Saving and Investment Dynamics Among Higher Education Students: A Micro-Level Study of Pragjyotish College

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Abstract

This research looks at how college students save and invest their money. It focuses on who they trust for financial help and advice, such as family, friends, banks, apps, and websites. Today, it's important for young people to become financially independent and understand how to manage money. The study finds out what saving and investment habits students have, how much they know about finances, and who influences their decisions.

To do this, a questionnaire was given to students from different courses and years. It asked about how often they save, where they get their money from, what kind of investments they prefer, and which financial sources they trust. It also looked at the problems they face while handling money and whether they want to learn more about finance.

The results show that many students do save money, but only a few actually invest. Friends and digital tools like apps are becoming popular sources of financial help. However, many students still don't know enough about managing money. The study suggests that colleges should include financial education and help students learn how to handle money better.

Key Words: Saving, Investment, financial literacy, Awareness etc.

INTRODUCTION

Background of the Study:

In today's fast-evolving economic landscape, financial literacy and behavior among young adults particularly college students have emerged as critical areas of inquiry. For many, college represents the first phase of financial independence, where foundational habits are formed that may influence lifelong financial well-being. Increasingly, students encounter a broad range of saving and investment opportunities through part-time employment, digital financial tools, peer networks, and educational content. Yet, despite this exposure, a significant number lack the knowledge, confidence, and structured guidance necessary to make informed financial decisions. Their financial behaviors are often shaped by informal channels such as family members, friends, or social media influencers rather than formal financial education. Moreover, social and peer dynamics play a pivotal role in shaping students' financial perceptions and behaviors, particularly in determining whom they trust and consult referred to in this context as "saving and investment partners."

This study seeks to examine the saving and investment patterns of college students, with a specific focus on identifying the sources of influence and types of partnerships they rely on when making financial decisions. By understanding these relationships, the research aims to offer insights into how financial habits are formed and how educational institutions can more effectively support students in developing responsible, informed financial behaviors.

Importance of Financial Literacy among College Students:

Financial literacy refers to the knowledge and understanding of various financial concepts, tools, and practices that individuals need to make informed and effective decisions about their personal finances. It encompasses a wide range of topics related to managing money, including budgeting, saving, investing, borrowing, and retirement planning. Financial literacy is essential for individuals to navigate the complex world of finance and make sound financial choices that align with their goals and values. Financial literacy plays a vital role in shaping the economic behavior and future financial well-being of college students. At this formative stage of life, students begin managing personal finances often for the first time through pocket money, part-time jobs, or scholarships. Without adequate financial knowledge, students may struggle with budgeting, fall into debt, or miss out on the long-term benefits of saving and investing early. In the context of this study, financial literacy is crucial because it equips students with the skills needed to make informed decisions about where and how to save or invest their money. As digital financial tools and investment platforms become more accessible, students are increasingly exposed to various financial products. However, the ease of access does not always come with the understanding required to evaluate risks, compare options, or set financial goals. Moreover, the influence of peers, online influencers, and mobile apps can significantly impact students' financial behavior both positively and negatively. Financial literacy helps students critically assess such influences and choose trustworthy saving and investment partners. It also fosters a habit of disciplined money management, which is essential not only for personal stability but also for contributing to a more financially responsible generation. By promoting financial literacy among college students, institutions can help bridge the gap between awareness and action enabling students to build financial security, avoid future pitfalls, and confidently navigate the increasingly complex financial world.

Meaning of Saving:

Saving refers to the portion of income or money that is set aside rather than spent on immediate consumption. It involves the act of putting money in safe and accessible forms such as cash at home, a bank savings account, or recurring deposits, often for future needs, emergencies, or planned expenses. There are some famous quotes with regards to saving. Some of the famous quotes are mentioned below to understand importance of saving for communities.

"If you're saving, you're succeeding." – *Steve Burkholder*

"The habit of saving is itself an education; it fosters every virtue, teaches self-denial, cultivates the sense of order, trains to forethought, and so broadens the mind." – *T.T. Munger*

Meaning of Investment

Investment is the process of allocating money with the expectation of generating income or profit over time. It typically involves putting money into financial instruments like mutual funds, stocks, bonds, fixed deposits, or digital assets, where there is a potential for growth or returns, though with varying degrees of risk. An investment involves allocating fund to an asset with the aim of achieving fiscal earnings through value appreciation or income generation. Options for investing include the stock market, real estate, gold, etc. Investing can significantly enhance your fiscal growth. By earning returns on your investments, you can achieve your dreams and fiscal targets quickly than saving alone. Investing wisely helps you maximise the prospect of your hard- earned money.

An investment implies allocating fund to capital such as real estate, gold, or the stock market to prompt returns. This differs from simply saving fund. Though, investing is done with the intent of generating substantial returns on investments over time. The investment description involves putting your fund to work.

Financial Partners:

Financial partners refer to the individuals, institutions, or platforms that guide, assist, or influence a person's financial decisions regarding saving and investing. These can include parents, peers, banks, financial advisors, fintech apps (e.g., Groww, Zerodha), or even social media influencers and educators who provide financial knowledge and support.

Significance of the Study:

The study holds considerable significance in today's rapidly evolving financial landscape where young adults, especially college students, are increasingly expected to make independent financial decisions. With rising exposure to digital banking, investment apps, and online financial influencers, students now have access to a wide range of saving and investment tools. However, without adequate financial literacy, their decisions may lack strategy and long-term vision. This study sheds light on students' current saving and investment habits, their trusted financial partners, and the knowledge gaps that exist. Understanding these aspects is vital for educational institutions, policymakers, financial institutions, and app developers to design effective financial literacy programs, accessible saving/investment platforms, and personalized financial guidance tools. The insights can also help parents and guardians better support students' financial education.

Objectives of the Study:

1. To know the saving habits and patterns of college students.
2 To identify the investment preferences of college students
3 To assess the level of financial awareness and literacy among college students
4 To identify the challenges and barriers faced by students in saving and investing money

Research Methodology:

In this study, descriptive research design is adopted to analyze the saving and investment behavior of college students.

- **Type of Data:** The Present study is conducted on the basis of both Primary data and Secondary data.
  - **Primary Data:** Primary data was collected from the sample of college students through a structured questionnaire.
  - **Secondary Data:** It was collected from journals, articles, websites, and previous research on financial behavior and literacy.
- **Sample Design:**
  - **Population:** The population of the study consists of all category of students of Pragjyotish College
  - **Sampling Technique:** The researcher has adopted Stratified Random Sampling based on academic year and stream
  - **Sample Size:** The size of samples for the study is 100 students.
- **Data Collection Tool:**

In order to attain the objectives of the study well structured questionnaire cum schedule was used and collected data are presented through table and graphical analysis for interpretation.

Literature Review

The literature on financial behavior among youth highlights the growing concern over their limited financial literacy despite increasing access to digital financial tools.

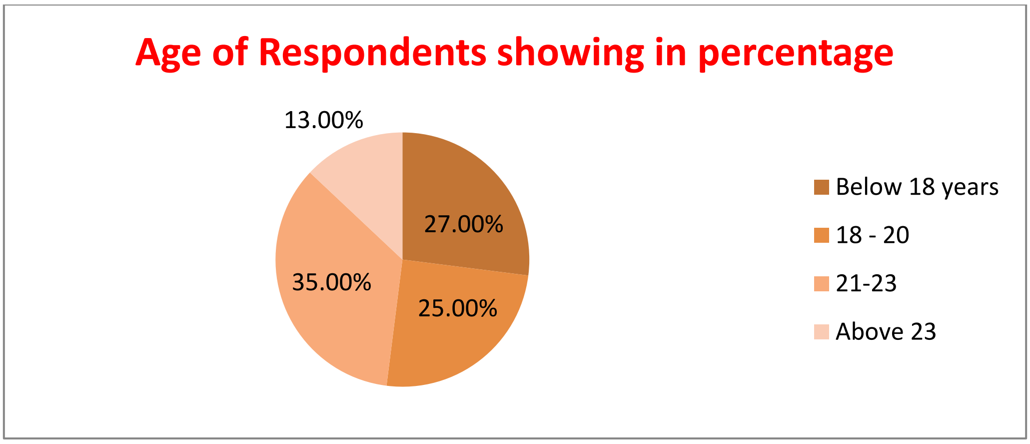
- **Lusardi & Mitchell (2014)** emphasize that financial literacy among young adults is low globally, affecting their long-term financial stability.
- **OECD (2017)** advocates for integrating financial education into school and college curricula to prepare students for real-world challenges.
- **Goyal & Kumar (2020)**, in their study on Indian students, found that peer groups and family significantly influence financial behavior, especially in saving patterns.
- **Jha, P. K., & Sinha, R. K. (2019)** highlighted the role of mobile apps and online platforms in shaping modern investment decisions, especially among tech-savvy college students.

Data analysis and interpretation :

Table 1 showing the Age group of the respondents

Table 1 : Age of Respondents		
Age Group	No of Respondents	Percentage
Below 18 years	27	27.00%
18 - 20	25	25.00%

21-23	35	35.00%
Above 23	13	13.00%



Interpretation: From the Table 1 we can understand that the 21–23 age group is the most represented (35%), suggesting that final-year undergraduates or early postgraduates are highly engaged with the topic, likely due to increased financial awareness. The below 18 group (27 %) also shows a strong presence, reflecting participation from higher secondary or early college students. The 18–20 group (25%) represents early undergraduates who are beginning to understand saving and investment practices. Only 13 % of respondents are above 23, indicating minimal participation from older or postgraduate students.

Table 2: Showing Saving Habits of Students

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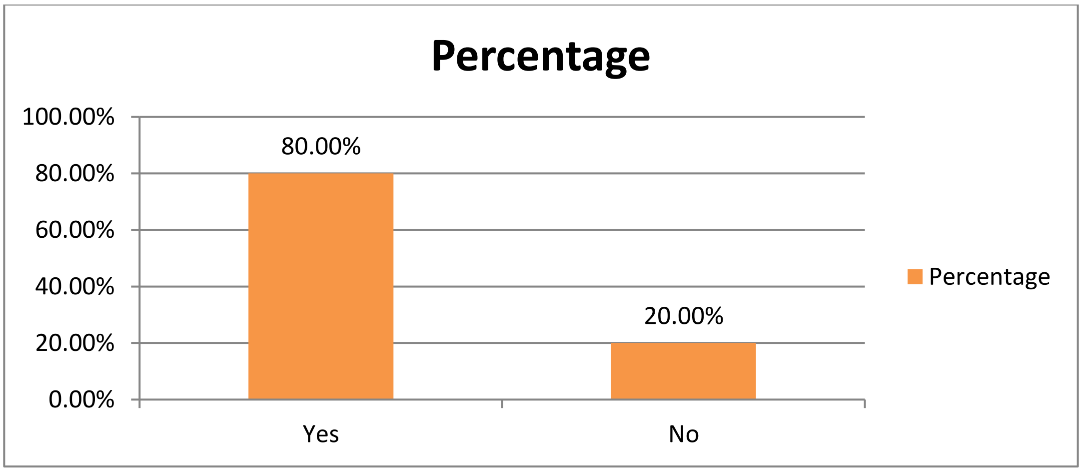
Parameter	No of Respondents	Percentage
Yes	80	80.00%
No	20	20.00%



Sources: Primary Data

Interpretation : The data showing in Table 2 clearly shows that saving is a common practice among college students, with 80% demonstrating consistent saving behavior. This reflects growing financial consciousness, possibly influenced by education, parental guidance, or personal goals. The remaining 20% may require financial literacy support or motivation to develop a saving habit.

Table 3 : Showing the purpose of saving of the college students

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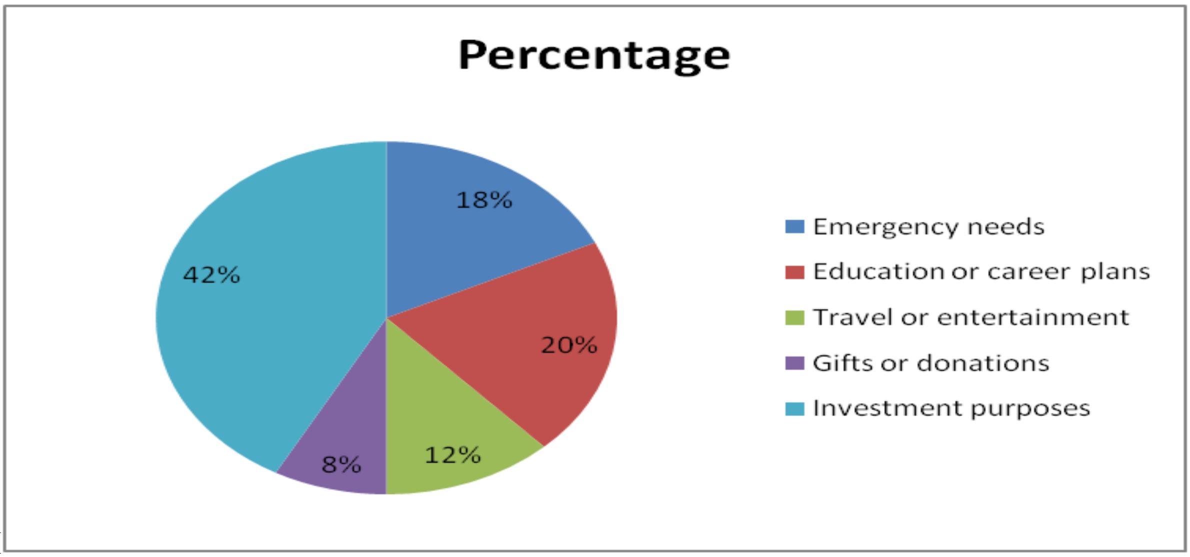
Parameter	No of Respondents	Percentage
Emergency needs	18	18%
Education or career plans	20	20%
Travel or entertainment	12	12%
Gifts or donations	8	8%
Investment purposes	42	42%
Source : Primary data		



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Interpretation: Table 3 highlights the various purposes for which college students save money. The data reveals that the majority of students, accounting for 42%, save primarily for investment purposes, indicating a growing awareness and interest in financial planning among youth. 20% of respondents save for education or career plans, reflecting a forward-thinking attitude towards personal and professional development. 18% save for emergency needs, showing a concern for financial security in unforeseen situations. A smaller portion of students, 12%, set aside money for travel or entertainment, while 8% save with the intention of giving gifts or making donations.

Table 4: Showing Challenges faced by College Students in Saving/ Investment

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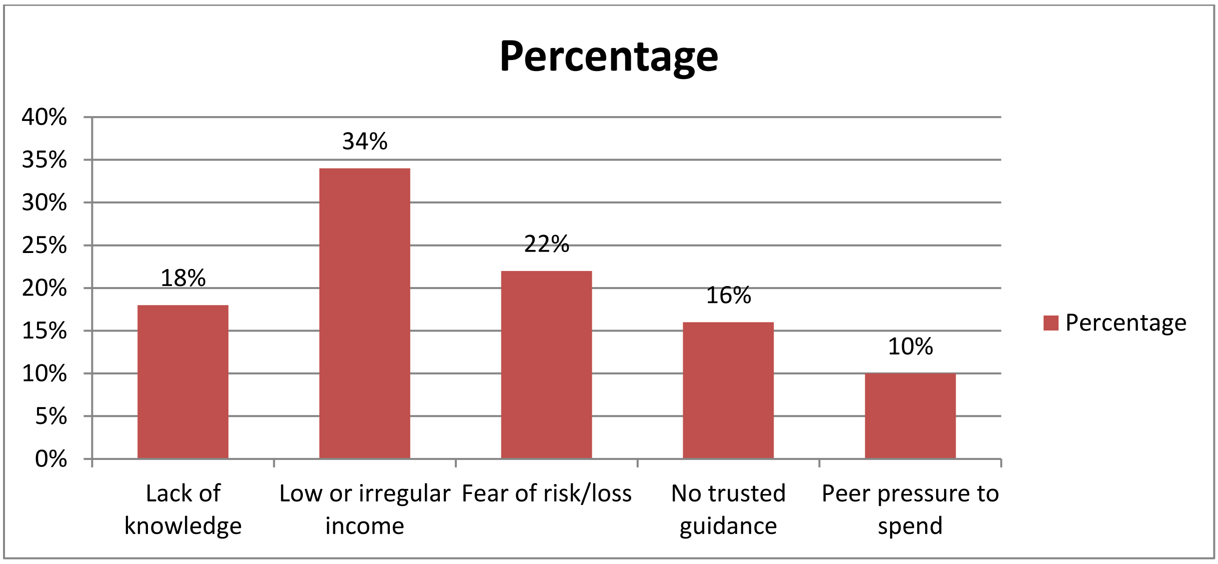
Parameter	**No of Respondents**	**Percentage**
Lack of knowledge	**18**	**18%**
Low or irregular income	**34**	**34%**
Fear of risk/loss	**22**	**22%**
No trusted guidance	**16**	**16%**
Peer pressure to spend	**10**	**10%**

Sources : Primary data



Interpretation: The data presented in Table 4 highlights the key challenges faced by college students in their saving and investment practices. A significant proportion of students i.e. 34% reported that low or irregular income is the major barrier, indicating that limited access to consistent financial resources prevents them from saving or investing regularly. The second most commonly cited challenge is the fear of risk or financial loss, with 22% of respondents identifying this as a concern. Closely related is the lack of knowledge, reported by 18% of students. This reflects a gap in financial literacy, which can directly affect students' ability to make informed financial decisions.

Additionally, 16% of students feel they lack trusted guidance, indicating that they do not have access to reliable sources or mentors to help navigate saving and investment options. Lastly, 10% of the respondents mentioned peer pressure to spend as a hindrance, highlighting the social influence that encourages immediate spending over long-term financial planning.

Suggestions:

- **Enhance Financial Literacy Programs -** Institutions should incorporate **financial education workshops or sessions** into the curriculum to address the lack of knowledge and fear of financial risks .These programs can include basic budgeting, saving, investment planning, and understanding risks.
- **Promote Regular Saving Practices** - Colleges and student bodies can introduce **awareness campaigns and incentives** (like savings contests or rewards) to build a culture of regular saving.
- **Create Access to Reliable Financial Guidance -**Establish partnerships with banks, financial advisors, or NGOs to **offer free financial counseling** for students who lack trusted guidance
- **Tackle Peer Pressure and Social Spending** - Through mentorship programs and awareness drives, students can be educated on how to resist peer pressure and prioritize long-term financial well-being over short-term spending.

Findings and Discussion

The study examined the saving and investment behavior of college students, focusing on their financial awareness, motivations, and the barriers that influence their decisions. The results provide valuable insights into the evolving financial habits of the youth.

1. Prevalence of Saving Behavior: The survey findings reveal that saving is a widely practiced habit among students, with approximately 80% reporting that they regularly set aside a portion of their income or allowance. This high percentage reflects a growing inclination toward financial planning at an early stage of life, suggesting that saving has become an integral part of students' personal financial management. Such behavior also indicates the influence of increased exposure to financial tools, digital banking platforms, and peer learning.

2. Age-Wise Financial Awareness: A notable trend emerges within the 21–23 age group, which exhibits the highest level of financial awareness. Students in this age bracket are nearing graduation, a phase often associated with increased exposure to employment opportunities, economic responsibilities, and career-related decision-making. This transition period may act as a catalyst for developing prudent money management skills, as students anticipate the financial challenges of independent living.

3. Motivations for Saving: The data highlights investment (42%) and future educational goals (20%) as the most common saving purposes among respondents. The preference for investment demonstrates an emerging willingness to grow wealth and explore higher-yield financial opportunities. Similarly, saving for education indicates a long-term perspective, as students recognize the importance of skill enhancement and advanced qualifications for career progression. These trends reflect a shift from short-term consumption to forward-looking financial planning.

4. Barriers to Effective Saving and Investment: Despite the encouraging trends, students face multiple challenges that hinder optimal saving and investment practices. Low income or limited allowances remain a significant constraint, restricting the capacity to save or invest meaningfully. Additionally, fear of financial risks, lack of adequate knowledge, and absence of reliable guidance often prevent students from engaging in higher-return investment avenues. These barriers underscore the need for targeted interventions to build confidence and competence in financial decision-making.

5. Need for Financial Education and Institutional Support: The study emphasizes the importance of structured financial literacy programs within educational institutions. By integrating modules on budgeting, investment planning, and risk assessment into the curriculum, students can be better equipped to manage their finances effectively. Furthermore, establishing mentorship networks and providing access to professional advice can help bridge the gap between theoretical knowledge and practical application.

6. Overall Implications: The findings indicate a positive shift in financial consciousness among the student population. However, targeted efforts are necessary to address the barriers identified. Institutional initiatives, policy-level interventions, and awareness campaigns can play a pivotal role in fostering a robust saving and investment culture among youth. Such initiatives not only benefit individual financial security but also contribute to long-term economic stability at the societal level.

Table 5: Summary of Findings on Saving and Investment Behavior among College Students

Sl. No.	Finding	Key Details	Implications
1	**Prevalence of Saving Behavior**	80% of students actively save part of their income/allowance.	Indicates early adoption of financial planning habits and growing awareness of personal finance.
2	**Age-Wise Financial Awareness**	21–23 age group shows highest awareness levels, linked to nearing graduation and upcoming real-world responsibilities.	Transitional life stage motivates prudent money management and future preparedness.
3	**Motivations for Saving**	42% save for investment; 20% for educational advancement.	Reflects a forward-looking mindset and strategic approach to financial growth.
4	**Barriers to Saving and Investment**	Low income, fear of financial risks, lack of knowledge, and absence of guidance.	These factors limit engagement in higher-return opportunities and sustained saving habits.
5	**Need for Financial**	Suggests integrating budgeting, investment, and risk management	Enhances financial decision-making and

	Education	into academic programs.	reduces risk-averse tendencies.

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