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The Influence of Financial Literacy, Financial Behavior, Self Efficacy, and Availability Bias on Stock Investment Decisions of Gen Z in Pontianak City

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Abstract

The purpose of this study was to determine the effect of financial literacy, financial behavior, self-efficacy, and availability bias on stock investment decisions of Gen Z in Pontianak City. This study was conducted with an associative approach. The primary data of this study were obtained through a questionnaire using Google form. The questionnaire was distributed to Gen Z in Pontianak City aged 17-26 years who invested in the stock market. The population in this study was Gen Z in Pontianak City totaling 219,743 people. So the sample taken in this study was 150 people. The sampling technique used was purposive sampling. The financial literacy variable (X1) shows a significant value of 0.002 <0.05, so Ho is rejected and Ha is accepted. It can be seen that individual financial literacy has an influence on stock investment decisions. The financial behavior variable (X2) shows a significant value of 0.000 <0.05, so Ho is rejected and Ha is accepted. It can be seen that individual financial behavior has an influence on stock investment decisions. In the self-efficacy variable (X3) shows a significant value of 0.000 < 0.05, then Ho is rejected and Ha is accepted. It can be seen that individual self-efficacy has an influence on stock investment decisions. In the availability bias variable (X4) shows a significant value of 0.000 < 0.05, then Ho is rejected and Ha is accepted. It can be seen that individual availability bias has an influence on stock investment decisions.

Keywords: Stock Investment Decisions, Financial Literacy, Financial Behavior, Self-Efficacy, Availability Bias

Introduction

The rapid technological growth of industrial revolution 4.0 has made investment emerge as a wealth development approach that younger generations choose to build their wealth. The members of Gen Z demonstrate exceptional familiarity with technological devices and information sources. Gen Z has transformed how people invest because this generation always existed within a technologically advanced world. Members of Gen Z belong to the demographic group that emerged between 1997 and 2012. The Indonesian Gen Z members were born between 1997 to 2012. Gen Z members developed in an era of digital advancement which makes them both innovative and creative. Gen Z encounters significant obstacles surrounding their financial situation which stands out as one main hurdle they face.

The fact that Gen Z receives financial support means most members of this generation have not achieved full financial independence. Numerically it appears that Gen Z members need financial help from their parents although they no longer depend on them completely. Gen Z represents 19.6% of the population who serve as main income earners for their family members. The statistics show Gen Z young adults with remarkable family responsibility abilities at this stage of their lives (Chandra, 2023). Gen Z members who demonstrate high responsibility levels demonstrate their interest in financial investments. The unknown aspects ahead indicate the need to develop investment plans for security.

Gen Z demonstrates its dual character as a mature generation that shows strong interest in building transformative future vision. The population survey from the 2023 agency statistics shows Pontianak City has 675,468 residents as the capital of West Kalimantan Province. People increase their capital investments directly or indirectly through strategic actions in hopes of earning profits from their investment outcomes. The majority of investors within the Indonesian capital market belong to Generation Z so teaching financial literacy and investment-focused mental transformation from saving practices to investment practices becomes essential. The investment interest among Gen Z members remains strong even though a portion of them has not yet established a stable financial income.

The high investment preferences among Gen Z show their strong interest in investment instruments. The open nature of Gen Z exposes them to participate in unauthorized financial schemes that people commonly call deceptive investments. An investor requires both finance-related insights and knowledge as the primary elements for making investment decisions. The investment risk for each investor stands directly proportional to their available income while directly inverse to their expense allocation. Every person holds a belief which determines their ability to deal with and succeed in specific challenges.

People who believe they can handle financial challenges positively affect the way they plan their finances and manage resources deployment in the market. The beliefs of Gen Z members rest on easily remembered and new content which demonstrates their availability bias behaviors. People tend to measure the occurrence of both events and new knowledge through what stays within their memory easily. Gen Z makes investments based on simple information retention rather than performing thorough data analysis. Rational investment decisions might not be achieved through this tendency.

People with comprehensive knowledge about information base their investment choices on their personal preferences and choose more suitable investment options. In the context of investment people should understand availability bias to prevent mistakes when they assess information or events. Correct investment decisions enabled by strong investment knowledge allow individuals to enhance economic conditions throughout upcoming years.

Literature Review

Financial literacy consists of knowledge and capacities together with personal convictions which shape behavioral tendencies and decision quality toward excellent financial management as described by the Financial Services Authority (2022). Napitupulu (2021) describes general financial knowledge alongside savings and loans and investment among several indicators which explain financial literacy.

Upadana & Herawati (2020) describe Financial Behavior as the regular ways people conduct themselves in their personal financial management. The indicators that define financial behavior consist of four elements including paying bills on time and budget creation and cash flow monitoring and saving money according to Napitupulu,(2021).

Persons with high self-efficacy possess the ability to structure and execute tasks and reach their goals according to Sellina & Soleha, (2023). Sellina & Soleha (2023) explain that self-efficacy manifests through four main signs which are (1) clear investment aims and (2) risk reduction capacity and (3) sufficient risk profile knowledge and (4) market trends detection.

Siraji (2019) explains availability bias as the simple accessibility of information that causes investors to base their investment decisions on first accessible data no matter how incomplete it is. Agustin & Lysion, (2021) explain availability bias through three main indicators that

include (1) avoidance of recent information research (2) decision-making based on personal preferences (3) immediate instead of long-term financial planning.

The research paper by Restianti (2022) "The Influence of Financial Behavior, Financial Literacy, Financial Technology on Gen Z Investment Decisions" reveals that Gen Z investment decisions are positively influenced by their financial behavior. The knowledge of financial matters produces substantial positive impacts on investment choices made by Gen Z. In his study "The Influence of Overconfidence and Availability Bias on Investment Decisions" Fachrudin (2024) demonstrates that Overconfidence links positively to investment choices while Availability Bias creates such connections as well.

According to Angraini & Riski's (2024) work "The Influence of Social Media and Self-Efficacy on Investment Decisions in the Sharia Capital Market Through Financial Technology," social media plays no impact on investment choices but self-efficacy does have such impact. The purpose of this research paper by Hidayatullah (2022) is to analyze financial literacy and financial behavior in stock investment decisions among students in the Faculty of Economics and Business at University of Muhammadiyah Pontianak. States that financial literacy and financial behavior influence stock investment decisions.

Methods

The research adopted an associative analysis method. Google form served as the instrument for obtaining the primary study data through a questionnaire. A survey was distributed to stock market investors among Gen Z participants in Pontianak City within the age range of 17 to 26 years. There were a total of 219743 Gen Z residents in Pontianak City who formed the study population. This research involved 150 participants as its sample group. The developers performed purposive sampling as their research methodology. A questionnaire was used for data collection after which the data underwent tabulation. Each surveyed question in this study used a five-choice Likert measurement scale organized by preference levels for respondent responses. Each option in the list possesses preferences at various intensities.

Data Analysis

The study starts by applying Product Moment correlation for validity testing where questionnaire items are considered valid when r is above 0.10. The Cronbach's Alpha technique serves as the tool to conduct the reliability test with a minimum requirement of >0.60 reliability coefficient. A normality check with the Kolmogorov-Smirnov method combined with Tolerance value (> 0.10) and VIF (<10) for multicollinearity assessment and a linearity test through the Test for Linearity make up the classical assumption test. A strong correlation exists between variables which are evaluated through the R correlation coefficient analysis that uses relationship categories spanning from very weak to very strong. The coefficient of determination (R^2) determines the amount that independent variables account for the dependent variable variations. The F test identifies how multiple independent variables jointly affect investment choices and the partial examination by t test determines separate variable influence. The variable demonstrates influence on stock investment decisions when significance values from t test and F test fall below 0.05.

Results and Discussion

Instrument Test

This research's validity test shows all tested variable questions achieve acceptable results since their correlation values exceed 0.10. The Financial Literacy variable (X1) contains nine valid question items whose relationships range from 0.495 to 0.835. The Financial Behavior variable (X2) demonstrates all twelve of its question items produce valid correlations that span between

0.563 to 0.775. The twelve validity-tested items within the Self Efficacy variable (X3) yield correlations between 0.627 and 0.878. The validity assessment of the nine question items in the Availability Bias variable (X4) yielded correlations between 0.645 to 0.737. The Stock Investment Decision variable (Y) contains twelve questions with reliability ranges from 0.613 to 0.800 showing strong validity. All these research instruments provide suitable data for additional analysis. This study used Cronbach's Alpha to determine the consistency level of the measurement tools across each variable during reliability testing. This research instrument demonstrates reliability according to the Cronbach's Alpha values above 0.6 that were obtained during the analysis. The Financial Literacy variable (X1) demonstrates reliability of 0.886 through 9 questionnaire items whereas Financial Behavior variable (X2) delivers reliability of 0.901 using 12 items. The Self Efficacy variable holds the maximum reliability score of 0.947 through 12 question items. The measurements from the Availability Bias variable (X4) include 9 items with a value of 0.852 while Stock Investment Decision variable (Y) consists of 12 items that result in a value of 0.913. All instruments utilized in this research exist with strong reliability together with consistent behavior which makes analysis using these instruments trustworthy.

Classical Assumption Test

Normality Test

The normality test provides researchers information about the distribution pattern of their data to identify normality or deviations. The Kolmogorov Smirnov (K-S) test performs data data analysis to determine normal distribution by using a significance value above 0.05 and data acceptance under these conditions. The results from the normality test can be analyzed in table 1 below.

Table 1. Hasil Uji Normalitas One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		150
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.86561295
Most Extreme Differences	Absolute	.064
	Positive	.064
	Negative	-.060
Test Statistic		.064
Asymp. Sig. (2-tailed)		.200[c,d]

Source: SPSS Processed Data 19, 2025

Based on the data in table 4.16, it can be said that the model used is normally distributed. The significant value is 0.200, which is greater than 0.05.

Multicollinearity Test

In knowing the symptoms of multicollinearity in the regression model, it can be seen from the Tolerance and Variance Inflation Factor (VIF) values. The reference basis can be concluded if the Tolerance value is > 0.10 and the VIF value is < 10. The following is table 2. regarding the results of the multicollinearity test.

Table 2. Hasil Uji Multikolinieritas

Model		*Tolerance*	*VIF*
1	(Constant)		
	Literasi Keuangan	,364	2,746
	Perilaku Keuangan	,657	1,522
	Self Efficacy	,322	3,109
	Availability Bias	,576	1,729

Source: SPSS Processed Data 19, 2025

In table 2. it can be seen that there is no multicollinearity between the independent variables in the regression model. This is indicated by the tolerance value of each variable > 0.10 and VIF < 10.

Linearity Test

The linearity test is used to see whether the model specifications used are correct or not. The results of the calculation of the linearity test of the Financial Literacy variable can be seen in the following table:

Table 3. Results of Linearity Test of Financial Literacy Variables on Stock Investment Decisions

ANOVA Table							
			Sum of Squares	*df*	*Mean Square*	*F*	*Sig.*
Stock Investment Decisions * Financial Literacy_ X1	*Between Groups*	*(Combined)*	984.324	12	82.027	4.639	.000
		Linearity	854.420	1	854.420	48.326	.000
		Deviation from Linearity	129.904	11	11.809	.668	.767
	Within Groups		2422.216	137	17.680		
	Total		3406.540	149			

Source: SPSS Processed Data 19.2025

The linearity test results of Table 3 indicate that the significance value exceeds 0.05 because it amounts to 0.767. Therefore the analysis establishes that stock investment decisions maintain a linear connection with financial literacy.

Statistical Analysis

Multiple Linear Regression Analysis

The results demonstrate that when all variables are set to 0 the stock investment decision (Y) would reach 7,950 because of the positive constant value (a). The financial literacy value (X1) demonstrates an influence with 0.284 positive significance on stock investment decision direction. When financial literacy rises by one unit all else being equal its values increase stock investment decisions by 0.284. The results show the financial behavior value (X2) generates a positive significant value of 0.245 in its regression coefficient.

The financial behavior variable generates stock investment decisions that grow 0.245 units when all other factors remain constant. Stock investment decisions show a direct significant positive relationship with the self-efficacy value (X3) based on its regression coefficient of 0.262. When we increase self-efficacy by one unit at constant variables all other variables will raise stock investment decisions by 0.262. The Availability bias value (X4) demonstrates a positive and significant positive relationship with stock investment direction because it has a regression coefficient of 0.189. With a one-unit increase in the availability variable, it will cause an increase in stock investment decisions by 0.189 assuming the other variables are constant.

Correlation Coefficient (R) Analysis

Correlation analysis is conducted in order to test the associative hypothesis, namely the relationship between variables in the population through the data of the relationship of variables in the sample. The results of the calculation of the correlation coefficient test can be seen in the following table:

Table 4. Correlation Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801[a]	.641	.631	2.905

Analysis of Table 4 demonstrates that the obtained correlation from the R value reaches 0.801. The connection between Financial Literacy (X1) Financial Behavior (X2) Self-Efficacy (X3) and Availability Bias (X4) with Stock Investment Decisions (Y) demonstrates a very strong relationship because the value rests between 0.80 - 1,000.

Analysis of Determination Coefficient (R2)

A determination test evaluates the effects that variable X has on variable Y. Table 4.23 reveals the coefficient of determination or R Square value reached 0.641 according to the results of the calculation. The variables of financial literacy combined with financial behavior with self-efficacy and availability bias contribute to 64.1% (1 x 0.641 x 100%) of investment decision influence alongside 35.9% of additional unaccounted variables.

Simultaneous Effect Test (F Statistic Test)

This procedure helps establish whether all independent factors influence the dependent variable simultaneously. The data from the F Test appears in table 5:

Table 5. Results of the Simultaneous Effect Test of ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2182.991	4	545.748	64.675	.000[b]
	Residual	1223.549	145	8.438		
	Total	3406.540	149			

Table 5 performs an F test which demonstrates the significant value for combining financial literacy, financial behavior, self-efficacy, and availability bias in stock investment decisions measures 0.000 below 0.05. Research findings utilizing F Test demonstrate that financial

literacy together with financial behavior and self-efficacy and availability bias significantly affect decisions about stock investments simultaneously.

Partial Effect Test (t Statistic Test)

When testing the influence of all independent variables on the dependent variable scientists perform the t-test. An analysis table shows the results obtained from the t-test:

Table 6. Partial Effect Test Results

Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.950	2.427		3.276	.001
	Literasi Keuangan	.284	.088	.232	3.233	.002
	Perilaku Keuangan	.245	.045	.293	5.492	.000
	Self Efficacy	.262	.062	.323	4.233	.000
	Availability Bias	.189	.062	.173	3.035	.003

Table 6 demonstrates that financial literacy (X1) yields a statistically significant value of 0.002 >0.05 which leads to rejecting Ho and accepting Ha. Research implies individual financial literacy plays a role in stock investment decision-making while financial behavior exhibits significant statistical value (0.000 <0.05) leading to acceptance of Ha and rejection of Ho. Interpretation reveals that individual stock investment decisions are influenced by the variable self-efficacy (X3) which demonstrates a statistical significance of 0.000 <0.05 and thus rejects Ho and accepts Ha. The analysis demonstrates that individual self-efficacy affects stock investment decisions because the availability bias variable (X4) has a significant value within 0.000 <0.05 range. The availability bias factor forms a significant influence on stock investment choices at the individual level.

Conclusion

Most participants from Gen Z in Pontianak City existed as females who reached age 21 with high school education and earned between IDR 2,000,000 to IDR 3,000,000 and joined investment seminars for a maximum of 135 sessions. The multiple linear regression equation demonstrates Y equals 7,950 as well as 0.284 X1 while X2 gets 0.245 and X3 receives 0.262 and X4 receives 0.189. Stock investment decisions display a very strong relation to Financial Literacy (X1), Financial Behavior (X2), Self Efficacy (X3), and Availability Bias (X4) through the computed correlation coefficient of 0.801. This demonstrates that increased variables will lead to elevated stock investment decisions. The coefficient of determination (R^2) of 0.641 indicates that stock investment decisions are influenced by the four variables by 64.1%, while 35.9% is influenced by other variables not studied. The results of the simultaneous influence test (F test) show that Financial Literacy, Financial Behavior, Self Efficacy, and Availability Bias simultaneously have a significant influence on stock investment decisions, as evidenced by the Sig. value of 0.000 <0.05. In addition, the results of the partial influence test (t test) show that each independent variable has an influence on stock investment decisions.

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