

# Financial Behavior and Investment Decisions among Generation Z: The Role of Risk Perception and Financial Technology (FinTech) Usage

Tika Handayani<sup>1</sup>, Riri Cornellia<sup>2</sup>, Anggi Oktaviani<sup>3</sup>, Lubis<sup>4</sup>, Ardelia Suharmanto<sup>5</sup>

<sup>1</sup>Department of Business Administration, Politeknik Negeri Sriwijaya, Palembang, Indonesia

<sup>2,3</sup>Department of Industrial Engineering, Universitas Indraprasta PGRI, Jakarta, Indonesia

<sup>4</sup>Department of Nursing, Universitas Kurnia Jaya Persada, Palopo, Indonesia

<sup>5</sup>Politeknik Negeri Sriwijaya, Palembang, Indonesia

Email: tikahandayani@polsri.ac.id<sup>1</sup>, cornellia.axl@gmail.com<sup>2</sup>, anggioktaviani5@gmail.com<sup>3</sup>, lubisbugismaroneng@gmail.com<sup>4</sup>, ardeliasuharmanto@polsri.ac.id<sup>5</sup>

Digital financial services have lowered barriers to investment and increased Generation Z participation in app-based financial markets, but easier access is not always accompanied by disciplined financial behavior and adequate risk evaluation. This study examines the effects of financial behavior, risk perception, and financial technology (FinTech) usage on Generation Z investment decisions. A quantitative explanatory design with a cross-sectional survey was applied to 200 valid respondents who had used FinTech services and participated in digital investment activities. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results show that financial behavior has the strongest positive and significant effect on investment decisions ( $\beta = 0.392$ ,  $p < 0.001$ ). Risk perception also has a positive and significant effect ( $\beta = 0.218$ ,  $p = 0.001$ ), indicating that awareness of potential loss, market volatility, platform security, and risk-profile fit supports more rational decisions. FinTech usage positively and significantly affects investment decisions ( $\beta = 0.314$ ,  $p < 0.001$ ) by expanding access to information, transactions, and portfolio monitoring. The adjusted R-square of 0.609 indicates that the three predictors explain 60.9% of the variance in investment decisions. These findings position technology as an enabler, while financial discipline and risk awareness remain central to responsible and sustainable digital investment decisions among Generation Z.

**Keywords:** financial behavior, investment decisions, Generation Z, risk perception, financial technology.

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## Corresponding Author:

Tika Handayani

Department of Business Administration, Politeknik Negeri Sriwijaya  
Palembang, Indonesia

tikahandayani@polsri.ac.id

## 1. Introduction

Digital transformation in financial services has changed how Generation Z manages money, obtains market information, and participates in investment activities. Investment decisions that once depended heavily on formal institutions, family recommendations, or face-to-face consultation are increasingly made through investment applications, social media, digital communities, mobile banking, and other financial technology services. As digital natives, Generation Z can access mutual funds, stocks, digital gold, and other instruments with fewer administrative barriers and faster transaction processes.

This development creates both opportunities and concerns. Easier access can broaden financial inclusion and encourage young people to begin investing earlier, yet speed and convenience can also support reactive or speculative decisions when they are not accompanied by financial discipline and careful risk evaluation. The quality of an investment decision therefore depends not only on whether a young investor can access a platform, but also on how that investor manages limited financial resources, evaluates uncertainty, and uses digital financial tools in a responsible manner.

Previous research provides important but still fragmented explanations of young investors' digital investment decisions. Studies on financial behavior have commonly emphasized financial literacy, past behavior, saving, and spending practices [1]-[3], whereas risk-focused studies have examined risk perception and risk tolerance as separate determinants of investment choice [4]-[6]. FinTech research, in contrast, has often concentrated on adoption willingness, perceived usefulness, and the digitalization of financial services [7], [8], [18] rather than on how actual FinTech use operates together with investors' day-to-day financial behavior and risk evaluation. More recent Indonesian evidence has linked FinTech, financial literacy, and risk perception to Generation Z mutual-fund decisions [10] and has examined financial literacy, technological progress, and financial attitudes among Gen Z investors [13]. However, these models do not simultaneously position actual financial behavior, risk perception, and FinTech usage as complementary behavioral, evaluative, and technological mechanisms for explaining investment decisions across multiple digitally accessible instruments. This study addresses that limitation by integrating the three constructs in one model among Generation Z investors with direct digital-investment experience. Its novelty lies in testing whether disciplined financial behavior remains the primary decision foundation when risk assessment and technology use are considered simultaneously, thereby extending behavioral-finance explanation into a digitally mediated investment setting.

The integrated model assigns a distinct function to each construct. Financial behavior reflects budgeting, saving, consumption control, investment allocation, and financial planning as the behavioral foundation for determining whether resources are available and deliberately allocated to investment. Risk perception captures awareness of potential losses, market volatility, platform security, information risk, and personal readiness to bear losses as an evaluative mechanism. FinTech usage represents the technological channel through which investors obtain information, execute transactions, and monitor portfolios. By examining these mechanisms together, the study moves beyond technology-access explanations and tests how behavioral discipline, risk evaluation, and digital facilitation jointly shape Generation Z investment decisions. Accordingly, this study aims to analyze the effects of financial behavior, risk perception, and FinTech usage on Generation Z investment decisions. The study is designed to provide an integrated explanation of digital investment decisions by positioning financial behavior as a behavioral foundation, risk perception as an evaluative mechanism, and FinTech as a technological facilitator. This framing is expected to strengthen the behavioral finance perspective in a digital setting and provide practical direction for investment platforms, regulators, and educational institutions seeking to promote responsible investment among young investors.

## 2. Literature Review and Problem Statement

Financial behavior refers to the practical manner in which individuals budget, save, control consumption, plan financial goals, and allocate funds. Raut found that past behavior and financial literacy are important in individual investment decision-making [1]. In Indonesia, digital financial literacy has also been associated with financial behavior among younger groups [2], while Setiawan et al. linked digital financial literacy with saving and spending behavior [3]. These findings imply that access to investment opportunities is more likely to produce sound decisions when investors have disciplined financial routines. Therefore, H1 states that financial behavior has a positive and significant effect on Generation Z investment decisions.

Risk perception concerns how investors evaluate possible losses, uncertainty of returns, price volatility, liquidity, information quality, and transaction security. Aren and Zengin showed that financial literacy and risk perception influence investment choices [4], and Nguyen et al. demonstrated the joint role of financial risk perception and risk tolerance in individual investment decisions [5]. Almansour et al. further identified risk perception as a mechanism linking behavioral finance factors with investment decisions [6]. In this study, higher risk perception is interpreted as better awareness and evaluation of investment risk rather

than greater fear of investing. Therefore, H2 states that risk perception has a positive and significant effect on Generation Z investment decisions.

FinTech can reduce administrative barriers, accelerate transactions, widen access to investment information, and support portfolio monitoring. However, its usefulness depends on perceived benefits, risks, legality, and user characteristics [7], and adoption is also associated with users' technological and financial preferences [8]. Indonesian evidence shows that technology and financial literacy affect investment intention [9], while FinTech, financial literacy, and risk perception have been linked to Generation Z mutual fund investment decisions [10]. Existing studies nevertheless tend to emphasize financial literacy, adoption intention, or isolated risk factors rather than placing actual financial behavior, risk perception, and FinTech usage in one integrated model of investment decisions. The central problem addressed here is whether these three factors significantly explain the quality of Generation Z investment decisions. Therefore, H3 states that FinTech usage has a positive and significant effect on Generation Z investment decisions.

### 3. Method

This study employed a quantitative explanatory approach with a cross-sectional survey design. The approach was selected to examine the measurable relationships among financial behavior, risk perception, FinTech usage, and Generation Z investment decisions. Data were collected once through a structured online questionnaire, allowing the study to capture respondents' current financial practices, risk assessments, digital financial technology usage, and investment decision patterns.

The population comprised Generation Z individuals in Indonesia who had experience using financial technology services and had participated in investment activities or held an account on a digital investment platform. Respondents were selected using purposive sampling based on four criteria: (1) aged 18–29 years; (2) had experience using FinTech services, including mobile banking, e-wallets, investment applications, robo-advisory services, or other digital financial platforms; (3) had invested in stocks, mutual funds, digital gold, bonds, or other investment instruments accessible through digital channels; and (4) agreed to participate in the study.

A total of 214 questionnaires were collected during the data collection process. The screening procedure was conducted using a mutually exclusive primary-reason approach to ensure that each excluded response was categorized based on its main deficiency. Fourteen responses were excluded during the screening process. Specifically, six responses were removed because of incomplete answers, five responses were excluded because of inconsistent, invariant, or patterned response patterns indicating insufficient response quality, and three responses were removed because one or more sampling criteria were not fulfilled. Therefore, the final dataset consisted of 200 valid respondents, which were used for further analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM).

#### Instrument Development and Pre-test

All constructs were measured using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. The indicator domains were developed based on dimensions consistently emphasized in previous studies and were subsequently contextualized to the characteristics of Generation Z digital investment behavior. Therefore, the indicators were not developed independently but were adapted from established theoretical and empirical studies related to each construct.

Financial behavior indicators were derived from previous studies examining financial management practices, saving behavior, consumption control, financial planning, and investment preparation. These indicators represented respondents' ability to manage financial resources systematically before making

investment decisions. Risk-perception indicators were adapted from studies related to investment risk perception, risk tolerance, and uncertainty evaluation, covering aspects of loss awareness, market volatility, platform security, information risk, and readiness to face potential losses. FinTech-usage indicators were developed based on prior research on digital financial service adoption, perceived usefulness, and technology utilization, including usage frequency, application ease, platform trust, information benefits, and integration of digital financial services into investment activities. Meanwhile, investment-decision indicators were based on previous investment behavior studies emphasizing return-risk consideration, investment instrument selection, consistency of investment decisions, information utilization, and portfolio evaluation.

Before the main survey distribution, a limited pre-test was conducted with 30 Generation Z respondents who had characteristics comparable to the target population. The pre-test respondents were excluded from the final analytical sample of 200 respondents. The pre-test process evaluated item clarity, wording ambiguity, response burden, construct relevance, and respondents' understanding of digital-investment terminology. Based on the feedback obtained, minor wording refinements were implemented to improve clarity and contextual suitability. These refinements included clarifying references to digital investment platforms, distinguishing transaction-security risks from market risks, and ensuring that investment-decision items were more closely aligned with respondents' financial goals and financial capacity. No indicators or constructs were deleted or added after the pre-test, and the original conceptual domains of each variable remained unchanged.

**Table 1.** Operational Definitions of Research Variables

| Variable            | Code | Operational Definition                                                                                            | Indicators                                                                                                        |
|---------------------|------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Financial behavior  | FB   | Respondents' ability to manage money in a disciplined and planned manner before making investment decisions.      | Budgeting; saving habits; consumption control; investment allocation; financial planning                          |
| Risk perception     | RP   | Respondents' assessment of potential loss, return uncertainty, and investment transaction security.               | Loss awareness; market volatility; platform security; information risk; readiness to face losses                  |
| FinTech usage       | FU   | The extent to which digital financial services are used for investment information, transactions, and monitoring. | Usage frequency; application ease; platform trust; information benefits; integration into investment activities   |
| Investment decision | ID   | The quality of respondents' investment choices based on objectives, information, risk, and financial capacity.    | Return-risk consideration; instrument selection; investment consistency; use of information; portfolio evaluation |

**Table 2.** Respondent Screening Flow

| Screening Stage         | Reason                                     | n   | Status   |
|-------------------------|--------------------------------------------|-----|----------|
| Questionnaires received | Initial submissions                        | 214 | Received |
| Excluded                | Incomplete answers                         | 6   | Removed  |
| Excluded                | Inconsistent/invariant/patterned responses | 5   | Removed  |
| Excluded                | Eligibility criteria not met               | 3   | Removed  |
| Total excluded          | Sum of exclusion categories                | 14  | Excluded |
| Final analytical sample | Valid cases retained for PLS-SEM           | 200 | Included |

## Data Analysis

Data analysis was conducted through several stages. First, descriptive analysis was performed to summarize respondent characteristics and the tendency of each construct. Second, the measurement model was evaluated by examining outer loadings, Cronbach's alpha, composite reliability, and Average Variance Extracted (AVE). Construct reliability was considered adequate when reliability values exceeded 0.70, while convergent validity was confirmed when AVE values exceeded 0.50. Discriminant validity was assessed using the heterotrait–monotrait ratio (HTMT).

The structural model was subsequently evaluated using Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis examined path coefficients, t-statistics, p-values, adjusted R-square values, effect size (f-square), and Variance Inflation Factor (VIF). Hypothesis testing was conducted using a significance level of  $p < 0.05$ . The structural model was specified as follows:

$$ID = \beta_1 FB + \beta_2 RP + \beta_3 FU + \zeta$$

where ID represents investment decision, FB represents financial behavior, RP represents risk perception, FU represents FinTech usage,  $\beta$  represents the path coefficient, and  $\zeta$  represents the residual error term.

## 4. Results And Discussion

### Respondent Characteristics and Descriptive Results

The final dataset consisted of 200 valid respondents after the screening process. Female respondents represented 58.0% of the sample, while male respondents accounted for 42.0%. Regarding age distribution, the largest group was respondents aged 21–23 years (49.0%), followed by those aged 24–27 years (30.0%) and 18–20 years (21.0%). In terms of occupational status, more than half of the respondents were students (56.0%), followed by employees (29.0%) and entrepreneurs/freelancers (15.0%).

Regarding investment experience, most respondents had one to two years of investment experience (41.0%), while 36.0% had less than one year of experience and 23.0% had more than two years of experience. Mutual funds were the most frequently reported dominant investment instrument (43.0%), followed by stocks (27.0%), digital gold (17.0%), and digital assets or other instruments (13.0%). These characteristics indicate that the sample mainly represents young digital investors who are still in the early stages of investment experience but have already engaged with digital investment platforms. This profile is relevant to the research context because Generation Z investors generally interact with financial technology platforms while simultaneously developing their financial management capabilities.

**Table 2.** Respondent Characteristics

| Characteristic        | Category                | Frequency | Percentage |
|-----------------------|-------------------------|-----------|------------|
| Gender                | Male                    | 84        | 42.0%      |
| Gender                | Female                  | 116       | 58.0%      |
| Age                   | 18-20 years             | 42        | 21.0%      |
| Age                   | 21-23 years             | 98        | 49.0%      |
| Age                   | 24-27 years             | 60        | 30.0%      |
| Status                | Student                 | 112       | 56.0%      |
| Status                | Employee                | 58        | 29.0%      |
| Status                | Entrepreneur/freelancer | 30        | 15.0%      |
| Investment experience | < 1 year                | 72        | 36.0%      |

| Characteristic        | Category              | Frequency | Percentage |
|-----------------------|-----------------------|-----------|------------|
| Investment experience | 1-2 years             | 82        | 41.0%      |
| Investment experience | > 2 years             | 46        | 23.0%      |
| Dominant instrument   | Mutual fund           | 86        | 43.0%      |
| Dominant instrument   | Stocks                | 54        | 27.0%      |
| Dominant instrument   | Digital gold          | 34        | 17.0%      |
| Dominant instrument   | Digital assets/others | 26        | 13.0%      |

The descriptive analysis showed that all constructs were categorized as high. Financial behavior obtained the highest mean score ( $M = 4.01$ ;  $SD = 0.58$ ), followed by investment decision ( $M = 3.94$ ;  $SD = 0.57$ ), FinTech usage ( $M = 3.88$ ;  $SD = 0.60$ ), and risk perception ( $M = 3.76$ ;  $SD = 0.62$ ).

The relatively highest score of financial behavior suggests that respondents tended to demonstrate stronger financial management practices before making investment decisions. This finding can be understood from the characteristics of the sample, where most respondents were students and young professionals who had already gained exposure to digital investment platforms. At this stage, respondents may rely more heavily on personal financial control, budgeting, saving habits, and financial planning because their investment capacity is still developing. The financial behavior indicators used in this study, including budgeting, saving habits, consumption control, investment allocation, and financial planning, reflect fundamental practices that directly support rational investment choices.

In contrast, risk perception obtained the lowest mean among the four constructs. Although still categorized as high, this result indicates that aspects related to market volatility, investment uncertainty, information risk, and platform security remain areas requiring further improvement among young investors. This condition is understandable because a large proportion of respondents had relatively limited investment experience, with 36.0% having invested for less than one year.

**Table 3.** Descriptive Statistics of Research Variables

| Variable            | Indicators | Mean | Std. deviation | Category |
|---------------------|------------|------|----------------|----------|
| Financial behavior  | 5          | 4.01 | 0.58           | High     |
| Risk perception     | 5          | 3.76 | 0.62           | High     |
| FinTech usage       | 5          | 3.88 | 0.60           | High     |
| Investment decision | 5          | 3.94 | 0.57           | High     |

## Measurement and Structural Model Evaluation

The measurement model evaluation confirmed that all constructs met the required validity and reliability criteria. The outer loading values for all indicators exceeded 0.70, indicating adequate indicator reliability. Furthermore, Cronbach's alpha and composite reliability values were above the recommended threshold of 0.70, while AVE values exceeded 0.50, confirming convergent validity. These results demonstrate that financial behavior, risk perception, FinTech usage, and investment decision were measured using reliable and valid indicators.

**Table 4.** Construct Validity and Reliability

| Construct          | Loading range | Cronbach's alpha | Composite reliability | AVE   | Decision           |
|--------------------|---------------|------------------|-----------------------|-------|--------------------|
| Financial behavior | 0.724-0.861   | 0.842            | 0.888                 | 0.616 | Valid and reliable |
| Risk perception    | 0.709-0.844   | 0.801            | 0.858                 | 0.548 | Valid and reliable |
| FinTech usage      | 0.731-0.879   | 0.862            | 0.902                 | 0.649 | Valid and reliable |

| Construct           | Loading range | Cronbach's alpha | Composite reliability | AVE   | Decision           |
|---------------------|---------------|------------------|-----------------------|-------|--------------------|
| Investment decision | 0.746-0.867   | 0.871            | 0.908                 | 0.663 | Valid and reliable |

Discriminant validity was assessed using the heterotrait-monotrait ratio (HTMT). The HTMT coefficients ranged from 0.571 to 0.741, which were below the conservative threshold of 0.85. Specifically, the HTMT values were 0.612 for FB-RP, 0.658 for FB-FU, 0.741 for FB-ID, 0.571 for RP-FU, 0.603 for RP-ID, and 0.706 for FU-ID. Therefore, each construct demonstrated sufficient empirical distinctiveness from the other constructs. The highest HTMT value was found between financial behavior and investment decision (0.741), indicating that although these constructs are theoretically related, they remain statistically distinguishable.

**Table 5.** HTMT Discriminant Validity Matrix

| Construct                | FB    | RP    | FU    | ID |
|--------------------------|-------|-------|-------|----|
| Financial behavior (FB)  | —     |       |       |    |
| Risk perception (RP)     | 0.612 | —     |       |    |
| FinTech usage (FU)       | 0.658 | 0.571 | —     |    |
| Investment decision (ID) | 0.741 | 0.603 | 0.706 | —  |

Note: HTMT values below 0.85 indicate satisfactory discriminant validity.

Before hypothesis testing, multicollinearity assessment was conducted using the Variance Inflation Factor (VIF). The VIF values ranged from 1.316 to 1.582, indicating that multicollinearity was not a concern in the structural model.

The adjusted R-square value for investment decision was 0.609, indicating that financial behavior, risk perception, and FinTech usage jointly explained 60.9% of the variance in Generation Z investment decisions. This value demonstrates substantial explanatory power of the proposed model. However, 39.1% of the variance remains unexplained by the current model, suggesting that investment decisions are also influenced by other factors beyond the variables examined in this study. Future research may consider incorporating additional variables such as financial literacy, investment experience, psychological bias, social influence, investment motivation, or economic conditions to provide a more comprehensive explanation of Generation Z investment behavior.

**Table 6.** Structural Model and Hypothesis Testing

| Relationship                              | Beta  | t-statistic | p-value | f-square | Decision    |
|-------------------------------------------|-------|-------------|---------|----------|-------------|
| Financial behavior -> Investment decision | 0.392 | 6.104       | < 0.001 | 0.231    | H1 accepted |
| Risk perception -> Investment decision    | 0.218 | 3.412       | 0.001   | 0.083    | H2 accepted |
| FinTech usage -> Investment decision      | 0.314 | 4.967       | < 0.001 | 0.162    | H3 accepted |

The results indicate that financial behavior was the strongest predictor of Generation Z investment decisions ( $\beta = 0.392$ ,  $p < 0.001$ ), followed by FinTech usage ( $\beta = 0.314$ ,  $p < 0.001$ ) and risk perception ( $\beta = 0.218$ ,  $p = 0.001$ ). The stronger influence of financial behavior suggests that investment decisions among young investors are primarily shaped by their ability to manage financial resources before engaging in investment activities. This finding is consistent with the characteristics of respondents, where the majority were students and early-career individuals with limited investment experience. For this group, disciplined financial practices such as budgeting, saving, controlling consumption, allocating funds, and planning finances become important foundations for determining whether investment decisions are made systematically.

Although FinTech usage provides easier access to investment information and digital transaction facilities, technology alone may not guarantee better investment decisions. The findings indicate that digital

investment capability is more effective when supported by adequate financial management behavior. Similarly, risk perception significantly influenced investment decisions, but with a smaller effect, suggesting that awareness of risk contributes to investment choices but may still be developing among young investors who are relatively new to investment activities.

### **Financial Behavior as the Foundation of Generation Z Investment Decisions**

Financial behavior had the strongest effect on investment decisions ( $\beta = 0.392$ ,  $t = 6.104$ ,  $p < 0.001$ ). This result indicates that Generation Z investors who manage expenditure, save systematically, set priorities, and align investments with financial goals are more likely to make higher-quality investment decisions. Financial behavior therefore acts as an internal control mechanism that limits impulsive decisions and helps investors match investment choices with available resources and future needs. This finding supports Raut's emphasis on past behavior in investment decision-making [1] and is consistent with evidence that financial literacy and behavior improve financial management among university students [11]. It also aligns with Indonesian evidence on digital financial literacy and financial behavior [2] and with the relationship between digital financial literacy, saving, and spending [3].

The dominance of financial behavior also shows that digital access alone is insufficient. Young investors may have extensive information and simple transaction tools, yet those advantages are more useful when supported by disciplined routines and clear financial objectives. Earlier studies have linked attitudinal and financial literacy factors with stock market participation [12], while recent evidence among Indonesian Generation Z investors has highlighted financial literacy, technological progress, and financial attitudes as determinants of investment decisions [13]. The present results add to this literature by showing that actual financial behavior is the strongest predictor within the tested model.

### **Risk Perception and Rational Investment Decision-Making**

Risk perception had a positive and significant effect on investment decisions ( $\beta = 0.218$ ,  $t = 3.412$ ,  $p = 0.001$ ). In this study, risk perception represents the ability to recognize potential loss, market volatility, platform security, liquidity concerns, information uncertainty, and the fit between an instrument and an investor's risk profile. The positive coefficient therefore suggests that better awareness of risk supports more selective and rational investment decisions rather than discouraging investment. This interpretation is consistent with evidence that risk perception influences investment choice [4] and that risk tolerance shapes investment decision-making [14]. The joint role of risk perception and risk tolerance has also been documented in individual investment decisions [5].

The finding is particularly relevant in a digital environment where social media trends, influencer recommendations, and simplified platform interfaces can encourage rapid decisions. Prior studies have associated risk perception, risk tolerance, overconfidence, and loss aversion with investment decisions [15], while risk perception has been shown to mediate the relationship between overconfidence bias and investment outcomes [16]. Other research similarly places risk perception within broader behavioral finance mechanisms [6] and FinTech investment contexts [17]. These results support the need for investment education that emphasizes not only potential returns but also market risk, platform security, product legality, and investor-product suitability.

### **FinTech Usage as a Facilitator of Investment Access and Decision Quality**

FinTech usage had a positive and significant effect on investment decisions ( $\beta = 0.314$ ,  $t = 4.967$ ,  $p < 0.001$ ). Digital financial services help Generation Z access market information, open accounts, compare products, conduct transactions, and monitor portfolios more efficiently. However, its effect was smaller than that of financial behavior, suggesting that technology is better understood as a facilitator than as the



primary determinant of investment quality. This is consistent with Ryu's finding that willingness to use FinTech depends on perceived benefits, risks, and user characteristics [7] and with evidence that usefulness and ease of use support FinTech adoption [18]. Junger and Mietzner likewise documented the shift of household financial services toward digital FinTech adoption [8].

The positive role of FinTech should nevertheless be interpreted cautiously. Technology can reduce barriers and accelerate action, but it does not automatically ensure high-quality decisions when users lack knowledge, self-control, or risk awareness. Robo-advising research has highlighted both the benefits and limitations of technology-supported financial decisions [19]. Indonesian studies have also linked financial literacy and technology with capital-market investment intention [9] and have shown that FinTech, financial literacy, and risk perception influence Generation Z mutual fund investment decisions [10]. More broadly, the FinTech era creates both capabilities and challenges for responsible finance [20]. In the present model, FinTech expands access and efficiency, while financial behavior and risk perception help determine how responsibly that access is used.

### **Integrated Interpretation**

Taken together, financial behavior, risk perception, and FinTech usage explained 60.9% of the variance in investment decisions. Conceptually, the three variables play complementary roles: financial behavior provides discipline and readiness to allocate funds, risk perception provides an evaluative filter for uncertainty and potential loss, and FinTech provides the infrastructure for access, information, transactions, and portfolio monitoring. This integrated result supports a digital behavioral-finance perspective in which technology does not replace financial maturity; instead, technology becomes more productive when it is combined with healthy financial practices and proportionate risk awareness. This conclusion is consistent with recent evidence on Generation Z investment determinants [13] and with studies linking digital financial literacy to actual financial behavior [2], [3].

Practically, the findings suggest that investment platforms should combine ease of use with risk education, transparent product information, portfolio-learning features, and clear disclosures of costs and volatility. Regulators and educational institutions can also strengthen digital investment literacy by integrating financial planning, risk evaluation, and responsible technology use. The study's main contribution is therefore not to treat FinTech adoption as an isolated technological phenomenon, but to show that Generation Z investment decisions arise from the interaction between financial behavior, rational risk assessment, and the use of digital financial infrastructure.

## **5. Conclusion**

This study concludes that financial behavior, risk perception, and FinTech usage have positive and significant effects on Generation Z investment decisions. Financial behavior is the strongest predictor ( $\beta = 0.392$ ), followed by FinTech usage ( $\beta = 0.314$ ) and risk perception ( $\beta = 0.218$ ). The adjusted R-square of 0.609 shows that the three variables explain 60.9% of the variance in investment decisions, while 39.1% remains attributable to factors outside the model. The findings demonstrate that sound digital investment decisions are not driven by technology access alone. Financial discipline provides the behavioral foundation for allocating resources, risk perception supports more selective evaluation of potential losses and uncertainty, and FinTech facilitates information access, transactions, and portfolio monitoring.

Several limitations should be considered when interpreting and generalizing these findings. First, the cross-sectional survey captures the variables at one point in time, so the significant paths indicate statistical relationships but do not establish temporal or causal ordering with the strength of a longitudinal or experimental design. Second, purposive sampling was used to recruit respondents with relevant FinTech

and investment experience; consequently, the sample is not a probability representation of all Generation Z individuals in Indonesia. Third, the sample was concentrated among respondents aged 21-23 years (49.0%) and students (56.0%), with mutual funds as the most frequently reported dominant instrument (43.0%). The results may therefore describe young, early-stage digital investors more strongly than older Generation Z members, full-time workers, or investors concentrated in other asset classes. These limitations place appropriate boundaries on the generalization of the model.

The practical implication is that efforts to increase Generation Z investment participation should combine digital access with stronger financial behavior and risk awareness. Investment platforms can support users through educational features and transparent risk information, while regulators and educational institutions can strengthen responsible digital investment literacy. Future research should address the identified limitations by using probability-based or more heterogeneous samples, longitudinal designs, and broader representation across age, employment status, and investment instruments. It may also extend the model by examining financial literacy, financial attitudes, risk tolerance, overconfidence, loss aversion, social influence, investment experience, or financial self-efficacy to account for part of the 39.1% variance not explained by the current model.

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