One form of return on investment of these instruments, other than the capital gains, is dividends. Dividends enable an investor to earn a share of the profit from the investment in the company (Galloppo et al., 2024).

### 2.2.2 Fixed income securities

When investors consider investments, one of the commonly used investment categories is fixed income. This describes situations where investors fundamentally loan their capital to enterprises. Fixed-income securities provide a stream of fixed, periodic interest payments, along with the return of principal at maturity. In this type of investment, investors commonly use bonds, which both corporations and governments issue (Mbengue & Paget-Blanc, 2017)

Furthermore, bonds are issued with different term lengths, which are set according to the issuer's desired borrowing periods. Bond issuers often employ financial intermediaries, including banks and registered agencies, to manage and facilitate the issuance of their bonds to the public (Hsu & Lien, 2025). The return on the bonds is lower than the return you get from the stocks, and bonds have a lower risk in the market, which is considered one of the safest investment instruments (M. Patel et al., 2023).

### 2.2.3 Cash and cash equivalents

A third type of investment comprises cash and cash equivalents known as savings accounts, certificates of deposits and money market accounts. With the convenience of withdrawal status, money market accounts are considered fixed-income securities (M. Patel et al., 2023). The certificate of deposit is considered a low-risk investment. By depositing a certain amount of money for a specific period, investors could earn interest on their invested capital. In maturity, investors get their capital, or they can reinvest it in the same (Valadkhani & O'Mahony, 2024).

### 2.2.4 Derivatives

Derivatives are instruments that are used to mitigate the risks involved in financial transactions. It constitutes a significant category of investment instruments and is highly relevant to investment strategy (Wang et al., 2025). Many investors utilize derivatives to hedge positions, increase leverage, or speculate on asset price movements. As is well-known, a derivative is a financial contract whose value is derived from an underlying asset. Common types of derivative contracts include options, swaps, futures, and forwards. The risk level associated with derivatives varies including market risk, liquidity risk and leverage risk (Zhang et al., 2025).

## 2.3 Investment Decision

The investment decision determines the appropriate level of capital expenditure to reach a target output, carefully considering potential profits and the costs associated with the investment (Metawa et al., 2019b). Thoughtful investment decisions are essential as they can significantly influence an investor's financial success and overall sense of satisfaction (Vuković & Pivac, 2024). Moreover, Studies have shown that individuals with a greater investment interest tend to seek more comprehensive investment information, and access to

information appears to increase their confidence and reduce anxiety in their investment decisions (Khan et al., 2020).

The psychological and social context approach reveals that investment decisions are not solely based on rational calculations, but are significantly influenced by various psychological and social factors (Raj, 2024).

## 2.4 Investment Decision Factors

As discussed in Section 2.3, investors expect a return on their investment while managing investment risk (Rahman & Gan, 2020). Furthermore, according to Lam et al. (2024), previous studies have shown that various factors influence an individual's investment decision-making. When considering factors affecting investment decisions, it is crucial to recognise the significant impact of various behavioural factors on decision-making (Sachdeva & Lehal, 2023). Previous studies have identified a wide range of behavioural factors that influence investment decisions, including emotional biases, personality traits, social influences, and risk perception (Saivasan & Lokhande, 2022). In addition to these behavioural factors, individual investment decisions are also influenced by factors such as risk tolerance, financial literacy, economic conditions, investment experience, and tax implications. To provide a detailed understanding, some of the key investment decision factors are further elaborated below;

### 2.4.1 Emotional biases

Emotional biases signify the tendency for individuals to base their decisions and evaluations on subjective emotions rather than objective analysis. the impact of emotions on decision-making can be direct or indirect (Sapkota, 2023). Consequently, a person's emotional biases can introduce irrationality into their choices. Emotion-based decision-making, while often resulting in rapid decisions, can also lead to inconsiderate outcomes. Generally, these biases originate from individual perceptions that are difficult to resist (Lerner et al., 2015).

### 2.4.2 Personality traits

Personality is partly inherited and is a fundamental psychological factor shaping human behaviour (Mutlu & Ozer, 2019). Personality development is influenced by numerous factors, such as family dynamics, geographical location, social environment, and physical conditions

(Greene et al., 2023). therefore, variations in individual perception account for the differences in personality traits among individuals (Mutlu & Ozer, 2019). According to the previous researches has mentioned some of the dimension to identify different types of personalities such as extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience (Brooks & Williams, 2021). Moreover, attitudes and behaviours are the main subordinates of the personality of an individual. the analysis of the previous research according to the mentioned dimensions there is a significant effect on behavioural finance that influence investment decisions (De Bortoli et al., 2019).

### 2.4.3 Social influences

When individuals make decisions that deviate from their personal experience or intrinsic motivations, they are often subject to the influence of their surrounding social groups (Riefel, n.d.). This is known as social influence. In contemporary society, social media platforms employ a significant and dynamic influence on societal trends (Hassan Jamal & Faisal Rizwan, 2022). One notable consequence is the emergence of "Finfluencers" within financial markets. These individuals gain influence as people turn to social media for financial updates and insights (Espeute & Preece, 2024). This trend serves as a contemporary example of social influence within the field of behavioral finance. Many are turning to these online personalities for guidance of investing. The influencers who are focused on finance are called as “Finfluncers” (Ben-Shmuel et al., 2024).

### 2.4.4 Risk perceptions

Previous studies have shown that investors’ perceived risk depends on their experiences, cultural influences, and their sensitivity to the risks they are about to take (Almansour et al., 2023). In other words, risk management and risk behavior vary based on an individual’s attitude and perception. Risk perception exerts a direct influence on decision-making, and investors’ risk assessment has a direct impact on their investment strategies and behaviour (Zafar et al., 2024). For instance, while an investor's risk attitude tends to remain stable, their risk perception can vary in different situations (Almansour et al., 2023). An increased risk perception may lead to more frequent investing in different financial markets. In a study done by (Zafar et al., 2024) has demonstrated that worry, volatility, and knowledge are three significant factors that have a substantial impact on individual risk perception.

### 2.4.5 Risk tolerance

The risk tolerance of investors indicates their capacity to handle investment losses. The desire for immediate satisfaction can influence an individual's decisions, making it tempting to consume now rather than defer satisfaction for future benefits. Therefore, risk tolerance plays a significant role in investment decision-making (Tavor & Garyn-Tal, 2016) Further, previous studies revealed that the risk-taking level of a person varies depending on the context. Especially the context of money involvement (Wong & Carducci, 2016). An individual's risk tolerance is variable, reflecting their unique willingness to assume risk. This is called as "sleep factor", an expression that explains the level of risk an individual finds tolerable (Kwak & Grable, 2024). Financial advisory services employ methodologies, including interviews with questionnaires, to assess an individual's risk tolerance level, which gives a detailed understanding of individual profiles.

### 2.4.6 Financial literacy

Financial literacy is the ability to understand and effectively use various financial skills and concepts (Suresh G, 2024). It is important to become financially literate since gradual increase of complexity in the financial market and constant development in financial products (Ashfaq et al., 2024) . Globally, financial literacy involves understanding how monetary policies operate, the range of investment instruments available, and methods to maximize investment profits (Baker et al., 2019). Insufficient financial literacy can lead to misinformed decisions and heightened financial losses. Financial advisory services play a crucial role in preventing and minimizing these negative impacts within the financial market (Rasool & Ullah, 2020). Investors with financial literacy are more likely to work on financial principles and market analysis, which shows that behavioural biases have a lower impact on investment decision-making (Almansour et al., 2023).

### 2.4.7 Investment experience

Investment experience is the knowledge and skill gained through direct market participation. Investors gain experience by understanding past issues, the solutions implemented, and through direct involvement in their investment journey(Aslam et al., 2020). Therefore, they recognize the importance of analysis before making investment decisions, but believe experience is more valuable because they have faced the issues directly. According to (Aslam et al., 2020),

professional experience significantly influences investment behavior outcomes. In the decision-making process, investors' psychological behavior reflects their perception and memory. The more a person has previous experience on investments, believes that his or her decisions on investments are mostly correct.

### 2.4.8 Tax implications

Tax implications illustrate the tax liability of an individual or an organization can be affected by its decisions and actions. Also, tax benefits can motivate individual investors to reinvest their capital (Kontoghiorghes, 2024). Studies have found that country-specific tax regulations can restrict individual investors' investment decisions (Konečná & Andrejovská, 2020). Higher tax components could affect the return on investment significantly, which has a direct impact on making investment decisions (Winsen, 2005). Furthermore, changes in tax policy could make changes in investors' perception, such as adjustments in capital gains tax rates and deductions in retirement contributions. This effect can influence investors (Kontoghiorghes, 2024).

## 2.5 Demographic factors influencing investment decisions

Previous studies have identified numerous factors that affect investment decisions, including demographic factors. When considering the financial impact on decisions, demographic factors play a major role in individual human behaviour (M. B. Patel & Modi, 2017). Age is a significant factor in an individual's development, varying across life stages. Age contributes to increased individual skills, particularly in effective management (Stie & Surabaya, 2010).

In biological difference of a human is defined as gender. Considering gender's influence on investment decisions reveals a controversial issue within the market (M. B. Patel & Modi, 2017). Previous literature indicates that women tend to hold lower-risk portfolios when investing, while men tend to invest in higher-risk assets. These results show that gender influences investment decisions (Stie & Surabaya, 2010).

A person's education level is a demographic factor that defines their level of knowledge and understanding. Specifically, financial literacy and risk tolerance level have an impact when investing in the financial markets. The higher the tolerance of risk faced an individual shows higher the education level (M. B. Patel & Modi, 2017). Various studies have explored the

relationship between education level and its influence on investment decisions has been conducted extensively, with each study highlighting different outcomes.

A person's income level directly impacts investment decisions. Individuals with higher incomes are positioned to consider larger investments and tend to reserve funds for future consumption (Geetha & Ramesh, 2012). Previous studies have shown that household income influences individual investment decisions. marital status influences investment decisions for future consumption. Psychologically, unmarried individuals exhibit higher self-confidence in investment than married individuals. Married individuals may demonstrate reduced self-confidence as a result of additional commitments, which could vary depending on other considered factors(Geetha & Ramesh, 2012)

## 2.6 Differences in investment decisions among citizens and immigrants

This section explores the difference between citizens and immigrants when making investment decisions. According to Bertocchi et al. (2023) A pattern was discovered: a sizable gap between citizens' and immigrants' wealth distribution. Moreover, the study has allocated five different variables, including high-risk to low-risk asset investments, to capture their decisions, and the result of the study described the higher uncertainty due to unfamiliarity with investing in foreign assets by immigrants than by citizens. The investment choices of immigrants and citizens varied, with their perceptions including employment status, earnings, cultural norms, risk preferences, tax policies, access to benefits, and financial markets (Bertocchi et al., 2023)

Previous literature shows a significant difference between immigrants and citizens in investment behaviour on education, income, and household characteristics. Social interaction on investment decisions plays a more important role for immigrants. To see the participation in the financial markets, both immigrants and citizens tend to select a wide range of asset portfolios, compare returns, risk portfolios, and transaction costs for a smoother process. In terms of risk tolerance of immigrants may be affected by their cultural norms, which may have a negative impact. Therefore, immigrants' attitude towards risk may differ from host country citizens (Kushnirovich, 2016).

In general, the immigrants hold up less financial assets of their own and participate in the financial market less than citizens. This may impact information about the ongoing and current situation of the financial markets (Kushnirovich, 2016), (Osili & Paulson, 2006)

# 3 Methodology

The specific procedure of collecting and analysing data is called the research method. As mentioned, collecting data and analysing data are the two primary components of methodological planning (Hair Jr et al., 2023a). According to (Leavy, 2022) data gathering and interpreting gathered data can influence people's beliefs and assumptions about the world. In previous studies, research has been defined as a systematic investigative approach to the problem. Researchers conduct various types of research, including empirical (scientific), library, social research and so on (Hair Jr et al., 2023a)

Research methods, which include strategies, processes or techniques, are used to analyze collected data or evidence to gain new insights into a topic or address an identified problem. there are various types of research methods and data collection techniques, including qualitative, quantitative and mixed-method approaches (Burns & Burns, 2008).

## 3.1 Research Approach

This study has adopted a quantitative method to explore the factors influencing investment decisions in residents of Helsinki, Finland. The quantitative research approach uses a statistical framework to analyse numerical data. Data gathered through quantitative methods allows for the exploration of the relationship or the pattern within the identified problem (Hair Jr et al., 2023a).

Data collection of the quantitative method will utilize surveys or questionnaires, document screening and experimental techniques. To reduce potential variables, researchers implement controls when dividing data into relevant categories, including demographics and other relevant qualified categories. Hence, this method enables researchers to check the correlation between the identified variables in the study (Burns & Burns, 2008). Furthermore, the advantage of the quantitative method helps to avoid potential biases generated from unexpected survey results. Given the research questions and aim of the study, the quantitative approach is

beneficial because it enables access to a large sample. Thereby, it leads to a more accurate representation of the population and ensures objective empirical findings.

The research method selected by the author for the research is the survey method. When conducting the survey, the author chose a questionnaire to gather information. A structured and well-prepared survey could enable the researcher to collect all needed data successfully. Given today's digital landscape, surveys can be administered remotely through various online platforms, leading to more representative data for analysis(Bryman & Cramer, 2012).

The objective of the studies is to measure the factors influencing investment decisions. Therefore, the study has selected four factors: risk tolerance, financial literacy, investment experience and tax implications. The independent variable of this study is the factors, and the dependent variable is investment decisions. The conceptual framework has been created to give a clear understanding of the variables and the connection. The conceptual framework of the study is based on the literature review results, and the constructed framework is presented in

## 3.2 Survey Structure

This subsection describes the survey structure of the research. A questionnaire is a set of questions used to gather responses from participants. It consists of a set of questions and scales to generate primary data. To conduct a proper survey, the researcher should implement a systematic process for questionnaire development, which enhances the reliability and validity of the study (Hair Jr et al., 2023).

The first part (see Appendix 1) of the questions consists of demographic factors, which cover research objectives. As per the objectives of the research, demographic factors such as age, income level, education, immigration and citizenship status were selected to gather the information. The second part (see Appendix 1) of the survey investigates individuals' investment behavior and their current use of various investment instruments.

The third section (see Appendix 1) of the survey aims to gather information on the independent variable investment decision factors which have been selected to determine the dependent variable investment decision-making of the research. A five-point Likert scale will be used to measure the variables. The Likert scale is a commonly used ordinal scale that allows for

comparison and ranking of variables (González-Pozo, 2024). This section included close-ended questions using a Likert scale and options to select the most suited answer. The closed-ended questions come with predetermined answers, where the options are given to the respondents. (Costa et al., 2025)

### 3.2.1 Sample selection

Sampling refers to the process of selecting a subset of elements from a large population for research purposes. This subset of elements is useful to conclude the population without studying each element in the population. However, limitations can occur if the selected sample does not fairly represent the population. Accordingly, sampling is carefully selected to increase the efficiency of this study by saving time and cost and representing a fair view of the population (Bryman & Cramer, 2012).

This study has selected the convenience sampling technique. Convenience sampling refers to the subset of elements that where researcher can access conveniently. This technique is a non-probability sampling method, and participants are selected positively. The convenience is due to factors such as being nearby, readily available at a specific time frame, or the willingness of participants to take part in the study(Golzar & Tajik, 2022).

As per the statistics, the population of the Helsinki region is 1,759,537 (Statista, 2023) which is the highest population of a region in Finland. The data collection from the entire Helsinki region is tedious due to the large population and geographical complexity of the region. Accordingly, the sample for this study is drawn from the student population of Arcada University of Applied Science. The sample size of this study was limited to 50 students for the convenience of data collection.

The bias in the sampling process occurred when the sample did not accurately represent the target population. These biases lead to skewed results which do not represent a fair view of the population (Bryman & Cramer, 2012). The potential biases can be created due to the convenience sampling method used in this study. Although this study focuses on the entire population in the Helsinki region, the sample is selected only from the students in the Arcada University of Applied Science. Accordingly, this selected sample does not represent the full diversity of the target population. This study is limited by selection bias since this sample

mainly includes young individuals with academic backgrounds. The selected sample does not include parties such as professionals, skilled workers and the ageing population. Thereby, the findings of this study are limited to university students instead of the largely diversified communities in the Helsinki region

## 3.3 Data collection

The primary objective of this thesis is to identify the factors influencing investment decisions of residents in Helsinki, Finland. As this research aims to concern, the data gathered and used by the author will be primary data where participants will answer the research questions and sub-questions. Primary data is the original data collected by researchers for research purposes and data has been gathered before anyone else and secondary data refers to the data that has been collected before (Hair Jr et al., 2023, pp. 203–233).

In this research, primary data was gathered by questionnaires through surveys and surveys distributed by the university database of Arcada University of Applied Sciences. Moreover, in this research, some of the secondary data were collected, such as statistics in Finland and previous articles.

## 3.4 Data Analysis

The results from the structured survey were analyzed using IBM SPSS software. SPSS facilitates the analysis of large quantitative datasets and generates various graphs and tables for visual interpretation. The software was used to calculate descriptive statistics and crosstabulation. SPSS helped to evaluate the collected data through a survey.

The data was analyzed by comparing demographic factors and investment behaviour, which was gathered from multiple choice questions. Further, an analysis was conducted to see the factors influencing investment decisions by the data collected through Likert scale questions.

## 3.5 Validity and Reliability

This section of the thesis describes the quality of the research and the trustworthiness of the results. to prove the quality and trustworthiness of the research, reliability and validity measurements are described to understand their importance. Thus, reliability ensures

consistency, while validity provides evidence of the study's accuracy (Burns & Burns, 2008 pp. 409–439)

The confidence in the research findings and the applicability of the findings increased by high validity. To ensure research validity, both external and internal validity were discussed. External validity concerns the relevance of the findings in the research context. Internal validity provides evidence of the relationship between variables of the study. Also, high internal validity helps to minimize the risk of alternative explanations of the observed results (Burns & Burns, 2008, pp. 409–439).

Reliability in research pertains to the repeatability of results concerning study questions. As Bryman & Cramer, pp. (2012, pp. 67–85) clarifies, this involves the consistency, stability, and repeatability of the collected and recorded information. When assessing the reliability of quantitative research, researchers focus on the consistency of the measurements that they use.

To measure the reliability of this study, the three key measurement types were considered: stability, internal reliability and inter-observer reliability (Bryman & Cramer, 2012, pp. 67–85). In internal reliability measures and scale multiple items which internally consist. The main question is when internal reliability is measured, and each scale must measure the single item while confirming that it is not unintentionally capturing multiple or separate ideas. Stability measures the consistency of results across time.

This assesses whether repeated measurements of items produce consistent outcomes. Thus, the consistency of results provides evidence of the research's stability (Bryman & Cramer, 2012, pp. 67–85). Inter-observer reliability confirms the consistency of measurements, which minimizes objective bias in data collection. It ensures the consistency of the measurement (Heale & Twycross, 2015). Overall, these reliability measurements ensure the dependability of the data collected in the study.

## 3.6 Research Ethics

The ethical consideration of the survey aligned with the study's commitment to responsible research practice. The key ethical considerations are addressed by the author before distributing the survey. The specific ethical aspects pertain to the chosen survey methodology (Bryman & Cramer, 2012, pp. 67–85) The survey was designed to prioritize participant safety and autonomy. These include the assurance of no participant harm, confidentiality and anonymity were confirmed. Participation was voluntary with the freedom to withdraw at any point.

To ensure ethical rigour, any form of deception or pressure on participants has been avoided by the researcher. Participants were informed of the survey's topic, purpose and data usage. In this survey, children under 18 are not polled to ensure the ethical aspect of the research. Before the survey launch, the researcher ensured to obtain the required permission from the participating organization.

# 4 Result

As mentioned in the previous chapter, a survey was conducted to collect data related to this study. In this chapter, the results were interpreted using the data collected from the survey, which was sent out via the Arcada email database and social media platforms such as WhatsApp. In total, 41 responses were received, while the expected total number of 50 responses. The first part of the survey was multiple choice questions focused on demographic factors, namely, age, gender, education, and income level, level of education and citizenship status. Furthermore, the multiple-choice questions section 2 focused on the investment behaviour of an individual.

The survey's third section employed Likert scale questions to quantify the impact of several factors on investment decisions, specifically: risk tolerance, financial literacy, tax implications, social influence, and investment experience. The survey also included four (04) questions about future investment decisions.

## 4.1 Analysis of multiple-choice questions

The survey's multiple-choice questions explore how demographic factors affect investment decisions, focusing on these key research questions:

*Does age influence the investment decisions of residents in Helsinki?*

*Does income level influence the investment decisions of residents in Helsinki?*

*Does education level influence the investment decisions of residents in Helsinki?*

The survey data analysis revealed the following: Table 1 shows the frequency of responses by age group. As per the table, a significant majority of the responders (82.2%) fall within the 20-35 age group, and the remaining 17.1% belong to the 35-54 age group. This suggests that the 20-35 age group is more dominant and represented in this survey compared to the age group 36-54.

*Table 1. Results from the survey - frequency table of respondents' different age groups*

**age_group**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | 20-35 | 34 | 82,9 | 82,9 | 82,9 |
| | 36-54 | 7 | 17,1 | 17,1 | 100,0 |
| | Total | 41 | 100,0 | 100,0 | |

Table 2 shows the frequency of responses by level of education. As per the table level of education in high school and diploma/certificate categories has a smaller portion of the responses at 24.4% and 19.5% respectively. Bachelor's degrees were held by 26.8% of respondents, while postgraduate qualifications represented 29.3%, the highest proportion.

*Table 2. Results from the survey - frequency table of respondents' level of education*

**level of education**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Bachelor's degree | 11 | 26,8 | 26,8 | 26,8 |
| | Diploma/Certificate | 8 | 19,5 | 19,5 | 46,3 |
| | High school / Secondary school | 10 | 24,4 | 24,4 | 70,7 |
| | Postgraduate studies | 12 | 29,3 | 29,3 | 100,0 |
| | Total | 41 | 100,0 | 100,0 | |

Table 3 shows the frequency of responses by monthly income level. As per the table, the income distribution shows a higher concentration of lower-income respondents and fewer in the higher income levels. The majority of respondents (65.9%) fall within the income category

of less than 1600 €, which indicates a larger portion of participants have relatively lower incomes. 26,8% of the respondents earn between 1600 € – 2999 €, while 4,9% earn between 3000 € – 4,999 €. This might reflect the region's economic conditions.

*Table 3. Results from the survey - frequency table of respondents' monthly income level*

**monthly income level**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | | 1 | 2,4 | 2,4 | 2,4 |
| | 1,600 € - 2,999 € | 11 | 26,8 | 26,8 | 29,3 |
| | 3,000 € - 4,999 € | 2 | 4,9 | 4,9 | 34,1 |
| | Less than 1,600 € | 27 | 65,9 | 65,9 | 100,0 |
| | Total | 41 | 100,0 | 100,0 | |

The following interpretations are based on the analysis of survey data from Section 2.

As per the frequency Table 4, a significant majority of 70,7% of respondents have invested in one or more of the listed financial instruments, which indicates a relatively higher level of investment experience among the respondents, while 29,3% of respondents have not engaged in any investment. Overall, the descriptive statistics provided that most of the people in this sample are actively involved in some form of investment.

*Table 4. Results from the survey - frequency table of respondents' investment behaviours*

**Have you ever invested in any of these financial instruments (e.g., stocks, real estate, mutual funds, cryptocurrency, etc.)**

| | N | % |
|---|---|---|
| No | 12 | 29,3% |
| Yes | 29 | 70,7% |

*Table 5. Results from survey - frequency table of current investment types held by responders.*

**what types of investments do you currently hold?**

| | N | % |
|---|---|---|
| | 5 | 12,2% |
| Bank deposits/Fixed Deposits | 14 | 34,1% |
| Bank deposits/Fixed Deposits;Cryptocurrency | 1 | 2,4% |
| Bank deposits/Fixed Deposits;Other (please specify): _____ | 1 | 2,4% |
| Bonds;Bank deposits/Fixed Deposits | 1 | 2,4% |
| Bonds;Bank deposits/Fixed Deposits;Mutual Funds | 2 | 4,9% |
| Bonds;Cryptocurrency | 1 | 2,4% |
| Bonds;Mutual Funds | 1 | 2,4% |
| Cryptocurrency | 2 | 4,9% |
| Mutual Funds | 1 | 2,4% |
| Other (please specify): _____ | 1 | 2,4% |
| Stocks | 5 | 12,2% |
| Stocks;Bank deposits/Fixed Deposits | 1 | 2,4% |
| Stocks;Bank deposits/Fixed Deposits;Cryptocurrency | 2 | 4,9% |
| Stocks;Bank deposits/Fixed Deposits;Mutual Funds | 1 | 2,4% |
| Stocks;Bonds;Bank deposits/Fixed Deposits;Cryptocurrency | 1 | 2,4% |
| Stocks;Mutual Funds;Cryptocurrency | 1 | 2,4% |

Table 5 indicates the frequency of types of investment instruments currently held by surveyed individuals. As per the frequency of fed data, 34.1% of the respondents have invested in low-risk and traditional financial instruments like bank or fixed deposits. Stocks were held by 12.2% of respondents, while the remaining respondents indicated mixed interest in other listed financial instruments. The analysis of these data indicates that the majority is concentrated on low-risk investments. Investing in the mixed instrument of stocks, bonds, mutual funds, and cryptocurrency shows that some are interested in diversification of their investment across various assets. While a smaller portion of responders are holding niche investments such as bonds or mutual funds.

## 4.2 Distribution of investment behaviours by demographic factors

The analysis utilizes cross-tabulation to illustrate the relationship between investment behaviors and selected demographic factors. Detailed analysis elaborated by each demographic factor in subsections as follows;

### 4.2.1 The relationship between investment behaviors and age groups

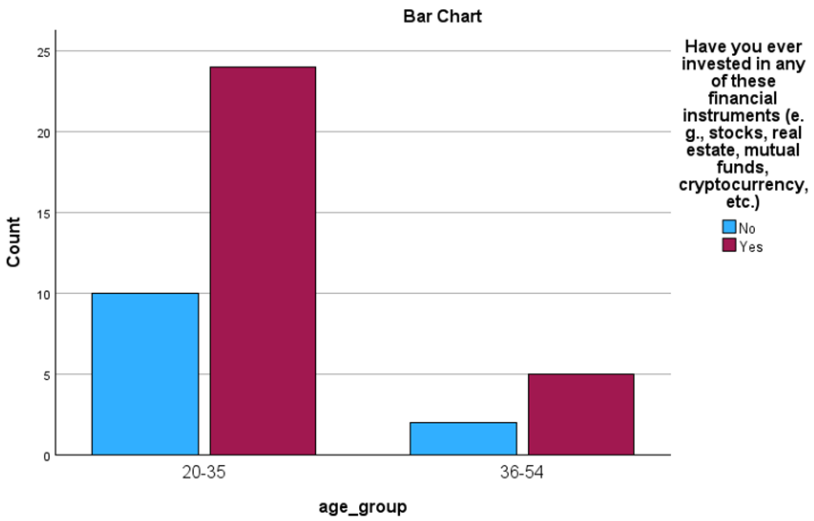


*Figure 1. Investment behaviour by age groups*

Figure 1 reveals a noticeable difference in investment behaviour between age groups. The age group 20-35 are more likely to invest in financial instruments, while the age group 36-54 indicates lower interest in investing. his suggests that individuals aged 20-35 exhibit a greater interest in investment opportunities than those aged 36-54.

### 4.2.2 The relationship between investment behaviors and monthly income levels

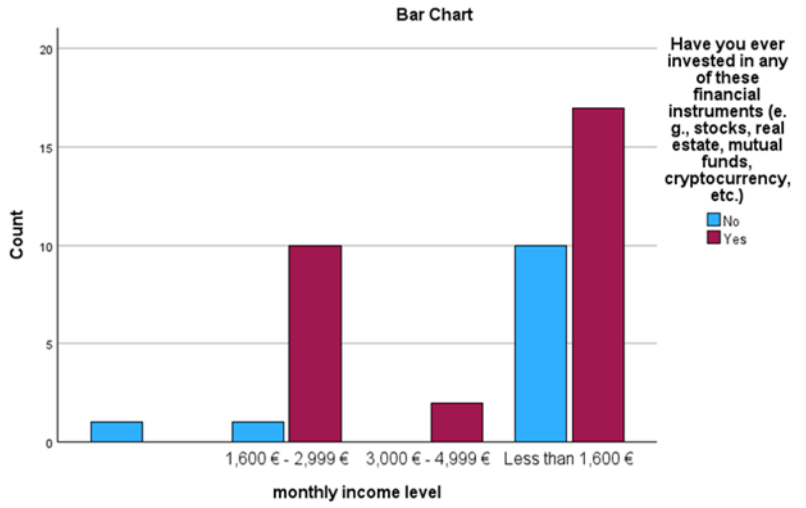


*Figure 2. Investment behaviour by monthly income levels*

Figure 2: The analysis reveals a potential relationship between monthly income level and investment behavior. A higher proportion of respondents with a monthly income below 1,600 € reported investing in financial instruments. Specifically, those with a monthly income between 1,600 € and 2,999 € represented the second-highest proportion in the chart. This indicates that the lower and middle-income level responders have understood and experienced various investments, which may have access to investment opportunities.

### 4.2.3 The relationship between investment behaviors and level of education

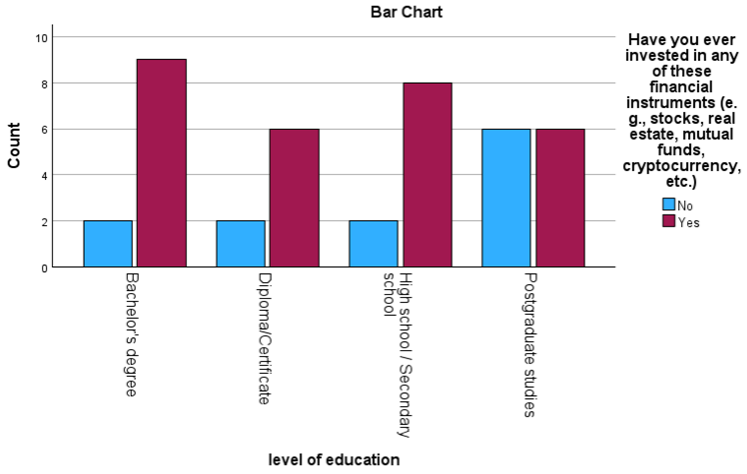


*Figure 3. Investment behaviour by level of education*

As per Figure 3, the bar chart reveals a correlation between the level of education and investment behaviour. Individuals with a Bachelor's degree indicated higher interest in investment, while those with postgraduate studies showed a positive trend towards investment. individual with high school or secondary school education have less interest in investment. This suggests that higher education attainment is associated with a higher likelihood of investment.

## 4.3 Analysis of Likert scale questions

The third section of the survey consists of Likert scale questions, which are focused on factors that influence investment decisions.

The study has selected to identify the correlation between the selected four factors and future investment decision-making. The analysis utilizes descriptive statistics to illustrate the same. The analysis elaborated on each factor involved in decision-making. To measure each factor, there are four (4) options (see Appendix 1) provided for the responders. To analyze the four options under each factor selected in this study, the mean, standard deviation, distribution and variation between each four options have been calculated. The Likert scale was from 1 to 5. 1 stands for strongly disagree, and 5 is strongly agree. The most similar perception from all four options provided under each factor is as follows;

**Risk tolerance:** ***"My investment decisions are strongly influenced by my ability to tolerate financial losses"*** **(option 4).**

97,6% of the respondents have answered the section. The mean was 3,97, which exhibited the most consistent responses to the option by respondents. The standard deviation was 0,800 as evidenced by the comparatively low standard deviation across the four variables. This suggests that most respondents share a similar perception of the associated risk.

**Financial literacy:** ***"A higher level of financial literacy would help me make better investment decisions"*** **(option 4)**

95,1% of the respondents have answered the question. The mean 4,21 and standard deviation 0.767 were as observed, respondents tend to rate their financial literacy more positively. Specifically, this analysis found that the responses for *"I frequently seek financial education or advice before making investment choices"* (3rd option) have a higher standard deviation (1.057) and variance, as they showed the greatest variability in responses. The findings indicate that most respondents consider themselves moderately financially literate.

**Investment experience:** ***"My past investment experiences have significantly influenced my current investment decisions."*** **(option 1)**

95,1% of the respondents report a high level of investment experience as indicated by the mean 4.03 and the standard deviation was 0.843, which represents that the respondents' rate of investment experience is relatively high, and it shows positive experience in investment.

**Tax Implications:** ***"Tax implications play a significant role in my investment decision-making process."*** **(option 1)**

95,1% of the respondents have answered the question. The mean was 3,77 and the standard deviation was 0.810, which suggested that it is the least troublesome. Overall, the total responses had a pronounced positive impact.

**Social Influence: *"Advice from financial experts and influencers strongly affects my investment choices,"* (option 3)**

The highest mean (4.03) and the standard deviation was 0.778 were observed. This suggests that it the perceived as the most influential factor. Therefore, most respondents felt the option had the most pronounced positive response.

## 4.4 Distribution of factors influencing investment decisions among residents of Helsinki

The Likert scale questions are focused on the selected factors that influence investment decisions by focusing on these key research questions:

*What factors influence investment decisions among immigrants in Helsinki?*
*What factors influence investment decisions among citizens in Helsinki?*

The analysis utilizes cross-tabulation to illustrate the relationship between selected factors and investment decisions as identified by the most similar perception from all four options provided under each factor in the previous chapter. Detailed analysis elaborated as follows;
The relationship between

### 4.4.1 The Citizenship and Risk tolerance: *"My investment decisions are strongly influenced by my ability to tolerate financial losses"* (option 4).

Figure 4 bar chart illustrates that the relationship between respondents' citizenship status and their investment decision is influenced by their ability to tolerate financial losses. As per the chart, among Finnish citizens (n=12), they agreed on their investment decisions as stated. A more varied distribution showed in the immigrants' column as strongly agreed (n=7). As of suggestion regarding the influence of risk tolerance on the investment behaviour of immigrants exhibits more uncertainty.

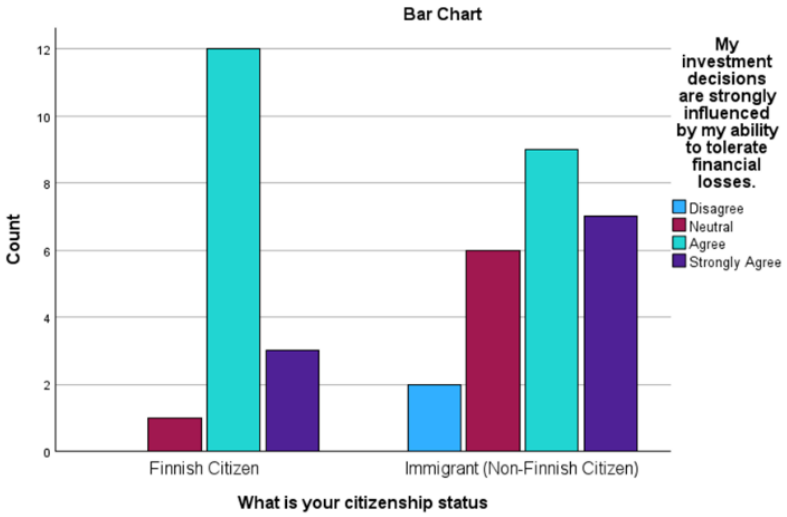


*Figure 4. Investment risk tolerance and citizenship status*

### 4.4.2 The citizenship and financial literacy: *"A higher level of financial literacy would help me make better investment decisions"* (option 4)

Figure 5 explained that the Finnish citizens agreed (n = 10) with the statement, while a smaller portion (n = 4) strongly agreed. The largest group (n=10) strongly agreed and agreed (n=8), as demonstrated by immigrants. Both groups recognized the value of financial literacy in investment decisions. As per the chart, immigrants express stronger agreement when making investment choices.

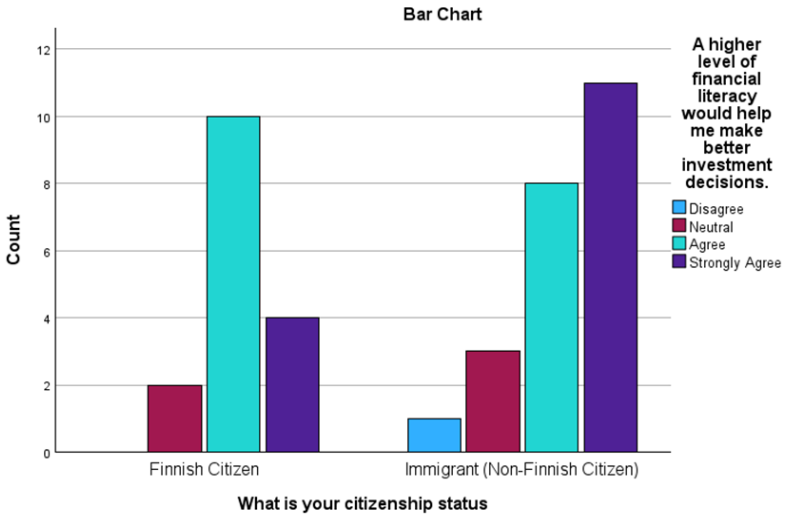


*Figure 5. Financial literacy and citizenship status*

### 4.4.3 The Citizenship and Investment Experience: *"My past investment experiences have significantly influenced my current investment decisions."* (option 1)

Figure 6 illustrates that the influence of past investment experience affects current investment decisions among both groups since they have predominantly selected "Agree", which indicates a significant impact of their past experiences on current behaviour. However, from both groups, immigrants (n=9) had a larger proportion of responders on "strongly agree" compared to Finnish citizens, which suggests that immigrants may rely more on experiential learning.

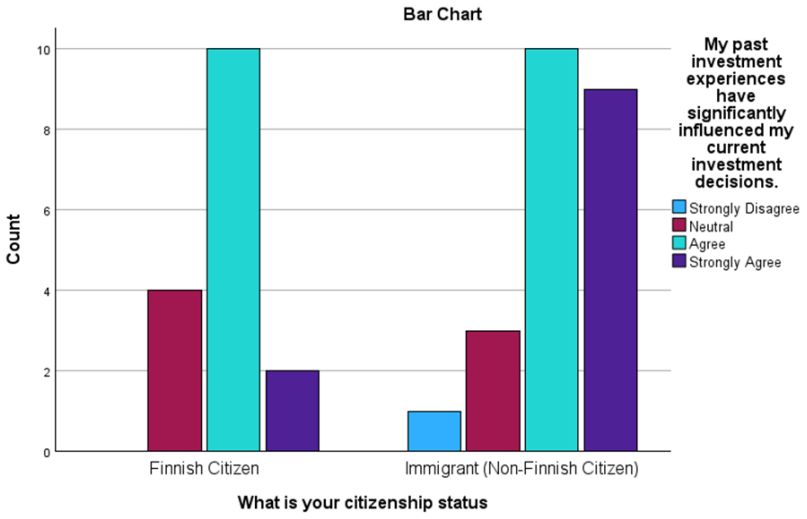


*Figure 6. Investment experience and citizenship status*

### 4.4.4 The Citizenship and Tax Implications: *"Tax implications play a significant role in my investment decision-making process."* (option 1)

Figure 7 reveals the differences in how Finnish citizens and immigrants perceive the tax implications in their investment decisions. as per reading the both groups acknowledge that taxes are an important factor to be concerned about. Immigrants express strong agreement with higher portions on "agree" and "strongly agree" compared to Finnish citizens. The interesting concern in these responses shows towards neutrality which has greater tendency. This reflects comfort or familiarity with the domestic tax environment.

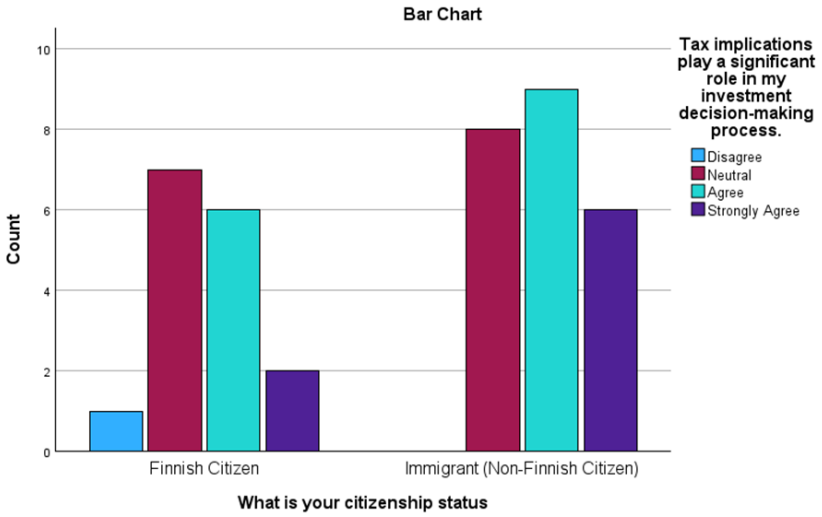


*Figure 7. Tax implications and citizenship status*

### 4.4.5 The Citizenship and Social Influence: "Advice from financial experts and influencers strongly affects my investment choices" (option 3)

Figure 8 illustrates that both Finnish citizens and immigrants show receptiveness towards financial guidance from experts and influencers. Immigrants appeared (n=16) "agree and (n=06) "strongly agree, which shows a strong reliance on external advice. Finnish citizens (n=9) selected "agree" and (n=3) "strongly agree", which appeared to indicate a more skeptical stance on their perceptions.

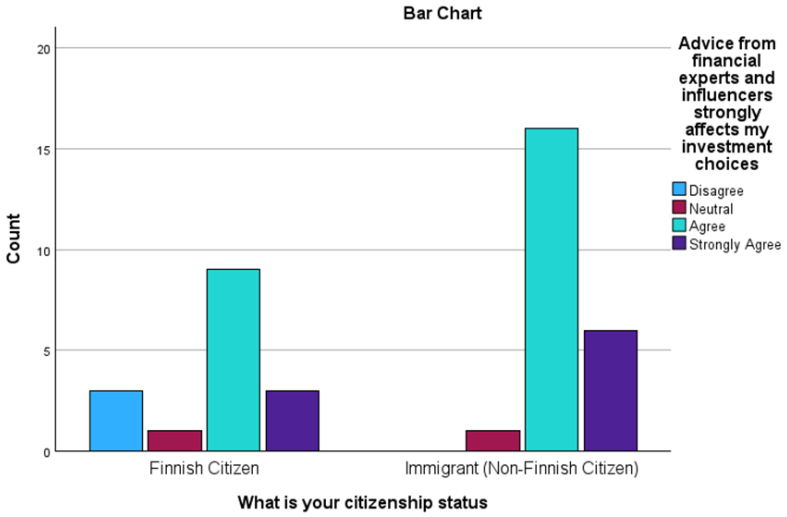


*Figure 8. Social influence and citizenship status*

## 4.5 Analysis of Likert scale question "investment decision-making"

The positive perception of investment decision-making across the measure, an investment decision option 1, *"I feel that investing today is a positive act for my future."*, has been rated by surveyed respondents with the highest mean score (4,36). While the lowest mean (3,90) is an investment decision option 5, *"I prefer investments over consumption."* The analysis highlighted the varying factors that influence investment decisions.

To identify the relationship between citizenship status and investment decision, the analysis utilizes cross-tabulation on the highest rated option 1 *"I feel that investing today is a positive act for my future"*. As Figure 9 reveals, both Finnish citizens and immigrants perceive investing today as having a positive impact on their future. the majority of Finnish citizens selected (n=11) "Agree" while most immigrants responded with (n=13) "strongly agree". Overall, immigrants might feel a stronger drive to secure their financial future, while Finnish citizens may feel a more stable attitude towards their future investments.

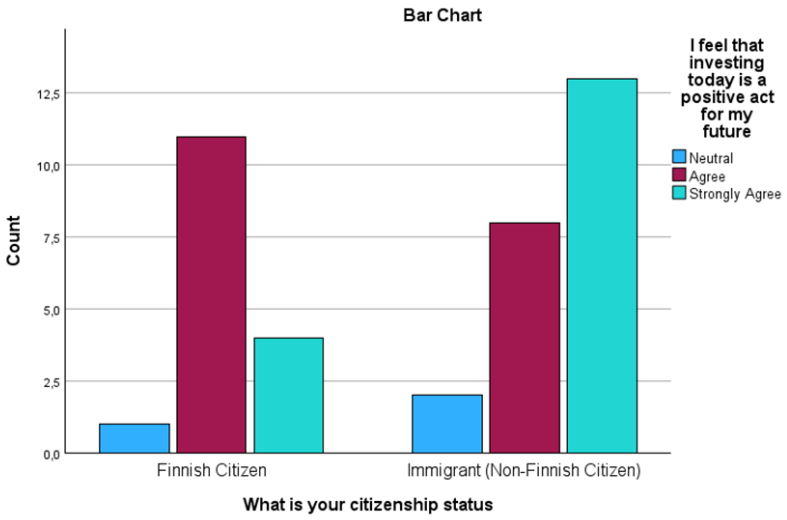


*Figure 9. Investment decision and citizenship status*

# 5 Discussion

The chapter discusses how the findings of this study align with previous theoretical findings. The following six research questions were considered to discuss their relation to previous theoretical findings.

*What factors influence investment decisions among residents of Helsinki?*

*What factors influence investment decisions among immigrants in Helsinki?*

*What factors influence investment decisions among citizens in Helsinki?*

*Does age influence the investment decisions of residents in Helsinki?*

*Does income level influence the investment decisions of residents in Helsinki?*

*Does education level influence the investment decisions of residents in Helsinki?*

## 5.1 What factors influence investment decisions among residents of Helsinki?

According to Lam et al. (2024), previous studies have shown that various factors influence an individual's investment decision-making. Moreover, as per Saivasan & Lokhande (2022) The study highlighted that the wide range of behavioural factors influences investment decisions, including emotional biases, personality traits, social influences, and risk perception. This is supported in the results chapter by analysing the collected responses in each selected factor that influences the investment decisions.

The results show that the risk tolerance option 4 is the highest mean (3.97) value recorded, *"My investment decisions are strongly influenced by my ability to tolerate financial losses"*, which reveals the most consistent response to the option. This result is supported by Kwak & Grable (2024) An individual's risk tolerance is variable, reflecting their unique willingness to assume risk. This is called as "sleep factor", an expression that explains the level of risk an individual finds tolerable.

The result related to the responses regarding the financial literacy: *"A higher level of financial literacy would help me make better investment decisions"* (option 4), and according to the responses, the highest standard deviation was stated in option 3 *"I frequently seek financial education or advice before making investment choices"* and both the result suggested that responses seek financial related knowledge before any of the investments decisions. this is described precisely in chapter 2.4.6. Investors with financial literacy are more likely to work on financial principles and market analysis, which shows that behavioural biases have a lower impact on investment decision-making (Almansour et al., 2023)

The result suggested that the investment experience has a direct influence on investment decisions, with a mean value 4.03 *"My past investment experiences have significantly*

*influenced my current investment decisions."* (option 1). The result supports the theory, chapter 2.4.7 stated by Aslam et al., 2020, that the investors' psychological behaviour reflects their perception and memory. The more a person has previous experience with investments, believes that his or her decisions on investments are mostly correct.

The result regarding the tax Implications: *"Tax implications play a significant role in my investment decision-making process."* (option 1) supports the theory in chapter 2.4.8; previous research by Kontoghiorghes, 2024, As stated in the article, the changes in tax policy could make changes in investors' perception, such as adjustments in capital gains tax rates and deductions in retirement contributions. This effect can influence investors.

## 5.2 What factors influence investment decisions among immigrants and citizens in Helsinki

This section discusses the factors influencing investment decisions by following two research questions with previous empirical study findings.

*What factors influence investment decisions among immigrants in Helsinki?*

*What factors influence investment decisions among citizens in Helsinki?*

The result stated in chapter 4.4, along with its 5 separate subsections, shows how the selected factors have influenced the investment decisions of both immigrants and citizens. As per the result in chapter 4.4.1, the immigrants exhibit greater uncertainty than citizens concerning risk tolerance. This result supports the previous study referred to in chapter 2.6, according to Bertocchi et al. (2023) A study described the higher uncertainty due to unfamiliarity with investing in foreign assets by immigrants than by citizens in terms of their risk preferences.

The result referred to in chapter 4.4.2, immigrants express stronger agreement on financial literacy when making investment decisions. As mentioned in chapter 2.6, the immigrants hold up less financial assets of their own and participate in the financial market less than citizens. This may impact information about the ongoing and current situation of the financial markets (Kushnirovich, 2016), (Osili & Paulson, 2006). Therefore, the previous study findings may have an impact on financial knowledge when investing in financial markets.

The investment experience and tax implications influence investors' investment decisions, as shown in chapter 4.4.3 concerning investment experience, the result suggested that immigrants may rely more on experiential learning compared to Finnish citizens. In chapter 4.4.4. The result expressed those responses reflect comfort or familiarity with the domestic tax environment. In terms of both, the results supported the previous study stated that the investment choices of immigrants and citizens varied, with their perceptions including employment status, earnings, cultural norms, risk preferences, tax policies, access to benefits, and financial markets (Bertocchi et al., 2023)

Chapter 4.4.5 shows a strong reliance on external advice among Finnish citizens and immigrants, which indicates a more skeptical stance on their perceptions. Thus, the result shows that a greater perception among immigrants than Finnish citizens. A researcher Kushnirovich has stated in the article "Immigrant investors in financial markets: modes of financial behaviour" in 2016 that the social interaction on investment decisions plays a more important role for immigrants than the natives.

## 5.3 Is there any relationship between citizenship status and investment decision-making?

The result referred to chapter 4.5, to see the relationship between citizenship status and investment decision making. As mentioned in chapter 4.5, immigrants have a stronger drive to secure their financial future, while Finnish citizens may feel a more stable attitude towards their future investments, which indicates that as stated in chapter 2.3 that the psychological and social context approach reveals that investment decisions are not solely based on rational calculations, but are significantly influenced by various psychological and social factors (Raj, 2024)

## 5.4 Do demographic factors influence investment decisions of residents in Helsinki?

This section discusses the demographic factors that have been selected in this study, including age, income and education level, which influence investment decisions. this was explored through three research questions informed by previous theories.

*Does age influence the investment decisions of residents in Helsinki?*

*Does income level influence the investment decisions of residents in Helsinki?*
*Does education level influence the investment decisions of residents in Helsinki?*

The result is shown in chapter 4.2.1, individuals aged 20-35 have a higher interest in investment opportunities than those aged 36-54. The result is supported as stated, age is a significant factor in an individual's development, varying across life stages. Age contributes to increased individual skills, particularly in effective management (Stie & Surabaya, 2010)

As the result indicates in chapter 4.2.2. shows that the lower and middle-income level responders have understood and experienced various investments, which may have access to investment opportunities. The result supported by the previous article, "a study on the relevance of demographic factors in investment decisions," is stated as a person's income level directly impacts investment decisions (Geetha & Ramesh, 2012)

In chapter 4.2.3, results related to the level of income show that higher education attainment is associated with a higher likelihood of investment. Literature supported the result that financial literacy and risk tolerance level have an impact when investing in the financial markets. The higher the level of risk tolerance an individual has, the higher their education level tends to be (M. B. Patel & Modi, 2017)

# 6 Conclusion

The primary aim of the study is to identify *the factors influencing investment decisions among residents of Helsinki*. The sample was limited to the student population of Arcada University of Applied Sciences, which represents the entire population of Helsinki. The main questions of identifying the factors influencing investment decisions are divided into demographic factors and the citizenship status of the respondents. Which has been explored the relationship between the variables of this study.

The relationship and the connection between the investment decision and the factors affecting the decision-making are observed concerning the main questions of the study, and the data collected through the survey shows that the factors have affected an individual's investment decisions. The results regarding the demographic factors, such as age, level of income and education level, are prone to affect the investment decisions.

The result of the research question based on citizenship status, "*What factors influence investment decisions among immigrants and citizens in Helsinki?",* revealed the individual behaviour towards the selected factors which influence investment decisions, and the results showed important reasons like uncertainty, risk perceptions, and diverse options in investment independence that are effecting to the investment decisions.

To understand future interest in investments and their behavour towards investment trends, the research included a Likert scale questionnaire to measure the investment decision making. The majority of responses were on "*I feel that investing today is a positive act for my future",* which has appropriate positivity towards investments and seeking knowledge related to the financial markets.

The study benefited the researcher with more insights by exploring various angles of investment behaviour, factors affecting investment decisions, financial trends, financial markets and their instruments. As a whole, this study has been an informative learning experience.

## 6.1 Reliability of the survey and results

As Bryman & Cramer, pp. (2012, pp. 67–85) clarifies, reliability involves the consistency, stability, and repeatability of the collected and recorded information. When assessing the reliability of quantitative research, researchers focus on the consistency of the measurements that they use. The study survey had with 96.7% response rate, which can be considered a healthy survey.

However, the survey was launched through the email database, but it did not receive a reasonable number of responses as expected. At least a prominent number of responses may affect the result more accurately. It is more important not to rely on one source of data collection, which has a crucial impact on the result. Therefore, the lesson should be taken into consideration in future studies.

## 6.2 Future research

The research focused mainly on various factors that influence the investment decisions of an individual. Therefore, future studies should focus on identifying the gap in financial literacy of individuals and its improvement.

Further, the study highlighted those variations in different aspects of social influence affect investment decision-making, while responders generally perceived strong social influence. Therefore, further study could focus on how different aspects of social influence are rated.

In terms of demographic factors that influence investment decisions, future research could focus on marital status as a determinant of investment risk perceptions. This focus may have an interesting outcome, which has a combination of psychological aspects along with behavioural finance.

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# Appendix 1: Survey Questions

**Survey on Investment Decisions Among Residents of Helsinki**

***Section 1: Demographic Information***

**1. What is your age group?**

☐ 20-35
☐ 36-54
☐ 55 and above

**2. What is your gender?**

☐ Male
☐ Female
☐ Other / Prefer not to say

**3. What is your citizenship status?**

☐ Finnish Citizen
☐ Immigrant (Non-Finnish Citizen)

**4. What is your highest level of education?**

☐ High school / Secondary school
☐ Diploma/Certificate
☐ Bachelor's degree
☐ Postgraduate studies

**5. What is your monthly income level?**

☐ Less than €1,600
☐ €1,600 - €2,999
☐ €3,000 - €4,999
☐ €5,000 and above

***Section 2: Investment Behavior and Influencing Factors***

**6. Have you ever invested in any of these financial instruments (e.g., stocks, real estate, mutual funds, cryptocurrency, etc.)**

☐ Yes
☐ No

**7. If so, what types of investments do you currently hold? (Select all that apply)**

☐ Stocks
☐ Bonds
☐ Bank deposits/Fixed Deposits
☐ Mutual Funds
☐ Cryptocurrency
☐ Other (please specify): _____

***Section 3: Factors Influencing Investment Decisions***

| Category | Question | Response Options | | | | |
|---|---|---|---|---|---|---|
| | | **Strongly Disagree =1, Disagree=2, Neutral=3, Agree=4, Strongly Agree=5** | | | | |
| Measurement of Risk Tolerance | I am willing to take high financial risks in my investments to achieve higher returns. | 1 | 2 | 3 | 4 | 5 |
| | When making investment decisions, I prioritize maximizing returns over minimizing the risk. | 1 | 2 | 3 | 4 | 5 |
| | I feel comfortable investing in volatile or uncertain market conditions. | 1 | 2 | 3 | 4 | 5 |
| | My investment decisions are strongly influenced by my ability to tolerate financial losses. | 1 | 2 | 3 | 4 | 5 |
| Measurement of Financial Literacy | I feel confident in my ability to evaluate different investment options before making a decision. | 1 | 2 | 3 | 4 | 5 |
| | My investment decisions are based on my understanding of financial concepts such as risk, returns, and diversification. | 1 | 2 | 3 | 4 | 5 |
| | I frequently seek financial education or advice before making investment choices. | 1 | 2 | 3 | 4 | 5 |
| | A higher level of financial literacy would help me make better investment decisions. | 1 | 2 | 3 | 4 | 5 |
| Measurement of Investment Experience | My past investment experiences have significantly influenced my current investment decisions. | 1 | 2 | 3 | 4 | 5 |
| | I feel more confident making investment choices because of my previous investment experiences. | 1 | 2 | 3 | 4 | 5 |
| | Having prior investment experience helps me better assess risks and returns when making financial decisions. | 1 | 2 | 3 | 4 | 5 |
| | I am more likely to invest in financial products or markets I have previously invested in rather than exploring new options. | 1 | 2 | 3 | 4 | 5 |
| | Tax implications play a significant role in my investment decision-making process. | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Measurement of Tax Implication | I prefer investment options that offer tax benefits, even if they have lower returns. | 1 | 2 | 3 | 4 | 5 |
| | I consider the tax consequences of selling an investment before making a decision. | 1 | 2 | 3 | 4 | 5 |
| | I am more likely to invest in tax-advantaged accounts (e.g., retirement funds, tax-free bonds) to minimize my tax burden. | 1 | 2 | 3 | 4 | 5 |
| Measurement of Social Influence | I consider the opinions of family and friends when making investment decisions. | 1 | 2 | 3 | 4 | 5 |
| | I am more likely to invest in financial products that are popular or widely discussed in my social circle. | 1 | 2 | 3 | 4 | 5 |
| | Advice from financial experts and influencers strongly affects my investment choices. | 1 | 2 | 3 | 4 | 5 |
| | I feel more confident in my investment decisions when they align with what others around me are doing. | 1 | 2 | 3 | 4 | 5 |
| | I am likely to reconsider my investment choices if I see others making different financial decisions. | 1 | 2 | 3 | 4 | 5 |
| Measurement of Investment Decision Making | I feel that investing today is a positive act for my future. | 1 | 2 | 3 | 4 | 5 |
| | I allocate my surplus savings for investment purposes. | 1 | 2 | 3 | 4 | 5 |
| | Investment is an integral component in my financial planning. | 1 | 2 | 3 | 4 | 5 |
| | I prefer investments over consumption. | 1 | 2 | 3 | 4 | 5 |