



Financial Literacy and Investment Decisions among Youth: An Analysis Using Prism of Age

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ABSTRACT: Modern financial management relies on financial literacy, which affects investment decisions. To make smart savings, borrowing, and investment decisions in the increasingly complicated financial world, one must grasp and utilize financial facts. Younger investors' decisions have received attention as they become more interested in financial markets. Studies reveal financial competence, risk tolerance, and societal effect affect these choices. Traditional financial education and modern social influence create a unique atmosphere where new investors are informed and affected by multiple sources. This accessibility has raised concerns regarding impulsive and speculative investment methods, as younger investors may trade high-risk securities without fully understanding the hazard. While the financial literacy initiatives are performing well in their execution, more thorough study is needed to investigate their influence on young investing behavior. Some particular research questions about how the socio-economic elements are related with financial literacy; and investment decisions and how the financial literacy influences the investment decisions among the youth have been tried to be answered thorough this research. This study is confined to the state of Himachal Pradesh, further grounded on both quantitative as well as qualitative approaches to gather data from a random sample of 631 respondents with the help of online surveys, interviews, and focus groups. Data has been synthesized using descriptive statistics such frequency distribution, percentage, mean, standard deviation, variance, skewness, and kurtosis. After then, demographic characteristics, particularly the age of respondents has been used to cross-tabulate the associations. The hypotheses were examined using Chi-Square Test of Independence and ANOVA/F-test. The survey highlights the critical relationship between financial literacy and investment decisions among youth, with age playing a central role in shaping both financial knowledge and investment behaviors. Enhancing financial literacy through education could lead to better investment decisions, improved confidence, and more informed financial behaviors among the youth.

KEYWORDS: Financial Literacy; Investment Decisions; Risk Tolerance; Regional Disparities.

JEL Classification: D03; J11; M21; P46.

1. INTRODUCTION

In today's globalized world, financial literacy has emerged as a crucial component of effective financial management, significantly influencing individuals' financial decisions, particularly those related to investments. As the financial landscape grows increasingly complex, individuals must have the ability to understand and utilize financial information to make informed decisions about saving, borrowing, and investing. Financial literacy, therefore, serves as a foundation for economic stability and personal financial well-being. The efficient management of personal finances hinges on financial literacy, especially in an era where individuals bear more responsibility for their financial security^[26]. The 2008 global financial crisis underscored the consequences of low financial literacy, as many individuals made poor financial choices due to a lack of understanding of basic financial concepts.

Financial literacy encompasses a range of knowledge and skills, including understanding financial products, interest rates, inflation, and the time value of money. Financial literacy as the ability to manage financial resources through the application of financial knowledge and skills^[19]. It involves not only grasping key financial concepts but also applying them practically to make well-balanced decisions on budgeting, saving, investing, and borrowing. As younger generations show an increasing interest in financial markets, their investment choices have become a focus of attention. Studies suggest that these decisions are significantly influenced by factors such as financial knowledge, risk tolerance, and social influence. There is a critical role of financial education in equipping young investors with the knowledge required to navigate complex financial markets^[26].



Additionally, the rise of fintech platforms like Robinhood and E*TRADE has made investing more accessible to young people by lowering the barriers to entry, such as minimum investment amounts and transaction fees^[22]. While these platforms democratize investment opportunities, they also raise concerns about impulsive and speculative behavior, as younger investors may engage in high-risk trading without fully understanding the consequences^[10]. The convergence of traditional financial education and modern influences like social media highlights the importance of continuous financial education to help young investors make informed, responsible decisions in a rapidly evolving financial environment.

1.1 Background of the Study

Financial literacy plays an instrumental role in equipping individuals to make well-informed investment decisions that align with their risk tolerance, ultimately fostering long-term financial stability and economic resilience^{[33][25][4]}. As studies show, the ability to diversify portfolios and engage more confidently with financial markets is often linked to higher levels of financial literacy, which underscores the need for accessible financial education programs across all demographics. This need is particularly evident in communities with low financial literacy rates, where individuals may face barriers to optimizing their investment portfolios and achieving financial well-being^{[15][13]}.

Moving forward, it is essential that financial education initiatives address the unique challenges faced by underrepresented groups, including women and those from lower socioeconomic backgrounds, to ensure equitable access to financial knowledge and resources^{[23][2]}. Additionally, as digital platforms increasingly serve as tools for financial learning, they offer promising avenues for enhancing financial literacy and informed investment decision-making^[8]. With a more targeted approach to financial education, individuals across all demographics can be better prepared to navigate complex financial landscapes, bolstering both personal financial health and broader economic stability^{[12][31]}.

1.2 Significance of the Study

Global settings clearly show the link between financial literacy and investment decisions; nonetheless, there is still a great knowledge vacuum about how this link shows itself in certain regional settings, including Himachal Pradesh. Fostering equitable economic growth in Himachal Pradesh depends on addressing financial literacy, especially in its rural areas where access to official financial education and services is still restricted. The particular difficulties the people of the state faces low levels of financial literacy and dependence on conventional financial practices emphasize the need of focused interventions with cultural sensitivity and region-specific relevance. Through emphasizing financial literacy, legislators and financial institutions may create successful plans to support improved financial management and investment choices, so improving the general state of the economy of the population.

Furthermore, thorough research on the several facets of financial literacy such as how it affects debt management and investing behavior can offer important information to guide program and policy creation. Such research can also assist in the identification of vulnerable groups, like rural people and women, therefore guiding treatments to fit their particular need. Understanding the socioeconomic elements influencing financial literacy helps stakeholders to build more fair chances for financial inclusion and empowerment all over the state.

In the end, raising financial literacy in Himachal Pradesh is not just a question of personal financial situation but also a fundamental component of the larger economic growth plan of the state. Maintaining long-term prosperity and lowering economic inequalities will depend on the state guaranteeing that all citizens have the financial information and tools required to make wise decisions as it keeps developing and diversifying its economy. By means of focused educational campaigns and legislative changes, Himachal Pradesh may generate a populace more economically strong and financially savvy.

Not only can financial literacy support personal financial well-being, but it also helps to further more general sustainable development objectives. Financial literacy supports sustainable development, lowers inequality, and helps to boost economic growth by encouraging sensible investment and financial behaviours. Achieving equitable and sustainable economic growth depends on knowing its influence at the regional level as financial literacy keeps growing relevance in the global economy. Thus, the current research will offer insightful analysis of the particular difficulties and possibilities experienced by the young and guide the creation of customised financial education programs aiming at improved financial results for people and communities of Himachal Pradesh.



2. REVIEW OF LITERATURE

The impact of financial literacy on investment behavior is increasingly significant as individuals navigate more complex financial responsibilities. Understanding this impact will help in identifying gaps in existing research and to establish some directions for future inquiry across diverse demographic and geographic contexts [26][33]. Research indicates that financially literate individuals are more likely to engage in diverse investment portfolios, showing a greater inclination toward stock market participation and informed risk management. This highlights the importance of financial knowledge in shaping investment behavior and improving financial outcomes [2][15]. Gender disparities in financial literacy often result in women exhibiting more conservative investment behaviors than men, potentially limiting their portfolio growth. Addressing these disparities through targeted financial education programs can empower women with better financial decision-making tools [9][25]. Socioeconomic factors also play a role in financial literacy, where individuals from higher backgrounds tend to have more financial knowledge, facilitating active and diverse investments. Tailored financial education could help bridge these gaps, fostering inclusive financial market participation [17][33].

Interventions to improve financial literacy show mixed effectiveness, with some studies highlighting limited impacts on actual investment behaviors. However, integrating these programs into general financial regulation may enhance financial stability on a broader scale [21][34]. The connection between stock market involvement and financial literacy suggests that those with more knowledge are more confident and active in investing. Financial education promoting literacy could, therefore, encourage greater participation in equity markets, contributing to better financial outcomes [33][35]. Financial literacy affects how investors perceive and tolerate risk, contributing to more disciplined and logical investment decisions. Reducing behavioral biases through financial knowledge may lead to better investment performance and long-term wealth accumulation [15][3].

Differences in financial literacy by gender often lead women to prefer less volatile investments, which can impact retirement planning and long-term financial security. Financial education tailored to women's needs may encourage more diversified, growth-oriented investment choices [9][25]. Socioeconomic background shapes financial knowledge, with more educated and financially resourced individuals often making more informed investment choices. Programs focused on lower-income groups could support more equitable financial literacy and market participation [17][21]. Financial education programs show potential in improving literacy, but their impact on actual financial behavior remains limited, indicating that continuous and targeted approaches may be more effective. Technology, through digital learning platforms, holds promise in personalizing financial education [7][34].

Behavioral biases, such as overconfidence and loss aversion, can still affect financially knowledgeable individuals, but financial literacy helps mitigate some of these biases. Increasing financial knowledge may support more objective and beneficial investment behaviors [6][18]. Financial literacy varies across age groups, with younger individuals often more risk-tolerant but less knowledgeable, while older adults prioritize safer investments despite higher literacy. Programs that address age-specific financial needs may improve financial security across life stages [27]. In developing countries, low financial literacy is a significant barrier to optimal investment behavior and market participation. Tailored financial education could enhance financial inclusion and stability in these economies [1]. Policy recommendations emphasize targeted financial literacy programs, particularly for women and low-income groups, to promote informed investment decisions. Improved financial knowledge can lead to better personal and economic outcomes, underscoring its importance for a more inclusive financial system [31][12].

2.1 Research Gap

Notwithstanding many studies, gaps still exist. More longitudinal research is needed to evaluate how financial literacy affects investing choices over time among the youth. Second, more research is needed on the efficacy of financial literacy programs in different demographic settings, particularly among male and female young investors. At last, future studies in the field of financial literacy and behavioral biases in investment decisions would be very welcome. The research mostly supports the idea that good investing decisions depend much on financial literacy. The link is complicated, though, affected by elements like gender, socioeconomic level, and risk tolerance. Although programs for financial education show promise, their influence on real investing behaviour still has to be studied more. Improving personal financial results and general economic stability in the changing financial markets will depend on knowledge and enhancement of financial literacy.



2.2 Research Questions

Based on the on the research gap explored through rigorous review of literature, an attempt has been made to answer the following research questions:

- How age is associated with Financial Literacy among youth?
- How age is associated with Investment Decisions among youth?
- How the financial literacy and investment decisions are associated among youth?

2.3 Statement of Problem

On the basis of discussion of available literature; research questions raised and subsequent research gap, the present study has been confined to assess the association of demographic factors, particularly the age, financial literacy and investment decisions among the youth of Himachal Pradesh. Hence, the title of present research work is “**Financial Literacy and Investment Decisions Among Youth: An Analysis Using Prism of Age**”.

3. METHODOLOGY

3.1 Research Design

This study is empirical in nature, as it attempts to explore the inter relationship of demographic factors, particularly the age, financial literacy and investment decisions among the youth of Himachal Pradesh through a survey of a random sample of 631 respondents.

3.2 Research Population

The study is specifically limited to Himachal Pradesh, allowing for a detailed exploration of demographic factors, particularly the age, financial literacy and investment decisions among the youth of Himachal Pradesh. The present research is targeted at mostly the young male and female consumers aged in between mostly studying n colleges and universities.

3.3 Sample Size and Sampling Techniques

The study employs both quantitative and qualitative research methods to gather comprehensive data from a random sample of 631 respondents of Himachal Pradesh. Online surveys, interviews, and focus groups have been used to collect information from a diverse sample ensuring a well-rounded understanding of their preferences and experiences.

3.4 Data Collection and Data Analysis

The acquired information has been synthesized using descriptive statistics like frequency distribution, percentages, mean, standard deviation, variance, skewness and kurtosis etc. Thereafter, the cross relationships have been examined using cross-tabulation using selected demographic factors particularly, the age of the respondents. The hypotheses have been tested by using inferential statistical techniques like Chi-Square Test of Independence and ANOVA/F-test.

3.5 Ethical Considerations

All participants of this survey have been told about the objectives of the research and their rights. Their free consent has been obtained before collecting data. The identities and personal information of participants have been kept confidential, and data has been used solely for academic purposes. In this manner, this research ensures objectivity in data collection and analysis, avoiding any bias in interpreting the results.

3.6 Objective and Hypotheses of the Study

Based on the on the research gap and subsequent research questions, an attempt has been made to achieve the following objective:

- To assess the association of age, financial literacy and investment decisions among youth.

Keeping in view the objectives of the study, following hypotheses has been framed for testing:

- $H_{0(1)}$: Age is not significantly associated with Financial Literacy among youth.
- $H_{0(2)}$: Age is not significantly associated with Investment Decisions among youth.
- $H_{0(3)}$: The perception of youth about association of financial literacy and investment decisions does not differ significantly.



4. RESULTS/ANALYSIS/DISCUSSIONS

4.1 Profile of the Respondents

Table-1 shows the profile of the respondents as per different demographic factors. It is clear from the table that the sample taken in this study is predominantly young with 67.2 percent of the respondents aged between 18-25 years; 28.8 percent aged between 25-29 years and rests aged below 18 years, with a larger share of females (60.5 percent) and a strong educational background (43.3 per cent graduate; 30.7 per cent post graduate, 19.8 percent up to 10 +2 and above post-graduate 6.2 per cent in arts (45.2 per cent) and commerce (34.5 per cent) along with balanced rural-urban distribution (51.2 per cent from rural area and 48.8 per cent from urban area) ensuring geographic diversity in the survey.

4.2 Financial Literacy Among Youth

As depicted in the table-2, majority of respondents possess moderate financial knowledge, with only a small portion having high or very high financial literacy. Most respondents have not received formal financial education, and many rarely or occasionally seek out financial information. While respondents show fair to good understanding of basic financial terms like budgeting, saving, and inflation, gaps exist in their comprehension of key concepts like diversification and risk-return. It can be noticed from table-3 and 4, that financial knowledge and behaviours differ significantly across different age groups. Younger respondents (below 18 years) predominantly have "Moderate" financial knowledge but rarely seek financial information, with none pursuing it frequently. In contrast, the 18-25 years age group shows slightly better financial knowledge and a higher tendency to seek information, though infrequent. The 25-29 years age group demonstrates the highest financial literacy, with more respondents actively seeking information and a notable percentage having "High" or "Very High" financial knowledge. Formal financial education is low across all age groups, though participation increases slightly with age. Chi-square tests indicate a significant relationship between age and both financial information-seeking behavior and formal education, underscoring that age plays a critical role in financial literacy development. The respective significant p-values rejected the null hypothesis $H_{0(1)}$ which further leads to conclude that age is significantly associated with financial literacy among youth with regard to overall financial knowledge, seeking out financial information and formal education or courses related to financial literacy.

Table-5 evaluates how well youth in different age groups know about budgeting, savings, interest rates, inflation, diversification and risk and return. The chi-square test and respective significant p-values of budgeting, interest rates, inflation, diversification and risk and return rejected the null hypothesis $H_{0(1)}$ which leads to conclude that age is significantly associated with financial literacy among youth with regard to understanding of these financial terms. On the other hand, the chi-square test and respective insignificant p-values of saving accepted the null hypothesis $H_{0(1)}$ which leads to conclude that age is not significantly associated with financial literacy among youth with regard to understanding of saving.

4.3 Investment Decisions Among Youth

It can be extracted from the table-6 that while over half of the respondents currently have investments, a significant portion still lacks engagement, potentially due to limited awareness or resources. Bank deposits remain the most popular investment choice, highlighting a preference for low-risk options, while smaller percentages diversify into mutual funds, stocks, and crypto currencies. Long-term growth is the primary investment goal for the majority; though many respondents lack confidence in their investment decisions, and nearly half do not actively monitor their portfolios. Online research and advice from friends and family are the most relied-upon sources for investment decisions, with minimal use of financial advisors or formal education.

Table-7 shows the percentage of youth from different age groups who have made any investments, where investment activity increases with age, with 24 per cent of those below 18 years having invested, 51.7 per cent of 18-25-year-olds having invested, and 46.7 per cent of 25-29-year-olds having made investments. Table-8 examines respondents' understanding of investment avenues and type of investments made by youth of different age groups. The analysis of investment understanding and preferences across age groups reveals significant differences. Among those below 18 years, nearly half (48 per cent) have a poor understanding of investment avenues, and they predominantly invest in "Other" types of investments, with minimal participation in bank deposits and mutual funds, and no involvement in stocks or crypto currencies. In the 18-25 years age group, understanding improves, with 35.3 per cent rating their knowledge as "Fair" and 32 per cent as "Good." This group shows a stronger preference for bank deposits (59 per cent), with small investments in mutual funds, stocks, and crypto currencies. The 25-29 years age group demonstrates the highest engagement in traditional investments, with 75 per cent investing in bank deposits and an increasing



number investing in stocks (17 per cent) and crypto currencies (7 per cent). Table-9 highlights the primary goals of investment decisions among different age groups. It can be observed from the table that investment goals vary across age groups, with long-term growth being the primary focus for most respondents, increasing from 48 per cent in the below-18 years group to 56.6 percent in the 25-29 years age group. Short-term gains gain importance with age, while wealth preservation becomes less prioritized among older respondents.

Table-10 shows the confidence levels in making investment decisions and how frequently youth from different age groups review or adjust their investment portfolios. The table reveals that confidence in investment decisions and portfolio review practices vary across different age groups. Among respondents below 18 years, confidence is relatively high, with 28 per cent very confident and 48 per cent slightly confident, but review frequency is low, with a significant portion never reviewing their portfolio. In the 18-25 years age group, confidence is more varied, with 36.1 per cent moderately confident and 22.4 per cent not confident at all, and portfolio review practices reflect a tendency towards infrequent reviews, as 39.2 per cent never review their portfolio. The 25-29 years age group shows the highest confidence, with 38.5 per cent very confident and 7.1 per cent extremely confident, but still exhibits a high percentage (46.7 per cent) of respondents who never review their portfolio, indicating a need for improved investment monitoring across all age groups.

Table-11 shows the various sources that respondents rely on for making investment decisions. It can be observed from the table of below 18years, 52 per cent of respondents rely on financial advisors; 24 per cent rely on friends/family, and another 24 per cent on investment courses. In the next age group of 18-25years, 42.7 per cent rely on online research; 23.6 per cent rely on friends/family, and 11.8 per cent on financial news. 8.7 per cent rely on financial advisors, and 7.5 per cent on investment courses. In the last age group of 25-29 years 35.2 per cent rely on friends/family; 31.9 per cent rely on financial advisors, while 11.5 per cent use online research; 7.7 per cent rely on financial news, and 3.8 per cent rely on investment courses. Table-12 highlights the percentage of youth who have experienced financial losses due to investments across different age groups. The table shows that among the age group of below 18years 28 per cent of respondents experienced financial losses, while 72 per cent did not. In the middle age group of 18-25years 26.9 per cent experienced financial loss, while 73.1 per cent did not. In the last age group of 25-29years 31.9 per cent experienced financial loss, while 68.1 per cent did not.

The analysis of table-13 reveals significant variations in the understanding and management of investments across different age groups. Among respondents below 18 years, a large proportion (48 per cent) remains neutral about their knowledge of investments, while 24 per cent disagree and 28 per cent agree that they possess sufficient knowledge. In the 18-25 years age group, 40.8 per cent remain neutral, and 29.5 per cent agree, showing a higher confidence in knowledge than the younger group. The 25-29 years age group reflects a similar pattern, with 28.6 per cent neutral and 18.1 per cent agreeing, though a notable 28 per cent disagree. Regarding risk understanding, a majority of respondents below 18 years (52 per cent) agree they understand the risks, while the 18-25 and 25-29 years age groups are more neutral (44.6 per cent and 44 per cent, respectively), with a smaller proportion agreeing. Additionally, Table-13 also highlights the differences in investment monitoring and the reliance on financial advisors. In terms of investment monitoring, respondents below 18 years are largely neutral (48 per cent) or strongly agree (28 per cent) with regularly monitoring their investments, while the 18-25 and 25-29 years age groups display more varied opinions, with a considerable proportion disagreeing with monitoring investments. When it comes to consulting financial advisors, a majority of respondents below 18 years (52 per cent) disagree, and no one in this group agrees with consulting an advisor. However, the trend changes as respondents grow older; in the 18-25 and 25-29 years age groups, more respondents are open to consulting financial advisors, with 26.9 per cent and 32 per cent, respectively, agreeing to do so.

The chi-square test and respective significant p-values (as shown in table-7 to table 14) rejected the null hypothesis $H_{0(2)}$ which leads to conclude that age is significantly associated with investment decisions among youth with regard to investments made by them; understanding of investment avenues; type of investments made; primary goals of investment decisions; confidence in taking investment decisions; review or adjustment of investment portfolios; various sources to rely on for making investment decisions; financial losses due to investments; knowledge to make investment decisions, understanding of risk in investments, monitoring the performance of investment and consultancy with financial advisor for making investments.

4.4 Financial Literacy and Investment Decisions Among Youth

It can be noticed from table-14 that most respondents recognize the role of financial literacy in their investment decisions, though a notable portion remains unsure or believes it has no impact. Nearly half of the respondents feels more confident due to



financial literacy, with market trends, risk understanding and long-term planning being key areas of focus. Over half of the respondents are interested in enhancing their financial literacy to improve their investment outcomes.

Table-15 examines the impact of financial literacy on investment decisions across different age groups. The data shows a clear trend where financial literacy increasingly impacts investment decisions with age, with 74.2 per cent of respondents in the 25-29 years age group agreeing, compared to 48 per cent in the below 18 years age group. The influence of financial literacy on investment decisions grows significantly as individuals mature. Table-16 shows how financial literacy has influenced the investment approach of youth across different age groups. The table indicates that financial literacy has made nearly half of the respondents in the 18-29 age groups more confident in their investing approach, while those below 18 are more cautious. The impact of financial literacy appears to differ by age, with younger individuals being more cautious and older respondents gaining confidence. Table-17 highlights the areas of financial literacy that youth from different age groups believe are most crucial for making sound investment decisions. The data reveals that younger respondents prioritize knowledge of different investment vehicles and risk-return understanding, while those in the 18-29 age groups place greater importance on market trends. As individuals age, their focus shifts from basic investment knowledge to market awareness. Table-18 assesses the level of interest in increasing financial literacy across different age groups to improve investment decisions. The data shows a clear age-related trend where interest in increasing financial literacy rises with age, with 71.4% of respondents in the 25-29 group expressing interest compared to none below 18. Uncertainty about financial literacy decreases as individuals grow older.

The chi-square test and respective significant p-values rejected the null hypothesis $H_{0(3)}$ which leads to conclude that the perception of youth about association of financial literacy and investment decisions differ significantly with regard to impact of financial literacy on investment decisions; impact of financial literacy on investment approaches; crucial areas of financial literacy for making sound investment decisions and increasing financial literacy to improve investment decisions.

4.5 Financial Literacy and Investment Decisions Among Youth: An ANOVA

Financial literacy, investment decisions and association of financial literacy and investment decisions among youth has also been examined by using ANOVA/F-test among different age groups of the respondents, whose results are presented in table-19, 20 and 21.

As depicted in table-19, pertaining to overall financial literacy and formal education on financial literacy, F-test and significant p-values rejected the null hypothesis $H_{0(1)}$ indicating a significant difference in overall financial literacy and formal education on financial literacy among the youth of different age groups. On the other hand, the analysis of mean values of opinion regarding seeking out financial information reveals insignificant results which show that the viewpoint of the respondents is similar in this context. Furthermore, with regard to the understanding of budgeting, saving, inflation and risk and return, the survey shows that the difference in mean scores is insignificant, which shows that the youth of different age groups have similar understanding of these financial terms. These results are also supported by respective insignificant p-values which accepted the null hypothesis $H_{0(1)}$ which further leads to conclude that age is not significantly associated with financial literacy among youth with regard to understanding of budgeting, saving, inflation and risk and return. It indicates similar understanding of budgeting, saving, inflation and risk and return, among the youth of different age groups. On the other hand, in context of understanding of interest rate and diversification, F-test and significant p-values rejected the null hypothesis $H_{0(1)}$ which further leads to conclude that age is significantly associated with financial literacy among youth with regard to understanding of interest rate and diversification. It further indicates that there is a significant difference in understanding of interest rate and diversification among the youth of different age groups.

With regard to understanding of investment decisions among youth of different age groups, ANOVA/F-test and respective p-values yield significant results (table-20), which rejected the null hypothesis $H_{0(2)}$ which further leads to conclude that there is a significant difference in investment decisions among youth of different age groups regard to understanding of different investment avenues, investments made, type of investments, primary goal of investments, confidence about investments, sources for relying investment decisions, possessing sufficient knowledge to make sound financial decisions, understanding of risk associated with investments, monitoring the performance of investments and consultancy with the financial advisors. On the other hand, insignificant p-values with regard to review of investment portfolios and financial losses, accepted the null hypothesis $H_{0(2)}$ which further leads to conclude that there is no any significant difference in investment decisions among youth of different age groups with regard to review of investment portfolios and financial losses.



The association between financial literacy and investment decisions among youth is a crucial factor influencing financial behavior. As shown in the table-20, impact of financial literacy on investment decisions, impact of financial literacy on investment approach, areas crucial for making investment decisions and desired financial literacy yield significant results as supported by significant p-values, which rejected the null hypothesis $H_{0(3)}$ which further leads to conclude that the perception of youth about association of financial literacy and investment decisions does not differ significantly.

4.6 Discussions

This survey reveals crucial insights into the financial literacy and investment decisions among youth, demonstrating significant variations across different age groups. The results show that financial literacy among the respondents is generally moderate, with notable gaps in understanding key concepts such as diversification and risk-return. While the majority of the respondents have a basic grasp of budgeting, saving, and inflation, their financial knowledge does not extend far enough into more complex financial terms, especially as they lack formal education in finance. This deficiency underscores the importance of enhancing financial education to improve financial decision-making.

Age plays a crucial role in financial literacy, as evidenced by the chi-square tests that show a significant association between age and financial literacy levels, information-seeking behavior, and formal education. Younger respondents, particularly those below 18, display lower financial literacy and rarely seek financial information. On the other hand, the 25-29 years age group exhibits the highest financial literacy, with more respondents actively seeking financial information and having high confidence in their financial knowledge. This suggests that age is a key factor in financial knowledge development, with formal education being more prevalent among older respondents.

Investment decisions also vary significantly with age, with older respondents showing a stronger inclination towards making investments and diversifying their portfolios. Bank deposits are the most popular investment choice across all age groups, but older respondents (25-29 years) are more likely to invest in stocks and crypto currencies. Younger respondents tend to have a poorer understanding of investment avenues, which limits their ability to make informed investment decisions. The data shows that age is significantly associated with both the types of investments made and the understanding of investment avenues.

Confidence in investment decisions and portfolio review practices are also influenced by age. Younger respondents exhibit lower confidence in their decisions and rarely review their portfolios. Although confidence increases with age, a significant portion of respondents across all age groups do not actively monitor their investments, indicating a gap in investment management practices. The survey results suggest that youth need more guidance in monitoring their portfolios to ensure better financial outcomes.

Financial literacy is found to be closely associated with investment decisions. Respondents recognize the importance of financial literacy in making informed investment choices, with those in the 25-29 years age group showing the strongest recognition of its impact. Financial literacy helps in making sound investment decisions by improving risk assessment, portfolio diversification, and long-term financial planning. However, younger respondents are less confident in their financial knowledge and are less likely to seek professional advice, highlighting a need for better financial education at earlier stages.

The ANOVA results further confirm the significant association between age and both financial literacy and investment decisions. While age does not significantly impact the understanding of basic financial terms like budgeting and saving, it does influence the understanding of more complex concepts like interest rates and diversification. Similarly, investment decisions, such as the type of investments made and confidence in investment decisions, are also significantly impacted by age. However, age is not associated with investment portfolio reviews or financial losses due to investments.

In conclusion, this survey highlights the critical relationship between financial literacy and investment decisions among youth, with age playing a central role in shaping both financial knowledge and investment behaviors. Enhancing financial literacy through education could lead to better investment decisions, improved confidence, and more informed financial behaviors among the youth.

5. RECOMMENDATIONS

Improving financial literacy and investment decision-making among youth requires a multi-faceted approach, including formal education, early financial engagement, access to professional advice, and awareness of diverse investment options. By integrating financial education into curricula, promoting proactive financial information-seeking behaviors, and providing affordable advisory services, young people can develop essential financial skills. Additionally, targeted financial literacy campaigns



and tools for portfolio management and risk assessment will help youth become more confident and informed investors, leading to better long-term financial outcomes and greater financial security.

6. ABOUT THE AUTHORS

Dr. Munish Sharma is currently working as Assistant Professor of Commerce at Rajkiya Kanya Mahavidyalaya (RKMV), Shimla, Himachal Pradesh, 171001, India, having 08 years of teaching experience, along with fourteen research publications in various UGC refereed/listed, peer reviewed national and international journals. He has participated and presented many research papers in various national/International conferences. He is acting as a Project Director/Co-Principal Investigator in an ICSSR funded Collaborative Research Project titled as “Capacity Building and Youth’s Perception of Agriculture Entrepreneurship in Himachal Pradesh and also associated in a “Joint Collaboration Research Project between RKMV Shimla, H.P. and Pennsylvania State University, USA.” Along with this, he has also been awarded two certificates for reviewing two book chapters by BP International. **Anitika Damseth** and **Ishita Shyam** are the M. Com 1st Semester students at Rajkiya Kanya Mahavidyalaya (RKMV), Shimla, Himachal Pradesh, 171001, India.

7. AUTHOR CONTRIBUTIONS

Dr. Munish Sharma explored the idea of undertaking a study to analyze the role of age in investment decisions through financial literacy among youth of Himachal Pradesh. In this regard he also drafted the introduction and literature part of the article. **Anitika Damseth** and **Ishita Shyam** designed the questionnaire, collected the data from respondents through online/offline survey, then edited, coded, decoded the collected responses for analysis. Thereafter, Dr. Munish Sharma performed the analysis and drafted the final manuscript for publication.

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10. CONFLICT OF INTEREST

The authors certify that they have no affiliations with or involvement in any organisation or entity with any financial or non-financial interest in the subject matter or materials discussed in this manuscript.

11. TABLES

Table-1: Profile of the Respondents

Demographic Variable		Frequency	Percent
Age	Below 18 Years	25	4.0
	18-25 Years	424	67.2
	25-29 Years	182	28.8
	Total	631	100.0
Gender	Male	249	39.5
	Female	382	60.5



	Total	631	100.0
Education Level	Up to +2	125	19.8
	Graduate	273	43.3
	Post Graduate	194	30.7
	Above Post Graduate	39	6.2
	Total	631	100.0
Stream	Arts	285	45.2
	Commerce	218	34.5
	Science	128	20.3
	Total	631	100.0
Area of Residency	Rural Area	323	51.2
	Urban Area	308	48.8
	Total	631	100.0

Source: Online Survey.

Table-2: Financial Literacy Among Youth

Aspects of Financial Literacy		Frequency	Percent
Overall Level of Financial Literacy	Very Low	64	10.1
	Low	38	6.0
	Moderate	414	65.6
	High	109	17.3
	Very High	6	1.0
	Total	631	100.0
Formal Education on Financial Literacy	Yes	201	31.9
	No	430	68.1
	Total	631	100.0
Seeking out Financial Information	Never	143	22.7
	Rarely	217	34.4
	Occasionally	169	26.8
	Frequently	77	12.2
	Very Frequently	25	4.0
	Total	631	100.0
Understanding of Budgeting	Poor	39	6.2
	Fair	245	38.8
	Good	258	40.9
	Very Good	55	8.7
	Excellent	34	5.4
	Total	631	100.0
Understanding of Saving	Poor	25	4.0
	Fair	223	35.3
	Good	263	41.7
	Very Good	94	14.9
	Excellent	26	4.1
	Total	631	100.0
Understanding of Interest Rates	Poor	157	24.9



	Fair	264	41.8
	Good	185	29.3
	Very Good	25	4.0
	Total	631	100.0
Understanding of Inflation	Poor	103	16.3
	Fair	262	41.5
	Good	171	27.1
	Very Good	67	10.6
	Excellent	28	4.4
	Total	631	100.0
Understanding of Diversification	Poor	162	25.7
	Fair	189	30.0
	Good	214	33.9
	Very Good	53	8.4
	Excellent	13	2.1
	Total	631	100.0
Understanding of Risk and Return	Poor	138	21.9
	Fair	274	43.4
	Good	151	23.9
	Very Good	40	6.3
	Excellent	28	4.4
	Total	631	100.0

Source: Online Survey.

Table-3: Overall Financial Knowledge and Seeking of Financial Information

Overall Financial Knowledge							
		Very Low	Low	Moderate	High	Very High	Total
Age	Below 18 Years	6	0	19	0	0	25
		24.0%	0.0%	76.0%	0.0%	0.0%	100.0%
	18-25 Years	20	25	310	63	6	424
		4.7%	5.9%	73.1%	14.9%	1.4%	100.0%
	25-29 Years	38	13	85	46	0	182
		20.9%	7.1%	46.7%	25.3%	0.0%	100.0%
Total		64	38	414	109	6	631
		10.1%	6.0%	65.6%	17.3%	1.0%	100.0%
Chi Square: 69.01; P Value: 0.000							
Seeking of Financial Information							
Age		Never	Rarely	Occasionally	Frequently	Very Frequently	Total
Below 18 Years	6	6	13	0	0	25	
	24.0%	24.0%	52.0%	0.0%	0.0%	100.0%	
18-25 Years	58	205	124	18	19	424	
	13.7%	48.3%	29.2%	4.2%	4.5%	100.0%	
25-29 Years	79	6	32	59	6	182	
	43.4%	3.3%	17.6%	32.4%	3.3%	100.0%	



Total	143	217	169	77	25	631
	22.7%	34.4%	26.8%	12.2%	4.0%	100.0%

Chi Square: 225.77; P Value: 0.000.

Source: Online Survey, SPSS Output;

Table-4: Formal Education or Courses

		Yes	No	Total
Age	Below 18 Years	0	25	25
		0.0%	100.0%	100.0%
	18-25 Years	149	275	424
		35.1%	64.9%	100.0%
25-29 Years	52	130	182	
	28.6%	71.4%	100.0%	
Total		201	430	631
		31.9%	68.1%	100.0%

Source: Online Survey, SPSS Output; Chi Square: 14.70; P Value: 0.001

Table-5: Literacy of Different Financial Terms

Understanding of Budgeting							
		Poor	Fair	Good	Very Good	Excellent	Total
Age	Below 18 Years	0	12	6	0	7	25
		0.0%	48.0%	24.0%	0.0%	28.0%	100.0%
	18-25 Years	27	148	201	28	20	464
		6.4%	34.9%	47.4%	6.6%	4.7%	100.0%
	25-29 Years	12	85	51	27	7	182
		6.6%	46.7%	28.0%	14.8%	3.8%	100.0%
Total		39	245	258	55	34	631
		6.2%	38.8%	40.9%	8.7%	5.4%	100.0%
Chi Square: 53.31; P Value: 0.000							
Understanding of Savings							
		Poor	Fair	Good	Very Good	Excellent	Total
Age	Below 18 Years	0	6	13	6	0	25
		0.0%	24.0%	52.0%	24.0%	0.0%	100.0%
	18-25 Years	19	140	185	61	19	424
		4.5%	33.0%	43.6%	14.4%	4.5%	100.0%
	25-29 Years	6	77	65	27	7	182
		3.3%	42.3%	35.7%	14.8%	3.8%	100.0%
Total		25	223	263	94	26	631
		4.0%	35.3%	41.7%	14.9%	4.1%	100.0%
Chi Square: 10.781; P Value: 0.214							
Understanding of Interest Rates							
		Very Poor	Poor	Fair	Good	Very Good	Total
Age	Below 18 Years	0	6	12	7	0	25
		0.0%	24.0%	48.0%	28.0%	0.0%	100.0%
	18-25 Years	0	80	201	118	25	424



		0.0%	18.9%	47.4%	27.8%	5.9%	100.0%
	25-29 Years	0	71	51	60	0	182
		0.0%	39.0%	28.0%	33.0%	0.0%	100.0%
Total		0	157	264	185	25	631
		0.0%	24.9%	41.8%	29.3%	4.0%	100.0%
Chi Square: 45.81; P Value: 0.000							
Understanding of Inflation							
		Poor	Fair	Good	Very Good	Excellent	Total
Age	Below 18 Years	6	12	0	7	0	25
		24.0%	48.0%	0.0%	28.0%	0.0%	100.0%
	18-25 Years	59	173	132	46	14	424
		13.9%	40.8%	31.1%	10.8%	3.3%	100.0%
	25-29 Years	38	77	39	14	14	182
		20.9%	42.3%	21.4%	7.7%	7.7%	100.0%
Total		103	262	171	67	28	631
		16.3%	41.5%	27.1%	10.6%	4.4%	100.0%
Chi Square: 31.82; P Value: 0.000							
Understanding of Diversification							
		Poor	Fair	Good	Very Good	Excellent	Total
Age	Below 18 Years	12	6	7	0	0	25
		48.0%	24.0%	28.0%	0.0%	0.0%	100.0%
	18-25 Years	91	141	140	39	13	424
		21.5%	33.3%	33.0%	9.2%	3.1%	100.0%
	25-29 Years	59	42	67	14	0	182
		32.4%	23.1%	36.8%	7.7%	0.0%	100.0%
Total		162	189	214	53	13	631
		25.7%	30.0%	33.9%	8.4%	2.1%	100.0%
Chi Square: 25.40; P Value: 0.001							
Understanding of Risk and Return							
		Poor	Fair	Good	Very Good	Excellent	Total
Age	Below 18 Years	18	0	0	0	7	25
		72.0%	0.0%	0.0%	0.0%	28.0%	100.0%
	18-25 Years	84	195	104	27	14	424
		19.8%	46.0%	24.5%	6.4%	3.3%	100.0%
	25-29 Years	36	79	47	13	7	182
		19.8%	43.4%	25.8%	7.1%	3.8%	100.0%
Total		138	274	151	40	28	631
		21.9%	43.4%	23.9%	6.3%	4.4%	100.0%
Chi Square: 82.15; P Value: 0.000							

Source: Online Survey, SPSS Output.

Table-6: Investment Decisions Among Youth

Aspects of Investment Decisions		Frequency	Percent
Understanding of Investment Avenues	Poor	177	28.1
	Fair	187	29.6



	Good	181	28.7
	Very Good	58	9.2
	Excellent	28	4.4
	Total	631	100.0
Any Investment	Yes	323	51.2
	No	308	48.8
	Total	631	100.0
Types of Investments	Bank Deposit	379	60.1
	Mutual Funds	78	12.4
	Stocks	76	12.0
	Crypto currencies	25	4.0
	Others	73	11.6
	Total	631	100.0
Primary Goal of Investment	Short-Term Gains	188	29.8
	Long-Term Growth	342	54.2
	Wealth Preservation	76	12.0
	Other	25	4.0
	Total	631	100.0
Confidence About Investment Decisions	Not Confident at All	121	19.2
	Slightly Confident	164	26.0
	Moderately Confident	193	30.6
	Very Confident	134	21.2
	Extremely Confident	19	3.0
	Total	631	100.0
Review of Investment Portfolio	Never	257	40.7
	Annually	173	27.4
	Semi-Annually	89	14.1
	Quarterly	44	7.0
	Monthly	68	10.8
	Total	631	100.0
Sources Rely on Investment Decision	Financial Advisors	76	12.0
	Online Research	221	35.0
	Financial News	71	11.3
	Friends/Family	170	26.9
	Investment Courses	37	5.9
	Other	56	8.9
	Total	631	100.0
Financial Loss Due to an Investment	Yes	179	28.4
	No	452	71.6
	Total	631	100.0
Sufficient Knowledge to Make Investment Decisions	Strongly Disagree	89	14.1
	Disagree	93	14.7
	Neutral	231	36.6
	Agree	171	27.1
	Strongly Agree	47	7.4



	Total	631	100.0
Understanding the Risk with Investment	Strongly Disagree	114	18.1
	Disagree	115	18.2
	Neutral	247	39.1
	Agree	148	23.5
	Strongly Agree	7	1.1
	Total	631	100.0
Monitoring the Performance of Respondents Investments	Strongly Disagree	101	16.0
	Disagree	162	25.7
	Neutral	174	27.6
	Agree	148	23.5
	Strongly Disagree	46	7.3
	Total	631	100.0
Consultancy with Financial Advisor	Strongly Disagree	119	18.9
	Disagree	130	20.6
	Neutral	203	32.2
	Agree	146	23.1
	Strongly Agree	33	5.2
	Total	631	100.0

Source: Online Survey.

Table-7: Investments Made

		Yes	No	Total
Age	Below 18 Years	19	6	25
		76.0%	24.0%	100.0%
	18-25 Years	219	205	424
		51.7%	48.3%	100.0%
	25-29 Years	85	97	182
		46.7%	53.3%	100.0%
Total		323	308	631
		51.2%	48.8%	100.0%

Source: Online Survey, SPSS Output; Chi Square: 7.66; P Value: 0.022

Table-8: Understanding of Investment Avenues and Type of Investments Made

Understanding of Investment Avenues						
Age	Poor	Fair	Good	Very Good	Excellent	Total
Below 18 Years	12	6	7	0	0	25
	48.0%	24.0%	28.0%	0.0%	0.0%	100.0%
18-25 Years	101	149	128	32	14	424
	23.8%	35.1%	30.2%	7.5%	3.3%	100.0%
25-29 Years	64	32	46	26	14	182
	35.2%	17.6%	25.3%	14.3%	7.7%	100.0%
Total	177	187	181	58	28	631
	28.1%	29.6%	28.7%	9.2%	4.4%	100.0%

Chi Square: 39.50; P Value: 0.000.



Type of Investments							
		Bank Deposits	Mutual Funds	Stocks	Crypto currencies	Other	Total
Below 18 Years		6	7	0	0	12	25
		24.0%	28.0%	0.0%	0.0%	48.7%	100.0%
18-25 Years		236	59	62	12	55	424
		55.7%	13.9%	14.6%	2.8%	13.0%	100.0%
25-29 Years		137	12	14	13	6	182
		75.3%	6.6%	7.7%	7.1%	3.3%	100.0%
Total		379	78	76	25	73	631
		60.1%	12.4%	12.0%	4.0%	11.6%	100.0%

Chi Square: 79.85; P Value: 0.000.

Source: Online Survey, SPSS Output;

Table-9: Primary Goal of Investments

		Short-Term Gains	Long-Term Growth	Wealth Preservation	Other	Total
Age	Below 18 Years	6	12	7	0	25
		24.0%	48.0%	28.0%	0.0%	100.0%
	18-25 Years	116	227	56	25	424
		27.4%	53.5%	13.2%	5.9%	100.0%
	25-29 Years	66	103	13	0	182
		36.3%	56.6%	7.1%	0.0%	100.0%
Total		188	342	76	25	631
		29.8%	54.2%	12.0%	4.0%	100.0%

Source: Online Survey, SPSS Output; **Chi Square: 25.68, P Value: 0.000**

Table-10: Confidence in Investment Decisions and Review of Investment Portfolio

Confidence in Taking Investment Decisions							
		Not Confident at All	Slightly Confident	Moderately Confident	Very Confident	Extremely Confident	Total
Age	Below 18 Years	0	12	6	7	0	25
		0.0%	48.0%	24.0%	28.0%	0.0%	100.0%
	18-25 Years	95	113	153	57	6	424
		22.4%	26.7%	36.1%	13.4%	1.4%	100.0%
	25-29 Years	26	39	34	70	13	182
		14.3%	21.4%	18.7%	38.5%	7.1%	100.0%
Total		121	164	193	134	19	631
		19.2%	26.0%	30.6%	21.2%	3.0%	100.0%

Chi Square: 81.28; P Value: 0.000

Review of Investment Portfolio						
Age	Never	Annually	Semi-Annually	Quarterly	Monthly	Total
Below 18 Years	6	6	7	0	6	25
	24.0%	24.0%	28.0%	0.0%	24.0%	100.0%



18-25 Years	166	121	69	31	37	424
	39.2%	28.5%	16.3%	7.3%	8.7%	100.0%
25-29 Years	85	46	13	13	25	182
	46.7%	25.3%	7.1%	7.1%	13.7%	100.0%
Total	257	173	89	44	68	6316
	40.7%	27.4%	14.1%	7.0%	10.8%	100.0%

Chi Square: 24.27; P Value: 0.002

Source: Online Survey, SPSS Output.

Table-11: Sources to Rely on for Investment Decision

		Financial Advisors	Online Research	Financial News	Friends/Family	Investments Courses	Other	Total
Age	Below 18 Years	13	0	0	6	0	6	25
		52.0%	0.0%	0.0%	24.0%	0.0%	24.0%	100.0%
	18-25 Years	37	181	50	100	31	25	424
		8.7%	42.7%	11.8%	23.6%	7.3%	5.9%	100.0%
	25-29 Years	26	40	21	64	6	25	182
		14.3%	22.0%	11.5%	35.2%	3.3%	13.7%	100.0%
Total		76	221	71	170	37	56	631
		12.0%	35.0%	11.3%	26.9%	5.9%	8.9%	100.0%

Source: Online Survey, SPSS Output; Chi Square: 92.39; P Value: 0.000

Table-12: Financial Loss in Investments

		Experienced any Financial Loss due to Investment		
		Yes	No	Total
Age	Below 18 Years	7	18	25
		28.0%	72.0%	100.0%
	18-25 Years	114	310	424
		26.9%	73.1%	100.0%
	25-29 Years	58	124	182
		31.9%	68.1%	100.0%
Total		179	452	631
		28.4%	71.6%	100.0%

Source: Online Survey, SPSS Output; Chi Square:1.55; P Value: 0.459

Table-13: Understanding and Management of Investments

Sufficient Knowledge to Make Investment Decisions							
Age		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
	Below 18 Years	0	6	6	13	0	25
		0.0%	24.0%	24.0%	52.0%	0.0%	100.0%
	18-25 Years	38	61	173	125	27	424
		9.0%	14.4%	40.8%	29.5%	6.4%	100.0%
	25-29 Years	51	26	52	33	20	182
		28.0%	14.3%	28.6%	18.1%	11.0%	100.0%



Total	89	93	231	171	47	631
	14.1%	14.7%	36.6%	27.1%	7.4%	100.0%
Chi Square:61.91; P Value: 0.000						
Understanding of Risk in Investments						
Age	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Below 18 Years	6	0	13	6	0	25
	24.0%	0.0%	52.0%	24.0%	0.0%	100.0%
18-25 Years	49	75	189	104	7	424
	11.6%	17.7%	44.6%	24.5%	1.7%	100.0%
25-29 Years	59	40	45	38	0	182
	32.4%	22.0%	24.7%	20.9%	0.0%	100.0%
Total	114	115	247	148	7	631
	18.1%	18.2%	39.1%	23.5%	1.1%	100.0%
Chi Square: 55.27; P Value: 0.000.						
Monitoring the Performance of Investment						
Age	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Below 18 Years	0	6	12	0	7	25
	0.0%	24.0%	48.0%	0.0%	28.0%	100.0%
18-25 Years	43	124	115	110	32	424
	10.1%	29.2%	27.1%	25.9%	7.5%	100.0%
25-29 Years	58	32	47	38	7	182
	31.9%	17.6%	25.8%	20.9%	3.8%	100.0%
Total	101	162	174	148	46	631
	16.0%	25.7%	27.6%	23.5%	7.3%	100.0%
Chi Square: 77.71; P Value: 0.000.						
Consultancy with Financial Advisor for Making Investments						
Age	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Below 18 Years	6	13	6	0	0	25
	24.0%	52.0%	24.0%	0.0%	0.0%	100.0%
18-25 Years	62	83	144	114	21	424
	14.6%	19.6%	34.0%	26.9%	5.0%	100.0%
25-29 Years	51	34	53	32	12	182
	28.0%	18.7%	29.1%	17.6%	6.6%	100.0%
Total	119	130	203	146	33	631
	18.9%	20.6%	32.2%	23.1%	5.2%	100.0%
Chi Square: 39.26; P Value: 0.000.						

Source: Online Survey, SPSS Output;

Table-14: Association of Financial Literacy and Investment Decisions

Aspects of Financial Literacy and Investment Decisions		Frequency	Percent
Financial Literacy impact on Investment Decisions	Yes	366	58.0
	No	112	17.7



	Unsure	153	24.2
	Total	631	100.0
Financial Literacy Investing Approach	It has made me More Cautious	95	15.1
	It has made me More Confident	305	48.3
	It has no Impact	111	17.6
	Other	120	19.0
	Total	631	100.0
Most Crucial Area of Financial Literacy for making Sound Investment Decisions	Understanding Risk and Return	128	20.3
	Knowledge of Different Investment Avenues	122	19.3
	Awareness of Market Trends	172	27.3
	Long-Term Financial Planning	128	20.3
	Others	81	12.8
	Total	631	100.0
Increasing Financial Literacy to Improve Investment Decision	Yes	336	53.2
	No	87	13.8
	Maybe	208	33.0
	Total	631	100.0

Source: Online Survey.

Table-15: Financial Literacy Affects Investments

		Yes	No	Unsure	Total
Age	Below 18 Years	0	13	12	25
		0.0%	52.0%	48.0%	100.0%
	18-25 Years	231	79	114	424
		54.5%	18.6%	26.9%	100.0%
	25-29 Years	135	20	27	182
		74.2%	11.0%	14.8%	100.0%
Total		366	112	153	631
		58.0%	17.7%	24.2%	100.0%

Source: Online Survey, SPSS Output; Chi Square:58.69; P Value: 0.000

Table-16: Financial Literacy Affects Investing Approach

		It has made me More Cautious	It has made me More Confident	It has no Impact	Other	Total
Age	Below 18 Years	12	0	0	13	25
		48.0%	0.0%	0.0%	52.0%	100.0%
	18-25 Years	51	215	78	80	424
		12.0%	50.7%	18.4%	18.9%	100.0%
	25-29 Years	32	90	33	27	182
		17.6%	49.5%	18.1%	14.8%	100.0%
Total		95	305	111	120	631
		15.1%	48.3%	17.6%	19.0%	100.0%

Source: Online Survey, SPSS Output; Chi Square:54.56; P Value: 0.000



Table-17: Crucial Area for Sound Investment Decisions

		Understanding Risk and Return	Knowledge of Different Investment Vehicles	Awareness of Market Trends	Long-term Financial Planning	Other	Total
Age	Below 18 Years	6	7	0	6	6	25
		24.0%	28.0%	0.0%	24.0%	24.0%	100.0%
	18-25 Years	51	76	140	89	68	424
		12.0%	17.9%	33.0%	21.0%	16.0%	100.0%
	25-29 Years	71	39	32	33	7	182
		39.0%	21.4%	17.6%	18.1%	3.8%	100.0%
Total		128	122	172	128	81	631
		20.3%	19.3%	27.3%	20.3%	12.8%	100.0%

Source: Online Survey, SPSS Output; Chi Square:83.89; P Value: 0.000

Table-18: Financial Literacy to Improve Investment Decisions

		Yes	No	May be	Total
Age	Below 18 Years	0	13	12	25
		0.0%	52.0%	48.0%	100.0%
	18-25 Years	206	55	163	424
		48.6%	13.0%	38.4%	100.0%
	25-29 Years	130	19	33	182
		71.4%	10.4%	18.1%	100.0%
Total		336	87	208	631
		53.2%	13.8%	33.0%	100.0%

Source: Online Survey, SPSS Output; Chi Square:72.22; P Value: 0.000

Table- 19: Financial Literacy Among Youth: An ANOVA

Aspects of Financial Literacy	Age	Descriptives			F Test					
		N	Mean	Std. Deviation	Description of Variables	Sum of Squares	df	Mean Square	F	Sig.
Overall Financial Knowledge	Below 18 Years	25	2.5200	.87178	Between Groups	12.946	2	6.473	9.894	.000
	18-25 Years	424	3.0236	.67331	Within Groups	410.845	628	.654		
	25-29 Years	182	2.7637	1.05338	Total	423.791	630			
	Total	631	2.9287	.82017						
Formal Education on Financial Literacy	Below 18 Years	25	2.0000	.00000	Between Groups	3.191	2	1.596	7.490	.001
	18-25 Years	424	1.6486	.47798	Within Groups	133.782	628	.213		
	25-29 Years	182	1.7143	.45300	Total	136.973	630			
	Total	631	1.6815	.46628						
Seeking out Financial Information	Below 18 Years	25	2.2800	.84261	Between Groups	2.056	2	1.028	.873	.418
	18-25 Years	424	2.3750	.92939	Within Groups	739.893	628	1.178		
	25-29 Years	182	2.4890	1.40535	Total	741.949	630			
	Total	631	2.4041	1.08522						
Understanding of Budgeting	Below 18 Years	25	3.0800	1.28841	Between Groups	4.524	2	2.262	2.711	.067
	18-25 Years	424	2.6840	.87201	Within Groups	524.084	628	.835		



	25-29 Years	182	2.6264	.94779	Total	528.609	630			
	Total	631	2.6830	.91600						
Understanding of Saving	Below 18 Years	25	3.0000	.70711	Between Groups	1.818	2	.909	1.156	.315
	18-25 Years	424	2.8137	.89427	Within Groups	493.621	628	.786		
	25-29 Years	182	2.7363	.88991	Total	495.439	630			
	Total	631	2.7987	.88680						
Understanding of Interest Rates	Below 18 Years	25	2.0400	.73485	Between Groups	9.327	2	4.664	6.923	.001
	18-25 Years	424	2.2075	.81321	Within Groups	423.031	628	.674		
	25-29 Years	182	1.9396	.84858	Total	432.358	630			
	Total	631	2.1236	.82842						
Understanding of Inflation	Below 18 Years	25	2.3200	1.14455						
	18-25 Years	424	2.4882	.97236	Between Groups	1.688	2	.844	.800	.450
	25-29 Years	182	2.3901	1.13045	Within Groups	662.683	628	1.055		
	Total	631	2.4532	1.02692	Total	664.371	630			
Understanding of Diversification	Below 18 Years	25	1.8000	.86603	Between Groups	11.607	2	5.804	5.768	.003
	18-25 Years	424	2.3915	1.01875	Within Groups	631.889	628	1.006		
	25-29 Years	182	2.1978	.98295	Total	643.496	630			
	Total	631	2.3122	1.01065						
Understanding of Risk and Return	Below 18 Years	25	2.1200	1.83303	Between Groups	.930	2	.465	.449	.639
	18-25 Years	424	2.2736	.96053	Within Groups	650.421	628	1.036		
	25-29 Years	182	2.3187	.99589	Total	651.350	630			
	Total	631	2.2805	1.01680						

Source: Online Survey, SPSS Output.

Table-20: Investment Decisions Among Youth: An ANOVA

Aspects of Investment Decisions	Age	Descriptives			F Test					
		Mean	Std. Deviation	Mean	Description of Variables	Sum of Squares	df	Mean Square	F	Sig.
Understanding of Investment Avenues	Below 18 Years	25	1.8000	.86603	Between Groups	8.503	2	4.252	3.479	.031
	18-25 Years	424	2.3137	1.02138	Within Groups	767.544	628	1.222		
	25-29 Years	182	2.4176	1.30503	Total	776.048	630			
	Total	631	2.3233	1.10987						
Any Investments	Below 18 Years	25	1.2400	.43589	Between Groups	1.914	2	.957	3.859	.022
	18-25 Years	424	1.4835	.50032	Within Groups	155.747	628	.248		
	25-29 Years	182	1.5330	.50029	Total	157.661	630			
	Total	631	1.4881	.50026						
Types of Investments	Below 18 Years	25	3.2000	1.80278	Between Groups	68.990	2	34.495	18.983	.000



	18-25 Years	424	2.0354	1.40958	Within Groups	1141.178	628	1.817		
	25-29 Years	182	1.5659	1.10925	Total	1210.168	630			
	Total	631	1.9461	1.38597						
Primary Goal of Investment	Below 18 Years	25	2.0400	.73485	Between Groups	9.618	2	4.809	8.671	.000
	18-25 Years	424	1.9764	.80154	Within Groups	348.290	628	.555		
	25-29 Years	182	1.7088	.59262	Total	357.908	630			
	Total	631	1.9017	.75373						
Confident About Investment Decisions	Below 18 Years	25	2.8000	.86603	Between Groups	43.502	2	21.751	18.771	.000
	18-25 Years	424	2.4481	1.02551	Within Groups	727.721	628	1.159		
	25-29 Years	182	3.0275	1.20968	Total	771.223	630			
	Total	631	2.6292	1.10642						
Review your Investment Portfolio	Below 18 Years	25	2.7600	1.47986	Between Groups	8.316	2	4.158	2.371	.094
	18-25 Years	424	2.1792	1.26638	Within Groups	1101.316	628	1.754		
	25-29 Years	182	2.1593	1.43049	Total	1109.632	630			
	Total	631	2.1965	1.32715						
Sources Rely on Investment Decisions	Below 18 Years	25	2.9200	2.15870	Between Groups	17.640	2	8.820	4.174	.016
	18-25 Years	424	2.9575	1.35552	Within Groups	1326.949	628	2.113		
	25-29 Years	182	3.3242	1.55537	Total	1344.590	630			
	Total	631	3.0618	1.46091						
Experienced any Financial Loss due to Investment	Below 18 Years	25	1.7200	.45826	Between Groups	.316	2	.158	.777	.460
	18-25 Years	424	1.7311	.44389	Within Groups	127.906	628	.204		
	25-29 Years	182	1.6813	.46725	Total	128.222	630			
	Total	631	1.7163	.45114						



Sufficient Knowledge to make Informed Investment Decisions	Below 18 Years	25	3.2800	.84261	Between Groups	22.684	2	11.342	9.071	.000
	18-25 Years	424	3.0991	1.02203	Within Groups	785.259	628	1.250		
	25-29 Years	182	2.6978	1.34283	Total	807.943	630			
	Total	631	2.9905	1.13245						
Understanding of Risk with Investment	Below 18 Years	25	2.7600	1.09087	Between Groups	35.776	2	17.888	17.039	.000
	18-25 Years	424	2.8703	.96739	Within Groups	659.305	628	1.050		
	25-29 Years	182	2.3407	1.13916	Total	695.081	630			
	Total	631	2.7132	1.05038						
Monitoring the Performance of my Investments	Below 18 Years	25	3.3200	1.14455	Between Groups	31.886	2	15.943	11.895	.000
	18-25 Years	424	2.9151	1.12035	Within Groups	841.746	628	1.340		
	25-29 Years	182	2.4725	1.24235	Total	873.632	630			
	Total	631	2.8035	1.17759						
Consultancy with Financial Advisor	Below 18 Years	25	2.0000	.70711	Between Groups	27.732	2	13.866	10.649	.000
	18-25 Years	424	2.8797	1.11180	Within Groups	817.701	628	1.302		
	25-29 Years	182	2.5604	1.25005	Total	845.433	630			
	Total	631	2.7528	1.15843						

Source: Online Survey, SPSS Output.

Table-21: Financial Literacy and Investment Decisions Among Youth: An ANOVA

Aspects of Financial Literacy and Investment Decisions	Age	Descriptives			F test					
		Mean	Std. Deviation	Mean	Description of Variables	Sum of Squares	df	Mean Square	F	Sig.
Financial Literacy Impact on your Investment Decisions	Below 18 Years	25	2.4800	.50990	Between Groups	30.233	2	15.117	22.773	.000
	18-25 Years	424	1.7241	.85981	Within Groups	416.867	628	.664		
	25-29 Years	182	1.4066	.73549	Total	447.100	630			
	Total	631	1.6624	.84243						
Financial Literacy	Below 18 Years	25	2.5600	1.52971	Between Groups	3.074	2	1.537	1.667	.000



Influenced your Investing Approach	18-25 Years	424	2.4410	.93086	Within Groups	579.065	628	.922		
	25-29 Years	182	2.3022	.92950	Total	582.139	630			
	Total	631	2.4057	.96127						
Areas Most Crucial for Making Investment Decision	Below 18 Years	25	2.9600	1.59374	Between Groups	91.637	2	45.818	29.299	.000
	18-25 Years	424	3.1108	1.22599	Within Groups	982.091	628	1.564		
	25-29 Years	182	2.2637	1.25557	Total	1073.727	630			
	Total	631	2.8605	1.30550						
Interested in Increasing your Financial Literacy	Below 18 Years	25	2.4800	.50990	Between Groups	35.854	2	17.927	23.348	.000
	18-25 Years	424	1.8986	.92846	Within Groups	482.181	628	.768		
	25-29 Years	182	1.4670	.78417	Total	518.035	630			
	Total	631	1.7971	.90680						

Source: Online Survey, SPSS Output.

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