



INVESTMENT TRENDS OF VIETNAMESE YOUNG PEOPLE

Assoc Prof, Ph.D. Hoang Thanh Tung

University of Labour and Social Affairs. Email: [hoangthanhtung15\(at\)gmail.com](mailto:hoangthanhtung15@gmail.com)

Nguyen Gia Ky

Australian International School [jackiejan2006\(at\)gmail.com](mailto:jackiejan2006(at)gmail.com)

Corresponding: hoangthanhtung15@gmail.com

ABSTRACT

To examine the investment trends of Vietnamese young people, the research team surveyed the investment trends of young people living, studying, and working in Vietnam. Survey results show that the investment trends of young people today are diverse in investment types such as (1) Real estate investment, (2) Financial investment, (3) Gold investment; (4) Bank deposit... The research team also learned from survey participants about their priorities for investment channels and clarified the investment characteristics of young people. Through analyzing survey data, the research team had some discussions on investment trends of young people, raising young people's awareness of investment activities and choosing appropriate investment channels to optimize profitability for young investors and minimize risks.

KEYWORDS

Trend, investment, real estate, financial investment, gold investment, bank deposit, young people, Vietnam.



1. Identify the issues

Young people today tend to make money early and have a variety of money-making channels from business activities to investments. In many developed countries, investing is considered an important habit of young people. Typically, in Korea, statistics show that in the first half of 2020, 30% of securities trading accounts belonged to investors in their 20s and 26% were in their 30s (vnbusiness, 2022). Investing is no longer a strange activity for young people in the current context of global integration. The investment environment in Vietnam is considered to be quite vibrant, diverse, and rich in investment forms. Real estate, gold, Bitcoin, or securities are new investment ideas that have become popular among young people in recent years, although Vietnamese law has not yet legalized Bitcoin investment, in the process of integration and globalization, young people have gradually learned and exploited this investment channel. By knowing how to exploit the advantages of each type, having knowledge, a clear investment plan, and good discipline, many young people have succeeded and owned admirable wealth (Bao Chau, n.d). In the real estate investment channel alone, in Vietnam, the trend of homeownership among young people is quite vibrant. According to records from DKRA Vietnam Real Estate Services Group, over the past 10 years, the proportion of young people under 35 years old buying houses has gradually increased, reaching 23% (Khanh Huyen, 2022). A popular investment trend among young people today is to invest in real estate but in a more modern way than traditional forms of investment (Quang Vu, 2022) or for investment channels in banks, the new investment mindset of young people today is not very interested in bank deposit interest rates.

Realizing that the investment trend of today's youth is strong with a variety of investment types, however, each type of investment has certain advantages and disadvantages and is suitable for each subject. To explore the investment market along with the investment appetite of young people, the research team conducted a research project on the investment trends of Vietnamese young people today. The research focuses on answering the question: What investment channels do Vietnamese youth focus on, and what factors influence young people's investment activities? Thereby, the study clarifies the investment trends of young people and provides some discussions to promote the investment activities of young people following each target group and investment channel to optimize profitability for young investors.

2. Overview of investment and investment forms

Definition of investment

Investment is an activity that uses current resources (such as finance, material, labor, intelligence, and time...), to achieve greater profits and economic benefits in the future compared to the resources spent (Prudential, n.d).

Investment channels

(1) Real estate

Real estate investment is the act and activity of buying, owning, managing, leasing, and selling real estate for profit. (Homedy, n.d).

(2) Finance

Securities: Securities investment is investing in products on the securities market, specifically securities, bonds, and opens funds. (Prudential, n.d).

Bitcoin: Currently, in Vietnam, there is no official concept of bitcoin investment because Vietnamese law has not yet legalized it. However, investing in Bitcoin can be understood as using money to buy Bitcoin and waiting for the high price to sell to gain the difference in profit. This method is the most basic method, also known as buying and selling physical coins, that many traders have applied since Bitcoin appeared. (Hostify.vn, n.d).

(3) **Gold investment.** Investing in gold means buying gold and relying on fluctuations in gold prices to make a profit or buying and selling gold to make a profit. (Finhay, n.d).

(4) **Bank deposit.** A savings deposit is an individual or organization that deposits their idle money in a bank to receive periodic interest at the interest rate set by the bank. (Topi, 2023).

3. Research methodology

To study “*Investment trends of Vietnamese young people*”, the research team used two research methods including desk research (reviewing documents published in the media) and sociological survey (collecting surveys with young people - under 30 years old in Vietnam). The data will be compiled and analyzed using Excel software.

Using the desk research method, the research team reviewed investment documents, articles related to investment trends, investment types, and factors affecting investment intentions of young people published in the media, considering the investment characteristics of young people. From there, the research team built a survey form to conduct a sociological investigation on the investment trends of Vietnamese young people.

Regarding the sociological investigation method, the research team conducted a preliminary survey and discussed with interested young people, who had invested or intended to invest in the future. Discussion members are free to give their opinions on aspects related to investment activities and investment forms. The preliminary research sample size is 10. The preliminary research results are used to complete the research questionnaire. After having a complete survey, the research team sent and collected the survey using the link on Google Forms

(https://docs.google.com/forms/d/e/1FAIpQLSfSTCOMx_qd4rbICo3NIN_UXVEsXvZvYTNnCWYI_getarNxzg/viewform)

The target audience is young people (under 30 years old) living in different areas in Vietnam.

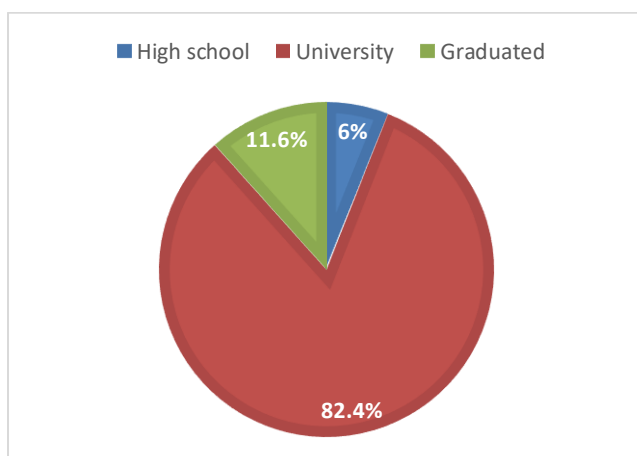
The data collection method conducted by the research team is based on the convenience sampling method and the “snowball” method - the method of finding the next subject based on the suggestion or introduction of the interviewed subject) to ensure a sufficient sample size, the number of survey questionnaires collected was 301, and data were processed and analyzed using Excel software.

4. The survey results

4.1. Characteristics of survey participants

Survey participants included 301 young people studying, living, and working in Vietnam. Of these, 72.8% are female, 25.6% are male, and 1.7% do not want to specify. The educational level of the survey participants is shown in *Figure 1*.

Figure 1. The educational level of survey participants

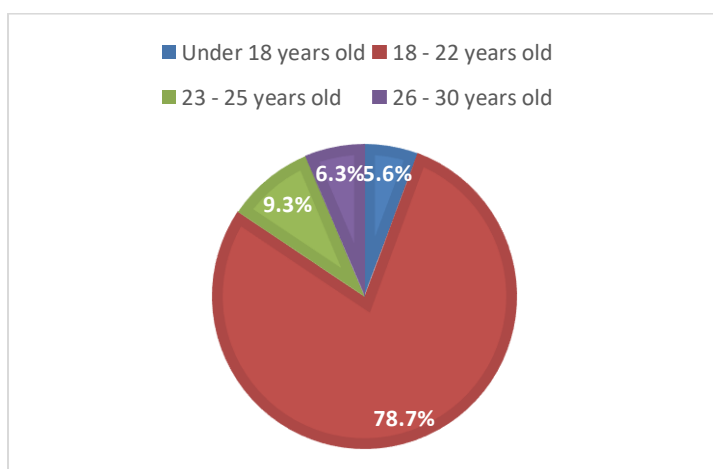


Source: The survey results

Figure 1 shows that the survey participants mainly came from universities (82.4%) and high schools (6%). Other subjects come from college, have just graduated from high school, or are already working (11.6%).

Regarding the age of survey participants, the majority were from 18 - 22 years old (78.7%); followed by 28 people aged 23 - 25 years old (9.3%); 6.3% of survey participants were 26 - 30 years old and 17 were under 18 years old (5.6%) (Figure 2).

Figure 2. The age of survey participants



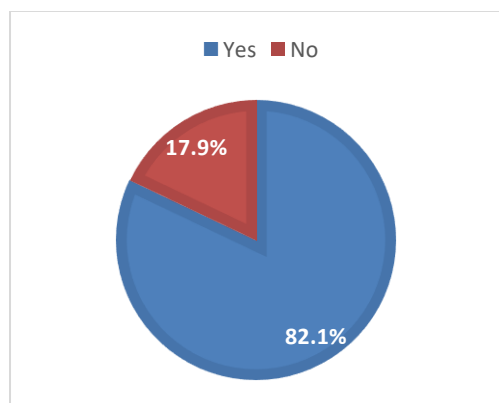
Source: The survey results

Along with that, among the 301 students participating in the survey, about 77.4% are living in the inner-city area and the remaining 22.6% are from the suburban area.

4.2. Investment trends of Vietnamese young people

Of the 301 young people participating in the survey, 74.1% of you answered that you have never done investment activities, and only 25.9% of you have approached and carried out investment activities. Among 223 young people who have never invested, when asked about their intention to invest in the future, 82.1% of them answered that they have the intention, and 17.9% answered that they do not intend to invest in the future. (Figure 3).

Figure 3. Intention to invest in survey subjects.



Source: The survey results

Among the 40 young people who do not want to invest in the future, there are many reasons to explain this. Specifically, 57.5% of you think you do not have enough resources to invest, with the highest number of choices; Next, 55% said that they like a stable job that comes with a stable income; 47.5% of you do not have much experience in investing; 37.5% said that investing is a risky thing, which is the reason they do not want to invest in the future and 22.5% answered that the reason is simply not liking to invest (Figure 4).

Figure 4. Reasons for not wanting to invest in survey subjects

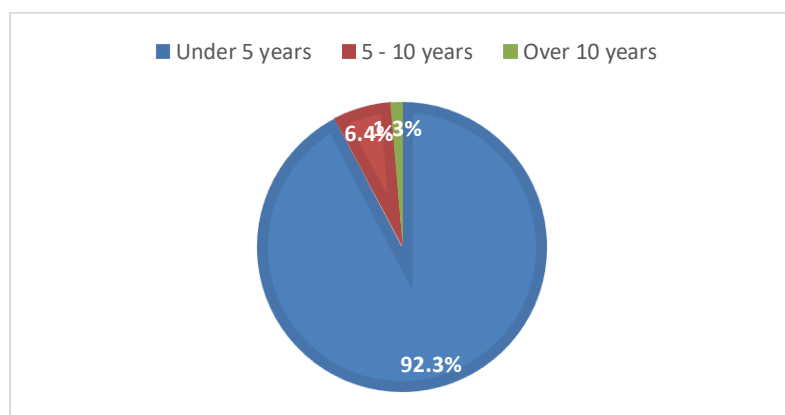


Source: The survey results

Therefore, it can be concluded that currently, young people tend to promote personal investment activities. Of the 301 young people participating in the survey, only 40 have no intention of investing in the future. This is consistent with the current general trend.

Of the 78 young people who have been investing, 72 have been active for less than 5 years now (92.3%); 5 people have been investing for 5 - 10 years (6.4%) and 1 person has been investing for over 10 years (1.3%) (Figure 5).

Figure 5. Time to start investing in survey subjects.

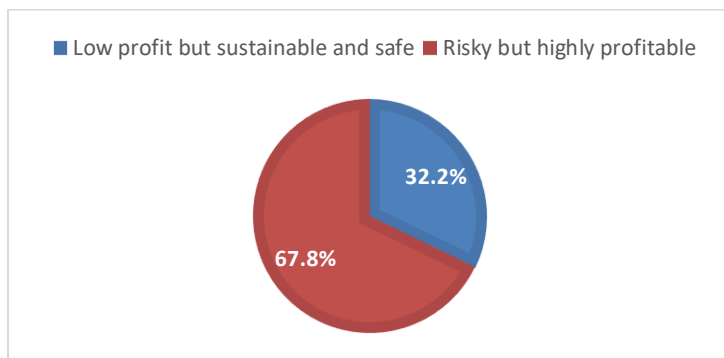


Source: The survey results

Of the total 261 young people participating in the survey, 163 have ever invested or intend to invest by depositing in banks in the future (62.5%); Next, 111 people (42.5%) have ever invested or intend to invest in financial channels (including securities, bonds, fund certificates...); 102 of you have ever or intend to invest in real estate (39.1%) and 35 of you (13.4%) have ever or intend to invest in cryptocurrency (Bitcoin, Ethereum...) (Figure 6). This shows that you have or intend to invest the most in banks - a relatively safe investment channel and the least in cryptocurrency - a relatively risky, high-risk investment channel. The survey results are different from the research team's previous overview. However, this difference is not contradictory, because young people's investment decisions not only depend on their intentions and preferences, but the resource factor still plays an important role. Survey results show that young people mostly want to take risks (Figure 6), however, due to some factors such as limited resources and finances, we still have to choose a safe option.

When surveyed about the survey subjects' views on the current investment trends of young people, 177 people said that today young people like risky investments that bring high profits (accounting for 67.8%); Only 84 people (32.2%) think that young people today like to invest safely and sustainably despite low profits (Figure 6).

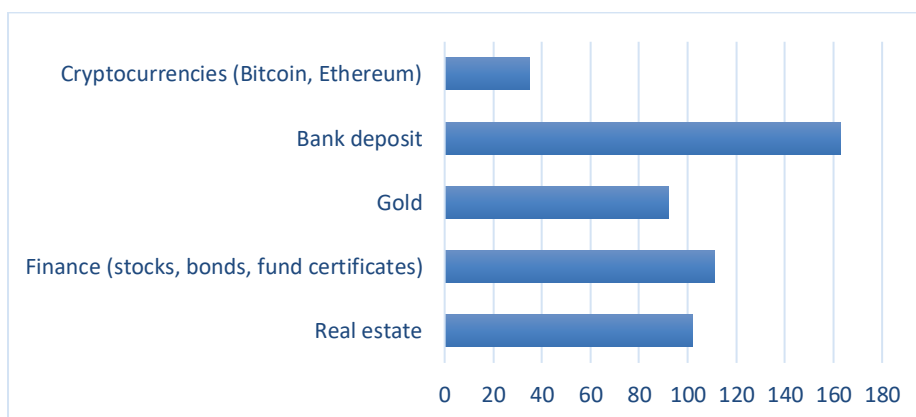
Figure 6. Survey subjects' views on current investment trends of young people



Source: The survey results

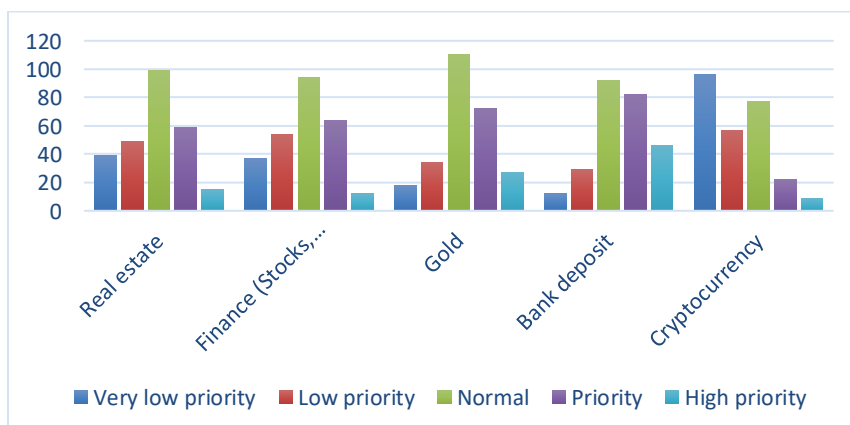
Survey on whether or not you consider investing to be your main source of income in the future, out of 261 people who have and intend to invest in the future, 146 people answered yes (55.9%) and 115 people answered no (44.1%). So, it can be concluded that most of you consider private work to be the main source of income in the future.

Figure 7. Investment channels that survey subjects have ever invested in or intend to invest in



Source: The survey results

Figure 8. Priority level among investment channels of survey subjects



Source: The survey results

Figure 8 shows the level of priority among investment channels of survey subjects, specifically, according to the research team's calculations, bank deposits are the most preferred investment channel with 3.46 points; Next is a gold investment with a score of 3.21 points; Real estate and financial investment (securities, bonds, fund certificates...) are two investment channels with the same priority (2.85 points) and the least preferred investment channel is investing in cryptocurrency (2.20 points). This shows that survey participants have become "riskier" in investment activities, but that has not been shown clearly, mainly young people still prioritize safer investment channels.

Table 3. Priority level among investment channels of survey subjects

	1	2	3	4	5	Average score	Priority level	Order of priority
Real estate	39	49	99	59	15	2.85	Normal	3
Finance (Securities, bonds, fund certificates)	37	54	94	64	12	2.85	Normal	3
Gold	18	34	110	72	27	3.21	Normal	2
Bank deposits	12	29	92	82	46	3.46	Priority	1
Cryptocurrency	96	57	77	22	9	2.20	Low priority	5

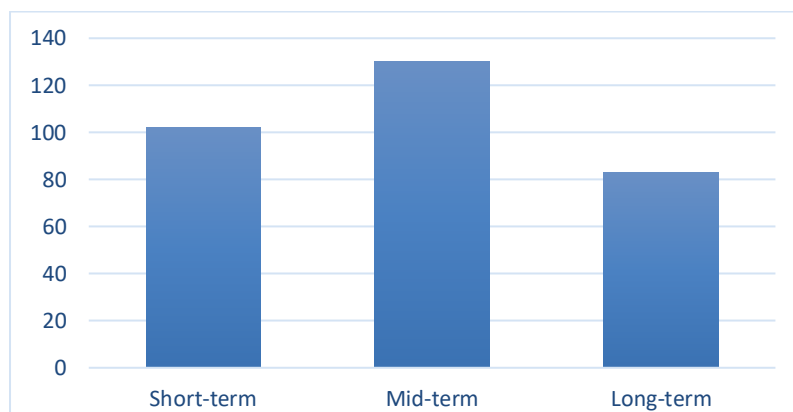
Source: Compiled and calculated from survey results

Thus, from the survey results, it can be seen that young people tend to choose risky investments instead of safe investments. However, that is only the desire of young people for risky investment channels, and the priority and intentions of young people are still mainly safe investment channels. The most typical is bitcoin - the venture capital channel that receives the least attention because basically, the law has not recognized bitcoin as an official investment channel, young people are aware of many potential risks, so they give it the least priority for this type of investment.

This poses a practical problem, which is that despite the desire to make risky investments to optimize profitability, safety is still prioritized, possibly due to a lack of resources, understanding, and investment knowledge as well as low-risk management ability leads to a difference between desires and intentions, giving priority to such investment channels.

Regarding investment trends, the majority of you prioritize medium-term investments (130 people); Next, 102 people tend to choose short-term investments (39.1%), and long-term investments are the least chosen by them (83 people). This is consistent with reality because young people are not strong enough in terms of financial potential and need to recover capital quickly, so medium and short-term investments will be given priority over long-term investments. (Figure9)

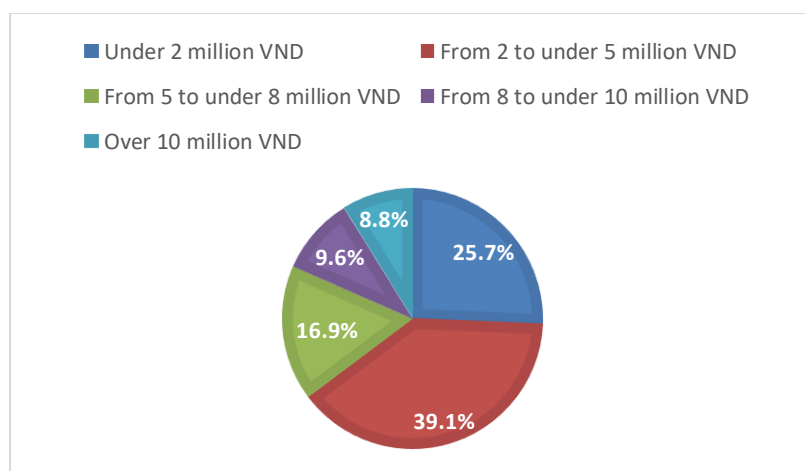
Figure 9. Investment term of survey participants



Source: The survey results

When asked about the amount of money they plan to invest each month, 102 people spend from 2 to less than 5 million per month to invest (39.1%); Next, 67 people spend less than 2 million per month to invest (25.7%); 16.9% spend from 5 to less than 8 million to invest each month; 25 people spend from 8 to less than 10 million VND per month to invest and 23 people (8.8%) spend over 10 million VND per month to invest (Figure 10). Therefore, it can be seen that the majority of survey subjects spend from 2 to less than 5 million on investments each month.

Figure 10. Expected amount of investment per month of survey subjects

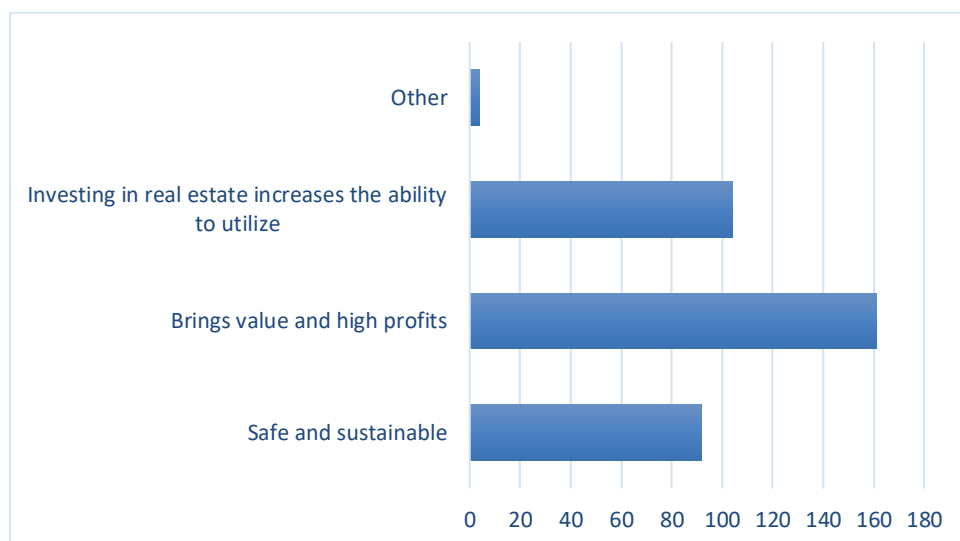


Source: The survey results

4.3. Real estate trend investment

For the real estate investment channel, bringing value and high profits is the advantage that many young people agree with the most (161 people); Next, 104 people (39.8%) said that investing in real estate increases the ability to utilize; 92 people said the advantages of real estate investment are safety and sustainability (35.2%) (Figure 11).

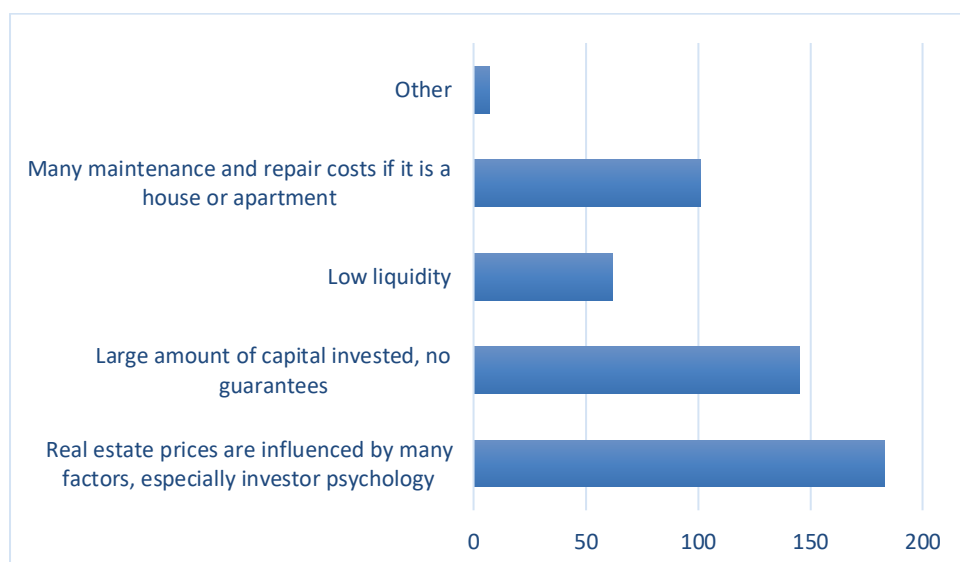
Figure 11. Advantages of real estate investment channel



Source: The survey results

However, real estate investment also has certain disadvantages. 183 young people surveyed said real estate prices are influenced by many factors, especially investor psychology (70.1%); 145 you realize that the disadvantage of real estate investment is a large amount of capital and no guarantees; 101 of you think that investing in real estate requires a lot of maintenance and repair costs if it's a house or apartment, and finally 62 of you think that investing in real estate is an investment channel with low liquidity (23.8%) (Figure 12)

Figure 12. Disadvantages of real estate investment channel

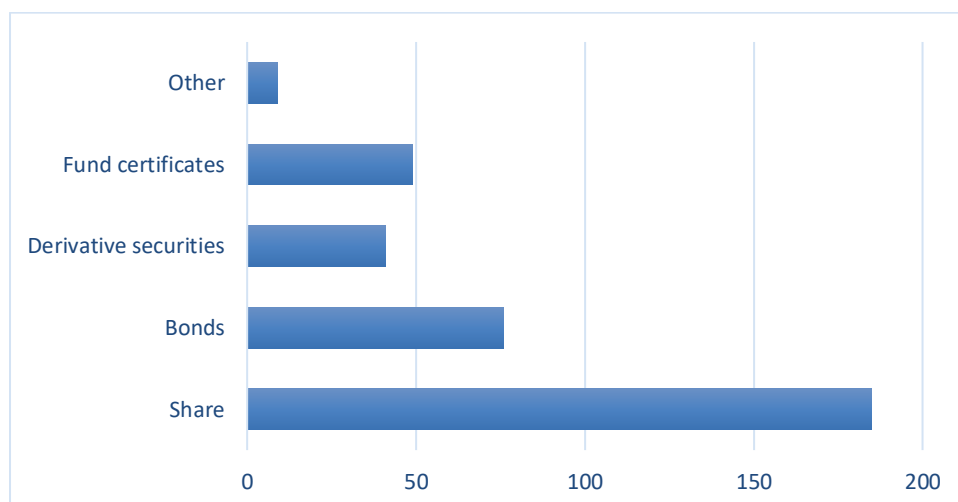


Source: The survey results

4.4. Financial investment

Figure 13 shows that, regarding securities investment channels, the majority of young people choose to invest through securities (185 people); Next is bonds with 76 people choosing (29.1%); 49 people chose to invest in fund certificates (18.8%) and investing through derivatives received the least attention (49 people).

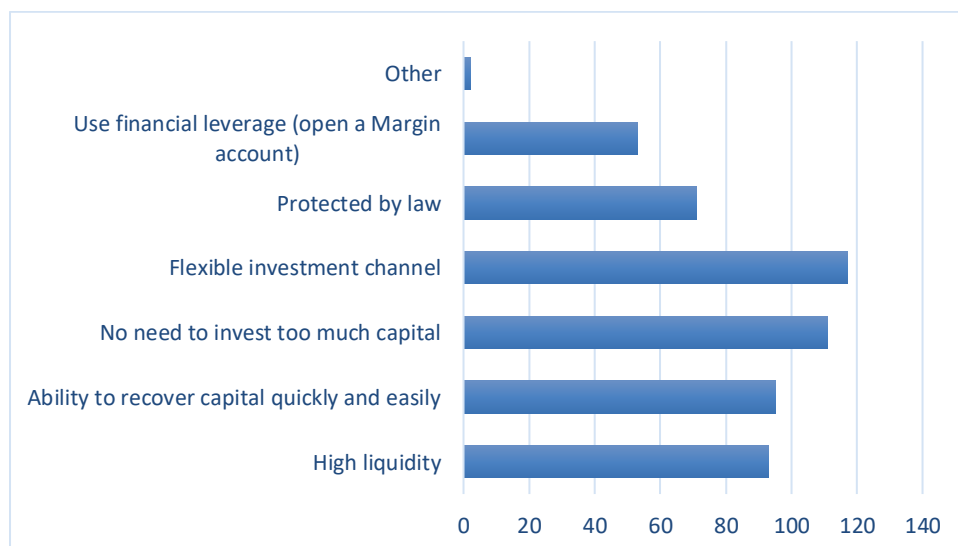
Figure 13. Securities investment form of survey subjects



Source: The survey results

Regarding the advantages of securities investment, 117 young people think that securities investment has advantages, it is a flexible investment channel - the biggest advantage and has the most choices. Next is the advantage of not needing to invest too much capital to invest in securities, receiving approval from 111 young people (42.5%). Next, 95 people think that securities investment can recover capital quickly and easily; 93 people (35.6%) think this is an investment channel with high liquidity; In addition, securities investment is a channel protected by law (27.2% of young people participating in the survey said) and 53 people said that the advantage of securities investment is being able to use financial leverage, opening margin account (Figure 14).

Figure 14. Advantages of securities investment channel



Source: The survey results

Regarding the disadvantages of securities investment, 169 young people think that securities investment can face risks from unstable and transparent business activities of businesses (64.8%); Next is influenced by external factors such as the political and economic situation, the global and

domestic economy (157 people); In addition, 120 young people said that a disadvantage of the securities investment channel is the need for knowledge, information and the ability to analyze the market (46%); 69 of you also think that investing in securities has disadvantages because it is not certain that the company will operate stably and long term; 65 people (24.9%) are afraid that investing in securities is at risk of facing the collapse of the system; 58 young people believe that another disadvantage of securities investment is lack of transparency in market information and difficulty in understanding market psychology. (Figure 15)

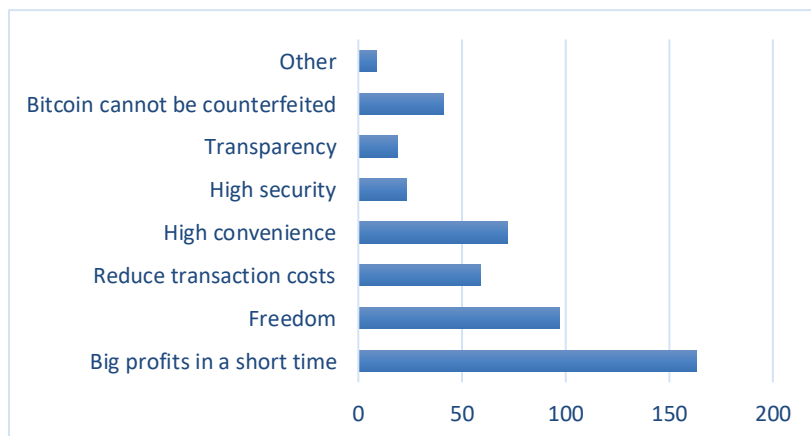
Figure 15. Disadvantages of securities investment channel



Source: The survey results

Regarding bitcoin investment, 163 young people think that the advantage of this investment channel is achieving large profits in a short time (62.5%); In addition, 97 people (37.2%) think that investing in bitcoin has the advantages of freedom and high convenience (27.6%); Some other benefits mentioned by young people include reduced transaction costs (59 people), bitcoin cannot be counterfeited (41 people); Bitcoin is highly secure and has the advantage of transparency (Figure 16).

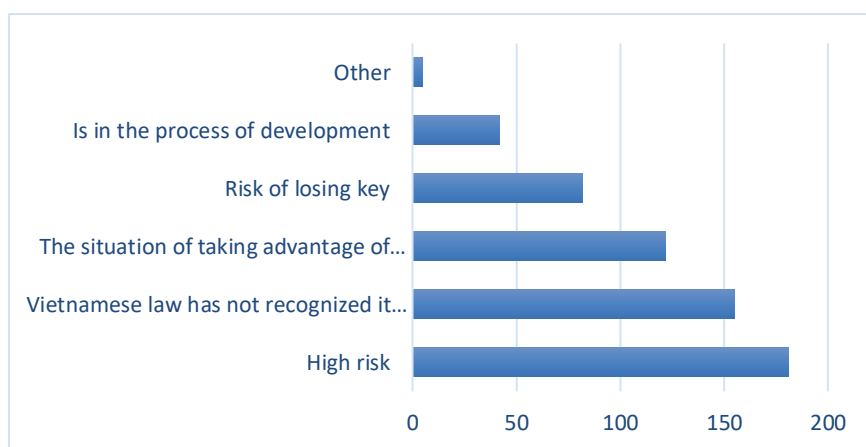
Figure 16. Advantages of the Bitcoin investment channel



Source: The survey results

Besides the advantages of Bitcoin, young people also have opinions about the disadvantages of investing in Bitcoin. Specifically, the high-risk level was chosen the most with 181 votes (69.3%); Next, 155 young people participating in the survey said that the disadvantage is that Vietnamese law does not yet recognize this type of investment, which will cause disadvantages for investors if risks occur - and in fact, This is consistent with the legal situation in Vietnam, bitcoin has not been recognized by law as an official and legal form of investment; Besides, some other disadvantages that can be mentioned are the situation of taking advantage of virtual money to commit multi-level fraud, chosen by 122 people (46.7%); 82 young people think that bitcoin has a potential risk of losing keys (31.4%); 42 of you think that the disadvantage of this type of investment is that bitcoin is in the process of development, is not yet complete in many aspects and can pose higher risks to investors than other types of investments (Figure 17).

Figure 17. Disadvantages of the Bitcoin investment channel

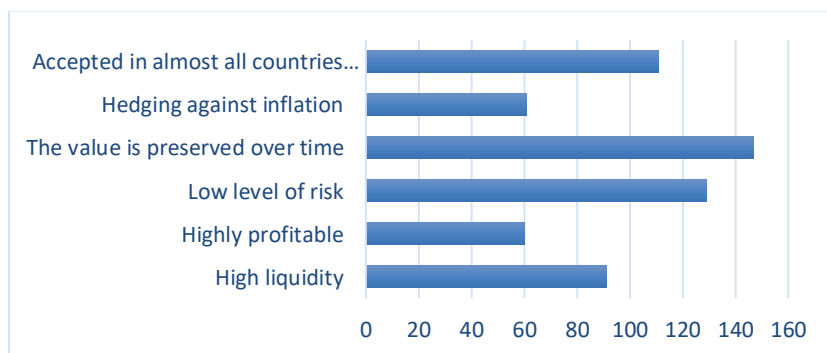


Source: The survey results

4.5. Gold investment

Surveying the advantages of the gold investment channel, the biggest advantage chosen by young people is the ability to store value over time with 147 people choosing (56.3%); Next is low risk level (129 chose); Not only, 111 young people realized that the advantage of investing in gold is because gold is accepted in almost all countries around the world; 91 opinions said that investing in gold has the advantage of high liquidity; Gold can insure against inflation (61 votes) and 60 votes believe that investing in gold has high profitability (Figure 18).

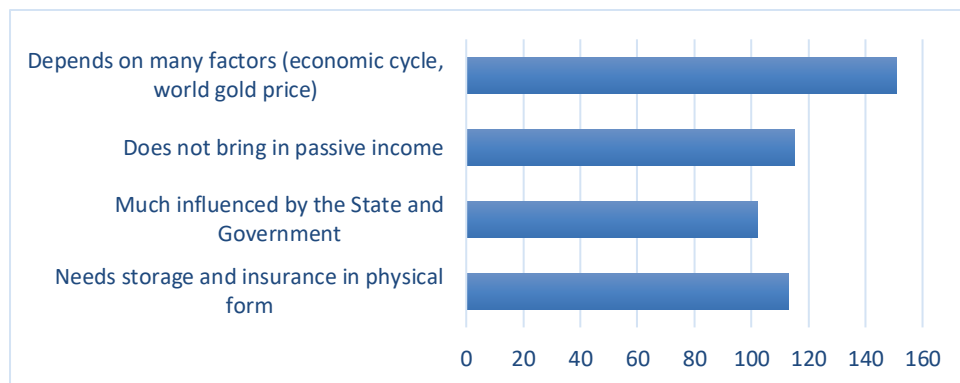
Figure 18. Advantages of gold investment channel



Source: The survey results

However, young people also believe that investing in gold also brings certain disadvantages. 151 people think that investing in gold is influenced by many factors such as economic cycles, and world gold prices...; 115 opinions say that gold does not provide a source of passive income because it is only in storage form; In addition, some disadvantages of investing in gold include that gold needs to be stored and insured in physical form (113 votes), and is heavily influenced by the State and Government (102 votes) (Figure 19).

Figure 19. Disadvantages of the gold investment channel



Source: The survey results

4.6. Bank deposit

With the same amount of investment capital, if favorable, investors can earn a profit of 15-20% when “investing” in securities or real estate, however, with stable and quite safe characteristics, interest rates from Commercial banks currently only range from 5.5% - 6.5%/year (for 12-month deposit terms) and about 4% - 4.5%/year (for 6-month deposit terms). The biggest advantage of bank deposits is stability with the highest number of votes (179 votes); followed by safety (172 votes), accounting for 65.9%; In addition, this is a suitable investment channel for those who do not like risky investments (148 votes) and 125 young people think that depositing in the bank does not waste time or effort and still has a passive income source (47.9%). (Figure20).

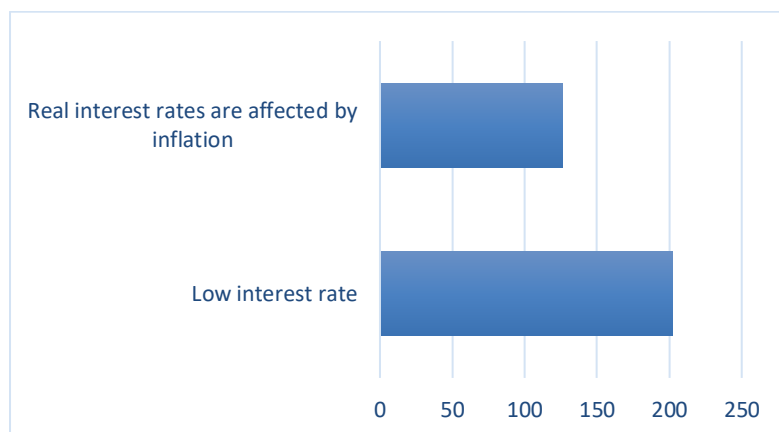
Figure 20. Advantages of bank deposits



Source: The survey results

However, bank deposits are also an investment channel with certain limitations, the biggest limitation being low interest rates (opinion of 202 young people); 126 survey participants said that depositing in a bank has the disadvantage that the real interest rate is affected by inflation (48.3%) (Figure 21).

Figure 21. Disadvantages of bank deposits



Source: The survey results

5. Some exchanges and discussions

Investing has become popular among young people today with a variety of investment types, from real estate, financial investment, gold investment, and bank savings. Not only that, young people today tend to invest in risky investments to achieve high profits instead of investing in traditional channels with less risk but low profits. Through surveys, the research also shows the position of profits from investment activities in the income of young people, and at the same time shows that the investment appetite of young people today is mainly medium and short-term. The investment channels that young people focus on also have certain advantages and disadvantages. Making the right investment decisions, consistent with your capacity, financial capacity, and market understanding is an issue worthy of attention. Faced with that trend, the research team offers some suggestions to encourage young people to invest and help young people make the right investment decisions as follows:

First, it is necessary to grasp and understand the investment market in detail and carefully before making investment decisions. Analyze market volatility and the advantages and disadvantages of investment channels to be able to make the right investment decisions, avoid risks, and optimize investors' profitability.

Second, Although the investment trend of young people today is a mainly risky investment but with high profits. However, young people also need to carefully consider and analyze investment channels to compare them with everyone's investment capacity and financial ability to carry out investment activities and avoid catching trends, or crowd trends. For example, if your financial capacity is limited, your investment ability is limited, but you still want to invest, you should not invest in risky investment channels that require a large initial capital, instead, you should invest in safer channels, with less investment capital.

Third, young people participating in investing need to be equipped with skills and knowledge about the characteristics of each investment channel, management capabilities, especially risk management. Because investment activities, besides profits, also come with risks. If young people are well equipped, they will be able to adapt and promptly handle fluctuations and instability in the investment market when they encounter problems.

Fourth, Young people need to pay special attention to the Bitcoin venture capital channel. This is an easy and highly profitable investment channel, but it is a risky investment channel and is currently not recognized by Vietnamese law as an official and legal investment channel in the Vietnamese investment market. Therefore, when young people intend to learn or invest in Bitcoin, they need to carefully research the domestic and international markets; At the same time, equip themselves with risk management skills, because this is an unrecognized investment activity so it will not be protected by legal barriers; Be cautious in each step of the investment process to ensure minimal risk when choosing bitcoin as an investment channel to make a profit.

Fifth, it can be seen from the research results that young people mainly want to invest in venture capital channels, but due to insufficient financial resources and investment knowledge, in fact, they still prioritize safe investment channels. Therefore, there needs to be solutions to improve investment knowledge and resource conditions for young people. First, on the school side, it is necessary to build a training program for students on basic knowledge of the investment market, types of investment, advantages, and disadvantages of each investment channel, and provide students with necessary skills such as risk management skills, analysis of investment market fluctuations, etc. Besides, it is necessary to create favorable conditions and an investment environment to encourage students to participate in investment activities. Schools can organize competitions and establish clubs for pupils and students who want to invest..., through which young people can learn, accumulate practical experience, and draw lessons. learn for yourself. On the family side, it is necessary to create conditions in terms of time, and finance and build an environment so that young people could put investment knowledge from theory into practice and have the opportunity to “realize” the investment market. In addition, the Government needs to continue to promote institutional reform and have policies to support the formation of an investment ecosystem. Investment funds and talent incubators need to be given proper attention and investment, creating the best environment to stimulate potential and motivate young people to invest.

Conclusion

This article researches the investment trends of Vietnamese youth today. Through a survey of subjects who have invested and intend to invest in the future, the article identifies popular investment channels that young people are currently focusing on, including real estate investment channels, financial investment channels, gold investment, and bank deposits. In addition, the study points out the advantages and disadvantages of each investment channel, recommending that young people need to analyze and thoroughly research the investment market to make reasonable investment decisions. The article also exploits information about the investment trends of young people today, which are modern investment trends, more risky than traditional forms of investment, and tend to consider investment as the job that creates the main source of income in the future. The article is a premise and basis for further extensive research on attitudes and factors affecting investment intentions and decisions of investors in general as well as young people in particular for each type of investment.

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