

ABSTRACT

The focus of this study was to examine how teachers' demographic characteristics affect the value of their investment. The study anchored much on the behavioral finance theory which explains how people's financial behavior is subject to personality traits, demographic and socioeconomic factors, religion, household characteristics, cognitive and emotional biases. Specifically, the study examined the effect of demographic factors on the value of investments in financial assets, value of investments in non financial assets and on aggregate investment value. The study hypothesized that demographic characteristics of the teachers such as age, gender, marital status, education, religion, length of service, number of dependants, income and financial training do not affect the value of their investments. Primary data was collected from a sample of 313 randomly selected secondary school teachers from Kisii County in Kenya. An ordered logistic regression was used to test three formulated hypotheses. At 5% significance level, the three hypotheses failed to be accepted and conclusions made that there are demographic characteristics of teachers that influence the value of their investments. The findings showed that age, gender and income were significant factors and all had a positive effect on the value of investments in financial assets. Again, gender and income were found to have a positive significant effect on investment value in non financial assets as well as on aggregate investment value. The other factors like marital status, number of dependants, financial training, education, length of service and religion were found to be insignificant. The findings from this study are contributes to providing a better understanding of how investors demographic characteristics impact on their investments in order to make better investment decisions.

Keywords: Demographic factors, investment value,