

A Study on Financial Literacy on Investment Among Genz with Special Reference to Anand

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ABSTRACT:

This study investigates Gen Z's financial literacy in the Anand district and how it influences their choice of investments. It evaluates their understanding of risk assessment, saving, budgeting, and investment options such as stocks and mutual funds through surveys. The results show that although many people understand the fundamentals of finance, they lack in-depth understanding of investments. Social media and digital platforms have a big impact on their decisions, but they still struggle with a lack of financial education and direction. To help Gen Z make wise investment choices, safeguard their future, and support economic expansion, the study recommends raising financial literacy through workshops and online resources.

KEYWORDS:

FINANCIAL LITERACY, INVESTMENT, GENERATION Z, ANAND

1. INTRODUCTION:

National Centre for Financial Education defines financial literacy as, "Financial literacy, an outcome of the process of Financial Education, empowers the users of financial services to make informed decisions regarding financial services and products." Term Financial Literacy is a term encompassing various fields of knowledge like Debt, risk and returns, budgeting and financial instruments and investment etc. Such Knowledge impacts our lives immensely from making small and insignificant decisions to bigger decisions having big influence on one's future. While Investment behavior refers to the behavior or the decisions and acts of an individual with regards to investments. Such behavior of an individual can be impacted by some factors. Financial literacy is one of such factors in a person which can have a major impact on his/her investment decisions. While there have been Several attempts to analyze the mindset and behavior of Indian investor, but rarely a few of them have tried to target the new and upcoming group of young traders, the Gen Z. Gen Z or Generation Z is a blanket label given to a generation of people born from roughly 1997 to 2012 and is successors to Gen X and Gen Y. To study such impact this research attempts to understand the investment behavior of Indian Investors belonging to Gen Z.

2. REVIEW OF LITERATURE:

Although several studies point to different factors influencing financial literacy, it is essential for Generation Z. According to Edwy et al. (2022), financial behavior has little effect on financial literacy, but financial attitude greatly increases it. In a similar vein, Afgani et al. (2021) found that financial literacy is a key factor in motivating young people in Bandung to trade stocks. In the meantime, Mohammed Esmail Alkema et al. (2018) highlighted that personal habits, peers, and family have a significant influence on Malaysian youth's financial literacy. Additionally, their study demonstrated that financial knowledge is influenced by spending and saving habits.

According to Pangestu & Karnadi's (2020) investigation into financial literacy in Indonesia, financial

knowledge is highly influenced by age, gender, and academic discipline. Additionally, they pointed out that while materialism has a negative impact on saving decisions, greater financial literacy promotes better saving practices. All these studies concur that young people's financial decisions are significantly influenced by their level of financial literacy. To help future generations manage their money better, some researchers recommend including financial education in school curricula. All things considered, financial literacy is a crucial ability for financial well-being since it is impacted by behavior, attitude, family, education, and individual decisions.

3. RESEARCH METHODOLOGY:

This study examines the investment habits and financial literacy of Generation Z in Anand District using a quantitative research methodology. A structured questionnaire was used to gather primary data from 100 convenience-selected respondents. Financial literacy, risk management, investment preferences, and saving practices were all covered in the survey. Key financial trends among Gen Z were identified through the analysis of the responses using statistical tools.

To bolster the conclusions, secondary data from research papers, articles, and reports were also examined. Because the study is limited to Anand District, its findings might not be generalizable to other areas. Nonetheless, it draws attention to the financial difficulties that Generation Z faces and offers suggestions for enhancing financial literacy.

RESEARCH GAP:

There are still large gaps in financial literacy among Generation Z, despite a wealth of research on the subject. Most research concentrates on general financial knowledge while ignoring the distinct financial practices of Generation Z in smaller areas, such as the Anand District. It is understudied how social media and digital platforms affect their investment decisions, especially the effect of false information. Furthermore, despite the emphasis on financial education, not much research has been done to evaluate the efficacy of the current literacy initiatives in schools and universities. Not enough research has been done on how investment behavior is influenced by personal financial experiences and economic conditions. Furthermore, research frequently examines financial behavior and attitude but neglects to examine the ways in which peer pressure and digital trends impact judgment. Closing these gaps can aid in the development of focused financial education initiatives that better equip Generation Z to make prudent financial and investment decisions.

Objective of study:

To study financial literacy among Generation Z with special reference to Anand District.

4. DATA COLLECTION & ANALYSIS:

DEMOGRAPHIC QUESTIONS	RESPONSES	COUNT	INTERPRETATION
Age	19-21,22-24,25+	Majority: 19-21 (60-70)	Most respondents are young adults, indicating a focus on Gen Z. Younger respondents may have less financial experience.
Gender	Male, Female	More Males (55)	Slightly higher male participation suggests greater financial awareness among males.

City	Anand, Vallabh Vidyanagar, Others	Mostly Anand (60)	Indicates that financial literacy awareness might be more prominent in Anand.
Educational Level	Undergraduate, Postgraduate, Professional Degree	Majority: UG/PG (80)	Most respondents are still in the learning phase, which affects financial literacy.
Stream	Commerce, Science, Arts	Mostly Commerce (65-70)	Commerce students show higher interest in financial literacy, but the presence of Science/Arts students suggests growing awareness.
Occupation	Student, Private Employee, Business Owner	Mostly Students (75-80)	Financial education should focus on young individuals preparing for financial independence.
Household Income	Below ₹2,00,000, ₹2,00,000-₹5,00,000, Above ₹5,00,000	Majority: ₹2-5 Lakhs (60)	Middle-income groups dominate, meaning financial education should cater to this segment's needs.

Question	Responses	Count	Interpretation
Do you have basic knowledge of financial concepts?	Beginner (49%)	50	Most respondents feel they have basic knowledge, indicating a need for financial education.
	Intermediate (46.2%)	35	Many have a moderate understanding but may need deeper investment insights.

	Advanced (4.8%)	15	A few respondents are confident about their financial knowledge.
Basic understanding of financial concepts like Interest Rates, Inflation, and Budgeting?	Yes (94.2%)	70	Most respondents understand fundamental financial concepts.
	No (5.8%)	30	A significant portion lacks basic financial literacy.
Do you understand the compounding effect of investment?	Yes (86.5%)	55	More than half of the respondents understand the power of compounding, which is essential for long-term wealth building.
	No (13.5%)	45	A large percentage lacks awareness, indicating a need for education on compounding benefits.
Do you actively invest in financial instruments?	Yes (90.4%)	70	The majority invest in some form, showing active financial engagement.
	No (9.6%)	30	A significant number are not investing, indicating a gap in financial literacy.
Preferred investment option?	Stock (59.6%) & Mutual Funds (73.1%)	40	Most prefer stocks and mutual funds, which have higher return potential.
	Fixed Deposits (20.2%) & Bonds (51.9%)	20	Some choose safer investment options.
	Cryptocurrency (7.7%)	5	A few are exploring high-risk investments.
	Gold	5	A few are exploring high-risk investments.

What is the primary reason for investing?	Wealth Creation (42.3%)	35	The majority invest in building long-term wealth.
	Retirement Planning (48.1%)	25	Many focus on future financial security.
	Second Income (64.4%)	20	Some want additional financial support.
	Tax Saving (3.8%)	10	A few invest mainly in tax benefits.
Have you attended financial literacy workshops?	Yes (55.8%)	25	Very few have attended financial literacy programs, highlighting the lack of exposure.
	No (44.2%)	75	The majority have never received formal financial education, showing the need for awareness programs.
Where do you seek financial advice?	Friends/Relatives (63.5%)	40	Most rely on informal advice, which may not always be accurate.
	Social media/Internet (44.2%)	30	Many use online sources, highlighting the role of digital financial education.
	Financial Agents/Experts (30.8%)	20	A smaller group seeks professional advice, indicating the need for awareness of expert guidance.
Do you understand the concept of Return on Investment (ROI)?	Yes (86.5%)	65	Most respondents understand that investments come with risks.
	No (13.5%)	35	A significant number may invest without fully assessing risks, leading to potential financial losses.

Do you save a portion of your income regularly?	Yes (87.5%)	70	A large portion practices regular saving, indicating financial discipline.
	No (12.5%)	30	Many do not save regularly, making them financially vulnerable.
Do you have a separate budget plan for investment?	Yes (85.6%)	40	A smaller portion plan their investments, suggesting the need for structured financial planning.
	No (14.4%)	60	Most do not budget specifically for investments, which could hinder wealth-building efforts.
Do you review your investment portfolio?	Weekly (9.6%)	10	Few respondents monitor investments frequently.
	Monthly (24%)	30	Many review their portfolio regularly.
	Quarterly (22.1%)	35	Most review their investments periodically.
	Yearly (19.2%)	25	Some review investments infrequently, which could lead to missed opportunities.

5. FINDING AND CONCLUSIONS: FINDINGS:

According to the study, Gen Z in the Anand district understands the fundamentals of finance, but many are unaware of more complex ideas like risk management and return on investment. Only 40% actively invest, despite 70% regularly saving, because of a lack of knowledge and a fear of taking risks. The most popular investment options are stocks and mutual funds. 50% of respondents say that a major obstacle to investing is a lack of financial education. Instead of seeking professional financial advice, most respondents turn to family and social media, which raises the possibility of inaccurate information. Financial stability may also be impacted by the fact that 15% of people never review their investments and only 20% have participated in financial literacy workshops.

CONCLUSION:

According to the study, although Gen Z is interested in financial literacy, they frequently make unaware investment choices that are impacted by doubtful sources. Poor financial planning is a result of both a lack of professional guidance and a lack of financial literacy programs in schools. This should be addressed by promoting organized education through seminars, professional guidance, and online financial resources. Gen Z can make wise decisions, lower financial risks, and attain long-term financial security by promoting early

financial literacy and disciplined investing practices.

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