INVESTING IN THE AGE OF MILLENNIALS AND GEN-Z: A COMPARATIVE ANALYSIS

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ABSTRACT

Today, more than half of the young generation (Gen-Z) invest proactively. Investments can be a great way to generate income as well as to create assets. Hence, people save money to target good returns and financial security. The current generation is proving to be more financially sophisticated than their predecessors. The purpose of this paper is to determine the investment pattern of millennials along with that of Gen-Z and to make a comparative analysis of the same. Investing involves the expectation to gain or to experience any financial risks that may happen in the future. Keeping this in mind, the research aims to look at what drives the decision-making process of both generations and if it's gender-specific as well. An array of factors ranging from future security to travelling purposes are considered before investing. Primary data by questionnaire is used for the study. The sample chosen is further divided into two categories as per the respondents' respective ages. Based on the readings, it is revealed that views regarding sustainable investing are not gender biased. The results show that because both generations do not have a huge age gap in them and are equally exposed to technology and sustainability, their investment patterns are similar.

KEYWORDS

Gen-Z, Investment, Millennials, Sustainable Investing

Investment- An asset or item that is acquired to generate income. In an economic sense, the goods purchased are not consumed today but, in the future, to create wealth and returns.

Millennials- Also known as Generation Y or Gen Y, this term is associated with people born during the 1980s till the mid-1990s. This is because members of this cohort become adults around the turn of the millennium (thousand years). They form approximately 46% of the workforce and 1/3rd of the population (~440 million) (M. S. Report, 2018).

Gen-Z- Generation Z is the demographic cohort succeeding millennials. This term is used for people born in the mid-1990s till the early 2010s. They are the first generation to exist solely when the internet and technology were widely available. As a result, it is said that they will become the most entrepreneurial, diverse, and educated generation in the world (Jacobsen, 2020).

Sustainable Investing- An investing philosophy wherein an investor takes a company’s Environmental, Social, and Corporate Governance (ESG) factors into account. This allows for promoting positive societal impact and corporate responsibility without sacrificing the investor’s long-term financial returns (Investopedia, 2022).

INTRODUCTION

Investing is a crucial part of personal finance. It helps one fulfil one's financial goals and, if done intentionally, could help secure one’s future. Millennials and Gen-Z have different approaches to money. If they see potential in a particular investment product, both these generations do not hesitate in investing and are not opposed to the idea of risk (I. Securities, 2022). However, these generations, Gen-Z more so than the millennials, are also prone to making amateur mistakes, as all the information is at the tip of their fingertips. According to a March 2021 survey by CreditCards.com, Gen-Z investors were nearly five times as likely to report that they get financial advice from social media as millennial adults.
28% of those investors turned to friends and online influencers for guidance (V. A. Hawkins, 2022). Thus, they sometimes find it difficult to segregate the necessary information from the misleading one and may blindly follow what they “think” to be valid. The reality is that personal finance, as the name suggests, is individual to every person in nature and, hence, individuals need to educate themselves according to their financial goals in a way that fits their needs.

Probably the most exact indication of how millennials differ from the previous generations is the choices they make. While the older generations preferred the financial stability which was provided by long-term stable jobs, millennials are most likely to switch jobs to gain varied experiences and pursue alternative career paths. The next generation, Gen-Z, is expected to be the most well-educated and is more likely to have a college-educated parent than the previous generations (V. A. Hawkins, 2022). Having invested in more accessible easy means to trade through a variety of devices has given them an advantage over other generations and made them much more active in the investment space than their predecessors.

The previous generations favoured bank savings, provident funds, and real estate as long-term and low-risk financial tools. Millennials prefer investing in high-yield opportunities through digital modes such as stocks, mutual funds, digital gold, etc. While Gen-Z is less likely to invest in mutual funds than millennials, most of them invest in stocks, bond investments, and cryptocurrency. Millennials, along with Gen-Z, are also exploring alternative investment options such as digital currencies. These two generations together account for India’s $6.6 billion cryptocurrency market (MoneyControl, 2022).

Educational qualification, occupation, age, gender, income, and other factors help in determining the investment pattern of the investors. While safety, income, and capital gains are the common three objectives of investing, modern investors are inclined towards sustainable investing. The demand for sustainable investments is being driven by millennials who prefer to invest in alignment with personal values. According to a research study conducted by Invoya, 86% of millennials are invested in impact investing and are twice as likely to invest in funds that target social or environmental causes than the general population, while 72% of the Gen-Z population hope that sustainability outcomes could be improved by responsible investing (Celeste). Nowadays, sustainable investing is on the rise when millennials are at the point where they have savings to invest and the early Gen-Z population is entering the workforce.

Investment has its pros and cons. As per the changing mindsets of advanced generations, awareness about investment must be described (Azhar et al., 2017). In this paper, we try to observe the investment pattern of millennial and Gen-Z investors as well as determine the factors and limitations that influence their investment behaviour. The psychology of sustainable investing among young investors is also analyzed. Reviewing some studies, we also try to suggest measures that will help curb financial myths and increase financial awareness among today’s youth.

LITERATURE REVIEW

A lot of research by various academicians and experts has been conducted about investment behaviour among the millennial generation. Across all the studies that were analyzed for the formation of this research paper, the following have been reviewed.
Vaishali Patil and Nitin Mali (2021) in their paper “A study of investment behaviour of millennials in Pune City” have studied the investment behaviour and the factors involving the investment decisions among millennials in Pune City. From the study, it was found that the responses were more inclined towards future security, high returns, and inflation when it came to the investment objectives of the millennials in comparison with tax benefits, savings for foreign tours, and marriage. The authors have also stated that no significant association exists between age and preferred avenues of investment. However, it would have been much clearer if the income of the investor was stated for comparison. It would have helped in determining which of the factors is most influencing and/or limiting selecting an avenue of investment.

Madhavi Karanam and R. Shenbagavalli (2019) through their study “Investment Pattern of Millennials: A Path Ahead” have concluded that occupation is a major influencer when it comes to risk-return perspective and investment choice. Therefore, income is the base on which investment options are suggested and decided. The respondents have shown an overall preference towards stocks, mutual funds, and real estate as avenues of investment. The authors stated that variables like age, income, and occupation play a significant role in determining the investment choices of millennials. The invalid source specified.

Rose Dayana and Joswin Rodrigues (2021) in their paper “A study on saving and investment pattern of young Millennials in Bangalore City” studied the behaviour of investors towards investment avenues, the saving pattern of investors and factors that have an impact on their investment decision making. It was found that the investors preferred to invest in financial instruments that provided risk-free returns and for such purposes, bank deposits, insurance, and gold are the most preferred avenues. The limitation of this study is that it fails to explain how the role of gender and relative income influences the millennial's investment behaviour.

Aruna Deshpande, Abhiraj Shivdas, and Rakesh Malusare (2021) through their research “Psychology of Gen Y to Invest in Financial Instruments” studied the psychology of Generation Y investors while making investment decisions. The authors also examined Generation Y’s individual investment goals depending on his or her income, age, and risk tolerance. As the opinions expressed by investors are subject to individual bias in nature, they cannot be generalized. Hence, the question about the psychology of modern investors remains open to debate and could vary concerning income level, occupation, as well as financial awareness.

The questions that are incurred from the above studies are –

• What are the factors that investors consider before making an investment decision? Which of them is/are the most influencing?
• How does the investment pattern of millennials differ from that of Gen-Z? How does the psychology of investing differ from one generation to another?
• What role do young investors play in shaping the economy? How should the current population be helped in becoming more financially aware and stable?

The above-mentioned questions have been considered during the process of research and have further been concluded in this study.
RESEARCH METHODOLOGY

This study is descriptive and is based on primary data. The study has been conducted to determine the pattern of investment among millennials. It also measured the respondents' varying opinions regarding preferred avenues of investment according to age categories, obstacles they face while investing, as well as the factors they consider before investing.

Primary data is collected through a 13-question survey that was administered to undergraduate and postgraduate students along with working professionals. The data was collected by circulating a questionnaire and the study was made on 106 respondents (the response rate being 70.6%). Additional survey analysis was conducted through secondary data collected from published and unpublished sources, as well as from various secondary resources like news websites, magazines, research papers, and other literature reviews. Wikipedia was referred to for theoretical information on the topic as required.

Percentage method, simple pie charts, and bar graphs have been used for analysis and to show the relative sample size and compare the given data. The age group of the respondents is 18-45, further divided into two categories. The research area is Pune city of Maharashtra. The data was collected through an online structured poll and was analyzed in Microsoft Excel.

OBJECTIVES OF THE STUDY

• To determine the factors and limitations that influence the investment behaviour of millennials and Gen-Z.
• To observe and compare the investment pattern of millennial and Gen-Z investors
• To understand if gender impacts the psychology of sustainable investing among young investors.

LIMITATIONS OF THE STUDY

• The study is limited to the city of Pune in Maharashtra and cannot be generalized to a greater context in terms of its applicability.
• A sample size of 106 respondents may not complement well with the opinions of the entire population.
• The responses shared by the investors are completely personal and hence are subjected to individual bias in nature.
• A majority of Gen-Z, as compared to millennials, have just recently begun to enter the earning years of their lives, thus there is scarce quantitative research available to represent their investment preferences.
DATA FINDINGS

TABLE 1. GENDER AND AGE

From the above graphs, it is observed that 52.8% of the respondents are male and 47.2% of respondents are female, which is to say that the ratio of male to female investors is almost equal. The data for the “age” category reveals that comparatively the percentage of Gen-Z and younger millennial investors (66%) is more than that of older millennial investors (34%).

TABLE 2. PROFILE AND MONTHLY INCOME

The profile and monthly income of the respondents are as follows: Most of them are undergraduate students (57.5%) and postgraduate students (8.5%). That is to say that they are not among the full-time working population yet. Some of them may have part-time jobs to earn income as two of the “monthly income” categories have been filled by them (less than 20000 – 57% and 20000-50000 – 20.2%). Working professionals are about 34% of the respondents. They come under the ‘50000-100000’ and ‘100000 and above’ categories which constitute 13.1% and 11.7% of the responses respectively.
TABLE 3. PERCENTAGE OF INVESTMENT OUT OF INCOME AND PREFERRED AVE-NUES OF INVESTMENT

<table>
<thead>
<tr>
<th>Preferred Avenues of Investment (multiple choices)</th>
<th>No. of respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity/ Stocks</td>
<td>74</td>
<td>35.2</td>
</tr>
<tr>
<td>Fixed Deposits</td>
<td>38</td>
<td>18.09</td>
</tr>
<tr>
<td>Life or Health Insurance</td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>50</td>
<td>23.8</td>
</tr>
<tr>
<td>Real Estate</td>
<td>12</td>
<td>5.71</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>7.2</td>
</tr>
<tr>
<td>Total</td>
<td>210 choices (out of 106 respondents)</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

According to the data collected above, more than half of the respondents (52.8%) invest just less than 10% of their income. This is recorded by the non-working respondents. While 10% to 30% of their income is invested by 31.2% of the respondents, only 16% of the respondents invest more than 30%. This may indicate that they either face some lack of confidence while investing or that they invest only where it is considered responsible. The top two preferred avenues of investment of the investors were “Equity/ Stocks” (35.2%) and “Mutual Funds” (23.8%). The respondents who are students preferred investing in stocks, while the older millennials investors preferred investing in mutual funds. “Fixed Deposits”, “Life or Health Insurance”, and “Real Estate” accounted for 18.09%, 10%, and 5.71% respectively. It was noted that some of the respondents also preferred investing in cryptocurrency or digital currency (“Other” – 7.2%) and were willing to know more about the concept.
TABLE 4. FACTORS CONSIDERED BEFORE INVESTING AND FREQUENCY OF INVESTMENT

<table>
<thead>
<tr>
<th>Factors considered before investing</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future security</td>
<td>98</td>
<td>8</td>
<td>0</td>
<td>106</td>
</tr>
<tr>
<td>High returns</td>
<td>73</td>
<td>28</td>
<td>5</td>
<td>106</td>
</tr>
<tr>
<td>Education</td>
<td>55</td>
<td>41</td>
<td>10</td>
<td>106</td>
</tr>
<tr>
<td>Travelling purposes</td>
<td>28</td>
<td>53</td>
<td>25</td>
<td>106</td>
</tr>
<tr>
<td>Other</td>
<td>31</td>
<td>62</td>
<td>13</td>
<td>106</td>
</tr>
<tr>
<td><strong>Frequency of investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weekly basis</td>
<td>40</td>
<td>34</td>
<td>32</td>
<td>106</td>
</tr>
<tr>
<td>Monthly basis</td>
<td>52</td>
<td>36</td>
<td>18</td>
<td>106</td>
</tr>
<tr>
<td>Yearly basis</td>
<td>26</td>
<td>16</td>
<td>64</td>
<td>106</td>
</tr>
</tbody>
</table>

Source: Field Survey

The top three factors considered before investing are future security (98 respondents), high returns (73 respondents), and education (55 respondents). 28 respondents opted for travelling purposes, while 31 opted for other, which include marriage and family. When asked about the frequency of their investment, it was noted that 52 of the investors invested on a monthly and quarterly basis. 40 invested every week and 26 every year.

TABLE 5. OBSTACLES FACED WHILE INVESTING AND SOURCES RELIED ON BEFORE INVESTING

<table>
<thead>
<tr>
<th>Obstacles faced while investing</th>
<th>No. of respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited capital for investment</td>
<td>28</td>
<td>26.4</td>
</tr>
<tr>
<td>Lack of financial knowledge</td>
<td>23</td>
<td>21.7</td>
</tr>
<tr>
<td>Market uncertainties</td>
<td>47</td>
<td>44.4</td>
</tr>
<tr>
<td>Total</td>
<td>106</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
As per the bar graph above, the major obstacles faced by investors before investing are market uncertainties, lack of financial knowledge, and limited capital for investment which account for 40.6%, 28.3%, and 29.2% respectively. The respondents responded that the other obstacles they face include “Not having clear investment goals” and “Failing to segregate a volume of information” which accounts for 1.9%. This could be explained by the sources they relied on before investing. The data for the same is as follows: Topmost source- financial advisor or stock broker (44.4%), second most relied on the source- news and advertisements (23.6%), and other sources- online sources like websites, blogs, etc. (19.8%) and friends/family (12.2%).

### TABLE 6. VIEWS REGARDING SUSTAINABLE INVESTING BEING MORE IMPACTFUL THAN THE TRADITIONAL METHOD OF INVESTING

<table>
<thead>
<tr>
<th>Views regarding sustainable investing being more impactful than the traditional method of investing</th>
<th>No. of respondents</th>
<th>Male (56)</th>
<th>Female (50)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>It helps a business or organization do something positive to benefit society.</td>
<td>46</td>
<td>8</td>
<td>17</td>
<td>43.4</td>
</tr>
<tr>
<td>It prioritizes Environmental, Social, and Governance (ESG) factors or outcomes.</td>
<td>26</td>
<td>5</td>
<td>10</td>
<td>24.6</td>
</tr>
<tr>
<td>It generates sustainable growth and returns over the long term.</td>
<td>32</td>
<td>5</td>
<td>9</td>
<td>30.2</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>106</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As could be observed in the table above, 43.4% of the respondents agreed with the view that sustainable investing helps a business or organization do something positive to benefit society. 24.6% responded that it prioritizes ESG factors or outcomes, while 30.2% agreed that it generates sustainable growth and returns over the long term. 1.8% of the respondents who voted “Other” mentioned that sustainable investing helps in understanding new age patterns and is useful to know more about recent investing opportunities. It was also mentioned that it helped the investor contribute to a better world by investing in companies that positively influence society.

### DATA ANALYSIS

- According to the data derived from Table 1, it can be inferred that nowadays women have become more financially aware and are making their own financial decisions. A study by Mint (2022) revealed that financial independence is among the top three priorities for women (N. Dubey, 2022). Moreover, from the age category, it is observed that the younger generation is interested in becoming more financially secure and is adjusting at a much faster pace. Millennials save more money, but Gen-Z takes on less debt (R. Munster).

- From Table 2, it is inferred that a lot of students are aware of the need of investing and are saving and investing at a much faster rate than the older generations. One of the influencing factors could be the environment they are brought up into. The political, social, and economic situations around one play a huge role in shaping one’s mindset. However, as they are full-time college students,
the major setback that these students face is limited capital for investment. This is not the same with working professionals. As they earn relatively more than college students, they are prone to investing more money.

- Millennials are financially disciplined, and as their risk tolerance is high, they should invest in areas where higher risks are associated, such as equity, real estate, etc (I. Puranik, 2021). The preferred avenues of investment could be seen higher in equity/stocks, mutual funds, and fixed deposits. This suggests that even though millennials are looking forward to investing in high-risk tolerance areas, the older millennial generation still invests in areas where security is more guaranteed. Given that the working population will control an immense amount of money shortly, the young investors’ trends and habits can prove useful to provide insights into the future financial landscape (K. Daugherty, 2022).

- The investors responded that they considered future security more than other factors as the major reason for investing. It was noted that the respondents who opted for travelling purposes were less likely to opt for marriage and family purposes. Education was mostly voted by the respondents studying at an undergraduate level. It is evident that these students are looking forward to getting a higher education, hence investing for more returns would reduce their student debt later. These respondents invest every week in stocks, i.e., they are involved in short-term trading goals. The ones who invest on a monthly and yearly basis earn a lot more than the young respondents and have full-time jobs. These working professionals, usually in their late-20s till mid-30s, might be looking forward to investing in a secure future for their marriages and family purposes.

- If one does not have proper guidance or understanding, uninformed choices are bound to be made, which could lead to some costly mistakes. Hence, the most common challenges faced by investors are lack of knowledge and misleading information. As for market uncertainties, industry experts say that passive investing is one of the best options for those investors who do not wish to get caught up in the fluctuations of the market. Investors need to have their investment goals very clear and proceed with investing accordingly. Overloading information is a major issue; hence, one needs to be completely informed of the investment approach one is taking. Decisions should be taken only after researching the particular investment avenue completely.

- Gen-Z and millennials have shown a keen interest in sustainable investing. According to Forbes, Gen-Z is growing into a “Sustainability Generation”. These generations are more diverse than their predecessors. They represent more socially progressive generations when it comes to issues such as climate change and race. Hence, they are more likely to make investment decisions based on personal and Environmental, Social, and Governance (ESG) values (T. Robertson, 2021). According to a 2018 report by Spectrem, 52% of millennials see ESG as an important investment criterion compared with 42% of the older generations. Moreover, it has also been noted that Gen-Z is more likely to prefer buying sustainable brands and are willing to spend more for the same. This indicates that the younger generation is more aware of Environmental and Social Governance (ESG) and is willing to take steps towards the same.

**HYPOTHESIS TESTING**

In line to identify the relationship between the views of millennials and Gen-Z, the following hypothesis is formulated:

- **HO [Null Hypothesis]:** Views regarding sustainable investing being more impactful than the traditional method of investing are not millennial/Gen-Z gender dependent.
• **H1 [Alternate Hypothesis]**: Views regarding sustainable investing being more impactful than the traditional method of investing are millennial/Gen-Z gender dependent.

Based on readings, the p-value after applying the Chi-square test of independence attributes to being 0.972, thus accepting the null hypothesis. Hence, views regarding sustainable investing being more impactful than the traditional method of investing are not millennial/Gen Z gender dependent. The logical reason for the null hypothesis being accepted is that millennials and Gen-Z do not have a huge age gap in them and both generations are exposed to technology and are conscious investors irrespective of gender.

**DISCUSSIONS**

According to the 2022 Investopedia Financial Literacy Survey, Gen-Z- adults between 18 and 25 years old- proved to be more financially sophisticated than any previous generation was at their age. It has been observed over the past few years that the current working population are earning at a young age, and hence saving more and investing earlier at a higher rate than previous generations. They are more financially aware of the reasons for their investments, and the current trends in the market.

Most of them have self-educated themselves and trust their own decisions as opposed to the conventional methods of relying on a financial broker/agent. Despite this, one-third of the Gen-Z population believes that they have just a beginner’s knowledge of financial management basics (P. Lauria, 2022) and “market uncertainties” seems to be the common obstacle that the millennials face before investing. The major reason for this worry could be that they expect higher returns in a short amount of time. It is most likely that the non-working Gen-Z population compares itself with the working and earning population, and hence is inclined towards reaching their financial goals as fast as possible. They are not yet completely financially mature and need some guidance regarding what to expect out of investments.

The modern generations are more likely to emphasize an investment philosophy that enriches both themselves and the world around them. Gen-Y, or the millennial generation, comprise 47% present of the total Indian workforce and this young India is earnestly preparing for its financial future early on (I. Puranik, 2021). The investing appetite when one is young is high. Hence, investing in growth-oriented as well as high-risk avenues can be afforded. These risk avenues include equity, real estate, Systematic Investment Plans (SIPs), etc. However, one needs to be well-informed about these investment avenues, as the risk tolerance is relatively higher than the other ones.

However, while every generation is different, Gen-Z is proving to be the one that will redefine the financial future (R. Munster). This generation has watched older generations struggle financially during and after the Great Recession of 2008. A study by Zick, Mayer, and Glaubitz showed that older baby boomers (those born in 1943-1960) seemed scared of the Great Recession, whereas millennials demonstrated financial planning literacy (Cathleen Zick, 2012). The millennial generation, along with Gen-Z, has also witnessed the downfall of the COVID-19 pandemic in 2020. According to studies by Dzieliński, 2011, and Agnew and Szykman, 2005, at the time of crisis, investors were susceptible to sensational and surprising news and an information overload may have hindered intelligent decision-making and curbed individual investor trading activity. These circumstances have led them to think about a sustainable future and invest to generate environmental and social impact alongside financial benefits. This, in turn, leads to real outcomes for the Sustainable Development Goals (Celeste).
OBSERVATIONS

• Gen-Z is the first generation to have access to digital technology from an early age, which gives them an upper hand over any other generation, as all the information that is required is within a click away. According to Motey Fool, 91% of Gen-Z use social media for investing research, more than any other source of information. While this proves to be an advantage to today’s youth, it is as important, if not more, for them to filter out unnecessary or misleading information. This could be achieved by constantly keeping oneself up-to-date and learning from experts.

• The government as well as financial institutions need to take steps towards improving the financial literacy of Gen-Z. Running campaigns to educate people about the importance of financial literacy, and taking initiatives to make financial education compulsory in schools are colleges are some of how the goal can be achieved. As much as external organizations play a crucial role in generating financial awareness, the people themselves need to take the lead too. They should not be afraid to ask questions when required and look for mentors to gain guidance from. Trusted online sources, such as YouTube videos, must be utilized properly to know more about various investment avenues and opportunities.

• Making investing more personalized and accessible to investors with all levels of experience is another step towards generating a financially literate generation. For this to be effective, financial institutions need to take charge of rolling out schemes about the interests of prospective investors along with their investment horizon and financial goals. Factors such as income level, expected return on investment, as well as taxation need to be taken into consideration.

• The investors themselves need to be more informed about their choices. Any investment decision should not be taken under the influence of inappropriate information. Nowadays, as there is a plethora of data online, people could easily get into financial scandals. Learning the basics of the financial world and figuring out what strategy works best for one is very essential for long-term gains. Along with this, staying open and learning from past mistakes also comes in handy.

CONCLUSION

The changing outlook of Indian millennials towards personal finance and investments is encouraging. Millennials have faced a lot of uncertainty in the economy, which shows up in their investment trends. Their choices are creating a better and more inclusive financial future, not just for investors from urban areas but also for investors from rural areas (MoneyControl, 2022). The mindset of balancing risks with rewards well represents both the millennials’ as well as Gen-Z’s financial decisions. This has helped with the rise of India’s tech-based fintech platforms such as Cred and Slice. Further on, it has expanded investment opportunities to tier-2 and tier-3 cities. Potential investors from such cities are exploring stock markets, crypto-currencies, and start-up investments.

According to a Paytm report, the idea of wealth creation and products has been brought up to new users through education and open dialogue. Wealth management in the country needs to be embraced and adopted by all (I. Puranik, 2021). To adapt to the changes brought by the younger generation’s opinions and habits, many financial institutions may need to consider significant restructuring of their current strategies. There are several strategies one can follow depending on risk tolerance, investing style, and long-term financial goals. Any investment can be characterized by three factors: safety, income, and capital growth. According to one’s personal financial goals, an appropriate mix of these three factors must be picked. This may change over time, to life circumstances (A. Hayes, 2022).
Investing with a view of social responsibility has been the focus of young investors, mainly because of the impact that it creates on industries other than financial services. Forbes refers to this phenomenon as “social impact investing”, citing that millennials may be the first generation to take the phrase “money doesn’t buy happiness” seriously. As this generation, along with Gen-Z, transits into the largest-earning generation in the world, it will be watched over with caution. The truth lies in the fact that the habits and opinions of young investors irrespective of gender are being influenced by more and more variables as time passes. This is an important step towards the achievement of SDG 5 [Sustainable Development Goal] Therefore, the opportunities for gains and losses for those who are involved are infinite.

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