

# Awareness of Investment Options among Young Investors-A New Setup

**Ayushi Kumari and Dr. Meentu Grover**

MBA, Guru Kashi University, Talwandi Sabo, Bathinda.

Assistant Professor, Guru Kashi University, Talwandi Sabo, Bathinda

**Abstract:** *Investment awareness plays a crucial role in shaping the financial behavior of young individuals. In recent years, the availability of multiple investment avenues such as stocks, mutual funds, fixed deposits, gold, real estate, cryptocurrencies, and government securities has increased significantly. However, awareness and understanding of these investment options vary among young investors. The present study examines the level of awareness of different investment avenues among young investors and identifies the factors influencing their investment decisions. Primary data were collected from 120 respondents aged between 18 and 35 years through a structured questionnaire. Descriptive statistics and percentage analysis were used to analyze the data. The findings reveal that young investors are highly aware of traditional investment options such as bank deposits and gold, while awareness of bonds and government securities remains comparatively low. The study highlights the importance of financial literacy programs and investor education initiatives to enhance investment awareness among young individuals.*

**Keywords:** Investment Awareness, Young Investors, Financial Literacy, Investment Options, Investment Behaviour

## I. INTRODUCTION

The financial environment has undergone significant transformation due to technological advancements, digital banking, and easy access to financial information. Young investors today have numerous investment opportunities ranging from traditional instruments such as fixed deposits and gold to modern investment avenues such as mutual funds, stocks, exchange-traded funds (ETFs), and cryptocurrencies. Investment awareness refers to the knowledge and understanding individuals possess regarding available investment opportunities, associated risks, returns, and investment procedures. Young investors constitute an important segment of the economy because their investment decisions contribute to capital formation and economic growth. Despite increased access to information, many young investors lack adequate financial literacy and rely on informal sources such as friends, family members, and social media for investment decisions. Therefore, understanding their level of awareness regarding various investment options becomes essential for policymakers, financial institutions, and educators. Investment is an essential component of personal financial planning and economic development. It refers to the allocation of funds into various financial instruments or assets with the expectation of generating future returns. In today's rapidly changing financial landscape, individuals have access to a wide range of investment options, including savings accounts, fixed deposits, mutual funds, stocks, bonds, real estate, gold, exchange-traded funds (ETFs), and cryptocurrencies. The availability of diverse investment avenues has increased significantly due to technological advancements, digital financial services, and the growth of online investment platforms.

Young investors, generally categorized as individuals between the ages of 18 and 35 years, represent an important segment of the investment community. They are increasingly entering financial markets due to higher levels of education, growing disposable incomes, easy access to investment applications, and greater exposure to financial information through digital media. As future contributors to economic growth and capital formation, their investment decisions have long-term implications for both personal wealth creation and national economic development.



Awareness of investment options plays a crucial role in influencing investment behavior. Investment awareness refers to the knowledge and understanding individuals possess regarding different investment avenues, their associated risks and returns, liquidity, tax implications, and investment procedures. A well-informed investor is more likely to make rational financial decisions, diversify investments, manage risks effectively, and achieve long-term financial goals. Conversely, a lack of awareness may result in poor investment choices, financial losses, or excessive dependence on traditional savings methods that may not generate adequate returns.

The increasing penetration of smartphones, internet services, and social media has transformed the way young people acquire financial information. Online platforms, financial influencers, educational websites, and investment applications have made investment-related knowledge more accessible than ever before. However, despite the availability of information, many young investors continue to face challenges in understanding complex financial products and assessing investment risks. The level of awareness often varies based on factors such as educational background, income level, financial literacy, family influence, and exposure to financial education.

In India, various initiatives undertaken by institutions such as the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), and financial institutions have focused on promoting investor education and financial literacy. These initiatives aim to encourage informed investment decisions and increase participation in formal financial markets. Nevertheless, there remains a need to assess the extent to which young investors are aware of different investment opportunities and how this awareness influences their investment preferences. The present study seeks to examine the awareness of investment options among young investors and identify the factors influencing their investment decisions. By analyzing the level of awareness regarding various investment avenues and understanding investor preferences, the study aims to provide valuable insights for policymakers, educators, financial institutions, and investment advisors. The findings may contribute to the development of effective financial literacy programs and strategies to enhance investment awareness among the younger generation.

## **II. REVIEW OF LITERATURE**

Lusardi and Mitchell (2014): The study highlighted that financial literacy significantly influences investment decisions and wealth accumulation. Individuals with higher financial knowledge tend to make better investment choices.

Van Rooij et al. (2011): The researchers found a positive relationship between financial literacy and participation in stock markets. Financially informed individuals are more likely to diversify their investment portfolios.

Kumar and Goyal (2015): The study observed that young investors are increasingly attracted toward equity investments due to higher return potential but remain cautious due to risk perceptions.

Agarwal and Mazumder (2013): Their research revealed that awareness and education positively affect investment behavior and risk-taking capacity among young individuals.

### **Research Gap**

Previous studies have focused on financial literacy and investment behavior; however, limited research has specifically examined awareness levels regarding different investment options among young investors. This study attempts to fill this gap.

## **III. OBJECTIVES OF THE STUDY**

- To assess the awareness level of young investors regarding various investment options.
- To identify the preferred investment avenues among young investors.
- To examine factors influencing investment decisions.
- To suggest measures for improving investment awareness.



#### IV. RESEARCH METHODOLOGY

##### Research Design

Descriptive research design was adopted. Primary data were collected through a structured questionnaire. A total of 120 young investors aged between 18 and 35 years participated in the study. Convenience sampling method was used.

Data Analysis Tools

Frequency Distribution

Percentage Analysis

Mean Score Analysis

Study Area

The study was conducted among young investors from universities and urban areas.

#### V. DATA ANALYSIS AND INTERPRETATION

Table 1: Gender-wise Distribution of Respondents

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male   | 72        | 60%        |
| Female | 48        | 40%        |
| Total  | 120       | 100%       |

Interpretation

The majority of respondents (60%) were male, while female respondents constituted 40%.

Table 2: Age Distribution

| Age Group   | Frequency | Percentage |
|-------------|-----------|------------|
| 18–22 Years | 38        | 31.7%      |
| 23–27 Years | 45        | 37.5%      |
| 28–31 Years | 22        | 18.3%      |
| 32–35 Years | 15        | 12.5%      |
| Total       | 120       | 100%       |

Interpretation

Most respondents (37.5%) belonged to the age group of 23–27 years.

Table 3: Awareness of Investment Options

| Investment Option | Aware (%) | Not Aware (%) |
|-------------------|-----------|---------------|
| Fixed Deposits    | 95        | 5             |
| Savings Account   | 100       | 0             |
| Gold              | 92        | 8             |
| Mutual Funds      | 78        | 22            |
| Stocks/Shares     | 72        | 28            |
| Real Estate       | 70        | 30            |
| Government Bonds  | 45        | 55            |
| Cryptocurrency    | 68        | 32            |

Interpretation



Young investors exhibited the highest awareness regarding savings accounts (100%) and fixed deposits (95%). Awareness of government bonds was relatively low (45%).

Table 4: Preferred Investment Option

| Investment Option | Respondents | Percentage |
|-------------------|-------------|------------|
| Fixed Deposits    | 25          | 20.8%      |
| Mutual Funds      | 32          | 26.7%      |
| Stocks            | 24          | 20.0%      |
| Gold              | 18          | 15.0%      |
| Real Estate       | 12          | 10.0%      |
| Cryptocurrency    | 9           | 7.5%       |
| Total             | 120         | 100%       |

Interpretation

Mutual funds emerged as the most preferred investment option (26.7%), followed by fixed deposits (20.8%).

Table 5: Source of Investment Information

| Source             | Frequency | Percentage |
|--------------------|-----------|------------|
| Social Media       | 36        | 30%        |
| Family Members     | 28        | 23.3%      |
| Financial Advisors | 20        | 16.7%      |
| Internet Websites  | 24        | 20%        |
| Friends            | 12        | 10%        |
| Total              | 120       | 100%       |

Interpretation

Social media was identified as the primary source of investment information among young investors.

Table 6: Factors Influencing Investment Decisions

| Factor               | Mean Score |
|----------------------|------------|
| Expected Return      | 4.52       |
| Safety of Investment | 4.41       |
| Liquidity            | 3.98       |
| Risk Level           | 4.22       |
| Tax Benefits         | 3.76       |

(Scale: 1 = Least Important, 5 = Highly Important)

Interpretation

Expected return was the most influential factor affecting investment decisions, followed by safety and risk considerations.

## VI. FINDINGS OF THE STUDY

Most respondents belonged to the age group of 23–27 years.

Awareness regarding savings accounts and fixed deposits was very high.



Government bonds had the lowest awareness level among respondents.  
Mutual funds emerged as the most preferred investment option.  
Social media played a significant role in disseminating investment information.  
Expected return was the most important factor influencing investment decisions.  
Young investors demonstrated increasing interest in equity and mutual fund investments.

#### **VII. SUGGESTIONS**

Financial literacy programs should be organized regularly in colleges and universities.  
Government agencies should promote awareness regarding bonds and other low-risk investment instruments.  
Financial institutions should conduct investor education workshops.  
Digital platforms should provide reliable and simplified investment information.  
Educational institutions should introduce personal finance and investment management courses.  
Awareness campaigns should focus on risk diversification and long-term investment planning.

#### **VIII. CONCLUSION**

Investment awareness among young investors is gradually increasing due to greater access to financial information and technological advancements. The study found that young investors are highly aware of traditional investment options such as savings accounts, fixed deposits, and gold, while awareness regarding government securities remains comparatively low. Mutual funds and stocks are becoming increasingly popular due to their potential for higher returns. However, the findings suggest a need for enhanced financial education and investor awareness programs to improve understanding of various investment alternatives and risk management strategies. Increasing financial literacy among young investors will contribute to informed investment decisions, better wealth creation, and overall economic development.

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