

The Influence of Financial Literacy, Education Level, Income, and Social Media on Investment Decisions of Generation Z in Bengkulu Province

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ABSTRACT

Investment planning plays an important role in financial management, because it is related to the ability to develop financial independence, both for current and future needs. In this planning, it is important to consider various factors such as financial literacy, education level, income, and social media. Therefore, this study aims to analyze the influence of financial literacy, education level, income, and social media on investment decisions among Generation Z in Bengkulu Province. Data were collected through an online questionnaire distributed using Google Form. The research sample consisted of 110 respondents selected using the non-probability sampling method with convenience sampling techniques. Data analysis was carried out using the Structural Equation Modeling Partial Least Square (SEM-PLS) method. This study shows that financial literacy, education level, income, and social media significantly influence investment decisions of Generation Z in Bengkulu. These four variables support each other in forming better, more focused investment decisions that are in accordance with individual financial needs and goals. Financial literacy provides an important foundation in making investment decisions. Education level influences the quality of investment decisions, income allows for more flexible and diversified decisions, while social media influences preferences and helps the younger generation make more informed investment decisions

INTRODUCTION

Investment is the placement of funds in certain assets with the aim of gaining profits in the future (OJK, 2017). Tandelin, (2017) refers to investment as a commitment to a certain amount of funds at this time with the hope of gaining benefits in the future. The investment trend in Indonesia shows positive growth, with investment realization in January-June 2024 reaching IDR 829.9 trillion, up 22.3% from the previous year, equivalent to 50.3% of the annual target (Ministry of Investment/BKPM, 2024). The increase in the number of investors reflects high optimism towards investment and committed government support. Based on KSEI data as of August 2024, Generation Z, which includes individuals under the age of 30, contributed 55.07% of total investors. This generation, born between 1995 and 2010, is known to be quick to adopt internet technology for investment activities. In Bengkulu Province, the number of stock investors also showed significant growth, increasing from 63,794 SID in May 2024 to 65,671 SID in July 2024 (Monthly Capital Market Statistics, 2024). This figure reflects the increase in investment activity among the community, especially Generation Z. Behind the rapid growth in the number of investors, this also brings its own challenges, especially related to the risk of fraudulent investments that take advantage of the public's interest, especially the younger generation, in the capital market. Cases of fraudulent investments, such as the allegations revealed by the OJK regarding stock influencers with managed funds of IDR 96 billion (CNBC Indonesia, 2024), show that many individuals with little knowledge are trapped in this scheme. Bappebti and OJK have warned about unregistered companies and suspicious schemes, emphasizing the importance of investment education and law enforcement to protect the public. Increasing stricter supervision and education can help potential investors make better investment decisions, reduce the risk of fraud, and encourage safer investment growth. Ratnadi's (2023) research examines investment decisions with a focus on economic and psychological factors. In terms of economics, the indicators analyzed include education level and income. In addition, other factors such as financial literacy and use of social media also influence investment decision-making.

The Theory of Planned Behavior framework (Ajzen, 1991) helps explain the investment behavior of the younger generation in the context of risk and opportunity. TPB states that investment decisions are influenced by an individual's attitude toward investment (attitude toward the behavior), perceived social norms (subjective norms), and their perception of control over the behavior (perceived behavioral control). In this context, good financial literacy can increase perceived behavioral control, so that individuals are more confident in making wise investment decisions.

The importance of these aspects in investment decision-making becomes clearer when looking at the role of financial literacy. Increasing financial literacy is key to reducing these risks and ensuring that investors, especially those from the younger generation, can make wise investment decisions. Financial literacy is the ability to understand and use financial information to make decisions related to money management and investment. Good literacy helps individuals manage assets wisely, plan finances effectively, and maintain short- and long-

term financial stability (Yushita, 2017). In Bengkulu, the financial literacy rate is only 30.39%, far below the national average of 49.68% (OJK, 2024), indicating that many people are vulnerable to making unwise investment decisions. Individuals who do not have an adequate understanding of financial literacy often make decisions based on trends or emotions, without considering risks and potential benefits objectively.

This decline in decision quality can lead to significant financial losses and worsen personal financial conditions. To overcome this problem, education level plays an important role in shaping an individual's ability to make financial decisions. Education level plays a role in shaping an individual's ability to make financial decisions. Individuals with higher education tend to have broader knowledge and a deeper understanding of investment, which allows for more effective analysis of risks and potential profits, resulting in more careful decisions (Reilly & Brown, 2006). Education also builds confidence in investment, supporting smart financial behavior (Van Rooij et al., 2011). Conversely, individuals with low education tend to hesitate or avoid investment due to lack of understanding, making them more susceptible to impulsive decisions. Research (Dong et al., 2023) shows that education, especially in finance and accounting, is correlated with higher financial participation and better financial behavior.

In addition to education factors, the ability to invest is also influenced by the availability of capital or funds needed. This capital can be obtained through loans or using personal funds. Therefore, the source of funds is an important factor in investment. The higher a person's income, the greater the possibility of investing. Individual or community income is often used as an indicator of welfare, so that the amount of community income can reflect the level of economic progress of a community. According to (Sadono Sukirno, 2019) income is the total income received by an individual in a certain period, either from daily, weekly, monthly, or annual work. However, in reality, the object of this study still depends on the money given by parents, which limits their independence in managing investments from personal income. In addition to income factors, technological developments and access to information also play an important role in determining the extent to which individuals can manage their investments intelligently.

Social media provides a valuable platform for investment education and discussion, where individuals can access information and strategies that were previously difficult to reach. Through discussion groups and educational accounts, users can gain useful investment insights, while beginners have the opportunity to learn from the experiences of other investors. Direct interaction on social media also encourages collaboration and the exchange of new ideas, which helps expand users' knowledge of the market. However, social media also presents challenges, such as the spread of inaccurate information or even fraud. However, with its educational potential, social media is able to increase financial literacy, showing that social media has an influence on investment decision-making, in line with (Setiawati & Venusita, 2024) who found a significant influence on students who are investors in Surabaya. However, Chaitanya &

Nordin (2021) concluded differently, stating that social media has no effect on investment decisions. Research conducted by Wirdatul Jannah (2024) has also discussed social media, but in a different context from this study.

Previous research has only focused on social media used by companies, with indicators such as official company social media accounts, company social media accounts, and stock analysis social media accounts. Meanwhile, this study examines how social media is used to explore investment information, study market trends, and influence investment decisions of generation Z. Social media not only functions as a company communication tool, but also as a source of information and education that helps young investors consider potential profits, risks, and ease of transactions.

From the explanation above, the formulation of the problem in this study includes whether financial literacy, education level, income, and use of social media affect investment decisions of Generation Z. The results of previous studies show differences in the influence of these factors on investment decisions. In Bengkulu Province, especially among Generation Z, research related to this is still limited. Therefore, this study aims to fill the research gap and evaluate the influence of financial literacy, education level, income, and social media in the context of making wise and safe investment decisions.

LITERATURE REVIEW

Theory of Planned Behavior

Theory of Planned Behavior (TPB) emphasizes the individual's intention to perform a behavior, namely the desire and effort in taking action. In TPB, intention is influenced by three main factors, namely attitude towards behavior, subjective norms, and perceived behavioral control. Perceived behavioral control is an important element because it takes into account the extent to which individuals feel able to control certain behaviors, especially for actions that are not fully under the individual's control (Ajzen, 1988).

Financial literacy and education play a role as individual control in making investment decisions, with the assumption that good knowledge will encourage wise investment decisions. The higher the literacy and education, the more likely individuals are to make informed investment decisions.

Subjective norms are individual perceptions of social expectations regarding whether certain behaviors should be carried out. Social media can shape these subjective norms, especially when individuals see friends or influencers who encourage investment behavior. Social pressure from this environment influences the intention to invest, because the behavior is considered positive in their community.

Perceived behavioral control is an individual's belief about the ease or difficulty of performing an action, influenced by what is called control beliefs. For example, individuals with sufficient income may feel more able to invest because they have sufficient resources, so that perceived behavioral control becomes higher.

Investment Decisions

Expectations of investment returns are very important in making investment decisions. There is a linear relationship between return and investment risk, the higher the anticipated risk, the higher the potential return that may be obtained, and so on (Armansyah, 2021). Investment decisions refer to the actions of individuals in placing their money in one or more assets with the aim of making money in the future or transferring money to appropriate assets to make money. Utilizing funds for the long term is related to this decision. Whenever someone wants to explain their current income, they are based on their investment choices.

Investment decision making is a major concern for an investor because this process requires in-depth analysis. This process determines how the investment will be carried out. There are three actions that investors may take, namely holding, buying, or selling shares. In investment decisions, investors can be rational or irrational. A rational attitude reflects decisions based on logical thinking, while an irrational attitude indicates decisions made without common sense considerations.

The Influence of Financial Literacy on Investment Decisions

Financial literacy is a basic understanding and knowledge of finance and the ability to use it to plan and manage financial decisions. Financial literacy, which includes an understanding of financial management, investment, and risk, enables individuals to make more informed and responsible investment decisions (Rakhmad & Puspita, 2024). Meanwhile, Roy Morgan Research (2003) explains financial literacy as having the knowledge and confidence to save and spend money (Tsounis & Vlachvei, 2017).

Financial literacy plays an important role in influencing a person's investment decisions. A good understanding of financial concepts, such as risk, return, helps individuals make wiser and more informed investment decisions. High financial literacy tends to be better able to manage risk, choose appropriate investment instruments, and avoid decisions based on speculation or inaccurate information. Research by (Armansyah, 2023) shows that capital market literacy, which is part of financial literacy, influences investment decisions. Similar to research by (Fadjar et al., 2023), financial literacy significantly influences investment decisions among the millennial generation. Therefore, the research hypothesis that can be proposed is: H1: Financial Literacy Has a Positive Influence on Generation Z Investment Decisions in Bengkulu Province.

The Influence of Education Level on Investment Decisions

According to (Law No. 20 of 2003), education is a conscious and planned effort to create a learning process that helps students develop spiritual potential, self-control, intelligence, and skills that are beneficial to themselves and society. According to the Dictionary of Education, education is a process in which individuals develop abilities and attitudes through planned environmental influences, aiming for permanent behavioral change (Tumanggor, A., et al. 2022). Education not only improves the quality of life, but also plays a role in improving individual economic skills and knowledge (Syafri, D., & Zen, Z. 2019). Becker (2009) also stated that investment in human capital, including education, helps

individuals understand investment markets and products, enabling them to make more rational and informed decisions.

The level of education affects the way investment decisions are made. Higher education often brings a better understanding of the various investment options and the risks involved, allowing for better decision making. Easier access to financial information is also an advantage. Research conducted by (Eva Arnas Patiwi) shows a significant positive effect between the variable of education level on investment decisions. Therefore, the research hypothesis that can be proposed is: H2: Education Level Has a Positive Influence on Generation Z Investment Decisions in Bengkulu Province.

The Influence of Income on Investment Decisions

According to Zamraeni (2022), income comes from the company's main activities, companies can also obtain additional income from non-operational activities. Income includes all receipts obtained from work or business, either in the form of money or goods (Karim, 2024). According to Nursita (2022), income is money generated from the company's normal activities that add wealth without additional new capital. Thus, income is a routine result of the economic activities of individuals or companies.

Income plays an important role in influencing investment decisions. The higher the income, the greater the ability to set aside part of the income for investment and tend to invest in assets with higher risk and potential returns. Income also influences investment preferences and goals, with higher incomes daring to take risks, while lower incomes choose safer investment instruments to maintain financial stability. Research by (Armalia, 2018) shows that there are differences in the selection of investment types based on income levels. This is reinforced by the findings of (Lestari et al., 2022) which state that income has a positive influence on investment decision making. Therefore, the research hypothesis that can be proposed is: H3: Income Has a Positive Influence on Generation Z Investment Decisions in Bengkulu Province.

The Influence of Social Media on Investment Decisions

Technological advances and digitalization have brought significant changes, especially among the young generation of Indonesia who adapt quickly. Social media, such as Instagram and Twitter, play a major role in facilitating access to information about investments and stocks. McLuhan (1964) stated that social media expands human capabilities in communicating and distributing information, changing the way we think, interact, and influence perceptions and decisions. In addition, the speed of access to information makes it easier for potential investors to obtain stock market data and company developments. With proper utilization, social media can encourage the interest of the younger generation in investing in the capital market (Mahendrayani & Musmini, 2021). The influence of social media on investment decisions is clearly seen from the way information spread on this platform shapes investors' investment choices. Social media is a primary reference for investors because many of them use the information shared to make more informed investment decisions. In the world of investment, social media serves as an important source that provides various perspectives and analyses on the capital market. Engagement with content from influencers or investment experts on social media can influence investors' interest

and confidence in investment choices. Investors who feel connected to the views or investment strategies put forward by influencers may be more likely to follow those suggestions in their investment decisions. Information and opinions circulating on social media often have a significant impact on investment decisions made by investors. This statement is in line with the findings (Setiawati & Venusita, 2024b) which show that social media has a significant impact on investment decisions. Therefore, the research hypothesis that can be proposed is: H4: The Use of Social Media Has a Positive Influence on Generation Z Investment Decisions in Bengkulu Province.

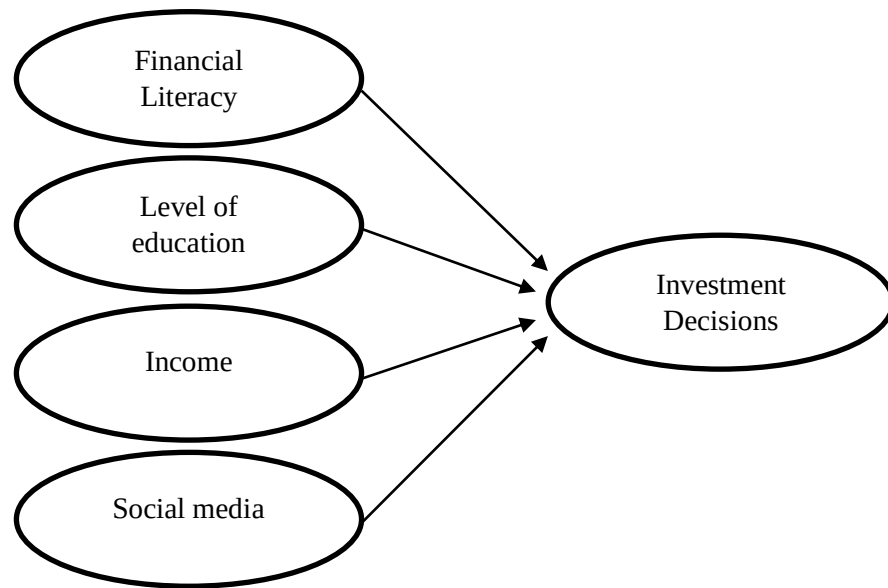


Figure 1. Conceptual Framework

METHODOLOGY

This study is a quantitative study conducted in Bengkulu Province, specifically targeting Generation Z who actively invest in stocks. The research aims to analyze the factors influencing investment decisions among this demographic, considering key variables such as financial literacy, education level, income, and social media influence. The population of this study consists of Generation Z individuals in Bengkulu Province who have experience investing in stocks. Given the limitations in accessing all members of this population, the sample was selected using a non-probability sampling method, specifically the convenience sampling technique. Convenience sampling allows researchers to gather data from respondents who are easily accessible and willing to participate, making it a suitable approach for studies requiring primary data collection within a specific timeframe.

In multivariate research, including multiple regression analysis, the sample size is recommended to be several times the number of variables, with a minimum of ten times or more than the number of variables in the study (Roscoe, 1975 in Sekaran, 2015). Considering this guideline and the number of variables analyzed in this research, the sample size was set at 110 respondents. These respondents were drawn from two primary groups: (1) members of student investment communities, namely GIBEI UNIB, GIBEI UNHAZ, GIBEI STIA, and

GISBEI UINFAS, and (2) other students who have experience investing in stocks. The selection of these groups was based on their active participation in investment-related activities, ensuring that the sample represents Generation Z individuals who are engaged in making investment decisions in the capital market.

The data for this study were collected through an online questionnaire, which was designed to capture respondents' perceptions and experiences regarding investment decisions. The questionnaire utilized a 5-point Likert scale to measure responses, allowing for a more structured and quantifiable analysis of the variables under study. The online format was chosen to facilitate data collection, ensuring efficiency, accessibility, and convenience for respondents while maintaining data accuracy and reliability.

Table 1. Variable Measurement

No	Variable	Indicator	Source
1	Investment Decisions (Y)	1. Return 2. Risk	Tandelin (2010)
2	Financial Literacy (X1)	1. Basic Financial Concepts 2. Savings and Loans 3. Insurance 4. Investment	(Putri & Hamidi, 2019)
3	Education Level (X2)	1. Education Level 2. Education Field 3. Education Quality 4. Graduate Quality	Arnas (2019)
4	Income (X3)	1. Regular Salary Income 2. Bonus/Incentive 3. Additional Income 4. Investment	(Reviandani, 2019)
5	Social Media (X4)	1. Belief in information presented on social media 2. Type of application used 3. Ease of accessing information 4. Trust in information from social media	(Suaputra dkk., 2021)

This study uses data analysis with Partial Least Square (PLS) using Smart PLS. PLS is considered a flexible method because it does not require the assumption of multivariate normal distribution and is able to work with small samples and both reflective and formative variables (Ghozali & Latan, 2012). PLS analysis allows testing of structural models (inner models) that describe the relationship between variables based on theory. PLS analysis has two main components, namely the measurement model (outer model) and the structural model (inner model). Evaluation of the outer model aims to assess the instruments used in collecting research data, ensuring that the instruments are

valid and reliable. This evaluation is carried out to determine the extent to which the measuring instrument or data collection instrument can be relied on.

Convergent Validity

Convergent Validity assesses the relationships between indicators and latent variables in the model with reflective indicators. This validity is tested through outer loading > 0.7 and Average Variance Extracted (AVE) > 0.5 , which indicates that the latent variable explains more than half of the indicator variance (Ghozali, 2015).

Discriminant Validity

The cross loading value is used to ensure discriminant validity by comparing the loading value on the intended construct. According to Ghozali and Latan (2015), the cross loading value is considered to meet discriminant validity if it is > 0.7 .

Composite Reliability

The reliability of a construct with reflective indicators can be measured using two methods, namely Cronbach's Alpha and Composite Reliability. The reliability test is strengthened by the Cronbach's Alpha value, which is expected to be more than 0.6 for each construct, and the AVE value is expected to be more than 0.5. Data with a Composite Reliability value of more than 0.7 indicates high reliability.

The inner model or structural model describes the relationship between variables based on theory. The evaluation includes the R-square value to assess the influence of independent variables on dependent variables, as well as the t-test and the significance of the path coefficient (Ghozali & Latan, 2012).

- **R-Square (R^2)**

The first step in evaluating the structural model is to calculate the R-squared value for each endogenous variable, which determines the predictive power of the model. R-squared (R^2) analysis can explain the effect of exogenous variables on endogenous variables and determine whether the effect is significant. R-square values of 0.75, 0.50, and 0.25 indicate that the model has high, medium, and low predictive power, respectively (Hair et al. in Ghozali & Latan, 2015). The higher the R^2 value, the better the predicted model's performance.

- **Path Coefficient**

Path Coefficient evaluates the impact between construction. The path coefficient's sign or direction needs to match the proposed hypothesis. The level of significance of this influence can be determined through the t-test or critical ratio, which is obtained through the bootstrapping method.

- **T-Statistics (Bootstrapping)**

The degree of significance or likelihood of direct effects, indirect effects, and total effects is assessed via bootstrapping. The p-value, which is used to evaluate if the value is below a particular level of significance, and the t-statistic value, which is compared with the t-table to ascertain whether the exogenous variable has a significant effect on the endogenous variable, are included in the bootstrapping findings. The independent variable significantly affects the dependent variable if the t value is greater than 1.96 and the p-value is less than

0.05. Conversely, if the t value < 1.96 and the p -value > 0.05 , then the independent variable does not have a significant effect on the dependent variable. The α (alpha) value is usually set at 0.05 (5%) as the maximum acceptable error limit

RESULT

Measurement Model (Outer Model)

Validity and Reliability Test

- **Convergent Validity**

Average Variance Extracted (AVE) and outer loading (indikator) make up convergent validity. The following table shows the results of the uji validitas konvergen for the outer loading:

Table 2. Outer Loading

	Financial Literacy	Level of education	Income	Social media	Investment Decisions
LK.1	0.879				
LK.2	0.781				
LK.3	0.798				
LK.4	0.832				
LK.5	0.841				
LK.6	0.838				
LK.7	0.822				
LK.8	0.797				
TP.1		0.862			
TP.2		0.756			
TP.3		0.822			
TP.4		0.886			
TP.5		0.858			
TP.6		0.830			
TP.7		0.772			
TP.8		0.822			
P.1			0.898		
P.2			0.805		
P.3			0.847		
P.4			0.847		
P.5			0.836		
P.6			0.848		
P.7			0.845		
P.8			0.872		
MS.1				0.825	
MS.2				0.794	
MS.3				0.831	
MS.4				0.840	
MS.5				0.880	
MS.6				0.834	
MS.7				0.725	

MS.8				0.846	
KB.1					0.879
KB.2					0.858
KB.3					0.894
KB.4					0.845

Source: SmartPLS Data Processing, Research Results 2025

Table 2 shows that all indicators are declared valid because they have an outer loading value > 0.7 . Then, the results of the convergent validity test for the Average Variance Extracted (AVE) value can be seen in the following table:

Table 3. Average Variance Extracted (AVE)

	<i>Average Variance Extracted (AVE)</i>
Financial Literacy	0.679
Education Level	0.684
Income	0.723
Social Media	0.677
Investment Decisions	0.755

Source: SmartPLS Data Processing, Research Results 2025

When the Average Variance Extracted (AVE) value is more than 0.5, the indicator is considered genuine. All of the indicators in table 4.2 are legitimate because the Average Variance Extracted (AVE) value is greater than 0.5.

- **Discriminant Validity**

When the value produced is >0.7 or greater than other values in the indicator test with other variables, the cross loading result is considered genuine. The following table displays the findings of the discriminant validity test for the cross loading value:

Table 4. Cross Loading

	X1.	X2.	X3.	X4.	Y
LK.1	0.879	0.414	0.249	0.470	0.574
LK.2	0.781	0.522	0.435	0.409	0.540
LK.3	0.798	0.458	0.391	0.504	0.534
LK.4	0.832	0.379	0.436	0.496	0.559
LK.5	0.841	0.431	0.393	0.539	0.573
LK.6	0.838	0.423	0.363	0.524	0.555
LK.7	0.822	0.414	0.320	0.399	0.544
LK.8	0.797	0.437	0.324	0.473	0.563
TP.1	0.471	0.862	0.407	0.377	0.549
TP.2	0.311	0.756	0.471	0.301	0.527
TP.3	0.413	0.822	0.535	0.356	0.570
TP.4	0.446	0.886	0.530	0.380	0.634
TP.5	0.461	0.858	0.498	0.367	0.578
TP.6	0.472	0.830	0.508	0.413	0.599
TP.7	0.512	0.772	0.449	0.366	0.612

TP.8	0.376	0.822	0.428	0.258	0.499
P.1	0.379	0.483	0.898	0.416	0.581
P.2	0.310	0.451	0.805	0.357	0.509
P.3	0.351	0.498	0.847	0.303	0.582
P.4	0.276	0.397	0.847	0.371	0.552
P.5	0.375	0.429	0.836	0.419	0.561
P.6	0.314	0.417	0.848	0.396	0.545
P.7	0.481	0.641	0.845	0.483	0.692
P.8	0.461	0.575	0.872	0.514	0.710
MS.1	0.527	0.269	0.408	0.825	0.530
MS.2	0.518	0.431	0.454	0.794	0.649
MS.3	0.513	0.363	0.423	0.831	0.577
MS.4	0.501	0.400	0.389	0.840	0.555
MS.5	0.470	0.442	0.438	0.880	0.659
MS.6	0.470	0.379	0.371	0.834	0.604
MS.7	0.333	0.167	0.296	0.725	0.356
MS.8	0.439	0.279	0.377	0.846	0.497
KB.1	0.596	0.611	0.660	0.625	0.879
KB.2	0.511	0.493	0.522	0.530	0.858
KB.3	0.694	0.698	0.648	0.681	0.894
KB.4	0.517	0.586	0.601	0.532	0.845

Source: SmartPLS Data Processing, Research Results 2025

Since the value obtained is more than 0.7, the cross loading value is considered genuine.

- **Composite Reliability**

There are two methods for conducting the reliability test in the PLS method: composite reliability and Cronbach's alpha. Composite reliability is used to evaluate the construct's true level of reliability, whereas Cronbach's alpha is used to test the construct's lower limit of dependability. Generally speaking, composite reliability and Cronbach's alpha should be at least 0.7. The results of the reliability test for Cronbach's alpha and composite reliability can be seen in the following table:

Table 5. Cronbach's Alpha and Composite Reliability

	<i>Cronbach's Alpha</i>	<i>rho_a</i>	<i>Composite Reliability</i>
Financial Literacy	0.932	0.933	0.944
Education Level	0.933	0.936	0.945
Income	0.945	0.951	0.954
Social Media	0.932	0.940	0.944
Investment Decisions	0.892	0.902	0.925

Source: SmartPLS Data Processing, Research Results 2025

All of the study's constructs have a Cronbach's alpha value > 0.6 and composite reliability > 0.7 , according to Table 4.4. Thus, it may be said that every construct is trustworthy. This demonstrates that every construct in the study model satisfies the requirements for instrument reliability.

Structural Model Test (Inner Model)

The inner model is evaluated by examining the r-squared value of the research model to examine the relationship between the constructs. The r-squared value in this study can be seen in the following table:

Table 6. R-Square Value

	<i>R-square adjusted</i>
Investment Decisions	0.748

Source: SmartPLS Data Processing, Research Results 2025

According to Ghozali and Latan (2015), an R-Square value of 0.75 indicates a strong model, 0.50 indicates a moderate model, and 0.25 indicates a weak model. Based on the R-Square value in table 4.5 above, which is 0.75 for the investment decision construct, it can be concluded that investment decisions can be influenced by all constructs in this study by 75%. Accordingly, the R-Square value indicates that there is a significant relationship between independent variables and dependent variables.

Hypothesis Testing

Table 7. Total Effects

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>
Financial Literacy->Investment Decisions	0.228	0.230	0.066	3.465	0.001
Education Level->Investment Decisions	0.272	0.260	0.094	2.887	0.004
Income->Investment Decisions	0.304	0.317	0.110	2.759	0.006
Social Media->Investment Decisions	0.291	0.286	0.078	3.717	0.000

Source: SmartPLS Data Processing, Research Results 2025

Based on the calculation of the total effect in table 4.6, hypothesis testing is carried out by comparing the t-statistic value which must be greater than the t-table value to prove that the hypothesis is accepted. The test results obtained using the bootstrapping method from the SmartPLS analysis are explained as follows:

The results of the hypothesis test show that financial literacy, education level, income, and social media have a significant influence on investment decisions. Financial literacy indicates that the t-statistic is 3.465, the p-value is 0.001, and the positive value is 0.228, all of which indicate a positive and significant effect. This is because the t-statistic value is greater than 1.96, the p-

value is less than 0.05, and the original sample value indicates a positive direction of influence. Education Level has a t-statistic value of 2,887, a p-value of 0.004, and a positive original sample value of 0.272, which also meets the criteria for significance with a positive influence. Income shows a t-statistic of 2.759, p-value of 0.006, and a positive original sample value of 0.304, which means that this variable significantly influences Investment Decisions with a positive direction of influence. Social Media has the highest influence compared to other variables, with a t-statistic of 3.717, p-value of 0.000, and a positive original sample value of 0.291, which indicates a significant and positive influence. Thus, all hypotheses are accepted because each variable has a t-statistic value > 1.96 , p-value < 0.05 and a positive original sample, indicating that these variables significantly contribute to investment decisions.

DISCUSSION

The Influence of Financial Literacy on Investment Decisions

This study shows that financial literacy has an influence on investment decisions, meaning that the higher a person's level of financial literacy, the better their ability to make the right investment decisions. Financial literacy includes an individual's understanding of basic financial concepts, money management, investment, and risk, which allows them to evaluate various investment options more carefully. With good financial literacy, a person is better able to identify profitable investment opportunities, understand the consequences of risk, and avoid decisions that can be financially detrimental. According to the Theory of Planned Behavior (TPB), financial literacy can influence investment decisions through an individual's attitude towards investment, subjective norms of the social environment, and perceptions of control over their financial decisions. These findings support the research hypothesis while emphasizing the importance of financial literacy in helping individuals, especially the younger generation, to make rational and informed investment decisions. The results of this study are in line with research by (Armansyah et al., 2023) showing that capital market literacy, which is part of financial literacy, influences investment decisions. So the results of this study are H1 accepted, namely financial literacy has a positive effect on investment decisions.

The Influence of Education Level on Investment Decisions

This study shows that education level has a relationship with investment decisions. In the TPB framework, education level can increase an individual's perception of behavioral control in investment decisions. This finding supports the research hypothesis, which states that education level has a significant influence on investment decisions, which means that the higher a person's education level, the more likely the individual is to make a decision to invest. This reflects that education provides a better understanding of investment, its risks, and benefits, thus encouraging individuals to make wiser decisions. The results of this study are in line with research by (Eva Arnas Patiwi, 2019) which states that there is a significant positive influence between the education level variable and investment decisions. So the results of this study are H2 accepted, namely that education level has a positive effect on investment decisions.

The Influence of Income on Investment Decisions

The results of this study indicate that income has a relationship with investment decisions, which means that the higher a person's income level, the more likely they are to make investment decisions. From a TPB perspective, income can contribute to an individual's perception of behavioral control in investing. This reflects that higher income gives individuals greater financial ability to allocate funds to investments. In addition, sufficient income is often followed by greater confidence in facing investment risks. Based on these findings, it can be concluded that income is one of the important factors that influences a person in making decisions to invest, supporting the research hypothesis. The results of this study are in line with the results of research by (Lestari et al., 2022) which states that income has a positive influence on investment decision making. So the results of this study are H3 accepted, namely income has a positive effect on investment decisions.

The Influence of Social Media on Investment Decisions

The results of this study indicate that social media has a relationship with investment decisions. In the Theory of Planned Behavior (TPB), social media can influence subjective norms, where individuals tend to be influenced by information, trends, and opinions spread on social media in making investment decisions. In addition, social interactions that occur through this platform can also influence a person's perspective and choices regarding investment. Based on the results of the study, it can be concluded that social media plays an important role in shaping investment decisions and supports the hypothesis that social media has a significant effect on investment decisions. The results of this study are in line with research by (Setiawati & Venusita, 2024) which shows that social media has a significant impact on investment decisions. So the results of this study are H4 accepted, namely social media has a positive effect on investment decisions.

CONCLUSION AND RECOMMENDATION

Conclusion

This study shows that financial literacy has a significant effect on investment decisions. Individuals with good financial literacy are better able to understand risks and opportunities, so they can make the right investment decisions. The level of education also has a positive influence, where individuals with higher education tend to be more critical in analyzing investment options. Higher income allows for financial flexibility and investment diversification, so that risks can be minimized and profits optimized. In addition, social media plays an important role as a source of information that provides education and references, helping the younger generation in choosing the right investment instruments. Overall, financial literacy, education level, income, and social media support better investment decisions. This study emphasizes the importance of improving financial literacy and utilizing social media wisely to help the younger generation achieve optimal investment decisions and support long-term financial goals.

Recommendation

The respondents in this study came from certain universities, so the sample distribution does not fully reflect the diversity of Generation Z in Bengkulu Province as a whole. This limitation can cause the research results to better represent the characteristics of students from the universities used as samples, while Generation Z who are not pursuing higher education or come from other universities may have different mindsets and investment decisions. Therefore, for further research, it is recommended that the research sample be more varied by involving Generation Z from various backgrounds, including those who are not pursuing higher education but already have an income.

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