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Achieving Financial Goals and Wealth Creation by Equity Mutual Fund: A Study of Financial Literacy of Gen Z

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Abstract*: Financial literacy playis a crucial role in shaping investment decisions, particularly among Gen Z, who are at the early stages of wealth creation and financial planning. This study explores the relationship between financial literacy and investment in equity mutual funds as a means tocreate wealth and to achieve financial goals. It examines how Gen Z perceives and utilizes equity mutual funds for wealth creation, goal-based investing, and long-term financial stability. The research highlights the level of awareness, confidence, and reliance on equity mutual funds while evaluating the factors influencing their investment behavior. Findings indicate that a higher degree of financial literacy enhances investment participation and goal-oriented financial planning. Additionally, the study identifies the challenges faced by Gen Z in adopting equity mutual funds as an investment tool. The insights derived can help financial educators, policymakers, and institutions develop strategies to improve financial literacy and encourage disciplined investment habits for long-term wealth creation.*

Keywords: Financial literacy

I. INTRODUCTION

As Gen Z in India enters the workforce in an era of rising inflation, digital finance, and shifting career patterns, the need for financial literacy and structured investment planning has become more critical than ever. Unlike previous generations, Gen Z has access to diverse investment avenues, yet many struggle with making informed financial decisions. According to the National Centre for Financial Education (NCFE, 2019), only 27% of Indians are financially literate, indicating a significant knowledge gap. With growing aspirations for financial independence, homeownership, and early retirement, it is essential for young investors to embrace goal-oriented financial planning. Among various investment options, equity mutual funds offer a powerful tool for long-term wealth creation, enabling young investors to save, invest, and grow their wealth efficiently. However, despite their advantages, many young individuals either lack awareness or hesitate to invest due to perceived risks and misinformation.

Investing in equity mutual funds can play a transformative role in achieving long-term financial stability. Historical data suggests that equity mutual funds have delivered CAGR returns of 12-15%, outperforming traditional saving instruments such as fixed deposits and PPFs (SEBI, 2023). A study by Nielsen (2022) found that nearly 40% of Gen Z investors prefer investing in stocks and mutual funds, driven by digital accessibility and financial awareness. Additionally, AMFI (2023) reports that over 60% of new mutual fund investors in recent years belong to the 20-30 age group, indicating a growing interest in market-based investments. To bridge the knowledge gap, regulatory bodies like the Securities and Exchange Board of India (SEBI) and the Association of Mutual Funds in India (AMFI) have introduced financial literacy initiatives such as the "Mutual Funds Sahi Hai" campaign to educate young investors. However, challenges remain, as many Gen Z investors rely on social media influencers rather than structured financial education for investment decisions (Garg & Singh, 2020). Strengthening formal financial education in schools, colleges, and workplaces can equip Gen Z with the knowledge needed for disciplined, goal-oriented investing.

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As a new-age workforce enters the market, their income aspirations and lifestyle expectations are significantly higher than previous generations. This shift highlights the urgent need for research into whether their financial decision-making skills align with their financial goals. Are young investors making informed investment choices? Are they ready to embrace equity mutual funds as a tool for wealth creation through goal-based financial planning? These questions must be explored to understand how prepared Gen Z is to navigate their financial future. With increasing financial independence and access to investment platforms, studying their approach to wealth creation can provide valuable insights into the effectiveness of financial literacy programs, the role of regulatory interventions, and the evolving investment behavior of young Indians. Research in this area is essential to ensure that Gen Z is not just earning more but also investing wisely to build long-term financial security.

II. LITERATURE REVIEW:

Agarwal, R., & Agarwal, S. (2023). *Study of Active Participation in Stock Market Influenced by Financial Literacy & Financial Awareness of Investor*. This research examines the correlation between financial literacy and stock market participation among Indian investors. The study finds that while basic financial literacy is prevalent, advanced understanding specific to stock market engagement is lacking. Factors such as age, education, income, gender, and trading experience influence participation. The authors recommend implementing awareness campaigns and seminars to enhance advanced financial literacy and boost stock market engagement. The study concludes that improving financial literacy is crucial for increasing stock market participation; however, it is limited by its focus on basic financial literacy, suggesting a need for further research into advanced financial concepts.

Kumar, A., & Shah, J. (2021). *An Empirical Study on the Impact of Gen Z Investors' Financial Literacy to Invest in the Indian Stock Market*. This study investigates the role of financial literacy in influencing stock market investment decisions among India's Generation Z. The findings indicate that higher financial literacy levels lead to increased participation in the stock market. The authors recommend educational initiatives targeting Gen Z to enhance their financial knowledge. The study concludes that financial literacy is a significant determinant of investment behavior among Gen Z; however, the research is limited by its sample size and geographic scope, suggesting a need for broader studies.

Raut, R. K. (2020). *Past Behaviour, Financial Literacy and Investment Decision-Making Process of Individual Investors*. This research explores the influence of past behavior and financial literacy on the investment decisions of individual investors in India. The study reveals that while past behavior indirectly affects intentions via attitude, social pressures significantly influence Indian investors. The author recommends enhancing financial literacy to mitigate the impact of social pressures on investment decisions. The study concludes that financial literacy plays a crucial role in informed investment decision-making; however, it is limited by its reliance on self-reported data, which may introduce bias.

Agarwal, K. (2020). *A Study on Investor Buying Behavior and Financial Literacy in Urban India*. This study examines the relationship between financial literacy and investor behavior in urban India. Findings indicate a 43% correlation between financial literacy and financial performance, with risk tolerance partially mediating this relationship. The author suggests that improving financial literacy can lead to better financial outcomes for investors. The study concludes that financial literacy significantly impacts investment behavior; however, the research is limited to urban areas, and results may not be generalizable to rural populations.

Rosdiana, R. (2020). *Investment Behavior in Generation Z and Millennial Generation*. This study explores the effect of financial literacy, herding behavior, risk perception, and risk aversion on the investment behavior of Gen Z and Millennials in Indonesia. The research finds a positive impact of these factors on investment behavior, with financial literacy being particularly influential. The author recommends targeted financial education programs for younger generations. The study concludes that enhancing financial literacy can improve investment decisions among young investors; however, the findings are based on a specific cultural context, which may limit their applicability to other regions.

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Setiawan, R., & Panduwangi, M. (2021). *Understanding and Analyzing Generation Z's Interest in Investing in the Islamic Capital Market*. This study examines how financial literacy, risk tolerance, and religiosity influence Generation Z's interest in the Islamic capital market. The findings suggest that financial literacy does not significantly impact investment interest, while risk tolerance and religiosity have a limited effect. The authors recommend further research to explore other factors influencing investment interest. The study concludes that financial literacy alone may not drive investment interest among Gen Z; however, the research is limited by its sample size and focus on a specific market segment.

Utami, W., & Iramani, R. (2021). *Investment Habits and Financial Literacy of Jakarta's Gen Z Population*. This research aims to understand the investment habits and financial literacy of Generation Z in Jakarta. The study finds that financial literacy significantly influences investment choices among Gen Z investors. The authors recommend implementing educational programs to enhance financial literacy. The study concludes that improving financial literacy can lead to more informed investment decisions; however, it is limited by its geographic focus, and results may not be applicable to other regions.

Renaldo, M., & Santoso, T. (2020). *Factors Affecting Generation Z's Financial Health and Evolving Personality Issues*. This study investigates the variables influencing financial health and personality development among Generation Z. The findings highlight the importance of providing financial education to Generation Z, as well as other groups, particularly the alpha generation. The authors recommend character education and experienced role models to help young individuals deal with economic issues. The study concludes that financial education is crucial for the financial well-being of younger generations; however, it is limited by its focus on a specific age group, suggesting a need for longitudinal studies to assess long-term impacts.

Dugar, M., & Madhavan, V. (2023). *Is Gen Z in India Moving Towards Financial Independence? - A Study of Their Investment Preferences*. This study explores the saving and investment habits of Indian Generation Z, focusing on their journey toward financial independence. Findings indicate that Gen Z is investing long-term in assets like equity shares, mutual funds, fixed deposits, and gold/silver, with a significant portion favoring growth and SIPs of mutual funds. The authors recommend enhancing financial education to support informed investment decisions. The study concludes that Gen Z is progressively achieving financial independence through diversified investments; however, it is limited by its sample size and demographic focus, suggesting a need for broader studies.

Sajeev, K. C., Afjal, M., Spulbar, C., Birau, R., & Florescu, I. (2021). *Evaluating the Linkage Between Behavioural Finance and Investment Decisions Amongst Indian Gen Z Investors Using Structural Equation Modeling*. This research examines the impact of behavioral finance factors on the investment decisions of Indian Generation Z investors. The study reveals that psychological biases significantly influence investment choices, with overconfidence and herd behavior being predominant. The authors recommend incorporating behavioral finance concepts into financial literacy programs to mitigate adverse effects. The study concludes that understanding behavioral biases is crucial for improving investment outcomes among Gen Z; however, it is limited by its cross-sectional design, indicating a need for longitudinal research.

Kumari, S., & Gupta, S. (2022). *Financial Literacy and Investment Preferences Among Indian Millennials and Gen Z*. This study investigates the relationship between financial literacy levels and investment preferences among Indian Millennials and Generation Z. Findings suggest that higher financial literacy correlates with a preference for market-linked instruments like mutual funds and equities. The authors recommend targeted financial education initiatives to bridge knowledge gaps. The study concludes that enhancing financial literacy can shift investment preferences toward higher-yield assets; however, it is limited by its reliance on self-reported data, which may introduce bias.

Sharma, P., & Kaur, G. (2023). *Impact of Financial Socialization Agents on Financial Literacy and Investment Behavior of Indian Youth*. This research explores how financial socialization agents, such as family, peers, and media, affect the financial literacy and investment behavior of Indian youth, including Generation Z. The study finds that parental influence is the most significant, followed by digital media. The authors recommend leveraging digital platforms for financial education to capitalize on existing media consumption habits. The study concludes that financial socialization plays a vital role in shaping financial behaviors; however, it is limited by its focus on urban populations, suggesting a need for studies in rural settings.

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Patel, R., & Patel, M. (2021). *Risk Tolerance and Investment Choices Among Generation Z Investors in India*. This study examines the risk tolerance levels of Indian Generation Z investors and their corresponding investment choices. Findings indicate that higher risk tolerance is associated with investments in equities and mutual funds, while lower risk tolerance leads to preferences for fixed deposits and gold. The authors recommend personalized financial advising to align investment choices with individual risk profiles. The study concludes that understanding risk tolerance is essential for effective financial planning among Gen Z; however, it is limited by its quantitative approach, and qualitative insights could provide a deeper understanding.

Nair, S., & Joseph, T. (2020). *Digital Financial Literacy and Its Impact on the Investment Decisions of Indian Millennials and Gen Z*. This research investigates the role of digital financial literacy in shaping the investment decisions of Indian Millennials and Generation Z. The study reveals that higher digital financial literacy leads to increased use of online investment platforms and a diversified portfolio. The authors recommend integrating digital literacy into traditional financial education programs. The study concludes that digital financial literacy is a key driver of modern investment behaviors; however, it is limited by its focus on digital aspects, overlooking traditional literacy components.

Singh, A., & Verma, R. (2022). *Influence of Financial Education on Investment Attitudes of Indian College Students*. This study assesses the impact of formal financial education on the investment attitudes of Indian college students, including Generation Z. Findings suggest that students who have undergone financial education exhibit more positive attitudes toward investing in mutual funds and equities. The authors recommend incorporating financial education into college curricula. The study concludes that formal education can effectively shape investment attitudes; however, it is limited by its short-term assessment, and long-term effects remain unexplored.

Chaudhary, A., & Gupta, P. (2019). *Factors Influencing Investment Decisions of Young Professionals in India*. This research identifies the key factors affecting the investment decisions of young Indian professionals, focusing on Generation Z. The study finds that financial literacy, peer influence, and perceived risk significantly impact investment choices. The authors recommend targeted financial literacy programs addressing these factors. The study concludes that a multifaceted approach is necessary to guide young investors; however, it is limited by its regional focus, and results may not be generalizable nationwide.

Mehta, S., & Jain, R. (2023). *Role of Fintech in Shaping Investment Behaviors of Indian Gen Z*. This study explores how fintech innovations influence the investment behaviors of India's Generation Z. Findings indicate that user-friendly interfaces and easy access to information have led to increased participation in mutual funds and equities among Gen Z. The authors recommend further development of fintech solutions tailored to young investors. The study concludes that fintech plays a pivotal role in modernizing investment behaviors; however, it is limited by its focus on technology, potentially overlooking other influencing factors.

Reddy, K., & Kumar, S. (2021). *Impact of Social Media on Investment Decisions of Indian Youth*. This research examines the effect of social media on the investment decisions of Indian youth, particularly Generation Z. The study reveals that social media platforms significantly influence investment choices, often leading to herd behavior. The authors recommend promoting critical evaluation skills to mitigate uninformed decision-making. The study concludes that while social media serves as a valuable information source, it also poses risks of misinformation; however, it is limited by its cross-sectional design, and longitudinal studies are needed to assess long-term impacts.

Shukla, M., & Singh, P. (2022). *Perception of Indian Gen Z Towards Sustainable Investment Options*. This study investigates the awareness and perception of sustainable investment options among Indian Generation Z. Findings indicate a growing interest in sustainable investments, though actual participation remains low due to limited knowledge. The authors recommend educational campaigns to bridge this knowledge gap. The study concludes that there is potential for growth in sustainable investments among Gen Z; however, it is limited by its reliance on self-reported data, which may introduce bias.

Verma, S., & Kapoor, A. (2020). *Financial Literacy and Its Impact on Retirement Planning Among Indian Millennials and Gen Z*. This research explores the relationship between financial literacy and retirement planning among Indian Millennials and Generation Z. The study finds that higher financial literacy levels are associated with proactive retirement planning. The authors recommend integrating retirement planning modules into financial education

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programs. The study concludes that enhancing financial literacy can lead to better retirement preparedness; however, it is limited by its focus on urban populations, suggesting a need for studies in rural areas.

Khan, A., & Ali, S. (2023). *Influence of Peer Groups on Investment Decisions of Indian Gen Z*. This study examines how peer groups affect the investment decisions of India's Generation Z. Findings indicate that peer recommendations significantly influence investment choices, sometimes leading to suboptimal decisions. The authors recommend fostering independent financial decision-making skills through education. The study concludes that while peer influence is strong, empowering individuals can lead to better investment outcomes; however, it is limited by its qualitative approach, and quantitative studies could provide additional insights.

Desai, R., & Shah, M. (2021). *Awareness and Adoption of Mutual Funds Among Indian Gen Z Investors*. This research investigates the level of awareness and adoption of mutual funds among Indian Generation Z investors. The study reveals that while awareness is relatively high, actual adoption remains moderate due to perceived complexity. The authors recommend simplifying mutual fund information and processes to encourage participation. The study concludes that demystifying mutual funds can enhance adoption rates among Gen Z; however, it is limited by its focus on a specific age group, and broader age ranges could be explored.

Bhattacharya, S., & Roy, D. (2022). *Impact of Mobile Investment Apps on the Investment Behavior of Indian Youth*. This study explores how mobile investment applications influence the investment behavior of Indian youth, including Generation Z. Findings indicate that the convenience and accessibility of mobile apps have led to increased investment activities among young investors. The authors recommend continuous improvement of app features to support informed decision-making. The study concludes that mobile apps are instrumental in engaging young investors; however, it is limited by its focus on technology, potentially overlooking other influencing factors.

Ghosh, A., & Banerjee, P. (2020). *Role of Financial Advisors in Shaping Investment Decisions of Indian Gen Z*. This research examines the influence of financial advisors on the investment decisions of India's Generation Z. The study finds that professional advice leads to more diversified and balanced portfolios among young investors. The authors recommend increasing the accessibility of financial advisory services to Gen Z. The study concludes that financial advisors play a crucial role in guiding young investors; however, it is limited by its sample size, suggesting a need for larger studies.

Jain, S., & Mehta, P. (2023). *Impact of Economic News on Investment Decisions of Indian Generation Z*. This study investigates how economic news influences the investment decisions of Indian Generation Z. Findings indicate that exposure to economic news significantly.

Scope for Further Study based on LR (Research Gap):

Region-Specific Analysis

While some studies have focused on financial literacy and investment behavior in urban India, there is limited research specifically targeting Generation Z in regions like Gujarat. A region-specific study could provide valuable insights into the participation and preferences of Gen Z investors.

Focus on Equity Mutual Funds

Most studies have explored general investment behavior, financial literacy, or stock market participation. However, fewer studies have delved deeply into the role of equity mutual funds as a specific vehicle for wealth creation and financial goal achievement. Exploring this niche could address a significant gap.

Impact of Emerging Financial Technologies

Studies like Mehta & Jain (2023) highlight the role of fintech, but a comprehensive analysis of how mobile apps, robo-advisors, and AI-driven platforms influence Gen Z's investment decisions in equity mutual funds is still underexplored.

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Behavioral Finance Perspective
While behavioral factors like peer influence and risk tolerance are briefly discussed, there is a need for a more in-depth examination of how cognitive biases, emotional factors, and financial habits affect Gen Z's decision to invest in equity mutual funds.

Research title and problem statement:
Research title: Achieving financial goals and wealth creation by equity mutual funds: A study of Financial literacy of Gen Z.
Problem statement: In the rapidly evolving financial landscape, achieving financial goals and wealth creation has become a key concern for young investors, particularly Gen Z. Equity mutual funds (EMFs) offer a viable investment avenue for long-term wealth accumulation, but their effective utilization depends on financial literacy levels. Despite the growing accessibility of financial products, many Gen Z investors lack adequate knowledge about risk, return, and the strategic use of equity mutual funds, which may impact their financial decision-making.
This study aims to assess the financial literacy of Gen Z regarding equity mutual funds and its influence on their investment behavior, financial planning, and ability to achieve financial goals. It seeks to identify the gaps in knowledge, the sources of financial information used, and the factors influencing investment decisions among Gen Z investors. Additionally, the research will explore the role of financial education in enhancing their confidence and participation in equity mutual fund investments for wealth creation.
By analyzing these aspects, the study aims to provide insights into improving financial awareness and designing targeted financial literacy programs to empower Gen Z investors for better financial outcomes.

Significance of the Study:
The study on "Achieving Financial Goals and Wealth Creation by Equity Mutual Funds: A Study of Financial Literacy of Gen Z" holds significant relevance in today's financial landscape. The findings will be beneficial for multiple stakeholders, including young investors, financial educators, policymakers, and financial institutions.
Empowering Gen Z Investors – As Gen Z enters the workforce and begins financial planning, understanding the role of equity mutual funds (EMFs) in wealth creation is essential. This study highlights the importance of financial literacy in making informed investment decisions, ensuring better financial stability in the long run.
Bridging the Financial Literacy Gap – Many Gen Z investors lack proper financial education, leading to hesitation or misinformed decisions regarding equity investments. This research will help identify knowledge gaps and provide recommendations for enhancing financial awareness through targeted educational initiatives.
Encouraging Long-Term Wealth Creation – Equity mutual funds are a powerful tool for achieving long-term financial goals, but their benefits can only be realized if investors understand concepts like risk, return, compounding, and market fluctuations. By studying financial literacy levels, this research will highlight ways to increase participation in EMFs for sustainable wealth creation.
Guidance for Financial Institutions and Policymakers – Banks, mutual fund companies, and financial regulators can use the insights from this study to design better financial literacy programs, user-friendly investment platforms, and advisory services tailored to Gen Z's needs.
Impact on Economic Growth – Higher financial literacy and investment in equity mutual funds contribute to increased savings and capital market growth, ultimately benefiting the broader economy. Educated investors are more likely to participate in markets, leading to financial inclusivity and economic resilience.
By shedding light on these aspects, this study will play a crucial role in promoting financial literacy and empowering Gen Z to make informed investment decisions, achieve financial independence, and build long-term wealth through equity mutual funds.

Objectives of the study:

- To evaluate the participation of Generation Z in Gujarat in investing in equity mutual funds.
- To examine the financial literacy of Generation Z concerning equity mutual funds and their role in achieving financial goals and wealth creation.
- To analyze the influence of demographic factors such as age, income, and education on Generation Z's investment behavior in equity mutual funds.

Hypothesis formulation:

Null Hypothesis (H_0): Higher financial literacy among Gen Z investors negatively impacts their ability to achieve financial goals and wealth creation through equity mutual funds.
Alternative Hypothesis (H_1): Higher financial literacy among Gen Z investors positively impacts their ability to achieve financial goals and wealth creation through equity mutual funds.

III. RESEARCH METHODOLOGY

Research Design: This study utilizes a descriptive research approach to evaluate the association between financial literacy and investment in equity mutual funds among Gen Z investors. A combination of quantitative and qualitative research approaches is applied to ensure a full understanding of the issue. The research will largely focus on analysing the financial literacy levels of Gen Z, their understanding and perception of equity mutual funds, and how these aspects influence their investing decisions and capacity to attain financial goals.

Sources of data:

The study utilizes both primary and secondary data to provide a well-rounded analysis the financial literacy levels of Gen Z.

Primary Data:

Primary data will be gathered directly from Gen Z investors using surveys and structured interviews. Respondents will be selected from different demographics, including education levels, income groups, and employment status.
This data will help gather firsthand information on Gen Z attitudes, to gain deeper insights into their investment mindset, challenges faced, and the role of financial education in their investment journey.

Secondary Data:

Secondary data will be obtained from reputable financial reports, research papers, articles, and official reports from institutions such as SEBI (Securities and Exchange Board of India), AMFI (Association of Mutual Funds in India), and financial literacy organizations. Data on equity mutual fund market trends, investment patterns, and past research studies on financial literacy will be reviewed to support the study's findings.
This data provides insights help in identifying gaps in financial literacy and its impact on investment behavior among Gen Z.

Data Collection Method

A combination of surveys, structured questionnaires, and interviews will be used for collecting primary data:

Surveys:

Surveys will be distributed both online (through digital platform Google Forms) and offline. This ensures Vadodara's reach, covering diverse groups.

Structured Questionnaires:

A structured questionnaire is designed with a mix of open-ended and closed-ended questions. It allows for quantitative as well as qualitative insights. The questionnaire includes key areas such as:

- Financial Literacy of Gen Z: This section explores the financial awareness of Generation Z, focusing on their understanding of investment concepts, risk perception, and goal-setting strategies.

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- Role of Equity Mutual Funds in Wealth Creation: It examines how equity mutual funds contribute to long-term wealth generation and financial stability, highlighting their advantages over traditional savings options.
- Investment Behavior of Gen Z: This part analyzes Gen Z's investment preferences, risk tolerance, and decision-making patterns, considering factors such as technology, peer influence, and financial goals.
- Influence of Digital Platforms on Investing: This section explores how fintech apps, social media, and digital financial education impact the investment behavior of Gen Z in mutual funds.
- Impact of Financial Education on Investment Decisions: It evaluates how structured financial literacy programs affect Gen Z's confidence and ability to invest wisely in equity mutual funds.

Interviews:
In-depth interviews are conducted with a smaller segment of respondents, especially those in niche markets (financial educators, frequent investing in markets) to gain deeper insights into the investments.

Population
The population size for this study has been taken as 220 targeted Gen Z.
The population size for this study includes:

- Gen Z that is either entering or has recently entered the workforce and is in the early stages of financial planning and investment.
- Demographic Focus: The population that include people of diverse age groups (18-27 years), education levels, income groups, and employment status.

Sampling Method
The study employs a stratified random sampling method. This ensures that the sample is representative of the entire population by dividing it into distinct strata (subgroups) based on characteristics such as:
Income Levels: High-income, middle-income, and low-income groups.
Educational levels: under graduate, post graduate, etc.
Employment status
A random selection of individuals from each stratum will be made to avoid any bias and ensure all relevant segments are included in the study.

Sampling Frame
The sampling frame includes individuals residing across Vadodara, primarily those who have interest in financial investments and planning. This frame also consist of Gen Z who are aware of financial securities and investments.
The sample size is 220 respondents, which is appropriate to capture diverse Gen Z insights and opinions.

Data Collection Instrument
The primary instrument for collecting data is a structured questionnaire, designed specifically for this study. It is divided into various sections to cover different aspects of the research objectives:
Section A: Demographic Information (age, income, geographic location, etc.)
Section B: financial goal based financial literacy.
Section C: wealth creation through equity mutual funds.
In addition to the questionnaire, observation techniques (especially in Colleges) will be used to gauge customer behavior and their interactions with market. Follow-up interviews with select respondents will help gather qualitative insights that may not be captured in the questionnaires.

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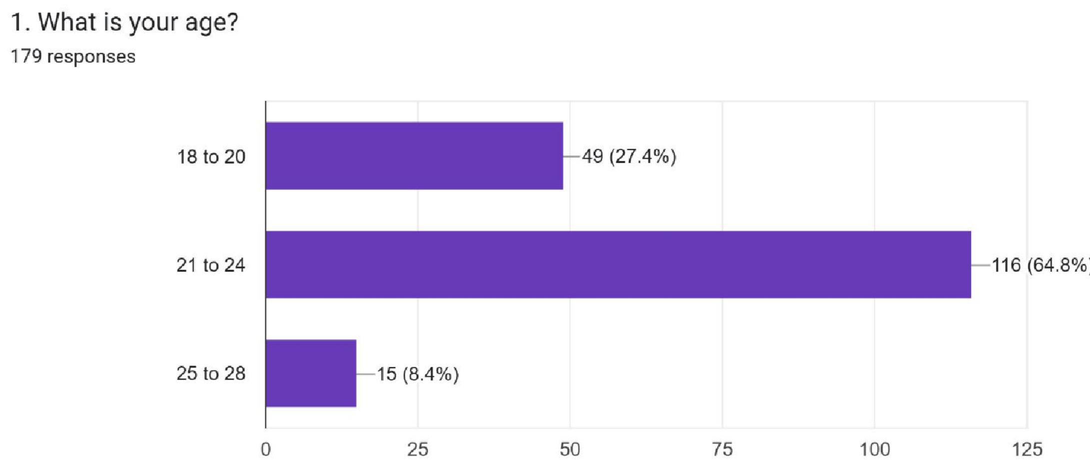
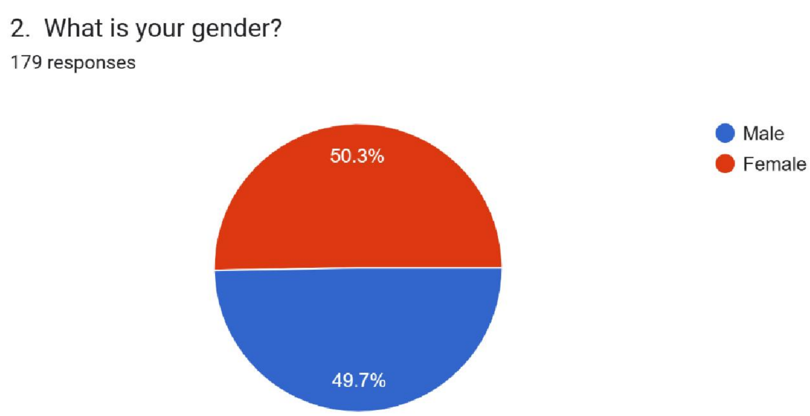
IV. DATA ANALYSIS & INTERPRETATION



Interpretation:

For our research study, one of the key demographic factors considered is age. We have classified Gen Z respondents into three age groups: 18 to 20, 21 to 24, and 25 to 27. Among the total responses, 27.4% were from individuals aged 18 to 20, while the majority—64.8%—belonged to the 21 to 24 age group. Additionally, 8.4% of the responses were collected from participants aged 25 to 27.



Interpretation:

For our research study, gender is one of the key demographic factors considered. Among Gen Z respondents, 50.3% identified as male, while 49.7% identified as female.

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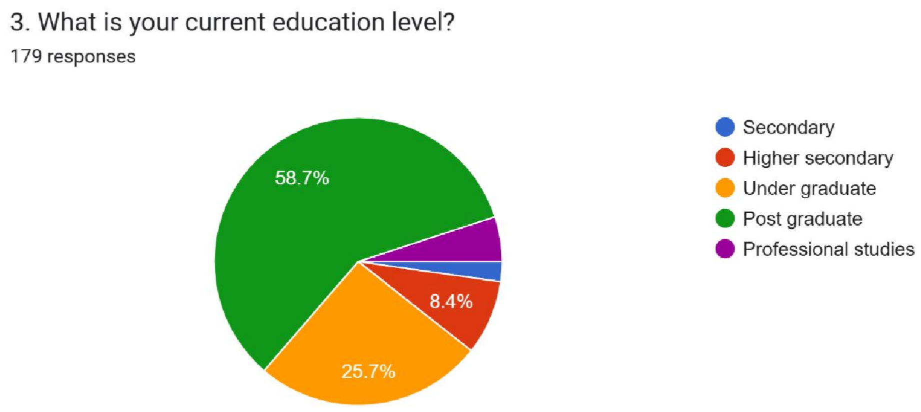
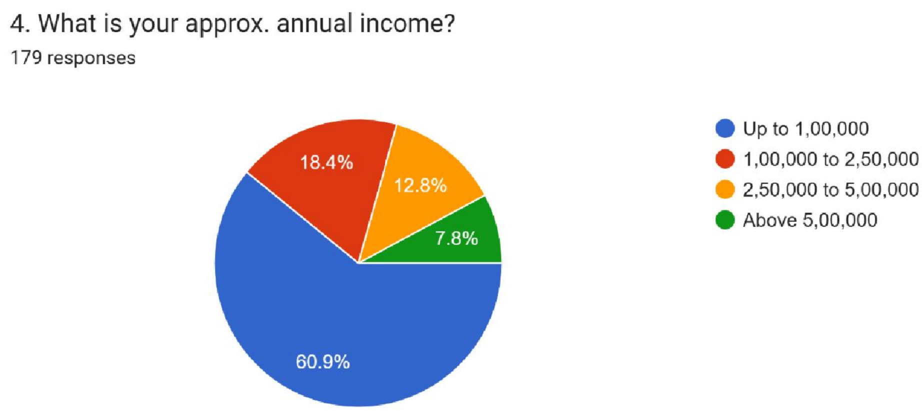


Interpretation:
For our research study, one of the key demographic factors considered is the current educational level of Gen Z respondents. We have categorized them into five groups: Secondary, Higher Secondary, Undergraduate, Postgraduate, and Professional Studies. Among the total responses, 2.2% were from individuals at the Secondary level, 8.4% at the Higher Secondary level, 25.7% at the Undergraduate level, 58.7% at the Postgraduate level, and 5% at the Professional Studies level.



Interpretation:
For our research study, one of the key demographic factors considered is approximate annual income. We have categorized Gen Z respondents into four income groups: Up to ₹100,000, ₹100,000 to ₹250,000, ₹250,000 to ₹500,000, and Above ₹500,000. Among the total responses, 60.9% reported an annual income of up to ₹100,000, 18.4% fell within the ₹100,000 to ₹250,000 range, 12.8% were in the ₹250,000 to ₹500,000 category, and 7.8% had an income above ₹500,000.

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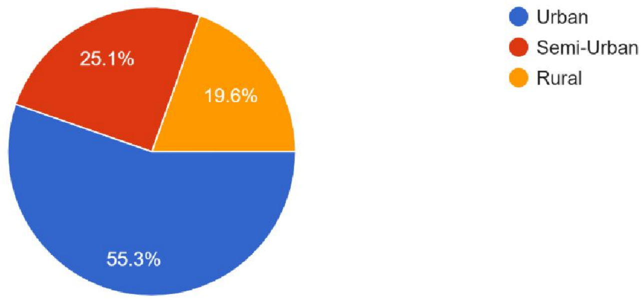
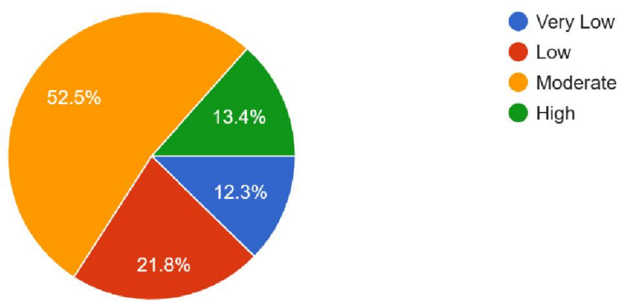
5. Which region do you reside in?
179 responses



Interpretation:
For our research study, one of the key demographic factors considered is the region. We have categorized Gen Z respondents into three groups: Urban, Semi-Urban, and Rural. Among the total responses, 55.3% were from individuals residing in urban areas, 25.1% from semi-urban areas, and 19.6% from rural areas.

6. Rate your level of awareness about equity mutual funds.
179 responses



Interpretation:
For our research study, one of the key demographic factors considered is awareness. We have categorized Gen Z respondents into four groups: Very Low, Low, Moderate, and High. Among the total responses, 12.3% reported very low awareness, 21.8% had low awareness, 52.5% had moderate awareness, and 13.4% exhibited high awareness.

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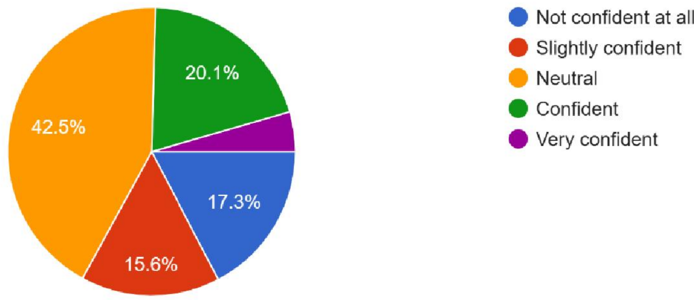
7. on a scale of 1 to 5, how confident are you in understanding financial terms like NAV, SIP, and diversification?

179 responses

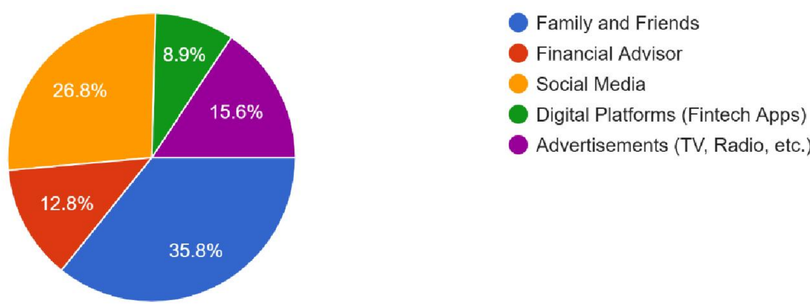


Interpretation:

For our research study, one of the key demographic factors considered is confidence in financial terms. We have categorized Gen Z respondents into five groups: Not Confident at All, Slightly Confident, Neutral, Confident, and Very Confident. Among the total responses, 17.3% reported being not confident at all, 15.6% were slightly confident, 42.5% remained neutral, 20.1% felt confident, and 4.5% were very confident.

8. How did you first learn about equity mutual funds?

179 responses



Interpretation:

For our research study, one of the key demographic factors considered is the source of awareness about equity mutual funds. We have categorized Gen Z respondents into five groups based on their primary source of information: Family and Friends, Financial Advisors, Social Media, Digital Platforms, and Advertisements. Among the total responses, 35.8% learned about equity mutual funds from family and friends, 12.8% from financial advisors, 26.8% from social media, 8.9% from digital platforms, and 15.6% from advertisements.

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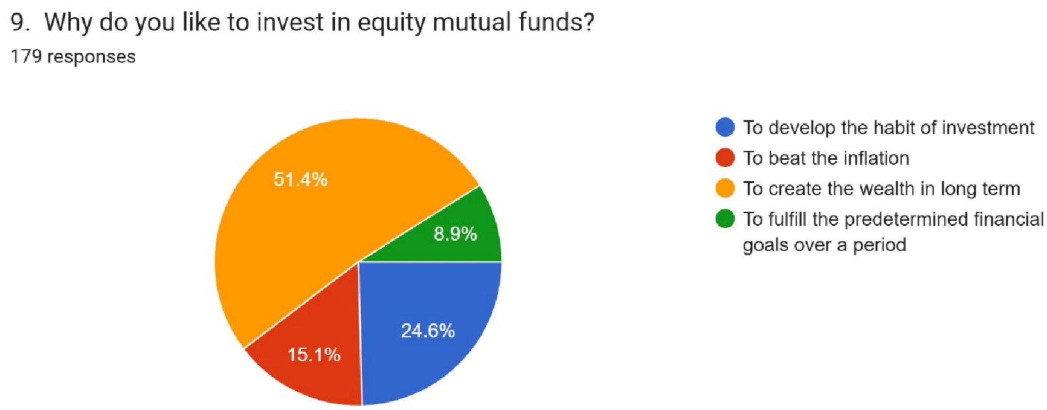
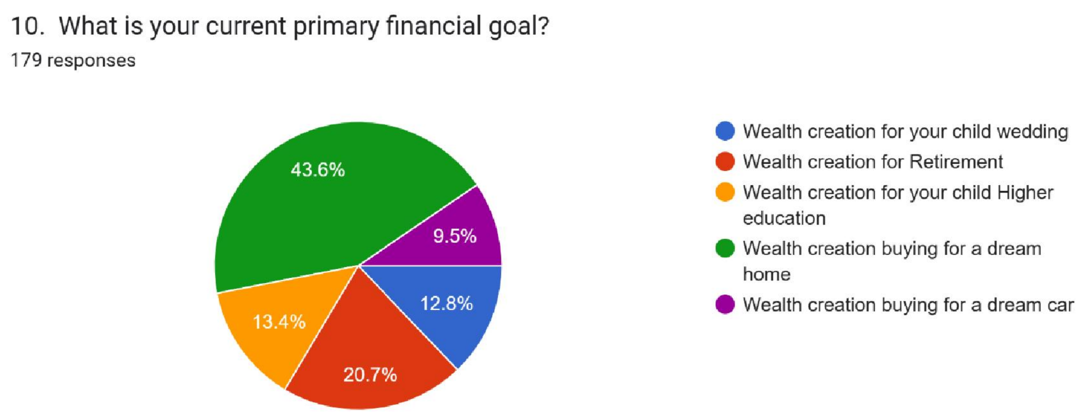


Interpretation:

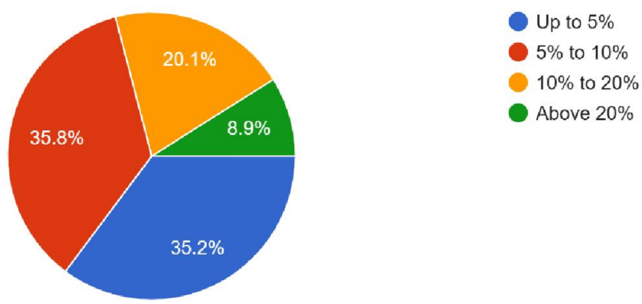
For our research study, one of the key demographic factors considered is the reason for investing in equity mutual funds. We have categorized Gen Z respondents into four groups based on their primary investment motivation: Developing the Habit of Investment, Beating Inflation, Creating Long-Term Wealth, and Fulfilling Predetermined Financial Goals Over a Period. Among the total responses, 24.6% invested to develop the habit of investment, 15.1% aimed to beat inflation, 51.4% sought to create long-term wealth, and 8.9% invested to fulfill predetermined financial goals over time.



Interpretation:

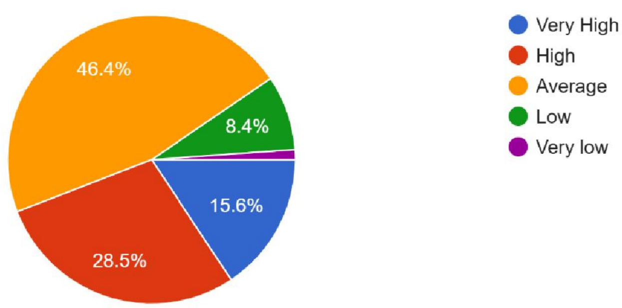
For our research study, one of the key demographic factors considered is the current primary financial goal of Gen Z respondents. We have categorized their financial goals into five groups: Wealth Creation for Your Child's Wedding, Wealth Creation for Retirement, Wealth Creation for Your Child's Higher Education, Wealth Creation for Buying a Dream Home, and Wealth Creation for Buying a Dream Car. Among the total responses, 12.8% prioritized wealth creation for their child's wedding, 20.7% focused on retirement planning, 13.4% aimed at funding their child's higher education, 43.6% aspired to buy a dream home, and 9.5% sought to purchase a dream car.

11. What percentage of your income do you allocate to investments overall?
179 responses



Interpretation:
For our research study, one of the key demographic factors considered is the percentage of income allocated to overall investments among Gen Z respondents. We have categorized them into four groups: Up to 5%, 5% to 10%, 10% to 20%, and Above 20%. Among the total responses, 35.2% allocated up to 5% of their income to investments, 35.8% invested between 5% and 10%, 20.1% allocated 10% to 20%, and 8.9% invested more than 20% of their income.

12. Rate the importance of financial advisor in your journey of wealth creation through equity mutual funds.
179 responses



Interpretation:
For our research study, one of the key demographic factors considered is the importance of a financial advisor among Gen Z respondents. We have categorized their responses into five groups: Very High, High, Average, Low, and Very Low. Among the total responses, 15.6% rated the importance of a financial advisor as very high, 28.5% as high, 46.4% as average, 8.4% as low, and 1.1% as very low.

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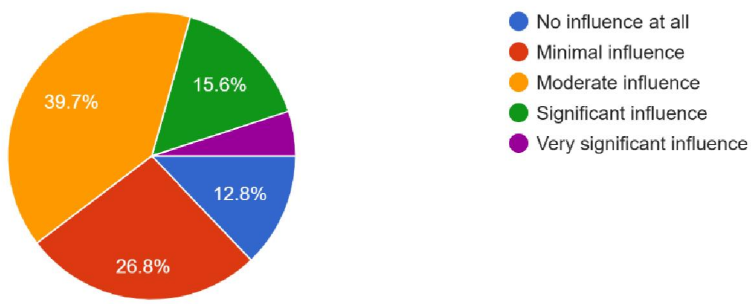
13. How would you rate the influence of financial literacy programs on your investment decisions in equity mutual funds? (Interval; Likert Scale)

179 responses

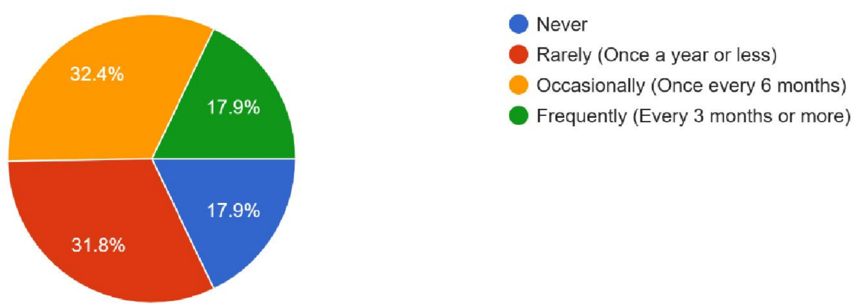


Interpretation:

For our research study, one of the key demographic factors considered is the influence of financial literacy programs on Gen Z respondents. We have categorized their responses into five groups: No Influence at All, Minimal Influence, Moderate Influence, Significant Influence, and Very Significant Influence. Among the total responses, 12.8% reported no influence at all, 26.8% experienced minimal influence, 39.7% had a moderate influence, 15.6% found it significantly influential, and 5% considered it very significant.

14. How often do you review your financial plans?

179 responses



Interpretation:

For our research study, one of the key demographic factors considered is the frequency of financial planning among Gen Z respondents. We have categorized their responses into four groups: Never, Rarely, Occasionally, and Frequently. Among the total responses, 17.9% reported never engaging in financial planning, 31.8% did so rarely, 32.4% planned occasionally, and 17.9% engaged in financial planning frequently.

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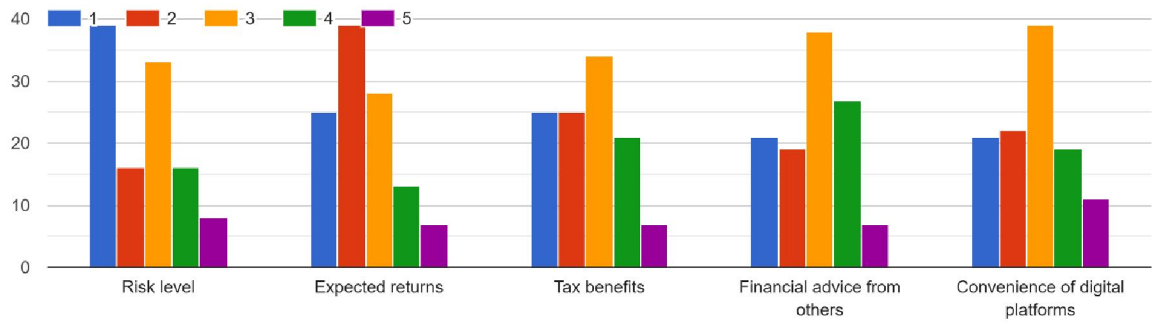
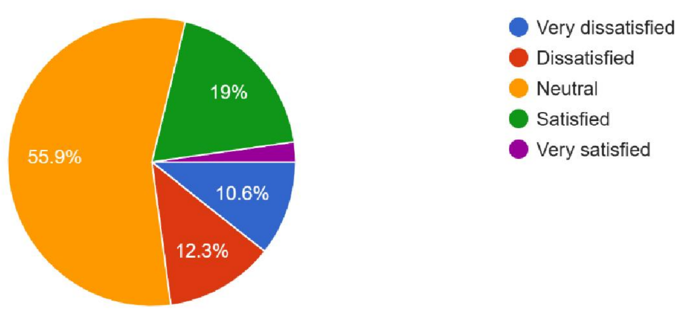
15. Rank the factors influencing your investment decisions (1 = Most Important, 5 = Least Important):



Interpretation: The chart shows that risk level is the most critical factor, with 40 responses rating it as the most important (Rank 1) and 15 responses at Rank 2. Expected returns hold moderate significance, with 40 responses in Rank 4 and 30 responses in Rank 2, highlighting its importance in certain cases. Tax benefits display a balanced distribution, with 30 responses in Rank 3 and 25 in Rank 2, suggesting varied preferences among investors. Financial advice from others receives a mix of rankings, with 30 responses in Rank 4 and 25 in Rank 3, indicating its role as a supporting factor. Lastly, digital convenience is considered least important by many, with 40 responses at Rank 5 and 25 at Rank 3. These figures highlight risk management and individual priorities as key drivers in investment decision-making.

16. On a scale of 1 to 5, how satisfied are you with your current equity mutual funds portfolio?
179 responses



Interpretation:
For our research study, one of the key demographic factors considered is Gen Z respondents' satisfaction with their current equity mutual fund portfolio. We have categorized their responses into five groups: Very Dissatisfied, Dissatisfied, Neutral, Satisfied, and Very Satisfied. Among the total responses, 10.6% reported being very dissatisfied, 12.3% were dissatisfied, 55.9% remained neutral, 19% were satisfied, and 2.2% were very satisfied.

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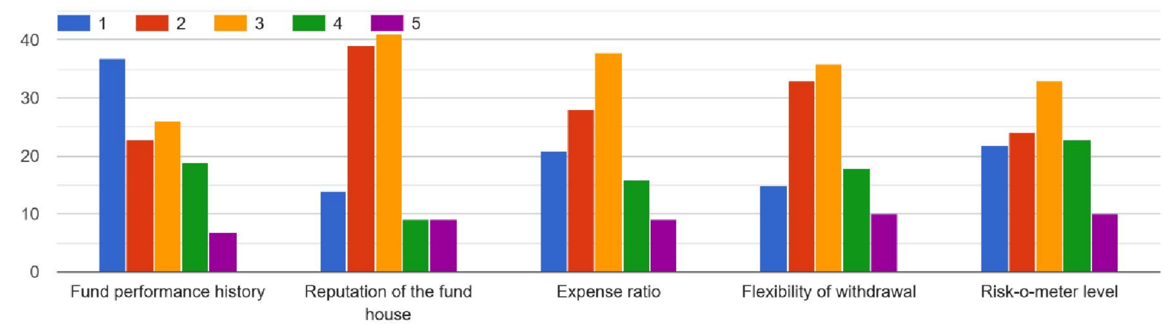
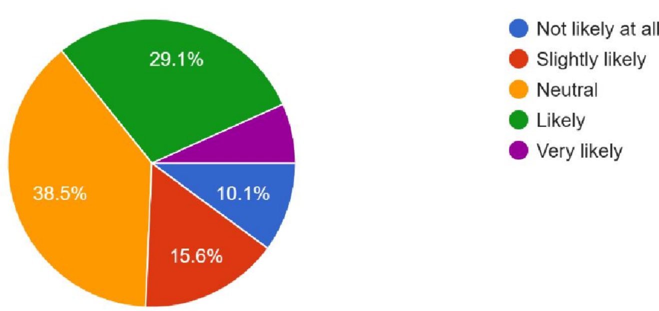
17. Rate the following factors based on how important they are when choosing an equity mutual fund (1 = Not Important, 5 = Very Important):



Interpretation: The chart indicates that risk level is the most influential factor, with approximately 160 responses ranking it as highly important. Tax benefits exhibit a diverse distribution, with around 100 responses across various importance levels, suggesting that its significance varies among investors. Expected returns receive approximately 130 responses in the important category, highlighting its considerable but secondary role. Financial advice garners moderate attention, with roughly 80 responses marking it as significant. Lastly, digital convenience has the least impact, with only about 60 responses marking it as highly important. These figures underscore the focus on risk management while showcasing the varied priorities of investors in decision-making.

18. How likely are you to recommend equity mutual funds to others?
179 responses



Interpretation:
For our research study, one of the key demographic factors considered is the likelihood of Gen Z respondents recommending equity mutual funds to others. We have categorized their responses into five groups: Not Likely at All, Slightly Likely, Neutral, Likely, and Very Likely. Among the total responses, 10.1% were not likely at all to recommend, 15.6% were slightly likely, 38.5% remained neutral, 29.1% were likely, and 6.7% were very likely to recommend equity mutual funds to others.

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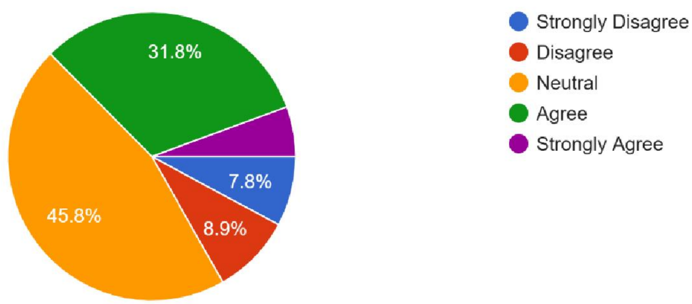
19. Do you agree with the statement: Investing in equity mutual funds is essential for achieving long-term financial goals? (Interval; Likert Scale)
179 responses



Interpretation:
For our research study, one of the key demographic factors considered is Gen Z respondents' views on the statement: *"Investing in equity mutual funds is essential for achieving long-term financial goals."* We have categorized their responses into five groups: Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree. Among the total responses, 7.8% strongly disagreed, 8.9% disagreed, 45.8% remained neutral, 31.8% agreed, and 5.6% strongly agreed with the statement.

Based on the one to one interview series conducted by us, we have received out the following responses

- While conducting interviews with Gen Z investors, we received diverse responses regarding their investment mindset.
- One interviewee (22 years old) stated that they are not very serious about investments.
- One interviewee (26 years old) mentioned that everything is handled by his father, so he sees no need to invest separately.
- One interviewee (23 years old) expressed uncertainty about starting investments in mutual funds.
- One interviewee (25 years) shared that he wants to invest but is unaware of how to invest, when to start, and how much to invest.
- One investor revealed that he has been investing since 2022, when he was 24 years old, and is very happy with his investment journey. He intends to invest more as his income increases.
- One interviewee admitted that (23 years old) he is unclear about his financial goals.
- One investor commented (21 years old) that he has heard about mutual funds but has not explored them in detail.
- One interviewee (19 years old) explained that he prefers keeping his money in a savings account rather than investing in mutual funds.
- One respondent (20 years old) stated that he is waiting for a stable income before starting any investments.
- One interviewee (26 years old) mentioned that he believes mutual funds involve high risk and is hesitant to invest.

V. RESEARCH RESULTS AND FINDINGS

The responses from the Gen Z community regarding investments in equity mutual funds highlight significant gaps in financial literacy, awareness, and decision-making. Key observations include:

Lack of Investment Awareness – Several respondents expressed uncertainty about how, when, and how much to invest, indicating a lack of basic financial knowledge regarding mutual funds.

Dependence on Family – Some Gen Z investors rely on their parents to manage financial matters, reducing their inclination to take independent investment decisions.

Unclear Financial Goals – Many respondents are not clear about their financial goals, which affects their motivation to start investing.

Risk Perception & Hesitation – A few interviewees associated mutual funds with high risk, leading to reluctance in investing.

Preference for Traditional Savings – Some investors prefer keeping their money in savings accounts rather than investing in financial instruments like mutual funds.

Positive Investment Experience – A small proportion of respondents who have already started investing reported satisfaction and a willingness to continue investing as their income increases.

Waiting for Financial Stability – Some Gen Z investors want to achieve stable income levels before considering investments, indicating a cautious approach.

Suggestions

Recommendations:

- Based on these findings, the following recommendations can help improve financial literacy and encourage equity mutual fund investments among Gen Z:
- Enhancing Financial Education – Conduct workshops, webinars, and awareness campaigns focusing on mutual funds, risk management, and the importance of early investments.
- Promoting Goal-Based Investing – Financial institutions and advisors should emphasize setting clear financial goals to motivate young investors.
- Encouraging Independence in Financial Decisions – Educating Gen Z on the importance of personal financial responsibility can reduce dependence on parents for financial planning.
- Addressing Risk Misconceptions – Providing simplified risk assessment tools and case studies can help young investors understand risk diversification and the benefits of long-term investments.
- Targeted Investment Products – Financial institutions should design investment plans tailored for young investors with flexible contribution options and beginner-friendly portfolios.
- Incentivizing Early Investment – Offering small incentives, such as cashback on first investments or additional learning resources, can encourage Gen Z to start investing early.
- By implementing these strategies, financial institutions and policymakers can bridge the knowledge gap and empower Gen Z to achieve their financial goals through equity mutual funds.

Limitations of the study:

- While this research provides valuable insights into Gen Z's financial literacy and investment behavior in equity mutual funds, it has certain limitations that should be considered:
- Limited Sample Size & Demographic Scope – The study is based on responses from a specific group of Gen Z investors, which may not be fully representative of the entire Gen Z population in India. Differences in financial awareness and investment behavior may exist across regions, education levels, and socioeconomic backgrounds.
- Focus on Equity Mutual Funds Only – The research primarily focuses on equity mutual funds, excluding other investment options such as fixed deposits, bonds, real estate, or cryptocurrencies, which may also influence financial behavior among Gen Z investors.
- Influence of External Market Conditions – The study does not account for the impact of market volatility, government policies, or economic downturns, which can significantly affect investment confidence and decision-making.

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- Generalization of Financial Literacy Levels – The study assumes a broad categorization of financial literacy without a standardized assessment of individual knowledge levels. A more structured financial literacy test could provide more precise data on investment knowledge gaps.

VI. CONCLUSION

The research on *"Achieving Financial Goals and Wealth Creation by Equity Mutual Funds: A Study of Financial Literacy of Gen Z"* highlights significant insights into the investment behavior, financial awareness, and decision-making patterns of young investors in India. The findings suggest that while Gen Z recognizes the importance of financial planning and investment, there is a considerable gap in their financial literacy and proactive investment approach.

A large portion of respondents expressed uncertainty about when and how to invest, while some relied entirely on their parents for financial decisions. A lack of clarity regarding financial goals and investment strategies further hinders their wealth creation potential. However, a small but promising segment of Gen Z has already started their investment journey and acknowledges the benefits of early investment in equity mutual funds. This group is more likely to expand their investments as their income grows.

The study also highlights the influence of financial education and awareness programs. While some investors are hesitant due to risk factors and lack of knowledge, those who have been exposed to investment-related information and financial planning are more confident in making investment decisions.

To bridge this gap, there is a need for targeted financial literacy programs, early exposure to investment opportunities, and simplified investment advisory services for young investors. Strengthening financial education at an early stage can empower Gen Z to make informed decisions, ensuring long-term wealth creation and financial stability. Encouraging systematic investment habits and goal-based financial planning will be crucial in shaping their financial future.

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