International Journal of Research Publication and Reviews, Vol 6, Issue 6, pp 9264-9267 June 2025

WWW.IJRPR.COM

International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

A Study on the Emerging Investment Options of the Students and it's Adoption

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ABSTRACT:

In today's digital-first world, students are no longer passive observers in the financial ecosystem—they're stepping up, learning the ropes, and showing a growing interest in managing and investing their money. This research explores how students are engaging with emerging investment options like mutual funds, SIPs, cryptocurrencies, and digital gold, and what factors influence their decisions.

Based on a survey of 150 students, primarily from undergraduate programs, the study dives into their awareness, preferences, and real-world adoption of modern investment tools. The results reveal an encouraging level of curiosity and awareness, largely driven by social media, peer influence, and the ease-of-use offered by digital platforms like Groww and Zerodha. However, a gap still exists between interest and action—many students hesitate to invest due to fear of financial loss, limited income, and a lack of deep financial knowledge.

The findings suggest that while students are open to learning and long-term wealth creation, they need more accessible education, supportive communities, and beginner-friendly tools to truly step into the role of confident investors. The study concludes with a call for collaborative efforts between educational institutions, fintech platforms, and policymakers to foster financial literacy and help students make informed investment decisions early in life.

KEY WORDS: Emerging Investment options, Student Investors, Digital investment tools, Risk Perception, Investment Awareness, Online Trading Platforms, AI- Based Investment Tools, Community Learning, Financial Education, Young Investors.

1. INTRODUCTION

The research explores how students are shifting from traditional saving methods to engaging with modern, technology-driven investment options. Historically, student investors faced barriers like limited financial literacy and high entry costs, restricting them to basic savings. However, the rise of fintech platforms and easy-to-use mobile applications has democratized investment opportunities. Students today can invest small amounts through platforms such as Groww, Zerodha, and CoinDCX with just a smartphone and basic digital literacy.

The shift accelerated during the COVID-19 pandemic, when students found themselves with more time and greater online exposure. The boom in financial content on social media, combined with peer discussions, sparked interest in tools like SIPs, mutual funds, and cryptocurrencies. These platforms offer user-friendly interfaces, minimal documentation, and built-in tutorials—making investment simpler than ever.

Students' natural curiosity, digital comfort, and increasing awareness of financial independence have contributed to this rapid adoption. Factors such as low minimum investment requirements, engaging app features, and real-time updates have made investing both accessible and attractive.

This study aims to explore the awareness, preferences, and participation levels of students in these emerging investment options. It seeks to identify the factors influencing their investment behavior—ranging from risk appetite and financial knowledge to peer influence and ease of access. By examining these dimensions, the research attempts to understand how students are preparing for their financial future and what challenges they face in doing so. The study also highlights how digital tools are shaping a new generation of financially active youth.

2. LITERATUTRE REVIEW

The reviewed literature offers rich insights into how students are increasingly involved in investing, influenced by a blend of technological access, personal financial goals, and educational exposure. Studies suggest that students today are more inclined to explore investment avenues beyond traditional savings due to the availability of user-friendly digital tools. However, financial literacy remains a critical factor shaping their decisions.

Multiple researchers have noted that while interest in investing is rising, actual participation is often hindered by knowledge gaps. For example, students with a basic understanding of finance tend to be more confident in exploring mutual funds or stocks, whereas those without this background hesitate. Financial literacy, therefore, is repeatedly emphasized as essential in enabling informed investment behavior.

The literature also highlights the role of risk perception. Some students avoid investing due to a fear of loss or complex financial jargon. Others are influenced by peer groups or financial influencers on platforms like YouTube and Instagram, which help demystify investing. Social learning plays a powerful role—students are more likely to invest when peers or family members encourage them.

In addition, technological advancements such as robo-advisors, cryptocurrency exchanges, and fractional investing platforms have broadened accessibility. Many students are now experimenting with SIPs, digital gold, and ETFs due to their low entry thresholds and simplified processes.

Finally, research shows that Gen Z prefers platforms that are intuitive and educational. Their investment behavior is not just profit-driven, but also influenced by convenience, trust in technology, and a growing sense of financial independence. These themes shape the foundation of this study.

3. RESEARCH METHODOLOGY

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4. DATA ANALYSIS AND INTERPRETATION

The study analyzed responses from 150 students to understand their demographics, investment awareness, platform usage, and behavioral patterns. Most participants were aged 20–25 years, representing the age group typically in college or early adulthood—a key period for developing financial habits. A large portion of respondents were undergraduates, with varied monthly allowances, often below ₹10,000, reflecting limited disposable income.

Despite financial constraints, over 85% of students reported awareness of modern investment tools. SIPs emerged as the most well-known and frequently used option, followed by mutual funds and stocks. However, only about 25% had actually invested, indicating a noticeable gap between awareness and participation.

Groww was the most commonly used platform, preferred for its simplicity and ease of use. Students appreciated platforms that offered beginner-friendly features and educational content. While the interest in cryptocurrencies was evident, participation remained limited due to volatility concerns.

The main reasons for investing included long-term wealth creation, saving for future expenses, and learning through experience. In contrast, challenges such as fear of loss, lack of financial knowledge, and complex interfaces discouraged many from investing.

The analysis also revealed that students with even moderate financial literacy were more likely to invest. Peer influence and social media were crucial sources of financial information. Students heavily relied on digital communities and influencers for investment advice, showcasing a preference for relatable, accessible learning over formal education.

Overall, the data reveals strong potential among students for active investing—provided educational and emotional barriers are addressed.

5. FINDINGS

The research findings present a detailed picture of how students are engaging with modern investment avenues. While most participants are aware of investment options like SIPs, mutual funds, and cryptocurrencies, a relatively smaller percentage have taken actual steps to invest. This gap highlights a key issue: awareness does not always translate into action.

Systematic Investment Plans (SIPs) are the most favored among students due to their flexibility, low-risk nature, and affordability. These options allow students to start small, which aligns well with their limited income levels. Stocks and mutual funds follow closely, whereas more volatile instruments like cryptocurrencies attract interest but see lower participation.

One of the most striking observations is the influence of peer groups and digital platforms. Students rely heavily on social media, finance influencers, and online communities for investment information. These informal sources are often more effective in shaping behavior than traditional education.

Fear of financial loss, complexity of platforms, and lack of financial knowledge are major barriers deterring students from investing. Many students rate their investment understanding as moderate or basic, showing a need for deeper financial education.

Popular platforms like Groww have been successful due to their user-friendly design and educational features. Yet, several students remain unaware of other options like Angel One or Zerodha, suggesting a lack of platform diversity.

In essence, the findings suggest that students are open to investing, motivated by long-term goals, but they need structured guidance, simpler tools, and confidence to convert their interest into consistent financial action.

6. CONCLUSION

The research concludes that students are increasingly open to exploring emerging investment opportunities, driven by digital exposure, peer influence, and a growing desire for financial independence. Although awareness about tools like SIPs, mutual funds, and cryptocurrencies is relatively high, actual participation remains moderate. This gap stems from a mix of emotional and practical barriers, including fear of financial loss, inadequate knowledge, and unfamiliarity with investment platforms.

Digital platforms like Groww have played a key role in simplifying the investment process for students, making it more approachable through intuitive interfaces and educational features. However, a large number of students still hesitate to take the first step due to uncertainty and low confidence. Their willingness to invest is evident, but they need stronger support systems.

The conclusion underscores that financial literacy is the most decisive factor influencing student investment behavior. When students feel well-informed, they are far more likely to engage with investment products responsibly and consistently. Peer influence and social media can serve as powerful motivators, but without foundational knowledge, students may make impulsive or poorly informed choices.

To bridge the gap between interest and involvement, educational institutions, fintech platforms, and policymakers must collaborate. Integrating financial education into academic curricula, offering mentorship, and simplifying access to beginner-friendly tools can empower students to make sound investment decisions early in life.

Overall, the study emphasizes that today’s students are not only digitally adept but also financially curious. With the right guidance and resources, they can evolve into confident, long-term investors shaping their own economic futures.

7. DISCUSSION

This study highlights a promising shift in how students perceive and approach investing. While traditionally seen as something for older or wealthier individuals, investing is increasingly being embraced by today’s youth—especially college students in their early twenties. Thanks to social media, peer influence, and user-friendly financial apps, awareness about investment tools like mutual funds, SIPs, and digital gold is widespread.

However, our research uncovered a clear gap between awareness and action. Many students know about investment opportunities but hesitate to start due to fears of financial loss, a lack of formal education, and limited income. This hesitation is understandable, considering students are often balancing studies, part-time work, and personal expenses.

Systematic Investment Plans (SIPs) emerged as the most popular starting point. Their low-cost, low-risk nature appeals to students who want to invest in small amounts over time. This preference reflects a positive long-term mindset, rather than a pursuit of quick profits.

Technology has been a game-changer in this space. Apps like Groww have made investing accessible and even enjoyable for first-time users. Yet, other platforms with steeper learning curves (like Zerodha or Upstox) see less adoption, highlighting the need for simpler interfaces and targeted outreach. There’s clear potential for fintech companies to further engage this demographic through tutorials, events, and influencer-led campaigns.

Peer influence also plays a vital role. Students are more likely to invest when they see their friends doing it or hear about it in online communities. This underlines the power of informal, community-based learning. Encouraging finance clubs, student ambassador programs, and peer mentorship can deepen engagement and build confidence.

Still, many students rate their financial knowledge as basic. They might recognize investment terms but struggle with more advanced concepts like risk diversification or portfolio analysis. This points to the urgent need for structured financial education in schools and universities. Integrating personal finance into curricula, offering gamified learning experiences, and partnering with financial experts can help bridge this gap.

Overall, students are ready to invest—but need the right tools, education, and encouragement to take the first step. With proper support, this generation can move from curious onlookers to confident investors, laying a strong foundation for their financial futures. Investing is no longer just about wealth creation; for students, it's becoming a means of empowerment, independence, and long-term stability.

8. LIMITATIONS

Like any research, this study comes with a few limitations that are important to acknowledge. First, the sample size was relatively small due to time and resource constraints, which means the findings may not fully represent the broader student population. There's also a chance of sampling bias, as the participants may not accurately reflect the diverse investment habits and preferences of all students. Since the data was collected through self-reported surveys, responses could be influenced by social desirability, memory lapses, or even limited financial understanding—factors that might affect the accuracy of the insights. Additionally, the research mainly captures current trends and student behaviours at one point in time, so it doesn't account for how investment habits might evolve in the long run. Finally, it's worth noting that not every student is equally aware of all the available investment options. In some cases, low adoption may reflect a lack of awareness rather than a lack of interest. These limitations highlight the need for further, broader studies in the future.

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