



INVESTOR BEHAVIOUR INDEX (IBI)

2025

February 2025




Foreword

At the cusp of a new investing era, I'm excited to present the **Investor Behaviour Index (IBI) 2025**, by StockGro in collaboration with 1Lattice. This survey of 50,000 participants reveals a powerful shift toward equities - 45% of young respondents now identify stocks as their primary investment. Even so, 42% remain on the sidelines due to limited knowledge. These insights highlight both the enthusiasm and the confidence gaps at the heart of India's evolving investment culture.

Both SEBI and RBI have long championed policies that foster transparent markets and elevate financial literacy. Yet the survey reveals a persistent call from respondents for step-by-step guidance. Additionally, women respondents account for just 10% of investors in this survey, underscoring the importance of accessible advisory. This is the driving force behind our work at StockGro, i.e., delivering mentorship, intelligent market insights, and immersive yet safe digital experiences to help Indians build wealth inclusively.

As we observe RBI's Financial Literacy Week 2025, this report serves as a call to action for regulators, private players, and tech innovators about the collective effort required to drive real financial inclusion. At StockGro, we understand that the future of wealth management is informed, democratic, and powerfully transformative. Let's build that future - together.



Ajay Lakhotia | Founder & CEO |  **StockGro**



Investor Behaviour Index

50,000+ Voices. One Report with insights on smarter investors & emerging trends.

Investor demographics

89.9% Male **10.1%** female

60% from metropolitan cities like Bengaluru, Mumbai, and Delhi **40%** from tier-2 and tier-3 cities

Market Interest vs. Participation

- **93%** follow the stock market, of which only 81% invest
- At **42%**, non-investors' core barrier is lack of understanding
- Over **40%** focus on long-term wealth creation
- **45%** prefer investing in stocks

Young Investors, New Priorities

- **78%** want to enhance stock market awareness.
- **Preferred learning methods:** video courses & self-paced practical learning

Old habits Die Hard

- **48%** are influenced by family while making financial decisions.
- **10%** consult financial advisors.
- **41%** of prospective investors save through bank deposits.

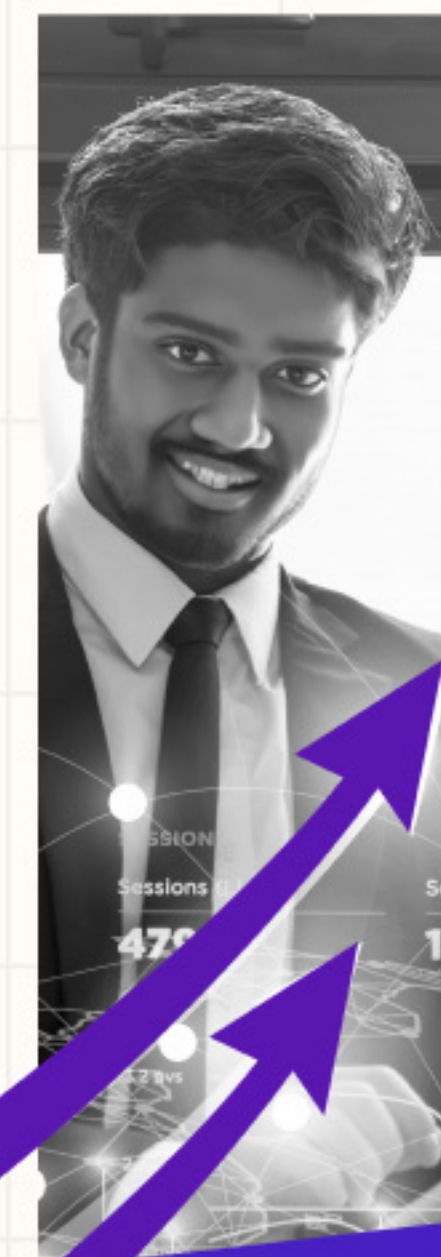
Market is Not Inclusive

- Of **10% female respondents**, **41%** seek to earn extra income through investing.
- **71%** wish to dedicate **1-5 hours** weekly to learning about investing.

India's Investment Evolution

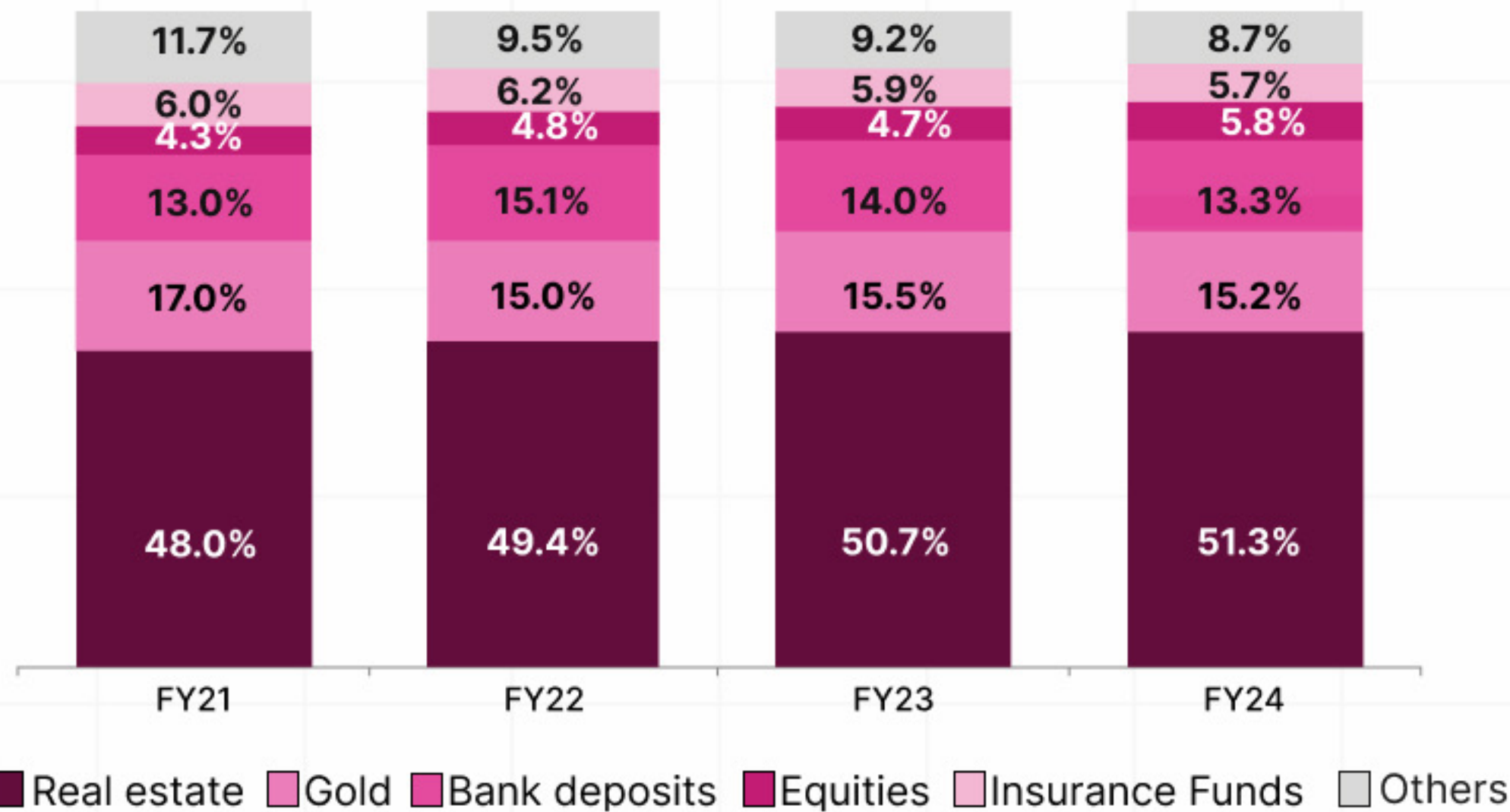
Insights on emerging trends from the Indian stock market & investor behavior shifts.

[Read More >](#)

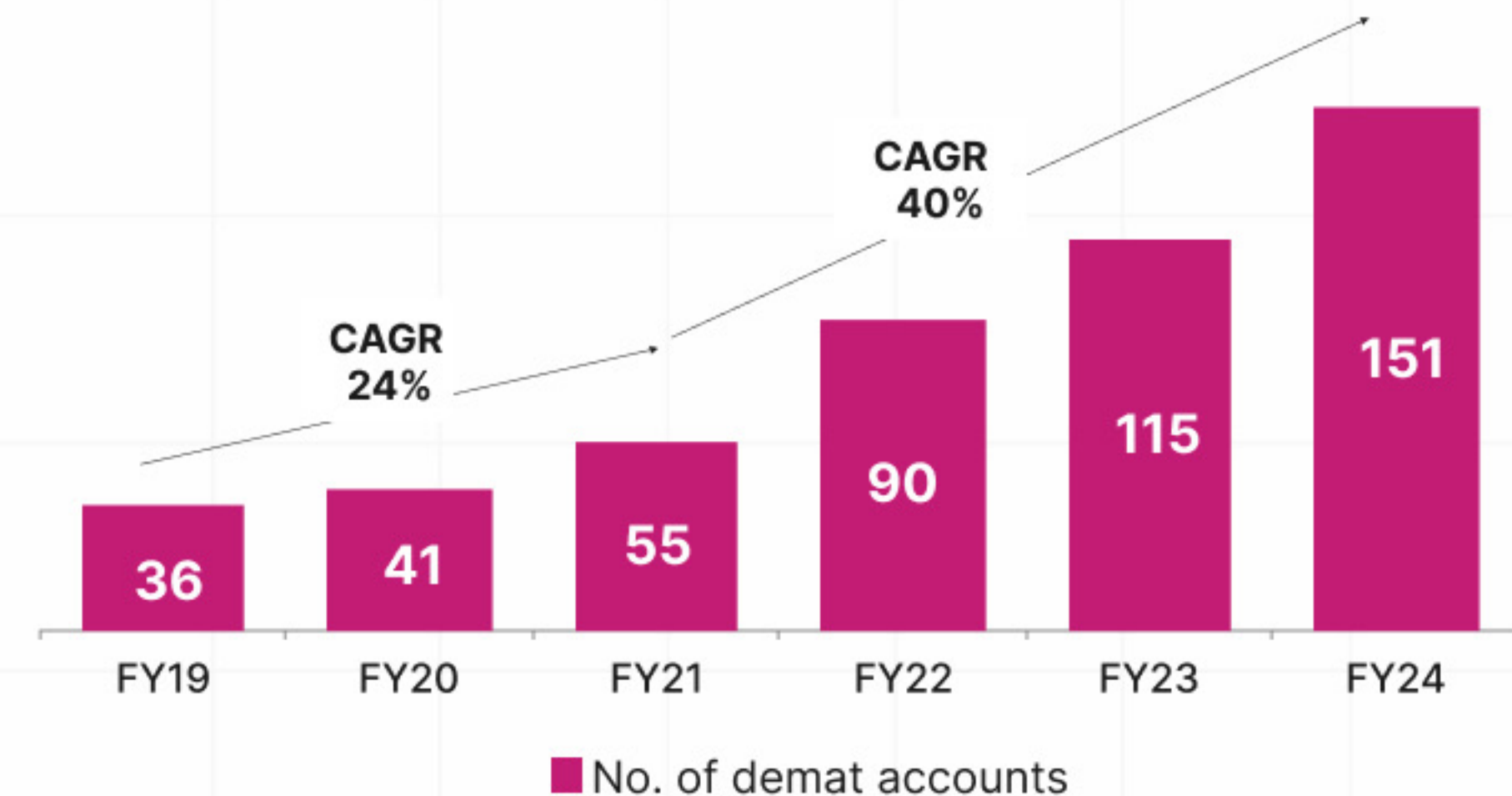


Households are increasingly favoring equities over deposits post-pandemic, driven by strong market returns in recent years

Indian household assets composition
(%, FY21-24)



Number of active demat accounts in India
(#, M, FY19 - 24)



- Households appear to be **transitioning from bank deposits to higher-yield investments** like stocks and mutual funds due to the post-pandemic rise in market returns
- Mutual fund assets under management (**AUM**) **have tripled to INR 67T** since the post-Covid period, driven by robust inflows and appreciation in the value of assets, particularly equity holdings
- The **net inflows were INR 47,000 Cr** in NSE's secondary markets in FY24 & the number of **investors via NSE surpassed 9 Cr**, nearly tripling over the past five years.

With increased accessibility and financial awareness, the **participation of retail investors** in the stock market has witnessed a significant growth

Increased accessibility



- Introduced electronic trading and online platforms like **NSE Now** and **BSE Star**
- Shifted stock market participation from wealthy individuals to retail investors

Encouraging participation in small towns



- The NSE has set up **investor service centers** in small towns
- **BSE's Investor Protection Fund** conducts financial literacy programs in rural areas

Innovative financial products



- Introduced a variety of financial instruments for portfolio diversification, such as **ETFs, derivatives, and index funds**

Promoting financial literacy



- RBI's initiatives like **Financial Literacy Centres & Week** promote financial inclusion
- Such efforts are further amplified by **private entities like StockGro, Groww, Zerodha**

India's stock market sees a shift driven by **increased participation** from Gen Z and **women investors**

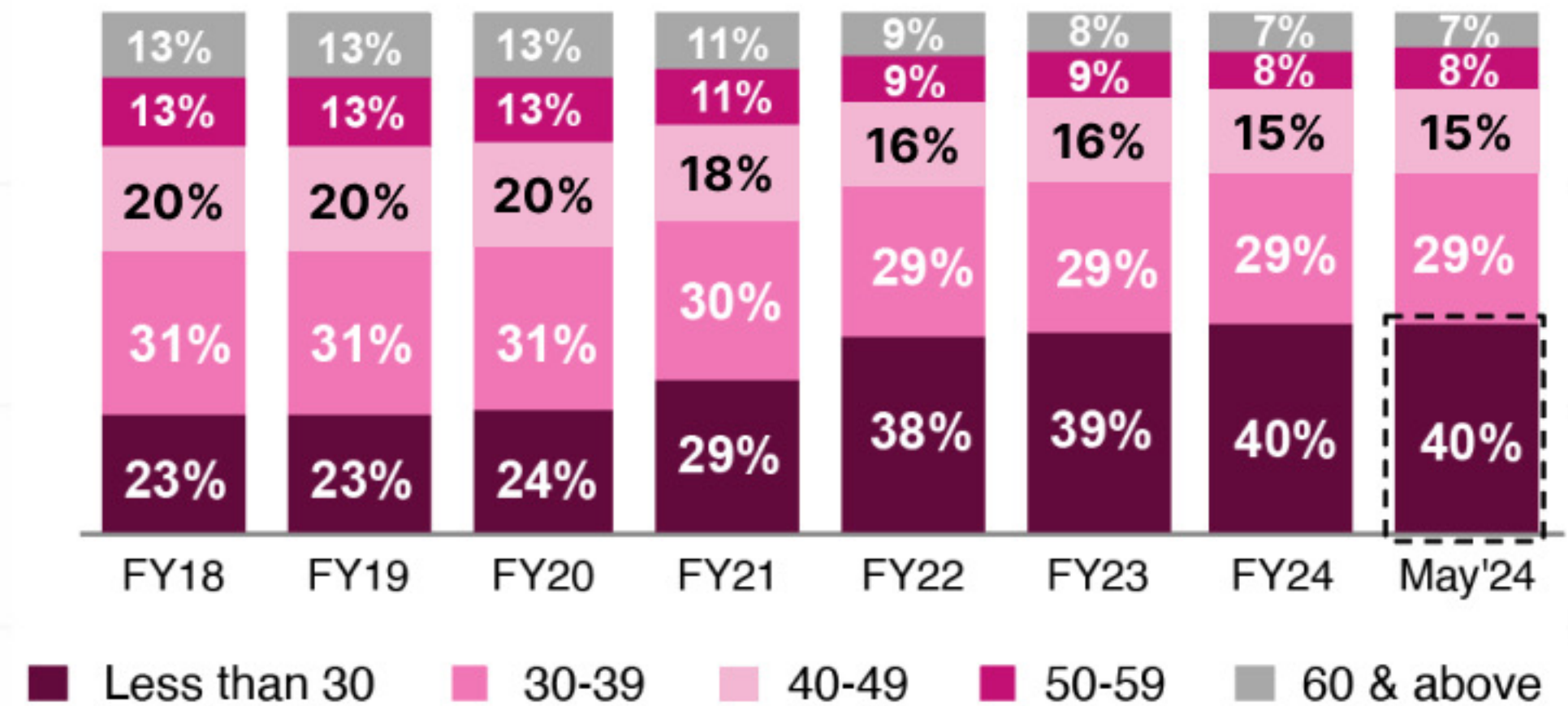


At least **4 in every 10** investors in the Indian stock market **is under 30 years** of age



Women's participation in domestic stock markets has surged with **1 in 4 new investors being female**

Share of investors base by age (in years)



Rise in young investors

The share of **investors under 30 has doubled** in six years as the pandemic shifted Gen Z's focus to saving, with fear of missing out driving many young, first-time investors into the market

Women's participation

Women's participation in individual investor registrations rose from **22.6% in FY22 to 23.9% in 2024** driven by increased workforce participation & govt. initiatives like the **Pradhan Mantri MUDRA Yojana**, with nearly 70% female beneficiaries

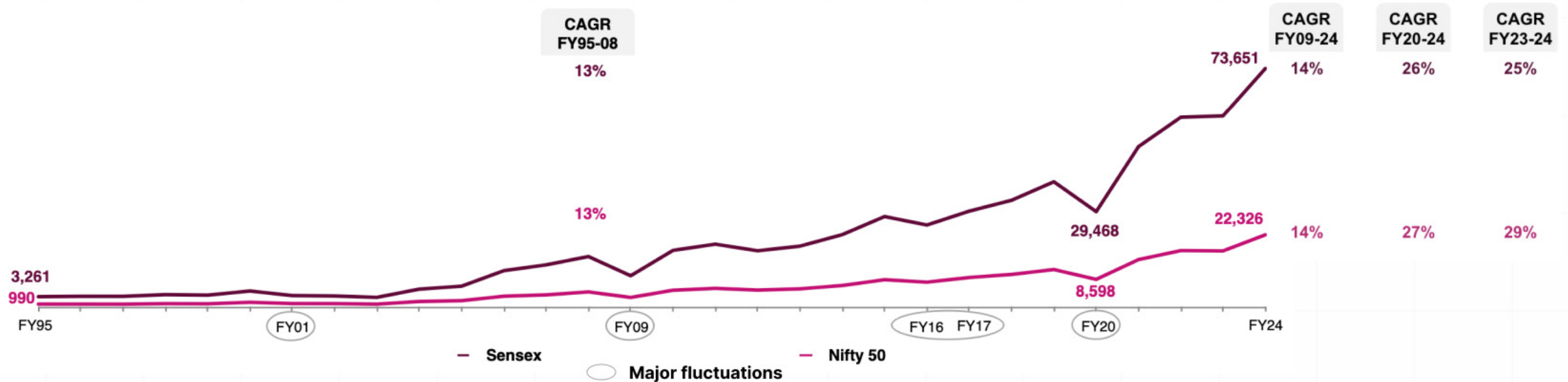
Growing demand for knowledge

The total number of **new mutual fund distributors (MFDs) increased from 22,657 in 2023 to 29,435 in 2024**, reflecting a 30% Y-o-Y growth; highlights a rising demand for financial literacy, especially among first-time investors.

Alternative investments

New investment options like **InvITs and REITs** are gaining popularity with rising awareness and digitization. REITs grew 31% Y-o-Y in 2023, blending real estate benefits with stock liquidity

The stock market grew at a **9% CAGR during FY95-20 across global events**; increased retail participation post COVID-19 has created a major bull run



Year	Major events	Impact on the share market
FY01	The burst of the dot-com bubble led to a steep decline in the value of tech stocks in India	↓
FY09	Global financial crisis triggered by the collapse of Lehman Brothers and the subprime mortgage crisis	↓
FY16	The stock market witnessed significant volatility in the immediate aftermath of the announcement of demonetization drive	↓
FY17	The introduction of goods and services tax (GST) brought about greater ease of doing business and improved tax compliance	↑
FY20	Due to COVID-19 pandemic , the SENSEX dropped by nearly 40% from its pre-pandemic highs	↓
FY23-24	Transition from a T+2 to T+1 settlement cycle from Jan'23 and a beta version of T+0 settlement for was launched on 28th Mar'24	↑

What are 50,000 investors saying?

Tap into insights about investors' knowledge level, preferred learning methods, investment influencers, and the barriers that shape their journey.



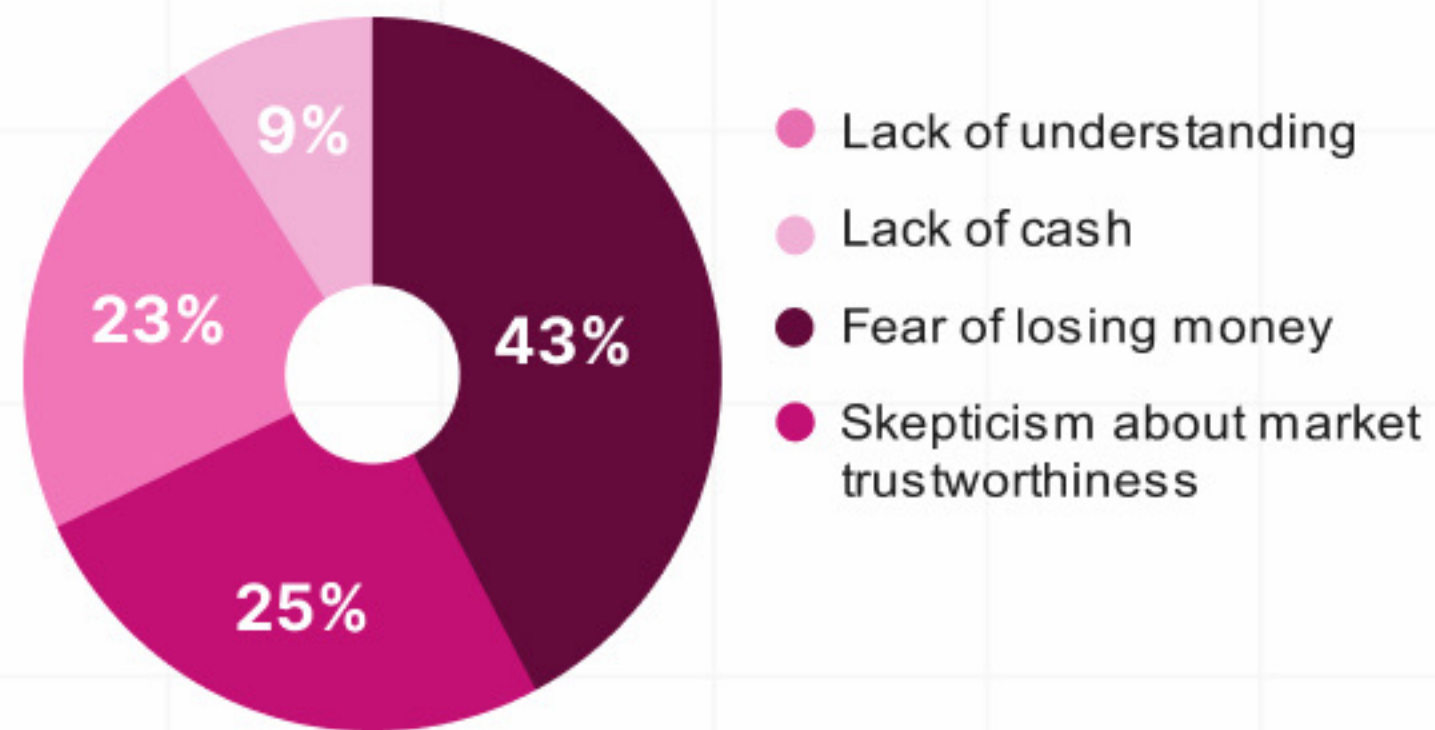
High Interest but Action Lags

Most survey respondents monitor the stock market, **yet a smaller portion invests actively**, highlighting possible barriers to participation.

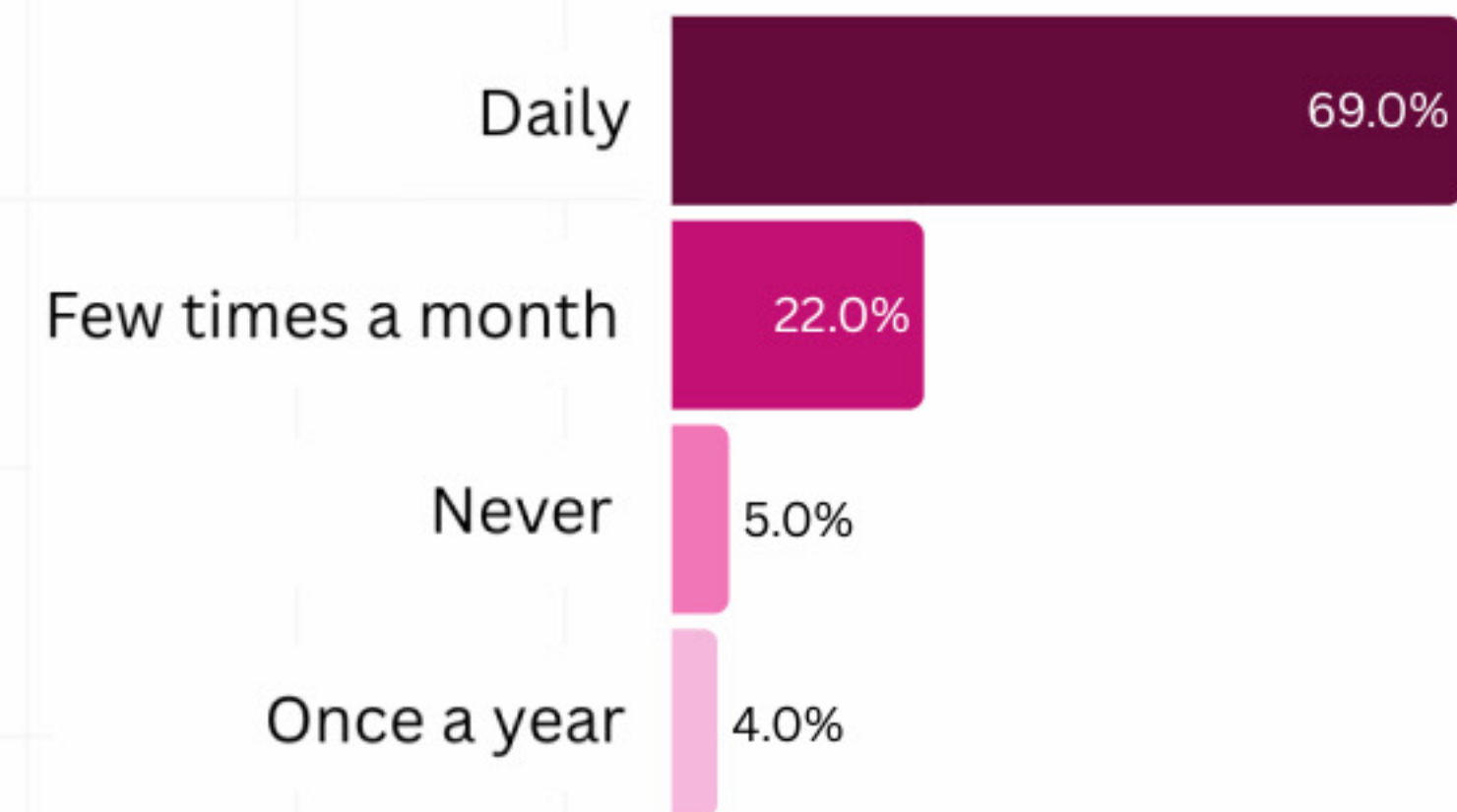
While **93% follow** the stock market, only **81% choose to invest**, indicating some reservations

Over 80% track trends daily or monthly, showing sustained interest across investing & non-investing respondents

Key Investment Barriers of The 'Non-Investor' cohort



Market Monitoring Frequency Among All Respondents



According to SEBI-regulated depository data, India's demat accounts have recently surpassed 100M, illustrating the latent potential within these curious observers.

- Yet limited knowledge and fear that stock market investments require large sums of money, deters many potential investors from choosing stocks.
- Financial literacy among Indian adults is ~27%, far below developed countries like the USA (~50%) and Singapore (~59%).

The Rise of Young, Amateur Investors

India's **investor base is getting younger**, with most under 30, signaling a need for foundational investment education.

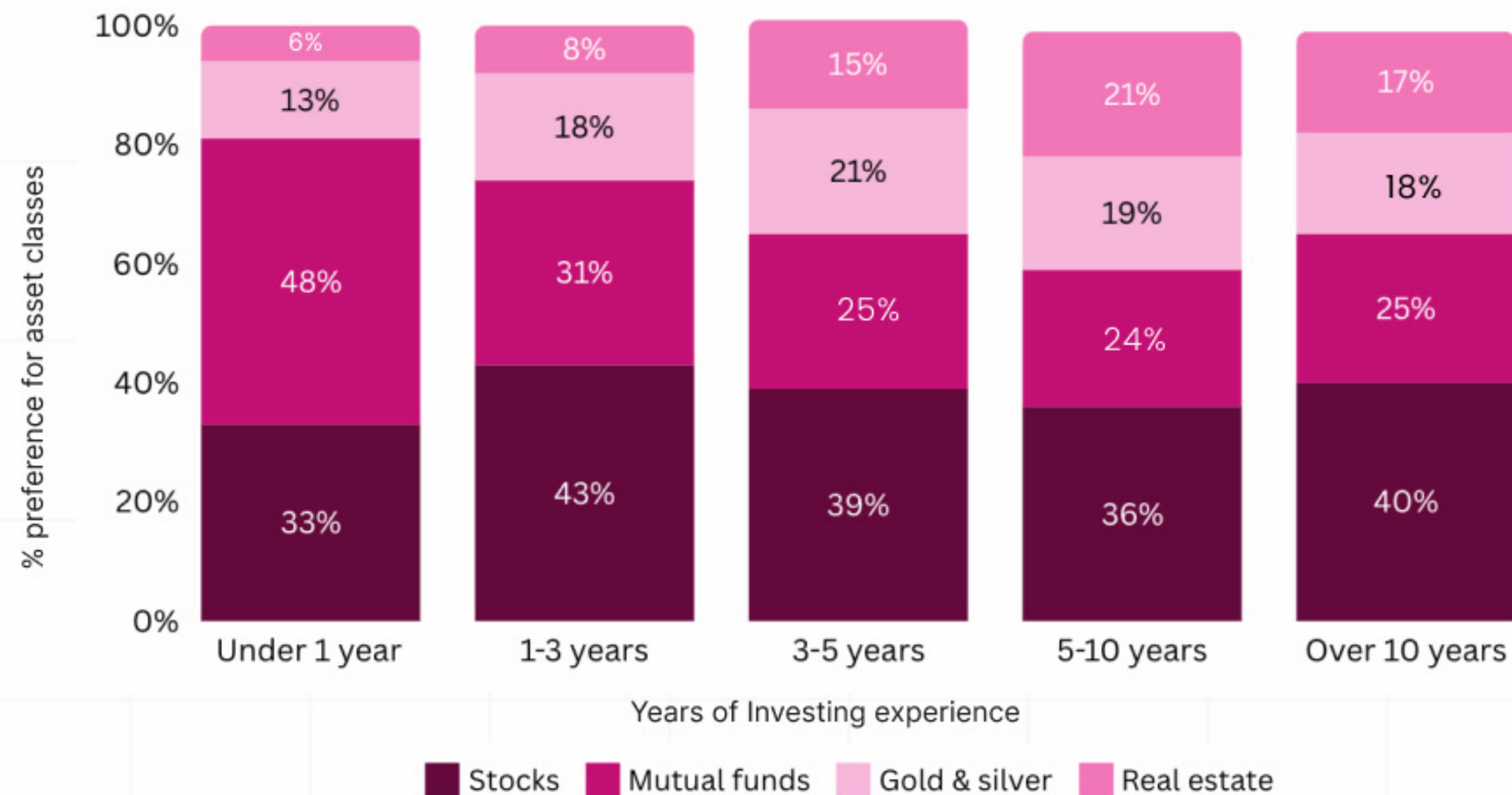


Evolving Preferences

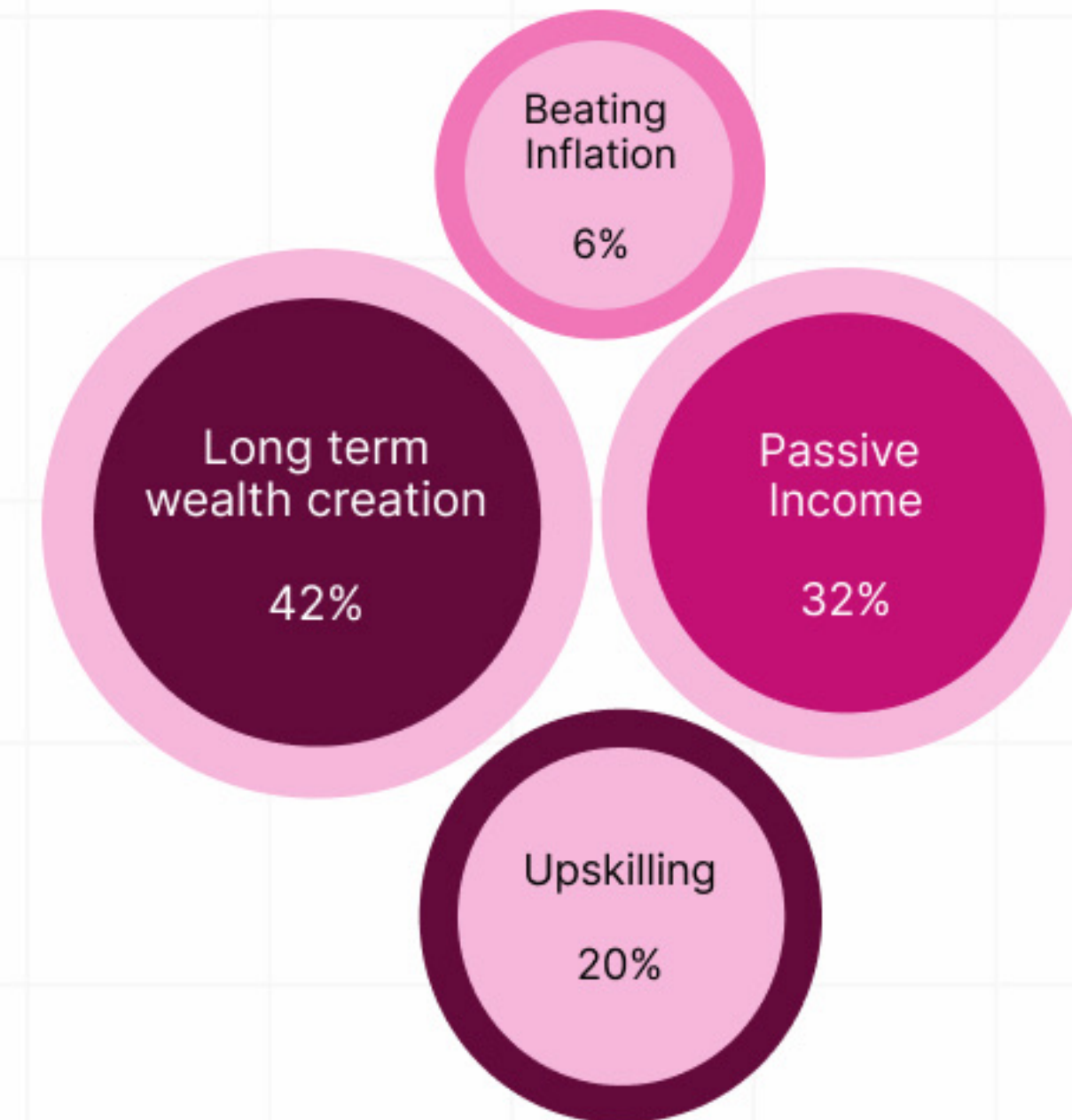
- Investors with less than 3 years of experience show **stronger preference for stocks & mutual funds**

- 42% of investors focus on **long-term wealth creation**

Investment Experience vs Investment Choices



Investment Motivation Spectrum



- Since COVID-19, demat accounts more than doubled to 7.7 Cr in Nov'21, up from 3.6 Cr in Mar'19. Nearly 75% of new accounts, opened by top brokerages, belong to first-time investors under 30 depicting signs of higher risk appetite.
- F&O trading surged 500% (FY19-FY21), but 90% of the traders reported losses highlighting the need for experience & technical know-how in the stock market.

Core Barrier – Knowledge Gap

The lack of financial knowledge remains a significant barrier preventing many potential investors from engaging in the market.

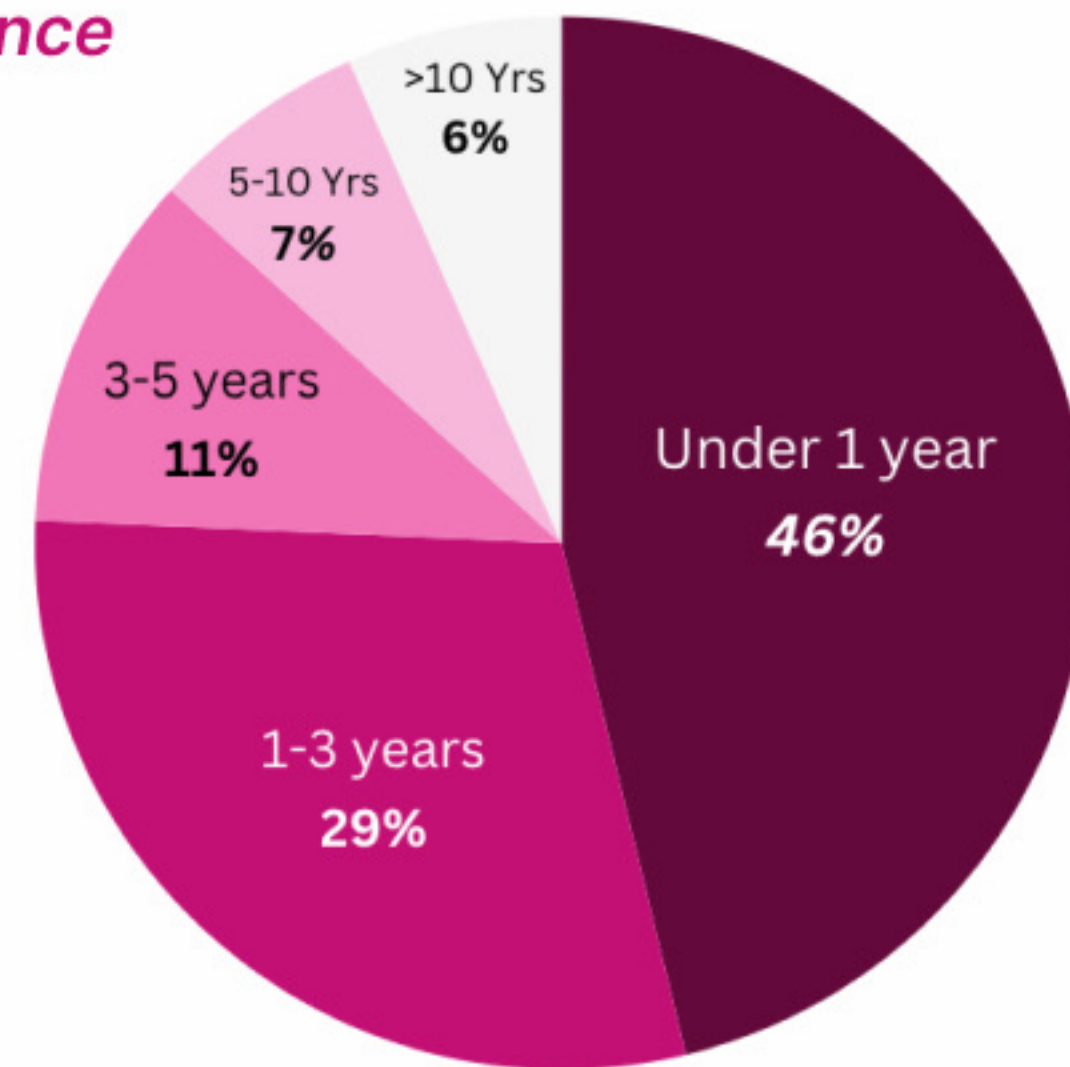


India has **954.4M internet subscribers** and over **50% internet penetration**, highlighting the vast potential for penetration of online financial education, especially in rural areas

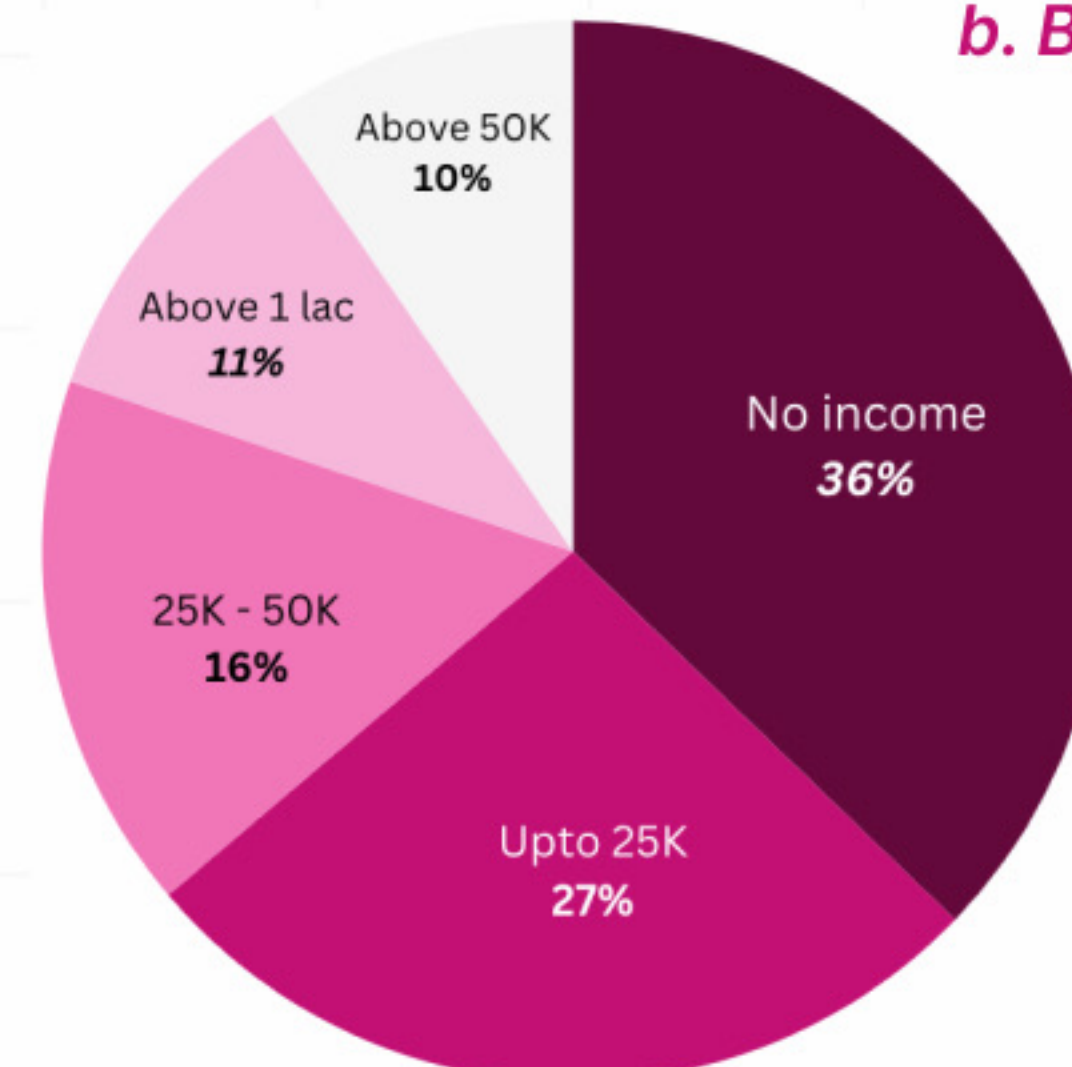
75% received some finance education, **but only 24% feel "highly aware"**. About **78% want to improve their financial understanding**.

Interest to Improve Financial Awareness Among All Respondents

a. By Investing Experience



b. By Monthly Income Level



India is bridging the investment knowledge gap through government campaigns, online resources, school programs, and fintech apps. Initiatives like BSE Institute's courses and NSE's "Knowledge Hub" make investing more accessible, while fintech firms invest in educational materials to simplify the stock market

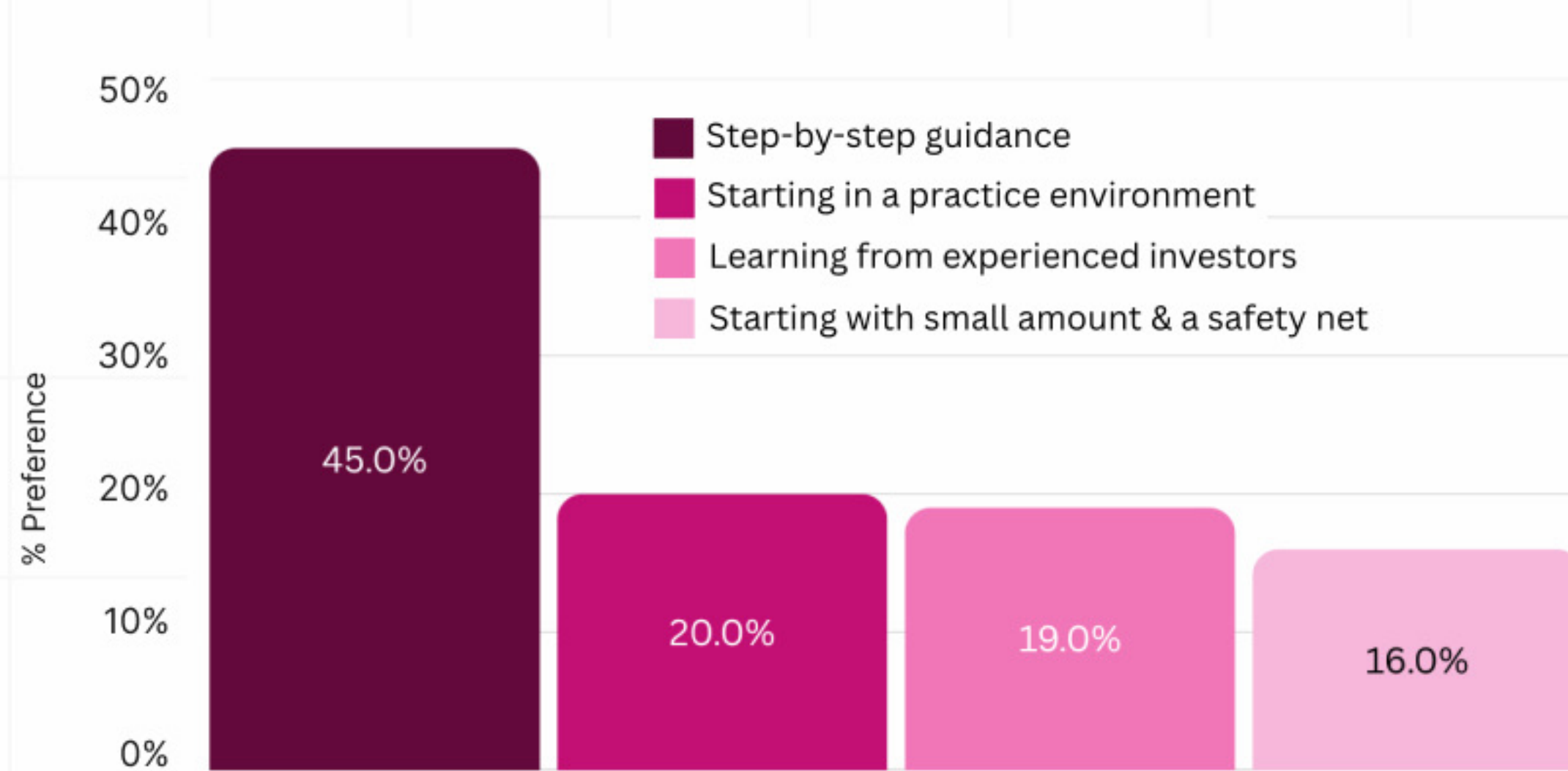
Demand for Structured Guidance

Prospective investors want a clear, **step-by-step method** to get started and a **safe space to practice** before committing their real money.

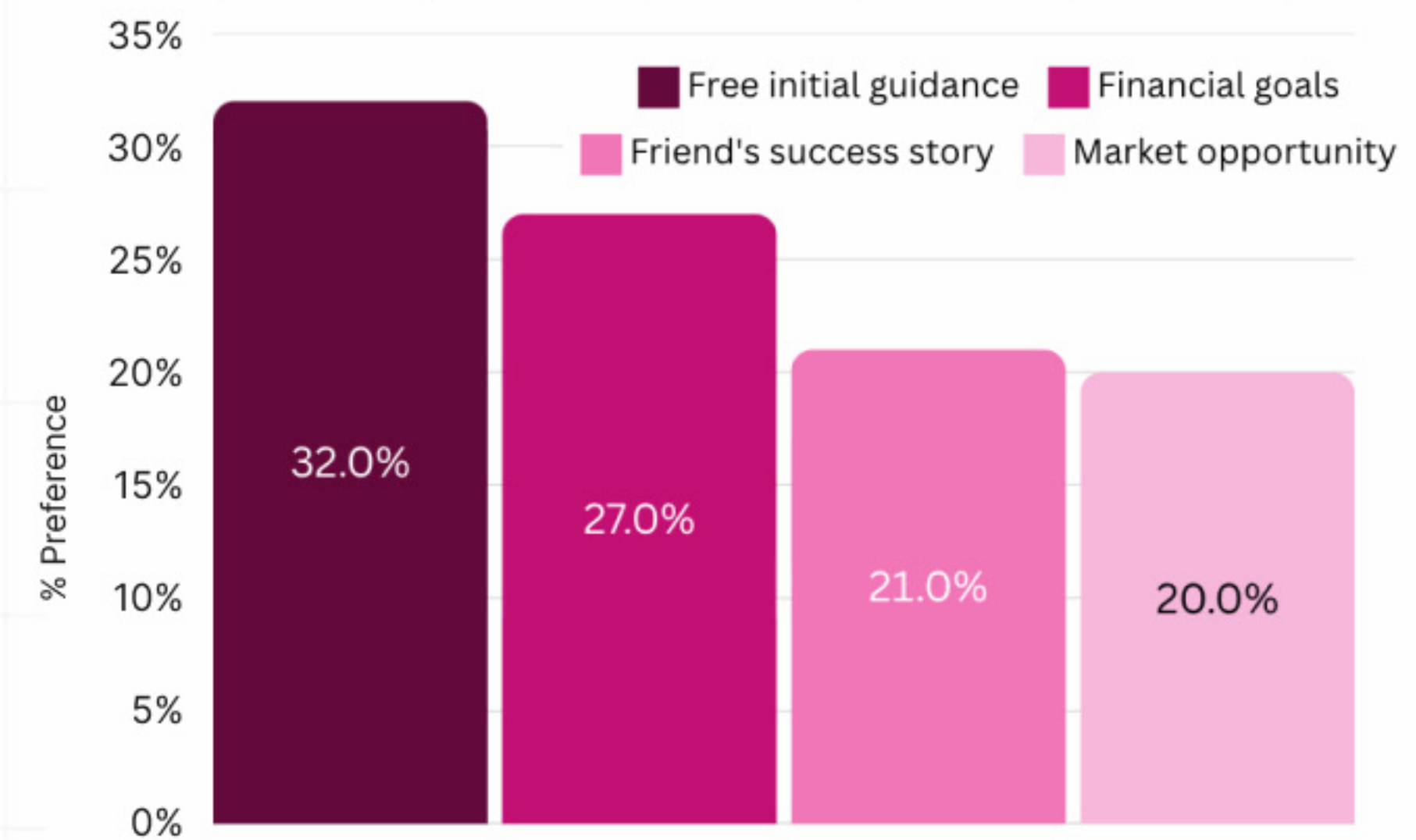
45% of aspiring investors seek step-by-step guidance to begin.

32% of non-investors would start immediately if given **free initial support**.

Stimulus Needed to Begin



Trigger(s) to Begin Investing

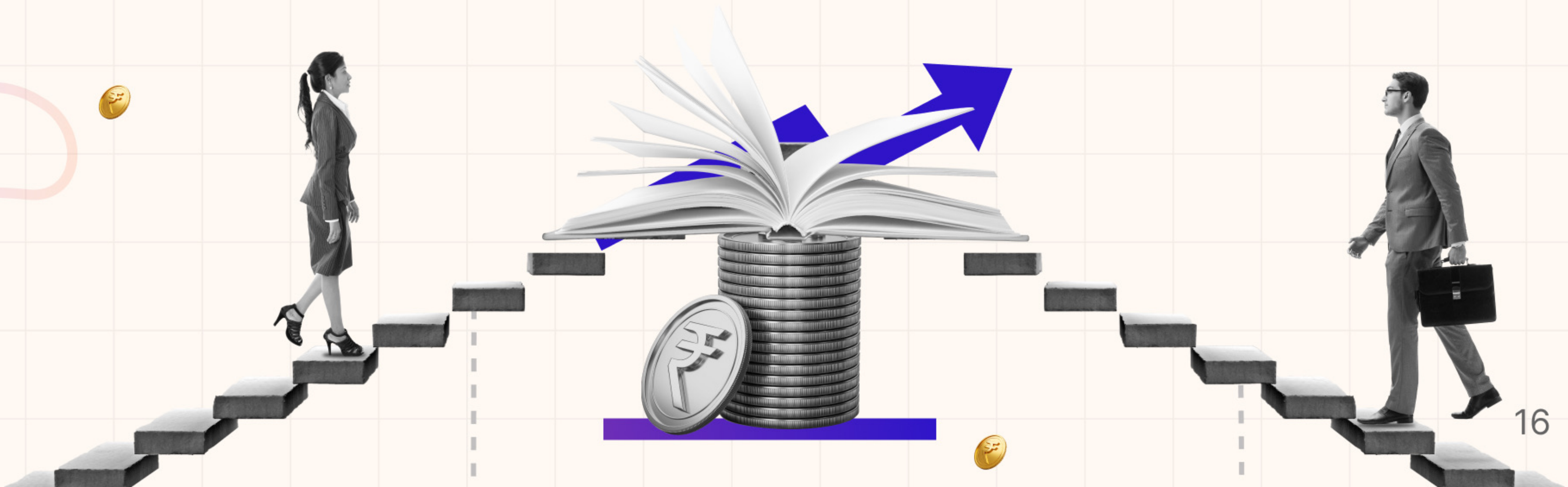


With paper trading and beginner-friendly tools getting popular, fintech platforms have a huge opportunity to bridge this gap, making investing easier, safer, and more accessible for first-time investors.

Psychological & Social Influencers

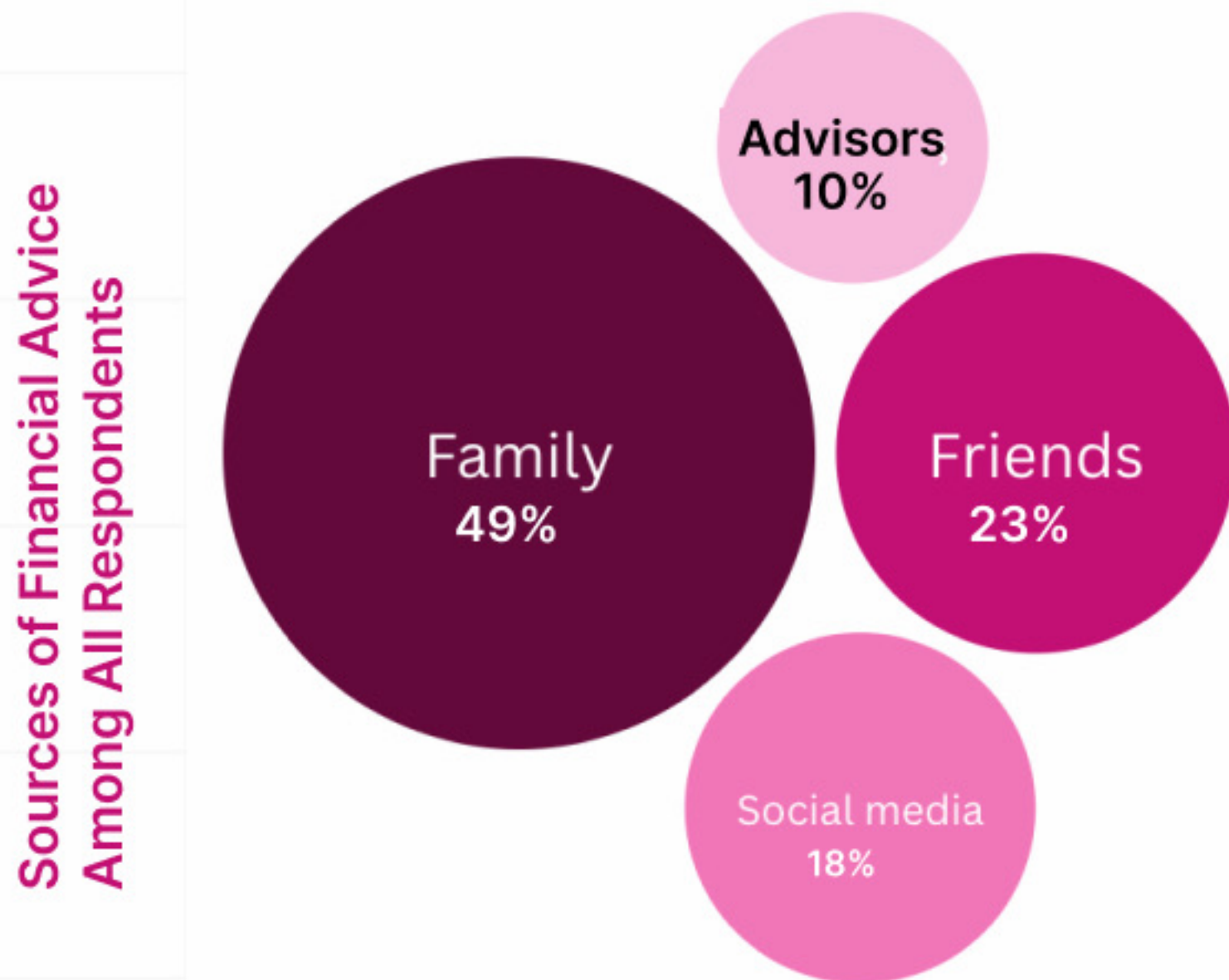


Social circles, particularly family, play a significant role in influencing financial decisions, overshadowing professional advisors and reflecting a reliance on trusted, informal sources of advice.



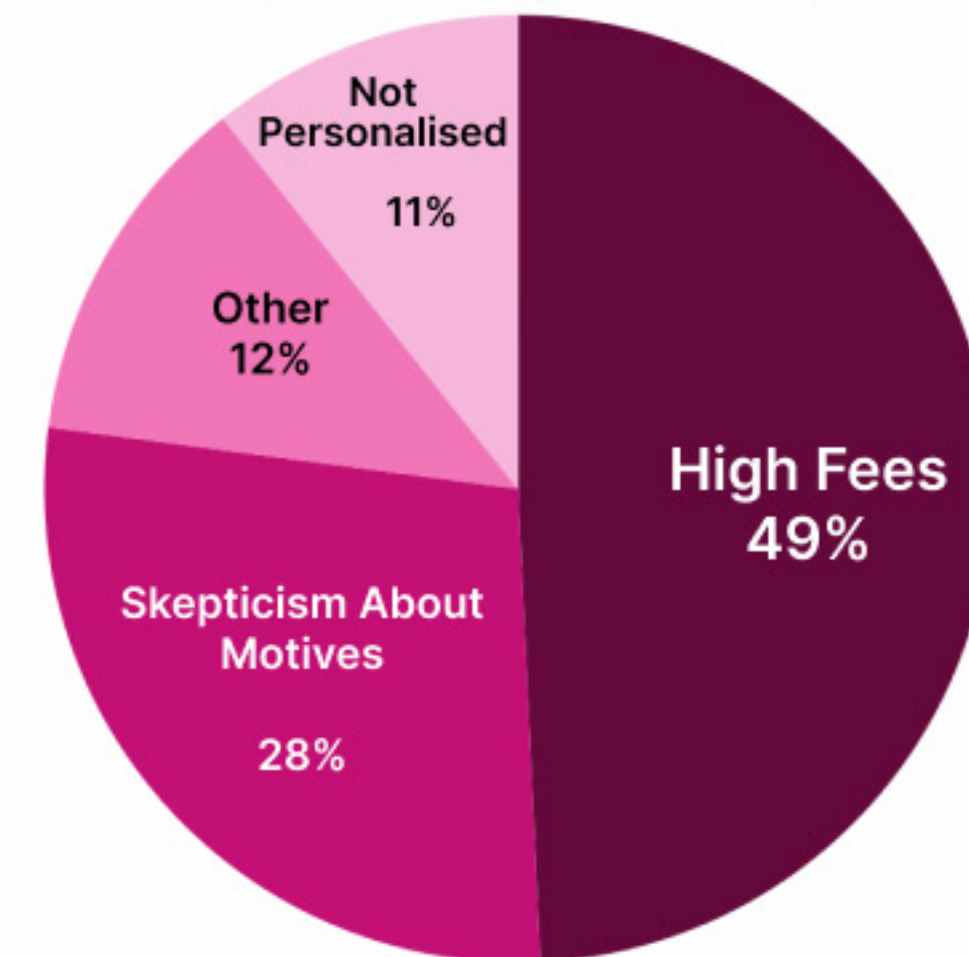
Informal networks still guide financial decisions

49% rely on family for financial decisions but show higher preference for conservative asset classes like bank deposits & gold



Only **10%** depend on professional **financial advisors**, indicating an affordability & trust gap with experts.

Key Trust Gap Drivers Among Respondents Not Preferring Advisors

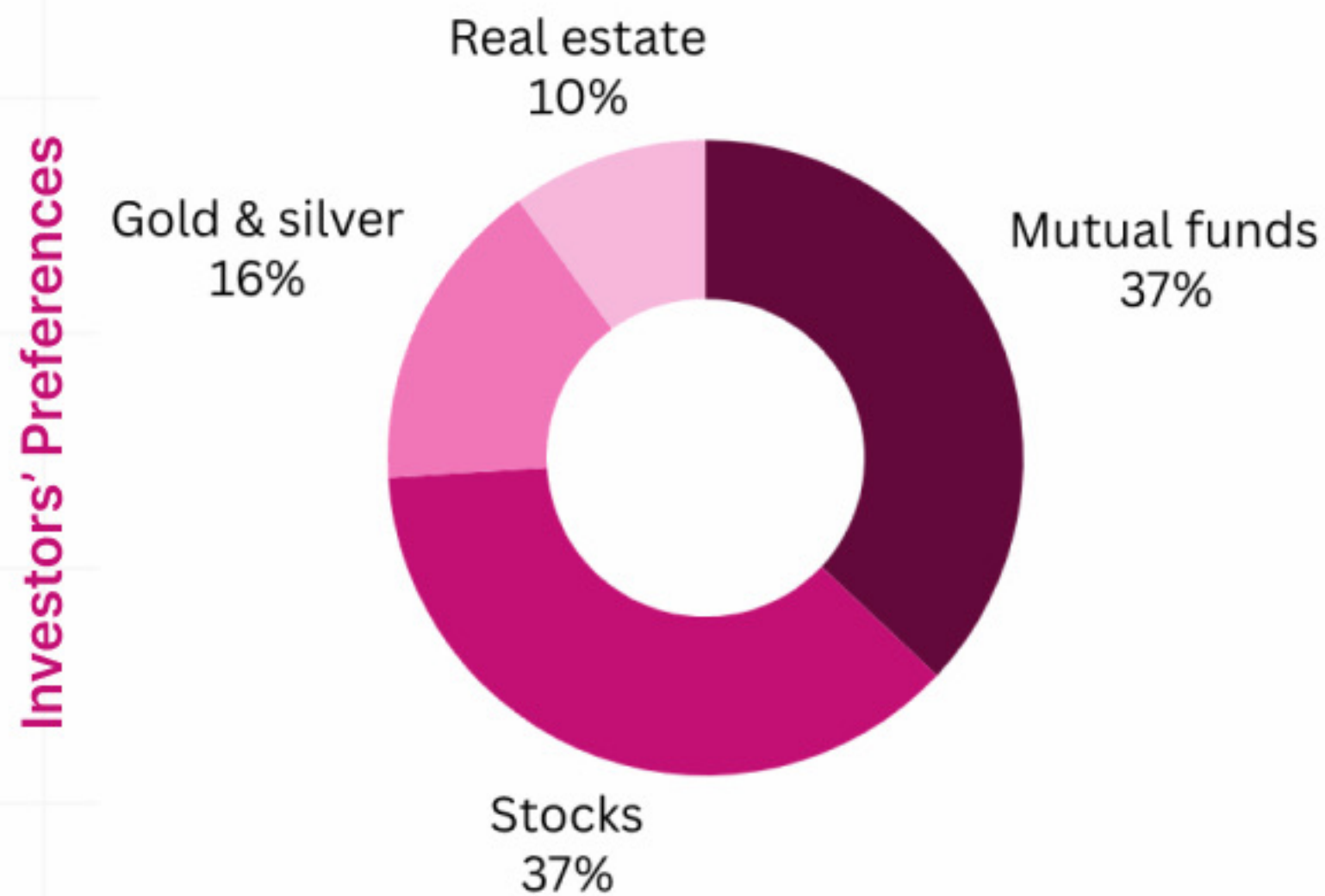


- The financial advisory sector in India is growing, but its reach in non-metro areas is limited. Advisors are often seen as prioritizing commissions!
- SEBI has flagged 8,890 cases of illegal stock advice & misleading content from influencers as of July 17, 2024.

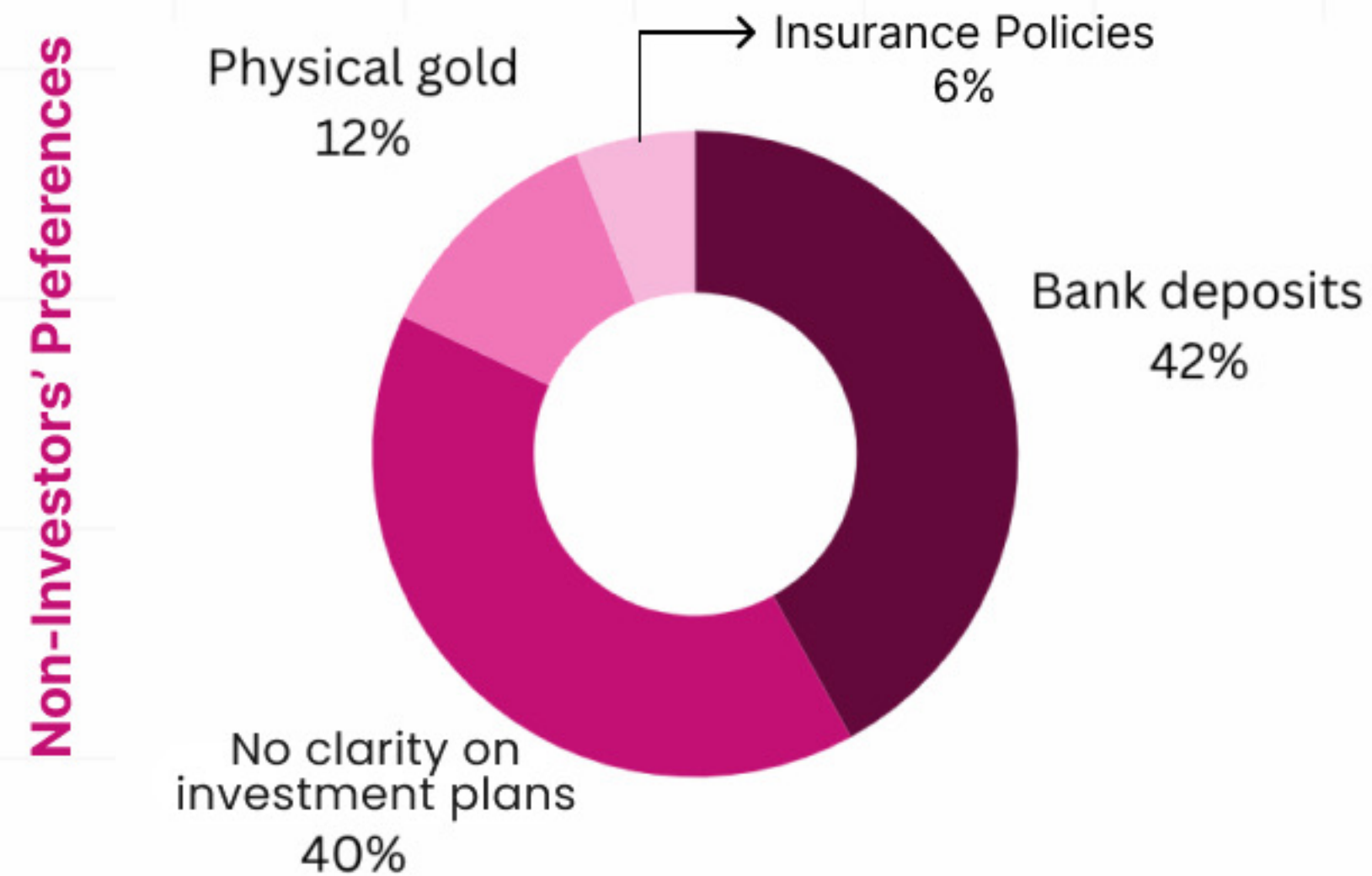
Investment Preference Patterns

While stocks are the favored instrument, many stick to familiar bank deposits when low on guidance.

37% of investors prefer stocks & mutual funds each, reflecting **optimism in equity growth**.



41% of prospective investors rely on bank deposits as their **primary savings method**.



- From 2013 to 2024, exposure to equities in India has risen from 2.2% to 5.8%, but it still accounts for less than 5% of household asset allocation, compared to 35% in the USA
- Diversification is crucial for long-term wealth creation in an inflationary environment. Government is also promoting NPS to promote exposure to capital markets & investment diversification.

Women & Investing: The Road towards Inclusivity

With more people wanting financial education, EdTech and mentors can help fill knowledge gaps in a personalised manner.

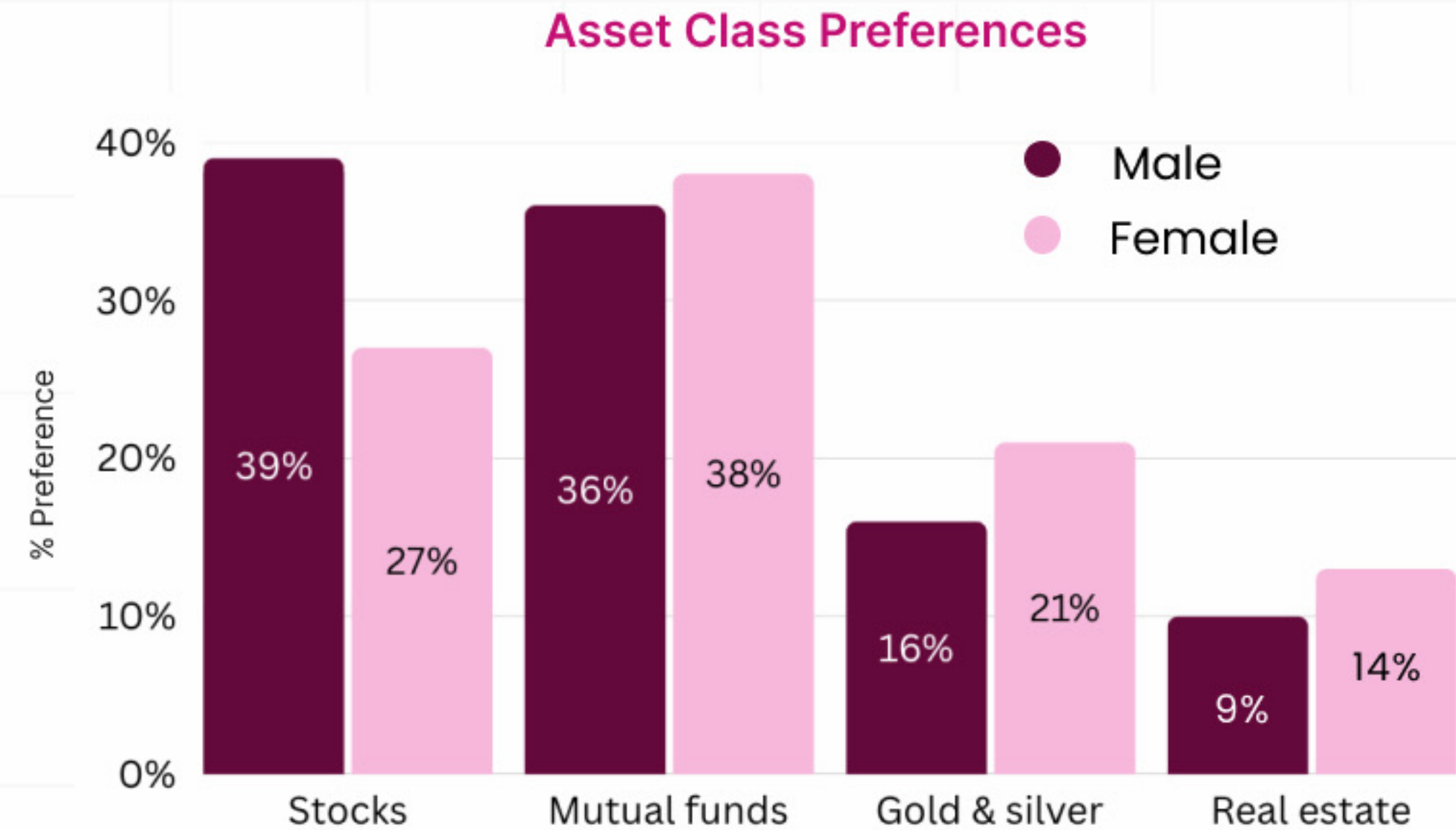




Lack of confidence and risk aversion led to women making conservative investment decisions in higher proportions than men.

Despite 63% of the surveyed women receiving some financial education, only **23% feel highly aware of the stock market.**

Education significantly impacted financial choices; **30% of the female respondents with Masters or higher degrees were more likely to invest.**



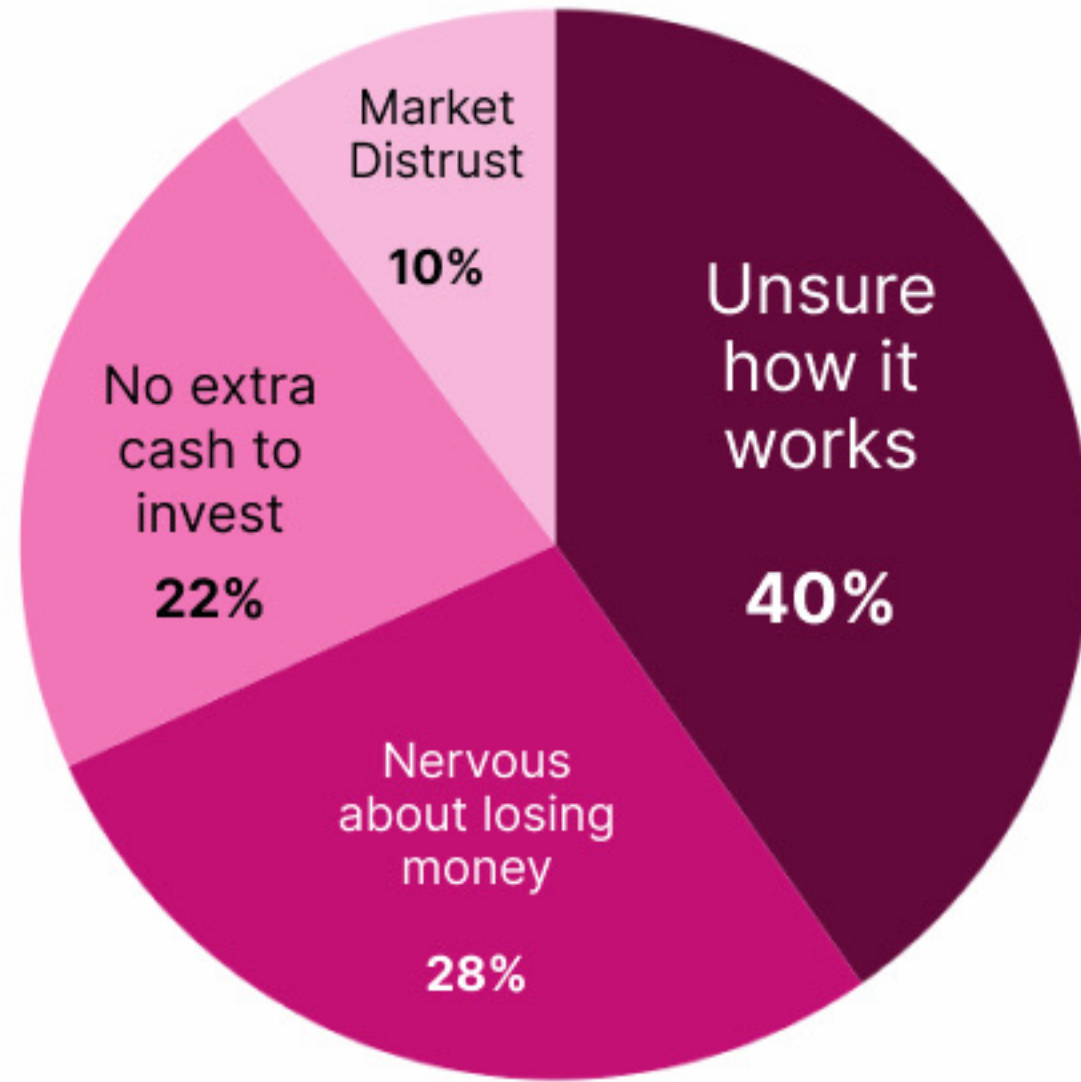
What's Happening?

- Traditional “gender pay gap” thinking now extends into “gender investment gap.”
- With female workforce participation at just 33% (vs. 50% globally), financial independence remains a challenge.
- Cultural norms still position investing as a male-driven activity, even among working women.



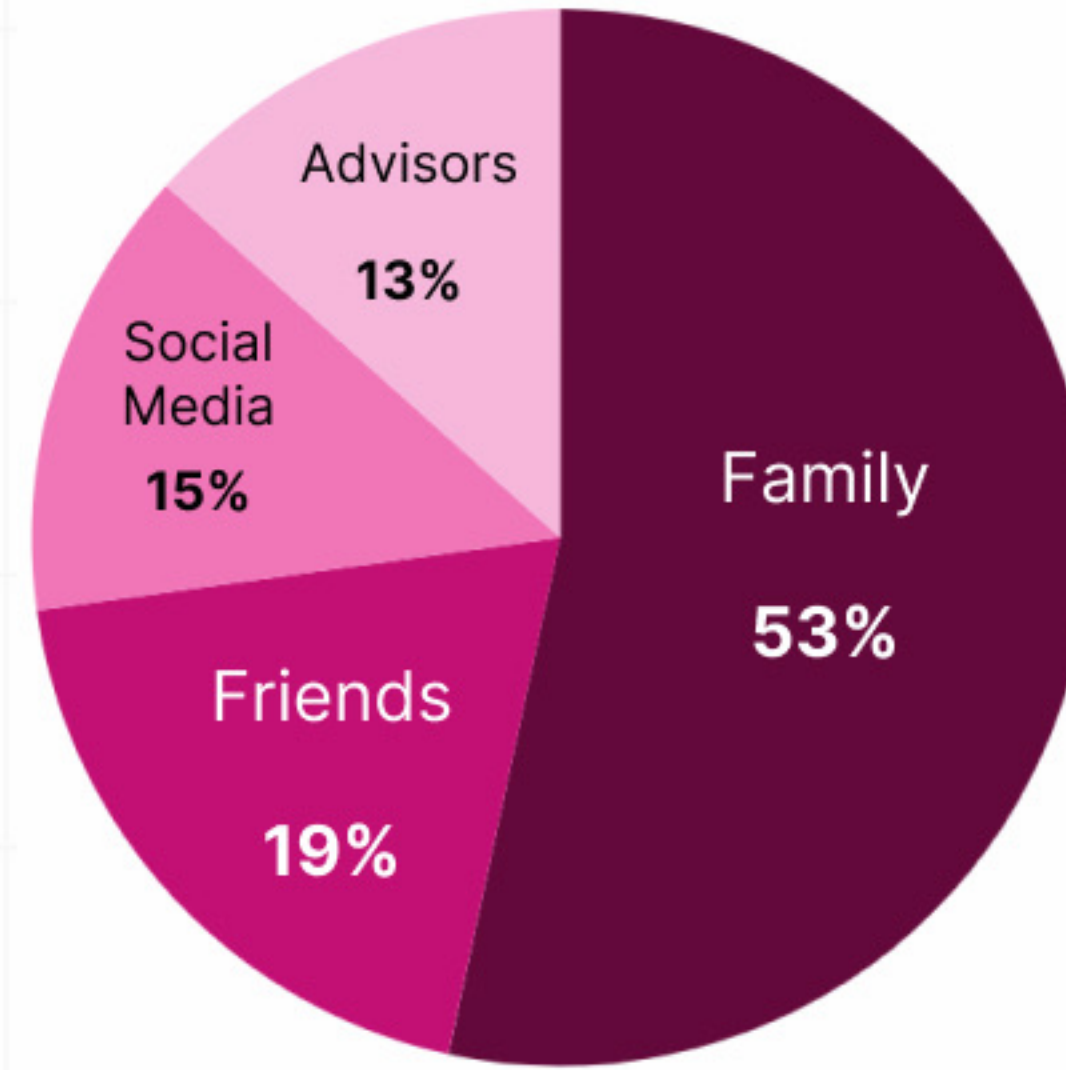
Lack of understanding (40%) & fear of losing money (28%) were significant barriers for **women who never invested.**

Reasons for not investing



53% relied on family to make financial decisions, whereas **only 13% took help from financial advisors.**

Source of Financial Advice



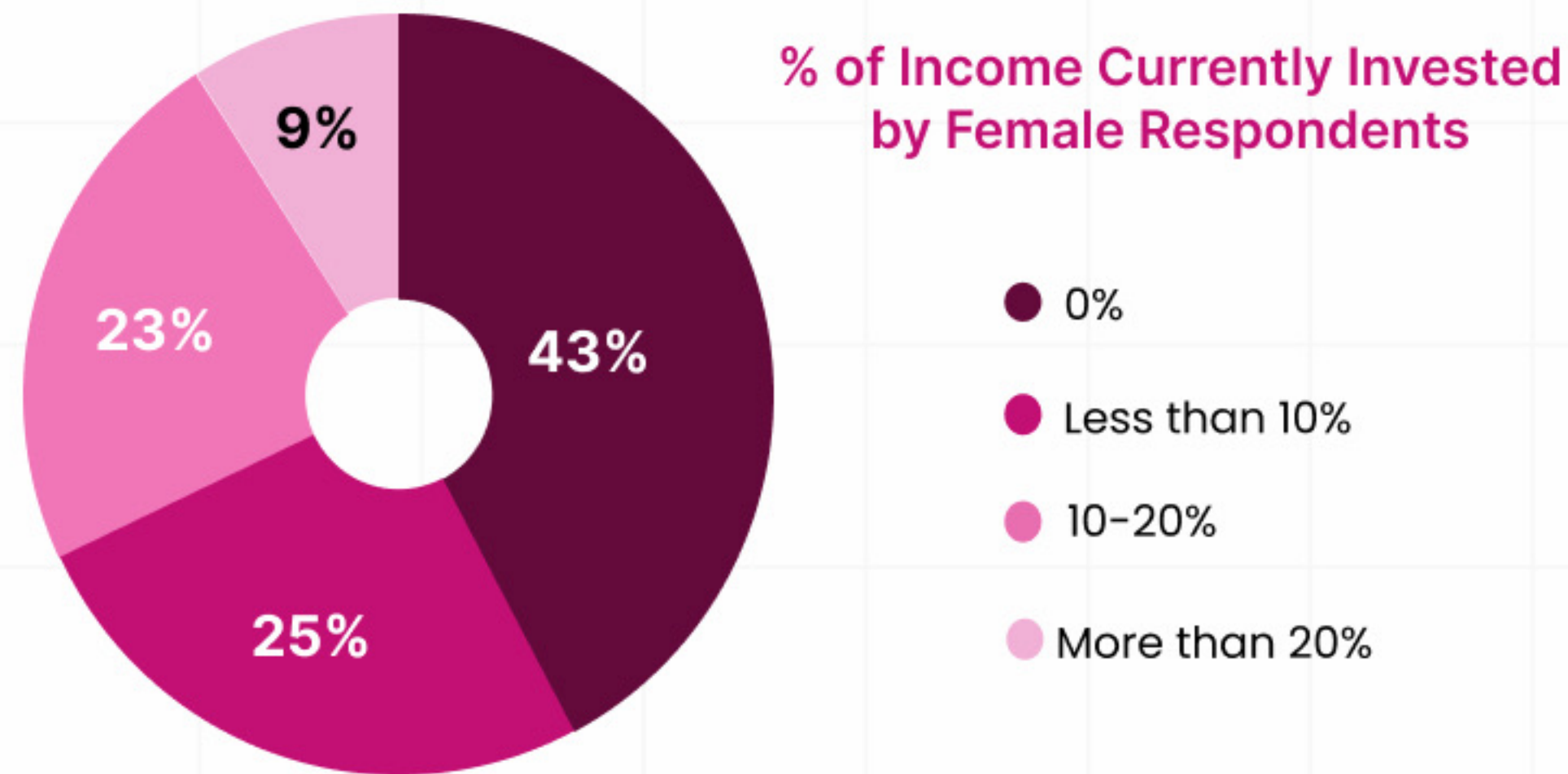
Investment Preferences:

- Real Estate and Gold: Women show a strong preference for real estate (a tangible, stable investment) and gold (a safe-haven asset) as opposed to more volatile asset classes like stocks or mutual funds.
- These preferences reflect risk aversion and a desire for tangible assets with long-term value, rather than investments that can fluctuate based on market conditions.



The gap between financial goals and current practices

While 41% of women respondents aim to create additional income through investing, **36% have no specific savings plan.**



71% are willing to dedicate 1-5 hours per week to gain knowledge about investing.

Stimulus Needed by Women to Start Investing



Bottomline:

The data highlights the need to close the gender gap by promoting financial literacy, accessible platforms, and inclusive environments for female investors.

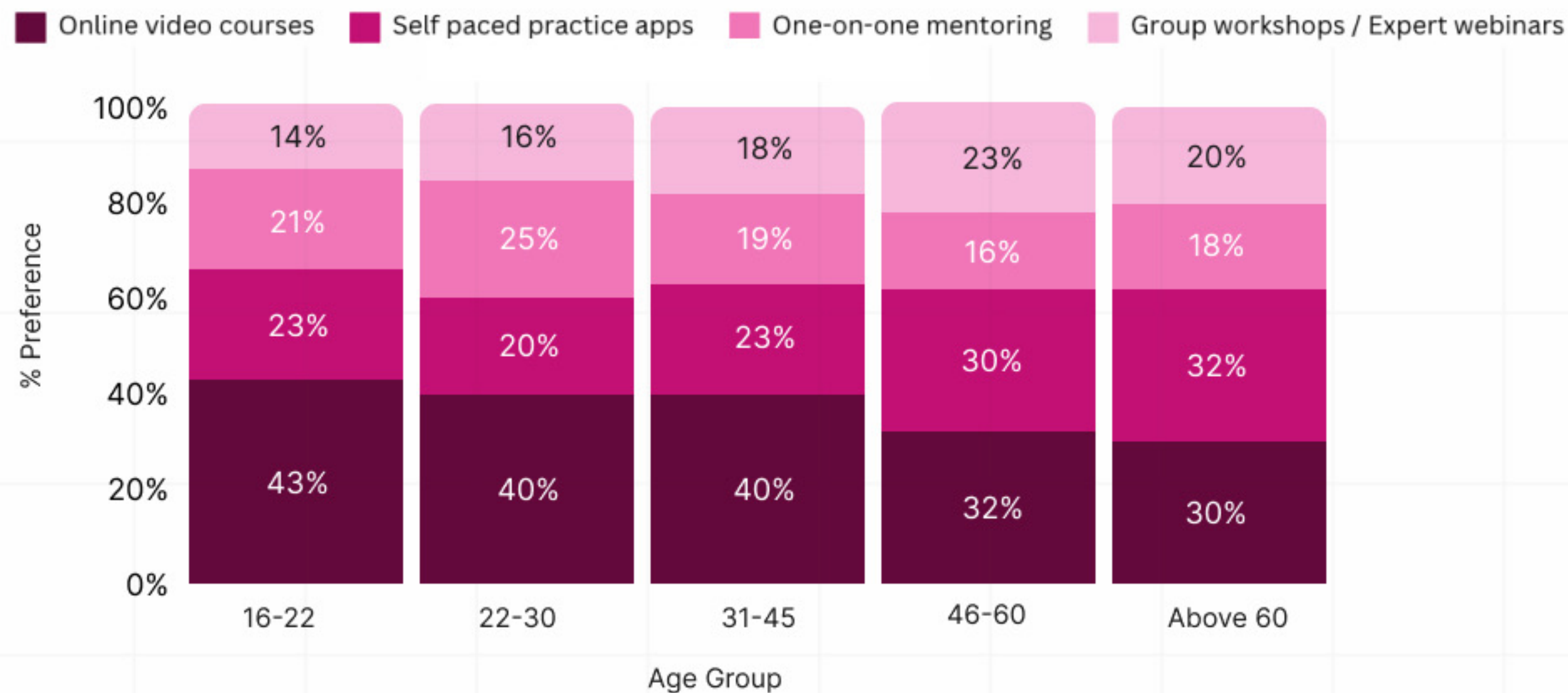
A Market Ripe for Financial EdTech

To support the growth of a well-informed investor base, tailored strategies and educational interventions must be implemented across various sectors.

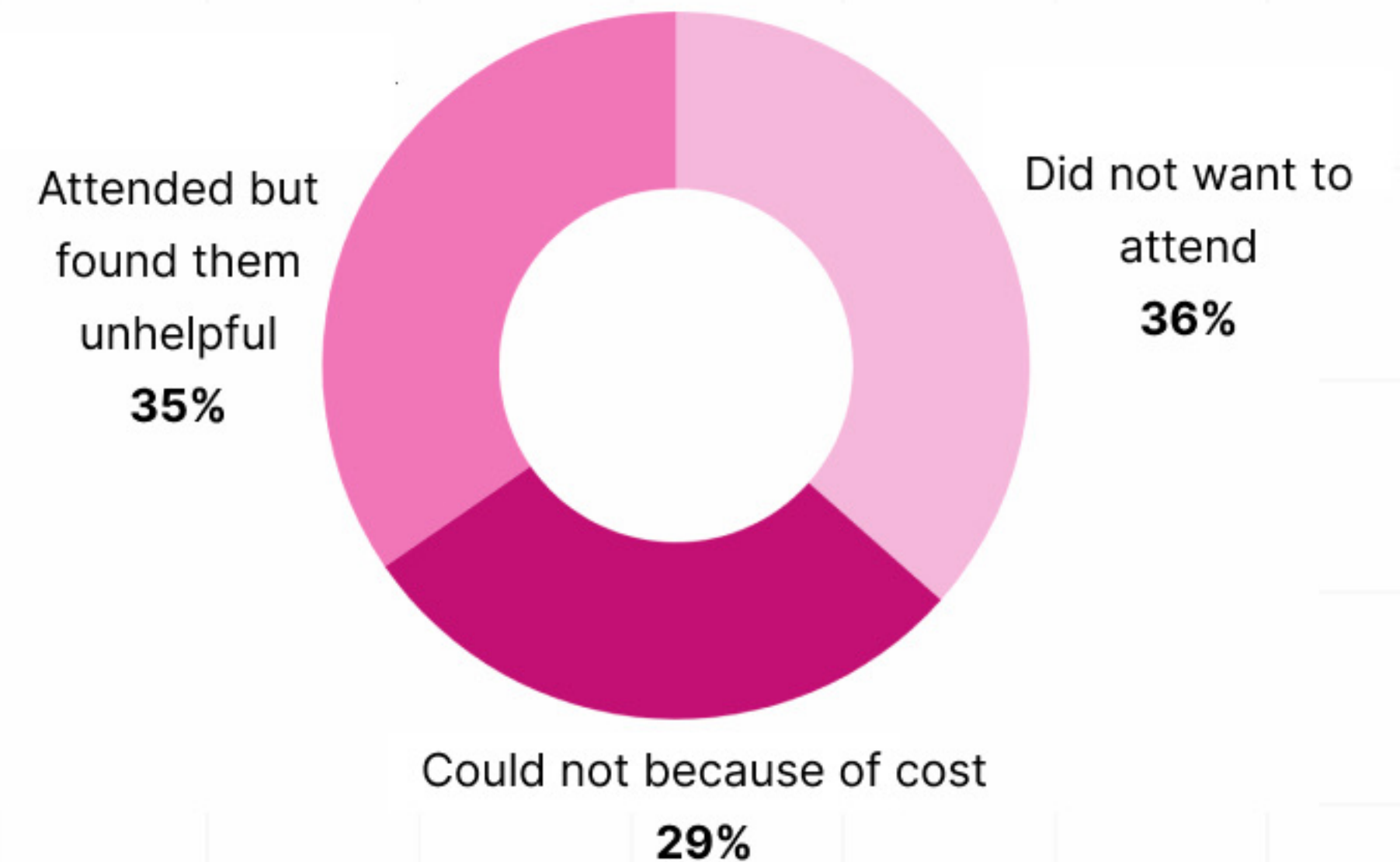
Over 40% of younger, time starved learners prefer video courses & self paced practice apps for **flexible learning**.

Training sessions did not seem to help, as respondents **struggled with affordability and effectiveness**.

Preferred Mode of Learning



Problems with Training Sessions



- India's edtech sector is projected to reach US\$10.4B by 2025 and 37M users are opting for paid services, reflecting a rising acceptance of digital education.
- Concise digital courses and self-paced learning, fit into busy schedules, and are more cost-effective and scalable than traditional formats.

Conclusion

As India's investor base diversifies and grows, structured financial education will help in bridging the knowledge gap and fostering a culture of investment.

Consolidated Insight:

Financial literacy & guided onboarding is the foundation for safer and smarter investing. As more people enter the market, expanding knowledge, practice environments, and access to experts will ensure people avoid risks, and grow their wealth responsibly.

Path Forward



“ Inclusive and well-informed investor communities, empowered by technology, will not only drive sustainable market growth but also ensure resilience in navigating market volatility. ”



Closing statement:

- Today's investors are at a crossroads where digital platforms have made markets increasingly accessible but turning curiosity into action remains the key challenge.
- With professional guidance and experiential learning, India can unlock immense wealth creation potential. Simplifying investors' journey will open up the future of inclusive investing.
- At StockGro, we're dedicated to making this vision a reality - empowering diverse investors to enter the markets confidently, armed with trustworthy guidance, tools, and community support.
- 1Lattice strives to work closely with digital platforms to better understand investors' concerns & knowledge gaps to help the ecosystem curate impactful educational content / tools.

**The road ahead is full of opportunity
- let's travel together!**



Presented by the teams at



Thank you!

For more information, contact us at
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