

Risk Perception and Investment Behavior Among University Students: Exploring the Role of Gender and Investment Literacy

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Introduction

Background

- Investment appears to be more popular among university students (Xiao et al., 2011).
- Men tend to be more overconfident in investment than women (Barber and Odean, 2001).
- Financial Literacy has a significant impact on risk assessment (Grable, 2000; Tang and Baker, 2016).

*Financial Literacy: the ability to understand and apply Financial Knowledge

Research Aims and Questions

- Identify the prevalence of investment among university students and the factors that may influence their risk tolerance and decision-making.

RQ1 How prevalent is investment among university students?

RQ2 Are there any gender differences among students in investment decision-making?

RQ3 To what extent does investment literacy influence students' risk tolerance?

Methods

Respondents →
✓ 30 XJTLU students aged 18-21;
✓ 10 Male, 20 Female.

Materials →
✓ Online Platform-- Wenjuanxing;
✓ 15 questions containing various question types.

Procedure →
✓ Pilot test in EAP121 classes;
✓ Modify questions for clarity;
✓ Conduct of formal survey

Findings

1 Investment is somehow prevalent among university students.

57% of the sample have made or tried to make investment decisions;
43% have never engaged in investment

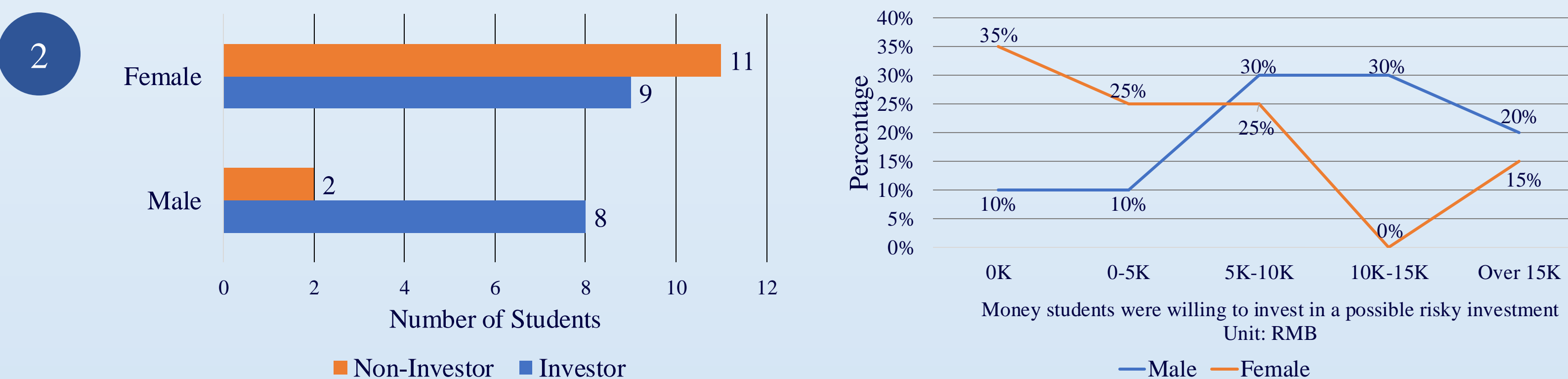


Figure 1. Gender Difference In Investing Engagement Figure 2. Gender Difference In Risk Investment Acceptability

2 There is an obvious gender difference in decision-making and risk tolerance.

- A large proportion of female students (11) were non-investors compared to males (2), while a higher percentage of male students were investors.
- Nearly one-third of females were unwilling to invest any money in risky investments; Half of Males were willing to invest over 10,000 RMB.

3 The belief that greater financial literacy can enhance risk tolerance was evident.

25 students (the majority) indicated that their risk tolerance would increase with increased investment knowledge, while 3 stated that it would have no effect, and 2 believed it would decrease.

Discussion

- The prevalence might be explained by the increasing accessibility of emerging investment platforms.
- Biological factors like hormones and genes might explain gender differences (Pawlowski, Atwal and Dunbar, 2008; Barel, Shahrabani and Tzischinsky, 2017).
- Despite the belief of Finding 3, whether students can successfully apply knowledge in real-world cases remains unclear.

Recommendations

Suggestions

For Universities

- integrating comprehensive programs focusing on theoretical and practical learning

For Students

- Be aware of risks and gender differences; Gain practical experiences

Limitations

Small Sample Group

- Include more samples from different academic backgrounds and other demographics.

Reliance on self-reported data

- Involve controlled experiments that measure how financial education impacts real-world risk tolerance.

References

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