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A Study on Attitude of Youngsters Towards Stock Market Investment

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Abstract

This study explores the attitudes of youngsters towards stock market investment. The research investigates the factors influencing their investment decisions, their level of understanding of the stock market, and the perceived risks and benefits associated with stock market investments. The research used a descriptive approach to study the attitude of youngsters towards stock market investment. Our investigation included literature reiews, surveys using Google Forms and analyzed the collected data using SPSS software, using tools correlation, and one-way Anova. The findings of the study reveals that youngsters poses a promising understanding of basic financial concepts and the ability to interpret financial statements and investment options. However, there is a notable inclination towards short-term gains, which poses risks. Youngsters actively seek macroeconomic news and investment strategies, with many influenced by family members and social media content.

Despite this, a few respondents demonstrate personal finance management behaviors such as budgeting, expense tracking, savings, and long-term financial planning. In conclusion, the research provides a delicate understanding of how youngsters react to the stock market investment. The youngsters are more interested in invest to make money and they learning various concept through investment practices which is an great attitude to make them financially solid and stable.

Keywords: Stock Market, Youngsters Attitude, Financial Literacy, Risk Perception, Social Influence, Personal Finance Management.

I. INTRODUCTION

Investing in the stock market involves purchasing shares of publicly traded companies with the goal of generating returns. It's a way to potentially grow your wealth over time. Understanding market dynamics, company fundamentals, and risk management is crucial. In recent years, the stock market has emerged as a popular investment avenue among youngsters. This study aims to investigate the attitude of youngsters towards stock market investment, focusing on the independent variables of financial literacy, risk perception, social influence, and personal finance management. By examining these variables, we can gain insights into the factors influencing young people's decisions to invest in the stock market, thereby contributing to the development of effective strategies for financial education and investment promotion.

Objectives of the Study

To evaluate the level of financial literacy among young individuals.

To analyze the relationship between financial literacy and risk perception in the context of stock market investment.

To investigate the impact of social influence on the attitude of youngsters towards stock market investment.To explore the relationship between financial literacy and personal finance management practices among young individuals interested in stock market investment.

Review of Literature

Oskari Koivunen (2021), In this study, researchers examined "awareness and family impact as determinants of stock market participation." This study examines the determinants of stock market participation, particularly perceptions of family education and investment skills. Data collection was done through a non-representative online survey that yielded 224 observations. Two research hypotheses are tested using nine cross-sectional logistic regressions.

The results show that a parent's master's degree is not important for participating in trading., and perceptions of one's own investability are positively correlated with participation even when controlling for various socioeconomic factors, including financial literacy.

A Manorselvi & Ulchi (2019), Researcher has explained the need for efficiency in the stock market to provide youngsters with sufficient knowledge before investing money in the stock market. Youngsters understand market volatility and invest in the best investment propositions. Moreover, after thorough analysis, the path to return on investment is paved. The purpose of this study is to measure the relationship between age and finances to assess the need of this technology in the dissemination of listed commodities and stock market news.

D.P. Warne (2012) has conducted "A study on investment behavior of individual investors in stock market" the individual investor plays an important role in the stock market because of their big share of gross saving in the country. The Regulators of the stock market cannot ignore the behavior of individual investors. The study attempts to understand the behavior of individual investor in stock market, specifically their attitude and perception with respect to the stock market. A survey is conducted to attain the objectives of the paper. Respondents are classified in to different categories on the basis of income, profession, education, education status, sex and age. Primary data is collected from a sample around 50 investors of Ambala district. Finally there are different factors affect the individual investors such as their awareness level, duration of investment etc.

Rajeev jain (2012) has conducted "A study on Investors Attitude towards Secondary market Equity Investments and Influence of behavioral finance" this study shall examine three important attitude displayed by the investors. They are: 'Expectations' those investors have about the future performance of the stock market in India; 'confidence' that investors have regarding their investments; and 'herd Instincts' so investors tend to herd together. Present study shall also analyze the investors preference towards traditional trading and online trading.

Akiko Kamesaka, et. al. (2003) has conducted "A study on Investment pattern and performance of investor groups in Japan" using weekly aggregate investment flow from Japan, we study the investment pattern and performance of foreign investors, individual investors and five types of institutional investors. Securities firm, banks, and foreign investors perform well over the sample period. Individual investors perform poorly. We also find that foreign investor trading is associated with positive feedback market timing and that this trading earn high returns.

Research Methodology

The systematic procedures and techniques employed for research, data collection, data collection, analysis, and conclusion are known as research methodology, Research methodology plays a vital role in maintaining the accuracy, dependability, and crdibility of the study. It encompasses a range of components such as research design, data collection methods, data analysis methods, and ethical consideration.

Research Design

Descriptive Research: Descriptive research describes techniques used to characterize the attributes of the variables being examined. This methodology places more emphasis on providing answers to "what" questions than "why" questions about the study topic. Descriptive research is primarily concerned with characterizing the characteristics of the populations it is studying, rather than asking "why" questions. Because no study variable is altered when conducting descriptive research, this type of research is known as observational research.

Research Model and Hypothesis

INDEPENDENT VARIABLE

DEPENDENT VARIABLE

Research Hypothesis
Correlation

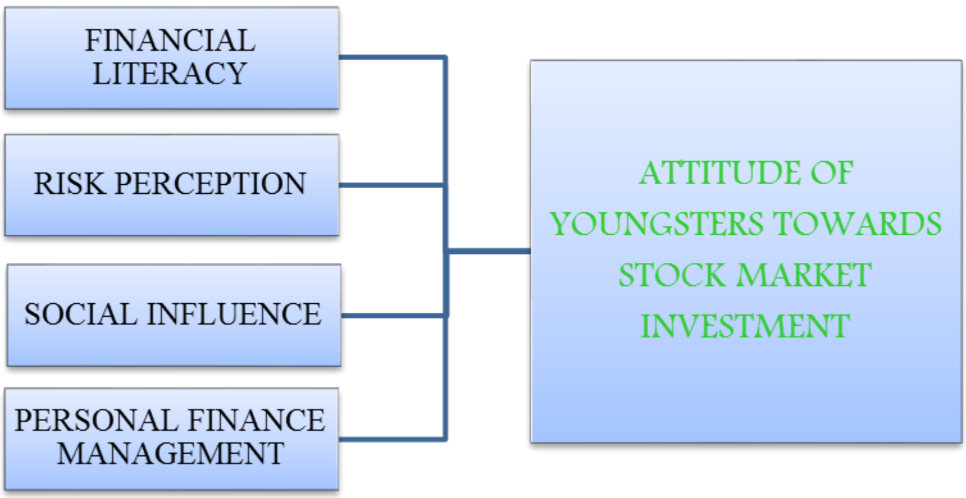
Null Hypothesis [H0]: There is no relationship between financial literacy, risk perception, social influence and personal finance management on attitude of youngsters towards stock market investment.

Alternate Hypothesis [H1]: There is a relationship between financial literacy, risk perception, social influence and personal finance management on attitude of youngsters towards stock market investment.

One-Way Anova

Null Hypothesis [H0]: There is no significant difference between age group with respect to attitude of youngsters towards stock market investment.

Alternate Hypothesis [H1]: There is significant difference between age group with respect to attitude of youngsters towards stock market investment.



Sampling Method: Convenience Sampling

Sampling Size: 210

Statistical Tools: Correlation, One-way Anova

Correlation

Null Hypothesis [H0]: There is no relationship between financial literacy, risk perception, social influence and personal finance management on attitude of youngsters towards stock market investment.

Alternate Hypothesis [H1]: There is a relationship between financial literacy, risk perception, social influence and personal finance management on attitude of youngsters towards stock market investment.

Output:

Correlations

		FINANCIAL LITERACY	RISK PERCEPTION	SOCIAL INFLUENCE	PERSONAL FINANCE MANAGEMENT
FINANCIAL LITERACY	Pearson Correlation	1	.874**	.835**	.804**
	Sig. (2-tailed)		.000	.000	.000
	N	30	30	30	30
RISK PERCEPTION	Pearson Correlation	.874**	1	.769**	.739**
	Sig. (2-tailed)	.000		.000	.000
	N	30	30	30	30
SOCIAL INFLUENCE	Pearson Correlation	.835**	.769**	1	.827**
	Sig. (2-tailed)	.000	.000		.000
	N	30	30	30	30
PERSONAL FINANCE MANAGEMENT	Pearson Correlation	.804**	.739**	.827**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	30	30	30	30

**. Correlation is significant at the 0.01 level (2-tailed).

Intrepretation:

Here p-value is less than 0.05, we accept alternate hypothesis which means there is relationship between financial literacy, risk perception, social influence and personal finance management on attitude of youngsters towards stock market investment. As there is a relationship, we should check for the type of correlation. As the signs are positive here, we conclude that there is positive correlation between the factors of independent and dependent variable.

One-Way Anova

Null Hypothesis [H0]: There is no significant difference between age group with respect to attitude of youngsters towards stock market investment.

Alternate Hypothesis [H1]: There is significant difference between age group with respect to attitude of youngsters towards stock market investment.

Output :

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
FINANCIAL LITERACY	Between Groups	69.432	2	34.716	1.908	.061
	Within Groups	491.268	27	18.195		
	Total	560.700	29			
RISK PERCEPTION	Between Groups	71.120	2	35.560	1.577	.025
	Within Groups	608.746	27	22.546		
	Total	679.867	29			
SOCIAL INFLUENCE	Between Groups	56.655	2	28.328	1.640	.003
	Within Groups	466.312	27	17.271		
	Total	522.967	29			
PERSONAL FINANCE MANAGEMENT	Between Groups	58.181	2	29.091	1.728	.017
	Within Groups	454.486	27	16.833		
	Total	512.667	29			

Intrepretation:

As significant value of role financial literacy, risk perception, social influence and personal finance management is lesser than 0.05, there is a significant difference among age group with respect to attitude of youngsters towards stock market investment. So we accept alternate hypothesis H1.

Major Findings

- Positive responses indicating that the youngsters are well enough with the basic financial concept and able to interpret financial statements and various investment options.
- The responses shows that youngsters are actively seek for macroeconomics news and investment strategies.
- The youngsters focus on short-term to earn returns in stock market which leads to risk factors.
- Responses shows that many youngsters influenced my their family members for the stock market investment practices and also influenced by social media contents.
- Few respondents have their own personal finance management behaviour which consist of budgeting, tracking expenses & savings and long-term financial plans.

II.CONCLUSION

In conclusion, the study reveals a positive attitude among youngsters towards stock market investment, indicating a growing interest and willingness to engage in financial markets and also reveals a promising understanding of basic financial concepts and the ability to interpret financial statements and investment options. However, there is a notable tendency towards short-term gains, which poses risks. Youngsters actively seek macroeconomic news and investment strategies, with many influenced by family members and social media content. Despite this, a few respondents demonstrate personal finance management behaviors such as budgeting, expense tracking, savings, and long-term financial planning. Efforts to guide youngsters towards a balanced, informed investment approach are crucial to their financial well-being.

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