



How Individuals Discover Investment Opportunities and Make Investment Decisions

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Introduction/ Summary

In today's rapidly evolving financial landscape, understanding how individuals discover and decide on investments has become increasingly important for investment firms [1]. The rise of the number of investors [2] paired with the rise of digital platforms, social media, and online communities has dramatically changed how people gather information and evaluate investment opportunities [3]. Dhanai Private Equity Group, like many modern investment firms, seeks to understand these shifting behaviors to attract new investors and tailor outreach strategies. While much research focuses on investor behavior in general or analyzes large-scale market trends, there is limited survey-based insight into how individuals personally learn about investment opportunities and what channels most influence their investment decisions. This study addresses that gap by examining the discovery channels and their impact on willingness to invest, providing actionable insights for private equity firms aiming to engage potential investors effectively.

By surveying adults who invest, the study identifies trends in information sources. The findings are expected to inform private equity marketing strategies, helping firms optimize communication channels, build trust with prospective investors, and enhance engagement by aligning outreach efforts with the ways individuals naturally explore investment options.

Methodology

A targeted sampling method was employed to gather a relevant participant pool of individuals with investing experience. Adults were recruited through personal networks, including parents' friends, and other known investors, and were invited to complete an anonymous online survey. The survey collected data on three primary variables: the types of investments participants engage in (categorized as stocks, real estate, mutual funds, cryptocurrency, and other common options); how participants initially became involved in investing and the sources from which participants obtain investment information (such as through family influence, self-learning, financial news, professional guidance, education, etc); and the key factors influencing their investment decisions (such as risk tolerance, expected returns, market trends, personal financial goals, etc). All questions were presented in a multi-select format to ensure consistency in responses and facilitate quantitative analysis. All data were quantitatively analyzed to identify patterns in how individuals discover investment opportunities and the primary factors that influence their decision-making processes. The selected variables were chosen for their clarity and direct relevance to the research objectives, allowing for potential replication in future studies examining individual investment behavior.

Results

Figure 1

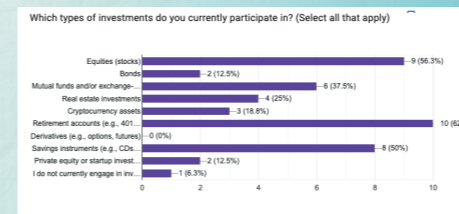


Figure 2

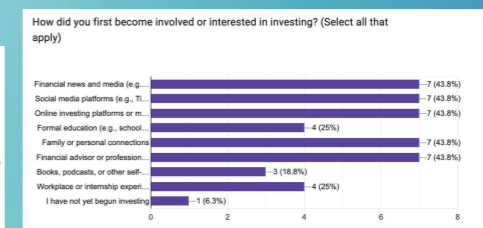
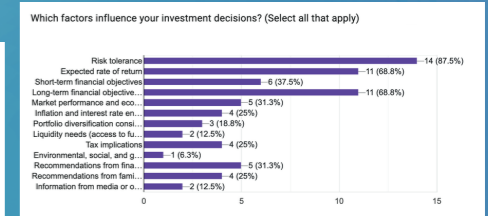


Figure 3



Findings/ Discussion

Figure 1 shows that retirement accounts (62.5%) and stocks (56.3%) are the most common investments. No participants use derivatives, and crypto adoption is low (18.8%). Figure 2 indicates that discovery channels are evenly distributed. Figure 3 reveals that risk tolerance (87.5%) is the primary decision factor, followed by expected return (68.8%) and long-term goals (68.8%). ESG factors (6.3%) matter least. The findings support the study's premise that individuals discover investment opportunities through diverse channels that range from social media to professional advisors. Traditional assets (retirement accounts and stocks) remain dominant, while complex instruments (derivatives) and emerging assets (crypto) see minimal participation. Risk tolerance and long-term objectives drive decisions more than external trends or ESG considerations. For Dhanai Private Equity Group, these results suggest that outreach should balance digital and traditional channels while emphasizing risk alignment and long-term value over short-term or speculative appeals.

Several limitations may have skewed this study's data, including the small sample size (n=16), sampling through personal networks that may have been biased toward traditionally-minded investors, and potential self-reporting bias where participants overemphasized risk tolerance as a socially desirable response. An unexpected finding was the even distribution across all five discovery channels (43.8% each), contradicting assumptions that social media has displaced traditional sources; additionally, ESG factors mattered least (6.3%), running counter to current industry discourse on growing environmental consciousness among investors. The multi-select format succeeded in producing clean, quantifiable data, but recruitment through personal networks failed to generate a diverse sample; future studies should use random sampling and collect demographic information to enable subgroup analysis. For future research, investigators should examine whether different discovery channels serve distinct roles in the investor journey (awareness versus validation), and replication with larger, diverse samples is essential. For Dhanai Private Equity Group, these findings suggest prioritizing risk-aligned messaging over return-focused appeals.

Reference

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