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A Study on Millennials' Investment Behaviour: The Mediating Effect of Investment Intention and the Moderating Effect of Income

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ABSTRACT:

Purpose: This study examines how financial literacy, risk perception and digital investment influence shape the investment behaviour of millennials, and tests whether investment intention mediates these relationships and whether income level moderates them.

Design/methodology/approach: A descriptive and explanatory cross-sectional survey design was adopted. Primary data were collected through an online structured questionnaire (25 Likert items, five-point scale) between 12 and 29 September 2026. After removing exact duplicate submissions, 12 unique responses remained, so the study is reported as a pilot. The data were analysed using reliability analysis, descriptive statistics, chi-square tests, one-way ANOVA, multiple regression, bootstrapped mediation analysis and moderated regression.

Findings: All five scales showed very high internal consistency ($\alpha = 0.965\text{--}0.987$) and the constructs were strongly intercorrelated ($r = 0.93\text{--}0.99$). Together the three antecedents explained 97.1% of the variance in investment behaviour, but only risk perception was a significant predictor ($\beta = 0.77$, $p = 0.023$); financial literacy (H1) and digital investment influence (H3) were not significant once the others were controlled. Investment intention did not significantly mediate any relationship (H4–H6; all bootstrap intervals included zero), income did not significantly moderate any relationship (H7–H9), and investment behaviour did not differ significantly by demographic group or income slab. Given the sample size and severe multicollinearity (VIF up to 20.9), these results are indicative only.

Practical implications: The findings can guide financial educators, investment platforms, advisors and regulators in designing literacy programmes, risk-communication tools and digital products that convert investment intentions into actual investing, once confirmed on a larger sample.

Originality/value: The study integrates three distinct drivers (financial literacy, risk perception and digital investment influence) into a single mediated and moderated model for young Indian investors, a cohort that is digitally native, earning and increasingly central to household wealth creation.

Keywords: Millennials; Investment behaviour; Investment intention; Financial literacy; Risk perception; Digital investment influence; Income

Introduction:

Households in India have traditionally placed a greater proportion of their savings in the form of bank deposits, gold and real estate. Over the last decade, this trend has seen a shift as equities, mutual funds, systematic investment plans (SIPs) and other market-related products have become more accessible to the wider population. Much of this change has been propelled by younger generations of investors who open accounts on their smartphones, who follow financial content on social media and who compare products in minutes. Information from the Association of Mutual Funds in India (AMFI, 2026) demonstrates the scale of this change: monthly SIP contributions reached a record ₹32,297 crore in August 2026, the number of contributing SIP accounts crossed 10 crore and total mutual fund folios were at about 28.35 crore.

The millennials, generally defined as people born between 1981 and 1996 (Dimock, 2019) now comprise a significant portion of the working population. They are entering their peak earning years, taking on family and housing responsibilities and are the first cohort to make investment decisions in a largely digital environment. Thus, their investment behaviour directly impacts their own financial security as well as the depth of domestic capital markets.

Investment behaviour, understood as the actual act of allocating money to a financial instrument, does not rely on one factor exclusively. Previous research highlights the importance of financial literacy (Lusardi & Mitchell, 2014; Van Rooij, Lusardi & Alessie, 2011), the perception of risk from the investor's perspective (Slovic, 1987; Weber, Blais & Betz, 2002) and the rising influence of digital investment platforms and online financial information (Barber & Odean, 2002). However, these factors are studied in isolation and many studies treat intention and behaviour as interchangeable. The theory of planned behaviour highlights that intention is the immediate antecedent of behaviour (Ajzen, 1991), yet people often fail to follow through on their intentions (Sheeran, 2002). Further, the resources available to an individual, primarily income, can dictate whether a certain level of knowledge, comfort with risk and level of digital exposure translates to actual investing.

This study aims to address these gaps by testing a combined model where financial literacy, risk perception and digital investment influence affect investment behaviour directly and indirectly via investment intention while income level conditions these relationships. The rest of the paper is structured as follows. Section 2 reviews the literature and develops the hypotheses. Section 3 states the research objectives. Section 4 presents the conceptual framework. Section 5 describes the methodology and Section 6 reports the analysis. Section 7 discusses the findings while Section 8 concludes with implications, limitations and directions for future research.

Review of Literature and Hypotheses Development

Theoretical background

Three theoretical lenses inform the study. First is the theory of planned behaviour (Ajzen, 1991). According to this theory, the behaviour of individuals is dependent upon their

intentions, which in turn are informed by a combination of attitudes, subjective norms and perceived behavioural control. Within the context of financial literacy and access to digital technologies, these constructs can be interpreted as a sense of power to influence results – in other words, perceived control. On the other hand, risk perception can be understood as part of the attitude to taking a position in the equity market. Prospect theory (Kahneman & Tversky, 1979) and the psychometric approach to risk (Slovic, 1987) offer an explanation as to why investors may subjectively assess the probabilities of potential losses and gains, rather than evaluate them objectively according to their expected value. Finally, technology acceptance and use research (Davis, 1989; Venkatesh, Morris, Davis & Davis, 2003) explains why people choose to use or avoid a particular technology, which is relevant to the proposed study in the context of app-based investing.

Financial literacy and investment behaviour

Financial literacy refers to the level of knowledge and competence of an individual in terms of making informed financial decisions. It encompasses an understanding of the concepts of interest, inflation and diversification of risk. The work of Lusardi and Mitchell (2014) indicates that financial literacy is positively correlated with saving, planning and wealth accumulation. Van Rooij, Lusardi and Alessie (2011) highlight that people who are financially literate tend to be more likely to participate in the stock market, which suggests that the level of financial literacy inversely affects the risk of making poor decisions when choosing risky assets as an investment vehicle. Financially literate individuals can also be considered to be more capable consumers who understand how to compare products and avoid unnecessary expenditures. With this in mind, the following hypothesis is proposed:

- **H1: Financial literacy has a significant positive influence on the investment behaviour of millennials.**

Risk perception and investment behaviour

Risk perception can be defined as the subjective assessment of the likelihood and severity of loss attached to a particular investment decision (Slovic, 1987). As a concept that takes individual judgement into account, its impact on a person's propensity to participate in the equity market is difficult to predict with precision. Higher levels of risk perception are generally linked to a lower likelihood to invest in volatile assets. Conversely, a lower likelihood to perceive risk is associated with a higher tendency to take up shares. A

domain-specific approach highlights that financial risk attitudes are different from risk attitudes in other areas of life (Weber, Blais & Betz, 2002), while risk tolerance is a

well-established factor in investment decision-making (Grable & Lytton, 1999). Given that the direction of influence can vary depending on the type of investor and financial instrument in question, a non-directional hypothesis is stated:

- **H2: Risk perception has a significant influence on the investment behaviour of millennials.**

Digital investment influence and investment behaviour

Digital investment influence refers to the impact of trading and mutual fund apps, online brokerages, financial websites, videos and social media on the propensity to make investment-related decisions. Digital technologies can facilitate the process of discovering and adopting a particular practice, thus reducing the effort required to perform an action. This is particularly relevant to making financial decisions, where the use of an online trading platform can reduce barriers to entry, such as transaction costs or the need to research a company's fundamentals. Studies of online investors indicate that an increase in online trading activity is connected to a change in trading behaviour (Barber & Odean, 2002). Technology acceptance literature highlights the general tendency for people to start using new technologies when they appear to be useful and easy to use (Davis, 1989; Venkatesh et al., 2003). Considering the fact that millennials are digital natives, who tend to consume content and make decisions based on what they see on digital channels, the following hypothesis is proposed:

- **H3: Digital investment influence has a significant positive influence on the investment behaviour of millennials.**

mediating role of investment intention

Investment Intention as an Intervening Variable

Investment intention is the likelihood that one will invest. Ajzen (1991) states that intention reflects motivational factors that lead to a behaviour, while a conceptual and empirical review by Sheeran (2002) reveals intention to be a significant but not total predictor of actions. The effect of knowledge, risk perception, and influence of digital media on investment intention is likely to be positive, and that intention will lead to investment. Therefore, investment intention will be proposed as an intervening variable:

- **H4:** Investment intention significantly mediates the association between financial literacy and investment behaviour of millennials.
- **H5:** Investment intention significantly mediates the association between risk perception and investment behaviour of millennials.
- **H6:** Investment intention significantly mediates the association between digital investment influence and investment behaviour of millennials.

Income as a Moderating Variable

Income shapes the proportion that can be saved and invested and the ability to withstand losses. Individuals with different income levels may behave differently even if they have similar levels of knowledge, risk perception, and exposure to investment-related digital media. While higher income individuals may be able to leverage on their superior literacy and opportunity to invest, the lower income counterparts might be unable to follow through on their intentions due to inadequate resources. Therefore, income is likely to moderate the associations of financial literacy, risk perception, and digital investment influence on the investment behaviour of millennials:

- **H7:** Income level significantly moderates the association between financial literacy and investment behaviour of millennials.
- **H8:** Income level significantly moderates the association between risk perception and investment behaviour of millennials.
- **H9:** Income level significantly moderates the association between digital investment influence and investment behaviour of millennials.

Research Gaps

In the extant literature, financial literacy, risk perception, and technology use are investigated individually, and studies mostly focused on the role of financial literacy, risk tolerance, and investment intention in predicting investment behaviours while paying little attention to the influence of digital media. Additionally, none of the previous studies attempted to establish if and how income level moderates the associations between the antecedents and investment behaviours. This study will address the gaps by investigating the combined influence of financial literacy, risk perception, and digital media, with investment intention as a mediator on the investment behaviour of millennials.

Objectives of the Study

The objective of this study is to:

1. Examine the influence of financial literacy on the investment behaviour of millennials.
2. Assess the effect of risk perception on the investment behaviour of millennials.
3. Establish the impact of digital investment platforms and digital financial information on millennials' investment behavior.
4. Evaluate the mediating role of investment intention on the association between financial literacy, risk perception, digital investment influence, and investment behaviour.
5. Determine if income level moderates the association between the antecedents and investment behaviour of millennials.
6. Identify the factors that significantly influence the investment behaviour of millennials.

Conceptual Framework

Figure 1 presents the proposed framework. Financial literacy, risk perception and digital investment influence are the independent variables and investment behaviour is the dependent variable. Investment intention mediates the effect of each independent variable on behaviour, and income level moderates the relationship between the independent variables and behaviour. The nine hypotheses are summarised in Table 1.

Figure 1: Conceptual framework of the study

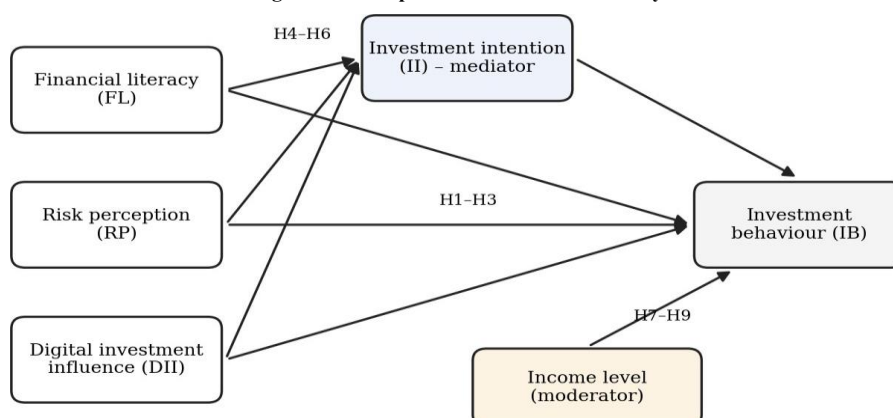


Table 1: Summary of research hypotheses

Hypothesis	Relationship tested	Type
H1	Financial literacy → Investment behaviour (positive)	Direct
H2	Risk perception → Investment behaviour	Direct
H3	Digital investment influence → Investment behaviour (positive)	Direct
H4	Financial literacy → Investment intention → Investment behaviour	Mediation
H5	Risk perception → Investment intention → Investment behaviour	Mediation
H6	Digital investment influence → Investment intention → Investment behaviour	Mediation
H7	Income × Financial literacy → Investment behaviour	Moderation
H8	Income × Risk perception → Investment behaviour	Moderation
H9	Income × Digital investment influence → Investment behaviour	Moderation

Research methodology

Research design

The study has a quantitative, cross-sectional survey design, descriptive in profiling respondents and explanatory in testing the hypothesised relationships among the constructs.

Population, sample and sampling technique

The target population are young Indian investors in the millennial age group who invest, or have considered investing, in financial instruments such as equities, mutual funds, fixed deposits, gold, insurance linked products or digital assets. The online questionnaire did not record the respondents' location. The form received 123 submissions. Because 111 of these were exact duplicates of 11 other submissions (identical timestamps and identical answers to every question), they were removed, leaving 12 unique and usable responses. This is well below the sample size usually recommended for multiple regression; for example, Green (1991) suggests at least $50 + 8m$ observations for m predictors (74 for three predictors). The study is therefore presented as a pilot, and its inferential results should be read as exploratory.

Data collection and instrument

Primary data were collected between 12 and 29 September 2026 using a structured questionnaire distributed online as a Google Form. The questionnaire has two parts. Part A captures demographic details (age band, gender, education, occupation and monthly income). Part B contains 25 statements measuring five constructs, five items each, on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). Table 2 outlines the constructs.

Income, the moderator, was measured with a single item in slabs and coded in rank order (1 = below ₹25,000; 2 = ₹25,001–₹50,000; 4 = ₹75,001–₹1,00,000; 5 = above ₹1,00,000). Code 3

was reserved for the ₹50,001–₹75,000 slab, which received no response.

Table 2: Constructs and measurement

Construct	Role	Items	Operational description (sample item)
Financial literacy (FL)	Independent	Q6–Q10	Knowledge of saving, investment options, risk–return and diversification (“I understand the basic concepts of saving and investing.”)
Risk perception (RP)	Independent	Q11–Q15	Consideration of loss, risk preference and risk tolerance (“I carefully consider the possibility of losing money before making an investment.”)
Digital investment influence (DII)	Independent	Q16–Q20	Convenience, information and encouragement from digital platforms (“Information available through digital platforms influences my investment decisions.”)
Investment intention (II)	Mediator	Q21–Q25	Plans and commitment to invest in future (“I intend to make investments regularly in the future.”)

Investment behaviour (IB)	Dependent	Q26–Q 30	Regular investing, comparison, diversification, monitoring and goal-based decisions (“I regularly invest a portion of my income.”)
Income level	Moderator	Q5	Monthly personal income in slabs (single item)

Data screening

Before analysis, rows with exact duplicates were removed (Section 5.2). Responses to Likert scales were converted to numbers after standardising capitalisation. “Student”, “student” and “Students” were combined into one occupation category. One education response, labelled “Option 4”, could not be interpreted and was treated as missing. Two item-level responses were missing (Q27 and Q28, one respondent each); construct scores were computed as the mean of the available items. One respondent did not report age or occupation, and two did not report income; these cases were excluded only from the analyses that needed those variables (ANOVA, chi-square and moderation).

Reliability and validity

Internal consistency of each multi-item construct was assessed with Cronbach’s alpha, with values of 0.70 or above considered acceptable (Nunnally & Bernstein, 1994). Content validity rests on item wording that follows the constructs defined in Section 2. Exploratory or confirmatory factor analysis and convergent and discriminant validity checks (Fornell & Larcker, 1981) were not run because a sample of 12 cannot support them.

Statistical tools

Data were analysed in Python 3 using pandas, SciPy and statsmodels; the same tests can be reproduced in SPSS or Excel. The following techniques were applied, each matched to a research objective:

- Descriptive statistics and Pearson correlation to profile respondents and examine the association between constructs.
- Chi-square test of independence to test the association between demographic categories and the level of investment behaviour. Investment behaviour scores were grouped as low (≤ 2.5), moderate (> 2.5 to 3.5) and high (> 3.5).
- One-way ANOVA with Tukey HSD post hoc tests to compare mean investment behaviour across income groups.
- Multiple linear regression to test the direct effects of financial literacy, risk perception and digital investment influence on investment behaviour (H1–H3).
- Mediation analysis following the logic of Baron and Kenny (1986), with the indirect effect ($a \times b$) tested using 5,000 bootstrap resamples and 95% percentile confidence intervals (Preacher & Hayes, 2008), equivalent to Hayes (2018) Model 4 estimated separately for each independent variable.
- Moderated regression with mean-centred predictors and a product term (Hayes, 2018, Model 1 logic) to test H7–H9.

A significance level of 5% ($p < 0.05$) was used for all tests.

Ethical considerations

Participation was voluntary, respondents were informed of the purpose of the study, and responses were collected anonymously and used only for research.

Data Analysis and Interpretation

Demographic profile of respondents

Table 3 profiles the 12 unique respondents. Gender was evenly split. Eleven of the 12 fell in the 27–30 age band (one did not report age), and the sample is predominantly undergraduate. Students formed the largest occupational group, and five of the ten respondents who reported income earned below ₹25,000 per month.

Table 3: Demographic profile (N = 12)

Variable	Category	Frequency	Percentage
Gender	Male	6	50.0
	Female	6	50.0
Age group	27–30 years	11	91.7
	Not reported	1	8.3
Education	Undergraduate	10	83.3

Occupation	Postgraduate	1	8.3
	Unclear/missing	1	8.3
	Student	4	33.3
	Salaried employee	3	25.0
	Professional	2	16.7
	Self-employed/business	2	16.7
Monthly income	Not reported	1	8.3
	Below ₹25,000	5	41.7
	₹25,001–₹50,000	2	16.7
	₹75,001–₹1,00,000	2	16.7
	Above ₹1,00,000	1	8.3
	Not reported	2	16.7

Note: investment experience was not collected in the questionnaire.

Reliability analysis

Table 4: Reliability statistics

Construct	No. of items	Cronbach's alpha	Remark
Financial literacy	5	0.971	Acceptable
Risk perception	5	0.965	Acceptable
Digital investment influence	5	0.986	Acceptable
Investment intention	5	0.987	Acceptable
Investment behaviour	5	0.969	Acceptable
Overall scale	25	0.996	Acceptable

All constructs exceed the 0.70 threshold. However, values above about 0.90 can indicate item redundancy rather than better measurement (Streiner, 2003). Here the very high alphas largely reflect a small sample in which four respondents gave an identical answer to all 25 items (all 5, all 4, all 2 and all 1), so the scales should not be taken as validated. Alpha was calculated on complete cases ($n = 10$ for investment behaviour).

Descriptive statistics and correlation

Table 5: Means, standard deviations and correlations ($n = 12$)

Construct	Mean	SD	1	2	3	4	5
1. Financial literacy	3.43	1.25	1				
2. Risk perception	3.50	1.21	0.964**	1			
3. Digital investment influence	3.52	1.33	0.940**	0.958**	1		
4. Investment intention	3.55	1.29	0.961**	0.967**	0.994**	1	
5. Investment behaviour	3.52	1.14	0.969**	0.980**	0.932**	0.947**	1

Note: Pearson correlations; ** $p < 0.01$ (all $p < 0.001$). Means are on the 1–5 scale.

Mean scores of 3.43 to 3.55 show that, on average, respondents were mildly positive on every construct. The correlations are extremely high, which means the constructs are barely distinguishable in this sample. This has direct consequences for the regression, mediation and moderation results below.

Chi-square test of association

The purpose of this test was to determine if the level of investment behaviour (low, moderate, high) was associated with demographic characteristics. The null hypothesis for each pair is that they are independent. Of the 12 respondents, 2 scored low, 3 moderate and 7 high on investment behaviour. Age could not be tested as all respondents who reported it fell into one band.

Table 6: Chi-square test results

Demographic variable × Investment behaviour level	χ^2	df	p-value	Decision
Gender (n = 12)	0.476	2	0.788	Fail to reject H0
Education (n = 11)	0.629	2	0.730	Fail to reject H0
Occupation (n = 11)	3.208	6	0.782	Fail to reject H0
Monthly income (n = 10)	3.500	6	0.744	Fail to reject H0

Note: in every test at least 5 of 6 cells had expected counts below 5 (all cells for occupation and income), so the chi-square approximation is not reliable here.

No demographic variable is significantly associated with the level of investment behaviour. With such small expected counts, this should be read as the absence of evidence, not evidence of independence.

One-way ANOVA: investment behaviour across income groups

Table 7: ANOVA of investment behaviour by income group (n = 10)

Source	Sum of squares	df	Mean square	F	Sig.
Between groups	2.747	3	0.916	1.183	0.392
Within groups	4.644	6	0.774		
Total	7.391	9			

Mean investment behaviour was 3.21 for those earning below ₹25,000 (n = 5), 4.20 for ₹25,001–₹50,000 (n = 2), 4.40 for ₹75,001–₹1,00,000 (n = 2) and 4.00 for above ₹1,00,000 (n = 1). The difference is not significant, $F(3, 6) = 1.18$, $p = 0.392$, and no Tukey HSD pairwise comparison was significant (smallest $p = 0.438$, below ₹25,000 versus ₹75,001–₹1,00,000). Although the lowest income group has the lowest mean, three groups have two or fewer respondents, so the test has almost no power.

Multiple regression: direct effects (H1–H3)

Investment behaviour was regressed on financial literacy, risk perception and digital investment influence: $IB = \beta_0 + \beta_1(FL) + \beta_2(RP) + \beta_3(DII) + \epsilon$.

Table 8: Multiple regression results (n = 12)

Predictor	B	Std. error	Beta	t	Sig.	VIF	Decision
Constant	0.271	0.212		1.277	0.237		
Financial literacy	0.345	0.211	0.376	1.636	0.140	14.6	H1: Not supported
Risk perception	0.728	0.260	0.770	2.798	0.023	20.9	H2: Supported
Digital investment influence	-0.137	0.185	-0.159	-0.740	0.481	12.8	H3: Not supported

Model summary: $R = 0.985$, $R^2 = 0.971$, adjusted $R^2 = 0.960$, $F(3, 8) = 89.46$, $p < 0.001$,

Durbin-Watson = 2.83.

The model explains 97.1% of the variance in investment behaviour. Risk perception is the only significant predictor ($\beta = 0.77$, $p = 0.023$) and has the largest standardised beta, so it is the most influential factor in this sample (sixth objective). Financial literacy has a positive but non-significant effect ($\beta = 0.38$, $p = 0.140$), so H1 is not supported. Digital investment influence has a small negative, non-significant coefficient ($\beta = -0.16$, $p = 0.481$), so H3 is not supported. All three VIF values exceed 10, indicating serious multicollinearity; the individual coefficients are therefore unstable even though the overall model fit is very high.

Mediation analysis (H4-H6)

For each independent variable, path a (independent variable $\rightarrow$ investment intention), path b (investment intention $\rightarrow$ investment behaviour, controlling for the independent variable), the direct effect c' and the total effect c were estimated. Indirect effect ($a \times b$) was tested using 95th percentile bootstrap confidence intervals (5,000 resamples). Mediation is supported when the interval does not include zero.

Table 9: Mediation results (n = 12)

Path	a	b	Total (c)	Direct (c')	Indirect (a×b)	95% CI	Mediation
FL $\rightarrow$ II $\rightarrow$ IB (H4)	0.997* *	0.184	0.889**	0.705*	0.184	[-2.687, 1.622]	None
RP $\rightarrow$ II $\rightarrow$ IB (H5)	1.033* *	-0.011	0.926**	0.938**	-0.012	[-0.537, 0.924]	None
DII $\rightarrow$ II $\rightarrow$ IB (H6)	0.967* *	1.574	0.802**	-0.720	1.521	[-0.114, 6.133]	None

Note: FL = financial literacy; RP = risk perception; DII = digital investment influence; II = investment intention; IB = investment behaviour. * $p < 0.05$, ** $p < 0.01$.

In all three cases the independent variable strongly predicts intention (path a), but intention does not significantly predict behaviour once the independent variable is controlled (path b, $p = 0.494$, 0.962 and 0.101), and every bootstrap interval includes zero. H4, H5 and H6 are therefore not supported. For financial literacy and risk perception the direct effects remain significant, and for digital investment influence the total effect is significant while the direct effect is not ($c' = -0.72$, $p = 0.413$), but without a significant indirect effect this cannot be interpreted as mediation. The very wide intervals, and the fact that many bootstrap samples were nearly collinear, show how unstable these estimates are at $n = 12$ with correlations near 0.95 to 0.99.

Moderation analysis (H7-H9)

Income level was tested as a moderator by adding the product of each mean-centred independent variable and mean-centred income to the regression: $IB = \beta_0 + \beta_1(X) + \beta_2(\text{Income}) + \beta_3(X \times \text{Income}) + \epsilon$. The analysis uses the 10 respondents who reported income.

Table 10: Moderated regression results (n = 10)

Interaction	β (interactio n)	Std. error	t	Sig.	ΔR^2	Decision
Financial literacy $\times$ Income (H7)	0.005	0.118	0.039	0.970	0.000	Not supported
Risk perception $\times$ Income (H8)	-0.026	0.098	-0.260	0.804	0.001	Not supported
Digital investment influence $\times$ Income (H9)	0.126	0.176	0.715	0.501	0.014	Not supported

None of the interaction terms is significant and each adds at most 1.4% to explained variance, so there is no evidence that income changes the strength of the relationships. Simple-slope analysis was therefore not needed. With 10 cases and four parameters per model, the power to detect an interaction is very low.

Summary of hypothesis testing

Table 11: Summary of hypothesis results

Hypothes is	Statement (short)	Result
H1	Financial literacy $\rightarrow$ Investment behaviour	Not supported ($\beta = 0.38$, $p = 0.140$)
H2	Risk perception $\rightarrow$ Investment behaviour	Supported ($\beta = 0.77$, $p = 0.023$)
H3	Digital investment influence $\rightarrow$ Investment behaviour	Not supported ($\beta = -0.16$, $p = 0.481$)
H4	Mediation by investment intention (financial literacy)	Not supported
H5	Mediation by investment intention (risk perception)	Not supported
H6	Mediation by investment intention (digital influence)	Not supported
H7	Moderation by income (financial literacy)	Not supported
H8	Moderation by income (risk perception)	Not supported
H9	Moderation by income (digital influence)	Not supported

Discussion

Direct effects. Risk perception was the only significant (positive) direct predictor of investment behaviour and is consistent with arguments that perceived risk does not merely hinder investing but shapes it (Slovic, 1987; Weber, Blais & Betz, 2002). The risk perception items describe careful evaluation of losses, a preference for understandable risk and

consideration of risk tolerance, rather than fear, so higher scores indicate risk-aware investors who compare, diversify and monitor, as the investment behaviour items do. This conceptual overlap between the two scales may partly explain the link. Financial literacy was positively related to behaviour at the zero-order level ($r = 0.97$), as per Lusardi and Mitchell (2014) and Van Rooij et al. (2011) but not significant after controlling for risk perception, which is a symptom of multicollinearity not that knowledge does not matter. Digital investment influence was not a significant independent predictor, unlike the positive association one might expect from online experience (Barber & Odean, 2002). Due to the 0.99 correlation with intention, the separate contribution cannot be identified in this sample.

Mediation. Financial literacy, risk perception and digital influence were all strongly positively associated with investment intention, which is consistent with the theory of planned behaviour (Ajzen, 1991). However, intention exerted no statistically significant effect on any of the relationships. This echoes the intention-behaviour gap described in Sheeran (2002), but the evidence is weak: the confidence intervals are extremely wide, and with intention and the antecedents almost perfectly correlated, the model cannot disentangle them.

Moderation. Income did not significantly enhance or diminish any relationship. A larger and more income-diverse sample is required before drawing conclusions about the relationships holding across income groups, since half of the income-reporting respondents were in the lowest slab and only 10 cases were available.

Demographic differences. Neither the chi-square tests nor the ANOVA found significant differences in investment behaviour by gender, education, occupation or income. The descriptive means suggest that those earning below ₹25,000 scored lower (3.21) than the higher income groups (4.00 to 4.40), a pattern that fits the resource-constraint argument for income but was not statistically significant and the groups were very small.

Conclusion, Implications and Limitations

Conclusion

This pilot study explored the drivers of young investors' investment behaviour by combining financial literacy, risk perception and digital investment influence in a model with investment intention as a mediator and income as a moderator. Of nine hypotheses, the sole supported was H2: risk perception significantly and positively predicted investment behaviour and was the most influential factor. Financial literacy and digital investment influence were not significant direct predictors, intention did not significantly mediate any relationship and income did not significantly moderate any relationship. Due to the small sample size (12

respondents) and near-perfect construct correlations, these findings are indicative and require confirmation on a larger sample.

Theoretical implications

The study applied the theory of planned behaviour to test how knowledge, risk perception and digital exposure work through intention, and whether material resources (income) change the strength of these paths. The pilot results suggest that in practice, these constructs are hard to disentangle among young investors, so future work should carefully check discriminant validity and consider if intention and the antecedents are distinct enough to be modelled separately. It further links the financial literacy and technology adoption literatures in a single empirical model.

Practical and policy implications

The following implications are tentative and depend on confirmation with a larger sample.

- Financial educators and institutions: Include practical modules on assessing risk and loss tolerance alongside basic literacy, since risk-aware investors were the most active in this sample.
- Investment platforms and fintech firms: Design onboarding, risk profiling and in-app education to convert intention into action and present risk clearly and honestly.
- Advisors: Segment young clients by income and tailor advice and product choices accordingly.
- Regulators and policymakers: Bolster investor education initiatives and oversight of online financial content and promotions, so that digital influence enables informed rather than impulsive investing.

The study has several limitations. First and most importantly, the usable sample is 12 respondents, after removing duplicate submissions, which is far too small for stable regression, mediation or moderation estimates and gives very low statistical power. Second, four respondents gave identical answers to all 25 items, and the constructs are almost perfectly correlated (VIF up to 20.9), so the scales did not discriminate between constructs. Third, all respondents who reported age were in the 27–30 band, born roughly 1996–1999, which sits at or beyond the end of the 1981–1996 millennial range cited from Dimock (2019); a wider age range would be needed for a true millennial sample. Fourth, the design is cross-sectional, so causal claims should be made cautiously. Fifth, the sample was obtained by online sampling and may not represent young investors in India. Sixth, data are self-reported and may be affected by social desirability. Seventh, income was measured in slabs with ordinal coding, investment experience was not collected, and several responses were missing. Finally, multiple tests were run without correction. Future research should collect a substantially larger and more diverse sample, widen the age range, use validated

scales with reverse-coded items to detect careless responding, apply structural equation modelling, use objective transaction data, and include additional variables such as behavioural biases, social media influence and financial anxiety. Comparisons with other generations would also be useful.

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