

“A Study on Awareness and Preference of Investment Avenues Among Youth”

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Abstract

In today's rapidly changing financial environment, young people are able to use many different investment opportunities, from traditional savings schemes to modern digital investment options. However, their awareness and preferences vary depending on financial knowledge, risk tolerance, expected returns, and accessibility. This study explores the level of awareness and preference for different investment Avenues available to youth, and also examines the key aspects that shape the investment choices of young individuals. The study followed a descriptive research design for the study and collected primary data through a structured questionnaire from 60 respondents aged between 18 and 35 years in Bangalore. It covers both traditional investment avenues, such as savings accounts, FD, insurance, PPF and government bonds, besides modern avenues including mutual funds, equity shares, ETFs, index funds, and cryptocurrency. The analysis shows that, despite having awareness of various investment options, respondents tend to base their investment choices on financial literacy, perceived risk, expected returns, convenience, and easy access to digital investment platforms. The results underline the need to improve financial understanding and investor education, which can help young individuals evaluate investment options and encourage greater participation in diversified investment avenues.

Introduction

India's financial industry has developed substantially driven by a growing youth population, rising disposable incomes, and the rapid expansion of digital investment platforms. As of 2024, more than 65% of India's population is below the age of 35, making youth a key contributor to the growth of capital markets. Investment apps such as Groww, Zerodha, and Upstox have reduced barriers to investing, allowing first-generation investors to enter financial markets with minimal capital.

Financial literacy — which includes understanding budgeting, saving, investing, and risk management — is instrumental in long-term financial success. Individuals with a strong understanding of these concepts are better able to assess investment options, save for future goals, and build diversified investment portfolios.

The country's financial regulatory bodies, namely the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have consistently promoted investor education. However, financial education receives limited attention from school and undergraduate curricula. As a result, young people frequently seek guidance on social media, peer networks, and family advice for investment information, but the content might not always be accurate or reliable.

Objectives of the Study

- To evaluate the extent of understanding among youth regarding various available investment avenues.
- To determine which investment options are most commonly preferred among the youth
- To examine the various factors that shape or affect the investment-related choices made by young people.

Scope of the Study

This research is focused on youth aged 18–35 years. It examines awareness of both traditional investment instruments (savings accounts, FD, PPF, govt bonds, and insurance) and contemporary instruments (mutual funds, equity shares, cryptocurrency, Exchange-Traded Funds, and index funds). Three dimensions are covered: (i) awareness levels, (ii) stated investment preferences, and (iii) the key factors influencing investment behaviour. Findings are primarily applicable to urban Population.

Review of Literature

Study 1: Joshi & Krishnamurthy (2023)

This study examined how platforms such as YouTube, Instagram, and Twitter shape the investment decisions of 450 respondents from Delhi-NCR. Results showed that 68% of respondents consulted social media before making investment decisions, with YouTube being the most influential platform. The authors determined that although social media improves investment awareness, it can also spread misinformation, highlighting the need for SEBI's digital investor education initiatives.

Study 2: Goswami & Verma (2023)

Conducted across 10 colleges in Rajasthan (n=500), this study found a marked positive connection between financial education modules and investment awareness scores. Notably, the study highlighted that mere awareness fails to automatically translate into investment action, pointing to the part played by mindset-related and structural barriers. The authors recommended incorporating investment simulation exercises into academic curricula.

Study 3: Mehta & Singh (2022)

The study explored the increased adoption of digital investment platforms after the COVID-19 pandemic among 350 respondents from Bangalore and Hyderabad. It found that 74% of respondents aged 22–28 opened investment accounts through digital platforms after 2020, while only 38% had received formal investment guidance. The study highlighted the need to improve financial education alongside the growing use of digital investment platforms.

Study 4: Sharma & Gupta (2021)

This research assessed the connection between financial knowledge levels and their investment decisions among 400 urban youth aged 18–28 across five Indian metropolitan cities. It found that over 60% of postgraduates invested in equity, compared to only 22% of undergraduates. Authors observed that institutional financial literacy initiatives are needed to reduce the investment participation gap and that income does not serve as a sufficient predictor of investment quality.

Study 5: Patel & Rao (2020)

This behavioural finance study conducted in Gujarat (n=300 student respondents) identified loss aversion and herding behaviour as dominant cognitive biases affecting investment decisions among youth. Mutual funds and fixed deposits were consistently preferred by risk-averse respondents, while equity and cryptocurrency were favoured by risk-tolerant individuals. The study recommended the integration of behavioural finance modules in MBA curricula to sensitise future investors to their own decision-making biases.

Research Gap

The majority of current research on money-related literacy and investment patterns among Indian youth has largely been conducted at a national or multi-city level, which means that specific urban ecosystems like Bangalore have received relatively little attention. Beyond this, earlier work has predominantly examined on either overall financial capability or a narrow set of investment options such as mutual funds and equity shares, without considering a more complete outlook that accounts for both conventional instruments including fixed deposits, PPF, and government bonds, plus newer avenues like cryptocurrency, ETFs, and index funds. There is also a noticeable lack of studies that explore the gap between how aware young investors are and the degree to which they act on that awareness. In light of missing areas,

this dissertation concentrates specifically on youth aged 18–35 in Bangalore, aiming to understand their investment awareness, preferences, and the central elements that drive investing decisions.

Hypothesis of the Study

Hypothesis 1

H₀: Risk perception is not significantly associated with the choice of investment-avenues.

H₁: Risk perception is significantly associated with the choice of investment avenues.

Hypothesis 2

H₀: Financial literacy does not have a significant bearing on the investment behaviour of youth.

H₁: Financial literacy has a significant bearing on the investment behaviour of youth.

Study Limitations

- **Limited Sample:** The research was based on a sample of 60 respondents from Bangalore, so the findings may not represent youth in other regions.
- **Self-Reported Data:** The analysis draws on responses offered by participants at a single stage of the research, and this may not entirely reflect their actual investment behaviour or how it may change over time.

Research Methodology

The research was performed to examine the awareness and preference of investment avenues among youth. The research adopted a descriptive design focusing on youth aged 18–35 years. The study sample consisted of 60 survey participants selected through convenience sampling. Primary information was carried out using an organized questionnaire distributed through digital platforms. The questionnaire included demographic details, investment awareness, investment preferences, financial literacy, risk perception, and determinants affecting investment decisions.

Data Analysis

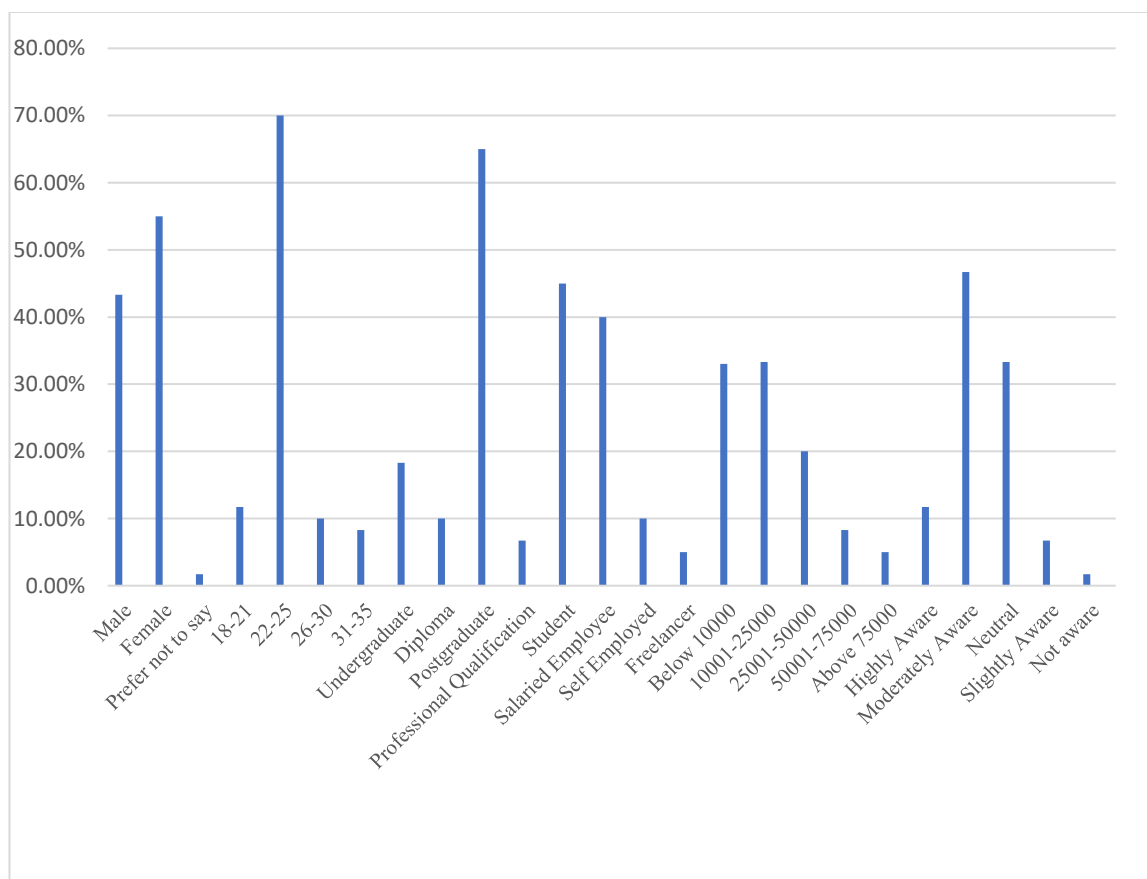
Table 1: Showing the Respondents Demographic Profile and Awareness of Investment Avenues

Particular	Categories	No of respondents	Percentage
Gender	Male	26	43.3%
	Female	33	55%
	Prefer not to say	1	1.7%
Age group	18-21	7	11.7%
	22-25	42	70%
	26-30	6	10%
	31-35	5	8.3%
Qualification	Undergraduate	11	18.3%
	Diploma	6	10%
	Postgraduate	39	65%
	Professional Qualification	4	6.7%

Occupation	Student	27	45%
	Salaried Employee	24	40%
	Self Employed	6	10%
	Freelancer	3	5%
Monthly income	Below 10000	20	33.3%
	10001-25000	20	33.3%
	25001-50000	12	20%
	50001-75000	5	8.3%
	Above 75000	3	5%
Awareness of Investment Avenues	Highly Aware	7	11.7%
	Moderately Aware	28	46.7%
	Neutral	20	33.3%
	Slightly Aware	4	6.7%
	Not aware	1	1.7%

Analysis

Referring to the table presented above, 55% of the surveyed group identified as female, and 70% are classified under the 22–25 years age group. About 65% of the participants hold postgraduate degrees, while 45% are students. Regarding monthly income, an equal proportion 33.3% of those surveyed earn below ₹10,000 and between ₹10,001 and ₹25,000. Concerning investment awareness, 46.7% of the study participants are moderately knowledgeable about different investment-avenues.



Interpretation

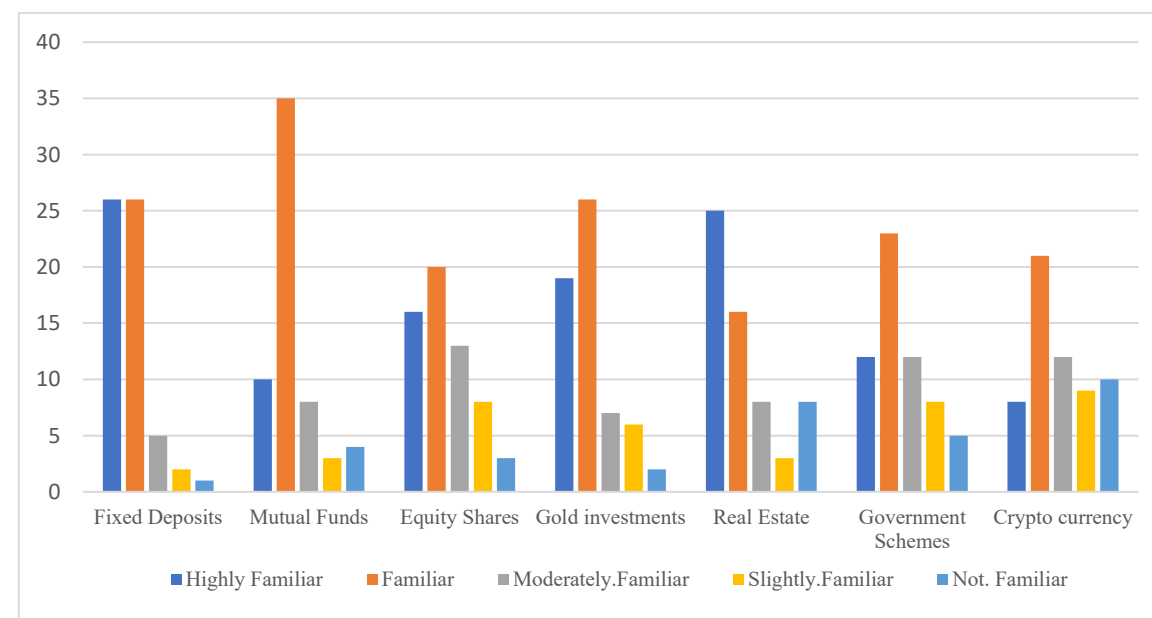
Interpreting the graph presented above, it appears that the respondents mainly belong to the 22–25 years age group and have postgraduate qualifications. Although the respondents are well educated, many of them have only a moderate understanding of investment avenues. It appears that having a strong academic background alone doesn't necessarily translate into better investment knowledge. Therefore, strengthening financial literacy among youth may help translate their awareness into more confident investment decisions

Table 2: Shows the respondents Familiarity with Various Investment Avenues

Particular	Highly Familiar	Familiar	Moderately Familiar	Slightly Familiar	Not Familiar
Fixed Deposits	26	26	5	2	1
Mutual Fund	10	35	8	3	4
Equity Share	16	20	13	8	3
Gold Investments	19	26	7	6	2
Real estate	25	16	8	3	8
Government Schemes	12	23	12	8	5
Cryptocurrency	8	21	12	9	10

Analysis

The data in the table above reveal that 26 respondents are highly familiar and another 26 show familiarity with Fixed Deposits. About 35 of those surveyed are knowledgeable about Mutual Funds, while 20 participants demonstrate familiarity with Equity Shares. Around 26 individuals surveyed are acquainted with Gold Investments, and 25 of those surveyed show a high degree of familiarity with Real Estate. In addition, 23 survey participants are conversant with Government Schemes, whereas 21 respondents are well-versed in Cryptocurrency.



Interpretation

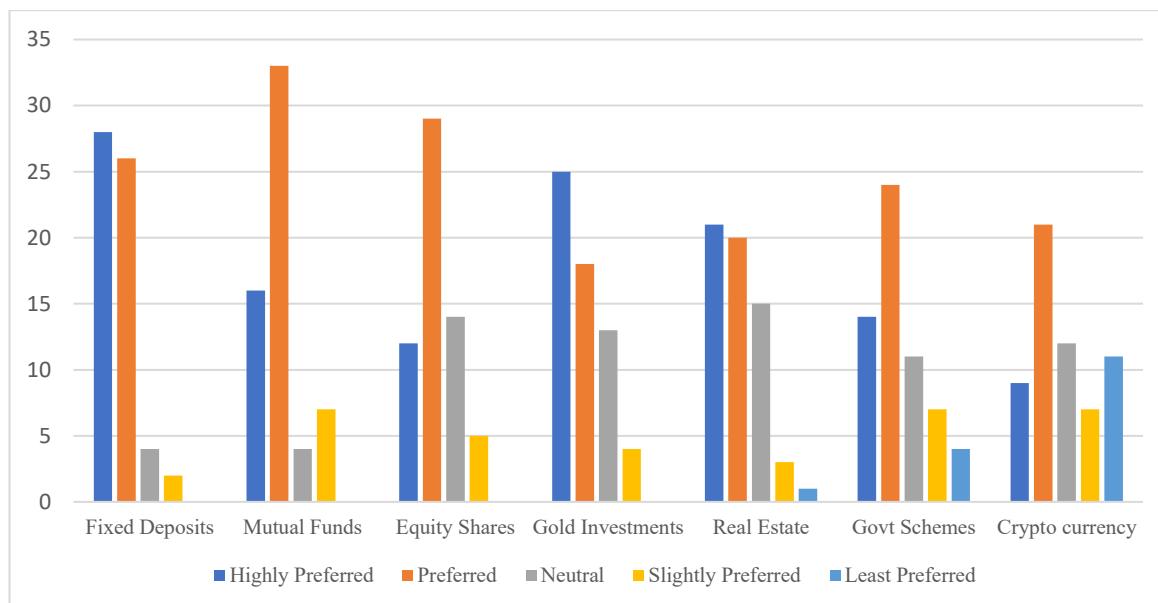
The graph above indicates a stronger extent of recognition among respondents with traditional investment avenues such as Fixed Deposits, Gold Investments, Mutual Funds, and Real Estate. In comparison, familiarity with Cryptocurrency is relatively lower. This reflects that individuals surveyed have greater awareness and confidence in conventional investment options than in newer investment avenues. Increasing awareness of emerging investment options assist youth in making more well-informed investment choices.

Table 3: Showing the Respondents Preference towards Various-Investment Avenues

Particular	Highly Preferred	Preferred	Neutral	Slightly Preferred	Least Preferred
Fixed Deposits	28	26	4	2	0
Mutual Funds	16	33	4	7	0
Equity Shares	12	29	14	5	0
Gold Investments	25	18	13	4	0
Real Estate	21	20	15	3	1
Govt Schemes	14	24	11	7	4
Crypto currency	9	21	12	7	11

Analysis

The table above indicates that 28 respondents highly prefer Fixed Deposits. About 33 respondents prefer Mutual Funds, while 29 respondents prefer Equity Shares. Similarly, 25 respondents highly prefer Gold Investments, and 21 respondents highly prefer Real Estate. Further, 24 respondents prefer Government Schemes, whereas 21 respondents prefer Cryptocurrency.



Interpretation

A review of the preceding graph suggests that they lean more toward traditional investment avenues such as Fixed Deposits, Mutual Funds, Gold Investments, and Real Estate. On the flip side, Cryptocurrency receives comparatively lower preference. This points the notion those who responded are more comfortable investing in options that are familiar and considered more secure. Expanding awareness levels of investment instruments may encourage youth to explore a broader variety of investment opportunities.

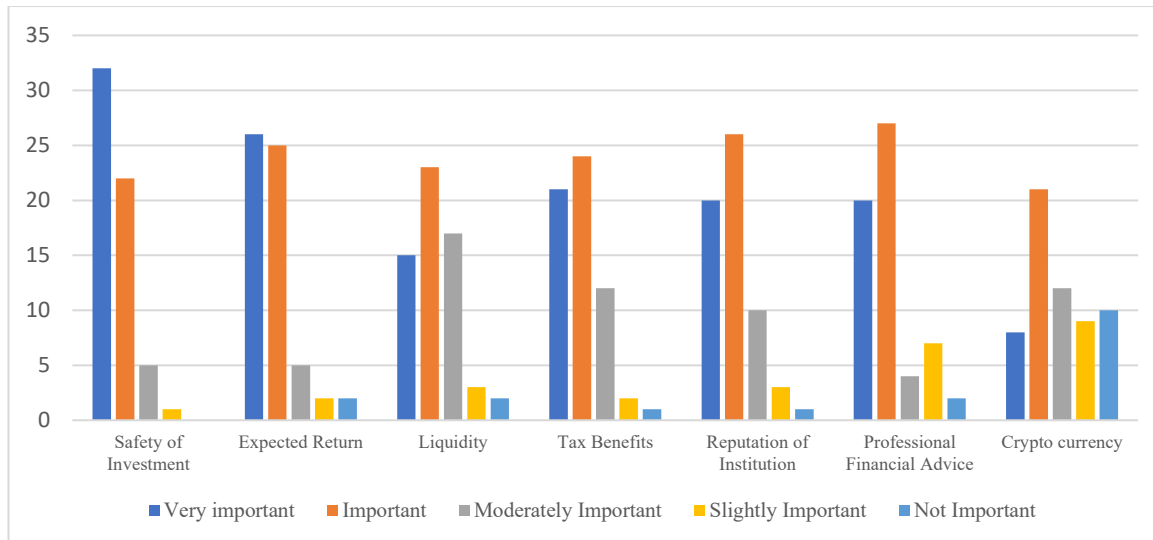
Table 4: Showing the Importance of Investment Decisions

Particular	Very important	Important	Moderately Important	Slightly Important	Not Important
Safety of Investment	32	22	5	1	0
Expected Return	26	25	5	2	02
Liquidity	15	23	17	3	02
Tax Benefits	21	24	12	2	01
Reputation of Institution	20	26	10	3	01

Professional Financial Advice	20	27	4	7	02
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Analysis

The figures in the table above show that 32 respondents consider the safety of the investment to be very important. About 26 respondents consider expected return to be very important, while 23 respondents consider liquidity as important. Similarly, 24 respondents consider tax benefits as important, and 26 respondents consider reputation of institution as important. Professional financial advice, 27 respondents consider it important while making investment decisions.



Interpretation

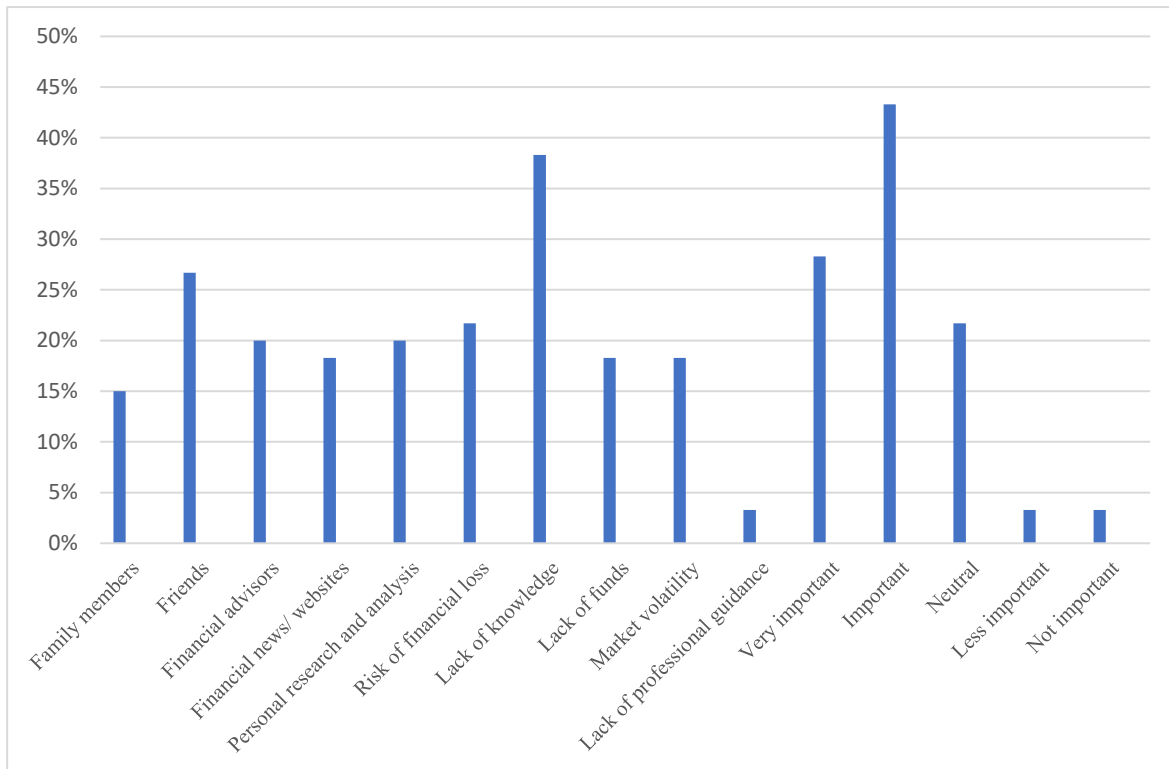
Based on the graph above, it can be understood that respondents give greater importance to safety. of investment, expected returns, and the reputation of financial institutions when deciding on investment. Professional financial advice and tax benefits are also considered important by many respondents. This indicates that respondents prefer investment options that provide security, reliable returns, and trustworthy financial support before forming investment decisions.

Table 5: Showing the sources and Factors Influencing Investment Decisions

Particular	Categories	No of respondents	Percentage
Source Influencing Investment Decisions	Family members	9	15%
	Friends	16	26.7%
	Financial advisors	12	20%
	Financial news/ websites	11	18.3%
	Personal research and analysis	12	20%
Factors Discouraging Investment	Risk of financial loss	13	21.7%
	Lack of knowledge	23	38.3%
	Lack of funds	11	18.3%
	Market volatility	11	18.3%
	Lack of professional guidance	2	3.3%
Importance of Professional Financial Advice	Very important	17	28.3%
	Important	26	43.3%
	Neutral	13	21.7%
	Less important	2	3.3%
	Not important	2	3.3%

Analysis

As per the table shown above, 26.7% of the surveyed are affected by friends while making investment decisions. About 38.3% of those who took part in the study consider lack of knowledge as the main factor discouraging investment. In terms of professional-financial advice, 43.3% of the individuals surveyed consider it important when arriving at investment decisions.



Interpretation

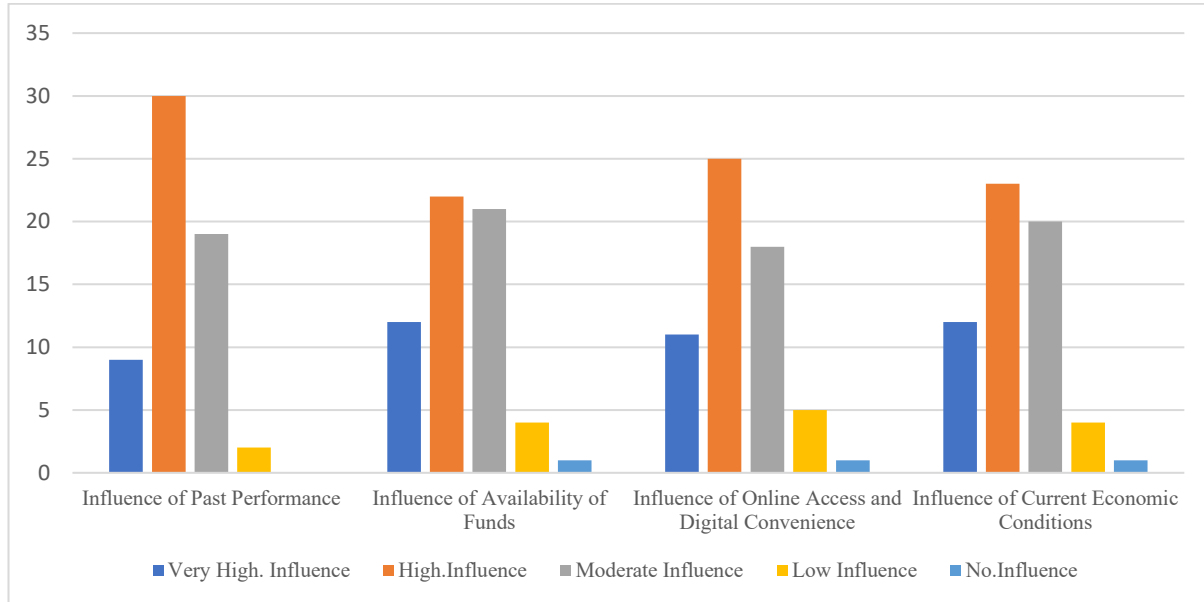
The above graph indicates that survey participants are impacted by different sources while making investment decisions, with friends having a greater influence than other sources. Lack of knowledge is the main factor that discourages respondents from investing. The graph also shows that professional financial advice is considered important by many respondents. This implies that better financial awareness and greater access to reliable guidance can support better investment decisions among youth.

Table 6: Showing the Respondents Factors Influencing Investment Decisions

Particular	Very High Influence	High Influence	Moderate Influence	Low Influence	No Influence
Influence of Past Performance	9	30	19	2	0
Influence of Availability of Funds	12	22	21	4	1
Influence of Online Access and Digital Convenience	11	25	18	5	1
Influence of Current Economic Conditions	12	23	20	4	1

Analysis

Examining the table above, it is evident that 30 respondents consider that past performance has a high influence on their investment decisions. About 22 respondents indicate that the availability of funds has a high influence, while 25 respondents report that online access and digital convenience have a high influence. Similarly, 23 respondents state that current economic conditions strongly affect their investment-related decisions.



Interpretation

From the above graph, it is interpreted that respondents weigh several aspects before making investment decisions. Past performance, availability of funds, online access and digital convenience, and current economic conditions all influence their investment choices. The outcome analysis highlight that weigh both personal financial factors and market conditions before selecting an investment avenue.

Hypothesis Testing

Hypothesis-1

Null Hypothesis (H₀): Risk perception is not significantly associated with the choice of investment-avenues.

Alternative Hypothesis (H₁): Risk perception is significantly associated with the choice of investment avenues.

Variables		Fixed Deposits	Mutual Funds	Equity Shares	Gold Investments	Real Estate	Govt. Schemes	Cryptocurrency
Risk Perception	Pearson Correlation	-0.136	0.026	0.031	0.111	-0.022	-0.096	-0.274
	Sig. (2-tailed)	0.300	0.842	0.813	0.398	0.865	0.468	0.034
	N	60	60	60	60	60	60	60

Inference

The correlation outcome demonstrate that risk perception does not exhibit a statistically significant relationship with the decision regarding most investment avenues among youth. The p-values for Fixed Deposits (0.300), Mutual Funds (0.842), Equity Shares (0.813), Gold Investments (0.398), Real Estate (0.865), and Government Schemes (0.468) are greater than 0.05, indicating that we accept the null hypothesis for these investment avenues. However, Cryptocurrency shows a meaningful inverse link with risk perception ($r = -0.274$, $p = 0.034$). Therefore, the null hypothesis is not supported and the alternative hypothesis is accepted only for Cryptocurrency. This risk perception is significantly associated only with the tendency to favour Cryptocurrency and not with the other investment avenues

Hypothesis-2

Null Hypothesis (H_0): Financial literacy does not have a significant bearing on the investment behaviour of youth.

Alternative Hypothesis (H_1): Financial literacy has a significant bearing on the investment behaviour of youth.

Variables		Investment Behaviour
Financial Literacy	Pearson Correlation	0.443
	Sig. (2-tailed)	0.000
	N	60

Inference

The statistical findings point to the fact that financial literacy is notably and positively related to investment behaviour among youth. The Pearson correlation coefficient ($r = 0.443$) reveals a favourable association between financial literacy and investment behaviour. Since the p-value (0.000) remains below 0.05, the relationship is statistically significant. Therefore, there is sufficient evidence to invalidate the null hypothesis and the alternative hypothesis is accepted. This implies that among those who took part in the study with higher financial literacy tend to exhibit better investment behaviour.

Findings

- The study included 55% female respondents, with 70% belonging to respondents aged between 22 and 25 and 65% being postgraduates.
- 46.7% of the sample reported a reasonably moderate level of understanding about different investment avenues.
- Fixed Deposits were the most familiar and favoured investment avenue, with the next most being Mutual Funds and Gold Investments, while Cryptocurrency showed the lowest familiarity and preference
- Safety of investment was the leading factor shaping investment decisions, followed by expected return and professional financial advice.
- Friends were the primary source of investment information, while lack of knowledge was identified as the main barrier to investing.
- Past performance had the greatest influence on investment decisions, followed by online access and digital convenience, and current economic conditions.

Conclusion

The study concludes that youth generally prefer safe and familiar investment avenues such as Fixed Deposits, Mutual Funds, and Gold Investments over newer options like Cryptocurrency. Although respondents demonstrate a moderate extent of awareness regarding investment avenues, gaps in investment knowledge still exist, as investment-related decisions rely largely on safety, past performance, and professional guidance. Strengthening education on financial matters and improving access to reliable investment information can help young investors make informed decisions and encourage them to explore a wider range of investment opportunities with greater confidence.