THE STUDY ASSESSMENT OF INVESTMENT HABITS AMOUNG COLLEGE STUDENTS

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Abstract

The purpose of the research project is to look into college students' financial practises. College students' investment preferences, practises, and attitudes towards various investment possibilities will be investigated in this study. With an emphasis on understanding college students' financial habits in terms of their investment choices, risk tolerance, investment goals, and awareness of various investment possibilities, the research will be carried out through surveys and data analysis. The results of this study will advance knowledge of college students' investment practises and offer guidance to financial institutions, educators, and regulators as they build plans and initiatives to encourage young investors to make responsible financial decisions.

The project will investigate the elements — such as financial literacy, familial history, and investment knowledge — that affect college students' investment choices. Additionally, the study will look at college students' levels of knowledge and comprehension of the risks associated with investing as well as how they view the advantages and disadvantages of various investment options. The findings of this study will offer insightful information about college students' investment practises, which may be utilised to create specialised financial education programmes and investment methods to assist nascent investors in making wise financial decisions.

Introduction

An important field of research that aims to comprehend young adults' financial behaviours and decision-making patterns as they traverse the complicated world of investments is the examination of investment habits among college students. College students are frequently exposed to many investing opportunities and faced with decisions that could have long-term effects on their financial well-being as they become more financially independent and responsible. In order to develop targeted interventions that encourage responsible investment practises among college students, policymakers, educators, and financial institutions can benefit greatly from understanding students' investment habits, including their investment knowledge, risk perception, investment goals, and decision-making factors. This research aims to fill the gap in the literature by examining the investment habits of college students and shedding light on the factors that influence their investment decisions, with the ultimate goal of improving their financial literacy and promoting sound investment behaviors among young investors.

Review of Literature

R. Nandhini and M. Ananthi (2019) Investment Awareness and Behavior of College Students in Tamil Nadu, discovered that the majority of college students knew very little or nothing about financial planning and investing. Additionally, they discovered that students who have family members with investment experience tended to have better investing Practices. According to the report, the majority of respondents are underinformed about the many investing possibilities on the market. This ignorance could be explained by due to the lack of financial literacy instruction in their college and high school curricular.

S. S. Sahoo and S. K. Tripathy (2018) conducted a study on "Investment Attitude and Behavior of College Students in Odisha" They discovered that although students lacked the necessary information and direction, they had a good attitude towards investing. They discovered that peer pressure had a significant

impact on how students made financial decisions. The study shows that while college pupils possess a favourable attitude towards investing, they lack the information and direction needed to make wise financial decisions. Furthermore, they frequently follow the advice of their peers, which might result in herd behaviour and subpar investing results.

Abhijeet Birari, Umesh Patil (2014) in their study "Spending and saving habits of youth in the city of Aurangabad", They claim that young people spend more money shopping, particularly on branded goods. It was also observed that the spending patterns of young people, both male and female, differ somewhat from one another.

Mebin John Mhews (2017) in his study on "Spending and saving pattern of college students in Idukki district", It is evident that only a small percentage of students are motivated to work while learning how to pay for their own bills, while the majority depend on their parents to cover these costs.

Karan Sabharwal (2016) in his study "Saving habits of graduates" examines the kids' spending patterns and preferences for various saving strategies, including lessons taught at the primary school level, goal-setting, recurring accounts, etc. Data were gathered through individual surveys. The majority of them indicated that they struggled with self-control, preferred to live in the moment, and other factors prevented them from saving money.

Statement of the Problem

Understanding the factors that affect young investors' investment behaviour and designing focused strategies and activities to promote responsible and sustainable investing depend on the assessment of college students' investment practises. Nevertheless, despite the significance of this issue, there is a dearth of study and information on college students' investment practises, particularly in light of the continuously shifting investment environment.

Objectives of the Study

1. To analyze the investment habits of college students in terms of asset allocation, risk perception, and investment performance.
2. To identify the factors that influence investment behavior among college students, including personal values and beliefs, macroeconomic factors, peer influence, and technology.
3. To assess the impact of investment education and support programs on the investment behavior of college students.
4. To explore the role of social and environmental factors in investment decision-making among college students.

Methodology of the Study

Only primary data and secondary data were used in this investigation. Different members of the target population were given questionnaires in order to collect the primary data. There were 60 respondents in the sample, representing a range of professions and income levels. The method of purposive sampling was employed. The chosen respondents were given the questionnaire, and the information gathered was examined. According to the requirements of the study, the acquired data were edited, coded, and tabulated. Inferences and conclusions concerning INVESTMENT HABITS AMONG COLLEGE

STUDENTS, its causes, and its effects on family budgets were made using the data after further statistical research.

Scope and Limitations of the Study

The study's shortcomings may include sample size, sampling bias, self-report bias, lack of depth, a narrow scope, and time limits. They also may relate to the assessment of investment habits among college students based on a survey of only 60 college students. A sample size of only 60 students might not be representative of all college students, and there might be bias in the selection process. The study depends on self-reported data, which can contain errors because of things like memory recall bias and social desirability bias. Other significant elements that have an impact on investment behaviour may be missed due to the study's exclusive focus on investing habits. The study's ability to examine intricate aspects that affect students' investment habits may be constrained by time restrictions.

Findings

Table 1.1 Demographic Profile

	Variable	Frequency	Percentage
Gender	Male	32	53.3
	Female	25	41.7
	Transgender	3	5
Place	Rural	33	55
	Urban	27	45

Interpretation

More participants came from rural areas (55%) than from urban areas (45%), and men made up the majority of participants (53.3%) compared to women (41.7%). The family income distribution reveals that the majority of participants (36.7%) and a sizeable fraction (36.7%) of participants had family incomes of less than Rs. 500. These findings shed light on the socioeconomic and demographic traits of the study's participants.

Various Source of Income of the Respondent Chart 1.1

Interpretation: the most common source of income among the group is pocket money, with a frequency of 38 and a percentage of 63.3%. This suggests that a significant portion of the group's income comes from their parents or guardians.

Frequency of Shopping Behaviour

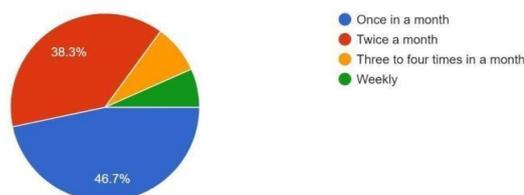How often do you go for shopping?
60 responses

- Once in a month
- Twice a month
- Three to four times in a month
- Weekly

38.3%
46.7%

Chart 1.2.

Interpretation: the most common frequency of the activity is "once in a month," with a frequency of 28 and a percentage of 46.7%. This suggests that almost half of the group engages in this activity once a month.
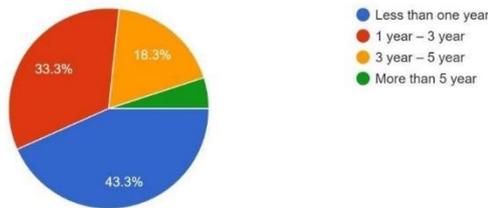
Duration of Saving Behaviour

Chart 1.3.

Interpretation: the most common duration of the activity is "less than 1 year," with a frequency of 26 and a percentage of 43.3%. This suggests that almost half of the group has been engaged in the activity for less than a year.

Factors Influencing Saving Habits
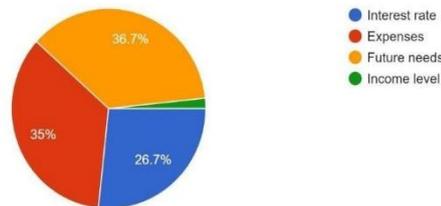
Chart 1.4

Interpretation: the frequency and percentage of different factors considered by a group of individuals when making financial decisions. The four factors considered are interest rates, expenses, future needs, and income level.
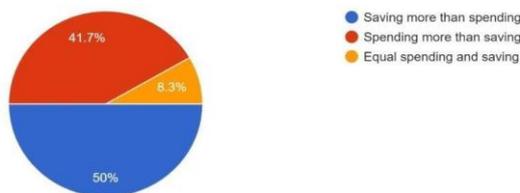
Spending and Saving Status

Chart 1.5

Interpretation: the most common financial status is "saving more than spending," with a frequency of 30 and a percentage of 50%. This suggests that half of the group is able to save more money than they spend, indicating that they have a good grasp of their finances and are likely able to build wealth over time

Investment Concerns

Table 1.2.

	Variables	**Frequency**	**Percentage**
Trend on Spending	Increasing	23	38.4
	Decreasing	21	35
	Fluctuating	16	26.7
Percentage on Income	25%	29	48.3
	50%	18	30
	75%	11	18.3
	100%	2	3.3
Preferable Period	Short term	31	51.7
	Long term	29	48.3

Interpretation

According to the results, 48.3% of participants desired to invest 25% of their income, while 51.7% of participants chose short-term investments as their preferred investment period. 38.4% of participants reported an increasing spending tendency. The preferences of the research participants for spending and investing are revealed by these findings, which may have consequences for understanding their behaviour and thought processes related to investing.
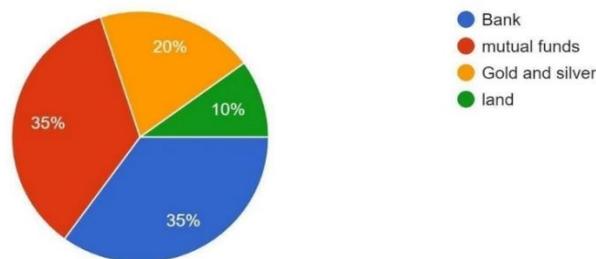
Investment Preferences

Chart 1.6

Interpretation: both bank and mutual funds are equally preferred investment options with a frequency of 21 and a percentage of 35% each. This suggests that people have a preference for investing their money in more traditional and safer options such as banks and mutual funds

Factors Affecting Your Spending Behaviour

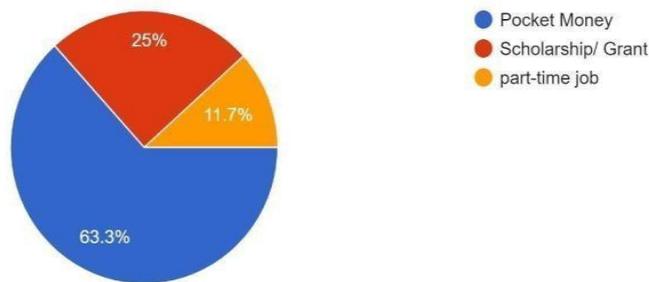What are the various sources of your income?

60 responses

Chart 1.7

Interpretation: the most common factor that influences people's purchasing decisions is their friends, with a frequency of 22 and a percentage of 36.7%. This suggests that people tend to rely on their social circle and their opinions while making a purchasing decision.

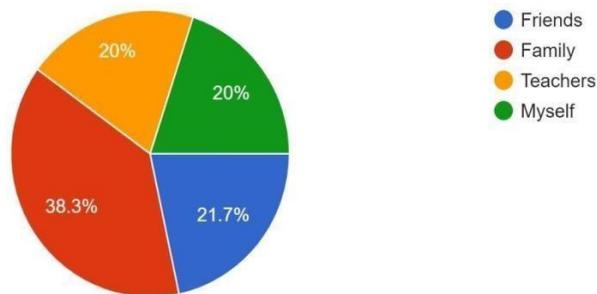## Who Encourages You To Save

Who encourage you to save?

60 responses

Chart 1.8

Interpretation: This table shows the frequency and percentage of factors that students consider important in making academic decisions. The factors included in the table are friends, family, teachers, and oneself.

Avenues of Spending Priorities

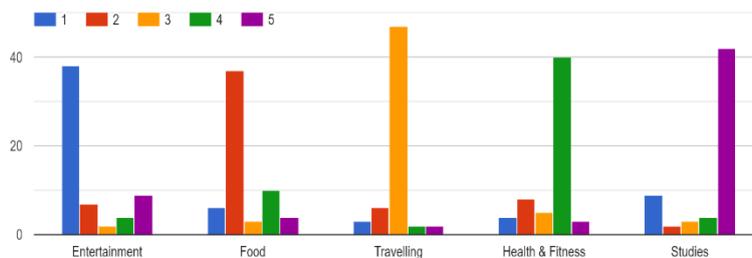Please rank the following according to your avenues of spending

Chart 1.9

Interpretation: This shows that while travel is viewed as less important than other activities in their lives than health and fitness, respectively. Studies are the group's top priority, with a frequency of 42 at level 5, showing that the majority of them view studying as the most significant activity in their life.With a frequency of 38 at level 1, entertainment comes in second, showing that people rank it as the least essential activity in their life.

Results and Discussions

- That a sizable number of the participants exhibit particular investment tendencies. Short- term investments were preferred participants, who made up the bulk of the sample. The results also reveal that a sizable portion of participants favoured long-term investments, demonstrating a balanced attitude to investment horizons.
- These findings imply that college students' investment practises are varied, with a mix of short- and long-term investment choices, as well as a range of spending patterns and income distribution methods. The results of this study help to better understand how college students behave when it comes to investing, and they may have consequences for initiatives to promote financial literacy and investment education programmes that are directed at this group of people.
- Additional discussions and analysis of the findings may offer insights into the variables influencing college students' investment behaviour and serve to direct the creation of practical plans for fostering ethical and knowledgeable investing practises in this group.

Recommendations and Conclusion

College students should be taught about the different types of investments available, their risks and rewards, as well as effective investment management techniques through the implementation of financial literacy programmes. To increase students' knowledge and understanding of investments, these programmes might be offered as extracurricular activities or integrated into the college curriculum. To assist students establish a disciplined attitude to investing and match their investment decisions with their financial goals, financial planning and goal-setting should be heavily emphasised. To make sure that students are making informed decisions based on their investment performance and market conditions, continuous monitoring and assessment of assets should be encouraged.

References

1. **Journal Article: With Two Author**:
R. Nandhini and M. Ananthi (2019) Investment Awareness and Behavior of College Students in Tamil Nadu.

2. **Journal Article: With Two Author**:
S. S. Sahoo and S. K. Tripathy (2018) conducted a study on "Investment Attitude and Behavior of College Students in Odisha"

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4. **Journal Article: With One Author***:*

Mebin John Mhews (2017) in his study on "Spending and saving pattern of college students in Idukki district"

5. **Journal Article: With One Author***:*

Karan Sabharwal (2016) in his study "Saving habits of graduates"

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