**Hungarian University of Agriculture and Life Science**

**Business Administration and Management**

**Bachelor Thesis**

# Investment Behavior of the Young Generation

*(2025)*

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## I. INTRODUCTION

"An investment in knowledge pays the best interest." – Benjamin Franklin.

Money and investing have always been relevant topics, but today they are even more relevant to young people. Young adults face higher living expenses, changes in the labor market, and technology and social media that constantly influence their financial choices. Similar to financial security, when did you, as a young adult, learn how to wisely manage money, where you felt you had the confidence and knowledge to do so? Financial age and maturity events are long-term ideas based on the financial choices made in young adulthood; however, it is interesting that young adults feel unconfident and lack knowledge about investing. This is ironic, since the younger generation has more knowledge and access to resources than ever before, including online and mobile access with no limits on how they can start investing early.

There have been many studies on how students and young adults make investment decisions. Social and peer pressure also have an impact on the way younger investors make decisions about investments according to a study conducted by Rahman and Gan (2020) which focused on young investors in Malaysia; while Sekita (2011) demonstrated that having greater knowledge of personal finance will increase the quality of one's financial planning, however, this increased knowledge does not necessarily translate into increased levels of investment activity from younger generations; social media, specifically Twitter, is a significant influencer in cryptocurrency markets as stated by Ante (2021). His research shows that online discussions and influences often shape the decisions of young investors, who rely on these digital channels when approaching cryptocurrency. I found the studies helpful; however, most were focused on research in a single country or isolated contexts and do not provide a complete view of how youth from different backgrounds make investment decisions.

We lack a greater understanding of investment decision-making as a broader topic. Specifically, few studies examine students and working young adults, and even fewer that examine groups of students studying abroad. My research will focus on young people aged 18-25 who are being trained or will train in higher education in Hungary, both domestically and internationally. I chose Hungary because it has a large plurality of international students, many of whom have very dissimilar economic and cultural backgrounds. Therefore, Hungary is a suitable case study

for the effects of education, culture, and their individual situational contexts, and for continuing the investigation of investment decision-making.

This thesis aims to understand what motivates or stops a young person from investing. For example, I will examine what prompts us to start investing, what barriers/disincentives prevent us from investing, and whether financial literacy, friends, social media, or other factors influenced either decision. As I suggested, we are looking into this question not only as a statistical issue but also as a behavioral one—this is really about psychology, young people's confidence and attitudes, and how they think about risk and opportunity.

My life experiences are the underlying reasons why I decided to choose this subject of study. Being a member of the same generation group as the individuals I researched, I have started to take my economic future planning more seriously. The thing that particularly interested me was the huge difference I had observed between my peers; some of them owned investment products and were actively engaged in investment-related activities, but others did not. This is what sparked my curiosity in knowing more about the subject area and eventually the focus of this thesis as this particular study.

Besides offering information that could be of benefit to the academic community (my university) and other students like myself, I believe that this study will provide information on how the new generation perceives and judges investing. What would happen if we are able to come up with an awareness of the stimuli and obstacles that do not allow the youth to make informed investment decisions? I suspect, in that instance, we can create new options to be reviewed by the youth in order to analyze their financial choices and in this way stimulate long-term investment behavior and healthier investment practices.

Finally, the thesis reflects on the behavior of youth investment which is categorized into five broad aspects. Introduction covers the background of the topic, the purpose of this research work, and the overall direction of this thesis. The Literature Review will provide what has already been understood/known about youth investment behavior. The Methodology section explains the methodology with which this research project was done. The Analysis and Results section presents the results/findings of the survey questions, which were asked to the survey participants. These findings are interpreted in the Discussion section. Lastly, the Conclusion

section presents the important findings of the study and also provides potential future research directions.

### 1.1 Objective

The main aim of the thesis is to explore the investment behavior of young people aged 18-25 studying in Hungary. This may include local and international students. The aim is to identify the factors that shape their investment decisions, the types of investments they are likely to own, the barriers students face when participating in financial markets, and whether there are differences in investment behavior among students from different cultural and academic backgrounds.

### 1.2 Methodology

The Study is going to utilize an online survey that will be delivered to Hungarian University Students (Ages 18-25), both domestic and international students. The survey will be done through an online platform to facilitate the participation of the students in the survey. The questions in the survey will be on the financial literacy of the students, their risk attitude, motive in investing, and the kind of investment they have undertaken. Most of the survey questions will be multiple-choice or scaled responses in order to make comparisons between the responses of students easier.

The data will be analyzed using descriptive statistics and group comparisons to identify common patterns and potential differences between local and international students. The proposed sample size is approximately 150 responses, which should be sufficiently large to demonstrate trends, but not so extensive that the results would exceed the parameters of a bachelor's thesis. As in most voluntary surveys, bias is expected because the sample will not be fully representative of every student in Hungary. However, the data should provide a reasonable approximation of how young people aged 18-25 view investing and the factors that may influence their investment decisions.

### 1.3 Relevance

In the past couple of years, investment and financial planning have become more prevalent among youth after many realized that rising living costs, global economic shifts, and potential

changes in the labour market do not guarantee that education or a job will lead to overall financial security. For students in Hungary, particularly international students, these situations directly relate to their current experiences, as many are managing fees, living costs, and part-time employment, considering their futures. Some youth will feel pressure to invest early, whereas many will choose not to due to fear, lack of knowledge, or lack of access.

Additionally, youth have virtually unmatched access to digital platforms, mobile applications, and social media, which have now made investing easier and more accessible. This means both potential and risk. Students today have far more pathways than previous generations to start building financial security. Lack of access to investing can lead to reliance on peer influence, trends, or other online materials, resulting in uninformed and risky investing behaviour.

This study aims to contribute to knowledge of investing from a student's perspective (students aged 18–25) residing in Hungary, including the extent to which they have a long-term interest in investing, as well as the potential barriers to investing for youth. The results may support both university administrations and government officials in creating more effective and relevant financial literacy programs based on students' needs, and support banks in designing services that meet the needs of young people who wish to invest and include them in their economic development plans.

## II. THEORY

This part of my thesis will provide an overview of the theoretical background to understanding behavior as it relates to investments. It will examine how young people generally save and invest, the variables that determine this behavior, and explain why they do not act like the "ideal" investor that much of the literature in traditional finance theory assumes. This part will also outline how the relationship between returns and risk is described in the literature and explain the types of savings and investment vehicles commonly used by young people. Finally, I will summarize the findings of prior research on youth investment and identify areas for further research identified in existing studies.

### 2.1 Investment and Savings Process

Youth investment typically begins once an individual has met all of the costs associated with day-to-day living and therefore has sufficient capital to invest. Many youth lack sufficient capital to make investment choices as they do not have enough money to begin to invest (Tyson, 2017).

Additionally, there are other challenges that face youth investors beyond their financial abilities. One major challenge is to manage and direct their investments to maximize returns while minimizing risk. An essential principle of investing is the diversification of an investor's portfolio. Diversification is defined as investing in various assets rather than investing in a single asset. As an example, if you invested in only stock A and stock A failed to provide the projected returns, you would lose your entire investment. Modern Portfolio Theory was developed by Markowitz (1952), who demonstrated the idea of diversification; however, many students are unable to create diversified portfolios due to the limitations placed on them through their initial investments.

Another critical aspect of an investor's ability to choose an investment is the level of risk tolerance an investor possesses. Also important to consider is the risk aversion of the investor.

Each individual has a unique degree of comfort regarding the amount of risk they are willing to take on; this is also true of young people, who generally appear to be more comfortable with risk than older generations. Young people may also tend to overestimate the amount of risk they can tolerate with new or highly volatile investments (Ante, 2021).

Closely related to this is the element of time. Time is also a factor when deciding how to invest, and young students may think they can only invest in the short-term, as they will need their money for tuition or rent sooner rather than later. Others may already have long-term goals, such as buying a home, months after graduation. This notion of matching the type of investment to the timeframe to leave the investment is part of good decision-making when investing (Tyson, 2017).

Finally, in connection with both risk and time, financial knowledge is another key factor. Some young people consume financial news, learn about the markets, and invest on their own, empowered, while others may prefer simpler tools, such as an investment app, that handles most of the work. Lusardi and Mitchell (2014) indicate that financial literacy has a strong effect on the ability to make better investment decisions. However, many young people worldwide lack sufficient knowledge to feel empowered to invest.

### 2.2 Investment Behavior

Investment behavior describes how people make investment decisions. Traditional finance theory generally assumes that investors are rational and always behave to maximize profit while minimizing risk (Fama, 1970). However, in real life, this is rarely the case. Emotions, social influences, and limited mental models of situations can intensely manipulate choices. These psychological and social factors are particularly evident among younger investors, who have no experience managing money.

Behavioral Finance can help us understand why students deviate from expected investment behavior. According to Prospect Theory (Kahneman & Tversky, 1979), individuals tend to be more fearful of losing money than they are pleased with gaining the same amount. Losing 100 euros will cause greater unhappiness than gaining 100 euros will cause happiness. This leads to an emotional disparity, which explains why some students do not want to invest, even though they see the potential benefits of future investment.

Ajzen's (1991) Theory of Planned Behavior states that behavior is influenced by an individual's attitude toward an action, the social norms surrounding that action, and the individual's belief in their own ability to act. For instance, as long as there is social influence, i.e., the friends of a

student are investing in Crypto or Stocks. The students believe they can invest (i.e., they know how to use an investment app), and they are likely to act on their intention to invest.

Two common behavioral patterns frequently observed among young investors are overconfidence and herding. Overconfidence is the belief that a person knows more than they actually do, which can lead to poor decisions. Herding refers to making decisions based on what others are doing — for example, buying a stock simply because everyone is talking about it on social media (Barberis & Thaler, 2003). Both of these behaviors have been prevalent in recent popular youth culture, from meme stocks to cryptocurrencies.

Overall, we know that investment behavior is influenced by much more than logical choice and financial literacy; it is also affected by emotions, peers, and the environment. For young people who are still learning and building confidence, these behavioral influences can be just as powerful as financial ones..

**2.3 Risk and Return**

A major factor in investing is understanding the relationship between risk and return. Simply put, as the opportunity to increase your return increases, so does the possibility of incurring a loss. One can invest their money in a bank savings account with little to no risk; however, the reward will likely be meager. At the opposite end of this scale is the potential for increased earnings in the stock market or even cryptocurrency investments; yet the potential for total loss exists in both options.

The risk/reward trade-off is particularly relevant for a young investor. Younger investors, like students and young adults, have very few, if any, assets that could be considered part of their net worth, so any losses would likely feel larger to them. Many young people also find themselves attracted to investments that carry higher risks in the hopes of greater rewards, with the potential to receive large amounts of money quickly, thanks to the advent of mobile applications such as Ante (2021) that offer investment opportunities.

Investors use financial theory to decide how much risk to accept to achieve a given level of return. For example, Markowitz's (1952) Modern Portfolio Theory explained that diversifying

by spreading investments among several types of assets will help minimize risk; however, it also doesn't always ensure that you will earn higher returns than if you had concentrated your investment in just a few or one asset. Since students typically invest small amounts of money, these small dollar amounts offer little to no diversification, which in some cases means students are placing all their financial savings into one or two investments.

Additionally, young investors face the dilemma of balancing short-term financial needs with long-term objectives. Young investors have immediate needs for their money to cover tuition, rent, and living expenses, yet they also want to build wealth. The most significant unknown risk for young investors is finding an appropriate balance between using their limited resources to meet short-term needs and growing their wealth over time. Because of the uncertainty associated with their economic status, risk and return are the two primary factors in youth investing.

Young investors will be at a disadvantage because either they are taking too much risk with their money and therefore are unable to build their wealth, or they have taken too little risk by being overly cautious and therefore may be risking their financial future. There is no one best way for an investor to find the perfect balance between the risk that is undertaken when investing in something versus the reward received from it, this is determined by many factors such as; how knowledgeable and confident the young investor is about the investment(s) they are making, where the young investor stands financially right now and what they want to accomplish by making these investments.

### 2.4 Behavioral Finance Theories

Traditional finance theory is based on the assumption that investors behave logically to maximize returns while reducing investment risk (Fama, 1970). Younger investors who lack financial market experience tend to base their investment choices on emotional responses, social pressures, and habitual behaviors. The field of behavioral finance has created multiple models that explain why investors choose investments that differ from the predictions of rational investor theory.

Prospect Theory by Kahneman & Tversky (1979) is one of the most influential concepts in behavioral finance. This theory posits that people tend to assign greater weight to losses than to

gains. For example, the loss of €50 is typically experienced as far more painful than the gain of €50 would be considered pleasurable. Therefore, for younger investors, fear of investing in the first place and/or selling investments too early during market downturns could be explained by this theory.

Building upon this, Ajzen's (1991) Theory of Planned Behavior provides an additional valuable perspective. According to Ajzen, the decision-making process is shaped by attitudes, social pressures (from people surrounding you), and perceptions of personal control. For students, investing is more likely to occur if they perceive it as being beneficial to themselves; if their friends/peers are engaged in investing; and if they believe they possess the necessary knowledge and/or tools to facilitate the investment process (i.e., an easy-to-use app).

Behavioral finance provides both theoretical models for explaining investor behavior, as well as actual, identifiable cognitive biases that cause investors to act in certain ways. A very well-known cognitive bias impacting investors is the overconfidence bias, where an individual believes they have knowledge beyond their level of expertise, and therefore takes on excessive amounts of risk when making investment decisions. An example of this type of overconfidence bias from young investors can be seen in individuals following trends in cryptocurrency through social media outlets, without having a deeper understanding of what cryptocurrency represents. Another widely documented cognitive bias, according to behavioral finance, is herding. The herding bias refers to the tendency for investors to follow the crowd, or group mentality, without individually evaluating the majority's decision-making process. Trends such as "meme" stock investing and "viral" cryptocurrency investing show examples of how herding has impacted investment decisions made by young and old investors alike, where the fact that many people perceive other investors as buying into a trend causes many to invest in it as well (Barberis & Thaler, 2003).

These theories and identified cognitive biases help to explain how young investors think and act. These theories and biases show how young investors tend to be inconsistent, emotionally driven, and influenced by their peers and external trends when developing and implementing investment strategies. As such, these theories and identified cognitive biases will help to understand how

students in Hungary (both domestic and international) form their own investment plans, and subsequently implement their investment decisions.

### 2.5 Factors Influencing Young Investors

Many factors influence how young people decide to invest and what types of investments they choose. The elements that affect this decision-making process differ widely. This includes financial, psychological, and social aspects. As a result, the behavior among young investors varies greatly.

Financial literacy is one of the most important contributing factors. Those who have a basic understanding of finance, interest rates, and portfolio diversification are more apt to make informed decisions and less apt to make costly mistakes. Education and financial knowledge have been shown to correlate positively with improved investment performance (Lusardi & Mitchell, 2014). Financial literacy remains an area of concern for many students; however, as students continue to struggle to grasp the fundamental concepts of finance, and subsequently, are more likely to refrain from investing due to a lack of understanding and/or fall prey to the allure of making "quick" and high-risk short-term trades.

The peer group and family unit also exert significant influence on the individual's attitude toward investing. Students discuss investments with their peers, siblings, or parents, and are influenced by their opinions. For example, suppose students' peers begin experimenting with cryptocurrency or trading apps. In that case, those same students may feel encouraged to follow suit, even though they may not fully understand the investments they're participating in. Family units that openly discuss finances are more likely to encourage younger members to invest sooner.

Social media has increased the power of today's students by giving them more of a voice. With financial influencers on TikTok, YouTube, etc., they now get to see the same ideas from financial influencers that others do. These influencers also frequently use the simplest of investment strategies – sometimes even what would be considered speculative, and many times they don't consider the complexity of making economic decisions. Apps for investing such as Robinhood, Revolut, and eToro make it so students can easily invest, and they provide

immediate access to fast-paced information. As a result, there will certainly be students who take advantage of this new technology, and some will potentially create hype around it, and most likely create a culture of short-term thinking.

Another factor affecting how willing someone is to invest, is their level of perceived risk. A number of students are afraid of investing, simply because if they lose money, it could negatively affect their current financial status. So, some students completely stay away from investing altogether. Conversely, some students believe investing is an opportunity to be adventurous and are willing to accept the associated risks. Studies show that members of the younger generations are more likely to want to take on more risk when investing than their counterparts; however, this desire for more risk does not necessarily equate to more knowledge about investing, which can lead to either overconfidence or panic when a stock price drops (Sekita, 2011).

A student's cultural background and field of study can also contribute to their willingness to invest. International students may view savings and investing differently than domestically born students based on the cultural backgrounds from their country of origin. Students majoring in business or economics may feel more at ease with investing, while students in other majors with less exposure to financial issues may feel less comfortable investing.

### 2.6 Saving Options for Students in Hungary

For many students, both locals and internationals, saving money is the first step before thinking about investing. Savings provide security and flexibility, especially when income is limited or uncertain. In Hungary, young people have access to several savings options, though most are low-risk and therefore offer lower returns.

#### 2.6.1 Banking Savings Accounts

The most common and accessible option for students is a bank savings account. Almost every student has a bank account, and Hungarian banks often provide student-friendly packages with reduced fees. Savings accounts allow money to be stored safely while earning a small amount of interest. The main advantage is that funds can be withdrawn at any time, which is helpful for emergencies. The main disadvantage is that interest rates are very low, often below inflation (MNB, 2021).

### 2.6.2 Fixed-Term Deposits

A fixed-term deposit is a way of locking money in a bank for a specified term, such as 6 or 12 months, in exchange for a higher interest rate than a basic savings account. The trade-off is slightly improved returns for less flexibility. Usually, if you withdraw funds from the account before the end of the term, interest is forfeited. This is a problem for students, as most may need quicker access to their savings (European Central Bank, 2022).

### 2.6.3 Government Securities

In Hungary, government securities such as the "Magyar Állampapír" (Hungarian Government Bond) are available, sometimes even in small amounts. They are considered a perfect investment option, as the state backs them and they usually offer a higher return than everyday bank savings. However, they require more knowledge, and many students are unfamiliar with how to purchase them, which makes them less popular among this age group (ÁKK, 2023).

### 2.6.4 Informal Savings Practices

Some students also use informal savings —simply saving cash or using a mobile "wallet" app. While it may feel convenient or immediate to save cash with a mobile app, it has disadvantages: you earn no interest, and inflation will slowly erode the value of money. The OECD (2020) conducted a global study that found that many young adults worldwide engage in informal saving, especially when they lack financial literacy or do not trust financial institutions.

**In summary**, savings products for Hungarian students are safe, but they will not generate much return. They can help build emergency funds and short-term cash targets, but they will not help with building wealth. This is likely one of the primary reasons they may have decided to look into investment accounts for higher returns, with greater risk.

## 2.7 Investment Options

After building some savings, many young people consider investing to grow their wealth. Investment options vary in terms of accessibility, risk, and expected return. For students and young adults, the most common options are financial markets, collective investment products, new digital assets, and, in some cases, real estate. The following subsections present the main alternatives relevant to youth in Hungary.

### 2.7.1 Stocks and Shares

Stocks represent ownership in a company and are one of the most common types of investments worldwide. They can provide significant long-term returns but can be very volatile in the short run. Research shows that young people typically view stocks as a risk, especially if they lack financial knowledge (Lusardi & Mitchell, 2014). In Hungary, students have the option to invest in stocks through

local brokerage houses or internationally on platforms, but the need for considerable upfront knowledge limits participation.

### 2.7.2 Exchange-Traded Funds (ETFs) and Mutual Funds

ETF & Mutual Fund Investors Can Diversify Their Holdings Through Investment In Many Stocks Instead Of Just One Stock. Investing In Multiple Positions Will Provide Better Diversification And Lower Risk Than Focusing On Only A Couple of Investments. For Students With Limited Financial Resources, The ETF Is Also Helpful As It Allows Them To Invest In Several Areas Or Regions At Lower Capital Needs. Young Investors In Europe Have Started Using Passive Investments Like ETFs, As Stated By The European Central Bank.

### 2.7.3 Cryptocurrencies

Many young investors globally believe in investing in the relatively new technology of cryptocurrencies (like Bitcoin or Ethereum) due to their potential for high returns on investment; the ease of access via mobile applications is exciting to many young investors. Nonetheless, the popularity and price volatility of cryptocurrencies will introduce large risks to young investors globally. There has been much research into how social media has an influence on young

people's decision to invest in cryptocurrencies. Although there has been some evidence of social media influencing many young investors' decisions, the vast majority of young investors may not understand all of the risks associated with such investments (Ante, 2021). In Hungary, there is increasing interest in cryptocurrency among university students; however, in general, Hungarian university students view cryptocurrency investments as speculative.

### 2.7.4 Real Estate

While the general perception of real estate has been one of relative stability as an investment, many students do not have the opportunity to invest because of the need for large amounts of capital. While some students may be exposed to real estate investment through their families, they may also have future access to new forms of real estate investment, such as real estate mutual funds and/or crowdfunding. Although real estate is much less common among students in Hungary than other types of investments, it is considered part of how young adults think about investing. (OECD, 2020)

### 2.7.5 Fintech and Mobile Investment Apps

New fintech platforms and mobile apps have changed how young people invest. Apps like Revolut, eToro, and Robinhood (though not all operate in Hungary) allow students to invest with tiny amounts of money and simple interfaces. These apps often encourage frequent trading, which can lead to riskier behavior. At the same time, they make investing more accessible for a generation that is highly digital (OECD, 2020).

## 2.8 Youth Investment Trend (Europe and Hungary)

In recent years, an increasing number of young people have become interested in investing, thanks to user-friendly apps and the constant financial content on social media. Surveys of Gen Z (ages 18–25) across the US, UK, Canada, and China show that social and online platforms are a main entry point into investing, with many young investors indicating that they are comfortable taking more risk than their peers who do not invest (CFA Institute & FINRA Foundation, 2023).

However, across Europe, broader data shows that retail participation in capital markets remains low: most European households hold most of their financial wealth in bank deposits rather than

investing in stocks or funds. Recent analyses using the ECB's Households Finance and Consumption Survey (HFCS) show that only a small share of households meaningfully invest in capital markets, with the most recent wave of the HFCS (fieldwork most 2020–2022) providing the most recent picture (ECB HFCS; EFAMA, 2024).

In connection with this, crypto has been a visible trend among Gen Z specifically. Research shows that social media activity influences cryptocurrency markets in the short term, which explains why online discussions attract many young, first-time investors. However, these effects are usually temporary and increase risk (Ante, 2021). European supervisors have also warned that social media can promote trading ideas that rarely lead to lasting returns. This raises concerns about protecting investors (ESMA summary via Reuters, 2024).

In addition to this, another key trend is that adults are lacking in understanding of personal finance. The OECD has conducted an international survey on adult financial literacy, which shows that while the general level of knowledge, attitudes, and behavior associated with long-term investment has been improving over time, there remains much work to be done in terms of increasing both knowledge and practice to enable long-term investing. The OECD/INFE includes Hungary in its scope of work in this area of study. Reviews in Hungary demonstrate that over the last decade, numerous national efforts have informally educated young Hungarians about finances, aiming to teach them to begin saving and invest wisely (MNB Financial and Economic Review, 2024; OECD/INFE, 2020).

The results of the studies above suggest that young adults' prospects are bittersweet. Apps and online resources provide youth with greater opportunities to invest and access financial information. However, participation in diversified long-term investing remains low among young people across most of Europe. As such, there is a significant opportunity to develop specific educational programs or tools that may help Hungarian students transition from saving their money to balanced, long-term investment practices consistent with their individual objectives, as outlined by The HFCS and OECD.

## 2.9 Research Gap

Previous studies help explain why younger generations invest differently from earlier generations. However, the majority of these studies were completed in different countries or globally using large-scale surveys. For instance, Asian studies show that peer and social network pressures can significantly affect young investors' behavior (Rahman & Gan, 2020). Studies in Japan have found that when young investors receive increased financial education, it improves their financial planning; however, this additional education does not necessarily change their investment behavior (Sekita, 2011). Social media is another area of study indicating that it dramatically affects young investors' propensity to engage in risky investments, such as cryptocurrency, an emerging asset class (Ante, 2021).

There are similar studies at the international level (CFA Institute, 2023; OECD, 2020) that suggest interest among all age groups in investing globally is increasing. However, like in Hungary, research indicates that the youth lack financial knowledge, skills needed to create long-term investment plans, and confidence in implementing such strategies.

Research focused on the European student population (EFAMA, 2024) as well as the ECB's Household Finance and Consumption Survey (2023) found the same trends as studies conducted internationally.

While the studies mentioned previously provide general information about investment behaviors in both national and global contexts, none of them compares how young people invest in Hungary. Although the MNB (2024) has developed many public awareness campaigns to increase financial literacy, there are no comparative studies of investment behavior among Hungarian and international students who are enrolled at universities in Hungary. Because both groups are from the same environment but may differ in behavior due to cultural, educational, and financial backgrounds, a comparison between the two is needed.

Hence, the purpose of this thesis is to assess the knowledge gap in students' investment behavior aged 18-25 residing in Hungary. More specifically, it will evaluate students' attitudes toward the motivations for and barriers to investing. Additionally, this thesis will provide a comparative analysis of local and international students. Ultimately, this study will provide a more complete

understanding of the investment behaviors of young adults who reside in the same geographic area.

## III. METHOD

The purpose of this thesis is to investigate the investment behavior of young people aged 18-25 currently living in Hungary. The study will also compare investment behaviors for local Hungarian students and international students living in Hungary. In terms of data collection, because of the need to obtain sufficient responses for reliable analysis, the quantitative research method was determined to be the most effective for obtaining a larger number of responses (Bryman & Bell, 2016, pp. 239-245).

The data collection tool will be an online questionnaire. The questionnaire was considered a suitable method for data collection because it could reach both local Hungarian and international students via digital platforms. The intent is to reach students through online university groups, student networks, and social media platforms they use. Finally, because there is a possibility of receiving responses from students through personal connections, the link to respond to the study will also be shared through these channels. Each link invitation distributed will also provide a short explanation of the study with instructions for participation.

The questionnaire will remain open for a set period of time (e.g., two to three weeks) or until the required number of responses has been collected. The use of an online questionnaire helps minimize human error because answers are automatically stored in digital form and can later be exported directly into software such as Microsoft Excel for analysis.

All participants will receive the same set of standardized questions. Furthermore, the order and wording of the questions will be the same for all respondents, allowing comparisons across groups (Saunders, Lewis & Thornhill, 2019, Chapter 11).

As experienced with all surveys, bias is possible. For example, some respondents may not be students at the time they receive the questionnaire link; however, it is anticipated that this bias will be minor, as respondents are more likely to have been reached through student-related networks. Another limitation is that participation in online questionnaires is voluntary, which can result in lower response rates or slower data collection. On the other hand, online surveys for personal topics such as money and investment are often found to be more successful at collecting

responses due to the greater opportunities for respondents to engage more privately (Bryman & Bell, 2016, pp. 239-245).

Overall, the online questionnaire offers a practical course of action and a reliable method for collecting data from students in Hungary, helping the study identify investment behaviors of local and international young people.

### 3.1 Selection of Population.

This study's target population includes young individuals aged 18 to 25 years who are currently enrolled as students residing in Hungary. Both Hungarian and foreign students attending Hungarian universities were to be included in the target population. The target population of young students was selected to allow comparisons across culture/background, financial resources, and knowledge/education levels. The selection of the target population also allows for a comparison of how local and international students approach investing while living in the same environment.

### 3.2 Gathering of Data

To reach this population, an online questionnaire was chosen as the primary data collection tool. The questionnaire will be distributed online to university groups, social media, and student networks, providing direct access to both Hungarian and international students. The link to the questionnaire will be shared within peer and personal networks to help increase response rates. The survey will be open for two to three weeks, or until a sufficient number of responses have been received. The aim will be to obtain roughly 150 responses, which is a suitable sample size for drawing valid conclusions at this level of research.

There are many advantages to using an online questionnaire. One of the primary advantages is that responses will be stored digitally, thereby avoiding the risk of human error in the data collection process. Other advantages include the ability to complete the survey at a time that suits the participants, wherever they are, which is helpful for busy students. Finally, an overall benefit of conducting an online self-completed questionnaire is that, because there are no identifying

features, it may increase the likelihood of obtaining accurate, honest responses, including to sensitive topics, such as personal finances.

### 3.2.1 Source Criticism

Like any survey approach, the questionnaire method has certain limitations. One limitation is that participation is voluntary, which can yield a smaller, less representative sample. Another limitation is that some respondents may not be representative of the target group (e.g., not currently students in Hungary); however, since a majority of responses will likely come from students in online networks, this risk is likely low. Another consideration is that, as with any self-reported data, the researcher does not know whether respondents were truthful or accurately reported their financial behaviour. Despite these limitations, online surveys are widely used in this type of research and are considered an efficient and practical method for collecting reliable data (Saunders, Lewis & Thornhill, 2019, Chapter 11).

## 3.3 Structure and Adaptation of the Questionnaire

### 3.3.1 Structure

The purpose of the questionnaire is to collect as many aspects of investment behavior as possible. The questionnaire itself consists of the following major categories:

1. Demographics - Age, gender, nationality, field of study.
2. Financial Background - Source of income (allowance, part-time job, etc.), savings habits, and whether they receive financial support.
3. Investment Behavior - If the respondent invests, what type of assets (stocks, cryptocurrency, savings accounts, mutual funds, etc.) and how much they invest or how often they invest.
4. Attitudes and Motivations - Why they invest or don’t invest, what they expect for returns, and how confident they feel in their financial knowledge.
5. External Influences and Risk Profile - Influence from family, friends, and social media, as well as how willing the respondents are to take financial risks.
6. Future Perspective – Interest in financial education and their future investment intentions.

### 3.3.2 Adaptation

The student survey included certain inquiry elements that were based on previous studies. These included the OECD/INFE International Survey of Adult Financial Literacy (OECD, 2020) and the CFA Institute Gen Z Investing Survey (CFA Institute & FINRA Foundation, 2023); however, the survey was adapted to fit the age demographic of the students and their individual national background. We also made adjustments if an inquiry did not recognize or account for the cultural differences between local and international students' impacts on financial investment.

### 3.4 Analysis

This study will apply a method of Descriptive Statistics Analysis to the data collected. The main methods applied are frequency, percent and mean values used to describe the findings from the survey of the investment behavior, motivation and risk attitude among international and local students in Hungary. All of the analysis will be performed by Microsoft Excel to create tables and graphical representations of the findings.

### 3.5 Research Hypotheses

Given the purpose of this research and previous studies on young investors, several hypotheses were formulated before data collection.

H1: Based on their background experience, cultural influences, and, therefore, decision-making process, it is expected that there will be an observable difference in how Hungarian and international students' investments are conducted.

H2: Students' financial literacy or self-confidence regarding money management may affect their likelihood of investing.

H3: Students exposed to financial information through social media or from friends/people will be motivated to begin investing.

H4: Based on their family's economic status and/or a stable source of income (e.g., a part-time job), it is hypothesized that students will have a greater inclination to invest. Students aged 21–23, nearing graduation and thinking about financial freedom, should show a greater desire to invest than younger students in the same age group.

H5: Finally, it is anticipated that many young people will say they intend to become more active investors after graduation, when they are financially independent and have a clearer sense of their future goals.

# IV. EMPIRICAL

The following chapter presents the empirical part of the research. This section displays the results collected by the author in the form of statistics and percentages. As the research applies a quantitative approach, the results are based on the analysis of questionnaire responses gathered from students. This approach allows the findings to be presented in a neutral and visual form using charts created in Microsoft Excel.

The purpose of this chapter is to describe the data collection process, the composition of the target group, and the results of the research in relation to the objectives of this thesis.

## 4.1 Implementation

The questionnaire for “Investment Behavior of Young Generation” was open between 6-12 October 2025. During this period, 168 questionnaires were completed, exceeding the goal of 150.

The young people who filled out the questionnaires were aged 18-25 and lived in Hungary. The leading group included people studying at Hungarian higher education institutions and young people studying abroad at various universities. The investigation was done with a Google Form shared with participants online.

The questionnaire was shared with friends online, both people who studied and who lived in Hungary for a long time, and have become acquainted with various people. This helped with broader, more accurate acquisition, and it provided a clearer, more characteristic picture of young people's investment habits, behaviors, and motivations.

The results were collected and stored digitally. Minimizing human errors in data entry. Data was exported for use in Microsoft Excel for visualization and calculation.

## 4.2 Presentation of the Result

This chapter presents the questionnaire results in a neutral, systematic manner.

All answers are summarized as percentages, and special visual charts were created in Excel to display the results easily.

The results are analyzed into six main sections, corresponding to the questionnaire's structure. The background, financial background, investment behavior, attitudes and motivations, external influence, investment risk profile, and future perspectives are examined.

The purpose of the analysis is to give an idea of how young people aged 18-25 in Hungary think and approach investment.

### 4.2.1 Introduction

The first part of the questionnaire was an introduction section that briefly explained the purpose of the study, the target group of respondents, and the research aim. It also included a short presentation of the author and explained the questionnaire's structure, which consisted of six main parts: background information, financial background, investment behavior, attitudes and motivations, external influences, and future perspective. The introduction also mentioned that all responses would remain anonymous and be used only for academic purposes.

### 4.2.2 Background

The second part of the questionnaire asks about the respondents' background. The respondents were asked to indicate their age, gender, nationality, and field of study to provide general information about the sample.

In the first question, the respondents were asked to give their age. The answers were grouped for convenience under four general headings. Most respondents were in the 21–23-year age group (47%), the largest group. The next-largest group was 24–25 years old (38%). The 18–20-year-old group accounted for 12%, and only 3% were over 25. We see then that the respondents were mostly in their early twenties, hence well within the age range this research has in view.

The current age breakdowns suggest that most participants in the study are in an age range or life stage where they may be beginning to think about personal financial independence and long-term financial planning. The following section will examine how the group was distributed by gender to provide additional information on who participated in the study.

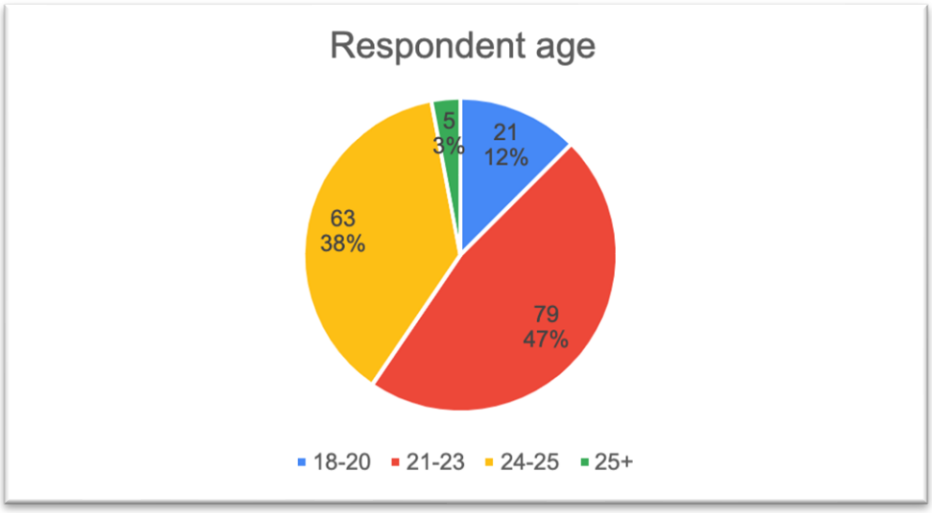


*Figure 1. Respondent age*

In the second question, respondents were asked to state their gender. Out of 168 participants, 92 respondents (55%) identified as female, 75 respondents (45%) as male, and 1 respondent (less than 1%) preferred not to say. The gender distribution was therefore quite balanced, with a slight majority of female respondents.

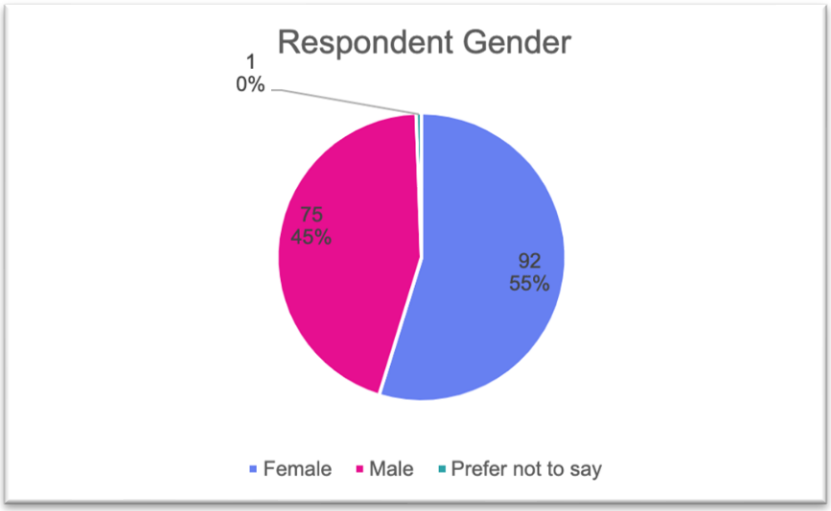


*Figure 2. Respondent gender*

Since we have a nice balance of male and female participants, the next section will take a closer look at their academic backgrounds. This will help us better understand the diversity within our sample!

In the third question, respondents were asked about their field of study. The two largest groups were Finance/Accounting and Business/Economics, with 36 respondents (21%). Social Sciences was followed by 28 (17%), and Marketing, Communication, and Media, 20 (12%). Among the smaller groups were Engineering/IT with 15 (9%) respondents, Agriculture with 11 (6%), Architecture with 8 (5%), Art/Humanities with 6 (4%), Other fields with 6 (4%), and Hospitality with 2 (1%) respondents.

This distribution shows that most respondents came from business-related fields, which may explain their familiarity with investment concepts. The following section examines respondents' nationalities to understand better the composition of Hungarian and international students in the sample.

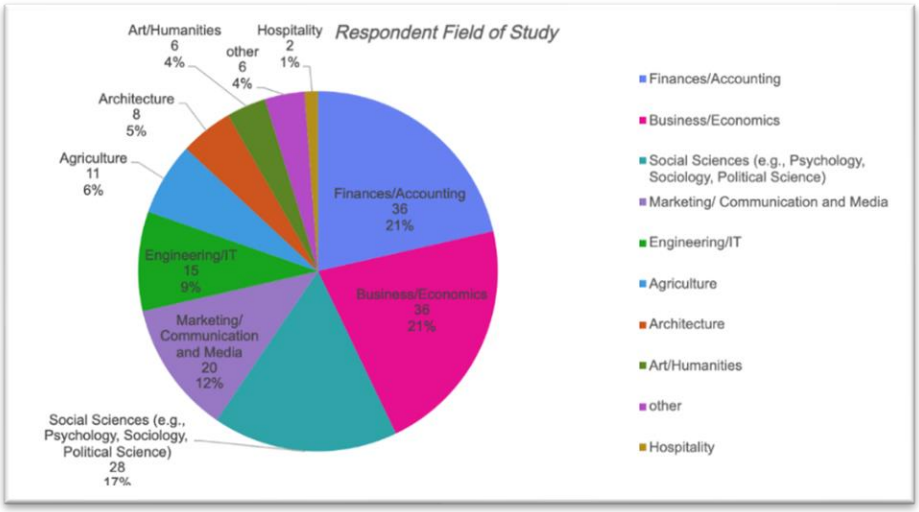


*Figure 3. Respondent's field of study*

In the fourth question, respondents were asked about their nationality. Of the 168 participants, 90 (54%) were identified as "international students" and 78 (46%) as "Hungarian Students". This almost equal representation provides a reasonable basis for comparisons later in

the analysis of the investment behaviour of local and international students. To better understand the composition of the international group, respondents were also asked to state their country of origin in the next part, helping to reveal how diverse the sample is.

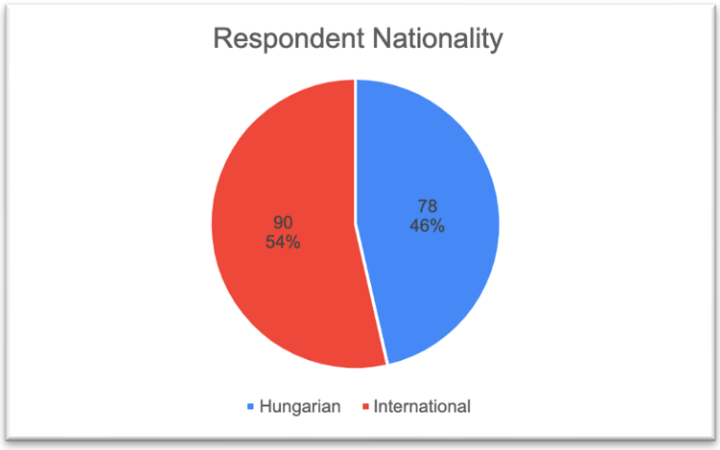


*Figure 4. Respondent Nationality*

Among the international respondents, participants represented a diverse range of countries. The largest group came from Laos (25 respondents), followed by France (13), Thailand (8), and China (7). Smaller numbers of respondents came from various other countries in Europe, Asia, and Africa, each contributing anywhere from one to five responses. Therefore, the international sample included a wide range of cultures, providing a useful contrast for comparisons.

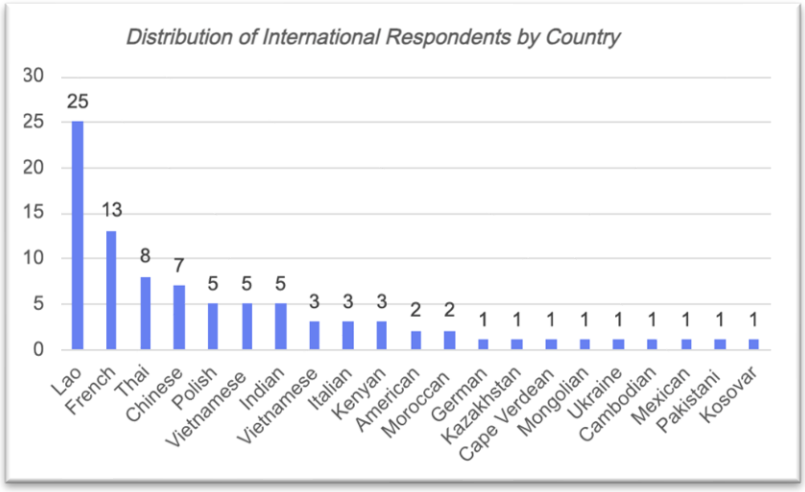

*Figure 5. Distribution of International Respondents by Country*

### 4.2.3 Respondent Financial Background

The next section of the survey covered students' financial backgrounds. The purpose of this section was to find out how most students obtain their money, whether they set aside a part of it at regular times, and approximately what percentage of their money is set aside. Obtaining this data will help explain a student's general financial status and could have an effect on a student's willingness to invest in a stock portfolio and take on a financial risk.

Further research into the respondents' financial backgrounds revealed that they were asked to state their main source of income. As shown in Figure 6, the majority (142 respondents, or 85%) reported part-time or full-time work as their primary source of income. Allowance from family followed by 19 respondents (11%). Only a small number of respondents reported receiving scholarships (4; 2%), student loans (2; 1%), or income from investments (1; 1%).

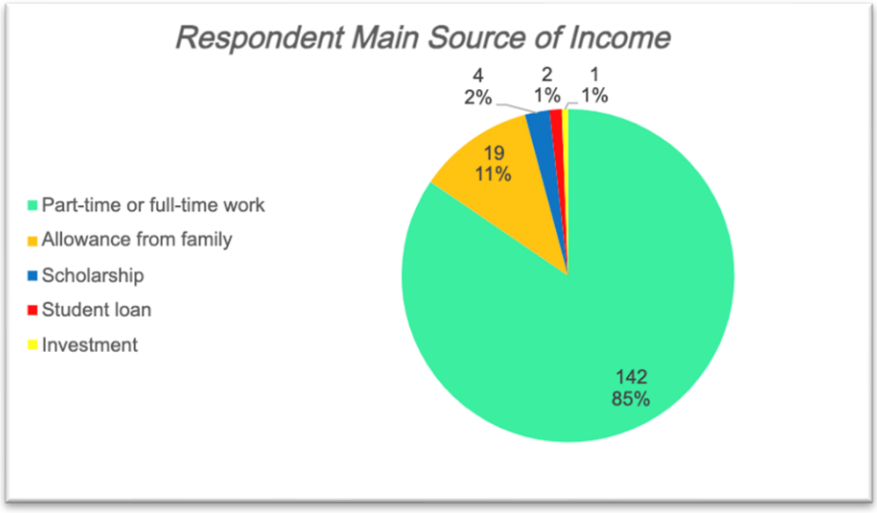


*Figure 6. Respondent Main Source of Income*

In this question, respondents were asked whether they usually save part of their income. Out of 168 participants, 149 respondents (89%) answered ‘Yes’ and 21 respondents (11%) answered 'No’. These findings indicate that most of the young people surveyed have developed the habit of saving regularly, suggesting generally positive financial behavior.

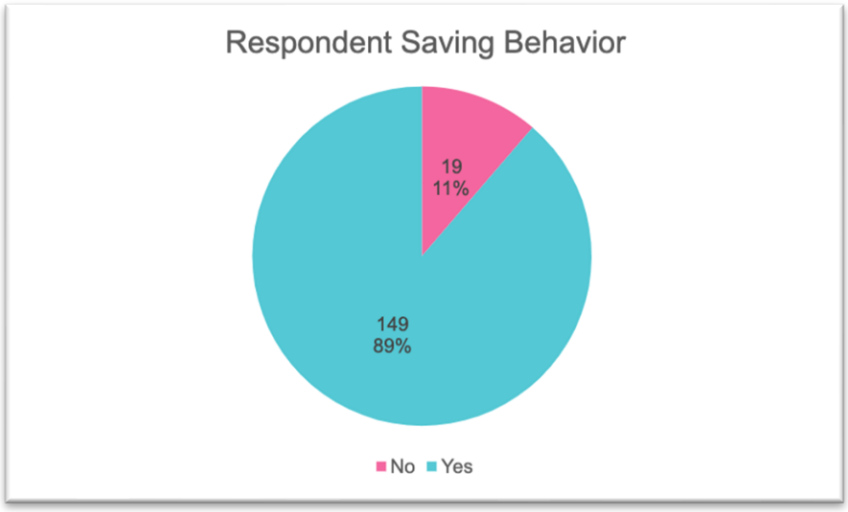


*Figure 7. Respondent Saving behavior*

Respondents who stated that they save part of their income were asked more specifically how much they usually save each month. Most of the respondents, 76 people (51%), answered this question by saying they save a sum between 40,001 and 80,000 HUF, while 46 people (31%) declared themselves monthly savers of sums between 80,001 and 100,000 HUF. A group of 13 respondents: 9% had monthly savings of more than 100,000 HUF; 8 cases (5%) had savings between 20,001 and 40,000 HUF; and six people (4%) had monthly savings of less than 20,000 HUF. This is proof that most of the young people in our sample can save moderately large amounts of money each month, indicating strong, stable financial habits. These results suggest that most young people in the sample can save moderately large amounts each month, reflecting relatively stable financial habits.

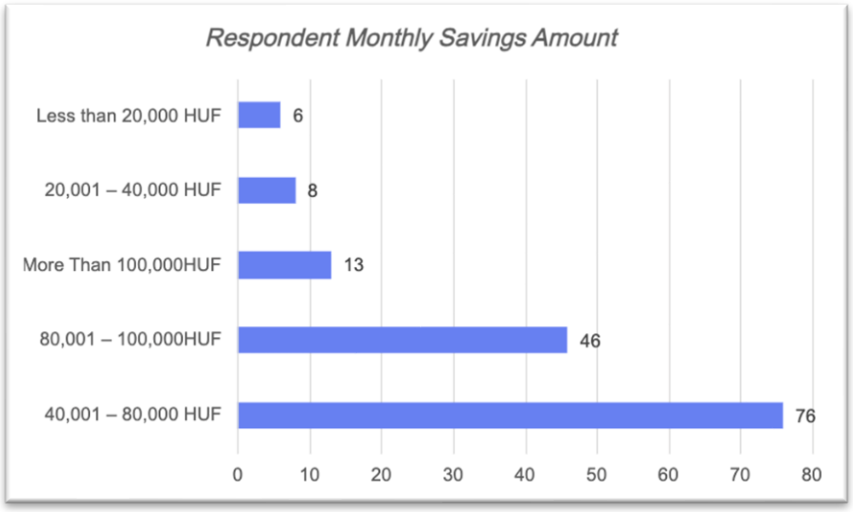


*Figure 8. Respondent Monthly Saving Amount*

### 4.2.4 Respondent Investment Behavior

The next section of the questionnaire focused on respondents' investment habits. The purpose of this was to understand whether students were at all engaged in investing, how much time they spent on it, what type of investments they made, and approximately how much had been invested in all at this stage. This section of the questionnaire also explored the reasons for non-investment among those who had not yet invested.

In the following question, participants were asked whether they invest money at present. Of 168 respondents, just half (84, or 50%) reported investing money now, and the remaining half (84, or 50%) said they did not invest any money. This equal distribution of investment interest shows that young people are evenly divided, so that while many students are financially active, a large number are equally conservative or uninterested in investing.

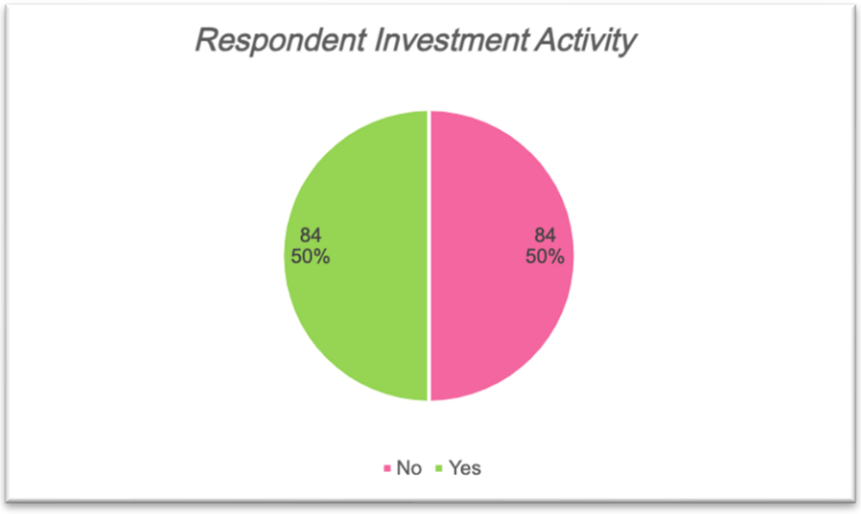


*Figure 9. Respondent Investment Activity*

Investing respondents were asked to specify the kinds of assets they owned. Since multiple responses were allowed, the number of responses exceeded the number of investors. As shown in Figure 10, the most popular investment choice was stocks, which were chosen 52 times (62%), followed by savings accounts or deposits,32 times (38%). The number of selections for mutual funds or ETFs was 26 (31%); cryptocurrency was selected 12 times (14%); and government bonds were selected 1 time. A small number of respondents also reported investing in their own business or being business owners, each representing a small number of responses. These data suggest that the majority of young respondents prefer relatively safe or traditional investment vehicles. However, a goodly portion is also interested in diversified, modern alternatives such as mutual funds and cryptocurrencies.

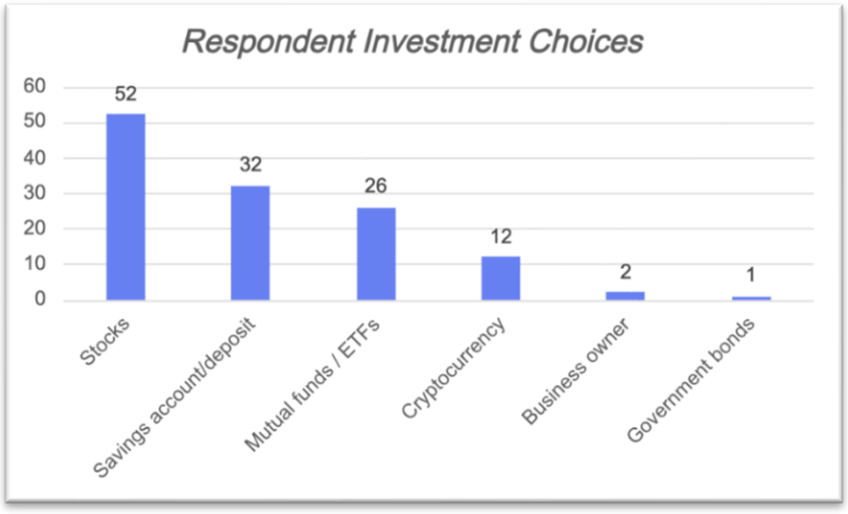


*Figure 10. Respondent Investment Choices*

Those who said they do not currently invest were also asked to share their main reasons. As shown in Figure X, the most common reason was not having enough money to invest, chosen 58 times, followed by lack of financial knowledge (56 times) and fear of losing money (55 times). Only a few of the selected people were not interested in investing 7 times. These results show that financial limitations and low confidence are the main reasons young people avoid investing, rather than a lack of interest.

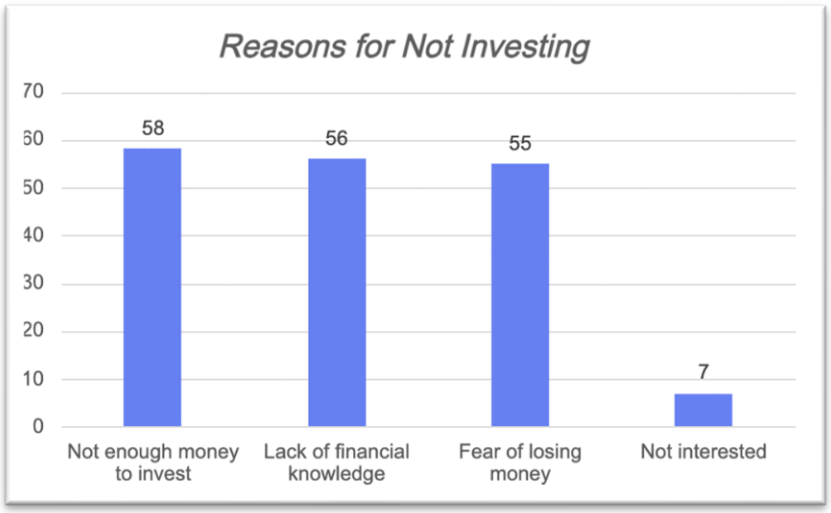


*Figure 11. Respondent for not investing*

In this question, respondents were asked how often they invest. As shown in Figure 12, 51.2% indicated that they invest rarely, 25% occasionally, and 23.8% monthly. The results suggest that most respondents invest only infrequently. Since this question was mandatory, even non-investors were required to select an option, which may explain the relatively high proportion of respondents indicating rare investment activity.

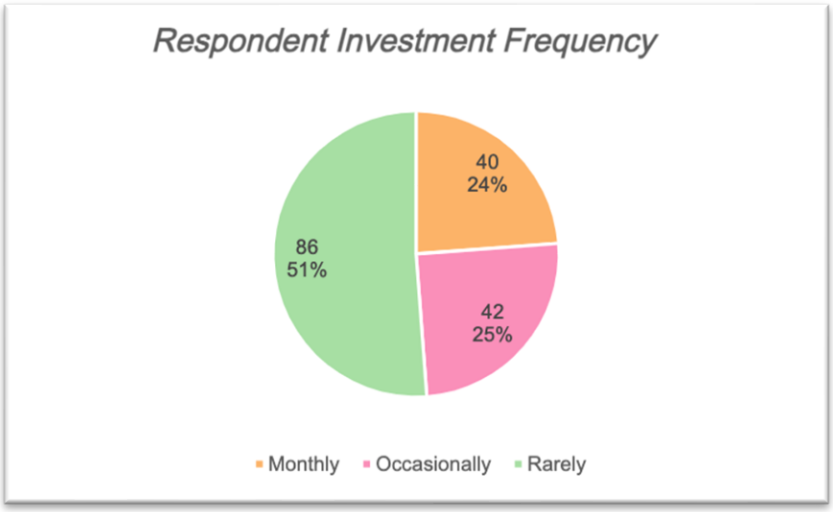


*Figure 12. Respondent Investment Frequency*

Respondents were asked to estimate how much money they had invested now. Most of them (60 respondents, 36%) reported not investing any money. Compared with other levels of investment, 51 respondents (30%) of the investors said their investments were between 40,001–200,000 HUF, whereas 25 respondents (15%) had invested between 200,001–400,000 HUF. Only 11% of investors (18 respondents) had invested more than 400,000 HUF, and only 8% had invested less than 40,000 HUF. Therefore, although some young individuals are beginning to invest, many have little or no experience investing.

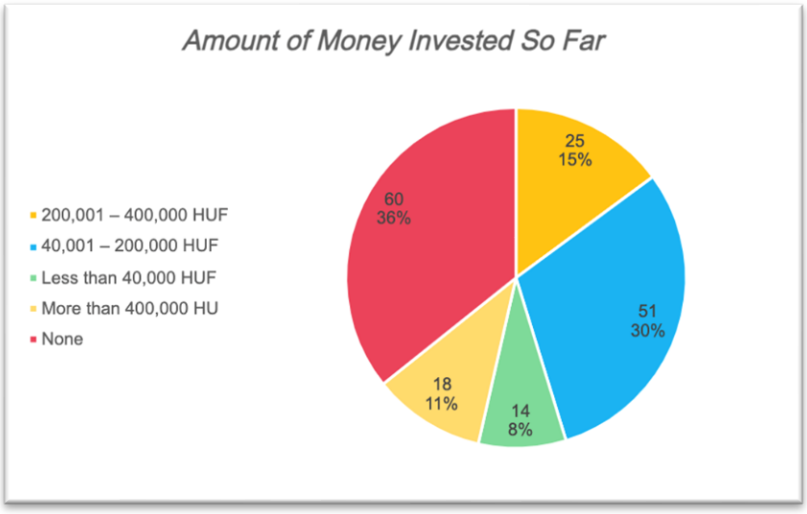


*Figure 13. Amount of Money Invested So Far*

### 4.2.5 Attitude and Motivations

This part of the survey seeks to determine what motivates young investors to invest and how they perceive the investment process. Respondents rated a series of investment-related statements using a five-point Likert scale with responses that ranged from "Strongly Disagree" (1) through to "Strongly Agree" (5). The motivation statements included the primary reason(s) why young investors would invest (i.e., to build wealth, to save money for long-term goals, to gain experience in Finance, or because of the influence of family/friends, while the knowledge/assurance and perceived risk statements sought to measure the degree of confidence the respondent had in their financial knowledge, and how much risk the respondent perceived to be involved when investing.

In this question, respondents were asked to what extent they agreed with the statement “I invest to grow wealth.” As shown in Figure 13, most respondents expressed a favorable attitude toward this motivation. Specifically, 42.26% of respondents selected “agree,” and 27.98% chose “strongly agree,” indicating that a majority of young respondents believe investments are a way to increase their financial resources. Also, 26.79% remained neutral to this idea, and only a small percentage disagreed (2.38%) or strongly disagreed (0.6%) with the opinion. Overall, these

results suggest that wealth building is a primary motivating factor in young people's investment behavior.

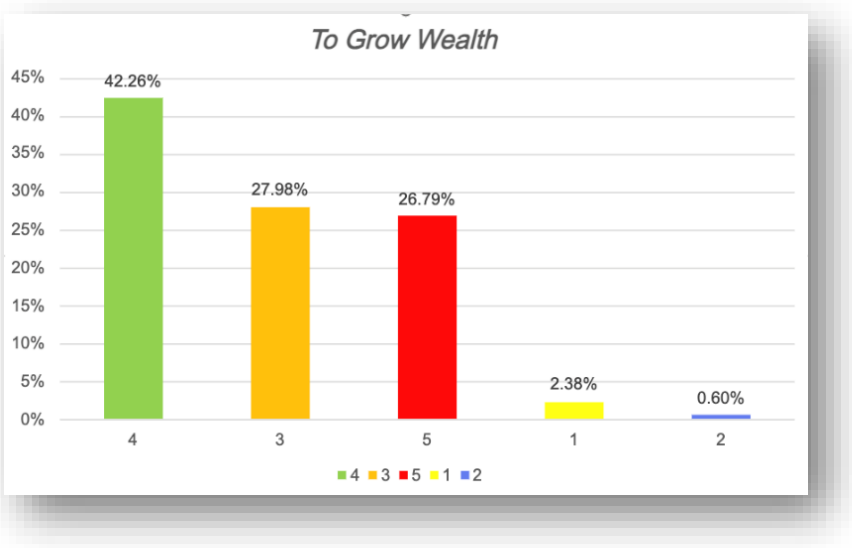


*Figure 14. I Invest to Grow Wealth*

Regarding the statement, “I invest to save for future goals,” the results show that a large majority of the respondents link investment with long-range financial planning. As shown in Figure 14, 39.29% of the participants agreed and 34.52% strongly agreed with the statement, while 24.40% expressed no opinion. Only 1.79% of the respondents disagreed, and no one strongly disagreed. One indication of these results is that the majority of young respondents consider investment an important factor in their efforts to achieve future financial objectives, namely, saving for major life goals or economic stability.

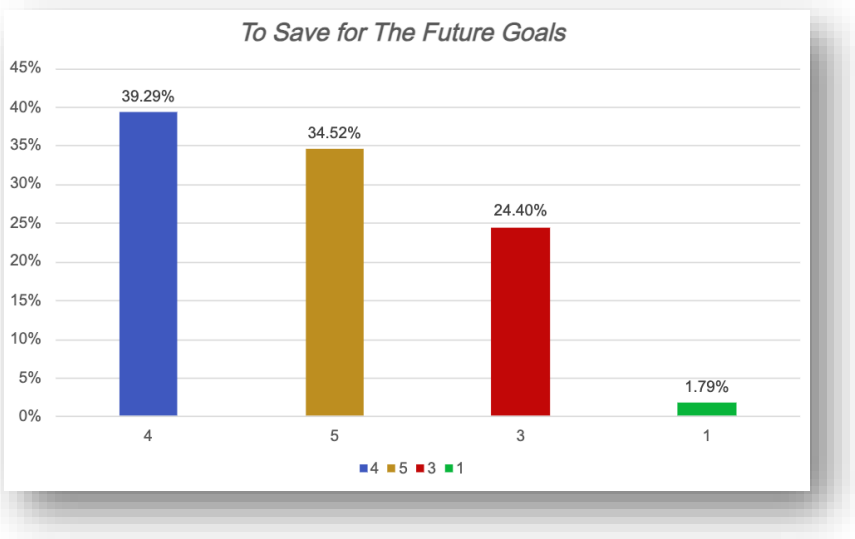


*Figure 15. I Invest to Save for The Future Goals*

The statement "I invest to gain experience in finance" was received positively, but somewhat more mildly than the other motivations. In Figure 15, 35.12% of respondents agreed with the statement, 30.36% strongly agreed, and 22.02% were neutral. A small minority (7.74%) disagreed, and only 4.76% strongly disagreed. These results indicate that many young people consider investment not only a financial activity but also a very practical way to gain experience in managing money and to acquire practical knowledge of financial markets.

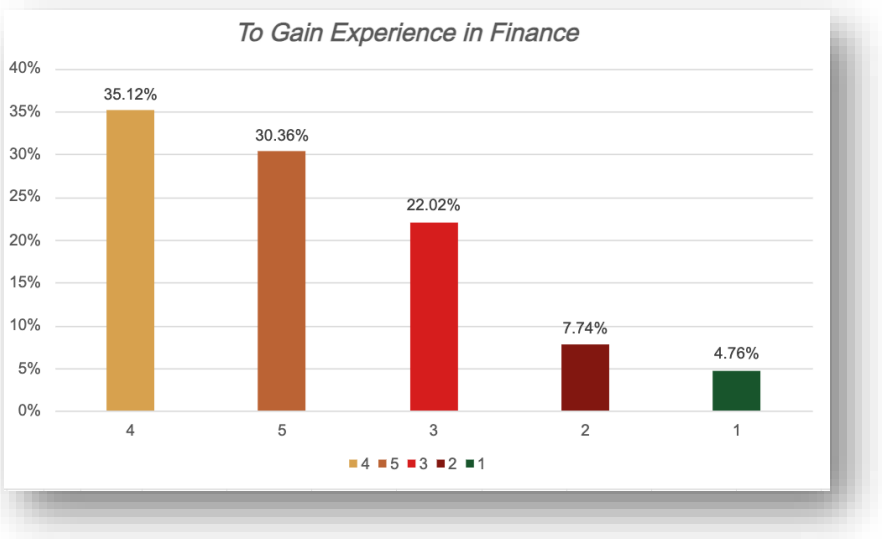


*Figure 16. I Invest to Gain Experience in Finance*

Respondents' responses to the question about investing because their friends or family invested were neutral to slightly positive. Most respondents chose 'neutral' (45.24%), while the majority of those who chose an option other than 'neutral' chose 'agreed' (32.14%). Fewer respondents strongly agreed (5.36%), and many more disagreed (7.74%) and/or strongly disagreed (9.52%). This suggests that social influence plays a limited role in shaping investment behavior among young people, as most respondents appear to make financial decisions independently rather than being driven by family or peer pressure.

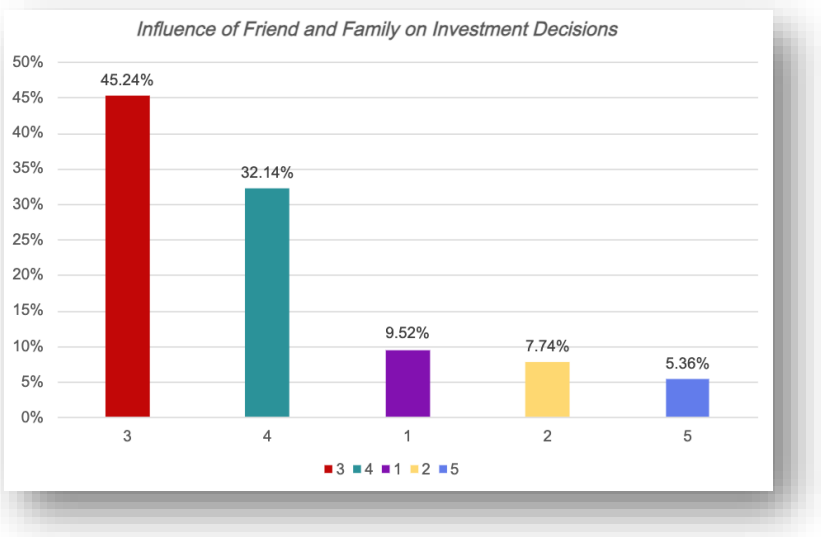


*Figure 17. Influence of Friend and Family on Investment Decisions*

Most participants reported feeling neutral when asked about their confidence in their financial knowledge. (As shown in Fig. 18) Only 38.69% chose to answer "agree/neither agree/disagree" to the question of whether they felt confident, with 25.60% agreeing that they do feel confident; 21.43% of the participants were undecided as to whether they did or did not feel confident; and 9.52% strongly disagreed. Finally, 4.76% of the participants agreed. Overall, this distribution shows that the vast majority of participants are moderately confident in their understanding of finances. However, very few are confident enough to say they are highly knowledgeable in finance.

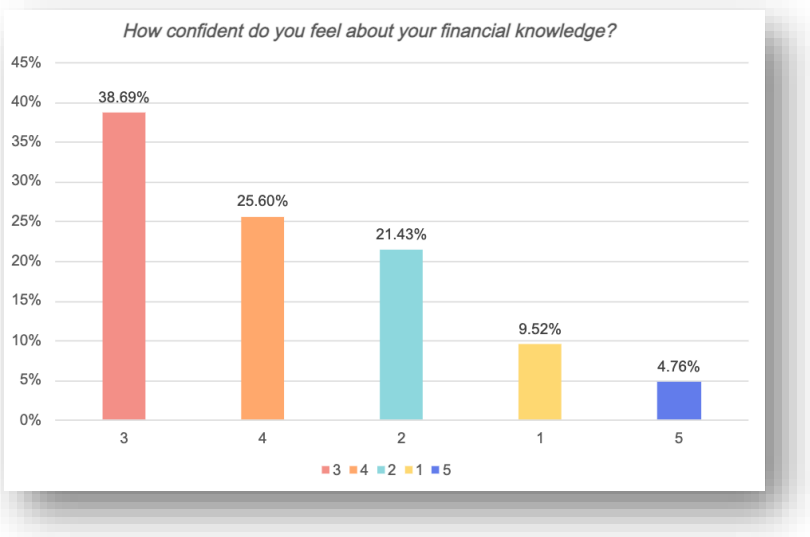


*Figure 18. Financial Knowledge Confidence*

The overwhelming majority of respondents, when asked how risky investing is, disagreed with the notion that investing is high risk. When reviewing Figure 18, we can see that 36.9% of respondents disagreed, 25.6% chose neither agree nor disagree, and 21.43% selected strong disagreement. Only 11.31% selected agree, and only 4.76% selected "strongly agree" that investing was at risk. The responses suggest that the majority of young respondents do not view investing as too high-risk, indicating a generally open attitude toward financial risk.

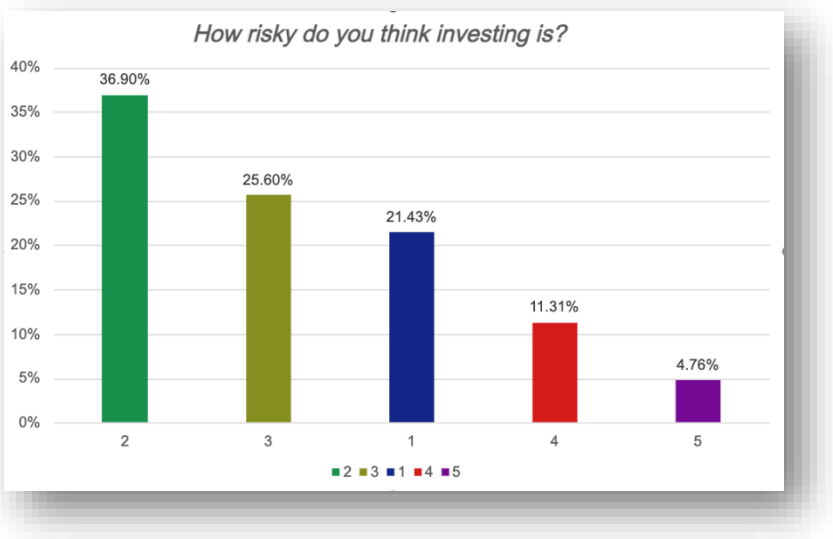


*Figure 19. Perceived Investment Risk*

### 4.2.6 External Influences & Risk

In this area, we are interested in how external influences, including family, friends, and social media, shape students' investment decisions and perceptions of financial risk. The respondents were required to indicate their level of agreement with a set of statements using a five-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5). The purpose of these questions was to determine which external influences most significantly influence students' investment behaviors as well as how students assess financial risk when making an investment decision.

The research reveals that the extent to which families influence investments is moderate. More than half of the participants (51.79%) were neutral, stating that they neither agree nor disagree with the fact that family influences how they make investments. A little over one-fifth (21.43%) stated they agree, and nearly 1/5 (20.24%) stated they "strongly" agree; this suggests that while many students' financial outlooks are not influenced by their parents, at least a few are. Approximately 6.5% of those surveyed said they either disagreed or strongly disagreed, suggesting that families may have a very minimal adverse effect on how these students invest..

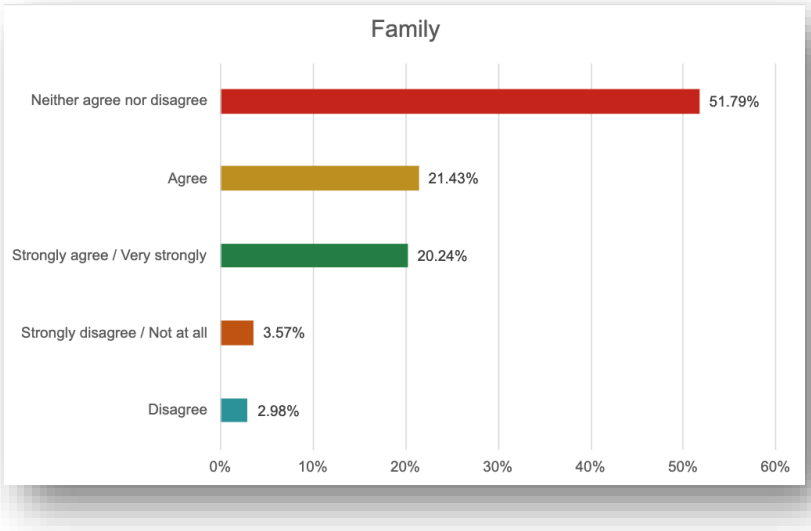


*Figure 20. Family Influence*

The survey results, illustrated in Figure 21, indicate that friends and peers also have an apparent influence on respondents' investment choices. While slightly less than half of all respondents (50.6%) said that they are influenced by their peers when it comes to investment choices, only a small fraction (less than ten percent or 13.7% of the sample) of the respondents "strongly agree" that their peers have such an influence. One-third (or approximately 31.5%) of the respondents stated that they were "Neither agreed/nor disagreed". Only a very small percentage of the respondents (approximately 4% or 4.2% of the total) strongly disagreed/disagreed. These data show that a young investor's social network is likely to have a substantial influence on their views on investing and/or on how they make investment decisions.

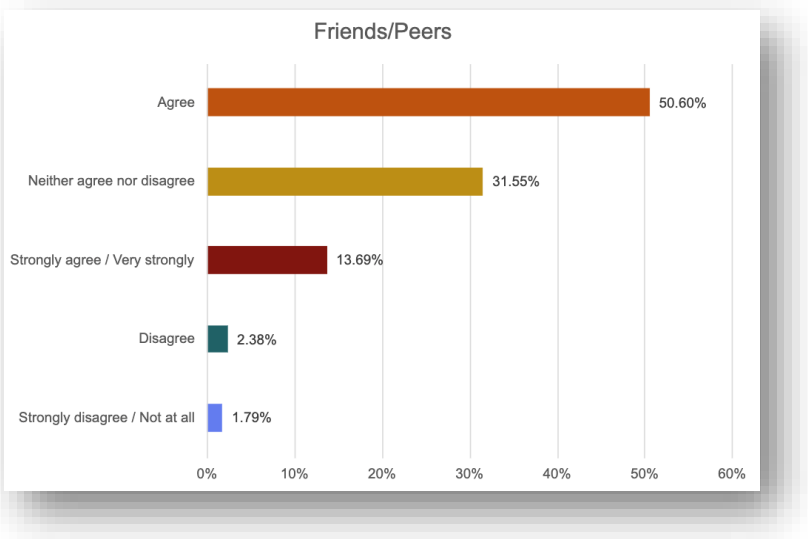


*Figure 21. Friends / Peers Influence*

Young people's spending and investment behaviors can be influenced by the information they see on social media. According to data provided, nearly half of the respondents (47.02%) agreed that social media is an influence on their investments, with almost thirty-six percent (36.31%) indicating that they “strongly agree” about how social media influences them. These statistics show that most young people view various forms of internet-based communication (e.g., YouTube, TikTok, Instagram) as highly influential on their spending and investment decisions. Respondents who stated they were neutral regarding social media’s influence on their investments totaled approximately ten percent (10.12%); while those respondents who reported that social media has either no influence, or a negative influence on their investments totaled around six and one-half percent. Therefore, based upon this data, there is a strong indication that the content seen on social media may have a very significant impact on your financial decision-making.

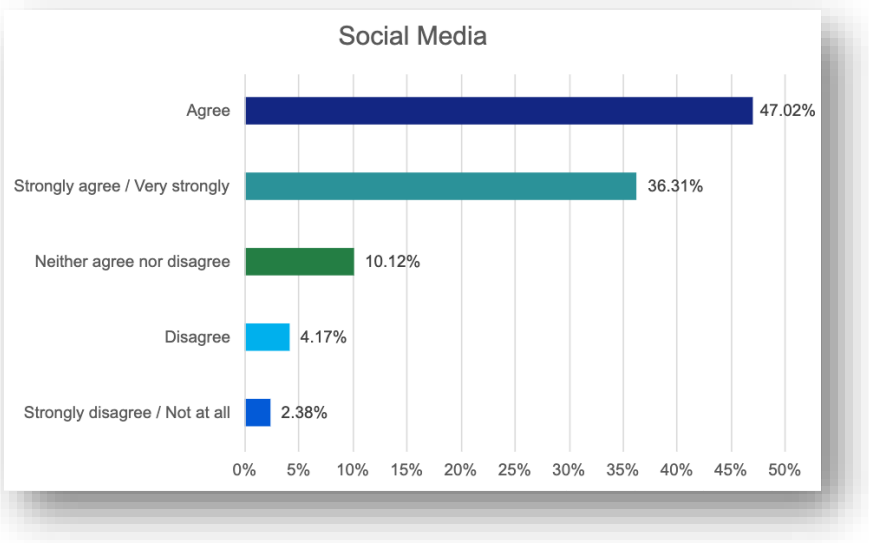


*Figure 22. Social Media Influence*

Research has shown that academic experience affects students' investment decisions at a moderate level. Approximately 43% (42.86%) of respondents indicated a neutral response to the question of whether courses or lectures taken at the University influenced their investment decisions. Additionally, 33% (32.14%) of the respondents felt that their coursework did impact their investment decisions, while 13% (12.50%) reported being extremely confident that the University's coursework did affect their investment decisions. Therefore, education provides a foundation for evaluating and understanding financial concepts; however, it is not typically conducive to actively engaging in investment practice. A relatively small number of study participants indicated that their courses had minimal impact on their investing, with 9% (8.93%) disagreeing and less than 4% (3.57%) strongly disagreeing.

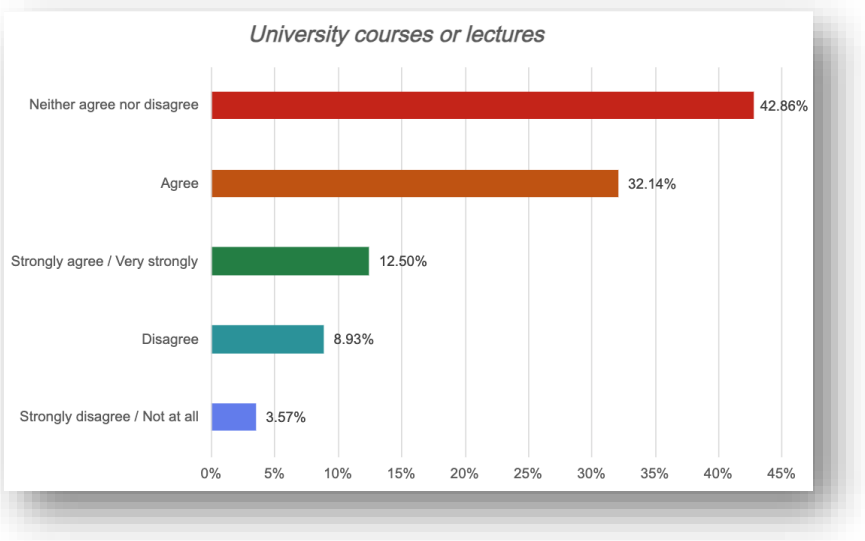


*Figure 23. University Courses Influence*

In this part, Respondents are asked whether they prefer a safe investment with a low return. Mostly young people tend to choose low-risk investments with relatively lower possible returns; 39.88 % of young people agreed with this view, and 23.81% strongly agreed with it. Therefore, there is a general trend among young people that they are cautious when considering risk for their investment choices. Thirty-one percent of all the young people who participated in the study had no opinion regarding this topic, and some young people might have been undecided due to limited knowledge/experience in making investment decisions. Only 2.98% and 1.79% of young people expressed no concern about investing safely.

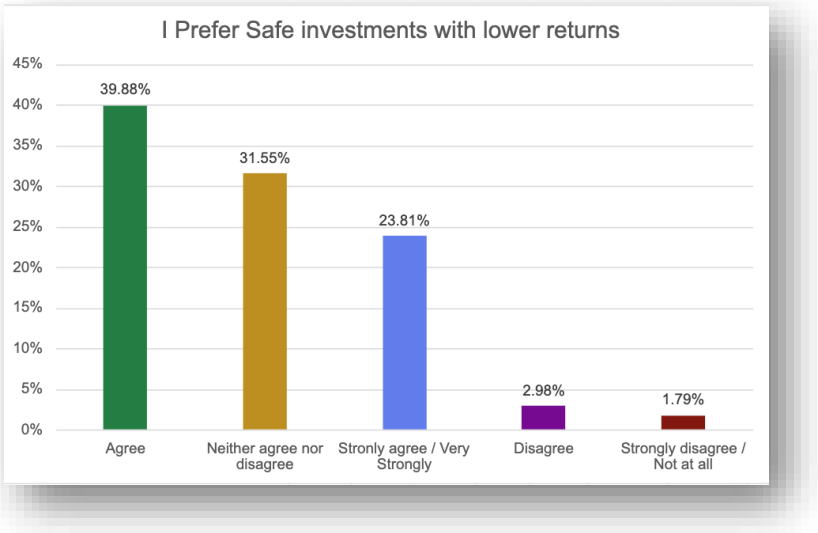


*Figure 24. Preference for Safe Investments with Lower Returns*

According to Figure 24, most of the respondents have a moderate level of risk tolerance for investments. The percentage of respondents who agreed that they had a moderate level of risk tolerance was 39.29%. A total of 34.52% of respondents also chose "neither agree nor disagree," indicating that a significant number of young investors may be comfortable taking on some risk with their investments but are still undecided or cautious about the risks associated with those investments. The percentages of respondents who both agreed (10.12%) and strongly agreed (9.47%), as well as the percent of respondents who both disagreed (12.50%) and strongly disagreed (3.57%) also indicate that while some young investors are beginning to develop a level of risk tolerance, many remain conservative and/or uncertain about how to make investment decisions.

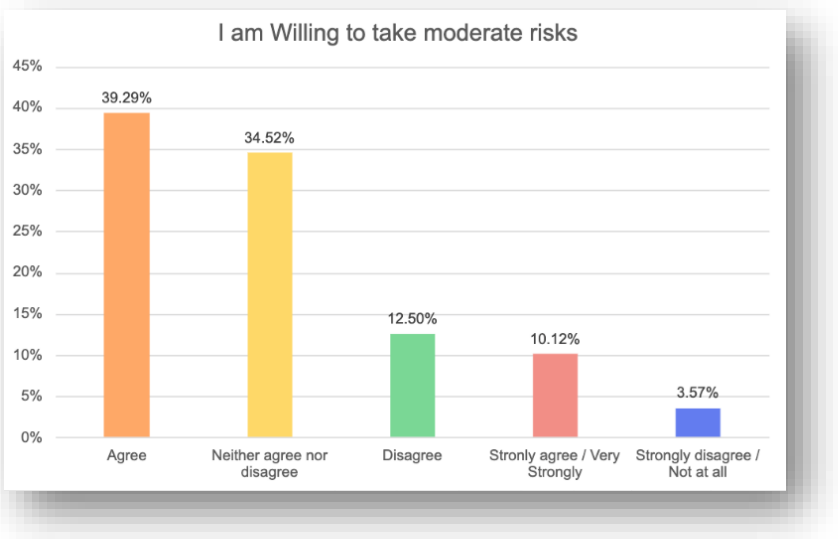


*Figure 25. Willingness to Take Moderate Investment Risks*

The final question in the current section of the research asked how many respondents thought it would be worth their while to assume greater risk to realize a much higher potential return on investment. In general, most respondents did not believe they should assume greater risks to receive a larger return on investment. The data in Figure 25 indicate that 35.12% of respondents were opposed to assuming a greater risk to earn a larger return, and 18.45% strongly opposed. A small number of respondents reported having no opinion (21.43%) or agreeing (18.45%) with the idea of assuming greater risk; the least represented group included those who "Strongly Agree" with the concept of assuming greater risk (6.55%). Overall, the results of this survey show that most of the younger generation tend to be cautious when investing in a high-risk environment and, despite the possibility of significant earnings growth, choose to invest conservatively.

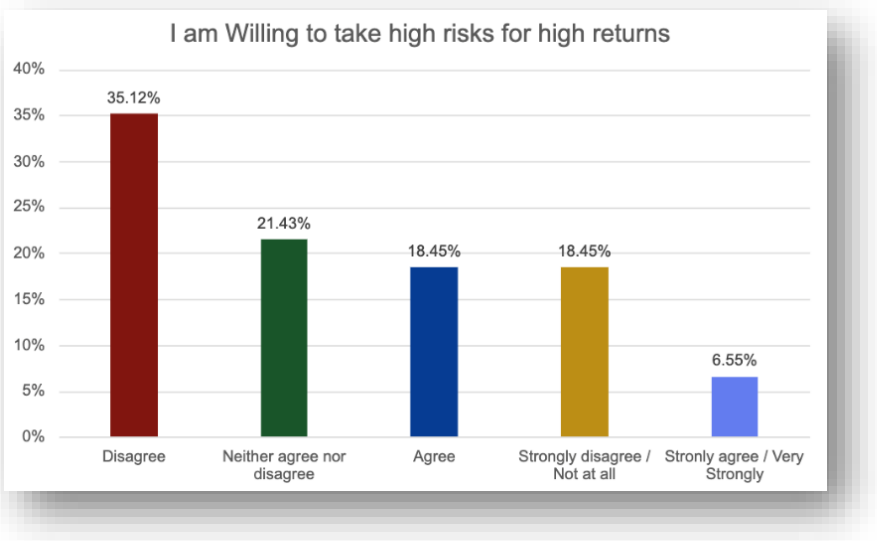


*Figure 26. Willingness to Take High Risks for High Returns*

### 4.2.7 Future Perspectives

This section seeks respondents' future perspectives on their interest in financial knowledge and if they have the intention to invest after graduation.

Figure 26 shows that nearly half of the respondents (52%) reported attending a financial literacy course or workshop, while almost as many (48%) stated they had never attended one. The data indicate that although some youth have access to financial education, the distribution appears relatively equal between those who have been exposed to such courses/workshops and those who have not.

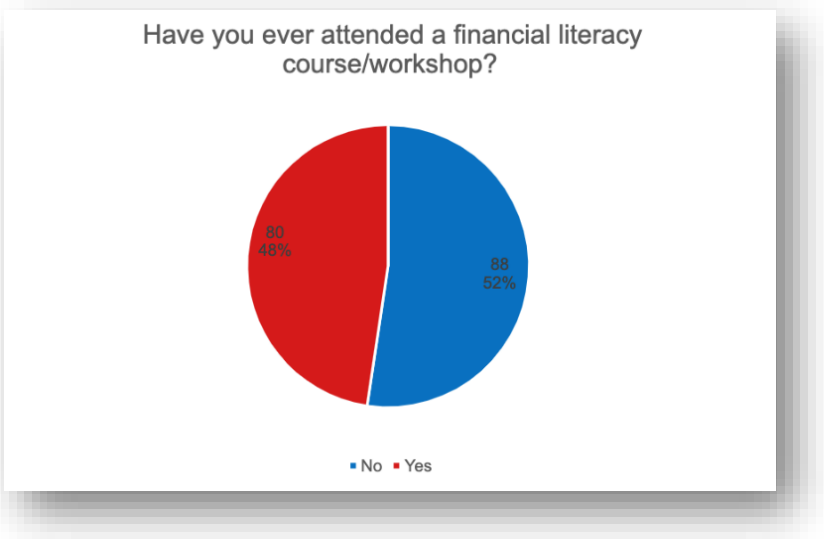


*Figure 27. Experience with Financial Literacy Education*

The results of Figure 27 reveal that nearly all students surveyed (93%) indicated a need for additional financial education opportunities at their University, with only 7% indicating they did not want such opportunities available. Thus, it can be inferred that many of today's college students understand that practical financial knowledge is important and believe That Universities are the places where such knowledge can be gained.

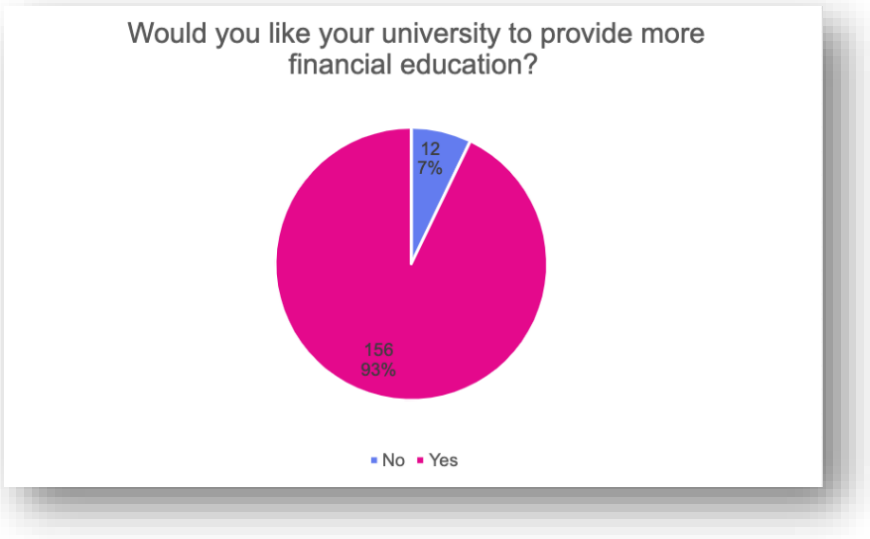


*Figure 28. Experience with Financial Literacy Education*

The last survey question asked respondents about their willingness to increase their investments in the future. Figure 28 shows that many students are optimistic about increasing their investments in the near future. Approximately 38.7% of respondents said they would probably invest, and 32.1% said they might invest. 25% of answers were neutral, and a small number, 4.2% believed that they might invest in the future. The results show many young adults still have a positive outlook on future investment opportunities, suggesting that financial interest and confidence are growing during this transition period from college to full-time employment.

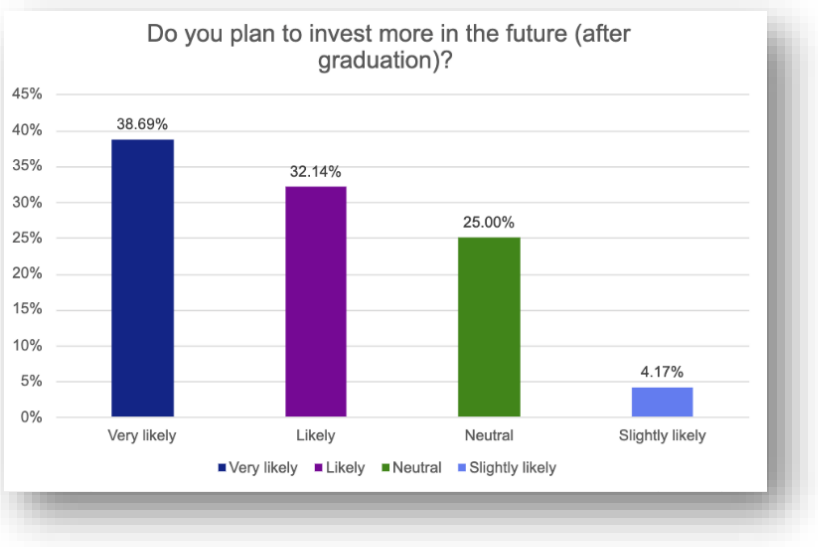


*Figure 29. Experience with Financial Literacy Education*

### 4.3 Hypotheses Summary

Based on the questionnaire findings, this summary outlines the hypotheses tested in the study. The analysis employed descriptive statistics to compare results between Hungarian and international students, as well as across age groups, income levels, and financial literacy levels.

| No | Hypothesis | Key Finding | Result |
|---|---|---|---|
| H1 | There are significant differences between Hungarian and international students in their investment behaviors. | Some variation was observed—international students appeared slightly more active in investing, while Hungarian students were more cautious. | Partially Accepted |
| H2 | Students who are financially literate or confident in their financial knowledge are more likely to invest. | Students who rated themselves as financially confident were more likely to invest. | Accepted |
| H3 | Peer influence and access to financial information via social media affect students' motivation to invest. | Many respondents mentioned learning about investments through peers or social media platforms. | Accepted |
| H4 | Students with stable incomes from part-time jobs or family support are more likely to invest. | Those with a regular income or family allowance showed higher saving and investment activity. | Accepted |
| H5 | Students aged 21–23 years are more willing to invest than younger respondents. | The 21–23 age group had the highest share of students already investing or planning to invest. | Accepted |

| | | | |
|---|---|---|---|
| H6 | Young people intend to invest more actively after graduation. | Most respondents indicated they plan to invest more once they become financially stable after graduation. | Accepted |

## V. Discussion

### 5.1 Overview of Findings

The results of this study provide a very important insight into how young people aged 18-25 view and act with investing in the future. Nearly every participant realized that they need to save and invest for their futures. Most participants are also interested in stock and/or savings account investing; however, fewer than half have tried other forms of newer investment tools, such as cryptocurrency and/or mutual fund investments. Although most participants who responded to this survey are actively starting to invest now, there were several reasons why participants may be hesitant to invest. Some reasons include lack of knowledge, limited income, and/or fear of losing money.

Finally, nearly all of the participants surveyed stated that after they graduate from college, they would increase their level of investing. Participants viewed investing in their futures with optimism and believed that it would help them achieve long-term financial goals. Many survey participants demonstrated a strong interest in participating in additional financial education opportunities through their colleges or universities to increase their financial literacy and self-confidence.

### 5.2 Interpretation of Key Results

This research study's results are consistent with all studies related to how young investors' behaviors are influenced by their investments. Similar to Sekita (2011) and Rahman & Gan (2020), this research study identified both financial knowledge and how their friend and family influence as significant factors that young people use when making a decision on what type of investments to make. Therefore, students with better access to information through family, friends, or social media are more likely to be the first to jump into investing.

In addition to proof that social media is the main source to influence young people, similar to Ante (2021), the results of this study show that social media is having a strong impact than previously believed. Influencers online play a crucial role in affecting young people's decisions on investments, such as cryptocurrencies. This study confirms that social media sparks young

people's curiosity about investments as well as increasing risk-taking behavior for the young generation.

Although many students are interested in investing based on financial needs, they are still hesitant to invest due to uncertainty, a lack of investment experience, and limited financial resources. The results from this study are consistent with those of the OECD (2020). Although the OECD (2020) found that young people who are financially literate understand basic finance concepts, they often do not feel confident in applying that knowledge to make actual investments. Overall, this study provides support for the concept of encouraging young people to participate in responsible investing by providing them with financial education and access to credible sources of information, and by creating a supportive environment.

### 5.3 Implications

The results demonstrate a need for more substantial financial knowledge (education) for University Students; because many of the participants indicated a desire to learn about investing, this is an area where Universities and Policymakers may have opportunities to incorporate additional Financial Education into their programs, through workshops, online modules, or elective courses, etc. which would provide students with a more thorough understanding of potential risk associated with investments and the process of developing long term financial plans.

Additionally, the results indicate that young adults are open to continuing to develop their knowledge and participation in investment markets; however they will require additional support from financial institutions to do so, and may benefit from the provision of simpler, more transparent financial products and financial education materials targeted at the age range and experience levels of young adults, as well as the development of sustainable financial habits early on.

### 5.4 Limitations of the Study

A few factors limit the current study. The sample consisted of only 168 participants, mainly students studying at the Hungarian University; this cannot reflect the views of all other youth around the world. Due to its online survey, it may have excluded some youth who lacked

Internet access or were not interested in Investment, which creates a sampling bias. Additionally, the study utilized self-report measures; therefore, the results may be influenced by either subjective reporting or social desirability bias.

### 5.5 Suggestions for Future Research

To continue researching the topic " Investment Behavior of Young Generation", researchers can collect data from a larger number of participants with more demographics, including individuals at many more educational levels and having different Jobs. In addition, it would be beneficial for researchers to compare how young people invest in a bigger scope, including other European countries or even worldwide, to identify the cultural and economic factors that affect their behavior. Furthermore, collecting both qualitative and quantitative data (i.e., through follow-up interviews) will help us provide a greater understanding of the emotional, motivational, and challenges that appear in young people's decision-making processes when they make a decision on investments.

## VI. Conclusion

The purpose of this research is to examine the Investment behaviors of youth in Hungary (18-25 years old) as both local and international students at universities, to build more understanding on why these groups would want to invest, what is the main reason of why they are not invest, and how their educational backgrounds affect their decision making and how friends, and financial knowledge influence their financial decision on investment.

This research shows that although a significant number of youth were interested in investing, many youth experienced and faced hesitation to invest due to income limitations, lack of knowledge in financial or investing, and fear of losing money. However, most of respondents expressed an enthusiasm for increasing their knowledge of financial topics and felt optimistic about participating in investment once they finished their education. Therefore, this research illustrates the need to provide young people with more financial education in university courses and to provide young generation with more accessible opportunities to learn and apply financial decision-making in a real experience.

From my point of view, this research shows that young people still aware of how to spend their money. Instead, when they feel insecure with finances or are not sure about their direction, they become more cautious regarding their expenditures. I also see that if young generation receive appropriate education, support, and encouragement from their schools, banks, etc., they are capable of making prudent, financially responsible decisions on their investments.

Finally, the research has enhanced our understanding of how youth view investing and what are the crucial factors that impact their financial behaviors. By teaching them financial literacy and encouraging them to develop an awareness of a variety of investment opportunities, we may help youth make financially informed, confident, and sustainable decisions in the future.

“An investment in knowledge pays the best interest."

(Benjamin Franklin, scientist, 6 January 1705 – 17 April 1790)

When it comes to investing, nothing will pay off more than educating yourself. Do the necessary research, study, and analysis before making any investment decisions.

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## APPENDICES

### Survey: Investment Behavior of Young People (18–25) in Hungary

Introduction for Respondents

Hello,

My name is Kittisone Phengvichith (Mick), a last-year Business Administration bachelor student currently writing my thesis on the *investment behavior of the young generation (people aged 18–25 living in Hungary)*. The purpose of this questionnaire is to understand better how students, both local and international, think about and approach investing.

Your answers are completely anonymous and will only be used for academic purposes. Results will be presented in the form of statistics, and no individual responses will be identified. The questionnaire should take about 5-7 minutes to complete and is divided into six parts: background information, financial background, investment behavior, attitudes and motivations, external influences, and future perspective.

By participating, you are helping to provide valuable insights into how students today make financial decisions, which may help improve financial education in the future.

Thank you very much for your time and contribution!

—

### Section 1: Demographics

**1. Age**

○ 18–20

○ 21–23

○ 24–25

○ Prefer not to say

**2. Gender**

○ Male

○ Female

○ Prefer not to say

**3. Field of Study**

○ Business / Economics

○ Finance / Accounting

○ Engineering / IT

○ Marketing / Communication & Media

○ Social Sciences

○ Arts / Humanities

○ Agriculture

○ Architecture

○ Other: _____

**4. Nationality**

○ Hungarian

○ International → Please specify: _____

__

**Section 2: Financial Background**

5. Main Source of Income

☐ Allowance from parents

☐ Part-time job

☐ Scholarship / Student funding

☐ Other: _____

6. Do you usually save part of your income?

○ Yes

○ No

7. (If yes) How much do you save monthly (approx.)?

○ Less than 20,000 HUF

○ 21,000–50,000 HUF

○ 51,000–80,000 HUF

○ More than 80,000 HUF

—

**Section 3: Investment Behavior**

8. Do you currently invest money?

○ Yes

○ No

9. (If yes) Which type(s) of investment do you use? (Multiple choices allowed)

☐ Stocks / Shares

☐ Mutual Funds / ETFs

☐ Cryptocurrencies

☐ Savings Accounts / Bank Deposits

☐ Government Bonds

☐ Own Business

☐ Business Owner / Entrepreneur

☐ None

10. (If yes) How often do you invest?

○ Monthly

○ A few times per year

○ Rarely

11. (If yes) Approximately how much have you invested so far?

○ Less than 50,000 HUF

○ 51,000–100,000 HUF

○ 101,000–300,000 HUF

○ More than 300,000 HUF

—

**Section 4: Attitudes & Motivations**

(1 = Strongly disagree → 5 = Strongly agree)

12. I invest to grow wealth. ○1 ○2 ○3 ○4 ○5

13. I invest to save for future goals. ○1 ○2 ○3 ○4 ○5

14. I invest to gain financial experience. ○1 ○2 ○3 ○4 ○5

15. I invest because my friends/family invest. ○1 ○2 ○3 ○4 ○5

16. I feel confident in my financial knowledge. ○1 ○2 ○3 ○4 ○5

17. I believe investing is risky. ○1 ○2 ○3 ○4 ○5

—

**Section 5: External Influences & Risk Profile**

(1 = Strongly disagree → 5 = Strongly agree)

18. Family influences my investment decisions. ○1 ○2 ○3 ○4 ○5

19. Friends influence my investment decisions. ○1 ○2 ○3 ○4 ○5

20. Social media influences my investment decisions. ○1 ○2 ○3 ○4 ○5

21. My university provides helpful financial knowledge. ○1 ○2 ○3 ○4 ○5

—

**Section 6: Future Perspective**

22. Have you ever attended a financial education workshop?

○ Yes

○ No

23. Would you like to receive financial education from your university?

○ Yes

○ No

24. How likely are you to invest more in the future?

○1 ○2 ○3 ○4 ○5

## Declaration of Students and Doctoral Candidates on the Use of Artificial Intelligence (AI)"

**1. general information:**

| | |
|---|---|
| **Name of the student:** | **Kittisone Phengvichith** |
| **Neptun ID:** | **JOOC2L** |
| **Level of program (mark with X):** | ☐✓BSc/BA ☐ MSc/MA ☐ Doctoral School (PhD)<br>☐ Other: ..... |
| **Name and code of the subject*:** | |
| **Title of the work:** | **Investment Behavior of Young Generation** |

* Not required to be completed in the case of a doctoral dissertation.

**2. Declaration on the Use of AI**

I, the undersigned, fully aware of my ethical responsibility, make the following declaration:

*(Please choose one of the options below!)*

☐ A) I have not used any artificial intelligence system or service.

(If you selected this option, completing the subsequent tables is not required.)

☐ ✓B) I have used an artificial intelligence system or service.

(Please fill in the relevant tables!)

**3. Details of Artificial Intelligence Usage**

**TABLE I: Assistant or Minor Usage (e.g., translation, language proofreading, brainstorming, etc.)**

*(For these uses, attaching the specific prompts and responses is not required.)*

| **Purpose of Use** | **Name and Version of the AI Tool Used** | **Affected Section (if not applicable to the entire text)** |
|---|---|---|
| Finding sources to study, for example, books to read that are related to my thesis topic | Scopus ai, Claude, chatGPT | Literature review and Methodology section |

**TABLE II: Significant Content Contribution (e.g., generating an entire figure or a longer text section)**

*(In these cases, documenting the key prompts used and the raw responses provided by the AI, and attaching them as an appendix to the work, is required.)*

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|---|---|---|---|
| | | | |

**3/A. Additional Rules Prescribed by the Lecturer (if any)**

If the instructor or supervisor of the course has established specific rules or expectations regarding the use of AI tools, please summarize them in the field below:

*For example: prohibition of AI use for certain types of tasks; only specific tools are permitted; different citation requirements; documentation format, etc.*

Rules Prescribed by the Lecturer or Supervisor

.....

.....

.....

.....

**4. Declaration Applicable to All Students:**

I declare that I have critically reviewed, edited, and incorporated any content potentially generated by AI in all cases. I take full responsibility for every element of the submitted work, including its originality and scientific validity. I acknowledge that the Hungarian University of Agriculture and Life Sciences may check the submitted work with an artificial intelligence detector and may initiate proceedings if my declaration is found to be false or incomplete.

**Place and Date:** .....Budapest, Hungary....., 2025. .....11..... month .....03... day

.....

.....

**Signature of the Student** **Signature of the Advisor/Supervisor**

## DECLARATION

_____Kittisone Phengvichith_____ (name) (student Neptun code: _____JOOC2L_____)
As a consultant, I declare that I have reviewed the final thesis/thesis/dissertation/portfolio.[1] and that I have informed the student of the requirements, legal and ethical rules for the correct handling of literary sources.

**I recommend/do not recommend**[2] the final thesis/dissertation/portfolio to be defended in the final examination.

The thesis contains a state or official secret: yes, no*[3]

Date: _____2025_____ year _____11_____ month ____03___ day

.....
insider consultant

[1] The other types should be deleted while retaining the corresponding thesis type.
[2] The appropriate one should be underlined.
[3] The appropriate one should be underlined.

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**on authenticity and public assess of final essay/thesis/mater's thesis/portfolio**[4]

Student's name: _____Kittisone Phengvichith_____

Student's Neptun ID: _____JOOC2L_____

Title of the document: Investment Behavior of Young Generation.

Year of publication: _____2025_____

Department: Institute of Agricultural and Food Economics

I declare that the submitted final essay/thesis/master's thesis/portfolio[5] is my own, original individual creation. Any parts taken from another author's work are clearly marked and listed in the table of contents.

If the statements above are not true, I acknowledge that the Final examination board excludes me from participation in the final exam, and I am only allowed to take final exam if I submit another final essay/thesis/master's thesis/portfolio.

Viewing and printing my submitted work in a PDF format is permitted. However, modifications to my submitted work shall not be allowed.

I acknowledge that the rules on Intellectual Property Management of Hungarian University of Agriculture and Life Sciences shall apply to my work as an intellectulal property.

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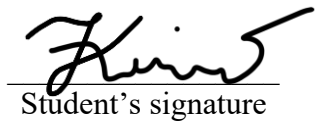

Student's signature

[4]Please select the one that applies, and delete the other types.

[5]Please select the one that applies, and delete the other types.