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A STUDY ON YOUTH AWARENESS AND INVESTMENT INTENTION TOWARDS MUTUAL FUNDS

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INTRODUCTION

Mutual funds are widely recognized as accessible investment tools that do not require in-depth financial expertise. By combining resources from multiple investors, these funds enable diversified investments in equities, bonds, and other securities, thereby reducing individual risk exposure.Young individuals, often adept with technology and open to financial innovations, represent a significant demographic for mutual fund growth. Despite the accessibility of digital platforms, many young people still lack a solid understanding of how mutual funds work, which can hinder their investment participation. For the mutual fund industry. However, many young people still lack basic knowledge about how mutual funds work, and this gap holds them back from taking full advantage of these investment options.

A Study on Youth Awareness and Investment Intentions Toward Mutual Funds: Insights for Financial Institutions

When assessing the awareness and intentions of youths toward mutual fund investment, several factors come into play. These factors not only determine how aware youths are of mutual funds but also shape their willingness to invest in them. Below are the key factors that influence both awareness and intentions:

1. Financial Literacy

Definition: Financial literacy is the capacity to comprehend financial concepts and make informed decisions about savings, investments, and budgeting.

Impact: Youths with a higher level of financial literacy are more likely to understand mutual funds and their benefits. Lack of financial knowledge can prevent young people from considering mutual funds as a viable investment option.

Examples: Understanding concepts like risk diversification, compounding, and the difference between equity and debt mutual funds influences youths' decisions.

2. Access to Information

Definition: The availability and accessibility of information on mutual funds play a crucial role in shaping youths’ awareness.

Impact: Young people, especially those with access to the internet and financial platforms, are more likely to be exposed to information about mutual funds. Mobile apps, websites, and social media have become primary sources of financial education and information.

Examples: Online platforms such as investment apps, blogs, YouTube channels, and social media influencers can directly influence youths’ awareness levels.

3. Perceived Risk and Return

Definition: The perception of risk refers to how risky youths perceive mutual fund investments, while expected returns reflect their belief in potential financial gains.

Impact: Youths may be deterred from investing in mutual funds if they perceive them as too risky, particularly if they have limited experience with investing. Conversely, an understanding of the potential returns can encourage investment.

Examples: If young people view mutual funds as a safe, diversified investment option, they may be more willing to invest. However, fears of market volatility may discourage them.

4. Psychological Factors (Risk Tolerance and Confidence)

Definition: Risk tolerance is an individual’s willingness to take financial risks, and confidence refers to their belief in their ability to make informed financial decisions.

Impact: Youths who are more risk-averse may avoid mutual funds due to perceived volatility, while those with higher risk tolerance may view them as an attractive investment. Confidence in managing investments also influences their likelihood to engage in mutual fund investments.

Examples: A young person who has had positive experiences with low-risk investments like savings accounts might be less inclined to explore mutual funds.

5. Social Influence (Family, Peers, and Advisors)

Definition: Social influence involves the impact that family members, peers, or financial advisors have on an individual's investment choices.

Impact: Recommendations or discouragement from trusted individuals can heavily impact youths’ intentions. Positive reinforcement from family or friends who have experience with mutual funds may encourage youths to consider them, while negative opinions may discourage investment.

Examples: A young person may be encouraged to invest in mutual funds if their parents or peers are already doing so, or they might be dissuaded by concerns voiced by those around them.

6. Economic Factors (Income and Affordability)

Definition: Economic factors include an individual's financial situation, such as income, savings, and spending habits.

Impact: Youths with higher disposable income or savings are more likely to invest in mutual funds. Conversely, those with limited financial resources may feel that investing in mutual funds is not feasible.

Examples: A student with limited income may be hesitant to invest in mutual funds due to perceived high minimum investment amounts or the need for long-term commitment.

Scope of Mutual Fund Investment

The scope of mutual fund investment refers to the wide range of opportunities and possibilities that mutual funds offer to investors across various asset classes, regions, and risk profiles. As an investment vehicle, mutual funds provide individuals and institutional investors the opportunity to pool resources to invest in diversified portfolios of securities such as stocks, bonds, money market instruments, and other assets. The scope of mutual fund investment has expanded significantly due to market evolution, regulatory changes, and increased investor awareness. Below are the key aspects that define the scope of mutual fund investment:

1. Diversification

Definition: Mutual funds pool money from many investors to invest in a broad range of assets.

Impact: Diversification reduces the risk of any single investment performing poorly, as the fund holds multiple securities. This makes mutual funds an attractive option for both novice and experienced investors looking to spread risk.

Scope: Mutual funds offer access to diversified portfolios across various sectors, asset classes, and geographical regions. This enables investors to gain exposure to a wide array of investment opportunities, which would be difficult to achieve with individual investments.

2. Access to Professional Management

Definition: These investment vehicles are overseen by fund managers who specialize in building and adjusting portfolios to align with the fund's objectives.

Impact: This professional management is a key benefit, especially for those without the time or expertise to manage their own investments. The fund manager's role is to ensure the portfolio aligns with the fund's investment objectives.

Scope: Investors can access a wide range of professionally managed mutual funds that focus on different investment strategies, such as growth, value, income, and sector-specific funds, providing opportunities for both passive and active investors.

3. Variety of Fund Types

Definition: Mutual funds come in a variety of types, each tailored to different investment goals, risk tolerances, and time horizons.

Impact: This flexibility allows investors to choose funds that suit their personal financial objectives, from conservative to high-risk, long-term to short-term investments.

Scope: Common mutual fund categories include:

- **Equity Funds**: Invest primarily in stocks, offering high growth potential but with higher volatility.
- **Bond Funds**: Invest in government and corporate bonds, offering steady income and lower risk.
- **Money Market Funds**: Invest in short-term, low-risk instruments, offering liquidity and stability.
- **Balanced Funds**: A mix of equities and bonds, offering a balanced risk-return profile.
- **Sector Funds**: Focus on specific sectors such as technology, healthcare, or energy.
- **Index Funds**: Track the performance of a particular market index, typically offering lower fees.

4. Accessibility and Affordability

Definition: Mutual funds allow individuals to start investing with relatively low amounts of money, making them accessible to a wide range of investors, including those with limited capital.

Impact: This democratization of investing opens the door for people to access capital markets, which would otherwise require higher initial investments in individual stocks or bonds.

Scope: Mutual funds offer low minimum investment amounts (sometimes as little as $50 or $100), making them an affordable investment option for people from various income brackets.

5. Regulatory Framework and Investor Protection

Definition: Mutual funds are heavily regulated by government authorities such as the Securities and Exchange Commission (SEC) in the U.S., the Securities and Exchange Board of India (SEBI) in India, and other financial regulatory bodies worldwide.

Impact: The regulatory framework ensures that mutual funds operate transparently, adhere to legal standards, and protect investors' interests.

Scope: The strong regulatory environment enhances the credibility of mutual funds, making them a safer investment vehicle for individual investors, especially when compared to unregulated or less-regulated investment options.

Importance of Assessing Awareness

Awareness of mutual funds is a critical factor that determines an individual's likelihood of investing in them. Without sufficient knowledge of how mutual funds operate, their benefits, and their risks, young people may be hesitant to engage in such investments. Financial literacy, particularly regarding mutual funds, can help youths make informed decisions about saving and investing, thereby fostering long-term financial stability. Understanding the awareness levels of youths allows financial institutions and policymakers to create targeted initiatives aimed at improving their understanding of mutual funds, increasing participation, and ultimately contributing to the financial health of younger generations.

Understanding Investment Intentions

Investment intentions refer to the willingness or plans of individuals to invest in a particular asset class or financial product. For youths, the intention to invest in mutual funds may be influenced by several factors, including perceived risk, expected returns, trust in financial institutions, and access to financial information. Exploring these intentions is essential for understanding what motivates youths to consider mutual funds as an investment option, as well as what barriers may prevent them from pursuing such investments. For example, youths may be hesitant due to concerns about the complexity of mutual funds, lack of financial resources, or limited knowledge of how to get started.

Factors Influencing Youths' Awareness and Investment Intentions

- **Financial Literacy**: A strong understanding of basic financial concepts is essential for youths to make informed decisions about investing in mutual funds. Financial literacy levels vary among young people, and those with lower literacy are more likely to be unaware of mutual fund opportunities.
- **Technology and Access to Information**: With the rise of digital platforms, young people increasingly rely on technology for financial decisions. The availability of online resources, mobile apps, and social media can significantly impact their awareness and ease of access to mutual fund investment options.
- **Perceived Risk and Return**: Youths' perceptions of risk and return play a vital role in their investment intentions. Mutual funds are often perceived as a safer, diversified option compared to individual stock investments, but concerns about market volatility and performance may still deter young investors.
- **Influence of Family and Peers**: The investment decisions of youths are often influenced by the opinions of family members, peers, or financial advisors. A positive recommendation from trusted sources may encourage youths to consider mutual funds, while negative feedback or misinformation may act as a barrier.
- **Income and Affordability**: The financial capacity of youths to invest in mutual funds is another significant factor. Many young individuals may feel that they lack the financial resources to invest or may prioritize immediate expenses over long-term investment opportunities.

LITERATURE REVIEW

1. Behavioral Intention

- Behavioral intention refers to an individual's willingness or decision to perform a specific action, often influenced by external factors such as the environment, personal beliefs, and values.
- Shih et al. (2022) suggest that behavioral outcomes are frequently influenced by external variables, rather than being solely determined by personal choices. Understanding these influences is essential in predicting financial behaviors, particularly among youth, and understanding behavioral intention helps in predicting future actions.
- The Theory of Reasoned Action (TRA) explains that intentions are shaped by personal attitudes and external influences (Ding et al., 2011).
- Moreover, Warsame and Ireri (2016) highlight that the stronger the individual's commitment to an action, the more likely it is to be performed.

2. Goal Clarity

- Goal clarity plays a crucial role in financial planning, especially for long-term objectives like retirement.
- Moorthy et al. (2012) emphasized that having specific and attainable financial objectives significantly enhances an individual’s ability to plan effectively for retirement.
- Research by Hershey, Jacobs-Lawson, and Neukam (2002) also showed that younger individuals tend to set more retirement goals compared to older groups.
- Tomar et al. (2021) suggested that financial literacy significantly enhances the clarity of financial goals, while Hoffmann and Plotkina (2021) confirmed that clear retirement goals strongly correlate with proactive retirement planning activities.

3. Financial Literacy

- Developing strong financial knowledge is crucial for making sound investment choices. According to Bongini and Cucinelli (2019), understanding financial products empowers individuals to manage their finances more efficiently.
- Bongini and Cucinelli (2019) emphasized that knowledge of financial products, including investments and retirement planning, is essential for individuals of all backgrounds.
- Andarsari and Ningtyas (2019) pointed out that beyond having financial knowledge, individuals must also develop the confidence and capability to apply it effectively.
- Lusardi and Mitchell (2006) found that youths who are financially literate are more likely to plan for their retirement, demonstrating that literacy positively influences financial behavior.
- Similarly, Larisa et al. (2021) confirmed that financial literacy directly impacts active retirement planning.

4. Attitude

- A person’s financial attitude plays a critical role in shaping their intent to invest. Studies show that individuals with positive perceptions of financial planning are more proactive in engaging with investment products.
- Subramaniam et al. (2022) found that individuals with a constructive outlook on finance are more inclined to participate in investment-related activities.
- The Theory of Planned Behavior (TPB) includes attitude as a critical factor because it shapes intentions (Bongini & Cucinelli, 2019).

- Lajuni et al. (2019) also found that individuals with favorable attitudes toward financial products are more likely to participate actively and seek opportunities that benefit them financially.

5. Savings Behavior

- Consistent saving habits are strongly linked to long-term financial readiness, especially for retirement. Rameli and Marimuthu (2018) observed that disciplined savers tend to have more robust financial security.
- Rameli and Marimuthu (2018) found that individuals with stronger saving habits are better prepared for retirement.
- Their study highlighted that motivated savers show greater financial focus and are more successful in building wealth.
- Similarly, Masran and Hassan (2017) noted that consistent personal saving behaviors significantly improve retirement outcomes, enabling individuals to maintain their standard of living post-retirement.

6. Retirement Preparedness

- Financial preparedness for retirement involves taking strategic steps to ensure adequate future income.
  Hershey et al. (2007) emphasized that financial planning for retirement is a concern for employees across all demographics.
- A study by Agabalinda and Isoh (2020) using multi-group analysis and structural equation modeling (SEM) found that financial knowledge and skill levels are strong predictors of retirement preparedness.
  Their findings suggest that equipping individuals with the right financial knowledge early on can significantly enhance long-term financial security.

Research Objectives

This study was designed with a few clear goals in mind:

1. **To measure how much young people actually know about mutual funds.**
2. **To find out what influences young people's decisions to invest in mutual funds.**
3. **To understand their perceptions and attitudes towards mutual funds.**
4. **To explore how personal factors like age, income, or education affect their views.**

Research Design and Methodology

To gain meaningful insights into youth perceptions of mutual funds, this study employed a quantitative research approach using structured questionnaires. The survey was designed to evaluate awareness, attitudes, investment behavior, and barriers to participation. We used a **survey** as our main tool for collecting information.

The survey asked questions about:

- How much they know about mutual funds
- What they think about the risks and returns
- Where they usually get financial advice from
- Their personal background (age, education, income, etc.)

Data collection was conducted primarily through online forms, supplemented by selective personal interactions. This method ensured broader participation and provided firsthand perspectives from a target age group of 18 to 35. This approach allowed us to gather real opinions directly from the people who matter: **young potential investors**.

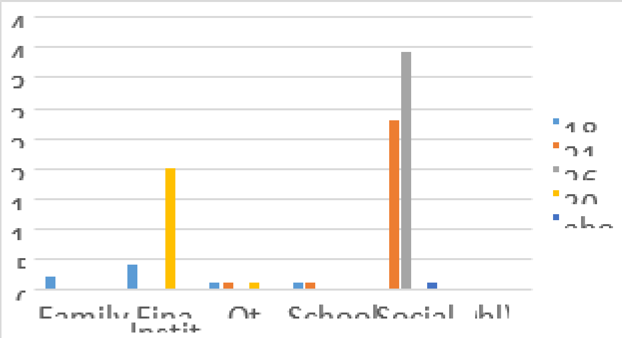
DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS

1. **Where did you first learn about mutual funds?**

Count of 1. Where did you first learn about mutual funds?	Column Labels				
Row Labels	18-20	21 - 25	26 - 30	30 - 35	above 35
Family/Friends	2				
Financial Institutions	4			20	
Other	1	1		1	
School/College	1	1			

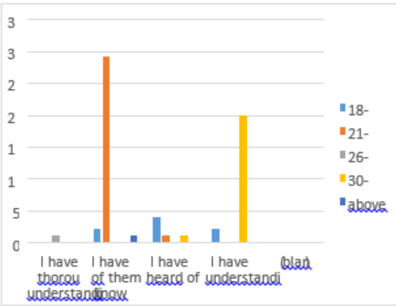
Social media		28	39		1
(blank)					
Grand Total	8	30	39	21	1



INTERPRETATION

The table shows where individuals of various age groups first learned about mutual funds, with **social media** being the most significant source for younger groups (21-30) and **financial institutions** dominating for those aged 30-35. Minor contributions are seen from family/friends, school/college, and other sources across all age groups.

2. Which of the following best describes your understanding of mutual funds?

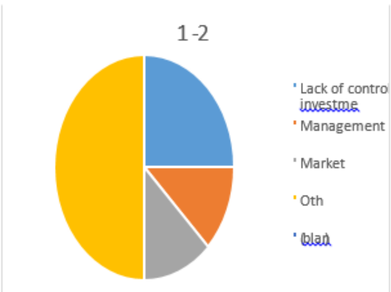


Count of 2. Which of the following best describes your understanding of mutual funds?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
I have a thorough understanding			30			1
I have heard of them but know little	2	2 9	1		1	32
I have never heard of them	4	1		1		6
I have some understanding	2			2 0		22
(blank)						
Grand Total	**8**	**3 0**	**1**	**2 1**	**1**	**61**

INTERPRETATION

The table shows that most individuals aged **21-25** have heard of mutual funds but know little (29), while those aged **18-20** are split, with many having never heard of them (4) or having limited understanding (2). No respondents reported a thorough understanding in either age group.

3. **What risks do you associate with investing in mutual funds?**

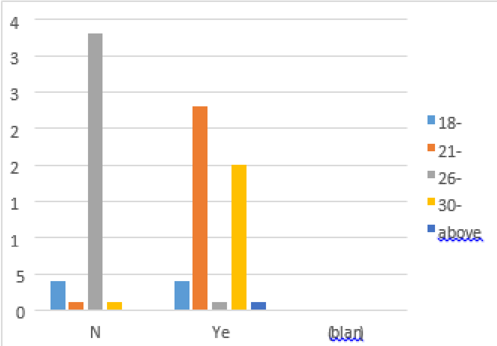


Count of 3. What risks do you associate with investing in mutual funds?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
Lack of control over investments	2	3 0	1	2 1		54
Management fees	1		37			38
Market risk	1 4		1		1	2 5
Grand Total	**8**	**3 0**	**39**	**2 1**	**1**	**99**

INTERPRETATION

The table highlights that **lack of control over investments** is the most commonly associated risk across all age groups (54 respondents), especially in the **21-25** and **30-35** age ranges. Other concerns like **management fees** (38) and **market risk** (2) are less frequently mentioned.

4. ***Have you ever invested in mutual***



Count of 4. Have you ever invested in mutual funds?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
No	4	1	38	1		44
Yes	4	28	1	20		54
(blank)						
Grand Total	**8**	**29**	**39**	**21**		**98**

INTERPRETATION

The chart shows that the **21-25 age group** and **30-35 age group** have the highest number of individuals who have invested in mutual funds. Conversely, the **26-30 age group** dominates in those who have not invested. Younger (18-20) and older (above 35) groups have minimal participation in both categories.

5. **What type of mutual funds do you prefer to invest in?**

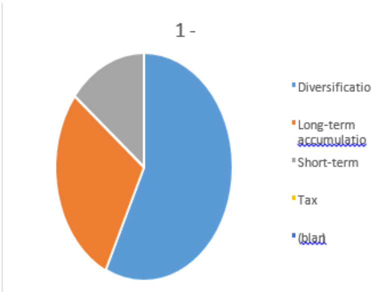
Count of 5. What type of mutual funds do you prefer to invest in?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-**	**30-35**	**above 35**	**Grand Total**
Debt mutual funds						**37**
Equity mutual funds	**3**					**3**
Hybrid funds		**29**	**1**		**1**	**31**
Not sure	**6**	**1**	**1**	**20**		**28**
Tax-saving funds						**1**
Grand Total	**9**	**30**	**39**	**21**	**1**	**100**

INTERPRETATION

The table indicates that **debt mutual funds** are the most preferred by respondents, particularly in the **21-25** age group (37). **Hybrid funds** are also popular, especially in the **21-25** group (29). A significant portion of respondents, especially in the **18-20** and **30-35** age groups, are **unsure** about their preferred type of mutual fund.

6. **If yes, what motivates you to invest in mutual funds?**

Count of 6. If yes, what motivates you to invest in mutual funds?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
Diversification	4	29				134
Long-term wealth accumulation	2	1	1			4
Short-term returns	1					1
Tax benefits			38	1		39
(blank)						
Grand Total	**7**	**30**	**39**	**1**		**178**



INTERPRETATION

The table shows that **diversification** is the most common motivation for investing in mutual funds, especially in the **21-25** age group (29). **Tax benefits** are a major motivator, particularly for those in the **26-30** age group (38). **Long-term wealth accumulation** and **short-term returns** are less frequently cited as motivating factors. A small number of respondents remain unsure or did not provide an answer.

7. <u>If no, what are your reasons for not investing in mutual funds?</u>

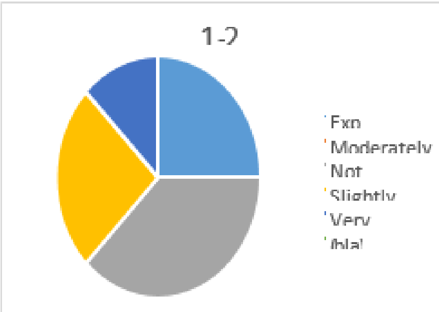
Count of 7. If no, what are your reasons for not investing in mutual funds?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
High risk	**2**		38		**1**	**41**
Lack of funds	**2**					**2**
Lack of knowledge	**1**		**1**	**1**		**3**
Not confident in financial institutions	**1**					**1**
Prefer other investment vehicles		**28**				**28**
Uncertain market conditions (blank)	**2**	**2**		**20**		**24**
Grand Total	**8**	**30**	**39**	**21**	**1**	**99**

INTERPRETATION

The table shows the **reasons for not investing in mutual funds** across different age groups. The most common reason is **high risk** (41), particularly in the **18-20** and **26-30** age groups. A significant portion of individuals in the **21-25** age group (28) prefer other investment vehicles, while **uncertain market conditions** (24) is a major concern for the **26-30** group. A smaller number cite issues such as **lack of funds** or **lack of knowledge** as reasons for not investing.

8. **<u>How confident are you in your ability to choose the right mutual fund?</u>**

Count of 8. How confident are you in your ability to choose the right mutual fund?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
Expert	2	1				3
Moderately confident		29				29
Not confident	3		38			41
Slightly confident	2					1 3
Very confident (blank)	1		1			2
Grand Total	**8**	**30**	**39**			**1 78**



INTERPRETATION

The table reveals how confident individuals are in their ability to choose the right mutual fund. The majority of respondents, especially in the **21-25** and **26-30** age groups, are **not confident** (41 total). A smaller group feels **moderately confident** (29), with very few indicating **expert** or **very confident** levels. The **18-20** age group shows some confidence with **slightly confident** and **expert** responses, while the **3035** group has minimal confidence. This highlights a gap in mutual fund knowledge and confidence, particularly among younger age groups.

9. **<u>How do you usually gather information to make investment decisions?</u>**

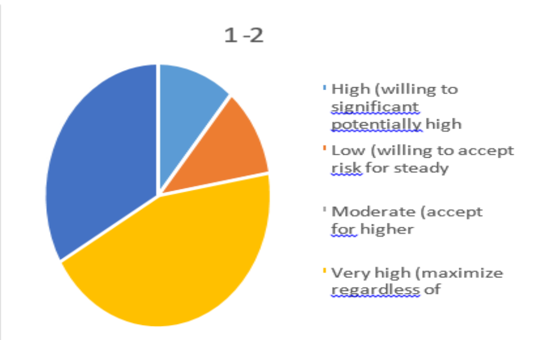
Count of 9. How do you usually gather information to make investment decisions?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
Family/friends	**1**					**1**
Financial advisors	**6**	**1**	**38**		**1**	**46**
Financial news channels or papers		**1**				**1**
Mutual fund apps/websites	**2**			**20**		**22**
Online resources (websites, blogs)						**30**
Grand Total	**9**		**30**		**1**	**100**

INTERPRETATION

The chart shows that individuals in the **18-20** age group primarily gather investment information from **financial advisors** (orange), followed by **family/friends** (blue). A smaller portion of this group relies on **financial news channels or papers** (gray). This suggests a strong reliance on personal networks and professional advice for investment decisions.

10. **<u>What level of risk are you willing to take with your investments?</u>**

Count of 10. What level of risk are you willing to take with your investments?	**Column Labels**					
<u>Row Labels</u>	**<u>18-20</u>**	**<u>21-25</u>**	**<u>26-30</u>**	**<u>30-35</u>**	**above 35**	**Grand Total**
High (willing to take significant risks for potentially high returns)	**1**	**29**	**1**	**1**		**32**
Low (willing to accept limited risk for steady returns)	**1**					**1**
Moderate (accept some risk for higher returns)		**1**				**1**
Very high (maximize returns regardless of risk)	**4**		**37**	**20**	**1**	**62**
<u>Very low (prefer stable, low-risk options)</u>	**<u>3</u>**					**4**
Grand Total	**9**	**30**	**3**	**21**	**1**	**100**



INTERPRETATION

The table shows that the majority of respondents, especially in the **21-25** and **26-30** age groups, are willing to take **high** or **very high** risks for potentially high returns (32 and 62, respectively). A smaller number prefer **low** or **moderate** risk for more stable returns, while very few individuals, especially in the **30-35** group, prefer **low-risk** options. This indicates a strong inclination towards higher-risk investments among younger individuals.

11. **What barriers prevent you from investing in mutual funds?**

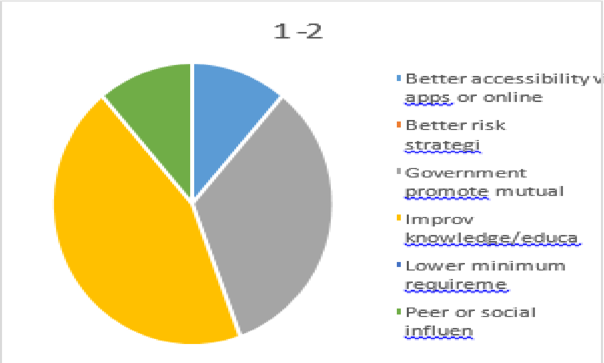
Count of 11. What barriers prevent you from investing in mutual funds?	Column Labels					
Row Labels	**18-20**	**21-25**	**26-**	**30-35**	**above 35**	**Grand Total**
Complexity of the process			38		1	39
High perceived risk	2	29				31
Inability to understand mutual fund products	1	1				2
Lack of knowledge	1		1			2
Low income				1		1
Trust issues with fund managers/institutions (blank)	3			20		23
Grand Total	7	30	39	21	1	98

INTERPRETATION

The table reveals that **complexity of the process** is the main barrier preventing people from investing in mutual funds, especially in the **21-25** age group (38). **High perceived risk** (31) and **trust issues with fund managers/institutions** (23) are also significant concerns, particularly in the **18-20** and **30-35** age groups. A smaller number of respondents cited issues like **lack of knowledge**, **inability to understand mutual fund products**, and **low income** as barriers.

12. **What would encourage you to invest in mutual funds?**

Count of 12. What would encourage you to invest in mutual funds?	Column Labels					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
Better accessibility via mobile apps or online platforms	1	1				2
Better risk mitigation strategies		28				28
Government initiatives to promote mutual funds	3			20	1	24
Improved knowledge/education	4	1	1			6
Lower minimum investment requirements				1		1
Peer or social media influence	1					39
Grand Total	9	30	3	21	1	100

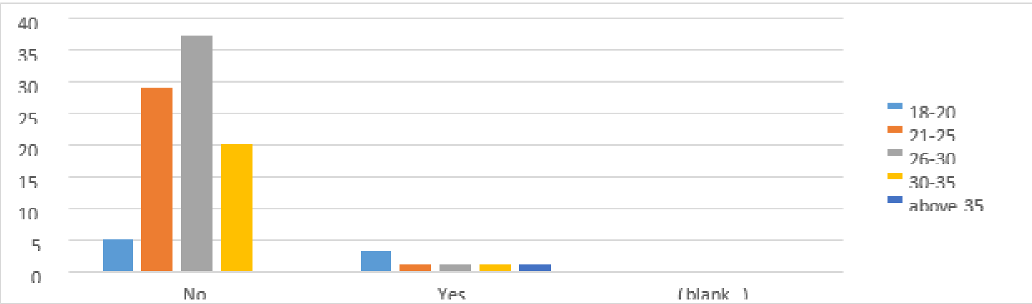


INTERPRETATION

The table shows that **peer or social media influence** is the most significant factor that would encourage people to invest in mutual funds, particularly in the **21-25** age group (38). **Better risk mitigation strategies** (28) and **government initiatives** (24) also play a crucial role in motivating investments. Additionally, **improved knowledge/education** and **better accessibility via mobile apps** are factors that could increase investment interest, especially among younger age groups.

13. **<u>Have you attended any financial literacy or investment-related workshops/courses?</u>**

Count of 13. Have you attended any financial literacy or investment-related workshops/courses?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
No	**5**	**29**	**37**	**20**		**91**
Yes	**3**	**1**	**1**	**1**	**1**	**7**
(blank)						
Grand Total	**8**	**30**	**38**	**21**	**1**	**98**



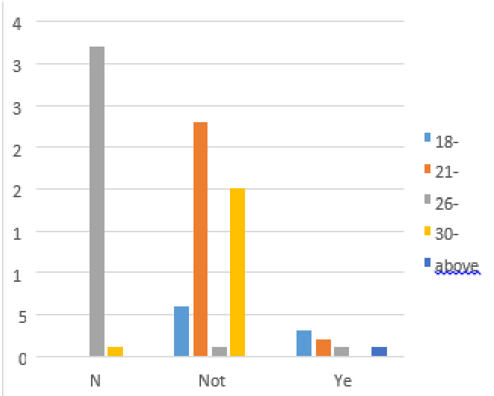
INTERPRETATION

The table shows that large majority of respondents, especially in the **18-20**, **21-25**, and **26-30** age groups, have not attended any financial literacy or investment-related workshops or courses (91). Only a small number of individuals across all age groups have participated in such workshops (7 total), with the highest participation in the **18-20** group (3). This suggests a general lack of formal education on financial topics among the respondents.

14. **<u>Do you think financial literacy should be a mandatory part of the education curriculum?</u>**

Count of 14. Do you think financial literacy should be a mandatory part of the education curriculum?	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-**	**30-**	**above**	**Gra**

	18-20	21-25	26-30	30-35	above 35	Grand Total
No			**37**			**38**
Not sure	**6**	**28**	**1**	**20**		**55**
Yes	**3**	**2**			**1**	**7**
Grand Total	**9**	**30**	**39**	**21**	**1**	**100**



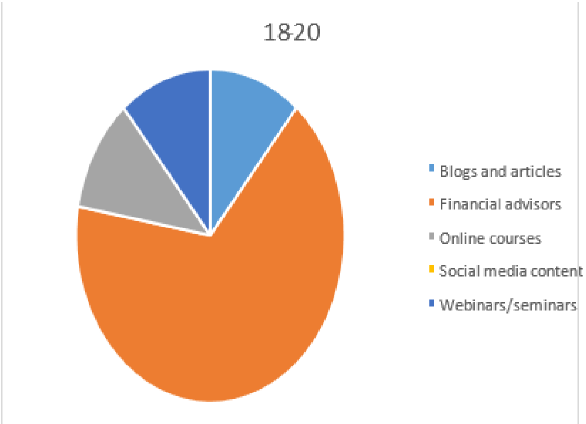
INTERPRETATION

The table shows that a majority of respondents, especially in the **18-20** and **21-25** age groups, are **not sure** whether financial literacy should be a mandatory part of the education curriculum (55 total). A smaller number, primarily in the **18-20** group, believe that financial literacy **should be mandatory** (7 total). Only a few respondents, particularly in the **26-30** and **30-35** age groups, feel that it should **not be included** (38 total). This indicates uncertainty about the importance of formal financial education.

15. **Would you be interested in learning more about mutual fund investment through:**

Count of 15. Would you be interested in learning more about mutual fund investment through:	**Column Labels**					
Row Labels	**18-20**	**21-25**	**26-30**	**30-35**	**above 35**	**Grand Total**
Blogs and articles	**1**	**1**				**2**
Financial advisors	**6**	**1**		**20**	**1**	**28**
Online courses	**1**		**38**			**39**
Social media content		**28**	**1**			**29**

Webinars/seminars	**1**				**2**
Grand Total	**9**	**30**	**39**	**21**	**100**



INTERPRETATION

The table shows that **online courses** are the most popular option for learning about mutual fund investments, particularly among the **26-30** age group (39). **Financial advisors** are also a preferred source of information, especially for the **18-20** and **30-35** age groups (28 total). **Social media content** (29) and **blogs and articles** (2) are other common preferences. A smaller number of individuals are interested in **webinars/seminars** (2), highlighting a preference for digital and personalized learning methods.

FINDINGS

The data presents insights into the perceptions, behaviors, and preferences of individuals regarding mutual fund investments, with distinct patterns across various age groups. Key findings include:

Sources of Learning about Mutual Funds:

- Among respondents aged 21 to 30, social media emerged as the most common channel through which they first encountered mutual fund information, while financial institutions play a significant role for those in the 30-35 age group.

Family/friends, school/college, and other sources are less influential.

Understanding of Mutual Funds:

- Most individuals (particularly 21-25 years) know about mutual funds but have limited understanding, with few reporting a thorough understanding.

Risks Associated with Mutual Funds:

- The most frequently mentioned concern regarding mutual funds was the perceived lack of investor control, followed by apprehensions about management fees and market fluctuations.

Investment Participation:

- Those aged 21-25 and 30-35 show the highest investment in mutual funds, while the 26-30 group dominates those who have not invested. Younger (1820) and older (above 35) groups show minimal participation.

Preferred Types of Mutual Funds:

- Debt mutual funds are preferred by the 21-25 group, while hybrid funds are also popular. Many individuals are unsure about the specific type of fund to invest in, especially in younger and older age groups.

Motivations for Investing:

- Diversification is the leading reason for investment, particularly for the 21-25 group, followed by tax benefits (more significant for 26-30). Long-term wealth accumulation and short-term returns are less common motivators.

Barriers to Investing:

- High risk is the major barrier, particularly in the 18-20 and 26-30 age groups. Preference for other investment vehicles and concerns about uncertain market conditions are other notable barriers.

Confidence in Choosing the Right Mutual Fund:

- Many respondents reported low confidence in selecting suitable mutual funds, indicating a widespread need for investment guidance and education, especially those in the 21-25 and 26-30 age groups, feeling not confident or only slightly confident in choosing mutual

IMPLICATION OF FINDING

The findings from the data highlight several important implications for both the financial industry and policymakers:

Education and Financial Literacy:

- **Need for Increased Education:** One of the primary takeaways from this research is the urgent need to enhance financial literacy, especially among individuals in their late teens and twenties, especially for younger individuals (18-30). Many respondents have limited understanding of mutual funds, and a large portion of them are not confident in making investment decisions. There is a clear gap in education, which could be addressed by incorporating more structured financial education in schools, universities, and through online platforms.
- **Targeted Educational Efforts:** The data shows a preference for learning through online courses, financial advisors, and social media. This suggests that financial institutions and educators should focus on creating easily accessible and engaging educational resources through these platforms, particularly for younger individuals.

Digital Platforms and Social Media Influence:

- **Importance of Digital Platforms:** Digital media platforms, especially social networks, were found to play a pivotal role in shaping youth investment behavior, suggesting a need for financial institutions to engage more actively in these spaces in shaping investment decisions indicates a growing role of digital platforms in financial education. Companies should consider leveraging social media and mobile apps to promote mutual fund products and provide clear, user-friendly information.
- **Social Media as a Tool for Engagement:** Peer influence and social media content are powerful motivators for investment, particularly in the 21-25 age group. This suggests that financial institutions and mutual fund managers should focus on social media campaigns and influencer partnerships to raise awareness and build trust among younger investors.

Risk Perception and Barriers to Investment:

- **Addressing Perceived Risks:** The data reveals that the most significant barriers to investing in mutual funds are perceived high risk, complexity, and lack of trust in financial institutions. Financial institutions need to work on addressing these concerns by providing more transparent, accessible, and understandable information about risk mitigation strategies and the management of funds.
- **Simplifying the Investment Process:** The complexity of mutual fund investment processes is a major barrier, particularly for the 21-25 age group. Financial institutions could benefit from simplifying the onboarding process, offering educational tools, and making investments more accessible through userfriendly platforms.

Customized Investment Solutions:

- **Offering Tailored Products:** The preferences for different types of mutual funds (debt, hybrid, equity) indicate that there is a demand for more customized investment products. Financial institutions should consider offering a wider range of fund options and advisory services that cater to the specific needs and risk profiles of different age groups.
- **Aligning Products with Motivations:** Diversification is a key motivator for investment, so mutual funds that emphasize diversified portfolios and riskadjusted returns may appeal to those seeking stability and long-term growth. Tax-saving products are also important for individuals in the 26-30 age group, suggesting that products that provide tax advantages could be better marketed to these individuals.

Encouraging Investment Through Incentives:

- **Incentivizing Investments:** Respondents indicated that clearer risk-reduction methods and supportive government policies could significantly motivate them to consider mutual fund investments. That would encourage investment. Policymakers and financial institutions could explore the creation of tax benefits, government-backed mutual funds, or matching contributions to incentivize mutual fund investments, particularly among younger and first-time investors.

Youth Engagement and Confidence Building:

- **Focus on Building Confidence**: The overall lack of confidence in choosing the right mutual fund, especially among younger individuals, presents an opportunity for financial advisors and platforms to build trust and guide investors. Personalized advice, portfolio management services, and educational webinars could help mitigate the sense of insecurity surrounding investment choices.
- **Early Engagement:** Encouraging investment from an early age (18-20) and providing accessible tools for learning and decision-making can help increase confidence and reduce perceived barriers. By engaging young investors early, financial institutions may establish long-term relationships with customers and foster better financial habits.

Policy Implications:

- **Mandatory Financial Literacy Education:** The uncertainty about whether financial literacy should be mandatory in educational curricula highlights a potential area for policy development. Introducing financial literacy as a formal part of the education system could better equip future generations with the knowledge needed to make informed investment decisions.
- **Regulatory Efforts to Address Trust Issues:** There is a notable concern about trust issues with financial institutions, which suggests a need for stronger regulations and oversight to protect investors and improve transparency in the mutual fund industry.

LIMITATIONS

1. **Sample Representation**

- **Limited Sample Size or Diversity:** If the data is based on a small or non-representative sample, it may not accurately reflect the broader population's views and behaviors. This could limit the generalizability of the findings to other demographic groups or geographical areas.
- **Age and Demographic Gaps:** The study primarily focuses on age-based groups, but other factors (income level, education, geographic location, etc.) could also influence investment behavior and perceptions. If these variables are not adequately considered, the findings may overlook important nuances.

2. **Self-Reported Data Bias**

- **Accuracy of Self-Reported Behaviors:** The findings rely on self-reported data, which is subject to biases such as social desirability bias (respondents may answer in a way they believe is socially acceptable) or recall bias (difficulty remembering past experiences accurately). This could lead to overestimations of certain behaviors or preferences.

- **Perception vs. Reality:** The data suggests limited understanding of mutual funds, but there might be a difference between how people perceive their knowledge and their actual level of understanding or experience.

3. **Contextual Limitations**

- **Market and Economic Conditions:** The findings reflect perceptions and behaviors at a specific point in time. If there are significant changes in market conditions, regulations, or the economic environment, these patterns may shift rapidly. For example, in times of market volatility, younger individuals might become more riskaverse, or financial institutions might introduce new products or services that alter preferences.
- **Technological Advancements:** The role of digital platforms and social media may evolve as technology changes. Emerging trends like AI-driven investment advice or changes in social media platforms could influence investment behavior in ways that aren't reflected in the data.

4. **Lack of Causal Evidence**

- **Correlation vs. Causation:** While the findings highlight strong correlations between various factors (e.g., social media influence, risk perception, and investment behavior), there is no indication of causal relationships. For example, while younger individuals may rely on social media for investment advice, it's unclear whether social media directly influences their investment decisions or if other underlying factors (e.g., financial knowledge or peer pressure) are driving these behaviors.
- **Influence of Other Factors:** The data doesn't account for external factors like economic pressures (e.g., inflation, job instability) or societal trends (e.g., the rise of ESG investing) that might impact individuals' decisions regarding mutual funds.

5. **Generalization of Findings**

- **Broad Generalizations:** While the data suggests trends among age groups, it may not reflect the full spectrum of behaviors across all age groups. For example, while younger individuals may show low confidence in investing, there may still be subgroups within this demographic who have strong knowledge or different attitudes toward investing in mutual funds.
- **Overemphasis on Digital Channels:** The reliance on social media and online platforms as primary information sources may not be applicable to individuals who are less techsavvy or prefer more traditional methods of financial learning, such as in-person workshops or printed materials.

6. **Overlooking Non-Investment Behaviors**

- **Non-Investors' Perspective:** The data focuses largely on the behaviors of those who are already investing in mutual funds or are considering it. However, the views and attitudes of individuals who are not investing or are disengaged from the market might offer important insights into the barriers or misperceptions that prevent broader adoption of mutual fund investments.

7. **Possible Lack of Depth in Understanding Risk**

- **Risk Understanding:** While respondents identified high risk as a major barrier to investment, the data does not provide much detail on how individuals understand or perceive risk. It's possible that many individuals confuse short-term volatility with long-term risk or fail to understand the diversity of risk levels across different mutual fund types.

8. **Limited Focus on Behavioral Finance Aspects**

- **Emotional Factors and Biases:** The data does not explore the psychological factors that may influence investment decisions, such as fear of loss, overconfidence, or herd behavior. These emotional and cognitive biases can significantly impact financial decision-making but are not captured in the findings.

Conclusion

This study looks at how young people feel about investing in mutual funds. While there's clear interest, many still struggle with understanding how these investments work, don't feel confident making choices, and worry about the risks involved. Social media is the go-to source of information for younger investors, while those in their early 30s tend to trust financial institutions more. People aged 21–25, in particular, often feel unsure about which mutual funds to choose and are concerned about not having control or the impact of market ups and downs. Even though many are drawn to mutual funds for benefits like diversification and tax savings, the process often feels too complex or risky. Friends and social media also play a big role in shaping opinions and investment decisions, especially for the younger crowd. One major issue is the lack of formal financial education. Many young people say they didn't learn enough about investing in school and would welcome better resources. They prefer learning through online courses, financial advisors, or engaging content on social media. Overall, the interest is there but to turn that interest into action, there's a clear need for better education, simpler tools, and more support. Financial institutions and policymakers have a real opportunity to make investing feel more accessible and less intimidating for the next generation.

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This book provides a comprehensive overview of financial markets, including mutual funds, and discusses various investment behaviors and strategies that could be useful in understanding the investment intentions of youth.

2. Bodie, Z., Kane, A., & Marcus, A. J. (2014). ***Investments*****. 10th ed. McGraw-Hill Education.**
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Journal Articles:

3. Hussain, M. E., & Noor, M. A. (2020). "Financial literacy and investment decisions among youths in emerging markets." ***International Journal of Emerging Markets*****, 15(3), 447-465.**

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4. Lusardi, A., & Mitchell, O. S. (2011). "Financial literacy and retirement preparedness:
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This research focuses on financial literacy and its impact on investment decisions, especially retirement planning, which can be related to youths' engagement with mutual funds.

5. Sullivan, R., & Baird, L. (2019). "Youth investment behavior: The impact of social media." ***Journal of Behavioral Finance*****, 20(2), 107-119.**

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6. Securities and Exchange Board of India (SEBI). (2019). ***Financial Literacy Survey Report*****.**

This survey report from SEBI offers data on the level of financial literacy in India, which includes insights on the younger demographic's awareness of mutual funds and investment preferences.

7. Morningstar (2021). ***Global Investor Study: Trends and Insights in Mutual Fund Investments*****.**

This report provides an overview of global trends in mutual fund investments and includes data on how different age groups, including youth, approach investment decisions.

8. Nielsen (2020). ***Understanding Gen Z's Investment Preferences*****.**

A report that looks specifically at the financial behavior and investment preferences of Generation Z, with insights into how this cohort views mutual funds as an investment vehicle.

Websites and Online Resources:

- Investopedia (2023). "Mutual Funds: An Introduction." o Available at: https://www.investopedia.com/terms/m/mutualfund.asp
- Investopedia provides easy-to-understand definitions and articles on mutual funds, which can help clarify some of the basic terms and concepts for young investors.
- The Motley Fool (2023). "Why You Should Start Investing in Mutual Funds in Your 20s."
- Available at: https://www.fool.com
- This article offers practical advice for young people on how to start investing in mutual funds, along with an explanation of the long-term benefits, which could serve as a reference for youth intentions to invest.

Industry Articles:

11. Morgan Stanley (2022). ***How Young Investors Are Reshaping the Future of Mutual Funds*****.**

• This industry article discusses how younger generations, including Millennials and Gen Z, are changing the mutual fund landscape, making it a valuable reference for understanding how youth investment patterns are evolving.

12. Fidelity Investments (2021). ***Understanding the Next Generation of Investors: A Study of Millennials and Gen Z*****.**

• This report provides insights into how Millennials and Gen Z perceive and engage with investment options like mutual funds, which can be useful for assessing their intentions toward these investment vehicles.

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13. Financial Consumer Agency of Canada (2020). ***Youth Financial Literacy and the Importance of Early Investment*****.**

• This document from the Canadian government discusses the importance of financial literacy among youth and the need for early engagement in investments like mutual funds.

14. U.S. Department of Labor (2019). ***The Importance of Financial Education for Young People*****.**

This report explores the state of financial education for young people in the U.S. and advocates for the integration of financial literacy into school curricula to improve investment awareness.

Citation Style Example

- APA Style: Lusardi, A., & Mitchell, O. S. (2011). *Financial literacy and retirement preparedness: Evidence and implications for financial education*. NBER Working Paper No. 17078.
- MLA Style: Lusardi, Annamaria, and Olivia S. Mitchell. *Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education*. NBER Working Paper No. 17078, 2011.