

Beyond Access And Lifestyle: Financial Literacy And Locus Of Control As Drivers Of Gen Z Investment Intention In Indonesia

Hamdani^{1*}, Dede Sunaryo², Dhea Zatira³, Sustari Alamsyah⁴

^{1,2,3,4} Faculty of Economics and Business, Universitas Muhammadiyah Tangerang, Indonesia

E-mail: hamdani@umt.ac.id

ABSTRACT

Purpose – This study examines the determinants of investment intention among Generation Z in an emerging economy context, integrating behavioral, cognitive, technological, psychological, and managerial factors within an extended Theory of Planned Behavior (TPB) framework. Specifically, it investigates both the direct effects of lifestyle, financial literacy, fintech adoption, locus of control, and financial management on investment intention, as well as the mediating role of financial literacy in translating broader personal attributes into investment intention.

Design/methodology/approach – A quantitative cross-sectional design was employed, with data collected from 283 employed Generation Z respondents aged 18–28 in Greater Tangerang, Indonesia, through a structured online questionnaire using a seven-point Likert scale. Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 was utilized for analysis, incorporating bootstrapping procedures to test direct and mediated relationships. Common method bias was assessed using Harman's single-factor test.

Findings – The results reveal that financial literacy and internal locus of control emerge as the primary drivers of investment intention, while lifestyle and fintech adoption exhibit no significant direct effects. Financial management behavior demonstrates a counterintuitive negative relationship. Importantly, financial literacy functions as a cognitive mechanism mediating the effects of both lifestyle and locus of control on investment intention, offering a more nuanced understanding of the pathways through which personal attributes translate into financial decision-making.

Practical implications – Financial institutions and policymakers should design integrated educational interventions that simultaneously enhance financial knowledge and strengthen psychological empowerment. Fintech platforms should incorporate educational features to bridge the gap between technological access and financial competence. Investment service providers should develop programs that explicitly link disciplined financial management practices with purposeful investment planning.

Originality/value – This study extends the Theory of Planned Behavior by identifying financial literacy as a mediating mechanism through which lifestyle orientations and psychological attributes influence investment intention, providing novel insights into the cognitive pathways underlying investment decision-making among young adults in emerging economies.

Paper type: Research paper

Keywords: Investment Intention, Theory of Planned Behavior, Financial Literacy, Locus of Control, Financial Technology, Generation Z, Indonesia

1. INTRODUCTION

The mobilization of public funds through capital market participation constitutes a fundamental driver of economic development in emerging economies (Hassan et al., 2021). In Indonesia, the number of capital market investors has experienced remarkable growth, increasing from 3.88 million in 2020 to over 19.15 million by October 2025 (Bisnis.com, 2025), reflecting improved access and growing public engagement with financial markets. Generation Z has emerged as a substantial contributor to this expansion, with approximately 54.25% of all investors under 30 years of age (CNBC Indonesia,

2025). However, this quantitative growth in participation raises critical questions about the quality and sustainability of investment decisions being made by young, relatively inexperienced investors (Handranata et al., 2023; Yuliani et al., 2025).

The disparity between financial inclusion and financial literacy in Indonesia presents a concerning picture. While financial inclusion has reached 85.10%, financial literacy languishes at 49.68% (OJK, 2024), suggesting that many individuals are participating in financial markets without adequate understanding of associated risks and returns (Alhabsi et al., 2024). Furthermore, evidence indicates that Generation Z's investment decisions are frequently influenced by social media trends, peer pressure, and influencer content rather than systematic risk assessment or long-term financial planning (Katadata Insight Center, 2024; Lo et al., 2023). This disconnect between participation and preparedness represents a significant challenge for policymakers, financial educators, and market regulators seeking to foster sustainable investment behavior (Lim & Weissmann, 2024; Zainuddin & Sabaruddin, 2025).

The literature has identified multiple factors influencing investment intention, yet empirical findings remain fragmented and contradictory. Lifestyle has been found to have positive effects in some studies (Gumilang & Irwansyah, 2024), negative effects in others (Rifani et al., 2025), and no significant effects in yet others (Yuniasari et al., 2024). Financial literacy demonstrates positive relationships with investment intention (Lusardi & Mitchell, 2014; Pelawi et al., 2026; Handranata et al., 2023; Sari et al., 2025), though this finding is not universal (Wilda et al., 2025). Fintech adoption yields positive associations in certain contexts (Putra et al., 2025; K. & Velmurugan, 2025), while others report no significant effects (Liani et al., 2023; Syauckani, 2025). Locus of control shows positive relationships (Ariyani & Astuti, 2024; Wang et al., 2025; Chauhan et al., 2025), yet contradictory findings exist (Anjellah & Umah, 2024). Financial management behavior generally associates positively with investment intention (Avada & Suselo, 2023), though contextual variations persist.

These inconsistencies suggest three critical gaps in the existing literature. First, most studies examine direct effects without exploring the underlying mechanisms through which factors influence investment intention. The mediating role of financial literacy—a key cognitive factor—remains underexplored (Sari et al., 2025; Candra et al., 2026). Understanding how financial literacy translates broader lifestyle orientations and psychological attributes into investment intention could illuminate the cognitive pathways underlying investment decision-making (Ajzen, 1991; Bandura, 1997; Lim & Weissmann, 2024). Second, the application of Theory of Planned Behavior (TPB) in this context has been superficial, with limited integration of its core components—attitude, subjective norm, and perceived behavioral control (Ajzen, 1991; Armitage & Conner, 2001). A more theoretically grounded operationalization could significantly enhance explanatory power (Indriani et al., 2024; Lim & Weissmann, 2024). Third, contextual factors matter substantially. Greater Tangerang, as a major urban and industrial hub adjacent to Jakarta, presents unique socio-economic conditions characterized by high fintech penetration, diverse lifestyles, and intense digital exposure, yet no study has specifically investigated Gen Z investment intention in this setting with a comprehensive mediating framework.

This study aims to address these gaps by: (1) examining the direct effects of lifestyle, financial literacy, fintech adoption, locus of control, and financial management on investment intention among Generation Z in Greater Tangerang; (2) investigating the mediating role of financial literacy in the relationships between lifestyle and investment intention, and between locus of control and investment intention; and (3) providing empirical evidence to reconcile prior contradictory findings through robust methodological approaches.

The theoretical contribution of this study lies in extending TPB by demonstrating that financial literacy serves as a cognitive mechanism through which lifestyle and psychological attributes influence investment intention (Lim & Weissmann, 2024; Pelawi et al., 2026), offering a more nuanced understanding of the pathways underlying investment decision-making. Practically, the findings provide actionable insights for financial institutions, fintech providers, policymakers, and

educators to develop more effective interventions for enhancing investment intention among young adults in emerging economies (Yuliani et al., 2025; Handranata et al., 2023).

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Theoretical Foundation: Theory of Planned Behavior

This study adopts the Theory of Planned Behavior (TPB) as proposed by Ajzen (1991) as its primary theoretical framework. TPB posits that an individual's behavior is preceded by the intention to perform that behavior, which is shaped by three factors: attitude toward the behavior, subjective norm, and perceived behavioral control. Attitude toward the behavior refers to the individual's positive or negative evaluation of performing the behavior. Subjective norm refers to the perceived social pressure to perform or not perform the behavior. Perceived behavioral control refers to the individual's perception of the ease or difficulty of performing the behavior, reflecting both internal factors (skills, knowledge) and external factors (resources, opportunities) (Ajzen, 1991; Armitage & Conner, 2001).

In the investment context, investment intention represents the individual's plan or willingness to allocate funds into financial instruments, formed through evaluation of investing, social pressures, and perceived capability to invest. This framework provides a robust foundation for examining how various factors contribute to the formation of investment intention (Lo et al., 2023; Raut et al., 2021; Indriani et al., 2024). Recent theoretical developments have extended TPB to financial planning contexts, with Lim and Weissmann (2024) proposing a "Theory of Financial Planning Behaviour" that integrates financial satisfaction, financial socialisation, financial literacy, mental accounting, and financial cognition as components of perceived behavioral control. Similarly, Zainuddin and Sabaruddin (2025) have identified stock market literacy dimensions including basic stock concepts, investment strategies, behavioral finance insight, risk management, ethics, and financial planning as antecedents of market participation. In this study, we operationalize TPB components as follows: lifestyle and financial management behavior represent attitude toward investment; fintech adoption reflects subjective norm, capturing social and technological influences; and financial literacy and locus of control contribute to perceived behavioral control, representing both cognitive competence and psychological confidence (Ajzen & Fishbein, 2005; Raut et al., 2021).

2.2. Lifestyle and Investment Intention

Lifestyle, defined as an individual's pattern of living expressed through activities, interests, and opinions, reflects how individuals relate to their environment and allocate resources (Kotler & Keller, 2022). Individuals with future-oriented lifestyles—characterized by planning, saving, and delaying gratification—may be more inclined to allocate funds toward productive activities including investment (Gumilang & Irwansyah, 2024; Wiguna et al., 2025). From a TPB perspective, lifestyle represents the evaluative dimension of attitude toward investment, where congruence between lifestyle orientation and investment behavior enhances intention (Ajzen & Fishbein, 2005). Conversely, consumption-oriented lifestyles prioritizing immediate gratification may undermine investment intention by directing resources toward present consumption (Rifani et al., 2025). Alhabsi et al. (2024) in their meta-analysis of 30 studies found that lifestyle-related factors demonstrate heterogeneous effects on investment decisions, suggesting the need for mediating pathway examination. Given these theoretical considerations:

H₁: Lifestyle has a positive effect on investment intention among Generation Z in Greater Tangerang.

2.3. Financial Literacy and Investment Intention

Financial literacy encompasses the knowledge, skills, and confidence influencing individuals' attitudes and behavior in financial decision-making (OJK, 2024; Lusardi & Mitchell, 2014). Financially literate individuals understand interest rates, inflation, risk diversification, and investment instrument characteristics, enabling them to evaluate opportunities, assess risks, and understand potential returns (Lusardi & Mitchell, 2014). This cognitive competence reduces uncertainty and

enhances decision-making confidence (Pelawi et al., 2026). Within TPB, financial literacy contributes to perceived behavioral control—the belief in capability to invest effectively (Ajzen, 1991; Lim & Weissmann, 2024). The positive relationship between financial literacy and investment intention has been consistently supported in the literature. Pelawi et al. (2026) found that financial literacy positively influences investment intention both directly and indirectly through sequential mediation of risk perception and trust. Alhabsi et al. (2024) confirmed a significant positive correlation between financial literacy and investment decisions in their meta-analysis. Handranata et al. (2023) demonstrated that financial literacy has a significant positive effect on investment intention and stock market participation among Indonesian investors. Sari et al. (2025) further confirmed that financial literacy mediates the relationship between risk appetite and investment intention among Generation Z. Therefore:

H₂: Financial literacy has a positive effect on investment intention among Generation Z in Greater Tangerang.

2.4. Financial Technology Adoption and Investment Intention

Financial technology (fintech) represents innovations in financial services utilizing technology to enhance accessibility and efficiency (Schueffel, 2016; Lee & Shin, 2018), reducing barriers to entry for retail investors through platforms such as robo-advisors and mobile trading applications. Drawing on the Technology Acceptance Model (TAM) (Davis, 1989), fintech perceived as useful and easy to use facilitates adoption. In the investment context, fintech adoption may reduce transaction costs and enable small-ticket investments (K. & Velmurugan, 2025). Within TPB, fintech adoption aligns with perceived behavioral control by increasing accessibility and convenience (Davis, 1989). K. and Velmurugan (2025) found that digital literacy, perceived risk, and financial well-being significantly influence intention to adopt AI-enabled fintech among Gen Z equity investors. Candra et al. (2026) demonstrated that digital financial literacy significantly influences investment decisions among Generation Z through fintech mediation, though the direct effect was not significant. Syaukani (2025) found that fintech moderation on the relationship between perceived risk/return and investment intention was not significant among millennials. Given these mixed findings:

H₃: Fintech adoption has a positive effect on investment intention among Generation Z in Greater Tangerang.

2.5. Locus of Control and Investment Intention

Locus of control refers to the degree to which individuals believe outcomes are determined by their own efforts (internal locus) or by external factors (external locus) (Rotter, 1966). Individuals with internal locus of control exhibit greater self-efficacy, proactive information seeking, and risk-taking propensity (Bandura, 1997). In the investment context, internal locus of control enhances investment intention through: (1) greater confidence in capability to execute investment actions; (2) proactive acquisition of financial knowledge; and (3) willingness to take calculated risks (Ariyani & Astuti, 2024; Anjellah & Umah, 2024). Wang et al. (2025) found that locus of control and self-efficacy significantly influence both intrinsic and extrinsic motivation for cryptocurrency investment behavior. Chauhan et al. (2025) demonstrated that risk aversion and locus of control negatively affect risky investment intention, with financial literacy moderating these relationships. Within TPB, locus of control is a key determinant of perceived behavioral control (Ajzen, 1991; Armitage & Conner, 2001; Lim & Weissmann, 2024). Therefore:

H₄: Internal locus of control has a positive effect on investment intention among Generation Z in Greater Tangerang.

2.6. Financial Management Behavior and Investment Intention

Financial management behavior reflects the ability to plan, organize, and control financial resources, encompassing budgeting, expense tracking, saving, and goal setting (Dew & Xiao, 2011; Xiao et al., 2014). Effective financial management may assist individuals in regulating income and expenditures and setting aside funds for long-term objectives (Avada & Suselo, 2023). From a TPB perspective,

financial management behavior indicates attitude toward financial discipline and prudence, potentially extending to investment activities (Dew & Xiao, 2011; Lim & Weissmann, 2024). However, financial management may also manifest as caution, risk aversion, or preference for liquidity and security (Xiao et al., 2014). Yuliani et al. (2025) found that financial attitude positively influences investment intention, with investment intention having a high impact on investment decision-making in Indonesia. Given the prevailing theoretical perspective:

H₅: Financial management behavior has a positive effect on investment intention among Generation Z in Greater Tangerang.

2.7. The Mediating Role of Financial Literacy

Financial literacy may serve as a cognitive mechanism through which lifestyle and locus of control influence investment intention. Lifestyle influences the priority individuals place on acquiring financial knowledge—future-oriented individuals may be more motivated to seek financial education, while consumption-oriented individuals may prioritize immediate pleasures (Gumilang & Irwansyah, 2024). Thus, lifestyle shapes financial literacy, which in turn shapes investment intention (Lusardi & Mitchell, 2014; Pelawi et al., 2026). This mediating mechanism explains why direct lifestyle effects are inconsistent across studies—the effect may operate indirectly through financial literacy (Alhabsi et al., 2024; Sari et al., 2025).

Similarly, individuals with internal locus of control are more proactive in seeking information and skills enabling control over outcomes (Rotter, 1966; Bandura, 1997), engaging in financial education and seeking professional advice, thereby enhancing financial literacy (Chauhan et al., 2025; Wang et al., 2025). This enhanced literacy increases investment intention by providing necessary cognitive competence (Ariyani & Astuti, 2024; Anjellah & Umah, 2024). Sari et al. (2025) empirically confirmed that financial literacy mediates the relationship between risk appetite and investment intention. Candra et al. (2026) demonstrated that digital financial literacy mediates the relationship between financial knowledge and investment decisions through fintech. Empirical studies have established links between lifestyle and financial literacy (Gumilang & Irwansyah, 2024), locus of control and financial literacy (Ariyani & Astuti, 2024; Chauhan et al., 2025), and financial literacy and investment intention (Lusardi & Mitchell, 2014; Pelawi et al., 2026; Handranata et al., 2023). However, the mediating role of financial literacy in the lifestyle-investment and locus of control-investment relationships has not been directly tested. Therefore:

H₆: Financial literacy mediates the relationship between lifestyle and investment intention.

H₇: Financial literacy mediates the relationship between locus of control and investment intention.

3. RESEARCH METHOD

3.1. Research Design

This study employs a quantitative approach with a cross-sectional, causal-associative design. The research was conducted in Greater Tangerang (Tangerang City, Tangerang Regency, and South Tangerang) between September 2025 and February 2026.

3.2. Population and Sample

The target population comprises Generation Z individuals residing or conducting activities in Greater Tangerang, meeting criteria: (a) aged 18–28 years, (b) employed (full-time, part-time, or self-employed), and (c) having basic access to digital financial services. A sample of 300 respondents was selected using purposive sampling, determined based on the rule of thumb for PLS-SEM requiring a minimum sample size of ten times the largest number of structural paths or indicators (Hair et al., 2019). The largest measurement model has five indicators, and the maximum paths to any dependent variable is six, giving a minimum of 60. Our sample of 300 exceeds this requirement and aligns with

similar studies (Lo et al., 2023; Raut et al., 2021; Sari et al., 2025; Handranata et al., 2023; Wang et al., 2025; K. & Velmurugan, 2025).

3.3. Operational Definition and Measurement

The questionnaire employed a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree) for all constructs, chosen to increase response variability and statistical power (Preston & Colman, 2000). Each construct was measured using five items adapted from established instruments:

Lifestyle (adapted from Kotler & Keller, 2022; Gumilang & Irwansyah, 2024): Example item—"I prioritize saving over spending for immediate enjoyment."

Financial Literacy (adapted from Lusardi & Mitchell, 2014; OJK, 2024; Pelawi et al., 2026; Handranata et al., 2023): Example item—"I understand how inflation affects the purchasing power of my savings."

Fintech Adoption (adapted from Schueffel, 2016; Davis, 1989; K. & Velmurugan, 2025; Syaokani, 2025): Example item—"I find fintech applications easy to use for investment-related activities."

Locus of Control (adapted from Rotter, 1966; Ariyani & Astuti, 2024; Wang et al., 2025; Chauhan et al., 2025): Example item—"My financial success depends largely on my own decisions and actions."

Financial Management (adapted from Dew & Xiao, 2011; Xiao et al., 2014; Lim & Weissmann, 2024): Example item—"I regularly track my monthly expenses against my budget."

Investment Intention (adapted from Ajzen, 1991; Handranata et al., 2023; Yuliani et al., 2025; Sari et al., 2025): Example item—"I plan to allocate a portion of my income to investments in the near future."

3.4. Data Collection

Primary data were collected through an online questionnaire using Google Forms, distributed through social media platforms and professional networks. Data collection was conducted in two waves (September–November 2025 and December 2025–February 2026) to reduce common method bias risk through time separation (Podsakoff et al., 2003). The questionnaire was pre-tested with 30 respondents to identify ambiguities, with minor revisions made based on feedback.

3.5. Data Analysis

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 (Ringle et al., 2022), chosen for its suitability for exploratory research, complex mediation models, and non-normal data distributions (Hair et al., 2019; Henseler et al., 2015).

Measurement Model Assessment: Convergent validity was assessed via outer loadings (> 0.70) and Average Variance Extracted ($AVE > 0.50$) (Fornell & Larcker, 1981). Internal consistency reliability was assessed using Cronbach's alpha and Composite Reliability ($CR > 0.70$) (Hair et al., 2019). Discriminant validity was assessed using the Fornell-Larcker criterion and HTMT ratio (< 0.85) (Henseler et al., 2015). Common method bias was assessed using Harman's single-factor test (Podsakoff et al., 2003).

Structural Model Assessment: Collinearity was assessed via VIF (< 3.0). Explanatory power was assessed via R^2 , with predictive relevance via Q^2 (> 0). Effect sizes (f^2) were computed to assess practical significance (Cohen, 1988). Overall model fit was assessed via SRMR (< 0.08) (Hu & Bentler, 1999).

Hypothesis Testing: Direct hypotheses were tested using bootstrapping with 5,000 subsamples at 5% significance level ($t\text{-statistic} \geq 1.96$, $p \leq 0.05$). Mediation hypotheses were tested using the bootstrapping procedure for indirect effects with 95% confidence intervals (Preacher & Hayes, 2008).

4. RESULT AND DISCUSSION

4.1. Demographic Profile

A total of 300 responses were collected, with 283 usable after screening (94.3% validity rate). Respondents were predominantly female (53.4%), aged 23–25 years (39.6%), holding bachelor's degrees (59.0%), earning IDR 3,000,000–5,000,000 monthly (34.6%), and employed in the private sector (47.3%).

4.2. Descriptive Statistics

Table 1. Descriptive Statistics of Key Variables

Variable	Mean	Median	Std. Dev.	Min	Max	Interpretation
Lifestyle	4.59	5	1.32	1	7	Moderate
Financial Literacy	5.21	5	1.21	1	7	High
Fintech Adoption	4.98	5	1.34	1	7	High
Locus of Control	5.37	5	1.19	1	7	High
Financial Management	5.04	5	1.28	1	7	High
Investment Intention	4.79	5	1.36	1	7	Moderate

Source(s): Authors' own creation

All variables have mean scores above the midpoint of 4.00, indicating generally favorable self-assessments. Locus of control ($M = 5.37$, $SD = 1.19$) and financial literacy ($M = 5.21$, $SD = 1.21$) show the highest means, while lifestyle ($M = 4.59$, $SD = 1.32$) and investment intention ($M = 4.79$, $SD = 1.36$) are relatively lower.

4.3. Measurement Model Assessment

Table 2. Convergent Validity and Reliability

Variable	Item Range	Loadings	AVE	Composite Reliability	Cronbach's Alpha
Lifestyle	0.812 – 0.912	0.749	0.749	0.952	0.944
Financial Literacy	0.789 – 0.881	0.714	0.714	0.958	0.948
Fintech Adoption	0.826 – 0.894	0.755	0.755	0.965	0.956
Locus of Control	0.805 – 0.890	0.738	0.738	0.951	0.937
Financial Management	0.798 – 0.862	0.709	0.709	0.954	0.941
Investment Intention	0.751 – 0.838	0.618	0.618	0.940	0.928

Source(s): Authors' own creation

All outer loadings exceed 0.70 and all AVE values exceed 0.50, confirming convergent validity (Fornell & Larcker, 1981). All CR and Cronbach's alpha values exceed 0.70, indicating adequate internal consistency reliability (Hair et al., 2019). The Fornell-Larcker criterion confirms discriminant validity, with square roots of AVE exceeding correlations between constructs. HTMT ratios are below 0.85, further confirming discriminant validity (Henseler et al., 2015). Harman's single-factor test yielded 34.2% variance explained by a single factor, well below the 50% threshold, indicating common method bias is not a significant concern (Podsakoff et al., 2003).

4.4. Structural Model Assessment

All VIF values are below 2.00, indicating no significant multicollinearity. The R^2 value for investment intention is 0.342, indicating the five predictors collectively explain 34.2% of the variance, representing moderate explanatory power (Hair et al., 2019). This is comparable to similar studies; Pelawi et al. (2026) reported R^2 of 0.356, Handranata et al. (2023) reported 0.396, and Sari et al. (2025) reported 0.424. The Stone-Geisser Q^2 value is 0.291 (> 0), indicating predictive relevance (Geisser, 1974; Stone, 1974). Effect sizes (f^2) show locus of control with medium effects ($f^2 = 0.142$),

financial literacy with small-to-medium effects ($f^2 = 0.078$), and other variables with small effects. The SRMR value is 0.061 (< 0.08), indicating acceptable model fit (Hu & Bentler, 1999).

4.5. Hypothesis Testing

Table 3. Direct Effects and Hypothesis Testing

Hypothesis	Path	Path Coefficient (β)	t-statistic	p-value	Decision
H1	Lifestyle Intention $\rightarrow$ Investment	0.058	1.039	0.298	Not Supported
H2	Financial Literacy Investment Intention $\rightarrow$	0.286	7.421	<0.001	Supported
H3	Fintech Adoption Investment Intention $\rightarrow$	0.079	1.321	0.187	Not Supported
H4	Locus of Control Investment Intention $\rightarrow$	0.355	9.186	<0.001	Supported
H5	Financial Management Investment Intention $\rightarrow$	-0.148	2.607	0.009	Not Supported

Source(s): Authors' own creation

Table 4. Mediation Effects

Hypothesis	Path	Indirect Effect	t-statistic	p-value	95% CI	Decision
H6	Lifestyle Literacy Intention $\rightarrow$ Financial Investment Intention	0.080	2.521	0.012	[0.018, 0.141]	Supported
H7	Locus of Control Financial Literacy Investment Intention $\rightarrow$	0.112	3.318	0.001	[0.045, 0.179]	Supported

Note: CI = Confidence Interval; 95% CI does not include zero.

Source(s): Authors' own creation

4.6. Discussion

4.6.1. Lifestyle and Investment Intention

The finding that lifestyle does not have a significant direct effect on investment intention (H1 not supported) suggests that lifestyle, as measured in this study, may not directly determine investment intention among Generation Z in Greater Tangerang. While lifestyle reflects resource allocation patterns, investment decisions may relate more closely to financial understanding and individual beliefs about control over outcomes. This finding aligns with Yuniasari et al. (2024) but contrasts with Gumilang and Irwansyah (2024) and Rifani et al. (2025). Alhabsi et al. (2024) in their meta-analysis noted heterogeneous effects of lifestyle-related factors on investment decisions, supporting the need for mediating pathway examination. Importantly, the mediating effect of financial literacy (H6 supported) reveals that lifestyle influences investment intention indirectly through financial knowledge, explaining why direct effects are inconsistent across studies (Lusardi & Mitchell, 2014; Sari et al., 2025).

4.6.2. Financial Literacy and Investment Intention

The positive and significant relationship between financial literacy and investment intention (H2 supported) confirms that financial knowledge contributes to individuals' confidence and ability to engage in investment activities. Financially literate individuals are better equipped to evaluate investment instruments and associated risks (Lusardi & Mitchell, 2014). This finding aligns with previous studies (Gumilang & Irwansyah, 2024; Wilda et al., 2025; Pelawi et al., 2026; Handranata et al., 2023; Alhabsi et al., 2024) and supports the TPB proposition that perceived behavioral control

enhances behavioral intention (Ajzen, 1991; Lim & Weissmann, 2024). The practical significance ($f^2 = 0.078$) indicates a meaningful but moderate effect, consistent with Pelawi et al. (2026) who found f^2 of 0.089. This suggests that while financial literacy is important, other factors such as psychological attributes may play a more substantial role in determining investment intention.

4.6.3. Fintech Adoption and Investment Intention

The absence of a significant direct relationship between fintech adoption and investment intention (H3 not supported) suggests that access to fintech platforms may not, by itself, translate into investment intention. While fintech provides convenience and efficiency, investment decisions may depend more on financial knowledge and psychological readiness than on technological availability (Lee & Shin, 2018). This finding aligns with Syaukani (2025), who found fintech moderation on the relationship between perceived risk/return and investment intention was not significant among millennials. Candra et al. (2026) similarly found that digital financial literacy does not directly influence investment decisions but does so through fintech mediation. This finding also aligns with Liani et al. (2023) but contrasts with Putra et al. (2025), suggesting the role of fintech may be conditional upon other factors such as financial literacy or digital proficiency (K. & Velmurugan, 2025).

4.6.4. Locus of Control and Investment Intention

The positive and significant relationship between internal locus of control and investment intention (H4 supported) indicates that individuals who believe their actions influence outcomes are more inclined to invest. This finding is consistent with TPB's perceived behavioral control concept (Ajzen, 1991; Armitage & Conner, 2001). Wang et al. (2025) similarly found that locus of control and self-efficacy significantly influence motivation for investment behavior. Chauhan et al. (2025) demonstrated that locus of control negatively affects risky investment intention, while financial literacy moderates this relationship. The effect size ($f^2 = 0.142$) identifies locus of control as the strongest predictor, supporting the importance of psychological attributes in financial behavior (Bandura, 1997; Rotter, 1966; Lim & Weissmann, 2024). The mediating role of financial literacy (H7 supported) further suggests that internal locus of control enhances investment intention both directly and indirectly by motivating financial knowledge acquisition, consistent with Sari et al. (2025) who found financial literacy mediates psychological factor-investment intention relationships.

4.6.5. Financial Management and Investment Intention

The negative and significant relationship between financial management behavior and investment intention (H5 not supported as hypothesized) represents an unexpected yet theoretically meaningful finding. This result indicates that individuals who practice careful financial management may be less likely to express investment intention, potentially prioritizing savings and liquidity over investment, particularly if they perceive investment as risky (Dew & Xiao, 2011; Xiao et al., 2014). This interpretation suggests financial management may reflect caution rather than investment readiness, particularly in contexts of economic uncertainty. This contrasts with Avada and Suselo (2023) and Yuliani et al. (2025), who found positive relationships between financial attitude and investment intention. This finding highlights contextual variations in the relationship between financial management and investment behavior, suggesting that in emerging economy contexts with high economic uncertainty, financial prudence may manifest as risk aversion rather than investment readiness.

5. CONCLUSION

This study examined the determinants of investment intention among Generation Z in Greater Tangerang, Indonesia, integrating behavioral, cognitive, technological, psychological, and managerial factors within an extended Theory of Planned Behavior framework. The findings reveal that financial literacy and internal locus of control emerge as the primary drivers of investment intention, while lifestyle and fintech adoption exhibit no significant direct effects. Financial management behavior demonstrates a counterintuitive negative relationship, suggesting that careful financial management

may paradoxically discourage investment intention. Importantly, financial literacy functions as a cognitive mechanism mediating the effects of both lifestyle and locus of control on investment intention, offering a more nuanced understanding of the pathways through which personal attributes translate into financial decision-making.

The theoretical contribution lies in extending TPB by identifying financial literacy as a mediating mechanism and establishing internal locus of control as the strongest predictor of investment intention (Lim & Weissmann, 2024; Pelawi et al., 2026). The practical implications suggest that financial institutions, policymakers, and educators should develop integrated interventions that simultaneously enhance financial knowledge and strengthen psychological empowerment (Yuliani et al., 2025; Handranata et al., 2023). Fintech platforms should incorporate educational features to bridge the gap between technological access and financial competence (Candera et al., 2026; K. & Velmurugan, 2025). Investment service providers should develop programs that explicitly link disciplined financial management practices with purposeful investment planning (Lim & Weissmann, 2024; Xiao et al., 2014).

This study contributes to the growing body of knowledge on financial behavior in emerging economies (Zainuddin & Sabaruddin, 2025; Indriani et al., 2024), providing insights that may inform more effective financial education and investment promotion strategies. However, the findings should be interpreted within the study's limitations, including the cross-sectional design and context-specific sample. Future research should employ longitudinal designs, expand to other regions and generations, and incorporate additional variables such as risk tolerance and financial socialization to further elucidate the determinants of investment intention among young adults (Alhabsi et al., 2024; Sari et al., 2025; Chauhan et al., 2025).

ACKNOWLEDGEMENT

The author expresses gratitude to Universitas Muhammadiyah Tangerang for supporting this research, and to all respondents who participated in this study.

REFERENCES

- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- Ajzen, I., & Fishbein, M. (2005). The influence of attitudes on behavior. In D. Albarracín, B. T. Johnson, & M. P. Zanna (Eds.), *The handbook of attitudes* (pp. 173-221). Lawrence Erlbaum Associates Publishers.
- Alhabsi, Z. S., Pandurengan, V., & Al Harthy, S. A. (2024). Evaluating the effect of financial literacy on investment decision-meta-analysis. *Lex Localis*, 22(3), 1-18.
- Anjellah, R., & Umah, K. A. (2024). Analisis pengaruh locus of control dan financial literacy terhadap minat investasi di lembaga keuangan syariah. *Al-Musthofa: Journal of Sharia Economics*, 7(1). <https://doi.org/10.58518/al-musthofa.v7i1.2757>
- Ariyani, L. L., & Astuti, C. D. (2024). Pengaruh financial attitudes, risk perception, dan locus of control terhadap investment intention pada generasi milenial. *KOMPAK: Jurnal Ilmiah Komputerisasi Akuntansi*, 17(2), 150-166. <https://doi.org/10.51903/kompak.v17i2.2045>
- Armitage, C. J., & Conner, M. (2001). Efficacy of the theory of planned behaviour: A meta-analytic review. *British Journal of Social Psychology*, 40(4), 471-499. <https://doi.org/10.1348/014466601164939>
- Avada, F. A., & Suselo, D. (2023). Pengaruh pengetahuan investasi, literasi keuangan dan pengelolaan keuangan terhadap minat investasi mahasiswa Universitas Islam Negeri Sayyid Ali Rahmatullah Tulungagung. *YUME: Journal of Management*, 6(2), 515-523.
- Bandura, A. (1997). *Self-efficacy: The exercise of control*. Freeman.
- Bisnis.com. (2025). Makin ramai, investor pasar modal RI tembus 17,59 juta SID.

- Candera, M., Safitri, E., Saputra, R. Z. M. F., & Kasuwara, C. (2026). Knowledge to action: How digital financial literacy shapes investment decisions of Generation Z through fintech. *Jurnal Riset Akuntansi dan Keuangan*, 16(2).
- Chauhan, A., Malik, N., & Chhikara, S. (2025). How financial literacy moderate the relationship between psychological factors and investors' risk-taking behaviour? *Advances in Consumer Research*, 2(4), 3639-3650.
- CNBC Indonesia. (2025). Investor pasar modal RI tembus 18 juta, mayoritas Gen Z.
- Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed.). Lawrence Erlbaum Associates.
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319-340. <https://doi.org/10.2307/249008>
- Dew, J., & Xiao, J. J. (2011). The financial management behavior scale: Development and validation. *Journal of Financial Counseling and Planning*, 22(1), 43-59.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50. <https://doi.org/10.1177/002224378101800104>
- Geisser, S. (1974). A predictive approach to the random effect model. *Biometrika*, 61(1), 101-107. <https://doi.org/10.1093/biomet/61.1.101>
- Gumilang, P., & Irwansyah, M. R. (2024). Pengaruh literasi keuangan dan gaya hidup terhadap minat investasi mahasiswa Fakultas Ekonomi Universitas Pendidikan Ganesha. *Jurnal Pendidikan Ekonomi Undiksha*, 16(3), 581-593. <https://doi.org/10.23887/jjpe.v16i3.86334>
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2-24. <https://doi.org/10.1108/EBR-11-2018-0203>
- Handranata, Y. W., Arief, M., Warganegara, D. L., & Hamsal, M. (2023). Financial literacy, hassle factor, and stock market participation: Empirical evidence from Indonesia Stock Exchange. *WSEAS Transactions on Business and Economics*, 20, 730-739. <https://doi.org/10.37394/23207.2023.20.67>
- Hassan, M. K., Alshater, M. M., & Banna, H. (2021). Capital market development and economic growth in Islamic countries. *Journal of Islamic Accounting and Business Research*, 12(5), 678-698. <https://doi.org/10.1108/JIABR-10-2020-0321>
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115-135. <https://doi.org/10.1007/s11747-014-0403-8>
- Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling*, 6(1), 1-55. <https://doi.org/10.1080/10705519909540118>
- Indriani, A., Abdul-Rahman, A., Mohd Nor, S., & Muhamad, N. S. (2024). Investor behavioral intention in investment-based crowdfunding: A systematic literature review. *Jurnal Pengurusan*, 71, 1-18. <https://doi.org/10.17576/pengurusan-2024-71-01>
- K., S., & Velmurugan, T. (2025). Behavioural drivers of AI-enabled fintech adoption: A study on digital literacy and investment intentions of equity investors. *International Journal of Accounting and Economics Studies*, 12(8), 541-552.
- Katadata Insight Center. (2024). *Fintech adoption and investment trends among Indonesian youth*. Katadata.
- Kotler, P., & Keller, K. L. (2022). *Marketing management* (16th ed.). Pearson.
- Lee, I., & Shin, Y. J. (2018). Fintech: Ecosystem, business models, investment decisions, and challenges. *Business Horizons*, 61(1), 35-46. <https://doi.org/10.1016/j.bushor.2017.09.003>
- Liani, R., Dewi, K., & Kartini, E. (2023). Pengaruh financial technology, pengetahuan investasi, motivasi, modal minimal dan risiko terhadap minat investasi generasi milenial. *Akuntabel*, 1(2).
- Lim, W. M., & Weissmann, M. A. (2024). Financial planning behaviour: A systematic literature review and new theory development. *Journal of Financial Services Marketing*, 29, 979-1001. <https://doi.org/10.1057/s41264-024-00269-7>

- Lo, C. H., Jiang, C. H., & Chen, Y. C. (2023). How financial literacy and locus of control affect investment intention: A mediated moderation model. *Journal of Behavioral Finance*, 24(4), 401-415. <https://doi.org/10.1080/15427560.2022.2153721>
- Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature*, 52(1), 5-44. <https://doi.org/10.1257/jel.52.1.5>
- Otoritas Jasa Keuangan. (2024). *Survei Nasional Literasi dan Inklusi Keuangan (SNLIK) 2024*. OJK.
- Pelawi, J. B., Sumiati, S., Ratnawati, K., & Juwita, H. A. J. (2026). From financial literacy to investment intention: The sequential roles of risk perception and trust. *Journal of Risk and Financial Management*, 19(7), 467. <https://doi.org/10.3390/jrfm19070467>
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879-903. <https://doi.org/10.1037/0021-9010.88.5.879>
- Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods*, 40(3), 879-891. <https://doi.org/10.3758/BRM.40.3.879>
- Preston, C. C., & Colman, A. M. (2000). Optimal number of response categories in rating scales: Reliability, validity, discriminating power, and respondent preferences. *Acta Psychologica*, 104(1), 1-15. [https://doi.org/10.1016/S0001-6918\(99\)00050-5](https://doi.org/10.1016/S0001-6918(99)00050-5)
- Putra, D. P., Priyono, A. A., & Utama, S. P. (2025). Pengaruh inovasi financial technology, influencer media sosial, dan locus of control terhadap minat investasi Generasi Z. *Elektronik Jurnal Riset Manajemen*, 14(2).
- Raut, R. K., Das, N., & Mishra, R. (2021). Behavioural and psychological determinants of investment intention: A study of Indian investors. *International Journal of Bank Marketing*, 39(2), 248-271. <https://doi.org/10.1108/IJBM-02-2020-0090>
- Rifani, D., Soemitra, A., & Nurlaila. (2025). Pengaruh literasi keuangan, edukasi sekolah pasar modal, dan gaya hidup Generasi Z terhadap minat berinvestasi saham syariah. *JAKI*, 13(1). <https://doi.org/10.61111/jakis.v13i1.877>
- Ringle, C. M., Wende, S., & Becker, J. M. (2022). *SmartPLS 4*. Oststeinbek: SmartPLS GmbH.
- Rotter, J. B. (1966). Generalized expectancies for internal versus external control of reinforcement. *Psychological Monographs: General and Applied*, 80(1), 1-28. <https://doi.org/10.1037/h0092976>
- Sari, N. A. P., Fakhriyyah, D. D., & Sudaryanti, D. (2025). Risk appetite and digital financial skills toward investment intention: The mediating role of financial literacy. *Al-Kharaj: Journal of Islamic Economic and Business*, 7(4).
- Schueffel, P. (2016). Taming the beast: A scientific definition of fintech. *Journal of Innovation Management*, 4(4), 32-54. https://doi.org/10.24840/2183-0606_004.004_0004
- Stone, M. (1974). Cross-validatory choice and assessment of statistical predictions. *Journal of the Royal Statistical Society: Series B*, 36(2), 111-133. <https://doi.org/10.1111/j.2517-6161.1974.tb00994.x>
- Syaukani, A. (2025). Enhancing investment intention through return and risk: The role of financial technology among millennial generation. *Al-Kharaj: Journal of Islamic Economic and Business*, 7(4).
- Wang, Y. S., Duong, N. T., Ying, C. H., & Chang, Y. C. (2025). What drives people's cryptocurrency investment behavior? *Journal of Computer Information Systems*, 65(1), 1-18. <https://doi.org/10.1080/08874417.2024.2310887>
- Wiguna, E. A., Pudjianto, A., & Mulyati, D. J. (2025). Pengaruh gaya hidup dan literasi keuangan terhadap minat investasi kelompok pekerja di daerah Sedati Sidoarjo. *Research Journal of Social Science and Economics*.
- Wilda, J., Amelia, A., & Sartika, F. (2025). Pengaruh literasi keuangan dan locus of control terhadap minat berinvestasi mahasiswa Prodi Manajemen Fakultas Ekonomi Universitas Muhammadiyah Aceh. *Jurnal Mirai Management*, 10(1), 1-12.
- Xiao, J. J., Chen, C., & Chen, F. (2014). Consumer financial capability and financial satisfaction. *Social Indicators Research*, 118(1), 415-432. <https://doi.org/10.1007/s11205-013-0414-8>

- Yuliani, Y., Taufik, T., & Malinda, S. (2025). Intention to invest has a high impact on decision making? New contribution to the planning field of financial behavior in Indonesia. *Finance: Theory and Practice*, 29(6), 196-209.
- Yuniasari, T., Mranani, M., & Prasetya, W. A. (2024). Pengaruh literasi keuangan, perilaku keuangan dan gaya hidup terhadap minat investasi. 127-137.
- Zainuddin, Z., & Sabaruddin, L. O. (2025). Stock market literacy: A systematic literature review and future research agenda. *Australasian Accounting, Business and Finance Journal*, 19(3).