

Financial Literacy, Minimum Capital, and Risk Perception in Generation Z Capital-Market Investment Interest

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Abstract

Purpose: This study examines associations of financial literacy, perceived minimum-capital affordability, and risk perception with Generation Z students' capital-market investment interest in Indonesia.

Methods: At Politeknik Negeri Lampung, 160 of 176 responses met purposive criteria: active enrollment, investment-lecture exposure, and no current capital-market investment. A 32-item Likert instrument was analyzed in SPSS 26 using measurement-quality tests, regression diagnostics, multiple regression, t and F tests, and adjusted R².

Results: Financial literacy ($B = -0.250$, $p = .001$) and risk perception ($B = -0.661$, $p < .001$) are negatively associated with interest; minimum-capital affordability is positive ($B = 1.242$, $p < .001$). The model is jointly significant, $F(3, 156) = 70.257$, $p < .001$; adjusted $R^2 = .566$.

Limitations: The purposive self-report sample comes from one vocational institution and measures intention rather than realized behavior.

Conclusion: Affordability strengthens investment interest, whereas perceived risk constrains it; among inexperienced respondents, higher financial literacy corresponds to greater caution rather than stronger interest.

Contributions: The study extends evidence to Indonesian vocational Generation Z and integrates capability, entry affordability, and risk beliefs.

Keywords: *Financial Literacy, Generation Z, Investment Interest, Minimum Capital, Risk Perception*

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1. Introduction

Digital finance has materially reduced the physical and procedural distance between young adults and capital-market products. Brokerage applications, mobile interfaces, online identity verification, and real-time account access have transformed investing from an activity that once required substantial intermediation into one that can be initiated through a smartphone. International evidence shows that Internet access can affect stock-market participation and that mobile trading technology changes how investors search, trade, and react to salient information (Bogan, 2008; Barber et al., 2022; Cen, 2024). Digital engagement design also matters: interface features such as color and swiping can influence investor decisions even when the underlying financial opportunity is unchanged (Grant et al., 2023).

These developments make investment access easier, but they do not guarantee that prospective investors understand risk, costs, or the consequences of participation.

The Indonesian context makes this distinction particularly important. The 2025 National Survey of Financial Literacy and Inclusion reported financial literacy of 66.46% compared with financial inclusion of 80.51%, indicating that access to financial services continues to exceed knowledge and capability. In 2026, the Financial Services Authority again emphasized that rapid expansion of digital financial services should be accompanied by understanding of benefits, risks, and product characteristics before financial decisions are made ([Otoritas Jasa Keuangan, 2026](#)). Capital-market statistics similarly show that investors are increasingly young; the source thesis reports KSEI 2025 demographic data in which approximately 54% of individual investors were under 30 years old ([Laraswati, 2026](#); [PT Kustodian Sentral Efek Indonesia, 2025](#)). Generation Z is therefore not a marginal audience for investment education or digital financial platforms.

Financial literacy is frequently treated as an enabling condition for market participation because it improves understanding of diversification, compounding, inflation, risk-return trade-offs, and financial products ([Lusardi & Mitchell, 2014](#); [Oehler et al., 2024](#)). Empirical research often finds positive links between literacy and stock-market participation or more deliberate financial behavior (van Rooij et al., 2011; [Allgood & Walstad, 2016](#); [Sivaramakrishnan et al., 2017](#)). Yet the relationship is not mechanically positive. Financial education effects can decay or vary with the context in which knowledge is used, and perceived literacy can diverge from objectively measured capability ([Fernandes et al., 2014](#); [Allgood & Walstad, 2016](#)). Recent Indonesian evidence also shows that financial literacy can materially shape investment decisions while interacting with behavioral biases ([Jonathan & Pradana, 2025](#)), and advice-oriented behavior remains an important bridge between literacy and action ([Stolper & Walter, 2017](#)). For prospective investors with no market experience, more knowledge can therefore increase caution as well as confidence.

A second consideration is the perceived affordability of entry. In this study, minimum capital refers to respondents' perceptions that the amount needed to open an account, purchase eligible securities, and set aside investment funds is financially reachable. Recent Indonesian evidence indicates that students' available pocket money and expected gains can shape investment interest ([Oktaviani & Lestari, 2026](#)), while Internet and mobile technologies can reduce transaction and information frictions ([Bogan, 2008](#); [Cen, 2024](#)). For students with limited discretionary income, affordability can function as a concrete element of perceived behavioral control: the lower the perceived resource barrier, the easier investment appears to execute.

Risk perception forms the third mechanism. Investment involves uncertainty, and prospective investors differ in how they interpret price volatility, potential loss, return uncertainty, and product complexity. Recent Generation Z and millennial evidence shows that risk perception and financial capability are closely related to investment decisions and intentions ([Tang & Haryono, 2023](#); [Sunarko & Sutrisno, 2025](#)). Financial self-efficacy can moderate willingness to take investment risk ([Montford & Goldsmith, 2016](#)), while Indonesian evidence links financial literacy and perceived risk to stock-investment interest ([Kelly & Pamungkas, 2022](#)). More recent behavioral evidence likewise shows that literacy interacts with investment biases and decision processes ([Jain et al., 2020](#); [Mahmood et al., 2024](#)). For inexperienced students, high perceived risk should therefore weaken the attractiveness of entering the market.

These mechanisms fit the Theory of Planned Behavior (TPB), which explains intention as a function of attitudes, subjective norms, and perceived behavioral control ([Ajzen, 1991](#)). Contemporary investment-intention research continues to show that cognitive, attitudinal, and control-related factors matter for equity participation ([Akhtar & Das, 2019](#); [Singh et al., 2025](#)). Indonesian student evidence likewise links investment motivation, perceived risk, and financial literacy to investment intention ([Kurniawati & Pamungkas, 2023](#); [Wahyuningtyas et al., 2022](#)). Financial literacy is best treated as a background capability that can shape behavioral beliefs, attitudes, and perceived control rather than as a substitute for subjective norms. Minimum-capital affordability is closely related to perceived

behavioral control because it concerns whether respondents believe they possess sufficient resources to act. Risk perception influences the evaluation of likely consequences and therefore the attitude toward investing. Research on Gen Z further shows that financial literacy can operate through attitudes and perceived behavioral control ([Nag & Shah, 2022](#)).

The study is also relevant to JBPD's digital-business orientation because the decision environment faced by Generation Z is increasingly mediated by digital platforms. Research in this journal has shown that Generation Z behavioral intention is responsive to digitally delivered financial features such as Pay Later, and that digital literacy can shape entrepreneurial intention among Generation Z students ([Suparman, 2023](#); [Sari & Anggraini, 2026](#)). The present article does not treat digital-platform use as an independent variable because it was not directly measured in the thesis. Instead, digital accessibility is treated as the institutional context in which perceptions of affordability, financial capability, and risk are formed.

The source study was conducted among students at Politeknik Negeri Lampung. This vocational setting is substantively useful because students combine formal learning with practice-oriented education, while the campus provides access to investment education. The thesis reports a population of 7,051 active students and uses purposive criteria that select respondents who were active students, had attended an investment lecture, and had not yet invested in the capital market. This final criterion is particularly important: the empirical question concerns intention among prospective investors rather than retrospective explanations of behavior among established investors ([Laraswati, 2026](#)).

Accordingly, this article asks whether financial literacy, perceived minimum-capital affordability, and risk perception are individually and jointly associated with Generation Z students' capital-market investment interest. The article contributes by preserving the thesis's original empirical results while strengthening construct interpretation, explicitly distinguishing the 176 returned questionnaires from the 160 eligible analytical cases, and situating the findings within current digital-investment and international behavioral-finance research.

2. Literature Review and Hypotheses Development

2.1 Theory of Planned Behavior and Investment Interest

TPB proposes that behavioral intention is the immediate antecedent of planned behavior and that intention reflects attitude toward the behavior, subjective norm, and perceived behavioral control ([Ajzen, 1991](#)). In financial markets, the framework is particularly appropriate because opening an account, allocating funds, and purchasing securities are deliberate behaviors that usually require planning. Recent evidence indicates that financial literacy, perceived risk, and investment motivation are relevant antecedents of investment intention among Indonesian respondents ([Kurniawati & Pamungkas, 2023](#); [Wahyuningtyas et al., 2022](#)). [Akhtar and Das \(2019\)](#) extend TPB in the Indian stock market and show that cognitive and attitudinal factors help explain investment intention, while [Singh et al. \(2025\)](#) integrate TPB with social-cognitive mechanisms to explain equity-investment intention.

The present study does not measure the three TPB core constructs directly as separate variables. Instead, financial literacy, minimum-capital affordability, and risk perception are antecedent conditions that can inform the beliefs underlying attitude and control. This distinction avoids an overly literal mapping. Financial literacy can strengthen the quality of behavioral beliefs, but it may also make risk more salient. Affordability affects whether investing feels feasible. Risk perception affects whether expected outcomes are evaluated favorably or unfavorably. Investment intention should therefore be understood as the joint product of these informational, resource, and risk assessments.

2.2 Financial Literacy and Investment Interest

Financial literacy combines financial knowledge with the ability to apply that knowledge to financial choices. [Lusardi and Mitchell \(2014\)](#) show that literacy has important economic implications for saving, planning, and investment. Financial literacy is associated with stock-market participation

because less informed households may face higher perceived information costs or misunderstand diversification and risk. [Sivaramakrishnan, Srivastava, and Rastogi \(2017\)](#) link literacy and attitudinal factors to stock-market participation, [Raut \(2020\)](#) shows that past behavior and literacy participate in the investment decision process, and [Rafli, Auliza, Yoga, and Ramdani \(2025\)](#) provide recent student evidence connecting literacy and perceived risk with capital-market investment interest.

However, literacy is not equivalent to enthusiasm. [Fernandes, Lynch, and Netemeyer \(2014\)](#) show that interventions in financial education do not always translate into persistent downstream behavior. [Jonathan and Pradana \(2025\)](#) show in an Indonesian investment setting that financial literacy materially shapes investment decisions while interacting with cognitive biases, and [Stolper and Walter \(2017\)](#) emphasize the interaction between literacy, advice, and behavior. Among Generation [Nag and Shah \(2022\)](#) find that literacy contributes to market-related intention through attitudinal and perceived-control channels. Thus, a significant relationship is expected, but the sign remains an empirical question in a sample restricted to non-investors.

H₁: Financial literacy is significantly associated with Generation Z capital-market investment interest

2.3 Minimum Capital and Investment Interest

Minimum capital is operationalized as perceived affordability of the funds required to begin investing. The construct includes the accessibility of initial deposits, the affordability of minimum purchase units, estimation of investment funds, and the ability to set aside money without disrupting routine needs. This is a perception-based resource constraint, not a claim that all securities or intermediaries impose a single objective minimum.

Perceived affordability provides a practical rationale for entry intention. Recent Indonesian evidence shows that students' available funds and expected gains can shape mutual-fund investment interest ([Oktaviani & Lestari, 2026](#)). Digital access can reduce search and transaction frictions ([Bogan, 2008](#)), while smartphone trading technologies can change participation and trading behavior ([Cen, 2024](#)). Within TPB, a lower perceived entry barrier should increase perceived behavioral control because respondents view the behavior as more feasible. The strong role of digital access also makes affordability particularly relevant for students with limited disposable income.

H₂: Perceived minimum-capital affordability is significantly associated with Generation Z capital-market investment interest

2.4 Risk Perception and Investment Interest

Risk perception refers to how respondents interpret uncertainty and potential adverse outcomes. The instrument captures concern about price volatility, possible loss of capital, uncertainty of returns, and complexity of investment instruments. These perceptions are not identical to objective market risk; they represent subjective assessment of how threatening or manageable that risk appears.

According to [Tang and Haryono \(2023\)](#), recent evidence among Generation Z investors shows that risk perception and financial literacy are intertwined with investment decisions, while millennial evidence similarly links financial literacy, financial self-efficacy, financial-technology literacy, and risk perception with stock-investment decisions ([Sunarko & Sutrisno, 2025](#)). Financial self-efficacy also affects investment risk taking ([Montford & Goldsmith, 2016](#)), and Indonesian evidence links financial literacy and perceived risk to stock-investment interest ([Kelly & Pamungkas, 2022](#)). Behavioral-finance studies further show that risk judgments coexist with cognitive biases that influence decisions ([Jain, Walia, & Gupta, 2020](#); [Mahmood, Arshad, Khan, Afzal, & Bashir, 2024](#)). In TPB terms, higher perceived downside makes the attitude toward investing less favorable and can also reduce perceived control.

H₃: Risk perception is significantly associated with Generation Z capital-market investment interest

2.5 Joint model

The three predictors capture complementary aspects of investment readiness. Financial literacy represents cognitive capability, minimum-capital affordability represents resource feasibility, and risk perception represents evaluation of uncertainty. Investment intention research suggests that no single cognitive or attitudinal variable is sufficient to explain participation ([Akhtar, & Das, 2019](#); [Nadeem, Qamar, Nazir, Ahmad, Timoshin, & Shehzad, 2020](#); [Singh, Goel, Kumar, & Johri, 2025](#)). The joint model therefore tests whether these dimensions collectively explain variation in investment interest among eligible prospective investors.

H₄: Financial literacy, perceived minimum-capital affordability, and risk perception are jointly associated with Generation Z capital-market investment interest

3. Research Methodology

3.1 Design, Population, and Respondent Screening

The research uses a quantitative cross-sectional survey design and primary questionnaire data. The source thesis identifies 7,051 active Politeknik Negeri Lampung students as the population. Purposive sampling was chosen because the research question concerns a specific class of prospective investors. Eligible respondents had to be active students, have attended an investment-related lecture, and have not yet invested in the capital market ([Laraswati, 2026](#)).

The source thesis applied a five-to-ten observations-per-item rule and, with 32 items, set a minimum analytical target of 160 cases. The questionnaire was distributed online through Google Forms and circulated through WhatsApp. A total of 176 responses were obtained, of which 160 met all purposive criteria and 16 did not. Table 1 reports the screening sequence. The analytical sample is therefore N = 160. Because predictors and outcome were observed at one time point, the design is appropriately treated as cross-sectional and supports association-focused rather than causal inference ([Setia, 2016](#)).

Table 1. Respondent screening and analytical sample

Stage	Responses
Questionnaires returned	176
Responses meeting all purposive criteria	160
Responses not meeting the criteria	16
Final analytical sample	160

An important reporting distinction is retained from the source. The thesis presents several demographic frequency tables for all 176 returned questionnaires, while the regression uses only the 160 eligible cases. Because the available document does not provide a case-level filtered demographic file that allows those frequencies to be reconstructed for only the eligible respondents, this article does not relabel the 176-response demographic frequencies as characteristics of the analytical sample. It reports only the screening counts that are directly traceable.

3.2 Ethical Considerations and Informed Consent

The underlying questionnaire invitation requested voluntary participation, asked respondents to answer honestly, stated that the information would be kept confidential, and limited its use to research purposes ([Laraswati, 2026](#)). These provisions establish a basic participant-information and confidentiality safeguard. However, the thesis materials available for this revision do not report an institutional ethics-approval identifier or reproduce a separate informed-consent form. The article therefore does not invent an approval number or claim a formal ethics review that cannot be verified from the source records.

Before submission, the authors should verify the institutionally accurate ethics statement against Politeknik Negeri Lampung records. If approval was obtained, the final manuscript should state the committee name, approval number, and approval date. If the project was exempt or did not require committee approval under applicable institutional policy, that basis should be stated together with the

exact consent procedure used in the online questionnaire. This clarification is particularly important because the respondents were students and because any future sharing of de-identified data must remain consistent with participant consent, confidentiality commitments, and institutional requirements.

3.3 Instrument and Variable Measurement

All constructs were measured with a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The 32-item questionnaire contains eight financial-literacy statements, seven minimum-capital statements, seven risk-perception statements, and ten investment-interest statements. Table 2 summarizes the construct dimensions and item counts. The article preserves the operationalization documented in the thesis rather than retroactively replacing the instrument with a new scale.

Table 2. Construct operationalization and instrument composition

Construct	Dimensions represented in the questionnaire	Items
Financial literacy (X_1)	Financial concepts; financial-information communication/analysis; personal financial management; financial decision making	8
Minimum capital (X_2)	Initial capital; affordability; estimated investment funds; ease of setting aside funds	7
Risk perception (X_3)	Price volatility; potential loss; return uncertainty; instrument complexity	7
Investment interest (Y)	Attraction; investment interest; desire; confidence	10

Financial literacy covers knowledge of financial concepts, communication and analysis of financial information, personal financial management, and decision-making skill. Minimum capital captures respondents' perceptions of initial-capital requirements, affordability, planned investment funds, and ease of setting aside capital. Risk perception captures price volatility, potential loss, return uncertainty, and instrument complexity. Investment interest captures attraction to investment, intention to invest, desire to act, and confidence in the prospective decision. The dependent measure is thus an intention/interest construct and should not be interpreted as observed market participation.

These operational definitions also determine the level at which the findings can be interpreted. Financial literacy is measured through self-reported Likert statements about financial knowledge and its application; it is not an objective test of investment-specific knowledge. Minimum capital is a perception of affordability and resource feasibility, not an independently verified rupiah threshold, bank-balance measure, or brokerage requirement. Risk perception is a subjective evaluation of volatility, possible loss, uncertain returns, and instrument complexity rather than a direct measure of realized volatility or risk tolerance. Because the predictors and the investment-interest outcome were collected through the same self-report instrument, common-method variance and social-desirability effects may influence the size or direction of the observed associations. These measurement boundaries are retained from the source thesis and should guide the claims made from the regression results.

3.4 Statistical Analysis

Data were analyzed with IBM SPSS Statistics 26. Measurement quality was assessed through item-total validity correlations and Cronbach's alpha. The thesis uses $r\text{-table} = .1552$ for $N = 160$ and a two-tailed 5% criterion; all 32 items exceed this threshold. Internal consistency is evaluated with the conventional alpha threshold of .70. Regression diagnostics include a Kolmogorov-Smirnov residual-normality test, tolerance and variance-inflation factors for multicollinearity, and the Glejser test for

heteroskedasticity. Multiple linear regression estimates the conditional relationship between the three predictors and investment interest shown in Formula 1:

$$Y = 32.142 - 0.250X_1 + 1.242X_2 - 0.661X_3 + e \quad (1)$$

where Y is Generation Z investment interest, X_1 is financial literacy, X_2 is perceived minimum-capital affordability, and X_3 is risk perception. Partial associations are evaluated using t tests, while the overall model is assessed using the F statistic and adjusted R^2 at the 5% significance level. Because predictors were not randomly assigned and all variables were measured at one point in time, coefficients are interpreted as conditional associations rather than causal effects.

4. Results and Discussions

4.1 Descriptive Statistics

Table 3. Descriptive statistics of the eligible analytical sample (N = 160)

Variables	Minimum	Maximum	Mean	SD
Financial literacy	24	40	33.29	3.671
Minimum capital	20	35	27.57	3.915
Risk perception	18	35	28.15	3.643
Investment interest	30	49	39.44	4.828

Table 3 presents descriptive statistics for the 160 eligible cases. Mean financial literacy is 33.29 on the eight-item scale, minimum capital averages 27.57, risk perception averages 28.15, and investment interest averages 39.44. The standard deviations are modest relative to the observed score ranges, but the variables retain sufficient variation for regression analysis. The descriptive pattern suggests that respondents report relatively high agreement across the measured constructs. Importantly, a high mean on minimum capital reflects stronger agreement that entry capital is affordable or manageable, not a high monetary requirement. Likewise, a high risk-perception score indicates stronger perceived investment risk. These coding directions are essential for interpreting the regression signs.

4.2 Measurement Quality and Regression Diagnostics

Table 4. Measurement quality and regression diagnostics

Diagnostic	Result	Interpretation
Item validity	X_1 $r=.528-.643$; X_2 $r=.701-.817$; X_3 $r=.662-.742$; Y $r=.527-.753$; $r\text{-table}=.1552$	All 32 items exceed the reported threshold
Cronbach alpha	$X_1=.727$; $X_2=.871$; $X_3=.820$; $Y=.859$	All constructs > .70
K-S residual normality	N=160; statistic=.068; $p=.065$	Normality not rejected at 5%
Multicollinearity	Tolerance=.557-.883; VIF=1.133-1.796	No problematic multicollinearity under conventional thresholds
Glejser test	$pX_1=.184$; $pX_2=.868$; $pX_3=.364$	No predictor significant at 5%

Table 4 consolidates the measurement-quality and classical-diagnostic results so that each prerequisite is directly connected to its interpretation. All 32 questionnaire items are valid under the thesis criterion. Item correlations range from .528 to .643 for financial literacy, .701 to .817 for minimum capital, .662 to .742 for risk perception, and .527 to .753 for investment interest, each above $r\text{-table} = .1552$. Cronbach's alpha ranges from .727 to .871, indicating acceptable internal consistency across all constructs.

The Kolmogorov-Smirnov residual test yields $p = .065$, so normality is not rejected at the 5% level. VIF values range from 1.133 to 1.796 and tolerance values from .557 to .883, which do not indicate

problematic multicollinearity under conventional thresholds. Glejser p-values are .184, .868, and .364 for financial literacy, minimum capital, and risk perception respectively, providing no evidence of heteroskedasticity under that diagnostic. These results support use of the reported multiple-regression specification, while not eliminating the broader limitations of self-reported cross-sectional data.

4.3 Multiple Regression and Hypotheses Tests

Table 5. Multiple regression estimates and partial hypothesis tests

Variable	B	SE	Std. beta	t	p-value	Decision
Constant	32.142	2.712	-	11.851	< .001	-
Financial literacy	-0.250	0.073	-0.190	-3.424	.001	H1 supported
Minimum capital	1.242	0.086	1.007	14.395	< .001	H2 supported
Risk perception	-0.661	0.090	-0.498	-7.317	< .001	H3 supported

Table 5 reports the multiple-regression estimates. Financial literacy has $B = -0.250$ ($SE = .073$, $t = -3.424$, $p = .001$), indicating that higher literacy scores are associated with lower investment-interest scores after holding the other predictors constant. Minimum-capital affordability has $B = 1.242$ ($SE = .086$, $t = 14.395$, $p < .001$), showing a positive association. Risk perception has $B = -0.661$ ($SE = .090$, $t = -7.317$, $p < .001$), showing that stronger perceived risk is associated with lower investment interest. H_1 , H_2 , and H_3 are therefore supported as non-directional significance hypotheses, with the observed directions interpreted separately.

The standardized coefficient reported by the source SPSS table for minimum capital is $\beta = 1.007$. Standardized coefficients can exceed one in multiple regression when predictors share variance or suppression structures are present, even when VIF values are not extreme. The value is nevertheless unusual, so dominance should not be inferred solely from standardized beta. The unstandardized coefficient, significance test, construct scaling, and overall model should be read together. The article uses $t = 14.395$ from the coefficient table; the thesis conclusion later prints 14.359, which appears to be a transcription inconsistency rather than a different model.

The unusual standardized beta also establishes a reporting boundary for the present analysis. The available thesis output does not provide the full correlation matrix, condition indices, influence statistics, or a sensitivity analysis under alternative specifications. Accordingly, the article does not interpret $\beta = 1.007$ as proof that minimum-capital affordability is the uniquely dominant determinant, nor does it convert the coefficient into a causal change in investment interest. A replication should examine coefficient stability, zero-order and partial correlations, influential observations, and alternative model specifications before making a stronger claim about the relative importance of this predictor.

Table 6. Model fit and simultaneous hypothesis test

Statistic	Value
R	0.758
R^2	0.575
Adjusted R^2	0.566
Standard error of estimate	3.179
F statistic	70.257
df	3, 156
F-test p-value	< .001

Table 6 summarizes overall model fit and the simultaneous test. $R = .758$, $R^2 = .575$, and adjusted $R^2 = .566$. The F statistic is 70.257 with $df = 3$ and 156 and $p < .001$. Thus H_4 is supported: the three predictors jointly explain statistically significant variation in investment interest, with 56.6% of the adjusted in-sample variation accounted for by the model.

The remaining 43.4% of variation is outside the model and may reflect factors such as income, social influence, investment knowledge beyond general literacy, digital-platform trust, technology readiness, perceived return, prior simulation experience, or social-media exposure. The model therefore has meaningful explanatory power without implying that the three predictors exhaust Generation Z investment intention.

4.4 Financial Literacy and Investment Interest

The negative financial-literacy coefficient is the most counterintuitive result because much of the literature predicts that literacy facilitates market participation. [Sivaramakrishnan, Srivastava, and Rastogi \(2017\)](#), and [Oehler, Horn, and Wendt \(2024\)](#) generally associate stronger financial capability with greater participation in risky assets. [Nag and Shah \(2022\)](#) likewise find that financial literacy contributes to Gen Z stock-market intention through attitudes and perceived behavioral control. The present result does not overturn those findings; it identifies a different conditional pattern in a sample deliberately restricted to students who have not yet invested.

For inexperienced prospective investors, literacy can increase awareness of volatility, loss probability, fees, product complexity, and the limits of one's knowledge. [Fernandes, Lynch, and Netemeyer \(2014\)](#) caution that financial education does not always translate directly into behavior, while [Jonathan and Pradana \(2025\)](#) show that literacy can interact with behavioral biases in shaping investment decisions. Under TPB, more informed beliefs can produce a less favorable attitude if perceived downside becomes more salient than expected benefit. The source thesis offers this interpretation: respondents with stronger financial understanding may be more cautious precisely because their knowledge has not yet been reinforced by successful market experience.

This caution-based explanation should nevertheless be treated as a theoretically informed interpretation, not as an empirically tested mediation or moderation mechanism in this dataset. The study did not measure risk tolerance, subjective norms, financial self-efficacy, or prior simulation experience as mechanisms linking literacy to interest, and it did not estimate indirect or interaction effects. The negative coefficient may also reflect the restricted range created by selecting respondents who had not yet invested, the distinction between perceived and objective literacy, or the conditional nature of a multiple-regression coefficient. Therefore, the result should not be stated as evidence that increasing financial literacy causes students to lose investment interest; it indicates a negative conditional association in this specific prospective-investor sample.

This finding also has a practical implication for digital investment education. Literacy programs aimed at students should not stop at explaining risk. They should combine risk awareness with practical demonstrations of diversification, order execution, investor protection, portfolio monitoring, and realistic return expectations. The goal is not to increase investment participation at any cost, but to help students translate knowledge into calibrated confidence. That approach is consistent with the broader distinction between literacy and behavior emphasized by [Allgood and Walstad \(2016\)](#) and [Stolper and Walter \(2017\)](#), as well as recent Indonesian evidence on literacy and investment decision-making ([Jonathan & Pradana, 2025](#)).

4.5 Minimum Capital and Investment Interest

Minimum-capital affordability is positively and strongly associated with investment interest. This finding is theoretically consistent with perceived behavioral control: when students view the financial requirement as manageable, investing becomes more feasible. Recent Indonesian evidence likewise indicates that available pocket money and profit expectations can strengthen investment interest ([Oktaviani & Lestari, 2026](#)). Digital brokerage infrastructure can lower search, account-opening, and transaction frictions, making perceived affordability increasingly relevant ([Bogan, 2008](#); [Cen, 2024](#)).

The result should be interpreted as an affordability perception rather than a universal monetary threshold. Respondents evaluated statements about reachable starting funds, minimum purchase units, estimated investment funds, and the ability to set aside money. A positive coefficient therefore indicates that students who believe they can financially accommodate those requirements express

stronger intention to invest. In a student sample, this resource-feasibility mechanism can be especially strong because discretionary funds are limited.

Digital-platform design can reinforce this mechanism. Mobile trading environments simplify access and often foreground ease of entry, but research also shows that design features can change investor behavior in ways unrelated to fundamentals ([Barber, Huang, Odean, & Schwarz, 2022](#); [Grant, Hobson, and Sinha \(2023\)](#)). Investment providers and campus investment galleries should therefore communicate affordability together with risk, diversification, transaction mechanics, and suitability rather than promoting low entry costs as a stand-alone reason to participate.

4.6 Risk Perception and Investment Interest

Risk perception is negatively associated with investment interest, consistent with the idea that perceived downside weakens favorable attitudes toward investing. Students who are more concerned about volatility, loss, uncertain return, and product complexity are less inclined to enter the market. This pattern is compatible with recent evidence that risk perception is materially related to investment behavior among younger investors ([Tang, & Haryono, 2023](#); [Sunarko, & Sutrisno, 2025](#)) and that financial self-efficacy affects willingness to take investment risk ([Montford & Goldsmith, 2016](#)).

Risk perception should not be treated as irrational fear. For prospective investors, concern can be adaptive when it reflects genuine uncertainty. [Kelly and Pamungkas \(2022\)](#) show that financial literacy and risk perception are relevant to stock-investment interest, while [Mahmood, Arshad, Khan, Afzal, and Bashir \(2024\)](#) demonstrate that literacy interacts with behavioral biases in investment decision-making. Recent Goodwood evidence further indicates that fintech can mediate how financial efficacy and risk perception relate to investment decisions ([Anfas & Syamsuddin, 2026](#)). The practical objective is therefore not to suppress perceived risk but to improve risk calibration: students should understand which risks can be diversified, which are market-wide, how loss capacity differs from risk tolerance, and how product complexity affects suitability.

4.7 Joint Model, Digital-Business Relevance, and Implications

The overall model supports a multidimensional view of investment intention. Capability alone does not determine interest; resource feasibility and risk beliefs matter simultaneously. This is consistent with TPB-based investment research, which finds that attitudes and perceived control operate together with knowledge and social-cognitive factors ([Akhtar, & Das, 2019](#); [Nadeem, Qamar, Nazir, Ahmad, Timoshin, and Shehzad \(2020\)](#); [Singh, Goel, Kumar, & Johri, 2025](#)). It is also consistent with the digital-finance environment in which access barriers have fallen but behavioral and informational frictions remain.

For Politeknik Negeri Lampung, the results support integrating theory with hands-on investment simulation. Students in the analytical sample had received investment-lecture exposure but had not invested. Practical sessions using simulated portfolios, order books, risk profiling, and case-based loss scenarios could help convert abstract literacy into informed perceived control. For market intermediaries, the findings suggest that low entry capital may attract interest, but responsible digital communication should pair affordability messages with transparent risk disclosure and educational tools.

For JBPD's digital-business audience, the study contributes to understanding how Generation Z responds to digitally accessible financial services. [Suparman \(2023\)](#) shows that behavioral intention among young users can be shaped by digital financial features, while [Sari and Anggraini \(2026\)](#) demonstrate that digital literacy matters for Generation Z intention in another behavioral domain. The present evidence adds that in capital markets, perceived affordability and risk remain central even as digital platforms reduce operational barriers. Technology changes the opportunity set; it does not remove the cognitive and psychological conditions that precede adoption.

5. Conclusions

5.1 Conclusion

This study examines financial literacy, perceived minimum-capital affordability, and risk perception in relation to Generation Z students' interest in investing in the Indonesian capital market. The source survey produced 176 returned questionnaires, of which 160 satisfied all purposive criteria and entered the analysis. All 32 questionnaire items met the reported validity criterion, all four constructs exceeded the .70 reliability threshold, and the reported residual and regression diagnostics did not indicate violations under the tests used.

The findings support all four non-directional hypotheses. Financial literacy is significantly and negatively associated with investment interest ($B = -0.250$, $p = .001$). Minimum-capital affordability is significantly and positively associated with investment interest ($B = 1.242$, $p < .001$). Risk perception is significantly and negatively associated with investment interest ($B = -0.661$, $p < .001$). Jointly, the predictors are significant, $F(3, 156) = 70.257$, $p < .001$, and explain 56.6% of adjusted in-sample variation.

The substantive interpretation is that perceived feasibility and perceived downside both matter strongly for prospective Generation Z investors. The negative literacy coefficient should be read in the context of an inexperienced sample: knowledge may increase awareness of risk before practical experience builds confidence. The result therefore supports a balanced educational approach that combines knowledge, practical simulation, affordability planning, and calibrated risk understanding.

5.2 Research Limitations

Several limitations constrain interpretation. First, the study is cross-sectional and observational, so regression coefficients do not establish causal effects. Second, purposive sampling at one vocational institution limits generalizability. Third, all constructs are self-reported in the same questionnaire, so common-method and social-desirability biases may be present. Fourth, the dependent variable is investment interest rather than verified investment behavior, and the sample intentionally excludes current capital-market investors.

Fifth, the source thesis reports demographic tables for all 176 returned questionnaires, while the inferential analysis uses 160 eligible responses. Without a case-level filtered demographic file, this article does not infer analytical-sample demographic frequencies from the unfiltered tables. Sixth, the standardized beta of 1.007 for minimum capital is unusual and should be interpreted cautiously even though VIF values are modest. Seventh, the available thesis document does not reproduce an institutional ethics-approval identifier or a formal informed-consent script; the authors should verify the institutionally accurate ethics and consent statement during final submission if required by the journal or institution.

Taken together, these limitations shape how each coefficient should be read. The negative literacy finding may reflect perceived rather than objectively tested capability; the positive minimum-capital coefficient may capture optimism about affordability rather than the actual ability to provide funds; and risk perception may combine awareness, tolerance, and apprehension. The model also omits several plausible influences on Generation Z investment interest, including income or disposable pocket money, peer and social-media influence, expected return, financial self-efficacy, subjective norms, platform-specific technological trust, technology readiness, and prior investment simulation. Because mediation, moderation, and longitudinal conversion from intention to action were not examined, omitted-variable bias and the intention-behavior gap cannot be ruled out. The findings are therefore best understood as context-bound associations that motivate further testing rather than as universal determinants of investment behavior.

5.3 Suggestions and Directions for Future Research

Future research should extend the sample beyond one institution and compare vocational, academic-university, employed, and already-investing Generation Z groups. A longitudinal design could test whether interest converts into account opening and actual transactions. Additional constructs should

include investment-specific knowledge, income and disposable funds, perceived return, digital-platform trust, technology readiness, social-media influence, financial self-efficacy, and subjective norms.

Methodologically, future studies should separate objective financial-literacy tests from perceived literacy, distinguish risk tolerance from risk perception, and measure actual monetary participation costs rather than affordability perceptions alone. Structural-equation models could test whether attitudes and perceived behavioral control mediate the relationships predicted by TPB. Digital-platform studies could also examine whether interface design, notifications, gamification, or frictionless trading features amplify or weaken the effects of literacy and risk awareness documented here.

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Author Contributions

DL contributed to the conceptualization, investigation, data curation, formal analysis, and writing of the original draft. AKD contributed to supervision, validation, and manuscript review and editing. KECS contributed to supervision, validation, and manuscript review and editing. All authors are responsible for verifying the manuscript against the original dataset and institutional records and have approved the final version of the manuscript before submission.

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