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A Study on Investment Awareness among Young Generations

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ABSTRACT

Young generation these days are more creative and technology savvy than the older generation socially and financially. One particular question may arise whether the generation is aware of financial status in the present and for the future investment. This study aims to assess investment awareness among young generations, with a sample size of 85 participants. Both quantitative and qualitative data collection were utilized, including all semi – structured interviews. Various tools such as pie charts, and bar charts were used in the reports to gain insights. Overall, the study underscores the importance of enhancing investment education initiatives targeted at young generations. By bridging a gap in financial literacy and promoting awareness of diverse investment options and risk management strategies, we can empower individuals to make informed financial decisions and secure their future financial well-being.

INTRODUCTION

The world of finance is ever-changing, and more and more young people are navigating the complex world of investment. In this study, we look at the investment awareness levels of the current generation. We want to understand how young people think, feel, and act when it comes to financial investment. As financial markets continue to develop and become easier to access, understanding how young people interact with and understand investment strategies is essential for both their own financial health and the overall economy. We look at various factors that influence investment awareness, including education, income, and financial literacy.

REVIEW OF LITERATURE

Lusardi and Mitchell (2007) Their findings indicate a positive relationship between financial education and investment knowledge. Investigating the effectiveness of educational initiatives targeting the youth is essential in promoting investment awareness.

Murlidhar (2015) Malaysia in the process of becoming high income status struggling to solve the issues of the increase in the number of young people who are grappling with high debts more than they handle. Savings and investment can become one of the answer to mitigate the situation. People invest their money to aim and target to get good returns and enough liquidity and safety. Investment can be a wonderful day to generate income and asset.

Amirul Syafig (2017) Young generation these days are more creative and technology than the older generation financially. This researches seeks the awareness towards investment towards investment. The result reveals that the key driven on investment among young generation significantly based on independent variables selected.

Azhar (2017) The study used primary data by questionnaire, and the samples chosen are the young generation aged from 18 to 28 years old. Three independent variables identified, financial literacy, personal interest and environment related to the dependent variables.

Senthilnathan (2018) Aware of various investment investors preferred low-risk trade levels that way they were inclined towards bank fixed deposits for investments.

Shokul Kumar (2018) A researcher investigates the current financial system, where there are numerous investment. This conclude outlets, and the increased awareness of the stock market among people.

Mustafa Yurttadua (2019) Discussing individual investors financial literacy. And how they think about investment and how their minds work on it. Individual investor how to work on their risk and investment and to control risk.

Ramalingam (2020) This analysis was undertaken with the help of a survey conducted. The research shows that the mode of saving looks the same irrespective are the best options of household investors.

Mohammed Abdullah Ammer (2022) Investment and financial awareness are necessary for success and an individual well-being specifically for younger generation. To examine the relationship between financial literacy, saving behavior, a lack of self- control and investment awareness. The result of this study provide substantial implications for regulators, educational organizations, individuals and their families.

At- Tadbir (2023) This study used a questionnaire as the main data collection instrument by taking a sample of 113 students. The result of the study reveal that financial literacy, personal interest and saving behavior have a positive and significant effect on the investment awareness of students.

OBJECTIVE OF THE STUDY

PRIMARY OBJECTIVE:

➢ To assess the level of investment awareness among young generation, focusing on their understanding of financial concepts, investment options and risk management.

SECONDARY OBJETIVE:

➢ To assess the awareness and understanding of sustainable and socially responsible investment options among the young generation.

➢ To identify the potential barriers and challenges faced by the young generation is accessing and utilizing financial advisory services for investment decision-making.

➢ To explore, the impact of social and cultural influences on the investment attitudes and behaviors of the younger generation.

LIMITATIONS OF THE STUDY

Limited Geographic Scope:

If the focus of the study is on one region, the results may not be relevant to young people from other regions with varying economic circumstances or investment opportunities.

Economic Literacy Levels:

The study may not take into account the differences in economic literacy within the younger generation, which could lead to a lack of coverage of differences in investment comprehension and engagement.

Technological Access:

If the study assumes that everyone has access to tech, it could be underestimating the effect of digital divides on how young people consume and interact with investment data.

Economic Constraints:

The economic aspects of the study, such as income gaps and employment opportunities, may not be taken into account enough to ensure that the findings can be applied to a wide range of economic situations.

Long-Term Behaviour:

The study may struggle to predict long-term investment behavior since the focus might be on current awareness rather than tracking participants' evolving attitudes and practices over an extended period.

RESEARCH METHODLOGY:

To study the investment awareness among young generation in Chennai. A structural survey for gathering essential information. Essential information was gathered from 85 respondents. Essential information in organized configuration was gathered by means of direct addressing to respondents, which is immediate through study technique.

DATA ANALYSIS & INTERPRETATION:

QUESTIONARRIE	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
Age	18-24	76	89.4%
	25-30	03	3.5%
	31-35	03	3.5%

	36-40	03	3.5%
	TOATAL	85	100
Gender	Male	48	56.5%
	Female	37	43.5%
	TOTAL	85	100
Employee status	Student	71	83.5%
	Employed	10	11.8%
	Un-Employed	03	3.5%
	Self-Employed	01	1.2%
	TOTAL	85	100
Monthly Income	10000-20000	15	17.6%
	30000-40000	04	4.5%
	50000-70000	01	1.2%
	None	65	76.5%
	TOTAL	85	100
Investment Opportunities	Financial Websites	14	16.5%
	Social Media	33	38.8%
	Friends/ Families	33	38.8%
	Financial News Channels	05	5.9%
	TOTAL	85	100
Family attitude towards investment	Positive	26	30.6%
	Neutral	36	42.4%
	Negative	23	27.1%

	TOTAL	85	100
Risk level	Low risk	20	23.5%
	Moderate Risk	43	50.6%
	High Risk	22	25.9%
	TOTAL	85	100
Educational resource for improving investment awareness	Webinars	35	41.2%
	Online Courses	24	21.2%
	Mobile Apps	18	28.2%
	Printed Materials	06	7.1%

	References	02	2.4%
	TOTAL	85	100
Monitoring level of investment portfolio	Daily	27	31.8%
	Weekly	21	24.7%
	Monthly	27	31.8%
	Quarterly	03	3.5%
	Annually	07	8.2%
	TOTAL	85	100
Type of investment preferred	Long Term	48	56.5%
	Short Term	37	43.5%
	TOTAL	85	100

CHI-SQUARE TEST:

A chi-square test is a statistical test used to compare observed results with respected results.

H0 (Null Hypothesis)

There is no significant difference in the perception of investment risk between Genders.

H1 (Alternative Hypothesis)

There is a significant difference in the perception of investment risk between Genders.

OBSERVED VALUE:

PARTICULARS	HIGH RISK	MODERATE RISK	LOW RISK	TOTAL
FEMALE	04	13	20	37
MALE	18	07	23	48
GRAND TOTAL	22	20	43	85

EXPECTED VALUE:

9.57	8.70	18.71
12.42	11.29	24.28

CALCULATED VALUE:

O	E	O-E	(O-E)^2	(O-E)^2/E
04	9.57	-5.57	31.02	3.24
18	12.42	5.58	31.13	2.50
13	8.70	4.3	18.49	2.12
07	11.29	-4.29	18.40	1.62
20	18.71	1.29	1.664	0.08
23	24.28	-1.28	1.638	0.06
				∑=9.62

DEGREE OF FREEDOM

$V = (c-1)(r-1)$

= (3-1) (2-1)

= 2

Degree of freedom = 2.

The calculated value is (9.62) and the table value is (5.991).

Calculated value is Higher than the table value. Hence, H1 is accepted H0 is rejected.

There is a significant difference in the perception of investment risk between Genders.

    C.V > T.V

INTERPRETATION:

Through this analytical tool, chi-square the calculated value is 9.62 with the corresponding table value is 5.991. Since the calculated value is greater than the table value ALTERNATE HYPOTHESIS is accepted.

RANK CO-RELATION:

Rank correlation is a statistical measure of the degree to which two variables or sets of data are related in terms of their ranks or ordering, rather than their actual values.

X	24	11	25	25
Y	35	18	24	08

X	Y	R1	R2	D^2= (R1-R2)
24	35	02	01	1
11	18	03	03	0
25	24	1.5	02	0.25
25	08	1.5	04	6.25
				7.5

R = 1 - $\underline{6\sum D^2 + 1/12 (m^3 - m)}$ N^3 – N

$1 – 6 \times \underline{7.5 + 1/12 (2^3 – 2)}$

4^3 – 4

$1 - \underline{45 + 1/12 (8 – 2)}$

64 – 4

$1 – \underline{45 + 1/12 (6)}$

60

$1 – \underline{45 + 1/2}$

60

$1 – \underline{45.5}$

60

= 1- 0.75

= 0.25/-

They range from -1 to 1, where a value close to 1 indicates the strong positive correlation, a value close -1 indicates a strong negative correlation, and a value close to 0 indicates no correlation.

INTERPRETATION:

The co-relation R=0.25. There is a Positive co-relation between two variables. This implies even though, the young individuals not having proper knowledge about investment, they want to improve their investment awareness and getting knowledge about investment.

FINDINGS

1. 89.4% of the respondent's belongs to the age group of 18-24.

2. 56.5% of are respondents are Male.

3. 74.1% of the respondents are Master degree.

4. 83.5% of the respondents are Students.

5. 76.5% of the respondents have no monthly income.

6. 77.6% of the respondents primarily rely information about investment opportunity through Social media and Friends/Families.

7. 54.1% of the respondent are familiar with the investment options in Stocks.

8. 40% of the respondents moderately influenced by social and cultural factors in investment.

9. 49.4% of the respondent's never used any Digital platforms or Apps for investment.

10. 74% of the respondent's not participated in any financial literacy programs.

RECOMMENDATIONS

1. Develop comprehensive financial educational programs by collaborate with educational institutions, and government agencies to develop the awareness and equip the investment knowledge to young individuals. The programs should be interactive and covers the essential topics like Budgeting, Saving and Risk Management.

2. Utilization of digital platforms such as Mobile Apps, Websites Social Media's helps more to the young generations about the investment education. And some of the user- friendly apps and online resources provides educational materials for learning.

3. By establishing Mentorship programs young generations receive guidance and support from experienced investors and financial professionals. This creates knowledge sharing, networking opportunities and hand-on learning experiences.

CONCLUSION

By integrating financial education in school and colleges providing resources for parents to discuss money matters at home, we can create a supportive environment that encourages responsible financial behaviour from an early age. We can bridge the knowledge gap and foster a culture of financial responsibility among the youth, ultimately contributing to their long-term financial well-being and the prosperity of society as a whole.

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