

FINANCIAL LITERACY AND INVESTMENT AWARENESS AMONG YOUTH

Dr. Kayathridevi D, Assistant Professor, School of Commerce, Nehru Arts and Science College, Nehru Gardens, Thirumalayampalayam, Coimbatore, Email: nascv@nehrucolleges.com

Pratheesh S, Deepak S, Dhanush V, B. Com PA, Department of Commerce, Nehru Arts and Science College, Nehru Gardens, Thirumalayampalayam, Coimbatore

ABSTRACT

Financial literacy is important for helping youth make better financial decisions. This study examines the level of financial literacy and awareness among young people, including their knowledge of saving, budgeting, and investment. Data were collected through a questionnaire and analyzed using percentage methods. The results show that many youths have basic financial knowledge, but more awareness is needed about investment options and financial planning. The study highlights the need for financial education to improve responsible financial behavior among youth.

Keywords: *Financial Literacy, Financial Awareness, Youth, Investment, Financial Education.*

INTRODUCTION

Financial literacy and investment awareness have become essential skills for youth in the modern economic environment. Young people are increasingly required to manage personal finances, make investment decisions, and plan for future financial security. However, many youths still lack adequate knowledge about financial management, investment options, and risk assessment. Financial literacy helps individuals understand concepts such as saving, budgeting, and investing, while investment awareness enables them to choose suitable financial instruments. In India, institutions like RBI and SEBI promote financial education, but awareness among youth is still developing. Therefore, improving financial literacy among youth is important for responsible financial decision-making and long-term economic stability.

STATEMENT OF THE PROBLEM

In the modern economic environment, youth are increasingly exposed to various financial decisions and investment opportunities. With the growth of banking services, online investment platforms, and fintech innovations, young individuals are required to manage budgeting, saving, and investing effectively. However, many youths still lack adequate financial knowledge and investment awareness. Despite initiatives by institutions like RBI, SEBI, and NCFE to promote financial literacy, a large number of young people remain unfamiliar with basic financial concepts such as risk, diversification, and financial planning. This lack of awareness may lead to poor financial decisions and limited participation in investment activities.

OBJECTIVE OF THE STUDY

- To evaluate the level of financial literacy among youth by examining their understanding of basic financial concepts, including budgeting, savings, credit management, and financial planning.
- To assess the awareness and knowledge of various investment options such as stocks, mutual funds, fixed deposits, bonds, and digital financial instruments among the youth.
- To identify the factors influencing financial literacy and investment awareness, including education, parental guidance, socio-economic status, peer influence, and access to digital financial tools.

SCOPE OF THE STUDY

This study focuses on analyzing the level of financial literacy and investment awareness among youth aged 18–35 years. It examines their understanding of basic financial concepts such as budgeting, savings, interest rates, inflation, and risk–return relationships. The study also explores their awareness of different investment options like stocks, mutual funds, fixed deposits, and insurance. In addition, it considers factors such as education, family influence, and the role of digital platforms in shaping financial knowledge and investment behavior. The study aims to identify gaps in financial awareness and provide insights to improve financial education among youth.

RESEARCH METHODOLOGY

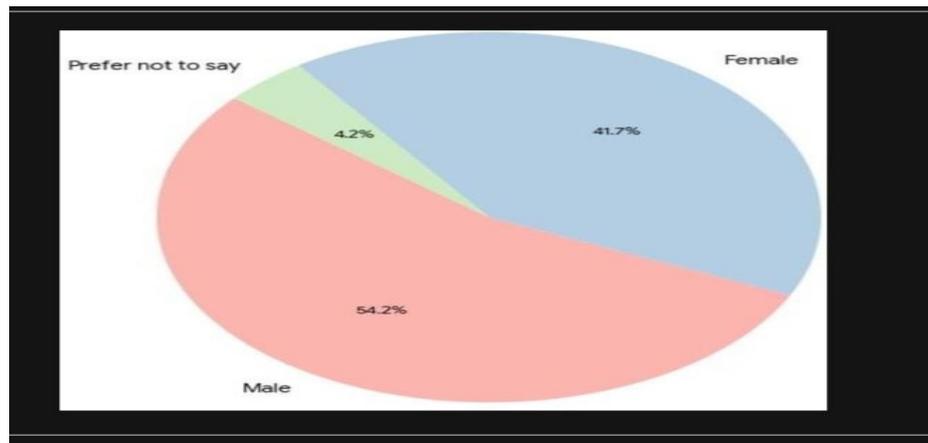
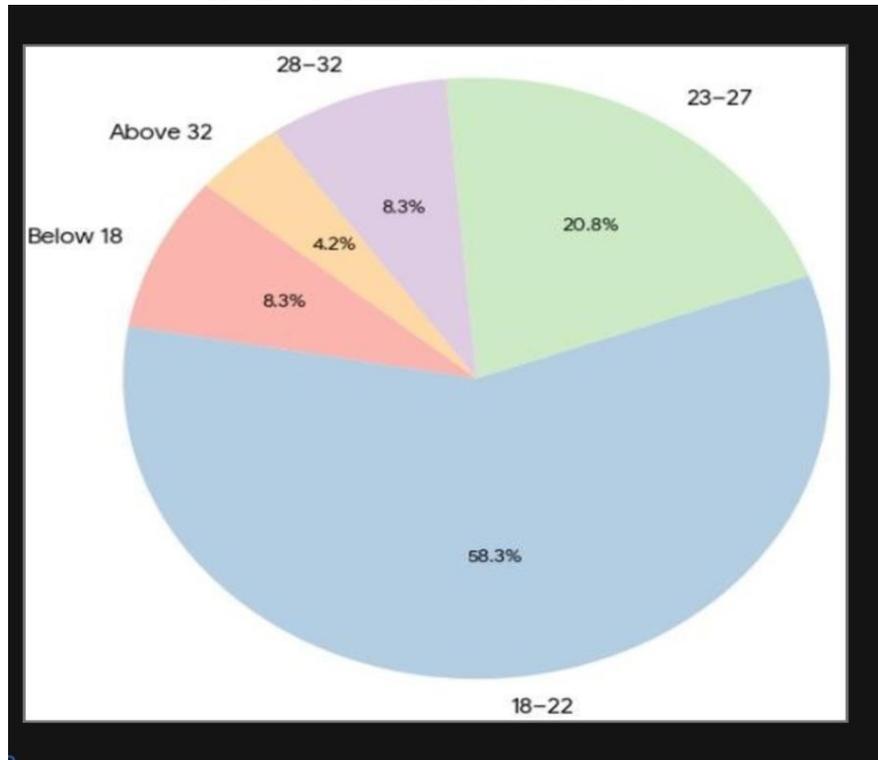
This study adopts a descriptive research design to analyze the level of financial literacy and investment awareness among youth aged 18–32 years. The study was conducted using a sample of 120 respondents, selected through convenience sampling. Primary data were collected through a structured questionnaire containing closed-ended and Likert scale questions related to demographic details, financial knowledge, savings habits, and investment awareness. Secondary data were collected from books, journals, research papers, and online sources. The collected data were analyzed using percentage analysis to understand the level of financial awareness and investment behavior among youth.

REVIEW OF LITERATURE

Several studies have examined the importance of financial literacy and investment awareness among youth. Lusardi and Mitchell (2014) highlighted that financial literacy plays a crucial role in improving financial decision-making and encouraging savings and investment behavior. OECD (2020) reported that many young individuals across countries have limited understanding of basic financial concepts such as interest rates, inflation, and diversification. In the Indian context, Agarwal and Jain (2019) found that while youth are familiar with basic banking services, their awareness of investment options like mutual funds and stocks remains low. Similarly, Sharma (2020) observed that most young people prefer traditional savings methods due to lack of investment knowledge. These studies emphasize the need to improve financial education and awareness among youth to promote better financial planning and investment practices.

DATA ANALYSIS AND INTERPRETATION

AGE OF THE RESPONDENTS



INTERPRETATION:

The above table shows that 58.3% of the respondents belong to the age group of 18– 22 years. 20.8% are in the age group of 23–27 years. 8.3% of the respondents are below 18 years and 28–32 years. only 4.3% of the respondents are above 32 years.

GENDER OF THE RESPONDENTS**INTERPRETATION:**

The above table shows that 54.2% of the respondents are male and 41.7% are female. Only 4.1% of the respondents preferred not to disclose their gender.

CONCLUSION

Financial literacy is essential for improving investment awareness and responsible financial behavior among youth. Although many young individuals show interest in investment activities, their understanding of financial concepts and risk management is still limited. Proper financial education and awareness programs are necessary to help youth make informed financial decisions. Integrating financial literacy into educational curricula and promoting reliable financial information can empower young people to manage their finances effectively and contribute to long-term economic stability.

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