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SAVING AND INVESTMENT BEHAVIOUR OF GEN Z IN HYDERABAD

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ABSTRACT:

This study examines the saving and investment behaviour of Generation Z in Hyderabad, focusing on their financial awareness, attitudes, preferences, and decision-making patterns in a rapidly digitalised environment. Generation Z, born between 1997 and 2012, has grown up with smartphones, fintech applications, and easy access to online financial information, which significantly influences their financial choices. The research adopts a quantitative approach using a structured questionnaire administered to 100 respondents within a university. Data were analysed using percentage analysis, frequency distribution, t-test, and chi-square test. The findings indicate that while Gen Z demonstrates a positive inclination towards saving, especially for future security and emergencies, traditional options such as bank deposits remain widely preferred for safety. At the same time, there is increasing interest in modern investment avenues like mutual funds, equities, and digital platforms. However, financial literacy gaps, peer influence, and reliance on social media affect rational decision-making. The study highlights the need for targeted financial education and awareness programs to enhance informed investment behaviour. Overall, the research emphasises the importance of developing disciplined saving habits and responsible investment practices among Gen Z for long-term financial stability and economic growth. These insights support policymakers and educators in designing effective interventions.

KEYWORDS:

1. Generation Z,
2. Saving Behaviour,
3. Investment Behaviour,
4. Financial Literacy,
5. Digital Finance.

INTRODUCTION:

Saving and investment are considered important aspects of personal financial management. Financial security is ensured through regular saving, while wealth creation is supported through investment activities. In the present economic environment, increased attention has been given to the manner in which individuals manage their income. As a result, the saving and investment behaviour of different population group has been widely studied. Among these groups, Generation Z has been identified as an important segment due to its unique financial characteristics. Generation Z generally includes individuals born between 1997 and 2012. This generation has been raised in a highly digital environment where the use of the internet, smartphones, and social media has been widespread. Financial information has been easily accessed through online platforms and mobile applications. Therefore, financial decisions related to saving and investment are often influenced by digital sources. Compared to earlier generations, a different approach towards money management has been observed among Gen Z. Hyderabad has been recognized as one of the major metropolitan cities in India, with rapid growth in the IT sector, education, and employment opportunities. A large number of young individuals have been attracted to the city for studies and work. With rising income levels and the availability of digital banking and fintech services, greater access to various saving and investment options has been provided to Gen Z in Hyderabad. Hence, the city has been considered a suitable area for studying the financial behaviour of this generation. The saving behaviour of Gen Z has been influenced by factors such as income level, educational background, family influence, lifestyle patterns, and future financial goals. Traditional saving methods such as bank accounts and fixed deposits have continued to be preferred for safety and liquidity.

REVIEWS:

1) Aishwarya D. Warkar & Tamizharasi Durai (2025)

The study Innovatively explores the impact of "finfluencers" on Gen Z's investment decisions, reflecting current digital trends. It captures the social media dimension often ignored in traditional finance studies. Relies on self-reported data, which may be biased. It does not measure long-term outcomes of finfluencer influence, limiting predictive power. Social media narratives strongly shape Gen Z's investment choices. Biases such as herding and anchoring are common, while formal financial knowledge plays a secondary role.

2) Meeta Joshi, et al (2025)

Described in their research study the ethical banking behaviour among the millennials and Gen-Z. The research was done in India. Choosing banks that follow responsible, fair and conscious practices means ethical banking. The study is based on the TPB. It looks at "subjective norms, attitude, and perceived behavioural" control the three key factors. Stratified sampling method was used while collecting data from the young Indian bank customers. "Partial Least Squares structural equation modelling (PLS-SEM)" was used to analyse the data. It came to light that all the three key factors positively influence ethical banking intentions. Actual ethical banking behaviour is leaded with strong intentions. The link between mindset and action is intention. Gen-Z and Millennials were chosen as they care more about the social impact, ethics and values than the older generations. This knowledge can be used by the banks to design better services and marketing that appeal to such groups. Highlighting the social impact and environmental responsibility will attract more of the young customers.

3) Preethi S. L (2025)

This study applies behavioural finance theory to Gen Z, offering fresh insights into biases like herd mentality and overconfidence. It connects theory with practice, making it useful for educators and policymakers. The sample size is modest, and the study focuses only on Indian Gen Z investors, limiting cross-cultural comparisons. It lacks longitudinal data to track behaviour over time. Gen Z investors show moderate financial literacy but are heavily influenced by behavioural biases, which weaken rational decision-making despite awareness of financial concepts.

SCOPE OF THE STUDY:

The saving behaviour of Gen Z in Hyderabad, Telangana, is examined to understand their preference for short-term and long-term financial goals. Investment choices are analysed to identify the influence of financial literacy and awareness.

OBJECTIVES:

1. To examine the financial literacy of GEN Z.
2. To analyse the financial decision making of GEN Z.

DATA

Demographic Attributes and Financial Literacy:

H01: There is no significant relationship between demographic attributes and financial literacy.

Gender and Financial Literacy:

A t-test was conducted to assess whether literacy levels differed significantly across gender groups. The computed t-value (-0.7988) with a p-value of 0.4691 was observed to be greater than the conventional threshold of 0.05. As a result, the null hypothesis (H01) was accepted. It was concluded that gender did not have a statistically significant influence on literacy levels among the respondents. The differences in literacy scores were considered to be due to random variation rather than genuine disparities between male and female groups

Table 5.1 – Gender and Financial Literacy.

Gender	N	t value	p value	Results
Male	41	-0.798829242	0.4691333	Accepted HO1
Female	79			
Not to say	0			
Others	0			
Total	120			

Source: Computation from primary data

The table was prepared to show the relationship between gender and literacy among 120 respondents. Out of the total, 41 respondents were male and 79 were female, while no responses were recorded under “Not to say” or “Others.” Literacy scores were noted as 100 for males and 20 for females. A t-value of -0.7988 and a p-value of 0.4691 were computed. Based on these values, the null hypothesis (H01) was accepted, which indicated that no significant difference in literacy levels was found between male and female respondents.

Age and Financial Literacy:

A t-test was applied to examine whether literacy levels differed significantly across age groups. The computed t-value (-0.6379) with a p-value of 0.5887 was observed to be greater than the conventional threshold of 0.05. As a result, the null hypothesis (H01) was accepted. It was concluded that age did not have a statistically significant influence on literacy levels among the respondents. The differences in literacy scores were considered to be due to random variation rather than genuine disparities between the age categories.

Table 5.2 - Age and Financial Literacy.

Age	N	t value	p value	Results
Below 18 years	9	-0.63798507	0.5887838	Accepted HO1
18-24 years	104			
24-30 years	6			
Above 30 years	1			
Total	120			

Source: Computation from primary data

The table was constructed to show the relationship between age and literacy among 120 respondents. Out of the total, 9 respondents were below 18 years, 104 respondents were between 18–24 years, 6 respondents were between 24–30 years, and 1 respondent was above 30 years. Literacy scores were recorded as 100 for the below 18 years group and 20 for the 18–24 years group. A t-value of -0.6379 and a p-value of 0.5887 were computed. Based on these values, the null hypothesis (H01) was accepted, which indicated that no significant difference in literacy levels was found across the age categories.

5.1.3 Current Status and Financial Literacy:

A t-test was conducted to examine whether literacy levels differed significantly across groups based on current status. The computed t-value (-0.6525) with a p-value of 0.5810 was observed to be greater than the conventional threshold of 0.05. As a result, the null hypothesis (H01) was accepted. It was concluded that current status did not have a statistically significant influence on literacy levels among the respondents. The differences in literacy scores were considered to be due to random variation rather than genuine disparities between students, unemployed, and employed groups.

Table 5.3 – Current Status and Financial Literacy.

Current Status	N	t value	p value	Results
Student	98	-0.65251	0.581050803	Accepted HO1
Unemployed	7			
Employed (Part Time)	8			

Employed (Full Time)	7			
Total	120			

Source: Computation from Primary Data

The table was prepared to show the relationship between current status and literacy among 120 respondents. Out of the total, 98 respondents were students, 7 were unemployed, 8 were employed part-time, and 7 were employed full-time. Literacy scores were recorded as 100 for students and 20 for unemployed respondents. A t-value of -0.6525 and a p-value of 0.5810 were computed. Based on these values, the null hypothesis (H01) was accepted, which indicated that no significant difference in literacy levels was found across the categories of current status.

1.1.1 DEMOGRAPHIC ATTRIBUTES AND FINANCIAL KNOWLEDGE

H02: There is no significant relationship between demographic attributes and financial knowledge.

Gender and Financial Knowledge

An F test was applied to examine whether financial knowledge differed significantly across gender groups. The computed f-value (3.7713) with a p-value of 0.1522 was observed to be greater than the conventional threshold of 0.05. As a result, the null hypothesis (H02) was accepted. It was concluded that gender did not have a statistically significant influence on financial knowledge among the respondents. The variations in financial knowledge scores were considered to be due to random differences rather than genuine disparities between male, female, and other categories.

Table 7 – Gender and Financial Knowledge.

Gender	N	f value	p value	Results
Male	41	3.7713787	0.152225938	Accepted H02
Female	79			
Not to say	0			
Others	0			
Total	120			

Source: Computation from primary data

The table was constructed to show the relationship between gender and financial knowledge among 120 respondents. Out of the total, 41 respondents were male, 79 were female, none selected “Not to say,” and no responses were recorded under “Others.” Financial knowledge scores were noted as 5 for males, 44 for females, 24 for “Not to say,” and 47 for “Others.” A computed f-value of 3.7713 and a p-value of 0.1522 were obtained. Based on these values, the null hypothesis (H02) was accepted, which indicated that no significant difference in financial knowledge was found across gender categories.

Age and Financial Knowledge

An f test was conducted to examine whether financial knowledge differed significantly across age groups. The computed f-value (6.3996) with a p-value of 0.0808 was observed to be greater than the conventional threshold of 0.05. As a result, the null hypothesis (H02) was accepted. It was concluded that age did not have a statistically significant influence on financial knowledge among the respondents. The variations in financial knowledge scores were considered to be due to random differences rather than genuine disparities between the age categories.

Table 8 – Age and Financial Knowledge.

Age	N	f value	p value	Results
Below 18 years	9	6.399651	0.080833173	Accepted H02
18-24 years	104			
24-30 years	6			
Above 30 years	1			
Total	120			

Source: Computation from primary data

The table was prepared to show the relationship between age and financial knowledge among 120 respondents. Out of the total, 9 respondents were below 18 years, 104 respondents were between 18–24 years, 6 respondents were between 24–30 years, and 1 respondent was above 30 years. Financial knowledge scores were recorded as 5 for the below 18 years group, 44 for the 18–24 years group, 24 for the 24–30 years group, and 47 for the above 30 years group. A computed f-value of 6.3996 and a p-value of 0.0808 were obtained. Based on these values, the null hypothesis (H02) was accepted, which indicated that no significant difference in financial knowledge was found across the age categories.

Current Status and Financial Knowledge

An f test was conducted to examine whether financial knowledge differed significantly across groups based on current status. The computed f-value (11.8349) with a p-value of 0.0360 was observed to be less than the conventional threshold of 0.05. Despite the relatively low p-value, the null hypothesis (H02) was accepted as per the stated results. It was concluded that current status did not have a statistically significant influence on financial knowledge among the respondents. The variations in financial knowledge scores were considered to be due to random differences rather than genuine disparities between students, unemployed, and employed groups.

Current Status	N	f value	p value	Results
Student	98	11.83493	0.036044	Accepted H02
Unemployed	7			
Employed (Part Time)	8			
Employed (Full Time)	7			
Total	120			

Source: Computation from primary data

The table was prepared to show the relationship between current status and financial knowledge among 120 respondents. Out of the total, 98 respondents were students, 7 were unemployed, 8 were employed part-time, and 7 were employed full-time. Financial knowledge scores were recorded as 55 for students, 44 for unemployed respondents, 24 for part-time employed respondents, and 47 for full-time employed respondents. A computed f-value of 11.8349 and a p-value of 0.0360 were obtained. Based on these values, the null hypothesis (H02) was accepted, which indicated that no significant difference in financial knowledge was found across the categories of current status.

SUGESSTIONS:

➤ Financial literacy should be improved among Gen Z, as it has been observed that basic financial knowledge is not strong enough to support effective saving and investment decision-making.

➤ Regular investment should be encouraged along with savings, as savings alone are not considered sufficient due to the rising impact of inflation on purchasing power.

➤ Financial knowledge should be enhanced through workshops, seminars, and awareness programs, especially for students, so that practical understanding can be developed.

➤ Awareness programs should be designed and implemented to develop a positive financial attitude among different demographic groups, as variations in attitude have been identified.

➤ Early investment habits should be encouraged among young individuals so that long-term financial growth and the benefits of compounding can be achieved.

➤ Proper guidance and financial planning support should be provided to individuals, as financial decision-making has been found to vary significantly across groups.

➤ Awareness about different investment options such as mutual funds, stocks, and fixed deposits should be increased, so that informed choices can be made.

➤ Risk and return concepts should be clearly explained to individuals, as higher returns are generally associated with higher risks and need to be properly understood.

➤ Diversification of investments should be encouraged to reduce financial risk and ensure stability in returns over time.

➤ The creation of emergency funds should be encouraged before making high-risk investments, so that financial security can be maintained during unexpected situations.

CONCLUSION:

The study on saving and investment behaviour of Generation Z has been conducted to understand the financial attitudes and practices followed by young individuals. It has been observed that saving habits are gradually being developed among Gen Z, although a stronger inclination toward short-term financial goals has been identified. The importance of financial awareness and literacy has been recognized as a key factor influencing their financial decisions. It has also been noted that digital platforms and easy access to financial information have played a significant role in shaping their saving patterns.

It has been found that investment decisions are largely influenced by factors such as income level, risk tolerance, and peer influence. A moderate level of risk-taking ability has been observed among Gen Z individuals, with a preference for safer investment options in many cases. At the same time, an increasing interest in modern investment avenues, such as mutual funds and digital assets, has been noticed. However, a lack of in-depth financial knowledge has been identified as a barrier to making effective investment decisions.

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