RANKING & COMPARATIVE ANALYSIS OF INVESTMENT PREFERENCES OF GENERATION X & MILLENNIAL INVESTORS: A GARRETT RANKING APPROACH

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Abstract:

Investment is the collection and accumulation of cash or resources with the goal of producing wealth and earning returns in the future. Individuals can invest through a variety of channels, including bank deposits, post office schemes, mutual funds, stocks and shares, gold and silver, real estate, and other financial instruments. The investment preferences of individuals differ due to various factors like income, purpose of investment , risk bearing capacity, age etc. This study aims to analyse and compare the investment preferences of two major age groups: Generation X (The older generation, born between 1965-1980) and Millennials (The younger generation, born between 1981-1996). To achieve this objective, the Garrett Ranking Technique has been used to rank the investment options preferred by respondents in each group. Subsequently, a comparative analysis has been conducted to identify differences and similarities in their investment choices, leading to meaningful conclusions regarding the investment behaviour of these generations.

The study shows that the primary difference between Generation X & Millennials is that respondents from Generation X, who are comparatively older, prefer risk-free investments, while Millennials, who are comparatively younger, are more interested in taking on moderate market risks. As a result, Millennials place Mutual Funds over traditional banking , but invest more in mutual funds than in the stock market directly. Nonetheless, both age groups share similar preference for real estate and post office-oriented investments. The report also shows that Millennials do not think Life insurance as a wise financial choice.

Key Words: Investment preferences, Generation X, Millennials, Garrett Ranking

1.1 Introduction:

Investment refers to the use of one's money to buy assets expected to generate income or appreciate in value over time, with the aim of building wealth and meeting future financial goals. At the onset, it is to be understood that Investment differs from Saving. Saving is about keeping money safe with little risk, while investing is about making money grow, which usually means taking on some risk. The main goals are usually to beat inflation, create a solid financial future, and achieve targets like saving for retirement, paying for education, or purchasing a home.

Individuals can invest through a variety of channels, including bank deposits, post office schemes, mutual funds, stocks and shares, gold and silver, real estate, and other financial instruments. Personal investments mainly depend on several factors including the reason someone is investing, how long they plan to keep the money, how much risk they can handle, and their overall financial situation like their income, expenses, and what they already own. In fact Investment preference also varies according to age of the investor. **Ansari (2019)** concluded that age is one of the key factors that affect how investors make their decisions. **Wahyuni and Astuti (2020)** found that younger high-net-worth individuals are usually more inclined to invest in projects focused on sustainability and innovation.

With this background, this study has been taken up to rank & compare the investment preferences of two major age groups: Generation X (The older generation, born between 1965-1980) and Millennials (The younger generation, born between 1981-1996).

1.2.1 Concept of Generation Cohorts:

A generation refers to a group of individuals born and living within the same period, who often share similar social, cultural, and historical experiences. Experts like German sociologist **Karl Mannheim. Mannheim** in his 1923 essay 'The Problem of Generations' & **Deborah Carr, Professor** and Chair of Sociology at Boston University and author of Golden Years generations are commonly categorized into approximately 20-year cohorts. These generational groups are used to study differences in attitudes, values, behaviours, and preferences across age segments.

1.2.2 Labels of Generation Cohorts:

Generation	Birth Years
The Greatest Generation (GI Generation)	Born 1901–1927
The Silent Generation	Born 1928–1945
Baby Boom Generation	Born 1946–1964
Generation X **[The older Generation]**	Born 1965–1980
Millennial Generation or Generation Y **[The younger Generation]**	Born 1981–1996
Generation Z or iGen	Born 1997–2010
Generation Alpha	Born 2010–2024

Generation Beta	Born 2025–2039

1.2.3 Why Millennials & Generation X are taken up for the study:

For this study , specifically the Millennials & Generation X are taken up because they are two major groups of people from different generations who are economically engaged at present with different financial behaviours, have different ways of handling money, different ways of living, and different views on investing. This study involving Millennials and Generation X helps to better understand how differences in age, financial responsibilities, economic situations, and use of technology influence investment choices.

2.1 Objectives of the study:

This paper titled **"Ranking & comparative analysis of investment preferences of Generation X & Millennial investors: A Garrett ranking approach"** is carried out with the following objectives:

1. To rank the investment preference of Millennials and Generation X using Garrett Ranking Approach.
2. To Compare the investment preferences of Millennials and Generation X.

2.2 Research Methodology

The information required for the study has been collected through Primary & Secondary sources.

The secondary data has been collected from different books, journals & websites.

The Primary data has been collected as follows:

1. **Data Collection Instrument:** A questionnaire consisting of Five Demographic questions and one subject-oriented question.
2. **Data Collection Period:** April and May 2026
3. **Area of Data collection:** Residents of Greater Kolkata
4. **Type of Sampling:** Convenience Sampling to select the respondents and Purposive sampling to arrive at the number of Respondents in each group.

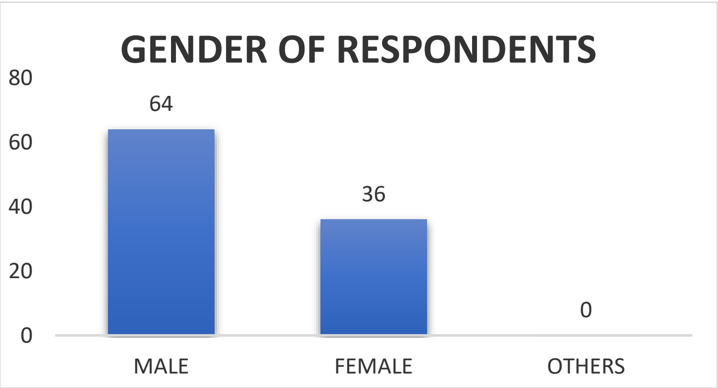
5. **Number of respondents:** 50 samples of Gen X respondents ;50 samples of Millennials

6. **Method of Data Analysis:** Use of EXCEL SHEET & GARRETT RANKING METHOD

3.0 Analysis of data collected through questionnaire for the purpose of Garrett ranking.

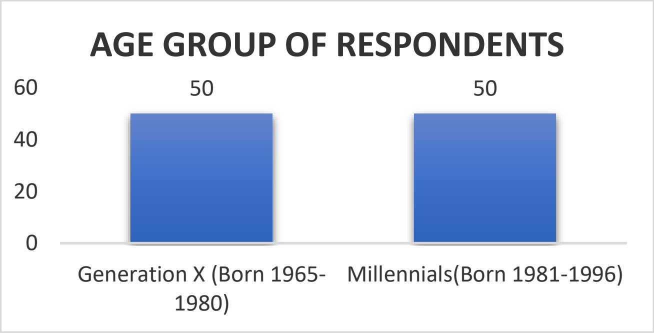
3.1 ANALYSIS OF DEMOGRAPHIC RESPONSES

1. **Gender of the Respondent :**



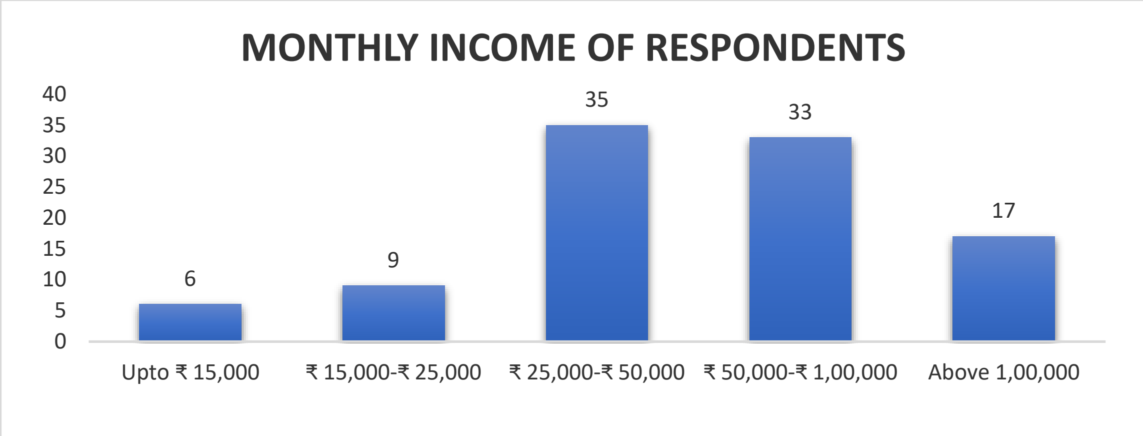
- After analysing the responses , it reveals that 64% of the respondents are Male and 36 % are Female

2. **Age Group Of Respondent**



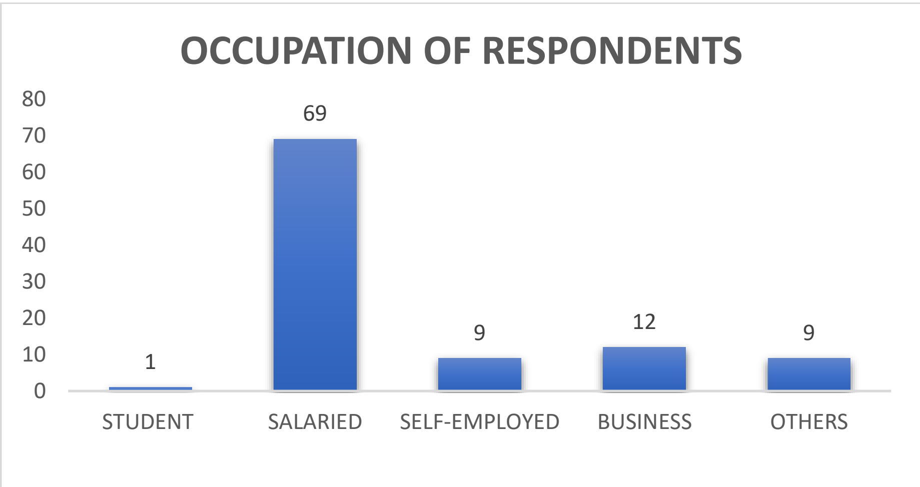
- The chart shows that 50% of the respondents are Generation X (Born 1965-1980) and 50 % of respondent are Millennials (Born 1981-196)

3. **Monthly Income of Respondent**



- After analysing the responses , it reveals that 6% of the respondent have monthly income up to ₹15,000 , 9% of the respondent have monthly income of ₹15,000- ₹25,000, 35% of the respondent have monthly income of ₹25,000- ₹50,000, 33% of the respondent have monthly income of ₹50,000- ₹1,00,000 and 17% of the respondent have monthly income above ₹1,00,000.

4. **Occupation of Respondent**



- After analysing the responses , it reveals that 1% of the respondent are student, 69% of the respondent are salaried, 9% of the respondent are Self-Employed, 12% of the respondent have Business and , 9% of the respondent are engaged in other occupations.

3.2: Analysis regarding investment preference of generation X, the older generation (born 1965–1980)

Step 1: At first a table is created through Excel in order to tabulate the responses of 50 Generation X Respondent

GENERATION X [Born 1965-1980]								
RANK	STOCK MARKET	TRADITIONAL BANKING	POST OFFICE SCHEME	MUTUAL FINDS	LIFE INSURANCE POLICY	REAL ESTATE	GOLD & SILVER	CHECK
1st	3	25	2	8	2	4	6	50
2nd	0	5	11	13	5	7	9	50
3rd	7	1	16	6	10	4	6	50
4th	4	6	5	11	9	5	10	50
5th	8	6	9	5	8	6	8	50
6th	15	4	3	2	7	14	5	50
7th	13	3	4	5	9	10	6	50
CHECK	50	50	50	50	50	50	50	

Step 2: Using the formula:

$$100(Rij – 0.5) /Nj$$

where

Rij=Rank given to the ith factor by jth individual and

Nj= Number of factors ranked by jth individual, the percent positions are found out.

For 1st Rank	100(1 – 0.5) / 7 = 7.14
For 2nd Rank	100(2 – 0.5) / 7 = 21.43
For 3rd Rank	100(3 – 0.5) / 7 = 35.71
For 4th Rank	100(4 – 0.5) / 7 = 50
For 5th Rank	100(5 – 0.5) / 7 = 64.28
For 6th Rank	100(6 – 0.5) / 7 = 78.57
For 7th Rank	100(7 – 0.5) / 7 = 92.85

Step 3: After this, the Garrett ranking conversion table has been used to find out the Garrett score:

Percent Position & Garrett Score

Rank	Percent Position	Garrett Score
1	7.14	79
2	21.43	66
3	35.71	57
4	50	50
5	64.28	43
6	78.57	34
7	92.85	21

Step 4: Finally, the following table is used to find out the final rank of the seven options

Rank	OP1	Garrett Score	Total	OP2	Garrett Score	Total	OP3	Garrett Score	Total	OP4	Garrett Score	Total	OP5	Garrett Score	Total	OP6	Garrett Score	Total	OP7	Garrett Score	Total
1	3	79	4.74	25	79	39.5	2	79	3.16	8	79	12.64	2	79	3.16	4	79	6.32	6	79	9.48
2	0	66	0	5	66	6.6	11	66	14.52	13	66	17.16	5	66	6.6	7	66	9.24	9	66	11.88
3	7	57	7.98	1	57	1.14	16	57	18.24	6	57	6.84	10	57	11.4	4	57	4.56	6	57	6.84
4	4	50	4	6	50	6	5	50	5	11	50	11	9	50	9	5	50	5	10	50	10
5	8	43	6.88	6	43	5.16	9	43	7.74	5	43	4.3	8	43	6.88	6	43	5.16	8	43	6.88
6	15	34	10.2	4	34	2.72	3	34	2.04	2	34	1.36	7	34	4.76	14	34	9.52	5	34	3.4
7	13	21	5.46	3	21	1.26	4	21	1.68	5	21	2.1	9	21	3.78	10	21	4.2	6	21	2.52
			39.26			62.38			52.38			55.4			45.58			44			51
RANK			7th			1st			3rd			2nd			5th			6th			4th
		STOCK MARKET			TRADITIONAL BANKING			POST OFFICE SCHEME			MUTUAL FUND			LIC POLICY			REAL ESTATE			GOLD & SILVER	

Step 5: So, we conclude that the survey has led to the following ranks for preference of investment options:

RANK	INVESTMENT OPTION FOR GEN X RESPONDENTS
1	Traditional Banking
2	Mutual Fund
3	Post Office Scheme
4	Gold & Silver
5	Life Insurance Policy
6	Real Estate
7	Stock Market

3.3 Analysis regarding investment preference of Millennials, The Younger generation (Born 1981–1996)

Step 1: At first a table is created through Excel in order to tabulate the responses of 50 Millennials Respondent

MILLENNIALS [Born 1981-1996]								
RANK	STOCK MARKET	TRADITIONAL BANKING	POST OFFICE SCHEME	MUTUAL FINDS	LIFE INSURANCE POLICY	REAL ESTATE	GOLD & SILVER	CHECK
1st	10	13	4	16	0	2	5	50
2nd	8	5	9	13	6	2	7	50
3rd	4	6	14	3	9	5	9	50
4th	5	9	5	5	4	15	10	50
5th	5	10	7	9	8	5	6	50
6th	11	3	7	2	13	10	4	50
7th	7	4	4	2	10	14	9	50
CHECK	50	50	50	50	50	50	50	

Step 2: Using the formula:

$$100\ (R_{ij} - 0.5)\ /N_j$$

Where,

Rij=Rank given to the ith factor by jth individual and

Nj= Number of factors ranked by jth individual, the percent positions are found out.

For 1st Rank	100(1 – 0.5) / 7 = 7.14
For 2nd Rank	100(2 – 0.5) / 7 = 21.43
For 3rd Rank	100(3 – 0.5) / 7 = 35.71
For 4th Rank	100(4 – 0.5) / 7 = 50
For 5th Rank	100(5 – 0.5) / 7 = 64.28
For 6th Rank	100(6 – 0.5) / 7 = 78.57
For 7th Rank	100(7 – 0.5) / 7 = 92.85

Step 3: After this, the Garrett ranking conversion table has been used to find out the Garrett score:

Percent Position & Garrett Score

Rank	Percent Position	Garrett Score
1	7.14	79
2	21.43	66
3	35.71	57
4	50	50
5	64.28	43
6	78.57	34
7	92.85	21

<u>Step 4</u>: Finally, the following table is used to find out the final rank of the seven options

Rank	OP1	Garrett Score	Total	OP2	Garrett Score	Total	OP3	Garrett Score	Total	OP4	Garrett Score	Total	OP5	Garrett Score	Total	OP6	Garrett Score	Total	OP7	Garrett Score	Total
1	10	79	15.8	13	79	20.54	4	79	6.32	16	79	25.28	0	79	0	2	79	3.16	5	79	7.9
2	8	66	10.56	5	66	6.6	9	66	11.88	13	66	17.16	6	66	7.92	2	66	2.64	7	66	9.24
3	4	57	4.56	6	57	6.84	14	57	15.96	3	57	3.42	9	57	10.26	5	57	5.7	9	57	10.26
4	5	50	5	9	50	9	5	50	5	5	50	5	4	50	4	15	50	15	10	50	10
5	5	43	4.3	10	43	8.6	7	43	6.02	9	43	7.74	8	43	6.88	5	43	4.3	6	43	5.16
6	11	34	7.48	3	34	2.04	7	34	4.76	2	34	1.36	13	34	8.84	10	34	6.8	4	34	2.72
7	7	21	2.94	4	21	1.68	4	21	1.68	2	21	0.84	10	21	4.2	14	21	5.88		21	0
			50.64			55.3			51.62			60.8			42.1			43.48			45.28
RANK			4th			2nd			3rd			1st			7th			6th			5th
		STOCK MARKET			TRADITIONAL BANKING			POST OFFICE SCHEME			MUTUAL FUND			LIC POLICY			REAL ESTATE			GOLD & SILVER	

<u>Step 5</u>: So, we conclude that the survey has led to the following ranks for preference of investment options:

RANK	INVESTMENT OPTION FOR MILLENIALS
1	Mutual Fund
2	Traditional Banking
3	Post Office Scheme
4	Stock Market
5	Gold & Silver
6	Real Estate
7	Life Insurance Policy

3.4 Comparative Analysis between Investment Preferences of Generation X (The older Generation) & Millennials (The Younger Generation)

RANKS	INVESTMENT OPTION FOR	INVESTMENT OPTION FOR

	GEN X RESPONDENTS [THE OLDER GENERATION]	**MILLENIALS [THE YOUNGER GENERATION]**
1	Traditional Banking	Mutual Fund
2	Mutual Fund	Traditional Banking
3	Post Office Scheme	Post Office Scheme
4	Gold & Silver	Stock Market
5	Life Insurance Policy	Gold & Silver
6	Real Estate	Real Estate
7	Stock Market	Life Insurance Policy

The above table clearly depicts the results of Garrett Ranking study regarding the Investment Preferences of Generation X respondents & Millennial respondents.

3.5 Findings arising out of the comparison

- It is evident that Generation X respondents, being older have more faith on Traditional Banking which mainly includes fixed interest bearing deposits. These are not dependant on market risk. These investment options are highly customizable, offering flexible terms and easy liquidity options for conservative investors.
- On the contrary the Millennials are comparatively younger by age and they are ready to take measured market risks. This makes them choose Mutual funds over Traditional Banking. Mutual funds can be more effective than traditional investment products like Fixed Deposits because they offer diversification, expert management, flexibility, and stronger long-term wealth-building potential.
- Another important observation is that the older Gen X respondents were more interested in Life Insurance policies, whereas the Millennials are least interested in traditional Life Insurance .
- Post Office Schemes like NSC, KVP, Sukanya Samriddhi & PO – TD's are equally chosen by Gen X & Millennials.
- Generation X respondent are basically risk avoiders and rank Stock market as their last investment option.

4.0 Conclusion

The study clearly shows that the investment preferences of Generation X & Millennials do differ fundamentally. This is how the respondents from each group have ranked their investment options:

INVESTMENT OPTION	RANK GIVEN BY GENERATION X	RANK GIVEN BY MILLENIALS
Traditional Banking	1ST	2ND
Mutual Fund	2ND	1ST
Post Office Scheme	3RD	3RD
Gold & Silver	4TH	5TH
Life Insurance Policy	5TH	7TH
Real Estate	6TH	6TH
Stock Market	7TH	4TH

The main area of difference lies in the fact that Generation X respondents (the comparatively older generation) prefer risk free investments , whereas the Millennials (the comparatively younger generation) are interested to take up moderate market risks and therefore they invest in Mutual Funds more than directly investing in the Stock market. However both the age groups have similar likings for Post Office oriented investments & Real Estate. Life Insurance policies are not considered to be a good investment option by the Millennials.

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