

Factors Affecting Contemporary High School Students in Doing Investment

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Abstract: The past research about high school students' investment behaviors is mainly carried out during the start of the 21st century. However, with the increasingly changing family wealth and living standards in China, the amount of money high school students possess is much higher nowadays. Moreover, this study is carried out in Beijing, one of the most flourished metropolises in China. Therefore, a study that is more time-sensitive should be carried. This paper examines the factors affecting investment behavior among contemporary high school students from an affiliated school of Peking University in China. A questionnaire-based survey was conducted to collect data from about 100 high school students. The findings revealed that most of the respondents had discussions about financial issues with their parents or other guardians during their high school years, and observed their parents or guardians engaging in positive investment behaviors.

Keywords: high school students, financial investment, family education, financial literacy education, social media platforms, technologies

1. Introduction

Many high school students have no conception of managing their money. Most students' money is just only the balance in their WeChat account. They don't own a bank card, even many students don't own an Alipay account. The money depletes quickly in their WeChat balance, as they don't have the financial literacy to save money. When they were given an amount of allowance, they will spend them on what they have long expected to buy, and only save a small amount of money for food, transportation and other essential expenditures. They found themselves having no available funds before they were given the next allowance. Also, it will result in them having a condition of a low cash flow. But meanwhile, some students have a particular interest and experience in financial investment. This includes, but is not limited to putting their money in funds, time deposits, even the stock market, and cryptocurrency. By studying these factors, a more nuanced and comprehensive idea could be built about high school students' investment behavior.

2. Possible Factors

2.1. Family Education

Financial literacy, defined as the ability to understand and use financial information to make informed and effective decisions, is an important determinant of investment behavior [1]. Individuals with a higher level of financial literacy are more likely to make informed investment decisions and are less likely to make risky or impulsive investments [2].

And the most common way it was formed is through financial education from family. Family members, particularly parents, can play a significant role in shaping a young person's attitudes and behaviors toward money and investment [2]. For example, if parents consistently engage in positive investment behaviors, such as saving and investing for the future, this can serve as a model for their children and encourage them to have similar behaviors. Chou, Fan, and Shi suggest that parents can influence their children's investment behavior through social learning, where individuals learn from observing and imitating the behavior of others [3].

Furthermore, the level of support and guidance that parents provide to their children regarding investment decisions can also have an impact [4]. For example, parents who take an active interest in their children's financial well-being and provide them with advice and guidance on investment decisions may be more likely to encourage positive investment behavior. On the other hand, parents who do not provide their children with support and guidance on investment decisions may leave them to make decisions on their own, potentially leading to poor investment choices.

In addition to the direct influence of parents, the overall family environment can also impact investment behavior among high school students [5]. For instance, families that prioritize financial planning and saving for the future may create a positive attitude toward investment, whereas families that focus on immediate gratification and overspending may have a negative influence on investment behavior.

Overall, the influence of family on investment behavior among high school students is complex and has multiple factors. By understanding the ways in which family dynamics and the family environment can impact investment behavior, we can develop strategies to support and encourage positive investment decisions among high school students.

2.2. Financial Literacy Education

Another potential factor that may influence investment behavior among contemporary high school students is financial education.

Financial education includes the availability of financial education programs and the quality of financial education received. High school students who have access to comprehensive financial education programs are more likely to develop the knowledge and skills needed to make informed investment decisions [3]. These programs can teach students about the importance of saving and investing for the future, as well as the potential risks and rewards of different investment opportunities [4].

On the other hand, high school students who do not have access to financial education programs may lack the necessary knowledge and skills to make informed investment decisions, potentially leading to poor investment choices [5]. This is particularly concerning given that many high school students are at a critical stage of their financial lives, where the decisions they make regarding saving and investing can have long-term implications for their financial well-being [4].

In conclusion, the literature suggests that the level of financial literacy among high school students does impact their investment behavior. By providing high school students with access to

comprehensive financial education programs, we can make sure that they will do positive financial activities.

2.3. Social Media Platforms and Technologies

Another potential factor that may influence investment behavior among contemporary high school students is the influence of technologies and social media platforms [6]. The proliferation of digital technologies and social media has fundamentally changed the way in which individuals interact with the world, including their financial behavior [7]. High school students today are growing up in a digital world, where information and financial opportunities are readily available at their fingertips.

One way in which technologies and social media platforms can influence investment behavior among high school students is through the availability of information. With the rise of the internet, high school students can easily access a wide range of financial information and investment opportunities. This can help them to make more informed investment decisions, as they are able to research and compare different options [8]. However, the abundance of information on the internet can also be overwhelming, and high school students may struggle to differentiate between reliable and unreliable sources.

Another way in which technologies and social media platforms can influence investment behavior is through the influence of peers and online communities [9]. Social media platforms, in particular, can create a sense of community and peer influence, where individuals are exposed to the investment decisions and behaviors of their friends and peers. This can have both positive and negative effects on investment behavior among high school students. On the one hand, peer influence can encourage positive investment behaviors, such as saving and investing for the future. On the other hand, peer influence can also encourage risky or impulsive investment decisions, such as participating in get-rich-quick schemes or engaging in excessive online trading [9].

In conclusion, the literature suggests that technologies and social media platforms can have a significant influence on investment behavior among high school students. By understanding the ways in which these technologies can impact investment decisions, we can develop strategies to support and encourage positive investment behaviors among high school students.

3. The Way to Improve Low Investment Behavior

One potential way to improve the problem of low investment behavior among contemporary high school students is by promoting financial literacy and education. As discussed earlier, financial literacy is an important determinant of investment behavior, and high school students who have access to comprehensive financial education programs are more likely to make informed investment decisions [10]. Therefore, it is essential to provide high school students with access to high-quality financial education programs that teach them the knowledge and skills needed to make informed investment decisions.

In addition to promoting financial literacy and education, it is also important to address the influence of technologies and social media platforms on investment behavior among high school students. As technologies and social media can provide high school students with access to a wealth of financial information and investment opportunities. However, they can also encourage risky or impulsive investment decisions [11]. Therefore, it is important to develop strategies to support high school students in navigating the digital world and making informed investment decisions. This could include providing guidance on identifying reliable sources of financial information and encouraging high school students to engage with online communities that promote positive investment behaviors.

Furthermore, it is also important to consider the role of families and other social and cultural influences on investment behavior among high school students. Research has shown that the family

environment and cultural norms and values can impact investment behavior among young people [12]. Therefore, it is essential to develop strategies that support and encourage positive investment behaviors within the family and broader social and cultural contexts. This could include providing parents with financial education and resources to support their children's investment decisions, as well as promoting a cultural emphasis on saving and investing for the future.

Overall, improving the problem of low investment behavior among contemporary high school students will require a multi-faceted approach that addresses the individual, social, and cultural factors that influence investment behavior. By promoting financial literacy and education, supporting high school students in navigating the digital world, and addressing the influence of families and cultural norms, positive investment behaviors could be encouraged and the financial well-being of high school students could be supported.

4. Methodology

4.1. Research Design

This research uses a quantitative research design using a questionnaire as the primary data collection tool. The questionnaire was designed to assess the factors affecting investment behavior among contemporary high school students. The questionnaire was developed based on the literature review conducted, which identified factors from family education, financial literacy education, and social media platforms and technologies that may influence investment behavior. The questionnaire includes multiple-choice questions and free-response questions. Some questions are only visible after certain choices have been selected.

4.2. Data Collection Procedure

The data collection process involved the distribution of the questionnaire to the selected participants. The questionnaire was distributed through an online platform. Reminders were sent to participants before they start answering the questionnaire, including answering all questions based on their own.

4.3. Ethical Considerations

In this study, informed consent was obtained from all participants, and their confidentiality was maintained throughout the study. The data collected was used for research purposes only, and no identifying information was included in the analysis or reporting of the findings.

5. Survey

The survey collected 110 samples in total, carried out within this research. There are some key findings:

The majority of the respondents (72.73%) reported that their parents has discussed financial issues with them during their high school years. More than half of the respondents (54.55%) reported that their parents or guardians gave them advice on how to invest their money during their high school years. About half of the respondents (45.45%) reported that their parents or guardians invested money on their behalf during their high school years. The majority of the respondents (72.73%) reported that they observed positive investment behavior from their parents or guardians, such as saving and investing for the future. Most of the respondents (63.64%) reported that they received financial education in school, but only 42.86% of them thought it was sufficient to make wise investment decisions. More than half of the respondents (54.55%) reported that they attended financial knowledge workshops or seminars outside of school. The majority of the respondents (72.73%) reported that they follow investment-related channels or creators on social media. Most of the

respondents (75%) reported that they have made investment decisions based on information obtained from social media. About half of the respondents (45.45%) reported that they have made investment decisions based on information obtained from the internet. More than half of the respondents (54.55%) reported that they have engaged in excessive online transactions during high school. The majority of the respondents (54.55%) believed that investment is very important for achieving future financial stability. All the respondents (100%) who answered this question reported that they were most concerned about their personal preferences when making investment decisions. Most of the respondents (81.82%) believed that family education, school curriculum, and social activities or practices could help students better master financial knowledge. The most commonly cited barriers to learning financial knowledge were family background (81.82%) and inadequate school education resources (81.82%). The most commonly cited factors that could motivate students to learn financial knowledge were personal interests and hobbies (90.91%) and family background (72.73%). Based on the findings provided, it is clear that the majority of high school students surveyed (72.73%) had discussions about financial issues with their parents/guardians during their high school years. However, only a little over half (54.55%) of them reported receiving advice from their parents/guardians about how to invest their money.

Furthermore, the majority of students surveyed (72.73%) observed their parents/guardians engaging in positive investment behaviors, such as saving for the future. However, only a little over half (63.64%) of the students reported receiving financial education in school, and less than half (42.86%) of them believed that the financial education they received was sufficient to make wise investment decisions.

It is interesting to note that the majority of students surveyed (54.55%) had participated in financial knowledge seminars or workshops outside of school, and a significant portion of them (72.73%) followed investment-related social media accounts. Moreover, a large portion of students surveyed (75%) reported that they had made investment decisions based on information obtained from social media.

Despite this, only a small percentage of students surveyed (9.09%) reported that they had engaged in investment activities during their high school years, and only a few students had used bank investment products, such as funds, and none had used other forms of investment products.

Most students surveyed (54.55%) believed that investment is extremely important for achieving future financial stability. Additionally, the majority of students surveyed (63.64%) believed that more financial education should be provided in high school, and the most popular suggestion for providing this education was to increase the number of courses on this subject.

For free-response questions, most participants agree that the best way to improve financial education in school is to open more related financial courses. In the meanwhile, the government should distribute more funds and make education easier to understand. As for the ways to manage the impact social media and technologies have on students, most agree that appropriate regulations should be maintained by the government and authorities. In encouraging positive investment behavior for high school students, most advocate that social promotion is a great factor. Schools can set up some related financial courses, and the society may host mock investment competitions to encourage investing.

From the data collected, it can be concluded that the financial literacy of contemporary high school students is relatively high. From the question "How important do you think investments are for achieving financial stability in the future", most participants answered "very important". Therefore, the result seems to disagree with the literature review. The result is also different from people's common knowledge, as people often consider that high school students are most likely to devote all their time to studying the National University Entry Exam (Gaokao), instead of having time for doing investment.

One potential explanation is that contemporary financial literacy education is raising. Students are more aware of the importance of managing their funds, which is a good sign for contemporary high school students. Also, the increase in family income could also be considered a factor. Unlike 10 to 20 years before, contemporary Chinese families' incomes are raising, enabling the possibility of giving more allowance to teenagers. Besides, the red packets teenagers receive are also increasing. According to an online survey, the amount of red packets given in Beijing and Shanghai has the highest proportion ranging from 1000 CNY to 3000 CNY for 29.6%. The average amount of red packets given is about 1000 CNY, far from the other provinces like Guangdong, which has only a 285 CNY average. Accordingly, some students are more in favor to manage their money when they have a relatively large amount. This a prerequisite for students doing investment, as to invest money, money must be held on the participants. For the scenario of students who are only given a small amount of money, their money would deplete quickly and needed to ask their parents for more allowance when they are running out of money. They are too far away from considering money investment.

6. Conclusion

This study aimed to investigate the factors influencing investment behavior among contemporary high school students in Beijing. The findings suggest that the financial literacy of high school students in Beijing is relatively high, with the majority of participants reporting that investment is critical for achieving financial stability in the future. However, the study identified several limitations, including a sample size from a single high school in China and the reliance on self-reported data. The study did not examine the potential differences in investment behavior among high school students from different family backgrounds, which is an area for further research.

The study found that personal interests and hobbies, family background, and social media platforms and technologies played significant roles in encouraging students to learn financial knowledge and advocate for investment. Future research can focus on addressing the limitations of this study and exploring the impact of social media and technology on students' investment behavior. Moreover, it is suggested to focus on investment methods that are modern and popular among teenagers, such as NFTs and Steam inventory trading.

All in all, the findings of this study suggest the importance of policymakers, educators, and parents paying attention to financial literacy education and providing guidance and resources for high school students to make wise investment decisions.

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