Towards Financial Literacy: A study on the Savings and Investment Pattern among young adults in Lunglei

A report submitted to Department of Commerce, Higher And Technical Institute, Mizoram (HATIM) for the academic year 2022-23

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CERTIFICATE

This is to certify that the dissertation entitled "Towards Financial Literacy : A Study on the Savings and Investment Pattern Among Young Adults in Lunglei" submitted to the Mizoram University for the award of the degree of Bachelor of Commerce, is a record of research work carried out by Emily Lalramsangi, Roll No. 2123BCOM012, IV Semester B.Com. She has fulfilled all the requirements laid down in the regulations of Mizoram University. This dissertation is the result of her investigation into the subject. Neither the dissertation as a whole nor any part of it was ever submitted any other University for any degree.

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DECLARATION

I, *Emily Lalramsangi,* hereby declare that the subject matter of this dissertation is the record of work done by me, that the contents of this dissertation did not form to anybody else, and that the dissertation has not been submitted by me for any research degree in any other university or institute. This is being submitted to the Mizoram University for the degree of Bachelor of Commerce.

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Thank you,

Emily Lalramsangi

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CHAPTER – 1

INTRODUCTION

1.1 Financial Literacy: A Conceptual Framework

Understanding and being proficient in the use of different financial skills, such as investing, budgeting, and personal financial management, is known as financial literacy. Financial product knowledge and comprehension are referred to as financial literacy. It assists people in managing their finances, investments, and tax planning. Protecting people from financial fraud and scams is its main goal. It is essential for achieving long-term objectives, including as a child's higher education, a home purchase, or starting a business. It focuses estate planning, retirement savings, insurance, and emergency finances. One person's education starts a major impact that raises awareness among friends, family, coworkers, neighbors, clients, etc.

Financial literacy helps protect people from questionable practices. Making financial decisions is a necessary element of daily life, thus it's possible to educate oneself on them. To distinguish between necessities and wants, everyone requires a basic understanding of finance. Planning follows awareness, and once people decide on a specific financial objective, they can begin saving.

Financial literacy opens the doors to passive income, budget creation, reduced spending strategies, diligent investments, and credit risk minimization. Financially literate individuals avoid monetary losses and attain financial objectives that would otherwise be impossible. Making financial decisions is a necessary element of daily life, thus it makes sense to educate oneself on them. Also, it assists individuals in recognising financial fraud and avoids falling victim to such scams. People with financial understanding make plans for the future and strategically achieve their financial objectives.

The number of children who graduate from high school without having a basic understanding of concepts like debt, credit, insurance, or even basic financial services is on the rise. People must have a solid understanding of these subjects in order to comprehend even the most elementary financial transactions, given the banking and investment industries' expanding technological sophistication and complexity.

Savings represents an individual's unspent earnings. Saving refers to a portion of one's income that is not spent on daily expenditure. It is money set aside for future use and not spent immediately. It is the amount that remains after meeting the household and other personal

expenses over a given period, for example, on a monthly basis. Savings can be as simple as keeping aside money on a monthly basis or even investing small amounts on a monthly basis. Savings can help in meeting financial commitments at a future date. Savings might occur in the form of increasing bank deposits, buying assets, or holding on to more cash. People's preferences for future consumption over present consumption, their expectations for future income, and to some extent the interest rate all have an impact on how much they save.

Because the future is unpredictable, it is even more essential to save money. Long-term security is provided by saving, and it's generally believed that the more you save, the secure you'll be. Without savings, a person is unable to withstand the financial storms or calamities that arise through their lifetime. Also, by saving, people can consider a variety of investment opportunities that will yield returns, and with those returns, they will definitely be able to assure their long-term security.

An **Investment** is an asset or item accrued with the goal of generating income or recognition. A purchase of products that are not consumed right away but will be utilised to create wealth down the road is referred to as an investment in an economic outlook. An investment in finance is a financial asset that is purchased with the expectation that it will either continue to generate income or be sold at a profit at a later date. Investments are assets purchased or sums of money invested with the intent of generating future income. Investments are also made in order to profit from a future increase in an asset's value.

An investment is a future-focused purchase of products with the intention of generating income or building wealth in the future. A person might potentially try to profit by selling the asset later on for a bigger sum. Investments can also include money allocated for starting a new business, growing an existing one, buying stock or shares in a company, or investing an asset in a company. There is always an element of risk associated with an investment. Risk is the likelihood of securing the return of the amount invested. The risk is low in cases such as investments in government securities. The risk is high in case of investment in stocks, new business ventures, business expansion, and so on.

In order to assure financial security and a bright future, it is important to comprehend the differences between investing and saving. Despite the fact that both phrases are occasionally used synonymously, it is significant to remember that they are extremely different.

Beginning early is an excellent approach to set oneself for long-term financial stability. Saving and investing are both essential components of personal finance.

Saving money involves keeping it in a secure location where it will be accessible when needed and have a low chance of depreciating in value. Although investing carries risk, it also has the chance of producing bigger profits. Investment often has a longer time horizon, such as for retirement or education expenses for one's children. Investing and saving are important components of one's personal finances.

Saving has several benefits, including providing a safety net for unforeseen events, funding for short-term goals like purchases, and loss prevention. There are some disadvantages to consider, such as the possibility of losing out on assets with larger future income. Periods of rising inflation can also lead savings to lose some of their purchasing value.

Investing has the potential for higher returns than savings accounts, the ability to grow your wealth over time through compounding and reinvestment, and the opportunity to help you achieve long-term financial goals, such as saving for retirement or buying a house.

There are a number of reasons why people can have trouble investing. Lack of knowledge or experience is one common cause, which might result in bad investing choices. A sound financial plan should include both saving and investment. While investing has the potential for higher long-term returns and can assist reach long-term financial goals, saving offers a safety net and a way to achieve short-term objectives. Losing money is a possibility while investing, though. Finding the proper balance that fits for one's financial circumstances and goals is crucial because each strategy has its own advantages and disadvantages. In the end, a well-rounded strategy that includes both saving and investing can help in wealth creation, serve as a protection against financial shocks, and provide the basis for a more stable financial future.

Individuals lacking financial literacy find it difficult to make big financial decisions. Furthermore, financial literacy improves financial discipline and capacity. This will result in significant lifestyle changes, such as regular saving and investing, good debt management, and the achievement of life objectives. Furthermore, financial literacy will protect individuals from financial fraud and preserve their financial well-being.

1.2   LITERATURE REVIEW

A literature review is a summary of the earlier written works on a subject. The phrase can be used to describe an entire academic paper or a specific piece of an academic work, like a book or an essay. In either case, the goal of a literature review is to give the researcher/author and the audience a broad overview of the body of information that already exists on the subject at hand. The following are the articles and works reviewed for the study purpose.

(Ms. Sudeshna T & Dr. Sujatha Balakrishnan, 2021) conducted a research on 'A study on individual financial literacy and financial behavior. The study assesses people's financial literacy levels and examines the link between financial knowledge and financial behavior. The study's findings indicate that people have a respectable level of financial literacy. Also, it has been found that financial literacy can improve people's knowledge and decision-making skills, which will eventually result in better financial behavior.

(Dr Prashant Yadav & Akshit Seth, 2022) produced an article which studied how different economic classes in Delhi, the capital of India, differ in terms of their financial literacy and how it affects how people of different ages chose what to invest in. Despite the fact that they may all live in the same region, each person has different financial needs. The findings show that investors make investments to ensure their future needs and to make large returns.

(Annamaria Lusardi, Olivia S. Mitchell & Vilsa Curto, 2009) studied on the topic of 'Financial Literacy Among the young – Evidence and Implications for consumer policy'. The used information from the 1997 National Longitudinal Survey of Youth to investigate financial literacy among young people. It showed that young people had low levels of financial literacy; less than one-third of young adults had knowledge of interest rates, inflation, and risk diversification. Social and economic status along with family financial knowledge are highly associated with financial literacy. The financial literacy of men and women was found to differ significantly.

(Pisa, 2015) On the 2015 PISA financial literacy test, students were asked to respond to hypothetical spending and saving circumstances that were either present at the time or were coming up soon. In this study, the relationship between financial literacy and students' immediate outcomes is examined. The close future, including how they would

make decisions on spending and saving, and what they expected after considering their socioeconomic status and performance in other areas, their studies and careers.

(Anuradha PS, Anju Kalluvelil Janardhanan, 2015) has looked at research that has been done on the conduct of individual investors. In order to manage their wealth and to better prepare themselves to adapt to the diverse investor behavior, policymakers, investment agencies, researchers, and managers of businesses could all benefit greatly from understanding the saving and investing behaviors of their constituents.

(Divya Verma & Dr. Deepak Sahni, 2020) concludes that decision to invest is influenced by a variety of factors, including risk, projected return, an investor's income, time horizon, and investor knowledge and experience. Small investors depend heavily on the opinions of others for investing advice since they lack financial knowledge. When making investments, people often rely on the information provided by the agents. Investment is an important choice that involves risk. In order to make wise investment decisions, financial literacy is essential for every person.

(Hridhya PK & Dr.R. Jayaprakash Reddy, 2020) states that an essential component of any nation's economy is financial literacy. The country's finances will be more stable as a result of increased financial inclusion and better financial awareness. Higher education curricula can incorporate advanced financial literacy principles to give students a deeper understanding of financial products that can aid in efficient and effective financial planning. Regulatory organizations can routinely check the results of their efforts.

(Imran Siddiqui & Ms. Pratiksha, 2020) concludes that the degree of financial literacy reveals a person's understanding of their available investing options. Education gives women the self-assurance and capacity to comprehend the significance and necessity of making investment judgements in order to achieve their financial goals.

(S. Vimala1 & Dr. A. Stephen, 2022) states that understanding the savings and investing behavior could be of enormous importance to investors for their wealth management and for policy making, according to this study, which looked at published literature on the topic.

1.3 RATIONALE OF THE STUDY

According to (Remund, 2010) "financial literacy is a measure of one's capacity to manage personal resources through acceptable, short-term decision-making and good, long-term financial planning, while cognizant of life events and changing economic situations." The "knowledge and education about financial topics" is known as financial literacy.

Most young adults are not engage yet in Investments but have possess the basic information about the importance of Savings and Investments. This study tries to focus on the awareness level of savings and investment, their savings, income and expenditure pattern among the youths in Lunglei, Mizoram, one of the north-east states in India. Numerous studies have found that there is a need to encourage financial literacy among Mizoram's young and adults. The purpose of this study is to determine the level of information that young people have in the area of saving and investing, as well as the proportion of young adults who have actually used that knowledge.

1.4 STATEMENT OF THE PROBLEM

Young individuals between the ages of 17 and 25 typically have considerable knowledge of the subject of savings and investments. To make wise financial decisions in the future, it is crucial to be financially literate. Decisions on investments are influenced by a variety of circumstances. People spend their extra money on a wide range of things and stuff. One can be aware and knowledgeable about managing their finances with appropriate financial literacy. Various factors have an impact on people's savings and investment decision, not having enough surplus money maybe one of the common reasons which influences the youths in saving and investing.

One should be enough aware of different investment avenues and savings pattern for an effective finance management. With their income position many youngsters are unable to save as most of them got no surplus income. Investment avenues is very important for every individual for making future financial decisions. The percentage of adolescents who really use a savings and investment strategy is quite low, despite the fact that they are fully aware of its value. The youth need to be encouraged to use investments and savings in practical ways.

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1.5   OBJECTIVES OF THE STUDY

An objective is something which is plan to achieve. The main objectives and main aim of this study is to find out the Financial literacy level of young adults towards Savings and Investments, and also their Income and Expenditure pattern.

1. To identify the Income, Savings and Investment pattern of young adults.

This objective aims to study and highlights the sources of Income, the top expenditure categories, the monthly income ranges, expenditure level on a monthly basis, the percentage of income saved, commitment to any investments and the percentage of income invested by the respondents.

2. To identify the awareness level of young adults in the area of Savings and Investments.

Various investment avenues were given to the respondents to determine their level of awareness in the area of investments. This study will show the literacy level of young adults towards different investment avenues and also their sources investment advice.

3. To determine the factors influencing the respondents' decision in Savings and Investments.

This objective will reveal the savings objectives, factors considered while making an investment decision, the most preferred investment avenues, the primary goal and the purpose of investments, preferred growth rate of investments, the challenges faced or factors affecting in investing money of the respondents and whether they have any investment plan for the time being.

These objectives will be determined by using different questions relating to the objectives.

1.6   RESEARCH METHODOLOGY

Sample Size

The current study is being done in Lunglei, Mizoram, among young adults starting at the age of 17. It focuses on the financial awareness of young adults. 55 respondents consisting 23 males and 32 females, attempted the question created for the study's purposes, using a convenience sampling method.

Sources of data

Primary information was gathered via a structured questionnaire. The respondents were contacted using a Google form by being sent a link to the survey using Whatsapp. Newspapers, journals, books, existing research, reports, articles and the internet were used to gather secondary data.

Design of Questionnaire

 The questionnaire was designed using the academic data. The questions were formed as according to the objectives of the study and are placed in an useful order which is sent through Whatsapp.

Period of the study

The study was conducted for three and a half months starting from late January to earlier May. The processing of the questionnaire data to the respondents was conducted for two weeks.

1.7   LIMITATIONS OF THE STUDY

(i) Analysis is solely based on the responses of the 55 respondents; as a result, it may present false or biased information.

(ii) Given their conservatism and the fact that the survey was distributed via a Google Form, it's probable that some respondents didn't provide completely honest answers.

(iii) The researcher believes the data collected are insufficient and that the research would be more reliable if a longer time period were available, allowing for the possibility of more appropriate data collection.

(iv) Because only 55 respondents attempted the questions, the results do not accurately reflect all young adults in Lunglei.

1.8   CHAPTERIZATION

Chapter 1-Introduction

Chapter 2-Analysis and Interpretation of Data

Chapter 3-Result and Discussion

Chapter 4-Conclusion and Suggestions

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Appendix

CHAPTER-II

ANALYSIS AND INTERPRETATION OF DATA

The collected information from various respondents is examined in this chapter. 55 participants completed a questionnaire survey, and the outcomes are reviewed. The volunteers are carefully briefed on the significance and goal of the study. Tables with the data are shown, and analyzed.

2.1   Demographic Factors

Demographic information provides details about research participants and is necessary to assess if the participants are a representative sample of the target population for the purposes of generalization.

Table 2.1 Demographic Profile

Demographic Profile	Classification	No. of Respondents (N=55)	Percentage (%)
Age	**17-20**	**34**	**62**
	20-25	21	38
	25-30	0	0
Gender	Male	23	42
	Female	**32**	**58**
	Prefer not to say	0	0
Occupation	Service	0	0
	Business	2	3.6
	Student	**51**	**92.7**
	Teacher	2	3.6
Qualification	Under Matriculation	1	2
	Post Matriculation	1	2
	Under Graduate	**49**	**89**
	Post Graduate	4	7

Source: Field Study

Interpretation:

For the purpose of this study, the researcher has gathered information about the respondents' gender, age, occupation, and educational background.

According to Table 2.1., out of 55 respondents, 34 which is 61.8% is between 17-20 years and 21 out of 55 respondents which is 38.2% is between 20-25 years old.

As shown in the above Table 2.1. majority of the respondents are female and 42% which is less than half of the respondents are male.

As indicated in the above table, majority of the respondents are students (92.7%), 3.6% of the respondents are Teachers and 3.6% are engaged in business.

Among 55 respondents 1 respondent (2%) is under Matriculation, 1 respondent (2%) is under Post Matriculation, and most of the respondents 49 (89%) are under Graduate and 4 respondents (7%) are above Graduation.

2.2 Income, Savings and Investment Pattern of the respondents

In this section the researcher analyzed the income, savings and investment pattern of the respondents.

2.2.1 Sources of Income of the respondents

Income survey questions is being asked to understand the financial status of the respondents, by giving different sources of options as shown in Table 2.2.1.

Table 2.2.1. Sources of Income of the respondents

Sources of income	Frequency	Percentage
Family/Parents	**44**	**80%**
Business	4	7.3%
Salaried/ Employed	3	5.5%
Part-time working	4	7.3%
Total	55	100

Source: Field Study

Figure 2.2.1. Sources of Income of the respondents

Interpretation:

Table 2.2.1 indicates that out of the 55 respondents, the sources of income of 44 respondents which is 80% depends on their Family/Parents, 4 respondents which is 7.3% are engaged in Business, 3 respondents which is 5.5% are Salaried/Employed person and 4 respondents are engaged in Part-time Working which is 7.3% of the total respondents.

2.2.2   Monthly Income of the respondents

Monthly income is the total amount of money received in a given month. In this section, the respondents are asked their monthly Income range.

Table 2.2.2. Monthly Income of the respondents

Monthly Income	Frequency	Percentage
Below 500	6	10.9%
1000-1500	4	7.3%
Above 1500	**23**	**41.8%**
Not sure	22	40%
Total	55	100

Source: Field Study

Figure 2.2.2 Monthly Income of the respondents

Interpretation:

According to Table 2.2.2, the monthly Income of 10.9% of the respondents is below 500, 7.3% respondents between 1000-1500, 41.8% respondents above 1500 and 40% respondents are not sure of their monthly Income.

2.2.3   Top Expenses Categories of the respondents

To find out the expenditure behavior and their top expenses categories, the respondents are given different categories to determine their expenditure level on different categories.

Table 2.2.3. Top Expenses Categories

Top expenses categories	Frequency	Percentage
Food and Beverages	**45**	**81.8%**
Clothing	15	27.3%
Skincare	9	16.4%
Stationery	6	10.9%
Transportation	9	16.4%
Healthcare	6	10.9%
Fuels	10	18.2%
Gadgets	5	9.1%
For Educational purposes	1	1.8%
Others	1	1.8%

Source: Field Study

Figure 2.2.3 Top Expenses Categories

Interpretation:

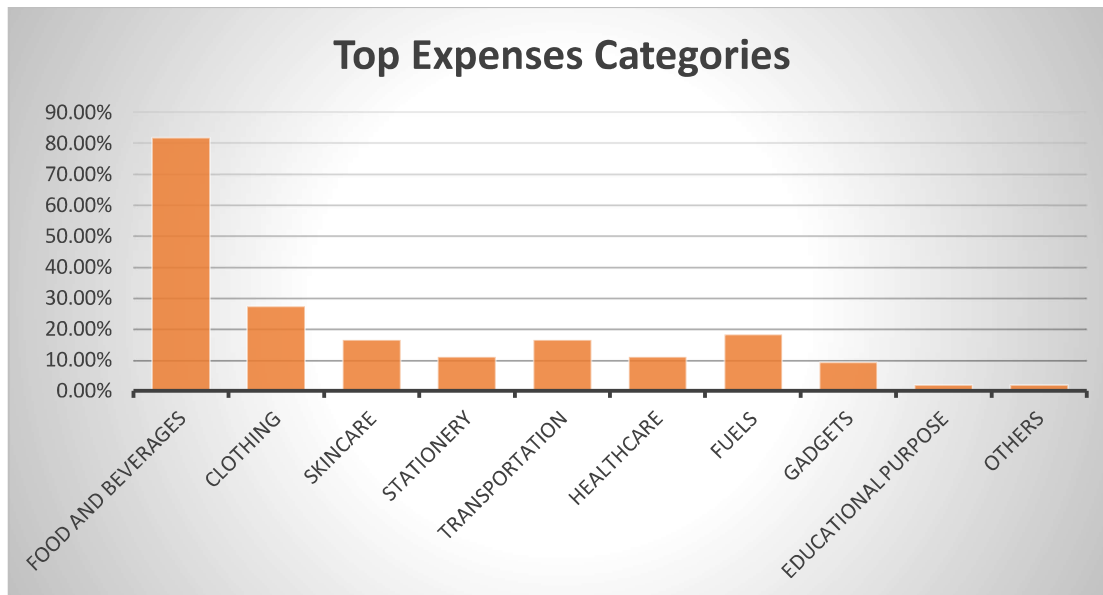As shown in Table 2.2.3., the top expenses category of most of the respondents, 45 (81.8%) is on Food and Beverages followed by the Clothing category in which 15 respondents (27.3%) voted for it, and Fuels in which 10 respondents (18.2%) voted for it which makes it the third most expenses categories of young adults. In Skincare and Transportation category 9 respondents (16.4%) voted for it, 6 respondents (10.9%) each in Stationery and Healthcare, 5 (9.1%) voted for Gadgets, and 1 respondent (1.8%) each for Educational purposes and other categories not given in the Questionnaire.

2.2.4   Expenditure on a Monthly basis

Expenditure on monthly basis is the spending of money on something, or the money that is spent on different certain things and necessities on a monthly basis. The respondents answered their expenses of money on a monthly basis as given in the table below.

Table 2.2.4. Expenditure of the respondents on a monthly basis

Expenditure on a monthly basis	Frequency	Percentage
500	2	3.7%
500-1000	8	14.8%
1000-1500	11	20.4%
Above 1500	**25**	**46.3%**
Amount not sure	8	14.8%
Total	54	100

Source: Field Study

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Expenditure on a monthly basis

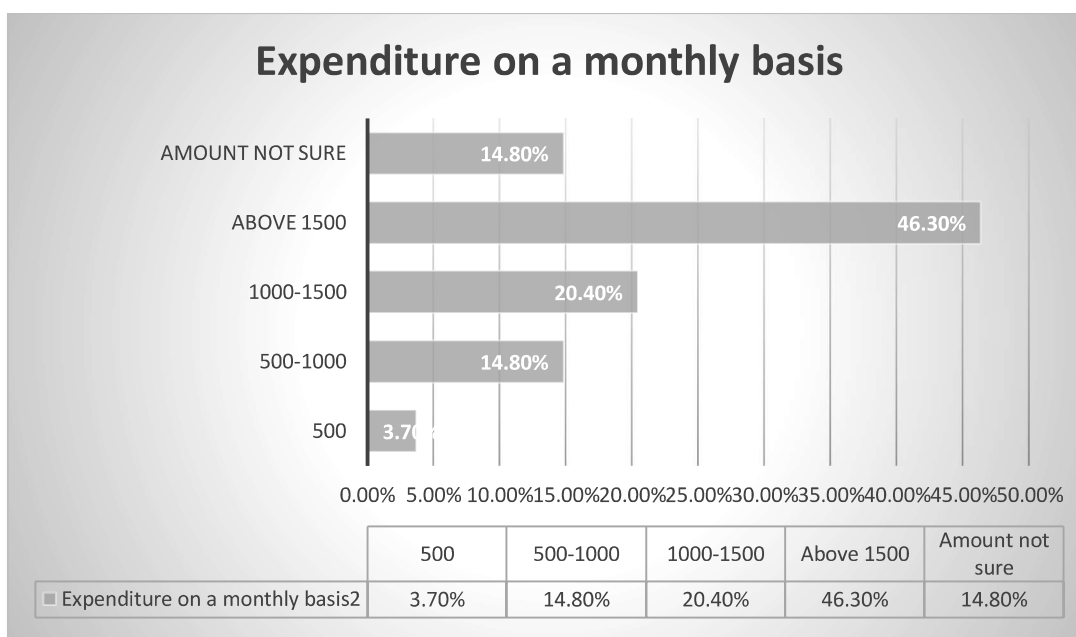|	500	500-1000	1000-1500	Above 1500	Amount not sure
■ Expenditure on a monthly basis2	3.70%	14.80%	20.40%	46.30%	14.80%

Figure 2.2.4. Expenditure of the respondents on a monthly basis

Interpretation:

Table 2.2.4. indicates that the expenditure level of 3.7% of the respondents is around 500, 14.8% of the respondents is between 500-1000, 20.4% of the respondents is between 1000-1500, 46.3% above 1500 and 14.8% are not sure of their expenditure level on a monthly basis.

2.2.5   Amount of Income saved by the Respondents

Saving is the portion of income not spent on current expenditures. In other words, it is the money set aside for future use and not spent immediately. In this section, the respondents are being asked the percentage of income they saved on a monthly basis.

Table 2.2.5. Amount of Income saved by the respondents

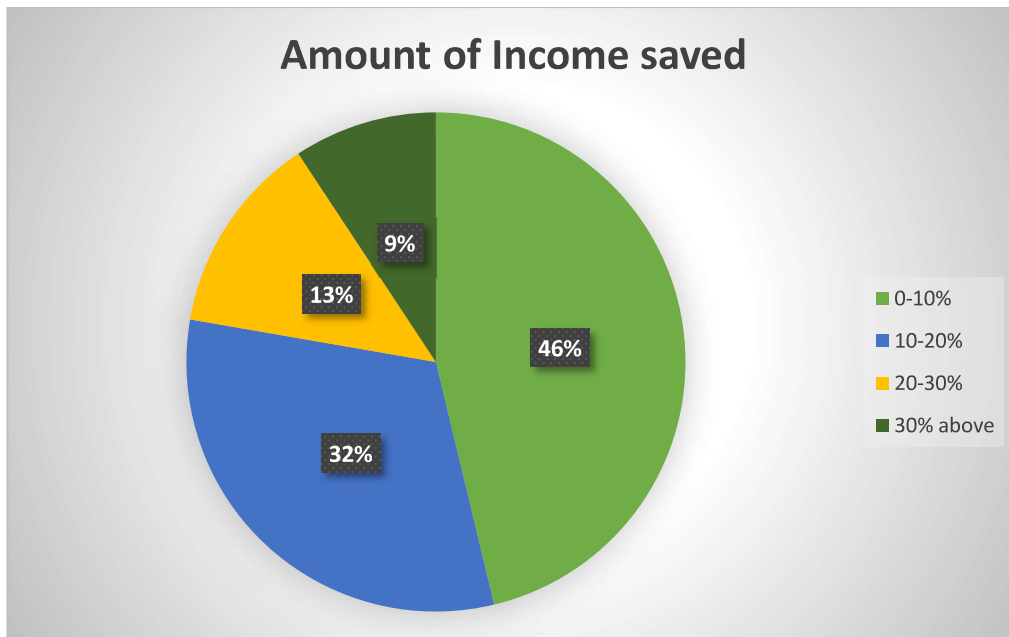| Percentage of Income saved	Frequency	Percentage
0-10%	**25**	**46.3%**
10-20%	17	31.5%
20-30%	7	13%
30% above	5	9.3%
Total	54	100

Source: Field Study

Figure 2.2.5. Amount of Income saved by the respondents

Interpretation:

As per Table 2.2.5.shows, 46.3% of the respondents saves 0-10% of their Income, 31.5% saves around 10-20% of their Income, 13% saves 20-30% of their Income and 9.3% of the respondents saves 30% and above of their Income.

2.2.6   No. of respondents investing their Savings

The meaning of investment is putting one's money into an asset that can grow in value or produce income or both. Investing keeps money safe from immediate and unnecessary expenditures. In this, the respondents were being asked whether they have invested their savings so far. The Information is being represented in Table 2.2.6.

Table 2.2.6. No. of respondents investing their Savings

Invested	Frequency	Percentage
Yes	14	25.9%
No	**40**	**74.1%**
Total	54	100

Source: Field Study.

Figure 2.2.6. No. of respondents Investing their Savings

Interpretation:

The table 2.2.6. shows that majority of the respondents which is 74.1% are not having any investment and 25.9% of the respondents have invested their savings so far.

2.2.7   Amount of Income invested by the respondents

Investments helps to create wealth that can be used as an emergency fund, for buying a house, or for education, etc. Their respondents are being asked the percentage of Income they saved on a monthly basis as indicated in table 2.2.7.

Table 2.2.7. Percentage of Income invested by the respondents

Percentage of Income Invested	Frequency	Percentage
0-10%	**33**	**64.7%**
10-20%	15	29.4%
20-30%	2	3.9%
30% above	1	2%
Total	51	100

Source: Field Study

Figure 2.2.7 percentage of Income invested by the respondents

Interpretation:

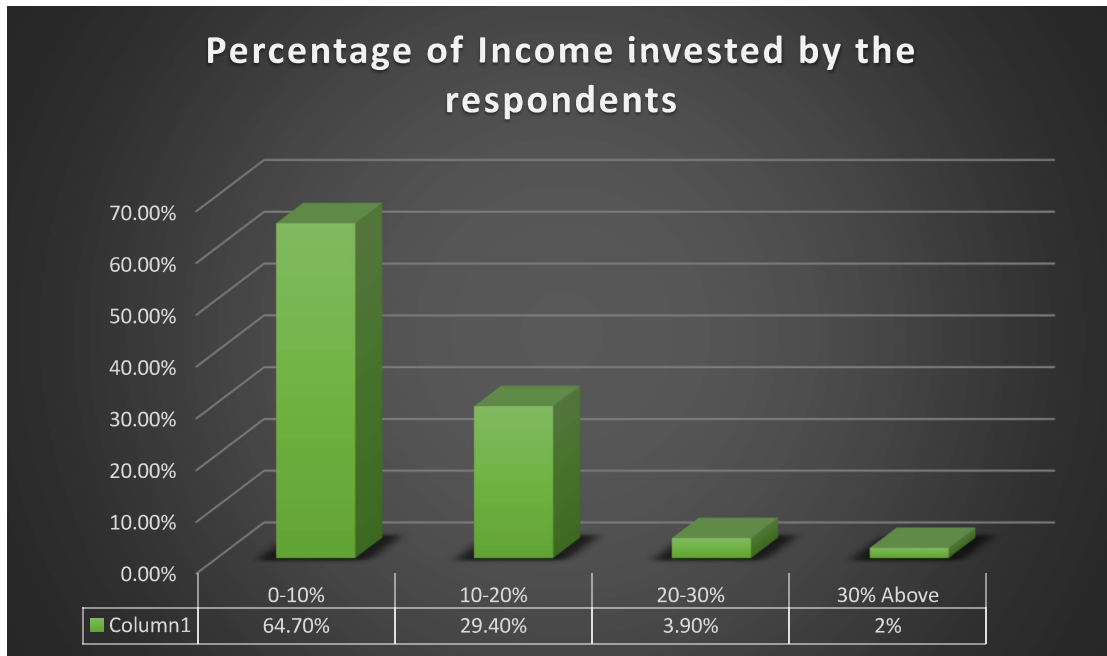According to Table 2.2.7. 64.7% of the respondents invested around 0-10%, 29.4% invested 10-20% of their Income, 3.9% invested around 20-30% and 2% of the respondents invested above 30% of their Income.

2.3   Awareness level of the respondents in the area of Savings and Investment

This section represents the analysis of the respondents' awareness level in the area of Savings and Investment using different Investment avenues.

2.3.1   Awareness of the respondents in Savings and Investment

In this section, the respondents are being asked whether they are aware of Savings and Investment with the options as Yes/No. The result is indicated in table 2.3.1.

Table 2.3.1 Awareness of the respondents in Savings and Investment

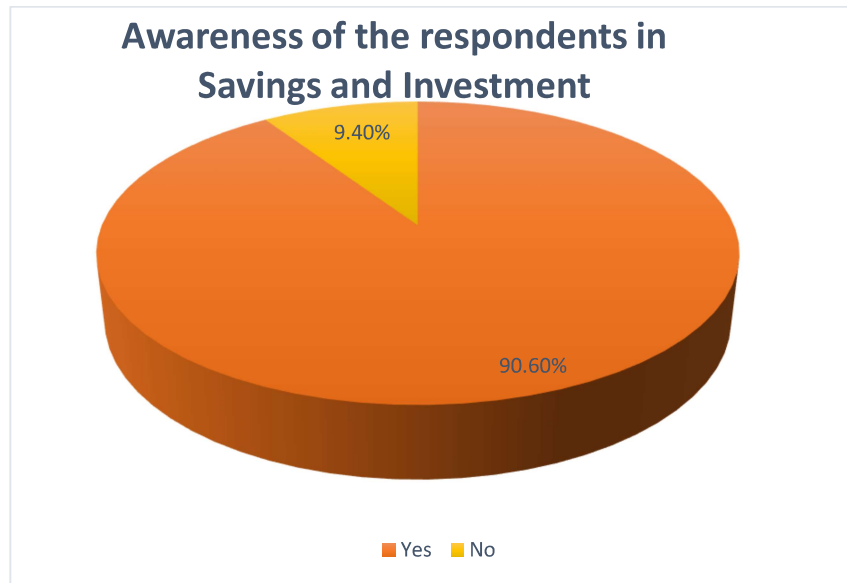| Aware of Savings and Investment	Frequency	Percentage
Yes	**48**	**90.6%**
No	5	9.4%
Total	53	100

Source: Field Study

Figure 2.3.1 Awareness of the respondents in Savings and Investment

Interpretation:

As shown in Table 2.3.1., 90.6% which is majority of the respondents are aware of Savings and Investment and 9.4% of the respondents are not aware of Savings and Investment. This highlights that normally young adults around the age of 17-25 are aware of Savings and Investment.

2.3.2   Sources of the respondents Investment advice

An investment advice is deemed to be the act of providing personal recommendations to someone relating to financial instruments. The respondents answered their sources of Investment advice in this section with the given options such as Internet/Newspaper, Friends/Relative, Bank, Education and Other sources.

Table 2.3.2 Sources of the respondents Investment advice

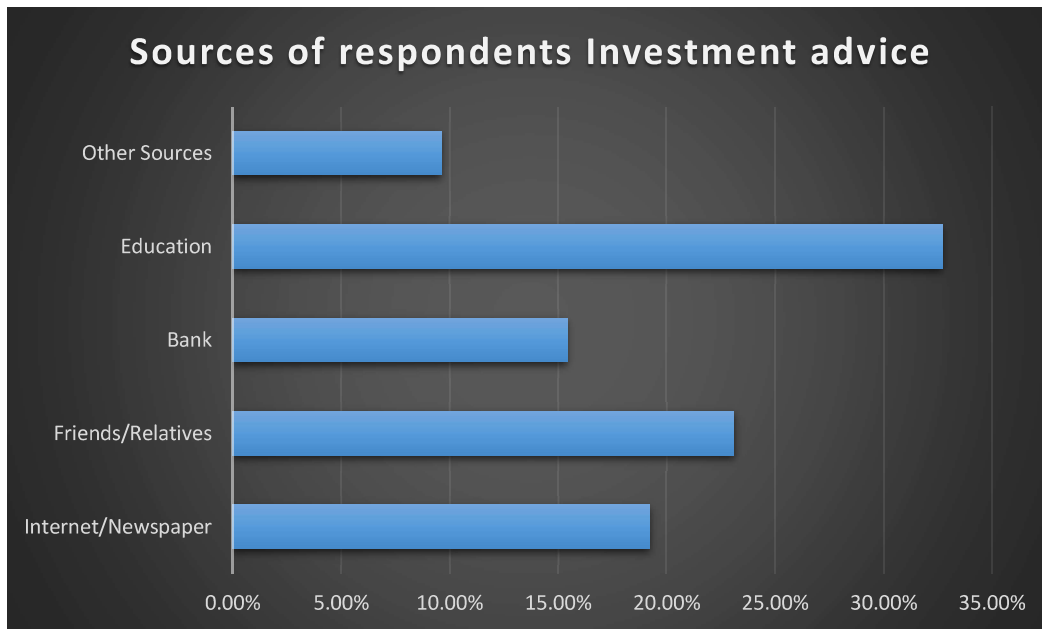| Sources of advice	Frequency	Percentage
Internet/Newspaper	10	19.2%
Friends/Relative	12	23.1%
Bank	8	15.4%
Education	**17**	**32.7%**
Other sources	5	9.6%
Total	52	100

Source: Field Study

Figure 2.3.2. Sources of the respondents Investment advice

Interpretation:

As given in Table2.3.2. the respondents are being asked their sources of Investment advices. 19.2% of the respondents' sources of Investment advice is from Internet/Newspaper, 23.1% from their Friends/Relative, 15.4% from Bank and the remaining 9.6% from other sources.

2.3.3 Awareness level of the respondents towards different Investment Avenues

Some people favour saving above investing. Savings may not be enough to ensure ongoing financial stability in a dynamic society, though. Money sitting idle in safes or even bank accounts could not be useful. With capital growth, investments may be able to reduce inflation. Investment avenues are the different ways that you can invest your money. Financial securities including equity shares are one type of investment avenues. Mutual funds, non-securitized financial securities, and real assets are investment avenues.

The respondents are given different investment avenues in order to determine their awareness level of Investment**.** Table 2.3.3 indicates the awareness level of the respondents towards different Investment Avenues.

Table 2.3.3 Awareness of Investment Avenues

Investment Avenues	Aware in percentage(%)	Not Aware in percentage(%)
Safe and Low Risk Investment Avenues		
Savings Account	96	4
Bank Fixed Deposits	78	22
Government Securities	62	38
Moderate Investment Avenues		
Mutual Funds	63	37
Life Insurances	82	18
Debentures	51	49
Bonds	46	54
High Risk Investment Avenues		
Equity Share Market	43	57
Commodity Market	41	59

Source: Field Study

Interpretation:

Safe and low risk Investment Avenues:

a)   Savings Account: As highlighted in Table 14., 96% of the respondents are well aware of Savings Account while 4% of the respondents are not aware of the avenue.

b)   Bank Fixed Deposits: Out of the respondents 78% are aware of Bank Fixed Deposits and the other 22% are not aware of Bank Fixed Deposits.

c)   Government Securities: As indicated in the above Table 14., 62% of the respondents are well aware of Government Securities while 38% are not aware of Government Securities.

Moderate Investment Avenues:

a)   Mutual Fund: With reference to Table 14., 63% are aware with Mutual Funds and the other 37% are not aware of it.

b) Life Insurances: 82% of the respondents are aware of Life Insurances while the remaining 18% are not aware of Life Insurances.

c) Debentures: From Table 14., it is indicated that 51% of the respondents are familiar with Debentures and 49% are not aware of Debentures.

d) Bonds: Out of the respondents 46% are aware of the term Bonds and 54% are not aware and familiar with Bonds.

High Risk Investment Avenues:

a) Equity Share Market: According to Table 14., 43% of the respondents are aware of Equity Share Market and the other 57% are not aware of Equity Share Market.

b) Commodity Market: As Table 14. showed that 41% of the respondents are aware of Commodity Market while 59% are not aware of Commodity Market.

The purpose of this study is to examine how young adults view multiple financial assets for investment. It is clear that the respondents are not aware of all the available options.

2.4   Factors influencing the respondents' decision in Savings and Investments

In this context, many graphs, tables, and charts are used to study and illustrate the factors that affect the respondents' decision in the field of savings and investment.

2.4.1   The Savings objectives of the respondents

Putting aside a sum of money in a systematic manner can help you steer out of many hurdles and obstacles in life. A savings goal is something that one is saving to have in the future. It may be for emergencies or for others. The respondents are asked their Savings Objectives and is represented in Table 2.4.1.

Table 2.4.1 Savings Objectives

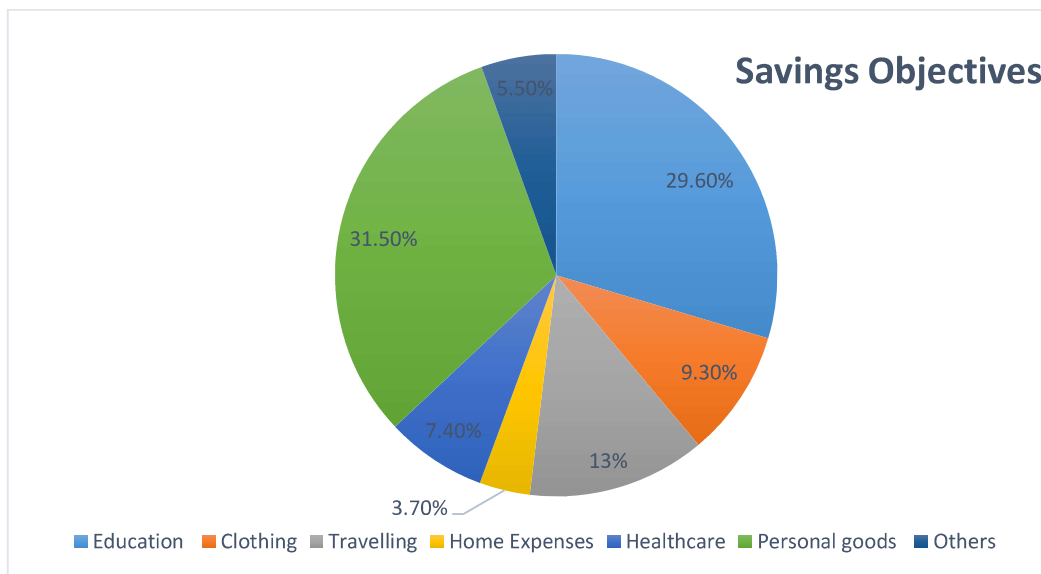| Objectives	Frequency	Percentage
Education	16	29.6%
Clothing	5	9.3%
Travelling	7	13%
Home expenses	2	3.7%
Healthcare	4	7.4%
Personal goods	**17**	**31.5%**
Others	3	5.5%
Total	54	100

Source: Field Study

Figure 2.4.1 Savings Objectives of the respondents

Interpretation:

Table 2.4.1. indicated that 29.6% of the Savings objectives of the respondents is for Educational purpose, 9.3% for Clothing, 13% for Travelling, 3.7% for Home expenses, 7.4% for Healthcare, 31.5% for personal goods and the other 5.5% for Others. The majority of respondents' savings goals are for personal items.

2.4.2. Investment plan of the respondents

An investment plan is a set of investing goals and a plan to meet them. Many individuals hesitate to start investing because they are unfamiliar with the process. In this section, the respondents are being asked whether they have any Investment plan for the future.

Table 2.4.2 Investment Plan

Investment plan	Frequency	Percentage
Yes	**31**	**57.4%**
No	23	42.6%
Total	54	100

Source: Field Study
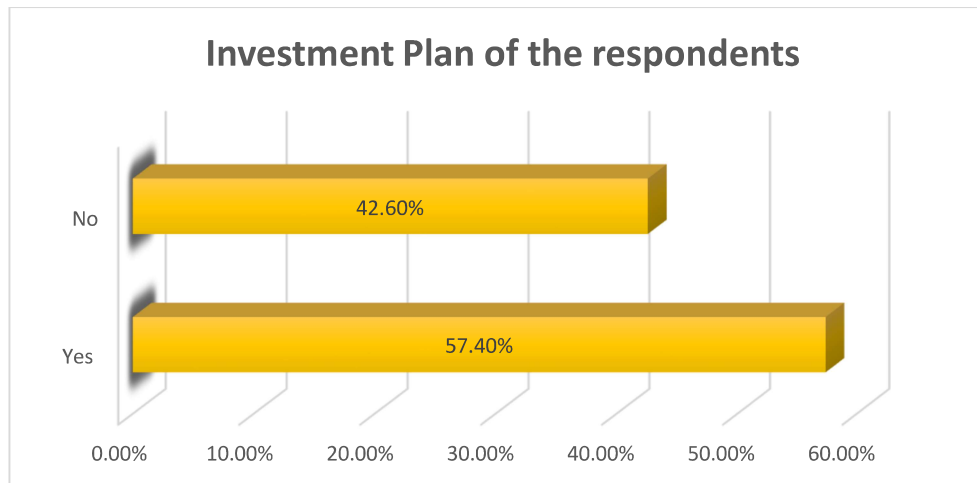
Investment Plan of the respondents

Figure 2.4.2. Investment Plan of the respondents

Interpretation:

If they have any investment plans, the respondents are being questioned. Table 2.4.2. displays the outcome. 57.4%, majority of the respondents answered that they have an investment plan and the remaining 42.6% answered of not having any investment plan.

2.4.3   Factors considered while making an Investment decision

The survey found that the following aspects were the most important in influencing people's investment choices: the level of risk, the return on investment, affordability, safety, additional income. The respondents were asked to rank on a scale of 1 to 5 based on these considerations. 1-Always, 2-Often, 3-Sometimes, 4-Rarely and 5-Never.

Table 2.4.3. Factors considered while making an Investment decision.

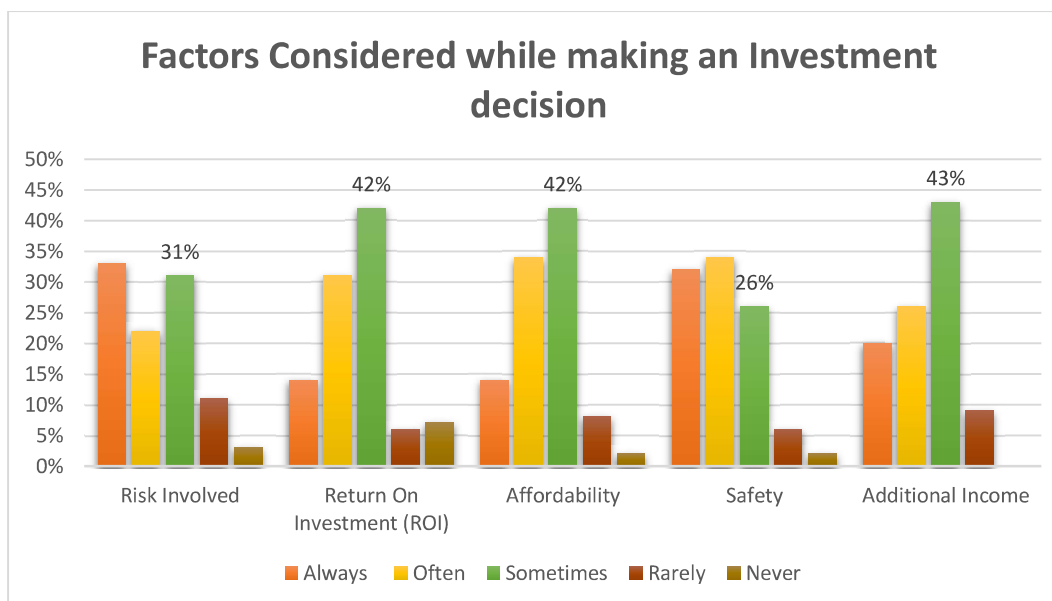| Factors considered while making investment decision	Always	Often	Sometimes	Rarely	Never	Total
Risk involved	**33%**	22%	31%	11%	3%	100
Return on Investment	14%	31%	**42%**	6%	7%	100
Affordability	14%	34%	**42%**	8%	2%	100
Safety	32%	**34%**	26%	6%	2%	100
Additional Income	20%	26%	**43%**	9%	2%	100

Source: Field Study

Figure 2.4.3. Factors considered while making an Investment decision.

Interpretation:

Table 2.4.3 shows that most of the respondents always considered Risk Involved before making an investment decision, and in case of Return on Investment, majority of the respondents sometimes considered it, most of the respondents sometimes considered the affordability before making an Investment decision, the majority of the respondents often considered the Safety in an Investment and most of the respondents also sometimes considered their Additional before making an Investment.

2.4.4. Most Preferred among Investment Avenues

Investment avenues are the different ways that you can invest your money. In this context, the respondents are given different Investment Avenues options such as Fixed Deposits, Life Insurances, Real Estate, Gold, Pension Schemes and Others, in order to determine their most preferred among the Investment Avenues given.

Table 2.4.4. Most Preferred Investment Avenues

Investment Avenues	Frequency	Percentage
Fixed Deposits	14	26%
Life Insurances	**22**	**40%**
Real Estate	11	20%
Gold	2	3%
Pension Schemes	4	8%
Others	2	3%
Total	55	100

Source: Field Study

Most Preferred Investment Avenues

Fixed Deposits: 26%, 26%
Life Insurances: 40%, 40%
Real Estate: 20%, 20%
Gold: 3%, 3%
Pension Schemes: 8%, 8%
3%, 3%

Legend:
- Fixed Deposits
- Life Insurances
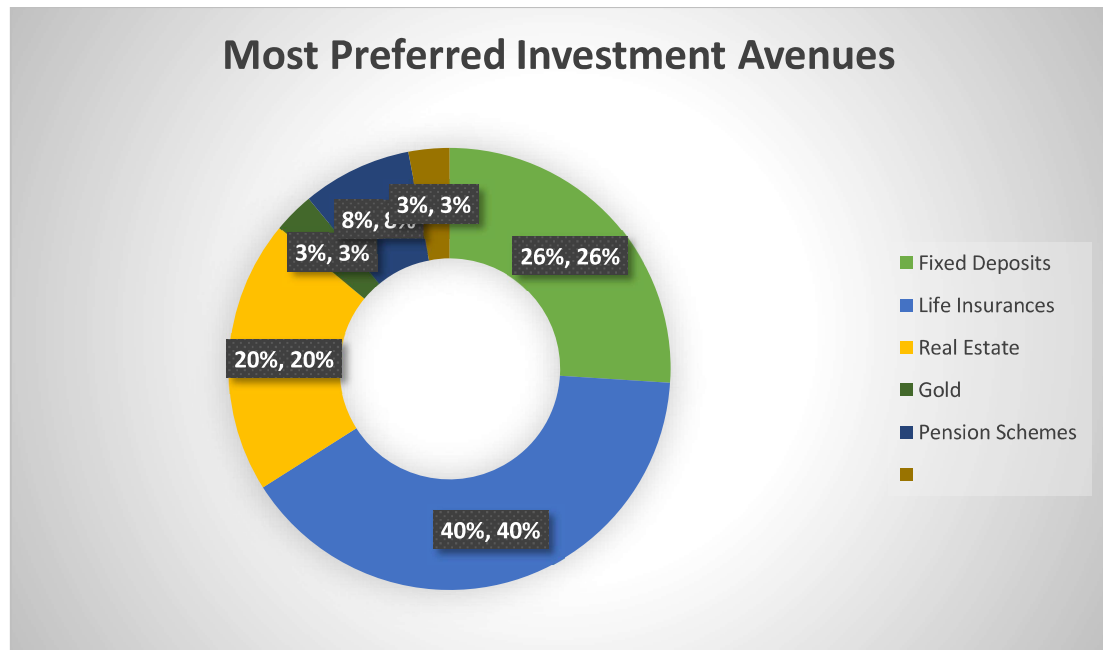- Real Estate
- Gold
- Pension Schemes

Figure 2.4.4. Most Preferred Investment Avenues

Interpretation:

Table 2.4.4, shows that the most preferable Investment Avenues among the respondents (40%) is Life Insurances, followed by Fixed Deposits with 26% of the respondents and the least preferred were Gold and Other things with 3%.

2.4.5   Primary goal of Investment

Every Savings and Investment is done with a reason and purpose. Investment objectives refer to financial goals that motivate investors to invest their funds in a particular security. Investors must be certain about their goals before initiating a long-term investment. This way, they can plan and modify expectations realistically. If an individual has sufficient disposable income, they can afford to take increased risks. Investment goals provide structure and purpose to the money we allocate to investment products, such as stocks, bonds and funds. Investing and investment goal setting go hand in hand with sound personal finance practices, such as building an emergency fund and managing spending.

The respondents are being questioned their objectives or primary goal for their investments by giving different options on a statement of 1-Strongly Agree 2- Agree 3- Neutral 4- Disagree 5- Strongly Disagree and is shown in table 2.4.6.

Table 2.4.5. Primary Goal of Investment

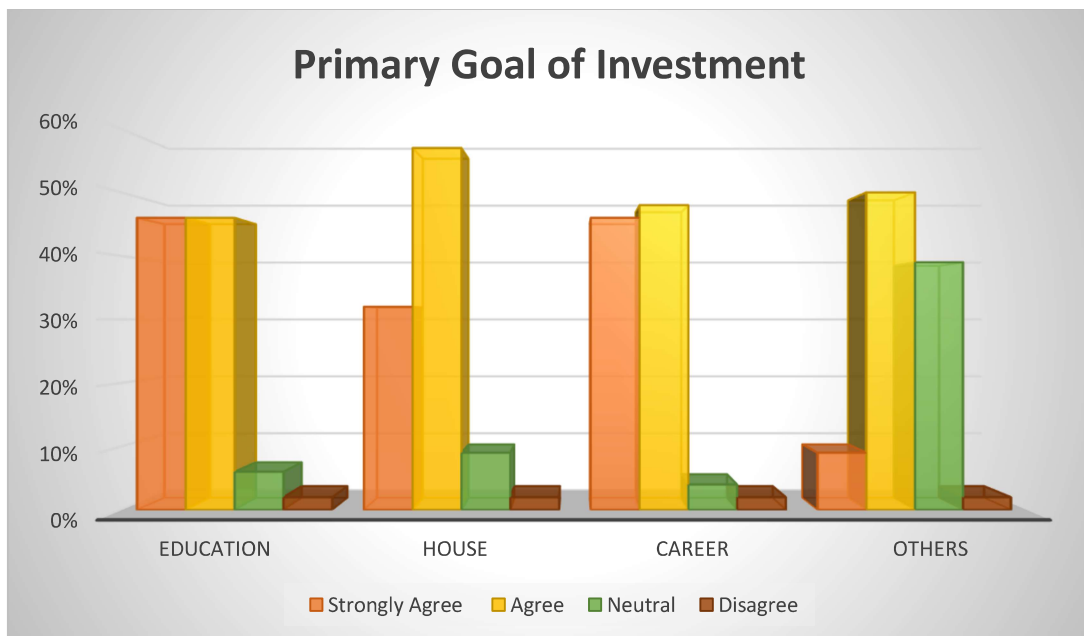| Investment goals	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	total
Education	**46%**	**46%**	6%	2%		100
House	32%	**57%**	9%	2%		100
Career	46%	**48%**	4%	2%		100
Others	9%	**50%**	39%	2%		100

Source: Field Study

Figure 2.4.5. Primary Goal of Investments

Interpretation:

As indicated in the above Table 2.4.5.for the primary goal of Investment, most of the respondents Strongly Agree and Agree on Educational purpose, majority chose Agree on House, and Most of them Strongly Agree and Agree on Career and 50% of the respondents agreed on Other purposes.

2.4.6. Preferred Growth rate of Investment

Growth rate of an Investment means the mean increase in the value of an individual investment. Different growth rates are given to the respondents to choose at what rates they prefer their Investment to grow.

Table 2.4.6. Preferred Growth rate of Investment

Growth rate	Frequency	Percentage
Steadily	15	27.3%
At an average rate	**29**	**52.7%**
Fast	11	20%
Total	55	100

Source: Field Study

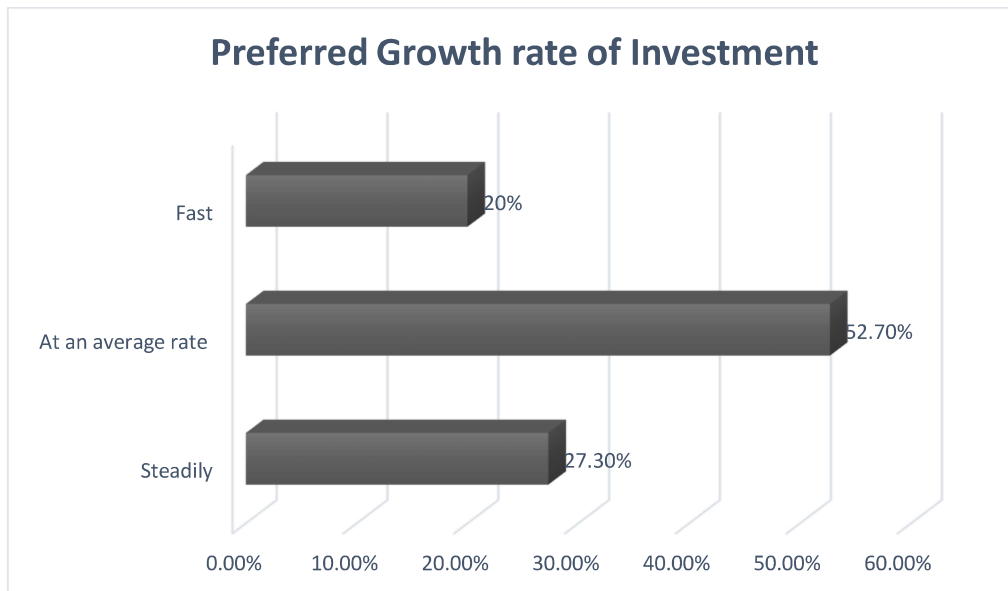**Figure 2.4.6. Preferred growth rate of Investment**

Interpretation:

As indicated in Table 2.4.6., the respondents are being asked the growth rate they preferred for their Investment. The study shows that most of the respondents, 52.7% want their investment to grow at an average rate, and the least of them, 20% want their investment to grow at a fast rate and 27.3% want it to grow steadily.

2.4.7. Challenges faced/ Factors affecting in investing money

In this section, the respondents were given statements to choose as the challenges they faced or the factors affecting in investing their money on a scale of 1-5. 1-Strongly Agree 2- Agree 3- Neutral 4- Disagree 5- Strongly Disagree.

Table 2.4.7. Challenges faced/Factors affecting in investing money

Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I don't have enough money	37%	**49%**	14%			100
I don't have knowledge to make my own	10%	37%	**45%**	8%		100
I have made bad Investment choices before	6%	12%	**46%**	23%	13%	100
I don't find the need to invest	3%	14%	28%	**39%**	16%	100

Source: Field Study

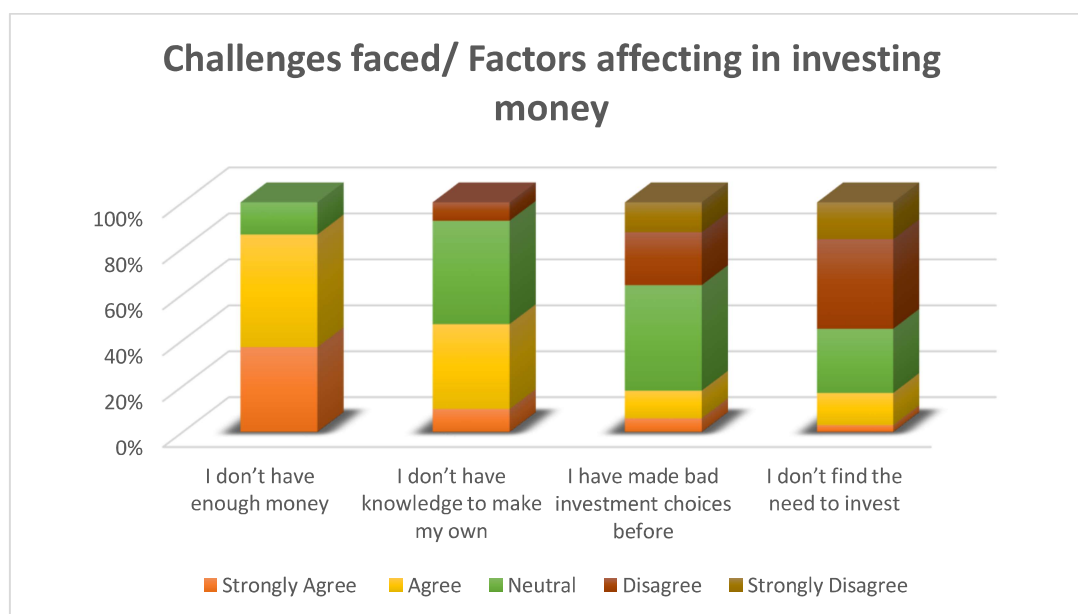**Figure 2.4.7. Challenges faced/ factors affecting in investing money**

Interpretation:

According to Table 2.4.7, the reason for most of the respondents for not investing their money is because they don't have enough money, 45% are neutral about not having knowledge about investment, 46% voted neutral for making bad investment decisions before and 39% disagree in the statement of not finding the need to inve

CHAPTER-III
RESULTS AND DISCUSSIONS

The main research findings are presented in this chapter in connection to sociodemographic factors and Savings and Investment behavior of young adults. It outlines the key conclusions on the most popular investment avenue, Savings and Investment awareness, and choice of investment path. Significant statistical evidence supporting the study's hypothesis has been discovered. Along with the conclusion, the area for further research, and a summary of the study, the researcher's suggestions are also included.

3.1 RESULTS OF THE STUDY

The key findings of a research study; what the research showed, indicated, or showed. Instead of the conclusions or suggestions made as a result of those results, this typically refers to the full collection of results. The investigation's most significant result is its findings. In essence, it is an important fact that was uncovered during an investigation.

To analyse the data collected for this study, statistical tools like frequency tables, charts and different graphs are used. Using a structured questionnaire, the questionnaire survey was used to collect the data for the analysis. Based on the objectives, the survey's questionnaire was designed. The sociodemographic variables and savings and investment preferences of the respondents are included in the questionnaire. 55 respondents in all were gathered for the survey, and they were circulated through.

The outcome of the survey and data analysis is explained as follows:

3.1.1 Demographic Factors:

- **Age:** The majority of the respondents, 62% belongs to the age group 17-20, which signifies that people in their late teenage and early twenties are more interested in the topic of Savings and Investment and Financial Literacy.

- **Gender:** More than half of the respondents, 58% are females, which highlights that female are more aware of the importance and significance of financial literacy and Savings and Investment.

- **Occupation:** 92.7% of the respondents are students which shows that people who are still pursuing their education give importance to Savings and Investment.
- **Qualification:** According to the data, 89% of the respondents are under graduate, 2% are under matriculation and 2% have already finished matriculation and 7% are above graduation. This indicates that normally people who are in the midst of pursuing their bachelor degree gives importance to Financial Literacy.

3.1.2 Income, Savings and Investment Pattern of the respondents:

Most of the respondents' sources of income depends on their family, as majority of the respondents are students which indicates that they have no additional income rather than pocket money from their parents/relatives, and their incomes normally varies above 1500. The top expenses categories of the respondents are mostly on Food and beverages their monthly expenditure level is recorded mostly to be above 1500. As for their Savings behavior most of them saves up between 0-10% of their income. It is indicated that majority of them have no investments and most of them have invested merely around 0-10%.

3.1.3 Awareness level of the respondents in the area of Savings and Investments

Majority of the respondents are aware of Savings and Investment. This highlights that normally young adults around the age of 17-25 are aware of Savings and Investment. Mainly their sources of Investment advice is from Education and from their Friends/Relative.

From the different Investment Avenues given, regarding of Safe and Low Risk Investment Avenues, options such as Savings Account, Bank Fixed Deposits and Government Securities are given, majority of the respondents are well aware of Savings Account and Bank Fixed Deposits, and Government Securities.

For Moderate Investment Avenues, Investment avenues such as Mutual Funds, Life Insurances, Debentures and Bonds are given, majority of the respondents are aware of Life Insurances, more than half of the respondents are aware of Mutual Funds and Debentures and more than half of the respondents are not aware of Bonds. This highlights that most young adults are aware and have the knowledge of Moderate Investment avenues except Bonds.

High Risk Investment avenues such as Equity Share Market and Commodity Share Market are given to the respondents to know whether they are aware of it. More than half of the respondents are not aware of both the High Risk Investment avenues given.

3.1.4 Factors influencing the respondents' decision in Savings and Investments

As savings goal is something that one is saving to have in the future most of the primary goals or objectives of the respondents is found to be for their personal goods and shortly followed after by Education purposes. The result indicates that majority of the respondents are students who are in the middle of giving importance to their education which results that their primary goal for Savings would be for their future education, and more than half of them has an investment plan for the future.

With the given factors which influences Investment decision, most of them considered or give importance to the safety and the risk involved before they would make any investment decision. The risk involved, additional income and return on investment are only sometimes considered by the respondents. The most preferred investment avenues among the respondents is found to be Life Insurances as Life insurance is important because it provides financial security to the family in case of the unfortunate death of the policyholder and it highlights that the respondents are well aware of the benefits and importance of Life Insurances, this is followed after by Fixed Deposits as the second most preferred Investment Avenues. The respondents most choices for their primary goal of Investment is found to be Education as majority of the respondents are students and wanted the growth rate of their Investment to be at an average rate. The challenges faced by the respondents is that they don't have enough money to make any investment and not because they don't find the need to make an Investment.

3.2 DISCUSSIONS

Towards Financial Literacy: A study on the Savings and Investment Pattern among young adults in Lunglei is a topic that the researcher has addressed. The researcher's only focus in this study was on the importance of financial literacy in Savings and Investment among young adults and the elements that affects the Savings and Investment pattern among young adults.

In future more importance can be given on the topic of the Income and Expenditure behavior and the effects of lack of knowledge in the area of Savings and Investment among not only the young adults but including people with stable monthly income.

CHAPTER – IV
CONCLUSIONS AND SUGGESTIONS

CONCLUSIONS

A person with financial literacy may be able to create a budgetary plan that helps him or her maintain control of his or her spending, debt, and other responsibilities. Money management is not a skill that comes easily. It is gained by actual experience and observation. The ability to manage money well and effectively is a key benefit of financial literacy. This includes the capacity to manage a budget, prioritise needs and goals, save money, buy a home, pay for college, and save for retirement. They may create a practical roadmap to help one navigate daily life and make wise financial decisions with the help of literacy. Although investing and saving are two distinct ideas in theory, they are linked in reality. Saving money for later use can assist in achieving life goals. Saving money is crucial for achieving both immediate and long-term objectives and the importance should be teach and educate to each and everyone.

It can be concluded that most of the respondents or young adults among the age group of 17-25, are aware and educated on the importance of Savings and Investment but not at an advanced or to the core level. Due to certain circumstances such as lack of money as their sources of income mainly depends on their family, they are unable to maintain a stable Savings and Investment pattern. The importance of Savings should be more taught and give importance to young adults at an advanced level.

SUGGESTIONS OF THE STUDY

The concepts given out for thinking are suggestions. There is a lack of knowledge on this topic in this region, thus the study's results and recommendations will be helpful to academics who are interested in this area.

While money doesn't grow on trees, it can grow when save and invest wisely. Knowing how to secure financial well-being is one of the most important things in life. Savings will increase as financial literacy rises. An individual's need to become fully educated about financial services and products. A person needs to be well-informed in order to manage his finances effectively and conveniently. No matter how much or how little money someone has, it's important to be knowledgeable about these opportunities.

The study reveals that most of the students as from under matriculation are aware of Savings and Investment alone but no formal knowledge about different Investment Avenues. It also shows that majority of the respondents have no Savings for future purposes. It is necessary to make one aware of the importance of Savings and Investment. Proper education about the importance and the scope of Investment to students and young adults can be prioritize as this influences the Savings and Investment decisions for future.

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APPENDIX

A FINANCIAL LITERACY: A STUDY ON THE SAVINGS AND INVESTMENT PATTERN AMONG YOUNG ADULTS IN LUNGLEI

Greetings! I am Emily Lalramsangi, a B.Com student from Higher And Technical Institute, Mizoram. I am conducting a survey on the topic of "The Savings and Investment Pattern among Young Adults in Lunglei", as a part of my 4th Semester Project Work. I hope you can spare me some of your time to attempt the following questions.

Feedback is welcome.

Thank You.

PART A: Demographic Factors:

1. Age?

a) 17-20

 b)20-25

 c)25-30

3. Gender:

a) Male

b) Female

c) Prefer not to say

4. Occupation:

a) Service

b)Business

c)Student

d)Others

5. Qualification:

a)Under Matriculation

b)Post Matriculation

c)Under Graduate

d)Post Graduate

Section B: To identify the income, Savings & Investments pattern of the respondents:

1) Sources of Income:

a) Family/Parents

b)Business

c)Salaried/Employed

d)Part-time working

e)Others

2) Top Expenses Categories:

a)Food & Beverages

b)Clothing

c)skincare

d)stationery

e)Transportation

f)Healthcare

g)fuels

h)gadgets

i)Others

3) Monthly Income:

a)Below 500

b)500-1000

c)1000- 1500

d)Above 1500

e)Below 500

f)Do not calculate

4) Expenditure on a monthly basis?

a)500

b)500-1000

c)1000-1500

d)Above 1500

e)Below 500

f)Do not Calculate

5) How much % of your Income do you save?

a)0 – 10%

b)10-20%

c)20 – 30%

d)30% above

6) Have you invested your Savings so far?

a)Yes

b)No

Section C: To identify the awareness level of young adults in the area of Savings & Investments.

1) . Are you aware of Savings & Investment?

a)Yes

b)No

2) What is your source of Investment advice?

a)Internet/Newspaper

b)Friends/Relative

c)Bank

d)Education

e)Others

3)Awareness of Investment Avenues.

Investment terms	Aware	Not Aware
Safe and Low risk Investment Avenues		
Savings Account		
Bank Fixed Deposits		
Government Securities		
Moderate Investment Avenues		
Mutual Funds		
Life Insurances		
Debentures		
Bonds		
High Risk Investment Avenue		
Equity share Market		
Commodity Market		

Section D: To determine the factors influencing the respondents' decision in Savings & Investment.

1) What is your Savings objective?

a)Education

b)Clothing

c)Travelling

d)Home Expenses

e)Healthcare

f)Personal goods

g)Personal goods

h)Others:

2) Do you have any investment plan?

a)Yes

b)No

3) Factors considered while making an investment decision?

Factors considered	Always	Often	Sometimes	Rarely	Never
Risk Involved					
Return on Investment (ROI)					
Affordability					
Safety					
Additional Income					
Others					

4) Most preferred among the investment avenues?

a)Fixed Deposits

b)Life Insurances

c)Real Estate

d)Gold

e)Pension Schemes

f)Others

5) Primary goal of your investment

Investment Goals	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Education					
House					
Career					
Others					

6) At which rate do you want your investment to grow?

a)Steadily

b)At an average rate

c)fast

7) The challenges faced/ factors affecting in investing money?

Challenges faced	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I don't have enough money					
I don't have knowledge to make my own					
I have made bad Investment choices before					
I don't find the need to invest					