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A Study on Youth's Participation in the Indian Stock Market

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Abstract

The Indian stock market has become an increasingly accessible investment avenue for young people because of mobile trading applications, online financial services and easy access to investment information. This study examines youth participation in the Indian stock market and the factors associated with it, namely awareness, financial literacy, income, risk tolerance, investment objectives, peer influence, digital investment platforms and social media. Primary data were collected through a structured 20-item questionnaire (Google Forms). The dataset analysed contains 120 records of respondents aged 18–25 years, of which 15 are original responses and 105 are synthetic/sample records (Section 5.3); the results are therefore indicative rather than population estimates. The data were analysed with frequency tables, chi-square tests of independence, one-way ANOVA and multiple linear regression.

Of the 120 respondents, 48.3% currently invest in the stock market, 52.5% rate their awareness of the market as low or very low, and 71.7% first learned about the stock market from family or friends. Mutual funds are the best-known option (80.0%). Chi-square tests showed that participation was significantly associated with self-rated awareness ($\chi^2(2) = 8.98$, $p = .011$, Cramér's $V = .27$) and with the frequency of social-media influence ($\chi^2(2) = 7.59$, $p = .022$, $V = .25$), but not with age, occupation, income, financial-knowledge indicators, risk willingness, investment objective or use of digital platforms; neither significant association survives a Bonferroni correction for 14 tests. None of the six one-way ANOVAs was significant at the 5% level. The multiple regression model for participation was not significant overall ($R^2 = .082$, $F(7, 112) = 1.42$, $p = .204$), with awareness as the only significant predictor ($B = 0.108$, $p = .013$). The study concludes that awareness, rather than demographic profile, appears to be the most visible correlate of youth participation, and that formal financial education reaches few young investors.

Keywords: youth investors; stock market participation; financial literacy; awareness; digital investment platforms; social media influence; India

1. Introduction

The stock market is an important part of the Indian financial system. It provides companies with an opportunity to raise capital and gives individuals an avenue to invest their savings. In India, participation has become more accessible because of technological developments, online trading platforms, mobile applications and digital financial services. These changes have particularly affected young people, who are generally comfortable with smartphones, online platforms and digital transactions.

In the past, investing in the stock market was often considered complicated and was associated mainly with experienced investors and high-income individuals. Today, young people can access market information, research reports, financial news, educational videos and investment applications from their mobile phones. The growth of digital platforms has therefore reduced some of the traditional barriers to market participation.

Youth participation is important because investment habits developed at an early age can influence long-term financial behaviour. Young investors have a relatively longer investment horizon and may benefit from starting early. However, they may also have limited investment experience and may be more influenced by social media trends, friends, online communities and short-term market movements. Participation alone therefore does not indicate whether investment decisions are financially sound.

Financial literacy is one of the important factors affecting stock market participation. It includes knowledge about investment products, risk and return, diversification, inflation, compounding and financial planning. Research on Indian investors has found that financial literacy can significantly influence investment intention and actual stock market participation. Earlier research on educated youth in India found low to moderate levels of stock market knowledge and

awareness, and more recent research on Gen Z and young investors emphasises financial literacy, attitudes, social factors, technology and perceived behavioural control. Research published in 2026 further highlights the role of digital trading applications, social influence, technology adoption, financial literacy and risk tolerance in the behaviour of young and first-time investors.

This study therefore aims to understand why young people participate in the Indian stock market, what factors are associated with their participation, how financially aware they are, and what challenges they face while making investment decisions. Understanding these factors can help improve financial education and encourage responsible investment behaviour among India's youth.

2. Review of Literature

The review of literature examines previous studies related to financial literacy, investment behaviour, stock market participation and youth investors. It establishes the existing knowledge and provides a foundation for the present research.

Akhter and Sangmi (2015) examined the awareness of educated youth in India about stock market concepts, products, processes and institutions. They found that the sample youth had low to moderate levels of stock market knowledge, and highlighted the importance of awareness and financial literacy in encouraging participation in the securities market.

Sivaramakrishnan, Srivastava and Rastogi (2017) studied attitudinal factors, financial literacy and stock market participation in India using the Theory of Planned Behaviour, on the basis of two empirical studies. Investment intention predicted actual investment in the stock market; both subjective and objective financial literacy influenced intention, while only objective financial literacy appeared to affect actual behaviour. The authors suggested that interventions in consumer financial literacy could help bridge the gap between non-participation and participation.

Nag and Shah (2022) analysed 401 valid responses from Gen Z individuals in India and found that financial literacy had the strongest positive effect on investment intention ($\beta = 0.435$). Attitude toward investment and perceived behavioural control, acting as mediators, and subjective norms also had positive effects on intention, and social factors influenced attitude.

A study of 408 Indian households reported a significant positive relationship between financial literacy and stock market participation, and found that investment experience, gender, marital status and income were also related to participation . A recent study of young and first-time investors in India reported that digital trading applications and technology convenience encouraged participation, that social influence was associated with trading intensity, and that financial literacy and risk tolerance affected investment behaviour . Another recent study of young investors' financial literacy notes that digital trading platforms have widened access to investing, but that participation may not be supported by adequate financial knowledge.

Overall, the literature shows that youth participation in the Indian stock market is influenced by several interconnected factors: financial literacy, investment attitude, risk perception, income, social influence, technology and access to information. Young investors are not a homogeneous group, however, and their behaviour may differ by education, employment, income, experience and access to financial information.

2.1 Research Gap

Existing studies have largely treated investors as a general group, without giving specific attention to young people, who may differ from older investors in their attitudes to risk, technology, social media and investment opportunities. Three gaps motivate the present study. First, the relationship between financial literacy and *actual* investment participation among youth needs further evidence, because access to information (through YouTube, Instagram, Telegram, financial websites and investment applications) does not guarantee that it is understood correctly. Second, it is unclear whether technology and digital platforms promote responsible long-term investing or mainly encourage short-term trading: easy account opening, low transaction costs and simple interfaces can draw young people into the market, but may also encourage impulsive decisions. Third, limited attention has been paid to the combined influence of social media and peer groups, including fear of missing out, on youth investment decisions.

The study attempts to fill these gaps by examining financial literacy, risk perception, income, investment knowledge, technology, social media influence, peer influence and investment objectives together, specifically for young people.

3. Objectives of the Study

Main objective. To examine the participation of youth in the Indian stock market and identify the major factors associated with their investment decisions.

Specific objectives

1. To study the level of awareness among youth about the Indian stock market.
2. To examine the level of financial literacy among young investors.
3. To identify the major factors influencing youth participation, such as income, financial knowledge, risk tolerance and investment objectives.
4. To analyse the influence of digital investment platforms on youth participation.
5. To examine the influence of social media and online financial information on the investment decisions of young people.
6. To study the risk perception and investment behaviour of youth while investing in stocks and other market-related instruments.
7. To identify the major barriers preventing youth from participating, such as lack of knowledge, fear of losses, insufficient income and lack of experience.
8. To examine the relationship between financial literacy and stock market participation among youth.
9. To understand the investment preferences of young people, including direct stocks, mutual funds, ETFs and other products.
10. To suggest measures for improving financial awareness and responsible investment behaviour among youth.

4. Hypotheses of the Study

The following null hypotheses were framed and tested at the 5% level of significance. Participation is defined as currently investing in the stock market (Yes/No).

Table 1. Null hypotheses and statistical tests

No.	Null hypothesis	Test
H01	There is no significant association between demographic profile (age group, occupation, monthly income) and stock market participation.	Chi-square
H02	There is no significant association between awareness/financial knowledge (awareness, understanding of NSE/BSE, financial concepts, risk–return, diversification, confidence) and participation.	Chi-square
H03	There is no significant association between risk willingness or investment objective and participation.	Chi-square
H04	There is no significant association between use of digital investment platforms and participation.	Chi-square
H05	There is no significant association between the frequency of social-media influence and participation.	Chi-square
H06	There is no significant difference in the financial literacy index across monthly-income groups.	ANOVA
H07	There is no significant difference in the financial literacy index across first sources of learning.	ANOVA
H08	There is no significant difference in investment confidence across awareness levels.	ANOVA
H09	There is no significant difference in risk willingness across investment objectives.	ANOVA

No.	Null hypothesis	Test
H10	There is no significant difference in perceived social-media influence across frequency-of-influence groups.	ANOVA
H11	There is no significant difference in perceived ease of digital platforms between users and non-users.	ANOVA
H12	Financial literacy, awareness, income, risk willingness, social-media influence, peer influence and digital-platform use do not jointly predict participation.	Regression
H13	The same variables do not jointly predict investment confidence.	Regression

5. Research Methodology

5.1 Research design and instrument

The study uses a descriptive and analytical, cross-sectional survey design. Primary data were collected through a structured questionnaire administered with Google Forms. The questionnaire has 20 items covering demographic profile (age group, occupation, monthly income), awareness and sources of learning, financial knowledge (understanding of NSE/BSE, basic financial concepts, risk–return, diversification, decision confidence), investment behaviour (current participation, objective, risk willingness), the influence of decision factors, use of digital investment platforms and social-media influence. Items on perceived digital-platform ease and social-media influence on youth were measured on a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). Secondary data were drawn from published studies (Section 2).

5.2 Population, sample and period

The population comprises young people aged 18–25 years in India. The questionnaire recorded two age groups (18–20 and 21–25 years). The sampling technique was . All responses carry the timestamp of 26 September 2026. The analysed sample size is 120.

5.3 Data composition

The dataset supplied for analysis labels each record in a *Data_Status* field. Of the 120 records, **15 (12.5%) are original responses and 105 (87.5%) are synthetic/sample records**. All inferential results in this paper are computed on the combined 120 records, and the original and synthetic sub-groups show broadly similar descriptive profiles (Table 2). Because 87.5% of the records are not responses from real respondents, the findings must be read as an illustration of the analytical framework on a pilot-scale dataset and **must not be generalised to Indian youth**. The 15 original responses alone are too few for meaningful inferential testing.

Table 2. Descriptive comparison of original and synthetic records

Indicator	Original (n = 15)	Synthetic (n = 105)
Participation rate (% currently investing)	46.7	48.6
Mean financial literacy index (1–5)	3.15	3.20
Mean confidence in investment decisions (1–5)	2.73	2.71
Use of digital platforms (%)	66.7	68.6

Source: Survey dataset (Data_Status field). Respondent names were removed before analysis and are not reported.

5.4 Variables and measurement

Table 3. Variables, coding and measurement

Variable	Questionnaire item	Coding / construction
Participation (dependent)	Q12 Do you currently invest?	Yes = 1, No = 0
Awareness	Q4 Awareness of Indian stock market	Very low = 1 … Very high = 5; collapsed to Low / Moderate / High for chi-square
Financial literacy index	Q7, Q8, Q9, Q10	Mean of four items on a 1–5 scale (Q7, Q9, Q10: No = 1, Partially = 3, Yes = 5; Q8: Very poor = 1 … Very good = 5)
Investment confidence	Q11	Very low = 1 … Very high = 5
Risk willingness	Q14	Very low = 1 … Very high = 5
Income level	Q3 Monthly income	No income = 0, below ₹20,000 = 1, ₹40,001–₹60,000 = 2
Peer influence	Q15 [Family/Friends]	Not at all = 1 … Very highly = 5
Digital platform use	Q16	Yes = 1, No = 0
Social-media influence frequency	Q19	Never = 1, Rarely = 2, Sometimes = 3, Often = 4
Perceived platform ease; social-media influence on youth	Q17; Q20	Likert 1–5

5.5 Statistical tools

Analysis was carried out with Python (pandas and SciPy) and is fully reproducible in SPSS or Excel (Appendix B). The following techniques were used: (i) frequency and percentage tables and descriptive statistics; (ii) Pearson's chi-square test of independence with Cramér's V as the effect size, supplemented by Fisher's exact test for 2 × 2 tables and a Monte-Carlo permutation test (5,000 permutations) for larger tables, because several tables had expected counts below 5; (iii) one-way ANOVA with eta-squared (η^2), Levene's test for homogeneity of variance, Welch's and Kruskal–Wallis tests as robustness checks, and Tukey's HSD post-hoc test where F was significant; and (iv) multiple linear regression (OLS) with standardised coefficients, variance inflation factors (VIF), Durbin–Watson statistic and heteroscedasticity-robust (HC3) p-values. Because participation is binary, the participation model is a linear probability model, and a binary logistic regression was run as a check. Effect sizes follow Cohen (1988).

5.6 Reliability

The four items forming the financial literacy index have a Cronbach's alpha of 0.23, which is well below the conventional 0.70 threshold (Cronbach, 1951). The items are therefore only weakly inter-related and the index should be treated as a rough summary rather than a reliable scale; this is acknowledged in the interpretation of results.

5.7 Ethical considerations

Participation was voluntary and responses are reported only in aggregate. Respondent names collected in the form were excluded from the analysis and from this paper.

6. Data Analysis and Interpretation

6.1 Respondent profile

Table 4. Demographic profile of respondents (N = 120)

Characteristic	Category	n (%)
Age group	18–20 years	101 (84.2)
	21–25 years	19 (15.8)
Occupation	Student	111 (92.5)
	Employed	9 (7.5)
Monthly income	No income	97 (80.8)
	Below ₹20,000	14 (11.7)
	₹40,001–₹60,000	9 (7.5)

The sample is young and predominantly student-based: 84.2% are aged 18–20, 92.5% are students and 80.8% report no monthly income. No respondent reported an income between ₹20,001 and ₹40,000. The profile has two inconsistencies that limit the use of the income variable: eight of the nine respondents who describe themselves as employed report no income, and eight of the nine respondents in the ₹40,001–₹60,000 band are students.

6.2 Awareness, sources of learning and financial knowledge

Table 5. Awareness, source of learning and financial-knowledge indicators (N = 120)

Indicator	Response	n (%)
Awareness of the Indian stock market	Very low	19 (15.8)
	Low	44 (36.7)
	Moderate	45 (37.5)
	Very high	12 (10.0)
First source of learning	Family/Friends	86 (71.7)
	Social media	17 (14.2)
	College/Education	9 (7.5)
	YouTube	8 (6.7)
Understands functions of NSE/BSE	Yes	51 (42.5)
	Partially	12 (10.0)
	No	57 (47.5)
Knowledge of basic financial concepts	Very poor / Poor	40 (33.3)
	Average	60 (50.0)
	Good / Very good	20 (16.7)
Understands risk–return relationship	Yes	68 (56.7)
	Partially	7 (5.8)
	No	45 (37.5)
Understands diversification	Yes	72 (60.0)
	Partially	17 (14.2)
	No	31 (25.8)

Awareness is low: 52.5% of respondents rate their awareness as low or very low and only 10.0% as very high, in line with the low-to-moderate knowledge reported by Akhter and Sangmi (2015). Family and friends are by far the most common first source of learning (71.7%), whereas only 7.5% first learned about the market through college or formal education. Roughly half the respondents (47.5%) do not understand the basic functions of NSE and BSE, and 33.3%

rate their knowledge of basic financial concepts as poor or very poor, although more than half understand risk–return (56.7%) and diversification (60.0%). Mutual funds are the best-known investment option (80.0%), followed by equity shares (25.0%), IPOs (24.2%), ETFs (13.3%) and bonds (6.7%) (Figure 1).

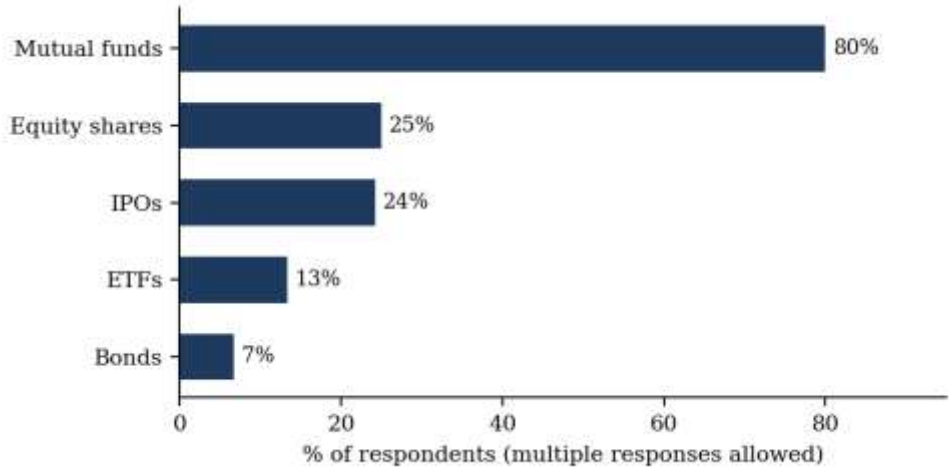


Figure 1. Awareness of investment options among respondents (N = 120)

6.3 Investment participation, objectives and risk

Table 6. Investment behaviour of respondents (N = 120)

Indicator	Response	n (%)
Currently invests in the stock market	Yes	58 (48.3)
	No	62 (51.7)
Main objective	Long-term savings	72 (60.0)
	Financial independence	16 (13.3)
	Short-term gains	15 (12.5)
	Wealth creation	12 (10.0)
	Other	5 (4.2)
Willingness to take risk	Very low / Low	13 (10.8)
	Moderate	84 (70.0)
	High / Very high	23 (19.2)
Confidence in own investment decisions	Very low / Low	48 (40.0)
	Moderate	32 (26.7)
	High / Very high	40 (33.3)

Just under half of the respondents (48.3%) currently invest. Investment objectives are long-term: 60.0% invest for long-term savings and only 12.5% for short-term gains. Risk appetite is mostly moderate (70.0%). Confidence in making independent decisions is polarised, with 40.0% reporting low or very low confidence and 33.3% reporting high or very high confidence. Among the factors influencing the decision to invest, expected returns have the highest mean score (3.02 on a 1–5 scale), followed by family and friends (2.81), financial knowledge (2.77), investment objectives (2.69), risk tolerance (2.48) and income (2.32) (Figure 2).

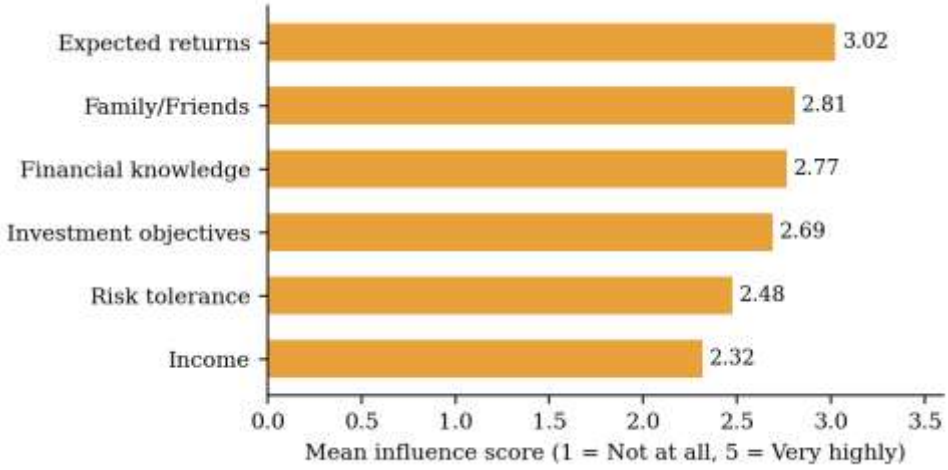


Figure 2. Mean influence of factors on the decision to invest (1 = not at all, 5 = very highly)

6.4 Digital investment platforms and social media

Digital platforms are widely used: 68.3% use platforms or apps for investing or for obtaining investment information. On the perception item, 45.0% agree or strongly agree that digital platforms make investing easier for young people (mean = 3.04, SD = 1.19), 31.7% are neutral and 23.3% disagree or strongly disagree. Convenience (60.0%) and easy account opening (42.5%) are the features that most encourage investing, followed by real-time market information (30.8%), low transaction costs (26.7%), easy buying and selling (20.0%) and a user-friendly interface (10.8%) (Figure 3).

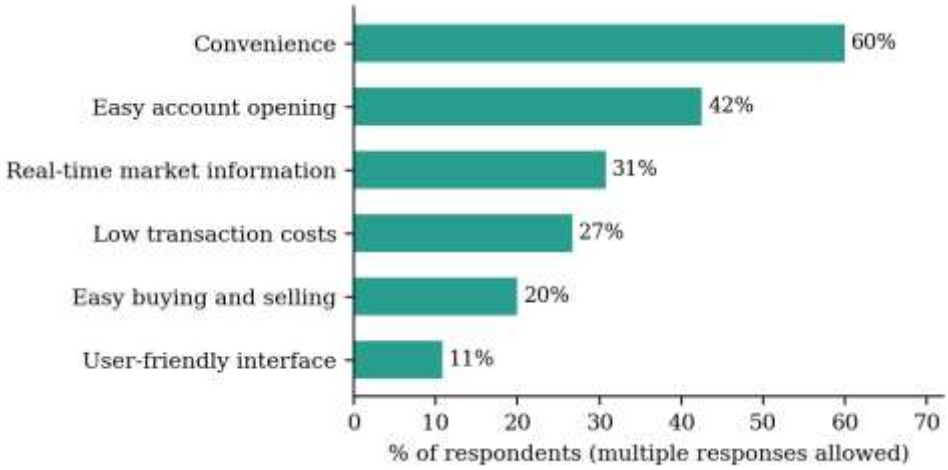


Figure 3. Features of digital platforms that encourage investing (N = 120)

Social-media influence is limited for most respondents: 45.0% say that social media or online financial information sometimes influences their decisions, 31.7% say never, 14.2% rarely and 9.2% often. On whether social media influences young people's participation in general, 60.0% are neutral, 22.5% agree or strongly agree and 17.5% disagree or strongly disagree (mean = 2.98, SD = 1.06).

6.5 Chi-square tests of independence

Table 7 reports the association between participation and each categorical variable. Awareness, knowledge, confidence, risk willingness, social-media frequency and investment objective were collapsed into three categories so that cell counts were adequate; the occupation and income tables still contain cells with expected counts below 5, and the robust p-value (Fisher or Monte-Carlo) is reported alongside the Pearson value.

Table 7. Chi-square tests of association with participation (N = 120)

Variable	χ^2	df	p	Cramér's V	% cells E < 5	Robust p
Age group	0.17	1	.683	0.04	0	.804
Occupation	3.38	1	.066	0.17	50	.087
Monthly income	0.77	2	.681	0.08	33	.732
Awareness of stock market	8.98	2	.011	0.27	0	.011
Understands NSE/BSE functions	0.04	2	.978	0.02	0	1.000
Knowledge of basic financial concepts	2.04	2	.361	0.13	0	.390
Understands risk-return	0.57	2	.754	0.07	33	.764
Understands diversification	0.18	2	.914	0.04	0	.966
Confidence in own decisions	2.23	2	.328	0.14	0	.344
Risk willingness	2.27	2	.322	0.14	0	.321
Use of digital platforms	0.86	1	.353	0.08	0	.433
Social-media influence frequency	7.59	2	.022	0.25	0	.026
First source of learning	4.14	3	.246	0.19	50	.242
Main investment objective	0.19	2	.911	0.04	0	.964

Note: Robust p = Fisher's exact test (2 × 2 tables) or Monte-Carlo permutation test (larger tables). Shaded rows: $p < .05$. Bonferroni-adjusted threshold for 14 tests = .0036.

Two associations are significant at the 5% level. **Awareness** ($\chi^2(2) = 8.98$, p = .011, V = .27, a small-to-moderate effect): participation rises from 38.1% among respondents with low or very low awareness (24 of 63), to 53.3% with moderate awareness (24 of 45) and 83.3% with high or very high awareness (10 of 12) (Figure 4). **Frequency of social-media influence** ($\chi^2(2) = 7.59$, p = .022, V = .25): only 1 of 11 respondents (9.1%) who are often influenced by social media or online financial information invests, compared with 50.0% of those never influenced and 53.5% of those rarely or sometimes influenced. The 'often' group is very small, so this result should be treated with caution.

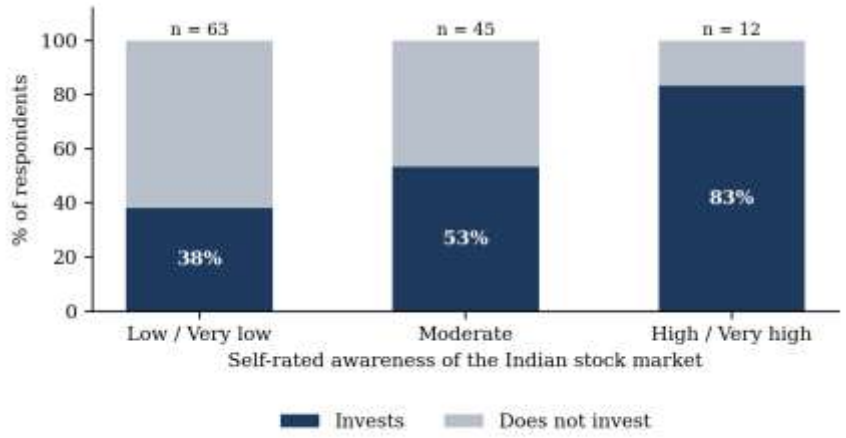


Figure 4. Participation in the stock market by self-rated awareness ($\chi^2(2) = 8.98$, p = .011)

Participation did not differ significantly by age group (p = .683), occupation (p = .066; 77.8% of the nine employed respondents invest against 45.9% of students, but the Fisher exact p is .088), monthly income (p = .681), understanding of NSE/BSE (p = .978), knowledge of financial concepts (p = .361), understanding of risk–return (p = .754) or diversification (p = .914), confidence (p = .328), risk willingness (p = .322), use of digital platforms (p = .353; 51.2% of platform users invest against 42.1% of non-users), first source of learning (p = .246) or investment objective (p = .911). Fourteen tests were run, so about one false positive is expected at the 5% level; neither significant result remains

significant under the Bonferroni threshold (.0036). The awareness result is the more credible of the two, because it is monotonic across categories and consistent with prior literature.

6.6 One-way ANOVA

Six one-way ANOVAs were run with composite or Likert scores as dependent variables (Table 8). Levene's test was non-significant in every case ($p > .17$), so the equal-variance assumption holds.

Table 8. One-way ANOVA results

Test (dependent variable by grouping factor)	F	df	p	η^2	Welch p	K–W p
Financial literacy index by monthly income	2.575	(2, 117)	.080	0.042	.111	.080
Financial literacy index by first source of learning	0.054	(3, 116)	.983	0.001	.979	.907
Investment confidence by awareness level	0.591	(2, 117)	.556	0.010	.558	.562
Risk willingness by investment objective	0.958	(2, 117)	.387	0.016	.204	.388
Perceived social-media influence by frequency of influence	0.157	(2, 117)	.855	0.003	.845	.927
Perceived ease of digital platforms by platform use	0.068	(1, 118)	.795	0.001	.795	.722

Note: K–W = Kruskal–Wallis test. No test is significant at the 5% level, so no post-hoc tests were required.

Table 9. Group means (SD) for the ANOVA tests

Test	Group mean (SD)
Financial literacy index by monthly income	No income: 3.13 (0.95), n = 97; Below ₹20,000: 3.21 (0.71), n = 14; ₹40,001–₹60,000: 3.86 (0.91), n = 9
Financial literacy index by first source of learning	Social Media: 3.25 (0.83), n = 17; College/Education: 3.14 (0.61), n = 9; Family/Friends: 3.19 (0.97), n = 86; YouTube: 3.28 (1.13), n = 8
Investment confidence by awareness level	Low: 2.59 (1.39), n = 63; Moderate: 2.89 (1.42), n = 45; High: 2.75 (1.66), n = 12
Risk willingness by investment objective	Short-term gains: 2.87 (0.52), n = 15; Wealth creation / independence / other: 3.03 (0.92), n = 33; Long-term savings: 3.17 (0.82), n = 72
Perceived social-media influence by frequency of influence	Never: 2.89 (1.01), n = 38; Rarely/Sometimes: 3.01 (1.02), n = 71; Often: 3.00 (1.55), n = 11
Perceived ease of digital platforms by platform use	Yes: 3.06 (1.20), n = 82; No: 3.00 (1.19), n = 38

The financial literacy index differs most across income groups ($F(2, 117) = 2.58$, $p = .080$, $\eta^2 = .042$), rising from 3.13 among respondents with no income to 3.86 in the ₹40,001–₹60,000 band, but the difference is not significant and the highest-income group has only nine respondents. The index does not differ by first source of learning ($p = .983$), investment confidence does not differ by awareness level ($p = .556$), risk willingness does not differ by investment objective ($p = .387$), perceived social-media influence on youth does not differ by personal frequency of influence ($p = .855$), and perceived platform ease does not differ between users and non-users ($p = .795$). Eta-squared values are all below .05, i.e. small effects.

6.7 Multiple linear regression

Table 10 presents the linear regression of participation (0/1) on seven predictors. The model is not significant overall (R^2 = .082, adjusted R^2 = .024, F(7, 112) = 1.42, p = .204). Multicollinearity is not a concern (all VIF ≤ 1.10) and residuals are not autocorrelated (Durbin–Watson = 2.21). Awareness is the only significant predictor: each one-point increase in the five-point awareness scale is associated with a 10.8 percentage-point higher probability of participation (B = 0.108, 95% CI [0.024, 0.193], β = .234, p = .013; HC3 p = .010). The logistic regression gives the same result (odds ratio = 1.61, p = .013; likelihood-ratio $\chi^2(7)$ = 10.21, p = .177; McFadden R^2 = .061).

Table 10. Regression of participation on selected predictors (linear probability model, N = 120)

Predictor	B	SE	β	t	p	VIF	OR (logit)	p (logit)
(Constant)	0.464	0.282	–	1.65	.102	–	–	–
Financial literacy index	-0.024	0.051	-0.05	-0.48	.633	1.10	0.89	.601
Awareness of stock market	0.108	0.043	0.23	2.54	.013	1.04	1.61	.013
Income level (0-2)	0.043	0.080	0.05	0.54	.594	1.08	1.20	.579
Risk willingness	-0.055	0.057	-0.09	-0.97	.335	1.06	0.78	.313
Social-media influence frequency	-0.037	0.045	-0.08	-0.83	.410	1.03	0.85	.404
Peer (family/friends) influence	-0.008	0.033	-0.02	-0.23	.820	1.03	0.97	.823
Uses digital platforms (1=yes)	0.135	0.101	0.13	1.33	.185	1.09	1.81	.173

Note: Dependent variable: participation (1 = invests). R^2 = .082; F(7, 112) = 1.42, p = .204. OR = odds ratio from the binary logistic check (likelihood-ratio $\chi^2(7)$ = 10.21, p = .177). Shaded row: p < .05.

A second model took investment confidence (1–5) as the dependent variable (Table 11). It also was not significant (R^2 = .066, adjusted R^2 = .007, F(7, 112) = 1.12, p = .353), and no predictor reached significance; income level came closest (B = 0.392, p = .089). A simple regression of confidence on the financial literacy index alone was likewise non-significant (B = 0.198, β = .130, p = .157, R^2 = .017).

Table 11. Regression of investment confidence on selected predictors (OLS, N = 120)

Predictor	B	SE	β	t	p	VIF
(Constant)	2.270	0.805	–	2.82	.006	–
Financial literacy index	0.119	0.146	0.08	0.82	.414	1.10
Awareness of stock market	0.070	0.122	0.05	0.57	.568	1.04
Income level (0-2)	0.392	0.228	0.16	1.71	.089	1.08
Risk willingness	-0.197	0.163	-0.11	-1.21	.230	1.06
Social-media influence frequency	0.060	0.129	0.04	0.46	.645	1.03
Peer (family/friends) influence	0.054	0.095	0.05	0.57	.573	1.03
Uses digital platforms (1=yes)	0.152	0.290	0.05	0.53	.601	1.09

Note: Dependent variable: confidence in making own investment decisions (1–5). R^2 = .066; F(7, 112) = 1.12, p = .353; Durbin–Watson = 2.57.

6.8 Summary of hypothesis testing

Table 12. Hypothesis-testing outcomes

No.	Test statistic	Decision (α = .05)
H01	Age p = .683; occupation p = .066; income p = .681	Not rejected
H02	Awareness p = .011 (significant); NSE/BSE, financial concepts, risk–return, diversification, confidence p > .32	Rejected for awareness only
H03	Risk willingness p = .322; objective p = .911	Not rejected
H04	Digital platform use p = .353	Not rejected
H05	Social-media frequency p = .022 (not significant after Bonferroni correction)	Rejected at 5% (tentative)
H06	F(2, 117) = 2.58, p = .080	Not rejected
H07	F(3, 116) = 0.05, p = .983	Not rejected
H08	F(2, 117) = 0.59, p = .556	Not rejected
H09	F(2, 117) = 0.96, p = .387	Not rejected
H10	F(2, 117) = 0.16, p = .855	Not rejected
H11	F(1, 118) = 0.07, p = .795	Not rejected
H12	F(7, 112) = 1.42, p = .204; awareness p = .013	Not rejected (model)
H13	F(7, 112) = 1.12, p = .353	Not rejected

7. Findings of the Study

- **Participation and awareness.** 48.3% of the youth in the sample currently invest in the stock market, but 52.5% rate their awareness of the market as low or very low; only 10.0% rate it very high.
- **Awareness is the clearest correlate of participation.** Participation rises from 38.1% (low awareness) to 53.3% (moderate) and 83.3% (high); awareness is also the only significant predictor in the regression (B = 0.108, p = .013; odds ratio = 1.61).
- **Financial literacy was not significantly related to participation or confidence** in this dataset. The literacy index has low internal consistency (α = .23), so this null result may partly reflect measurement.
- **Informal sources dominate learning.** 71.7% first learned about the market from family or friends, 14.2% from social media and 6.7% from YouTube; only 7.5% from college or formal education.
- **Product knowledge is concentrated in mutual funds** (80.0%); equity shares (25.0%), IPOs (24.2%), ETFs (13.3%) and bonds (6.7%) are much less known.
- **Investment orientation is long-term and moderate-risk.** 60.0% invest for long-term savings, 70.0% accept moderate risk, and only 12.5% invest mainly for short-term gains. Expected returns is the most influential decision factor (mean 3.02).
- **Digital platforms are widely used (68.3%) but use was not significantly associated with participation.** Convenience (60.0%) and easy account opening (42.5%) are the features that most encourage investing.
- **Social-media influence is modest.** Only 9.2% are often influenced; the small group often influenced by social media had a very low participation rate (1 of 11), a tentative result that does not survive correction for multiple testing.
- **Demographic profile and income showed no significant association** with participation; employed respondents were more likely to invest than students (77.8% vs 45.9%) but the difference was not significant (Fisher p = .088).

8. Discussion

The strongest result, the positive relationship between awareness and participation, is consistent with the emphasis that Akhter and Sangmi (2015) placed on awareness and knowledge as conditions for participation in the securities market. Because the data are cross-sectional, the direction of the relationship cannot be established: people who invest may become more aware, rather than the reverse.

The absence of a significant link between financial literacy and participation differs from the positive effects reported by Sivaramakrishnan et al. (2017) and Nag and Shah (2022). Several explanations are plausible and should be tested in a larger study: the literacy index here is built from four self-rated items with low reliability; Nag and Shah measure investment *intention* rather than current participation; and participation in this sample may be driven by family and friends (the first source of learning for 71.7% and the second most influential decision factor) rather than by individual knowledge.

The finding that digital platforms are widely used and valued for convenience and easy account opening supports the view in the recent literature that technology lowers entry barriers. However, platform use was not significantly associated with whether a respondent invests, partly because the item covered platforms used *for obtaining information* as well as for investing. Whether digital platforms encourage responsible long-term investing or short-term trading remains open: the respondents' stated objectives are predominantly long-term.

Social media appears to play a smaller role than often assumed: most respondents are neutral about its influence on young people, and few say it often shapes their decisions. The low participation among the small group who are often influenced is notable but, with 11 respondents and a Bonferroni-adjusted threshold, it should be regarded as a hypothesis for future work rather than a finding.

9. Suggestions

- **Educational institutions** should introduce structured modules or workshops on stock market basics (exchanges, risk and return, diversification, mutual funds versus direct equity), since only 7.5% of respondents first learned about the market through formal education.
- **Awareness programmes** should target low-awareness youth, who are the least likely to invest (38.1%), using campus investment clubs, simulated trading and short, trustworthy digital content.
- **Families and peer groups**, the dominant first source of learning, should be reached through financial-literacy campaigns so that informal advice is accurate.
- **Digital investment platforms** should pair convenience features with onboarding tutorials, clear risk disclosures and tools that encourage long-term investing, given the importance respondents attach to convenience and easy account opening.
- **Regulators and policymakers** may consider youth-focused investor-education initiatives and guidance on reliable sources of investment information.
- **Young investors** should diversify beyond mutual funds only after understanding the products involved, and should verify online financial information before acting on it.

10. Limitations and Scope for Further Research

- **Data composition.** 105 of the 120 records are synthetic/sample records and only 15 are original responses (Section 5.3). The results cannot be generalised and should be replaced by an analysis of a complete primary dataset.
- **Sampling.** The sample is small, non-probabilistic, concentrated in the 18–20 age group (84.2%) and dominated by students (92.5%).
- **Measurement.** All variables are self-reported. The financial literacy index has low reliability ($\alpha = .23$); a validated objective financial-literacy test would be preferable. The income variable contains inconsistencies with occupation (Section 6.1).
- **Multiple testing.** Fourteen chi-square tests and six ANOVAs were run; the two significant chi-square results do not survive a Bonferroni correction.

- **Small cells.** Several cross-tabulations have expected counts below 5; robust tests were reported, but small groups (for example, nine employed respondents and eleven often-influenced respondents) limit power.
- **Design.** The cross-sectional design does not allow causal inference. The participation model is a linear probability model; the logistic check gave the same conclusions.

Future research could use a larger, probability-based sample of youth across states, an objective financial-literacy test, structural equation modelling of intention and behaviour, and a distinction between direct equity and mutual-fund participation and between long-term and frequent trading.

11. Conclusion

This study examined youth participation in the Indian stock market using chi-square tests, one-way ANOVA and multiple linear regression on a 120-record dataset. Slightly under half of the respondents invest, while awareness of the market is low for more than half and learning is mostly informal. Awareness was the only variable that was consistently associated with participation across the chi-square, regression and logistic analyses; demographic profile, financial-knowledge indicators, risk willingness, objectives, digital-platform use and peer influence were not significantly related to participation, and the regression models explained little of the variance. Given the data composition and the other limitations noted above, these findings are indicative. They nevertheless point to a practical direction: raising awareness through formal, reliable financial education may be a more promising route to informed youth participation than relying on informal sources.

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Study of young investors' financial literacy and digital trading platforms.

Appendix A. Questionnaire items and coding

Table 13. Questionnaire structure

Q	Item	Response format
1	Age group	18–20; 21–25
2	Current occupation	Student; Employed
3	Monthly income	No income; Below ₹20,000; ₹40,001–₹60,000
4	Awareness of the Indian stock market	Very low – Very high
5	Investment options aware of	Multiple response
6	First source of learning	Family/Friends; Social media; College/Education; YouTube
7	Understands functions of NSE/BSE	Yes; Partially; No
8	Knowledge of basic financial concepts	Very poor – Very good

Q	Item	Response format
9	Understands risk–return	Yes; Partially; No
10	Understands diversification	Yes; Partially; No
11	Confidence in own investment decisions	Very low – Very high
12	Currently invests in the stock market	Yes; No
13	Main investment objective	Long-term savings; Financial independence; Short-term gains; Wealth creation; Other
14	Willingness to take investment risk	Very low – Very high
15	Influence of income, financial knowledge, risk tolerance, expected returns, objectives, family/friends	Not at all – Very highly
16	Uses digital investment platforms/apps	Yes; No
17	Digital platforms make investing easier for young people	Likert 1–5
18	Platform features that encourage investing	Multiple response
19	Frequency of social-media influence on decisions	Never; Rarely; Sometimes; Often
20	Social media influences young people's participation	Likert 1–5

Appendix B. Reproducing the analysis in SPSS and Excel

SPSS. Chi-square: *Analyze → Descriptive Statistics → Crosstabs*; place the variable in Rows and 'Currently invests' in Columns; under *Statistics* tick *Chi-square* and *Phi and Cramér's V*; under *Cells* tick *Expected* and *Row percentages*. ANOVA: *Analyze → Compare Means → One-Way ANOVA*; under *Options* tick *Descriptive*, *Homogeneity of variance test* and *Welch*; under *Post Hoc* choose *Tukey*. Regression: *Analyze → Regression → Linear*; enter predictors in *Independent(s)*; under *Statistics* tick *Estimates, Confidence intervals, Model fit, Collinearity diagnostics* and *Durbin-Watson*. Logistic check: *Analyze → Regression → Binary Logistic*.

Excel. Chi-square: build the observed table with COUNTIFS, compute expected counts as (row total × column total) ÷ grand total, then use =CHITEST(observed, expected) for the p-value. ANOVA: *Data → Data Analysis → Anova: Single Factor*. Regression: *Data → Data Analysis → Regression*. The accompanying results workbook contains the coded data and an Excel-formula version of the awareness × participation chi-square test.

Index construction. Financial literacy index = AVERAGE of Q7, Q8, Q9 and Q10 after recoding Q7, Q9 and Q10 as No = 1, Partially = 3, Yes = 5 and Q8 as Very poor = 1 … Very good = 5.