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Determinants Of Investment Decisions Millennial And Z Generation

Yessi Nesneri[1*], Ulfiah Novita[2], Nursri Hayatina[3]
[1,2,3] Faculty of Economics and Sosial Sciences, Sultan Syarif Kasim State Islamic University Riau Indonesia
Email: *yessi.nesneri@uin-suska.ac.id*

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ABSTRACT

Investment is the act of allocating valuable assets to generate profits. This research aims to analyze the influence of financial literacy, financial behavior, investment motivation, risk perception, and investment experience on investment decisions of the millennial and Z generations using Structural Equation Modeling (SEM) - Partial Least Squares (PLS) analysis. The results of the study indicate that financial behavior, investment motivation, and risk perception significantly influence the investment decisions of the millennial and Z generations. Meanwhile, financial literacy and investment experience have no influence and are not significant on the investment decisions of the millennial and Z generations. Additionally, it was found that financial literacy, financial behavior, investment motivation, risk perception, and investment experience influence investment decisions by 66.5%, and the remaining 33.5% is influenced by other variables not examined in this research.

INTRODUCTION

Investment is one of the tools to realize financial goals, namely through fundraising activities to generate profits. One of the goals An attractive investment for investors is the capital market. Investors' interest in the capital market can be seen from information *Single Investor Identification* compiled by PT Kustodian Sentral Efek Indonesia that the number of capital market investors in 2022 reached 10.31 million investors, while the number of investors in 2021 was only 7.49 million investors, an increase of 37.65% when compared to the number of investors in 2021 (Jasa Keuangan, 2022).

The increase in the number of investors in the capital market indicates that there is an alternative investment in the digital era with easy access to information and can be carried out anytime and anywhere by the public, which is expected to be a driver

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for the millennial generation and generation Z in making investments. This is because the millennial and Z generations are known as generations that are easily adaptable to technology so that they have a very large opportunity to play a role as financiers on the stock exchange. On the population side, currently the Indonesian population is dominated by the Millennial generation as much as 25.87 percent and Z Generation as much as 27.94 percent with a total of 53.81 percent or more than 50 percent of the population in Indonesia (Badan Pusat Statistik Provinsi Kepulauan Riau, 2021).

In order to increase the number of investors from the millennial and Z generations, since 2000 PT. The Indonesia Stock Exchange (IDX) collaborated with Universities and Securities Companies to establish an investment gallery on campus as a way to introduce the capital market from an early age to academics. This collaboration also aims to support learning so that it does not only focus on theory, but also includes simulation and implementation of direct transactions. Sultan Syarif Kasim State Islamic University Riau (UIN Suska Riau) is one of the universities that has collaborated with the Indonesia Stock Exchange (IDX), namely through the Cooperation Agreement for the Establishment of the Indonesia Stock Exchange Investment Gallery (GIBEI) at the Faculty of Economics and Social Sciences (FEIS) which is hereinafter known as GIBEI FEIS UIN Suska Riau with the support of PT. BNI Sekuritas.

The presence of the Indonesia Stock Exchange Investment Gallery (GIBEI) at the Faculty of Economics and Social Sciences (FEIS) of the Islamic University of Sultan Syarif Kasim Riau (UIN Suska Riau) is expected to contribute to increasing investors, especially investors from the millennial and Z generations and be able to contribute to improving financial literacy, especially about capital market literacy which is currently in the position with the lowest literacy level number 2 (two) after microfinance institutions with a literacy rate of 4.92% (OJK, 2021)., and if viewed from the perspective of the public's understanding of financial services institutions, the capital market is the least known industry by the public (OJK, 2021). Currently, investors of the Indonesia Stock Exchange Investment Gallery (GIBEI) FEIS UIN Suska Riau have reached 1,148 investors with details in table 1 as follows:

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Table 1: Number of IDX FEIS Investment Gallery Investors UIN Suska Riau (2012 to 2022)

Year	Number of Investors	Expired / Inactive Investment	Number of Active Investors
2012	33	2	31
2013	65	6	59
2014	147	52	95
2015	81	8	73
2016	252	149	103
2017	132	85	47
2018	77	32	45
2019	153	61	92
2020	60	7	53
2021	84	22	62
2022	64	-	64
Total	1.148	424	724

Source : Investment Gallery BEI FEIS UIN Suska Riau

Table 1 information can be obtained that the number of investors in the FEIS UIN Suska Riau Investment Gallery is 1,148 (only 32.21% of the total FEIS students of UIN Suska Riau Even Semester for the 2021/2022 academic year, which is 3,564 (PDDikti, n.d.). There are only 724 active stock accounts as investors, of which 424 (36.93%) have expired or have not been activated. Based on an interview with the head of the Indonesia Stock Exchange Investment Gallery (GIBEI) FEIS UIN Suska Riau, it is known that the expired account occurred because students did not activate and did not make transactions since opening the account.

In fact, students who already have a stock account have participated in capital market education, capital market schools level 1 and 2, and even at the advanced capital market school stage which is routinely carried out by the Indonesia Stock Exchange Investment Gallery (GIBEI) FEIS UIN Suska Riau laboratory. In addition, the material in lectures on financial literacy, financial management, investment and portfolio management as well as Banks and Financial Institutions should also be a provision for students to actively become investors. However, students still do not have the confidence to become investors who dare to make investment decisions.

Investment Decisions are an aspect that needs to be understood before making an investment product choice (Siregar & Anggraeni, 2022) in order to provide profits

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in the future (Istiqomah, Anis; Bebasari, 2022). If a person has decided on his investment choice, then investors will look for as much information as possible(Hesniati & Hendy, 2021) and digest the information based on knowledge, skills, and belief in market information that makes a person have a perception of risk associated with investment experience. A person who has good financial literacy will have better decisions in determining investments (Upadana & Serawati, 2020).

Financial Literacy is knowledge, skills, and beliefs that affect a person's attitude and behavior in making choices and managing finances (Financial Services Authority, 2019). Financial literacy is often associated with the terms financial knowledge, financial education, and financial competence (Ahmad et al., 2020). Indonesia prioritizes financial education for students and students. The urgency of improving literacy levels for students and students (millennial and Z generations) is felt important because national survey data on Indonesian financial literacy by the OJK in 2016 shows that the level of financial literacy of students and students is still minimal (low). Namely only 23.4% of students and students have adequate financial literacy knowledge (Soetiono S, Kusumaningsih; Setiawan, 2018).

In addition to Financial Literacy, financial behavior also determines investment decisions (Siregar & Anggraeni, 2022; Upadana & Herawati, 2020) Financial behavior is a process that includes planning, budgeting, evaluation, management, supervision, withdrawal, and storage of financial funds on a daily basis that is influenced by psychological factors (Saputra & Murniati, 2021). Analysis in investing or making investment decisions that utilize psychological and financial knowledge is known as financial behavior (*Behaviour Finance*) (Manurung, 2012).

Furthermore, another factor that affects individuals in making investment decisions is motivation (Istiqomah, Anis; Bebasari, 2022). According to Winardi, 2016 in (Istiqomah, Anis; Bebasari, 2022) Motivation is a potential strength or energy that is contained in individuals and can be developed independently or through external influences. This is in line with the results of an interview with the head of the investment gallery of BEI FEIS UIN Suska Riau who said that some students who opened a stock account in the Investment Gallery were only motivated by lecture assignments. Widyatstuti, et al. 2004 in (Hasanudin et al., 2021) states that motivation

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is defined as the drive or energy that moves humans to behave and make decisions such as actions related to investment.

Risk perception is a person's perspective in assessing risks that can affect their investment decisions. This is because each type of investment will not only promise profits but also contain risks. According to Lestari, 2013 in (Zahida, 2021) Risk Perception (*Risk Perception*) is an evaluation carried out by individuals of risky situations, which depends on their character, psychological state, and situation. So it can be interpreted that a person with a high risk perception tends to be more cautious when making investment decisions. On the other hand, someone who has a low risk perception will be more courageous to make decisions because they already have experience with investing. (PRADIKASARI & ISBANAH, 2018)

Experienced regret is an experience that a person experiences and causes that person to feel lost, regretful or disappointed with their investment decision-making so that it affects decision-making in the future (Rinandiyana et al., 2020; Yohnson, 2008)., this is not in line with the research conducted by (Saraswati & Rusmanto, 2022) which states that the experience in investment (bad experience) that has been faced by the age group of 20-25 (born in 1997-2002 / Generation Z) has no effect on investment decisions and the investment experience does not make Generation Z stop investing.

LITERATURE REVIEW

1. Financial Literacy

According to the OJK (POJK, 2016) in (Soetiono S, Kusumaningsih ; Setiawan, 2018) Financial literacy refers to a series of processes and activities that aim to improve knowledge (*Knowledge*), confidence or confidence (*Confidence*) and skills (*Skill*) which has an impact on attitudes (*Attitude*) and behavior (*Behavior*), in order to improve the quality of decision-making and financial management to achieve welfare. or it can be interpreted as an understanding of basic financial concepts and financial products that need to be managed in order to function as a guideline in making effective decisions, in order to achieve financial prosperity in the future. Research conducted by (Mandagie et al., 2020; Putrie, Sheny Gatrie Slamet; Usman, 2022; Yolanda & Tasman, 2020; Zahida, 2021) shows that financial literacy has a positive and significant influence

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on investment decisions. However, in the study (PRADIKASARI & ISBANAH, 2018) found that Financial Literacy does not affect investment decisions.

H1 : Financial Literacy Has a Significant Effect on Investment Decisions of the Millennial and Z Generations, a study at the Investment Gallery Faculty of Economics and Social Sciences, Sultan Syarif Kasim State Islamic University, Riau.

2. Financial Behavior Towards Investment Decisions

Financial behavior is a field of science that deals with how individuals respond and react to information in an effort to make choices that can increase profits (*Return*) by paying attention to the level of risk, in financial behavior the elements of attitude and action are determining factors in investing.(Siregar & Anggraeni, 2022). Research (Rosdiana, 2020) Finding that financial behavior leads a person in investment decisions so that the results of the research show that financial behavior has a positive effect on investment decisions, the following hypothesis formulation is compiled:

H2: Financial Behavior Has a Significant Effect on Investment Decisions of the Millennial and Z Generations, Study at the Investment Gallery Faculty of Economics and Social Sciences, Sultan Syarif Kasim State Islamic University, Riau.

3. Investment Motivation for Investment Decision Making

Investment Motivation is the encouragement in a person to take steps related to investment activities (Hasanudin et al., 2021), The impulse can come from oneself, family or the social environment or the impulse to gain profit or take advantage of opportunities in investing capital. Research (Hutapea, R Sondang ; Dewi, 2021) found that investment motivation has an impact on the interest in investing, and that interest will strengthen the investment decision-making process. Research (Hasanudin et al., 2021) Indicating that investment motivation has a positive and significant effect on investment decisions, the hypothesis in this study is as follows:

H3 : Investment Motivation Has a Significant Effect on Investment Decisions of the Millennial and Z Generations, a study at the Investment Gallery, Faculty of Economics and Social Sciences, Sultan Syarif Kasim State Islamic University, Riau.

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4. Risk Perception for Investment Decision Making

Risk perception is the perspective and evaluation that investors have regarding the potential risks that will be faced when making investment decisions (PRADIKASARI & ISBANAH, 2018). Previous studies by (Yolanda & Tasman, 2020) indicates that risk perception has a positive and significant impact on investment decisions, in line with research conducted by (Zahida, 2021) which shows that risk perception has a positive effect, but is not significant on investment decisions. In contrast to research (PRADIKASARI & ISBANAH, 2018) which found that the perception of risk had no effect on investment decisions.

H4 : Risk Perception Has a Significant Effect on Investment Decisions of the Millennial and Z Generations, a study at the Investment Gallery, Faculty of Economics and Social Sciences, Sultan Syarif Kasim State Islamic University, Riau.

5. Investment Experience Towards Investment Decision Making

According to Yohnson (2008) in (Rinandiyana et al., 2020) An investment experience is an experience that a person experiences that results in regret, disappointment and dissatisfaction in making investment choices or even facing the consequences of decisions that have been taken before. Studies done by (Rinandiyana et al., 2020) shows that investment experience has an effect on investment decisions. Therefore, the hypothesis in this study can be formulated as follows:

H5 : Investment experience has a significant effect on investment decisions of the millennial and Z generations, a study at the Investment Gallery, Faculty of Economics and Social Sciences, Sultan Syarif Kasim State Islamic University, Riau.

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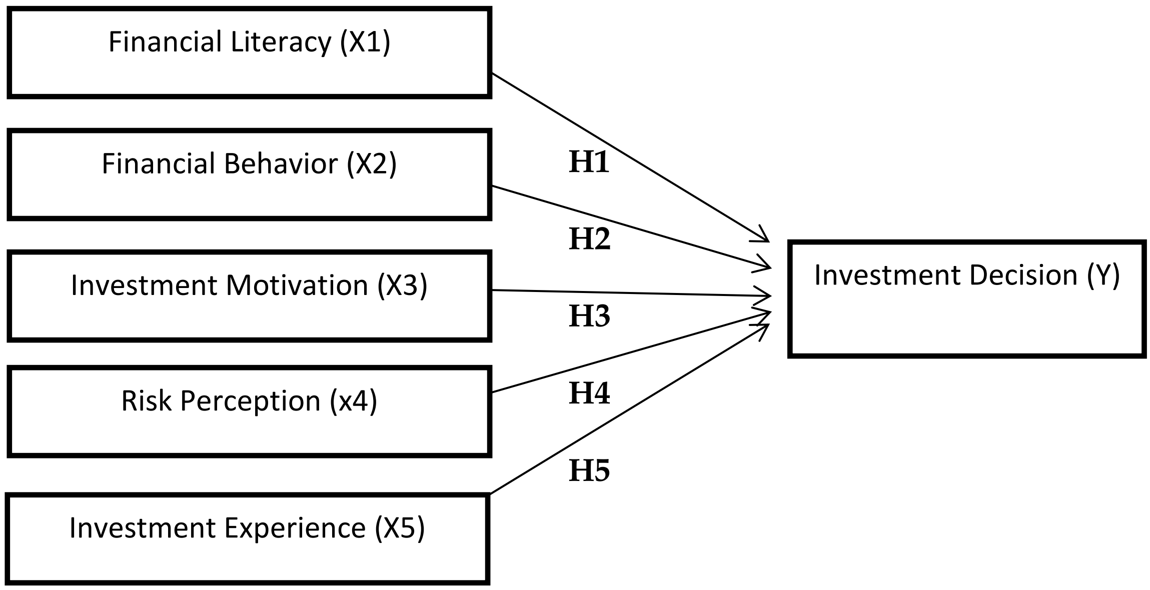
Based on the description above, the model of this research is prepared as follows:

Figure 1: Research Model



METHODS

The type of research conducted is quantitative research using primary data. The population in this study consists of 724 active investors in the IDX investment gallery, Faculty of Economics and Social Sciences, UIN Suska Riau. To determine the sample size in this study, GPower 3.1 software was used with *type of power analysis A priori: Compute required sample size-given* α, *given* α, *power, and effect size* with a value *effect size* 0.15 (medium) Cohen 1988, p 412 in (Axel Buchner et al., 2023), *alpha error probability* of 0.05, power of 0.80. and *Number of predictors* is 5, so that the minimum sample is 92 respondents. Based on the minimum sample, the researcher determined the sample in this study to be 108 respondents.

The sampling methods applied are *Nonprobability Sampling* that is a sampling technique that does not give every individual in the population the same opportunity to be selected as part of the sample. Because in this study, the sample taken was only limited to The Millennial Generation (Born in 1981-1996) and generation Z (born in 1997-2012) only. while Generation X investors (born in 1965-1980) who are also listed in the IDX investment gallery of the Faculty of Economics and Social Sciences UIN Suska Riau do not meet the research characteristics that have been set by the researcher. The nonprobability sampling technique applied is purposive sampling,

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which is a method of selecting samples with certain considerations **(Sugiyono, 2013)**. The data collected in this study was analyzed through Modeling *Structural Equation Modeling* (SEM) - *Partial Least Square* (PLS). The operational concept of variables in this study is described in table 2 below:

Table 2: Variable Operational Concepts

Yes	Variable	Indicator	Statement	Scale	Source
1	Investment Decision	Rate of return	High income expectations made me interested in investing in the capital market	Likert	(Mandagie et al., 2020; Siregar & Anggraeni, 2022)
			Calculating the ROI or rate of return on investment is something that investors do in making decisions		
			I try to find various important information from various parties to find out the return I will receive		
		Rate Of Risk	I first study what risks I will take before deciding which investment I will choose		
			Investment diversification is one way to minimize the risks that will be received		
		Term	I choose long-term stock investing for the security of my investment		
			Short-term investments give me a quick return		
2	Financial Literacy	Financial Knowledge	With adequate financial knowledge I can avoid all forms of money fraud	Likert	(Soetiono S, Kusumaningsih ; Setiawan, 2018)
			I know the factors that must be considered in choosing an investment		
		Financial Skills	I saved IDR 1,000,000 at the beginning of the year with an interest rate of 5% per year without administration fees, then my savings balance will be IDR 1,050,000. At the end of the year		
			If I invest money of IDR 5,000,000 by getting a compound interest of 12% per		

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			year. Then my investment amount for 3 years is 7,024,640		
		Financial Confidence	If I buy shares in a company then I become part of one of the owners of that company		
			I would sell stocks at a time when stock prices tend to rise		
		Financial Attitude	I would rather invest in the capital markets than keep money in the bank		
			I will buy stocks that are Undervalue (Market Price < Intrinsic Value)		
3	Financial Behavior	Consumption	I only buy things according to my needs	Likert	(Dew, 2011; Masdupi, E., Sabrina, S., & Megawati, 2019)
			I plan my future by making long-term investments (postponing current desires)		
		Cash Management	Having a financial budget can help me in controlling expenses		
			I always save a portion of my income for unexpected purposes		
			I keep a record of expenses (daily/monthly) to help me manage my finances		
		Credit Management (Debt)	I manage my finances well to avoid debt		
			I always pay my bills on time		
		Investment Behavior	The income or salary I receive is mostly used for investment		
			I invest in the capital market to get high returns		
4	Investment Motivation	The Incentive to Profit	The investments I make in the capital markets have always been profitable	Likert	(Hasanudin et al., 2021)
			I know that stock profits can be in the form of capital gains and dividends		
		The Urge to Avoid Risk	I invest in several instruments to minimize risk		
			I always do financial analysis (fundamental analysis) to		

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			minimize the risk on my investments		
		The Growth of Money Value	I know that investing is an investment of funds now, to get profits in the future		
			The value of investment grows in line with economic growth		
		Opportunities and Opportunities to Invest Capital	I invest in the capital markets to prepare for future needs		
			I have the opportunity to invest in the capital markets because of the investment gallery on campus		
			I have the opportunity to earn dividends, if I invest long-term (stocks, bonds, mutual funds)		
5	Risk Perception	Economic Risk Outlook	Investing in the capital market can provide high returns, but it also comes with high risks	Likert	(PRADIKASARI & ISBANAH, 2018)
			The capital market gave me the opportunity to participate in the development of the economy		
		Risk of Wealth Loss	Selling a stock when its value is falling (a loss-making position) causes a loss (loss of a portion of an asset)		
			I have never sold stocks that have decreased in value (loss)		
		Risk of Impairment	Market risks that occur when stock prices fall, resulting in a decrease in investment value		
			Investment losses are one of the market risks faced by investors		
		Uncertainty of Earning Income	The capital market provides an opportunity for investors to determine the expected returns		
			The capital market gives investors the opportunity to resell their shares or other securities		
6	Investment Experience	Experience of Losses in Making	I have experienced losses when investing in the capital market	Likert	According to Yohnson (2008)

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	Investments		in (Rinandiyana et al., 2020)
		I have a bad experience in investing in the capital market (I was a victim of fraudulent investments)	
	Feelings of regret when investing	I am very sorry for the investment I have made	
		I don't dare to invest anymore because my bad experience in investing makes me afraid to invest again	
	The Impact of Loss Experience for the Future	The losses I experienced made it difficult for me to invest the same type	
		When I make investments I never look back	

RESULTS

Respondent Characteristics

The characteristics of the respondents in this study are summarized in the following table:

Table 3: Characteristics of Respondents

Respondent Identities	Frequency	%
By Gender		
Male	28	25,9
Women	80	74,1
By Year of birth (Age)		
1981-1996 (Millennial Generation)	86	79,6
1997-2012 (Generation Z)	22	20,4
Based on Recent Education		
High School	89	82,4
Diploma	1	0,9
Bachelor (S1)	14	13
Postgraduate (S2)	4	3,7
By Profession		
Students	96	88,9
Alumni (Employees, Employees and MSMEs)	7	6,5
Employees	2	1,9
Lecturer	3	2,8
Based on Investment Length		

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< 1 Year	71	65,7
1-5 Years	22	20,4
>5 Years	15	13,9
By Investment Type		
Stock	74	68,5
Sharia Stocks	27	25
Mutual Funds	3	2,8
Sharia Mutual Funds	1	0,9
Bonds	3	2,8
Based on Investment Objectives		
Planning for the Future	59	54,6
Expect High Profits	33	30,6
Other (Investing because of a friend's participation, to fulfill a college assignment, wanting to get a high score in a certain course)	16	14,8

Source: Research Data

The respondents in this study are on average female, Z generation, high school education (students), with an investment period of < 1 year with the aim of planning profits in order to realize financial goals.

Measurement Model

The Measurement Model refers to the evaluation of the validity and consistency of the tools applied in the research. This aims to ensure that the instruments used are reliable to make measurements and can measure accurately and in accordance with the actual conditions and each indicator used is valid and reliable. Validity Testing in this study uses convergent validity and discriminant validity.

Convergent Validity (*Convergent Validity*), measured by factor charge (*Loading Factor*) for reflective indicator models as well as component weights (*Component Loading*). Individual reflective measures are considered high if they have a correlation greater than 0.60 (Chin et al., 1998) in (Ghozali, Imam; Latan, 2015). Value *Loading Factor* greater than 0.50 to 0.60 is considered to indicate a fairly strong validation (Solimun; Fernandes, 2017). On the other hand, the value of *Loading Factor* greater than 0.60 indicates a very high level of validity. Therefore, in this study the *Loading Factor* applied is more than 0.60.

Discriminative validity (*Discriminant Validity*) is done to ensure that each concept of a variable or construct is theoretically different and statistically measurable

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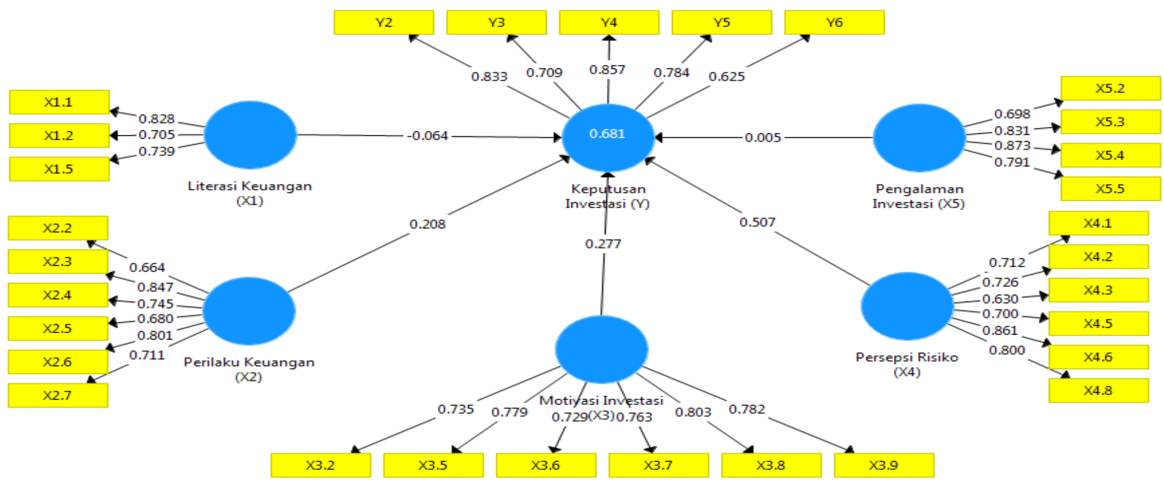
from the construct or other variables. The evaluation of discriminant validity can be seen through *Loading value* and *Cross Loading*. If the value *Loading* for each indicator on the variable is higher than *Cross Loading* in other latent variables, it can be interpreted that the discriminant validity has been fulfilled (Solimun; Fernandes, 2017). Furthermore, to evaluate the validity of the variables, another approach is used by observing the value of *Averagae Variant Extracted* (AVE). each indicator should have an AVE value must exceed >0.5 to meet the standard of good discriminating validity.

Reliability testing in this study was measured through *Composite reliability* and *Cronbach alpha. Composite reliability* is a component used to assess the reliability of an indicator indicator in a variable. A variable is declared to meet *Composite reliability* if it has a value *Composite reliability* more than 0.70. Test reliability with *Composite reliability* can be emphasized by using the *Cronbach alpha.* Variables considered reliable or meet the criteria *CRONSBACH Alpha* if it meets the *Cronbach Alpha* > 0.50 for each indicator. According to Hartono (2008) in (Kingdom et al., 2021) Value *CRONSBACH Alpha* between 0.50 to 0.60 is considered sufficient for reliability.

Figure 2: Final Measurement Model



Source : Research Data

The results of the measurement model **(*Measurement Model)*** are described in the following table 4:

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Table 4 : Summary of Measurement Model Results

Variable	Code	Validity		Reliability	
		Convergent Validity	Discriminant Validity		
		Outer Loading	AVE	Composite Reability	Cronbach Alpha
		>0.60	>0.50	>0.70	>0.60
Financial Literacy (X1)	X1.1	0.828	0.577	0.803	0.632
	X1.2	0.705			
	X1.5	0.739			
Financial Behavior (X2)	X2.2	0.664	0.554	0.881	0.839
	X2.3	0.847			
	X2.4	0.745			
	X2.5	0.680			
	X2.6	0.801			
	X2.7	0.711			
Investment Motivation (X3)	X3.2	0.735	0.586	0.895	0.859
	X3.5	0.779			
	X3.6	0.729			
	X3.7	0.763			
	X3.8	0.803			
	X3.9	0.782			
Risk Perception (x4)	X4.1	0.712	0.550	0.879	0.836
	X4.2	0.726			
	X4.3	0.630			
	X4.5	0.700			
	X4.6	0.861			
	X4.8	0.800			
Investment Experience (X5)	X5.2	0.698	0.641	0.877	0.812
	X5.3	0.831			
	X5.4	0.873			
	X5.5	0.791			
Investment Decision (Y)	Y.2	0.833	0,587	0,875	0.820
	Y.3	0.709			
	Y.4	0.857			
	Y.5	0.784			
	Y.6	0.625			

Source: Research Data

Based on the results of table 4, it can be concluded that the total items that meet the validity test are as many as 30 statement items, Value *Outer Loading* the indicator is already above 0.60, the AVE value has exceeded or >0.50, Value *Composite reliability* > 0.70, and Value *Cronbach Alpha* Of each of the above research variables, >0.6. So that it can be concluded that the variables used in this study are valid and reliable.

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Table 5: Discriminant Validity

Code	Y	X1	X2	X3	X4	X5	Information
Y.2	**0,833**	0,362	0,431	0,492	0,624	-0,124	Valid
Y.3	**0,709**	0,396	0,557	0,497	0,542	-0,308	Valid
Y.4	**0,857**	0,388	0,556	0,572	0,745	-0,243	Valid
Y.5	**0,784**	0,343	0,393	0,502	0,631	-0,156	Valid
Y.6	**0,625**	0,463	0,447	0,557	0,409	-0,416	Valid
X1.1	0,391	**0,828**	0,502	0,552	0,375	-0,286	Valid
X1.2	0,318	**0,705**	0,389	0,397	0,309	-0,170	Valid
X1.5	0,422	**0,739**	0,419	0,603	0,451	-0,384	Valid
X2.2	0,395	0,416	**0,664**	0,465	0,356	-0,275	Valid
X2.3	0,619	0,426	**0,847**	0,420	0,527	-0,216	Valid
X2.4	0,382	0,466	**0,745**	0,391	0,304	-0,288	Valid
X2.5	0,289	0,274	**0,680**	0,271	0,285	-0,098	Valid
X2.6	0,489	0,562	**0,801**	0,473	0,513	-0,259	Valid
X2.7	0,496	0,409	**0,711**	0,354	0,600	-0,123	Valid
X3.2	0,576	0,476	0,410	**0,735**	0,641	-0,398	Valid
X3.5	0,445	0,510	0,339	**0,779**	0,460	-0,404	Valid
X3.6	0,404	0,523	0,391	**0,729**	0,398	-0,326	Valid
X3.7	0,524	0,494	0,435	**0,763**	0,444	-0,279	Valid
X3.8	0,566	0,609	0,435	**0,803**	0,559	-0,400	Valid
X3.9	0,563	0,569	0,435	**0,782**	0,526	-0,298	Valid
X4.1	0,518	0,505	0,498	0,636	**0,712**	-0,449	Valid
X4.2	0,620	0,450	0,447	0,666	**0,726**	-0,321	Valid
X4.3	0,367	0,223	0,383	0,239	**0,630**	-0,077	Valid
X4.5	0,505	0,229	0,409	0,350	**0,700**	-0,017	Valid
X4.6	0,644	0,365	0,431	0,467	**0,861**	-0,289	Valid
X4.8	0,731	0,431	0,512	0,541	**0,800**	-0,197	Valid
X5.2	-0,236	-0,240	-0,103	-0,370	-0,149	**0,698**	Valid
X5.3	-0,278	-0,329	-0,352	-0,366	-0,282	**0,831**	Valid
X5.4	-0,288	-0,300	-0,232	-0,403	-0,333	**0,873**	Valid
X5.5	-0,183	-0,367	-0,189	-0,316	-0,214	**0,791**	Valid

Source: Research Data

Loading Each indicator on the related variable has a higher value when compared to the *Cross Loading* on other latent variables, so that it can be concluded that the discriminant validity is achieved/valid.

Structural Model

Evaluation of Structural Model (Inner Model), can be done using R-square. *R-Square* serves to assess how strong the predictive ability of the structural model is. *R-*

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Square Explain how certain exogenous latent variables affect endogenous latent variables and whether they are significant. Values *R-Square* 0.67, 0.33 and 0.19 reflect models that are high, medium, and low quality (Chin et al., 1998) in (Ghozali, Imam; Latan, 2015). The greater the value *R-Square,* throw the better the predictive ability and quality of the proposed research model.

Table 6 : *R-Square*

	R-square	*Adjusted R-square*
Investment Decision	0,681	0,665

Source: Research Data

Based on table 6, the *R-Square* recorded 0.681 which indicates a strong model (Chin et al., 1998) in (Ghozali, Imam; Latan, 2015). Meanwhile, *adjusted R-Square* was at 0.665. This means that the variables of financial literacy, financial behavior, investment motivation, risk perception, and investment experience had an impact on investment decisions by 66.5%, while the remaining 33.5% were influenced by other variables that were not studied in this study.

F Square

The value *of f square* serves to evaluate the impact of exogenous variables on endogenous variables. If *f square* shows a number of 0.35 or f ≥ 0.35 then it indicates that the latent variable exerts a significant influence with a high category. If the value is in the range of 0.15 or in the range of 0.15 ≤ f ≤ 0.35 then the effect can be categorized as intermediate. Meanwhile, if the value is 0.02 or in the range of 0.02 ≤ f ≤ 0.15, this indicates a small influence. The value *of f square* can be found in table 6 below:

Table 7 : *F Square*

	Investment Decision
Financial Literacy	0,006
Financial Behavior	0,073
Investment Motivation	0,086
Risk Perception	0,375
Investment Experience	0,000

Source: Research Data

Based on table 7, it can be concluded that 4 exogenous variables (financial literacy, financial behavior, investment motivation, and investment experience) have

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a small influence, namely value $0.02 \leq f \leq 0.15$. However, risk perception has a high influence because $f \geq 0.35$.

Hypothesis Test/ *Path Cooficient*

Whether or not a hypothesis is accepted or not, a hypothesis test must be carried out by utilizing the *Bootstrapping* di SmartPLS 3.0. a hypothesis is accepted if its significance level is less than 0.05 *or p-value* exceeding the critical limit. The criteria used as a reference for comparison are as follows:

The hypothesis is accepted when t-count is >1.96 or sig value <0.05

The hypothesis is rejected if t-count <1.96 or sig value >0.05

Table 8**:** ***Path Coefficient***

	Original Samples (0)	**Sample Average (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Value**
Financial Literacy (X1) -> Investment Decisions (Y)	-0,064	-0,046	0,077	0,822	0,411
Financial Behavior (X2) -> Investment Decision (Y)	0,208	0,195	0,090	2,301	0,022
Investment Motivation (X3) -> Investment Decision (Y)	0,277	0,280	0,119	2,318	0,021
Risk Perception (X4) -> Investment Decision (Y)	0,507	0,504	0,121	4,203	0,000
Investment Experience (X5) -> Investment Decision (Y)	0,005	-0,004	0,068	0,080	0,936

Source: Research Data

Based on table 8, it can be seen that financial literacy has no significant effect (no impact) on investment decision-making with a statistical t-value of 0.822 (less than 1.96) and a p-value *Values* 0.411 (greater than 0.05). If you look at the results of the summary of the respondents' answers, the average respondents in this study already have high financial literacy, especially about the capital market. Because they have

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received lecture materials related to financial management and investment and portfolio analysis, they even received direct assistance from idx representatives of the Riau region and BNI Sekuritas both online and offline. However, the high level of literacy possessed by the respondents in the study was not able to influence investment decisions. This happens, because the average investor in the investment gallery of BEI FEIS UIN Suska Riau invests not because they have high literacy, but only as a condition to get the best score in certain courses, thus causing a change in investment objectives that no longer seek profits or maximize returns. This is in line with the theory of bounded rationality put forward by (March & Simon, 1958) in (Rizky et al., 2025) which emphasizes that the decision taken does not always have to be rational, but is adjusted to the limitations and demands on the organization. On the other hand, the Head of the IDX FEIS Investment Gallery UIN Suska Riau said that many investment gallery investors are no longer active because they are graduates (alumni). Even though they have been equipped with capital market literacy. The results of the study are not in line with the results of the 2022 Financial Services Authority (OJK) survey which found that the capital market literacy level was 4.11% or decreased when compared to the previous survey in 2019, which was 4.97% (down 0.86%), the decline in capital market literacy did not affect the number of investors. This is because, based on data from the Indonesian Central Securities Depository (KSEI), it shows that investor growth has reached 11,729,977 or grown by 13.76% (Indonesia Central Securities Depository, 2023). However, literacy is still important and must increase along with the increase in investors, so that investors in the capital market are not just trial and error.

Furthermore, financial behavior has a significant effect on investment decisions with a statistical t-value of 2.301 >1.96 and a p-value *Values* of 0.022, which is smaller than 0.05. This means that the respondents in this study invest because they have good financial behavior, namely already have financial planning such as planning for the future by choosing long-term investments, investing with the aim of obtaining *Return* high. Have been able to make a financial budget in order to control their finances.

Investment motivation has a significant effect on investment decisions with a statistical t-value of 2.318 > 1.96 and a p-value *Values* by 0.021 or less than 0.05. So it

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can be concluded that the respondents in this study have high motivation to invest in the capital market. This is in accordance with the results of direct discussions with investors who stated that motivation in investing is given by various parties, namely the encouragement from the campus (lecturer) to open a stock account in the investment gallery in fulfilling the obligation to complete college assignments; encouragement from friends who have already invested (following the trend), encouragement from within themselves who want profits and take advantage of opportunities to invest.

Risk Perception has a significant effect on investment decisions with a statistical t-value of 4.203 > 1.96 and a p-value *Values* 0.000 or less than 0.05. This means that the respondents in this study are fully aware of the risks that will be faced when deciding to invest in the capital market. Although, the risk in the capital market is very high, but the capital market can also provide high profits. Even the capital market provides investors with the opportunity to determine the desired return.

Investment Experience has no effect and is not significant on investment decisions with statistical t-values 0.080 < 1.96 and a p value *Values* by 0.936 > 0.05. This means that the respondents in this study have never seen experience to invest. Because, even though they have had a bad experience in investing, the respondents are still investors. Based on interviews with investors, it is known that they have never regretted investing in the capital market, even though the initial encouragement was due to assignments from lecturers.

CONCLUSION AND SUGGESTION

Conclusion

Based on the results of the analysis that has been carried out, the following conclusions can be described:

1. Financial literacy has no effect and is not significant on the investment decisions of millennials and Z generations with a statistical t-value of 0.822 < 1.96 and a p *value* of 0.411 > 0.05. This means that a high level of financial literacy is not able to affect a person's investment decisions. Therefore, even though lecturers explain lecture materials related to financial management and analysis and portfolios, they are not able to change someone to invest, as well as public education on capital

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markets, capital market schools level 1 and 2, as well as advanced capital market schools which are periodically carried out by the investment gallery of IDX FEIS UIN Suska Riau through collaboration with IDX regional representatives of Riau and BNI Sekuritas, still unable to change someone to be able to invest.

2. Financial behavior has a significant effect on the investment decisions of millennials and Z generations with a statistical t-value of 2.301 >1.96 and a p *value* of 0.022, which is less than 0.05. This means that the respondents in this study already have a financial budget, financial records, and are even able to plan for the future, namely by postponing the current desire to make long-term investments. Because investors have expectations of getting a high return on the investment made.
3. Investment Motivation has a significant effect on the investment decisions of the millennial and Z generations with a statistical t-value of 2.318 > 1.96 and a p *value* of 0.021 or less than 0.05. This means that the respondents in this study have a high motivation to get profits through investment. This is because in the financial management course, investment and portfolio analysis, and other courses, there is always material on calculating profits such as calculating *capital gains* and *dividends*, ways to minimize risks, investment products and even opportunities that exist from financial analysis carried out to get the desired profits. In addition, idx Riau regional representatives together with a team from BNI Sekuritas are also very active in providing encouragement or motivation to investors. Especially investors in the FEIS investment gallery UIN Suska Riau.
4. Risk Perception has a significant effect on investment decisions with a statistical t-value of 4.203 > 1.96 and a p *value* of 0.000 or less than 0.05.This means that the respondents in this study on average already know the existence of economic risks, the risk of wealth loss, the risk of depreciation, and uncertainty in earning income. However, the respondents still decided to invest. Because the respondents are aware that investing in the capital market can provide high returns, even though it has high risks. In addition, the respondents want to take advantage of the existing opportunities to get to know the capital market through the FEIS UIN Suska Riau Investment Gallery.

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5. Investment experience had no effect and was not significant on investment decisions with a statistical t-value of 0.080 < 1.96 and a p *value* of 0.936 > 0.05. This means that the respondents in this study continue to invest even though they have experienced losses, and to get high *returns*, they do not have to have experience in investing, because one can determine the desired *return* according to the analysis carried out when deciding to invest.

Suggestions

1. Continuing this research with a larger scope, not only in the investment gallery.
2. Conducting capital market education to the surrounding community, so that investors in the investment gallery, not only students. However, they also come from the surrounding community. Especially the campus area.
3. Establish cooperation with the Village to establish an incubator as a center for financial investment activities, as a forum for the community to carry out investment activities.

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