Chapter 4 Research Results

4.1 Findings

The first testing done was to determine the Cronbach Alpha for the surveyed questions. This was done in order to test for consistency and stability. This is important to search for any severe outliers that may exist in the responses indicating that one of the questions was greatly misunderstood by a large portion of the respondents. The Cronbach Alpha was found to be .851 for the survey response. The closer the Alpha is to one the more reliable the measures are found to be. With a score of .851, the survey results fall into what is generally considered an acceptable range. By convention, a lenient cut-off of .60 is common in exploratory research; alpha should be at least .70 or higher to retain an item in an "adequate" scale; and many researchers require a cut-off of .80 for a "good scale" (G. David Garson, Social Science Computer Review 2008).

Cronbach's Alpha

Case Processing Summary

		N	%
Cases	Valid	99	100.0
	Excluded	0	.0
	Total	99	100.0

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.851	.838	21

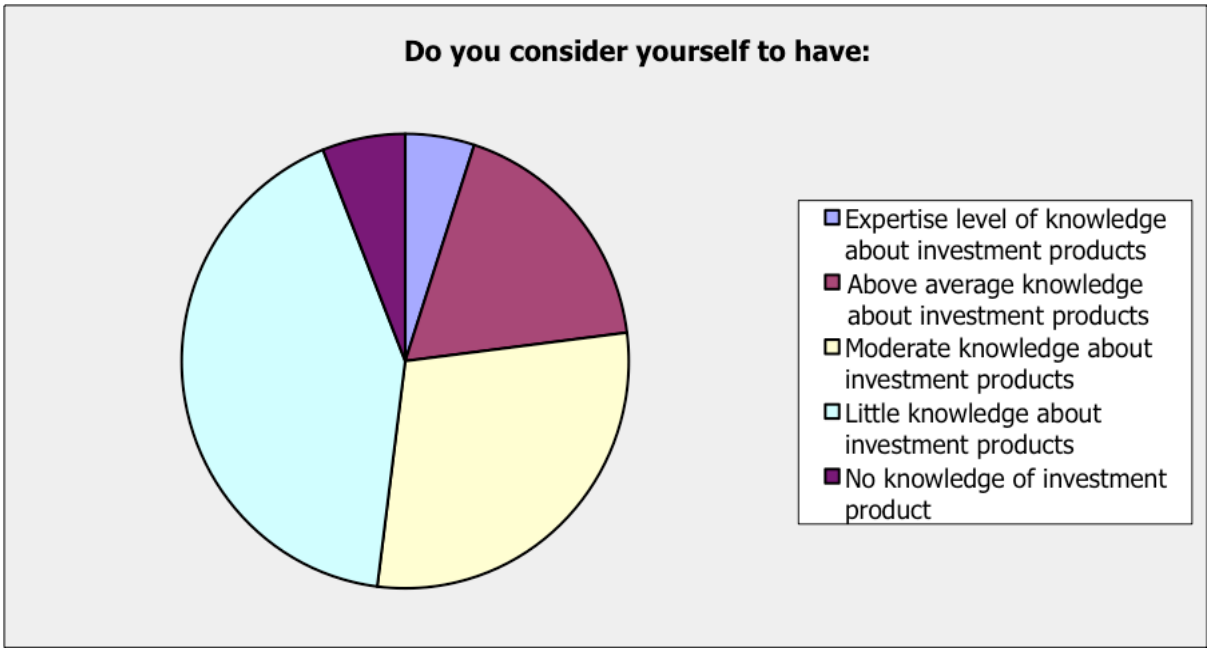
4.2 Testing for investment knowledge:

In testing for investment knowledge, each of the five questions related to what the respondents believed about their investment knowledge acted as the dependent variable to see how they were influenced by the independent variables that were the ten questions determining the respondent's barriers to investing. Briefly outlined below are the findings for each of the knowledge-based questions followed by an overall analysis of the findings.

The first question tested asked what the respondent felt was their current investment knowledge (K1). Possible answers were:

- Expertise level of knowledge about investment products
- Above average knowledge about investment products
- Moderate knowledge about investment products
- Little knowledge about investment products
- No knowledge of investment product

Breakdown of Answers for K1



When the question of investment knowledge was compared to the respondent's answers to investment barriers using regression analysis there was found to be a correlation measured at an R Squared value of .684 as seen below.

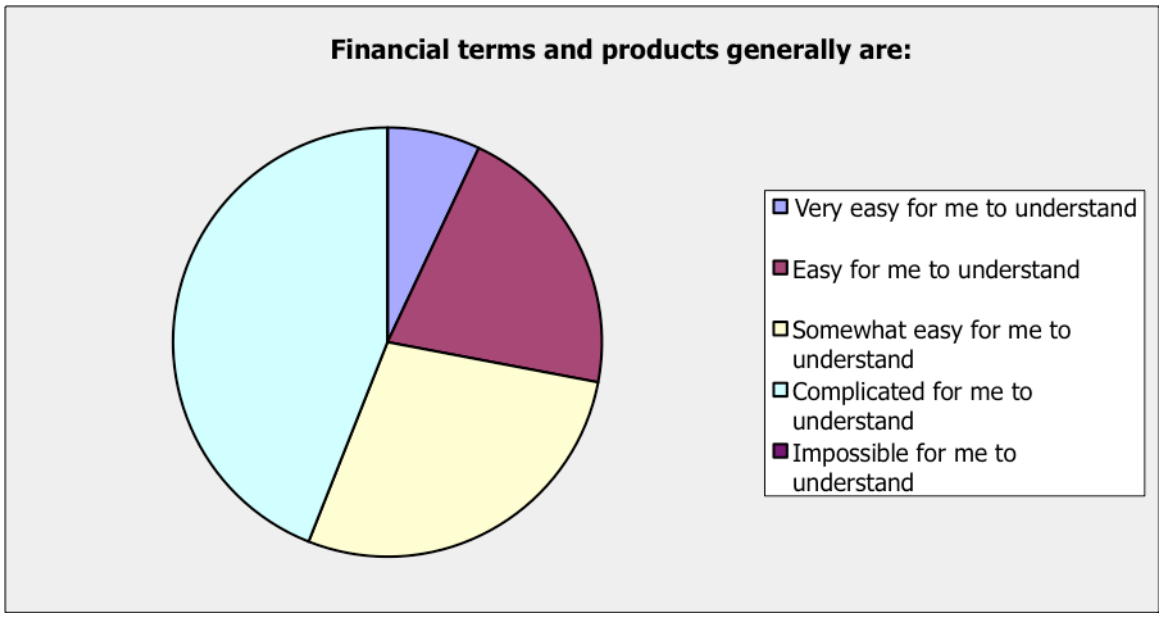
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827[a]	.684	.648	.591

The second knowledge-based question tested asked them about their ability to understand financial products (K2). Possible answers were:

- Very easy for me to understand
- Easy for me to understand
- Somewhat easy for me to understand
- Complicated for me to understand
- Impossible for me to understand

Breakdown of answers for K2



When the question of financial products was compared to the respondent's answers to investment barriers using regression analysis there was found to be a correlation measured at an R Squared value of .523 as seen below.

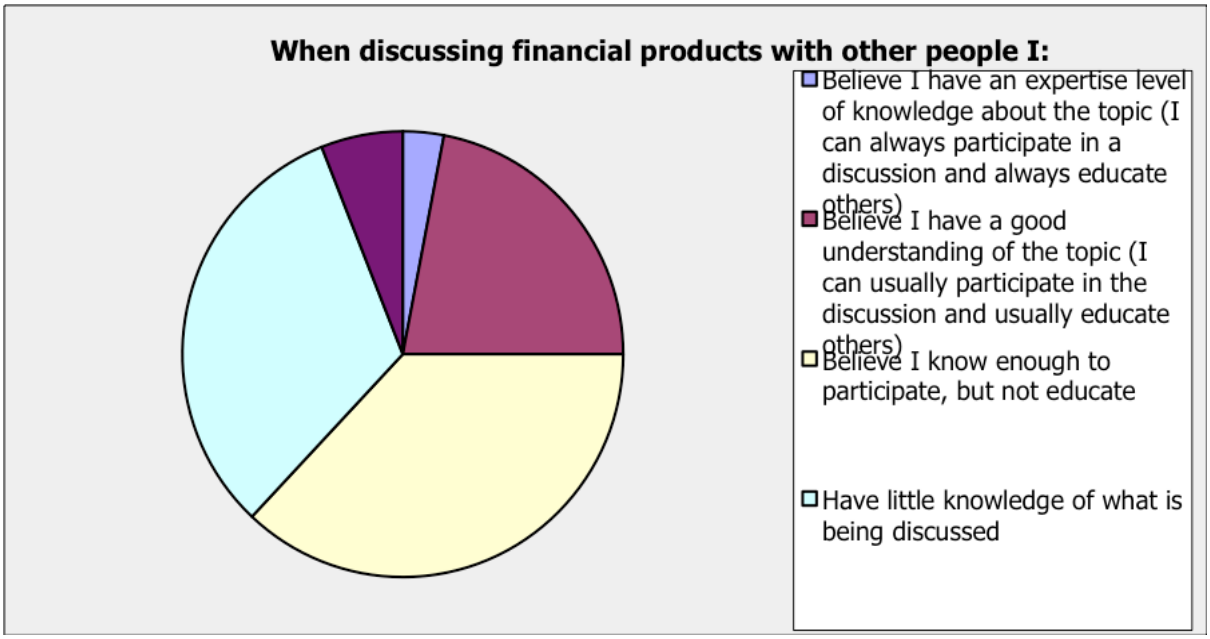
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.723[a]	.523	.468	.703

The third question testing knowledge asked the respondents about their knowledge relative to other people (K3). K3 asked “When discussing financial products with other people I believe I have:

- An expertise level of knowledge about the topic
- Believe I have a good understanding of the topic
- Believe I have enough to participate but not educate
- Have little knowledge of what is being discussed
- Have no knowledge of what is being discussed

Breakdown of answers for K3



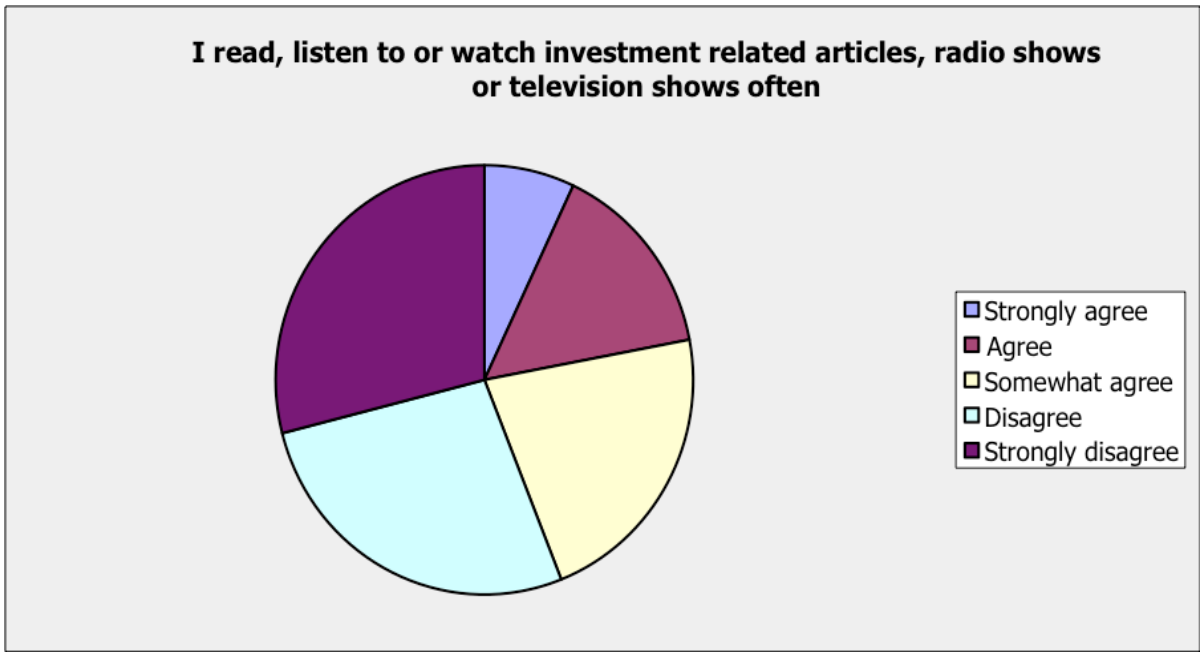
When the question of financial products was compared to the respondent's answers to investment barriers using regression analysis there was found to be a correlation measured at an R Squared value of .667 as seen below.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817[a]	.667	.630	.570

The fourth question related to knowledge testing asked how often the respondents engaged in seeking out investment related knowledge (K4). Asking specifically "I read, listen to or watch investment related articles, radio shows or television shows often." Respondents were given options ranging from strongly agree, to strongly disagree.

Breakdown of Answers for K4



What we can see from the results is that a majority of the respondents do little to increase their investment knowledge, possibly suggesting that a well done marketing campaign may find an audience among the respondents.

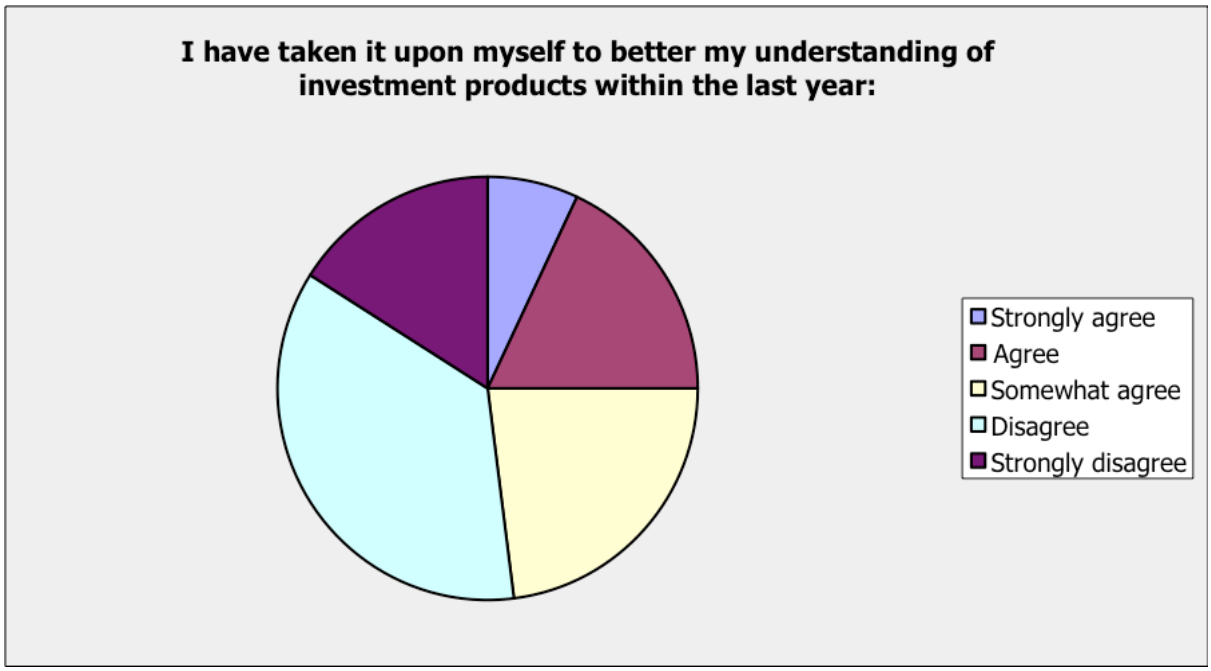
When the question of how often respondents seek out knowledge was compared to the respondent's answers to investment barriers using regression analysis there was found to be a correlation measured at an R Squared value of .539 as seen below.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.734[a]	.539	.486	.893

The fifth question related to knowledge also revolved around the respondent's habits in learning more about investment products (K5). The questions asked "I have taken it upon myself to better my understanding of investment products within the last year." Again respondents had answer choices ranging from strongly agree to strongly disagree.

Breakdown for answers to K5



When the question of how often respondents seek out a better understanding was compared to the respondent's answers to investment barriers using regression analysis there was found to be a lower correlation than the other knowledge based questions.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.654[a]	.428	.363	.923

4.3 Summary of Knowledge based variable

The variables developed based on the knowledge-based questions ranged in R squared value of .428 to .684 (K1 .684, K2 .523, K3 .667, K4 .539, K5 .428). Only one of the answers fell below .5, which means that in most cases there was at least a 50 percent correlation between knowledge and barriers to invest. In determining that the respondent's view of their current knowledge had an impact in about 50 percent of the respondent's attitude toward the barriers to invest shows that there is a solid significance between knowledge and investment barriers. Although the 50 percent barrier is below what can be called a significant correlation, it can at least be considered a strong factor. If one's views towards barriers to investing can be predicted by their current investment knowledge level then there can be some argument made that increasing an investor's investment knowledge level could have a positive impact on their desire to invest.

4.4 Age

Looking at the impact investment barriers have on age, the respondents were simply asked to provide their current age. Those responses were then grouped into the following categories to be assigned a value for testing. The age groups consisted of 18-30 (group 1), 31-40 (group 2), 41-50 (group 3), 51-60 (group 4) and over 60 (group 5). The breakdown of the respondents is as follows:

Age	Group Number	Number of Respondents
18-30	1	22
31-40	2	47
41-50	3	15
51-60	4	6
over 60	5	9

In testing for age it was found that there was only an R squared value of .134 as seen in the table below.

Model Summary

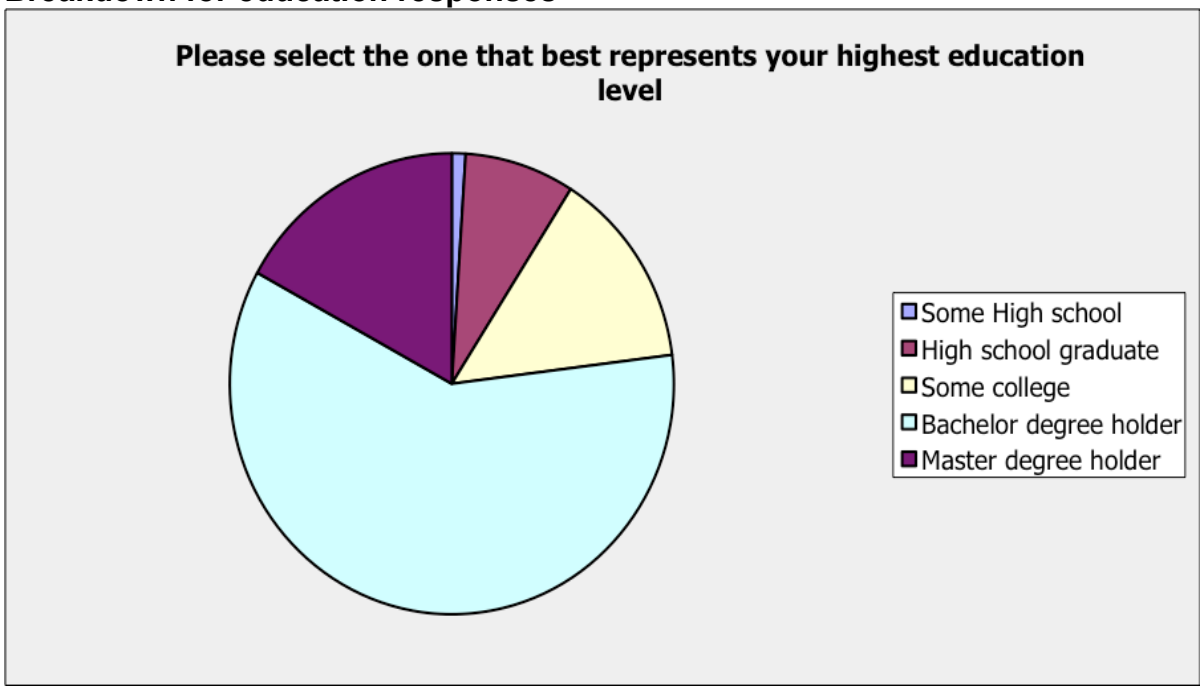
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.367[a]	.134	.036	1.096

This says that there is not a significant relation between one's age and their view of the barriers to invest. This can be helpful for investment firm marketers that are looking to establish their target markets.

4.5 Education

The next test was done to compare the respondent's education level and the correlation with the barriers to invest. It is important to note here that the education refers to one's formal education and not their current investor knowledge as discussed earlier. Respondent's were given five choices and asked which best represented their education level.

Breakdown for education responses



In testing for education as it relates to investment barriers it was again found to have a low correlation with a R squared value of .166.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.407[a]	.166	.071	.811

This indicates that there is little relevance to one's education level and their views of the barriers to investing. Again this can be helpful for investment firm marketers in determining their target market.