4th INTERNATIONAL CONFERENCE ON BUSINESS & SOCIAL SCIENCES
BUSINESS REVIVAL THROUGH DIGITAL TECHNOLOGY TRANSFORMATION
ICOBUSS e-ISSN 2746-5667

FACTORS INFLUENCING INVESTMENT DECISION-MAKING IN GENERATION Z

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Abstract: This study aims to provide empirical evidence about the factors that affect investment decision-making in generation Z. The sampling method used is a non-probability purposive sampling method with generation Z students as a research sample. The age range included in the category of generation Z students is those aged 18-26 years. The analysis method used is Partial Least Square (PLS). The results of the study show that financial literacy, attitude towards investment, and risk perception have a significant influence on investment decision-making among Generation Z students. Financial literacy and attitude towards investment have a positive effect, while risk perception has a negative effect on investment decisions. Although herding does not have a direct effect on investment decision-making, it does affect attitudes towards investment, which then influences investment decisions. This shows that the investment trends and investment decisions of others can shape students' investment attitudes, which ultimately influences their decision to invest. Technological advances and broad access to information, particularly through social media, seem to reduce the direct influence of herding but increase the role of influencers in shaping investment attitudes.

Keywords: financial literacy; herding; risk perception; attitude towards investment; investment decision-making

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