The Importance Of Knowledge, Investment And Motivation For Gen-Z Interested In Investing

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Abstract, This study aims to empirically prove investment knowledge, investment benefits and investment motivation on Gen-Z's investment interest in the capital market. This study is quantitative research. The population of this research is Gen-Z who are studying at universities in the city of Semarang. Primary data by distributing questionnaires to Gen-Z who are studying at universities in the city of Semarang, Indonesia using accidental sampling is the data source for this study. So there were 199 respondents obtained. Data processing using WarpPLS. The findings of this study show that investment knowledge, investment benefits, and investment motivation have an influence on the investment interest of Gen-Z who are studying at universities in the city of Semarang, Indonesia in the capital market. The implications of this study show that understanding and motivation is important for Gen-Z to invest in the capital market to gain additional income and investment experience.

Keywords: Investment Knowledge; Benefits of Investment; Investment Motivation; Investment; Gen-Z.

INTRODUCTION

Based on data sourced from (KSEI, 2023), it shows that there will continue to be an increase in the number of investors from 2020-2022. The number of investors in 2020 was 3,880,753 investors, increasing to 7,489,337 investors or an increase of 92.99%. This also happens in 2022, the increase in investors to 10,311,152 investors, an increase of 37.68% compared to 2021. This shows that there is interest from the public to become investors in the capital market, therefore to increase investment sources this needs to be maintained and increased so that investment continuity in the capital market continues.
Society is a group of people who, because of the demands of their needs and the influence of certain beliefs, thoughts and ambitions, are united in collective life. One part of society is generation-Z (Gen-Z). Gen-Z has different expectations, preferences and work perspectives and is considered challenging for organizations. Gen-Z's character is more diverse, global in nature, and has an influence on the culture and attitudes of most people. One thing that stands out is that Gen-Z is able to take advantage of technological changes in various aspects of their lives. The 2020 census results show that the composition of Indonesia's population is mostly Gen-Z at 27.94%, namely the generation born between 1997 and 2012 (BPS, 2021). Based on these data and explanations, it shows that Gen-Z can be targeted as potential investors. So it is necessary to carry out a study to find out what factors influence people's interest in investing, with the object of research being Gen-Z.

This data also shows that there are several things that can influence Gen-Z's investment interest. These factors include investment knowledge, investment benefits, and investment motivation. Investment interest is the feeling of someone who has a high desire to carry out investment activities in order to gain profits in the future. A potential investor is interested in investing when he has sufficient knowledge about investment. Investment knowledge is one of the things that every investor must have, such as, as an initial basis for investing, investment risks, also in terms of sufficient knowledge to invest, aiming for potential investors to avoid irrationality, bandwagon culture, fraud or risk, which is detrimental to investments in the form of stock investments. Investment knowledge can be obtained anywhere, people are also required to be active in studying and searching for sources of knowledge related to investment, they can search on the internet or visit several institutions that understand and manage various investment activities in the capital market. (Ahmad et al., 2023), (Murwaniputri & Bleskadit, 2023), (Yustrianthe & Tjandra, 2023), (Abni & Trisnawati, 2022), (Salsabiila & Hakim, 2022), (Imam, 2021), (Maharani & Saputra, 2021), (Nurhayadi et al., 2021), (Nurmalia et al., 2021), and (Suprihati & Pradanawati, 2020), explain that investment knowledge influences investment interest in the capital market. However, the findings of (Sumaiya et al., 2022), (Doddy & Millah, 2019), and (Lubis, 2019), provide different evidence, namely that investment knowledge has no effect on investment interest in the capital market.

Apart from investment knowledge, investment benefits can also influence investment interest. The benefits of investment are something that has the potential to generate profits for a long period of time, outperform inflation, provide an investor with a steady income and can invest according to each individual's financial situation. Prospective investors will express their interest in investing when prospective investors know the benefits obtained when an
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An investor carries out investment activities in the capital market. (Salsabiila & Hakim, 2022), (Imam, 2021), and (Jalari & Marimin, 2020), stated that the benefits of investment influence interest in investing in the capital market. However, (Fitriasuri & Simanjuntak, 2022) provides different evidence, namely that the benefits of investment have no effect on interest in investing in the capital market.

Apart from investment benefits, investment motivation also influences investment interest. Investment motivation is an action that influences a person's desire to invest, which can make someone interested and that person will be motivated to get it. Interest in investing will be carried out when someone is motivated in investing activities. Research results (Yustrianthe & Tjandra, 2023), (Abni & Trisnawati, 2022), (Sumaiya et al., 2022), (Melati Widiyantika et al., 2022), (Imam, 2021), (Maharani & Saputra, 2021), (Nurhayadi et al., 2021), (Nurmalia et al., 2021), (Jalari & Marimin, 2020), (Suprihati & Pradanawati, 2020), and (Lubis, 2019), explain that investment motivation influences investment interest in the capital market. However, research (Fitriasuri & Simanjuntak, 2022) states otherwise that investment motivation has no effect on investment interest.

The variety of previous research findings and the interesting object of this study, namely Gen-Z, make this study important to carry out. So the research question is whether investment knowledge, investment benefits and investment motivation influence Gen-Z's investment interest in the city of Semarang, Indonesia?

LITERATURE REVIEW

Theory of Planned Behavior

The assumption of the Theory of Planned Behavior (TPB) according to (Ajzen & Fishbein, 1975) is that humans are rational creatures and systematically use information that allows them to carry out certain behavior. A person will think about the implications of his actions before deciding to carry out a certain behavior. The theory of planned behavior is a theory developed from the Theory of Reasoned Action. The aims and benefits of TPB include predicting and understanding motivational influences on behavior that are not under the individual's own control or will. The TPB also identifies strategies for creating behavior change and explains each important aspect of several human behaviors.

TPB explains that a person's visible behavior is determined by the intentions underlying that behavior. Intention shows how much someone has a desire to do something or perform a behavior. There are three things in individual behavior based on the TPB, such as belief in the
outcome of something that is possible as well as behavior that has been evaluated or behavioral beliefs, belief in norms as hope and motivation to fulfill a desire or normative beliefs and also the existence of supporting or covering attitudes as well as awareness of factors. These or control beliefs (Ajzen, 1991).

**Hypothesis Development**

When making an investment, it is very important for investors to understand and know about returns, investment types, risks, in order to obtain a full investment. By having extensive investment knowledge, you can encourage investors to continue investing in the capital market. In relation to TPB, there must be planned action for an investor before taking investment action in the capital market, namely expanding understanding in investing knowledge.

If someone invests in the capital market, they need to have extensive knowledge, business instincts and experience to analyze what they are going to buy. It is quite important to use investment understanding and knowledge, such as in stock investment instruments, one important thing in investing is knowing the performance of the company you want to target in the past few years. Investment knowledge is very important to know what is happening in the company, such as the risk of loss in investment. Investment knowledge has an influence on investment interest and has been supported by (Ahmad et al., 2023), (Murwaniputri & Bleskadit, 2023), (Yustrianthe & Tjandra, 2023), (Abni & Trisnawati, 2022), (Salsabiila & Hakim, 2022), (Imam, 2021), (Maharani & Saputra, 2021), (Nurhayadi et al., 2021), (Nurmalia et al., 2021), and (Suprihati & Pradanawati, 2020). Investment knowledge is very important for investors and potential investors to learn before carrying out investment activities.

**H1: Investment knowledge influences investment interest.**

There are five benefits of investing that prospective investors should know, namely the opportunity for income in the long term in the future, increasing the advantages of inflation, getting steady profits and income, adjusting to meet investor needs, being able to make investments tailored to investor needs. The benefit of an investment is a profit or benefit obtained from someone making an investment. Gen-Z must know that their investments have benefits and can have a positive effect on their finances in the long term. So many Gen-Z are interested in investing.

The benefits of investment have an influence on investment interest, supported by (Salsabiila & Hakim, 2022), (Imam, 2021), and (Jalari & Marimin, 2020). In relation to the TPB, there must be planned action for an investor in carrying out investment actions in the
capital market by knowing that investment has benefits for a long period of time, namely getting more life than before and also being able to continue to meet the desired needs in the future.

**H2: Investment benefits influence investment interest.**

Motivation is needed to encourage someone to carry out investing activities. Motivation is an activity that influences an individual to act on something someone wants. This means that there is another encouragement, namely external encouragement to the individual to want to do something.

Investment motivation has an influence on investment interest and has been supported by (Yustrianthe & Tjandra, 2023), (Abni & Trisnawati, 2022), (Sumaiya et al., 2022), (Melati Widiantika et al., 2022), (Imam, 2021), (Maharani & Saputra, 2021), (Nurhayadi et al., 2021), (Nurmalia et al., 2021), (Jalari & Marimin, 2020), (Suprihati & Pradanawati, 2020), and (Lubis, 2019). The connection between TPB is that there must be planned action for an investor before taking investment action in the capital market, that is, a prospective investor who has an interest in investing can be encouraged by the surrounding environment. If the prospective investor has motivation to invest, then by choosing to invest an investor will have a good life in long-term.

**H3: Investment motivation has an influence on investment interest.**

**METHOD**

This study is a type of quantitative research. The population of this study is Gen-Z who are studying at universities in the city of Semarang, Indonesia. The research sample used accidental sampling, namely anyone who was met so that 199 respondents were obtained. Primary data was used for this study, by distributing questionnaires to respondents to fill in. This research uses Google Form as a data collection technique by distributing questionnaires to every Gen-Z who is studying at universities in the city of Semarang. This study uses WarpPLS as a tool for processing data.

This study uses a Likert scale as a measurement tool. The Likert scale itself is used to measure every attitude, opinion and perception of each person or group of people regarding a social phenomenon (Burhanudin et al., 2021). The following research questionnaire questions for each variable are presented for respondents to answer.
Table 1. Operational Definition

<table>
<thead>
<tr>
<th>Num</th>
<th>Variable</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>Someone who will make an investment must understand knowledge starting from the basics of investing because it is very important for investors.</td>
</tr>
<tr>
<td>1.</td>
<td>Knowledge</td>
<td>BEI provides facilities in the form of SPM which functions to increase an investor's knowledge in investing. Having capital market lessons on campus can help researchers find out the types of investing in the capital market. Before investors invest, investors must understand the knowledge of investing and are required to master investment knowledge (Burhanudin et al., 2021).</td>
</tr>
<tr>
<td>2</td>
<td>Investment</td>
<td>Researchers state that investment can grow prosperity. Researchers state that if someone invests it will increase development in the economy. Researchers believe that by investing someone will get benefits in the long term.</td>
</tr>
<tr>
<td></td>
<td>Benefit</td>
<td>Researchers believe that by carrying out investment activities you will get a steady income in the future (Burhanudin et al., 2021).</td>
</tr>
<tr>
<td>3</td>
<td>Investment</td>
<td>If someone makes an investment, then that person is a part owner of the company invested in. If someone carries out investment activities, then that person has contributed to the development of the company.</td>
</tr>
<tr>
<td></td>
<td>Motivation</td>
<td>A person will carry out investment activities if someone close to them or their family carries out investment activities in the capital market. Someone will invest if that person's needs are all met</td>
</tr>
</tbody>
</table>
I am interested in investing because I know various information about investment.

4. **Investment Interest**
   - I am interested in investing because it is promising.
   - I have received information about investing in the capital market.
   - I think investing is an interesting thing (Burhanudin et al., 2021).

**Source:** (Burhanudin et al., 2021).

**ANALYSIS AND DISCUSSION**

Validity and reliability tests must be carried out to find out whether the questionnaire questions are valid and reliable so that they are suitable for use. Below are presented the results of the validity and reliability tests.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>r</th>
<th>r count table</th>
<th>Validity</th>
<th>Cronbach's Alpha</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Knowledge</td>
<td>X1.1</td>
<td>0.583</td>
<td></td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>0.700</td>
<td></td>
<td>Valid</td>
<td>0.762</td>
<td>Reliable</td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>0.768</td>
<td>0.116</td>
<td>Valid</td>
<td>0.768</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.611</td>
<td></td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Benefit</td>
<td>X2.1</td>
<td>0.715</td>
<td></td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.2</td>
<td>0.784</td>
<td>0.116</td>
<td>Valid</td>
<td>0.769</td>
<td>Reliable</td>
</tr>
<tr>
<td></td>
<td>X2.3</td>
<td>0.582</td>
<td></td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.4</td>
<td>0.689</td>
<td></td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Motivation</td>
<td>X3.1</td>
<td>0.575</td>
<td></td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X3.2</td>
<td>0.558</td>
<td>0.116</td>
<td>Valid</td>
<td>0.736</td>
<td>Reliable</td>
</tr>
<tr>
<td></td>
<td>X3.3</td>
<td>0.708</td>
<td></td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This study shows that the total correlation value obtained for each item for each variable is greater than the r table. So the researcher concluded that all variables were declared valid. If you want to see reliable research, you can look at the Cronbach Alpha (α) statistical test. If the Cronbach Alpha value is >0.70, the data results are declared reliable. Based on the data that has been processed, it produces Cronbach Alpha > 0.70. This means that based on table 2, it shows that all research questionnaire questions are reliable and valid.

### Table 3 Model Fit and Quality Indices

<table>
<thead>
<tr>
<th>Num.</th>
<th>Model fit and quality indices</th>
<th>Criteria Fit</th>
<th>Result</th>
<th>Annotation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Average path coefficient (APC)</td>
<td>p &lt; 0.05</td>
<td>0.299  (P&lt;0.001)</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Average R-squared (ARS)</td>
<td>p &lt; 0.05</td>
<td>0.508  (P&lt;0.001)</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Average adjusted R-squared (AARS)</td>
<td>p &lt; 0.05</td>
<td>0.501  (P&lt;0.001)</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Average block VIF (AVIF)</td>
<td>acceptable if &lt;= 5, ideally &lt;= 3.3</td>
<td>1.419</td>
<td>Ideally</td>
</tr>
<tr>
<td>5</td>
<td>Average full collinearity VIF (AFVIF)</td>
<td>acceptable if &lt;= 5, ideally &lt;= 3.3</td>
<td>1.699</td>
<td>Ideally</td>
</tr>
<tr>
<td>6</td>
<td>Tenenhaus GoF (GoF)</td>
<td>small &gt;= 0.1, medium &gt;= 0.25, large &gt;= 0.36</td>
<td>0.713</td>
<td>Large</td>
</tr>
</tbody>
</table>

Source: Processed Primary Data, 2023

APC with fit criteria <0.05 and the results obtained are 0.299, it is said that this result is accepted because it meets the specified fit criteria. The ARS value is 0.508 with a P<0.001 which means the result is accepted. Likewise with AARS with a criterion of p<0.05 with a result of 0.501 with a P<0.001, it is said that this result is accepted. The AVIF value with the
fit criteria will be accepted if \( \leq 5 \) and if \( \leq 3.3 \) then it is ideal. Research findings show a value of 1.419 which means that the results are ideal. For AFVIF with fit criteria, it will be accepted if \( \leq 5 \) and if \( \leq 3.3 \) then it is ideal and the results obtained, namely 1.699, are declared as ideal. The GoF value with the fit criteria is stated as small \( \geq 0.1 \), medium \( \geq 0.25 \), large \( \geq 0.36 \) and the results obtained in this model, namely 0.713, can be interpreted as meaning that this model is included in large.

Research findings based on the results of data processing can be seen in Figure 1 below:

![Figure 1. Research result](source: Data Processing Results WarpPLS 7.0 (2023))

**The Influence of Investment Knowledge on Investment Interest**

Before carrying out investment activities, sufficient knowledge about investment is required, namely the risks that will occur, the type of investment product, in order to get the perfect investment (Burhanudin et al., 2021). In accordance with the TPB, all actions must be based on knowledge because with knowledge, an investor will be more careful in making investments. From the results of the data, the respondent who has the highest indicator value is X1.3 with a value of 4.60>4.20 from the interval value which states that he/she is very knowledgeable about investment. The respondent knows investment knowledge which comes from capital markets courses. The test results (see figure 1) show that the effect of investment knowledge is 0.211 in a positive direction with a p value \(<0.001\), meaning the hypothesis is accepted in a positive direction. This proves that investment knowledge influences interest in the capital market. This research is supported by (Ahmad et al., 2023), (Murwaniputri & Bleskadit, 2023), (Yustriantini & Tjandra, 2023), (Abni & Trisnawati, 2022), (Salsabiila & Hakim, 2022), (Imam, 2021), (Maharani & Saputra, 2021), (Nurhayadi et al., 2021), (Nurmalia
et al., 2021), and (Suprihati & Pradanawati, 2020). However, the findings of this research are not the same (Sumaiya et al., 2022), (Doddy & Millah, 2019), and (Lubis, 2019).

**The Influence of Investment Benefits on Investment Interest**

There are five benefits of investing, namely the opportunity for income over a long period of time, it can increase the advantages of inflation, someone who invests can also get a steady profit and income, can adjust to the needs of investors, and can make investments that can be adjusted to the needs of an investor (Burhanudin et al., 2021). In line with the TPB, before investing, a prospective investor needs to know what benefits they will get when investing in the capital market. From the results of the data, the respondent who has the highest indicator value is X2.4 with 4.60 > 4.20 from the interval value which states that it is very useful, this is because the respondent will get a steady income. The test results (see figure 1) show that the effect of investment benefits is 0.426 in a positive direction with a p value <0.001, meaning the hypothesis is accepted in a positive direction. This proves that the benefits of investment influence interest in the capital market. This research is supported by (Salsabiila & Hakim, 2022), (Imam, 2021), and (Jalari & Marimin, 2020). However, the findings of this research are not the same as (Fitriasuri & Simanjuntak, 2022).

**The Influence of Investment Motivation on Investment Interest**

Investment motivation is a factor that encourages someone to do something in a certain activity, an investor has a high sense of wanting to invest and will invest when potential investors are motivated to invest (Masrifah et al., 2022). In relation to TPB, there must be planned action for an investor before taking investment action in the capital market, namely a prospective investor who has an interest in investing can be encouraged by the surrounding environment. If the prospective investor has motivation to invest, then by choosing to invest an investor will have a good life in long-term. From the results of the data, respondents who had the highest indicator values were X3.3 and The test results (see figure 1) show that the influence of investment motivation is 0.260 in a positive direction with a p value <0.001, meaning the hypothesis is accepted in a positive direction. This proves that investment motivation influences interest in the capital market. This research is supported by (Yustinianthe & Tjandra, 2023), (Abni & Trisnawati, 2022), (Sumaiya et al., 2022), (Melati Widiyantika et al., 2022), (Imam, 2021), (Maharani & Saputra, 2021), (Nurhayadi et al., 2021), (Nurmalia et al., 2021), (Jalari & Marimin, 2020), (Suprihati & Pradanawati, 2020), and (Lubis, 2019). However, the findings of this research are not the same as (Fitriasuri & Simanjuntak, 2022).
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CONCLUSION

This study uses the TPB basis, thus providing the conclusion that investment knowledge, investment benefits, and investment motivation influence investment interest in the capital market. This shows the importance of investment knowledge, investment benefits and investment motivation for Gen-Z who are studying at universities in the city of Semarang, Indonesia to be interested in investing in the capital market.

LIMITATIONS AND RECOMMENDATION

The limitation of this study is that in the data collection process, the information provided by respondents through questionnaires sometimes does not show the respondents' true opinions. So respondents need to be re-selected when distributing the questionnaire. Suggestions for further studies are expected to vary other variables such as capital adequacy, expected income, etc.

REFERENCES


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