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Saving and Investment Behaviour of College Students: A Study of Students in Bilaspur, Chhattisgarh

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ABSTRACT

Saving and investment are important components of personal financial management, and habits developed during college can influence financial behaviour later in life. College students now encounter financial products and information through banks, mobile applications, social media and online investment platforms, but many have limited or irregular income and limited formal knowledge of investment risk and return. This study examines the saving and investment behaviour of college students in Bilaspur, Chhattisgarh, with attention to saving habits, sources of financial information, preferred saving and investment avenues, investment decision factors, financial awareness and risk perception. The study adopts a descriptive and analytical quantitative design. Primary data may be collected through a structured questionnaire covering demographic characteristics, financial background, saving behaviour, investment behaviour and financial awareness. Percentage analysis, mean scores, cross-tabulation and appropriate statistical techniques may be used. The illustrative analysis indicates that saving is more common than active investment, bank savings accounts are preferred for safety and liquidity, and students generally show low to moderate risk tolerance. Financial awareness, income, family influence and access to digital information are important dimensions of student

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financial behaviour. The study highlights the need for practical financial literacy so that students can distinguish between saving and investment, evaluate risk and make informed decisions.

1. Introduction

College students increasingly make independent decisions about money received from parents, scholarships, part-time work, internships or freelance activities. Although the amounts may be modest, the way students spend, save and invest can shape future financial habits. Saving generally serves safety, liquidity and short-term needs, whereas investment involves placing money in an asset or financial instrument with an expectation of future return and usually involves some degree of risk.

The financial environment available to students has changed substantially. Smartphones and online platforms have made banking and investment information more accessible, while social media exposes students to financial content from influencers, advertisements and online communities. Accessibility, however, does not necessarily imply financial understanding. A student may know about mutual funds, SIPs or shares without understanding inflation, diversification, market risk or the distinction between long-term investment and speculation.

Bilaspur is an important educational and commercial centre of Chhattisgarh with students from different socio-economic backgrounds. Some depend mainly on family support, while others receive scholarships or earn through internships, freelance work or part-time employment. The local setting therefore provides an appropriate context for examining how financial resources, family influence, financial awareness and risk perception shape student saving and investment behaviour.

1.1 Problem Statement and Objectives

The central problem is to understand the extent to which college students in Bilaspur demonstrate systematic saving and investment behaviour and the factors influencing their financial decisions. The study seeks to: (i) examine saving behaviour and sources of money; (ii) identify preferred saving and investment avenues; (iii) examine factors influencing investment decisions; (iv) assess financial awareness and attitudes towards risk and return; (v) examine whether demographic and financial characteristics influence behaviour; and (vi) consider the relationship between financial awareness and saving/investment behaviour.

2. Literature Review

Previous research indicates that financial literacy, income, socialisation, age, risk perception and access to financial information can influence financial behaviour among young people. Lusardi, Mitchell and Curto (2010) found differences in financial literacy among young people and emphasised the relevance of basic knowledge of interest, inflation and risk. van Rooij, Lusardi and Alessie (2011) reported that greater financial literacy was associated with higher stock-market participation, suggesting that lack of knowledge can discourage investment. Lusardi and Mitchell (2014) established financial literacy as an important economic skill for decisions concerning saving, investment, borrowing and long-term planning.

Agarwal et al. (2009) showed that financial decision-making varies over the life cycle and that age and experience matter. This is relevant to students, who generally have limited financial experience and may depend on parents and peers. More recent work in the Indian context also points to the role of financial literacy and social influence. Chaturvedi et al. (2024) linked financial literacy, financial knowledge and financial attitude with investment behaviour among young investors in India. A 2022 study on parental financial influence found that parental financial behaviour can affect financial literacy and investment behaviour among young adults. Wankhede and Asthana (2025) reported an association between financial literacy and responsible saving and spending among college students. Raut, Soni and Mahangare (2026), Jain (2026), and Dhaneesh et al. (2026) further highlight digital financial access, budgeting, risk tolerance and investment preferences among young people and college students.

2.1 Research Gap

The reviewed literature leaves a clear local and behavioural gap. Many studies examine young investors or students at broader national or regional levels, while limited research specifically addresses college students in Bilaspur, Chhattisgarh. Some studies also combine students with employed young people, whose income and financial circumstances differ. The present study focuses exclusively on college students and considers saving, investment participation, investment preference, financial awareness, risk perception, family influence and sources of financial information within one framework. It also distinguishes saving from investment and examines the transition from receiving/earning money to spending, saving and investing.

3. Methodology

The study adopts a descriptive and analytical quantitative research design. The population consists of college students studying in educational institutions in Bilaspur, Chhattisgarh. The proposed sample is approximately 150–200 respondents, with the final sample determined by valid responses. Convenience sampling may be used through colleges, classrooms, student groups and online networks, with an effort to include different academic disciplines, years of study, genders and financial backgrounds.

Primary data may be collected using a structured questionnaire covering five areas: demographic information; financial background; saving behaviour; investment behaviour; and financial awareness/risk attitude. Items may include age, gender, programme, family income, allowance/income, expenditure, amount saved, saving purpose, investment experience, preferred investment avenue, investment frequency, knowledge of inflation and returns, awareness of mutual funds/SIPs and shares, risk understanding, family influence and social-media influence. Attitudinal statements can be measured on a five-point Likert scale from strongly disagree (1) to strongly agree (5).

Independent variables include age, gender, academic stream, year of study, family income, monthly allowance/income, financial awareness, source of financial information and risk tolerance. Dependent variables include saving behaviour, investment participation, investment preference, investment frequency, amount invested and risk-taking behaviour. Proposed hypotheses examine relationships between financial awareness and saving/investment behaviour, income and saving behaviour, risk perception and investment preference, and information sources and investment decisions.

4. Results and Data Analysis

The following results are illustrative, based on an assumed sample of 150 college students, and should be replaced by actual survey results before submission.

Variable	Category	Frequency	%
Age	18–20	62	41.3
Age	21–23	67	44.7
Age	24–26	21	14.0
Gender	Male	72	48.0
Gender	Female	76	50.7
Gender	Other/Prefer not to say	2	1.3
Level	Undergraduate	116	77.3

Level	Postgraduate	34	22.7

4.1 Financial Background and Saving

Main source of money	Frequency	%
Parents/Family	101	67.3
Scholarship	12	8.0
Part-time work	13	8.7
Internship/Freelance	15	10.0
Other	9	6.0

Monthly saving	Frequency	%
No regular saving	34	22.7
Below ₹1,000	45	30.0
₹1,000–2,000	38	25.3
₹2,001–5,000	23	15.3
Above ₹5,000	10	6.7

The illustrative pattern suggests substantial dependence on parents or family and generally modest monthly saving. Emergency needs, education/higher studies and future financial independence are prominent saving motives. A bank savings account is the leading saving avenue because of familiarity, safety and liquidity.

Saving avenue	Frequency	%
Bank Savings Account	82	54.7
Cash at Home	19	12.7

Recurring Deposit	17	11.3
Fixed Deposit	14	9.3
Digital Savings/Wallet	8	5.3
Other	10	6.7

4.2 Investment Behaviour

Investment participation	**Frequency**	**%**
Currently investing	58	38.7
Previously invested	17	11.3
Not currently investing	75	50.0

Investment avenue among current investors	**Frequency**	**%**
Mutual Funds/SIP	18	31.0
Gold	12	20.7
Fixed/Recurring Deposits	10	17.2
Shares/Equity	8	13.8
Insurance-linked Products	4	6.9
Other	6	10.3

The illustrative figures indicate that saving is more common than active investment. Among investors, mutual funds/SIPs are prominent, followed by gold and deposits. Direct equity attracts a smaller group, consistent with the possibility that greater financial knowledge or risk tolerance is needed for such choices.

4.3 Decision Factors, Information and Risk

Factor	**Mean score**	**Interpretation**
Safety of principal	4.42	Highly Important
Expected return	4.28	Highly Important
Risk level	4.35	Highly Important
Liquidity	4.11	Important
Ease of investment	4.05	Important
Advice from family	3.96	Important
Tax benefits	3.21	Moderately Important
Social media/influencers	2.84	Moderately Important

Financial information source	**Frequency**	**%**
Parents/Family	48	32.0
Social Media/YouTube	36	24.0
Friends/Peers	21	14.0
Banks/Financial Institutions	18	12.0
College/Teachers	15	10.0
Other	12	8.0

Risk preference	**Frequency**	**%**
Very Low Risk	43	28.7

Low Risk	46	30.7
Moderate Risk	43	28.7
High Risk	14	9.3
Very High Risk	4	2.6

Safety, risk, expected return and liquidity receive high importance in the illustrative results. Family remains the leading information source, while social media/YouTube has become substantial. Most students fall in the very-low to moderate risk categories, suggesting caution when financial resources are limited.

4.4 Financial Awareness

Statement	Mean
I understand the importance of saving regularly.	4.35
I understand the relationship between risk and return.	3.72
I understand how inflation affects savings.	3.31
I know the basic features of mutual funds.	3.45
I understand the purpose of an SIP.	3.68
I know the difference between saving and investment.	4.02
I compare investment options before investing.	3.54

The illustrative awareness scores suggest that students understand the general importance of saving but have comparatively weaker knowledge of technical concepts such as inflation and investment evaluation. This difference between general awareness and practical financial knowledge is important for financial literacy programmes.

5. Discussion

The study indicates a likely dominance of saving over investment among college students. Limited and irregular financial resources, dependence on parents and limited investment experience can make preservation of money more important than maximising returns. Bank savings accounts are therefore attractive because they provide safety and liquidity. At the same time, digital platforms are making mutual funds, SIPs and equity markets more accessible.

Investment decisions are not determined by expected return alone. Safety, risk, liquidity, familiarity, advice and personal confidence also matter. Mutual funds and SIPs may appeal because they permit relatively small regular investments, while gold and deposits remain attractive because of familiarity and family influence. Direct shares may be more suitable to students with greater knowledge or risk tolerance, although the study does not imply that any particular product is appropriate for all students.

Financial literacy is central to responsible behaviour. Students need practical understanding of inflation, diversification, compounding, risk, return and time horizon, rather than merely knowing the names of financial products. Family influence remains important, but students increasingly encounter financial information online. Consequently, financial education should include the ability to judge the reliability of digital information and avoid decisions based solely on trends or promises of high returns.

6. Major Findings

• Saving is likely to be more common than active investment among college students.

• Parents and family members are the major source of financial support and financial advice.

• Student savings are generally modest because financial resources are limited or irregular.

• Bank savings accounts are the most preferred saving avenue because of safety, familiarity and liquidity.

• Emergency needs, education and future financial independence are important saving motives.

• Only a proportion of students actively invest; mutual funds/SIPs and gold are prominent among investors.

• Safety, risk and expected return are important criteria in investment selection.

• Most students prefer low or moderate investment risk.

• Financial awareness appears important for saving and investment behaviour, although income, family background and risk attitudes also matter.

• Digital platforms are becoming important sources of financial information, creating both educational opportunities and risks.

7. Implications and Recommendations

Colleges can introduce practical financial literacy programmes covering budgeting, saving, investment, credit and risk management. Workshops should teach students how to prepare a simple budget, compare financial products, understand bank statements and evaluate investment risks. Students should be encouraged to save a fixed proportion of available money, set goal-based savings targets and distinguish short-term emergency money from long-term investment funds.

Students should understand that returns are not guaranteed and that higher potential returns generally involve greater risk. Financial education should also develop digital financial literacy so students can identify misleading or promotional content online. Families can support this process by involving students in discussions about saving and budgeting and allowing them to make small financial decisions under guidance. Banks and financial institutions can provide simple, non-sales-oriented education explaining savings, deposits, mutual funds, SIPs, insurance, risk and fraud prevention.

8. Limitations and Future Research

The study is limited to college students in Bilaspur, so findings may not represent students elsewhere. Financial backgrounds vary substantially, and self-reported responses may contain recall or reporting errors. Convenience sampling may reduce representativeness, and a cross-sectional design captures behaviour at one point in time. Future studies can compare Bilaspur with other cities of Chhattisgarh, compare undergraduate and postgraduate students, examine differences across academic streams, and study the influence of social media, family income and parental financial behaviour. Longitudinal research following students into employment could show how saving and investment habits change with regular income.

9. Conclusion

The study examines saving and investment behaviour among college students in Bilaspur, Chhattisgarh, and shows why the two behaviours should be considered separately. Students may value saving but hesitate to invest because of limited income, limited experience, uncertainty and fear of loss. Bank savings accounts remain important because of safety and liquidity, while digital access is increasing awareness of mutual funds, SIPs and equity markets.

The central implication is that students should not simply be encouraged to invest more; they should first be encouraged to understand their money better. Regular saving, budgeting, appropriate risk assessment and informed investment decisions are essential components of healthy financial behaviour. Educational institutions, families and financial service providers can jointly help students develop these habits before the transition from college to working life. Ultimately, the goal is to develop financially aware and responsible decision-makers rather than merely increasing the number of young investors.

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