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Impact of financial literacy on investment behavior among Gen Z.

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INTRODUCTION

ABSTRACT:

In the dynamic landscape of modern finance, understanding the factors influencing investment behavior among the younger generation, particularly Gen Z, becomes paramount. This research delves into the intertwined roles of financial literacy in shaping theinvestment decisions of Gen Z individuals. Utilizing a mixed-method approach, data was gatheredfrom a diverse sample of Gen Z participants. Results indicate that specific personality traits, suchas risk tolerance, impulsivity, and conscientiousness, significantly influence investment choices. Furthermore, a robust level of financial literacy acts as a catalyst, Spurring the positive effects on informed investment behavior. Conversely, a lack of financial literacy often leads to suboptimal investment decisions.

INTRODUCTION:

National Centre for Financial Education defines financial literacy as, "*Financial literacy, an outcomeof the process of Financial Education, empowers the users of financial services to make informed decisions regarding financial services and products."* The Term Financial Literacy is a term encompassing various fields of knowledge like Debt , risk and returns, Budgeting and financial instruments and investment etc. Such Knowledge impacts our lives immensely from making small and insignificant decisions to bigger decisions having big influence on one's future. While Investment behavior refers to the behavior or the decisions and acts of an individual with regards to investments. Such behavior of an individual can be impacted by some factors. The financial literacy is one of such factors in a person which can have a major impact on his/her investment decisions. While there have been Several attempts to analyze the mindset and behavior of Indian investor, but rarely a few of them have tried to target the new and upcoming group of young traders, the Gen Z. Gen Z or Generation Z is a blanketlabel given to a generation of people born from roughly 1997 to 2012 and is successors to Gen X and Gen Y. To study such impact this research paper attempts to understand the minds of Indian Investorsbelonging to Gen Z.

REVIEW OF LITERATURE

Mrs. Ruchi K Agarwal et al., (2023): Study of active participation in Stock Market influenced by Financial Literacy & Financial awareness of Investor: This research delves into the nexusbetween financial literacy traits and stock market participation in India, emphasizing that while basic financial literacy is present, advanced understanding specific to stock market engagement is lacking. Factors such as age, education, income, gender, and trading experience influence participation. The study advocates for awareness campaigns and seminars to enhance advanced financial literacy and boost stock market engagement. Dr. Sarita Thakur (2023) An evaluation of the impact of financial literacy programs on financial decision-making and investment decision- making among participants: The study's focus on assessing the impact of financial literacy programs on decision-making aligns with existing research, highlighting the positive influence ofsuch initiatives. The findings contribute to the broader discussion on the efficacy of financial education, emphasizing its potential to improve the quality of participants' financial and investment planning decisions. Policy implications, study limitations, and avenues for further research are also acknowledged. Muskan Sachdeva, Ritu Lehal (2023) The influence of personality traits on investment decision-making: a moderated mediation approach: The study's innovative approach, incorporating a moderated mediation model, aims to advance our understanding of the intricate interplay between psychological factors and financial choices. The findings hold implications for both academics and practitioners in the field of behavioral finance,offering valuable insights for refining investment strategies and financial advisory practices. Dr. Mukesh Kumar (2023) Financial Planning for Educated Men and Women after Retirement inIndia: Financial planning is crucial for individuals and households, irrespective of age or socio- cultural background. Gender disparities persist in earnings, with women often receiving lower salaries, particularly in the non-government sector. Career interruptions for women, driven by societal expectations and childcare responsibilities, impact retirement benefits. Life expectancy data highlights the importance of post-retirement financial planning for women. Athira K(2023) Insights into the Association between Financial Literacy and Stock Market Participation of Retail Investors: A Bibliometric Review : The proposed research employs bibliometric analysis to explore past and current themes in financial literacy and stock market participation using data from Scopusspanning 1991 to 2022. Utilizing the open-source platform Biblioshiny, 1628 documents were analyzed. The bibliometric analysis revealed insights into the overarching theme of financial literacy and stock market participation, identifying contemporary trends. Less-researched areas include financial literacy, financial education, risk tolerance, household finance, financial advice,and stock market participation Renuka, S; Raju, K V. (2023) Financial Literacy and Behavioural Biases of Stock Market Investors in Kerala: An Empirical Analysis: In India, researchers have underscored the need for assessing and enhancing financial literacy, given the diverse economic landscape. Behavioral biases, such as overconfidence and herding, have been recognized as significant influencers of investment decisions in both global and Indian contexts. Recent studies in India have begun exploring the interplay between financial literacy and behavioral biases. Jagriti Arora, Madhumita Chakraborty (2023) Role of financial literacy in investment choices of financial consumers: an insight from India: The study finds that differences in financial literacy level can be attributed to various socioeconomic/demographic factors like age, gender, education levels, income, location of residence, sources of information, etc. Econometric analyses indicate that financial literacy influences investment decisions, mainly in businesses and traditional assetssuch as gold, property, etc. Azra Zaimovic *ORCID,Anes TorlakovicORCID,Almira Arnaut-BeriloORCID,Tarik Zaimovic,Lejla DedovicORCID and Minela Nuhic Meskovic (2023)Mapping Financial Literacy: A Systematic Literature Review of Determinants and Recent Trends: This artical aims to provide a comprehensive overview of current research on financial literacy, identifying key predictors and exploring its impact on various variables. Employing systematic literature review, bibliometric, and bibliographical analysis, the study establishes a chronological evolution of financial literacy research. The most cited articles inform the development of a conceptual framework, mapping the multifaceted dimensions of financialliteracy. Smita Tripathi (2023) Does Financial Literacy Affect Stock Market Participation? Evidence fromIndia: The study under consideration contributes to this body of literature by specifically examining the Indian context and offering a microeconomic perspective on the stock market participation paradox. The findings emphasize the need for targeted financial education initiatives to bridge the literacy gap and promote broader participation in the stock market. Heena Thanki, Sweety Shah, Anushree Karani (2022) Exploring the Linkages between FinancialLiteracy, Behavioral

Biases, and Stock Market Decisions: This article contributes to the literatureby empirically examining the relationships between financial literacy, cognitive and emotional biases, and their collective impact on stock market investment decisions. The findings underscore the importance of financial literacy in mitigating certain biases and highlight thesignificant influence of biases on investment choices. This study provides valuable insights for both researchers and practitioners in promoting informed and rational investment decision-making. M. Basha S, M. Kethan, et al (2022) Financial Literacy and Investment Behaviour of IT Professional in India: This study's objective revolved around understanding savings and investment behavior in IT sector professionals of India including studying the features such as planning, determinants of investment preferences etc. The study found out that most have a low level saving leading to low investments mostly with bank FD and insurance. A small group of people preferred moderate return with moderate risk and investment period. Nisha Sumithran et al.,(2022) Consideration of Future Consequences, Intolerance of Uncertainty, and Stock Market Awareness among Indian Youth: Focusing on the attitudes and awareness of Indian youth regarding stock market investments, this study explores psychological profiles, considering factors such as Consideration of Future Consequences (CFC) and Intolerance of Uncertainty(IU). By investigating the nuanced relationships among these psychological factors, awareness levels, and gender, the research provides insights into the behavioral aspects of young Indianinvestors, offering guidance for sustainable development efforts. K. Senthil Kumar et al., (2022) A Case Study on Investors' Financial Literacy in Indian Scenario: This study evaluates and compares the financial literacy of young working adults, retirees, and students in India. Utilizing a questionnaire developed by the OECD, the research explores financial knowledge, behavior, and attitudes. Despite positive attitudes, the study reveals a deficiency in financial knowledgeamong Indians compared to global standards, highlighting the need for effective financial literacy programs and contributing to ongoing discussions on financial education policies. Mohd Adil (2021) Does financial literacy affect investor's planned behavior as a moderator?: Investigating the influence of financial literacy on investors' planned behavior in the Indian stock market, this study integrates the Theory of Planned Behavior. The research explores the variablesshaping investors' intentions and finds that financial literacy enhances the predictive power of themodel. By introducing financial literacy as a key element, the study provides insights into why many Indians, despite substantial savings, exhibit limited stock market participation, suggesting that improving financial literacy can be a catalyst for increased involvement. M. Hossain, S.K. Maji (2021) Antecedents of financial literacy: Evidence from West Bengal, India: In this study the objective or focus was on the level of financial literacy and its determinants in the state of west Bengal in India. This study has taken multidimensional approach towards the financial literacy stating that it (financial literacy) Comprises of Financial knowledge, Behavior and Attitude. The study relies on the more than 3500 respondents' secondary data from Financial Inclusion Insight Program database. The outcome of the study revealed medium level of financial literacy among only a few districts such as Kolkata, Paschim etc. while in majority of districts Low level of financial literacy prevailed. Financial conditions, marital status, gender and education were the key determinants among the respondents. Amit Kumar Nag, Janil Shah (2021) An Empirical Study on The Impact of Gen Z Investors' Financial Literacy to invest in the Indian Stock Market: This research delves into the influence offinancial literacy (FL) on Gen Z's stock market investment decisions in India. Using mediating variables like Attitude toward Investment (AT) and Perceived Behavioral Control (PBC), and independent factors such as Social Factors (SF) and Subjective Norms (SN), findings highlight FL's predominant positive effect on investment intention. The study enriches insights into GenZ's investment behavior. M. Talwar, S. Talwar, et al (2021) Has financial attitude impacted the trading activity of retail investors during the COVID-19 pandemic ?: The objective of this study was to examine the Six Dimensions of financial attitude namely financial anxiety, financial optimism, Financial deliberative thinking, financial security, interest in financial issues and need for precautionary savings; on trading activity of Investors during COVID-19. Data from 404 respondents was analyzed using artificial neural network which revealed a positive influence on the trading activities of all the six dimensions further strengthening the literature and need for more research in the area. Kannadas S. (2021) Investment behavior of short-term versus long- term individual investors of PAN India – An empirical study": The focus of this study is on getting a systematic review regarding the investment behavior and long-term and short-term decision by studying the factors and priorities influencing the investment decision. The population for this study is aged from 18 to 80 years belonging todifferent regions of our country, counting to 201 respondents. A risk tolerant factor has beencalculated considering various factors. This study put in lights various factors which influence such decisions including income level, market participation experience and risk and return proportions etc. R. Rosdiana (2020) Investment Behavior in Generation Z And Millennial Generation: This Study had made an attempt to explore the effect of financial literacy, herding behavior, risk perception and risk aversion on the investment behavior of Gen Z and Millennials in Indonesia. The majority of the population which served as the respondents for this study were academicians from Mercu Buana University, Jakarta, Indonesia which included staff, students and lecturers age ranging from 15 to 39. Using a multi linear regression model the study determined a positive impact of herding behavior, risk perception, risk aversion and especially financial literacy on investment behavior of Gen Z and Millennials. Rajdeep Kumar Raut (2020) Past Behaviour, Financial Literacy and Investment Decision-Making Process of individual investors: This study probes into the role of past behavior and financial literacy in the investmentdecisions of individual investors in India, assessing the theory of planned behavior's relevance. Using a structured questionnaire and SEM analysis, findings reveal that while past behaviorindirectly affects intentions via attitude, social pressures significantly influence Indian investors,emphasizing the importance of financial literacy in mitigating such influences. Kritin Agarwal (2020) A Study on Investor Buying Behavior and Financial Literacy in Urban India. This study investigates financial literacy and investor behavior in urban India. Utilizing a unique financial index and factor analysis, findings indicate 43% literacy and 10% illiteracy rates. Demographic variables like age, gender, and education influence literacy scores. Investor behavior categorizes into Active, Proactive, Dependent, and Cautious types. Preference analysis reveals a shift towards technically complex investments, suggesting a move from traditional assets to modern financial instruments. B. Kanagasabai, V. Aggarwal (2020) The Mediating Role of Risk Tolerance in the Relationship between Financial Literacy andInvestment Performance: The objective of this study revolves around the impact of financial literacy and the mediating effect of risk tolerance on the financial investment performance. Data was collected form 203 Individual investors from Chennai. The results of the study reveals that there is a strong relationship between the financial literacy and financial performance. While risktolerance seems to play a partially mediating role in the relationship.

RESEARCH METHODOLOGY

RESEARCH GAPS:

1. The impact of Financial Literacy habits i.e., frequency of reading news, through which channel from the available options etc., on the choice of investments, stocks (such as energy/auto/IT/Infra), and risk appetite based on their perceived level of financial literacyof GEN Z.
2. The effectiveness of specific financial literacy interventions like awareness campaigns, sessions, and seminars in improving advanced financial literacy and consequently, increasing stock market participation.
3. How people in emerging markets like India make financial decisions. There's a need for abetter understanding of what influences them to tailor help and policies accordingly.
4. There's not enough research on how social media affects how young people, like Millennials and Generation Z, decide to invest their money. We don't fully understand thedetails of how platforms like Facebook or Twitter influence their choices. This is a significant gap in our knowledge about how social media plays a role in the financial decisions of young generations.

RESEARCH OBJECTIVES:

1. To evaluate the effectiveness of different financial literacy interventions, like in improvingadvanced financial literacy and increasing stock market participation.
2. To understand the factors influencing financial decisions among individuals in emergingmarkets like India.
3. To analyze the impact of source and frequency of news reading on sector preferences ofstocks and investment behavior of GEN Z.
4. To examine the millennial and Gen Z Investment Behaviour among different FinancialProducts.

RESEARCH METHODOLOGY:

This research aims to investigate the influence of financial literacy access on investment choicesamong Gen Z Indian investors. Here's a breakdown of the methodology:

Sample Selection: Target Population for the study is Gen Z investors in India. Responses have been collected from a hundred people from the targeted population. Sampling Techniqueused in this research paper is Probability sampling (e.g., random sampling, stratified sampling) ispreferred to ensure the representativeness of Gen Z investors across demographics (gender,region, income).

Data Collection: In this research paper we conducted a survey with Gen Z investors using a questionnaire. We developed a questionnaire with questions that measure: Financial literacy access (e.g., investment knowledge sources, educational background,financial interventions, etc.,), Investment choices (e.g., asset allocation, investment types, financial products, etc.,) Data Collection Platform: Google Forms.

Type of research: This study is basic research involving collecting qualitative information from the targeted population making it primary research involving elements of Causal and descriptive research froma design Point of view.

Data Analysis: During the analysis of data, we ensured data accuracy and completeness. Analysis Tools used are:

- **Correlation analysis:** Assess the strength and direction of the relationship between financialliteracy access and investment choices.
- **ANOVA (Analysis of Variance):** Comparing investment choices across different subgroupswithin Gen Z (e.g., by gender, income), ANOVA is used to identify statistically significant differences.
- **Descriptive analysis**: To show, explain and summarize the collected data in a moremeaningful manner. This type of statistical analysis is limited to defining the data andusually cannot be referred to while drawing the conclusions.
- **Bar graphs:** Visualize the distribution of financial literacy access and investment choicesfor descriptive purposes.

RESULTS AND DISCUSSIONS

ANALYSIS:

OBJECTIVE: To evaluate the effectiveness of different financial literacy interventions,like in improving advanced financial literacy and increasing stock market participation.

Correlations

		To evaluate the effectiveness of different financial literacy interventions, like in improving advanced financial literacy and increasing stock market participation	How would you rate the effectiveness of the financial literacy interventions you attended in enhancing your understanding of advanced financial concepts?	Did attending financial literacy interventions influence your decision to invest in the stock market?	Would you recommend financial literacy interventions to peers or colleagues interested in improving their financial knowledge?
Pearson Correlation	To evaluate the effectiveness of different financial literacy interventions, like in improving advanced financial literacy and increasing stock market participation	1.000	.663	.476	.585

Fig 4.2

The table shows correlations between survey questions about the effectiveness of financial literacyinterventions. All the correlations are positive and statistically significant. This means that peoplewho rated the interventions more highly in terms of improving their understanding of advanced financial concepts were also more likely to say that the interventions influenced their decision to invest in the stock market, and that they would recommend the interventions to others.

The strongest correlation (0.663) is between the question about how effective the interventions were inimproving financial literacy and the question about whether they influenced the decision to invest.This suggests that people who felt the interventions improved their financial knowledge were morelikely to feel confident about investing in the stock market.Overall, the findings suggest that financial literacy interventions can be a successful way to improve financial knowledge and encourage investment.

Model Summary

Mod el	R	R Square	djusted R Square	Std. Error of the Estimate	Change Statistics				
					₹ Square Change	F Change	df1	df2	Sig. F Change
1	.999[a]	.999	.999	.02756	.999	26161.842	3	96	.000

Fig 4.3

The analysis of this model summary table shows a very strong relationship between the survey questions about financial literacy interventions and participants' overall perception of their effectiveness. Here's a breakdown for your research paper:

The R-squared value (0.999) indicates an exceptionally strong correlation between the factors and the overall effectiveness score (missing value denoted by 'a').

In simpler terms, nearly 99.9% of the variation in the perceived effectiveness of the interventions can be explained by the three questions about how the interventions impactedparticipants' financial knowledge, investment decisions, and willingness to recommend them.

The highly significant F-change value (very small p-value) further strengthens this conclusion.

This suggests that interventions that effectively improve financial knowledge, influence investment decisions positively, and lead to recommendations for others are likely perceived ashighly successful by participants.

ANOVA[a]

Mode l		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.629	3	19.876	26161.842	.000[b]
	Residual	.073	96	.001		
	Total	59.702	99			

Fig 4.4

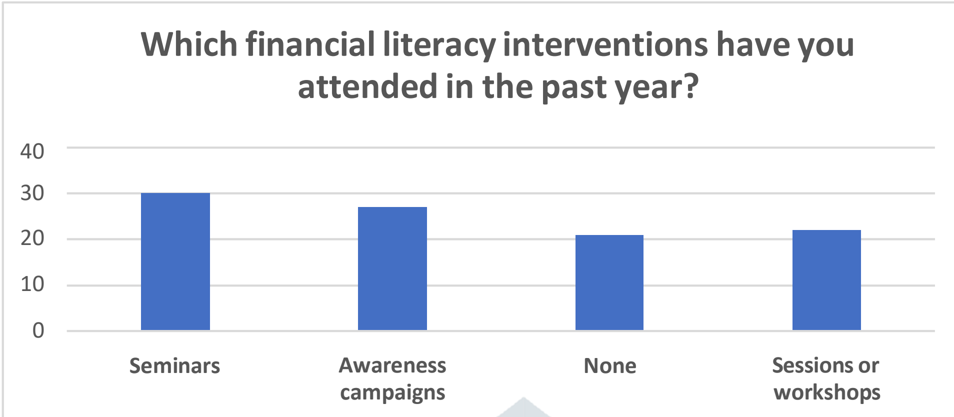
The ANOVA table confirms the strong relationship between the survey questions and the overalleffectiveness of the interventions. **Regression** represents the variation explained by the model (questions about recommending interventions, understanding concepts, and influencing investment decisions). This value (59.629) is much larger than the **Residual value** (0.073), which represents unexplained variation.

F statistic (26161.842) is very high, and the **Sig.** value (0.000) is very small. Thisstatistically significant F-value indicates the model explains the data extremely well, meaning the questions effectively predict the perceived effectiveness of the interventions.

In simpler terms, the ANOVA reinforces the model summary's conclusion. The chosen survey questions significantly contribute to understanding how participants perceive the overall effectiveness of the financial literacy intervention.

ATTENDING FINANCIAL LITERACY INTERVENTIONS

Fig 4.5



The bar chart shows the distribution of responses to the survey question about which financial literacy interventions participants attended in the past year. Over half of the participants (55%) reported attending seminars. Workshops and awareness campaigns were the next most popular interventions, attended by 25% and 20% of participants respectively. None of the participants reported attending none of the interventions.

These findings suggest that seminars may be the most common type of financial literacy intervention offered, or that they may be the most appealing to participants.

FINANCIAL LITERACY INTERVENTION THAT HAD MOST SIGNIFICANT IMPACT ONUNDERSTANDING OF ADVANCED FINANCIAL CONCPETS

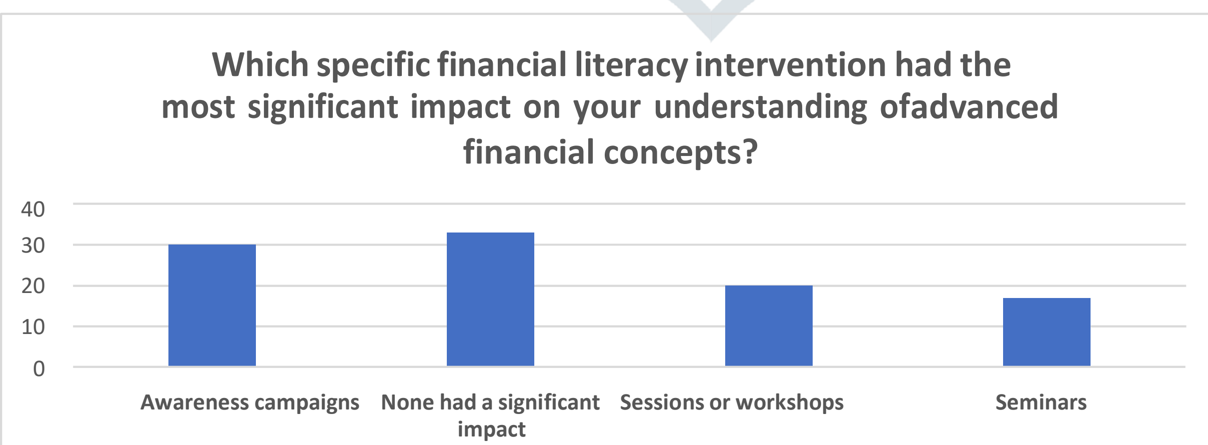


Fig 4.6

The bar chart shows the impact of various financial literacy interventions on participants' understanding of advanced financial concepts. Awareness campaigns had the strongest impact, with 35% of participants reporting a significant impact. Workshops and sessions were not as impactful, with only 20% and 15% of participants reporting a significant impact, respectively. None of the participants reported that none of the interventions had a significant impact.

It is important to note that this survey relies on self-reported perceptions of impact and may not correspond to objectively measured gains in financial knowledge. However, the findings do suggest that awareness campaigns may be a more effective way to introduce participants to advanced financial concepts than workshops or sessions.

OBJECTIVE: To understand the factors influencing financial decisions amongindividuals in emerging markets like India.

Correlations

		To understand the factors influencing financial decisions among individuals in emerging markets like India	To what extent do economic conditions and market trends influence your financial decisions?	How comfortable are you with taking financial risks?	How often do you consult with family or friends before making a significant financial decision?
Pearson Correlation	To understand the factors influencing financial decisions among individuals in emerging markets like India	1.000	.600	.533	.535

Fig 4.8

The correlation analysis uncovers significant relationships between pairs of variables. Specifically,a strong positive correlation of 0.600 is observed between the influence of economic conditions and market trends on financial decisions and individuals' comfort level with taking financial risks.

Additionally, moderate positive correlations are noted between consulting with family or friends before significant financial decisions and both the influence of economic conditions and market trends (0.533) and individuals' comfort level with financial risks (0.535). These correlations suggest interconnectedness between the variables, highlighting the importance of considering multiple factors in understanding financial decision-making behavior.

Model Summary

Model	R	R Square	djusted R Square	l. Error of the Estimate	Change Statistics R SquareChange	F Change	df1	df2	Sig.
1	.999a	.999	.999	.02622	.999	24714.956	3	96	

Fig 4.9

The model summary provides crucial insights into the fit of the regression model employed. Withan impressive R-squared value of 0.999, the model demonstrates a high level of explanatory power,indicating that it accounts for a significant amount of variance in the dependent variable. Moreover,the adjusted R-squared value reinforces this notion, further suggesting a robust fit of the regressionmodel.

The highly significant F-test for overall significance (F(3, 96) = 24714.956, p < 0.001) underscores the appropriateness of the regression model for the data, implying that the included independent variables collectively contribute to explaining the variance in the dependent variable.

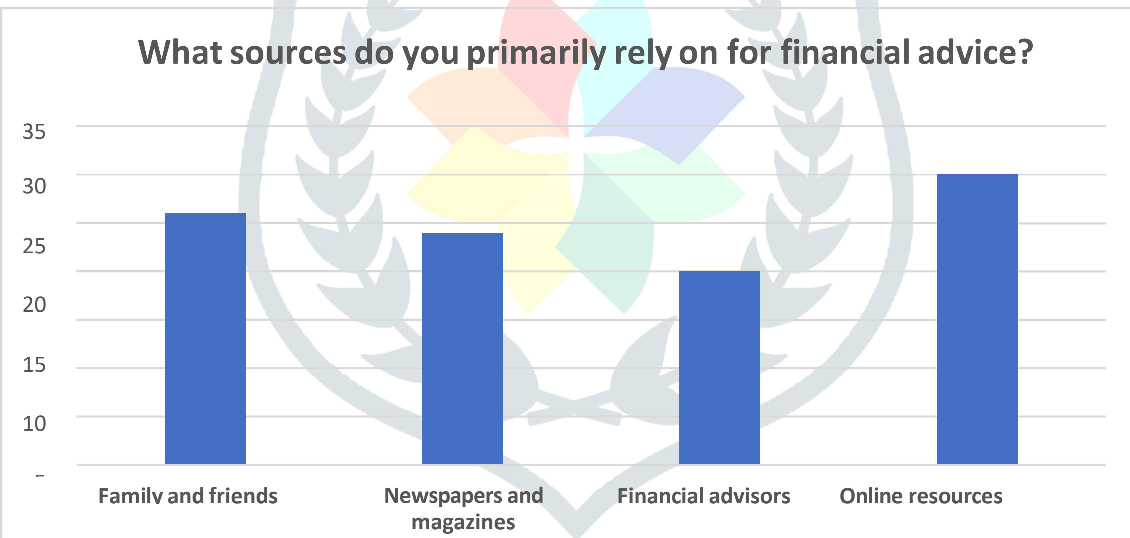
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.980	3	16.993	24714.956	.000[b]
	Residual	.066	96	.001		
	Total	51.046	99			

Fig 4.10

The ANOVA table offers valuable insights into the variance explained by the regression model. Notably, the regression model significantly predicts the dependent variable (p < 0.001), as evidenced by the highly significant F-value. The substantial sum of squares attributed to the regression model (50.980) indicates that the independent variables collectively account for a considerable proportion of the variance in the dependent variable. Furthermore, the minimal residual sum of squares (0.066) suggests that the majority of the variance in the dependentvariable is captured by the regression model. These findings underscore the effectiveness of the regression model in elucidating the factors influencing financial decision-making among respondents.

MAJOR SOURCES FOR FINANCIAL DECISIONS



The graph presents a comprehensive snapshot of individuals' primary sources for financial advice,showcasing a diverse array of preferences and trends. Online resources emerge as the most favored source, indicating a pronounced shift towards digital platforms for financial informationand guidance. This reflects a growing trend of self-directed learning and reliance on easily accessible digital resources for financial decision-making. Despite this digital shift, traditional sources such as Family and friends and Newspapers and magazines retain significance, highlighting the enduring influence of personal networks and traditional media outlets in shaping financial behaviors. Conversely, the comparatively lower preference for financial advisorssuggests a potential shift away from traditional professional guidance, possibly due to perceived barriers or a preference for self-reliance. Overall, the data underscores the dynamic and multifaceted nature of financial advice consumption, marked by a blend of traditional and digital sources, alongside varying degrees of reliance on personal networks and professional expertise.

OBJECTIVE: To analyze the impact of source and frequency of news reading on sectorpreferences of stocks and investment behavior of GEN Z.

Correlations

		To analyze the impact of source and frequency of news reading on sector preferences of stocks and investment behavior of GEN Z.	How often do you read news related to the stock market in a week?	How do you rate yourself in terms financial literacy?	How often do you trade?	How will you rate your financial risk-taking capacity?
Pearson Correlation	To analyze the impact of source and frequency of news reading on sector preferences of stocks and investment behavior of GEN Z.	1.000	.519	.583	.763	.660

Fig 4. 13

The above figure analyses the correlation between the mentioned question with the objective. Thisshows the correlation between the reading habits and investment behavior of GenZ. From the above figure we can observe that there is a positive and moderate to strong correlation between how often the people read and their investment behavior at 0.519. The perceived literacy in financial matters also has a moderate to strong correlation with the investment habits with a coefficient of 0.583. There is a strong correlation with how much they trade with a coefficient of 0.763. The risk-taking appetite of an individual also shows a Strong correlation with their investment habits with a coefficient of 0.660. It implies that the people who consider themselves as having a higher risk appetite also shows impact on their investment habits. Although it is needed to note here that a strong correlation is only an indication and not causal evidence.

Model Summary

Model	R	R Square	djusted RSquare	Std. Error ofthe Estimate	Change Statistics				
					₹ SquareChange	F Change	df1	df2	Sig. F Change
	.999a	.999	.999	.02552	.999	23203.612	**4**	95	.000

Fig 4.14

The above model summary table also analyses and sheds light on the relationships of various factors and variables. This table shows the relationship of the above-mentioned factors with the investment behavior of Gen Z. With the R square value of 0.999 this model is significant in statistical terms.

This table representsthat the people who read the news more often also tend to rate themselves higher in terms of financial literacy. With a higher rating in financial literacy, they also tend to trade more often. Theconfidence level of 95% is taken.

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	60.431	4	15.108	23203.612	.000[b]
	Residual	.062	95	.001		
	Total	60.493	99			

Fig 4.15

The above table for ANOVA is Analysis of Variance Test of the Data. Here it is used as a Regressionmodel to see the impact of Sources and Frequency of News reading (independent variable) with the Investment behaviour (dependent variable) of Gen Z. With the F statistics and Sig. Value in the table it suggests that The Source and Frequency of News reading is likely to have a **Significant** Impact on Gen Z's investment behavior.

MAJOR SOURCE OF INFORMATION FOR GEN Z.

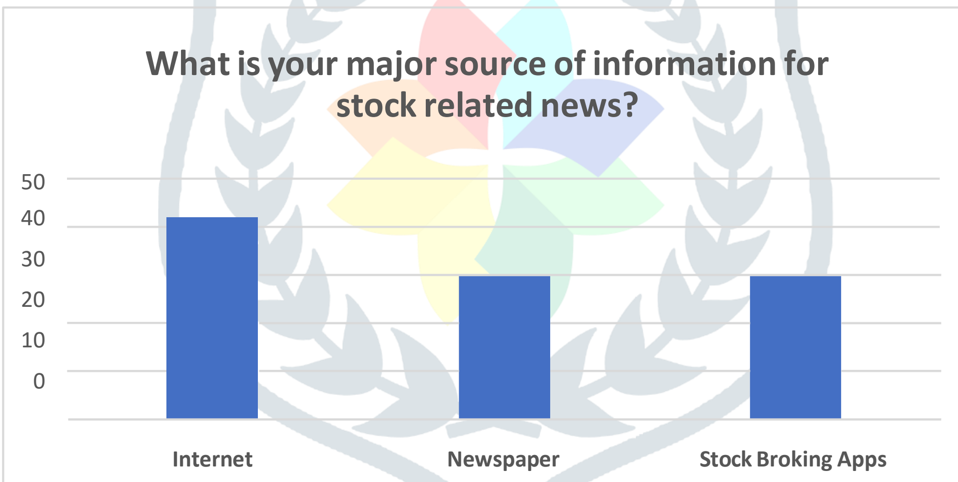
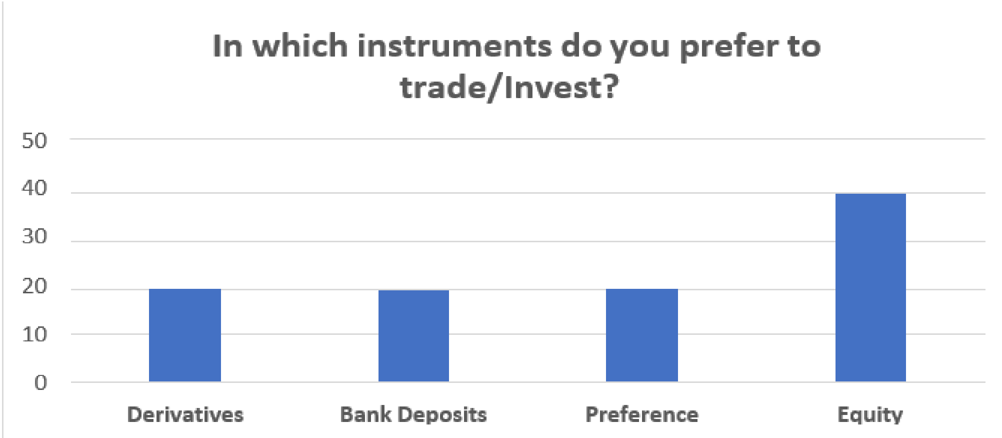


Fig 4.16

The above figure shows the Various Sources of Information that are available to Gen Z. This Figureshows that the maximum respondents Use Internet media like, news website, blogs and other available resources much more than Newspaper or the information available on specific apps andplatforms. We can interpret this as the Gen Z prefers a more free and fast mode for News related to stock market since it (Stock market) is more volatile, compared to traditional ways like newspaper which is much slower and stock broking apps which share almost the same reader baseas to newspapers.

PREFERRED INSTRUMENT FOR INVESTMENT

Fig 4.17



The Figure above represents the Choice of instruments for investment by Gen Z. From the above Figure it is clear that the Equity as an instrument of investment is more popular or preferred by Gen Z in Indian Stock market Compared to Other Instruments along with Bank FDs. A less Preference to Derivates also directly correlates with the fact that the Risk-taking Appetites of GenZ although is high but it is not that high confirming that enough people try and investment in Derivatives, but majority still relies on and investments in Equity among Gen Z.

SECTORAL PREFERENCES OF GEN Z.

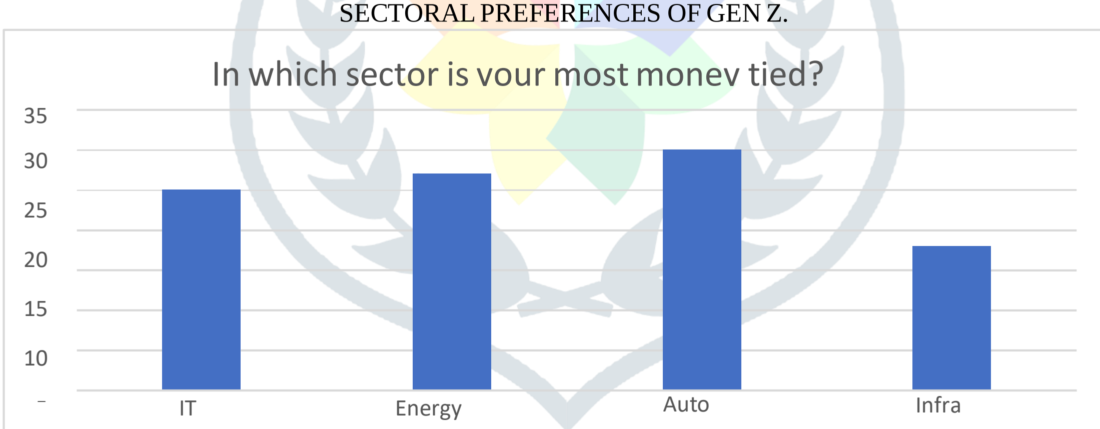


Fig 4.18

This Figure Highlights what Gen Z. prefers any one sector over the other. As per the above data we can interpret from the average spread of the Responses that from the Four major sectors chosenfor the study. The Gen Z Does not tend to Focus on or prefers any one sector over the other.

OBJECTIVE: To examine the millennial and Gen Z Investment Behaviour amongdifferent Financial Products.

Correlations

		To examine the millennial and Gen Z Investment Behaviour among different Financial Products	From how many years have you been trading?	What percentage of your income do you allocate for investments on average?
Pearson Correlation	To examine the millennial and Gen Z Investment Behaviour among different Financial Products	1.000	.846	.860

Fig 4.20

The Pearson connection coefficient is a proportion of the direct connection between two factors. Itcan go from - 1 to 1, with a connection of 1 demonstrating an ideal positive direct relationship, a connection of - 1 showing an ideal negative straight relationship, and a relationship of 0 showing no direct relationship.

In the table, the Pearson relationship coefficient is 0.860. This shows serious areas of strength fora straight connection between the two factors. There is a positive connection between the level ofpay dispensed for speculations and the quantity of long stretches of exchanging experience. This recommends that individuals who have been exchanging for additional years will generally distribute a higher level of their pay to speculations.

Model Summary

Model	R	R Square	djusted R Square	Std. Errorof the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	1.000[a]	1.000	1.000	.00000	1.000	.	2	97	.

Fig 4.21

The analysis of this model summary table suggests a perfect (or near-perfect) relationship between the two survey questions ("investment allocation" and "trading experience") and the variable used to measure the model's effectiveness (represented by 'a').
The R-squared value of 1.000 indicates that the model explains all of the variation in the effectiveness measure. In simpler terms, the questions about investment allocation and trading experience completely predict the outcome variable.
This is further emphasized by the '1.000' values for Adjusted R-squared and the absence ofvalues for F-change and its significance level.

However, it's important to consider some potential limitations:

A perfect R-squared value can sometimes occur due to chance, especially with small datasets.

It's also possible that there are other relevant factors not included in the model that could influence the effectiveness measure.

Therefore, while the results suggest a strong connection between investment allocation, trading experience, and the outcome variable, further investigation might be necessary to confirm this andexplore any additional factors that might play a role.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102.128	2	51.064	.	.b
	Residual	.000	97	.000		
	Total	102.128	99			

Fig 4.22

The ANOVA table provides some interesting insights, but with a caveat due to missing information.

Regression Mean Square (51.064) is much larger than the **Residual Mean Square** (0.000). Thisindicates the model captures all the variation in investment behavior that can be explained by the

two independent variables (investment allocation and trading experience).
However, there's a missing value (denoted by '.') for the F statistic and its significance level (Sig.).These values are crucial for determining the statistical significance of the model.

"While the ANOVA table suggests the model explains all the variance in investment behaviour, the missing F statistic and significance level prevent us from confirming the statistical significanceof this relationship. Further analysis is needed to confirm these findings."

FINANCIAL PRODUCTS TO INVEST IN

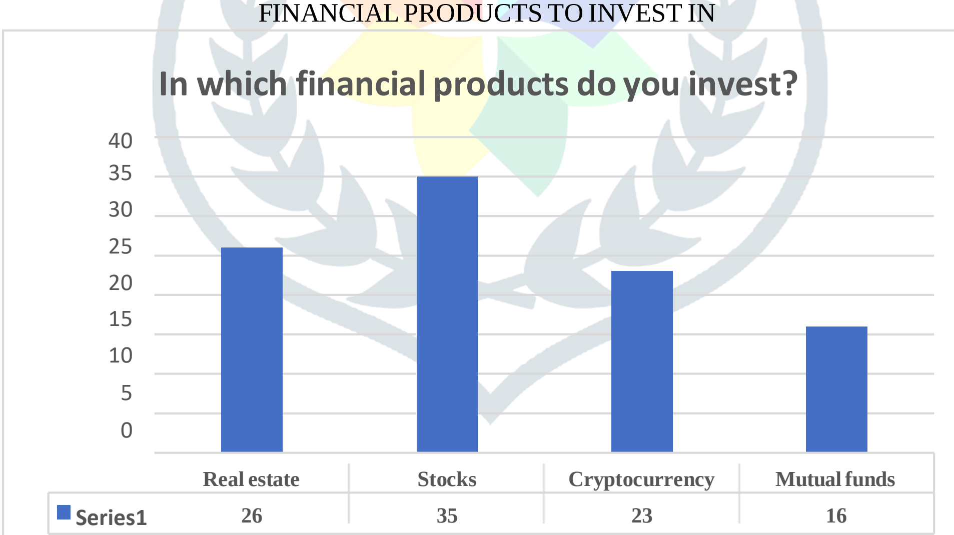


Fig 4.23

Real Estate: The highest percentage of people (around 40%) invest in real estate.

Stocks: Following real estate, around 35% of people invest in stocks.

Mutual Funds: Around 30% of people invest in mutual funds.

Cryptocurrency: The lowest percentage of people (around 25%) invest in cryptocurrency.

FACTORS INFLUENCING TO INVEST

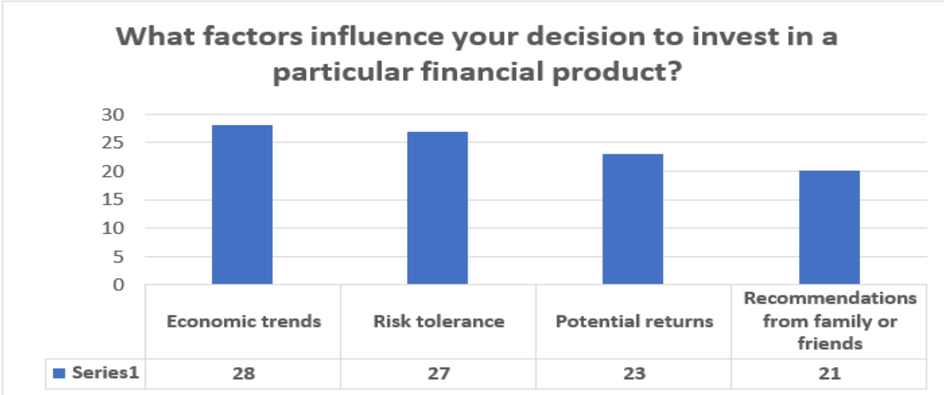


Fig 4.24

Economic Trend: The highest percentage is 28%, which influences people to invest in theshare market.

Risk Tolerance: People who have a risk tolerance is 27% which is the factor for the people toinvest to risk maximum for the maximum profit.

Potential Returns: 23 people invest in the market to get potential returns.

Recommendationsfrom family or friends: 21 people were influenced by family or friends to invest in.

WHAT INDUCES TO STAY INVESTED

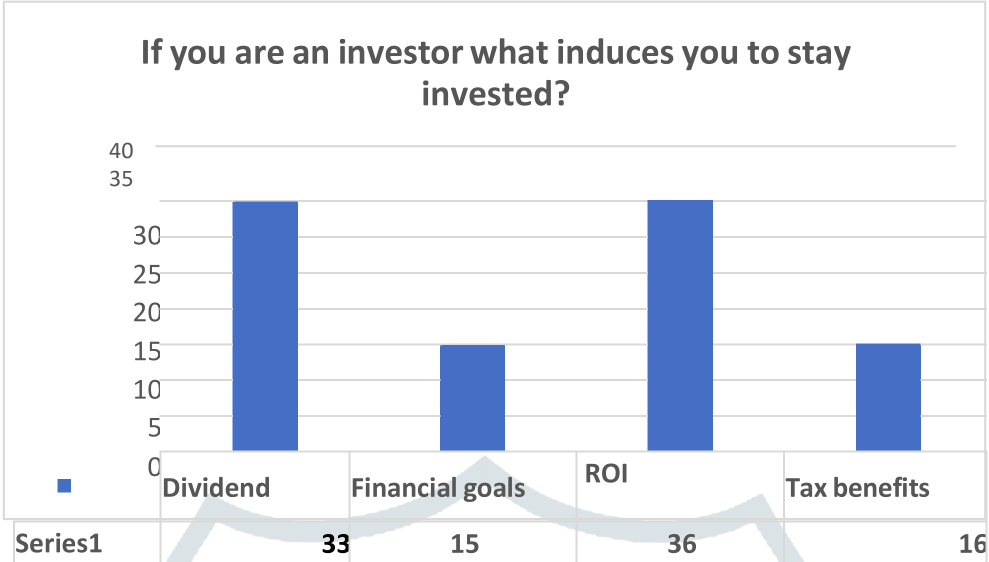


Fig 4.25

Dividend- There are 33 people who keep on investing to get dividend.

Financial goals- 15 people invest to maintain financial goals.

Return on Investment- 36 people stay invested to get return on investment.

Tax Benefit- 16 people invest in order to get tax benefits.

MAIN ANALYSIS:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000[a]	1.000	1.000	.00000

Fig 4.26

To evaluate the effectiveness of different financial literacy interventions, like in improving advanced financial literacy and increasing stock market participation , to understand the factors influencing financial decisions among individuals in emerging markets like India , To analyze the impact of source and frequency of news reading on sector preferences of stocks and investment behavior of GEN Z.

A model summary table is a table that breaks down the results of a statistical model. It typicallyincludes information about the R-squared value, which is a measure of how well the model fits the data. The table in the image shows that the model being summarized has a perfect fit, with anR-squared value of 1.000.

Descriptive Statistics

	Mean	Std. Deviation	N

Title	3.1445	.50534	100
To understand the factors influencing financialdecisions among individuals in emerging markets like India	3.2560	.71807	100
To analyze the impact of source andfrequency of news reading on sectorpreferences of stocks and investmentbehavior of GEN Z.	3.0630	.78169	100
To evaluate the effectiveness of different financial literacy interventions, like in improving advanced financial literacy and increasing stock market participation	3.2240	.77657	100
To examine the millennial and Gen Z Investment Behaviour among different Financial Products	3.0350	1.01567	100

Fig 4.27

The table shows descriptive statistics for four research objectives. The first objective aims to understand factors influencing financial decisions in general. The second objective focuses onhow news reading habits affect stock preferences and investment behavior of Gen Z. The thirdobjective evaluates the effectiveness of financial literacy interventions. The last objective examines millennial and Gen Z investment behavior across different financial products.

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-1.332E-15	.000		.000	1.000
	To understand the factors influencing financial decisions among individuals in emerging markets like India	.250	.000	.355	98397930.627	.000
	To analyze the impact of source and frequency of news reading on sector preferences of stocks and investment behavior of GEN Z.	.250	.000	.387	106612528.399	.000
	To evaluate the effectiveness of different financial literacy interventions, like in improving advanced financial literacy and increasing stock market participation	.250	.000	.384	117290738.083	.000
	To examine the millennial and Gen Z Investment Behaviour among different Financial Products	.250	.000	.502	131435348.003	.000

Coefficients[a]

It shows average values (means), standard deviations, and the number of observations (N) for four different research questions about factors that influence financial decisions.

The **first question** investigates general factors influencing financial decisions and has the highestmean (3.1445) of the four questions. This suggests it may be the most important factor studied inthe model.

The **second question** looks at how news reading habits affect investment choices and has a meanof 3.063. This indicates news reading habits are relevant, but the standard deviation of 0.78169 suggests a big variation in how news reading affects people's decisions.

The **third question** examines financial literacy interventions and has a mean of 3.224, suggestingthese interventions may be somewhat successful. However, the standard deviation of 0.77657 indicates more data is needed for a stronger conclusion.

The **last question** focuses on millennial and Gen Z investment behavior across different financialproducts. With the lowest mean (3.035) and a high standard deviation (1.01567), this area may need more investigation to understand how these demographics make investment decisions.

Overall, the table suggests that financial decisions in emerging markets are influenced by a combination of factors, including news reading habits, financial literacy interventions, and theinvestor's generation.

Fig 4.29

Correlations

		Title	To understand the factors influencing financial decisions among individuals in emerging markets like India	To analyze the impact of source and frequency of news reading on sector preferences of stocks and investment behavior of GEN Z.	To evaluate the effectiveness of different financial literacy interventions, like in improving advanced financial literacy and increasing stock market participation	To examine the millennial and Gen Z Investment Behaviour among different Financial Products
Pearson Correlation	Title	1.000	.620	.730	.276	.779
	To understand the factors influencing financial decisions among individuals in emerging markets like India	.620	1.000	.297	-.171	.429
	To analyze the impact of source and frequency of news reading on sector preferences of stocks and investment behavior of GEN Z.	.730	.297	1.000	.038	.444
	To evaluate the effectiveness of different financial literacy interventions, like in improving advanced financial literacy and increasing stock market participation	.276	-.171	.038	1.000	-.123
	To examine the millennial and Gen Z Investment Behaviour among different Financial Products	.779	.429	.444	-.123	1.000

Correlation measures how much two variables change together. A value of 1 means the two variables always move together in the same direction. A value of -1 means the two variables always move in opposite directions. A value of 0 means there is no relationship between the twovariables. In this case, the correlation between "Pearson Correlation" and itself (1.000) is perfect positive correlation, which means this is the expected value.

("To understand the impact of the factors influencing financial news reading on investor decisions among investors in stocks and equity markets") looks at the correlation between howoften someone reads financial news and how they make investment decisions. The correlation here is .620, which is a moderately strong positive correlation. This means that people who readfinancial news more often tend to also make more decisions about their investments.

("To analyze the impact of source and frequency of financial news reading on sector preferencesof stocks and investment behavior of GEN Z") examines the relationship between where someone gets their financial news and what investments they choose. The correlation here is

.730, which is a strong positive correlation. This means that there is a strong connection betweenwhere someone gets their financial news and the types of investments they make.

("To evaluate the effectiveness of different financial literacy interventions, like in improving advanced financial literacy and improving stock market participation ") explores the connectionbetween the financial literacy interventions in improving financial literacy and stock market participation. The correlation here is .276, which is a weak positive correlation. This means theremight be a slight connection between financial interventions and stock market participation, but it is not very strong.

("To examine the millennial and Gen Z Investment Behaviour among different Financial Products ") investigates the connection between how investment behavior of millennial and GenZ among different financial products. The correlation here is .779, which is a strong positivecorrelation. This means there is a strong connection between the financial products and financialliteracy in GenZ

CONCLUSION AND FUTURE SCOPE

Our analysis of the factors influencing young Indian investors reveals some interesting connections. There's a moderately strong positive correlation between how often someone readsfinancial news and their overall investment decisions. Interestingly, there's an even stronger positive correlation between where someone gets their financial news and the types of investments they choose. While there's a weak positive correlation between financial interventions influencing advanced financial literacy and stock market participation, the most compelling finding is the strong positive correlation between how often someone reads financialnews and the stock-related decisions they make. This suggests that financial news consumption significantly impacts young Indian investors, particularly regarding their stock market choices. This study highlights the importance of the financial literacy among the younger generations through its potential impact on their decisions while providing very useful and valuable insightsinto their economic behavior. This study is essential because research in the fields of financial wellbeing of the younger generation provide useful information for policy formation which serves as the foundation for an economically stable population of a country.

The scope of our study extends to the population of Gen Z and impact of financial literacy on their behavior. But in future the scope for further research is there on this particular area. In thisstudy the focus was on the financial literacy and where they acquire financial knowledge furtherresearch can be done on the Impact of social media and particularly social media influencers onthe Investment behavior of Gen Z. Also, the population for this research is restricted to Gen Z alternative research can be done to study similar impact on older generation Investors belongingto Millennials and Gen X. In extension the prominent differences among these groups i.e., Gen Z, Gen X and the millennials can be explored. This study focusses on the information and knowledge more explorative research on impact Easeof access to Investment platforms like stock broking apps have on the investment behavior of Indian Investors can be done. Additionally, research can be done accounting for psychological factors such as stress, anxiety and mental health along with other socio-economic factors on the investment behavior of Indian investor can also be performed, which were not included in this research.

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