

THE INFLUENCE OF FINANCIAL TECHNOLOGY, FINANCIAL LITERACY, INVESTMENT MOTIVATION AND RISK PERCEPTION ON INVESTMENT INTEREST IN GENERATION Z IN TAMBUN SELATAN DISTRICT

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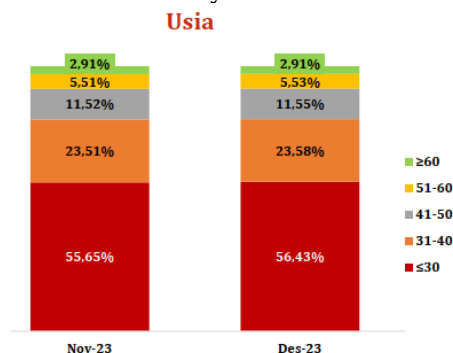


ABSTRACT

This research aims to analyze the influence of financial technology, financial literacy, investment motivation, and risk perception on investment interest in generation Z in Tambun Selatan District. This research was conducted using the questionnaire distribution method as a data collection tool. The population in this study is generation Z in Tambun Selatan District with a research sample consisted of 80 respondents. The data analysis technique in this research uses Partial Least Square (PLS).

INTRODUCTION

The increasingly rapid development of the times has resulted in changes in all aspects of life, one of which is the economic aspect, especially in the investment sector. Based on data from PT. Indonesian Central Securities Depository (KSEI) regarding the number of capital market investors in December 2023, the number of capital market investors increased by 18.01%, of which 56.43% of investors were less than 30 years old.



Source: KSEI, 2024

From the data above, it can be concluded that generation Z has a great interest in investing. Therefore, Generation Z's interest in investing is starting to increase as they have easy access to carry out investment activities with the aim of getting more profits (Hidayat et al., 2024).

However, as reported by Victorianews (2024), there is a problem that generation Z does not yet have the desire to buy a house. Financial Planner Expert (PINA Indonesia) Rista Zswestika said that the current generation Z is a generation that is often caught in online loans and illegal investments. The reason Generation Z is still often victims of illegal investments is because they lack mature investment strategies and financial planning.

Financial Technology is the use of technology for financial systems with services, models, technology and products in modern business and has an impact on efficiency and monetary stability (Haqiqi & Pertiwi, 2022). Fintech is considered to have a positive effect that can help all online transactions.

Apart from rapid technological advances, people also need an understanding of financial management so they don't make wrong decisions and fall into illegal fintech applications. The Financial Services Authority (OJK) says financial literacy is knowledge, skills and beliefs that influence a person's attitudes and behavior to improve decision making and financial management in a profitable way.

Not only is literacy important in starting to invest, but motivation is also needed. Investment motivation is the urge within a person to do certain things and behave in a way that is consistent with investment goals (Bakhri et al., 2020) When investing, risk perception is considered one of the most important things. Risk is the result (loss) of capital investment obtained from wrong expectations by investors. This is usually the reason why people do not act with caution (Ro'fati & Rahayuningsih, 2023).

In this research, researchers chose generation Z aged 17 to 27 years in South Tambun District. Because South Tambun is one of the most densely populated in Bekasi Regency with a population dominated by generation Z based on data from BPS in South Tambun District.

Kelompok Umur	Jenis Kelamin		Jumlah
	Laki-laki	Perempuan	
15 – 19 Tahun	14.136	13.374	27.510
20 – 24 Tahun	21.126	20.103	41.229
25 – 29 Tahun	19.177	18.382	37.599
TOTAL	54.439	51.859	106.298

Source: BPS 2024

Based on the issues and marketing above, researchers are interested in conducting research with the title "The Influence of Financial Technology,

Financial Literacy, Investment Motivation and Risk Perception on Investment Interest in Generation Z in Tambun Selatan District."

THEORETICAL REVIEW

Investment Interest

Investment interest is every individual's desire to invest some of their wealth in order to gain profit. The desire to invest is not influenced by pressure or demands but arises from within the individual to obtain profits in the future (Rosada & Sholahuddin, 2024). The characteristics of someone who is interested in investing can be seen from how actively he seeks to find out about a type of investment, study it, and then apply it (Paranita & Agustinus, 2020).

Financial Technology

Financial technology according to Bank Indonesia Regulation Number 1912/PB/2017, is the use of technology in the financial system which produces products, technological services and/or new business models and can have an impact on monetary stability, financial system stability and/or smooth efficiency, security and system reliability. payment.

Financial Technology or technology for finance creates a new, more efficient model for consumers in accessing financial products and services. (Haqiqi & Pertiwi, 2022). The financial technology indicators according to (Liska et al., 2022) include; understanding of fintech, convenience, effectiveness, and interest.

Financial Literacy

Financial Literacy (Hikmah & Rustam, 2020) analyzes knowledge about finance, the ability to communicate about various financial concepts, the ability to manage individual finances, understanding in making decisions related to financial planning. The financial literacy indicators according to (Hidayat et al., 2024) include; financial knowledge, financial behavior, and financial attitudes.

Investment Motivation

Investment motivation (Hidayat et al., 2024) is defined as an encouragement or stimulus for an individual to be able to increase enthusiasm or take action regarding investment with the aim of getting more profits in the future. This may also indicate that a person's interest in investing is influenced by their motives for investing, because investing can generate income to meet their needs.

The investment motivation indicators according to (Hikmah & Rustam, 2020) include; motivation begins with a change in the individual's drive, motivation can be seen through the emergence of a feeling that directs the individual's behavior or behavior pattern, and motivation is carried out by carrying out activities to achieve goals.

Risk Perception

Risk perception is a consumer's opinion or perception regarding the uncertainty and consequences that may occur when carrying out activities (Hikmah & Rustam, 2020). When someone makes an investment decision, they must consider the possible risks involved. The risk perception indicators according to (Hikmah & Rustam, 2020) include; there are certain risks, experiencing losses and risky thoughts.

Framework

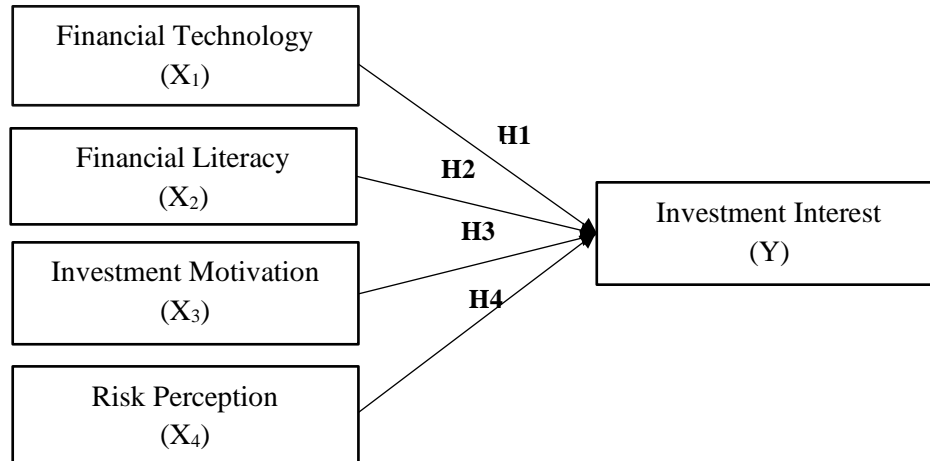


Figure 1. Conceptual Framework

Research Hypothesis

The Influence of Financial Technology on Investment Interest

Based on the results of research conducted by (Sukarno et al., 2024), financial technology has a positive and significant effect on investment interest. This is because using financial technology can help them manage their finances and increase their knowledge about financial products that can benefit them.

However, this is not in line with research conducted by (Utami & Sitanggang, 2023) that financial technology has no effect on investment interest. This explains that people do not fully believe in financial technology, even though it provides easy access.

H1: It is suspected that there is an influence between Financial Technology on Investment Interest in Generation Z in Tambun Selatan District

The Influence of Financial Literacy on Investment Interest

Research results (Pratamasari et al., 2024) show that financial literacy has a significant effect on investment interest. The higher a person's level of understanding of financial literacy, the higher their interest in investing.

This is different from (Hidayat et al., 2024) which shows that financial literacy does not have a significant effect on investment interest. This means that even though people have adequate knowledge about finance, this does not automatically increase their interest in getting involved in stock investment

H2: It is suspected that there is an influence between Financial Literacy on Investment Interest in Generation Z in Tambun Selatan District

The Influence of Investment Motivation on Investment Interest

Research (Bakhri et al., 2020) shows a significant influence between investment motivation and investment interest. This is because a person will be moved to make a change within himself if he has encouragement in the form of motivation in accordance with the needs that exist within him.

However, research (A'yun & Putri, 2023) shows that investment motivation does not have a significant and positive effect on investment interest. This is due to the lack of knowledge and understanding regarding investment, so generation Z spends more money to fulfill their lifestyle rather than choosing to invest.

H3: It is suspected that there is an influence between Investment Motivation on Investment Interest in Generation Z in Tambun Selatan District

The Influence of Risk Perception on Investment Interest

Based on the results of research conducted (Novia et al., 2023), risk perception has a positive influence on investment interest, which means that people consider the consequences or risks they can bear before investing.

However, this is different from the results of research (Nurmalia et al., 2021) which states that risk perception has no effect on investment interest. This is because each individual's perspective on risk is definitely different. There are people who are risk-seekers (looking for risks), risk-neutral (neutralizing risks), and there are also those who do not dare to take risks (avoid risks).

H4: It is suspected that there is an influence between Risk Perception on Investment Interest in Generation Z in Tambun Selatan District

METHODOLOGY

This research uses a quantitative approach (Santoso & Madiistriyatno, 2021) which is a science and art related to procedures (methods) for data collection, data analysis, and interpretation of analysis to obtain information for drawing conclusions and making decisions.

The population in this study is generation Z in South Tambun District. And the sample used in this research was determined using purposive sampling, namely with the following criteria:

1. Respondents live in South Tambun District
2. Respondents aged 17-27 years berusia

The number of samples to be studied in this research was determined using the Hair formula. Based on calculations carried out, the number of samples in this study was 80 people. The technique that will be used in this research to collect data is using a questionnaire technique, namely collecting data through a form containing questions asked to get the answers the researcher needs. The analysis in this research uses Partial Least Square (PLS) data analysis which

consists of three analyzes namely outer model testing, inner model testing and hypothesis testing.

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