

## **THE INFLUENCE OF FINANCIAL LITERACY, INVESTMENT KNOWLEDGE WITH ARTIFICIAL INTELLIGENCE ON THE INVESTMENT INTEREST OF GENERATION Z IN THE CAPITAL MARKET**

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### **ABSTRACT**

Artificial Intelligence (AI) is a form of technological innovation that provides benefits and convenience for humans. The implementation of Artificial Intelligence has revolutionized the financial sector in terms of investment interest. This research seeks to assess how financial literacy and investment knowledge via Artificial Intelligence (AI) influence Generation Z's interest in investing within the capital market. This research technique employs a quantitative strategy. The participants in this research are Generation Z individuals who are presently enrolled as students. A total of 100 students were used as the sample. The data gathering technique employed a questionnaire, and the analysis utilized was multiple linear regression via the SPSS software. The study's findings indicate that financial literacy positively influences Generation Z's interest in capital market investments, and investment knowledge through Artificial Intelligence (AI) also enhances Generation Z's interest in the capital market.

**Keyword:** Financial Literacy; Investment Knowledge; Artificial Intelligence

### **INTRODUCTION**

Investment continues to grow and accelerate, with efforts to increase the number of investors. A July 3, 2025, broadcast on the [idx.co.id](http://idx.co.id) website reported that the number of Indonesian capital market investors again set a new record, reaching 17,016,329 Single Investor Identifications (SIDs). This achievement indicates that the growth in the number of investors has exceeded the target of 2 million new investors set by the Indonesia Stock Exchange (IDX) in 2025. The number of capital market investors has increased by 2,144,690 SIDs (11.42%) compared to the end of 2024, which was recorded at 14,871,639 SIDs ([www.idx.co.id](http://www.idx.co.id)).

The increasing growth of investors is due to the IDX's strategy of actively collaborating with all stakeholders to improve public financial literacy through massive, sustainable, and adaptive education and outreach, both offline and online, to segments of society, including students. Although Indonesia has a population of over 270 million, the number of capital market investors recorded as of March 2025 was only 15.77 million, or approximately 6% of the total population. While this figure may seem small, it demonstrates the enormous untapped potential of the national capital market sector. Domestic investors' contribution to share ownership as of March 2025 reached 52%, surpassing foreign investors' share of 47.82%. ([www.bandungsuksesfinancial.com](http://www.bandungsuksesfinancial.com))

Generation Z is a major contributor to the growing number of investors in Indonesia, as reflected in the predominance of investors under 30 years old in KSEI statistics. This generation grew up in the digital era and is accustomed to accessing information through social media. This makes them more receptive to various investment information, including from informal sources such as influencers (Muhammad Hanif Setyawan, 2025).

A suboptimal level of financial literacy can lead individuals to make unwise investment decisions, ultimately leading to financial loss. Financial literacy is crucial for understanding risks, potential returns, and available investment instruments. Peraturan Otoritas Jasa Keuangan (POJK) ,Number 76/PJOK.07/2016 defines financial literacy as the knowledge, skills, and beliefs that influence a person's attitudes and behavior, improving the quality of decision-making and financial management in order to achieve prosperity (Otoritas Jasa Keuangan, 2016). Investment knowledge with Artificial Intelligence (AI) is important in making investments because these tools provide assistance in decision-making, which has the potential to lower the barrier to entry for new investors (D'Acunto et al., 2019).

Several previous studies have examined the impact of financial literacy on young people, from school to early working age. Research by Laturette et al. (2021) showed a difference before and after training at Citra Berkas High School in Surabaya. Another study by Fitrasari & Handini (2021) found that financial literacy in Sukabumi City reached 61.07%, considered quite good. The rapid development of fintech among young people is a rationale for using Generation Z students as research subjects. Research by Kartika Sukmawati (2023) shows that financial literacy has a significant negative effect on Gen Z's interest in investing in the Bibit application. According to Rodliyatan (2025), financial literacy and investment knowledge have a significant positive effect on interest.

Based on previous phenomena and research, this study attempts to comprehensively examine the influence of financial literacy, investment knowledge with AI on the investment interest of generation Z in the capital market.

It is hoped that it will be able to provide an overview of the factors that encourage investment interest among generation Z.

## METHOD

This research employs a quantitative method with a causal associative framework, seeking to identify the connection and impact of independent variables on the dependent variable. This research examines how financial literacy ( $X_1$ ) and investment knowledge with AI ( $X_2$ ) impact investment interest ( $Y$ ) within Generation Z. The subjects of this study were active students in East Jakarta classified as Generation Z (born 1997–2012). The sampling method employed was purposive sampling, with criteria based on being part of Generation Z and current student status. Sugiyono (2017:91) recommends that for research employing multivariate analysis (such as correlation or multiple regression), the sample size should be a minimum of 10 times the number of variables involved. Consequently, because this study has 3 variables, the least sample size required is 30. Sampling was conducted utilizing a purposive sampling method, specifically choosing samples based on specific criteria aligned with the research goals, focusing on Generation Z and student status. A total of 100 individuals were successfully gathered as respondents.

This study collected data through a questionnaire. This study used a Likert Scale, used to measure the attitudes, opinions, and views of an individual or group of people regarding social phenomena with a score ranging from 5 to 1. The data analysis techniques used were: (1) Validity and Reliability Testing: Before conducting the primary data analysis, the distributed questionnaire was tested for validity and reliability to ensure the instrument could accurately and consistently measure what was intended. (2) Descriptive Analysis: Used to describe the characteristics of respondents based on the collected demographic data. (3) Classical Assumption Test: To meet the requirements for multiple linear regression analysis, a Normality Test (Kolmogorov-Smirnov), Multicollinearity Test ( $VIF < 10$  and  $Tolerance > 0.1$ ), and Heteroscedasticity Test (Glejser Test or scatterplot) are performed. (4) Multiple Regression Analysis.

## RESULTS AND DISCUSSION

Researchers used data analysis techniques to process the data obtained from the distributed questionnaires using the following statistical techniques:

### 1. Validity test

A questionnaire is said to be valid if the questions or statements in the questionnaire are able to reveal what the questionnaire is intended to measure (Ghozali, 2013).

**Table 1**  
**Validity Test**

No	Variabel	Pernyataan	Koefisien Korelas ( r hitung )
1	Financial Literacy (X1)	X1.1	0.692
		X1.2	0.815
		X1.3	0.710
		X1.4	0.637
		X1.5	0.421
2	Investment knowledge with AI (X2)	X2.1	0.577
		X2.2	0.798
		X2.3	0.844
		X2.4	0.836
		X2.5	0.826
3	Investment interest (Y)	Y.1	0.902
		Y.2	0.922
		Y.3	0.697
		Y.4	0.865
		Y.5	0.815

Source: Processed Data (2025)

Considering the explanation above, it can be concluded that all statement items from the three variables have a calculated r value greater than the table r (0.279). Therefore, all items are declared valid and can be used in further analysis.

2. Realibilitas Test

**Table 2**  
**Realibilitas Test**

Variabel	Koefisien Alpha	Nilai Acuan Koefisien Alpha > 0,6	Keterangan
Financial Literacy (X1)	0.751	>0,6	Reliabel
Investment Knowledge with AI(X2)	0 0.838	>0,6	Reliabel
Investment Interest (Y)	0 0.842	>0,6	Reliabel

Source: Processed Data (2025)

All alpha coefficient values were above the minimum threshold of >0.6, consistent with Ghozali's (2013) opinion, which states that an instrument is considered reliable if its Cronbach's Alpha value is greater than 0.6. These results indicate that all research instruments in the questionnaire have good internal consistency. Therefore, it can be concluded that the instruments used to measure financial literacy, investment knowledge and investment interest are reliable and suitable for use in this study.

3. Multiple Linear Regression Analysis

**Table 3**  
**Multiple Linier Regression Analysis**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1,315	2,152		-0,611	0,544
X1	0,551	0,122	0,420	4,514	0,000
X2	0,505	0,087	0,540	5,806	0,000

a. Dependent Variable: Y

Source: Processed Data (2025)

Based on the results of multiple linear regression, the following regression equation can be formulated:

$$Y = -1.315 + 0.551X1 + 0.505X2$$

The significance values for variables X1 and X2 are under the 0.05 threshold, showing that both independent variables exert a considerable partial impact on the dependent variable. This indicates that understanding finance and investment aspects related to AI positively and significantly influences investment interest.

4. The Coefficient of Determination Test

Based on the R-square value of 0.733, it can be interpreted that 73.3% of the employee performance variable (Y) can be explained by two independent variables: financial literacy (X1) and knowledge of investing with AI (X2). Meanwhile, the remaining 26.7% is explained by other variables outside this research model, such as income, financial behavior, and social media, which were not examined in this study

**Table 4**  
**Results of the Coefficient of Determination Test**

**Model Summary**

R Square	Adjusted R Square	Std. Error of the Estimate	Std. Error of the Estimate
0,733	0,721	1,41054	1,41054

Source: Processed Data (2025)

### 5. Partial Test

The t-test, or partial test, is a method in regression analysis used to test the effect of each independent variable (X) individually on the dependent variable (Y), assuming the other independent variables are held constant.

**Table 5**  
**Partial Test**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	-1,315	2,152		-0,611	0,544
X1	0,551	0,122	0,420	4,514	0,000
X2	0,505	0,087	0,540	5,806	0,000

a. Dependent Variable: Y

Source: Processed Data (2025)

According to the t-test results, the financial literacy variable (X1) displays a calculated t-value of 4.514 at a significance level of 0.000, whereas the investment knowledge variable with AI (X2) has a calculated t-value of 5.806, also at a significance level of 0.000. Since the significance values for both variables are less than 0.05, it can be inferred that financial literacy and investment knowledge with AI both have a partially significant impact on investment interest. Therefore, this regression model is legitimate, and each independent variable significantly contributes to explaining the dependent variable

### 6. Simultaneous Test

The F-test is utilized to ascertain if all independent variables collectively exert a significant influence on the dependent variable. This test is typically examined through the ANOVA table of multiple linear regression outcomes in SPSS

**Tabel 6**  
**Simultaneous Test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	256,267	2	128,134	64,401	.000 <sup>b</sup>
	Residual	93,513	47	1,990		
	Total	349,780	49			

a. Dependent Variable: Y

Source: Processed Data (2025)

The results of the ANOVA analysis indicate that the regression model applied in this study has a computed F-value of 64.401 and a significance level of 0.000. Since the p-value is below 0.05, we can determine that the regression model employed is statistically significant. This indicates that the independent variables concurrently exert a notable influence on the dependent variable Y.

## CONCLUSION

The results of this study indicate that financial literacy and investment knowledge influence the investment interest of Generation Z in East Jakarta. Generation Z with good financial literacy and investment knowledge using AI tend to have greater financial management skill and make wis investment decisions. The limitation of this study lie in the quantitative approach, which used only questionnaires as a data collection tool, and the limited sample size of Generation Z students in one area. Therefore, the results cannot be generalized to the wider Generation Z population. The implication of these findings is the importance of improving financial literacy and investment knowledge using AI early on the encourage more rational investment behavior among Generation Z in the capital market. The Indonesia Stock Exchange an securities companies have a strategic role in promoting pratical financial education program for students. Recommendation for futher research include adding research variables that influence investment interest, expanding the sample area and characteristics, and

using mix methods to gain a more comprehensive understanding of the psychological and social factors influencing Generation Z's investment decisions in the capital market.

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