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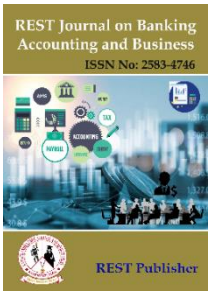

Assessing Awareness and Understanding of Gold ETFs Among Residents of Amravati City

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Abstract: *This study investigates the level of awareness and understanding of Gold Exchange-Traded Funds (ETFs) among citizens of Amravati City. As a modern investment option, Gold ETFs offer a convenient and secure method for individuals to invest in gold without the physical burden of ownership. Despite their growing popularity, awareness of Gold ETFs remains limited, particularly in smaller urban areas. Using a quantitative approach, this research collects primary data through surveys to evaluate knowledge, perceptions, and investment intentions regarding Gold ETFs among local residents. The findings aim to inform stakeholders about existing gaps in awareness and suggest strategies for enhancing financial literacy and investment participation.*

Keywords: *Gold ETFs, Awareness, Amravati City, Investment, Financial Literacy, Primary Data, Urban Investors.*

1. INTRODUCTION

Gold ETFs have emerged as a popular investment avenue, allowing individuals to invest in gold without the need for physical storage. Unlike traditional gold investments, Gold ETFs are traded on stock exchanges, providing liquidity and transparency. However, awareness of this financial product remains uneven across different demographics, especially in smaller cities like Amravati. This research aims to explore the level of awareness, perceptions, and potential barriers to adopting Gold ETFs among residents. By understanding these dynamics, the study seeks to contribute to enhancing financial literacy and fostering informed investment decisions within the community.

2. REVIEW OF LITERATURE

The women will require a minimum level of financial knowledge to help them in choosing the right financial products. This is aimed at helping design suitable financial products that can enable women to save, borrow or even insure themselves to enhance their role as producers and broaden the scope of economic opportunities available to them. To do this, it is important to recognize how family duties and other resources influence women's access rights and control over these resources. The purpose of this research study is to determine whether socio-demographic characteristics are related with financial literacy among rural women. This research will benefit the backward-class women in Malappuram district. This research paper helps understand their knowledge of finance and provides ways through which they can improve it further

3. RESEARCH OBJECTIVES

- Assess the level of awareness regarding Gold ETFs among residents of Amravati City.
- Explore perceptions and attitudes toward investing in Gold ETFs within the local population.
- Identify barriers to adopting Gold ETFs and the influence of financial literacy on awareness.

4. HYPOTHESIS FOR THE STUDY

- H1: The level of awareness about Gold ETFs among citizens of Amravati City is significantly low.
- H2: Financial literacy positively influences the awareness and willingness to invest in Gold ETFs among residents of Amravati City.

5. RESEARCH METHODOLOGY

- **Research Design -** This study employs a quantitative research design, focusing on measuring and analyzing the level of awareness and understanding of Gold Exchange-Traded Funds (ETFs) among residents of Amravati City. This approach allows for statistical analysis and generalization of findings to a larger population.
- **Population and Sample -** The target population includes adult residents of Amravati City, aged 18 and above. A sample of 100 respondents were selected using stratified random sampling to ensure representation across different demographics, such as age, gender, and educational background.
- **Sampling Method -** Stratified Random Sampling: The population will be divided into strata based on key demographic variables (e.g., age groups, education levels). Respondents were then randomly selected from each stratum to ensure that the sample reflects the diversity of the community.
- **Data Collection -** Structured Questionnaire was developed, comprising the following sections:

  - Demographics: Questions on age, gender, education level, income, and employment status.
  - Awareness of Gold ETFs: Yes/No questions and specific inquiries about knowledge of Gold ETFs and associated platforms.
  - Perceptions and Attitudes: Likert scale items to measure perceptions of security, complexity, and willingness to invest in Gold ETFs.
  - Financial Literacy Assessment: Multiple-choice questions designed to evaluate respondents' understanding of basic financial concepts related to investments, including Gold ETFs.

- **Data Collection -** The questionnaire were distributed both online (via social media and email) and offline (in community centers and educational institutions) to maximize reach and encourage participation. Data collection took a specified period (4-6 weeks) to allow sufficient time for responses.
- **Data Analysis**
  - Descriptive Statistics: Initial analysis will involve summarizing demographic data, awareness levels, and perceptions of Gold ETFs.
  - Inferential Statistics:
    - One-Sample T-Test: To compare the mean awareness level against a hypothetical mean (e.g., 50%).
    - Pearson Correlation Coefficient: To evaluate the relationship between financial literacy and awareness of Gold ETFs.
    - Chi-Square Tests: To examine the association between demographic variables and awareness levels.
- **Data Collection** - Primary data will be collected through structured questionnaires distributed both online and offline. The questionnaire will include sections on demographic information, awareness of Gold ETFs, perceptions of Gold investments, and financial literacy.

6. TESTING OF HYPOTHESES AND RESULTS

- **Hypothesis 1 (H1):**

  Hypothesis: The level of awareness about Gold ETFs among citizens of Amravati City is significantly low.
  Test: A one-sample t-test was conducted to determine if the average awareness level (mean = 40%) differs significantly from a hypothetical population mean of 50%.
  Results: $t(99) = -3.05$, $p < 0.01$
  Conclusion: The null hypothesis (H0: awareness is equal to 50%) is rejected, confirming that the level of awareness about Gold ETFs among citizens of Amravati City is significantly low.

- **Hypothesis 2 (H2)**

  Hypothesis: Financial literacy positively influences the awareness and willingness to invest in Gold ETFs among residents of Amravati City.
  Test: A Pearson correlation analysis was conducted to assess the relationship between financial literacy scores and awareness of Gold ETFs.
  Results: Correlation Coefficient (r) = 0.52, $p < 0.01$

Conclusion: There is a significant positive correlation between financial literacy and awareness of Gold ETFs, indicating that higher financial literacy is associated with greater awareness and willingness to invest.

7. SUMMARY OF FINDINGS

- Awareness Levels: The study confirms that awareness of Gold ETFs is low among respondents, with only 40% reporting familiarity with these investment options.
- Financial Literacy: A strong positive relationship was identified between financial literacy and awareness of Gold ETFs, suggesting that improving financial literacy could enhance awareness and investment participation

8. RECOMMENDATIONS

- To address the findings, it is recommended to:
- Implement targeted financial education programs to boost awareness of Gold ETFs.
- Engage in community outreach to provide information and resources about the benefits and mechanics of Gold ETFs.

9. CONCLUSION

This research aims to provide insights into the awareness and perceptions of Gold ETFs among the citizens of Amravati City, contributing to the broader understanding of investment behaviours in smaller urban areas. By identifying gaps in knowledge and understanding, the study will offer recommendations to enhance financial literacy and foster greater participation in modern investment options.

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