

High School Students' Investment Awareness and Strategy Selection

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Abstract

This study investigates the current status of investment awareness among 119 high school students through questionnaire surveys and data analysis, exploring the influencing factors and providing strategy recommendations. The findings reveal that factors such as family background, educational level, and personal experience significantly impact high school students' investment preferences. Although students show high interest in investing, their actual knowledge is limited, primarily acquired through the internet and family. This paper suggests that high school students are more suited to stable investment products such as stock funds and bonds. Overall, the study provides valuable insights into high school students' investment behaviors and recommends enhancing financial education and promoting rational investment.

Keywords

High School Students; Investment Awareness; Strategy Selection; Financial Education; Risk Management.

1. Introduction

In today's rapidly developing economy, investment has become a crucial part of personal finance. For high school students, understanding basic investment concepts and strategies early can enhance their financial management skills and lay a solid foundation for future financial independence. The continuous development and innovation of financial markets allow individuals to participate in various investment activities, such as stocks, bonds, funds, and bank financial products. These tools not only help individuals preserve and increase wealth but also cultivate their risk awareness and decision-making abilities.

However, many high school students have weak investment awareness and knowledge. Many students only manage their pocket money simply and lack understanding of advanced financial concepts like investment and financial planning. Their money attitudes and spending behaviors are often influenced by family background and education, lacking scientific financial concepts and investment skills. This phenomenon limits their financial management ability and poses greater economic pressure and risks as they enter society.

This study aims to examine the importance of investment awareness among high school students, analyze their financial status, explore suitable investment methods and strategies, and provide recommendations to help them better understand and engage in investment. By studying high school students' investment awareness and strategy selection, we hope to offer useful references for educators and parents to better guide and support financial education and investment practices for high school students.

2. Research Background

2.1. Research Significance and Current Status

2.1.1. Research Significance

In the context of rapid global economic development, investment has become an important means of personal finance. For high school students, cultivating investment awareness can enhance financial management skills and lay a foundation for future economic independence and stability. As financial markets become more complex, early financial education is crucial for improving students' financial decision-making abilities and risk management awareness.

1) Preparing for the Future: Cultivating investment awareness helps high school students understand economic principles early, mastering basic investment knowledge and skills. This not only ensures they make wise investment decisions after entering society but also helps them achieve financial independence and stability in the future. Research shows that financial education significantly impacts students' financial decision-making, although its effect on improving financial literacy is not significant, it markedly improves financial behavior[1].

2) Enhancing Financial Management Skills: By learning investment knowledge, high school students can learn to manage and use money reasonably, improving their financial management skills. This is significant for their future career and life planning. Early financial education and proper financial guidance are essential for cultivating rational and responsible investment behavior[2].

2.1.2. Domestic Research Status

Domestic research highlights the importance of financial education. For example, a study indicates that although many high school students are interested in investment, they lack practical investment knowledge and skills, primarily obtaining information through the internet and family[3]. Furthermore, domestic research shows that family background and education significantly influence students' investment behaviors and decisions. In the process of family financial socialization, parents' financial behaviors and attitudes notably impact their children[2].

1) Weak Financial Awareness: Many high school students' understanding of finance remains at the level of spending and saving pocket money. They lack basic concepts of the value and use of money and are unaware of investment and financial planning. Research indicates that financial education significantly improves students' financial knowledge and behavior, although students of different age groups start with different levels of financial knowledge, the differences narrow after the course[4].

2) Confused Money Attitudes: Some high school students from well-off families have confused money attitudes. They misunderstand the value and acquisition of money, blindly pursuing showiness and pleasure, and irrationally using money. Conversely, some students from average families lack necessary money spending and saving awareness, spending money carelessly without rational planning[5].

2.1.3. Foreign Research Status

Foreign research indicates that financial education positively impacts students' investment knowledge and behavior. For instance, Shankar and Bhatt (2022) found that systematic financial education helps students better understand market operations and risk assessment[1]. Acharekar and Karmani (2023) pointed out that a lack of financial knowledge is a primary reason many young investors suffer losses in the market[2].

1) Positive Impact of Financial Education: Research shows that systematic financial education significantly improves students' financial literacy and investment behavior. Through

professional curriculum design and practical activities, students can master basic investment knowledge and skills, reducing the risk of losses in the market[6].

2) Influence of Family Background: Foreign research also indicates that family background significantly influences students' investment behavior. In the process of family financial socialization, parents' financial behaviors and attitudes notably impact their children. Parents should focus on cultivating their children's financial awareness through practical financial practice and communication, helping them establish correct money attitudes and spending habits[7].

2.2. Definitions of Related Concepts

Understanding some basic investment concepts is crucial when discussing high school students' investment awareness and strategy selection. Below are key investment concepts and their definitions:

1) Stocks: Stocks are securities representing ownership in a corporation. Stockholders are company shareholders, entitled to profit distribution and residual asset distribution, while also bearing the risk of company failure[8]. Stock investment is high-risk and high-return, suitable for investors with some investment experience and high-risk tolerance. The stock market offers diverse investment opportunities, but its price volatility is high, requiring investors to have strong risk tolerance and market analysis capabilities.

2) Bonds: Bonds are securities representing a loan from the bondholder to the issuer. Bond investment is relatively safe, with stable returns but lower yields, suitable for low-risk-tolerant investors. Compared to stocks, bonds have lower price volatility, with returns primarily from fixed interest payments, making them a conservative investment option[8]. For high school students, bond investment can be an entry tool to understand basic investment principles and market mechanisms.

3) Funds: Funds are financial tools managed by professional investment institutions, pooling funds from many investors. They can be categorized into money market funds, bond funds, hybrid funds, and stock funds based on investment goals. Money market funds have low risk, stable returns, and high liquidity, suitable for short-term investment. Bond funds have moderate risk and stable returns, suitable for medium- to long-term investment. Hybrid funds can flexibly adjust the investment proportion of stocks and bonds based on market conditions, with moderate returns and risks. Stock funds have high risk and high returns, suitable for long-term investment and investors with high-risk tolerance[9].

4) Bank Financial Products: Bank-provided financial products usually have stable returns and low risk, suitable for risk-averse investors. These products include fixed deposits, structured deposits, and various financial plans, with relatively high returns but lower liquidity, suitable for long-term investment needs[10].

3. Research Objects and Methods

3.1. Objects

The study targeted high school students from grades 10 to 12, aged 15 to 18. To ensure representativeness, participants included students from different grades, genders, and family backgrounds. A total of 119 valid questionnaires were collected, and all participants voluntarily participated and provided informed consent before the survey.

3.2. Methods

This study employed quantitative research methods, primarily using questionnaires to collect data. The questionnaire design was based on existing literature and theories, covering students'

basic information, investment knowledge, investment attitudes, and investment behaviors. Specific methods include:

- 1) **Questionnaire Design:** The questionnaire consisted of three parts. The first part covered students' basic information, such as grade, gender, and family economic status. The second part assessed investment knowledge, including understanding of stocks, bonds, and funds. The third part examined investment attitudes and behaviors, including investment motivations, risk tolerance, and investment decision-making processes.
- 2) **Data Collection:** Questionnaires were distributed online and offline. Online questionnaires were released through the school's educational platform, while offline questionnaires were distributed and collected with the assistance of homeroom teachers in class. All questionnaires were filled out anonymously to ensure data authenticity and reliability.
- 3) **Data Analysis:** After data collection, data analysis was performed. Analysis methods included descriptive statistical analysis, correlation analysis, and regression analysis. Descriptive statistical analysis described the basic situation of students' investment knowledge, attitudes, and behaviors. Correlation analysis explored the relationships between different variables. Regression analysis further examined the main factors affecting students' investment behavior. Through these methods, the study aimed to systematically understand high school students' investment awareness and influencing factors, providing scientific evidence for effective financial education strategies.

4. Survey Results and Data Analysis

4.1. Basic Information of High School Students

- 1) **Investment Amount:** According to the survey results, 46% of high school students have investment amounts in the three-digit range (in RMB), 31% in the four-digit range, and 22% in the five-digit range. This indicates that most high school students have limited investment amounts, primarily concentrated in lower ranges. Since high school students usually do not have stable income sources, their investment amounts are constrained by personal pocket money and family economic conditions.
- 2) **Attitude Towards Learning Investment Knowledge:** The survey indicates that 32% of high school students believe it is very necessary to learn investment knowledge, 60% think it is somewhat necessary but not too in-depth, and 7% feel it is unnecessary. This shows that most high school students consider learning investment knowledge important, but they do not necessarily feel the need to study it in depth.
- 3) **Role of Investment in Future Life:** Data reveals that 17% of high school students think that investment is very important in future life, 38% think it is relatively important, and 40% think it is average. This indicates that most high school students recognize the importance of investment in future life, but not all see it as indispensable. Some students may focus more on current life and studies rather than future investment planning.

4.2. Investment Performance

- 1) **Important Factors in Investment Decisions:** Research shows that 40% of high school students consider investment returns most important, 30% consider investment risks most important, 20% consider the reliability of investment products most important, and 10% consider the flexibility of investment products most important. This suggests that most high school students focus more on investment returns and risks when making investment decisions, while relatively less on the reliability and flexibility of investment products. This may be related to their lack of investment knowledge and experience, as well as immature understanding of risks and returns.

2) Concerns in Investment: The results indicate that 50% of high school students worry about capital loss, 30% worry about not understanding the market, 15% worry about not knowing how to operate, and 5% worry about lack of family support. This shows that most high school students have certain concerns and uncertainties when making investments. Among them, capital loss is the main concern, reflecting the high school students' focus on the safety and stability of their funds. Additionally, not understanding the market and not knowing how to operate are also issues some students face, which may be related to their lack of investment knowledge and experience.

3) Investment Goals: Survey results indicate that 60% of high school students aim to earn extra money to meet short-term living and entertainment expenses, 30% aim to achieve long-term goals such as buying a house or education, and 10% aim to build financial security for future emergencies or retirement. This shows that the primary goal for most high school students in investing is to gain extra income to meet daily living and entertainment expenses. Relatively fewer people choose to invest to achieve long-term goals or build financial security, which may be related to their understanding and planning ability for investments.

4) Investment Duration: The survey reveals that 50% of high school students have a medium-term investment duration (1-5 years), 30% have a short-term duration (less than 1 year), and 20% have a long-term duration (more than 5 years). This indicates that most high school students prefer medium-term investment durations when investing, while relatively fewer choose long-term investment durations. This may be related to their planning and expectations for the future, as well as their understanding of the risks and returns of long-term investments. Some high school students choose short-term investment durations because they focus more on immediate returns and flexibility, rather than locking in funds for the long term.

5. Discussion

5.1. Importance of Investment Education

Through the survey on high school students' investment behaviors and attitudes, it is evident that although some high school students recognize the importance of learning investment knowledge, most still have a certain lack of understanding and practice of investment. Therefore, it is crucial to strengthen investment education for high school students. Schools and families can work together to provide systematic investment education courses, helping students establish correct investment concepts, and cultivate investment awareness and skills. Furthermore, cultivating investment awareness can help high school students develop correct money attitudes and values, enhancing their self-management ability in economic life. By learning and practicing, high school students can continuously improve their skills and knowledge in the investment process, providing strong support for their future career and life development. Investment awareness not only has significant importance for personal development but also positively impacts social and economic development.

5.2. Suitable Investment Methods for High School Students

Based on data analysis, most high school students are highly interested in investing, but their risk tolerance is low, and they have limited investment experience. Therefore, for most high school students, stock investment may not be the most suitable choice. For those who are very interested and willing to take risks, they can gradually accumulate experience through simulated trading or small-scale investments, thereby reducing investment risks.

Bond investment is relatively safe with stable returns, suitable for high school students with low-risk tolerance. By investing in bonds, high school students can accumulate investment experience while ensuring the safety of funds, preparing for higher-risk investments in the future. Money market funds and bond funds are also suitable investment tools for high school

students. They can achieve returns when the market rises and effectively control risks when the market falls, helping them achieve diversified investments and spread risks.

5.3. Financial Literacy and Risk Management

In addition to cultivating investment awareness and choosing appropriate investment methods, financial literacy and risk management are also key aspects that high school students need to focus on during the investment process. Financial literacy includes understanding financial concepts, learning investment skills, and analyzing financial situations. Comprehensive financial literacy training for high school students can enhance their understanding and knowledge of financial markets, helping them make more informed investment decisions.

Moreover, risk management is an essential part of the investment process. High school students need to learn to identify, assess, and manage various risks in the investment process, including market risk, credit risk, and liquidity risk. By establishing a scientific risk management system, high school students can effectively reduce investment risks, protect their funds' safety, and increase the probability of investment success.

5.4. Importance of Investment Education

Investment education plays a crucial role in cultivating high school students' investment awareness and skills. Schools and families should work together to provide more investment education resources and platforms for high school students. Investment education should not only focus on the transmission of theoretical knowledge but also on practical guidance, allowing students to learn and grow through practice.

Additionally, investment education should emphasize personalized teaching, providing personalized investment education programs and services based on students' interests, abilities, and needs. Through various forms and methods, such as classroom teaching, practical operations, and case analysis, stimulate students' learning interest, and improve the effectiveness and pertinence of investment education.

5.5. Social Responsibility and Sustainable Development

Finally, investment behavior is not only a personal act but also involves social interests and development. When making investment decisions, high school students should consider factors of social responsibility and sustainable development, focusing on the social benefits and environmental impacts of investment projects. By engaging in positive investment behaviors, high school students can contribute to the sustainable development of society, achieving a win-win situation for both personal and social development.

6. Conclusion

1) Importance of Investment Awareness for Future Development

Cultivating investment awareness in high school students is crucial for their future development. Investment awareness is not only a financial skill but also a financial wisdom and life attitude. By learning investment knowledge and skills, high school students can better manage personal finances, improve financial management skills, and make more informed financial decisions. Moreover, investment awareness can enhance their risk awareness, enabling them to rationally analyze and assess risks when facing various investment choices, thereby laying a solid foundation for future financial independence and stability.

2) The Necessity of Strengthening Investment Education

Currently, high school students' investment awareness and knowledge are relatively weak and need to be improved through financial education and practice. Schools and families, as two important educational platforms, should strengthen investment education for high school students. Schools can provide investment knowledge and skills through classroom teaching and

practical activities, helping students establish correct investment concepts and cultivate good investment habits. Families should be the financial guides and role models for students, leading them to develop correct money attitudes and values through family financial education and personal demonstration.

3) Exploring Suitable Investment Tools for High School Students

Based on the investment needs and characteristics of high school students, bond funds and mixed funds are considered more suitable investment tools. These tools are relatively stable with low risk, suitable for beginners to invest in. By investing in bond funds and mixed funds, high school students can obtain stable investment returns while ensuring the safety of funds, laying a solid foundation for future financial planning and life.

4) Prospects for Strengthening Investment Education in the Future

To further improve high school students' investment awareness and skills, more education and training can be provided in the future. Governments and financial institutions should strengthen financial education and investment guidance for young people, providing more investment tools and resources. At the same time, schools and families need to strengthen cooperation, jointly providing students with richer and more comprehensive investment education services, cultivating their good investment habits and financial literacy.

7. Limitations and Future Research

This study has certain limitations, mainly in the small sample size and the concentration of survey subjects in Shanghai, which may affect the generalizability of the results. Future research should expand the sample size to include more regions and high school students from different backgrounds to obtain more comprehensive and reliable results. Additionally, this study only used the questionnaire survey method. Future research can combine interviews, experiments, and other methods to further explore high school students' investment awareness and its influencing factors.

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