

Analysis of the Influence of Risk Perception of the Generation on Investment Interest in the Digital Era (Study on Economics Students of the 2021 Cohort in Malang City)

Rosela Lini Rohi ¹, Ahmad Mukoffi ², and Rizki Aprilia Dwi Susanti ³

Correspondence Author: lenyrohi@gmail.com

^{1,2,3} Management, Faculty of Economics, University of Tribhuwana Tunggal, Malang, Indonesia

| INDEXING | ABSTRACT |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Keywords: Keyword 1; Risk Perception Keyword 2; Generation Z Keyword 3; Investment Interest Keyword 4; Digital Era Keyword 5; Economics Students</p> | <p>This study aims to analyze the effect of risk perception on investment interest of Generation Z, especially in Economics students of class of 2021 in Malang City, Method: This study uses a quantitative approach with a survey method. Data were collected using a questionnaire that measures risk perception, including financial, market, technology, and data security risks, as well as investment interest. The research sample consisted of 70 respondents selected by simple random sampling, Data analysis: The analysis technique used is multiple linear regression, with a t-test to test the partial effect between variables, independent of the dependent variable, Results and discussion: The results of the study indicate that risk perception has a significant effect on investment interest of Generation Z. A better understanding of risk can increase investment interest, with financial education, investment experience, and access to information also playing a role. Digital literacy has also been shown to increase confidence in making investment decisions, Conclusion: This study concludes that risk perception affects investment interest of Generation Z. Therefore, it is recommended to improve financial education, better access to information, and digital literacy so that Generation Z can invest more wisely and intelligently.</p> |

Article History

Received 11 June 2025; Revised 23 June 2025; Accepted 11 July 2025 ;

Publish 14 July 2025

INTRODUCTION

Economic development and the advancement of communication technology in Indonesia and even in the world are currently experiencing very rapid growth, opening up opportunities for the business world. The development of digital technology has brought major changes in many fields, including investment. Investment is an activity to gain profit with a variety of choices of activities carried out such as stocks, bonds, warrants, and rights (Salvatore & Esra, 2020).

Although the development of the economy and communication technology in the current era is growing rapidly and opening up opportunities for the business world. There are challenges that need to be overcome, such as the gap in access to technology and inequality in access to financial services (Cosma and Rimo, 2023) .

With the advancement of technology today, it also brings significant changes to investment in various circles, one of which is the millennial generation. In today's technological developments, the prospects for Generation Z to invest in stocks are greater

because of the easy way to invest. In the digital era, Generation Z has greater access to information and technology that allows them to choose more diverse investment instruments than previous generations (Dabija *et al*, 2019). This is one of the factors that drives the level of investment of investors, especially Generation Z. In addition, Generation Z needs to have knowledge about investment, especially in the strategy of choosing investment instruments as basic capital for carrying out investment activities (Rodiana, 2020).

One of the characteristics of Generation Z in choosing investment instruments is their tendency to prefer asset-based investment instruments. technology and sustainability. Generation Z pays more attention to environmental and social factors in making investments, so they prefer investment instruments that promote sustainable values. Investment strategy studies that are in accordance with the characteristics of Generation Z include considering risks, choosing technology-based investment instruments, and considering social and environmental factors. In addition, Generation Z tends to prefer investment instruments that are easily accessible and easy to use, such as online investments and mobile applications (Purohit *et al*, 2022). In choosing investment instruments, Generation Z also needs to pay attention to their long-term financial goals, so they can choose investment instruments that are in accordance with their risk profile and financial goals (Patil and Gokhale, 2022). Therefore, it is important to do research first before deciding to invest, and choose the right investment instrument to achieve long-term financial goals. Each investor has a different perspective on investment risk, so that the resulting risk perception has the potential to affect the choice of investment type.

This study was conducted on students in Malang City. The location of this study was chosen because students who are dominated by Generation Z are located in Malang City with advanced digital development and have the potential to understand and investigate investment interests in the digital era in more depth. This study aims to analyze the effect of risk perception on investment interests of Generation Z, especially in Economics students of the 2021 class in Malang City.

LITERATURE REVIEW

Generation Z

Generation Z, also known as the Digital Generation or Millennials, is a group of people born between 1997-2012 (Wilson, 2021). They are a generation that grew up in the era of rapid digital technology and have unique characteristics in choosing investment instruments (Kulsum, 2024). In addition, Seemiller and Grace (2017) stated that this generation feels comfortable with diversity, technology, and online communication, which allows them to stay connected with their friends. According to the Chillakuri (2020), this generation is referred to as a generation that is comfortable with change because they are more adaptable to new things and all possibilities. Therefore, the study of investment strategies that suit the characteristics of Generation Z is becoming increasingly important. Generation Z tends to be a generation that is more financially independent and wants to earn more income to achieve their financial goals (Rubin *et al*, 2024). However, they also tend to be more cautious in choosing investment instruments. This is due to the experiences they had in their childhood and adolescence, such as economic recession and global financial crisis, so they are more careful in investments.

Risk Perception

Risk perception is an important factor that influences various decisions taken by individuals, especially in the context of economic and financial decisions. In the world of investment, for example, individuals are faced with various choices of instruments that have different levels of risk (Waheed *et al*, 2020). This risk perception does not only depend on the available data and objective information, but is also influenced by psychological factors and individual experience. In the research of Aren and Nayman Hamamci (2020) conducted that risk perception affects investment interest, smart investors are able to choose the right investment and see profit opportunities in the future, The right investment decision can bring profit, but the wrong investment decision brings losses in the future. So an investor must have the right perspective in determining investment. Individuals who have good abilities in managing or managing their finances tend to be more careful in making investment decisions (Graham and McGowan, 2003).

RESEARCH METHOD

This research method uses a quantitative approach to test the influence of generation Z's perceptions on investment interest in the digital era. The first step is to collect data through a questionnaire distributed to active students in Malang City, especially economics students of the 2021 intake. This questionnaire uses a Likert scale to measure risk perception and investment interest. Sampling was carried out using a *simple random sampling technique*, as well as explained by Ainia and Lutfi (2019). A sample size of 70 respondents, who were selected based on the criteria of active students and those who have experience related to investment.

Classical assumption test was conducted to ensure that the data used in the regression model was normally distributed. Based on the test results, all data used in this study were proven to be normally distributed (Alita *et al*, 2021). Furthermore, a simple linear regression analysis was conducted to test the relationship between generation Z's risk perception (independent variable) and investment interest (dependent variable). To test the hypothesis, the t-test was used.

RESULT AND DISCUSSION

RESULT

Respondent Characteristics

Gender influences mindset and decision-making in investment. Of the 70 Generation Z student respondents, the majority were female (64%), while male (36%). This difference may reflect the tendency of mindset towards investment risk, which is an important factor in the research analysis.

Study programs also affect investment understanding. The majority of respondents came from Management (63%), followed by Accounting (30%) and Islamic Banking (7%). This shows that students with a financial and business background tend to better understand investment risks and opportunities in the digital era.

The characteristics of the university also influence students' mindsets in investing. Respondents came from Tribhuwana Tunggadewi University (44%), Merdeka University (37%), and the State Islamic University of Malang (19%). The diversity of these institutions provides a broader perspective in understanding risk perception and investment interest among students.

Simple Linear Regression Test

Table 1. Simple Regression Test Coefficients

| Model | Beta |
|---------------------|-------|
| (Constant) | 0.471 |
| risk perception (X) | 0.944 |

The regression equation is as follows:

$$Y=0.471+0.944X$$

1. The constant value of 0.471 shows that if the Risk Perception variable (X) has a value of zero, then Investment Interest (Y) is predicted to be 0.471.
2. The regression coefficient value of 0.944 indicates that every one unit increase in Risk Perception (X) will increase Investment Interest (Y) by 0.944.

Hypothesis Testing

t-test

Table 2. t-Test Coefficients

| Variables | T count | Sig. |
|--------------------|---------|------|
| Risk perception(X) | 14,693 | ,000 |

Based on the results of the t-test in the t-test *Coefficients table* above, it is known that the Risk Perception variable (X) has a calculated value of t 14.693 with a significance value (Sig.) of 0.000. Because this significance value is smaller than 0.05 ($\alpha = 5\%$), it can be concluded that Risk Perception (X) has a significant effect on Investment Interest (Y).

DISCUSSION

Based on the results of the analysis, it was found that risk perception has a significant influence on investment interest. The more a person understands and is aware of the risks in investment, the greater their interest in engaging in investment activities in the digital era. Generation Z tends to be more enthusiastic about investing when they have a better understanding of the potential risks involved. This shows that awareness of risk is not a barrier, but rather a factor that can encourage more mature investment decisions.

The results of the study also confirm that risk perception does play an important role in determining a person's level of investment interest. Any change in how a person views risk can affect their investment decisions. In other words, the higher a person's awareness of risk, the more likely they are to invest with more confidence. This indicates that individuals who have a better understanding of risk are more likely to seek additional information and consider risk mitigation measures before making an investment.

In addition, there are indications that although risk perception has a significant influence, other factors may also play a role in shaping investment interest among Generation Z. Investment interest is not only influenced by risk perception alone, but also by other aspects such as financial education, previous investment experience, and access to adequate information. These factors can help individuals manage risk perception so

that they are better prepared to face the dynamics of the ever-evolving investment market.

Overall, this study shows that risk perception is closely related to investment interest among Generation Y. Z. Those who have a deeper understanding of the risks tend to be more ready to invest, especially in a digital environment full of dynamics and uncertainty. Therefore, increasing risk literacy among the younger generation is an important step in encouraging their involvement in wiser and more targeted investment.

This finding is in line with Li *et al* (2023) stated that social media has a negative impact on risk perception but a positive impact on investment behavior. This shows that information spread on social media can shape individuals' perspectives on investment risk and influence their decisions. Meanwhile, Tubastuvi *et al* (2022) research also strengthens that risk perception has a positive and significant influence on investment interest, especially among the millennial generation.

Furthermore, Anwar *et al* (2025) confirmed that investment knowledge and return expectations also influence students' investment interest. This is relevant to the findings of this study that access to information and a better understanding of risk can increase investment interest. In addition, research by Tasman *et al.* (2022) showed that risk perception has a strong impact on investment decisions in Generation Z, confirming that risk awareness can encourage individuals to be more careful and strategic in their investments.

In line with this, research by Pranata *et al* (2025) found that digital literacy also plays an important role in shaping Generation Z's investment interests. Digital literacy, creativity, and the ability to tolerate ambiguity are not found to have a direct significant impact on entrepreneurial attitudes. However, growth mindset emerges as a key mediator in the link between digital literacy and entrepreneurial attitude, underscoring its essential role. These findings emphasize the value of cultivating a learning environment centered on growth and enhancing digital capabilities to foster entrepreneurial behavior.

By providing better financial education and effective communication strategies, stakeholders can help manage risk perceptions so that more young people are encouraged to invest wisely and sustainably in the digital era. The alignment of this study's findings with previous studies strengthens the understanding that risk factors, financial literacy, and access to information are important elements in shaping investment interest among Generation Z. Thus, improving financial literacy and providing accurate information can be a solution in creating a generation of investors who are smarter and oriented towards strategic decisions.

CONCLUSION

Based on the results of this study, it can be concluded that risk perception has a significant influence on investment interest among Generation Z. The higher the understanding of risk, the greater their interest in investing with more confidence and consideration. Understanding risk is not a barrier, but rather encourages individuals to seek further information and consider risk mitigation strategies in making investment decisions. In addition, financial education, previous investment experience, and access to adequate information also play a role in shaping investment interest. Digital literacy and

the ability to utilize information technology also play an important role. Based on these findings, it is recommended that educational institutions, investment service providers, and the government strengthen financial education and digital literacy programs, and provide access to transparent and accurate information related to investment products. These programs can help Generation Z make more informed and mature investment decisions. Further research can further explore other factors that influence investment interest, such as the influence of social media and peer groups.

REFERENCES

Authored Book

- Graham, B., & McGowan, B. (2003). *The intelligent investor*. New York: HarperBusiness Essentials.
- Wilson, B. (2021). *Generation Z: Born for the storm*. Simon and Schuster.

Journal Articles

- Ainia, N. S. N., & Lutfi, L. (2019). The influence of risk perception, risk tolerance, overconfidence, and loss aversion towards investment decision making. *Journal of Economics, Business, & Accountancy Ventura*, 21(3), 401-413.
- Alita, D., Putra, A. D., & Darwis, D. (2021). Analysis of classic assumption test and multiple linear regression coefficient test for employee structural office recommendation. *IJCCS (Indonesian Journal of Computing and Cybernetics Systems)*, 15(3), 295-306.
- Anwar, A., Rahayu, N., Pradnyani, I. G. A. A., & Genadi, Y. D. (2025). The Influence of Investment Knowledge, Risk Perception, and Return Expectations on Stock Investment Interest Among University Students. *Journal of Institution and Sharia Finance*, 8(1), 15-26.
- Aren, S., & Nayman Hamamci, H. (2020). Relationship between risk aversion, risky investment intention, investment choices: Impact of personality traits and emotion. *Kybernetes*, 49(11), 2651-2682.
- Chillakuri, B. (2020). Understanding Generation Z expectations for effective onboarding. *Journal of organizational change management*, 33(7), 1277-1296.
- Cosma, S., & Rimo, G. (2023). Fintech, financial inclusion, and social challenges: The role of financial technology in social inequality. *Fintech and Sustainability: How Financial Technologies Can Help Address Today's Environmental and Societal Challenges*, 107-128.
- Dabija, D. C., Bejan, B. M., & Dinu, V. (2019). How sustainability oriented is Generation Z in retail? A literature review. *Transformations in Business & Economics*, 18(2).
- Kulsum, S. J. (2024). Analyzing the factors that influence Generation Z in making digital investments in the era of digitalization (case study: Universitas Terbuka students). *International Journal of Current Economics & Business Ventures*, 4(2).
- Li, Z., Wu, Q., Hong, P., & Tian, R. (2023). Effects of Investment Experience on the Stock Investment Task: The Mediating Role of Risk Perception. *Behavioral Sciences*, 13(2), 115.
- Patil, Y., & Gokhale, R. (2022). Investing in the age of Millennials and Gen-Z: A comparative analysis. *NLDIMSR Innovision Journal of Management Research*, 15-28.

- Pranata, A., Suhardi, S., Afrizal, A., & Sugianto, E. (2025). The Influence of Digital Literacy, Creativity, and Tolerance for Ambiguity with Generation Z's Entrepreneurial Attitude with Growth Mindset as a Mediating Variable. *Economic: Journal Economic and Business*, 4(2), 278-291.
- Purohit, S., Kaur, J., & Chaturvedi, S. (2022). Mobile payment adoption among youth: Generation Z and developing country perspective. *Journal of Content, Community and Communication*, 15(8), 194-209.
- Rodiana, R. (2020). Analysis of investment interests, motivation, social environment, financial literacy (comparative study of generation z and millennial generation). *International Journal of Business, Economics and Law*, 22(1), 111-121.
- Rubin, J. D., Chen, K., & Tung, A. (2024). Generation Z's Challenges to Financial Independence: Adolescents' and Early Emerging Adults' Perspectives on Their Financial Futures. *Journal of Adolescent Research*, 07435584241256572.
- Salvatore, T., & Esra, M. A. (2020). Pengaruh overconfidence, herding, regret aversion, dan risk tolerance terhadap pengambilan keputusan investasi investor. *Jurnal Manajemen*, 10(1), 48-56.
- Seemiller, C., & Grace, M. (2017). Generation Z: Educating and engaging the next generation of students. *About campus*, 22(3), 21-26.
- Tasman, A., Lukman, S., Husni, T., Rahim, R., & Alfarisi, M. F. (2022). An Analysis of Investment Decisions among Gen Z: Examining the Influence of Risk Perception, Religiosity, and Overconfidence. *Jurnal Ekonomika Dan Bisnis (JEBS)*, 4 (2), 188-194.
- Tubastuvi, N., Rachmawati, E., Rahmawati, I. Y., & Ramadani, A. G. (2022). Investment intention among millennials in Islamic stock market with perceived risk as a moderating variable. *International Journal of Research in Business & Social Science*, 11(7).
- Waheed, H., Ahmed, Z., Saleem, Q., Din, S. M. U., & Ahmed, B. (2020). The mediating role of risk perception in the relationship between financial literacy and investment decision. *International Journal of Innovation, Creativity and Change*, 14(4), 112-131.