# THE INFLUENCE OF INVESTMENT LITERACY, RETURN EXPECTATIONS, AND CAPITAL OF INVESTMENT ON GENERATION Z'S INVESTMENT INTEREST IN THE CAPITAL MARKET

**THESIS**

**To Qualify the Requirements**

**Bachelor Degree in Accounting**


**NISYA SALSABILA**

**NIM. B1031211104**

**ACCOUNTING STUDY PROGRAM**

**FACULTY OF ECONOMICS AND BUSINESS**

**TANJUNGPURA UNIVERSITY**

**PONTIANAK**


**2024**

## STATEMENT OF ORIGINALITY

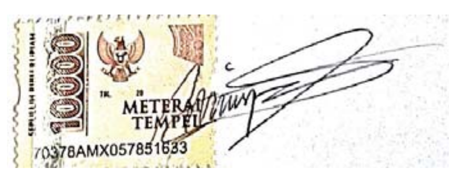
The undersigned below:

| | | |
|---|---|---|
| Name | : | Nisya Salsabila |
| NIM | : | B1031211104 |
| Department | : | Accounting |
| Study Program | : | Accounting |
| Concentration | : | Financial Accounting |
| Thesis Title | : | The Influence Of Investment Literacy, Return Expectations, And Capital Of Investment On Generation Z's Investment Interest In The Capital Market |

Declare that the Thesis with the title above, as a whole, is purely the author's own work and not plagiarism from the work of others, except for the parts referred to as literature sources in accordance with applicable writing guidelines (plagiarism check sheet attached).

If it is proven that the author has plagiarized, it will be the full responsibility of the author which may result in the cancellation of the Thesis with the title above. Thus this statement is made by the author truthfully.

Pontianak, 25 December 2024




Nisya Salsabila

NIM. B1031211104

## THESIS ACCOUNTABILITY

The undersigned below:

| | | |
|---|---|---|
| Name | : | Nisya Salsabila |
| NIM | : | B1031211104 |
| Department | : | Accounting |
| Study Program | : | Accounting |
| Concentration | : | Financial Accounting |
| Exam Date | : | 20 December 2024 |
| Thesis Title | : | The Influence Of Investment Literacy, Return Expectations, And Capital Of Investment On Generation Z's Investment Interest In The Capital Market |

Declare that this thesis is the result of the author’s own work and all sources of data and information, both quoted and referred to, have been correctly stated.

Pontianak, 25 December 2024

Nisya Salsabila
NIM. B1031211104

**LEMBAR YURIDIS**

THE INFLUENCE OF INVESTMENT LITERACY, RETURN EXPECTATIONS, AND CAPITAL OF INVESTMENT ON GENERATION Z'S INVESTMENT INTEREST IN THE CAPITAL MARKET

**Penanggung Jawab Yuridis**

Nisya Salsabila
B1031211104

Jurusan : Akuntansi
Program Studi : Akuntansi
Konsentrasi : Akuntansi Keuangan
Tgl Ujian Skripsi dan Komprehensif : 20 Desember 2024

**Majelis Penguji**

| No. | Majelis Penguji | Nama/NIP | Tgl/Bln/Thn | Tanda Tangan |
|---|---|---|---|---|
| 1. | Ketua Penguji | Juanda Astarani, S.E., M.Sc., CSRS, ACPA, CFrA | 23/12/2024 | |
| | | NIP. 198207192005011001 | | |
| 2. | Sekretaris Penguji | Ika Nur Azmi, S.E., M.Ak., Ak. | 23/12/2024 | |
| | | NIP. 199003152023212050 | | |
| 3. | Penguji 1 | Elok Heniwati, S.E., M.Si., Ak., C.A., Ph.D. | 23/12/2024 | |
| | | NIP. 197402122000122001 | | |
| 4. | Penguji 2 | Wukuf Dilvan Rafa, M.Ak. | 23/12/2024 | |
| | | NIP. 199609262022031013 | | |

Dinyatakan Telah Memenuhi Syarat dan Lulus
Dalam Ujian Skripsi dan Komprehensif

Pontianak, 24 DEC 2024
Koordinator Program Studi Akuntansi

Dr. Khristina Yunita, S.E., M.Si., Ak., CA
NIP. 197906182002122003

# ACKNOWLEDGEMENT

All praise and gratitude be to Allah SWT for the boundless mercy and blessings, which have enabled the successful completion of this thesis entitled "The Influence of Investment Literacy, Return Expectations, and Capital of Investment on Generation Z's Investment Interest in the Capital Market". This thesis has been prepared as a requirement to obtain a bachelor's degree (S1) from the Faculty of Economics and Business, Tanjungpura University.

The completion of this thesis would not have been possible without the prayers, support, guidance, motivation, constructive feedback, and encouragement from many individuals. Therefore, on this occasion, the author sincerely and wholeheartedly wishes to extend respect and gratitude to:

1. The author's beloved parents, Mr. Ismail and Mrs. Jariah, for their steadfast patience, boundless love, and continuous support in every aspect of the author’s life.
2. Dr. Barkah, S.E., Msi. as the Dean of the Faculty of Economics and Business, Tanjungpura University.
3. Dr. Nella Yantiana, S.E., M.M., Ak. as the Head of the Accounting Department, Faculty of Economics and Business, Tanjungpura University.
4. Vitriyan Espa, S.E., MSA., Ak, C.A. as the Secretary of the Accounting Department, Faculty of Economics and Business, Tanjungpura University.
5. Khristina Yunita, S.E., M.Si., Ak. as the Head of the Bachelor of Accounting Program, Faculty of Economics and Business, Tanjungpura University.
6. Juanda Astarani, S.E., M.Sc., CSRS., ACPA., CfrA. as the Academic Advisor for providing valuable guidance and direction to the author in the completion of this thesis.
7. Ika Nur Azmi, S.E., M.Ak., Ak. as the Second Thesis Advisor for providing valuable guidance and direction during the preparation of this thesis.

8. Elok Heniwati, S.E., M.Si., Ak., C.A., Ph.D. and Wukuf Dilvan Rafa, M.Ak. as Examiners for dedicating time and offering constructive feedback on this thesis.
9. All lecturers, especially those in the Accounting Department, for imparting knowledge and expanding the author's understanding throughout the academic journey.
10. All staff and employees of the Faculty of Economics and Business, Tanjungpura University, for providing outstanding service and support.
11. The extended family, who have provided both moral and material support, particularly cousins Kak Rinda Sari and Kak Sinta Sari, for sharing valuable experiences during and after their academic endeavors.
12. Friends from "Jannah Syauqiah" – Lina, Dila, Mutia, Rina, Anis, Ruri, Cindy, Pani, Tarisa, and Eci – for being wonderful partner in discussions, academic life, and organizational activities during our studies.
13. Friends from "Every Time" – Isin, Fika, Widya, Dinda, and Piti – for their consistent joy and sincere encouragement that motivated the author in completing this thesis.
14. Colleagues from LAC FEB UNTAN, especially the Core LAC 2023/2024 team – Goku, Dinia, Amel, Halisa, Cahaya, Rizky, and Della – for the outstanding teamwork and the meaningful experiences shared throughout the academic journey.
15. Friends from the Accounting Class of 2021, especially Class C, for their support and the unforgettable moments shared throughout the study period.
16. Lastly, deep gratitude is expressed to all individuals who have offered their support, but cannot be individually named, for their valuable contributions toward the completion of this study and thesis.

With the utmost humility, the author acknowledges that this thesis may not be perfect. Therefore, constructive feedback and suggestions are welcomed in order to improve future academic works. It is hoped that this thesis will serve as a useful resource and provide valuable information for those who need it.

Pontianak, 25 December 2024

Nisya Salsabila
NIM. B1031211104

**THE INFLUENCE OF INVESTMENT LITERACY, RETURN EXPECTATIONS, AND CAPITAL OF INVESTMENT ON GENERATION Z'S INVESTMENT INTEREST IN THE CAPITAL MARKET**

By:

**NISYA SALSABILA**

Department of Accounting

Faculty of Economics and Business

Tanjungpura University

## ABSTRACT

The rise in the number of investors in the stock market may indicate a rise in interest in doing so. According to KSEI as of September 2023, the Indonesian financial sector is expected to be dominated by Generation Z. This research is to ascertain and evaluate the impact of investment literacy, return expectations, and minimum investment capital on the investment interest of Generation Z residing Pontianak city within the capital market. By utilizing primary data form distibution linkert-scale question among 53 respondents who meet the criteria, this study employs a quantitative approach to its analysis. The hypothesis testing used is partial correlation (t-test). The results obtained show a positively and significantly impact by the return expectations and minimum capital on generation z's investing interest in the capital market. Investment literacy does not show a positively and significantly impact on investment interest. This research can contributes to additional literature related to investment interest by Generation Z, wich is still rarely researched. It also re-evaluates the variable of investment literacy variables that still have different findings in previous studies.

**Keywords**: Investment Interest, Literacy, Return Expectations, Generation Z

**THE INFLUENCE OF INVESTMENT LITERACY, RETURN EXPECTATIONS, AND CAPITAL OF INVESTMENT ON GENERATION Z'S INVESTMENT INTEREST IN THE CAPITAL MARKET**

## SUMMARY

### 1. Background

Various circles of society today, both young and old, are starting to take an interest in investing on the capital market. Investment is a way for individuals to secure future profits by sacrificing their current resources (Mastura et al., 2020). One of the benefits of investing is achieving financial freedom in the future (Yevitayani et al., 2023). Therefore, investment is currently gaining popularity in line with all the benefits that exist. The availability of investment options can be adjusted to the capabilities of each individual also supports the development of investment interest in general public. Additionally, with stocks priced as low as Rp100,000 being offered by companies on the Indonesian stock exchange, investing has become more accessible (Halim et al., 2022).

More individuals are investing in the capital market sector is increasing indicates a growing interest in capital market investments. There has been a 1.85 million incrase in investors over the last year, bringing total investors in the capital market sector to 12.16 million. Additionally, the number of stock investors has risen by 811 thousand, totaling 5.25 million stock investors. It can be interpreted that investor confidence in investments is still maintained despite being faced with many challenges posed by global and domestic economic conditions (Bursa Efek Indonesia, 2023).

Data of the Kustodian Sentra Efek Indonesia (KSEI) in September 2023, showing Generation Z dominating investors in the financial industry sector in Indonesia. Ownership of assets by young investors (Generation Z) is also reportedly increasing compared to the previous year. Importance awareness of investment among Generation Z is highly beneficial for the development of business and financial sectors in general. Investments can provide additional business capital for Generation Z who already have a business, enabling smooth business operations and potentially creating job opportunities.

Many factors can influence individuals to develop an interest in investing. Previous research has identified key factors such as investment knowledge, return expectations, and minimum investment capital. Further research is required to look into these factors comprehensively due to inconsistencies in existing study findings.

Developing from a different perspective and conducted in Pontianak City, this research intent to examine investment literacy, return expectations, and minimum investment capital impact on Generation Z's investment interest in the capital market. The benefits of this study include enhancing insights into investment, particularly the factors influencing investment interest as mentioned earlier, and serving as a reference for future research.

**2. Research Problem**

a. Is there a positive influence of investment literacy on generation z's investment interest in the capital market?
b. Is there a positive influence of return expectations on generation z's investment interest in the capital market?
c. Is there a positive influence of minimum investment capital generation z's investment interest in the capital market?

**3. Research Objective**

a. To determine there a positive influence of investment literacy on generation z's investment interest in the capital market?
b. To determine there a positive influence of return expectations on generation z's investment interest in the capital market?
c. To determine there a positive influence of minimum investment capital generation z's investment interest in the capital market?

## 4. Research Method

This research employs a quantitative method. The type of data used is primary data which are collected by disseminating questionnaires to respondents via Google Forms. The questionnaire provided to respondents contains closed-ended questions and uses a Likert scale to quantify the variables in the questionnaire.

The sampling employed is the purposive sampling method, where samples are selected based on specific considerations or criteria. The sample size is set at 53 respondents, with the criteria being Generation Z individuals aged 18-29 years and residing in Pontianak City. The collected sample data is then processed using SPSS version 26. The data analysis techniques used include descriptive statistical analysis and inferential statistical analysis, consisting of classical assumption tests, multiple linear analysis, determination coefficients, and hypothesis testing (t-test).

## 5. Findings and Discussion

a. Based on the test results, the Investment Literacy is not substantially influencing Generation Z's interest in investing in the capital market. The findings of this study indicate that an increase in investment literacy does not have an impact on Generation Z's investment interest in the capital market.

b. Based on the test results, the Return Expectations variable has a significant positive effect on Generation Z's investment interest in the capital market. The findings of this study show that an increase in return expectations can influence Generation Z's interest in investing in the capital market.

c. Based on the test results, the minimum investment capital variable has a significant positive effect on Generation Z's interest in the capital market. The findings of this study indicate that an increase in minimum investment capital can influence Generation Z's investment interest in the capital market.

## 6. Conclusion and Recommendation

The research conducted has proven that Generation Z's interest in making investment in the capital market is not much influenced by investment literacy. The literacy of investment possessed by Generation Z does not necessarily motivate them to invest. Practical training in the capital market investment could enhance their knowledge, also increase their investment interest. Furthermore, Generation Z's interest in the capital market investment is positively and significantly impacted by minimum investment capital and return expectations. Generation Z as a investors will not have an interest to invest in the capital market if there is no opportunity for profit and if the required estimated funds to be spent are high. Therefore, the greater the expected future returns and the lower the required capital, the higher the interest of Generation Z in the capital market investment.

The research's limitations are in relatively small sample size and specific criteria that can impact the generalizatio of the results. Future research should explore additional variables such as technological advancements, investment risk, and self-efficacy, or expand the sample size to further investigate Generation Z's investment interest.

## TABLE OF CONTENTS

## LIST OF TABLES

## LIST OF FIGURES

# CHAPTER I

# INTRODUCTION

## 1. 1 Background

Various circles of society today, both young and old, are starting to take an interest in investing on the capital market. Investment is a way for individuals to secure future profits by sacrificing their current resources (Mastura et al., 2020). One of the benefits of investing is achieving financial freedom in the future (Yevitayani et al., 2023). Therefore, investment is currently gaining popularity in line with all the benefits that exist. The availability of investment options can be adjusted to the capabilities of each individual also supports the development of investment interest in general public. Additionally, with stocks priced as low as Rp100,000 being offered by companies on the Indonesian stock exchange, investing has become more accessible (Halim et al., 2022).

More individuals are investing in the capital market sector is increasing indicates a growing interest in capital market investments. There has been a 1.85 million incrase in investors over the last year, bringing total investors in the capital market sector to 12.16 million. Additionally, the number of stock investors has risen by 811 thousand, totaling 5.25 million stock investors. It can be interpreted that investor confidence in investments is still maintained despite being faced with many challenges posed by global and domestic economic conditions (Bursa Efek Indonesia, 2023).

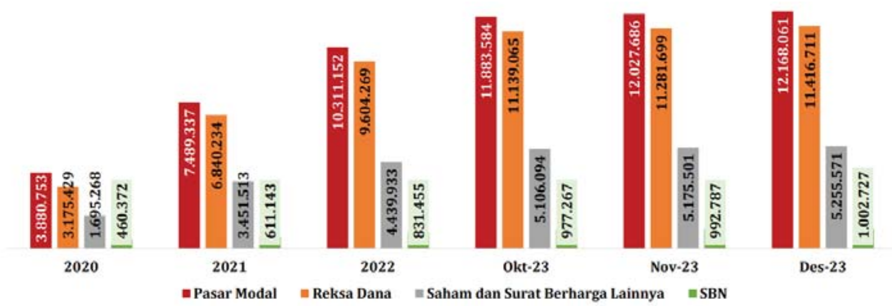



**Figure 1. 1 Investor Growth** (KSEI, 2024)

According to the generational theory by Graeme Codrington & Sue Grant-Marshall in Nisa & Hidayati (2022), individuals born between 1996 and 2010 can be categorized as Generation Z, where the use of technology has become commonplace. The ease of using technology in generation z also has an impact on the rapid dissemination of investment-related information, which is expected to encourage investment interest. This is evidenced by data of the Kustodian Sentra Efek Indonesia (KSEI) in September 2023, showing Generation Z dominating investors in the financial industry sector in Indonesia. Ownership of assets by young investors (Generation Z) is also reportedly increasing compared to the previous year. It can prove the increasing enthusiasm of young investors to making capital market investments.

Importance awareness of investment among Generation Z is highly beneficial for the development of business and financial sectors in general. Investments can provide additional business capital for Generation Z who already have a business, enabling smooth business operations and potentially creating job opportunities. In Indonesia, inflation has experienced fluctuations. Bank Indonesia (2024) reporting an increase to 3.05% in March compared to the previous month. In this case, nvestments serve to preserve asset value against the effects of annual inflation.

Many factors can influence individuals to develop an interest in investing. Previous research has identified key factors such as investment knowledge, return expectations, and minimum investment capital. Further research is required to look into these factors comprehensively due to inconsistencies in existing study findings.

Considering the literature review carried out by Darmawan et al. (2019), Wibowo & Purwohandoko, (2019), Mastura et al. (2020), Halim et al. (2022), Pramesti et al., (2023) their studies indicate a significant influence of literacy of investment on investment interest in the capital market. This contrasts with the result of research by A. Nisa & Zulaika (2017) dan Listyani et al. (2019) who suggest no significant relationship correlation of investment literacy and investment interest in the capital market. From some of these research result, it can be inferred that there are still differences in research result related to investment literacy variables affecting investment interesst. It can be caused by differing bakcgrounds and individual thought processes.

Developing from a different perspective and conducted in Pontianak City, this research intent to examine investment literacy, return expectations, and minimum investment capital impact on Generation Z's investment interest in the capital market. The benefits of this study include enhancing insights into investment, particularly the factors influencing investment interest as mentioned earlier, and serving as a reference for future research.

## 1. 2 Research Problem

Based on the background that has been described, the main problems in this study are as follows:

1. Is there a positive influence of investment literacy on generation z's investment interest in the capital market?
2. Is there a positive influence of return expectations on generation z's investment interest in the capital market?
3. Is there a positive influence of minimum investment capital generation z's investment interest in the capital market?

## 1. 3 Research Objective

The purpose of this research focuses on the problems that will be discussed as follows:

1. To determine there a positive influence of investment literacy on generation z's investment interest in the capital market?
2. To determine there a positive influence of return expectations on generation z's investment interest in the capital market?
3. To determine there a positive influence of minimum investment capital generation z's investment interest in the capital market?

## 1. 4 Research Contribution

### 1.4.1 Theoretical Contribution

This research contributes to developing theory and understanding in the investment sector, especially related to factors that influence investment interest. By analyzing The Influence Of Investment Literacy, Return Expectations, And Capital Of Investment On Generation Z's Investment Interest In The Capital Market.

In addition, this research is also expected to act as a source of knowledge and as a reference that can be used by future academics, who have an interest in exploring more deeply the factors that can affect investment interest.

### 1.4.2 Practical Contribution

Practically, the results of this study are expected to contribute, as follows:

1. Government and policy makers

   This research is expected to provide information related to factors that can affect generation z's interest in investing in the capital market, so that it can be taken into consideration in formulating investment policies that can increase generation z's participation in investing in the capital market in the future.

2. Society

   This research is expected to add insight and knowledge related to investment, especially on factors that can affect investment.

## 1. 5 Contextual Research Project

Investment is a way for individuals to secure future profits by sacrificing their current resources. One of the benefits of investing is achieving financial freedom in the future. Data of the Kustodian Sentra Efek Indonesia (KSEI) in September 2023, showing Generation Z dominating investors in the financial industry sector in Indonesia. Importance awareness of investment among Generation Z is highly beneficial for the development of business and financial sectors in general. Many factors can influence individuals to develop an interest in investing. Developing from a different perspective and conducted in Pontianak City, this research intent to examine investment literacy, return expectations, and minimum investment capital impact on Generation Z's investment interest in the capital market. The type of data used is primary data which are collected by disseminating questionnaires to respondents via Google Forms. The sampling employed is the purposive sampling method, where samples are selected based on specific considerations or criteria. The sample size is set at 53 respondents, with the criteria being Generation Z individuals aged 18-29 years and residing in Pontianak City.