

A Study on Investment Awareness and Risk Appetite of Young Investors

Markad Sakshi Devidas¹, Dr. R. H Attar²

^{1,2}Dept. MBA in Marketing

Sunitatai Eknathrao Dhakane College of Management, Shevgaon, Ahilyanagar, MH
Savitribai Phule Pune University, Maharashtra

Abstract: *Investment has become an essential part of personal financial planning, especially among the younger generation who are increasingly exposed to various financial products and digital investment platforms. This study focuses on understanding the level of investment awareness and risk appetite among young investors. The purpose of the research is to examine how well young individuals understand different investment avenues and how willing they are to take financial risks while making investment decisions. The study also explores the relationship between financial knowledge, investment preferences, and risk-bearing capacity. Primary data for the study can be collected through a structured questionnaire from young respondents belonging to different educational, occupational, and income backgrounds. The analysis aims to identify the most preferred investment options, the factors influencing investment choices, and the extent to which awareness affects confidence in financial decision-making. It also highlights how age, income, financial literacy, and exposure to market information shape the investment behaviour of young individuals. The study is significant because young investors represent a growing segment of the financial market and their investment behaviour will influence future economic participation and wealth creation patterns. The findings are expected to provide useful insights for financial institutions, educators, and policymakers to promote better financial literacy, responsible investing habits, and informed risk-taking among youth. Overall, the research emphasizes the importance of awareness and education in developing sound investment attitudes and balanced financial decision-making among young investors.*

Keywords: Investment Awareness, Risk Appetite, Young Investors, Financial Literacy, Investment Behaviour, Risk Tolerance, Financial Decision-Making, Investment Preferences

I. INTRODUCTION

In the modern financial environment, investment has become an essential part of personal wealth management and long-term financial planning. Traditionally, investment decisions were often limited to savings accounts, fixed deposits, gold, and insurance. However, with the growth of financial markets, digital investment platforms, and easy access to information through the internet, young individuals today are increasingly exposed to a wide range of investment opportunities such as mutual funds, stocks, bonds, exchange-traded funds, and even alternative assets. This shift has created a need to understand how aware young investors are about these options and how confidently they are willing to take financial risks while making investment decisions [1][2].

Young investors represent an important segment of the economy because they are at the beginning of their earning and wealth-building journey. Their financial choices today can significantly affect their future economic security and standard of living. Compared to older investors, young people are generally believed to have a longer investment horizon, greater adaptability to technological platforms, and a stronger inclination toward innovative financial products. At the same time, they may also be more vulnerable to misinformation, social media influence, market hype, and impulsive investment decisions if they do not possess sufficient financial knowledge [3][4].



Investment awareness refers to the level of understanding an individual has regarding financial products, investment avenues, returns, liquidity, market fluctuations, and associated risks. A financially aware investor is more likely to compare alternatives, assess risk-return trade-offs, diversify investments, and make informed decisions aligned with financial goals. In contrast, low awareness can lead to poor investment choices, unrealistic return expectations, and increased exposure to financial loss. In the present era, where financial decisions are often made independently through mobile applications and online platforms, awareness has become even more important for responsible investing [5][6].

Risk appetite, on the other hand, refers to the degree of uncertainty or financial loss that an individual is willing to accept in exchange for potential returns. It differs from person to person and is influenced by several factors such as age, income, education, family background, financial goals, employment stability, past investment experience, and emotional attitude toward money. Some young investors may prefer high-risk, high-return options like equities and cryptocurrencies, while others may choose safer avenues such as fixed deposits, recurring deposits, or government-backed schemes. Therefore, understanding risk appetite is necessary to explain why young investors choose different investment instruments even when they have access to the same financial information [7][8].

In recent years, the participation of young investors in financial markets has increased due to rising financial inclusion, growth of fintech applications, easier account opening processes, and the popularity of investment-related content on social media. This has encouraged many young adults to start investing earlier than previous generations. At the same time, it has also raised concerns regarding whether their investment decisions are based on proper awareness or temporary market trends. In many cases, young individuals may begin investing without fully understanding market volatility, asset allocation, diversification, or the long-term implications of risky financial behaviour [9][10].

The relationship between investment awareness and risk appetite is an important area of study because both factors together shape financial behaviour. A young investor with better knowledge may be more confident in taking calculated risks, while someone with limited awareness may either avoid investing altogether or take uninformed risks. Thus, awareness does not only influence participation in investment activities but also affects the quality and rationality of investment decisions. Understanding this relationship can help financial institutions, educational institutions, and policymakers design better investor education programs and financial literacy initiatives aimed specifically at the youth population [3][5].

This study, therefore, focuses on analyzing the level of investment awareness and risk appetite among young investors. It seeks to understand how much young individuals know about various investment avenues, what type of investments they prefer, how much risk they are willing to take, and which factors influence their financial decisions. The study is important in the current economic scenario because young investors are expected to play a major role in future capital formation, wealth creation, and financial market participation. By examining their awareness and risk behaviour, the research aims to provide meaningful insights into youth investment patterns and contribute to the broader understanding of financial decision-making among the younger generation [2][8].

II. PROBLEM STATEMENT

In the present financial environment, young individuals are increasingly participating in investment activities due to the rapid growth of digital financial platforms, easy access to stock markets, mutual fund applications, online trading systems, and widespread financial information available through social media and internet-based sources. Although this growing exposure has encouraged many young people to begin investing at an early stage of their lives, it does not necessarily mean that they possess adequate awareness, knowledge, or understanding of different investment avenues, market risks, return expectations, and long-term financial planning. In many cases, investment decisions among young investors are influenced more by peer pressure, social media trends, market hype, short-term profit expectations, and informal advice rather than by proper financial literacy or rational evaluation of risk and return. At the same time, the level of risk appetite among young investors varies considerably depending on factors such as age, education, income, occupation, financial goals, family background, and prior investment experience. While some young investors may willingly choose high-risk and high-return investment options such as equities, cryptocurrencies, or sector-based funds,



others may remain inclined toward low-risk traditional instruments such as fixed deposits, savings schemes, or gold due to uncertainty, fear of loss, or lack of confidence. This difference in awareness and willingness to take risk creates a significant challenge in understanding the true investment behaviour of the younger generation. Therefore, the central problem addressed in this study is the lack of clear understanding regarding how aware young investors are about available investment opportunities and how this awareness influences their risk-taking behaviour and investment preferences. Identifying this relationship is important because inadequate awareness combined with inappropriate risk decisions may lead to poor financial choices, reduced wealth-building potential, and unstable financial habits among youth. Hence, there is a strong need to systematically study the level of investment awareness and risk appetite of young investors in order to better understand their financial behaviour and support more informed, balanced, and responsible investment decision-making

III. OBJECTIVE

- To study the level of investment awareness among young investors.
- To identify the different investment avenues preferred by young investors.
- To analyze the risk appetite of young investors toward various investment options.
- To examine the factors influencing investment decisions among young investors.
- To understand the relationship between investment awareness and risk-taking behavior of young investors.

IV. LITERATURE SURVEY

1. Millennials' Financial Literacy and Risk Behavior: Evidence from India

Author(s): AnuMohta and V. Shunmugasundaram

Year: 2023

Publication: Springer Nature

Journal Name: *International Review of Economics*

This study is highly relevant because it directly examines the relationship between financial literacy and risk behaviour among millennial investors in India. The authors used primary survey data collected from millennials in the Delhi-NCR region to understand how demographic factors and financial knowledge shape willingness to take investment-related risks. The study found that financial literacy is not merely a background variable; rather, it has a meaningful influence on how young investors perceive financial uncertainty and whether they are prepared to invest in instruments with fluctuating returns. The research also indicates that young investors with stronger conceptual understanding of finance tend to make more confident and relatively rational investment choices.

A major contribution of this paper is that it establishes a strong empirical link between knowledge and behaviour, which is central to the present topic. The findings suggest that risk behaviour among millennials is not random or purely emotional; instead, it is significantly associated with awareness, exposure, and understanding of financial products. This paper supports the idea that investment awareness can increase confidence, but it may also lead to greater participation in higher-risk assets. For the present study, this paper provides a strong theoretical and empirical foundation to examine whether young investors with better awareness levels are more likely to show moderate or high risk appetite.

2. Financial Risk Profiling of Millennials

Author(s): (ScienceDirect/ Emerald indexed article listing)

Year: 2024

Publication: Emerald / Elsevier-indexed academic source

Journal Name: *Global Knowledge, Memory and Communication*

This paper focuses specifically on the financial risk profile of millennial investors and attempts to identify the dimensions that shape their willingness to bear financial uncertainty. The study was conducted using a structured



questionnaire and examined how demographic and behavioural variables affect the risk profile of young adult investors. The authors found that financial risk among millennials is multidimensional and is mainly influenced by risk-taking capacity, risk attitude, and risk propensity. This is important because it shows that risk appetite is not a single trait but a combination of psychological and financial characteristics.

The paper is useful for the current research because it helps frame risk appetite as a measurable behavioural construct rather than a vague personal preference. It suggests that young investors should not be classified only as “high risk” or “low risk,” but rather assessed across different dimensions such as tolerance for volatility, emotional response to loss, and ability to sustain long-term investments. This perspective strengthens the conceptual basis of the present study and supports the use of survey questions that explore how young investors react to loss, uncertainty, and return expectations.

3. Investment in Risky Assets and Participation in the Financial Market: Does Financial Literacy Matter?

Author(s): Andreas Oehler, Matthias Horn, and Stefan Wendt

Year: 2024

Publication: Springer Nature

Journal Name: *International Review of Economics*

This research investigates whether financial literacy has a measurable effect on participation in risky financial assets and broader market involvement. Although the study is not restricted only to youth, its findings are highly relevant because it explains how knowledge shapes investor entry into financial markets and influences asset selection. The study used structural analysis and found that financial literacy plays a significant role in determining whether households and individuals participate in risky investments, even though wealth remains a major factor. In simple terms, people who understand financial products better are more likely to invest beyond traditional savings instruments. For the present study, this paper is particularly useful because it reinforces the argument that awareness affects participation. It shows that financial literacy is not only associated with better decision-making but also with a greater likelihood of entering equity-linked or market-based investment options. This helps explain why some young investors may remain limited to fixed deposits or savings accounts while others explore mutual funds, stocks, or digital assets. The study therefore supports the present research objective of identifying whether higher awareness among young investors corresponds with greater readiness to accept investment risk.

4. The Effect of Childhood Socioeconomic Status on Youth Investment Risk Tolerance: Based on the Life History Theory Perspective

Author(s): (ScienceDirect indexed article)

Year: 2024

Publication: Elsevier

Journal Name: *Personality and Individual Differences*

This paper offers a valuable behavioural and psychological angle to the study of risk appetite among youth. The authors examine how childhood socioeconomic status influences investment risk tolerance among young individuals and whether financial literacy moderates that relationship. The study found that youth who grew up in more financially secure conditions tend to exhibit higher investment risk tolerance. It also found that financial literacy strengthens the relationship between socioeconomic background and willingness to take investment risks. This suggests that risk appetite is shaped not only by present income or education but also by earlier life experiences and perceptions of financial security.

The significance of this study for the present research lies in its deeper explanation of why young investors differ in their risk-taking behaviour even when they are in the same age group. It highlights that investment behaviour is influenced by both social conditioning and financial capability. This is important because many young investors may have access to the same apps, products, and information, but their willingness to take risk may still vary depending on



their upbringing and psychological comfort with uncertainty. This paper broadens the understanding of risk appetite and supports including demographic and background-related variables in the present study.

5. An Empirical Study on Awareness About Investment Opportunities Amongst Higher Education Students

Author(s): Sapana Kumari, M. Muhammed Tufail, and Pallavi Ramesh

Year: 2023

Publication: REST Publishers

Journal Name: *REST Journal on Banking, Accounting and Business*

This paper is especially relevant because it focuses on students and higher education learners, who form a major segment of the “young investor” category. The study was designed to assess the level of awareness about different investment opportunities among students and to identify which investment avenues are most familiar and preferred. The findings reveal that although students are aware of some popular options such as savings instruments, mutual funds, and gold, their overall understanding of diversified investment opportunities remains uneven. The study also shows that awareness is often partial and shaped by accessibility, familiarity, and exposure rather than structured financial education.

The importance of this paper lies in its direct relevance to the educational and awareness dimension of the current study. It confirms that young people often enter the investment space with fragmented knowledge and may know the names of products without fully understanding their risk-return characteristics. This paper supports the need for the present research by emphasizing that investment awareness should be measured carefully, not just by asking whether respondents have “heard of” an investment option, but by examining whether they understand it sufficiently to make informed decisions. It therefore strengthens the justification for studying awareness and risk appetite together.

6. Investment Awareness and Financial Literacy Among Millennials in India

Author(s): Dr. Ibha Rani, A. Chand Pasha, L. G. Nagaraju, and M. Nandisha (and co-authors as listed)

Year: 2025

Publication: Springer book chapter / academic edited volume

Journal / Book Name: *Sustainable Digital Technology and Ethics in an Ever-Changing Environment*

This recent paper studies the broader issue of investment awareness and financial literacy among millennials in India and examines the factors that influence their investment understanding. The authors highlight the importance of access to financial information, financial attitudes, social influence, and risk orientation in shaping awareness levels. The paper suggests that millennials today are more exposed to investment-related information than previous generations, but that exposure alone is not enough to create sound financial judgement. Awareness must be supported by financial literacy and the ability to evaluate risks and returns in a practical way.

For the current study, this paper is highly useful because it connects investment awareness, financial literacy, and risk orientation in one framework. It reinforces the argument that young investors often operate in a digitally rich but conceptually weak financial environment. They may have access to abundant content, recommendations, and fintech tools, yet still struggle with rational investment decision-making. This paper supports the present study’s emphasis on examining not only whether young investors are aware, but whether that awareness is strong enough to influence their actual risk appetite and investment behaviour.

V. PROPOSED SYSTEM

The proposed system for the study titled “A Study on Investment Awareness and Risk Appetite of Young Investors” is designed as a structured research-based framework that helps in identifying, measuring, and analyzing the level of financial awareness and risk-taking behaviour among young individuals. The system is proposed with the objective of collecting meaningful information from respondents, organizing it systematically, and generating reliable findings regarding their investment preferences, awareness levels, and willingness to take financial risks. Unlike a technical software system, the proposed system in this study refers to a research investigation model that integrates data collection, behavioural assessment, comparative analysis, and interpretation of results in a planned and logical



sequence. The proposed framework is intended to provide a clear understanding of how young investors make financial decisions and what factors influence their investment behaviour.

The proposed system begins with the identification of the target respondent group, which includes young individuals generally falling within the age category of 18 to 35 years. This age group is selected because it represents a financially active segment of society that is increasingly participating in investment activities through digital platforms, banking applications, mutual fund apps, stock trading platforms, and other financial channels. The system assumes that this group is exposed to a wide range of investment opportunities but may differ significantly in terms of awareness, financial knowledge, confidence, and risk tolerance. Therefore, the first function of the proposed system is to gather demographic and financial background information such as age, gender, education, occupation, income level, and prior investment experience, as these variables are expected to influence investment awareness and risk appetite. The second component of the proposed system is the measurement of investment awareness. This section is developed to examine the respondent's level of knowledge regarding different investment avenues such as savings accounts, fixed deposits, mutual funds, stocks, bonds, insurance, gold, real estate, public provident fund, and digital assets. The system is designed to assess not only whether the respondent has heard of these instruments, but also whether they understand their basic characteristics such as expected returns, liquidity, tenure, tax implications, volatility, and associated risks. This is important because awareness is not limited to familiarity; it also includes practical understanding. Through structured questions, the system evaluates how informed young investors are while choosing financial products and whether their investment choices are based on knowledge or merely on trend-following behaviour. The third major part of the proposed system focuses on risk appetite assessment, which is one of the core dimensions of this study. Risk appetite in this framework is treated as a behavioural and decision-making trait that indicates the degree of financial uncertainty a respondent is willing to accept for the possibility of higher returns. The system is structured to evaluate risk appetite through practical and behavioural questions such as preference for safe versus high-return investments, reaction to market losses, willingness to invest for the long term, and comfort with price fluctuations. This approach helps in classifying respondents into low-risk, moderate-risk, and high-risk investor categories. The proposed system assumes that risk appetite is not determined by one factor alone but is influenced by awareness, financial goals, confidence, emotional stability, and personal financial circumstances. Therefore, the risk measurement part of the system is designed to capture both attitude and behaviour. Another important feature of the proposed system is the analysis of investment preference patterns among young investors. This component helps identify which investment avenues are most preferred by the respondents and why. The system captures whether young investors prefer traditional instruments such as bank deposits and gold, or modern financial products such as mutual funds, equities, SIPs, ETFs, and digital investments. It also seeks to understand whether the choice of investment is motivated by safety, liquidity, return potential, tax benefits, ease of access, or social influence. This section is important because awareness and risk appetite often become visible only through actual investment preferences and not just through theoretical responses. Hence, the proposed system links awareness and risk-taking behaviour with practical investment choices. The proposed system also includes a section for identifying the factors influencing investment decisions among young investors. This part of the system is developed to understand the role of various internal and external influences such as family advice, peer pressure, financial advisors, social media, educational background, personal income, career stability, and online financial content. In today's environment, many young individuals are exposed to investment information from informal sources, especially through influencers, short videos, blogs, and social platforms. While this increases accessibility, it can also lead to incomplete or misleading financial understanding. Therefore, the proposed system seeks to examine which sources of information are most trusted by young investors and how these sources shape their investment awareness and risk preferences. From a methodological perspective, the proposed system is based on primary data collection through a structured questionnaire. The questionnaire is designed in such a way that it captures both quantitative and behavioural information from respondents. It consists of demographic questions, awareness-related questions, preference-based questions, and risk-assessment questions. The collected data is then proposed to be organized in tabular format and analyzed using simple statistical tools such as percentage analysis, frequency



distribution, tables, and graphical representation. Pie charts, bar charts, and column graphs can be used to visually present the responses and identify dominant trends among young investors. This makes the proposed system practical, easy to implement, and suitable for academic research purposes. The proposed system is further designed to establish a relationship between investment awareness and risk appetite. This is one of the most important outcomes expected from the study. The framework assumes that respondents with higher awareness are likely to have a more balanced and informed risk-taking approach, whereas respondents with limited awareness may either avoid investing due to fear or take uncalculated risks due to misinformation. By comparing awareness levels with preferred investment types and behavioural responses to risk, the proposed system allows the researcher to identify whether awareness leads to confidence, rationality, and better financial decision-making among young investors. Thus, the system is not limited to descriptive analysis but also contributes to interpretive understanding.

VI. RESEARCH METHODOLOGY

A. Research Design

The study adopts a descriptive and analytical research design to examine the level of investment awareness and risk appetite among young investors.

The descriptive aspect focuses on understanding the awareness level of young individuals regarding different investment avenues, financial products, and investment-related concepts.

The analytical aspect is used to evaluate the relationship between investment awareness, financial behaviour, and risk-taking attitude among young investors.

This design helps in systematically studying investment preferences, awareness levels, and behavioural patterns related to financial decision-making.

The research is primarily non-experimental, as it does not involve manipulation of variables but instead depends on observation, survey responses, and interpretation of collected data.

B. Research Approach

The study follows a quantitative-oriented research approach supported by descriptive interpretation.

The quantitative aspect is used to measure awareness levels, investment preferences, and risk appetite through structured responses collected from young investors.

Descriptive interpretation is applied to explain behavioural patterns, financial attitudes, and factors influencing investment decisions.

This combined approach provides a clear understanding of both the measurable and behavioural dimensions of investment awareness and risk appetite.

The approach is suitable for identifying patterns, trends, and relationships among variables such as awareness, investment choice, and willingness to take financial risk.

C. Sampling

The sampling method used in this study is non-probability sampling, specifically convenience sampling and purposive sampling.

This method is selected because the study focuses on a specific respondent group, namely young investors, who are relevant to the objectives of the research.

The sample includes respondents belonging to the age group of 18 to 35 years.

The sample selection is based on availability, accessibility, willingness to respond, and relevance to the study topic.

This approach ensures that the collected data is focused on individuals who can provide meaningful insights regarding investment awareness and financial risk-taking behaviour.

D. Data Collection Methods (Detailed)

The study relies primarily on primary data collection methods, supported by selected secondary sources for conceptual understanding and background analysis. The following sources and techniques are used:



1. Structured Questionnaire

A structured questionnaire is used as the main tool for collecting primary data from respondents.

The questions are simple, clear, and directly related to the objectives of the study.

The questionnaire includes multiple-choice, close-ended, and behaviour-based questions to ensure consistency and ease of analysis.

This method allows the researcher to collect standardized responses from a larger number of young individuals within a limited time.

2. Survey Method

The survey method is used to collect responses directly from young investors.

Surveys may be conducted through:

Google Forms

Online questionnaires

Printed forms

Personal interaction (if required)

This method is effective because it allows the collection of real opinions, awareness levels, and investment attitudes from the target group.

It also helps in obtaining direct insights into how young investors perceive financial products and market risks.

3. Books and Academic References

Standard textbooks, academic books, and educational material related to finance, investment, and financial literacy are referred to for building the conceptual base of the study.

These sources help in understanding the theoretical meaning of:

Investment awareness

Risk appetite

Financial behaviour

Investor decision-making

They provide the necessary academic foundation for framing the study and interpreting findings in a structured manner.

4. Research Papers and Journals

Peer-reviewed research papers and scholarly journal articles are used as important secondary sources of information.

These papers provide previous findings, concepts, and empirical evidence related to investment awareness, financial literacy, and investor risk behaviour.

Information is selected from relevant and recent studies to ensure academic validity and topical relevance.

Key aspects extracted from these studies include:

Awareness level among young investors

Behavioural finance factors

Risk tolerance patterns

Investment preferences among youth

5. Financial Websites and Online Sources

Reliable financial websites, educational investment platforms, and official institutional websites are used to collect supporting secondary information.

These sources help in understanding current investment trends, common investment avenues, and financial education resources available to young investors.

Care is taken to ensure that only credible and trustworthy websites are considered for reference.

These sources are useful in adding practical relevance to the study.

6. Data Collection Process

Data is collected systematically by distributing the questionnaire to selected respondents who fall under the young investor category.



The responses are reviewed carefully to ensure completeness and relevance. Incomplete or unclear responses are excluded from the final dataset wherever necessary. The collected data is then classified into categories such as:

- Demographic details
- Investment awareness
- Investment preferences
- Risk appetite
- Influencing factors

This structured process helps in simplifying analysis and drawing meaningful conclusions.

7. Data Validation

The collected responses are checked for consistency and reliability before final analysis. Similar patterns, duplicate responses, and incomplete forms are reviewed and filtered where required. Cross-checking is done to ensure that the data reflects realistic and usable respondent opinions. This step helps in maintaining the credibility, clarity, and overall quality of the research findings.

E. Tools Used for Data Analysis

The collected data is analyzed using simple statistical tools to present findings in a clear and understandable form.

The main tools used in this study include:

- Percentage Analysis
- Frequency Distribution
- Tabular Presentation
- Bar Graphs
- Pie Charts
- Column Charts

These tools help in summarizing responses, comparing variables, and identifying patterns in awareness and risk-taking behaviour.

Graphical representation makes the interpretation of findings more effective and easier to understand.

F. Limitations of the Study

The study is based mainly on primary survey responses, which may reflect personal opinions and subjective understanding of respondents.

The sample size may be limited to a specific area, age group, or educational background, which may affect the generalization of findings.

The awareness level and risk appetite of respondents may change over time due to market conditions, financial trends, and economic changes.

Some respondents may not have prior investment experience, which may influence the depth of their responses.

Since the study focuses only on young investors, the findings may not represent the behaviour of older or more experienced investors.

VII. DATA ANALYSIS AND RESULTS

The collected data from 110 respondents was analyzed using percentage analysis and graphical representation to understand the level of investment awareness and risk appetite among young investors. The findings are presented through tables and charts to clearly illustrate the distribution of responses. The analysis focuses on important aspects such as awareness of investment options, preferred investment avenues, understanding of risk and return, investment experience, risk appetite level, reaction to market loss, and investment goals.



1. Awareness of Investment Options

Table 1: Awareness of Different Investment Options

Response	Number of Respondents	Percentage
Yes	62	56%
No	14	13%
To Some Extent	34	31%
Total	110	100%

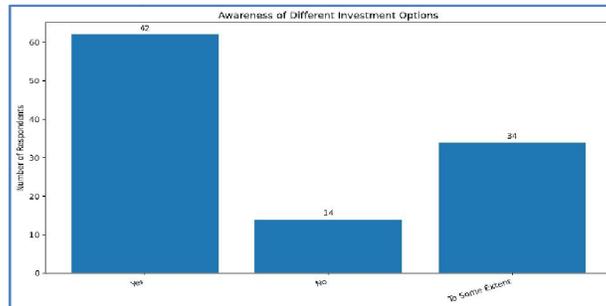


Fig 1: Graph 1

Discussion:

The analysis shows that a majority of respondents (56%) are aware of different investment options available in the market. This indicates that young investors are increasingly becoming financially conscious and are exposed to various financial products through digital platforms, educational resources, and social media. Awareness of investment opportunities is an important foundation for informed financial decision-making and long-term wealth creation.

At the same time, 31% of respondents reported being aware only to some extent, which suggests that while many young individuals have heard about investment opportunities, their understanding may still be incomplete or superficial. A smaller segment (13%) reported no awareness, highlighting the continued need for financial literacy initiatives and investor education among youth.

2. Most Preferred Investment Avenue

Table 2: Preferred Investment Avenue Among Young Investors

Investment Option	Number of Respondents	Percentage
Savings Account / FD	24	22%
Mutual Funds	28	25%
Stocks / Shares	20	18%
Gold	15	14%
Insurance	10	9%
Cryptocurrency / Others	13	12%
Total	110	100%



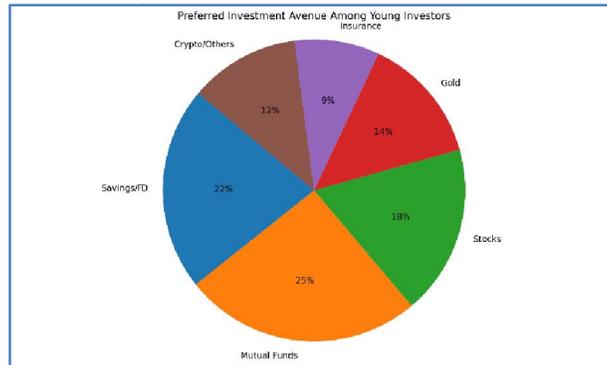


Fig 2: Graph 2

Discussion:

The data reveals that Mutual Funds (25%) are the most preferred investment avenue among young investors, followed by Savings Account / Fixed Deposits (22%) and Stocks / Shares (18%). This suggests that young investors are gradually moving toward modern financial instruments that offer higher return potential while still balancing their exposure to risk. Mutual funds, in particular, may be preferred because of their accessibility, diversification, and growing popularity through digital investment applications.

Traditional instruments such as savings and fixed deposits continue to hold importance because they are considered safe and stable. A smaller share of respondents preferred Gold, Insurance, and Cryptocurrency, showing that young investors have varied financial interests but still differ in their risk preferences and familiarity with alternative investment options.

3. Source of Investment Information

Table 3: Main Source of Investment Information

Source	Number of Respondents	Percentage
Social Media	26	24%
Friends / Family	21	19%
Financial Advisors	18	16%
News / Internet	30	27%
Educational Courses	15	14%
Total	110	100%

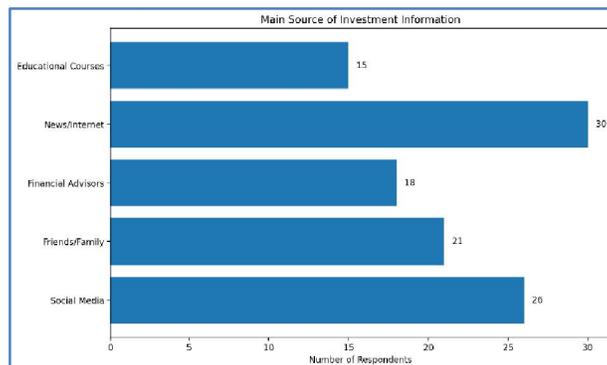


Fig 3: Graph 3



Discussion:

The analysis indicates that News / Internet (27%) and Social Media (24%) are the leading sources of investment information among young investors. This shows the strong influence of digital media on financial awareness and investment decision-making. The easy availability of financial content online has made it possible for young individuals to access market updates, educational resources, and investment guidance more conveniently than before. However, the dependence on informal or easily accessible sources also raises concerns about the quality and reliability of financial information being consumed. While Friends / Family, Financial Advisors, and Educational Courses also contribute to awareness, their lower percentages suggest that many young investors may still rely more on self-directed or socially influenced learning rather than professional guidance.

4. Understanding of Risk and Return

Table 4: Understanding of Risk and Return Concept

Response	Number of Respondents	Percentage
Yes	50	45%
No	20	18%
Partially	40	37%
Total	110	100%

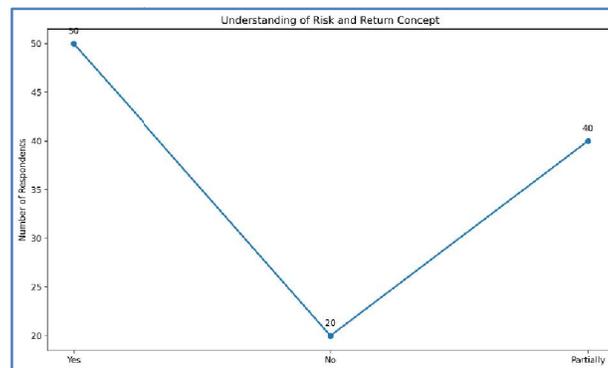


Fig 4: Graph 4

Discussion:

The findings reveal that 45% of respondents understand the concept of risk and return, while 37% understand it only partially. This suggests that a large number of young investors possess at least a basic awareness of the relationship between risk and expected return, which is an essential concept in investment decision-making. Such understanding is important because it helps investors select suitable financial products according to their goals and comfort with uncertainty.

At the same time, the presence of 18% respondents who do not understand the concept indicates a knowledge gap that may lead to poor investment decisions or unrealistic expectations. This highlights the need for stronger financial education and awareness programs that can improve practical understanding of investment fundamentals among young individuals.



5. Investment Experience

Table 5: Previous Investment Experience

Response	Number of Respondents	Percentage
Yes	66	60%
No	44	40%
Total	110	100%

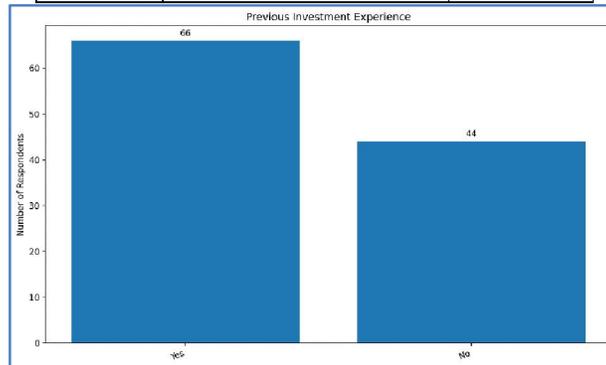


Fig 5: Graph 5

Discussion:

The analysis shows that 60% of respondents have prior investment experience, while 40% have never invested before. This indicates that a significant portion of young investors are already participating in financial activities and have practical exposure to investment products. Early investment experience may contribute positively to financial confidence, awareness, and understanding of market behaviour.

However, the fact that a considerable percentage of respondents have not yet invested suggests that many young individuals may still be in the awareness or learning stage. Their hesitation may be due to lack of income, fear of financial loss, insufficient knowledge, or uncertainty about where and how to begin investing.

6. Risk Appetite Level

Table 6: Risk Appetite of Young Investors

Risk Level	Number of Respondents	Percentage
Low	24	22%
Moderate	58	53%
High	28	25%
Total	110	100%



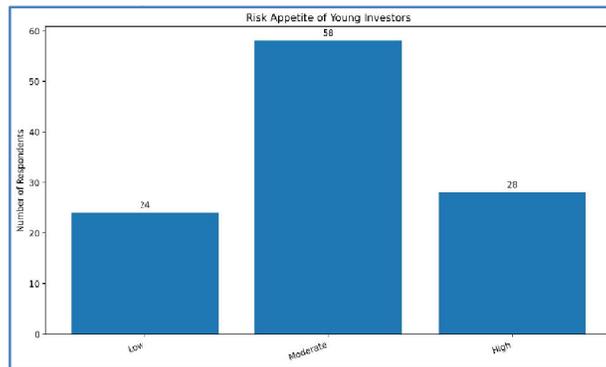


Fig 6: Graph 6

Discussion:

The data clearly indicates that the majority of respondents (53%) fall under the moderate risk appetite category. This suggests that most young investors prefer a balanced approach in which they are willing to accept a certain level of risk in exchange for better returns, but still seek some degree of safety and stability. This reflects a practical and relatively cautious investment attitude among youth.

A smaller percentage of respondents exhibit high risk appetite (25%), which may reflect confidence, market exposure, or a desire for higher returns. On the other hand, 22% prefer low-risk investment options, showing that not all young investors are aggressive in their financial behaviour. This diversity confirms that age alone does not determine risk-taking behaviour.

VIII. CONCLUSION

This study examined the level of investment awareness and risk appetite among young investors and highlighted how these factors influence their financial decision-making. The findings indicate that young individuals today are increasingly aware of various investment options due to the availability of digital platforms, financial applications, and online information sources. However, the depth of this awareness varies, as many respondents possess only partial understanding of important concepts such as risk and return, diversification, and long-term investment planning.

The analysis also shows that most young investors prefer a balanced approach toward investing, with a moderate level of risk appetite. While some are willing to explore high-risk investment options for higher returns, a significant portion still prefers safer or more stable avenues. This reflects a cautious yet evolving mindset among youth, where financial growth is important but not at the cost of complete uncertainty. Investment behaviour is also influenced by factors such as income level, educational background, social influence, and access to financial knowledge.

Another important observation from the study is that young investors rely heavily on digital sources such as the internet and social media for financial information. Although this improves accessibility, it also raises concerns about the reliability and accuracy of information being used for decision-making. The presence of respondents with limited awareness and low confidence in handling risk highlights the need for improved financial education and guidance.

Overall, the study concludes that while young investors are becoming more active participants in the financial system, there is still a need to strengthen their financial literacy and decision-making skills. Better awareness can lead to more informed choices, improved risk management, and long-term financial stability. Encouraging responsible investing habits among youth will not only benefit individuals but also contribute to broader economic development.

FUTURE SCOPE

The present study provides a foundation for understanding investment awareness and risk appetite among young investors, but there are several opportunities for further research and improvement. Future studies can expand the scope by including a larger and more diverse sample size covering different regions, educational backgrounds, and income



groups to obtain more generalized results. Comparative studies can also be conducted between different age groups or between urban and rural investors to identify variations in financial behaviour and awareness levels.

Further research can explore the impact of emerging financial technologies such as mobile trading platforms, robo-advisors, artificial intelligence-based financial tools, and digital currencies on investment decisions of young individuals. As the financial environment continues to evolve, understanding how these technologies influence awareness and risk-taking behaviour will become increasingly important. Additionally, future studies can examine the role of formal financial education programs, workshops, and academic courses in improving investment knowledge and decision-making among youth.

Another important area for future research is behavioural finance, which can provide deeper insights into psychological factors such as overconfidence, fear of loss, peer influence, and emotional decision-making. These factors often play a significant role in shaping investment choices, especially among inexperienced investors. Longitudinal studies can also be conducted to track changes in awareness and risk appetite over time as individuals gain more experience and financial exposure.

Moreover, future studies can focus on designing and evaluating strategies to improve financial literacy among young investors, such as awareness campaigns, digital learning platforms, and simplified financial tools. These initiatives can help bridge the gap between awareness and practical understanding, enabling young individuals to make more rational and informed investment decisions.

In conclusion, the future scope of this study lies in expanding its reach, incorporating new financial trends, and focusing on practical solutions that enhance financial awareness and responsible risk-taking behaviour among young investors.

REFERENCES

- [1]. Mohta, A., &Shunmugasundaram, V. (2023). *Millennials' financial literacy and risk behavior: Evidence from India*. International Review of Economics. Springer.
- [2]. <https://doi.org/10.1007/s12232-023-00425-8>
- [3]. Oehler, A., Horn, M., & Wendt, S. (2024). *Investment in risky assets and participation in the financial market: Does financial literacy matter?* International Review of Economics. Springer. <https://doi.org/10.1007/s12232-023-00432-9>
- [4]. OECD. (2023). *OECD/INFE 2023 International Survey of Adult Financial Literacy*. Organisation for Economic Co-operation and Development, Paris.
- [5]. OECD. (2025). *The role of financial literacy*. OECD Blog / Policy Insights. Organisation for Economic Co-operation and Development.
- [6]. OECD. (2025). *Financial Education*. Organisation for Economic Co-operation and Development.
- [7]. OECD. (2025). *Improving the digital financial literacy of crypto-asset users*. Organisation for Economic Co-operation and Development, Paris.
- [8]. OECD. (2025). *Supporting informed and safe use of digital payments through digital financial literacy*. Organisation for Economic Co-operation and Development, Paris.
- [9]. OECD & IOSCO. (2025). *The Application of Behavioural Insights to Financial Literacy and Investor Education Programmes and Initiatives*. OECD/IOSCO Report.
- [10]. Rani, I., Pasha, A. C., Nagaraju, L. G., Nandisha, M., et al. (2025). *Investment Awareness and Financial Literacy Among Millennials in India*. In Sustainable Digital Technology and Ethics in an Ever-Changing Environment. Springer.
- [11]. Hrulkha, B. B., & Tandan, P. (2025). *The Impact of Financial Literacy on Investment Decisions among Young Adults*. International Journal of Advanced Studies in Growth and Economics (or equivalent indexed outlet as available).



- [12]. Hamurcu, Ç. (2025). *Evidence from mutual fund investors in Türkiye*. Journal of Behavioral and Experimental Finance / ScienceDirect indexed source.
- [13]. Zhang, P. (2024). *The effect of childhood socioeconomic status on youth investment risk tolerance: Based on the life history theory perspective*. Personality and Individual Differences. Elsevier. <https://doi.org/10.1016/j.paid.2024.112679>
- [14]. Chandani, A. (2025). *Factors influencing behavioural intentions of investors to adopt influencers' advice*. Journal of Behavioral and Experimental Finance / ScienceDirect indexed source.
- [15]. Bajwa, I. A. (2025). *Examining the dynamics of risks and investor risk tolerance*. Finance Research Letters / ScienceDirect indexed source.
- [16]. Freibauer, J. (2025). *Prolonged neobroker usage: Analyzing investment behaviour and risk tolerance*. Journal of Economic Psychology / ScienceDirect indexed source.
- [17]. Yaman, S. (2025). *The benefits of sectoral diversification for investors with different risk perceptions*. Finance Research Letters / ScienceDirect indexed source.
- [18]. Kumari, S., Tufail, M. M., & Ramesh, P. (2023). *An empirical study on awareness about investment opportunities amongst higher education students*. REST Journal on Banking, Accounting and Business.
- [19]. *Investment awareness among college students in Yamunanagar: A study on financial preparedness*. (2025). International Journal of Research in IT and Management (IJRIM).
- [20]. *Financial Literacy and Investment Behaviour among Indian Youth: A Post-Digital India Perspective*. (2025). Conference / journal paper.
- [21]. *Relationship between Financial Literacy and Investment Behavior among Millennials*. (2024). Research paper / academic publication risks and resilience strategies. *MDPI Proceedings*, 76(1), 41–50.

