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EFFECTIVENESS OF YOUTH INVESTMENT BEHAVIOUR: A STUDY OF INVESTMENT INTENTION AND SATISFACTION IN DELHI

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EXTENDED ABSTRACT

Background and Rationale

The demographic dividend of India makes the youth the most important stakeholders in determining how the country will be financially stable on a long-term basis and the development of the capital market. The rapid process of urbanisation, the growth of disposable incomes, and the extensive adoption of fintech platforms has facilitated Indian youth becoming first-generation investors (specifically, in metropolitan areas).

Nevertheless, in spite of the increased access to financial markets, empirical data indicate that youths engagement in investment activities is rather unstable and not always optimal. The current literature in behavioural finance has drawn our attention by pointing out that rational assessment of risk and reward is not the only factor that drives investment decisions, but they are profoundly affected by psychological, social and technological reasons. Delhi as a financial and educational centre of great proportions provides a representative background in which to examine the modern youth investment behaviour. Although a number of studies have been conducted concerning investor behaviour in India, there has been a lot of literature that focuses on general retail investors or isolated the determinants of investor behaviour (e.g. financial literacy or the use of technology). An important knowledge gap in integrative research that concurrently looks at the traditional financial determinants, behavioural factors, and digital enablers as an explanation of both investment behaviour and investment satisfaction in the young generation still exists. The current research will fill this gap by creating an in-depth framework that will combine financial literacy, risk perception, peer influence, and fintech adoption to determine their effect on youth investment behaviour and level of satisfaction.

Objectives of the Study

The major research questions of this paper are:

1. To study the current investment behaviour trends of young people in Delhi.
2. To determine the importance of financial literacy in determining youth investment decisions.
3. To examine the role of risk perception on investment behaviour and satisfaction.
4. To determine the role of digitized investment platforms in youth investment.
5. To examine the correlation between investment behaviour and the overall investment satisfaction.

Review of Theoretical Foundations

The paper is founded on the Behavioural Financial Theory that is based on the idea of questioning the rationality of all investors by introducing psychological biases, emotions, and social factors into the financial decision-making process (Shefrin, 2016). Previous studies have shown that young investors are especially vulnerable to such behavioural biases as overconfidence, herd behaviour, and loss aversion caused by lack of experience and financial maturity (Graham and Kumar, 2009; Baker et al., 2019). Moreover, the Theory of Planned Behavior (TPB) can be a valuable model to substantiate that the combination of attitudes toward

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investing, subjective norms (peer influence) and perceived behavioural control (financial confidence and platform accessibility) can explain investment intentions and actions (Raut, 2020). The research is also based on the literature of financial literacy, which continuously develops financial knowledge as a condition of making informed investment choices (Lusardi and Mitchell, 2014). Nevertheless, the recent researches state that knowledge is not necessarily followed by action unless accompanied by confidence, motivation, and practical exposure (Angulo-Ruiz and Pergelova, 2015).

Research Methodology

This paper uses descriptive research design that will help in capturing the behavioural patterns as well as perceptions of youth investors. A structured online questionnaire was used to gather primary data through the use of a questionnaire that was sent to youth within the age range of 18-30 years who were living in the City of Delhi and the areas adjacent to it.

Sample Size: 200 respondents

Sampling Technique: Non-probability convenience sampling.

Target Group: College students and young professionals with basic awareness or experience of financial investments

Variables

Independent Variables: Financial literacy, risk perception, peer influence, fintech adoption

Dependent Variables: Investment behaviour, investment satisfaction

Standardised Likert-scale items were used to measure attitudes and perceptions. The questionnaire was developed based on validated scales used in prior empirical studies to ensure reliability and content validity.

Key Findings

The analysis reveals several important insights into youth investment behaviour:

1. Financial Literacy as a Foundational Determinant: Youth with higher self-perceived financial literacy demonstrated greater engagement in investment activities and higher confidence in decision-making. However, the findings also reveal a gap between theoretical awareness and practical application, supporting prior research that highlights the limitations of knowledge-based literacy alone.
2. Risk Perception and Conservative Behaviour: Risk aversion emerged as a significant barrier to active investment participation. Despite exposure to high-return instruments through digital platforms, a large proportion of respondents preferred low-risk, short-term investments. This aligns with behavioural finance literature emphasising loss aversion among young and novice investors.
3. Role of Digital Investment Platforms: Fintech platforms have significantly reduced entry barriers and improved accessibility. Respondents acknowledged ease of use, flexibility, and control offered by digital platforms. However, concerns regarding information overload, trust, and lack of professional guidance persist, limiting optimal utilisation of these platforms
4. Peer and Social Influence: It was discovered that peer discussion and social media influencers have significant influence over investment choices that frequently result in herd behaviour. Though peer effect motivates people to engage in the market sometimes, peer effect also leads to the creation of impulsive and uninformed decisions.
5. Investment Behaviour and Satisfaction Relationship: The correlation between active investment behaviour and investment satisfaction was found to be very high. The young people who invested frequently, and diversified their portfolios stated that they were more satisfied, which also confirms

the value of knowledgeable and disciplined investments.

Discussion

The results support the thesis that youth investment behaviour is multidimensional and cannot be described solely on financial literacy or adoption of technology. Behavioural leanings, psychological comfort to the risk and social validation play a crucial role in making the young people turn awareness to action. Although fintech platforms are democratic in terms of access to financial markets, they do not necessarily result in more successful investment. Digital access can be a cause of confusion instead of empowerment of youth investors without structured financial education, mentorship, and behavioural awareness.

Implications

1. Academic Implications: The research has implications on academic literature on behavioural finance as it empirically confirms a synthesised framework of integrating traditional, behavioural, and technological predictors of youth investment behaviour. It builds upon the current literature by using investment satisfaction as an important outcome variable.
2. Policy Implications: The results indicate that there should be youth-based financial literacy programs that extend beyond theoretical skills such as including experiential education, behaviour-based training and digital risk-management practices.
3. Managerial and Industry Implications: Financial institutions and fintech companies can leverage these lessons to create streamlined, transparent and guidance-focused investment products that are targeted at young investors. Engagement and satisfaction may be enhanced by adding nudges, risk profiling, and educational material to platforms.

Originality and Contribution

The novelty of the research is on the integrative approach and emphasis on the gap between investment opportunity and investment action among urban youth. The study provides an all-inclusive explanation on youth investment behaviour in a fast-digitising economy through the integration of behavioural finance and the adoption of fintech in the Indian context.

Conclusion

The paper derives that although opportunities to invest are unprecedented among the youth in Delhi, behavioural and cognitive barriers still hinder effective investment. The behaviour of investment and satisfaction is influenced by financial literacy, risk perception, peer influence and fintech adoption. The way to bridge the gap between the awareness and action is through joint efforts of policy makers, educational institutions and financial service providers to enable the youth to become confident and knowledgeable investors.

Keywords

Youth Investment Behaviour; Financial Literacy; Risk Perception; Fintech Adoption; Investment Satisfaction; Behavioural Financ.

INTRODUCTION

The Youth as the Newcomers in the Financial Markets of the Modern World

The young people form an important section of the investor base in the emergent economies because of the demographic changes, urbanisation, and exposure to formal financial systems (Rahman, 2025). Increased

adoption of digital technologies and fintech platforms has facilitated younger people being able to enter financial markets with rather minimal entry obstacles (Onabowale, 2024). Although there is better access, empirical data show that young people are non-consistent and risk-averse in investment activities in different settings (Ammer and Aldhyani, 2022). The conventional finance models are based on rational decision-making, whereas behavioural finance is focused on the presence of psychological biases, emotions, and heuristics in the process of investor behaviour formation (Shefrin, 2016). The lack of experience, the changing level of financial confidence, and the desire to obtain social approval are the reasons why young investors are especially susceptible to behavioural biases (Statman, 2014). The behavioural effects are usually conservative decisions, tardiness in joining, or dependence on socially motivated signs of investment (Tansuchat & Thaicharo, 2025).

Investment Behaviour and Financial Literacy

The financial literacy has been long-established as one of the preconditioning factors that determine the ability to make informed decisions in investment and financial wellbeing (Lusardi and Mitchell, 2014). Financial literacy has been linked to increased investment awareness, confidence, and participation among the young people (Owusu et al., 2020). Nevertheless, a number of studies suggest that financial knowledge in itself does not lead to active investment, unless behavioural control and motivation are employed to support it (Angulo-Ruiz & Pergelova, 2015). Risk perception makes a determining factor on investment decisions, especially on young and novice investors (Aren & Zengin, 2016). Risk aversion is also more pronounced among young people who are more attracted to safer and short-term instruments of investment even though they are aware of the high-return opportunities (Kaur and Kaushik, 2016). This kind of risk-averse behaviour is in many ways motivated by the fear of losses and the lack of certainty, which is not based on objective evaluation of financial results (Shefrin, 2016).

Environmental and Social Forces on Young Investors

Family, peers, and the wider social surroundings are some of the key influences that shape investment behaviour among the youth (Chawla et al., 2022). Financial practices and parental guidance have a significant contribution to the building of financial attitudes and confidence to invest at an early age (Owusu et al., 2020). Also, social interactions and peer-to-peer communications tend to predetermine investment intentions and occasionally result in herd behaviour (Pastor et al., 2022). The advent of the digital investment system has revolutionized the way young investors access, control, and track financial products (Onabowale, 2024). Technology makes investment behaviour more convenient and accessible, but it does not necessarily result in informed or disciplined behaviour (Raut, 2020). The unavailability of personalised advice and information overload over digital solutions can lead to further behavioural bias in young investors (Argan et al., 2023).

Research Gap and Contribution to Study

Even though the literature on the impact of the individual determinant (financial literacy or risk perception) is not scarce, the literature in taking an integrative approach to empirical research on youth investment behaviour is still underrepresented (Yeo et al., 2024). The satisfaction with investment has, furthermore, been relatively low in the youth-dedicated investment research as an outcome variable (Saini et al., 2024). To fill this knowledge gap, the following study will utilize structural equation modelling to investigate how the four variables of financial literacy, risk perception, social influence, and use of digital platforms combined to determine the impact of these variables on youth investment behaviour and satisfaction.

LITERATURE REVIEW

Young People Investment Behaviour and Financial Literacy

It is widely recognized that financial literacy is a crucial factor that determines any given individual in their investment behaviour, especially in the ever-complicated financial markets (Lusardi and Mitchell, 2014).

Studies that examine the youth population posit that financial literacy can increase awareness of financial instruments and willingness to make decisions that are based on investments (Owusu et al., 2020). Ammer and Aldhyani (2022) showed that the greater the understanding of investment among the youth, the more they are prepared to venture into formal financial markets. Nevertheless, according to the latest behavioural studies, even financial knowledge might not ensure active behaviour unless people also have self-efficacy and motivation to take action on that knowledge (Angulo-Ruiz and Pergelova, 2015).

Bai (2023) also suggested that financial literacy affects investment behaviour through indirect means by enhancing self-control and disciplined decision-making, instead of causing people to participate in the market directly.

Investment-related Risk Perception and Behavioural Biases

The perception of risk is critical in determining investment decision, and particularly, young and first-time investors are more susceptible to this factor due to the lack of experience in the market (Aren and Zengin, 2016). Depending on the financial market, young people tend to think of it as unpredictable and unstable, so their investment approaches are usually reserved and they favor the deployment of low-risk assets (Kaur and Kaushik, 2016). According to the literature on behavioural finance, fear of loss and uncertainty avoidance are the factors which cause such hesitation, as opposed to objective appraisal of expected returns (Shefrin, 2016). The relationship between financial literacy and actual investment behaviour found by Baker et al. (2019), via behavioural biases, such as loss aversion, overconfidence, and others. According to recent findings, increased perception of risk still inhibits the youth involvement in digitally enabled market-linked instruments (Tansuchat and Thaicharo, 2025).

Parental and Social Pressures in Investment Among the Youth

Social environments, especially family and peer networks, hold a significant impact on investment behaviour among young people and determine the financial attitudes and norms (Chawla et al., 2022). It has been demonstrated that parental financial behaviour contributes a lot to the development of investment confidence and long-term financial orientation among young adults (Owusu et al., 2020). Pastor et al. (2022) have found that peer conferences and experience tend to affect the choice of youth to participate in investment without proper assessment, which in some cases can lead to participation. Raut (2020) attributed this trend to social learning mechanisms where people depend on the behaviour that they observe in other people instead of analysing the financial information independently. This kind of socially motivated decision making may also result in herd behaviour where youth investment decisions become less rational and effective (Statman, 2014).

Online Investment Services and Investment Behaviour

The advent of online investment channels has altered how young investors can engage with the financial markets (Onabowale, 2024). These platforms have also reduced barriers to entry due to the ease of transacting business by minimizing minimum capital requirements, real-time access to financial information, and ease of transacting business (Ammer and Aldhyani, 2022). Regardless of these strengths, the digital accessibility does not always lead to an informed or disciplined investment behaviour (Raut, 2020). Argan et al. (2023) emphasized that overexposure to online data may contribute to cognitive overload and affect the

decision-making process by emotions, consequently influencing the investment performance. According to recent research, technology is not a determinant of effective investment behaviour except when it is complemented by financial capability and behavioural awareness (Yeo et al., 2024).

Investment Behaviour and Investment Satisfaction

The investment satisfaction is the personal analysis of the investment results in contrast with expectations and perceived financial objectives (Saini et al., 2024). Mixed evidence indicates that informed and regular investment behaviour leads to increased satisfaction by increasing confidence and perceived control over financial results (Darvishan, 2024). Argan et al. (2023) proved that the increased participation in the activities related to investment is positively correlated to satisfaction and participation. According to the behavioural finance theory, satisfaction consolidates future investment behaviour through the reinforcing of the positive financial attitudes and minimizing perceived uncertainty (Statman, 2014). In this manner, investment satisfaction is necessary in explaining the persistence of investment engagement among the youth.

Research Gap

Even though the financial literacy, risk perception, social influence, and digital adoption have been studied separately, there is a lack of integrative models that consider the youth investment behaviour (Yeo et al., 2024). In addition, evidence about investment satisfaction as a behavioural response in youth-oriented investment studies has been under relativity less empirical evidence (Saini et al., 2024). The current research fills this gap since it empirically explores the joint effect of financial literacy, risk perception, social influence, and digital investment platforms use on youth investment behaviour and satisfaction as a structural equation modelling process.

RESEARCH OBJECTIVES

1. To determine how the variables of financial literacy, risk perception, social influence, and the use of digital investment platforms are associated with youth investment behaviour.
2. To examine the linkage between youth investment behaviour and investment satisfaction.
3. To investigate the general performance of financial, behavioural and digital drivers, in influencing youth investment behaviour in Delhi.

RESEARCH METHODOLOGY

Research Design

The research design used in this study is quantitative to investigate the factors that determine youth investment behaviour and investment satisfaction in a digitally changing financial landscape (Raut, 2020).

Young people between ages 18-30 living in Delhi and immediately adjacent areas were surveyed using a structured questionnaire in order to identify their perceptions and behaviours related to investments (Ammer and Aldhyani, 2022). The analysis applies Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) as methods of verifying the measurement model and confirming the structural relationships between financial literacy, risk perception, social influence, the use of a digital investment platform, investment behaviour, and investment satisfaction (Shefrin, 2016). These multivariate models allow strict analysis of many relationships between latent constructs and are methodologically sound (Statman, 2014).

Conceptual Foundation

The study is rooted in conceptual framework of behavioural finance, which is an explanation of investment

decisions as a result of cognitive biases, emotional reactions, and social effects instead of rational evaluations (Shefrin, 2016). The model also relies on the behavioural decision-making views that highlight the perceived behavioural control, subjective norms, and previous experience in influencing investment acts (Raut, 2020). The exogenous constructs used were financial literacy, risk perception, social influence, and the use of digital investment platforms because of their consistent predictability of youth investment behaviour in previous empirical studies (Yeo et al., 2024). The endogenous constructs incorporated investment behaviour and investment satisfaction in order to embrace the two facets of making youth financial decisions: action-oriented and outcome-based (Saini et al., 2024).

Research Hypotheses

H11: Investment intention is largely influenced by financial literacy.
H12: Financial literacy impacts a lot on investment satisfaction.
H13: There is a strong impact of risk tolerance on investment intention.
H14: there is no significant impact of risk tolerance on investment satisfaction.
H15: There is a strong impact of fintech / digital platform adoption on investment intention.
H16: There is a strong impact of Fintech / digital platforms adoption on investment satisfaction.
H17: The effect of social / peer influence on the investment intention is significant.
H18: There is a strong impact of social / peer influence on investment satisfaction.

Sample and Data Collection

The population of interest was the youth aged 18-30 years with the minimal financial investment understanding but living in the city of Delhi and its surroundings (Pastor et al., 2022). Convenience sampling was not probability because of the limitations in accessibility and the introductory character of the youth oriented investment studies (Ammer and Aldhyani, 2022). They had 200 responses collected by online survey, with 175 valid responses passed through data screening (scrutiny of missing value, inconsistency of responses and outliers) (Raut, 2020). SEM analysis was deemed to be sufficient because the model was complex, and the number of observed indicators was sufficient to make a conclusion (Statman, 2014).

Measurement Instrument

The survey tool had different parts that included demographic factors, investment experience, and perceptions on the study constructs (Owusu et al., 2020). Financial literacy, risk perception, social influence, usage of digital investment platform, investment behaviour and investment satisfaction were measured using standardised likeness items (Sinnewe & Nicholson, 2023). To achieve the content validity and construct relevance, the questions included in the questionnaire were based on validated scales that have been employed in the previous research (Lusardi and Mitchell, 2014). Pilot testing was also done to determine the transparency and consistency of the items prior to the actual data collection (Darvishan, 2024).

Evaluation of the Model of Measurement

It performed a Confirmatory Factor Analysis in order to estimate the reliability of the measurement model and validity before testing structural relationships (Shefrin, 2016). Standardised loading factors, composite reliability, and average variance extracted were reviewed in order to determine convergent validity and internal consistency of the constructs (Yeo et al., 2024). Construct correlations with square roots of average variance extracted helped to ensure the presence of discriminant validity (Statman, 2014). Only those that had the recommended threshold values were included to undergo further analysis to increase the reliability of the model (Saini et al., 2024).

Structural Model and Data Analysis.

The hypothesised relationships between the constructs of the study were tested at once using Structural Equation Modeling (Raut, 2020). This analysis identified direct and indirect impacts of financial literacy and risk perception, social influence and use of digital investment platforms on youth investment behaviour and investment satisfaction (Shefrin, 2016). It was also anticipated to assess model fit by relying on the presence of established goodness-of-fit indicators, which would allow determining the adequacy of the suggested framework (Statman, 2014). The findings present empirical evidence regarding the mixed effect of financial, behavioural, and digital dimensions on the decision to invest among young people (Yeo et al., 2024).

RESULTS

The subsequent part provides the findings of the Confirmatory Factor Analysis (CFA) which was performed to prove the measurement model and determine the reliability of the constructs that were included in the research. Financial literacy, risk tolerance, adoption of fintech/digital platform and social/peer influence on investment intention and investment satisfaction were analysed using Structural Equation Modeling (SEM). The Maximum Likelihood Estimation (MLE) technique was applied to get strong and unbiased parameter estimates that guarantees the statistical suitability of the model.

Individual Constructs Measurement Models.

In this section, the measurement model that was employed to determine the reliability of the main constructs under investigation in the study is detailed. Reliability analysis determines the consistency and stability of the measurement items to determine whether the constructs have been measured correctly and yield reliable results. The most important dependent relied upon was the Cronbach Alpha, which had a range of values above 0.70, which showed that it has acceptable internal consistency.

Table 1 *provides the reliability assessment scores of each construct and forms the basis of the further validity tests and structural model testing. The findings show that all constructs have high internal consistency, which proves the suitability of the measurement model to conduct additional SEM estimates.*

Table 1: Measurement Models of Individual Constructs

Construct	Indicators	Reliability Measure Cronbach's Alpha	Purpose
Financial Literacy	5 items	0.981> 0.7	Assesses the level of financial knowledge, understanding of investment concepts, and ability of youth to evaluate financial products and make informed investment decisions.
Risk Tolerance	5 items	0.970 > 0.7	Captures the extent to which youth are willing to accept uncertainty and potential financial loss while making investment decisions.
Fintech / Digital Platform	5 items	0.974> 0.7	Examines the degree to which youth adopt and rely on digital and fintech platforms for

Adoption			accessing, managing, and executing investment activities.
Social / Peer Influence	5 items	0.959> 0.7	Measures the impact of peers, family, and social networks on shaping youths' attitudes, confidence, and decisions regarding investments.
Investment Intention	5 items	0.968> 0.7	Evaluates the willingness and readiness of youth to engage in investment activities in the near future.
Investment Satisfaction	5 items	0.909> 0.7	Assesses the level of satisfaction youth derive from their investment experiences and perceived outcomes relative to expectations.

Source: Author's Own Compilation

The reliability test of the measurement model proves the high internal consistency of all constructs (Hair et al., 2009). All constructs have Cronbachs alpha value that exceeds the recommended 0.70 meaning that there is high internal reliability. In particular, the coefficients of reliability of financial literacy (0.981), risk tolerance (0.970), fintech/digital platform adoption (0.974), social/peer influence (0.959), and investment intention (0.968) are remarkably high and indicate that these constructs are clear and consistently measured. Investment satisfaction is also a dependent construct with a high degree of reliability with a Cronbachs alpha of 0.909 indicating that the post-investment evaluation items were stable. Such high reliability coefficients offer a sound basis in the further validity examination and analysis of structural model since they are evidence of high inter-item consistency across each construct (Fornell and Larcker, 1981).

Construct Validity

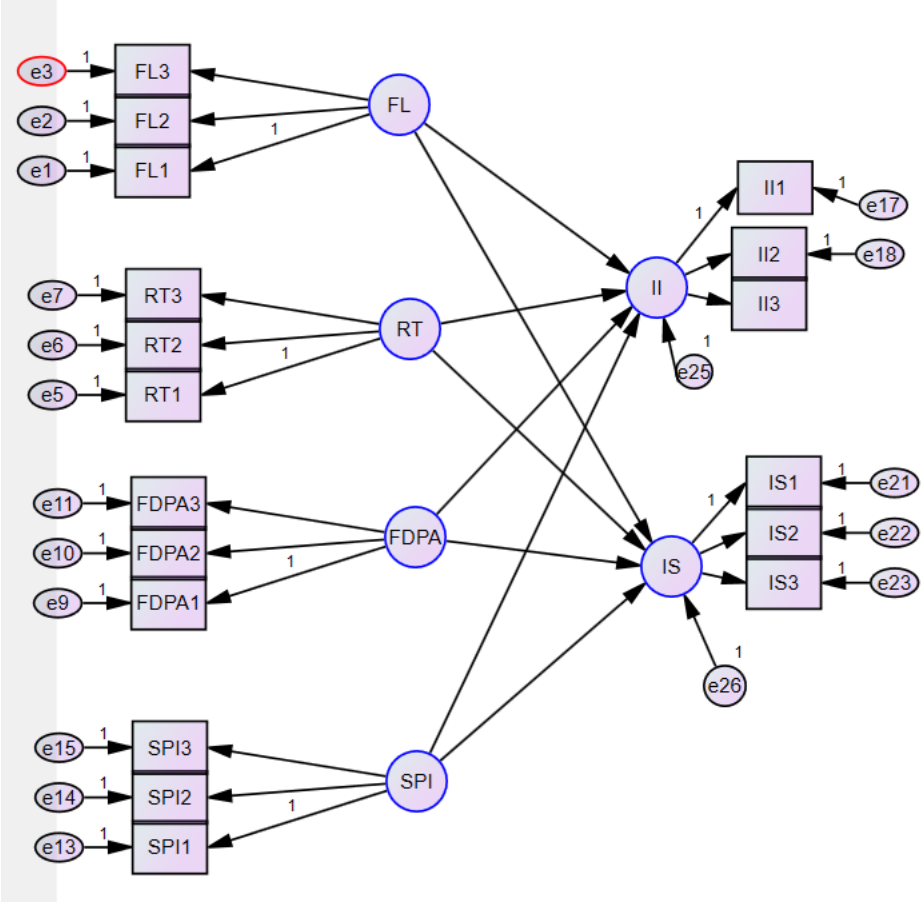
Construct validity can be described as measuring what the theory of study claims to measure (Fornell and Larcker, 1981). It consists of convergent validity that measures how well indicators of the same construct are closely correlated and discriminant validity that makes sure that constructs are empirically different when compared to each other (Saini et al., 2024). The convergent validation is determined based on the standardized factor loading, composite reliability and average variance extracted values that reflect sufficient shared variance between indicators and the corresponding constructs (Lusardi and Mitchell, 2014). The discrimination validity is established when the average variance extracted by a construct is higher than its shared variance with other constructed showing conceptual uniqueness in the measurement model (Statman, 2014). Generally, the findings demonstrate that all the variables of the study construct validity meet the inadequate level, which proves the stability of the measurement model and the derived structural analysis (Darvishan, 2024).

Convergent Validity

Convergent validity simply measures the degree to which several indicators of a given construct are related closely and indicate two or more concepts or ideas (Fornell and Larker, 1981). In this research, convergent validity has been evaluated using Composite Reliability (CR) and Average Variance Extracted (AVE) the

values of which are above 0.70 and 0.50 respectively which are satisfactory values of convergent validity (Lusardi and Mitchell, 2014). Average Variance Extracted shows the amount of variance a construct captures compared to measurement error, whereas Composite Reliability is used to assess internal consistency on a basis of standardized factor loading (Statman, 2014). In order to guarantee sufficient construct reliability, Composite Reliability values must be higher than Average Variance Extracted values, which means that the shared variance of indicators is higher than error variance (Saini et al., 2024). Financial literacy, risk tolerance, fintech/digital platform adoption, social/peer influence, investment intention, and investment satisfaction are the variables that are evaluated in terms of convergent validity in the current study. Table 2 indicates that all the loadings are within the recommended thresholds, squared loadings, Composite Reliability and Average Variance Extracted, which confirms that there is satisfactory convergent validity of the measurement model (Darvishan, 2024).

Figure 2: Path Model (Overall)



Source: Author's Own Compilation

Table 2: Convergent validity analysis for the CFA Model

Construct	Item Code	Factor Loading	Squared Loading	Composite Reliability (CR)	Average Variance Extracted (AVE)	CR > AVE

Financial Literacy	FL1	0.891	0.793	0.843	0.643	✓
	FL2	0.703	0.494			
	FL3	0.802	0.643			
Risk Tolerance	RT1	0.775	0.600	0.768	0.526	✓
	RT2	0.708	0.501			
	RT3	0.691	0.477			
Fintech / Digital Platform Adoption	FDPA1	0.87	0.756	0.884	0.719	✓
	FDPA2	0.867	0.751			
	FDPA3	0.806	0.649			
Social / Peer Influence	SP1	0.838	0.702	0.786	0.557	✓
	SP2	0.578	0.334			
	SP3	0.798	0.636			
Investment Intention	II1	0.82	0.672	0.861	0.675	✓
	II2	0.863	0.744			
	II3	0.781	0.609			
Investment Satisfaction	IS1	0.759	0.576	0.813	0.592	✓
	IS2	0.742	0.550			
	IS3	0.807	0.651249			

Source: Author's Own Compilation

Table 2 shows that the values of the Average Variance Extracted (AVE) are above all the corresponding latent constructs, thus indicating that the indicators used are correlated with the corresponding latent constructs (Fornell and Larcker, 1981). This attests to the fact that the constructs are sufficient to measure what is going on in theory, thus depicting adequate convergent validity (Lusardi and Mitchell, 2014). The Constructs also give the Composite Reliability (CR) values that are above the acceptable limit of 0.70, which means that the measurement scales are highly internally consistent and reliable (Owusu et al., 2020).

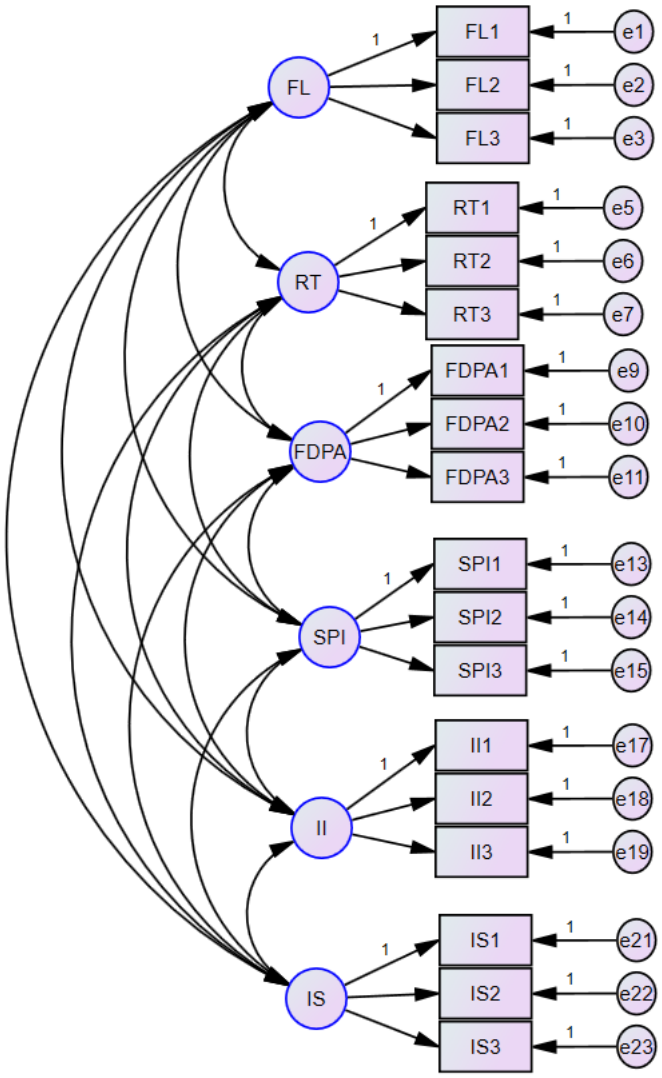
Moreover, Composite Reliability has to be larger than Average Variance Extracted (CR > AVE) is met in all constructs, which means that the percentage of variance explained by a construct is higher than the percentage of variance explained by measurement error (Statman, 2014). On the whole, such results indicate that the measurement model has high convergent validity and reliability and can be used in the future to analyze structural models (Darvishan, 2024).

Discriminant Validity

Discriminant validity is used to verify that every construct of the measurement model is uniquely theoretical and is not too similar to other constructs (Fornell and Larcker, 1981). Discriminant validity measurement is a fundamental aspect of Structural Equation modeling because it eliminates the possibility of multicollinearity and misinterpreting structural relationships (Statman, 2014). In this research, Maximum Shared Variance (MSV) and Average Shared Variance (ASV) are used as measures of discriminant validity. Discriminant validity can be determined when the Average Variance Extracted (AVE) of each construct is greater than its MSV and ASV, which imply that the construct has more variance with its own indicators than with the other constructs (Saini et al., 2024). Figure 3 shows the factorial nature of constructs and the uniqueness through

which they are presented in the model. Further, Table 3 shows the AVE, MSV, and ASV of each construct, which prove that all constructs meet the recommended requirements of the discriminant validity and are empirically discrete (Darvishan, 2024). On the whole, these findings indicate that measurement model has a good discriminant validity which guarantees the reliability and interpretability of the future structural analysis.

Figure 3: Factorial Presentation



Source: Authors Own Compilation

Table 3: Discriminant validity analysis of the CFA Model

Construct	AVE	Maximum Shared Variance (MSV)	Average Shared Variance (ASV)	Discriminant Validity (AVE > MSV & ASV)

Financial Literacy	0.644	0.640	0.429	✓
Risk Tolerance	0.526	0.545	0.419	✓
Fintech / Digital Platform Adoption	0.719	0.412	0.339	✓
Social / Peer Influence	0.558	0.311	0.209	✓
Investment Intention	0.676	0.663	0.358	✓
Investment Satisfaction	0.593	0.578	0.275	✓

Source: Authors Own Compilation

Table 3 provides the result of the discriminant validity that suggests that all constructs will meet the necessary criteria needed to be empirically distinct (Fornell and Larcker, 1981). The Average Variance Extracted (AVE) is greater than Maximum Shared Variance (MSV) and Average Shared Variance (ASV) of each construct indicates that every construct has more variance with its indicators than with those in the other constructs in the model (Hair et al., 2009). Particularly, financial literacy has an AVE value of 0.644, significantly greater than the MSV but much greater than the ASV, indicating the construct uniqueness. Equally, the values of the risk tolerance, use of fintech/digital platform, social/peer influence, investment intent, and investment satisfaction are all found to have values of AVE higher than the respective MSV and ASV values, showing sufficient separation between constructs (Henseler et al., 2015). In general, the fulfillment of both of the conditions, i.e., MSV < AVE and ASV < AVE, of all constructs determines the high level of discriminant validity of the measurement model and eliminates the risk of excessive overlap of the constructs (Statman, 2014).

Model Fit Indices

Model fit assessment determines how well the proposed structural model can be used to explain the observed data (Hu & Bentler, 1999). The chi square statistic (CMIN) by itself is not adequate in the model evaluation since it is sensitive to the sample size and thus should be used in combination with other fit indices (Bentler, 1990). A CMIN/DF value that is less than 5 implies that the model fits well whilst a Root Mean Square Error of Approximation (RMSEA) of less than 0.08 implies that there is reasonable fit of the data (Steiger, 1990).

The Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI) are some of the absolute fit indices that should have a value of more than 0.80 to indicate that the model can explain a significant share of the variance that is exhibited by the observed variables (Tabachnick et al., 2007). The incremental fit indices such as Comparative Fit Index (CFI) and Normed Fit Index (NFI) which have a value of above 0.90 indicate that the model suggested improves significantly relative to the null model (Byrne, 2013). Individual parsimony-adjusted indices like PGFI, PNFI and PCFI with a value greater than 0.50 prove that there is a proper trade-off between the complexity of the model and its explanatory power (Mulaik et al., 1989). All these fit indices validate the model of the structure. Table 4 shows the model fitting statistics, the obtained values against the recommended threshold levels to determine the overall model suitability.

Table 4: Fit Indices and Model Analysis

Fit Index	Meaning	Threshold Value	Model Value	Recommended Guidelines
CMIN/DF	Chi-square divided by degrees of freedom, indicating overall model fit relative to model complexity.	≤ 5 indicates acceptable fit	2.256	Between 1 and 5
GFI	Measures the proportion of variance–covariance in the data explained by the model.	≥ 0.80 indicates acceptable fit	0.840	More than 0.80
AGFI	Adjusted version of GFI accounting for model degrees of freedom.	≥ 0.70 indicates acceptable fit	0.773	More than 0.70
PGFI	Parsimony-adjusted goodness-of-fit index favoring simpler models.	> 0.50 indicates good parsimony	0.590	More than 0.50
PNFI	Parsimony-adjusted normed fit index.	> 0.50 indicates adequate fit	0.677	More than 0.50
PCFI	Parsimony-adjusted comparative fit index.	> 0.50 indicates reasonable fit	0.719	More than 0.50
NFI	Normed Fit Index comparing the proposed model to a null model.	≥ 0.80 indicates good fit	0.863	More than 0.80
TLI	Tucker–Lewis Index comparing model improvement over null model.	≥ 0.80 indicates good fit	0.895	More than 0.80
CFI	Comparative Fit Index adjusting for sample size.	≥ 0.90 indicates good fit	0.917	More than 0.90
RMSEA	Estimates model approximation error per degree of freedom.	≤ 0.08 indicates acceptable fit	0.075	Less than 0.08

Source: Authors Own Compilation

A good model fit is created when the values of the calculated model are compared to the recommended threshold values given in Table 4 (Hu and Bentler, 1999).

The CMIN/DF value of 2.256 shows that the overall model fit is good since it lies within the range of acceptable values between 1 and 5 (Marsh and Hocevar, 1985). Both the Goodness of Fit Index (GPI = 0.840) and Adjusted Goodness of Fit Index (AGFI = 0.773) are well above their respective minimum values, which proves that the model explains a significant percentage of variations in the observed data (Tabachnick et al., 2007). These incremental fit indices also provide grounds indicating model adequacy and the Normed Fit Index (NFI = 0.863) along with the Comparative Fit Index (CFI = 0.917) are consistent with the cut-off values recommended by Bentler (1990). Tucker-Lewis Index (TLI = 0.895) demonstrates the good model fit as well, supporting the strength of the proposed structure. The parsimony controlled indices show that there is a proper balance between the complexity and the explanatory power of the models since all the three indices: PGFI (0.590), PNFI (0.677) and PCFI (0.719) are above the recommended threshold of 0.50 (Mulaik et al., 1989). Lastly, the Root Mean Square Error of Approximate (RMSEA = 0.075) is less than the permissible value of 0.08 which shows that the error of approximation is reasonable and the model fits (Steiger, 1990). On the whole, the model meets the necessary goodness-of-fit criteria, and it can be ensured that it has all the necessary statistical sufficiency and can be subsequently subjected to structural analysis.

Hypothesis Testing

This paper used AMOS 24.0 to examine the relationship between financial literacy, risk tolerance, adoption of fintech/digital platforms, and social/peer influences and investment intention among young investors. To test all these relationships, Structural Equation Modeling (SEM) was employed because it allows analyzing a variety of independent and dependent variables in one framework (Hair et al., 2009). The direct effects of each predictor on the investment intention were determined using standardised regression weights (β coefficients), which enables constructively comparing the predictors (Byrne, 2013). The standardisation simplifies the uniformity of relationship interpretation where a high beta corresponds to a robust impact on the dependent variable (Kline, 2023). The p-values were used to determine the statistical significance of each path in which values below 0.05 mean significant relationships, and the hypotheses proposed were accepted. The results of the structural model of the investment intention are in table 5, which showed the estimated path coefficients, the significant level, and the hypothesis results.

Table 5: Analysis of Investment Intention

Hypotheses		Beta	P- Value	Result
HA_1	Financial literacy has a significant effect on investment intention.	0.508	***	Accepted
HA_3	Risk tolerance has a significant effect on investment intention.	0.359	***	Accepted
HA_5	Fintech / digital platform adoption has a significant effect on investment intention.	0.129	0.025	Accepted
HA_7	Social / peer influence has a significant effect on investment intention.	0.096	0.124	Rejected

Source: Authors Own Compilation

The findings show financial literacy has the greatest positive effect on investment intention with a beta of 0.508, which implies the importance of financial knowledge and comprehension in determining the intention of the youth to invest. Risk tolerance is also found to be a major factor in determining investment intention which implies that the more comfortable a person is with uncertainty, the more likely to engage in investment activities. The adoption of fintech and digital platforms has a positive but relatively less significant implication on investment intention, which means that technology enables investment access but is not as important as financial ability and risk tolerance. Conversely, the effect of social and peer influence on the investment intention is not statistically significant, which is shown by an insignificant p-value. This observation implies that individual financial competence and risk-related factors rather than external social influences are more dominant in influencing the decision of youth to invest in the current environment. On the whole, the findings can be used to highlight the need to improve financial literacy and risk awareness to increase investment intention among young investors.

Table 6 presents the analysis of investment satisfaction based on the influence of financial literacy, risk tolerance, fintech/digital platform adoption, and social/peer influence.

Table 6: Analysis of Investment Satisfaction

Hypotheses		Beta	P- Value	Result
HA_2	Financial literacy has a significant effect on investment satisfaction.	0.255	***	Accepted
HA_4	Risk tolerance has a significant effect on investment satisfaction.	0.366	***	Accepted
HA_6	Fintech / digital platform adoption has a significant effect on investment satisfaction.	0.153	0.003	Accepted
HA_8	Social / peer influence has a significant effect on investment satisfaction.	0.207	***	Accepted

Source: Authors Own Compilation

The results of the analysis prove that the four determinants have a positive impact on investment satisfaction among young investors. The greatest predictor of investment satisfaction is risk tolerance with the beta of 0.366 meaning that people who are more at ease with financial uncertainty gain more satisfaction with the results of their investment. Financial literacy also has a great positive influence on investment satisfaction, implying that informed investors are more confident and satisfied with the choice of their investments. The adoption of fintech and digital platforms has a positive but relatively average impact on satisfaction with the investment, as the use of technology increases convenience and accessibility as opposed to directly affecting the result of the satisfaction. The impact of social and peer influence proves to have a strong impact as well,

which means that the validation and support represented by peers and social networks are a contributing factor to post-investment satisfaction. In general, the findings point to the fact that individual financial abilities as well as social-contextual aspects are significant in determining investment satisfaction.

CONCLUSION

This research offers empirical data that a set of financial, behavioural, and technological factors leads to the definition of youth investment behaviour and satisfaction. The results prove that financial literacy and risk tolerance become the main factors that enhance investment intention and investment satisfaction and prove that informed and psychologically prepared individuals are more confident and satisfied investors (Lusardi and Mitchell, 2014; Aren and Zengin, 2016). The enabling nature of the positive effect of fintech and digital platform usage is emphasized by the idea that the effectiveness of this concept continues to depend on the financial ability and risk awareness of users (Onabowale, 2024). Social and peer pressure plays a major role in making an investment satisfying, which is why social validation and common financial experiences are critical in influencing post-investment judgments (Chawla et al., 2022). All in all, the paper confirms the views of behavioural finance that investment decisions are not a simple matter but are connected to cognitive, social, and contextual factors (Shefrin, 2016; Statman, 2014). This study builds on previous youth investment research and provides practical policy implications by incorporating financial literacy, risk tolerance, social influence, and digital adoption into a unified structural framework and consequently creating informed, confident, and satisfied young investors (Ammer and Aldhyani, 2022; Yeo et al., 2024).

RECOMMENDATIONS

On the basis of the findings of the empirical data, a number of suggestions related to policymakers, educational organizations, financial service providers, and fintech platforms are offered. To begin with, greater emphasis should be placed on financial literacy programs since financial knowledge was found to be a decisive issue of investment intention and investment satisfaction. Financial education programs that focus on youth, especially in universities, professional schools, and online learning platforms, can help people make more informed choices and minimise behavioural biases in making investment decisions (Lusardi and Mitchell, 2014; Ammer and Aldhyani, 2022).

Second, the element of risk tolerance and behavioural awareness should be integrated in the investor education programmes so that young investors understand their preferences to risk, and uncertainty in financial markets are managed. They may enhance psychological readiness and final outcomes of investments (Aren and Zengin, 2016; Shefrin, 2016).

Third, user-centric design and transparency should subsequently be the core of fintech companies and digital investment platforms, as digital instruments should make the decision making process easier instead of promoting impulsive or uninformed investment. Educational messages, risk awareness, and individualised instructions incorporated into the digital platforms can promote a more beneficial effect on youth investment behaviour (Onabowale, 2024; Yeo et al., 2024).

Fourth, policy makers and financial institutions ought to understand the value of social and peer effects towards investment satisfaction and exploit it by using community-based financial education and community-based financial learning programs, using peer leaders. These social learning systems have the potential to support positive financial behaviors and trust in the young investors (Chawla et al., 2022; Owusu et al., 2020).

In general, it is suggested that a concerted action involving financial education, behavioural awareness, responsible adoption of fintech, and favourable social environments can be used to encourage informed, confident, and sustainable investment behaviour among young people (Statman, 2014; Darvishan, 2024).

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Although this study has some contributions, there are some limitations that must be mentioned. To begin with, the cross-sectional research design does not allow making any inferences about causal relationships between the research constructs because investment behaviour and satisfaction might change over time as the market condition and personal experience (Raut, 2020). The longitudinal studies can be implemented in the future to capture the dynamic character of youth investment behaviour and its future consequences.

Second, the research is based on self-reported data, thus it is likely to be affected by response bias and social desirability effects, which can affect the reported levels of financial knowledge and risk tolerance and levels of satisfaction (Sinnewe and Nicholson, 2023). Future studies might integrate objective financial measurements or behavioural information on investment sites to increase the accuracy of measurements.

Third, the sample is geographically small and this could limit the generalisability of the results to other demographic or cultural settings. Future studies in new areas, income classes, and institutions would offer more extensive information on the youth investment behaviour (Owusu et al., 2020).

It is also possible that future research can expand the given model with other behavioural and psychological variables like cognitive biases, emotional aspects, or fear of missing out that could enrich the picture of the process of making investment decisions (Shefrin, 2016; Argan et al., 2023). Also, the moderating or mediating relationships between digital trust and financial satisfaction might also contribute to the explanatory power of the model (Darvishan, 2024; Yeo et al., 2024).

Altogether, the discussion of these shortcomings provides fruitful prospects regarding future developments in theory and practice associated with investment behaviour of young people in a more digital and unsure financial context (Statman, 2014).

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