



# Investment Habits among The College Students

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## Abstract

*Investment behavior among young individuals has gained increasing importance due to rapid economic changes, digital financial innovations, and growing financial responsibilities. College students, who represent the future workforce and potential investors, play a crucial role in shaping a nation's economic development. Developing healthy investment habits during college life can support long-term financial security, independence, and stability. This article analyzes the investment habits of college students with reference to their awareness levels, preferred investment avenues, challenges faced, and the role of financial literacy and digital platforms. The findings reveal that although most students understand the importance of investment, actual participation remains limited. Fear of loss, lack of financial knowledge, insufficient income, and inadequate guidance are identified as major barriers. The study concludes that structured financial education, institutional support, and responsible use of digital investment platforms are essential for improving investment behavior among college students.*

**Keywords:** investment habits, college students, financial literacy, Fin tech platforms, Investment Awareness, youth investors.

## Introduction

Investment is a fundamental aspect of personal finance and economic development. It involves the allocation of money or resources with the expectation of generating future income or capital appreciation. Investment decisions play a vital role in shaping an individual's financial future, helping them achieve goals such as higher education, home ownership, entrepreneurship, and retirement security.

Traditionally, investment was considered an activity suitable only for individuals with stable income and substantial savings. However, this

perception has changed significantly in recent years with the introduction of digital financial platforms, low-cost investment options, and simplified procedure, investment has become accessible even to students and young earners. College students today are exposed to a wide range of financial information through the internet, social media, and mobile applications.

The college phase is a critical period in an individual's life when financial habits are formed. Students begin to manage their own expenses, receive allowances, scholarships, or part-time



income, and make independent financial decisions. Habits developed during this stage often continue throughout adulthood. Therefore, understanding investment habits among college students is essential for promoting long-term financial well-being.

### Importance

In the modern economic environment, individuals face rising living costs, inflation, job uncertainty, and increasing financial responsibilities. Savings alone are no longer sufficient to meet long-term financial needs. Investment has become a necessity rather than an option. Despite this reality, many college students lack awareness of basic financial concepts such as risk, return, diversification, inflation, and compounding. The rapid growth of Fin Tech platforms has made investment easier, but it has also increased exposure to risky and speculative instruments.

### Objective of the Study

The objectives of the study are to examine the level of awareness about investment among college students and to analyse their investment habits and preferences. The study also aims to identify the various factors influencing students' investment decisions and to examine the challenges faced by them while investing. Further, it seeks to understand the role of financial literacy and digital platforms in shaping investment behavior among college students. Finally, the study attempts to suggest suitable measures to improve investment awareness and promote informed investment practices among students.

### Review of Literature

1. Abhijeet Birari et al. (2014) conducted a study titled "*Spending and Saving Habits of Youth in the City of Aurangabad.*" the study analyzed spending patterns among different groups of students based on education level and gender. The findings revealed higher spending on shopping, fast food, and mobile usage, with low awareness of savings and investments.
2. Mousumi Singha Mahapatra et al. (2016) carried out a study titled "*Financial Literacy of Indian Youth: A Study on the Twin Cities of Hyderabad–Secunderabad.*" The study examined the influence of parental financial behavior and attitudes toward financial planning among youth. The results showed inadequate financial literacy among college students, with family income significantly influencing savings and investment knowledge.
3. V. Sharmila (2019) conducted a study titled "*Transfiguration of Saving and Spending Habits of College Students Ascribed to Internet Banking.*" The study focused on changes in students' saving and spending behavior due to the adoption of internet banking. The findings indicated increased spending compared to savings, highlighting the need for financial awareness among students.
4. P. P. Ajessh (2019) presented a study titled "*A Study on Saving and Spending Habit of Youth with Special Reference to Thrissur District.*" The research analyzed factors influencing saving and spending patterns among youth. The study concluded that spending exceeded savings and awareness of capital market instruments was limited.
5. David Doe Fiergbor (2020) carried out a study titled "*The Habit of Savings among College Students.*" The research focused on understanding saving behavior and financial planning among college students. The study found poor saving habits due to low income and inadequate financial literacy.
6. Evi (2021) presented a study titled "*Determinants of Internet and Behavior in Stock Investment.*" The study analyzed factors influencing stock investment interest among university students. The results showed that technology acceptance and planned behavior significantly influenced investment decisions.



### Concept of Investment

Investment involves sacrificing current consumption to achieve future benefits. It includes allocating funds to assets such as stocks, bonds, mutual funds, real estate, gold, and digital assets. The main objectives of investment are safety, liquidity, income generation, and capital appreciation. For college students, investment is not only about earning returns. It also helps in learning financial discipline, understanding market behavior, and planning for future financial goals.

Investment habits refer to the regular practices and behaviors related to saving and investing money. Among college students, these habits are influenced by income availability, financial awareness, family background, peer influence, and technological exposure. Many students prefer to keep their money in savings accounts due to their safety and liquidity.

### Types of Investment Avenues Available to College Students

- **Savings Account**  
Most college students maintain savings accounts to store surplus money. Though returns are low, liquidity and safety are high.
- **Fixed Deposits**  
Fixed deposits are preferred by students who receive lump-sum amounts such as scholarships or gifts. These deposits offer guaranteed returns.
- **Recurring Deposits**  
Recurring deposits encourage disciplined savings and are suitable for students with limited monthly income.
- **Gold Investment**  
Gold is viewed as a secure investment and a hedge against inflation. Cultural influence also plays a role in gold investment.
- **Stock Market**  
Investment in equities offers high returns but involves market risk. Students with financial knowledge show interest in stock trading.

- **Mutual Funds**  
Mutual funds, especially Systematic Investment Plans (SIPs), are increasingly preferred due to professional management and diversification.
- **Exchange Traded Funds (ETFs)**  
ETFs combine features of stocks and mutual funds and are gaining awareness among the students.
- **Crypto currencies**  
Digital currencies attract students due to high return potential, though they are highly volatile and risky.

### Importance of Financial Literacy

Financial literacy is the ability to understand and use financial knowledge effectively. It includes awareness of financial products, budgeting, saving, investment, and risk management.

- Improves decision-making ability
- Reduces fear of investment
- Promotes long-term financial planning
- Encourages responsible investing

Colleges play a crucial role in promoting financial literacy through curriculum integration, workshops, and seminars.

### Role of Digital Platforms and Fin Tech

Fin Tech has revolutionized investment practices by making them accessible, affordable, and convenient.

Advantages of Fin Tech Platforms	Challenges of Fin Tech Platforms
<ul style="list-style-type: none"> <li>• <b>Low minimum investment</b></li> <li>• <b>Real-time market access</b></li> <li>• <b>Easy portfolio tracking</b></li> <li>• <b>Educational resources</b></li> </ul>	<ul style="list-style-type: none"> <li>• Misinformation on social media</li> <li>• Overtrading and speculation</li> <li>• Cyber security risks</li> </ul>



### **Challenges Faced by College Students in Investment**

- Lack of financial knowledge
- Fear of loss
- Insufficient funds
- Complex investment procedures
- Risk of fraud and scams

### **Educational Institutions in Promoting Investment Awareness**

Educational institutions play a pivotal role in shaping the financial behavior of students. Colleges and universities are ideal platforms for introducing financial literacy and investment education, as students are at a stage where habits and attitudes are still developing.

Institutions can promote investment awareness by:

- Introducing financial literacy as a compulsory subject
- Organizing seminars, workshops, and guest lectures by financial experts
- Encouraging participation in stock market simulations and case studies
- Establishing finance clubs and investment cells

When students receive structured guidance at the academic level, they are more likely to develop confidence in managing money and making informed investment decisions.

### **Government and Regulatory Bodies**

Government initiatives and regulatory frameworks significantly influence investment behavior. In India, regulatory bodies such as the Securities and Exchange Board of India (SEBI) play a crucial role in protecting investors and promoting financial education.

- Financial literacy campaigns
- Investor awareness programs
- Digital India and financial inclusion

Schemes have contributed to increased awareness among youth. However, there is still a need for targeted programs focusing specifically on college students to help them understand investment risks, legal rights, and ethical investing practices.

### **Ethical Investing and Responsible Financial Behavior**

Ethical investing refers to investing in assets and companies that follow responsible environmental, social, and governance (ESG) practices. College students today show increasing concern for social responsibility and sustainability.

### **Promoting Ethical Investing among Students Helps**

- Develop socially responsible financial behavior
  - Encourage long-term sustainable investments
  - Reduce speculative and impulsive trading
- Educating students about ethical investment options can create responsible investors who contribute positively to society and the economy.

### **Analysis and Findings**

The analysis indicates that the majority of students possess basic awareness of investment concepts. However, most students prefer low-risk investment avenues, such as savings accounts and fixed deposits. Only a small percentage of students actively participate in stock market investments. In some cases, investment decisions are influenced by social media trends and Peer pressure rather than informed financial analysis.

### **Suggestions and Recommendations**

1. Financial literacy should be included in college curricula
2. Students should be encouraged to start SIP-based investments
3. Colleges should organize regular investment awareness programs
4. Government and financial institutions should target youth-focused campaigns
5. Students should verify information before investing through digital platforms
6. Ethical and responsible investing should be promoted

These measures will help students develop confidence and competence in investment decision-making.



## Conclusion

The study concludes that college students are increasingly aware of the importance of investment, yet their participation remains limited due to fear of risk, lack of financial knowledge, and insufficient guidance. The rapid growth of digital platforms has created new opportunities as well as challenges for student investors. Financial literacy emerges as the most critical factor influencing investment behavior. By integrating financial education into academic curricula and providing institutional support, students can be empowered to make informed, responsible, and sustainable investment decisions. Developing healthy investment habits during college life not only benefits individuals but also contributes to overall economic growth and financial stability. Therefore, promoting investment awareness among college students should be considered a priority for educators, policymakers, and financial institutions.

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