GEN Z INVESTMENT DECISION: ROLE OF FINANCIAL LITERACY, INTEREST AND RISK TOLERANCE USING LOGISTIC REGRESSION

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Abstract- The number of Generation Z individuals who invest in high-risk financial instruments is increasing. This trend is interesting because high-risk investments commonly tend to attract older and more experienced investor. This study aims to analyze the impact of financial literacy and financial interest on investment decisions of Generation Z in high-risk assets, with risk tolerance as a moderating factor. Theory of Planned Behavior (TPB) is used to formulate the hypotheses. This study used quantitative method and the data is collected by distributing the questionnaires to the respondents. The sample of this study is 401 Generation Z individuals in Surabaya who are over 17 years old and thus legally able to invest according to Indonesian regulations. We conduct logistic regression analysis to test the hypotheses. The findings reveal that financial literacy does not affect investment decisions in high-risk assets, whereas financial interest has a positive effect. Furthermore, risk tolerance does not moderate the relationship between financial literacy and investment decisions. However, a high level of risk tolerance strengthens the positive effect of financial interest on investment decisions in high-risk assets. This research contributes new insight for investment companies and government to boost financial interest through engaging activities like gamified financial tools and interactive workshops.

Keywords: Financial Literacy; Financial Interest; Generation Z; Investment Decision; Risk Tolerance

1. INTRODUCTION
1.1 Background

The Financial Services Authority (Otoritas Jasa Keuangan or OJK) has reported a significant increase in the number of capital market investors in Indonesia. Over the past three years, the number of capital market investors has increased fivevold from around 2.5 million since 2020 to 12.17 million investors by the end of 2023. The majority of these investors are individuals under 30 years old which primarily is Generation Z accounting for around 56.43% of the total (KSEI, 2023). The dominance by Generation Z becomes interesting because the capital market are generally considered as high-risk investments which tend to attract older and more experienced investors (Hemrajani et al., 2023).

Generation Z is individuals who were born between 1997 to 2012 (Sali, 2023). Central Bureau of Statistics (BPS) shows that currently, generation Z dominates Indonesia's population with 74.93 million population. The prevalence of Generation Z investors may occur because

they possess a higher technological acumen compared to other generation. This sensitivity of the technology can be observed through their extensive use of smartphones and preference for online activities. Their digital savvy aligns well with innovations in the capital market sector. Nowadays, securities companies are competing to offer convenience access and transaction capabilities in the Indonesian capital market. While stock accounts previously required in-person interactions for setup, many securities firms now offer the convenience of opening stock accounts online (Dinantara et al., 2022). Given the increasing number of Generation Z investors in high-risk financial instruments, it is intriguing to understand the factors that drive them to invest in these type of assets.

Numerous previous researches showed that financial literacy may affect investment decision (Arora and Chakraborty, 2023; Hakim et al., 2023; Herliana et al., 2023). People with high financial literacy tend to have deeper and more comprehensive understanding of various financial instruments, including their risk and return. This knowledge not only guides their decision but also gives them the confidence in investing in risky financial market. Therefore, people with better financial literacy tend to invest in higher-risk investments because they find the opportunities to earn greater return (Kawamura et al., 2021). Other than financial literacy, several studies have shown that financial interest may also affect investment decision (Fathmaningrum and Utami, 2022; Yutama et al., 2022). Self-interest is going to shape individual decision making and behavior because it drives individuals to act in ways that they perceive as beneficial to their own well-being and success (Barbalet, 2012). Therefore, individual with financial interest are willing to understand more about finance by experiencing it through investing. They often invest in high-risk investment due to higher potential reward that may be gained.

However, previous studies analyzing the effect of financial literacy and financial interest on investment decision show inconsistencies. While Arora and Chakraborty (2023), Hakim et al. (2023) and Herliana et al. (2023) shows the positive effect of financial literacy on investment decision, several other researches show different findings. Citra and Pambudi (2022) and Senda et al. (2020) found that financial literacy does not have any effect on investment decision. Additionally, Chofifah et al. (2023) demonstrates negative effect of financial literacy on investment decision. On the other hand, research on the effect of financial interest on investment decision is rarely conducted. Yutama et al. (2022) shows a positive effect of financial interest on investment decision. Meanwhile, this finding needs further examination due to a lack of supporting research. These inconsistencies in previous research make the impact of financial literacy and financial interest on investment decisions in high-risk assets among Gen Z more interested to explore further.

This study also examines how risk tolerance moderates the impact of financial literacy and financial interest on investment decisions in high-risk assets. Risk tolerance is considered as the moderating variable of these effects because previous studies by Hussain and Rasheed (2023), Rafay and Mustafa (2023) and Kasoga (2021) have shown that risk tolerance contributes to individuals' decisions to invest in high-risk assets. Kasoga (2021) pointed out that individuals who are willing to take more risk will tend to purchase high-risk assets, such as stocks. Fong et al. (2021) also found that only few older Singaporeans invest in high-risk assets as the older generation is generally risk-averse. It highlights the importance of understanding the effect of risk tolerance on investment decision.

In light of the previous phenomena and issues, this research aims to analyze the impact of financial literacy and financial interest on investment decision in high-risk assets and the moderating effect risk tolerance on the relationship between financial literacy, financial interest and investment decision in high-risk assets. We use Generation Z in Surabaya who are older

than 17 years old as the respondents since they are legally able to invest based on Indonesia government regulation. The high-risk assets covered in this study are limited to stock and stock mutual fund. Logistic regression analysis is employed to test the hypotheses and the result will be analyzed using theory of planned behavior. The findings of our study are expected to contribute to the financial literature related to investment decision since to the best of our knowledge, there are few studies analyzing the impact of financial interest and investment decision and the moderating effect of risk tolerance on these relationships. Moreover, the result of this study can serve as references for investment companies and government to develop better strategies for managing high-risk assets investments among Gen Z.

1.2 Literature Review
1.2.1 Theory of Planned Behavior

The Theory of Planned Behavior (TPB) suggests that intention is the primary determinant of behavior (Ajzen, 1991). TPB posits that behavior is positively evaluated and determined by three factors: attitudes, subjective norms and perceived behavioral control (Ajzen, 1991; Djafarova and Foots, 2022). Attitudes refer to the positive or negative evaluation of the behavior, subjective norms involve the perceived social pressure to perform or not perform the behavior and perceived behavioral control pertains to the individual's perception of their ability to perform the behavior. TPB extends the Theory of Reasoned Action (TRA) by incorporating perceived behavioral control, thus accounting for factors that may facilitate or hinder the performance of a behavior (Pinasthika et al., 2021).

TPB is particularly suitable for this study because investment decisions are complex behaviors influenced by various behavioral factors (Antony and Joseph, 2017). Financial literacy equips individuals with the knowledge to understand financial products and markets that increase their confidence in making informed decisions. On the other hand, financial interest drives the motivation to engage with financial markets and search investment opportunities. Both of these factors shape individuals attitude towards investing in high-risk assets. TPB posits that these attitudes, along with subjective norms and perceived behavioral control, influence investment intentions and behaviors. Furthermore, risk tolerance can affect perceived behavioral control in the context of investment decisions. Individual with high-risk tolerance is likely to feel more confident in their ability to manage and invest in high-risk investments that can enhance their perceived behavioral control.

1.2.2 Financial Literacy and Investment Decision

Financial literacy comprises two primary components: knowledge or comprehension of financial concept and application of that knowledge (Adil et al., 2022). Financial literacy helps individuals better understand and evaluate financial markets. It leads to a more positive attitude toward investing (Wahyudi et al., 2020). As theory of planned behavior states, individual behavior is driven by behavioral intentions where attitudes towards the behavior, subjective norms, and perceived behavioral control play important roles. Moreover, Generation Z are more familiar with digital tools and online learning. Learning about financial concepts and strategies through digital platforms boosts their confidence in making informed investment decisions. The existence of social influences, especially through social media and friends, also can encourage this positive attitude towards high-risk investments, increase their confidence and perceived control over their investment choices. Waheed et al. (2020) also supported that financial literacy can affect investment decision because individuals with high financial literacy can make more informed decision with more confidence. Utami and Sitanggang (2021), Arora and Chakraborty (2023) dan Hakim et al. (2023) also found the same finding

that financial literacy affects investment decision positively. Hence, we propose this hypothesis:

H1: As financial literacy improves, Gen Z will be more likely to invest in high-risk assets.

1.2.3 Financial Interest and Investment Decision

Financial interest refers to the inherent motivation of individuals towards financial markets, investments, and economic matters that are interconnected (Hermansson and Jonsson, 2021). Individuals with this interest often exhibit higher risk tolerance and are more motivated by the potential for substantial financial gains (Yutama et al., 2022). Their enthusiasm for finance can drive them to search and embrace opportunities that promise higher returns, despite the associated risks. Additionally, they are more likely to be influenced by success stories and the excitement surrounding high-risk investments, which can be particularly appealing. Furthermore, social influences such as peer approval and the trend of following financial influencers on social media can reinforce their positive attitude towards taking on high-risk investment opportunities. According to theory of planned behavior, this positive attitude lead to investment decision. The financial interest effect on investment decision is also confirmed by Yutama et al. (2022), who found that individuals with high investment interest tend to invest including high-risk assets. Given this context, we propose this following hypothesis:

H2: As financial interest improves, Gen Z will be more likely to invest in high-risk assets.

1.2.4 Risk Tolerance as a Moderator Between Financial Literacy and Financial Interest in Investment Decisions

Risk tolerance indicates maximum amount of uncertainty an individual is willing and able to accept when making financial decision (Owusu et al., 2023). It is influenced by personal factors such as social, economics, demographic and psychological factor (Mukhdoomi and Shah, 2023). High-risk tolerance makes the investors to be more comfortable with the uncertainties caused by high-risk assets. This condition can significantly affect investment decision as individuals with high-risk tolerance tends to allocate their portfolio towards high-risk investment (Risqina et al., 2023).

Based on theory of planned behavior (TPB), financial literacy can enhance the ability to understand and evaluate investment options. It can lead them to take more informed and confident decisions (Savaliya, 2024). When combined with high-risk tolerance, this knowledge empowers investors to confidently engage in high-risk investments and use their understanding to manage potential risks effectively. Similarly, financial interest is supported by high-risk tolerance. Individuals with a keen interest in finance and a high tolerance for risk are more inclined to invest in high-risk assets. Thus, we propose this following hypothesis:

H3a: High-risk tolerance strengthens the positive effect of financial literacy on investment decision in high-risk assets for Gen Z.

H3b: High-risk tolerance strengthens the positive effect of financial interest on investment decision in high-risk assets for Gen Z.

2. RESEARCH METHODOLOGY
2.1 Data and Samples

This study aims to analyze whether financial literacy and financial interest can affect investment decision in high-risk assets and whether risk tolerance can moderate the effects of those variables on investment decision of Generation Z individuals in Surabaya. To address these questions, we conducted quantitative research using logistic regression to model the

probability that a respondent will invest in risky assets. The population of this study comprises Generation Z individuals, residing in Surabaya. According to the Statistics Centre Bureau Surabaya in 2023, the number of population is 653.705 people (BPS, 2023). This study will use non-probability sampling to collect the sample. We only include Generation Z individuals who are older than 17 years and have Indonesia identity card, as Indonesian regulations stipulate that citizens must be at least 17 years old to start investing in financial instruments. The respondents should at least aware and understand about high-risk investment.

The minimum sample size required is calculated using Slovin formula. We used 5% significance level and determined that the required sample size is 243 respondents. However, this study will include 401 respondents of Generation Z individuals in Surabaya as the research sample. The data used is primary data that will be gathered through questionnaires.

2.2 Variables

The dependent variable used in this study is investment decision in high-risk asset. In this research, high-risk asset is limited to stock and stock mutual fund. The investment decision (ID) is binary variable that indicates whether individuals invest in high-risk asset (in which case ID = 1) or not (in which case ID = 0). The independent variables are financial literacy (FL) and financial interest (FI) while the interaction or moderating variable is risk tolerance (RT). Financial literacy is measured by the number of correct of answers respondents provided to financial-related questions. This study includes ten questions covering basic personal finance and basic investments that are presented in multiple choice questions format. Each correct answer contributes 1 point while the incorrect answers receive no points. Hence, the FL value ranges from 0 to 10. The questions are adopted from Yusup and Hongdiyanto (2023). Financial interest (FI) and risk tolerance (RT) are the latent variables with item scales of three and five, respectively. Responses were recorded on a four-point Likert scale ranging from strongly agree (4) to strongly disagree (1). The operational definition and the measurement items for each variable is portrayed in Table 1.

2.3 Methodology

We conducted logistic regression using STATA to test the hypothesis since our dependent variable is binary variable (Singh, 2023). Nevertheless, prior to conducting logistic regression, we perform validity and reliability for the latent variables (financial interest and risk tolerance). We evaluate the validity using Pearson product moment. The instrument is valid if the p-value falls below the significance level (Wijaya and Kloping, 2021). Confirmatory factor analysis is carried out to ensure construct validity. The standardized factor loading should be at least 0.7 (Cheung et al., 2023). Reliability is assessed using Cronbach-alpha. The general accepted rule of cronbach-alpha is 0.6. However, values higher than 0.95 might suggest redundancy (Ursachi et al., 2015). The goodness-of-fit test that will be utilized is Hosmer-Lemeshow (HL) test. It it most commonly used goodness-of-fit test for logistic regression. This test uses a Pearson statistic to evaluate the differences between observed and expected event counts in data that is organized by the ordered fitted values from the model (Surjanovic and Loughin, 2023). A p-value higher than significance level indicates a good fit of the model to the data.

Table 1. Operational Definition

Variables	Operational Definition	Measurement or Item Scales	Source
Investment Decision in High-Risk Asset (ID)	An investment decision is the choice made by individuals to allocate their money into high-risk assets (stock and stock mutual fund). We divide ID variable into three: ID-HR if the respondents invest in either stock or stock mutual fund, ID-ST if the respondents invest in stock and ID-MFS if the respondents invest in stock mutual fund.	Binary variable that equals to 1 if individuals invest in high-risk asset and 0 if otherwise.	Rahman and Gan (2020)
Financial Literacy (FL)	The comprehension of financial principles and the skill to manage finance efficiently.	The number of correct answers to the financial literacy questions ranges from 0 to 10.	Yusup and Hongdiyanto (2023)
Financial Interest (FI)	A state of motivation where a person is highly engaged and interested in economic matters and financial market.	FI1. I am interested in economic matters and financial markets FI2. I follow the media about developments on the financial markets FI3. I follow the media about the developments of new saving products	Hermansson and Jonsson (2021)
Risk Tolerance (RT)	The degree to which an individual is willing to accept uncertainty and potential negative outcomes in their investment decisions.	RT1. I can accept losing part of my saving if the chance of getting a good return is great RT2. I think one has to take risks to gain something RT3. I would like to increase risk because the return is too low	Hermansson and Jonsson (2021)

Source: Author's Processed Data (2024)

The logistic regression model equation is as follows:

$$ln\left(\frac{P(ID=1)}{1-P(ID=1)}\right) = \alpha + \beta_1 FL + \beta_2 FI + \beta_3 RP + \beta_4 FL \times RP + \beta_5 FI \times RP + \varepsilon \qquad (1)$$

where $ln\left(\frac{P(ID=1)}{1-P(ID=1)}\right)$ is the natural logarithm of the odds of the dependent variable ID being 1 and $P(ID = 1)$ is the probability that the investment decision is equal to 1. Figure 1 shows the conceptual research framework.
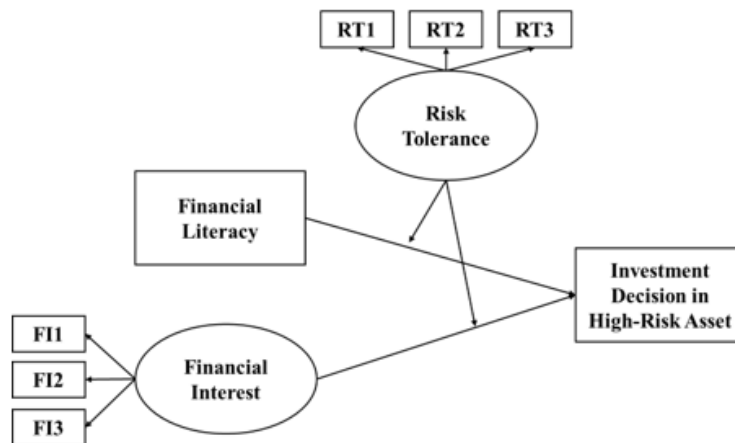
Figure 1. Conceptual Research Framework
Source: Author's Processed Data (2024)

3. RESULT AND DISCUSSION
3.1 Validity and Reliability

The number of the respondent in this research is 401 respondents. The demographic of the respondent based on age and gender is outlined in Table 2. The table shows that the majority of our respondents fall between 17-18 years range, accounting for 69.58%. In addition, female respondents outnumber male respondents.

Table 2. Respondent Demographics

Demographics	Respondents	Percentage
Age		
17-18 years old	279	69.58%
19-22 years old	78	19.45%
23-27 years old	44	10.97%
Gender		
Male	176	43.89%
Female	225	56.11%

Source: Author Processed Data (2024)

Prior to hypothesis testing, we conduct validity and reliability test for the latent variables. These tests are conducted to ensure the accuracy and consistency of the indicators. The latent variables in this study are financial interest and risk tolerance, while financial literacy and investment decision are measured variable. Hence, validity and reliability tests are not conducted for the latter two variables. Table 3 presents the result of Pearson product-moment validity test, factor loading and cronbach alpha. The p-values of Pearson product moment are all less than 0.05, indicating that each indicators are valid. In addition, the factor loading resultd for each indicator exceed 0.7. It demonstrates that the factors adeuqately capture the variance of each variable. Furthermore, the result of Cronbach's alpha values for both variable are also greater than 0.6. It proves that both variables are reliable.

Table 3. Validity, Reliability and Confirmatory Factor Analysis

Variables	Validity	Factor Loading	Reliability (Cronbach's Alpha)
Financial Interest			
F1.1	0.0000	0.8331	0.7576
F1.2	0.0000	0.8577	
F1.3	0.0000	0.7740	
Risk Tolerance			
R1.1	0.0000	0.7961	0.6335
R1.2	0.0000	0.7774	
R1.3	0.0000	0.7746	

Source: Author Processed Data (2024)

3.2 Descriptive Statistics and Correlation

Table 4 presents the descriptive statistics of each variable and their correlation of that with other variables. The average financial literacy score of the sample is 5.998 out of 10. It shows that the average financial literacy skill is medium and could be improved. The mean scores of financial interest and risk tolerance consecutively are 2.561 and 2.987 out of 4. It shows that the respondents tend to have financial interest and possess high-risk tolerance. The result also shows that 35.1% of the respondents invest in either stock or stock mutual fund, 26.9% respondents invest in stock market and 16.5% of the respondents invest in stock mutual fund.

Table 4. Descriptive Statistics and Correlation

Variable	Mean	Standard Deviation	Dichotomous Variables		Correlation					
			1	0	FL	FI	RT	ID-HR	ID-ST	ID-MFS
FL	5.998	1.88			1.000					
FI	2.561	0.531			0.088*	1.000				
RT	2.987	0.738			-0.063	0.263***	1.000			
ID-HR	0.351	0.478	141 (35.1%)	260 (64.9%)	0.168***	0.318***	0.446	1.000		
ID-ST	0.269	0.444	108 (26.9%)	293 (73.1%)	0.118**	0.362***	0.761	0.824***	1.000	
ID-MFS	0.165	0.371	66 (16.5%)	335 (83.5%)	0.065	0.137***	0.824	0.603***	0.321***	1.000

Source: Author Processed Data (2024)

3.3 Hypothesis Testing

Table 5. Hypothesis Testing Result

Variables	DV: ID-HR		DV: ID-HR		DV: ID-ST		DV: ID-MFS	
	B (Exp(B))	Sig.	B (Exp(B))	Sig.	B (Exp(B))	Sig.	B (Exp(B))	Sig.
FL	0.193 (1.213)	0.003***	0.233 (1.263)	0.544	0.297 (1.347)	0.451	0.721 (2.057)	0.116
FI	0.949 (2.584)	0.000***	4.150 (0.016)	0.000***	1.930 (0.145)	0.051*	3.299 (0.037)	0.001***
RT			-4.616 (0.010)	0.001***	-3.021 (0.048)	0.027**	-2.164 (0.115)	0.132
FL × RT			0.020 (1.020)	0.875	-0.041 (0.960)	0.757	-0.181 (0.835)	0.218
FI × RT			1.704 (5.495)	0.000***	1.930 (2.891)	0.001***	1.219 (3.384)	0.000***
Constant	-4.286	0.000***	3.691	0.024***	3.437	0.379	2.572	0.542

Variables	DV: ID-HR		DV: ID-HR		DV: ID-ST		DV: ID-MFS	
	B (Exp(B))	Sig.	B (Exp(B))	Sig.	B (Exp(B))	Sig.	B (Exp(B))	Sig.
	(0.014)		(40.085)		(31.083)		(13.089)	
N	401		401		401		401	
Hosmer Lemeshow Sig.	0.241		0.371		0.262		0.574	
Pseudo R^2	0.0984		0.1574		0.1554		0.0788	
LR χ^2	51.16***		81.86***		72.63***		28.26***	

Notes: ID-HR represents investment decision in high-risk assets, ID-ST represents investment decision in stock market, ID-MFS represents investment decision in stock mutual fund. ***, **, and * indicate significance at the 1 percent, 5 percent and 10 percent levels, respectively.
Source: Author Processed Data (2024)

The results of hypothesis testing using logistic regression are presented in Table 5. Panel (1) and (2) uses investment decision in high-risk assets that include stock and stock mutual fund as the dependent variable. Panel (3) and panel (4), we specifically differentiate investment decision in stock market and investment decision in stock mutual fund as the dependent variable. Hosmer Lemeshow (HL) test is conducted for every model to ensure the goodness-of-fit. The p-values of HL test for all the models are more than 0.05. It shows that all the models has fulfilled goodness-of-fit requirement. Additionally, all the likelihood ratio chi-square are significant at 1% significance level. It indicates that the addition of the predictors significantly improves the model's fit compared to a reduced model without those predictors.

The result shows that financial literacy can affect investment decision in high-risk asset. However, when we include the interaction term in the model, financial literacy no longer affects investment decision in high-risk asset. This holds true even after we divide the dependent variable into investment decisions solely in stock and solely in stock mutual funds. Therefore, the first hypothesis (H_1) stating the positive effect of financial literacy on investment decision in high-risk assets is rejected. On the other hand, financial interest can affect investment decision in high-risk assets for all the models at 1% significant level except for investment decision in stocks dependent variable, which is significant at the 10% significance level. The coefficients for financial interest on investment decision are positive. Hence, the second hypothesis (H_2) stating the positive effect of financial interest on investment decision in high-risk assets is accepted.

The interaction term between financial literacy and risk tolerance is not significant on investment decision in high-risk asset. Hence, we can conclude that risk tolerance cannot moderate the relationship between financial literacy and investment decision. Therefore, H_{3a} is rejected. Meanwhile, the interaction term between financial interest and risk tolerance is significant on investment decision in high-risk asset at 1% significance level. The coefficient of interaction term is positive. It shows that at higher level of risk tolerance, risk tolerance can strengthen the positive effect between financial interest and investment decision in high-risk assets while at the lower level of risk tolerance, risk tolerance weakens the positive effect between financial interest and investment decision in high-risk assets. Hence, H_{3b} is accepted.

3.4 Discussion

The findings of this study provide new insight for finance and investment management literature that analyzing the impact of financial literacy, financial interest and risk tolerance on investment decision in high-risk assets. The result shows that financial literacy does not affect investment decision in high-risk assets. This finding contradicts our hypothesis but aligns with several previous researches conducted by Octavia et al. (2022) and Junianto et al. (2020). The absence of the relationship may be attributed to Generation Z's investment being highly

affected by psychological bias such as overconfidence and fear of missing out (Ardini and Achyani, 2023). These biases often lead them to invest in high-risk assets regardless of their financial literacy rate. They may continue investing in high-risk assets to follow the trend though they lack sufficient financial knowledge about these assets.

In addition, the level of risk tolerance does not moderate the relationship between financial literacy and investment decision. This is likely because financial literacy itself does not directly affect investment decision in high-risk assets among Gen Z investors. Instead, their choices tend to be influenced by social factors and behavioral biases like overconfidence and fear of missing out (FOMO). As a result, higher risk tolerance is ineffective in influencing the relationship between financial literacy and investment decision.

On the other hand, financial interest can positively affect investment decision in high-risk asset. This finding aligns with previous researches conducted by Yutama et al. (2022). Individuals with strong financial interest are prone to developing positive attitudes toward financial instrument (Budiarti et al., 2022). According to the theory of planned behavior, an individual behavior will be affected by their attitude, subjective norms and perceived behavioral control (Chan et al., 2022). Thus, a positive attitude arising from financial interest can motivate them to invest in financial instruments.

Moreover, the positive effect of financial interest on investment decision in high-risk assets is strengthened by higher risk tolerance. Gen Z individuals with higher risk tolerance has strong willingness to pursue high-reward investments (Yao and Rabbani, 2021; Yusup, 2022). They naturally invest in high-risk assets that offer the possibility of significant returns despite their volatility. Their psychological readiness to face potential losses allows them to confidently invest in high-risk assets.

4. CONCLUSION

This study aims to analyze the effect of financial literacy and financial interest on investment decision of gen Z in high-risk assets, with risk tolerance as the moderating factor. The result shows that financial literacy does not affect investment decision in high-risk assets, while financial interest positively affects that decision. Risk tolerance does not moderate the relationship between financial literacy and investment decision in high-risk assets. However, high level or risk tolerance can strengthen the positive effect between financial interest and investment decision in high-risk assets and vice versa.

The findings have several implications and contributions for financial management theory, financial institutions and government. This research broadens financial management concepts by providing empirical evidence of the factors that can affect investment decision of Generation Z individuals in high-risk assets. This findings also provide insight for investment companies to enhance financial interest of Generation Z's individual that can encourage them to invest in high-risk assets. Descriptive statistics asserted that the mean of financial interest is relatively low at 2.561 out of 5. The companies can provide several engaging activities, such as gamified financial tools and interactive workshops that can stimulate their interest. However, the absence relationship between financial literacy and investment decision possess a challenge. With many young people investing in high-risk and potentially fraudulent investment, the government should facilitate socialization to reduce bias in investment.

However, this research has several limitations. It focuses solely on Generation Z in Surabaya since data from Indonesian Central Securities Depository (KSEI) indicates that majority stock investors are individuals under 30 years old. Therefore, the result of this research may not be generalizable. Further research can replicate this research model across a broader geographical area and include a wider age range so the findings can be more generalized.

Additionally, the study also only focuses on a few variables such as financial literacy, financial interest, and risk tolerance. Other potentially influential factors like behavioral biases are not considered. Future research could include a wider array of variables to gain a more comprehensive understanding of the factors influencing investment decisions in high-risk assets among Generation Z individuals. The high-risk assets covered in this research are only stock and stock mutual fund. Future research can cover more types of high-risk assets such as peer-to-peer lending and cryptocurrency.

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